

## **ILLEGALISATION OF TRADITIONAL BORDER CROSSING AT SEBATIK MARITIME BORDER AREA BETWEEN INDONESIA AND MALAYSIA**

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### **Abstract**

This study examines the illegalisation of traditional border crossing practiced by local residents on Sebatik Island since 2012 and analyzes its socio-economic impacts on borderland communities. Sebatik is an island divided into two territories: the northern part belongs to Malaysia, while the southern part falls under Indonesian sovereignty. Historically, Indonesian and Malaysian communities around Sebatik have engaged in traditional cross-border mobility via maritime routes since 1967. These movements allowed border residents to meet their basic needs, including selling agricultural and fishery products, purchasing essential goods, and visiting relatives. However, between 2011 and 2013, Malaysia gradually closed its border gate in Tawau to travelers arriving directly from the Indonesian side of Sebatik, citing security and safety concerns. Since then, all traditional cross-border movements via the Sebatik–Tawau maritime route have been deemed illegal. Using a qualitative approach, this study traces the process of this illegalisation from 2011 to 2024 through interviews and field observations involving cross-border travelers, traders, and local government officials from both the Indonesian and Malaysian sides. The findings indicate that the illegalisation of traditional border crossing has significantly disrupted the lives of border residents. It has made it more difficult for people to visit their relatives due to the long distance to official exit and entry points, resulting in higher transportation costs and longer travel times. It has also eliminated opportunities for barter and traditional border trade, leading to reduced incomes, and restricted the supply of basic goods, thereby increasing prices. This study recommends border governance that reaffirms the traditional cross-border route between Tawau and Sebatik with improved facilities that adequately address security and safety concerns.

**Keywords:** border governance, illegalisation, mobility of people, Sebatik island, traditional border-crossing.

## Introduction

Amid the currents of globalization and an increasingly interconnected world, cross-border communities have emerged as a widespread phenomenon along many international frontiers. The term cross-border community refers to groups of people residing in areas adjacent to or straddling international borders, whose daily lives and activities routinely extend across national boundaries. Other related terms include cross-border communal, cross-border population, and transnational communities (Noseworthy, 2013; Djelic & Quack, 2011; De Boisdeffre, 2023). A more specific subset of this group is referred to as cross-border commuters, denoting individuals who engage in cross-border movement on a daily basis or at least once a week, primarily for employment purposes in a neighboring country (European Union, 2025). These communities often maintain deep social, economic, cultural, and historical ties that transcend the dividing lines of the nation-state.

Studies on cross-border communities have developed extensively in the European context, encompassing both intra-European cases and those involving the European Union's external borders. Much of this literature focuses on institutionalized and Europeanized cross-border communities, in which ordinate-subordinate territorial relationships transform the linguistic, cultural, and economic constellations of neighboring populations (Orsini et al., 2017; Zich, 2017; Haselsberger & Benneworth, 2011). An institutionalized border refers to a boundary that has been formally delimited, demarcated, and documented, with established procedures for managing cross-border movement and control through a system of laws, policies, and administrative practices (Jumari et al., 2022; Kennard, 2003). The mainstream discourse on the institutionalization of cross-border spaces in Europe appears to be not fully applicable to the Southeast Asian context. In this region, various non-institutionalized practices remain prevalent, including irregular migration and barter trade (Ford, 2024; Raharjo & Idris, 2025). These practices are often referred to as traditional border crossing or traditional cross-border mobility (Luna-Firebaugh, 2002; Tambunan & Lantang, 2024; Fauzan, 2024). Such traditional forms of mobility are frequently closely linked to the rights and customary practices of Indigenous Peoples (Ford, 2024).

The maritime border between Indonesia and Malaysia around Sebatik Island serves as a pertinent case study for examining traditional border crossing practices. Since 1967, Indonesia and Malaysia have agreed to designate Sebatik–Tawau and several other areas as official exit and entry points for traditional border crossing (Basic Arrangement on Border Crossing, 1967). In this context, border crossing refers to activities undertaken for purposes such as visiting relatives, engaging in socio-cultural exchanges, conducting border trade, and fulfilling official government duties. Under this agreement, both countries adopted a policy facilitating the use of border passes for residents of the border regions. Furthermore, both governments agreed to allow Sebatik residents to engage in border trade using boats with a maximum capacity of 20 m<sup>3</sup>, and with goods valued at no more than 600 Malaysian ringgit per boat per trip (Agreement on Border Trade, 1970).

**Figure 1: Map of Sebatik**



Source: modified from Google Maps.

Between 2011 and 2013, Malaysia gradually restricted and eventually closed the Port of Tawau to traditional vessels from Sebatik seeking to dock. Malaysia enforced a ban on the use of vessels that did not comply with international maritime standards for entry into the port. This regulation is widely interpreted as a response by the Malaysian government to the 2013 Lahad Datu incursion by Sulu forces, which prompted heightened security measures across Malaysian territory—particularly along the Sabah coastline and maritime border areas with Indonesia (Dollah et al., 2016). The closure of Tawau Port to non-conventional vessels from Sebatik then transforms the status of traditional border crossings in the area from legal to illegal.

This study examines the illegalisation of traditional border crossing practiced by local residents on Sebatik Island and its surrounding areas, as well as the socio-economic impacts of this shift on the cross-border community. Theoretically, the study aims to contribute to the reconceptualization of cross-border communities and border regimes in Southeast Asia by moving beyond an institutional-oriented framework. Practically, it seeks to offer policy recommendations for managing traditional border crossings in a manner that provides a more balanced and win-win solution—a border governance that accommodates both state interests and the needs of local communities.

## Literature Review

The discourse surrounding the management of border-related affairs is often framed within the concept of border governance. In general terms, border governance refers to the act of governing cross-border regions (Jose Villanueva et al., 2020). From legal perspective, this concept encompasses legislation, policies, plans, strategies, action plans, and activities related to the entry and exit of individuals from a state's territory. This includes processes such as detection, rescue, interception, screening, interviewing, identification, reception, referral, detention, removal, or return, as well as related activities such as training, and the provision of technical, financial, and other forms of assistance—including assistance extended to other states (Alice Sironi et al., 2019). A closely related concept is cross-border governance, which refers to a set of differently organized institutions facilitating cross-border cooperation among various actors, primarily at the subnational level, with the aim of addressing challenges arising from shared national borders (Abdul Rahim Anuar & Sandy Raharjo, 2022).

There are several types of border governance. Based on policy approaches, border governance can be categorized into top-down and bottom-up governance (Nora Crossey, 2025). Top-down approaches refer to initiatives that are regulated, planned, and incentivized by the government or other institutionalized bodies, whereas bottom-up approaches are driven by non-governmental actors such as grassroots initiatives, civil society organizations, local businesses, or local administrations (Vanja Međugorac & Geertje Schuitema, 2023). In terms of management structures, border governance can also take the form of institutionalized governance, characterized by a broad range of organizational bodies and boards with a high degree of formalization, or network-based governance, which is defined by more flexible, personal, and egalitarian relationships, and accommodates a greater degree of informality (Kristina Zumbusch & Roland Scherer, 2015).

Studies on border governance concerning informal and traditional border crossings in Southeast Asia have predominantly been conducted within an institutional framework, which tends to interpret cross-border activities through a legal-illegal dichotomy. For instance, Piers Noak et al. (2024) identify illegal trade and other illicit activities occurring along the borders of Eastern Indonesia, Eastern Malaysia, and the Philippines as disruptions to bilateral relations. Their study also advocates for a paradigm shift from traditional or informal practices toward modern and formal border management. Similarly, Diana Kim and Yuhki Tajima (2022) examine smuggling through the lens of border enforcement, proposing solutions that focus on addressing bureaucratic corruption within both local and central government agencies. In other words, these studies tend to approach informal border crossings—particularly those carried out by low-skilled smugglers for subsistence livelihoods—through a top-down paradigm, as they often inadequately explore the root causes behind such activities. A notable exception is the study by UNODC (2023), which adopts a bottom-up perspective by investigating community views on traditional border-crossing practices. The study reveals that survey respondents in Thailand and Malaysia exhibit a high tolerance for the smuggling of everyday goods such as food and clothing. While this study still categorizes informal border crossings as illicit activities, it recommends policy solutions that are informed by the perspectives and input of local communities.

The above literature review indicates that existing studies on traditional border crossings in Southeast Asia remain predominantly grounded in top-down and institutionally oriented approaches to border governance. In contrast, this study proposes an alternative approach that frames traditional border crossings not within a legal–illegal dichotomy, but rather through a formal–informal distinction. Accordingly, traditional border crossings are not necessarily viewed as criminal acts requiring securitized responses, as some of these activities are essential for the livelihoods of cross-border communities.

## **Methodology**

This research is part of a doctoral study employing a qualitative approach. It adopts the case study tradition within qualitative research, as the phenomenon under investigation is specific to a particular topic, subject, location, and timeframe—namely, traditional border crossing among the cross-border communities on Sebatik Island from 2012 to 2024. The study utilizes interviews, observation, and document review as primary data collection methods, conducted during fieldwork in September 2024. The Interviews targeted individuals engaged in traditional cross-border movements for purposes such as family visits and border trade, as well as officials from agencies involved in border affairs. In addition, secondary data—such as statistics on cross-border trade and people flows—were collected from relevant agencies on both the Indonesian and Malaysian sides. The study employs thematic analysis by categorizing the filtered data into two main themes: social impacts and economic impacts. Finally, the findings are reflected upon through the lens of the conceptual discourse on border governance.

## **The State of Illegalisation of Traditional Border Crossing in Sebatik Border Area**

Illegalisation is generally defined as the process of making something illegal, or the act of rendering something unacceptable or not permitted by law (Justia Legal Dictionary, n.d.). In the context of cross-border mobility, illegalisation refers to a process of exclusion that locates (undocumented) border crosser outside the society (Noelia González Cámara, 2013). Illegalization is also associated with the process of metaphoric transformations of the illegal movement to the illegal people, which allow further proliferation of 'the illegal people' to 'criminals' and can lead to the denial of all or some human characteristics to the people in question (Stojić-Mitrović Marta, 2013).

Observations and interviews conducted during fieldwork, along with document reviews carried out throughout the research period, indicate that there are three types of border crossings undertaken by residents of Sebatik along the Sebatik Indonesia–Sebatik Malaysia and Sebatik Indonesia–Tawau routes. The first type involves activities that are generally categorized as criminal acts, both in national and transnational contexts. These criminal activities include drug trafficking, particularly from Tawau to Sebatik. Methamphetamine and ecstasy are the two most commonly smuggled illicit substances along this route. Traffickers employ various methods, such as concealing drugs within cargo and luggage or hiding them on or inside the human body. Drug trafficking networks typically rely on couriers, who may be recruited from local residents or Indonesian migrant workers in Malaysia. Couriers are paid approximately IDR 20 million per delivery. The distribution of these drugs is not

limited to Sebatik but extends to other areas in North Kalimantan Province and even reaches East Kalimantan and South Sulawesi (Wan Shawaluddin et al., 2020). Another example is human trafficking, which involves the smuggling of migrant workers without official work permits from Indonesia to Malaysia. These individuals are commonly from South Sulawesi and East Nusa Tenggara, where there are significant diaspora communities from these ethnic groups residing in Tawau and surrounding areas. From ports in their home provinces, they travel to Nunukan, continue by boat to Bambang in the western part of Sebatik Island, take motorcycle taxis to Sungai Aji Kuning—an inland and riverine border point between Indonesia and Malaysia—and then proceed by boat to Batu-Batu in Tawau. Many of the victims are exploited in poor working conditions across various sectors including domestic work, agriculture, food services, construction, plantations, manufacturing, and fisheries; some are forced into sex work (Wan Shawaluddin et al., 2020). For such activities, there is no debate that legal and security-based approaches are necessary to address the issue.

The second type of border crossing involves activities that are legal within a domestic context but become violations of the law when conducted transnationally. A key example is large-scale barter trade involving daily necessities such as food, beverages, and clothing. While such trade is considered a normal and lawful activity within national boundaries, it becomes a legal infraction in cross-border contexts when conducted in large volumes and high value, as it bypasses formal export-import procedures, including customs duties and regulatory compliance. The regulatory limit for barter trade is 600 Malaysian ringgit per person per month. In addition, the goods exchanged often include subsidized items intended solely for the benefit of the citizens of the providing country, and not for commercial sale to residents of neighboring nations. These types of transactions, therefore, fall into a legal grey area, where what is permissible domestically becomes unlawful when it crosses international borders. Importantly, this form of cross-border activity does not fall under the category of 'traditional border crossing' as defined in this study.

The third type of border crossing involves activities that are permitted both domestically and transnationally. These include family visits, small-scale barter trade, access to medical treatment, and similar activities. This category constitutes what is referred to as traditional border crossing as outlined in the Indonesia–Malaysia Border Crossing Agreement of 1967. Residents of Sebatik share close ethnic, cultural, and social ties with communities in Tawau and other areas of Sabah. Ethnic groups such as the Bugis, Tidung, and Bajau are among those inhabiting both sides of the Indonesia–Malaysia border in Sebatik and Tawau. These familial and cultural connections foster frequent cross-border visits, particularly during events such as weddings, funerals, and other cultural or religious ceremonies. One Sebatik resident reported that she and her sister crossed the border to visit and care for their ill aunt in Malaysia for several days. In addition, many Sebatik residents sell their agricultural products in Tawau, including bananas, oil palm, cocoa, vegetables, cassava, and sweet potatoes. Sebatik fishermen also market their catch in Tawau. Some of these fishermen receive capital and fishing equipment from Tawau-based entrepreneurs, under agreements that their catch will be sold back to those financiers. Conversely, residents of Tawau often sell manufactured goods—such as flour, cooking oil, rice, sugar, various dairy products, and biscuits—which are considered staple commodities. This third type of activity represents the traditional border crossing practices examined in this study.

Since 2011, the border crossing post (Pos Lintas Batas/PLB) at Sei Pancang, Sebatik, has been closed to traditional cross-border activities to Tawau. According to a barter trader interviewed in Tawau in September 2024, the closure was triggered by a series of incidents involving wooden vessels sinking at sea. Malaysian authorities urged barter traders to replace their wooden ships with iron or steel vessels to prevent such incidents from recurring. In accordance with regulations set by the International Maritime Organization (IMO), vessels engaged in international cross-border activities must be constructed with iron or steel materials. However, the vessels operating out of Sei Pancang continued to use wood as their primary material. This situation was further complicated by the 2013 intrusion of Sulu armed groups into Lahad Datu, which prompted Malaysian authorities to tighten maritime security along the east coast of Sabah. As a result, Malaysia ultimately decided to completely prohibit wooden barter trade vessels from docking at Tawau Port. Due to Malaysia's firm stance on this issue, cross-border activities—especially those involving passengers—can now only take place through the Tunon Taka Port in Nunukan Regency, where vessels comply with IMO standards in terms of construction material (steel) and gross tonnage capacity.

The Indonesian government has sought to address Malaysia's concerns by constructing the Sebatik Border Crossing Post (Pos Lintas Batas Negara, PLBN). According to an official from Indonesia's border management agency in an interview conducted in September 2024, the construction of the Sebatik PLBN was completed in December 2022. However, by the end of 2024, the facility has not yet become fully operational in supporting the cross-border movement of people and goods. The primary reason for this delay lies in the position of the Malaysian government—particularly the Federal Government represented by the National Security Council (Majlis Keselamatan Negara)—which continues to insist that the unresolved border issue (Outstanding Border Problem, OBP) concerning the pillar located near the Indonesian naval post must first be settled. At present, the OBP area still contains an intertidal zone that has not been clearly demarcated. This unresolved issue could also affect the delineation of the extended border line, potentially leading to differences in territorial interpretation in the vicinity of the resource-rich Ambalat Block. Another challenge is Sebatik has been removed from the list of entry/exit points for border crossing in the latest revised bilateral document (Agreement on Border Crossing, 2023).

The closure of Sei Pancang in Sebatik (Indonesia) and Tawau (Malaysia) as official cross-border maritime routes has rendered previously legal traditional border crossings illegal. Sebatik residents can no longer use their border passes to travel to Tawau by wooden boat, despite the fact that the journey takes only 15–20 minutes and costs approximately IDR 50,000. As an alternative, they are now required to travel via Tunon Taka Port, located on a different island—Nunukan. This change has introduced significant challenges. In addition to the longer travel distance, the cost of the journey has also increased substantially. According to a cross-border traveler interviewed for this study, Sebatik residents must now pay up to IDR 500,000 per person to reach Tawau from Nunukan, with a travel time of approximately three hours. In other words, the route now requires ten times the financial cost and takes nine times longer than the original journey.

This illegalisation applies not only to the movement of people but also to the movement of goods. Residents of Sebatik can no longer sell their agricultural produce

and fish catches directly to Tawau. Instead, they must reroute through Nunukan and then proceed to Tawau—a journey that takes nine times longer and incurs significantly higher costs. This is exacerbated by the baggage limitation on the Nunukan–Tawau ferry, which allows only 10 kg per person. Exceeding this limit results in additional baggage charges. As an alternative, Sebatik residents may sell their products domestically in the Sebatik or Nunukan areas, but often at lower market prices. Ultimately, some have opted for a third alternative: selling their commodities through illegal routes.

These findings highlight that the traditional border crossing activities that have been subject to illegalisation in this study include those previously permitted under the 1967 Border Crossing Agreement, such as family visits, barter and border trade, and access to medical treatment. In contrast, activities that were already clearly illegal—such as drug smuggling and human trafficking—are not part of this process of illegalisation. This shift has the potential to significantly impact the socio-economic livelihoods of the cross-border communities on Sebatik Island and its surrounding areas.

### **The Socio-Economic Impacts for Cross-Border Community**

Several qualitative indicators have been linked to socio-economic development in border regions, including cross-border trade, price differentials for consumer and production goods, the income of individuals engaged in cross-border trade (Troshin et al., 2019), access to public services such as healthcare (OECD, 2024), as well as cultural activities and tourism (Brenzovych et al., 2023).

Cross-border trade, referred to as barter trade by the Customs Office in Tawau, Malaysia, is a traditional border-crossing practice that has been carried out for several decades since the 1960s. The closure of the Sebatik–Tawau route also led to the prohibition of this barter trade. Consequently, value of barter trade declined sharply, as illustrated in Table 1 below. The table indicates a significant decrease in the value of barter trade from 2015 to 2016, amounting to 60.4%. This downward trend continued, albeit with slight fluctuations, until 2022. Cumulatively, the value of barter trade fell by 99.7% between 2015 and 2022.

**Table 1: Value of Barter Trade between Malaysia and Indonesia through Tawau Port**

Year	Value (RM)		
	Import	Export	Total
2015	38,447,928	159,497,077	197,945,005
2016	29,988,215	48,481,018	78,469,233
2017	14,820,712	2,825,011	17,645,723
2018	30,899,758	3,579,554	34,479,312
2019	39,025,488	2,229,750	41,255,238
2020	24,321,654	966,694	25,288,348
2021	15,866,396	323,946	16,190,342
2022	427,025	96,000	523,025

Source: Malaysian Custom Office of Tawau, 2023.



## Illegalisation of Traditional Border Crossing at Sebatik Maritime Border Area Between Indonesia and Malaysia

The decline described above is supported by the account of an informant in Sebatik, Indonesia, interviewed in September 2024. Since 2008, he and his wife have operated a shop selling daily necessities in Sebatik. Initially, the majority of the goods they sold were sourced from Tawau. As the Sebatik Border Post (PLBN) has yet to function effectively in facilitating cross-border trade with Tawau, they resorted to using irregular routes to procure goods from Tawau. This choice was made due to the lower prices and faster delivery times—only one day—from Tawau. In comparison, goods produced in Indonesia typically come from Tarakan, requiring up to seven days to reach Sebatik. However, this practice carries risks, as their goods are sometimes confiscated by the authorities.

Moreover, longitudinal observations conducted at several supermarkets and small stalls in Sebatik indicate a trend of substitution. In 2016, the majority of goods sold in shops and supermarkets were Malaysian-made products. However, by 2024, these supermarkets were predominantly selling Indonesian-made goods, albeit at slightly higher prices due to elevated distribution costs. The data above indicate that the closure of the Sebatik–Tawau maritime border route has led to the collapse of barter trade in the area. In response, traders have resorted to using illegal or irregular routes to continue cross-border trade. Nevertheless, another emerging trend is the substitution of Malaysian-made goods with Indonesian-made products, which has gradually spread across Sebatik Island.

The decline in barter trade activity has had a significant impact on the livelihoods of those involved in the sector. In interviews conducted in September 2024, three Malaysian informants residing in Tawau reported that they had previously been engaged in the barter trade business. They used to import goods from Indonesia to Tawau, such as fresh seafood, dried fish, crops including bananas, cassava, and sweet potatoes, as well as instant noodles, brown sugar, and other items. In return, they exported daily consumer goods from Tawau to Indonesia, such as cooking oil, flour, milk (with Milo being a particular favourite), and biscuits. However, the closure of the barter trade regime forced them to shift to other sectors. Some former barter traders transitioned to containerised export–import trade. This involved considerably longer distribution routes—from Jakarta or Surabaya to Pasir Gudang Port in Johor, then to Bintulu Port in Sarawak, before finally reaching Tawau Port. Others moved into the construction sector. A number of traders, however, were forced to cease operations entirely due to depleted capital.

The cessation of barter trade activities not only reduced the income of business actors but also significantly affected government revenue. According to an official from the Tawau Customs Office, the amount of customs duty collected reached RM648,557 in 2015, before dropping sharply to RM220,089 in 2016, followed by RM306 in 2017, and ultimately zero in 2018. Table 1 above also indicates a drastic decline in the trade balance, particularly on the Malaysian side.

Meanwhile, at the level of local traders in Sebatik, the closure of the cross-border route to Tawau has made it increasingly difficult for them to sell their agricultural produce and fish catches. As a result, their income has declined. Even when they manage to sell these goods illegally in Tawau, they do so from a position of weak bargaining power and must pay additional costs to ensure their products are delivered safely without interception by security authorities. One trader reported

earning only a 3% profit margin on goods sourced from Indonesia, compared to a higher margin of 5% on goods from Tawau.

For the general population, the closure of the Sebatik–Tawau route for traditional border crossings has also affected the prices of consumer goods. The reduced supply of Malaysian-made products, which have been replaced by Indonesian-made goods, has led to higher prices for equivalent items. For example, Malaysian-produced granulated sugar was sold at IDR12,500, whereas the price of the Indonesian equivalent reached IDR20,000 (Felis Febrianus, 2023).

The illegalisation of traditional border crossings has also had significant social implications for residents of Sebatik. It has created barriers for individuals wishing to visit family members, particularly in urgent or emergency situations. Two women from Sebatik, encountered at Tawau Port in September 2024, shared their experiences of this reality. Their aunt, who resides in Lahad Datu, Malaysia, had fallen seriously ill and was left without care. The two women travelled to Malaysia using passports via the official Nunukan–Tawau cross-border ferry route, which took approximately six hours from their home and cost around IDR 500,000 per person. Upon arrival in Malaysia, they stayed for a week to care for their aunt. Due to pressing matters back home in Sebatik, they returned via the irregular Tawau–Sebatik (Sei Nyamuk) route, which took only 15 minutes by wooden boat and did not involve passport stamping. Once their affairs in Sebatik were resolved, they once again used the same irregular route to return to Tawau, and from there boarded the Tawau–Nunukan ferry, completing their journey back to Sebatik via the formal route—once again spending six hours and IDR 500,000 per person. In other words, they were compelled to undertake this circuitous travel route solely to ensure their passports were stamped by both Malaysian and Indonesian immigration authorities. They undertook these burdensome and costly journeys to avoid complications during future cross-border visits.

The illegalisation of traditional border crossings has also rendered individuals engaged in such practices increasingly vulnerable to legal prosecution, as they are deemed to be entering another country without authorised permission. A cross-border trader in Sebatik reported that he had once undergone a multilevel inspection of his goods—first by the Marine Corps, then by the Army (District Military Command), and finally by the border security task force. In another case, a Sebatik resident was arrested in April 2024 and charged with attempting to smuggle 7,200 bottles of candlenut oil by speedboat from Sebatik to Tawau. He now faces a potential prison sentence ranging from a minimum of one year to a maximum of ten years (Liputan Kaltara, 2024).

The identification of the above socio-economic impacts suggests that, overall, the illegalisation of traditional border crossings has had adverse effects on the cross-border community—both traders and ordinary civilians. These include declining incomes, reduced purchasing power, increased difficulty in conducting social visits, and the criminalisation of individuals engaged in traditional border practices. This study also acknowledges a positive impact of the closure, namely the gradual reduction in Sebatik residents' dependence on goods from the neighbouring country. Nevertheless, the overall consequences remain predominantly negative.

## **Discussion**

The illegalisation of traditional border crossings and its adverse effects on cross-border communities reflect a broader effort towards the formalisation or institutionalisation of cross-border activities. Whereas cross-border mobility was previously permitted through the use of border passes, it now requires a passport. Exit and entry points that once consisted of simple posts with basic immigration and customs functions have been replaced with modern facilities equipped with customs, immigration, quarantine, and security (CIQS) infrastructure. Likewise, trade that was once conducted through small-scale barter systems must now adhere to formal export–import procedures, which involve stringent requirements often difficult for small-scale traders to meet.

This paper does not dispute the importance of modernisation and institutionalisation in border governance; however, such approaches must be applied in accordance with local conditions and contexts. In developed border areas with larger populations and growing economies, institutional border governance is essential to ensure that large-scale cross-border activities can be conducted efficiently and securely. In contrast, in remote border regions characterised by low population density and subsistence-level economies, informal border governance should be maintained to support traditional border crossing practices that are vital to the livelihoods of local and indigenous communities.

In the context of Indonesia–Malaysia and other Southeast Asian countries, the development gap between regions remains a common phenomenon. In more developed areas—such as the western Indonesia–Singapore–Peninsular Malaysia border—formal institutionalisation and modernisation of border governance are imperative. However, in less developed regions, such as the eastern Indonesia–eastern Malaysia–southern Philippines border, informal and traditional border crossings still need to be accommodated and affirmed. This discussion also highlights the need to reflect on differentiated models of border governance between developed and developing countries, recognising that a one-size-fits-all approach may not be appropriate across diverse socio-economic and geographical contexts.

## **Conclusion**

Traditional border crossing among cross-border communities is a widespread phenomenon in various parts of the world, particularly in developing regions such as Indonesia and Malaysia in Southeast Asia. Due to concerns over security and sovereignty, traditional border crossing around the Sebatik border area has been illegalised. This study finds that the illegalisation has produced more negative than positive socio-economic impacts on the livelihoods of cross-border communities in and around Sebatik Island. These adverse effects include declining income, reduced purchasing power, increased difficulty in conducting social and familial visits, and the criminalisation of individuals engaged in traditional border practices.

These findings suggest that the institutionalisation of border governance may be ill-suited for areas characterised by small populations and subsistence-level economies. This study contributes to the broader debate between institutional and informal/network-based models of border governance, which also reflects a wider divergence between governance models in developed countries—such as those in the

European Union, where institutionalised governance is well-established—and those in developing regions, such as Southeast Asia.

As a consequence of these findings, this study recommends the accommodation of traditional border crossings within the cross-border governance framework of the Sebatik region specifically, and the eastern Indonesia–eastern Malaysia border more broadly. This could be achieved through the reopening of the Sebatik–Tawau maritime border route. In addition to infrastructure provision—already undertaken through the development of the Sebatik Border Post (PLBN)—both countries must address two key issues to enable the route’s reopening: first, by revising the 2023 Border Crossing Agreement to reinstate Sebatik–Tawau as recognised exit and entry points; and second, by resolving the outstanding boundary delimitation and delineation issues concerning the intertidal zone of Sebatik Island.

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