

Economic Security in the Border Region of Indonesia and Malaysia

Saherimiko¹, Hardilina², Elyta^{3*}, Ratu Zahirah Lutfie⁴,
Cepy Indriawan Ramadhan⁵

^{1,2,3,4} *Lecture in Faculty of Social Science and Political Science, Universitas Tanjungpura, Indonesia*

² *Student in Faculty of Social Science and Political Science, Universitas Tanjungpura, Indonesia*

**Corresponding Author: elyta@fisip.untan.ac.id*

ABSTRACT: *Border economic security in Indonesia between states and territories in Malaysia continues to be a concern. The purpose of this study is to analyze the economic security of the border states. In Economic Security, security can be seen from the performance of government officials, both at the main government level and down to the village government level. This theory explains that not only the central government has an effect on economic security at the border, but local governments, including village governments, can take part in security and economic security in border areas, especially Indonesia-Malaysia. In fact, in our opinion, local governments are very influential in managing their own regions because local governments are more aware of the conditions in their respective regions. However, to assist and manage border area programs made by local governments, it is necessary to have financial assistance from the central government. This can work well if there is good cooperation between the central government and local governments, so that border areas can be managed regularly and systematically.*

KEYWORDS: *Economic Security, Cooperation, Border Areas, Regional Government, Central Government*

Date of Submission: 02-03-2022

Date of Acceptance: 15-03-2022

I. INTRODUCTION

The unequal income of the community has resulted in a significant difference between the welfare of the Indonesian and Malaysian residents at the border. The socio-economic gap of the Indonesian people in the border area with Malaysia has affected the character and changed the lifestyle of the surrounding community and has a negative impact on border security and a sense of nationalism (Sunarya & Sudaryono, 2016). According to information obtained from a number of enumerators and officers in the Sajingan Besar District, the people in the Sajingan Besar area are still very economically dependent on the neighboring country, Malaysia (Badan Pusat Statistik Kabupaten Sambas, 2017). Basic needs such as cooking oil, snacks, sugar, and even gas are obtained from neighboring countries (Malaysia). This is because the quality and price of goods from Malaysia are considered much more affordable and of better quality than Indonesian products. While finished materials from Malaysia have become imported commodities enjoyed by residents at the Indonesian border, Indonesia's export commodities only focus on raw materials such as pepper and jellyfish. This incident became even more sad when we saw that Indonesia's export of palm oil to Malaysia was re-imported by Indonesia after being processed into finished ingredients in the form of cooking oil by Malaysia. Apart from palm oil, the pepper export-import case also experienced a similar incident where Indonesia exported raw pepper to Malaysia and after the pepper was processed by Malaysia into ready-to-use cooking ingredients, it was re-exported to Indonesia. The damaged road conditions in Sajingan Besar Sub-district have also worsened the appearance of the border in the eyes of neighboring countries. Even more sadly, Indonesia's forests have been cleared for the benefit of palm oil companies and furniture companies.

II. METHODOLOGY

Analysis of economic growth and development of border areas. We carry out this analysis to comprehensively find out the financial security of the border area. The input for this analysis is the spatial condition and regional economic condition related to economic security. Meanwhile, the output of this analysis is financial security and the development of border areas which are then used as input for the formulation of strategic policies for developing Indonesia's border areas. Through this research, we want to study according to the conditions at the border, namely Economic Security at the edge and Regional Typical Creative Industries.

III. DISCUSSION

Economic Security at the Border

From the perspective of economic growth in border areas, indirectly, economic growth impacts the incomes of border communities and the quality and price of goods. Most of these areas are protected forests and nature reserves that need to be covered in border areas, with the security of border areas that must be adjusted to a suitable environment's carrying capacity (Itasari, 2020). However, in the field, it is stated that the forest on the border has been converted into oil palm land, causing an inappropriate climate and harming the surrounding community's economy. And in terms of palm oil production, Malaysia is progressing and developing faster than Indonesia in terms of understanding the environmental paradigm. In the expansion of oil palm plantations, the ecological impact has not been considered, especially in Indonesia. This happens because of certain factors and the interests of other parties (Herdiansyah, Soepandji, Seda, & Dewi, 2014). Land use in the border area has also changed due to economic and trade changes from outside (Niebuhr & Stiller, 2002).

Several aspects need to be considered in border economic security, namely networks, mobility, globalization, cosmopolitan nation and supported by formal access to help improve financial security, which can promote economic growth and development of sectors that can benefit both Indonesia and Malaysia ((Elyta, Sofyan, Rahman, & Nuzulian, 2018). Several components must be considered in understanding the border area, including mobility (movement), changing conditions (dynamic), and physical characteristics. This is one of the views of social theory in the border approach (Rumford, 2006).

Facts on the border and border (reviewing the function of the border from control considerations) are inseparable things (Allen & Hamnett, 1995). The development of the term borderless is caused by globalization, which eliminates boundaries between regions to anticipate more significant economic movements. Meanwhile, on the other hand, there is an adjustment to the concept of reordering in considering the security function and concerns about unguarded borders.

IV. FINDINGS

Regional-specific Creative Industries

Sajingan is one of the sub-districts in the Sambas Regency, which occupies 21.75% of the Sambas area (Badan Pusat Statistik Kabupaten Sambas, 2017). Sajingan has great potential because of its direct contact with eastern Malaysia, with improved access, making it easier for people to move between the two countries (Elyta et al., 2018).

When the ASEAN Economic Community (AEC) was inaugurated, and Indonesia became a member in 2015 (Taty, Possumah, & Razak, 2017). Indonesia had a great responsibility to advance the Indonesian economy, especially Micro, Small, Medium Enterprises (MSMEs), which are one of the pillars of the Indonesian economy, especially the economy or MSMEs in border areas which have great potential in the Indonesian economy.

Sajingan has its charm to attract foreign and domestic tourists, and the main attraction is the creative industry processed by the local community (Elyta & Razak, 2019). This opportunity is one of the great potentials in improving the community's economy. The creative industry can influence the development and progress of the community in the Sajingan area with local and international market potential. The creative sector in this presentation is one of the local wisdom industries from Sambas, which has high cultural values.

Local wisdom is one sector with great potential, and the creative industry is sometimes an industry that has been passed down for generations. Clash with local communities (Elyta & Razak, 2019). Besides that, there is still security potential for border communities, which can be seen from the performance of parts around (Martoyo, Elyta, Herlan, & Arifin, 2020).

The entrepreneurial spirit is needed to run the creative industry because not all people have the entrepreneurial spirit to run the existing creative industries. The cultivation of entrepreneurial understanding can be instilled from an early age because character building can be done optimally when done from an early age. The creative industry in Sajingan is still carried out on the sidelines of the community's free time. It has not been carried out professionally by setting specific targets. Therefore, various actors are needed to advance the local wisdom industry in Sajingan. There are several factors in the development of MSMEs and creative industries, namely social, economic, legal, ethical, and discretionary responsibilities (Doshmanli, Salamzadeh, & Salamzadeh, 2018). Furthermore, managing finances and financial reporting is crucial in a business (Wibowo, Pandey, Mardiyah, & Prasetyo, 2018).

MSMEs has its respective advantages to run existing businesses. Still, the border area has quite complex problems in developing MSMEs, especially internal problems at the border such as lack of human resources, capital, and promotion, in addition to internal issues. External sources also exist, such as raw materials. Therefore, MSMEs depend on unstable environmental and climatic conditions. However, with education and training, some of the problems above can be controlled or minimized so that MSMEs can develop well in border areas.

V. CONCLUSION

Indirectly, economic growth impacts the incomes of border communities as well as the quality and price of goods. Since 2015 Indonesia has officially become a member of the AEC. With Indonesia as a member of the AEC, Indonesia is ready to complete homework, namely strengthening the economy by developing MSMEs to compete in local and international markets. One of the MSMEs owned by the Sajingan District is the creative industry, such as household appliances, rugs, carpets, and weaving, which has the potential to improve the economy of the Sajingan community and also preserves the cultural heritage of the ancestors. Unfortunately, the economic and cultural potential that attracts foreign and domestic tourists is not consistently produced by the people of Sajingan because it is only done during their spare time or only as a side job.

Based on the conclusions above, it is recommended that the government develop an entrepreneurial spirit, discipline, independence, and motivation through education in its curriculum to preserve the creative industry business culture from an early age. Furthermore, the people of Sajingan must be consistent in managing innovative industry businesses and even make creative industry businesses their main livelihood. To overcome the problem of the limited number of human resources and lack of skills, the government, through community institutions, can provide education and training on how to manage creative industry businesses correctly and adequately so that more and more people can develop innovative industry businesses and even create their businesses which in the end absorb labor. Training and education can also help the Sajingan community to cope with uncertain climatic conditions. Presumably, training and education will not only teach how to make innovative industrial products but also how to train the ability of MSME actors in compiling financial reports as capital to make business loans, and the government will work together with cooperatives and banks to provide ease of borrowing business capital for business actors. MSMEs with slight interest, so there is no longer any reason for the people of Sajingan not to develop creative industry businesses to improve the economy of border communities.

REFERENCES

- [1] Allen, J., & Hamnett, C. (1995). A shrinking world? : global unevenness and inequality. *Published in 1995 in Oxford by Oxford University Press*, 264. Retrieved from <https://www.semanticscholar.org/paper/A-shrinking-world-%3A-global-unevenness-and-Allen-Hamnett/680c8f0e2186b6a10f4c9964e68bdebc4b3bb7cc>
- [2] Badan Pusat Statistik Kabupaten Sambas. (2017). *Kecamatan Sajingan Besar dalam Angka 2017*. Retrieved from <https://sambaskab.bps.go.id/publication/2017/09/18/a8a7a24f8129b4d0a4ae9d63/kecamatan-sajingan-besar-dalam-angka-2017.html>
- [3] Doshmanli, M., Salamzadeh, Y., & Salamzadeh, A. (2018). Development of SMEs in an emerging economy: Does corporate social responsibility matter? *International Journal of Management and Enterprise Development*, 17(2), 168–191. <https://doi.org/10.1504/IJMED.2018.090827>
- [4] Elyta, E., & Razak, A. (2019). The Role of Weavers Woman in Strengthening Nationalism (Case Study in Sajingan Besar Frontier, Indonesia). *Sosiohumaniora*, 21(1), 40. <https://doi.org/10.24198/sosiohumaniora.v21i1.19285>
- [5] Elyta, Sofyan, A., Rahman, I., & Nuzulian, U. (2018). Nasionalisme Masyarakat Perbatasan di Kalimantan. *Jurnal Hubungan Internasional*, 1(2), 97–104.
- [6] Herdiansyah, H., Soepandji, B. S., Seda, F. S., & Dewi, O. (2014). Conflict Management of Renewable Natural Resources in the Border of Indonesia-Malaysia: Sustainable Environmental Approach. *Procedia Environmental Sciences*, 20, 444–450. <https://doi.org/10.1016/j.proenv.2014.03.056>
- [7] Itasari, E. R. (2020). Border Management Between Indonesia And Malaysia In Increasing The economy In Both Border Areas. *Jurnal Komunikasi Hukum (JKH) Universitas Pendidikan Ganesha*, 6(1), 219–227.
- [8] Martoyo, Elyta, Herlan, & Arifin. (2020). Economic Development and Sustainable Human Resources by Supply Chain Management in Government Towards in West Kalimantan Indonesia. *International Journal of Supply Chain Management*, 9(2), 1054–1063. Retrieved from <https://ojs.excelingtech.co.uk/index.php/IJSCM/article/view/4765/2402>
- [9] Niebuhr, A., & Stiller, S. (2002). Integration effects in border regions - A survey of economic theory and empirical studies. *Jahrbuch Fur Regionalwissenschaft*, 24(1), 3–21. Retrieved from <http://www.sre.wu.ac.at/ersa/ersaconfs/ersa02/cd-rom/papers/066.pdf>
- [10] Rumford, C. (2006). Borders and Rebordering. In *Europe and Asia Beyond East and West* (pp. 1–322). <https://doi.org/10.4324/9780203963104>
- [11] Sunarya, A., & Sudaryono, S. (2016). The Strategic Issues Of Economic Development Of Border Area Of Indonesia - Malaysia. *Cices*, 2(2), 110–121. <https://doi.org/10.33050/cices.v2i2.221>
- [12] Taty, S., Possumah, B. T., & Razak, R. I. (2017). Human Capital Competitiveness in ASEAN Economic Community (AEC): The Role of Regulation, Indonesia Experiences. *American Journal of Applied Sciences*, 14(2), 267–273. <https://doi.org/10.3844/ajassp.2017.267.273>
- [13] Wibowo, A., Pandey, R., Mardiyah, S., & Prasetyo, A. (2018). Analysis of the Factors Affecting Understanding of Small and Medium Busi-nesses in Preparing Financial Reports. *Journal of Entrepreneurship*, 6(2), 91–100.

Saherimiko, et. al. "Economic Security in the Border Region of Indonesia and Malaysia." *International Journal of Humanities and Social Science Invention (IJHSSI)*, vol. 11(03), 2022, pp 41-43. Journal DOI- 10.35629/7722