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Yanos Okterano

MA (International Relations),
School of Strategic and Global Studies,
Universitas Indonesia
Jl. Lingkar, Pondok Cina, Kecamatan Beji,
Kota Depok, Jawa Barat, 16424, Indonesia
yanos.okterano@gmail.com
ORCID ID:
<https://orcid.org/0009-0004-7965-4935>



Heru Susetyo

PhD (Law),
Faculty of Law,
Universitas Indonesia
Jl. Lingkar, Pondok Cina, Kecamatan Beji,
Kota Depok, Jawa Barat, 16424, Indonesia
hsusetyo@ui.ac.id
ORCID ID:
<https://orcid.org/0000-0002-4983-1484>



Margaretha Hanita

PhD (Politics),
School of Strategic and Global Studies,
Universitas Indonesia
Jl. Lingkar, Pondok Cina, Kecamatan Beji,
Kota Depok, Jawa Barat, 16424, Indonesia
margaretha.hanita@ui.ac.id
ORCID ID:
<https://orcid.org/0009-0005-0528-1635>

Border security, economic and geopolitical tensions: Indonesia's immigration strategy for potential economical conflict between China and the US

Abstract. Geopolitical tensions are rising in some parts of the globe due to ongoing conflicts. These tensions raise concerns about the potential for a security, economic and geopolitical tensions. Furthermore, China's growing global influence has prompted the United States to assert its status as the dominant world power. This study evaluates the role of the Immigration border strategy in protecting Indonesia in the economical war between China and US. A qualitative document analysis method was conducted using data from national agencies involved in defense strategy and border security. Preliminary findings suggest that an open war scenario is still unfamiliar to the Indonesian immigration agency. It lacks a mitigation strategy for uncontrollable irregular influx despite some expected impacts, such as refugee crises, foreign military personnel movements, and disrupted regional border cooperation. This study recommends revising Indonesian Immigration Law and regulations to incorporate regional war scenarios, involving other state agencies in the process. It would strengthen the role of Immigration in maintaining national stability. Immigration border control management should prioritize pre-emptive measures, emphasizing risk management.

Keywords: Border Security; Immigration Strategy; Geopolitics; Asia-Pacific; Economic Tensions; Indonesia; China; USA

JEL Classifications: E24; E41; E64; I18; J28; J31

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1. Introduction and Brief Literature Review

Geopolitical tensions in different parts of the world, fueled by the involvement of powerful countries behind these conflicts, have led to an increasingly divided global landscape. Major Powers are now actively supporting certain parties in the various ongoing disputes, further intensifying these regional and international conflicts. The United States, which has remained the sole hegemon in the world following the end of the Cold War and the dissolution of the Soviet Union,

will continue to strive to maintain its dominant position on the world stage. This is particularly true as China emerges as a new power that is almost rivalling the US in terms of economic and military strength. The competition between these two global giants to assert their influence and protect their respective interests is a key driver of the rising geopolitical tensions, further exacerbating divisions and instability in different regions around the world (Ross, 2020). This power struggle and the resulting fragmentation of the international community have the potential to escalate into more direct confrontations, with severe consequences for global peace and security (Schulenburg 2023; Nautiyal, 2016).

The most important consequence of immigration can be found in the field of economics. One of the main economic consequences of immigration is the difference in wages and working conditions between immigrants and native workers, which creates a kind of duality in the labor market. On the one hand, the possibility of work and activity is not the same for all immigrants, and this difference decreases as the age of immigration increases. On the other hand, immigration, just as it changes the way immigrants live, also changes their employment and activity patterns. In addition to the high prevalence of immigrant employment, it should be noted that immigrants earn lower wages, work longer hours, and enjoy much lower facilities in the workplace. Since in most cases they see the labor market as uncertain and have no certainty of continued employment, and do not have sufficient legal protection in the event of job loss, they try to earn more by doing hard work and save most of it or send it to their home country. As a result, they use inferior nutrition, health, and housing. Changes in climatic conditions, isolation, and the difficulty of living in large cities or in remote areas lacking minimal living facilities also cause them to contract various diseases, especially respiratory and gastrointestinal diseases.

Beijing's efforts to increase diplomacy with Pacific countries have become more intense, culminating on October 21, 2021, when China's Foreign Minister Wang Yi held an online video conference meeting with the leaders of nine Pacific countries and the Secretary General of the Pacific Island Forum. Pacific countries have welcomed China's diplomatic outreach, considering that the US and Australia have long overlooked these nations, leaving them to face significant economic pressures and the challenges of climate change largely on their own. China's Belt and Road Initiative, which strengthens economic relations with Pacific countries by providing much-needed infrastructure development assistance to Oceania nations, has unsettled the US as the sole global hegemon. The expansion of cooperation between China and the Pacific island countries within the BRI framework is viewed by Western observers as an «anomaly» because these countries in Oceania are not typically considered strategic ports or main cities for China to expand its trade routes (Szadziwski, 2021). Traditionally, the Pacific island countries have been under the influence of the US and Australia, so China's growing diplomatic presence in the Pacific can be seen as an intervention in the region by a new power (Fry & Tarte, 2015).

In response to China's growing diplomatic outreach in the Pacific, Washington immediately took steps to re-engage with the region. In 2023, the US reopened its embassies in the Solomon Islands and Tonga, and followed up by reopening an embassy in Vanuatu the following year. Furthermore, Vice President Kamala Harris virtually attended the Pacific Island Forum in 2022, which was significant as high-ranking US officials had been absent from the annual meeting in previous years. In her speech, Harris emphasized the US commitment to strengthening partnerships with Pacific island countries, particularly on crucial issues like climate change, maritime security, and economic cooperation. From a military standpoint, the US is countering China's rising influence in the Pacific by reviving the island chain strategy that connects Japan, Taiwan, and the Philippines, as well as bolstering its military presence in strategic locations like Guam, Hawaii, and Palau (Wirth, 2023).

This study will investigate strategies for Indonesia's Immigration agency, as one of the crucial border authorities, to mitigate the implications of a possible armed conflict in the Asia-Pacific region. It will explore border control management approaches that involve coordination with other relevant border agencies. It is to provide strategic references that can guide Indonesia's border agencies in building comprehensive cooperation to mitigate the impact of a regional conflict on migration issues. This includes addressing the potential influx of refugees, stranded foreign nationals, and the movement of foreign military personnel through Indonesia's territory in the event of an open conflict between China and the United States.

2. Research Methodology

This research employs a qualitative-quantities research methodology, specifically utilizing document analysis. The researchers will conduct a comprehensive review of relevant government reports and regulations, academic publications, and media articles to gather extensive information on the current state of Indonesia's border control management policies, the geopolitical tensions in the Asia-Pacific region, and the potential wide-ranging implications of a hypothetical economical conflict between China and the United States for Indonesia. Also, the impact of immigration on the economy, security and population have been predicted based on the previous experimental analysis.

3. Results and Discussion

3.1. China-US Economic war: migration issues in Indonesia

In the event of a hypothetical open war between China and the United States, numerous possibilities arise regarding the initial impact on Indonesia due to the heating tension between the two major powers. The war could unfold along the Taiwan Strait and potentially impacted to neighboring countries in Southeast Asia, where the US maintains military bases in Asia. Additionally, the South China Sea is likely to become a defensive zone for China, which has already established a military presence on an artificial island in the Paracel and Spratly Islands (Cuong, 2023).

If a major conflict were to break out between China and the United States, Indonesia and other ASEAN nations would likely face several immediate impacts. The first is the potential influx of refugees. Historically, apart from traders and laborers, the early Chinese population in Southeast Asia arrived during dynastic changes and civil wars on the mainland (Heidhues, 2013) with Indonesia now hosting the 3rd largest Chinese-descended population in the region with approximately 5 million (Suryadinata, 2021). During the Vietnam War, Indonesia also served as a refuge for a large influx of Vietnamese refugees, with hundreds of thousands of «boat people» being housed on Galang Island in Sumatra (Cribb et al., 2022).

Given Indonesia's geographic proximity, the archipelago could face a similar scenario in the event of a conflict between China and the US, with a potential influx of displaced populations seeking refuge and safe passage to Indonesia (Figure 1).

The second impact possibility would be the stranding of Chinese, Taiwanese, Hong Kong, and Macanese in Indonesia, unable or unwilling to return to their countries due to the war. This could also extend to people from Japan and South Korea, whose air travel routes to their home countries might be disrupted by the conflict.

3.2. Effects of immigration on the economy

Migration itself has numerous social, cultural, and economic effects in both sending and receiving countries. The positive consequences of immigration in receiving countries include:

- 1) Providing labor without spending money on training human resources;
- 2) Using immigrants for hard work.

However, the negative consequences of immigration in receiving countries outweigh the positive consequences. The most important negative effects of immigration include:

- 1) Increasing population;
- 2) Decreasing wages for local workers;
- 3) Spreading diseases that immigrants may be infected with;
- 4) Facing difficulties in a new place such as not being accepted in that society, not knowing the spoken and written language, incompatibility with the new environment, the emergence of anti-social behaviors, the inconsistency of new education with traditional family education, breaking the law, and increasing mental problems and illnesses.

The economic factors including (Minimum wage without pension Minimum wage plus per capita allocation of income and expenditure Minimum wage plus per capita allocation of income and expenditure with public debt), security rate and population of the force and normal immigrations are compared in Figure 2. It is founded that with normal immigration the economics of host country will improve, whilst with the force immigration (immigration as a shock and in large numbers and generally inefficient labor), leads to a weakening of the economy, security, and demographic pyramid of the host country.

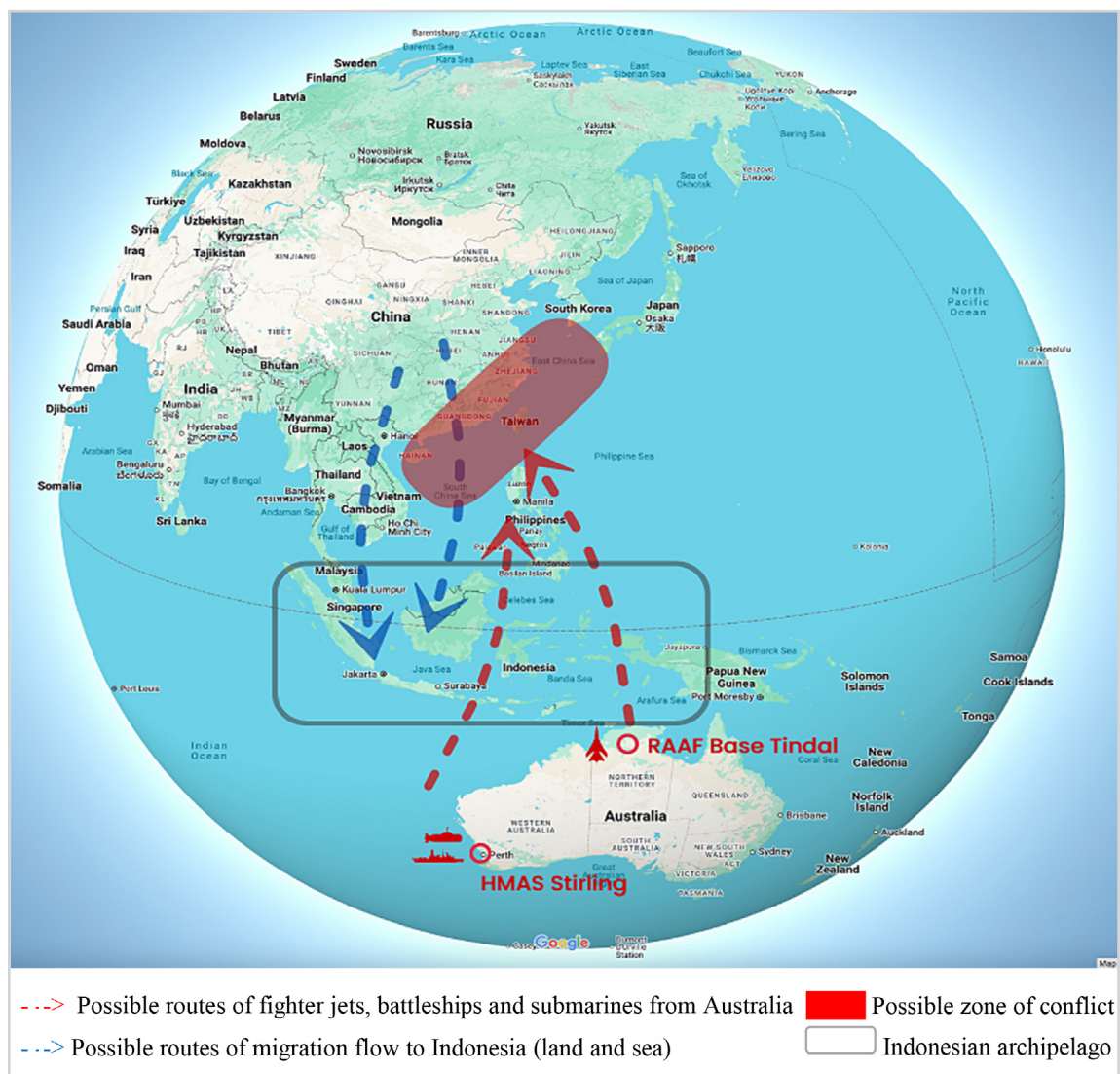


Figure 1:
**Map of possible routes of migration flow to Indonesia,
fighter jets and battleships route from Australia**

Source: Compiled by the authors based on data from the International Organization for Migration (2024).

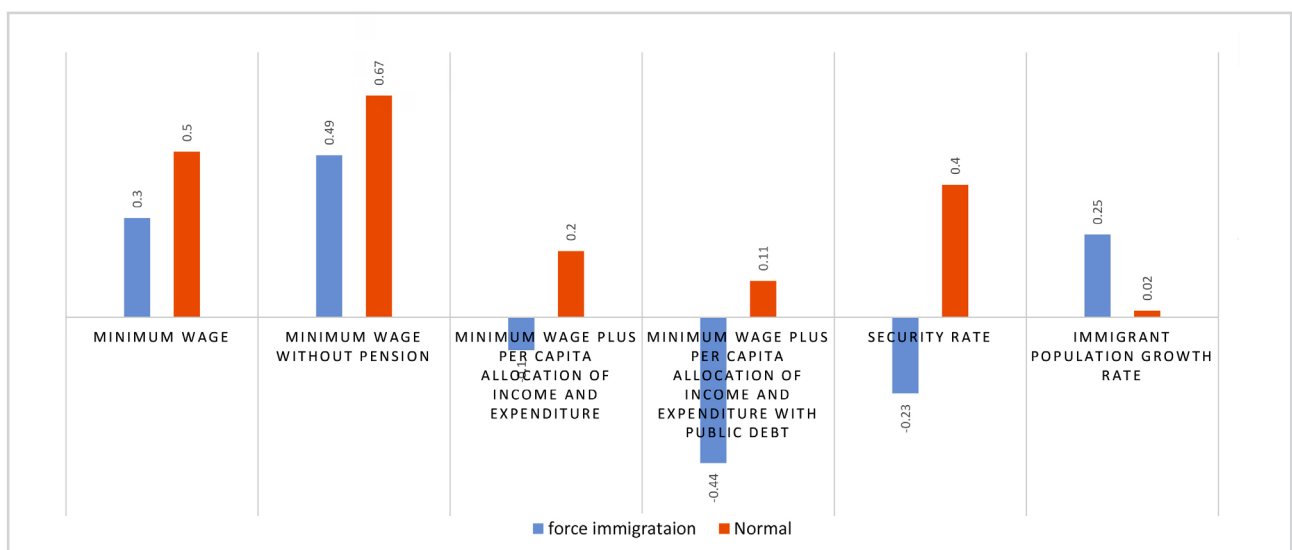


Figure 2:
Impact of income on immigration in Indonesia
Source: World Bank, Indonesia Report (2023)

The role of migration in increasing innovation and improving economic growth

International migration has had a direct and indirect impact on economic growth. Of course, there is some doubt that if the labor force increases due to migration, GDP will necessarily increase or not. The issue does not end there, and when it comes to GDP per capita growth, the ambiguity and doubt become even greater.

First of all, what is certain is that migration leaves a demographic impact, which not only shows itself through population growth but also changes the age pyramid of the destination country. Migrants tend to cluster in younger and more economically active age groups compared to the native population, thus reducing the dependency ratio or the demographic burden in society. Second, migrants always bring their skills and abilities to a new country, so it is clear that they can add to the human capital stock in the destination country. If we look a little closer, evidence from the United States shows that skilled migrants have made a significant contribution to improving research and innovation, as well as technological progress in this country.

In addition, statistics show that the proportion of educated migrants in OECD countries is increasing. The number of migrants with higher education has grown by an unprecedented 70% in the past 10 years (2014-2023), reaching 52 million in 2023. Of these, about five million have migrated in the past five years. A large part of this impressive trend is due to Asian migration to these countries. More than two million Asians with higher education have migrated to these countries in these years.

Although a number of empirical studies have attempted to estimate the net collective impact of migration on economic growth, they have not been very successful due to the lack of comparative data on international migration across skill levels. However, one study in this field examined the impact of migration on economic growth in 22 OECD member countries from 1986 to 2006. The study suggests that human capital created through migration has had a positive but small impact on economic growth in these countries. This effect is significant because it can affect productivity, or in other words, the capital-to-labor ratio. However, the net impact of this phenomenon on economic growth has been reported to be very small, even in countries with optimal selective migration policies. The study found that a 50 percent increase in migration can generate a 0.1 percent increase in productivity, which is in agreement with the study by Bryan & Morten (2019).

3.3. Border authorities' strategies in Indonesia

Customs, Immigration, and Quarantine manage the current border authority in Indonesia. The Indonesian National Army and Indonesian National Police carry out maritime border defense, and the Ministry of Maritime Affairs and Fisheries and the Coast Guard provide maritime border protection (Arifin, 2024). The Indonesian Army and Air Force also conduct air and land border defense.

The Immigration agency, at the directorate general level under the Ministry of Law and Human Rights, is responsible for overseeing and managing matters related to international migration and supervision of foreigners in Indonesia. According to the Immigration Law, the primary immigration supervision tasks are carried out exclusively at designated border checkpoints, both at international airports and seaports, as well as land and water border posts, rather than along the entire length of the borders. Specifically, in 2023, the Immigration institution operates a total of 128 Immigration Checkpoints spread across the country, including 17 International Airports, 95 International Seaports, 11 Land Border Posts, and 5 Maritime Border Posts, ensuring the efficient monitoring and regulation of cross-border movements (World Bank, Indonesia Report, 2023).

In an emergency, it is necessary to further develop strategies to address various worst-case migration and border issue scenarios. Cooperation between border agencies is crucial in mitigating the impact of war on Indonesia's stability, protecting Indonesian citizens and territorial integrity, while still adhering to international agreements and conventions regarding refugees and foreigners who cannot return to their countries. Indonesia must also maintain the principle of neutrality in determining whether land, sea, and air space can be used by foreign parties involved in the war, as this could inadvertently drag Indonesia into becoming a target of operations by one of the war parties.

Immigration law is a tool that can support disaster mitigation risk assessment. Its derivative law regulates the handling of refugees entering Indonesia. In the face of uncontrolled irregular influxes and waves of refugees, more detailed regulations need to be established regarding their management. This involves all related institutions in the border area, especially for maritime borders, including the Indonesian Navy, the National Maritime Security Agency, Customs, the Coast Guard, and the Ministry of Maritime Affairs and Fisheries, as well as local governments and the Ministry of

Foreign Affairs. Comprehensive preparation starts from assistance to temporary placement, while still prioritizing the security of the local community.

Emergency visas can be granted to people trapped and unable or unwilling to return to their country due to war. Immigration and other law enforcement officers can assess them by considering the impact of their presence on the local community and national security.

Intelligence agencies in Indonesia play a crucial role in providing vital input regarding foreign military traffic, both people and transportation. Their insights are vital in identifying potential threats to national security. Synergy between institutions is crucial to assess the extent to which Indonesia's neutrality is at stake, thereby ensuring the country's security.

All of this synergy must be built through shared geopolitical awareness by all agencies. Intensified data exchange and analysis is expected to foster a common understanding of the importance of coordination and cooperation in critical situations. Building on the strong inter-agency relationship, it is hoped that a mutual agreement and standard operation procedures can be formed regarding disaster mitigation due to the implications of the war between China and the US. This underscores the vital role of inter-agency cooperation in managing emergencies.

4. Conclusion

Managing the impact of a potential economical conflict between superpowers on Indonesia's stability and sovereignty requires a comprehensive, coordinated approach involving various government agencies. This includes strengthening cooperation between border authorities like Customs, Immigration, and Quarantine, as well as the military, coast guard, and local governments. Enhancing data exchange, intelligence sharing, and developing shared geopolitical awareness are crucial to assess and mitigate threats to Indonesia's neutrality. Additionally, establishing clear protocols for handling refugee influxes and granting emergency visas can help address the humanitarian aspects of such a crisis. Indonesia can strive to maintain its stability and territorial integrity amidst regional tensions by fostering strong interagency collaboration and leveraging legal frameworks. To this end, Indonesia must also proactively engage in regional diplomacy to promote dialogue and deescalate tensions, while safeguarding its national interests and sovereignty.

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