



## CROSS-BORDER ENTREPRENEURSHIP - AN OVERVIEW

- Described as economic activity which involves partners on two sides of a national border i.e. "crossborder co-operation".
- Involves relationship of various innovative and entrepreneurial actors, i.e. government, industry, university/institute e.g. "networks of innovators" (Freeman, 1991), a "triple helix" (Etzkowitz & Leydesdorff, 2000); "entrepreneurship ecology" (Isenberg, 2010).
- Lead to significant economic benefits to regions and society generate employment and wealth through new businesses/services, access to new markets and resources, research and technology transfer, better infrastructure, create more youth entrepreneurs (mobile-preneur)
- Benefits to traders new market, new business networks, access to sources of supply (capital, labour, skills and knowledge, technology)



# ENTREPRENEURSHIP IN THE BORDER REGIONS OF SABAH, AND NORTH KALIMANTAN

#### **SABAH**

- 4th largest contributing state to Malaysian economy
- Services contributed 40% to the state's GDP
- Tourism-related sectors contributed 20% to GDP
- Main economic activities in area bordering North Kalimantan – palm oil, fisheries (aquaculture, seaweed industry)
- Tawau division as the main entry port

#### **NORTH KALIMANTAN**

- The youngest Indonesian province
- Product industries minerals (coal, gold, oil and gas, limestone), forestry, agriculture, fisheries
- Services tourism as important source of revenue
- Tarakan as the main entry port in area of bordering Tawau, Sabah







# SABAH AND NORTH KALIMANTAN - OPPORTUNITY FOR COMPLIMENTARY ECONOMIES

	SABAH	NORTH KALIMANTAN
TRADED GOODS	<ul> <li>Petroleum and petroleum products</li> <li>Vegetable oils and fats</li> <li>Processed wood</li> <li>Fish and crustaceans</li> <li>machineries</li> </ul>	<ul> <li>Palm kernels</li> <li>Crude palm oil</li> <li>Coal</li> <li>Shrimp and other crustaceans</li> <li>Wood and wood panels</li> </ul>
POTENTIAL TRADED SERVICES	<ul> <li>Medical tourism</li> <li>TVET and higher education (agriculture, tourism, business and financial services, healthcare industries)</li> <li>Multi-destination tourism (to package and market various attractions more cohesively)</li> </ul>	
MUTUAL RESOURCES	<ul><li>Technical expertise</li><li>Financial resources</li><li>Infrastructure</li></ul>	





### SOCIO-ECONOMIC GROWTH IN THE BORDER COMMUNITIES

- Economic activities in small rural border area tends to be less formal and also linked to <u>less developed</u> economy (Puryanti & Husain, 2011; Rudiatin, 2016)
- The development concept in rural border is still in traditional based, i.e. emphasised on <u>security and defense</u>, rather than on welfare (prosperity) approach (Sunarya & Sudaryono, 2016)
- Socio-politically vulnerable e.g. ethnic relations, security, business practice differences (Awang et al., 2013; Sunarya & Sudaryono, 2016; Thai & Turkina, 2014)
- Collaborative innovation resources are hard to integrate due to scattering distribution of resources

Pembangunan di kawasan perbatasan perlu dibangunkan ke arah status ekonomi lestari, seterunsya keluar daripada ekonomi mundur & miskin





### MECHANISMS TO SUPPORT CROSS-BORDER ENTREPRENEURSHIP







## Business incubation mechanism

Platform to accelerate startups through collaboration with several actors — academic, industry, government

## Cross-border Integrated mechanism

Integration through government policy:-

- Sabah Corridor, BIMP-EAGA, Forum Kerjasama
- Digital Free Trade Zone, Pusat Perdagangan Sempadan

#### Incentive mechanism

To promote cross-border trade through:-

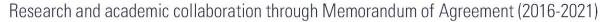
- · Governance incentive
- Business matching, expo/carnival
- Transshipment hub, infra





### UMS-STIE COLLABORATION





 Dollar to dollar – pay your own travel (PYOT), sharing of research and academic expertise, facilities and data.

- Collaboration Outcome:-
  - Research works (more than 10 research topics)
  - Publication (journal articles, proceedings, chapter in book)
    - contributed to public policy/ communicated to general public
  - · Co-organize conference, seminar, workshop
  - Staff and student mobility (academic, training, workshop, lecture)













# POTENTIAL & DRIVERS OF SOCIO-ECONOMIC COLLABORATION FOR TAWAU-TARAKAN

