

The IBM Model in Border Management of The Riau Islands Province to Increase Investment Competitiveness to Support State Defense

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Abstract

The position of the Riau Islands Province border area with Singapore is very strategic. Even though it has great potential to contribute to economic improvement, this position has not been utilized optimally, even though border areas are an attractive entry point for investors who intend to invest their capital. The aim of the research is to examine the Riau Islands Province Border Management Model based on Integrated Border Management (IBM) which refers to IBM parameters and competitiveness parameters as an effort to increase competitiveness in the investment sector. This research uses a qualitative analysis approach. The research results show that there are obstacles in the management of the Riau Islands-Singapore Province border area in the form of geographical, legal, management and security obstacles. Meanwhile, investment mechanisms and procedures in the border area of Riau Islands Province with Singapore are not complicated and are regulated using a server. The Integrated Border Management (IBM) implementation model in managing the border between Riau Islands Province and Singapore to increase investment competitiveness uses the Single Window Model which is an integrated public service system.

Keywords: Integrated Border Management, Border Management, Investment Competitiveness

INTRODUCTION

Law Number 3 of 2002 concerning National Defense, Article 1 paragraph 1, national defense is defined as all efforts to defend state sovereignty, the territorial integrity of the Unitary State of the Republic of Indonesia, and the safety of the entire nation from threats and disturbances to the integrity of the nation and state. National Defense is a joint force between civil and military organized by the state to guarantee its territorial integrity, protect people and/or safeguard its interests.

Riau Islands Province is a province that directly borders 4 (four) countries including Malaysia, Singapore, Vietnam and Cambodia. So this certainly creates vulnerabilities in various fields. Geographically, the Riau Islands are a province consisting of an archipelago with an area of 5 251,810.71 km². The area consists of a sea area of 241,215.30 km² (95.79%) and a land area of 10,595.41 km² (4.21%)



Figure 1. Borders of the Archipelago Province Riau with Neighboring Countries
Source: BPP Provincial Riau Islands, 2016.

Indonesia's border regions have strategic value in national development. Abundant natural resources have not been explored optimally. This advantage will open up opportunities for regional development as a destination for activities. Law No. 17 of 2007 concerning the National Long Term Development Plan for 2005 - 2025, emphasizes that the orientation of border area development from inward looking to outward looking as a gateway for investment.

Law Number 17 of 2007 also emphasizes that the orientation of regional development is viewed from the aspect of a welfare approach for islands in border areas. Furthermore, safeguarding sovereignty and the state includes improving integrated performance in border areas, developing Monitoring, Control and Surveillance systems, optimizing border security and frontier islands. Management of border areas is becoming increasingly important nowadays, considering the economic logic that requires wider space, no longer isolated by border states.

So far, the existing condition of the Riau Islands Province border with Singapore has not been optimized, even though it has great potential to contribute to improving the Indonesian economy, such as the islands of Batam, Bintan and Karimun.

Based on this statement, investment development in border areas is very important. The border areas used as objects in this research are focused on supporting the ASEAN Economic Community (MEA) program, where the Riau Islands Province is projected to become the gateway for investors to invest their capital in western Indonesia.

Based on data from the Investment Coordinating Board (BKPM), the value of Singaporean investment in the Riau Islands Province experienced significant increases and decreases according to the rate of Foreign Direct Investment (PMA) as shown in table 1.

Table 1. Singapore investment in the Riau Islands Province

Year	Investment Value (USD)
2017	1.031,5 million
2018	1.649,4 million
2019	1.363,4 million
2020	831,3 million
2021	1.043,7 million
2022	934,0 million
2023	764,1 million

Source : Indonesian Central Statistics Agency, processed by reearchers, 2023

Tidd, Bessant, and Pavitt, (2005) stated that rapid environmental changes require organizations to adapt quickly by making continuous improvements through new innovations. One effort that can be made is to develop a model. In relation to border areas, the model development carried out can refer to the IBM (Integrated Border Management) model adapted to the conditions and readiness of the Riau Islands Province border area with Singapore.

In this context, the application of the IBM model is a form of innovation to boost the competitiveness of the Riau Islands Province border region with Singapore. This IBM model was developed by European countries and has succeeded in maximizing the function of border areas by integrating procedures, processes and data elements that are applied uniformly.

Legislation to establish a unified system determines the list of information that can be required by government agencies. Data can be aligned according to country needs to eliminate linguistic communication problems. The data model will form a single, internationally standardized, harmonized set of data that will meet government requirements for investment. This system will create a single face which is a collaboration of various sectors involved in managing the border area of the Riau Islands Province with Singapore.

The IBM model developed at the borders of European countries is a new innovation as stated by Tidd, Bessant, and Pavitt, which is very relevant to this research because it integrates procedures, processes and data elements in a uniform and integrated manner at the border between Singapore and Indonesia, especially with The Riau Islands province will increase Singaporean investors to invest their capital so that it will improve the region's economy to support national defense on the border.

Based on this phenomenon, researchers are interested in further research regarding the Integrated Border Management (IBM) Model in Border Management of the Riau Islands Province to Increase Investment Competitiveness to Support State Defense.

RESEARCH METHODS

This research using qualitative methods with primary and secondary data collection techniques. Primary data sources were obtained from direct interviews with informants, while secondary data sources were obtained from literature studies. Then the data is processed which is then analyzed using the interactive model of Miles, Huberman and Saldana (2014) as shown in the figure.

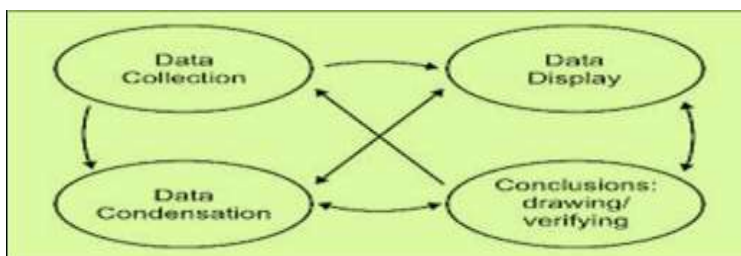


Figure 2. Interactive data analysis model
 Source: Miles, Huberman and Saldana (2014)

RESULT AND DISCUSSION

Existing Condition of Border Management in Riau Islands Province with Singapore

The potential of the Riau Islands Province can be seen from environmental analysis, both internal and external. So the author tries to analyze the existence of border area management based on the SWOT analysis matrix.

Tabel 3. Matriks SWOT

	External	Opportunity	Threath
Internal			
Strength		Comparative Advantage (A)	Mobilization (B)
Weakness		Divestment/ Investment (C)	Damage Control (D)

Source: Hisyam, 1998

Sel A: Comparative Advantages

This cell is an interaction between the elements of strength and opportunity, thus providing the possibility for the organization to develop more quickly.

Sel B: Mobilization

This cell is an interaction between threat and strength. In this condition, efforts are made to mobilize resources which constitute the organization's strength to weaken external threats, even turning threats into opportunities.

Sel C: Divestment/Investment

This cell is an interaction between organizational weaknesses and external opportunities. The opportunities available are very attractive but cannot be exploited because the existing forces are not enough to work on them. The decision to make is to let go of existing opportunities or force them to work on opportunities.

Sel D: Damage Control

This cell is the weakest condition of all cells because it is a meeting between organizational weaknesses and external threats. The strategy taken is to control losses so that they do not get worse.

If you look at the SWOT matrix above, the border of the Riau Islands Province is in cell C (Divestment/ Investment). In Freddy Rangkuti's (2005) terms, this is supporting the Turnaround strategy, as seen in the following picture.



Figure 3. **SWOT Analysis Diagram**

Source: Freddy Rangkuti, 2005

At this border position, the Riau Islands Province faces enormous opportunities, but on the other hand it faces several internal obstacles. So the focus of the regional government of Riau Islands Province is to minimize internal problems so that they can seize better opportunities (Turnaround Strategy).

Opportunities for the Riau Islands Province include 1) The strategic position of the Riau Islands (especially Batam and Bintan Islands) relative to the position of Singapore; 2) For Singapore, Batam-Bintan Island can be positioned as a place to accommodate the positive spillover effects of industrial activities and transshipment activities that are no longer accommodated; 3) For the international market, Batam-Bintan Island can be positioned as the front liner for Singapore's global investment and trade; and 4) Singapore is the main export destination for Bintan-Batam Island which the Riau Islands Province is unable to maximize.

Weaknesses of the Riau Islands Province include 1) Management of border areas has not been carried out in an integrated manner by integrating all related sectors; 2) Weak prevention and law enforcement against illegal activities; 3) Low accessibility of information; 4) Lack of facilities and infrastructure at most exit entry points; and 5) There is no special institution to manage all aspects of border management.

Based on these opportunities and weaknesses, the strategy implemented by the Regional Government of Riau Islands Province is: 1). Establish Batam-Bintan Island as a producer of products that Singapore needs, as well as a buffer area when Singapore's industry needs more freedom to move around in developing its industry. 2). Creating an integrated service model by integrating all related sectors. 3). Integrate all parameters contained in IBM, which include the Legal and Regulatory Framework; Organization and Management; Procedure; Human Resources and Training; Communication; Information Technology; Infrastructure and

Equipment; Budget. 4). Encourage the Regional Border Management Agency, as an umbrella institution for all agencies related to services at the border, so that it will facilitate effective and efficient services.

Obstacles in Managing the Riau Islands Province Border with Singapore in the Investment Sector

Zarnowiecki (2011) states that effective border management means ensuring everyone and everything that crosses the border is compatible with the country's laws, regulations and procedures; Users are encouraged to comply with regulations; Violators are identified and dismissed or rejected.

The actors involved in border management are: a. Border guards who have law enforcement functions at the border; b. Customs officers have a fiscal service function that is carried out correctly; c. Immigration services officers have the role of implementing restrictions or prohibiting the entry and exit of people based on certain policies or security reasons.

The Riau Islands Province Border Management Agency has made concrete efforts and according to the characteristics of regional problems in managing border areas referring to the vision of border area management at the central and regional levels. However, until now it has not been optimal because there are still many obstacles that must be faced, including: 1). The extent of the maritime border area. Geographically, the border areas that must be managed are 19 outer islands separated by the ocean; 2). Management of border areas by multi sectors, both vertical and horizontal. Vertical management includes resolving boundaries between countries and securing national borders, while horizontally, development carried out in border areas involves several other Regional Government Work Units (SKPD); 3). Insufficient resources at the Riau Islands Province Border Management Agency; 4). The development orientation of border areas is still inward looking. The need to shift the orientation of border area development to outward looking; 5). Weak border laws and regulations.

Model Application Integrated Border Management (IBM) to Improve Investment Competitiveness

The Riau Islands Province offers various investment opportunities to foreign investors, including in the fields of manufacturing, trade, mining, agriculture, fisheries and tourism. Investment potential

can be categorized into 3 (three) business sectors, namely the Primary Sector, Secondary Sector and Tertiary Sector.

Table 4. **Investment Potential of Riau Islands Province**

No	Business Sector	Investment Potential
1	Primary	Oil and gas, Fisheries and agricultural
2	Secondary	Manufacturing and assembly; Ship building; Region Light and heavy industry
3	Tertiary	Tourism and services

Source: Results processed by researchers, 2023

One model that has been widely developed to manage border areas is Integrated Border Management. Integrated Border Management (IBM) is the organization and supervision of the activities of border agencies to meet the common challenge of facilitating the lawful movement of people and goods while maintaining secure borders and meeting national legal requirements.

IBM can be divided into two categories: (1) domestic integration between government agencies within one country and (2) international integration between neighboring countries. Both types of IBM require cooperation between types of services in border areas, parallel

processing, and coordination at ports, and land border points or points of entry to optimize the collective efficiency of border agencies.

Indonesia National Single Window (INSW) is an electronically integrated public service system. Single Window (SW) is a system that is capable of submitting data and information, single submission, single processing of data and information, as well as single decision to carry out an item release. The implementation of the Single Window was motivated by Indonesia's agreement with international parties, namely Singapore.

Based on the existing conditions of border area management and the IBM model, investment services refer to a single window, as shown in Figure 4.

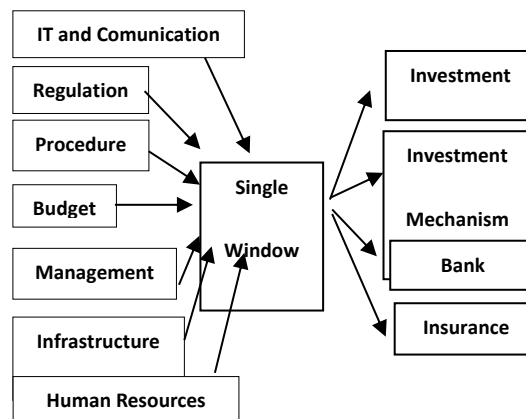


Figure 4. Single Window in Investment

Source: Results processed by researchers, 2023

Single window is an integrated service to serve all matters related to investment. On a server/Frontex, an investor will see the investment potential that exists in the Riau Islands Province. On this server there are also banking facilities, insurance and all the documents needed by potential investors, who will invest their capital without having to take care of it elsewhere, which can slow down the investment process.

Border area management parameters based on IBM are: Legal and Regulatory Framework, Organization and Management, Procedures, Human Resources and Training, Communications, Information Technology, Infrastructure and Equipment, Budget.

Based on the analysis that has been presented, a border area management model based on integrated border management can be created on the Indonesia-Singapore border to increase the competitiveness of Indonesian investment, as seen in the picture below.

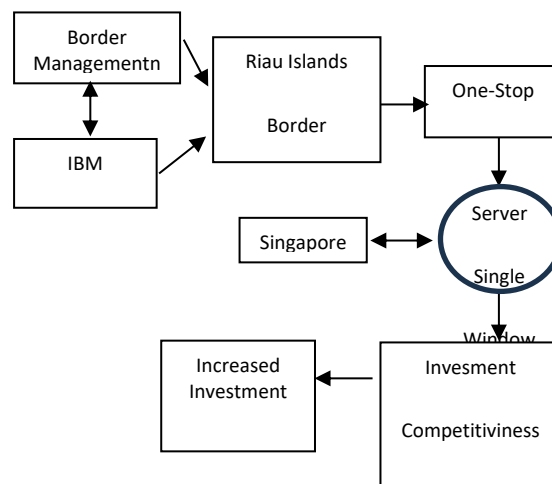


Figure 5. Border Management for Riau Islands Province – Singapore Based on IBM

Source: Results processed by researchers, 2023

CONCLUSION

Based on the results of the discussion on The Integrated Border Management (IBM) Model in Border Management of The Riau Islands Province to Increase Investment Competitiveness to Support State Defense, the following conclusions were obtained:

- 1). Obstacles in Management of the Border Area of the Riau Islands Province - Singapore are Geographical, Legal, Management and Security Constraints.
2. Investment mechanisms and procedures in the Riau Islands Province border area with Singapore are not complicated and are regulated using a server.
3. The Integrated Border Management (IBM) Implementation Model in managing the Riau Islands Province border with Singapore to increase investment competitiveness uses the Single Window Model which is an integrated public service system.

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