

Analysis of the Floating Market Development as an Economic Strategic Area
Case Study in Banjarmasin City, Indonesia
経済戦略区における水上市場開発の分析
： インドネシア・バンジャルマシンを事例として

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abstract : インドネシア・バンジャルマシンの市において、水上市場における経済活動は地域住民に様々な財の供給による便益をもたらしてきた。しかしながら、昨今の、とりわけ伝統的な業態を維持してきたクイン地区の水上市場でも雨季におけるゴミの投機問題、河川沿いの低質住宅の存在、悪臭、無秩序な新築住宅の建設などいくつかの問題が顕在化している。こうした背景を受け本研究では、市場の店主の意向および環境条件等の調査結果から、伝統的な業態を維持しながら整備・開発を行う方向性について、考察することを目的とする。この結果、経済活動を行うにあたって水面の上昇等の季節的な制約があること、また、地上交通へと生活の向きが変わりつつある中で、水上市場の商店主はそれらを取り込む積極的な努力をしていることなどが明らかになった。

Keywords: Floating Market, Economic Strategic Area, Banjarmasin, Indonesia
水上市場、経済戦略区、バンジャルマシンの、インドネシア

1. Introduction

Economic activity has an important effect on regional development. In some areas, the tourism industry is able to boost the region from a state of underdevelopment and to transform it a major source of income. The importance of economic activity and the tourism industry in terms of regional development cannot be separated from the trade sector. It has synergetic strength because it is related to other sectors as well. Regarding regional development, an effort to achieve successful regional economic development is related to the quality of development planning itself.

Banjarmasin's people have a culture of building canals to expand their irrigation system for agriculture or transportation. Water transportation is one of the major economic activities in Banjarmasin, and it also supports the water-based trading activities as well. The development of land-based infrastructure is not balanced with that of water-based development, and this causes people to orient themselves away from water-based development and toward land-based development, which rapidly reduces water-based economic activities.

The floating market—a very famous water-based trading activity—is one of the characteristics of Banjarmasin city that indicates an economic activity that is hugely beneficial for local people's earnings. In Banjarmasin City, there are two well-known Floating Markets, the Kuin Floating Market and the Siring Floating Market, respectively.

However, problems have occurred because the floating market is not well-managed—or at least not yet—especially the Kuin market, which has some problems such as garbage piled up during rainy season, slum settlements that overtake the riverside, unpleasant smells, and new settlements that sprung up without planning. Other problems that occurred are orientation changes due to the existence of the land market as a competitor of the floating market. This would affect the settlements surrounding the floating market in terms of the impression of the floating market being a visually ugly, dirty, and unacceptable tourism site.

2. Objectives and Research Methodology

This study will discuss two main points:

1. What are the problem—either from internal or external factors—that can obstruct the development of the Kuin Floating Market in Banjarmasin?
2. What is the perception of visitors towards the development of a floating market as an economic strategic in Banjarmasin?

Based on those questions, this research aims to provide a deeper look at the problems that are faced by the floating markets in Banjarmasin, especially for the physical facilities that not managed well yet impact to the decreasing of economic activity in Kuin floating market, so that it can be used to create a developmental policy to sustain floating market tourism, not only for the local governments, but also for stakeholders and Banjarmasin's people themselves.

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A rationalistic approach was used in this research. The research methodology was descriptive qualitative research, which means research that provides a deeper picture of certain activities that are happening in the research area. The research was also supported by theories from literature studies and field research as well. A literature review was conducted of technical literature and non-technical literature, including assessments of data and information about the tourism in Banjarmasin, such as documents about city planning, books about the city profile of Banjarmasin, books of the city's reports about the mayor's accountability, and various other reports.

The data gathered from the above approach were analysed using a statistics procedure in order to obtain analysis results. The analysis results were used to formulate the causes of development in the Kuin Market in Banjarmasin. A frequency distribution analysis through data gathered from questionnaires was used with the expectation of showing a pattern of the existence and development of the Kuin Market in Banjarmasin. Meanwhile, descriptive analysis relying on research site visualization for stronger statistics analysis was used to provide an explanation about the conditions and present situation of the Kuin Market in Banjarmasin, as well as the conditions of facilities surrounding the Kuin Market. The research and the results of observation regarding the physical quality and societal perception were used to analyse the future development strategy of the Kuin Floating Market.

3. Overview on the Development of Floating Markets in Banjarmasin

Floating markets have been known locally for 4 (four) centuries, while small boat "klotok" businesses began in the 1970s when land infrastructure was under development. Because of its existence, floating markets and klotok businesses have faced a lot of changes in terms of the city and its people, thus requiring the adaptation of river-based businesses.

However, the society on the riverside of the Barito River also includes the people in the city that rely on land development to make their living. Road construction has been vast since the 1960s, while at that time the main activities of the people of Banjarmasin were still located on the river. In the end of 20th century, floating markets in Banjarmasin began to have fewer customers, and the stallholders realized that the society no longer shopped primarily on the river. The stallholders responded to this change by adapting individually or in groups.

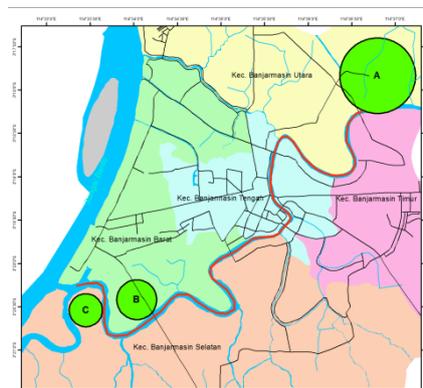


Figure 1. Map of Boat Transportation Line and Distribution of Number of Boat Users in Banjarmasin City prior to year 2000

A: Andai River B: Basirih River C: Mantuil River

For the small boat businessmen, referred to as "pengelotokan," the business felt lacking inside Banjarmasin City after the road development connected the Andai River, the Mantuil River, and the Basirih River. The Andai River is the most northern part of Banjarmasin City, while the Mantuil River and the Basirih River are in the most southern part of Banjarmasin City. These 3 (three) rivers are the last pockets for the users of river transportation in Banjarmasin City.

In 2008, most of the shops were closed. At that time, the floating market stallholders had lost most of their customers in Banjarmasin City. Only a few people still shopped at the floating markets, thus forcing some of the stallholders to convert to selling on land, while others simply chose to take a break from the business. Alalak and Kuin are the neighbouring villages, and most of Kuin's residents have rarely done activities on the river, while Alalak's residents still have interest in economic activities on the river because more than 60% of Alalak's residents depend on the sawmill businesses along the Alalak River.

According to the stallholders' information, land markets have existed about 15 years ago, not long after the movement of the flea market stallholders to the Alalak River. The traditional markets in the south of Alalak and in the centre of Alalak were causing floating market stallholders to lose customers because of their locations near to the new markets. Not only that, these traditional markets began their activities in the morning, almost at the same time. The other pattern could be seen in the Alalak Centre neighbourhood and the Alalak North neighbourhood is that they only have one traditional market, and the shops that sell things owned by local people have a large

number of customers, thus encouraging other shops also sells the same things. Then, in many parts of the area, the shops were developed as another common land market. Here is the figure of the rivers that were being sailed before 2015:

This land market development is causing floating market stallholders to do business in their own house, or to dismiss the business, or continue to sell in the land markets. Aside from the rampant numbers of sellers in the land markets, there are also peddler sellers who use bicycles or motorcycles. Easy access allows the sellers to sell their things every day. In these conditions, the floating market stallholders are threatened and are often unable to sell their products.

4.The Condition of Facilities and Infrastructure in Floating Markets in Banjarmasin

Nowadays, the floating market in Banjarmasin has about 200 stallholders, all of which vary in terms of what commodities they offer. Having trade existing on the water is one of the primary characteristics of floating markets in Banjarmasin. The location of stallholders is very close to neighbourhoods, thus leading to environmental pollution and the blocking of the river border. The floating market as society's central economic activity currently has many issues, particularly regarding its physical environment. For instance, the lack of facilities and infrastructure supporting trading activities potentially makes the floating market experience an obstacle in terms of its development.

Based on the results of questionnaires given to 41 respondents of visitors and stallholders regarding the conditions of floating markets on physical quality that supports the Muara Kuin and Siring floating markets, the answer patterns are shown in Graph 2. 34.15% of respondents mentioned that the waste management is not good enough, while 26.83% stated that it is very poor.

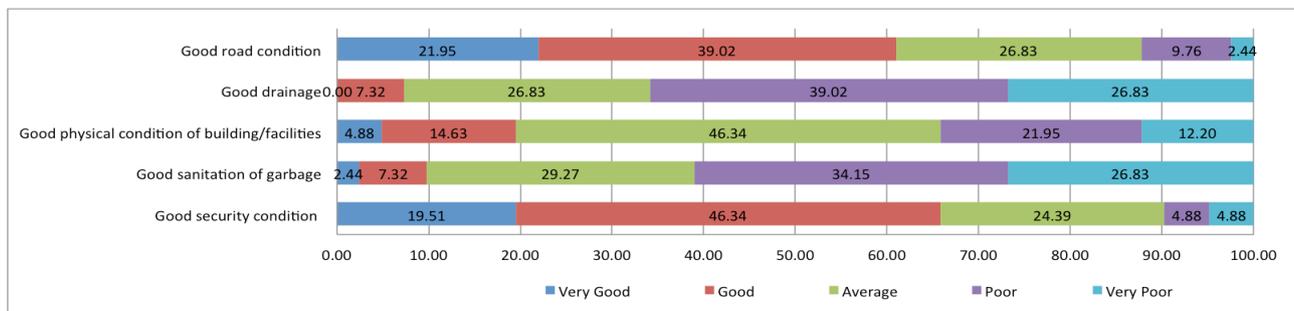


Figure 2. Graph of Respondent Perception on the Physical Qualities of the Kuin Floating Market Environment

The condition of waste management is also one of the major issues that need to be addressed. The minimum number of trash bins or places to throw garbage in the market and the temporary waste management site often leads to garbage heaps in some neighbourhoods, thus causing the garbage to run through the river during the rainy season and make the river dirty.



- a. Dirty water caused by the minimum waste management facility
- b. Physical condition of slum settlement

Figure 3. Limited facilities for waste management and the Kuin River's condition

Besides the waste management facility, household sanitation and sewerage facilities also need to be addressed. Inundation often happens because there are no drainage systems in some households. The negative impact is even worse when compounded with the minimum drainage channels that are often streamed directly into the river. Moreover, the unpleasant smell from the garbage and drainage channels often interferes with the activities of the market. Therefore, the quality of the environment and amenities are declining.

The limited land for settlements indirectly restricts movement, and thus forces the people to occupy the inappropriate land; a house made from concrete took over the body of the river. Therefore, the river became even narrower because of the houses in South Alalak. In addition, the development of new buildings and the widening of the roads also cause the river to become narrow. Therefore, the quality of the environment is declining, which has an impact on the value of the location in terms of its economic trading activities.



- a. Permanent house was built and took over the body of the river
- b. Narrowing body of the river because of household settlements

Figure 4. Construction of Houses Closes Drainage Channels In Front Of Housing To Trade As A Result Of Land Limitations

Based on these observations, the condition of settlement in the Kuin River—particularly in the floating market—is very bad, and has a huge impact on river cleanliness and shopping amenities or possible tourism activities. 46.34% of the respondents mentioned that the physical quality of the settlements around Kuin’s floating market is not good enough, and that the building quality is categorized as a slum. The customers of the floating market often park their vehicles in certain locations because of the lack of parking spaces, so it needs more proper parking spaces as well.

Regarding the road infrastructure, 26.83% of the respondents stated that the quality is ordinary. However, 39.02% respondents feel that it is not good enough, while 19.76% respondents opposed that argument and indicated that the quality is high. There are only small streets near the floating market that are about 1.5-meter wide, flanked by open tertiary drainage.

5. The resistance of the Kuin Floating Market in Banjarmasin

(1) Problems That Occur in the Development of the Floating Markets in Banjarmasin

Based on the documents of SIDA Banjarmasin City (2015) that discuss the innovation and strategies of floating market tourism development, the government has long identified the fact that there are worrying conditions about the existence of floating markets in Kuin. The government thinks that the preservation of the Kuin Floating Market is quite threatened because the number of stallholders has decreased, the stallholders are quite old, and there is no regeneration of business. Therefore, there is an effort to encourage the stallholders in floating market to not give up their stalls and to continue offering their wares.

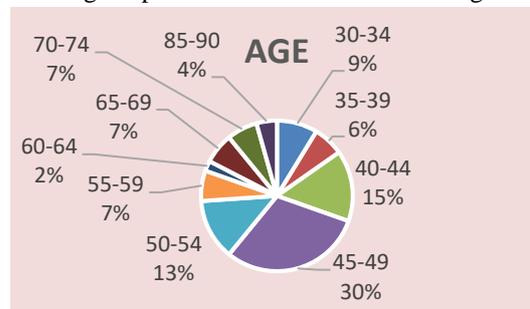


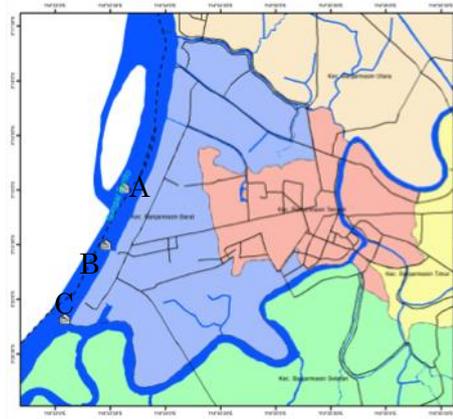
Figure 5. Stallholders’ age chart

Based on the result of location mapping in the Kuin Market, the location used by the stallholders is not the same as what the government meant for it to be. The location is appointed as figure 6(A) and 6(B). Location A is chosen by the stallholders, while location B is chosen by the government. The two locations have differing characteristics. Location A is located in Alalak River, near the village. If one day the residents need to evacuate due to poor weather conditions, they can go to the sawmill owned by the residents along the river. Location B is similar to location C, which is the origin of the Kuin Floating Market, located in the Barito River, which is very wide and is often the route taken by large ships.

The effort to revive the Kuin Floating Market is also conducted by inviting the stallholders to open stalls in front of the town hall during events or certain ceremonies. Since 2013, the government has held an imitation event of a floating market on Piere Tendean Street in Siring every Saturday and Sunday by bringing in the floating market stallholders from the Lokbaintan Floating Market in Banjar Regency. Through this event, the government hopes to motivate the visitors to visit the floating market in Kuin.

Most of the boat tour businessmen did not change anything about their practices. They still look for customers by waiting in the harbor and offering service to the vehicles that pass by. Besides that, there are also some small boat businessmen doing promotional work through social media, cooperating and communicating with tourism stakeholders such as hotels and travel agents in order to gain access to customers. Basically, the problem is that the floating market stallholders do not have the ability to make changes by setting up a more effective marketing management system. However, by looking at the condition of a society in which it is very difficult to become

legitimized, the government must be more concerned about environmental issues and social capital before providing incentives as the final goal of Kuin Floating Market management.



- A. The chosen location by floating market stallholders to sell from Sunday to Friday
- B. The chosen location by the government for floating market stallholders to sell on Saturday
- C. The origin location of Kuin floating market that is left by the stallholders due to safety concerns

Figure 6. Map of the Three Floating Market Locations

(2) Community Perception Towards Floating Market Development in Banjarmasin City

The resilience of a market is not only about an attractive relationship between supply and demand in the fulfillment of life's various needs. However, the characteristics of the location and the conditions surrounding it are also very influential. Rent fees, transportation, and infrastructure condition are the other factors that support the interest of stallholders to occupy a particular location.

The Kuin Floating Market as an old or "ancient" floating market has an appeal for visitors and tourists who otherwise live far from the site. Stallholders' prices that are relatively cheap provide an interesting mode of alternative shopping. As Figure 7 indicates, 31.71% of the respondents insisted that the reason why customers shop in the floating markets of Banjarmasin is because of the relatively cheap price. However, not all floating markets have a relatively cheap price, as 12.20% respondents mentioned that the reason to not shop in floating markets is because they are not cheap enough, and these respondents prefer to shop in land markets. Therefore, it leads to a loss of consumer orientation for floating market stallholders.

According to the respondents' statement, 75.61% of respondents stated that their interest to go visit the floating market is for sightseeing and to experience shopping on the river by using small boat. Many tourists intended to come only for sightseeing, but then they were encouraged also to enjoy the shopping nuances of the floating market. However, there are 36.59% of respondents who stated that they would like to come to floating markets because there are a lot of commodity variance in terms of what is sold by the stallholders, particularly agricultural products.

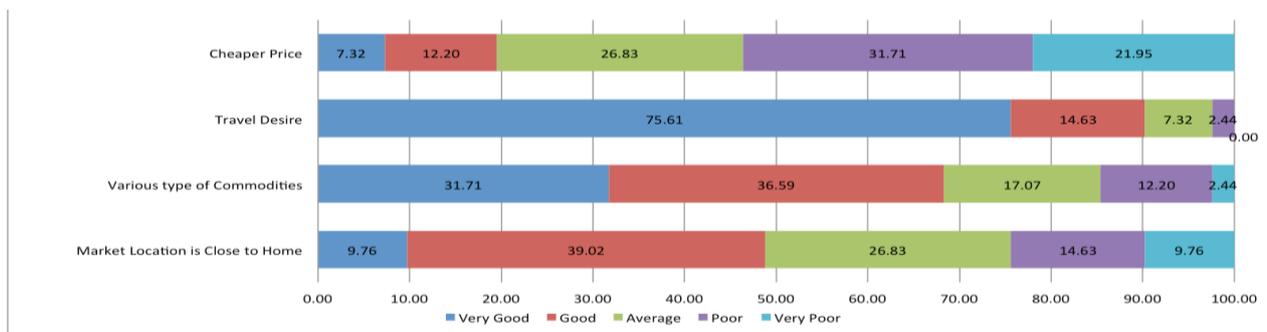


Figure 7. Respondents' Perceptions Towards Their Interest for Visiting a Floating Market

(3) Community Preference Towards the Development of the Banjarmasin Floating Market

The impact of the existence and development of the Kuin Floating Market in Banjarmasin is bound to cause some problems, especially with regards to the surrounding environmental conditions. The most prominent problem is the emergence of a pattern of slum stallholders' settlements, polluted river water around the trading area, and the chaotic arrangement of the physical environment around the floating market area. Visually, the amount of slums will increase, with the number of garbage piles, drainage, and sanitation not being in good condition. This happens because there is no improvement to the facilities and the infrastructure of that area.

The attitude of the community and the stallholders towards the existence and the development of the Kuin Floating Market into an economic strategic area in Banjarmasin City is generally positive. Some people even strongly agree with it, because they can further develop their business if there is an improvement, such as infrastructure management, waste circulation and sanitation development, small boat businesses and pier management, and the development of human resources and social capital. Only a few people around the Floating Market do not agree about making Kuin Market become an economic strategic area, because if there is no increase in environmental facilities and infrastructure aspects, it will just add to the chaos and slum conditions.

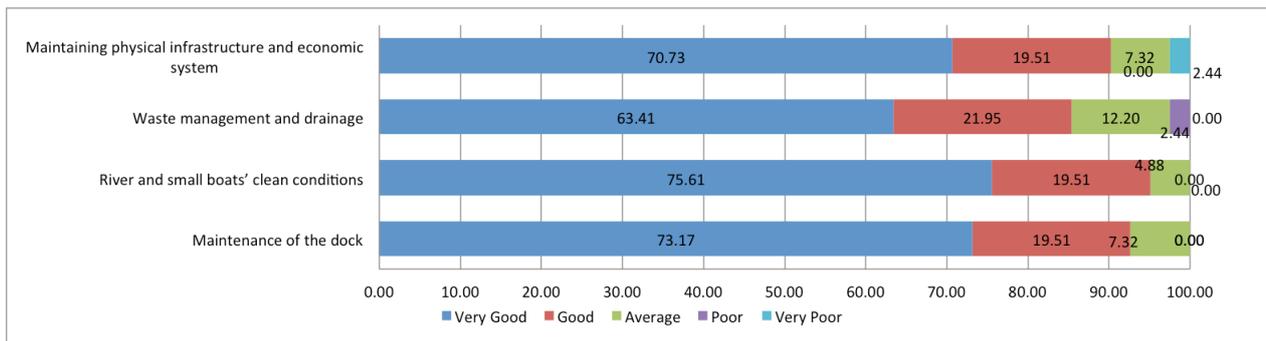


Figure 8. Respondents' perception towards the idea of making the Kuin Floating Market an economic strategic area.

If the government of Banjarmasin City has not increased the facilities and infrastructure of the environment—especially in the Floating Market—then it must at least maintain the existing facilities and infrastructures. The city government should immediately issue a regulation for the Banjarmasin Floating Market to not allow adding additional merchants. To anticipate the increase of demand, only the supply allowed in should increase the volume of commodities. However, the city government also needs to tighten the licensing and supervision of illegal settlement of the development, which can impact the visualization of the river conditions of the floating market location. The interconnection of factors that are driving the development of the Kuin Floating Market in Banjarmasin, as well as the attitude of the community towards the development effort, is illustrated by Figure 8.

The main problem of the existence and development of the Kuin Floating Market in Banjarmasin is the lack of infrastructure that hinders its natural development. 70.73% of the respondents say that the importance of infrastructure maintenance and a clear economic system are the important things necessary to create the development of the Kuin Floating Market as an economic strategic area. The quality of infrastructure in the Kuin Floating Market is still not maintained well.

The complex dimensions of the problems that arise in the management of the Kuin Floating Market are not separated by the lack of government incentives. For the development of the Kuin Floating Market in Banjarmasin as expressed as desirable by the respondents, such as creating a spatial management policy of the tourism area, as many as 63.4% of the respondents stated that a government role is needed in order to create a new concept for the revitalization of the Kuin Floating Market.

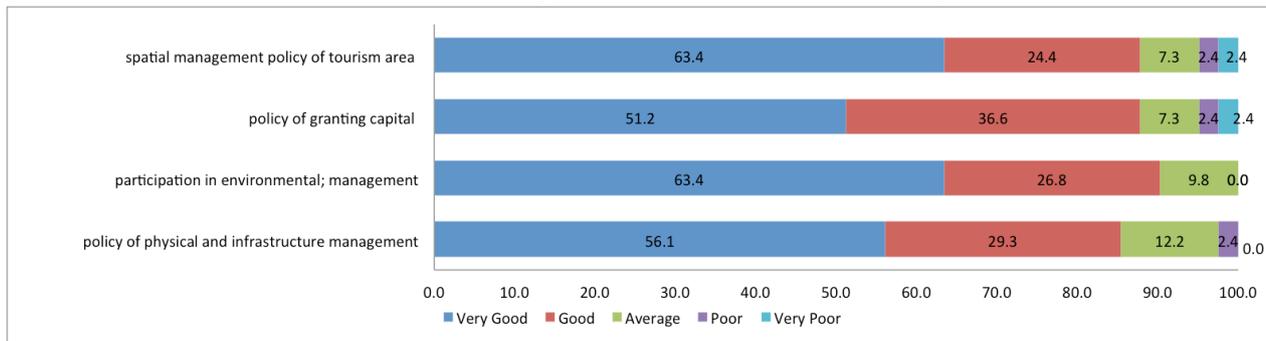


Figure 9. Community Perception Towards the Development of the Floating Market by the Government

So far, what is happening is that the provision of incentives from the government are only offered in one sector; consequently, the community lacks of assistance and supervision, so the incentives are not actually useful. As many as 56.1% of the respondents around

the market want the Banjarmasin Floating Market to be fully managed by the government, and they hope that the supporting facilities for floating market activities can be fulfilled well so that the quality of settlements around the market can also be maintained well.

6. Findings and Conclusion

Based on the results and findings of this research, the conditions and the efforts of the Kuin floating development and the small boat businessmen in Banjarmasin City carrying out these economic activities can be classified into several categories. The first result is about the problems that occur in the river, and this is a very important constraint for river voyages in terms of “silted the river” and the “constraint of the season.” The subsequent findings concern competition between the river-based economies and land-based economies, which is central to the loss of consumers in terms of “the orientation change,” “urban transformation,” and “dominance by the land-based economy.” The next findings are related to the floating market’s stallholders and small boat businessmen trying to overcome the problems of running their businesses by doing “the activity adjustment,” undergoing “passive defense,” and making “business orientation changes.”

Other problems emerged about how the physical condition of the floating market is declining. With the current lack of infrastructure management, the facilities that are in line with the Kuin Floating Market will be resigned to the traditional development concept under which the environment can only survive in accordance with the conditions in the field, which means that the desire to make the Kuin market a strategic economic area is only a dim hope.

Those problems all indicate that there is a serious physical problem with regards to the river-based condition, and other problems describe the fact that land-based economic activities already fully dominate river-based economic activities. Another problem is that there is a domination by land-based economic activities towards the floating market and small boat business activities, as reaffirmed by the occurrence of changes that lead to the displacement of businesses. Floating trade began to move to land, and small boat businesses serving non-tourist passengers changed to serving only tourist passengers, in order to overcome these obstacles, and now the problem of the management and the handling of facilities/supporting facilities of floating markets and tourism activities is minimum and inadequate. There is a marginalization of the floating market stallholder and small boat businessman in structural and spatial ways that lead to the unsustainability of these river-based economic activities.

The findings explain the serious physical constraints of river-based activities, and the problem illustrates that the land-based economy has inadvertently dominated the river-based economy. On subsequent issues, it can be seen that land-based economies dominate the floating market and small boat businesses, reaffirmed by the occurrence of changes that lead to the displacement of businesses rather than overcoming these obstacles. No less important is that the current problem the management and the handling of the facilities making floating market activities possible is inadequate.

Floating market trading and small boat businesses are no longer profitable, so along with the modern development, their livelihood will be increasingly abandoned by the market also by the stallholders, either because the stallholders move their livelihoods elsewhere or because the stallholders are getting too old. These concepts collectively explain that marginalization has led to the unsustainability of these two river-based livelihoods.

Based on the conclusion of the analysis of Kuin Floating Market and the problems surrounding it, the following recommendations have been made:

1. To anticipate the problems that arise due to the need for improvement of the management, including the management of infrastructure, sanitation, and drainage, as well as the management system of the community activities in the floating market.
2. The local government of Banjarmasin City needs to perform technical, administrative, and financial development in order to improve the floating market services at the Kuin Floating Market, Banjarmasin.

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