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ANALYSIS OF OPPORTUNITIES AND CHALLENGES FOR DEVELOPMENT OF THE MALINAU REGENCY (INDONESIA) - MALAYSIA BORDER AREA

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Abstract :
Malinau Regency shares a border with Malaysia, but progress has been uneven. The Human Development Index rose to 74.72 in 2024, while the poverty rate also rose to 6.94 percent. Residents in remote sub-districts remain isolated and dependent on supplies from Malaysia. This study aims to map the opportunities and challenges for development in Malinau's border areas while developing strategies that balance security and well-being. The method used is a qualitative case study design. The population comprised communities and stakeholders in five border sub-districts: Kayan Hulu, Kayan Selatan, Bahau Hulu, Pujungan, and Sungai Boh. The sample was selected purposively, consisting of twelve key informants, ranging from regional planners, border managers, sub-district heads, and traditional leaders to traders, health workers, and teachers. Data were collected through in-depth interviews, observations, and document reviews, then analyzed using the Miles, Huberman, and Saldaña model. Data were summarized, presented, and conclusions were drawn, supported by a SWOT analysis using the IFAS and EFAS matrices. As a result, the biggest challenges are isolation, high costs in the region, cross-border dependencies, and fragmented coordination. Opportunities lie in resource wealth, indigenous social capital, and support for national priorities. An IFAS score of 2.37 and an EFAS score of 2.66 place Malinau in Quadrant I with coordinates of +0.75 and +0.70, respectively, suggesting an aggressive strategy. However, these opportunities can only be achieved if internal weaknesses are addressed first. In conclusion, Malinau's underdevelopment is structural. Opportunities will only be unlocked if connectivity, basic services, the local economy, and integrated data are improved within a welfare border framework.
Keywords : *Border development, Malinau Regency, opportunities and challenges, SWOT analysis, welfare border*

INTRODUCTION

Malinau Regency in North Kalimantan is one of Indonesia's frontiers, bordering Sarawak, Malaysia, for approximately 299 kilometers (Malinau Regency Government, 2021). This position should allow Malinau to grow rapidly. The reality is quite the opposite. Official data reveals a paradox: Malinau's Human Development Index rose from 74.00 in 2023 to 74.72 in 2024, but during the same period, the poverty rate actually rose from 6.54 to 6.94 percent, an increase of approximately 500 people per year (Malinau Regency Statistics Agency, 2024, 2025). This means that growth on paper has not yet reached the people. Isolation exacerbates the situation. The road connecting the regency center to the border sub-districts has repeatedly failed and some have been cut off due to muddy terrain, so many basic necessities for residents in the interior are still supplied from Malaysia at significantly higher prices (Kompas.com, 2026). Yet Malinau is not a region lacking in potential: its tropical forests are vast, Kayan Mentarang National Park harbors biodiversity, and its mineral and agricultural resources are substantial. This underdevelopment is therefore more structural in nature. This raises a fundamental question: why does a region as rich and strategic as Malinau remain so underdeveloped, and what are the opportunities and challenges that determine its development fate? The gap is clear. Studies of Kalimantan's borders have focused on Nunukan, Sebatik, and Entikong, with a dominant security perspective, while Malinau has barely been discussed specifically, despite its isolation being among the most severe (Norlyanti et al., 2026). Without studies that address local characteristics, policies easily fall into general prescriptions that fail to address the problems on the ground.

Academic attention to developments on the Indonesia–Malaysia border has increased in the past five years, but almost none has focused specifically on Malinau. Kurniasih and Umar (2022) found that the quality of border policy implementation in Nunukan plays a role in determining the strength of regional resilience. Prameswari (2023) highlighted cross-border community relations and the importance of connectivity, including reopening transportation routes, to strengthen interactions at the border. From a governance perspective, Herawati et al. (2024) cautioned that border management that prioritizes security tends to neglect the well-being of residents—a finding that underscores the need for a shift in perspective.

In the realm of regional strategy, Nawawi et al. (2025) developed a model for a growth center village in the border district of Sanggau, with accessibility, infrastructure, economic potential, public services, and policy support as key elements. Setyawan and Sumarto (2025) mapped the stages of border development and prioritized local economic strengthening, although the case was in Yogyakarta. Conceptually, Muchsin and Maharudin (2026) reviewed the literature to emphasize the shift in policy from a security border to a welfare border, while Norlyanti et al. (2026) demonstrated that the impact of the relocation of the national capital on the Kalimantan border was uneven and resulted in varying security governance across regions.

Two patterns emerge from these seven studies. First, their focus is concentrated in Nunukan, Sanggau, Entikong, and areas outside Kalimantan; Malinau is almost never the center of attention, despite its most severe isolation. Second, most focus on only one aspect-security, economics, or policy-without integrating them into a coherent framework of opportunities and challenges. This gap is what this study fills: focusing on Malinau and integrating center-periphery theory and the welfare border paradigm into its SWOT analysis.

This research is based on Friedmann's (1966) core-periphery theory. This theory explains that progress tends to accumulate in central regions that control capital, technology, and power, while peripheral regions merely become resource suppliers and remain dependent. In this process, the absorption of resources from the periphery to the center (backwash effect) is usually stronger than the spread effect, so that inequality persists for a long time without targeted intervention. This pattern remains relevant to understanding inter-regional inequality in Indonesia, including the impact of the uneven relocation of the national capital to the Kalimantan border (Norlyanti et al., 2026). This framework is complemented by a shift in perspective on border management, from a security approach to a welfare approach, which treats border residents as subjects of development, not merely objects of supervision (Muchsin & Maharudin, 2026). To further ground this research, this research also uses the concept of stages of border development that emphasizes strengthening the local economy, inter-institutional cooperation, and the provision of basic services (Setyawan & Sumarto, 2025). These three foundations mean that the analysis does not stop at a portrait of backwardness, but connects it to the structure of central-regional relations and the direction of national policy.

The novelty of this research lies in three aspects. First, Malinau is placed as the primary focus, filling a gap in the literature that has previously only touched on it in passing (Norlyanti et al., 2026). Second, the center-periphery theory is openly integrated with the welfare border paradigm, allowing opportunities and challenges to be read simultaneously as structural phenomena and policy issues, not simply as technical limitations (Muchsin & Maharudin, 2026). Third, this study uses the most recent data from 2024–2026, including the paradox of a rising HDI concurrent with rising poverty-something that has not been widely analyzed (Malinau Regency Statistics Agency, 2024, 2025). This combination of rarely researched loci, complementary theoretical frameworks, and up-to-date data constitutes the research's novel value.

This research aims to identify opportunities for development in the Malinau border region-both in terms of its natural resources, cross-border location, and changes in national policy; analyze the challenges that hinder it, particularly its isolation, economic dependence on Malaysia, and weak basic services; and develop a strategic direction that balances security and welfare. The benefits are twofold. Theoretically, this research enriches the application of center-periphery theory and the welfare border paradigm to the case of the Indonesia-Malaysia land border. Practically, the findings are expected to provide material for the Malinau Regency Government, the National Border Management Agency, and related parties in formulating more targeted policies, as well as a reference for the community and other researchers concerned with the fate of frontier regions.

RESEARCH METHOD

This research uses a qualitative approach with a case study design in the border area of Malinau Regency. This qualitative approach was chosen because the opportunities and challenges of border development are complex and contextual, and cannot be summarized in numbers alone (Sugiyono, 2022). The case study design allows for a comprehensive analysis of Malinau, examining the interrelationships between geographic, socio-economic, and policy conditions that shape its development patterns. Attention is focused on the sub-districts directly bordering Sarawak-Kayan Hulu, Kayan Selatan, Bahau Hulu, Pujungan, and Sungai Boh-which were deliberately chosen because they are both the most isolated and most strategically located as the nation's veranda.

The data consisted of primary and secondary data. Primary data were obtained through in-depth semi-structured interviews and direct observation of infrastructure, economic activities, and public services at the border. Informants were selected purposively: regional planners and officials from the Malinau Regency Government, border managers at the National Agency for the Assessment and Application of Border Protection (BNPP) and the regional border agency, sub-district heads and sub-district officials, traditional leaders, and cross-border economic actors. Secondary data were collected from the Malinau Regency Medium-Term Development Plan (RPJMD), publications from the Central Statistics Agency (BPS), border policy documents, journals, and credible media reports. These two types of data were used together to ensure more accurate findings and independence from a single source.

The analysis was conducted in two interrelated stages. The first stage used the interactive model of Miles, Huberman, and Saldaña (2014): summarizing data, presenting it, and then repeatedly drawing and verifying conclusions. The second stage employed a SWOT analysis. Internal factors-strengths and weaknesses-were mapped using the IFAS matrix, while external factors-opportunities and threats-were mapped using the EFAS matrix. These two were then intersected to produce four groups of strategies: SO, WO, ST, and WT (Rangkuti, 2016). The combination of these two stages meant that the analysis went beyond mapping, but also connected field findings with center-periphery and welfare border theories, while generating actionable recommendations.

Data validity was ensured through triangulation of sources and techniques, namely comparing interview results, observations, and documents from various informants. Findings were also cross-checked with key informants (member checking) to ensure the researcher's interpretation aligned with what the residents intended (Sugiyono, 2022).

RESULTS AND DISCUSSION

Data were collected from twelve key informants representing regional planners, border managers, sub-district heads, village heads, traditional leaders, traders, transportation stakeholders, health workers, teachers, youth and women's representatives, and cooperative stakeholders. The data were supplemented by ten observation notes in five focus sub-districts and twelve official documents. Using the Miles, Huberman, and Saldaña model, all data were summarized into sixteen codes, then narrowed down to six main themes. These six themes were then used to develop a SWOT analysis. The findings are presented in stages: themes first, then scores using IFAS and EFAS, and finally, positions and strategies.

The first theme, isolation as the root of the problem. Nearly all informants pointed to connectivity as the root of the problem. A transportation operator

(INF-08) explained that high transportation costs are not simply a matter of distance, but also because return loads are often empty, weather can change routes in an instant, and roads require constant maintenance, until "those costs are ultimately incorporated into fares." Observations in Kayan Hulu and Pujungan (OBS-01, OBS-04) reinforce this: goods must change modes and wait long. So, isolation is not just a geographical condition, but a mechanism that increases costs, lowers service quality, and strengthens dependency. This is a concrete manifestation of the center-periphery theory: value is sucked out of the periphery without a commensurate flow of progress back (Friedmann, 1966). In other remote areas, Pratama et al. (2025) showed that logistics connectivity programs can improve distribution and reduce price differences, although the impact is not always immediately noticeable-a sign that connectivity is a prerequisite, not a sole cure.

The second theme is that facilities do not necessarily mean services. A regional planner (INF-01) acknowledged a gap between macro figures and the reality on the ground: "district macro indicators sometimes improve, but communities in certain locations have not felt the same changes." This statement aligns with BPS data: Malinau's Human Development Index (HDI) rose to 74.72 in 2024, but poverty actually rose to 6.94 percent (Malinau District Statistics Agency, 2024, 2025). Health workers (INF-09) and teachers (INF-10) emphasized that buildings without personnel, medicine, maintenance, and signaling do not produce services; personnel only survive if they are supported by housing, communication, and career paths. This theme is at the heart of the welfare border: the success of the border is measured by the services that actually arrive, not just the buildings that stand (Muchsin & Maharudin, 2026).

The third theme is pragmatic cross-border dependency. A trader (INF-07) emphasized that choosing Malaysian goods is not about liking the country: "we choose the route that allows goods to be available." This dependency is a reasonable response to uncertain domestic supply, so the answer is not a ban, but rather ensuring domestic supply and establishing legal and recorded cross-border trade. This finding aligns with Syafri and Al-Amin (2025), who concluded that the dependence of border residents on Malaysian products is rooted in proximity, limited infrastructure, and price and quality differences. The fourth theme is that local potential is hampered in the value chain. A cooperative actor (INF-12) stated that "the most difficult problem is actually sales," because production is scattered, quality is not yet uniform, and post-harvest processing is minimal. The fifth theme is custom as social infrastructure. A traditional leader (INF-06) emphasized that "participation should not be just an attendance list," so that customary legitimacy underpins policy implementation. This is in line with Ginting et al. (2024): Belief in tradition and mutual cooperation strengthens participation, but weak digital literacy and information channels can erode it. The sixth theme is fragmented governance. Authority is spread across many agencies, even though "the public experiences all these services as a single entity" (INF-02).

The six themes were translated into SWOT factors, then weighted and rated as shown in Figure 1. The IFAS matrix yielded a total score of 2.37 and the EFAS matrix 2.66. Internally, the greatest strengths were the potential of natural resources, culture, and environmental services (S1 = 0.52) and social capital and traditional institutions (S3 = 0.44). The most pressing weaknesses were physical and digital connectivity (W1) and high logistics and service costs (W2); both received the lowest ratings. Externally, the greatest opportunity was the national priority of border development (O1 = 0.60), followed by digital technology and local product development.

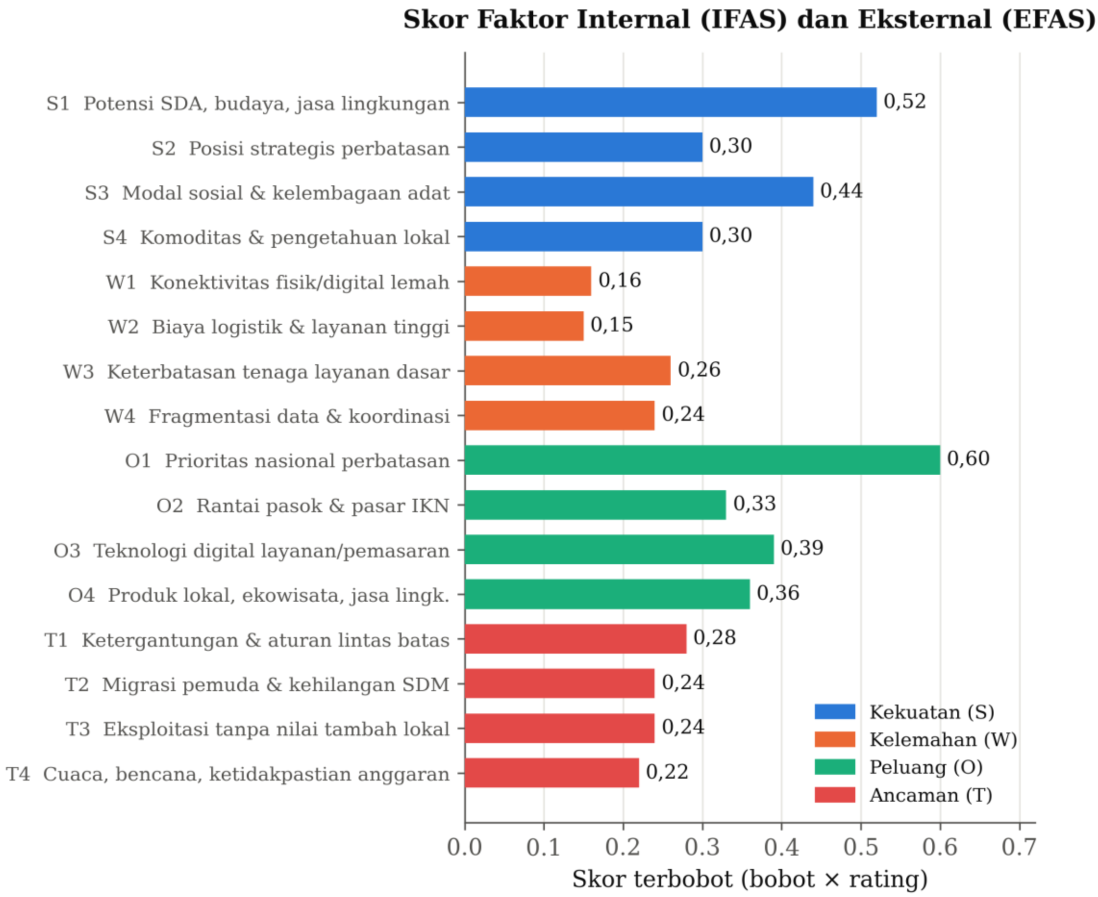

Figure 1. Internal (IFAS) and External (EFAS) Factor Scores for Border Development in Malinau Regency
Source: Processed from research data, 2026

The difference between strengths and weaknesses results in an internal axis score of +0.75, while the difference between opportunities and threats results in a score of +0.70. The intersection of these two points places Malinau in Quadrant I-the quadrant that supports aggressive or growth strategies (SO strategies), as seen in Figure 2. This position means that opportunities outweigh threats and strengths outweigh weaknesses, making the most sensible move to capitalize on strengths (Rangkuti, 2016). However, the IFAS score of 2.37, slightly below the midpoint of 2.50, provides a warning: internal strengths are not yet firmly established. Opportunities will not present themselves unless weaknesses in connectivity, territorial costs, and service continuity are addressed first. In other words, Quadrant I here remains a conditional promise, not a tangible achievement.

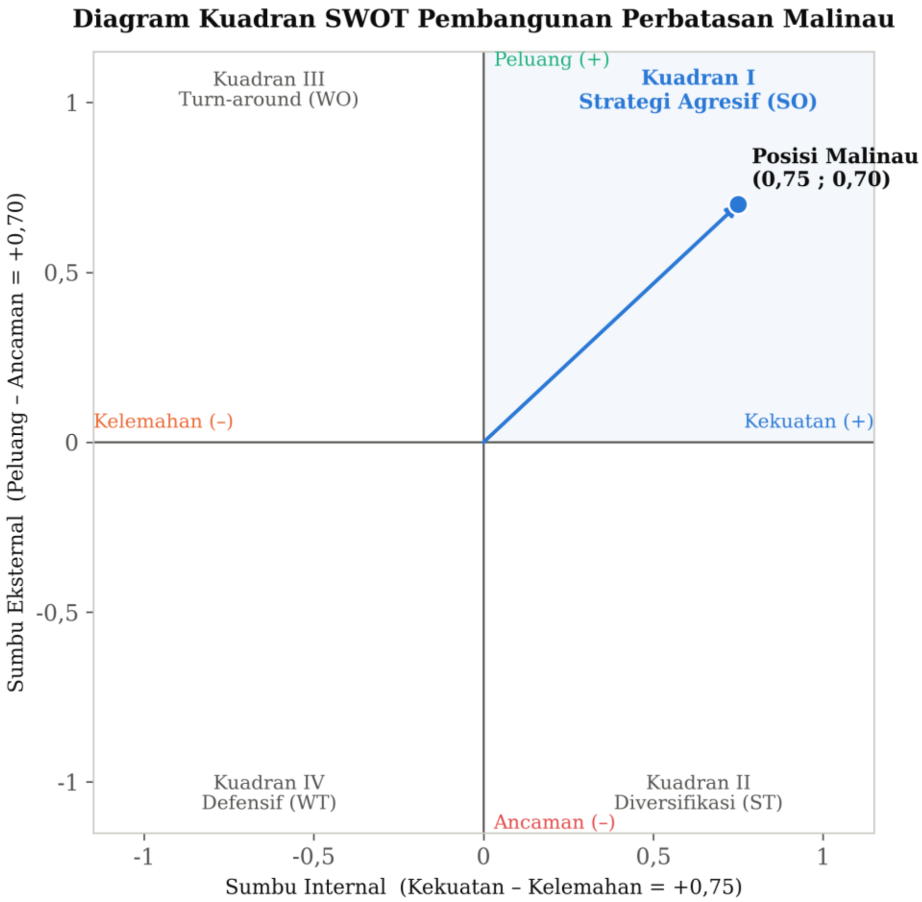

Figure 2. SWOT Quadrant Diagram of Malinau Regency Border Development (Position +0.75; +0.70 – Quadrant I)

Source: Processed from research data, 2026

From this perspective, the primary strategy focuses on integrating strengths and opportunities: building high-value products and environmental services anchored in indigenous institutions, then connecting them to the national market and the capital's supply chain through digital aggregators and marketing. This strategy is supported by leveraging opportunities to address weaknesses, including using national priorities to fund multimodal connectivity, digital networks, and facility operations and maintenance. To address threats, the role of indigenous communities is strengthened in overseeing space, and contribution-bonded scholarships are being established to ensure that young people do not leave altogether. Meanwhile, minimum service standards, supply contingency plans, and disciplined selection of priority corridors based on detailed data are being used to mitigate weaknesses and avoid threats. These are derived from six priorities: a multimodal connectivity roadmap, a basic services sustainability package, a logistics and supply system, a premium commodity value chain, integrated border data, and indigenous participation mechanisms.

Overall, Malinau's development opportunities and challenges do not stand alone; both are bound by the center-periphery relationship. Malinau's underdevelopment is more accurately interpreted as the result of high costs and a constant outflow of value, rather than limited potential (Friedmann, 1966). Therefore, the opportunities posed by national priorities and the new capital market will only bear fruit if accompanied by a shift to the welfare border, which places well-being as the measure of success (Muchsin & Maharudin, 2026). These findings both reinforce and complement previous research. Kurniasih and Umar (2022) demonstrated that the quality of policy implementation determines regional resilience; Nawawi et al. (2025) identified accessibility, infrastructure, and public services as key to village growth centers-things that in Malinau are the most prominent weaknesses. As Norlyanti et al. (2026) found, the benefits of national policies have proven to be uneven, so without improved coordination and data, the gap between villages could widen. By making Malinau the focus and integrating the center-periphery and welfare border theories into SWOT, this study offers a reading that goes beyond the portrait of underdevelopment, towards a strategy that connects local economic strengthening (Setyawan & Sumarto, 2025) with a balance of security and welfare at the border.

CONCLUSION

The underdevelopment of the Malinau border region is not due to a lack of potential, but rather to the functioning of a center-periphery mechanism through isolation, high regional costs, dependence on cross-border supplies, and fragmented coordination—conditions reflected in the rising HDI alongside rising poverty. A SWOT analysis places Malinau in Quadrant I with coordinates of +0.75 and +0.70, indicating an aggressive strengths-opportunities strategy; however, an IFAS score of 2.37, below the midpoint, confirms that these opportunities are conditional and will only open up if internal weaknesses are addressed first. Therefore, the Malinau Regency Government, together with the National Border Management Agency and other stakeholders, should prioritize a multimodal connectivity roadmap, a package of sustainable basic services that guarantee labor and maintenance, strengthening logistics and value chains for superior commodities, developing integrated border data, and strengthening indigenous community participation-all within a welfare border framework that makes well-being a measure of success and a foundation for sovereignty. Further research is recommended to quantitatively test the SWOT weighting and expand the informants to further validate the recommendations.

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