

The Common Ground in Sebatik: Lessons Learned for Border Policy Making

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Abstract

Most research considers physical-geographical territorial factors to be the most important in tracing interstate border relations, including the political tensions that sometimes arise from them. However, an anthropological perspective offers a different way of looking at things. We conducted this research to provide policy recommendations for border management in Indonesia and Malaysia, given the fluctuating nature of border conflicts. Based on the sociocultural dynamics in border communities, the two countries will formulate border policies. Those relationships are described as a common ground. Focusing on one of the island's villages, Aji Kuning Village, this research employs a qualitative, ethnographic methodology. Researchers used observation and interviews, focusing primarily on market networks and the contexts in which actors (traders, sellers, buyers, brokers, government officials, etc.) interact intensively in the economy. The sociocultural similarities, kinship, and ethnicity shared by these two communities, along with their shared history, have played a dominant role in supporting their socio-economic sustainability and daily lives. This sustainability is referred to as sociocultural integration at the border. This method stresses how important it is to recognise our shared cultural and historical ties, as doing so can lead to cooperation instead of hostility. This research recommends formulating policies for border regions that consider sociocultural integration as an alternative to addressing border issues between the two countries.

Introduction

Indonesia and Malaysia are neighbouring countries with land and sea borders, the same language, and historical roots. Therefore, their relationship is very close and unique (Sarjono and Rudiati 2022). Malaysia-Indonesia relations are often characterised by epithets such as "brothers", which reflect a shared fate, as both countries were colonised and are bound together by a shared culture, history, and religion. Meanwhile, international borders have been constructed for years through sociocultural processes and interactions among ethnicity, politics, and economy (Mogiani 2023).

Most studies consider physical-geographical territorial insights to be the most crucial aspect in tracking interstate border connections, as well as the political difficulties that can occur as a result. These countries regard borders as territorial lines that the government must secure to maintain sovereignty and prevent hostile attacks. Examine how India's bordering practices regulate river flows, which comprise 129 km of the country's border with Bangladesh. Unintentionally, securitizing cross-border flows increases the level of insecurity in nearby nations (Thomas 2021). People in border areas view the border more as a conduit for economic activities, tourism, and visits from friends and relatives (Eyilet and Senishaw 2020) (Chan and Womack 2018). Borders were once defended by armies, navies, and air forces; Europe and the United States are paying billions of dollars to harden their borders to keep people deemed undesirable by the government out. Borders were as trade and business between countries expanded (Heins 2025). Cross-border trade involves exchanging information and documents between business and government (Chang, Iakovou, and Shi 2020).

An anthropological perspective, on the other hand, provides a unique viewpoint. Indonesia and Malaysia face ongoing fluctuations in border conflicts. Border management and its policies cannot rely solely on conventional methodologies. The dynamics of life for Indonesian and Malaysian communities on the border, especially in Kalimantan, have their own unique characteristics. The researcher is especially interested in observing the social and cultural commonalities between the Malay people, who are physically separated by the two states of Indonesia and Malaysia. These commonalities play a dominant role in their sociocultural integration process, which affects their economic activities. Cross-border trade undoubtedly helps develop North Kalimantan's border settlements (especially near the sea and rivers). Take the Aji Kuning, a village on Sebatik Island, as an example.

Sebatik, the outermost island of Nunukan Regency in Northern Kalimantan, shares a border with the state of Sabah in Malaysia, and the Aji Kuning River is divided into two countries – Malaysian and Indonesian – that belong to the same world, the Malay world. It is argued that the village is very unique in its geographical location (Dollah and Abdullah 2018). The Aji Kuning River flows through this village, connecting Indonesia and Malaysia in less than 30 minutes. Communities in both countries have greatly benefited from the "growing and falling" waters of the Aji Kuning River. Geographical conditions make border crossers more comfortable using sea and river transportation (Rudiatin et al. 2023). For many years, the two nations living on Sebatik Island relied on river-based trade. Starting in 2013, commerce crossings from Sebatik to Tawau will now pass through Nunukan instead, which does not lessen the abundance of processed food in stores and supermarkets (Rudiatin, Rahman, and Equatora 2021).

LITERATURE REVIEW/THEORETICAL FRAMEWORK

1. Rational Choice Process in Policy Making

In public policy and administration, rationality refers to a deliberate and logical approach to decision-making. According to this paradigm, decision-makers are logical agents who actively define a problem and objectives, thoroughly consider all relevant data, weigh the benefits and drawbacks of various options, and choose the best course of action to achieve the desired results. Some scholars consider it an ideal that decision-makers should strive to achieve (Schilirò 2018). Economic theory gave birth to rational choice theory. Social science researchers' field research discovered many economic concepts that need to be operationalized. In the 1960s and 1970s, economic anthropologists debated the rational choice argument as "formalism vs. substantivism." Today's most rational choices in public policy. James Acheson and Roy Gardner (2014) use rational choice theory to explain how differences in collective action dilemmas lead to overexploitation in the marine and lobster industries, compared to New England inland fisheries (Acheson and Gardner 2014). James Acheson and Roy Gardner (2014) use rational choice theory to explain how differences in collective action dilemmas lead to overexploitation in the marine and lobster industries, compared to New England inland fisheries (Acheson and Gardner 2014). Thomas Schweitzer (1997) discusses the concept of economic embeddedness in social structure, a critique as well as an advancement of pure rational choice theory (Schweizer 1997). Contributions from rational choice theory are used to explain the emergence of social institutions, for example, the

emergence of social and economic structures in the Papua New Guinea Highlands or patterns of livestock exchange among the Pokot in Kenya (Dean 2013). Rational choice theory is a crucial tool for policymakers to understand the rational choice process in public policy. It helps them weigh costs and benefits, enabling them to make informed decisions that benefit society. However, it is essential to acknowledge its limitations and consider other factors influencing decision-making. What is the role of bureaucracy in policymaking? Additional empirical research into bureaucratic knowledge in various policy domains has the potential to advance our understanding of this role (Howlett 2018).

In the case of the Indonesian-Malaysian border community on Sebatik Island, they built social networks among themselves, which provide many benefits for their economic activities (Rudiatin 2018). In cases of scarcity and high prices, and when seeking buyers for agricultural and fisheries products, it is more rational for them to establish trade relations with those closer to them. The geographical conditions and the shorter distance across the border compared to the distance to the central government made it a rational choice for them to build their economies on the border between the two countries. More economic transactions are for everyday public goods. Local governments are also encouraged to create policies based on the community's basic needs, the bureaucracy's influence, and intra-sectoral policy dynamics, in an empirically robust manner, in public policy-making. This way proposes and operationalizes an integrated model (encompassing economic, political, and group influences) of the policy process as an alternative to state policy-making (Woo and Howlett 2015)(May, Koski, and Stramp 2016)(Schaffer, Oehl, and Bernauer 2022).

Border trade includes both local and regional, as well as transnational trade. The transaction process of market participants describes a form of economic behavior that is exclusive and unique. The two approaches in economic anthropology, formalist, and substantive, integrate complementarily (Gao 2021). The complementary integration of the two types characterizes the fact that the economic activities of market actors are attached to productive, rational choices while maintaining kinship and ethnic relations. Kinship and ethnicity are sources of benefits for its economic activities. In dealing with the two countries' regulations, they have tips for crossing borders.

2. The Kinship and Ethnicity Network in Public Policy

In the context of public administration and public policy, social networking has become a vital instrument of communication between the government and its citizens, offering vast opportunities for interaction and engagement. This study highlights the increasing importance of social networks in modern governance, with netocracy emerging as a powerful and influential force in the digital age. Observing the social network of a community can further strengthen interdisciplinary theoretical interaction and foster theoretical innovation, leveraging big data and other new technological tools to develop large-scale network analysis for public policy (Vasylchyshyn et al. 2023). To apply SNA to public policy research, it is necessary to broaden the study perspective and scope, strengthen interdisciplinary theoretical engagement and innovation, and leverage big data and other new technological tools to develop large-scale network analysis for public policy (Zhang et al. 2023).

The close socio-economic relations between the people of Indonesia and Malaysia along the border between Sebatik, Indonesia, and Sabah, Malaysia, have created many opportunities for the two communities to leverage sociocultural resources to advance economic interests (Sarjono and Rudiati 2022)(Dollah et al. 2024). The Sebatik community builds an economic network as a form of social solidarity to strengthen economic resources and support their welfare. The Sebatik community established a trading network based on social, political, cultural, kinship, and ethnic ties. The contradiction between cultural flows and group boundaries suggests that ethnic identity serves more as a strategic instrument for group interests than mere cultural preservation (Eriksen 2020). Border communities in the Southeast Asia contextually activate ethnic and kinship networks to meet their economic needs (Ullah and Kumpoh 2018). These social networks are pivotal in transnational trade and international relations, as they mitigate information asymmetry, reduce commercial risks, and foster collaboration (Saaïda 2023)(Guo 2024)(Solano 2024). Ultimately, through trust and shared experience, these networks enable small-scale traders to navigate stringent border regulations and sustain complex cross-border livelihoods (Phadungkiati and Connell 2014)(Ayuttacorn 2019). Central policy planners frequently disregard the critical role of social networks in ensuring the efficacy of public policy within border regions. As Eilenberg (2021) explains, the state often prioritises the material aspects of sovereignty.

In contrast, Horstmann et al. (2018) emphasise that cross-border social networks have the agency to determine the success or failure of a policy through their daily practices. Without adopting the human security perspective emphasised by Rudiati (2019), public policies at the border will only create tension between formal state law and social legitimacy at the grassroots level. Without adopting the human security perspective emphasised by Rudiati (2019), public policies at the border will only create tensions between the formal laws of the state and social legitimacy at the grassroots level."

METHODOLOGY

This study uses a qualitative methodology with an ethnographic approach. The researcher lived in the field, namely Aji Kuning village, located on the Indonesia-Malaysia border, for several months, applying observation and interview techniques. The researcher primarily focused on the marketplace and the context in which the actors (traders, sellers, buyers, brokers, the state apparatus, etc.) interact intensively in economic transactions.

Researchers conducted observations involving the community in Aji Kuning Village, Sebatik District, Nunukan Regency, and North Kalimantan Province. Aji Kuning Village lies on the Indonesian side of Sebatik Island, immediately south of the Indonesia-Malaysia boundary (Fig. 1). This study was conducted to address common economic objectives related to their survival. The observation emphasizes the border economy's sustainability by stressing the interaction of ethnic groups in economic activity across all networks based on goods sold. Views on ethnic identity and economic motives are also seen. Thus, the researcher finds out about religious beliefs, ethnic identities, norms, and values shared by the Aji Kuning community and parties involved with one another. Researchers attempt

to observe the emergence of phenomena in the field based on the local community's version, specifically the economic network that is formed, the basis for the network's formation, the strength and continuity of the network, as well as strategies and tricks for developing, utilizing, and maintaining the network, and then explaining the data. The cultural perspective of the local community enhances the data findings. Observing the current commerce network revealed how field reality is constructed. Researchers uncovered the economic culture of the people living along the Sebatik-Nunukan border by constructing reality based on field observations.

Data analysis was carried out using technical analysis of social networks, which involved mapping trading networks in the field (Boyd et al. 2024). Researchers found community economic networks between islands and across borders. This finding reminds researchers of the use of multi-sited ethnography discussed in George Marcus' article. Culture has an important role in the macro-construction of a transnational social order. Multi-site ethnography refers to conducting ethnographic research in multiple locations and comparing the findings. This study employs Multi-sited Ethnography (MSE) to investigate the impacts of global systems on transnational communities by transcending traditional boundaries of space and time. MSE facilitates the tracking of commodities, actors, and connections that are substantially continuous yet spatially non-contiguous (Boccagni 2019). This framework is augmented by Social Network Analysis (SNA) to map how individuals influence one another and construct cumulative knowledge within a network (Yang, Keller, and Zheng 2017).

The integration of these methodologies enables in-depth observation at a strategic site—Aji Kuning Village—without losing the necessary transnational perspective. Through the mobility of key informants, the data collected extends beyond the local market of Aji Kuning, reaching market networks across Sebatik Island and into Tawau, Malaysia. By tracing the trade trajectory of a single commodity and its interrelated institutional relationships, this study effectively maps the socio-economic complexities spanning transnational territories.

Informants were found through snowball searching techniques. Snowballing has not been used as extensively as database search. Hence, evaluating its efficiency and reliability is important when used as a search strategy in literature studies. Moreover, it is important to compare it to database searches (Badampudi, Wohlin, and Petersen 2015). Research begins with anyone I can find to bring me the information I use for research. This allows me to identify key informants and conduct in-depth interviews. Researchers can use key informants to identify compatriot and kin groups more broadly, seek correct information, and cross-check data between them. The author uses gatekeepers to identify essential informants, specifically those with the most ties and information.

FINDINGS AND DISCUSSIONS

The terrain of the Aji Kuning River is deep enough to allow a wallet motor with a power of up to 25 pairs de kraft (PK). The Aji Kuning River is a watercourse on Sebatik Island, which is very close to the sea. This situation benefited the renter of the fast boat that carried the goods to Tawau, located in the state of

Sabah on the island of Borneo. The small motorboat serves as a means of transportation for the locals for a few minutes. Communities in both countries have greatly benefited from the “growing and falling” waters of the Aji Kuning River.

Furthermore, Dollah et al. (2024) highlight the intertwined nature of Indonesian-Malaysian relations in Sabah, illustrating the profound similarities between the two nations across nearly all sectors. The trading system built by the local Sebatik-Sabah community also illustrates that informal trade is different from other regions in the country (Sarjono and Rudiati 2022)(Rouillé, Overå, and Atter 2024). This dynamism manifests in the emergence of new settlement centers characterized by short- and long-distance trade (VVAA 2015). However, due to its distance from the Indonesian government’s center and the contrast in economic growth between Indonesia and Malaysia throughout time, the Sebatik-Nunukan population is more economically oriented towards Malaysia. A position on the border that is closer to a more prosperous and financially stable neighbor. Border residents actively pursue employment, essential goods, healthcare, education, and business collaborations within these zones. It provides rural communities with an opportunity to capitalize on sociocultural potential for economic advantage.

The Aji Kuning community establishes social networks to foster social solidarity and manage shared economic resources for their collective benefit. The Aji Kuning community has also established a commerce network that links social, political, cultural, family, and ethnic relationships (Rudiati et al. 2023). They establish networks rooted in kinship and ethnicity. They form networks based on kinship and ethnicity. Ethnic identity varies depending on economic objectives and incentives. Buyers, sellers, financiers, brokers, ethnic and national diversity, and the division of labor all contribute to the trade network. That resembles an economic integration initiative.

In Sebatik, economic integration refers to the local sociocultural integration within the economy (Rudiati, Rahman, and Equatora 2021). That constitutes the shared foundation in Sebatik. Regional economic integration refers to the establishment of a cohesive market for goods, services, and production factors across countries within a geographic region. Regional integration attracts individuals and enterprises by transforming smaller, segmented national markets into a larger, integrated regional market, thereby boosting economic activity in participating countries at the expense of those excluded (Ottaviano 2017). The two countries will develop border policies in response to sociocultural dynamics in border towns. Researchers define these relationships as common ground.

Every day, the residents of Aji Kuning cross the river by speedboat to Tawau for various purposes, from shopping, medical treatment, and enjoying services to selling plantation, agricultural, and fishery commodities from all over Sebatik Island. They can also purchase food, petrol, kerosene, and necessities like clothing and electronics in Tawau. When the river water receded, they crossed back to their village. The transaction involves trading within Malaysia’s currency, the ringgit. For years, the inhabitants of Aji Kuning village have forged connections with people from Sei Melayu village on the Malaysian island of Sebatik, as well as with people from Tawau in Sabah. The speedboat pier used for these cross-border movements is shown in Fig. 2.

Network building on common ground that describes ethnic solidarity gives color to the market. The description above explains why the Sebatik and Tawau people are so intimate, just as kinship transcends the barriers of nationality and country. The network primarily serves as a means of communication and as a source of knowledge about pricing and capital. The network has also shared benefits and risks through friendships, kinship ties, and patron-client relationships. This social network includes several groups, namely, fellow ethnic groups, traffickers, and border officers in both Indonesia and Malaysia. Every individual within the network engages directly in the border's economic activities. Researchers construct social networks from relational data, defining them as sets of social entities—such as individuals, groups, and organizations—that interact through various social ties.

This concept encompasses a set of social entities—including individuals, groups, and organizations—linked by various relationships and interactions. These models use graphs in which vertices represent social entities and edges represent connections between them (Tabassum et al. 2018). The cultural and racial similarities on Sebatik Island, located in southern Indonesia and northern Malaysia, are dominated by the ethnic Bugis from South Sulawesi, the Javanese-Madurese, and the Dayak Tidung. These three ethnic groupings facilitate the socioeconomic connection between the two peoples at their border.

Trading in Sebatik can take place anywhere for any commodity without state interference. Market agents struggle to engage in trades at a fair profit to survive. They took the rational step of using the market as an arena for transactions, and the market could continue to exist with or without customs duties. Whether the transaction will be made through customs depends on the market agent. The tricks used to cross borders in the past have become family secrets passed down from generation to generation, and rivers and seas have been the most strategic routes for cross-border economic activities from the past to the establishment of the autonomous regional government as it is today (Pokharel et al. 2024). The Bambang wooden-ship port, one of the local facilities supporting these movements, is shown in Fig. 3.

Sociocultural Integration

For survival, the people of a country whose ethnic and cultural boundaries intersect will eliminate ideas of ethnic construction that separate them. Ethnic boundaries are often arbitrary and can be narrowed or widened in response to the specific needs of economic mobilization. The taxonomy claims to be exhaustive and to accommodate many historical and contemporary cases from the developed and developing worlds. It aims to overcome the fragmentation of the literature along disciplinary and sub-disciplinary lines and prepares the ground for an agency-based comparative model of ethnic boundary-making (Wimmer 2008)(Synnes 2022). In the financial field, identity equality and ethnic customs encourage economic steps to meet the deficiencies of each ethnic group. Ethnicities that foster complementary relations between two or more ethnicities tend to erode understanding of ethnic construction that separates “me” and “them.” Therefore, in economic activities between Indonesians and Malaysians residing on Sebatik Island, there is no difference between the two groups or countries in terms of rules or political boundaries (Rudiatin, Rahman, and Equatora 2021).

Ethnicity looks something like kinship on a larger scale. The same mathematical machinery quantifies genetic similarity within individuals and families (Jones 2018). Ethnic, kinship, and family relations identical to those of the people inhabiting the island of Sebatik are the leading causes of the emergence of intense social and economic interactions along the border between Indonesia and Malaysia. This sociocultural interaction, which influences the economy, also spreads to Tawau City, the capital of Sabah, Malaysia, which is closest to the island of Sebatik. This emerging phenomenon is a market community that contributes and works together to achieve its economic sustainability. For a community – any community – to exist, its members must share a sense of belonging.

The explanation for this matter can serve as a basis for understanding why the Bugis people on Sebatik Island and those in the Malaysian state of Sabah can freely collaborate economically, regardless of the border between the two countries and their nationalities. They build an economic network closely tied to kinship, ethnicity, culture, and religious beliefs. The Bugis people are also well known as a tribe that strongly defends its Islamic beliefs. The patron positions that have access to economic resources in Aji Kuning and even in Sebatik are held mainly by the Bugis.

On the other hand, the border-crossers, who mainly comprise Bugis people, some Javanese, and other ethnic groups from Indonesia, encourage anyone who chooses to earn their livelihood there to have a strong spirit and to take advantage of Sebatik Island's potential. They must work together to build a business network to capture the available opportunities. This phenomenon manifests along the row of ports constructed near Ambalat and Karang Unarang. In Aji Kuning, diverse ethnic groups institutionalize kinship, ethnic similarity, and pseudo-kinship through formal organizations. For instance, the Tidung and Dayak peoples mobilize through PUSAKA (Association of the Indigenous Peoples of Borneo), the Bugis through KKSS (South Sulawesi Harmony Unity), and the Javanese through their respective regional associations.

The adventurous spirit of the Bugis people has been passed down from generation to generation, helping them lead better lives. They may earn pride and respect by returning their "results of work" to their homeland. The same is true of Javanese society, which always returns to their hometowns, bringing back the money earned from their work, whether as migrant workers abroad or by opening kiosks or stalls. The Tidungnese people, natives of Sebatik, hope to follow their Bugis and Javanese brothers' lead, especially in sharing in the success of the emigrants. Driven by the pursuit of improved livelihoods, these actors construct border markets, including the bi-weekly markets in Aji Kuning.

They all have built markets, including those in Aji Kuning, namely the Thursday and Sunday markets. They have built border markets where traders, planters, farmers, fishermen, wholesalers, and retailers can transact. The markets also function to unite various ethnic groups into a trade network. Some of them, particularly the Bugis, have also bought land in Sebatik and begun careers in government agencies, many holding posts as city government officials. The solidarity of the Bugis ethnic group in economic activities is evident in the establishment of trade networks for various commodities and work fields. Local actors integrate these social ties into the border's economic framework, primarily by

importing essential commodities from Tawau to Sebatik. As a result, the people of Aji Kuning and Sebatik are also motivated to set up stores and kiosks.

A farmer from Tanjung Aru village is among those who successfully run their businesses. He provides credit to fishermen and farmers to buy a range of goods, from fishing and farming tools to daily necessities. He also markets the goods from his supermarkets and stores. He builds relationships with his customers in social settings to foster long-term connections. The long-term relationship will be beneficial to the sustainability of his business. He also builds relationships with Tawau businesspeople to sell various commodities from farmers and fishermen, and to get primary commodities (rice, sugar, crude palm oil, etc.) sold to colleagues in his network.

Findings for the role of family ties and social capital in resource assembly. It also includes various institutions, including the government and the Indonesia-Malaysia border guard. Market agents then distribute these goods to every village in Nunukan, ensuring that every element of the social network contributes to the local economic engine. This network is also the center of community interaction with various social, economic, ethnic, and religious groups, as well as the amalgamation of cultural groups that interact, collaborate, collude, compete, and conflict. Social networks can help reduce information asymmetry and promote cooperation between businesses.

The Same Malay: Two Nations, One Hope

In the past, border-crossing tips have become family secrets passed down from generation to generation. River and sea routes have become the most strategic for cross-border economic activities. From the beginning until the establishment of the autonomous region government today, the local government has issued regulations regarding levies on crops and fishery yields sold to Malaysia. The authorities impose levies on ships weighing 10 GT or more. This regulation was then anticipated by the border-crossers and conglomerates in Tawau, who funded Indonesian fishermen by providing them with ships weighing less than 10 GT so they would be free of the levies. Cross-border shoppers sometimes buy second-hand goods to avoid high tax rates. The tax on second-hand goods is lower than the tax on new goods, at 15–20%. Another way is related to the ringgit currency. They will purchase a lot of foodstuffs in Tawau when the ringgit's value is low, but when the ringgit's value is high, they do not go shopping. In Tawau, Malaysia, ethnic similarity provides protection and profit, making it easier to obtain a border-crossing pass and even a national identity card. The distance from the national capital and closer proximity to neighboring Malaysia have encouraged them to adopt various strategies that facilitate the mobility of trade across borders by relying on kinship and ethnicity. It also includes other interests, namely access to health services, education, and sources of capital.

Furthermore, in the event of border conflicts, the government can quickly subdue the border population. If conflicts arise, the border people will resolve them through kinship or ethnicity. By integrating various ethnic groups into a single supply chain, cross-border traders effectively mitigate inter-ethnic tensions, ensuring that economic interests override cultural friction. They anticipate tribal conflicts by holding

“Sebatik meetings” among ethnic groups such as KKSS (Kerukunan Keluarga Sulawesi Selatan), PUSAKA (Persekutuan Suku Asli Kalimantan), Tidung groups, Lourdes, and the Java-Madura group, both in Indonesia and in Malaysia.

Since January 1, 2013, the Malaysian government has closed the cross-border route from Sebatik to Tawau. They reasoned that the crossing used by the Sebatik community to reach Tawau did not meet safety standards. Poor infrastructure at the Sebatik pier, which is poorly maintained and has caused much damage, is also why the Malaysian government closed the Sebatik-Tawau route. The people of Sebatik, who have so far depended on daily necessities supplied from Tawau, have felt very disadvantaged by the Malaysian government’s policy. The closure of the Sebatik-Tawau cross-border access route also meant that the cross-border pass had to be stamped in Nunukan first. This regulation causes additional transportation costs and a relatively long distance compared to the Sebatik Tawau route, which only takes 15 minutes. The cross-border closure makes many along the rat lines.

Discussion

Since 1960, Sebatik border crossers have established trade relations with the people of Tawau. Many traders from Tawau flocked to Sebatik to buy agricultural products such as cocoa, bananas, fruits, and, most importantly, forest wood. Sebatik is a trading barn for Tawau traders. Malaysia is the largest timber and cocoa producer in the world. Likewise, fishery products in Sebatik and Nunukan waters are traded commodities with high demand from Tawau. Until now, trade is still ongoing, and the goods traded are not only limited to agricultural products but also include introductory and secondary needs such as clothing, electronic goods, household goods, and agricultural and fishing equipment. While Tawau has developed into a city, Sebatik and Nunukan have experienced slow growth, and as a result, economic relations have become unequal. All kinds of products needed by the community can be found in Tawau. Sebatik people cross the border to Tawau to buy products. On the other hand, the Tawau traders took advantage of this condition as a bargaining tool to buy agricultural produce from Sebatik and Nunukan so that the bargaining power of the Sebatik people over their crops was getting lower. The need for goods and services easily obtained in Tawau eventually became a barter tool for the Sebatik people's crops (Sarjono and Rudiati 2022). Moreover, to buy goods and services from Tawau, they need ringgit, which can only be obtained from Tawau traders. In order to demonstrate the dynamics of interdependence between Malaysia and Indonesia, the Sabah economy mostly depends on consumer products, everyday necessities, Indonesian migrant workers, security interdependence, and environmental degradation (Dollah et al. 2024).

Sebatik also lacks proper port facilities, electricity, clean water, road infrastructure, and ice factory services. As a result, through unwritten agreements, the public makes all regulations at the national, regional, and local levels flexible. For example, crops and fishery products will be sold abroad without tax contributions or local levies, especially if the amounts are small. The levy is set at Rp 200 per kilogram for each commodity based on regulations. However, the officers often could not force it on the cross border trader. Traders often operate outside the predetermined routes, and it turns out that because

traders operating in border areas are often burdened with illegal levies. The people of Aji Kuning and other villages on Sebatik Island can only bring goods from Tawau with a maximum value of 500 ringgit. If the value of the goods they carry exceeds the maximum, the officers will impose various fees considered fraudulent by the Aji Kuning traders. This Tawau government regulation narrows the space for border crossings. Trade through unofficial channels, often called "rat routes," is a form of resistance to rules and regulations that threaten cross-border trade's stability and smooth running.

The Sebatik border crossing has collaborated with the Tawau conglomerate to circumvent the two countries' regional and national rules and regulations. Sebatik border crossers also often get convenience from the local government, which does not provide many restrictions or rules for traders. Indonesia's border landscapes are naturally produced on a micro-scale, notwithstanding the broader perspective of ASEAN (Nugroho et al. 2023). An elementary model demonstrates how a social group's genetic assimilation can foster group cohesion, control recruitment to groups, and encourage benevolence amongst groups based on genetic similarity—in other words, ethnic nepotism (Jones 2018).

Traders are frequently unable to be strictly enforced by crossing officials. The attitude of traders at the border is described as follows: Cross-border activities that used to be categorized under the subsistence economy in the anthropological definition are now increasingly integrated with world markets. Trade in border areas is carried out at the local, regional, and transnational levels. The transaction process between market participants shows an exclusive and unique form of economic activity. The two approaches in economic anthropology, formalist and substantive, are complementary. See (Rekhviashvili and Sgibnev 2020)(Meseguer-Sánchez et al. 2020).

Kinship and ethnicity become sources of benefits for their economic activities. Social connections can give a person access to resources (Solano 2024). besides then to avoid wasting money while traveling, it is important for cross-border traders to build social connections to access information (Rouillé, Overå, and Atter 2024). In facing the rules and regulations of the two countries, they have their tips on border crossing, The kinship and ethnic-based social networks in Sebatik encourage the government to make policies collaboratively among stakeholders. Bureaucrats play a primary role, but so do economic and political actors, as well as community groups that receive public services (May, Koski, and Stramp 2016). How the farmers made the rational choice to go around the national policy that was detrimental to them. The magic of a farmers' market is mostly not a classically rational one. The logic lies in connectedness (or, in our terms, relationality). The enchantment of farmers' markets is predominantly not a traditionally reasonable phenomenon. The rationale resides in the interdependence. (Pokharel et al. 2024).

In contrast, a farmers' market functions more like a social network, aiming to enhance interpersonal connections. We want consumers to know who produces their goods, and vice versa. We want every individual to be connected (Githinji et al. 2023). Creating cross-border policies and trade at the border requires stakeholder-based management, and collaborative governance also allows for shared vision

and its joint realization, high participation from all relevant elements, a wide network, and strong and synergistic partnerships (Mashur et al. 2023)(Suparaman and Mualidin 2021).

CONCLUSION

Policymakers can utilize these field findings to formulate more effective management strategies that reflect the socio-cultural realities of border communities. Stakeholders—including government agencies, community leaders, the National Border Management Agency (BNPP), economic actors, and cross-border travelers—must collaborate to implement key policies such as the Border Crosser Agreement (BCA) and the Border Trade Agreement (BTA). This collaboration leverages a networking and partnership perspective to ensure sustainable border governance. The discovery of common ground in Sebatik can help to revise the border trade and crossing agreements. Trade in the border area between Indonesia and Malaysia is closely associated with two agreements: the BCA, which regulates the transboundary movement of people, and the BTA, which governs the movement of goods across the border.

Indonesia and Malaysia convened BTA review meetings in Bandung on July 21–22, 2009, and in Kuala Lumpur on December 8–9, 2011. Since the committee's inaugural meeting in Kuala Lumpur in 2008, both nations have engaged in protracted negotiations to revise the agreement. After much delay, the reactivation of the working group to discuss the border trade agreement is one of the positive results of this meeting (the 2nd Joint Trade and Investment Committee Meeting in Jakarta on June 30, 2016). Shortly, in 2023, there will be continued discussions between the governments of Indonesia and Malaysia regarding the border.

In Sebatik, there is an ongoing integration amongst elements such as patrons, consisting of business people, plantation farmers, financiers, and big traders, and then the intermediaries, who connect the patrons with the clients as the wholesale purchasers of commodities such as yields and fisheries or agents that find buyers for the owners of the commodities or find the financiers for the farmers, fishermen, and retail traders. Plantation or bean farmers, fishermen, and farm laborers are among the clients. These three elements are linked to border socio-cultural integration.

These cross-cultural encounters usher in a transcultural and transnational world. In that world, border crossers still retain their local culture. Cultural and ethnic similarities precisely facilitate the process of socio-economic interaction between the two nations. Ethnic identity among border crossers is fluid, supple, and part of their economic stability strategy. Traders instrumentalize ethnic identity to maintain the stability and flow of cross-border economic networks. Ethnic groupings are more for the benefit of work and access to resources, whether capital, opportunities, or proximity to the political groups that govern.

With the presence of the Sei Pancang cross-border port, the Indonesian government hopes there will be no more illegal routes and that all cross-border trade between Sebatik and Tawau will go through Sei Pancang. This cross-border port enables customs officials to register all raw materials moving from Sebatik to Tawau, while allowing Indonesia and Malaysia to secure the border against illicit smuggling

and dangerous goods. The Aji Kuning River stands as a testament to the interconnectedness of nature, reminding us of the importance of preserving this precious waterway for future generations. The Aji Kuning River, as a symbol of unity among fellow Malays, is not considered a divider between the two countries. However, rather a means to unite them in resolving many border issues. Indonesia and Malaysia can work together in solidarity to overcome illegal trade, drug and human trafficking, and terrorism. Together, the two countries are strengthening border security against the threats mentioned above.

Declarations

Author Contribution

All authors contributed to the study conception and design. Material preparation, data collection and analysis were performed by Endang Rudiatin, Faiza Husnayani Nahar and Gatot Supangkat Samidjo. The first draft of the manuscript was written by Endang Rudiatin and all authors commented on previous versions of the manuscript. All authors read and approved the final manuscript.

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Statements authors:

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Figures

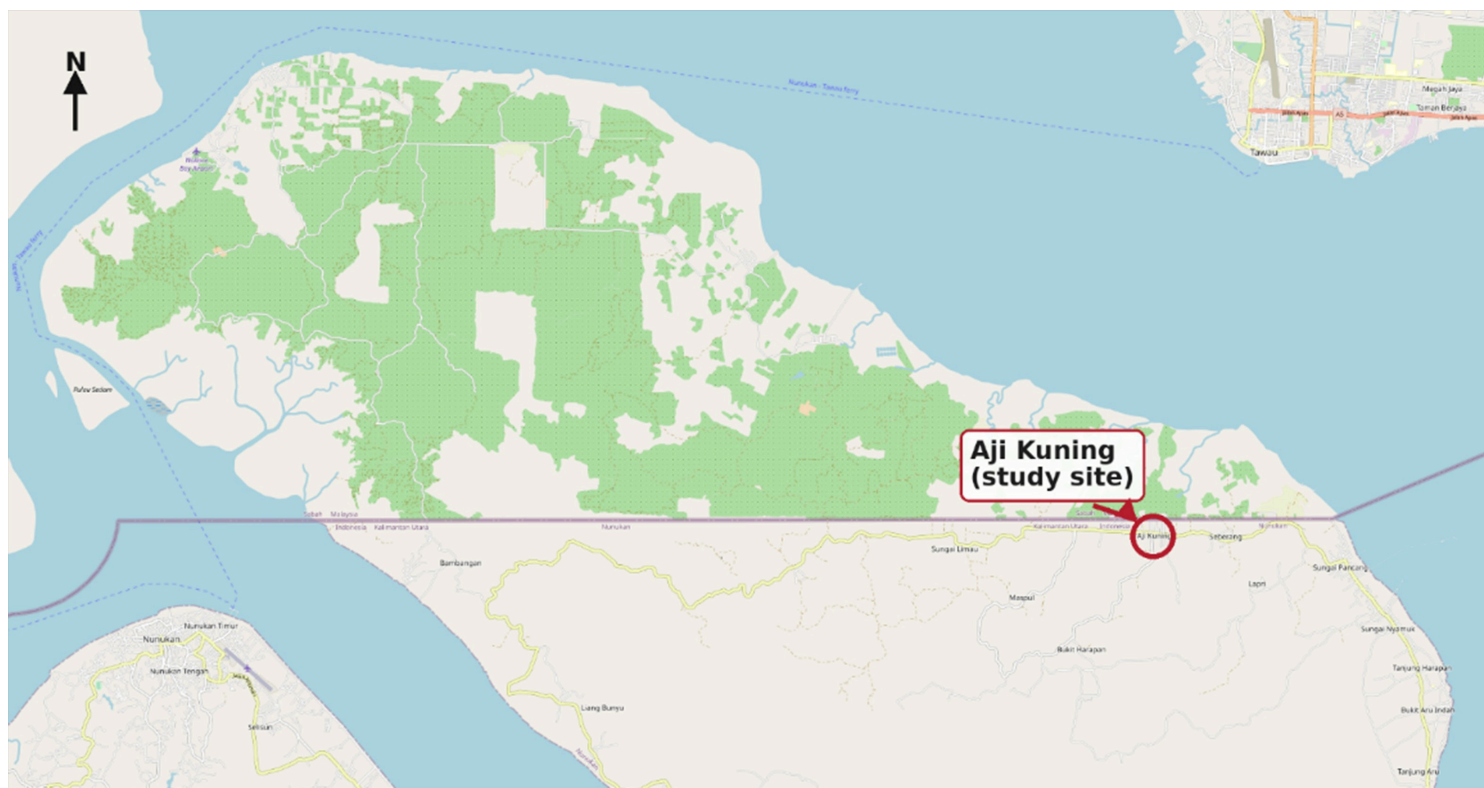


Figure 1

Study location on Sebatik Island, with Aji Kuning marked near the Indonesia-Malaysia boundary. Source: OpenStreetMap contributors, map via Wikimedia Commons, CC BY-SA 2.0 (<https://creativecommons.org/licenses/by-sa/2.0/>), adapted by the authors



Figure 2

Speedboat pier used for cross-border mobility at Sebatik



Figure 3

Bambangan wooden-ship port at Sebatik