

## **BORDER AREA ECONOMIC DEVELOPMENT STRATEGY: A SUSTAINABLE APPROACH**

**Indah Sulistiani \*<sup>1</sup>**

Universitas Muhammadiyah Papua, Indonesia  
[indahsulistiani175@gmail.com](mailto:indahsulistiani175@gmail.com)

**Soni Suardi**

Universitas Borobudur, Indonesia  
[sonisuardi@gmail.com](mailto:sonisuardi@gmail.com)

**Syarifuddin**

Universitas Muhammadiyah Papua, Indonesia  
[syarif1572@gmail.com](mailto:syarif1572@gmail.com)

### **Abstract**

Border regions are currently entering a new paradigm of regional development. As a region that emerged as a result of globalization and policy decentralization, there has been a shift in the security paradigm towards prosperity. Characteristics that are different from other regions (immobility of production factors, transaction costs and delays, different economic systems, institutional issues, zoning and the role of the informal sector) encourage the economic function of the region on the internal and external side. The economic perspective in border areas tends to improve along with this paradigm change. Facing the challenges of economic development involves identifying the main problems that affect economic growth and progress, as well as formulating appropriate strategies and policies to overcome these problems. This involves cooperation between government, the private sector, civil society, and international institutions to achieve sustainable economic development. The economic development strategy for border areas is related to efforts to stimulate economic growth. This strategy supports existing policies and includes planning strategies in the medium and long term. These strategies include: encouraging conducive and operational regulations in the field of economic development in border areas, compiling a road map for effective and operational spatial planning, improvising infrastructure development that is responsive to needs (hard & soft infrastructure), increasing the role of leading sectors and encouraging sectors others in growth, increasing attention to the sustainability of development and development of Human Resources, facilitating internal and external trade.

---

<sup>1</sup> Correspondence author

**Keywords:** Economic Development, Frontier

## **INTRODUCTION**

Several important things that have become the focus of attention in border areas are the increasing attention to networks, mobility, globalization and cosmopolitanization which play a role in coloring the nature of a border area. In social theory, a border approach is generally used in the context of the idea of a network consisting of several important components, namely: mobility, movement, changing conditions, and physical character. Several of these components are important keys in understanding the context of border regions (Rumford, C, 2006).

The key to this paradigm shift regarding border areas begins with awareness of the role of border areas. Conditions that were originally just lines on a map, or political boundary signs (security check points, passport control, transit points) have developed into broader dimensions, so that borderless nuances are increasingly visible (such as the European Union). The development of this paradigm encourages the development of prosperity aspects, so that the function of border areas becomes important as a motor of economic growth (strategic areas) even though they are often located in peripheral areas (Mitrică, B., et al, 2017).

The borderless phenomenon (Allen and Hamnett, 1995; Ohmae, 1995), as well as reborder (revisiting the function of borders from control considerations) are inseparable. On the one hand, the development of borderless is due to the effects of globalization which eliminates borders between regions in anticipation of larger economic movements, while on the other hand, there is the concept of rebordering in the context of security considerations and concerns about open borders. This conception leads to better control over the movement of workers, refugees and terrorists (Andreas, P., & Snyder, T, 2000).

In the context of accelerating global market growth, this indicates the principle of openness. Border development is seen as an urgent matter, this can be seen from the large gap between rich and poor countries which leads to conditions of stability and security (Itasari, E. R, 2020). Changes in the contemporary border paradigm can be seen from the importance of a security approach in the context of global threats. This effort can be understood as increasing profitable cooperation while still considering security factors in anticipating the impact of losses arising from the principle of openness in border areas.

Economic development is a continuous development process that is dynamic in nature. Whatever is done, the essence of the process and nature of development reflects a new breakthrough, so it is not just a picture of the economy at one time. Economic development is also related to real per capita income, here there are two important aspects that are interrelated, namely total income or what is more commonly known as national income and population. Per capita income means total income divided by population (La Porta, R., & Shleifer, A, 2008).

One of the important problems faced in economic development is between meeting development needs and efforts to maintain environmental sustainability (Fauzi, A., & Oxtavianus, A, 2014). Natural resource-based economic development that does not pay attention to aspects of environmental sustainability will ultimately have a negative impact on the environment itself. Because, basically natural resources and the environment have a limited carrying capacity. In other words, economic development that does not pay attention to the capacity of natural resources and the environment will cause development problems in the future.

The concept of sustainable development has long been of concern to experts. However, the term sustainability only emerged several decades ago. However, attention to sustainability has started since Malthus (Cypher, J. M, 2014). concerned about the availability of land in England due to the rapid population explosion.

Sustainable development is a human effort to improve the quality of life while still trying not to exceed the life-supporting ecosystem. Nowadays, the issue of sustainable development has become an important issue that needs to continue to be socialized in society (Barrier, E. B, 2017).

Sustainable development (Salim, E, 1990) aims to improve community welfare, to meet human needs and aspirations. Sustainable development is essentially aimed at seeking equitable development between generations now and in the future. According to KLH (Baker, S, 2015). development, which is basically more economically oriented, can measure its sustainability based on three criteria. Namely: (1) There is no wasteful use of natural resources or depletion of natural resources; (2) No pollution and other environmental impacts; (3) Activities must be able to increase useable resources or replaceable resources.

In line with the concept above, Sutamihardja (Rany, A. P., et al, 2020), states that sustainable development targets include efforts to realize, first, equal distribution of the benefits of development results between

generations (intergeneration equity), which means that the use of natural resources For the purposes of growth, it is necessary to pay attention to reasonable limits in the control of ecosystems or environmental systems and be directed towards replaceable natural resources and emphasize as little as possible the exploitation of irreplaceable natural resources. Second, safeguarding or securing the preservation of existing natural resources and the environment and preventing ecosystem disturbances in order to ensure the quality of life remains good for future generations. Third, the use and management of natural resources is solely for the sake of pursuing economic growth in the interests of equitable and sustainable use of natural resources between generations. Fourth, maintaining sustainable welfare of the people (society) both now and in the future (inter temporal). Fifth, maintaining the benefits of development or management of natural resources and the environment which have long-term or sustainable benefits between generations. Sixth, maintaining the quality of human life between generations in accordance with their habitat.

## **RESEARCH METHOD**

The study in this research is qualitative with literature. The literature study research method is a research approach that involves the analysis and synthesis of information from various literature sources that are relevant to a particular research topic. Documents taken from literature research are journals, books and references related to the discussion you want to research (Earley, M.A. 2014; Caruth, G.D. 2013).

## **RESULT AND DISCUSSION**

### **Context and Characteristics of Border Areas**

#### **A. Identify Observed Border Areas**

Border areas are a new paradigm in regional development. The emergence of these new regions is a result of globalization or decentralization in policy (Jakubowski, A., et al, 2022). The development of border areas is often characterized by the role of trade and investment as a possibility in the development of border areas leading to a borderless world (Kolossof, V., & Scott, J, 2013).

Most border regions play an important role in the global economic chain. This role is very attractive, especially in remote border areas and plays a security function as well as an opportunity to act as a motor for national, regional and international economic growth (Budianta, A, 2010).

This role leads to a different approach to other types of regional development.

The border areas of a country have an important role in determining the boundaries of sovereign territory, utilizing natural resources, maintaining security and territorial integrity. Border area development is basically an integral part of national development (Syamwil, I. B., & Oetomo, A, 2005). Border areas have strategic value in supporting the success of national development, this is demonstrated by the characteristics of activities that have an important impact on state sovereignty, being a driving factor for improving the socio-economic welfare of the surrounding community, interconnectedness that influences each other with activities carried out in other areas that border the area. regions and between countries, and has an impact on defense and security conditions, both regional and national scales (Rani, F, 2012).

The borders of a country, or state's borders, are known at the same time as the birth of the country. The state in the modern sense has been known since the 18th century in Europe. State borders are a geographical space that has from the beginning been an area of power struggle between countries, which is mainly characterized by the struggle to expand borders between countries. As part of the history and existence of countries, the history of border areas cannot be separated from the history of the birth and end of various countries (Jakubowski, A., et al, 2022).

State border areas are the main manifestation of a country's territorial sovereignty. The border areas of a country have an important role in determining the boundaries of sovereign territory, utilization of natural resources, as well as security and territorial integrity. Border issues have complex dimensions. There are a number of crucial factors involved in it, such as state jurisdiction and sovereignty, politics, socio-economics and defense and security.

#### B. Potential and Constraints of Economic Development

Facing Economic Development Challenges refers to efforts made to overcome various obstacles and obstacles that arise in the economic development process of a country or region. These challenges can include various aspects, such as limited resources, socio-economic disparities, climate change, environmental degradation, and political instability, among others (Gurvich, E, 2016).

Facing the challenges of economic development involves identifying the main problems that affect economic growth and progress, as well as

formulating appropriate strategies and policies to overcome these problems. This involves cooperation between government, the private sector, civil society, and international institutions to achieve sustainable economic development (Swenson, D, 2011). Facing the challenges of economic development requires a deep awareness and understanding of the factors that influence economic growth and limit development potential.

Some common challenges faced in economic development include:

1. **Limited Resources:** Limited natural resources, such as energy, water, and raw materials, can be an obstacle to achieving sustainable economic growth. Managing these resources wisely, increasing efficiency of use, and seeking environmentally friendly alternatives are important steps.
2. **Socio-Economic Inequality:** Inequality in income distribution, access to education, health services, and employment opportunities can be a serious challenge in achieving inclusive economic development. Reducing socio-economic disparities through redistribution policies, community empowerment, and creating fair employment can become an important strategy.
3. **Climate Change:** Climate change poses a serious challenge to economic development in various sectors. Reducing greenhouse gas emissions, increasing resilience to climate change, and adapting environmentally friendly policies are key to facing this challenge.
4. **Rapid Urbanization:** Population growth and rapid urbanization are placing pressure on urban infrastructure, transportation, housing, and public services. Planning sustainable urban development, improving existing infrastructure, and improving the quality of life of urban residents are important steps in overcoming this challenge.
5. **Lack of Infrastructure:** Lack of adequate infrastructure can be an obstacle to economic growth. Building and improving transportation, energy, communication and clean water infrastructure is a priority in facing this challenge (Cypher, J. M, 2014).

To face these challenges, cooperation between government, the private sector, academia, civil society and international institutions is needed. Careful planning, appropriate policies, technological innovation and active community participation are the keys to overcoming the challenges of economic development.

## **Border Area Economic Development Strategy**

## A. Infrastructure Development

Infrastructure development plays a very important role in spurring economic growth, both at the national and regional levels, as well as reducing unemployment, alleviating poverty and of course improving people's welfare (Oki, K. K, 2019). For this reason, the Government is committed to continuing to improve infrastructure development, because the availability of reliable infrastructure is very important to support economic activities and the growth of the business world.

Some of the problems in the national construction services sector include construction workers who do not have proportional competency in accordance with budget increases, competency and quality of business entities as service providers in Indonesia, as well as policies and regulations to support various efforts to accelerate development (Calderon, C. A., & Servén, L, 2004).

Good and equitable infrastructure development can save the costs of setting up a factory. Usually industrial locations are provided by the government, this allows companies to obtain operational locations at cheaper prices and factory construction can run more efficiently. Even good infrastructure can also increase the efficiency of company operations (Malinoshevska, K., et al, 2021).

Good infrastructure is also able to facilitate the distribution and mobility of goods. Both operations when transporting raw materials and final goods. Shorter and more efficient time makes product prices competitive and not too expensive. You can imagine that poor infrastructure will certainly make operations not run smoothly. This makes product prices expensive and uncompetitive.

Increasing transportation infrastructure in an area also makes improvements in facilities and infrastructure more evenly distributed. When equality works well, there is no longer such a thing as underdeveloped areas, poverty in an area becomes more resolved. Apart from transportation, communication infrastructure also needs to be improved. By increasing development in the fields of transportation and communication, gaps will not occur.

## B. Improved Accessibility and Connectivity

There are various elements that influence the level of accessibility, for example road conditions, types of transportation available, departure frequency and distance (Tarigan, R, 2003). Another factor that also influences the function of low accessibility is topography, because it can be

a barrier to smooth interaction in an area. Hydrological conditions such as rivers, lakes, swamps and seas also greatly influence the development and development of agriculture, fisheries, transportation, industry and tourism. So the height and level of the area really depends on the morphology, topography and sea as well as the network system and the availability of supporting facilities and infrastructure to facilitate various connections between the surrounding areas.

The road network is one of the factors that influences the smooth running of public services which is very important. The availability of road infrastructure, both quality and quantity, really determines whether or not an area is easy to reach (level of accessibility). If accessibility in an area is high, regional development will run smoothly. So the better the road network system in an area, the smoother the distribution of goods, services and other information that can spur the development of that area.

Facilities and infrastructure in a region in the form of roads, bridges, telecommunications networks, vehicles (land, air and sea), terminals, ports, etc. provide the basis for smooth planning and implementation of regional development. Transportation facilities and infrastructure will support and support physical development (Martín, B., et al, 2021). In this case, to facilitate services and avoid congestion, it is necessary to develop the road network and internal services by involving the role of local government, the community and the business world. The accessibility factor plays an important role in regional development efforts because without being supported by an adequate transportation system, facilities and infrastructure, the development of a region will be difficult to develop.

Meanwhile, strengthening national connectivity is one of the strategies taken to accelerate and expand national economic development. Therefore, there are three principles of the connectivity concept. First, maximizing growth through regional unity, not uniformity (inclusive development) by connecting growth centers. Second, expanding growth through regional connectivity through an inter-modal supply chain system that connects hinterlands and those left behind with growth centers. Third, achieving inclusive growth by connecting remote areas with basic infrastructure and services to gain development benefits.

## **Strategy Implementation and Evaluation**

### **A. Determination of Performance Indicators**

In order to measure and improve performance and further increase the accountability of government agency performance, each government agency needs to establish Performance Indicators. For this reason, the first thing that government agencies need to do is determine what the main performance of the government agency in question is. The main performance of an agency is the main thing that will be realized by the agency concerned, or to realize what the government agency was formed, which is the core business area and is stated in the main tasks and main functions of the government agency (Kabeyi, M, 2019).

Thus, main performance is contained in the strategic goals and targets of government agencies, so that Key Performance Indicators are a measure of the success of a government agency's strategic goals and targets. In other words, KPI is used as a measure of the success of the government agency concerned. By establishing the IKU, government agencies can use it for several documents, including: (Strohhecker, J, 2016).

1. Medium term planning
2. Annual Planning
3. Budget Planning
4. Preparation of Performance Determination Documents
5. Performance Measurement
6. Performance Accountability Reporting
7. Evaluation of the Performance of Government Agencies
8. Monitoring and Controlling the Performance of Program and Activity Implementation

#### B. Monitoring and Evaluation Mechanism

The monitoring mechanism is carried out as follows:

In the OPD scope, the mechanism is carried out as follows: (Wasiati, I., & Supriyanto, T, 2016).

1. Each work unit/coordinator appointed to coordinate activities in the context of implementing bureaucratic reform in each OPD, is obliged to carry out continuous monitoring of the activities for which it is responsible;
2. Monitoring results are reported to the Head of OPD regularly. If there is an important matter that needs to be followed up immediately, it can be reported directly to the Head of OPD;
3. The Head of the OPD, together with the team at the OPD, is obliged to formulate corrective steps and carry out follow-up actions based on the corrective steps that have been formulated;

4. Problems cannot be resolved within the scope of the OPD, so problems can be brought to the working group and plenary levels;
5. All monitoring results are submitted to the Monitoring and Evaluation working group which is coordinated by the Regional Inspectorate.

Evaluation of various implementation activities as described in the action plan is carried out through the following media: (Prennushi, G., et al, 2002)

At the OPD level, evaluation is carried out primarily in relation to the implementation of activities that are regional government priorities attached to certain OPDs, and priorities that are the focus of the OPD as stated in the action plan, carried out through the media:

1. Regular meetings chaired directly by the Head of OPD at least once every six months;
2. Routine surveys, specifically related to the field of duties or services carried out by each SKPD. At least the survey is conducted once a year
3. Regular online surveys.
4. Complaint management.
5. Measuring the targets that have been set every six months.
6. Report on the progress of implementing internal bureaucratic reform activities once every six months.

## **CONCLUSION**

The strategic weighing of the economy of the border areas is a joint effort to drive economic growth. Their strategies support the policy of existing and incorporate strategies for long-term and sustainable planning. The other strategies include: to encourage conducive and operational re-regulation of the area of economic balance of the border area, to develop a road map of effective and operationalized spatial balance, to implement improvisation of infrastructure balance that responds to good needs (hard & soft infrastructure), to enhance the sector of superiority and encourage other sectors in the crops, to increase attention to the sustainability of balancing and balancing Human Resources, facilitating peer trade whose nature is internal and external. What other strategies are expected to be the guidelines in balancing the boundary areas of the border characteristic boundaries whose economic activity is the primary concern.

## REFERENCES

- Andreas, P., & Snyder, T. (Eds.). (2000). *The wall around the West: State borders and immigration controls in North America and Europe*. Rowman & Littlefield.
- Baker, S. (2015). *Sustainable development*. Routledge.
- Barrier, E. B. (2017). The concept of sustainable economic development. In *The economics of sustainability* (pp. 87-96). Routledge.
- Budianta, A. (2010). Pengembangan wilayah perbatasan sebagai upaya pemerataan pembangunan wilayah di Indonesia. *SMARTek*, 8(1).
- Calderon, C. A., & Servén, L. (2004). The effects of infrastructure development on growth and income distribution. Available at SSRN 625277.
- Caruth, G. D. (2013). Demystifying mixed methods research design: A review of the literature. *Online Submission*, 3 (2), 112-122
- Cypher, J. M. (2014). *The process of economic development*. Routledge.
- Earley, M.A (2014). A synthesis of the literature on research methods education. *Teaching in Higher Education*, 19 (3), 242-253
- Fauzi, A., & Oxtavianus, A. (2014). Pengukuran pembangunan berkelanjutan di Indonesia. *Mimbar: Jurnal Sosial dan Pembangunan*, 30(1), 42-52.
- Gurvich, E. (2016). Institutional constraints and economic development. *Russian Journal of Economics*, 2(4), 349-374.
- Itasari, E. R. (2020). Border Management Between Indonesia And Malaysia In Increasing The Economy In Both Border Areas. *Jurnal Komunikasi Hukum (JKH)*, 6(1), 219-227.
- Jakubowski, A., Trykacz, K., Studzieniecki, T., & Skibiński, J. (2022). Identifying cross-border functional areas: conceptual background and empirical findings from Polish borderlands. *European Planning Studies*, 30(12), 2433-2455.
- Kabeyi, M. (2019). Organizational strategic planning, implementation and evaluation with analysis of challenges and benefits. *International Journal of Applied Research and Studies*, 5(6), 27-32.
- Kolossov, V., & Scott, J. (2013). Selected conceptual issues in border studies. *Belgeo. Revue belge de géographie*, (1).
- La Porta, R., & Shleifer, A. (2008). The unofficial economy and economic development (No. w14520). National Bureau of Economic Research.

- Malinoshevska, K., Martyshyn, D. E. N. Y. S., Perestyuk, I. N. G. A., Panchenko, S. V. I. T. L. A. N. A., & Omarov, A. Z. A. D. (2021). Management of financial and economic development of border regions of Ukraine. *WSEAS Transactions on Business and Economics*, 18, 595-605.
- Martín, B., Ortega, E., de Isidro, Á., & Iglesias-Merchan, C. (2021). Improvements in high-speed rail network environmental evaluation and planning: An assessment of accessibility gains and landscape connectivity costs in Spain. *Land Use Policy*, 103, 105301.
- Mitrică, B., Mocanu, I., Dumitrașcu, M., & Grigorescu, I. (2017). Socio-economic disparities in the development of the Romania's border areas. *Social Indicators Research*, 134, 899-916.
- Oki, K. K. (2019). Strategi of community economic development in border area with Timor Leste through cross border trade. *International Journal of Business and Manajement Invention*, 8(3), 24-30.
- Prennushi, G., Rubio, G., & Subbarao, K. (2002). Monitoring and evaluation. A sourcebook for poverty reduction strategies, 107-30.
- Rani, F. (2012). Strategi pemerintah Indonesia dalam meningkatkan keamanan wilayah perbatasan menurut perspektif sosial pembangunan. *Transnasional*, 4(01).
- Rany, A. P., Farhani, S. A., Nurina, V. R., & Pimada, L. M. (2020). Tantangan Indonesia dalam mewujudkan pertumbuhan ekonomi yang kuat dan pembangunan ekonomi berkelanjutan melalui indonesia green growth program oleh bappenas. *Jurnal Ilmu Ekonomi dan Pembangunan*, 20(1), 63-73.
- Rumford, C. (2006). Theorizing borders. *European journal of social theory*, 9(2), 155-169.
- Salim, E. (1990). *Konsep Pembangunan Berkelanjutan*. Jakarta: Gramedia.
- Strohhecker, J. (2016). Factors influencing strategy implementation decisions: an evaluation of a balanced scorecard cockpit, intelligence, and knowledge. *Journal of Management Control*, 27(1), 89-119.
- Swenson, D. (2011, March). The regional economic development potential and constraints to local foods development in the Midwest. In 50th Annual Meeting of the Southern Regional Science Association, New Orleans.
- Syamwil, I. B., & Oetomo, A. (2005). *Pembangunan Wilayah di Perbatasan Negara Kasus Kalimantan Barat*.

Tarigan, R. (2003). Perencanaan Pembangunan Wilayah: Cetakan I. Jakarta: PT Bumi Aksara.

Wasiati, I., & Supriyanto, T. (2016). Sistem Monitoring dan Evaluasi untuk Peningkatan Kapasitas Pemerintahan Daerah.