

## Economic Threats at The Border Sebatik Island, North Kalimantan

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### ABSTRACT

*The border problem on Sebatik Island, Nunukan Regency, North Kalimantan Province, Indonesia, and Malaysia has been a continuous problem. The Sebatik people consider this very reasonable given the geographical proximity to the Malaysian territory and the lack of government attention. The relationship with Malaysia is a solution to the daily problems. Meanwhile, from the government's perspective, the relationship that occurs at the border can be considered a threat to the life of the state because it involves territorial integrity. This is literature research, which takes secondary data that produces a perspective on seeing problems, especially from economic perspective. That the close relationship between the two communities can be seen as a source of problems, especially in the economic sector for the two communities. However, this research only focuses on the Sebatik community. In the economic field this relationship will have consequences for the Sebatik people, namely, unemployment, poverty, limited resources to be developed and trade due to the emergence of dependence on Malaysia.*

### ABSTRAK

Masalah perbatasan di Pulau Sebatik, Kabupaten Nunukan, Provinsi Kalimantan Utara, Indonesia, dan Malaysia menjadi masalah yang terus berlanjut. Orang Sebatik menganggap ini sangat masuk akal mengingat kedekatan geografis dengan wilayah Malaysia dan kurangnya perhatian pemerintah. Hubungan dengan Malaysia adalah solusi untuk masalah sehari-hari. Sementara dari sudut pandang pemerintah, hubungan yang terjadi di perbatasan dapat dianggap merah sebagai ancaman bagi kehidupan negara karena menyangkut integritas teritorial. Ini adalah penelitian kepustakaan, yang mengambil data sekunder yang menghasilkan perspektif dalam melihat masalah, terutama dari perspektif ekonomi. Bahwa hubungan erat antara kedua komunitas tersebut dapat dilihat sebagai sumber masalah, terutama di sektor ekonomi bagi kedua komunitas tersebut. Namun, penelitian ini hanya berfokus pada komunitas Sebatik. Dalam bidang ekonomi hubungan ini akan memberikan konsekuensi bagi masyarakat Sebatik yaitu, pengangguran, kemiskinan, keterbatasan sumber daya yang akan dikembangkan dan perdagangan akibat munculnya ketergantungan terhadap Malaysia.



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## BACKGROUND

Indonesia is the fourth largest archipelago country in the world, consisting of 17,000 large and small islands with a population of around 250 million people. Almost all these islands have inhabitants including the outer islands or border areas. Indonesia has borders at sea and on land with neighboring countries or its surroundings. Indonesia in the sea borders Singapore, Malaysia, the Philippines, Australia, PNG, Vietnam, India, the Republic of Palau, and Thailand. Meanwhile, on land, Indonesia has partnerships with Malaysia, Papua New Guinea, and Timor Leste. With many parts of Indonesia bordering neighboring countries, Indonesia also has border problems. Whether it's domestic problems, in the form of State attention to the region or non-domestic problems with other countries. In general, the problems arising from border conflicts with other countries pose several threats that must be considered by the Government. First, threats that come from border conflicts with these neighboring countries. Second, domestic threats due to the government's lack of attention to some of the outer regions. Among others, in the fields of defense and security, social, economy and ideology.

Indonesia has the most border problems with Malaysia both on land and in water areas. There are several border areas between Indonesia-Malaysia stretching along 2,019 km from Tanjung Batu in northwest Kalimantan, through the inland highlands of Kalimantan, to the Sebatik Bay and the Sulawesi Sea to the east of Kalimantan. This border separates the provinces of North Kalimantan (Sebatik Island) and West Kalimantan in Indonesia from the states of Sabah and Sarawak in Malaysia. Border conflicts have been faced by Indonesia since long ago when Malaysia was just independent until now. The climax was when Indonesia decided to quit the UN membership in 1963. The conflict continued to problems at the border on the islands of Sipadan and Ligitan. It extends to cultural claims made by Malaysia, including the song *Rasa Sayange*, Rendang to Reog Ponorogo. With many points that have unsolved borders, there are also many problems that arise, especially related to people who live on land borders such as Sebatik Island. In the Sebatik Island community, Indonesia the threat that is felt most every day is the economy. Especially in Aji Kuning, for the West and East Sebatik areas there are already many Indonesian goods, but in contrast to Aji Kuning, where more Malaysian goods are circulating.

The backward development of the economy in the border areas of Sebatik Island, especially Central Sebatik, which causes a high gap in the region when compared to the border areas of neighboring countries (Sabah and Sarawak). Until now the surrounding community tends to work as farmers and planters who only rely on their work by selling between neighbors, even though there are still many economic methods that can certainly maximize the results of the work of the Central Sebatik border community.

The disparity in the Sebatik Island community, especially in Malaysia, is still ongoing. is the result of not yet maximal development efforts that reach this island. The limited supply of staple goods produced by Indonesia to Sebatik Island strengthens this gap. The economic situation is difficult amidst the increasing cost (cost) of daily necessities, coupled with easy access to basic goods from neighboring Malaysia, at lower prices. In addition, economic globalization, and free trade such as exporting products (cocoa and crude palm oil) illegally causes the products of the border area of the Central Sebatik island of Tawau in Malaysia to be claimed as Malaysian products.

Development as an indicator of the government's attention has not been maximized on Sebatik Island, so that as one of the outermost areas facing Malaysia, the condition of Sebatik is not best. Attention should be paid physically and non-physically in meeting daily needs. The government must pay more attention because in the end the threat of ideology is a real thing in society. The Sebatik people must feel protected by the central government because the economic

threat will spread to other threats such as ideology related to the way the people perceive the existence of the Indonesian government. Considering the wave of Malaysian influence continues through daily economic activities. The community will compare the role of Indonesia and Malaysia for their lives.

### THEORETICAL APPROACH

The definition of security should not stand alone, because it has different meanings and certain attributes. A comprehensive understanding of national security is generally accompanied by demands to prioritize human security. Military and non-military issues do not only threaten the integrity of the country but also threaten individuals living in a country. In 1990, the United Nations has developed and developed the concept of human security with the characteristics of "... from an exclusive stress on national security to a much greater stress on people's security, from security through armaments to security through human development, from territorial to food, employment and environmental security" (UNDP in Rani, 2012). Furthermore, UNDP (1994) made seven security dimensions, namely: Economic security: where a basic income is needed from productive work. Food Security: Everyone at every opportunity has access (both health and economy) to basic food. Health security: everyone must be guaranteed health and access to health. Environmental Security: health and order as well as physical environmental security. Individual security: reduction of individual threats from criminal acts Community security: security through membership in a group Political security: guaranteed life in a society that respects human rights. (Chairil et al 2019: 33).

The seven dimensions mentioned above, explained Siregar (2008) do not stand alone, but are related to one another. So clearly, the state needs national and comprehensive security to protect its territory from unwanted things. In a broader perspective, Darmono et al. (2010) put forward the notion of national security as "The basic need to protect and safeguard the national interests of a nation and state by using political, economic and military power to face various threats both from outside and from within the country. National security can also be interpreted as the need to keep and support the existence of the state through economic, military and political strength and the development of diplomacy. This concept emphasizes the government's ability to protect the territorial integrity of the country from threats that come from outside and from within the country.

Indonesia as a nation-state has recognized its sovereignty internally and externally. Internally, the sovereignty of a country can be formally expressed by the existence of the territory along with the population and government in it. Externally, a country's sovereignty is shown by recognition from other countries. Thus, the state border area has a strategic role and value in supporting the upholding of state sovereignty, so that the Indonesian government is obliged to pay serious attention to national welfare and security. The border area needs attention because this condition will support national security within the framework of the Republic of Indonesia. As for Buzan in Rani (2012) then makes five categories of threats based on their sector to national security.

First, the military threat. Is a threat that is in the first place because it is related to the power of the state to guard its territory. So, the state puts its security priority first. Second, political threats. It is a threat that arises if there are alternative ideas to pressure the government. The targets are the values and identity of the state and ideology. If there is internal conflict, what you want to change includes institutions within the country. Third, societal threats. Usually, a threat that arises from within the country, in the form of changes in values, culture, customs and ethnic identities. It is divided into several forms, namely physical threats (death, illness), economic threats (destruction of property rights, limited access to employment), threats to rights (restrictions on

civil liberties rights), and threats to position or status demotion., public humiliation). The fourth is an economic threat. Strive for the normal conditions of the actors in the area. The economic threat addresses unemployment, poverty, limitations on resources and people's purchasing power. The five ecological threats. Traditional threats include floods, storms, and earthquakes. But what is of concern now is global warming, the greenhouse effect, flooding, and the continuous exploration of natural resources.

### **Joko Widodo's Policy**

The border problem is a problem that exists in the regions but in its management, it is conducted together with the central and regional governments. Each has different duties and functions, but the policies complement each other so that border communities feel protected. The Central Government issues macro policies to regulate all border areas in Indonesia. For example, regional defense policies and ideology. In addition, the central government has issued two laws, namely about defense, State territory and waters, territorial boundaries, exclusive economic zones, Government Regulations on the Right of Peace, Alki and coordinates. Meanwhile, Presidential Decree No. 178 1999 concerning the implementation/implementation of UNCLOS 1982 and 78 of 2005 on the management of the outer islands.

This authority is only the central government, not owned by the local government. Meanwhile, the micro policy was made by the regional government in the Province of East Kalimantan (before there was North Kalimantan Province) a Special Agency for Management of Border Areas (BKP2D) was formed, its task was to coordinate the development of border areas by technical agencies, namely agencies implementing infrastructure or facilities policies. public such as roads, bridges, hospitals. In general, the combination of the two stakeholders aims to advance the border area as the front storefront for Indonesian territory.

Realizing that Indonesia is a maritime country and the threat of borders in the outer regions of the surrounding country, the government amended article 25 of the 1945 Constitution concerning the rules of the state territory. The additions are considered important to protect the territorial integrity of Indonesia. This amendment resulted in several legal regulations, among others (Harjanti 2016):

1. Law
  - a. Law Number 1 of 1973 concerning the Continental Shelf
  - b. Law Number 5 of 1983 concerning EEZ
  - c. Law Number 17 of 1985 concerning Ratification of UNCLOS
  - d. Law Number 6 of 1996 concerning Indonesian Waters
  - e. Law Number 43 of 2003 concerning State Territory
  - f. Law No.17 of 2007 concerning the National Long-Term Development Plan (RPJPN) 2005-2025
2. Government Regulations:
  - a. Government Regulation Number 36 of 2002 concerning the Right of Peaceful Passage
  - b. Government Regulation Number 37 of 2002 concerning the Right of Passage at ALKI
  - c. Government Regulation Number 38 of 2002 and Government Regulation Number 37 of 2008 concerning Coordinate Points.
3. Presidential Decree
  - a. Presidential Decree Number 178 of 1999
  - b. Presidential Decree Number 78 of 2005.

The amendments to the 1945 Constitution which resulted in laws, government regulations, and presidential decrees are evidence that the government has made strategic efforts to overcome defense and security issues to assert the legitimacy of the government in the outer

regions. According to Buzan (1983) there are four aspects of managing and dealing with security issues that are non-military in nature, but which supply opportunities to disrupt the security of the state and society.

To expect conflicts between countries, the Indonesian Government in 2015 certified the outer islands and gave them to the international court so that there would be no disputes or conflicts with neighboring countries. The certification is conducted on both inhabited and uninhabited islands with a target of 95 outer islands having received certification from the International Court of Justice. In addition, the government has also compiled an information system for the outer islands or small islands that can be accessed online through the website of the ministry of fisheries and maritime affairs, the directory of small islands of Indonesia. The information displayed includes an overview of the island, the potential of the island, and the constraints on the island's development. This is also useful for introducing the island to all Indonesian people so that the Indonesian people feel they own and take part in defending the outer islands. Government programs that appoint the outer islands or border areas as the entrance or veranda of the country are also being implemented. For example, with the formation of the National Border Management Agency (BNPP) which has a work program in the form of implementing the 2015-2019 Border Area Master Plan, construction of toll roads along the Indonesia-East Malaysia border in West Kalimantan and North Kalimantan, as well as a program to improve infrastructure, infrastructure, and evolution. East Kalimantan Provincial Policy (Nizar 2015: 94).

The Provincial Government of East Kalimantan set up the Management Agency for Inland Border Areas and Disadvantaged Areas (BPKP2DT) based on the East Kalimantan Regional Regulation No.13 of 2009 concerning the Organization and Work Procedures of Other Institutions of the East Kalimantan Province. This agency reports directly to the Governor. Its duties include the study of natural resources and border areas, improvement of development and infrastructure, economic development, ability building of cultural social and administrative affairs. But BPKP2DT, for managing border areas is extremely limited. Can only coordinate with SKPD (Regional Work Units) related to border development. Especially for building bridges and other infrastructure. This shows how limited the powers of this body are.

### **Sebatik Island**

Sebatik is one of the districts in Nunukan Regency which is found at 04010 '00" North Latitude - 040 01' 37" North Latitude and 1170 41 '05 ". Sebatik is one of the small islands bordering Malaysia. In the National Border Management Master Plan Book, Sebatik Island is one of the outer islands which is the main priority for development because it is directly next to neighboring countries. On Sebatik Island there is a Base Point No. TD 036 and Reference Point No. TR 036. Sebatik Island is an island whose territory is divided into 2 (two) parts, part of which is the territory of the State of Malaysia and part of which is included in the territory of Indonesia. It is bordered on the north by Malaysia, with the Makassar Strait to the south, to the west-by-West Sebatik District, to the east by the Sulawesi Sea.

Sebatik District has an area of 104.42 km<sup>2</sup> consisting of twelve (12) Villages with 4 Swasembada villages and Tanjung Karang Village as the sub-district capital. The four villages are found on the coast or by the sea. The villages in Sebatik Subdistrict include: Pancang, Sungai Nyamuk, Tanjung Aru, Lapri, Seberang, Bukit Harapan, Tanjung Harapan, Aru Indah Hill, Padaidi, Manurung River and Balansiku.

Sebatik Island has a flat coastal topography and is overgrown with mangrove vegetation. The central region is a mountainous area, apart from being secondary forest, it has also been cultivated by the people for coconut and cocoa plantations, while the lowland area in the middle has been cultivated by residents as rainfed rice fields.

Based on the data from the 2012 population census, the population in Sebatik District has reached 4,537 people, consisting of 2,348 male and 2,189 female. The largest population was found in East Sebatik District, namely 11,745 people, while the lowest population was in Sebatik District, namely 4,537 people. For more details, the population in Sebatik District is presented in Table:

**Table. Total Population by District and Gender**

No	District	Population		
		Male	Female	Total
1	Sebatik	2,400	2,055	4,455
2	West Sebatik	4,208	3,487	7,515
3	East Sebatik	6,149	5,860	12,009
4	North Sebatik	2,762	2,665	5,417
5	Sebatik Tengah	3,731	3,304	7035
Total		19,070	17,371	36,431

Based on the research that has been done on the condition of the waters in Sebatik, it shows that the presence of foraminifera and ostracods is very abundant and has quite high species diversity, as well as the coral reefs in the Sebatik Parairan are still in good condition. The abundance of micro-organisms and good coral reef conditions so that the waters in Sebatik are rich in fish, the value of capture fisheries production for Sebatik and West Sebatik districts in 2008 with a total production of 2,975.5 tons, for 2009 the amount of capture fisheries production was 2,761.1 ton and in 2010 the capture fishery production was 3,017.52 tons. The abundance of marine resources has not been able to be optimally used and the limitations of the marine patrol fleet have supplied opportunities for fishers from outside to commit violations around Sebatik waters. (<https://kkp.go.id/SKPT/Sebatik/page/1175-profil-skpt-sebatik>)

### **The Economic Conditions of The Sebatik Island**

Based on demographics, the population of an area will make maximum efforts for a decent standard of living by the capabilities and conditions of the area. Livelihoods can be divided into two, namely main livelihood and secondary livelihood. The main livelihood is the whole activity to use existing resources which is conducted daily and is the main livelihood to meet the needs of life. Livelihoods are all activities to exploit and use existing resources in the physical, social, and cultural environment which are manifested as production, distribution, and consumption activities.

Sebatik society does not only strive to meet primary needs for survival, but also strive to meet secondary and tertiary needs according to their conditions. As for the needs of each person and society is different depending on the region, age, education, and environment. For people living in border areas, especially on Sebatik Island, which is directly next to Malaysia (Tawau City), until now they are still faced with the demands of meeting basic needs or mere physical needs. This is because these basic needs are still a problem until now because they have not been properly fulfilled.

The condition of the difficulty of fulfilling these basic needs since long ago is still faced by people in border areas in general, including in Sebatik Island, Nunukan Regency. Geographical conditions of Sebatik Island which is relatively closer to the Malaysian city of Tawau compared to other areas under NKRI sovereignty, is the main reason for the occurrence of cross-border trade for Chairul Aftah, Rahmah Daniah, Aisyah, dkk. (2022)

the two countries. Trade in Sebatik is cross-border trade or international business, namely commercial activity (commercial activity) across national borders, which is conducted between individuals or companies with different prices, based on certain predictions (future outcome), and aims to obtain certain benefits engage in for gain). (Putra 2000: 2) In this case the perpetrators were the Sebatik Islanders and Tawau Malaysia. In detail, the factors that influence the occurrence of cross-border trade include geographical and topographical conditions, accessibility, and the existence of historical, cultural, and emotional relationships between residents of Sebatik Island and residents of Tawau City. Even though this was done illegally, because there were no guides regulating trade between the two countries.

Third, the cost and price factors. The average price of goods bought from Tawau City is relatively cheaper when compared to the prices of goods purchased from Nunukan. As for agricultural, plantation and fishery products, Malaysian buyers dare to buy at a higher price than if agricultural, plantation and fishery products are sold in Nunukan which are relatively cheaper. Fourth, Cultural Background and Emotional Relations. Geographical and topographical factors between Sebatik Island and the neighboring city of Tawau have led to a lot of cultural assimilation and emotional (kinship) relationships between the people of the two areas. The mixing of languages, daily life, and the existence of marriage between them influences the cultural and emotional closeness between the two regions. It should be noted, this has been going on for a long time (Mahendra 2016: 4-5).

Basically, every individual has basic needs (basic needs) to carry out his life. Every individual may not be able to meet these basic needs alone without the help of other individuals. Likewise in the context of groups, they still need to interact with other groups to fulfill and continue their life needs.

First From Direct Barter Pattern to Direct Trading. Traditionally, cross-border trade between residents of Sebatik Island and residents of Tawau City is conducted by exchanging goods (forest products) or what is known as bartering. This direct bartering activity has been going on for a long time even before Indonesia's independence. The trading pattern that has developed in recent years is no longer in the direct trading pattern but has developed into a direct trading pattern (direct buying and selling). Communities who used to bring plantation, agricultural and fish catches in the sea to exchange for staple goods, are now being sold to Tawau City to get Ringgit (as a medium of exchange) to buy various necessities and store them as tools. exchange next. However, this does not mean that the bartering pattern is no longer used. At times when a resident does not have enough Ringgit money to shop for daily necessities to Malaysia, agricultural products, plantations, and fishermen's catch can still be used as a medium of exchange. Thus, the trade pattern that develops in the border area of Sebatik Island Regency. Nunukan and the city of Tawau are no longer just exchanging necessities but have led to buying and selling transactions which gradually leads to activities to look for even greater profits.

Second, the types and prices of commodities that are traded. The main commodities used by the community to barter with residents in Tawau City are agricultural products, plantations and fishermen's fish catches and others. By bringing agricultural products, plantations, and fishermen's catches on the contrary, when they returned to Sebatik, they brought various daily necessities such as soap, toothpaste, sugar, milk, cooking oil, clothes, and various other items. Meanwhile, the types of goods that are mostly traded by the people of Tawau City are generally foodstuffs and those which are staples such as cooking oil, sugar, soybeans, salt, coffee, onions, eggs, powdered milk, and others. -food ingredients, residents on Sebatik Island also buy building materials such as cement, zinc, asbestos, nails, iron, and fuel oil such as gasoline, kerosene, and diesel and occasionally buy other essential items such as engines. diesel, electronic and telecommunication

equipment. These items had to be bought in Tawau City, considering that from the perspective of accessibility it was more possible so that overall, it was more efficient than if they had to buy from Nunukan or Tarakan. As for the volume and value of traded goods cannot be traced with certainty. This is because all trade transactions in the region are not officially checked or recorded. Transactions that have taken place since tens or even hundreds of years ago have occurred naturally without recognizing the existence of different jurisdictional boundaries. From generation to generation, people in the border areas, especially on the island of Sebatik, are used to communicating with each other as if they were one nation. This happens because their physical geographic distance is close together compared to people in other areas. Likewise, the sale of natural resources products, both fishing, agriculture, and plantations, are more expensive and the transportation costs are cheaper than to Tarakan and Nunukan. Apart from that, the flow of illegal goods also persists. (Natalia 2016: 94).

Third, Cross-Border Trade Locations. Although the activity that takes place is cross-border trade involving the community in both countries, the locations for this cross-border trade take place mostly in the city of Tawau. Geographically, as described in the earlier section, people living in border villages of Indonesia, especially on Sebatik Island, Nunukan Regency, are easier to market their agricultural products, plantations and fish catches to Tawau City when compared to Nunukan and this is added to the benefits. Prices are higher if they are sold in Tawau City, so that the habit of buying basic daily needs and secondary needs to Tawau City is kept, even tends to be in higher volume and intensity.

Fourth, Dependency Phenomenon. When examined from the perspective of demand and availability theory, this cross-border trading activity can be said to be running unbalanced. In other words, there are still indications of an extremely high dependence on one party, namely the inhabitants of Sebatik Island towards the supply of necessities from Tawau City. This is understandable considering the condition of the area in the border area, especially Sebatik Island, Nunukan Regency has not developed optimally. so that it is still very dependent on the city of Tawau. With this unbalanced trade pattern and tends to be monopolistic, overall, it is clearly detrimental to our people as consumers of the market in Tawau City. (Mahendra 2016). The intensive cross-border activity of the Sebatik people is due to their high dependence on Malaysia. This dependence has been occurring for a long time and has become an inseparable part of the life of the Indonesian Sebatik people. Development that has not been best and the availability of necessities for Indonesian production on Sebatik Island is the cause of the increasing dependence of the community. In addition, the tough economic conditions, the increase in the cost of living, and the substantial number of imports of Malaysian goods entering Indonesia have forced people to depend on neighboring countries because most of their basic needs are supplied from Malaysia (Saleh, 2015).

Even though on the one hand, dependence on Malaysia is beneficial with the increasing community economy, on the other hand, this dependence is clearly detrimental to Indonesia and a threat to social resilience because, economically, the Sebatik people become part of Malaysia which will gradually erode the sense of nationalism and reduce the economic potential at the border. Therefore, in addition to improving infrastructure, the government needs to ensure the availability of necessities of society which are limited and considered important, such as rice, sugar, cooking oil, gasoline, and gas so that in the future people will no longer depend heavily on goods from Malaysia. (Hairul 2015).



## Potential Economic Threats

### **Poverty**

According to Rahardjo (1994 in Giyarsih 2014), poverty is a state of deprivation experienced by someone or a family. This is caused by various things, including low employment opportunities, substandard wages, low work productivity, absence of assets, discrimination of assets and sale of land for non-productive purposes. Meanwhile, according to Chambers (1987 in Giyarsih 2014) is an integrated type of poverty. This means that it consists of numerous factors. With characteristic characteristics, among others, low property ownership, physical weakness, isolation and vulnerability and powerlessness.

In Sebatik, poverty occurs because of low job opportunities because job seekers are not absorbed by local employment opportunities. So, they look for work in Tawau Malaysia, because the opportunity to work is bigger with higher wages, even though most of them are illegal workers. The income of Indonesian workers in Malaysia (Tawau) is calculated from the number (tonnage) of oil palm fruit taken each day. The average worker who works on an oil palm plantation in Tawau can earn 350,000-400,000 / day. This is what drives many Indonesians to change their nationality to become Malaysian citizens (Chairil 2019: 37).

Then is the factor of isolation, considering Sebatik is one of the outer islands of Indonesia whose economic potential has not been fully developed. Because the government's attention is lacking. So that the people of Sebatik try themselves without the presence of the government. In addition, this isolation occurs because of low resources so that not many people come there. Compared, for example, with the Maratua archipelago as one of the outermost islands found in Berau Regency, which is widely visited because the local government has developed it as a tourist attraction. Difference with Sebatik. So that the community is more isolated. But this poverty does not mean that people are unable to meet their needs. The minimum income of the community can meet their daily needs. The supply of foodstuffs stays, in addition to domestic resources as well as external sources, especially from Malaysian Tawau.

### **Limited resources**

Looking at the geographical side, Indonesia's Sebatik Island is small and not too wide. If Sebatik Island, which is a small island, is forced to develop economic activities such as oil palm, it will cause environmental damage. Meanwhile, the management of small islands is based on the principles of article 3 of Law No. 27 of 2007, namely first, sustainability. Second, consistency, third integration, fourth legal certainty, fifth, partnership. Sixth, equity, the seventh community participation, the eighth openness, the ninth decentralization, the tenth accountability and the eleventh, justice. For the management of points, sustainability and partnership are especially important because the management must be by the aims of managing small islands to protect, rehabilitate, conserve, use small island and coastal resources and the surrounding areas.

For this reason, developing Sebatik islands is prohibited from using materials that are detrimental to the community such as explosives, it is not allowed to damage mangroves, so if management destroys mangrove forests because it directly threatens the lives of the community and the ecosystem. If there is oil and gas mining that causes pollution, it must be prohibited because it is detrimental to the community. Fourth, it is prohibited to conduct physical construction that causes pollution and harms the community.

Of the five prohibitions, the management of Sebatik Island must keep away from exploiting natural resources that cause pollution and damage to the ecosystem. For the development of Sebatik Island, there are several things that must be studied. First, regional potential, especially physical potential. Second, the social, economic, and social conditions of the

local community. Third, the availability of existing facilities. Fourth, the development policy for the Sebatik Island area and the five formulation of development strategies by local conditions.

According to several sources, the potential that deserves to be developed is the tourism sector. It is predicted that the community's involvement will be exceptionally large compared to other sectors, in the plantation sector there are job vacancies open, especially those who can bring in people from outside Sebatik Island. So that it does not have an impact on reducing unemployment in Sebatik. In the tourism sector, it will have a direct impact on the economy of the community. society will welcome opportunities by moving the wheels of the economy. For example, being a tour guide, opening a restaurant and other eating places and lodging. As well as other supporting facilities, such as diving equipment rental, boats, and others. So that unemployment can be empowered, absorbed by tourism service providers. Therefore, Sebatik development must be an effort that involves the public and directly.

Since natural resources refer to the rule that development must not destroy nature, the tourism sector is important, but empowering the existing potential has economic value. So, the role of government is to supply infrastructure and administration. On the one hand, the government makes it easier for service providers and tourist administrators to come, while the local population tries to make tourists comfortable. The two stake holders do their respective tasks. So that the unemployed who are looking for work in Malaysia can work in their area. So, the government becomes the main mover, while the community becomes the direct actor related to the community's economy. So, the government builds infrastructure by Sebatik's needs. So Sebatik development cannot be equated with other areas.

### ***Unemployment***

There are two unemployed people in Sebatik Island. First, unemployment from the Sebatik community. Second, from outside or not from the Sebatik community. Sebatik residents are also divided into two, namely educated and uneducated. Uneducated unemployed is an early age group who continue their education to a higher level outside Sebatik Island. Some people go to Java, Sulawesi, and other cities in Kalimantan. They are after completing their education but do not find suitable jobs. As a result, they become unemployed. In fact, many educated young Sebatik people migrate or live outside the island because they supply employment. But those who returned to Sebatik, some worked in government and oil palm plantation companies, but the number was small. Generally, they do not want to work in manual and informal jobs. The two uneducated Sebatik residents work in the informal sector. For example, being a plantation worker because there are small-scale oil palm plantations, farmers working the land and fishers who catch fish in the waters around the Sebatik.

But it must be remembered, that in Sebatik, mineral resources in the form of oil, coal and other minerals that have not been explored are found, so that it does not open much workspace and attract other workers to come, so the development of Sebatik is slower. In general, fisheries sector is the largest in Sebatik, followed by agriculture and plantation. There is one area that has not been developed yet but offers many jobs, namely the tourism sector. Not yet developed due to unsupportive infrastructure. So that this field is neglected. If the tourism sector is developed, Sebatik will develop for the better. Attracting educated young people to return to their hometowns.

However, many migrants from outside to the Sebatik, from Kalimantan, Java, Sulawesi, and other islands. They are unemployed who want to find work in Tawau Malaysia. So that Sebatik becomes a transit point before going to Malaysia. They go mainly to the Tawau area, the closest it departs from Sebatik because it only takes 15 minutes. They come as uneducated personnel. Generally, workers in the informal sector, for example manual labor in plantations and Malaysian government projects. Indeed, it could not prevent their arrival. Their arrival is a big problem

because they are suspected of entering Malaysia without being equipped with the necessary official documents. Although it is not easy for these migrants, as undocumented immigrants, there is no legal umbrella on which to base them in Malaysia. In contrast to the Sebatik residents who have a KITAS (cross border card) which makes it easier for them to cross the border. But the problem is they settled illegally to find work in Tawau. Both domestic and foreign unemployed people want to work in Malaysia because job opportunities are still open, and the wages offered are considered proper to support families in Indonesia.

### ***Trading***

Traditionally, the trading of the people on the Sebatik island is mostly conducted with residents of the city of Tawau, Malaysia. Sebatik Island's natural resource products, such as fish, rice and plantation products are mostly sold to Malaysian Tawau than to Indonesia. Given the distance from Sebatik to Nunukan is about 3 hours, while the distance of Tawau Sebatik can be reached within 15 minutes or sold to Malaysian Sebatik. That is what causes the natural products of Sebatik Island to be sold to Malaysia. In fact, most of the marine fish sold in the Tawau area are the catch of Sebatik fishers, which are collected by large traders and then supplied to be marketed in Tawau. This problem became a concern when the Minister of Maritime Affairs pressured fishers not to sell their catch illegally to Malaysia. So that the fish market in Tawau is empty, the supply is reduced because no fish comes in from the Sebatik. So that the price of sea fish becomes expensive in the Tawau market. But on the other hand, due to this policy, Sebatik island fishers do not get income. Because the fish consumption of the Sebatik population is low. As a result, the fish caught by fishers is worthless.

In addition, generally the goods traded on Sebatik come from Malaysia. Malaysian products are easier to find daily necessities than Indonesian products. Such as gas for cooking, salt, noodles, canned food, chocolate clothes, cakes to car spare parts. In addition, this trade is due to the government's lack of attention in Sebatik. Indonesian products are inferior to Malaysian products, regardless of quality, but Malaysian goods are cheaper because the transportation costs are cheaper than importing Indonesian products.

However, there are several natural resource products from Sebatik that are claimed to be Malaysian products. The product is packaged and labeled Product of Malaysia. What is sold is more expensive than the purchase price of Sebatik residents. So that more benefits are enjoyed by Malaysian village. For example, fish sold in Tawau is recognized as the catch of Malaysian fishers. Although it is sold by traders, most of whom are also from Indonesia, who are related to the Sebatik population.

With a trading pattern like this the government must pay more attention because economic problems must be considered, if the needs of the community are supplied more by Malaysia, it is likely that the population will side with Malaysia over Indonesia. However, there are efforts by the Jokowi government to pay more attention, for example to equalize the price of fuel in Sebatik with other cities in Kalimantan. But that price is only at the petrol station, while retail prices are still high. There are no government restrictions. The government should pay attention to building the infrastructure needed by the community.

## CONCLUSION

Economic problems on Sebatik Island cannot be solved only by the local community, but must be together with other stakeholders, especially the government. As a stakeholder in deciding policies, the government must take and implement decisions that favor the development of Sebatik Island. As well as making synergies with the Provincial Government of North Kalimantan so that the decisions made are by the needs of the local population. Because economic problems are related to other issues, security, social and political. This problem must be responded to or resolved properly, especially about state sovereignty. So, in addition to improving infrastructure, the government must ensure the availability of daily necessities to reduce dependence on Malaysia.

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