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# Prospering the ASEAN Community: How Micro-Region Becomes a Driving Force Prosperity in Indonesia's Border Area?

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#### Abstrak

Saat ini terdapat tren yang signifikan dalam meningkatkan integrasi regional di ASEAN, dengan memberikan ruang untuk aktivitas di tingkat wilayah mikro oleh aktor-aktor sub negara. Wilayah mikro telah menjadi tujuan strategis dalam pengembangan perdagangan dan mengoptimalisasikan produksi lokal masing-masing negara sehingga berkembang menjadi aktivitas transnasional. Integrasi regional akan terlokalisasi dimana aktor-aktor sub negara memiliki peran yang signifikan dan telibat dalam aktivitas regionalisme yang lebih kecil tak terkecuali di wilayah perbatasan. Penelitian ini bertujuan untuk menganalisis kolaborasi aktor-aktor sub negara antar negara-negara ASEAN sebagai model pembangunan alternatif untuk mendorong kesejahteraan dan mengurangi kesenjangan pembangunan terutama bagi masyarakat yang berada di wilayah perbatasan. Penelitian ini menggunakan teknik analisis kualitatif dengan pendekatan reflektif studi kasus untuk memasukkan hipotesis yang dapat digunakan dalam berbagai bidang ilmu sebagai strategi alternatif penelitian. Penelitian ini fokus kepada peran dan aktivitas aktor-aktor sub negara lainnya melalui dukungan jaringan kepemimpinan yang kuat untuk mengambil tindakan yang lebih cepat dan efisien mengatasi berbagai masalah. Kontribusi dalam penelitian ini menemukan bahwa kolaborasi aktor-aktor sub-negara antar negara-negara negara negara di wilayah perbatasan sangat berperan besar dalam memberikan semangat bagi masyarakat perbatasan untuk dapat maju dan bersaing di kancah internasional, dan ASEAN sebagai Lembaga yang mendorong dan dapat menjamin kesamarataan pembangunan bagi masyarakat di wilayah perbatasan tersebut. Kata Kunci: komunitas ASEAN, wilayah perbatasan, mikro-regionalisme, aktor sub-negara, wilayah mikro.

#### Abstract

Providing space for sub-state actors' actions at the micro-regional level is a significant trend in advancing regional integration in ASEAN. Transnational activities have contributed to the trade development and optimization of each country's local production, a strategic goal, and micro-regions have emerged as critical players in this activity. Regional integration will be localized if sub-state actors play a significant role and engage in smaller regionalism activities, such as in border areas. With the goal of encouraging prosperity and reducing development gaps, especially for people in border areas, this research examined the collaboration of sub-state actors across ASEAN countries as an alternative development paradigm. Alternative research hypotheses applicable in various scientific disciplines were included in this research through a qualitative analysis method and a reflective case study approach. This research focused on the roles and activities of sub-state actors in border areas such as the Riau Islands with Malaysia and Singapore, who could work hard together with other sub-state actor entities through the support of a strong leadership network to take quicker and more efficient actions to overcome various issues. This research strengthens the existing literature by discovering that the collaboration of sub-state actors between countries in the border region has played a big role in encouraging the border community to advance and compete in the international arena, and ASEAN has become an institution encouraging and guaranteeing equal development for people in the border areas.

Keywords: ASEAN community, border area, mikro-regionalisme, sub-state actors, micro-region.

## INTRODUCTION

The existence of ASEAN as a multilateral organization for nation-states has a high priority in maintaining regional security and peace in Asia. Members of ASEAN practice and maintain the principles of this organization to ensure a smooth operation of state sovereignty. Indonesia's participation in ASEAN collaboration is crucial for regions bordering developed countries. Collaboration on regional governance's macro, sub, and micro-levels helps advance national interests by bolstering economic competitiveness and tapping into international trade routes. Sub-state actors play a crucial role in promoting the welfare of ASEAN communities, especially border communities, and overcoming regional disparities in the context of the micro-region. In the ASEAN economic community agenda launched in 2015, border communities are expected to be part of the program. On the one hand, ASEAN communities envision this organization as a single market and production base, a highly competitive region with equitable economic development, and fully integrated into the global economy. On the other hand, border communities still suffer from a lack of necessities, endangering their security and stability. Therefore, a shift in perspective is required, one that can be applied to non-security-related strategies, such as the welfare approach.

Studies on border areas in international relations often focused on the security approach, thus ignoring socio-economic and social growth and regional disparities. The importance of this research is based on the welfare approach's significance in fostering interregional economic and trade activities. Therefore, the approach needs to focus on enhancing the welfare of the people in border regions and reverberating across ASEAN communities. As the border area is home to a mixed-income population that benefits from a strong social network and cooperative efforts between urban centers and rural enclaves, regional disparities in infrastructure are unexpectedly modest. The advancement of infrastructure and management of border areas is one way to maintain autonomy and improve welfare to foster public interest and ensure Indonesia's legitimacy.

This research considers that the central government must be able to rely on the role of sub-state actors to become a gateway to the country and function as a center for sustainable economic development. Collaboration at the micro-region level through consolidating sub-state actors is currently of concern. The consolidation of sub-state actors—including local government implementation in the border area and the attempt to respond to the challenges of globalization affecting peripheral cities—has raised concern about the need for research on collaboration at the micro-region level.

In the absence of sub-state actors engaged in optimally driving growth, a new paradigm of collaboration has emerged in the border region of the Riau Islands, necessitating changes in the collaboration model. The impact will be realized throughout regions to benefit the country. Therefore, specific changes are inevitable due to globalization and the free flow of information and technology, particularly in the bipolar system that brings enthusiasm to capitalism. This system has a global reach, undermines conventional views, and weakens state power over international market competition. Specifically, a localization development collaboration between the state and neighboring cities or districts is intended to entice sub-state actors at the micro-region level, allowing them to have opportunities to achieve balanced and more productive economic growth. One of the opportunities and strategies to improve the economy of border communities is the participation of ASEAN countries in collaboration at the micro-region level, currently of concern to government implementation at border areas to respond to the pressures of globalization netting peripheral cities. Therefore, government policies to protect the nation's sovereignty must efficiently utilize natural resources in border areas by developing economic and trade activities following the superior commodities of each border region and its surroundings.

#### LITERATURE REVIEW

Participation of ASEAN countries in regional collaboration with cities bordering developed countries is one opportunity and strategy for boosting the economy of border communities. As a result of increased economic competitiveness and the utilization of foreign trade routes, national interests are advanced through regional collaboration (Riyanto, 2015). The deepening and expansion of regional integration in Southeast Asian countries have prompted many international relations scholars to investigate Southeast Asian regionalism (Souza, 2018).

Micro-regionalism in Southeast Asia is gaining attention, yet there is a paucity of research on the topic. Although municipal governments are crucial to regional integration, this literature only focuses on macro-regional processes, which clearly emphasizes the central state as the only major agency marker, ignoring the role of local governments (Breslin & Hook, 2016). Globalization in border regions has highlighted two interconnected concepts: border and periphery (Vaishar & Šťastná, 2016). A "borderless world" refers to a world without boundaries between cooperating regions, emphasizing post-communist countries. The theory of international collaboration has also sparked competitive approaches, such as constructivism and agent-based modeling, broadening the understanding of international collaboration.

Nevertheless, these approaches also provide formidable challenges to the rational approach. Using the concept of border area leadership networks and attempting to respond to globalization pressures by netting peripheral cities, this study investigated the expansion of collaboration at the micro-region level, currently being the concern (Hoppe & Reinelt, 2010). To bring their international activities to the present, sub-state organizations on both sides of the national border have established a cross-border collaboration in areas such as the European Zone, the Growth Triangle, and the South Africa Development Corridor (Fawcett & Gandois, 2010).

Indonesia will benefit from its leader's efforts to shift the border economy through rapid foreign investment by sub-state actors. In border areas, where state actors have more control over regional collaboration, there are various norms and political decision-making factors to consider. A paradigm shift from state actors to sub-states has occurred due to the rapid rise of globalization to enhance the balance of sustainable development. The Riau Islands' international border has significantly benefited from ASEAN communities and cities, supporting less developed border areas (Söderbaum, 2011;60). In literature studies, sub-state entities such as cities and villages as micro areas and supranational entities such as states as macro-regions appear unrelated. However, in this age of globalization, transnational actors with common interests might play a vital role in connecting the micro and macro levels.

Other countries in the European border region have shared the same culture and history in recent years, partly due to globalization and regional integration. The presence of historical fears, identities, unseen barriers to trade, and other structural restrictions in the border region is no longer automatic. Some of the new cross-border territorial units have varying sizes, organizational levels, and financial capacities managed to overcome acute social and economic issues in national borders and marginal areas, attracting investment, implementing large-scale infrastructure of joint projects and welfare equipment, promoting cultural and educational exchanges, and so on (Ullah & Kumpoh, 2018). Depending on various economic, political, cultural, historical, and geographical factors, the growth of the degree of collaboration and institutionalization across borders varies significantly from region to region (Jacobs & Varró, 2014;15).

On the one side, a border of many sub-states and nation-states is integrated to establish and solve numerous problems between regions (Perkmann, 2003). On the other side, communities become part of international activities by communicating, allowing sub-state actors to develop integrated capabilities in collaboration in border areas. The high quality of collaboration in border areas involving sub-state actors can be understood by considering ethical standards (integrity, equity, professionalism, social care, and others), facilitating collaboration between countries (Nadalutti, 2017;50). System ties are developed and work well to encourage collaboration between non-state and sub-state actors to emphasize different partnerships at global, international, national, and local levels to 40

highlight different ones. Several questions arise, such as how and to what extent national boundaries and borders are remade, renegotiated, managed, or mismanaged by states. It illustrates that the actions of non-state and sub-state actors should not be ignored because they can solve the growing phenomenon in the age of globalization and modernization to achieve the millennium development goals (Mempel-Sniezyk, 2014;118).

## **RESEARCH METHOD**

This analysis utilized reflective case studies to present concepts translated from various fields of science into alternative solutions, generating wider, complex narratives and responding to conflicting gaps. Company records, journals, online information, and newspapers contributed additional data and insights identified through the observation. The primary data came from interviews with key informants and those involved in this research. This research employed structured interviews to collect relevant information using a series of interview guidelines. Subsequently, there were several questions for the research participants. Each participant was asked the same set of questions to facilitate comparisons between them. A total of four key informants were interviewed, including representatives from BP Batam, BP Bintan, private workers, and the local community, to learn about the participation of sub-state actors in the Indonesian border region and the Riau Islands. Purposive sampling was applied to gather the informants. By specifying in advance who would be utilized as informants and what information should be collected from each informant, purposive sampling determined the total number of informants before conducting this research.

Data analysis was performed simultaneously with the observation. Hence, the study data could be directly analyzed. Descriptive analysis was carried out to analyze the data collected from the field. Through this technique, all data were described by developing categories relevant to the research objectives and interpreting the results of descriptive analysis guided by the appropriate theories on the involvement of sub-state actors in the development of their communities in the Riau Islands, with the focus on strengthening the local economy to compete in the international market.

Data critically examined with an eye toward current practices became the primary subject of the discussion list. Leadership networks were utilized to improve collaboration between sub-state actors to create border regions in the Riau Islands. Participants were gathered by purposeful sampling, covering sub-state actors such as local governments and business people in the Riau Islands-Johor-Singapore border areas. Documentation technique was also applied to collect secondary data concerning the development of local government in Batam Island, the annual report of BNPP Batam City, research results published in scientific journals, articles related to the research problem, and all laws and regulations related to the research. Systematic mapping studies were conducted to supplement the primary data to discover articles from international dan local journals related to ASEAN communities, border areas, and micro-region collaboration.

## **RESULT AND ANALYSIS**

Local government actors or state institutions in the border region of the Riau Islands initiated the pattern of regional to micro-region collaboration. Sub-entities have been available and could eventually pursue other opportunities. Researchers, businesses, and the local government have played essential roles in border areas, such as provinces and cities (governor, mayor, district head, village head). Some of the new cross-border territorial units possess varying sizes, organizational levels, and financial capacities managed to solve acute social and economic challenges in national borders and marginal areas by, for example, luring investors, launching large-scale infrastructure of joint projects and welfare equipment, and fostering cultural and educational exchanges (Blasco, Guia, & Prats, 2014;167). Collaboration in border areas in regional micro contexts has driven collaboration in the closest geographical regions.

The growth triangle was built on three principles, serving as a prototype of micro-region collaboration. To begin with, based on the law of comparative advantage, actors should try to increase mutual economic benefits. It is also crucial to note that the border region has become a target for development or exploitation by various entities. Finally, in some cases, sub-state actors' collecting operations could address issues and phenomena in border areas more successfully.

Several collaborative opportunities for border regions in Asia have been highlighted, providing a solid foundation to build. By collaborating in various ways, cities in both developing and developed countries could suggest complex governance schemes incorporating multiple institutional levels. Sub-state actors have been deemed essential in applying multi-level integrated border institutions at the micro-region level, such as economic and social spheres. Thus, the multi-level government should be better understood vertically and horizontally. There is a clear distinction between roles and country relations regarding institutions and their capacities (all levels of government). Horizontal government exists due to the need for different regional social actors to be involved. As a result, historical knowledge of border integration does not rely on new or alternative forces but rather on its strength.

Communities and local authorities encouraged collaboration to follow the principles of their legislation by building power and procedural guides and controlling their decisions. Therefore, border areas have proven to be exceptional laboratories for transforming regional "new integration experiments, promoting social development centers" to underserved cities by strengthening institutional capacity and leadership networks between local governments and new generations as social capital to realize political action and directly benefit people at the border. To date, the process of globalization and regionalization believes that diplomacy dominated by state actors has undergone a change by non-state actors, aiming to strengthen the balance for the sustainable development of less advanced cities or regions through micro-collaboration regionally with developed countries (Ezcurra & Rodríguez-Pose, 2013;93). The macro-regional concept fosters regional excellence and relies on international activities through collaboration and supporting the development of information and high technology mobilization to move quickly in maintaining and enhancing collaboration in border regions. Therefore, the evaluation of this pattern of collaboration should be conducted from the country, provincial to city or regional level in promoting the quality and excellence of the region to reduce barriers to trade to the global market. It could be realized by developing competitive advantages and prospering its people in the border region with developed countries (De Lombaerde, 2010;30).

Following Hadiwinata (2017;124), the pattern of collaboration involving non-state and sub-state actors is more intensive in international activities in the era of globalization. Accordingly, it can assist foreign policy and advance the welfare factor to avoid increasing inequality between countries or regions (Hadiwinata, 2017; 124). The progress of collaboration in the Southeast Asian border region has proven that the welfare factor has become essential in improving international trade to succeed and continue innovating in various international activities, such as collaboration between countries.

A few articles from international and local journals related to the keywords: ASEAN community, border area and micro region collaboration were discovered using systematic mapping research. As Apresian (2015: 87) defined, the disparities in per capita income and economic growth among ASEAN member countries have become a significant barrier to the emergence of the international community (Figure 1). As a result of this socio-economic phenomenon, inequality increased in various sectors, leading to a high degree of interdependence between countries, especially developed ones. Therefore, the relationship between non-state and sub-state actors of transnational activities has become an alternative step, strengthening and promoting border collaboration, among other policies.

Indonesian Government policies have adopted a decentralized system, empowering the city or regional government to be independent and evaluate every policy related to international collaboration to advance and compete globally. Compared to other countries in ASEAN, the local administration has played a more prominent role in developing countries. ASEAN has

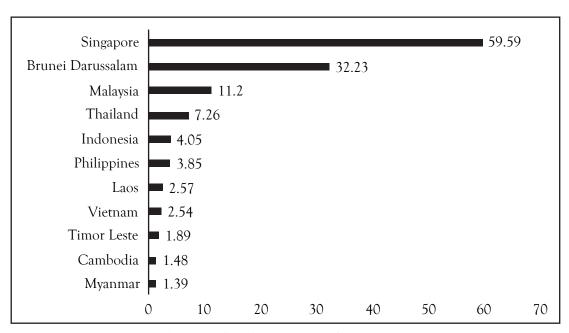


Figure 1. Gross National Income (GNI) per Capita of Southeast Asian Countries in 2019

focused on local administration and government as a political development of decentralization. High-quality collaboration must be a standard, allowing the city government to fully engage in the international arena to overcome and fill regional boundaries, whether economic, technological, social, or other. Several strategies and policies of collaboration between cities and countries in border areas have been carried out, among others, aimed at improving the quality of human life in society and increasing prosperity and productivity in various fields to prevent significant regional disparities from upsetting the environment and development balance.

As a result, local government actors were more likely to create relationships with different actors and local community organizations in other countries to accelerate development (Carter, 2001;88). By taking an active role on the world stage, local governments could collaborate more closely with their counterparts in other countries (Royles, 2017). Using the Cross-Border Areas (CBR) framework, Indonesia's collaborative research in border areas developed techniques specifically emphasized by different social forces both within and outside the border areas. By involving sub-state actors, this collaboration would continue to increase and compete until it successfully addresses collaboration issues between two or more nation-states (Yani & Nizmi, 2018; 40).

The implementation of international activities by sub-state actors in collaboration at the micro-region level has increased due to the urgent nature of the issue. Bintan and Singapore made significant progress in 2014 toward establishing an exclusive economic zone (EEZ) in the tourism sector. Subsequently, Johor Bahru and Batam established a joint committee on tourism in 2015. This pattern of collaboration demonstrates that breakthroughs in sub-actor collaboration have been implemented to benefit Indonesia's economy and contribute to the objectives of regional economic integration in the border region.

This research explored the role of substantive actors from sub-state diplomacy in either state or region, along with other non-state actors in globalization. State and local governments have utilized state or regional government actors to gain interest and influence others outside their territorial borders (Oddone & Souza, 2018;205). In this case, globalization has significantly reduced the state in effectively implementing all its policies. Local governments discovered that state sovereignty was not the only condition for entering the international arena. As such, local governments employed strategies to promote their regional interests internationally in trade, culture, tourism, and even politics. The formation of regional diplomacy in the European Union illustrates the critical role of changes in the vision of diplomacy to strengthen collaboration between regional or sub-state governments and communities in the region (Hayward & Magennis, 2014;156).

Based on the characteristics of border regions elevating ethnicity, language, culture, social, and historical nature, researchers throughout the world have been looking to these areas as a model and discourse for better economic development in the micro-region context for decades (Pertti Joenniemi and Alexander Sergunin, 2014;23). The collaboration of cities part of Riau Islands and other countries, especially Bintan City and Singapore, utilized other actors as a resource to solve problems and ensure that their sustainable development is on par with other countries or cities. The role and benefits of the state-actor approach in regionalism have strengthened social, economic, political, and international organizations. Capacity building and capability of other actors sought to establish regulations, empowerment, and advocacy for sub-state actors.

They built intensive communication and dialogue between state and sub-state actors and central and regional policies to promote self-enforcement and narrow the gap between foreign and local government policies. Collaboration in the Bintan-Singapore border region became the initial icon of international collaboration, lifting the capacity of local actors to interact with other sub-state actors, especially in the tourism sector. Hence, evidence of the link between academic research and subsequent innovations is required, along with the development of solid institutions endowed with the ability to draw highly intelligent human resources to perpetuate the long-term success of this macro-regional collaboration (Isnaeni, 2012).

There was a need for appropriate regional policy breakthroughs in collaboration at the border of the Riau Islands, especially for sub-state actors acting for sustainable development in their regions. The result of

investment in the Riau Islands was inseparable from the role of the central and regional governments in strengthening development and enhancing various forms of collaboration with developed countries, especially neighboring countries. The Riau Islands has been an independent province since 2002 and is believed to be able to independently maintain the integrity of the state and the participation of foreign countries in accelerating regional development. Therefore, para-diplomacy approaches at the local level, especially for provincial and central governments, toward neighboring countries were unavoidable. In particular, implementing state actors in a country could produce two effects, supporting or weakening, which sometimes strengthens and complements diplomacy carried out by the central state but can also cause conflict if it directly opposes diplomatic efforts (Royles, 2017;395). Good actors possess complementary characteristics and strengthen diplomacy carried out by the central government to ensure that national and regional interests can be achieved adequately.

The Riau Islands adopted these patterns, which involved national interests. indirectly However, concretely, the actions of sub-state actors in Indonesia are supported by Law No. 32 of 2004 concerning Regional Government, which discusses changes in authority held since the era of decentralization. In this case, the regional government holds power to conduct many things, except for the following six items: foreign policy, defense, security, justice, religion, nonetary and fiscal (Law No. 32 of 2004 Article 10 Paragraph 3). The central government has represented an international partnership between Batam Island and Singapore, preventing a fair comparison of the Riau Islands' economic and social development to that of other countries. The sub-state collaboration between Batam and Singapore has extended to other regions, the Karimun Islands and Bintan, known as the special economic zone (SEZ), in industry, trade, and tourism (Blasco et al., 2014).

Bargaining power must synergize with the sub-state's ability as the region's main actor. The role of sub-state actors has increasingly been considered in international collaboration under the law explained in a decentralized In the decentralized government. dimension, international collaboration refers to a phenomenon that emerged after World War II. The international involvement of regional governments has become more common. The increased autonomy of local governments made global concerns relevant to their daily operations as they sought to overcome regional limitations, such as economic, technological, social, or others. Local governments sought international collaboration for economic, cultural, or political reasons. Most central governments could not appropriately assist the leadership network in the economic field. They might lack the expertise and cadres to fully understand local reality or deal with its complexity. It is common knowledge in the political realm that local governments believe the central government is not doing enough to aid them, despite having the resources to do so. As a result, some have established collaboration between regional and foreign entrepreneurs, local governments and foreign entrepreneurs, and vice versa. However, conflicts of authority between the local and central governments concerning government dualism in the Riau Islands remained. It resulted in leniency and uncertainty for foreign investors, especially in this economic zone.

In culture, some regions have tried to promote themselves internationally as autonomous cultural entities and to become famous, at least in the territory of neighboring countries. International activities in each area of Indonesia have a legal umbrella from the central government. Therefore, every global movement in the border region bordering neighboring countries must be a particular concern of the central government. The national diplomacy approach must be strengthened and complemented, rather than contradictory, to ensure that sub-state actors are given oversight and independence to solve their region's problems. International activities could influence Indonesia's foreign policy, especially on the border between the Riau Islands and Singapore. Local governments should work together directly in managing border areas to enhance the development of their communities and maintain mutual security in the cooperative relations between the two countries.

Foreign investors from various countries could take advantage of the 24 investment zones set aside on the Riau Islands and its surrounding regions. Residents benefited from more employment opportunities, while immigrants' higher skill levels in the labor market created competition for lower-paying jobs. This reason is the background of international activities in the Riau Islands, raising doubts about the steps and policies of the local government in international activities, despite the dualism of leadership in the Riau Islands. The collaboration must be managed and evaluated to guarantee sustainable development and economic life, especially in the periphery of the province. The acceleration of regional development, becoming the government's program every period, focused on the quality of human resources, the main criterion for modern economic growth. In short, the Riau Islands, encompassing two municipalities and five regencies, possessed a gap in the level of development, necessitating equity and concentration provided by the central government by providing opportunities for actors in the regions to move quickly without any limits but still in the corridor of the central state. The development of the border community has shifted due to changes influenced by geopolitics between Singapore, Malaysia, and Indonesia, particularly in the Riau Island.

Border states and regions could gain an edge by taking advantage of the existing institutional structure and exerting their will on foreign policy. Therefore, the central government formed a particular unit in the Riau Islands, functioning as a unified political entity, and businesses in each potential region engaged in intensive international economic and cultural collaboration. Theoretically, this institution must coordinate and oversee international activities in each area. However, in reality, the weak local authority in interventions typically performed by foreign parties has put pressure on local governments from the central government.

The success of sub-state collaboration could awaken other countries to maintain and develop beyond the crossing between Southeast Asian border regions such as Europe and America. Even though obstacles and high intensity in the flow of human traffic, goods, and less

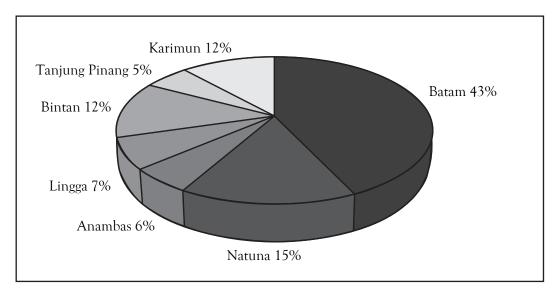


Figure 2. Percentage of Businesses in the Riau Islands Province by Regency or City

controlled services still caused the phenomenon of collaboration to emerge from various development sectors. However, the specific objectives of micro-region associations in the border region have become guidelines for territorial planning, regional economic policy, infrastructure improvement, environmental protection, and promotion of cultural heritage, or a combination of these. In addition, the overall context of micro-region collaboration could strengthen relations between local authorities and neighboring countries, disguising that no boundaries prevent this collaboration from being improved. Therefore, this collaboration still required proper management and evaluation to guarantee sustainable development and economic life, especially in the periphery of the Riau Islands. The quality of human resources has become the primary metric for modern economic growth. It is where the government's program for accelerating regional development is emphasized.

The border-dwelling community in the Riau Islands, such as Batam, Bintan and Johor Bahru, benefited from the increased appraisal of the critical role of actors at the local level due to increased unequal mobility across borders. Specifically, the involvement of society across national borders and sub-state actors has shaped an increasing number of people's daily lives, even if they did not travel beyond international borders. Investment prospects from the other national boundary provided the residents of Tanjung Pinang, the capital of the Riau Islands, Batam Island, and Bintan, an advantage over those living in other locations. The government's neglect led to an unbalanced system, with more disparities emerging across the province (Figure 2).

Diplomacy could include the preparation and ability of sub-state actors to mobilize leadership networks, such as between local government leaders and border countries. Thus, they could solve regional problems by understanding how the public anticipates aspirations and development models, particularly those emphasizing the regional expansion disparity. The border typology has become an appropriate strategy for developing regional collaboration with neighboring countries by physically, socially, and culturally grouping common characteristics. It aims to prevent the spread of phenomenal issues and conflicts, hampering development across borders. Moreover, border collaboration affected by the dynamics of international organizations would strengthen the roles and policies of sub-state actors in implementing the paradiplomacy concept, as has been conducted in European, American, and Asian countries (Klatt & Wassenberg, 2017).

The economic features of neighboring regions and countries allowed the community to react swiftly to expanding global markets due to the proximity of these areas and countries. Therefore, the foreign activities of

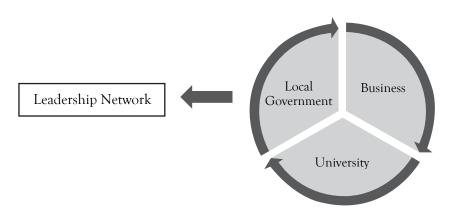


Figure 3. Triangle Partnership Model (Researchers' data processing, 2018)

sub-state actors in the Riau Islands in collaboration with neighboring countries refer to investments involving bilateral and multilateral partnerships. This collaboration aims to strengthen relationships between companies (business people), local governments, and academic institutions (universities) directly adjacent geographically, representing excellence in various related sectors (Andrey, 2013) (Figure 3).

As Hoppe & Reinelt (2010; 610) defined, the leadership network is the relationship of leaders from the same community exerting mutual influence in specific domains, practices, and policies as part of local government sub-state actors. The leadership network, a novelty in this research, could increase collaboration at the border regions (Hoppe & Reinelt, 2010; 610). Local governments must possess leadership networks to facilitate leaders to discover solutions to their problems, mobilize support, and influence policies in their areas. Consequently, it is crucial for the readiness of the border region to have a strong leadership network between the countries at the border, not only with the leaders of the country but also with the local leaders, such as tribal leaders, farmer chiefs, and fisheries associations. Leadership networks could shape and influence funding goals, strategic orientation, and the ability to innovate. A solid contribution to innovation has been considered to share and transfer knowledge, resulting in mutually supportive collaboration. This research combined the helix theory with the concept of micro-regionalism, which sets and formalizes the proper role of each field in

supporting economic growth through innovation. Innovation is essential to economic growth and competitiveness in today's globally interconnected world, where information plays an ever-expanding role across various fields (Praswati, 2017;703). Research performed in five cities in Australia discovered that a leadership network resulted in enormous benefits for organizations in the region. This network was increasingly crucial for achieving and enhancing competitiveness among countries outside the borders. Leadership networks have become the primary key to resolving various regional issues and reinforcing community ties.

#### CONCLUSION

The partnership model generated from this research, by adding leadership networks that the regional government must own as an actor presenting the country, could strengthen the collaboration goals at the border of the Riau Islands to improve the socio-economic situation in marginal areas. A shared understanding of the goals and forms of collaboration between business partners seemed to be one of the prerequisites for successful collaboration. Therefore, it is recommended that collaborating parties possess the same view of the benefits of collaboration.

Understanding the many types of collaboration that might benefit partnerships and enhance communication in their joint endeavors has become essential for micro-regionalism. Social capital has become an essential factor influencing the success and continuity of border region collaboration with the functioning of formal institutions, especially for entrepreneurial activities to develop over time, because it enables entrepreneurs to go beyond the circle of trusted and well-known business partners, thereby affecting the collaborative nature of the activities and their potential development. People resort to utilizing personal trusts when they cannot trust a formal institutional framework or the rule of law does not exist. At the individual level, border collaboration involving small traders, small companies, and other actors and agents could also contribute to further developing regional social capital.

This research discovered that in the sense of micro-region, the actions of sub-state actors such as local governments, entrepreneurs, academics, and collaboration in the leadership network could be a force to ensure the community's future welfare. Moreover, a rapidly developing economic sector has embraced the new period of globalization to create opportunities for sub-state actors to broaden collaboration to equalize interests with other regions and nations (Sousa, 2013;670).

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