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## POLITICS & INTERNATIONAL RELATIONS | RESEARCH ARTICLE

# model of creative industry management in border areas to improve bilateral cooperation In Indonesia and Malaysia

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**Abstract:** Every country has the right to cooperate in supporting its interests including cross-border countries. The creative industry is a sector that impacts the people's economy in Indonesia, both as a solution to unemployment, accommodating domestic workers, and as a source of foreign exchange. This paper aims to design a creative industry management model in border areas in enhancing bilateral cooperation between Indonesia-Malaysia. This research study was conducted in the border between Indonesia-Malaysia. The study results found that the government had carried out creative industries in border areas by utilizing the potential of natural resources, political support, and infrastructure, such as the Sajingan border crossing. It's also found the need to accelerate the revision of trade cooperation agreements. The cooperation between Indonesia and Malaysia in developing the creative industry that has been taking place includes the Indonesia-Malaysia Social Economy cooperation and the Border Trade Agreement.

**Subjects:** International Political Economy; International Relations; Political Theory

**Keywords:** bilateral cooperation; creative industry management; cross-border; Indonesia-Malaysia



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### PUBLIC INTEREST STATEMENT

This review article explores the evidence that individual countries have complete sovereignty over all their territories including their borders. This full sovereignty has been recognized legally and internationally so that the country concerned can take advantage of the various opportunities that exist. However, some countries experience internal constraints, namely limitations in managing their maximum potential. As an alternative effort, the state then establishes relationships with other countries to facilitate cooperation that mutually fulfill their national interests. This review finds that Indonesia-Malaysia cooperating in developing the creative industry is an alternative effort. Indonesia cooperates with Malaysia through diplomatic relations given the emotional ties between border communities in the two countries.

## 1. Introduction

The state has the highest authority over its territory. There is sovereignty, which embodies various matters related to territorial responsibilities and defense and security, economy, politics, and socio-culture within the state. Indonesia is one of the countries that is sovereign over all of its territories, including border areas. Territorial boundaries are meant as an inseparable part of a unitary state because they have been recognized using treaties or commonly known as official state statements (Rizki & Merdekawati, 2018). Furthermore, as a unitary state with several border area allocations, Indonesia has jurisdictional claims that can be recognized in the global realm. Of course, this can benefit the state, considering that Indonesia has abundant natural resources. However, in maximizing the utilization of the various potentials that exist, Indonesia requires cooperation with other countries that share borders.

Based on these conditions, countries can adopt global multinational company practices under the interests they want to realize. Companies' trans-nationalization marks the worldwide pattern of the question to increase state authority in regulating domestic affairs and create alternatives for the government to be involved in its economic problems (Crasnic et al., 2017). The government determines the economy's dynamics and a role for the business or business units that drive the state stock exchange system. Interaction is built between business actors facing various international market challenges, especially between bordering countries such as Indonesia and Malaysia, which have carried out trade cooperation. (Jamaliah & Elyta, 2021).

Trans-border cooperation between Indonesia and Malaysia began in 1983, which agreed on cooperation in the social and economic fields. This situation was triggered at the XII session of the Malaysian General Border Committee in 1983, which resulted in a cooperation agreement among other economic sectors, trade, and transportation, consisting of industry and commerce, agriculture, port/investment, tourism/tourism, transportation, labor, resources. Nature and the environment.

Based on the agreement between the two countries, Indonesia and Malaysia have long had good relations managing the border between countries. In other words, Indonesia and Malaysia have close diplomatic ties, which have resulted in cooperation involving the two countries' involvement in managing and empowering the potential of their respective borders, both on land and at sea boundaries. Cooperation in the economic sector, including cooperation creative industry's development, has long been between Indonesia and Malaysia. They work hand in hand to improve the welfare of people living in the periphery of the country.

Based on data from the Ministry of Trade of the Republic of Indonesia, West Kalimantan Indonesia and Malaysia's trade in the Export sector in West Kalimantan Province decreased in 2017 by 415,323 and in 2018 decreased to 392,874. The problem in that border is similar to that found in other border areas throughout Indonesia (Elyta et al., 2021).

Meanwhile, imports experienced the latest increase, in 2017, by 127,945. In 2018 it increased to 181,037. Several previous studies on creative industry management have been conducted, including research that focuses on the creative industry of the performing arts market in Indonesia. This research found that the creative sector created economic transactions and had social and cultural values (Bilan et al., 2019).

Other research in Jember mapped the characteristics of creative industry resources in Jember Province, focusing on Small and Medium Enterprises owners' creativity and innovation. It found that SME owners carried out their business activities concerning generally accepted business ethics in Indonesia and business norms, prevailing in society. Meanwhile, this research has a novelty, by focusing on the creative woven industry supporting bilateral cooperation between Indonesia and Malaysia. For this reason, applied research is needed by designing a model to maximize the wealth of natural resources in Indonesia's border areas in the form of a creative woven industry that is an economic force to increase this bilateral cooperation.

In reality, government promotions will fail when the offered destinations do not provide comfort, including unattended environmental cleanliness, natural damage, and minimal facilities maintenance. It means that in reality, the government is not the party directly involved in the practice of environmental problems in tourist attractions, but the settlers in the vicinity who need to conserve and help the development of cross-border tourism in a real way. The synergy between the government and local communities can build a more stable cross-border tourism management and continue to exist in the competition for tourism globally (Elyta & Kartikasari, 2020).

## 2. Method

Based on this background, the authors want to design a management model for the creative woven industry in the border region to enhance bilateral cooperation between Indonesia and Malaysia. This research is analyzed with qualitative research. This research study was conducted in the border area of Indonesia-Malaysia, Sambas Regency. Field data collection techniques used interviews and observations. The data collected was categorized, after which it was confirmed again to the informants. Apart from primary data, it was also equipped with secondary data from various reference sources such as books, government documents, and scientific journals.

## 3. Results and discussions

### 3.1. *The existence of the creative industry in the border area of Sambas Regency, West Kalimantan, Indonesia*

Relations between bordering countries do not necessarily lead to political strife and tension, despite similar historical-linguistic approaches and characteristics. In realizing this cooperation, coordination between border areas is needed to involve and support the community to face the global market's challenges, followed by the maximum utilization of natural resources. Furthermore, the current globalization, which has a clear impact on the current economic sector, affects economic dynamics in all border areas, especially in Southeast Asia.

In practice, the state's various pillars focus on divided areas, considering that Indonesia is a unitary state divided into archipelagic areas and crosses certain boundaries. The region's image is still relatively unexplored in taking advantage of new economic opportunities, arctic-related discourses, various climate issues, cooperation, and conflict. (Casier & Vasilache, 2018). These multiple opportunities refer to multinational companies as opportunities for countries to collaborate between countries to deal with global climate developments, presumably the decline in exports and an increase in imports due to the climate of economic globalization. In this case, West Kalimantan Indonesia's border area becomes the target for developing Indonesia's economic growth by utilizing natural resources. The wealth of existing natural resources becomes an economic power, carried out through bilateral cooperation efforts based on each country's financial interests. One of them is building a creative industry or a supportive company.

The existence of kinship and ethnic ties between Indonesians and Malaysians living in this country's border area has resulted in trade flows that are still traditionally carried out through unofficial entrances. Therefore, the existence of bilateral cooperation between the two countries is expected to have regulations that facilitate access to transportation, mobility of goods, services, and people, as well as collaboration between the two countries in various fields in the zones of the border area, which will ultimately affect citizens on the borders of the two countries.

A friendly, honest, and disciplined attitude conveyed to the community through local institutions fosters trust in the state, as a social capital to gain sympathizers. Therefore, the community's aspirations through this local institution must be conveyed and absorbed by the state

Border conditions have made the mobility network easier (Marcu, 2016), aIn essence, it facilitates the mobility of people and goods. Before the economy's globalization, the people on the border of Sambas Regency in Indonesia had already made buying and selling relations between

people in the two countries. They have a market across the border that specializes in exchanging services and goods from Malaysia and Indonesia. It includes the marketing of the creative industry in the form of plaits, which are still traditional in border communities, also traded in this market, and become a product that is in great demand by Malaysia's people.

Economic globalization has brought us to communities in ASEAN countries that are without borders and barriers. In another sense, the cooperative relationship between Indonesia and Malaysia is limited to harmonizing diplomatic relations and committing to the people's welfare. This condition affects Indonesian government's political policy to improve bilateral relations between Indonesia and Malaysia, which are close and productive because it is necessary and continues to support national development through cooperation with countries with border areas by promoting superior industries as selling points in the international market.

In a broader scope, problems related to cooperation are adopted from international relations studies and seek to contribute to a plan that involves actors and interests. Its practice focuses on international intervention, a diversified instrument in world politics (Schroeder, 2018). This perspective can be reflected in the government's attention, which has taken concrete steps so far for the border region's development. Unfortunately, this expectation contradicts the existing reality where domestic investors have not much appreciated the prospect of community industry creativity at the border of Sambas Regency for significant development. So far, investors from Malaysia actively drive the people's economy at the local creative industry's border area.

Apart from the ebb and flow of political, social, and diplomatic dynamics between the two countries, Malaysia and Indonesia, a commitment to border residents' welfare is only manifested in border posts on the two countries' borders infrastructure development. One of them is the development of the Sajingan border area in Sambas Regency, Indonesia. However, human product in border areas creating independent, creative, and competitive people is still not optimally developed. By building an understanding as an allied country and geographically close, the social, economic, development, cultural, and welfare conditions in general border areas can hopefully be further improved.

### **3.2. The existence of cross-country posts for the development of creative industries**

The results showed that the border area of Sajingan and Sarawak had a direct relationship. Sarawak's condition, which has a more advanced economy, has attracted and influenced the socio-economic orientation of the Sajingan region in particular and West Kalimantan in general. This linkage provides real changes to the economy of the Sajingan Region.

The Sajingan State Border Crossing Post opening made the flow of goods and services to Sarawak even higher. Production and distribution activities develop and make trade a business activity cultivated by the community in this area. The trade sector has grown due to the opening of formal cross-border doors. Various trading activities (export-import) that occur in sustainable land use planning Sajingan are very dynamic and have increased. It has been noted that the Sajingan is a formal cross borders facility along the Kalimantan border.

Cross-border trade can occur because of government policies that govern the exchange of goods, services, and capital. Regulations on the sale of goods, services, and money have become the government's concern. Suppose the government does not make cross-border trade policies. In that case, business actors will exchange goods, services, and capital without thinking about the impact of the export or import of goods to each country: Sajingan's strategic position and formal border access.

With the Sajingan State Border Crossing Post, opportunities for economic growth in Sambas Regency are getting bigger. This result was also conveyed by the Deputy Regent of Sambas, Hj. Hairiah, SH, MH Based on Sambas data in 2017 figures, the number of visits to Sambas Regency in 2016 increased by 10 percent compared to 2015, of 58.12 (Zulpian, 2017).

Following government policies that want cross-border trade, it is not like exchanging goods between citizens and other countries. Still, cross-border trade must go through a process following the country's rules to conduct cross-border trade, such as goods, services, and capital. Business people will see that the regulations that limit trade with other countries cannot be carried out without unidirectional rules for carrying out cross-border trading activities involving two business actors in each country interested in getting profit in the trade carried out following cross-border legal laws.

National interests and national security need to be reconstructed to shelter the response from countries to global threats and challenges (Bearsworth, 2018). They includes the state's obligation to carry out its responsibilities for society's welfare in a competitive global market. However, the existence of a cross-border post in Sajingan is allegedly not sufficient to boost the people's economy well. However, the local community takes advantage of opening a business to improve the household economy. The society, which was oriented only for household needs, has become oriented towards market opportunities.

Roads are still tricky. There are still several remote villages and minimal electricity supply in Sambas Regency, making the villages in Sajingan an area lagging behind Sarawak, Malaysia. This condition is also one factor that the woven handicraft industry sector in Sajingan has not yet developed, even though some woven handicraft products originating from Sajingan have been marketed in the international market by executive from Sarawak, Malaysia.

Although the primary source of economy for the people in the border area of Sajingan is the agricultural sector, the creative industry sector has long been a highlight of the Malaysian market. Two formal industrial businesses have been running from 2005 to the present in Sajingan. This traditional industrial business in Sajingan houses home weavers. However, due to the local population's limited marketing knowledge, this legal industry sells woven handicrafts to collectors in Malaysia.

The benefit of a political economy approach is to explain foreign financial policy because it has a dependency on a developing international context. From a political economy perspective, industrial problems also relate to economic dependence on a small country with greater economic power (Ross, 2019). This situation is evident from the economy of Sajingan, which is influenced by the people's economy in Sarawak, Malaysia's border area. International cooperation between Indonesia and Malaysia in diplomatic, economic, social, cultural, and other relations is expected to positively impact the economy of the people living in the country's border areas.

Infrastructure development by building a National Border Crossing Post is one strategy to support Indonesia's competitive competitiveness in border areas, which is expected to accelerate the border areas' economy with welfare for border communities.

Indonesia still experiences overlapping problems in border management policies that are not comprehensive and are not well integrated. The need to make national policies and regulations that require a comprehensive handling framework involving various sectors of development coordination from vertical-horizontal from the center to the regions can be emulated by developed countries that have changed their border political orientation from a hard border. The policy becomes a soft border policy.

Indonesia has begun to change its paradigm in managing borders, which initially was more from a defense and security perspective leading to a soft border policy, one of the causes of change due to globalization and world geo-economic developments. These changes have encouraged Indonesia to adjust to global political conditions that emphasize more soft border policies, such as creating productive activities in border areas in various sectors, such as industry, trade, education, and tourism.

### **3.3. Accelerate revision of trade cooperation agreements in support of creative industries**

Cross-border trading activities at the Sajingan border were carried out with the consideration of making a profit through market share networks. One of the aspects that support earning a profit is through international cooperation agreements, which play an essential role in supporting the creative industry and international trade. By entering into international cooperation agreements, each country can solve various problems that concern its people.

Indonesia and Malaysia have made a cross-border agreement by making a Border Trade Agreement (BTA), two-country cooperation to reduce cross-border crime in the international trade sector and contain rules that free people from tax fees freedom to access global markets. Thus the flow of society in developing their creative industries is guaranteed through this BTA agreement.

The BTA approved in 1970 set a maximum limit for the number of purchases of 600 Malaysian Ringgit per month for each head of household. With this regulation, to fulfill the daily needs of the people of the Sajingan border, it is permissible to import household materials from Malaysia with a maximum limit of 600 Malaysian Ringgit (Elyta, 2017, p., 61). The study results found that the implementation of BTA was experiencing problems because it was considered irrelevant to support the rapidly growing cross-border import market activities among Indonesia and Malaysia. Therefore, the Governor of West Kalimantan, Cornelis, said that the agreement needed to be renewed during the West Kalimantan Regional Development Planning Conference. The contract needed to be restored because the old BTA could hamper Indonesia-Malaysia's international trade activities. Based on the data, the Governor of West Kalimantan wants to immediately renew the BTA agreement to increase trade activities across Indonesian borders to Malaysia.

In addition to reforms that serve to increase international trade in the export sector, it is also necessary to have a global strategy that is continuously renewed. In this regard, BTA Sajingan's access to the border exchange needs renewal so that people in Indonesia and Malaysia can legally carry out creative and economic industrial activities across borders between the two countries (Elyta, 2017, p., 61). However, this free trade activity still considers the problem of people's dependence on neighboring countries to minimize the threat of nationalism at the border (Elyta et al., 2019, p. 40). Thus, the international strategy can be reform international trade, especially BTA, which involves two business actors in each country to benefit from it.

According to one of the sources, the border community responded well to the renewal of the Indonesian-Malaysian border trade regulations because trading activities at the Sajingan border did require renewal adapted to the current situation. After all, the regulations in BTA 1970 were no longer relevant to be applied (Beacukai.go.id, 2017). This condition also has a positive impact on the climate of Indonesia's creative industry at the border. Responding to this, the Regent of Sambas confirmed that the regional government had conveyed the border community's aspirations to the central government to export-import regulations for the border areas even though the Sajingan PLBN was in place.

The Indonesian and Malaysian governments have conducted coordination meetings to renew BTA, including: (1). The first coordination meeting between Indonesia and Malaysia on 21–22 July 2009 in Bandung City, Indonesia; (2). The second coordination meeting between Indonesia and Malaysia was from 8 to 9 December 2011, in the Malaysian capital, Kuala Lumpur (Febrianto, 2017). This meeting discussed the components of trade agreements and the types of commodities included in the trade category (Sa'diyah, 2017); (3). The third coordination meeting between Indonesia and Malaysia was held from 6 to 7 April 2017, in Lombok, the West Nusa Tenggara, Indonesia (Inilah.com, 2017). This third coordination meeting succeeded in preparing a draft decision with BTA Indonesia and Malaysia for the next coordination meeting (Sa'diyah, 2017). The fourth coordination meeting was held on 10–11 July 2017 in Kuching City, Malaysia (Kemendag.go.id, 2017). Therefore, through the Ministry of Trade, the Indonesian government had



**Figure 1. Indonesia and Malaysia BTA agreement coordination meeting July 10—11 July 2017, in Kuching, Malaysia.**



Source: Kemendag.go.id (2017)

**Figure 2. All Indonesian and Malaysian delegations in the coordination meeting of BTA Indonesia and Malaysia agreement from July 10—11 July 2017, in Kuching, Malaysia.**



Source: Kemendag.go.id (2017)

held discussions on revising the BTA in 1970 with Malaysia to prosper Indonesia and Malaysia (Febrianto, 2017).

The atmosphere of the coordination meeting for the BTA agreement between Indonesia and Malaysia on 10 July–11 July 2017 in Kuching City, Malaysia, is shown in the [Figures 1 and 2](#) below:

The meeting between Indonesia and Malaysia showed stakeholders who wanted to immediately renew the BTA, limiting the maximum value of RM 600. Due to the high inflation rate, this amount is considered insufficient to meet international trade actors' needs at the border. Therefore, if the BTA agreement is not renewed, the goal for the welfare of the community through international trade in border areas cannot be achieved. Accelerating the revision of BTA is urgent to increase trade activities and development of creative industries in bilateral cooperation between Indonesia and Malaysia.

### **3.4. Cooperation between Indonesia and Malaysia in developing creative industries**

International cooperation agreements play a significant role in regulating life and relations between countries in solving various problems for society's survival. Legal subjects that fall into international trade law are countries, international organizations, individuals, and banks. In foreign relations between countries globally, there must be a more intense interaction built if each country wants to achieve harmony and development prosperity in their respective countries, especially for countries that border each other, of course, need better communication regarding relations and cooperation. The relationship can be bilateral (between two countries), trilateral (between three countries), or multilateral (with many countries).

The state is the central and most important part and has the most significant authority as a subject of international law. The results show that Indonesia has a legal basis that regulates this international cooperation arrangement, namely in Law No. 37 of 1999 concerning Foreign Relations, Law no. 32 of 2004 concerning Regional Government, and Law no. 24 of 2000 on International Treaties. Through international cooperation agreements like this, various problems of each country can hopefully be sought for joint solutions so that the people's survival can run well.

The Sosek Malindo collaboration has a vision and mission: "Improving the welfare of the two countries' people through the collaboration between Sosek Malindo towards 2020." The mission of the Malindo Social and Social Security Cooperation is the first, to create a socio-economic and cultural condition that is conducive to the welfare of the people of each region; second, to enhance economic cooperation that is only and mutually beneficial and oriented to environmental sustainability; third, increasing socio-cultural cooperation by improving the quality of human resources in the two border areas. Thus, the Sosek Malindo cooperation has clear objectives and general plans for the two countries' sustainability work. Malindo Social and Social Security cooperation is also an effort to improve border communities' welfare and strengthen brotherhood and kinship between the two countries. Of course, this is crucial due to its function as primary capital for the two countries in facing the swift flow of globalization through the innovation of information communication technology, transportation, trade, and political reforms so that global impact is no exception to the scope between Malaysia and Indonesia itself.

Sosek Malindo has had a very dynamic long journey from time to time in the dynamics of cooperation. The cooperation between the two countries in the social and economic fields began in 1967, focusing on the security sector. In 1972, a revision was made to the security sector agreement, especially in border security. This border security agreement was revised for the second time and expanded to cover various fields, such as protecting the social, economic, cultural, and political areas.

Furthermore, in 1985 Indonesia and Malaysia formed a forum to discuss bilateral socio-economic relations between the two countries, through the Malindo Social and Social Security Cooperation Forum. With the signing of the establishment of this forum, the Sosek Malindo relationship officially began. The cooperation forum is still on the scale of Sosekda or the regional social economy of West Kalimantan (Indonesia) and Sarawak (Malaysia) provinces. This cooperation forum was followed by the Malindo Social and Social Security Cooperation Forum formation at the regional level in Kaltim-Sabah in 1995.

The results showed that the Sosek-Malindo cooperation agreement was an international agreement in a Term of Reference (TOR) as a reference for the two countries in conducting these negotiations, which was expected to stimulate community production activities around border areas. The government is expected to support and encourage environmental quality improvement and increase equitable distribution of development and government services related to border communities' social welfare and the benefits for both countries.

If traced historically, the formation of the Sosek Malindo cooperation was first initiated on 14 November 1983, at the XII GBC Session in Kuala Lumpur based on Dato Musa's idea of Hitam. Dato Musa Hitam is the Deputy Prime Minister of Malaysia and the General Border Committee (GBC) Malaysia. The idea then received a positive response from the ABRI Commander, General TNI LB Moerdani, the Indonesian GBC Chairman. As a follow-up to the agreement on forming the Sosek Malindo cooperation, the Staff Planning Committee (SPC), as the GBC activity planning coordinator, assigned several officials to initiate efforts to cooperate in social development be manifested immediately.

With the formation of the Sosek Malindo cooperation forum legally, the foreign relations between the two countries are getting stronger. The relationship, which started before the construction of this forum until it was formed in 1985, has become more dynamic today. Many work programs have been designed and implemented. These programs are implemented to achieve community welfare in each country, especially regarding people's lives in border areas.



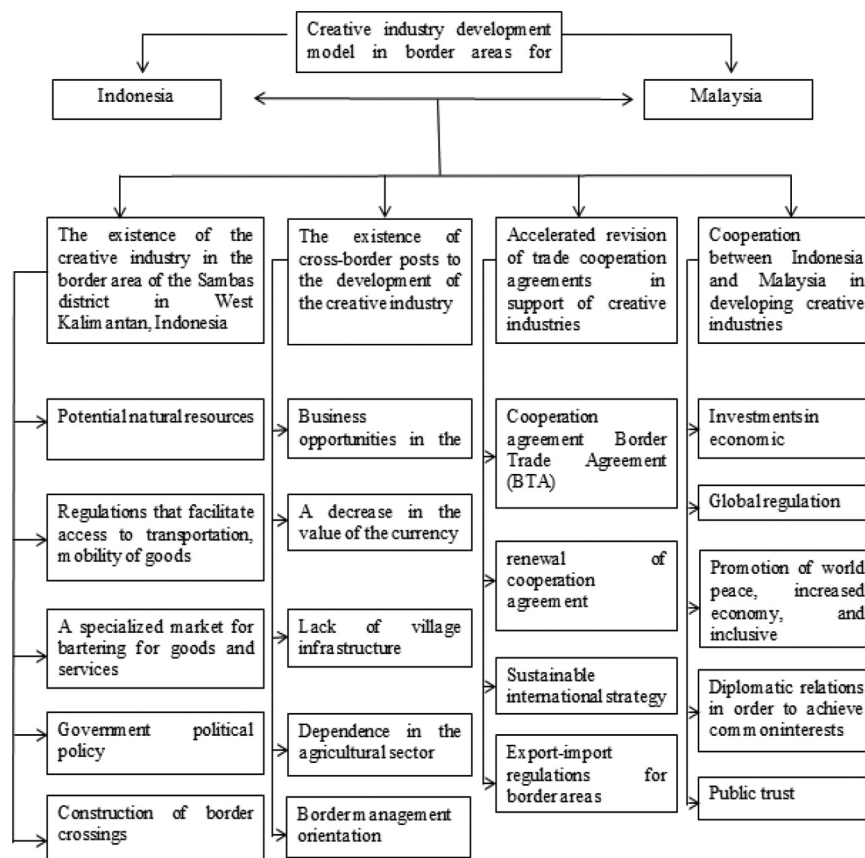
Developing countries are believed to be countries that invest in economic development and are classified as sources of regulation in the global environment. Through industrial policies, developing countries can promote structural economic changes in the financial sector that support global regulation and reduce technology costs with international cooperation (Meckling, 2018). Indonesia seeks to improve the economy through trade in the border area with Malaysia, where Malaysia and Indonesia's relationship is in economic cooperation in the creative industry in the Sambas border area. The author emphasizes good relations between people in Indonesia and Malaysia's border areas, closely related to emotional (other than an economic attachment).

Furthermore, the cooperation between Indonesia and Malaysia departs from the philosophy of the country's formation. Each country wants to participate in promoting world peace, economic improvement, and inclusion in modernization. The most crucial issue is that the cooperation between Indonesia and Malaysia is made by international law and mutually binding for the parties who make it. Initially, the state parties that will enter into an international agreement must first establish good diplomatic relations to formulate what policies are essential to do together.

Several international collaborations related to the development and welfare of the people that have been forged by the two countries (Indonesia-Malaysia) have agreed on diplomatic relations, including the Indonesian Malaysian Socio-Economic Cooperation (Sosek-Malindo), diplomatic relations between Indonesia and Malaysia have experienced ups and downs. They are often hit by various issues such as the annexation of border areas, and cultural recognition. Memories have a significant effect on the relationship between these two countries.

**Figure 3. Management model of creative woven industry in border areas to increase bilateral cooperation between Indonesia and Malaysia.**

Source: processed by researchers



Based on the research results, a model for the advancement of the creative woven industry in the border region can be designed to enhance bilateral cooperation between Indonesia and Malaysia as this [Figure 3](#) follows:

Indonesia and Malaysia have long had good relations managing the border between countries. In other words, Indonesia and Malaysia have close diplomatic ties, which have resulted in cooperation involving the two countries' involvement in managing and empowering the potential of their respective borders, both on land and at sea boundaries. Indonesia's cooperation with other countries has a strategic role in bridging various problems in the country. In other words, other countries help restore issues in our country and our country contributing to problems in other countries. Then the dynamics of global politics often become obstacles to realizing good cooperation between the two countries. Malaysia is also alert to building bilateral cooperation agreements in the economy, investment, and technology with Indonesia.

One of the reasons for the ups and downs in the cooperation between the Indonesian state and Malaysia is the low level of public and Malaysian government confidence in Indonesia's ability to manage economic cooperation. There are many corruption cases, low legal certainty, the bureaucracy's politicization, decreased political stability, and anti-Malaysian sentiment in several Indonesian society groups. However, it does not mean that the relationship between Malaysia and Indonesia is not harmonious. On the contrary, the relationship between the two countries is enjoyable and creates many positive and mutually beneficial agreements.

The level of economic and social welfare of the Indonesian border communities is still low. With trans-border bilateral cooperation between the two countries, regulations will hopefully facilitate transportation, mobility of goods, services, and people, and collaboration between the two countries in various fields in the zones. Border areas, which ultimately impact residents on the border of these two countries. Cooperation in the economic sector, including cooperation in the creative industry's development, has long occurred between Indonesia and Malaysia. They have been working together to improve people living in the country's periphery. Indonesian people who live in border areas are still limited in accessing all aspects, including economy and education. Meanwhile, the people of Malaysia's border areas can be said to be prosperous.

#### 4. Conclusion

Each country is proven to be fully sovereign over the entire national territory, including borders. This sovereignty has been recognized juridically and internationally so that the country concerned can take advantage of the various available opportunities. However, several countries experience internal obstacles, which refer to limitations in managing their maximum potential. As an alternative effort, the state establishes relationships with other countries to facilitate cooperation that mutually fulfill their national interests. Collaboration can be more effective when the nations are cooperating or cross certain territorial boundaries.

One form of cooperation created about border issues in Indonesia and Malaysia's interaction, leading to international exchanges. The two countries have conducted bilateral collaboration since 1983 with a focus on the social and economic sectors. Furthermore, Indonesia and Malaysia have a reasonably close relationship in diplomatic terms to support the management and empowerment of the border area's potential. Matting is one of the possibilities of the border area between Indonesia and Malaysia, which is then developed through the creative industry to become a product that is entirely calculated in the export and import implementation.

The existence of creative industry in the border area of Sambas Regency, West Kalimantan, Indonesia, is developed by the potential in agriculture and plantations. The people of Sajingan use natural resources to meet household needs, such as producing rattan and selling it in the Malaysian barter market. The Sajingan Border Crossing Post's availability for the creative industry's development supports business opportunities in exploiting natural potential by border residents,

who previously were only oriented towards meeting household needs. Cooperation between Indonesia and Malaysia in developing creative industries is an alternative effort for Indonesia to collaborate with Malaysia through diplomatic relations, given the emotional ties between border communities in the two countries.

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