Introduction
MAP 1.1 DISTRICTS OF JOHOR STATE
MAP 1.3 REGENCIES AND CITIES OF RIAU ISLANDS PROVINCE
INTRODUCTION

Twenty-five years ago, the governments of Singapore, Malaysia, and Indonesia agreed to jointly promote the city-state, the state of Johor in Malaysia, and the province of Riau in Indonesia. Bearing a range of labels, but most frequently referred to as the SIJORI Growth Triangle, this initiative sought to capitalize on the territories’ proximity, distinct factor endowments, and good logistics connections to present investors with an integrated “package”.

The concept was first articulated by then Deputy Prime Minister Goh Chok Tong of Singapore in late 1989, who referred to a “Triangle of Growth”. The Triangle initially encompassed the city-state, Johor to the north, and Batam Island in Riau Province to the south. The following year, the concept was endorsed by President Soeharto of Indonesia and Prime Minister Mahathir of Malaysia, and expanded to encompass the entirety of Riau Province. In 1994, a Memorandum of Understanding was signed by the governments of Singapore, Malaysia, and Indonesia to jointly develop and market the area (Phelps 2004, p. 348).

This concerted commitment was driven by the specific investment needs of the three countries. Singapore was in the midst of a deep restructuring process, and faced rising land and labour costs as well as an appreciating currency. This led to the country’s regional industrialization strategy. This sought to: develop capabilities for the construction and administration of industrial properties in Asia; and encourage local and international investors to upgrade their operations in Singapore and
relocate lower value-added operations to locations close by — often in parks owned by Singaporean government-linked corporations (Yeoh, Worthington and Wong 2003, p. 45).

Malaysia, for its part, was seeking to develop its industrial sector and deepen its technological capabilities. And, following a decline in commodity prices in the 1980s, the state of Johor was anxious to develop its manufacturing sector and compete with the incumbent industrial centres of Kuala Lumpur and Penang. Leveraging on its access to the city-state via a 1.2 kilometre bridge, it aimed to attract both Singaporean and international capital in higher technology sectors such as electronics (JSEPU 1989, pp. 124, 127; EEAU 1995, p. 43).

Indonesia had also long sought to attract capital and technology from Singapore through Batam, which was a mere 20 kilometres away. Efforts began to develop the island from the late 1970s, and consisted of expedited investment approvals as well as additional infrastructure expenditure. Initially focused on the petroleum sector, efforts also expanded to include higher-end manufacturing (Nur 2000, p. 147). However, restrictive provisions on foreign ownership meant that there was little investment in the island (Smith 1996, p. 167). Recognizing the failure of this approach, as well as the possibility of losing out to Johor, the investment regime was changed in 1989. In particular, foreign ownership restrictions were liberalized (Pangestu 1991, p. 78).

These measures were further enabled by a period of good relations between Singapore and the other two countries. Following a period of some tension, in the late 1980s Malaysia and Singapore began negotiations on bilateral issues such as water provision, ferry services, and the procurement of sand, which provided a positive context for deepening business ties (Ganesan 1998, p. 29; Ooi 2009, p. 45). With regard to Indonesia, relations had been consistently good since the late 1960s and improved further in the early 1990s (T. Lee 2001, p. 11).

In addition, the regional context was also conducive for exporting. The Plaza Accord of the mid-1980s led to the rapid appreciation of the Japanese yen and European currencies against the U.S. dollar. In order to lower their operations costs, firms from these countries began to aggressively expand into Southeast Asia (Toh 2014, p. 256). Japanese firms, in particular, were important investors in the region, linking remote sites into regional production networks.

These factors led to an upsurge of investment and cross-border linkages in the early and mid-1990s. During the 1980s, Johor received an average of US$210 million in FDI per year. In the 1990s, this quadrupled to more than US$800 million per year, with Singaporean, Japanese, and Taiwanese companies being the largest investors (Hutchinson 2015, p. 62; EEAU 1995, p. 33). Batam, for its part, also received large flows of investment, climbing from negligible levels in the 1980s to some US$230 million per year in the early 1990s (van Grunsven 1998, p. 189). In both territories, most of the investment was in manufacturing, particularly sectors such as electronics and plastics, with significant activity in chemicals and petrochemicals in Johor and pharmaceuticals in Batam (EEAU 1995, pp. 34–36).

While both Malaysia and Indonesia grew quickly during this period, Johor and Batam grew even faster than their respective national averages. Johor’s growth rates
topped 10 per cent p.a. and Batam’s were in the high teens (MIER 1997; BPS, various years). The structure of their economies also evolved, shifting towards manufacturing and away from agro-industry and fishing, respectively. In Batam’s case, the large number of formal sector jobs precipitated the migration of people from other parts of the country, with the island’s population increasing from 79,000 in 1988 to more than 250,000 in 1997 (Wong and Ng 2009, pp. 42–43).

While the inter-governmental approach to marketing saw significant results by the mid-1990s, a number of events led to its undoing. First, the national governments of Malaysia and Indonesia had requests from other states and provinces to be included in the Growth Triangle. Thus, by 1997, three more Malaysian states and six Indonesian provinces had been included in the initiative — diluting its effectiveness (Phelps 2004, p. 354). Second, the Asian Financial Crisis of 1997–98 hit Malaysia and Indonesia very hard, with their economies contracting 9 and 13 per cent respectively, and their national politics undergoing considerable turmoil. While Malaysia was to emerge with its political regime largely intact, Indonesia underwent a far-reaching political transition (Pepinsky 2009, p. 2). Third, bilateral relations between Singapore and its two neighbours went into flux in the aftermath of the crisis. Disagreements over the price of water sold by Malaysia to Singapore as well as a financial assistance package to be provided by the latter to the former marked a dip in relations between the two nations (Ooi 2009, pp. 45–46; Kamarunizam 2009, pp. 129–30). With regard to Indonesia, relations also temporarily deteriorated following the end of the New Order. Unlike with Soeharto, Singapore’s relations with his successors, Habibie, Gus Dur, and Megawati were mixed, with occasional public disagreements (T. Lee 2001, p. 25; Rahim 2009, p. 163).

Thus, faced with falling investment levels, capital volatility, and political turmoil in Malaysia and Indonesia, the Growth Triangle faded from view. After a period of internal turbulence in Malaysia and Indonesia’s far-reaching political transition, attention was subsequently refocused on attracting investment and technology. In addition, the general climate between the three countries improved. Relations between Singapore and Malaysia progressed notably under Mahathir’s successor, Badawi, and even further under Najib Razak (Liow 2013; Wain 2012). And while relations with Indonesia have been less consistently positive relative to the New Order period, there are, nevertheless, good working relations on a wide range of issues (Hamilton-Hart 2009, p. 50). However, while the territories of Johor and the Riau Islands — as well as the governments of Singapore, Malaysia, and Indonesia — have continued to try to promote closer economic relations, it has been without the trilateral approach seen prior to the Asian Financial Crisis.

Thus, there have been a number of notable initiatives to deepen economic relations between Singapore and Johor on one hand, and Singapore and the Riau Archipelago on the other. Under the Prime Ministership of Abdullah Badawi, Malaysia sought to promote a more decentralized pattern of growth through the creation of a series of economic corridors. In 2006, Badawi launched Iskandar Malaysia, a 2,217 square kilometre swathe of land in southern Johor. Inspired by Shenzhen’s relationship with Hong Kong, Iskandar Malaysia was explicitly designed to capitalize its proximity
to Singapore and lower land and labour costs. Guided by the Comprehensive Development Plan (CDP) which spans 2006–25, Iskandar is divided into zones, each with target sectors, lead property developers and planned infrastructure and amenities (Khazanah 2006, pp. 4–12). In addition, Iskandar Malaysia has received some RM6.3 billion in infrastructure investment, and a portion in a RM20 billion facilitation fund to be shared with the country’s four other economic corridors. This has been bolstered by joint strategic investments in Singapore and Iskandar by the sovereign wealth funds of both countries (Wain 2012, p. 49; EIU Viewswire, 8 August 2012).

Turning southwards, the Riau Islands underwent considerable change, many with positive implications for further economic relations with Singapore. First, in 2002, Batam and Bintan were included in the Singapore-U.S. Free Trade Agreement, meaning that firms based in the city-state but with operations in these two islands could classify their products as being made in Singapore (Business Times, 15 July 2002).

After a period of negotiations, in 2004 Riau Province was split into two. The first part consisted of the mainland portion of the province, centred around Pekanbaru in Sumatra. The second consisted of the Riau Islands, including Batam, Bintan, and Karimun, with a new provincial capital to be established in Bintan. Led by elites in the Riau Islands, the secession was based on a number of issues, namely: the under-representation of Riau Islanders in the provincial civil service; a distinct “archipelagic” identity; and different economic model from Riau-Sumatra, centred on trade and links to Singapore (Long 2013, p. 48; Kimura 2013, p. 102).

In principle, this boded well for economic relations with Singapore, as the Riau Islands received a considerably bigger budget and were given responsibility for formulating their own development plans. Indeed, tensions had arisen between Riau-Sumatra and the Riau Islands over relations with Singapore and economic priorities, with the former more focused on agro-industry as opposed to manufacturing (Business Times, 15 July 2002; Pemerintah Propinsi Riau 2002, pp. 19, 26).

Recent policies include the Framework Agreement on Cooperation signed by Singapore and Indonesia in 2006, which identified seven areas for collaboration, including: joint marketing of Batam, Bintan, and Karimun; taxation; financial issues; customs procedures; and capacity development (Wong and Ng 2009, Appendix 2). In addition, while Batam had long enjoyed special status, parts of Bintan and Karimun were also made free trade zones (Wong and Ng 2009).

Twenty-five years after the Growth Triangle was first announced, all three regions are much wealthier. The close economic interactions between Singapore, Johor, and Riau Islands have continued the process of structural transformation in the two latter territories as well as boosting their economies. Both have seen their industrial sectors burgeon, and their per capita income rise substantially. As a result, Johor and the Riau Islands are among the richer and more developed areas in their respective countries and are now major industrial centres (Department of Statistics 2013; BPS 2012). Singapore, for its part, has also benefited substantially, through being able to redeploy scarce land and labour towards higher value-added activities, and during
this time its economy has also undergone substantial upgrading (Bhaskaran 2009; Toh 2014).

GROWTH TRIANGLES

While the SIJORI region has come to be closely associated with Growth Triangles — and economic ties have undoubtedly been a key part of interactions between the three territories — it is worth exploring the concept in greater depth to see whether it fully encapsulates their relationship.

The Growth Triangle concept is part of a body of work that emerged in the early 1990s, seeking to understand why a number of areas characterized by dynamic cross-border economic interactions were emerging in Asia. Scalapino coined the phrase “natural economic territories” to refer to this phenomenon (Scalapino 1991, p. 20). Ohmae wrote about the rise of “region states” which were areas of “natural” economic dynamism that: crossed national boundaries; were linked to the global economy; and were inherently more viable than nation-states (Ohmae 1993, pp. 77–80). Other terms such as cross-national growth zones, sub-regional economic zones, extended metropolitan regions, and growth areas were also proposed (Chen 1995; Chia and Lee 1993; MacLeod and McGee 1996; Thambipillai 1998).

The focus of this work has primarily been on Northeast Asia, with Southeast Asia occupying an important, if secondary, role. Beyond the SIJORI Growth Triangle, important areas in this literature include: the Southern China Growth Triangle (comprised of the Chinese provinces of Guangdong and Fujian as well as Hong Kong and Taiwan); the Yellow Sea Economic Zone (made up of Bohai in China and the western areas of Kyushu and Yamaguchi in Japan); the Indonesia-Malaysia-Thailand Growth Triangle; as well as the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (Chen and Kwan 1997; Thambipillai 1998). While these areas are all characterized by extensive cross-border interactions, it is important to note that they vary in terms of scale, number of member territories, policy regime, and whether they are market- or government-driven (Naya and Lee 1996).

A representative definition of a Growth Triangle is a transnational economic zone “spread over well-defined geographically proximate areas covering three or more countries where differences in factor endowments are exploited to promote external trade and investment” (Tang and Thant 1994, p. 2). These zones arose due to a favourable regional context including: the end of the Cold War; expanding production networks; and the widespread adoption of export-oriented policies (Ganesan 1998; Chen and Kwan 1997; Naidu 1994).

Growth Triangles are dependent on a number of factors for success. The first is economic complementarity, in the form of differing endowments of land, labour, and capital across the various territories. The second is sufficient geographic proximity between the constituent parts for cross-national production networks to work efficiently. The third is political commitment from relevant authorities at the national and sub-national levels to provide an enabling environment for business through policies to: ensure macroeconomic stability; reduce barriers to trade and investment;
and protect property rights. The fourth is infrastructure development in terms of offering good connectivity, reliable utilities, and facilities in the form of industrial parks. Lastly, the final factor is private sector “buy-in” (Ng and Wong 1991; T.Y. Lee 1997; Thant, Tang and Kakazu 1994; Wadley and Parasati 2000).

Beyond the potential for job creation, functioning Growth Triangles offer a number of advantages. As they are targeted areas within countries, they can be launched relatively quickly and at a low cost, allowing scarce resources to be concentrated. These characteristics also allow policy innovations to be tried before being replicated elsewhere, and can serve to catalyse the development of new sectors. In addition, by pooling resources between the component parts, these zones can enable economies of scale to be realized. The differing factor endowments in the various territories can also allow different stages of production to be located close together, allowing agglomeration economies. Furthermore, because production is usually for export, investors can avoid the limitations of catering to small domestic markets. Lastly, these cross-border zones can be a way of advancing regional integration in lieu of tortuous trade negotiations (Ng and Wong 1991; Chen and Kwan 1997).

Notwithstanding substantial foreign direct investment, there are investor and recipient countries within a given Growth Triangle. Investor regions usually seek to offshore tasks that are more land and labour intensive. For their part, receptor regions often seek capital and technology in new sectors, with the long-term aim of deepening their capabilities and upgrading operations over time (Wong 1993; Wadley and Parasati 2000).

While the Growth Triangle literature stresses the benefits of these cross-border growth zones, there are a number of potential issues. First, while potentially low-cost, these initiatives are not free and involve substantial outlays in terms of infrastructure and income forgone. Second, successful growth areas can also widen income disparities within countries, and potentially generate conflict between national and sub-national governments over policies and jurisdictions. Third, while incoming investment can generate a substantial number of jobs, associated developments such as rising prices for land and consumer goods will affect an even larger population. In addition, large numbers of incoming workers can strain existing infrastructure and generate tensions with local populations (T.Y. Lee 1997; Kumar 1994).

THINKING OUTSIDE OF THE TRIANGLE

Notwithstanding some of the internal conceptual tensions outlined above, the Growth Triangle is a useful framework and — applied to the SIJORI region — can yield a great deal of insight into the drivers behind its emergence. However, there are other dimensions to explore in the relationship between the territories beyond a simple and gradual leveraging of each territory’s comparative advantage. Indeed, a number of elements suggest that an exclusive use of the Growth Triangle framework would miss much of the relationship between the three territories.

First, much — if not all — of the Growth Triangle literature is premised on recent contact, focusing on export-oriented industrialization and its effects in the 1990s.
As a result, it overlooks the deep historical links that have shaped the constituent territories and the ties between them. Southeast Asia has long been a site of intense maritime transactions, aided by its climate, extensive waterways, availability of timber for ship-building as well as its population distribution (Reid 1988, p. 2). Within this region, the area encompassing Singapore, Johor, and Riau lies at the cross-roads of two key trading routes that were vital in precolonial and colonial times. The first trading route is from the Strait of Malacca down around to the South China Sea, and the second is from Java and the eastern islands of Indonesia up through the Straits of Malacca to the Indian Ocean (Wee, this volume).

In addition, for much of the early modern period, the various parts of the SIJORI region were part of the same political entity. From the early 1700s until 1824, the three territories were part of the Johor-Riau kingdom. It was only in the latter year that what are today Singapore and Johor were separated from the Riau Archipelago, as the former fell under the British sphere of influence and the latter under the Dutch (Trocki 2007, p. 67).

Notwithstanding this formal separation, ties between Singapore and the Riau Islands continued. The Dutch presence in the Riau Archipelago was relatively limited. As a result, inhabitants in the region used Singapore as a gateway to other regions. Indeed, due to transport and logistical challenges within Indonesia, the Riau Archipelago gravitated towards Singapore, which was important as an entrepôt, a centre for intellectual exchange and diplomatic relations, as well as a site for Muslims to gather to undertake the haj (Yong 2003, p. 9). In addition, Singapore was the biggest market for the Riau Archipelago, and its inhabitants used the Singapore dollar up until the 1960s (Long 2013, pp. 36, 110).

Similarly, ties between Singapore and Johor run deep. Indeed, Daing Ibrahim, the founder of modern Johor, was initially based in Singapore and established the territory’s embryonic administrative apparatus there (Trocki 2007, p. 115). Furthermore, the elite of Johor was schooled in Singapore and looked to the city for ideas about modern administration (Zainah 2011, p. 24). And, under British influence, the two territories were part of the same colonial entity from the early 1900s until 1946, when the Malayan Union was established without Singapore (Andaya and Andaya 1982, p. 255).

Two events contributed to the hardening of borders between the various territories. The first affected Singapore and Johor on one hand and the Riau Archipelago on the other. Indonesia engaged in sporadic military operations — the so-called Konfrontasi — against Malaysia, when the latter entity was formed with the incorporation of Malaya, Singapore, Sabah and Sarawak. The heightened tensions led to a disruption of the interchange between the Malaysian and Indonesian components of the SIJORI region (Long 2013, p. 36). The second was the hardening of customs regimes and the lifting of tariff barriers by Malaysia and Indonesia in the mid-1960s in an attempt to boost their manufacturing sectors and develop their capital cities (Rimmer and Dick 2009, p. 102).

Thus, the decision by the various territories to deepen economic links in the 1980s and 1990s needs to be seen within this historical context. A simple focus on current economic relations ignores the centuries of linkages that made them possible.
Second, while there is an undeniable economic motivation to deepen economic ties and foster greater interchange, the process is one that is inherently political. Nation-states pursue a range of goals beyond economic growth. Access to natural resources, ensuring security, and avoiding internal domestic strife are also considerations that propel and rein in the momentum for greater economic ties (Sparke et al. 2004). In addition, while Growth Triangle initiatives have been accompanied by a general discourse of international cooperation, there is also an element of competition between participating territories, particularly those slated to occupy the lower value-added production “spaces” (Grundy-Warr, Peachey and Perry 1999; Phelps 2004).

Furthermore, political conditions within the various countries change. The Growth Triangle was launched and had the support of national-level leaders from the three countries. Since then, both Malaysia and Indonesia have undergone substantial political change (Loh and Saravanamuttu 2003; Pepinsky 2009). Indonesia has changed the most, given its deep-seated political transition following the end of the New Order and the implementation of far-reaching decentralization measures that have resulted in the strengthening and proliferation of sub-national governments (Crouch 2010, pp. 44–48). These different political contexts also have implications for each country’s motivations to pursue or abstain from greater economic interactions.

Third, given its orthodox economic focus, the Growth Triangle literature sees borders as uniquely an impediment to business. Drawing on the work of Lösch (1954), most mainstream economists take borders to be a source of friction in the trade of goods. As a result, borders are factored into modelling exercises as an increase in distance and transport time between two locations. In addition, implicit in the thinking between Growth Triangles is that trade will consist of the interchange of formal sector goods and that policy measures will be used to decrease the disruptive effect of borders. However, even in the formal sector, activities based on easy arbitrage opportunities provided by borders may crowd out other more promising economic endeavours. Furthermore, the leveraging of different factor endowments and legal norms can also promote informal sector activities (Anderson and O’Dowd 1999). Beyond the movement of capital and the emergence of new industries, the development of the SIJORI region has also seen the rise of unintended activities such as sex tourism (Lindquist 2010).

Fourth, borders are more than just physical demarcations in space that separate countries. They are also social constructs that are internalized in different ways. In addition to their physical manifestation, they are also constructed concepts that, in turn, reflect, refract, and shape both actions as well as identities (Newman 2003; Anderson and O’Dowd 1999). This is important for the inhabitants of Singapore, Johor, and Riau, as well as the specific subset of people that commute frequently between the various territories. Indeed, it is estimated that between 80,000 to 120,000 Malaysians — most based in Johor — commute daily to Singapore for education or employment. Similarly, an estimated 23,500 Singaporeans visit Johor every day (Kamarulnizam 2009; Business Times, 29 August 2007). Looking southwards, some 68,000 Singaporeans and 23,000 Malaysians visit Batam, Bintan, and Karimun every month (BPS Provinsi Kepulauan Riau, 2 July 2012).
Fifth, while greater cross-border flows can enable new forms of economic activity, they also result in new social and cultural realities. Over the last quarter century, the component territories have gotten richer and more urbanized. As a result, consumption patterns have changed. This has been accentuated by large numbers of migrants who have altered the region’s demographic structures and ethnic composition. These developments bring in influences — some desired and some not — into receiving sites, creating tension over notions of sovereignty, cultural dignity or economic exploitation. The point is like all flows that come into contact with anything, there is bound to be friction (Tsing 2005).

Finally, the Growth Triangle literature does not really address the power relationship between the constituent units. The three territories are implicitly taken as equal, benefiting from the flow of capital and production tasks to where they are most needed. Yet, there are power disparities between the various units. One, Singapore, is a city-state, whose capital city is within the region in question and whose economy accounts for some 80 per cent of the region’s total (Toh and Bo, this volume). For their part, Johor and the Riau Islands are constituent territories of much larger — albeit less wealthy — nations. While their central governments may decide to pursue greater economic links, they can also decide to place the interests of these areas behind those of other, more central regions. In addition, when the impetus behind these regions comes from non-central governments, issues of sovereignty, “multi-layered diplomacy”, and policy competition between levels of government arise (Hocking 1993).

These factors, then, require a more far-reaching and versatile framework that encompasses: the historical context; incentives for governments beyond economic growth; formal as well as informal economic exchanges; social contexts that evolve as a result of economic ties; the socially constructed as well as the physical and political nature of borders; and the power relations inherent in cross-border interchanges.

**SIJORI AS A CROSS-BORDER REGION**

What other perspectives can lend themselves to this exercise? Beyond the need to factor in extra-economic dynamics, any alternative perspective will need to be able to incorporate borders as a central element of the region’s identity, as well as the fact that two of its components are not nation-states, but rather constituent parts.

As discussed above, an orthodox economic perspective has substantial analytical power when applied to the SIJORI region. Similarly, work in other disciplines such as history and anthropology can also yield much interest. Historians, for their part, analyse the effects of borders on specific communities over time. Thus, Cribb and Narangoa (2004) explore the ways that borders divide three self-perceived ethnic groups into a majority community in one country and a minority community in another, and how this changes feelings of identity over time. Firmin-Sellers (2000) looks at how communities in West Africa were divided by borders arising from different colonization processes and what the long-term effects have been.
Anthropological work uses ethnographic methods to understand how borders are shaped and negotiated through various social practices and discourses. For example, Miles’ (1994) work on the Niger-Nigeria border argues that for local communities, manifestations of the border are seen as indicators of economic progress, rather than physical lines that divide them. Kearney (1991) looks at how Mexican migrants in the United States feel recognized and appreciated by their American employers, yet perceive the border as something that criminalizes their activities.

This research offers useful concepts for analysing how communities are affected by borders and how borders themselves can be perceived as more than simple physical demarcations. That said, it is worth seeing if there are more encompassing frameworks that can be used to study the SIJORI region.

The Tri-border Areas literature could offer an entry point, as it is multi-disciplinary in nature and looks at the formation and identity of regions comprised of border areas from three different countries. However, the bulk of this research looks at “problematic” tri-border areas such as those linking Argentina, Paraguay, and Brazil as well as Sudan, Chad, and the Democratic Republic of the Congo. As a result, the focus is on state failure, power vacuums, predominantly illicit activities, and social and political dysfunctions (Abbot 2004; Berg 2008; Sverdlik 2005).

For its part, the Borderlands literature offers much promise. Emerging from work focusing on the Mexico-United States border, it contains many relevant concepts. It is very good for analysing: the exercise of state power to enforce and regulate cross-border interactions; evolving social and economic realities; marginal communities; informal and illicit economic activities; and conceptualizing borders as social constructs. In addition, this literature has developed frameworks to look at types of borderland by life-cycle, political context, and proximity (Bustamante 1992; Baud and van Schendel 1997; Martinez 1994).

The concepts and frameworks proposed by this body of research do have a great deal of traction when applied to the SIJORI region. That said, the bulk of this work focuses on remote and relatively marginal communities in the United States and Mexico, as well as elsewhere. And, much of the research focus is on unregulated and informal dynamics. Turning to SIJORI, one key difference is that Singapore is a capital city, and Johor also plays a central role in the polity of its country. The only territory that can conceivably be termed as “marginal” within its own national context would thus be the Riau Islands. Furthermore, rather than emerging due to organic and unregulated forces, much of the development of the SIJORI region has been the result of conscious action between national and sub-national governments, and the bulk of cross-border transactions are heavily monitored.

Given its characteristics, perhaps the framework that lends itself best to studying SIJORI is the Cross-Border Region (CBR). A CBR is defined as a territorial unit that comprises contiguous sub-national units from two or more nation-states (Perkmann and Sum 2002, p. 1). Examples of well-known CBRs include: California-Baja California, which consists of one state each from the United States and Mexico; Washington-Oregon-British Columbia, which includes two states and a province from the United States and Canada, respectively; and the Basque country, comprised
of four provinces in Spain and three in France (Sparke 2000; Garcia-Alvarez and Trillo-Santamaria 2013).

According to Jessop (2002), CBRs have emerged as part of a wider rescaling of economic, political, and social processes that have been underway since the 1980s. During this period, the correlation between nation-states and governments, economies, and societies has decreased, due to a number of phenomena. These include: the exhaustion of the post-war boom in advanced economies; the end of the Cold War; as well as developments in the global economy. Thus, economic, political, and social relations have been “restructured” on a variety of scales, spanning macro-regional processes such as the European Union and other regional entities on one hand, and micro-regional processes such as cross-border regions on the other. However, while the national scale has been “demoted”, there is as yet no single scale that has taken its place. Rather, macro, national, and micro-regions coexist as methods of structuring economic, political, and social relations.

Jessop argues that there are a number of reasons behind the emergence of CBRs. Many, but not all, are economic. Some are organic dynamics such as the spillover from a metropolis region to the surrounding periphery, or the revitalization of a pre-existing economic territory that had been suppressed — often for security reasons. Others are more policy-driven, such as the promotion of a given CBR to access capital or technology, or to address internal income disparities, or to solicit funds. In addition, governments may also strengthen illicit economic linkages directly or indirectly through attempts to regulate them or make them mainstream.

However, there are also non-economic drivers that can cause CBRs to emerge. These regions may appear due to an older historic identity that is anchored in a common ethnicity or language, or shared natural resources or trade routes. Or, they may be the result of nation-building projects undertaken by communities straddling a particular border. They can also be strengthened by supra-national entities or organizations, in an attempt to curtail the authority of particular nation-states (Jessop 2002).

Thus, unlike the Growth Triangle framework, research on cross-border regions does not assume that the relationship between component territories is solely or predominantly economic in nature. Indeed, the CBR literature incorporates many of the conceptual insights from anthropological and sociological work on borders. Furthermore, rather than simply seeing borders as a hindrance to business, the CBR framework brings the border to the centre of analysis as the link that binds the component units together.

Turning to SIJORI, then, the CBR framework does not assume that: the region is characterized solely by its economic interactions; the dynamics between Singapore, Malaysia, and Indonesia stop at the borders of Johor and the Province of the Riau Islands; or that all three territories are equally and continuously committed to deepening ties. Rather, this composite of three territories — one national and two sub-national — is taken as the unit of analysis. It is simultaneously a whole as well as a number of constituent parts that are divided, yet bound together, by its borders.
Beyond being comprised of contiguous territories, there are many different types of CBRs. Some cross-border regions are characterized by their peripheral nature, in that they are far away from national capitals. However, that is not always the case, as one or more constituent components may be a national capital. This brings in an element of centrality, as well as an additional element of power asymmetry, to the various components of a given CBR. In this case, Singapore is a city-state, which gives its government additional political power due to its status as a political capital, as opposed to the other two, which are governed by non-central governments. In this sense, the SIJORI CBR is comparable to Luxembourg and the nearby sub-national territories of Belgium, France, and Germany; as well as Liechtenstein, and the contiguous territories within Switzerland and Austria (Sohn, Reitel and Walther 2009; OECD 2011).

Furthermore, CBRs can and do bring together component territories with different income levels. The SIJORI CBR has considerable internal disparities in wealth, with Singapore being the wealthiest component unit. This attribute is not unusual, as it is usually a disparity in wealth that drives many aspects of cross-border economic interaction. In this sense, SIJORI has elements in common with the Franco-Vaud-Geneva CBR, or the Basel CBR, which spans Switzerland, France, and Germany (Sohn, Reitel and Walther 2009). As such, one fundamental characteristic of the SIJORI CBR — as with many others — is the core (metropolitan) and periphery (hinterland) relationship. Here, the metropolitan, characterized by good infrastructure, high skills and strong industry sectors, spills over into the adjacent hinterland for its abundance of land and cheap labour in order to maintain international competitiveness.

CBRs also differ in terms of their borders and border regimes. Much of the cross-border regional development in Europe has been driven by the formal political and economic integration processes promoted by the European Union (ibid.). A key component of this process has been the elimination of internal borders, which is termed an “open” border regime. The SIJORI case is very different. Like its counterparts along the U.S.-Mexico border, it is characterized by a “persisting” border regime, which is being selectively liberalized to facilitate certain transactions, yet strengthened to more closely regulate others (Perkmann and Sum 2002).

Lastly, regarding their origin, CBRs include both “organic” and “policy-driven” territories. In Europe, the overall move towards regionalism has allowed space for different sub-national regions to cooperate. This has been further fostered by the elimination of internal borders, which have allowed cross-border relations to develop spontaneously. In cases where border regimes are “persisting”, state-led initiatives have been more important. This is seen by the pervasive creation of special economic zones in CBRs ranging from California-Baja California to the Maputo Corridor, which connects the capital of Mozambique with three proximate South African provinces (ibid.; Bowland and Otto 2012).

That said, given the varying reasons behind the emergence of a Cross-Border Region, as well as the multi-faceted nature of cross-border interactions, how can a given CBR be studied? Surveying the literature on borders and their surrounding regions, Brunet-Jailly (2005) advocates the use of four “analytical lenses” of equal importance. They are the following:
Policy activities of multiple levels of governments: this involves analysing the decisions by the various layers of governments to pursue cross-border relations, as well as functional agencies that seek to manage the ensuing dynamics.

The political context of borderland communities: this entails assessing the composition, goals, and activities of the various interest groups in border areas.

The culture of borderland communities: this requires understanding the identifying cultural characteristics of border areas, as well as the various communities contained within them.

Market forces and trade flows: in addition to the trade of goods and services, this entails studying the movement of people to provide as well as access these goods and services.

This framework has the advantage of enabling multiple disciplinary perspectives to be incorporated.

Having set out the reasons for adopting the Cross-Border Region framework as the conceptual underpinning of this book, the next section will set out its aims and structure.

THE AIMS AND STRUCTURE OF THIS BOOK

This book has two over-arching questions that are empirical in nature. They are:

- How have the component territories of the SIJORI Cross-Border Region evolved over the past twenty-five years as a result of deeper interaction?
- What will these territories look like in the medium term, if some of the current trends underway continue?

In order to explore these questions, this book contains eighteen chapters and more than twenty maps grouped into four sections. These chapters come from a range of disciplinary perspectives and seek to explore a given aspect of the interaction between the SIJORI territories. The maps, with one exception, have been produced by the Future Cities Laboratory for this book. They have been constructed using a compilation of government sources, commercially available maps, open source maps, as well as subject-specific sources. The maps are all on the same scale and graphically depict various interactions between the SIJORI territories, many of which are analysed in the chapters.

The first section, “Understanding the Whole”, is comprised of two chapters and a corresponding set of maps. Anchored in the three key dates of 1990, 2012–13, and 2030, the chapters and maps set out the key economic and demographic characteristics of the three territories. In so doing, they aim to answer three empirical questions.

First, what do these three territories look like — both individually and collectively — in terms of physical size, population, income per capita, and urbanization patterns? Second, how have these three territories developed since 1990, when the various
governments decided to foster greater economic interaction? Third, given prevailing trends in economic growth, demography, and land use, what are we likely to see in the various territories by 2030?

The chapter by Aris Ananta analyses demographic developments in Singapore, Johor and the Province of the Riau Islands from 1990 to 2012–13. This includes analysing the structure of the SIJORI population by age, gender, ethnic composition, and number of transient residents. Based on trends over this time period, Ananta then projects forward to 2030, establishing the demographic profile of the region and its constituent parts.

The chapter by Toh Mun Heng and Jiang Bo sets out the economic structure, growth rates, and per capita income in the three component territories in 1990 and 2012. This is done to understand: the relative importance of each territory; how and to what extent they complement each other; and how they have individually evolved since the nineties. Based on this, Toh and Bo make a projection of what the Gross Domestic Product, per capita income, and economic structure of Singapore, Johor and the Province of Riau are likely to be in 2030.

The accompanying maps depict the trends set out in the chapters, through depicting: the relative economic importance of Singapore, Johor, and the Riau Islands; the economic linkages between them; the expansion of built areas over time; and the likely patterns of urbanization in the three territories in 2030.

The subsequent three sections broadly follow Brunet-Jailly’s framework for the study of borders and border regions. The second section, “Policy and Politics”, takes us into the realm of policy and the associated political discussions that drive or constrain attempts to deepen linkages between Singapore, Johor and the Riau Islands. The five articles are driven by one or more questions. First, what are the interests of the various territories in pursuing deeper economic relations and what have the respective governments done to pursue this goal? Second, how are deeper economic relations perceived and discussed in each territory? Third, what are the main interest groups involved in the integration process, and who are the winners and losers?

The first chapter, by Benjamin Loh, critically examines the concepts of comparative advantage and free trade, and relates this to the strategic choices and assumptions that policy-makers typically make. This, then, is related to the SIJORI CBR and the policies implemented since 1990.

The subsequent chapter by Manu Bhaskaran lays out Singapore’s perspective, interests, and priorities in deepening economic relations with Johor and the Riau Islands. It also compares and contrasts each territory’s comparative advantage in order to identify what tasks could potentially be relocated from Singapore, before examining policy and regulatory issues that stand in the way of this process.

The third chapter by Mulya Amri examines the local political context of the Riau Islands. Focussing on Batam, Bintan, and Karimun, it looks at how the province has been affected by conflicting national, provincial, and cross-border priorities. It also analyses: intended and unintended changes arising from its rapid economic development due to offshoring from Singapore; as well as policymakers’ attempts to promote investment and mitigate the negative aspects of development.
The fourth and fifth chapters look at Johor. The chapter by Khor Yu Leng looks at how Singapore and relations with the city-state were portrayed in the Malaysian General Elections in 2013. Particular attention is paid to the treatment related to Johor’s economic development strategy, investment from Singapore, and rising property prices, as well as the positions taken by the incumbents and the opposition on these issues. The chapter by Terence Chong examines the results of a survey commissioned by ISEAS in 2014 to understand the perspectives of Johoreans on Iskandar Malaysia, Singaporeans, and Singapore-related issues.

The accompanying maps set out: the parliamentary constituencies in the three territories; the relative importance of Johor and the Riau Islands within their own national political contexts; as well as the special economic zones in each.

The third section, “Cross-Border Social and Cultural Communities”, examines the CBR through the prism of history and culture of the communities living within it. As such, the chapters in this section are motivated by one or more of four questions. First, how did these territories interact with each other prior to the Growth Triangle era? Second, how do people use cultural identity and linkages to navigate between countries and across the border? Third, how do people living in other territories of the SIJORI CBR relate to their country of origin? Fourth, what effects can the border have on people’s identities?

The chapter by Vivienne Wee looks at the importance of Riau within the larger SIJORI region. Adopting a historical perspective to look at the constitution of Riau as a political entity as well as the creation of the Riau Islands Province, the chapter also sets out how the various components of the SIJORI CBR have interacted with each over time.

Su-Ann Oh and Reema B. Jagtiani look at the experiences of Singaporeans living in Johor and Batam, a phenomenon they call trans-national living. Beyond the demographic characteristics of these people and their reasons for residing in the “near” hinterland, they explore how the living circumstances and the experiences of crossing the border are different for the two communities.

The following chapter by Rizwana Azeez looks at how one specific community, Singaporean Malays, use ethnic networks to cross borders in search of new commercial opportunities. In this case, she analyses a number of cases of small enterprises that have expanded into Johor to access new markets. In so doing, Rizwana explores the concept of flexible citizenship as it relates to the SIJORI CBR.

In exploring how and why Singaporean working-class males travel to Batam for cheap sex and other forms of consumption, Terence Chong looks at how the border between the two territories can have a transformative effect on identity. In so doing, he examines the effects that traversing the border has on the self-image of members of this group and how others perceive them.

The accompanying maps graphically depict some of the issues raised by the chapters. The first map is of the SIJORI region and dates from 1934, alluding to the historical and geographic nature of the interactions between the territories. The second map sets out the relationship between traditional villages, or kampongs, and urbanized areas today. The third plots the number and geographical distribution of the places of worship of different communities in the three territories. The fourth
lays out tourism and leisure spaces, and the fifth depicts the modes of transportation and networks of mobility that bind the region.

The fourth section, “Formal and Informal Economies”, looks at the development of cross-border economic relations regarding the trade, production, and transport of goods and services. It seeks to shed light on a number of underlying questions. First, how do economic transactions take place across borders and for which types of goods? Second, how do economic relationships between producers in the different territories evolve over time, if at all? Third, how do proximity and the territories’ different institutional contexts foster the growth of informal sector activities?

In the first chapter, Anna Gasco examines how Changi Airport acts as a conduit, not just for firms operating in Singapore, but also in Johor and the Riau Islands. She looks at the inter-relationship between the territories in several sectors, including ornamental flowers and fish, micro-processors, as well as passenger services.

Leo van Grunsven and Francis E. Hutchinson focus, in the subsequent chapter, on the electronics and electrical industries, a globalized industry par excellence and one characterized by complex international production networks. Taking 1990 as a starting point, the chapter looks at the entry and exit of firms in Johor and Batam over time, and the potential links between developments in these territories and industry trends in Singapore.

The third chapter by J. Jackson Ewing and Pau Khan Khup Hangzo traces the evolution of water agreements between Singapore and Johor. This is then related to evolving water conservation and production patterns in the city-state, as well as its influence on relationships between Singapore and the Riau Islands.

The fourth chapter by Guanie Lim looks at the fishing industry in Singapore, and how the country’s policy frameworks as well as constraints in terms of land- and sea-space have led Singaporean Chinese fish farms to relocate to proximate areas in Johor, the Riau Islands, and other locations.

The last chapter in this section by Eric Frécon looks at an informal economic activity — piracy. No less than other economic activities, this has been driven by proximity, comparative advantage, and differing local contexts, and it has also been shaped — albeit inadvertently — by policy.

The maps in this section set out: Changi Airport and its links with production activities in Johor and Batam; industrial parks in the various territories; water infrastructure, including reservoirs, treatment plants, and desalination facilities; areas used for fishery and aquaculture; and pirate attacks.

In the conclusion, the chapter and accompanying map seek to bring together the perspectives brought out in the various chapters to provide an integrated picture of the region and the interaction between its constituent territories. The chapter then seeks to evaluate the suitability of the CBR framework for studying the SIJORI Cross-Border Region, before identifying future areas for research.

Notes

1. This initiative has been referred to in a number of ways, including: Johor-Singapore-Riau Growth Triangle; Indonesia-Malaysia-Singapore Growth Triangle; the Southern
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Growth Triangle; or Nusa Tiga (three Cities in Bahasa Malaysia and Bahasa Indonesia). For simplicity, the term SIJORI will be used, which is a composite of the first two letters of Singapore, Johor, and Riau.

2. Following this expansion, the SIJORI Growth Triangle was renamed as the Indonesia-Malaysia-Singapore Growth Triangle (Weatherbee 2010, p. 119).


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