

## THE ROLE OF SERIKIN MARKET AS A CENTRE FOR CROSS-BORDER ECONOMIC INTERACTION BETWEEN INDONESIAN AND MALAYSIAN COMMUNITIES: A LITERATURE REVIEW STUDY

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### Abstract

Serikin Market is one of the strategic cross-border economic interaction centres between the Indonesian and Malaysian communities in the border region of West Kalimantan and Sarawak. This study aims to analyse the role and benefits of Serikin Market in supporting cross-border economic, social, and cultural dynamics through a literature review of various relevant sources. The results of the study show that Serikin Market is not only an effective means of distributing goods and services, but also plays an important role in strengthening socio-cultural relations between border residents and encouraging the growth of the micro-economic sector and MSMEs. However, this market also faces significant challenges, such as limited infrastructure, diverse cross-border regulations, and risky informal trading practices. Policy synergy and adaptive management from both governments are needed to maintain the sustainability and optimisation of this market's function as a centre for cross-border economic interaction. This research provides a comprehensive understanding that can serve as a basis for policy-making in border areas.

**Keywords:** Serikin Market, cross-border economic interaction, border communities, informal trade, policy synergy, MSMEs, socio-cultural relations.

### Introduction

Serikin Market is one of the icons of cross-border economy located in the border area between West Kalimantan, Indonesia and Sarawak, Malaysia. Its strategic location makes this market a meeting point for people from two countries, creating unique social and economic dynamics.

Initially, economic interactions at the border were conducted informally by local communities through a simple barter system, particularly between residents of West Kalimantan and Sarawak. Over time, trading activities became more organised and developed into the Serikin Market, which is now bustling with traders, mainly from Indonesia, and buyers from Malaysia and other neighbouring countries every weekend (Stefani, 2020). The existence of Serikin Market is greatly influenced by the limited access to official trade between Indonesia and Malaysia via land routes. People from Jagoi Babang Subdistrict, Bengkayang Regency, often bring various agricultural products and handicrafts to Serikin using simple land transportation to sell at this market, which is facilitated by the Malaysian government (Jusoh, 2023).

This market operates only on Saturdays and Sundays, creating a very distinctive atmosphere where thousands of people gather to buy and sell goods. The merchandise on offer is very diverse, ranging from agricultural products, traditional Indonesian foods, textiles, handicrafts, to electronics at relatively affordable prices. In addition to its economic function, Serikin Market also serves as a space for intense social interaction and cultural . The gathering of people from two countries fosters cultural exchange and strengthens social solidarity. In fact, the blending of languages, customs, and trading cultures can be easily observed in this market area (Lestari, 2023) .

On the other hand, cross-border regulations pose a challenge of their own. Most trade in this market occurs informally without strict control from customs or immigration authorities. Transactions are often conducted based on individual agreements without regard to value limits or official regulations of both countries( Sipayung, 2021) .

This situation creates a dilemma. On the one hand, informal transactions in the Serikin Market can increase the income and welfare of border communities. On the other hand, weak supervision opens up the potential for illegal trade and smuggling practices that are detrimental to the state.

A number of Indonesian and Malaysian government policies have been implemented to regulate the flow of goods and people across the border, but in practice, these rules are often ignored by market players in order to facilitate cross-border economic activities. In the context of regional economic development, Serikin Market has succeeded in promoting microeconomic growth and local MSMEs, as well as opening up new job opportunities in the informal sector( Safitri, 2022) . This has also encouraged local governments to continue improving infrastructure and support services in the market area. However, the COVID-19 pandemic temporarily paralysed this market due to mobility restrictions and border closures. The market's dependence on cross-border conditions highlights the need for more adaptive cross-border management and close cooperation between Indonesia and Malaysia to maintain the socio-economic stability of border communities( Anggraeni & Sambodo, 2022) .

Now that restrictions have been lifted, economic activity at Serikin Market has recovered. Thousands of visitors and traders have revived the market, demonstrating that Serikin Market's role as a centre for cross-border economic interaction remains vital to this day.

With these various dynamics, Serikin Market not only plays an important role in the economic activities of the border community, but also contributes to the harmonisation of socio-cultural relations between Indonesia and Malaysia. The space for interaction created in this market is a concrete example of how national borders can encourage mutually beneficial cooperation for both parties.

## **Research Method**

This study utilises a literature review method, which involves collecting, analysing, and reviewing various relevant written sources such as scientific journals, books, research reports, and official documents related to Serikin Market and cross-border economic interactions between the Indonesian and Malaysian communities. This method was chosen to obtain a comprehensive overview of the role, benefits, and challenges of the Serikin Market based on previous findings without conducting direct field data collection ( ), thereby producing a synthesis of knowledge that can serve as a basis for further research and policy formulation in the border region ( ; (Tranfield et al., 2003) ).

## **Results and Discussion**

### **The Role and Benefits of Serikin Market in Economic Interaction between Indonesian and Malaysian Communities**

The Serikin Market is significant as a centre of cross-border economic interaction connecting Indonesian and Malaysian communities. In this market, there is intense interaction between traders from Indonesia and buyers from Malaysia, and it is not uncommon for buyers from Brunei and neighbouring countries to also participate in the trading activities. The existence of this market is a unique attraction because it provides easy access to quality goods at low prices, while also opening the door for the people of the two countries to interact directly (Khoo & Lim, 2023) .

One of the important roles of Serikin Market is as the main distribution channel for various agricultural products, handicrafts, textiles, and food from Indonesia to Malaysia. Many small Indonesian businesses utilise this market as a source of income, given the high demand for Indonesian goods among the people of Sarawak. On the other hand, Malaysians gain wider access to a variety of consumer products that they enjoy (Surya & Mulyana, 2020) .

The existence of Serikin Market has contributed to microeconomic growth, particularly for communities in border areas. Farmers, artisans, and MSMEs from Jagoi Babang and surrounding areas have gained opportunities to expand their markets and significantly increase their income. The economic impact is not limited to traders alone, but also drives the transportation, accommodation, and local culinary sectors (Winata, 2022) .

From the Malaysian side, Serikin Market supports the consumption needs of communities near the border by providing a variety of relatively inexpensive goods. This has become increasingly important as the prices of household and food products in Malaysia have risen, making this market the main alternative for weekend shopping. In addition to its economic role, Serikin Market also serves as a space for social interaction that brings together two different cultures. Within the market environment, cultural acculturation occurs through the blending of languages, customs, and trading practices.

This situation helps strengthen bilateral relations between Indonesia and Malaysia at the grassroots level (Yaakob, 2023) .

Another benefit of Serikin Market's existence is the opening up of informal employment opportunities, both for local Indonesians who become traders and for Malaysian border residents who often work as porters or transport service providers. Thus, this market helps reduce unemployment rates in the border region (Ismail & Law, 2021) .

The Serikin Market has also had a positive impact on regional economic integration. Through intense cross-border trade activities, both countries can strengthen economic synergies directly, without having to rely entirely on formal distribution systems that often require significant time and expense. The competitiveness of Indonesian local products is also increasingly being tested in the Serikin Market. Indonesian traders are required to always maintain the quality of their goods and services because they deal directly with Malaysian consumers who have their own preferences. This kind of healthy competition encourages innovation and improvement in product quality( Suzila & Nik Noor, 2022) .

This market also serves as an outlet for agricultural produce and handicrafts from various villages in the border region. Items such as fresh vegetables, spices, woven mats, and traditionally produced textiles are highly valued and have a steady market in Serikin (Sahar, 2022) .

From a social perspective, Serikin Market serves as a link for families with cross-border kinship ties. Many of them use the market as a place to meet up while selling or shopping, thereby strengthening solidarity among border residents. However, Serikin Market's role is not without challenges and risks, one of which is the practice of informal trade that often takes place without official supervision. Although it provides direct economic benefits, this condition sometimes causes losses to the state due to the potential for smuggling or tax evasion that is not recorded through the official system (Iguchi, 2020) .

Another benefit is the realisation of equal access to consumer goods. Many basic necessities or MSME products sold at Serikin Market can be accessed by Malaysians in surrounding villages who have previously had limited access to modern retail outlets.

Serikin Market indirectly serves as an educational space for teaching trading practices, price negotiation, and interactions between individuals from the two countries. Values such as honesty, cooperation, and tolerance are naturally cultivated through the dynamic activities of the market.

Periodically, economic activity in Serikin Market is able to increase local revenue (PAD) both in the Indonesian border region and in the Serikin district of Sarawak. The local government is also encouraged to improve facilities and regulations in order to maintain the sustainability of this market. Additionally, this market provides benefits in the form of strengthened people-to-people relations. Continuous economic

interactions foster better understanding and reduce the potential for social conflicts often triggered by political or policy differences between countries.( Yustika, 2021) .

Finally, Serikin Market has become a reflection of a relatively harmonious model of border openness management compared to many other regions. The economic, social and cultural benefits generated far outweigh the risks, as long as adaptive supervision is carried out and the two countries' governments continue to cooperate on an ongoing basis.

### **The Challenges of Serikin Market as a Centre for Cross-Border Economic Interaction**

Serikin Market, as a centre for cross-border economic interaction, faces various complex challenges amid the bustling trade activities between the Indonesian and Malaysian communities. One of the main challenges is the lack of professional market management. Basic facilities such as clean public toilets, spacious parking areas, and proper selling areas are still very limited, reducing the comfort of traders and buyers in carrying out their activities at the market (Firmansyah, 2020) . Additionally, limitations in supporting infrastructure, such as narrow and inadequate road access, pose obstacles to the smooth distribution of goods. When the volume of visitors or goods increases, traffic jams often occur, slowing down the trading process and increasing transportation costs for a number of businesses (Chia & Plummer, 2022) .

Cross-border regulations also pose a challenge. Indonesian traders are often confronted with new policies from the Malaysian government, such as business licence requirements, restrictions on the quantity of goods, and restrictions on length of stay. These regulations require businesses to have a better understanding of administrative matters, which is often beyond the capabilities of some small and informal traders(& Daniah, 2021) .

The potential for illegal trade or smuggling is also a significant issue. The high volume of informal transactions that are not closely monitored opens up opportunities for the importation of goods that are not officially recorded, thereby potentially causing losses to the state in terms of tax and import duty revenue. Fluctuations in commodity prices and supply are another challenge. Exchange rate instability, changes in the prices of basic commodities, and supply chain disruptions due to policy changes or external factors such as pandemics can directly impact the sustainability of traders' businesses in Serikin Market (Rachim, 2022) .

Dependence on Malaysian consumers also makes this market highly vulnerable to changes in visitor behaviour or policies from Malaysia. Border closure policies during the pandemic, for example, caused the market to stagnate and even brought trading activities to a complete halt for some time. Lack of access to capital and financing makes it difficult for informal traders to expand their businesses( Mihardja & Lee, 2021) . Most businesses in Serikin Market still rely on personal capital, making it difficult to expand or innovate in the face of increasingly fierce competition from outside. In addition to

capital issues, the lack of training and education for businesses related to marketing, product innovation, and the use of technology such as social media and e-commerce remains a major obstacle to improving the competitiveness of Indonesian products in Serikin (Zakaria, 2023).

The dominance of Indonesian traders in Serikin Market has also created social tensions. Some Malaysians perceive that this market is overly dominated by Indonesian products and businesses, which sometimes triggers unhealthy competition and even local controversy. High operational costs, such as transportation costs, kiosk rentals, and informal fees, also add to the burden on traders. Inconsistent kiosk rental policies and illegal fees can squeeze profit margins and reduce the appeal of the business (Leong & Mutalib, 2021).

The information gap regarding customs regulations, business legality requirements, and administrative procedures in both countries is very detrimental to traders who are not well informed. The lack of socialisation from the government has caused many traders to experience difficulties in processing official documents or facing sudden levies in the field. Security threats in the border area, such as theft, fraud, or cross-border crime, also loom over business actors and market visitors. This situation requires security synergy from the authorities of both countries to ensure that market activities remain conducive (Saleh, 2023).

Another equally important factor is the lack of synergy between Indonesian and Malaysian government policies in establishing a cross-border trade zone that is friendly and adaptive to MSMEs. Differences in regulatory standards and bureaucracy often cause confusion and obstacles for businesses in conducting trade activities (Kurniawan, 2021).

Efforts to overcome the challenges in the Serikin Market require a joint commitment from the governments of both countries to provide adequate infrastructure, regulatory harmonisation, SME empowerment, and improved consumer literacy and protection. Thus, the Serikin Market can continue to serve as a sustainable centre for cross-border economic interaction and provide optimal benefits for the people of Indonesia and Malaysia.

## **Conclusion**

Serikin Market plays a very strategic role as a centre for cross-border economic interaction between the people of Indonesia and Malaysia. In addition to being a place for trading various leading products from both countries, this market is also an important forum for strengthening social and cultural relations between border residents. With its dynamic activities, Serikin Market contributes to microeconomic growth, expands business opportunities, and improves the welfare of the surrounding community. However, Serikin Market also faces a number of challenges that cannot be ignored, such as limited infrastructure, complex cross-border regulations, high levels of

informal trade, and the risk of smuggling that could potentially harm both countries. In addition, issues such as access to capital, information inequality, and security risks are also obstacles that must be overcome in order for market activities to run more optimally and sustainably.

To maintain the vital role of Serikin Market as a centre for cross-border economic interaction, synergy and commitment from various parties, especially the Indonesian and Malaysian governments, are required. These efforts include improving infrastructure, harmonising regulations, facilitating the empowerment of MSMEs, and strengthening the supervision and protection of business actors. With a holistic approach, Serikin Market can continue to develop as an example of successful economic and socio-cultural relations between countries in the border region.

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