

MOBILITY OF PEOPLE AND GOODS ACROSS THE BORDER OF WEST KALIMANTAN AND SARAWAK

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Since the formal opening of the Border Crossing Inspection Posts (*Pos Pemeriksaan Lintas Batas* - PPLB) in Entikong West Kalimantan and Tebedu Sarawak, mobility of people and goods between West Kalimantan and Sarawak has increased significantly. This paper discusses the nature of mobility of goods and people between the two neighboring regions. Mobility of cars and labour is also discussed since mobility of cars affects mobility of people and goods while mobility of labour is an important part of mobility of people. The data show that the number of goods and people, which are out from the Entikong Post, is always greater than the number of goods and people, which enters to the Entikong Post. It is finally predicted, that economic benefits gained by West Kalimantan due to the Entikong Post, will be difficult to sustain in the future era of free trade. Especially if the government at the border districts does not enhance the capability of people to compete with foreign labour as well as foreign products.

A. Background to West Kalimantan and Sarawak relations

Cross border relations between people in Sarawak and West Kalimantan have existed a long time ago. Unavailability of good quality of roads and public transport was not an obstacle to the people to cross the border. People living in the border sub-districts crossed the border by walk while those who were living far away from the border sub-districts took a boat or took a bus or a private car before arriving at the border by walk. A long border with Sarawak enables people from West Kalimantan to cross the border in any possible place. According to the 1984 Cross Border Agreement, West Kalimantan has 10 points of entry and exit. These points are Paloh, Sanjingan, Sungai Aruk, Sapanan, Jagoi Babang, Sidding, Bantan, Merakai Panjang, Nanga Badau and Entikong with Paloh as the only sea border. Entikong is the busiest point of entry and exit.

Sarawak was getting widely well known in 1970's when Malaysia television broadcasting became the first television broadcasting watched by the people of West Kalimantan. Furthermore, goods from Sarawak such as used clothes and biscuits were getting widely consumed. Sarawak became increasingly popular when the border posts were formally opened by October 1, 1989 and upgraded to be entry and exit points of international trade on May 27, 1995. The border crossing trade was not properly recorded until 1995. The border posts increased mobility of cars, people and goods between West Kalimantan and Sarawak without reducing mobility of goods and

people from the other entry and exit points such as Badau (Lubok Antu of Sarawak) and Jagoi Babang (Serikin of Sarawak).

Intensive relations between the people of West Kalimantan and Sarawak are due to close location as well as availability of transport facilities. Pontianak is about 315 kilometers from Entikong while Entikong is about 100 kilometers from Kuching. The road which links Pontianak and Kuching is relatively good and sufficient. Three bus companies owned by the Indonesians and four bus companies owned by the Malaysians serve the route of Pontianak-Kuching return daily. For people who need to travel quickly, Malaysian Airlines with the Fokker 50-seater aircraft, which serve Pontianak and Kuching return, offer four flights a week.

Sarawak is a strategic region for West Kalimantan because of no land road which links Pontianak and the other provinces of Kalimantan and the other islands of Indonesia. During heavy haze in mid 1990's, when airplanes have difficulties in landing at Supadio Airport, the only safe way to reach Pontianak from out of West Kalimantan is through Kuching by plane and then continued to Pontianak by bus.

Sarawak is "the dream region" for the people of West Kalimantan because it's high per capita income, safety, cleanliness and its well managed region. The people often ask how could Sarawak be much more developed and wealthy than West Kalimantan. Is not it that West Kalimantan is as rich as Sarawak in term of natural resources especially forest products. The most ironic is that West Kalimantan was categorized as one of the poorest provinces in Indonesia. Bad governance, lack of law enforcement, centralize government and corruption are usually regarded as the cause of backwardness of West Kalimantan.

B. Mobility of cars and people

1. Mobility of cars

Mobility of cars between West Kalimantan and Sarawak is an important factor affecting mobility of people and goods. The types of vehicles which are allowed to cross the border increased from private car and non-military government car on October 1, 1989 to taxi, bus and tourist bus on January 2, 1993 and trade vehicles on May 27, 1995.

Table 1 shows that the number of Indonesian and Malaysian cars which passed the Entikong Post was fluctuated. The number of both Indonesian and Malaysian cars increased significantly from 1989 to 1990 (more than five times) following the opening of the Entikong and Tebedu Posts. The percentage of change in the number of cars after 1990 was much lower than that of 1989 and 1990. The number of cars which passed the Entikong post did not continuously increase over the years. For the Malaysians, this is partly due to security condition in West Kalimantan. This is reflected by the decrease in the number of Malaysian cars which passed the Entikong Post from 1996 to 1997, which coincidence with the big riot between the Madurese and the Dayaks. The number of cars from Malaysia was always greater than the number of cars from Indonesia. However, the difference in the number of cars between these two countries tended to decline partly due to the increase in the number of Indonesian families which went to Sarawak for holidays by private cars.

Table 1
Number of Indonesian and Malaysian cars which passed
the Entikong Post, 1989 - 1997

| Year | Number of cars (Thousand) | | | |
|------|---------------------------|------------|----------|------------|
| | Indonesia | Change (%) | Malaysia | Change (%) |
| 1989 | 0.189 | | 0.258 | |
| 1990 | 1.439 | 661 | 1.779 | 590 |
| 1991 | 1.606 | 12 | 3.149 | 77 |
| 1992 | 1.945 | 21 | 5.235 | 66 |
| 1993 | 1.756 | - 10 | 5.830 | 11 |
| 1994 | 1.383 | - 21 | 3.377 | - 42 |
| 1995 | 1.515 | 10 | 2.892 | - 14 |
| 1996 | 1.872 | 24 | 3.565 | 23 |
| 1997 | 2.131 | 14 | 2.375 | - 33 |

Source: The Department of Immigration, 1998

Mobility of cars between West Kalimantan and Sarawak enables the people from West Kalimantan to travel not only to Kuching but also to Brunei. Mobility of cars between the two regions enables us to see Indonesian cars in Sarawak and vice versa. In 1999 and 2000, the people of West Kalimantan had a tendency to buy cars from Malaysia and Brunei. No data are available on the number of cars imported from Sarawak and Brunei since these cars might enter to West Kalimantan without import procedure. The local media had ever discussed the presence of cars

from Malaysia and Brunei in West Kalimantan. These cars were suggested to register in West Kalimantan in order to obtain a policy number as the basis for the government to collect tax. The question is that how could these cars be registered if they were entered to West Kalimantan without import procedure ?

2. Mobility of citizens

People from Sarawak and West Kalimantan cross the border with various intentions such as business, working, holidays, medical treatment, family visits and transit. People from West Kalimantan also prefer to go overseas via Sarawak in order to avoid paying the high exit tax at Indonesian airports other than the Supadio airport.

Table 2 shows the number of Indonesian and non-Indonesian citizens which passed the Entikong Post. Indonesian citizens had higher mobility than non-Indonesian citizens indicated by the greater number of Indonesian citizens which passed the Entikong Post compared to non-Indonesian citizens. Not all Indonesian citizens are the people of West Kalimantan and not all foreign citizens are the Malaysians, especially the people of Sarawak. The number of Indonesian citizens which entered to the Entikong Post from Sarawak was always less than the number of Indonesian citizens which were exit from the Entikong Post to Sarawak. This means that not all Indonesian citizens who went to Sarawak returned to West Kalimantan at the same year. Indonesian citizens who did not return to West Kalimantan via the Entikong Post might be Indonesian workers who worked overseas. They might also be those who went overseas via Sarawak/Malaysia in order to avoid paying high exit tax and returned to West Kalimantan via Jakarta or another international airport in Indonesia .

Table 2

Number of Indonesian and Malaysian citizens which passed the Entikong Post, 1989 - 1997

| Year | Indonesian citizens | | Malaysian citizens | |
|------|---------------------|--------|--------------------|--------|
| | In | Out | In | Out |
| 1989 | 9.762 | 12.563 | 7.226 | 5.784 |
| 1990 | 32.898 | 40.074 | 13.415 | 13.047 |
| 1991 | 46.618 | 55.845 | 19.772 | 19.712 |
| 1992 | 48.286 | 64.05 | 27.003 | 25.712 |

| | | | | |
|------|---------|---------|--------|--------|
| 1993 | 54.138 | 69.666 | 31.789 | 31.56 |
| 1994 | 71.974 | 93.749 | 25.85 | 25.401 |
| 1995 | 65.857 | 91.915 | 26.605 | 25.57 |
| 1996 | 92.649 | 115.453 | 29.004 | 30.739 |
| 1997 | 111.129 | 118.787 | 18.661 | 17.819 |

Source: The Department of Immigration, 1998

The number of foreign citizens which entered to the Entikong Post from Sarawak was always greater than the number of foreign citizens which were exit from the Entikong Post to Sarawak. Foreign citizens who did not return to Sarawak were most likely non-Malaysian tourists which returned to their home countries via Indonesia. In 1999, there were 20,393 tourists which entered to West Kalimantan via the Entikong Post (CBS:2000). These tourists were mostly from Asean (87 per cent), followed by Asia non-Asean, Europe, US, Oceania, Africa and 5 per cent of Indonesian living overseas.

3. Mobility of labour

Mobility of labour is an important part of mobility of people since mobility of labour, especially blue-collar workers, often brings unwanted consequences for both sending and receiving countries. Indonesia is an important labour supplier for Malaysia while very few Malaysian workers which work in Indonesia. Malaysian workers generally engage in white-collar jobs in Malaysian companies. Until August 1, 2000, the Department of Immigration recorded that there were 522 registered employers, who employed foreign workers, and 50,823 registered Indonesian workers in Sarawak (SDI, 2000:26). The cost of employing legal foreign workers is more expensive than the cost of employing Malaysian workers, in term of insurance, agent fees, levy, medical check up and time-consuming procedures with applications. Nevertheless, the employers will gain benefits in term of willingness of foreign workers to do 3D types of jobs (dirty, difficult and dangerous) (SDI, 2000: 27-28). As a result, the benefits are still greater than the costs.

Limited job opportunity in Indonesia pushes Indonesian citizens to work overseas. As a fast growing country, Malaysia is an attractive place for job seekers. The cheapest way to go to Malaysia is via the Entikong Post. The number of Indonesian workers who worked overseas increased from 10,773 in 1995 to 13,996 in 1999 and the increase did not occur every year (Table

3). The economic recession in Malaysia reduced demand for labours from Indonesia indicated by the decrease in the number of workers from 1995 to 1997.

Table 3
Indonesian workers who worked overseas via the Entikong Post
by place of origin and sex, 1991 - 1995

| Sex | Place of origin | | | | | Total |
|--------|-----------------|-----------|--------------|------------|--------|-------|
| | West Kalimantan | East Java | Central Java | Yogyakarta | Others | |
| 1995 | | | | | | |
| Male | 1087 | 766 | 2098 | 383 | 2428 | 6762 |
| Female | 2847 | 182 | 597 | 180 | 205 | 4011 |
| Total | 3934 | 948 | 2695 | 563 | 2633 | 10773 |
| 1996 | | | | | | |
| Male | 1099 | 178 | 354 | 189 | 434 | 2254 |
| Female | 3545 | 538 | 1070 | 570 | 1311 | 7034 |
| Total | 4644 | 718 | 1424 | 759 | 1745 | 9288 |
| 1997 | | | | | | |
| Male | 1316 | 221 | 440 | 234 | 538 | 2749 |
| Female | 3015 | 447 | 889 | 474 | 1088 | 5913 |
| Total | 4331 | 668 | 1329 | 700 | 1626 | 8662 |
| 1998 | | | | | | |
| Male | 3257 | 459 | 1106 | 326 | 839 | 5987 |
| Female | 2869 | 31 | 970 | 502 | 166 | 4538 |
| Total | 6126 | 490 | 2076 | 828 | 1005 | 10525 |
| 1999 | | | | | | |
| Male | 3722 | 1280 | 1920 | 702 | 1080 | 8704 |
| Female | 3797 | 361 | 646 | 364 | 124 | 5292 |
| Total | 7519 | 1641 | 2566 | 1066 | 1204 | 13996 |

Source: CBS, 2000

Of the total Indonesian workers which worked overseas via the Entikong Post, the proportion of workers from West Kalimantan was only 37 per cent in 1995 and became more than 50 per cent from 1996 onwards. The rest of Indonesian workers were mainly from Central and East Java and Yogyakarta (Table 3). Of the total West Kalimantan workers which worked overseas, 95 per cent worked in Malaysia (Sarawak). From 1995 to 1999, the number of female and male workers tended to be fluctuated. Fluctuating number of labours by sex might reflect the patterns of labour demand in Malaysia especially in palm-oil estates and plywood companies. The total Indonesian female workers were outnumbered male workers only in 1996 and 1997. Except in 1998, the number of female workers from West Kalimantan was always greater than the

number of male workers. Women from West Kalimantan were more likely to work overseas via the Entikong post than women from outside West Kalimantan.

Table 4

Number of West Kalimantan workers who worked overseas by employment status, 1995 - 1999

| Sex | Employment status | | | | Total |
|--------|-------------------|---------------------------------|-------------------------------|--------|-------|
| | Housemaid | Labourer in palm-oil plantation | Labourer in plywood companies | Others | |
| 1995 | | | | | |
| Male | 0 | 0 | 1087 | 0 | 1087 |
| Female | 148 | 0 | 2699 | 0 | 2847 |
| Total | 148 | 0 | 3786 | 0 | 3934 |
| 1996 | | | | | |
| Male | 0 | 345 | 688 | 66 | 1099 |
| Female | 379 | 1043 | 2079 | 44 | 3545 |
| Total | 379 | 1388 | 2767 | 52 | 58 |
| 1997 | | | | | |
| Male | 0 | 428 | 854 | 34 | 1316 |
| Female | 353 | 866 | 1728 | 68 | 3015 |
| Total | 353 | 1294 | 2582 | 102 | 4331 |
| 1998 | | | | | |
| Male | 7 | 1204 | 2046 | 0 | 3257 |
| Female | 185 | 133 | 2551 | 0 | 2869 |
| Total | 192 | 1337 | 4597 | 0 | 6126 |
| 1999 | | | | | |
| Male | 0 | 1192 | 2530 | 0 | 3722 |
| Female | 334 | 970 | 2493 | 0 | 3797 |
| Total | 334 | 2162 | 5023 | 0 | 7519 |

Source: CBS, 2000

As previously mentioned, West Kalimantan workers who worked overseas generally were blue-collar workers. From 1996 to 1999, the largest number of workers was in plywood companies. Those which engaged in palm-oil plantation and those who worked as housemaids (Table 4) follow it. The data also indicate that women dominated housemaid jobs. Since 1995, the number of female workers in plywood companies was greater than the number of male workers except in 1999 when the number of female workers was almost the same as the number of male

workers. In 1996 and 1997, the number of female workers in palm-oil estates was more than the number of male workers while in 1998 and 1999 the pattern is reversed.

Though local newspaper in West Kalimantan frequently reports the cases of torture, rape, sexual harassment and unpaid workers, these cases are not obstacles to job seekers to seek a job in Malaysia. Job seekers go to Malaysia with or without legal procedure. Legal workers usually go to Malaysia via the Entikong Post while illegal workers go to Malaysia via the other entry and exit points or *jalan tikus* (mouse path). As the nearest location to Malaysia, West Kalimantan has to deal with the problems of Indonesian workers which occur before going overseas or after returning from overseas. Workers from outside West Kalimantan who have been in West Kalimantan are not always able to go overseas because agents of overseas workers cheat them. The government of West Kalimantan ever sent job seekers back to their home town in Java with the government's cost because they had run out of money in Pontianak while the agent was disappear. West Kalimantan also has to take care of workers who run from Malaysia because of having ill treatment from their employers or agents

3. Mobility of students

Similar to the case of labour, students are mainly from West Kalimantan to Sarawak rather than from Sarawak to West Kalimantan. Middle and high-income families in West Kalimantan nowadays are being the marketing target of colleges in Sarawak. In order to reach the target, colleges in Sarawak intensively advertise their institutions in local newspaper in West Kalimantan. These colleges promote their high quality of education and graduate which have a high demand in overseas job market. In 1998, Indonesian students constituted 82 per cent of the total foreign students in Sarawak (SDI, 2000:13). The students were not only from West Kalimantan but also from the other regions in Indonesia such as Jakarta.

C. Mobility of goods

People living in the border districts of Sarawak and West Kalimantan mainly carried out the border crossing trade at the beginning. The border crossing trade has involved more people from outside the border districts when the PPLB was formally opened in 1989 though international trade via the Entikong Post was just formally allowed in 1995. Since then, the border crossing trade has been classified into traditional and international trade. Traditional trade is an external trade carried out by people living in the border districts and having Border Crossing

Passes (*Pas Lintas Batas*). Other than traditional trade or international trade is the trade which has to apply export and import rules.

The data show that the border crossing trade provides more economic benefit to West Kalimantan than to Sarawak indicated by the trade surplus (Table 5). The largest value of trade surplus was in 1998 whereas export reached the largest value while import reached the smallest values. The value of trade surplus in 1998 was the largest due to the depreciation of the Rupiah over the US \$ during the economic crisis which increased the demand for Indonesian products and reduced the demand for Malaysian products.

Table 5
Value of export and import via the Entikong Post,
West Kalimantan, 1993 - 1996

| Year | Value of export and import (Million US \$) | | |
|------|--|--------|---------------|
| | Export | Import | Trade surplus |
| 1993 | 2.11 | 0.33 | 1.77 |
| 1994 | 0.75 | 0.26 | 0.49 |
| 1995 | 1.04 | 0.18 | 0.86 |
| 1996 | 2.98 | 0.21 | 2.76 |
| 1997 | 1.99 | 0.14 | 1.86 |
| 1998 | 3.10 | 0.10 | 3.00 |

Source: Department of Trade and Industry, West Kalimantan, 1999

The Entikong post does not make traditional trade disappear. The proportion of traditional trade even tended to increase from 25 per cent in 1996 to 40 per cent in 1998 (Table 6). This might be due to the economic crisis which increased the supply of agricultural commodities (main commodities of traditional trade) from the border districts of West Kalimantan to Sarawak. For instance, the export values of black pepper and cocoa increased significantly from 4 per cent and 8 per cent in 1996 to 29 per cent and 22 per cent in 1998 respectively. The traditional export values could be much higher than recorded values because it seems impossible to record all activities of the traditional export, which is carried along the border.

Table 6
Value of export via the Entikong Post by types of trade,
West Kalimantan, 1996 - 1998

| Types of trade | Value of export (%) | | |
|--|---------------------|--------------|--------------|
| | 1996 | 1997 | 1998 |
| Traditional trade | 25 | 36 | 40 |
| Non traditional (international) trade | 75 | 64 | 60 |
| Total (%) | 100 | 100 | 100 |
| US \$ | 2,980,785.78 | 1,992,213.28 | 3,103,306.14 |

Source: Department of Trade and Industry, West Kalimantan, 1999

The Entikong post also does not make smuggling activities disappear. The most common items being smuggled are cigarettes, rice, bird nests, clothing, household items and hewn timber (SDI, 2000:11). Generally, illegal trading of timber (such as in Paloh and Badau) is known not only by common people but also by high-ranking officials but illegal trading continuously occurs. Illegal trading of timber not only will increase environmental damage but also will reduce the local capacity to sustain economic development. Nowadays, processed wood industries in West Kalimantan run out of timber which push the industries to lay off their workers. Forestry Department, Pontianak reported that export of logs by land through Lubok Antu are 10 trucks per day or around 9,500 tons per month (SDI,2000:11-12). If this export of log is through Nanga Badau, which has a border with Lubok Antu, it means that this export is illegal. According to Sosek Malindo meeting in 1987, external trade in the border crossing trade is only via the Entikong post.

D. Future expectations

The opening of the PPLB in Entikong and Tebedu has provided more economic benefits to West Kalimantan than to Sarawak. Mobility of Indonesian cars, citizens, labour and goods between West Kalimantan and Sarawak tended to increase. Except the number of cars, the number of Indonesian citizens and goods which entered to Sarawak via the PPLB was greater than the number of foreign citizens and Malaysian goods which entered to West Kalimantan. The citizens of Indonesia went to Malaysia with various intentions such as business, family visits, holidays, working and avoiding paying high exit tax for people who wanted to go overseas. West Kalimantan also recorded a trade surplus with Sarawak and the trade surplus reached the largest

value in 1998 due to the economic crisis. In case of labours and students, generally only labours and students from West Kalimantan which went to Sarawak than on the other way around.

Though the free trade era has not been started, the border crossing trade between West Kalimantan and Sarawak can be a test case for the government and the people. The opening of the PPLB does provide opportunities for the people living in the border village, sub-districts and districts as well as outside the border districts to utilize the PPLB. As mentioned previously, West Kalimantan gained more economic benefit from the PPLB than Sarawak. The question is that will economic benefits gained by West Kalimantan sustain in the future era of free trade and free labour?

The countries or regions which are not ready are generally pessimistic towards the era of free trade and free labour. Surprisingly, the government and the people of West Kalimantan seem to regard that the border crossing trade does not have any things to do with the era of free trade and labour. As a result, both the government and the people view that the PPLB will provide more opportunities than threats. The heads and the people of the border districts (other than Entikong) eagerly propose their plan to have a new PPLB in their respective districts. They seem not to consider the need of Malaysian government for security and the long run impacts of the PPLB on their people. The government is busier with meetings or seminars to set the rules of the border crossing trade than taking the real action for people empowerment. Entikong only spellbinds the people without knowing a great detail on the view of local people towards migrants which flood Entikong and how many local people are getting rich after the opening of the PPLB.

Economic benefits from the border crossing trade gained by West Kalimantan should not be exaggerated. These benefits may not as high as which are recorded. Consider the costs of illegal trading of timber. West Kalimantan has supported down stream activities of wood-based industries in Sarawak while the same industries in West Kalimantan run out of raw materials and force the industries to lay off their workers. Sarawak enjoys more values added of timber than West Kalimantan. Consider also the costs of environmental damage due to both legal logging (without responsibility) and illegal logging. In term of labour, the government of West Kalimantan only concerns on how to send blue-collar workers overseas without having a holistic labour plan. The government may know the reasons why very few high skilled labours from West Kalimantan which work in Sarawak. This is related to low quality of education in West Kalimantan but no real action is taken. The low quality of education encourages middle and high

income families to send their children to study in Sarawak meaning that more money for education from Indonesia are spent in Sarawak.

In the era of free trade and free labour, more goods and labours will enter to West Kalimantan. Better quality and cheaper price of foreign products compared to Indonesian products, will encourage consumers in West Kalimantan to buy foreign products. The case of eggs from Malaysia can be a good example. In early 2001, eggs market in West Kalimantan was flooded with Malaysian eggs, which were cheaper than West Kalimantan eggs. Egg traders complaint to the government and demand for the government to stop eggs imports from Malaysia otherwise eggs imports will ruin eggs industries in West Kalimantan. It is not known exactly why Malaysian eggs are cheaper than West Kalimantan eggs. If this is due to efficiency, the government and eggs traders in West Kalimantan have to find the ways to increase efficiency in producing eggs.

In the case of labour, West Kalimantan labours especially high skilled labours seem to be not ready to compete with foreign labour. As long as the government does not revise the system of education, high skilled labours from West Kalimantan may not be sufficiently skilled to compete with labours from other parts of Indonesia and overseas. They may not be able to take up high skilled jobs in their own region.

To sum up, economic benefits gained by West Kalimantan from the border crossing trade will only sustain and increase standard of living if the government, the private sector as well as the people hands in hands empowering themselves in facing the future era of free trade. The benefits which are gained now may only be short-run benefits. PPLB does not need to be in each border district. Wherever location of the PPLB, the maximum and sustainable benefits from the PPLB are only gained by the people which are ready to compete in international market though they live far away from the PPLB.

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