

Cross-Border Trade Malaysia-Indonesia: Involvement of Buton Early Immigrants

Hanif Abdurahman Siswanto^{1)*}, Endang Rudiati²⁾

¹Centre for Policy Research, Universiti Sains Malaysia

² Center for Borderland and Coastal Studies, Universitas Muhammadiyah Jakarta

*E-mail: hanifsiswanto@student.usm.my

Received: 31 03 2024

Revised: 29 04 2024

Approved: 29 04 2024

Abstract

Border trade in Sabah has occurred for centuries, extending back to pre-colonial times, and has progressed into economic integration, according to academia. In international relations, such border trade is defined as bottom-up border trade since it occurs naturally between two communities based on demand and supply rather than state involvement. This paper aims to discover cross-border trade practitioners beyond the border communities. This qualitative study adopts an inductive research strategy with unstructured interviews with four informants. This study found that early immigrants from Buton who migrated from Southeast Sulawesi to Sabah in the 1970s and early 2000s played an important role in maintaining and connecting border communities and consumers. Migrants carry out cross-border trading in Sabah between Indonesia and Malaysia. Border trade subsequently became not only a source of income for border communities but also a necessity for the survival of early immigrants, who until recently relied on border trading activities for commodity trading activities in the host country.

Keywords: *Border Trade, Economic Integration, Buton, Immigrants, Malaysia-Indonesia*

INTRODUCTION

Sabah is one of the thirteen states in Malaysia and is located on the island of Borneo. The state of Sabah is so special because it is located on an island that shares land borders with Brunei in southwestern Sabah and Indonesia in east Sabah. The three countries (Malaysia, Indonesia, and the Philippines) that meet on the east coast of Sabah are where the Bajau people, one of Southeast Asia's sea nomads, live in the Sulu Sea and the Celebes Sea, also known as the "Sulawesi Sea" in Indonesia. Prior to the establishment of the border, the area was known as the home of the Bajau people. The Bajau people, who are known as the "Sea Travellers," live their entire lives in the ocean, while other maritime ethnicities such as the Bugis, Makassar, Buton, Mandar, and Malay are not as radical as the Bajau. Although other tribes do not spend most of their lives at sea, they are known for their sea-going behavior. The main maritime culture of the tribes is their maritime exploration, where they used to move from island to island by sea in search of opportunities rather than stay in one place. Previously, maritime people frequently migrated to other islands to seek items that they couldn't find in their region by dealing with other ethnicities from various lands. These phenomena are still ongoing today, although in different contexts. Ethnicity and kinship still play an important role in cross-border trade. Trade activities that were originally free are now known as border trade because of the territory of each nation-state.

Border trade in Sabah is not a new phenomenon but an economic activity that has been taking place for centuries since precolonial times (Cleary, 1996). Previous research has examined the positive impacts and challenges of border trade at Malaysia (Tawau) and Indonesia (Nunukan) towards Malaysia (Dollah & Mohamad, 2007), even though on the other side it was described as a loss of economic potency for the Indonesian population of its agribusiness potential (Andri, 2018) and loss of subsidized commodities from the government of Malaysia and its opportunity to collect duty from the goods from Indonesia (Dollah & Mohamad, 2007). Previous researches have additionally defined border trade today into a term named as informal cross-border trade (ICBT) (Andri, 2018; Sarjono et al., 2020) and the survival of informal cross-border trade at Sebatik island, East Sabah up to present (Sarjono et al., 2021). Research has also examined the philosophical knowledge about boundaries that leading towards formal and informal cross-border trade at Sabah in particular Tawau-Nunukan border (Sarjono & Rudiatin, 2022). The studies have found that border trade at Tawau-Nunukan exists before the modern geopolitical boundary lines were created (Andri, 2018; Sarjono et al., 2022) While these studies have examined the cross-border trade from the range of border communities, the importance of cross-border trade commodities for the consumers and traders beyond the borderland remains under-examined. Given that cross-border trade seems as not giving benefit from the view of top-down discussion, research is needed to discover the importance of cross-border trade from the bottom-up views. Addressing that gap, this paper aims to discover cross-border trade practitioners beyond the border communities.

This paper is divided into three parts. In the first part, this study discusses the theoretical framework of the research. The second part describes the research methodology used in this paper. The third section discusses the results and discussion.

THEORETICAL FRAMEWORK

In this section, the study showed an application of economic integration theory from multidisciplinary perspectives, mainly international relations and anthropology. According to the international relations discipline, the term 'economic integration' describes how an economic policy change is made in a bilateral, multilateral, or so-called collective way rather than unilateral (Hidayat, 2008). In other words, the international relations scholars see an economic integration theory from the systemic perspective or so-called international level of analysis. Meanwhile, the anthropologist researchers understand it through micro-social phenomena level of analysis. According to (Rudiatin, 2018), the social reality of economic activity at the border leads to symptoms of economic integration.

The Concept of Economic Integration in International Relations Discipline

The word 'economic integration' indicates how an economic policy change is accomplished bilaterally, multilaterally, or collectively rather than unilaterally (Hidayat, 2008). Studying economic integration often mentions early economists such as Béla Alexander Balassa (1928–1991), who was the cornerstone of economic integration theory with his book "The Theory of Economic Integration," reviewed by vast scholars and published in international journals (Hosny, 2013). Economist scholars frequently study economic integration from the technical standpoint of how it is implemented inside states. The basic ingredient of economic integration is the elimination of barriers to trade among two or more countries (Anh & Tien, 2019; Hosny, 2013). Hence, any bilateral or multilateral agreement that contains elements of barriers' elimination can be considered economic integration, although

with only a minimum reduction. Balassa mentioned that there are four different stages of economic integration: (1) Free Trade Area (FTA), (2) Customs Union (CU), (3) Common Market (CM), and (4) Economic Union (EU) (Hosny, 2013). Whereas Anh and Tien (2019) identified slightly different to the previous paper as the researchers identified Monetary Union rather than Customs Union.

Although economists consider that there are several types of economic integration due to the applications' differences, international relations scholars view the phenomenon as one through the scope of international politics of economy (IPE) glasses. The IPE scholars describe the particular phenomenon as associated with the liberal perspective, which often names it 'economic interdependence' (Kastner, 2006). This perspective is in contrast with the realist perspective that every state will try to survive on its own. Rather, states choose to cooperate because they believe in a positive-sum game and mutual interests, compared to realist scholars, who believe in a zero-sum game in every international relationship. Therefore, it is still in line with the definition of economic integration, according to economists and scholars, considering that the term refers to any deals that eliminate economic barriers.

Economic integration is frequently linked to international organisations (IOs) that deal with economic issues, such as the Eurasian Economic Union (EAEU) in Central Asia (Amirbek et al., 2020), European Union (EU) and Association of Southeast Asian Nations (ASEAN) (Anh & Tien, 2019), and cross-strait relation of Taiwan-Mainland China (Kastner, 2006). On one side, economic interdependence is an agreement between states that touch on economic liberalization rather than protectionism. Such belief that a state or the community within the state is free to conduct economic relations with another state or the community across the border is among the early foundations of classical liberalism thought in IPE by Adam Smith. On the other side, the perspective of liberal scholars is also associated with the idea that having integration or interdependence in international relations creates peace and constrains military use of force. This relates to the formation of the League of Nations during the interwar period. Previous study which focused more on the relation between economic integration and use of military force was conducted by (Kastner, 2006) who ascertained the role of economic integration of Taiwan-Mainland China's cross-strait relation in constraining the use of military force.

Malaysia-Indonesia's State-Centric Economic Integration: Case of Tawau-Nunukan Border

Malaysia and Indonesia are fostering economic integration through bilateral and multilateral approaches. The Border Crossing Agreement (BCA 1984) between Indonesia and Malaysia and the Border Trade Agreement (BTA 1970) between Indonesia and Malaysia are key bilateral agreements aimed at promoting cross-border socio-economic activities. These agreements aim to facilitate activities such as visiting family, trade, and official visits between the two countries. The agreement signed in 1970, BTA 1970, was specifically designed for cross-border trade activities only. The BTA 1970 contains principles related to cross-border trade, which are (1) definition of cross-border trade, (2) actors of cross-border trade, and (3) types and values of commodities or products that are allowed for cross-border trade (Rudiatin, 2018). According to BTA 1970, cross-border trade is a border trade where the activity can occur either on land or at sea. The actors who are involved in the cross-border trade are the border communities who live within the border area and have passport. With regard to the types and values of commodities for cross-border trade, products such as petrol, diesel, and other subsidised products, kain batik, and other commodities are prohibited for border trade

(Dollah & Mohamad, 2007). BTA 1970 also contains Standard Operating Procedure such as the the location of crossing point where cross-border trade can be conducted, and the maximum amount of trade. According to the SOPs in the context of East Sabah of Malaysia and North Kalimantan of Indonesia, Tawau-Nunukan is the location where cross-border trade occurs at 46 crossing points. Based on the SOP, only a maximum of RM600.00 allowed for any land or sea cross-border trade between the border communities.

Malaysia and Indonesia also engage in various multilateral agreements such as Association of Southeast Asia Nations (ASEAN) in 1967, ASEAN Free Trade Area (AFTA) in 1992, Common Effective Preferential Tariff (CEPT) in 1993, Singapura-Johor-Riau (SIJORI) in 1989, Indonesia-Malaysia-Singapore Golden Triangle (IMSGT)/SIJORI Golden Triangle in 1994, and Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) in 1994. Among these multilateral agreements, BIMP-EAGA multilateral agreement is significantly important in the case of Tawau-Nunukan cross-border trade as it is an initiative by involved ASEAN members to bring the cross-border trade as one of the agreement's agenda (Dollah & Mohamad, 2007).

The ASEAN Economic Community (AEC) was formed in 2015 by ASEAN countries, aiming for regional economic integration. The AEC consists of five conditions: free trade area, customs union, common market, economic union, and complete integration. The common market facilitates free flow of production elements like capital and labor, with trade tariffs applied to countries outside ASEAN. The uniqueness of the AEC lies in the interrelationship between equality, ethnicity, culture, traditions, and neighborhood.

The Concept of Economic Integration in Anthropology Perspective

From an anthropological perspective, the social reality of economic activity at the border leads to symptoms of economic integration. Cross-border encounters can create cultural fusion and hybridization (Pieterse, 2020). As a village, the social structure of the border village is divided into villages, markets, and local governments.

Villages on the border whose lives are constantly linked to border environments where activities across borders are very intense and dense with the atmosphere of cross-border trade. These different social structures, each complementing the other, contribute to the existence of the socio-economic system that operates at the border. The three core social structures reflect (1) the market culture, which is the interaction between the seller and the buyer; (2) the local political culture, which is associated with the local bureaucratic behaviour towards the market; and (3) the culture of the village community already bound in the border environment, formed by the physical distance from the central government and organised continuously towards transnational processes. These three types of culture are integrated into local economic activity. The economic activities in Nunukan and Tawau combine various variants into one economic activity in the market, such as traders or entrepreneurs, local bureaucrats, farmers, fishermen, or gardeners, buyers (from Tawau), and brokers or dealers. Everything is organised in various relationships of patronage, clientelism, and affinity. Within it, there are various types of livelihoods and work divisions based on ethnicity, with different cultural varieties. These different social structures, each complementing the other, contribute to the realisation of the existence of the socio-economic system that operates at the border.

(Rudiatin, 2018) argues that the three core social structures are integrated into local economic activity. Economic activity at the border brings together various variants into one economic activity in the market. It contains a variety of livelihoods and labour divisions

depending on ethnicity, as well as cultural differences. These various social institutions, which complement one another, help to make the socioeconomic system that operates near the border a reality. The relationship between these types of cultures was adopted from Clifford Geertz's concept of the social structure of Javanese society. This interrelated social structure cannot be changed just because of the existence of "boundaries," which adopt the Westphalian international system. The "boundaries" for them linked their interdependence, namely the need for raw materials, labour, markets, and shortages of goods due to geographical conditions far from the centre of government (Hataley & Leuprecht, 2018). The "boundaries" do not constitute an obstacle to naturally integrated border economic activities.

RESEARCH METHODS

This exploratory study applied an inductive qualitative research strategy. The research conducted unstructured interviews to explore cross-border trade activities beyond border communities. By applying such approaches, researchers learned more about the phenomena from natives directly through their discoveries. In obtaining primary data, the study managed to gather data from a total of four traders. Their identities were not revealed in the paper, and their stories and points of view were combined into the results and findings of the research. This research was carried out in certain locations: (1) Pasar Besar Kota Kinabalu and (2) Pasar Sinsuran Kota Kinabalu. The study chose these locations because they are the main traditional markets in Kota Kinabalu and a good starting point for a gatekeeper migrant to find a key informant.

RESULTS AND DISCUSSION

The study found the existence of Buton ethnic at Kota Kinabalu, in which the informants were interviewed on the spot at Pasar Besar Kota Kinabalu and Pasar Sinsuran Kota Kinabalu. From the four informants taken, three informants and one informant's partner (husband) are Buton people who came from Southeast Sulawesi who are currently being traders at the traditional market. The informants from Buton came from Mbela-Mbela, Lombe, Bau-Bau, and Muna. Whereas one of the four informants is a Javanese woman from Kediri, East Java, who are currently helping her husband (Buton people) in managing the stall at the particular market. According to the informants and field observation, interestingly, the research noticed a concentration of Buton community in trader occupancy at Kota Kinabalu.

Regular Traditional Trading Pattern of Buton Community

The existence of Buton immigrants at Borneo is not an unexpected phenomenon. The ethnic of Buton is among several other ethnicities such as Bugis, Bajau, Mandar, and Makassar, in which they are the residence of West, South, and Southeast Sulawesi Island. Buton ethnic at Sulawesi specifically can be found within the Southeast Sulawesi. Similar with other ethnicities within the Island of Sulawesi, people of Buton also known for its migration movement by sea.

Among several factors, the first reason why people of Buton migrate to Sabah is the regular trading pattern of Buton. One of the locations where Buton migrated across Nusantara is North Borneo or known today as Sabah, as mentioned from the Buton migration route by Tahara (2016). North Borneo during the time of pre-industrial age was one of the spots where inter-ethnic groups traders at Borneo, and Chinese or Malay traders met and exchanged with the forest products that were produced at North Borneo with the commodities that they

brought from their homeland (Cleary, 1996). Such massive trading activities occurred at North Borneo motivated Dunn (1975) as cited by (Cleary, 1996) in his paper by developing a trading model, in which he identified four groups of trading network; (1) The collectors (usually interior ethnic groups), (2) Primary traders (usually interior ethnic groups who collect product, barter, sell, or in touch with secondary traders), (3) Secondary traders (Chinese/Malay usually located along rivers or coast and conduct trading), and (4) Tertiary traders (usually Chinese located at port sites and engaged directly with international traders). The categorization of “Malay” from the said trading model might be possibly also representing Buton traders because the people of Sulawesi are known to have similarity in terms of culture and physical appearance with the local community at North Borneo.

(Tahara, 2016) mentioned that Buton people can be found at East Coast of Sabah at Tawau, Lahad Datu, and Sandakan. Based on the previous study, it is believed that Buton people who went to Sabah before 1960s used the North wind route during the era where the ships totally relied on wind direction. One of the common sailing trips for Buton when the wind flew to the North was North Borneo as their strategic port before continuing their sailing journey until reaching Brunei Darussalam. By the time where the engine ship exists, the people of Buton might also still use the similar route. Such access on East Coast of Sabah eventually allowed them to move towards West Coast of Sabah such as Kota Kinabalu based on the informants’ experiences. As mentioned both in previous study and the current study directly by informants, the people of BauBau landed at Sabah through Tarakan, Nunukan (North Kalimantan), then to Tawau, Lahad Datu, Sandakan, then finally reached Kota Kinabalu.

Working Opportunities at Sabah, Malaysia

Previous studies on Buton migration focused on Ambon at Maluku (Talakua, 2018) and Papua (Gau, 2014) while showing a limitation in previous researches on Sabah region concentration. The migration conducted by Buton to migrate at Maluku or Sabah might have a similar factor, in which working opportunities also has a significant influence. The pull factor which came from Ambon itself, in which People of Buton able to plant and harvest such as Jambu Mete, and Cengkeh. Whereas the push factor is the soil infertility of their homeland which causing them unable to conduct agricultural activities. The study, based on interviews found that Buton informants at Kota Kinabalu also stated that the economic activities available at their homeland before they migrated to Sabah was only in agricultural sector. Often the interviews heard ‘jagung’, ‘pisang’, ‘Jambu Mete’, and ‘Ubi’. However, the research did not receive a specific information of the exact location where they harvested.



Figure 1. Interviewed key informant from Muna, Southeast Sulawesi who migrated to Sabah in 1985 currently being trader with his wife at Pasar Sinsuran Kota Kinabalu since 2000

Unlike in their homeland, the study found more broad occupancies available at Sabah based on their working experiences. Buton immigrants at Sabah did not involve in trading at the early time of their arrival. Instead, the informants showed that they moved from one occupancy to another. Some of them at the early period worked at Cocoa plantation sector at Eastern Sabah. One of the informants in figure 1 moved from agriculture to oil and gas sector, Esso, before he became trader.

Friendship (Networking) and Citizenship Access for Early Immigrants

Determining immigrant and non-immigrant through Malaysian citizenship looks as not practicable in Kota Kinabalu. The study found that most of the key informants have Malaysian citizenship identity card although they are among the former immigrants from Buton who migrated to North Borneo in 1970s to 1990s. Without knowing the origin land of the traders, it is difficult to assume only by observing the physical appearance as the locals and immigrants are quite similar in terms of their physical and culture.

According to the informants, in fact, there was no such difficulty in terms of adapting with the life in Sabah and to be accepted by the local people. What is more important is creating friendship and avoiding enemies as mentioned by one of the informants. Having 'friends', 'old friends' is one of the key aspects in adaptation according to the informant. One's citizenship does not represent one's origin, in the case of Sabah. Having Malaysian citizenship without having friends will not give any advantages for them. Such interpretation of friends can also be mean as network or connection. Although former immigrants already granted citizenship, they remain in touch with their family at homeland, old friends, or connections until present. The same statement by Sarjono and Rudiatin (2022) that political boundaries which shows a boundary between Malaysia and Indonesia could not separate ethnicity, cultural or linguistic of the people across Sulu Sea and Celebes Sea.

In finding for immigrant traders at Pasar Besar Kota Kinabalu and Pasar Sinsuran Kota Kinabalu, in fact, the research applied connotation in looking for the specific criteria of informant such as the name of ethnicity or sometimes name of location to the traders at the market.



Figure 2. Interviewed key informant, Javanese woman from Kediri, East Java with her husband from Bau-Bau, Southeast Sulawesi who came to Sabah since 1990s and currently work as trader at Pasar Besar Kota Kinabalu

Based on the interview session with three informants at Pasar Besar Kota Kinabalu, the study found that most of the informants' children have/currently study at public school and some even already worked at the Malaysian governmental sector. Figure 2 is one of the key informants (Javanese woman) who helps her husband as trader at traditional market with their children who study at public school and the children also help their parents on weekends (Saturdays and Sundays). Whereas one informant from Pasar Sinsuran Kota Kinabalu at figure 1 claimed that he is still using Indonesian passport as his document but one of his children has already completed his Master study in Indonesia. The statement given by the informants who informed that their children have the opportunity to study at public school is one of the advantages having Malaysian citizenship among the former immigrants.

Children of non-citizens mostly only have access to private schools which are far more expensive. In Kota Kinabalu, therefore, the government of Indonesia collaborated with Malaysia established Sekolah Indonesia Kota Kinabalu (SIKK) at Kota Kinabalu and many Community Learning Centres (CLCs) under one of the companies in Malaysia, Serikat Kerja Malaysia (SKM) across Sabah to accommodate children of non-citizens from Indonesia to have education access in Kota Kinabalu. It was said that there are 294 CLCs spread across Sabah (Wahyudin et al., 2021).

Most of Pekerja Migran Indonesia (PMI) at Sabah still hold Indonesian citizenship but not in the case of early migrants who migrated to Sabah since 1970s. One of the possible factors

why early migrants at Sabah easily had access for citizenship is due to domestic issue at Sabah in 1970s, in which it was Sabah's first election after joining State of Malaysia in 1963. Well-known recent studies in the said area was Sadiq (2005) who argued the preference of non-citizens at Sabah for political purpose during the reign of United Malays National Organisation (UMNO) political party and (Frank, 2006) described it as "Project Mahathir". According to Sadiq research, the government of Malaysia facilitated the entry of immigrants from Southern Philippines and Indonesia from 1970s until September 11, 2001, as it was to ensure Kuala Lumpur achieved its preferred demographic goals at Sabah. Though local natives at Sabah have yet to clarify its nationality, the government used immigrants in order to secure Malay-dominated parties' position at Sabah by asking the non-citizens to vote for them.

There is potentiality that immigrants from Indonesia who migrated to Sabah earlier before 2000s received Malaysian citizenship due to the phenomenon. The informants who were interviewed by the researcher are people who migrated from Indonesia within the said period (1970s-2001). The traders at Kota Kinabalu based on the methods taken are dominantly early immigrants from Indonesia. This study found that the people from Southern Sulawesi, Buton ethnic, are known to be the traders at Kota Kinabalu. Despite they have been migrated to Sabah since 1970s, the traders are no longer considered as non-citizens or Indonesians by the community at Kota Kinabalu.

Discussion

Kota Kinabalu is the largest city that can be found in Sabah. The largest urban area in North Borneo is not located on the East Coast of Sabah; instead, the main city of the state is located on the West Coast of Sabah, which is far away from the border area between Malaysia, the Philippines, and Indonesia. Kota Kinabalu, the biggest city in Sabah, results in an attraction to rural-urban migration among the people of Borneo, and that includes immigrants in search of better economic opportunities. The particular phenomenon, however, does not guarantee that all immigrants, whether domestic or international, will engage in formal sectors. The said phenomenon is a perspective based on Latin American scholars (Otoabe, 2017), in which an urban area faces a surplus labour as a result of immigrants' arrivals.

The International Labour Organisation (ILO) at the early stage used the term "informal sector" before it was revised into "informal economy" and defined the said concept in 2002. By 2015, the ILO claimed that the concept excludes criminal or illicit activities; refers to all economic activities by workers and economic units that are, in law or in practice, not covered or insufficiently covered by formal arrangements; and (b) does not cover illicit activities, in particular the provision of services or the production, sale, possession, or use of goods forbidden by law, including the illicit production and trafficking of drugs, the illicit manufacturing of and trafficking in firearms, trafficking in persons, and money laundering, as defined in the relevant international treaties (ILO, 2015a, as cited by (Otoabe, 2017).

Unlike the traditional international system where people from Southeast Sulawesi often sailed to North Borneo to exchange products with other ethnicities, the current international system which adopting the Westphalian concept of nation-state can no longer be easily done as traders must adhere to certain regulations for cross-border trade. Such existence of border, although the border community sometimes define it differently, leads to the existence of formal and informal economic activity. Food and Agriculture Organization of the United Nations (FAO) defines Informal Cross-Border Trade (ICBT) as business activities in which transactions are without local tax and other rules (FAO, 2017). Whereas the United Nations

Conference on Trade and Development (UNCTAD) stresses the ICBT as trade conducted by vulnerable, small, and unregistered border community traders (UNCTAD, n.d.). From the two definitions, this means that cross-border trade could easily turn their economic activities into informal economic activities.

A lot of studies defined Informal Cross-Border trade (ICBT) by African scholars and conducted the research at African region while only limited studies can be found in the case of Borneo. For example, a study by (Andri, 2018) began to discover ICBT related at Sebatik and Tawau. The development of ICBT research at Borneo continued by (Abd Hair Awang et al., 2013) who conducted ICBT study at Sarawak and Kalimantan border. The issue of cross-border then recently further researched by (Sarjono & Rudiatin, 2022) at Tawau, Malaysia. The conducted studies of ICBT at Sabah only focused within the area of Tawau and Sebatik Island but less likely at other areas of Sabah.

The study found that the people of immigrants at Kota Kinabalu is so much important as it enables the cross-border commodities from Indonesia can be distributed to the people who demand of the particular commodities for their businesses. Based on interviews with traders, the paper noticed the involvement of immigrants from Buton in selling products of cross-border trade activities conducted between both nations. The informants informed that the traders at traditional market often do not have license. Rather, it was mentioned that the traders borrow the license from other people. The owner of the license is the Malaysian citizen. Traders who are mostly immigrants from Buton are the person at field, in which they are the person who have networks with the distributor of commodities from Tarakan who will deliver the goods to markets at Kota Kinabalu by buying the commodities from the distributor. Not only in buying the commodities, but the immigrants also play their role as the people who will sell the goods to consumers or customers in daily routine. Whereas the local people provide license and pay to the local government for the license.



Figure 3. Interviewed key informant (left) at Pasar Besar Kota Kinabalu who has been selling udang kering and ikan bilis mata biru for 40 years since 1980s

It is found that there is a significant role of the former early immigrants in connecting the commodities of cross-border activities which are conducted by the border communities.

Without the existence of social network among immigrants at Sabah, people who own businesses such as restaurant or culinary at Kota Kinabalu will have no opportunity to obtain cheaper price and better-quality commodities at Kota Kinabalu. Products such as ikan bilis mata biru, ikan kering and udang kering can be found at the Buton traders, in which the commodities are from Tarakan, North Kalimantan of Indonesia. Figure 3 shows a Buton trader (left) sells ikan bilis mata biru and udang kering for 40 years. Previous research by (Andri, 2018) studied the mechanism of cross-border trade for agriculture commodities, in which suppliers send it to local collector at Sebatik Island of Indonesia before the collector sends it to friends in Tawau, Malaysia. Similar to the given figure by (Andri, 2018), it is possible that the collector at Tawau then sends the commodities to other areas at Sabah depends on where the location of the demand. The process of exchanging goods for other goods needs mutual demand. According to the study, the goods then bought by the retailers who are also immigrants and sell the commodities to the consumers.

Immigrants who are currently work as traders at Kota Kinabalu have previous working experiences with different occupancies before they arrived at the city and started as trader. Most of the immigrant traders began their life at Tawau with agriculture sector, in which they were involved in cocoa plantation before the booming of palm oil. The immigrants then continued their migration to Lahad Datu to look for other job opportunities. Such pattern of migration then continued until currently they arrived at Kota Kinabalu and began their life as traders. The migration pattern of the immigrant traders at Kota Kinabalu from East Coast to West Coast might create such connection from border communities to immigrants who are currently at urban area allows the movement of cross-border trade activity easily within any area across Sabah. With regard to the easy access of border trade commodities, however, similar paths are also potentially used for illicit activities which threatens national sovereignty such as drug trafficking, human trafficking, and piracy.

CONCLUSION

The research is to learn about cross-border trade practices beyond the border communities. The study was carried out at Pasar Besar Kota Kinabalu and Pasar Sinsuran Kota Kinabalu. The particular traditional markets are located at Kota Kinabalu, a main urban area in Sabah, Malaysia, which is located on the west coast of Sabah, far away from the Tawau-Nunukan border. Four main informants were interviewed in an unstructured interview. Overall, the research found that early immigrants from the ethnicity of Buton who migrated from Southeast Sulawesi to Sabah within the 1970s and early 2000s played a significant role in sustaining and connecting the border community and consumers.

It is found that early immigrants have more advantages compared to current immigrants, and such advantages are important in maintaining the continuation of cross-border trade. Based on the findings, early immigrants who migrated to Sabah within the period of the 1970s to the 1990s often received Malaysian citizenship. Having citizenship access gives benefits to the immigrants, as they are much more mobile in moving and often have more connections across Sabah. The study also found that the people of Buton did not only stay on the East Coast of Sabah after migrating; instead, they also moved to different parts of Sabah to look for job opportunities until they finally reached Kota Kinabalu and stayed until the present. With the existence of immigrants at Kota Kinabalu, such bottom-up economic integration can reach from the East Coast to the West Coast of Sabah by using the connection between immigrants.

In other words, cross-border trade at Sabah is more likely conducted by the people of immigrants.

For them, bottom-up economic integration is a part of their income source in Sabah, as they are the people who work as traders at Kota Kinabalu traditional markets. The people of Buton can survive, although they often move from one place to another. It seems that they understand the demanded works that are available at the place where they live. Kota Kinabalu, the largest urban area that can be found in Sabah, has a huge demand for raw materials from industries and culinary businesses. Hence, the people of Buton use their opportunity to become traders to sell raw materials from the border community. The prices that they sell are far cheaper than those at other supermarkets; therefore, business owners might also have connections with any immigrants who can supply the cheaper materials.

ACKNOWLEDGEMENT

A special acknowledgement is due to Center for Borderland and Coastal Studies, Universitas Muhammadiyah Jakarta as the main advisor of this research, together with Associate Professor Wan Shawaluddin Wan Hassan and Associate Professor Dr. Ramli Dollah from Faculty of Social Sciences and Humanities, Universiti Malaysia Sabah who helped and advised directly and indirectly throughout the time in conducting this research.

REFERENCES

- Abd Hair Awang, J. S., Bakar, N. R. A., Abdullah, M. Y., & Liu, O. P. (2013). Informal cross-border trade Sarawak (Malaysia)-Kalimantan (Indonesia): A catalyst for border community's development. *Asian Social Science*, 9(4), 167–173.
- Amirbek, A., Makhanov, K., Tazhibayev, R., & Anlamassova, M. (2020). THE CENTRAL ASIAN COUNTRIES IN THE GLOBAL ECONOMY: THE CHALLENGES OF ECONOMIC INTEGRATION. *Central Asia & the Caucasus (14046091)*, 21(1).
- Andri, K. B. (2018). Significance of informal cross border trade Indonesia and Malaysia for agricultural commodities development in Nunukan Regency, East Kalimantan. *UNEJ E-Proceeding*, 712–720.
- Anh, D. B. H., & Tien, N. H. (2019). Comparative analysis of the process of economic integration of EU and ASEAN. *International Journal of Commerce and Management Research*, 5(3), 96–99.
- Cleary, M. C. (1996). Indigenous trade and European economic intervention in North-West Borneo c. 1860--1930. *Modern Asian Studies*, 30(2), 301–324.
- Dollah, R., & Mohamad, A. M. (2007). MALAYSIA –INDONESIA BARTER TRADE: OPPORTUNITIES AND CHALLENGES. *JATI-Journal of Southeast Asian Studies*, 12, 83–106.
- Frank, S. (2006). Project Mahathir: 'Extraordinary' Population Growth in Sabah. *Südostasien Aktuell: Journal of Current Southeast Asian Affairs*, 25(5), 71–80.

- FAO. (2017). Harnessing rather than suppressing informal trade can give Africa a boost. <https://www.fao.org/news/story/en/item/888767/icode/>
- Gau, S. (2014). SELAYANG PANDANG DIASPORA BUTON DI PAPUA: ANTARA RUANG DAN BAHASA [An Overview of Buton Diaspora in Papua: Between Space and Language]. *TELAGA BAHASA*, 2(1), 1–10.
- Hataley, T., & Leuprecht, C. (2018). Determinants of cross-border cooperation. In *Journal of Borderlands Studies* (Vol. 33, Issue 3, pp. 317–328). Taylor & Francis.
- Hidayat, A. (2008). Integrasi ekonomi Asia: Solusi Asia menghadapi krisis global 2008. *The Winners*, 9(2), 180–190.
- Hosny, A. S. (2013). Theories of economic integration: A survey of the economic and political literature. *International Journal of Economy, Management and Social Sciences*, 2(5), 133–155.
- Kastner, S. L. (2006). Does economic integration across the Taiwan Strait make military conflict less likely? *Journal of East Asian Studies*, 6(3), 319–346.
- Otobe, N. (2017). Gender and the informal economy key challenges and policy response. *ILO Working Papers*, 994974592902676.
- Pieterse, J. N. (2020). Global culture, 1990, 2020. *Theory, Culture & Society*, 37(7–8), 233–240. <https://doi.org/https://doi.org/10.1177/0263276420958447>
- Rudiatin, E. (2018). Border Trade Agreement dan Integrasi Ekonomi di Perbatasan. *Prosiding*, 60.
- Sarjono, F., & Rudiatin, E. (2022). Informal Cross-Border Trade: Malaysia-Indonesia Borders The Conceptualisation From 'Authority-Defined' To "Everyday-Defined". *BASKARA: Journal of Business and Entrepreneurship*, 5(1), 108–122.
- Sarjono, F., Talib, K. A., Chan, S. K., & others. (2022). The Smokol phenomenon in Malaysia-Indonesia cross-border informal trade at Sebatik Island. *JATI-JOURNAL OF SOUTHEAST ASIAN STUDIES*, 27(2), 48–72.
- Sadiq, K. (2005). When states prefer non-citizens over citizens: Conflict over illegal immigration into Malaysia. *International Studies Quarterly*, 49(1), 101–122. <https://doi.org/10.1111/j.0020-8833.2005.00336.x>
- Tahara, T. (2016). Pelayaran Tradisional Orang Buton dan Kebijakan Poros Maritim Indonesia. *Jurnal Masyarakat Dan Budaya*, 18(3), 353–368.
- Talakua, Y. (2018). Migrasi orang Buton ke Ambon: Studi pada orang Buton di Dusun Telaga Pangi Negeri Rumahtiga Kecamatan Teluk Ambon, Kota Ambon. *Dialektika Masyarakat*:

Jurnal Sosiologi, 2(2), 15–33. <https://www.neliti.com/publications/368650/migrasi-orang-buton-ke-ambon-studi-pada-orang-buton-di-dusun-telaga-pangi-negeri#cite>

UNCTAD. (n.d.). *Informal cross-border trade for empowerment of women, economic development and regional integration in Eastern and Southern Africa*. Retrieved January 2, 2023, from <https://unctad.org/project/informal-cross-border-trade-empowerment->

Wahyudin, U., Hufad, A., Sulistiono, E., & others. (2021). Community Learning Center (CLC) Service improvement for expatriate children. *First Transnational Webinar on Adult and Continuing Education (TRACED 2020)*, 112–117.