

13th ICLEHI Osaka 2019 101-094 Natasha Devanand Dhanwani, 13th ICLEHI Osaka 2019 105-098
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We Are More Prosperous Than the Javanese Traditional Welfare Institution and Illegality in Sangihe Islands, North Sulawesi

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Abstract

The Sangir people who live on the border between Indonesia and Philippines have long been known for their illegal trade activities across the border. The illegal trade activities rest upon the strings of informal networks that span across the border and were historically the networks that connected the people of Sangihe with those of the Mindanao area of Southern Philippines. The emergence of modern nation-states and their laws on border delegitimized these trade activities. Yet, even with the illegal status, the trade activities live on. There are local bosses who have major roles in these trading activities, and there are also crew members that are involved in these particular trades. The crew members are largely recruited from the bosses' kin and are expected to engage in the patronage system until they have sufficient amounts of capital to become a boss on their own. This paper argues that the main reason for the continuity of the trade activities is because they serve as an informal welfare institution. Through ethnographic research method that included observation participation and unstructured interview for one month from 8 November 2018 until 8 December 2018 in one of the village in Sangihe Islands, called *kampung* Nanedakele, this paper showed that the illegal trading activities are regarded not only as the insurer of prosperity for the people in Sangihe, but also as a mechanism for vertical social mobility. Using James C. Scott's (1999) perspective on the failure of the state's schemes, this paper will attribute the failure of the nationalist schemes of the modern nation-state on borders to the disacknowledgement of the local traditional welfare institution.

Keywords: Border, illegal, trade, welfare institution

Introduction

On November 19th 2016, the national Jakarta-based newspaper, *The Jakarta Post*, reported the capture of a Philippine-flagged vessel captured by the sea patrol from the Northern Sulawesi Customs and Excise. Departed from General Santos in Southern Philippines, this vessel was captured carrying over 708 bottles of Carlo Rossi wine, 60 bottles of Tanduay Rhum, 27 boxes of cattle supplement, 2556 bottles of Coca Cola, 4716 bottles of supplement drinks, and 60 cans of juice, which in total were worth about Rp. 2.49 billion or US\$ 186.723,47 (Aruperes, 2016). All of the men aboard the vessel was imprisoned under the custom law of Indonesia. Two years later, on the other side of the ocean, the Philippine authority seized smuggled cigarettes worth some PHP 2.5 million and along with that captured the suspected smugglers from Indonesia in Barangay Labangal, General Santos City (Fernandez, 2018). The smugglers were arrested during a raid in one of the resident's houses. These smugglers also faced the same consequence

their fellow smugglers from Philippine suffered two years ago, that is they face the customary laws that criminalize their illegal trading activity.

These two events where the police captured the smugglers from across the sea in Indonesia and the Philippines were rather a quite distinct phenomenon. In fact, the illegal trade between the two countries are much safer and frequent than what the news had shown. Heading back years earlier, in one of the editorial on a local newspaper in Manado, the editors of the local online newspaper, *Tribun Manado*, stress the importance of government intervention in combatting the so-called black market in Sangihe Islands, on the northern part of the province of North Sulawesi (*Tribun Manado*, 2013). Free from government supervision, the products from this black market, the editorial claimed, had a questionable quality. Therefore, the editorial wanted the government of both countries to create a policy that further stimulate legal trading activities on those areas. Despite the opinion, the editorial somehow gives a rather pessimistic view on this by claiming that the long-standing cultural and emotional bonds developed by the people on both side of the sea has created an obstacle for a legalized and formal trade activity.

The editorial of this newspaper shows us two things. Firstly, the illegal trading activities along the shore are not a distinct phenomenon. It is a frequent phenomenon that usually go out of the government's control. The editorial's demands on the government of both nations provide a proof of how the situation in the field, that is a (nearly) complete anarchy of trade on both sides of the ocean. Secondly, the editorial also shows us a common conception on the relation between the people on both sides of the sea, which, although separated by a large body of water and legal national border, still manages to be united under a mutual feeling of belonging. This "feeling of belonging" said to be rooted from the long historical connection between the people of Sangihe and Mindanao sometimes become the scapegoat of the illegal trade activities that is occurring in the area. The people who conducted these activities sometimes used it as a pretext for their activity, and it is also believed by the outside observer to be the underlying cause for the existence and continuation of the illegal trading activity.

Although we cannot deny the existence of the "feeling of belonging" as an ideology that unites the people on Sangihe and Mindanao and also as one of the cause for the illegal trading activity, we should also be careful in accepting simplistic explanation of ideology of belonging as the main drive for the illegal trading activity. Accepting this explanation uncritically left us a gap in the analysis of the phenomenon through a holistic perspective. It neglects the influence and role of the modern nation state and also the structural conditions that keep these practice alive. Other than that, accepting the common view amongst the natives leaves us to a debate on the emic-etic distinction in anthropology. Although the native's point of view or emic view should not be disregarded, the researcher's should also analyze it from the theoretical point of view (Kaplan and Manners, 1999: 31). Thus, the native's point of view and social phenomenon in general should be analyzed or interpreted like text or documents from other language to be translated to the language of the general scientific community (Barnard, 2004: 163-164; Geertz, 2014: 168).

Defining the state in the context of a marginal area like Sangihe itself is difficult. In the context of Sangihe as a marginal territory of the state, paradoxically, the state is an entity so far away from where they live, yet so near in respect to their various regulations and policies, especially on border issues. The state in this context thus is an outcome of several mundane processes related to spatial administration, supervision, and surveillance (Mitchell, 2006: 185). Those mundane processes created a conception of the state as an institutionalized practice and ideas that differed and separated from the imagined reality of the community (Anderson, 2006: 95). Thus, the concept of the state that will be used in

this paper is the state as an institution, both in terms of idea and practice, that differed from the common practice and idea as conceptualize by the Sangir community.

The image of the state as a powerful entity legitimizes the various political practice behind it (Abrams, 2006: 123-125; cf. Skocpol, 1985). One of the form of political practice is governing the population and territory. To govern the populace and territory, the state usually creates schemes of social engineering in which simplification are the main element of it (Scott, 1999: 2). Simplification here refer to the bureaucratization and formalization of everyday life that neglect the importance of local knowledge of the people regarding their own life. As Scott puts it, “designed or planned social order is necessarily schematic since it always ignores the essential features of any real, and functioning social order (*ibid*: 6). In the context of Indonesia and specifically Sangihe, border with its various regulations and laws is the symbols of the state’s scheme to impose social order and to create a cultural delineation (Kahn, 1999: 83-84).

Foucault (1978: 95-96) once stressed that behind every power lies a resistance. In Sangihe, resistance to the state’s social ordering of society comes in the forms of illegal trade activity. The resistance to the state’s social ordering through customs and borders can be viewed as a failure of the state’s schemes in governing the people. These failures, according to Scott (1999: 349) can be attributed to the existence of the local pre-state social ordering organize around *metis* or practical knowledge of the natural and social environment. As this paper would show, illegal trading activity here can be said to be a form of social ordering based on practical knowledge regarding welfare. This activity isn’t only a product of the longstanding cultural bond but also the practical knowledge of welfare developed by the peoples in the margins. The distributive nature of the illegal trade conducted by the local bosses through network of kinship creates an impression of welfare better than what the state had offer. The state’s failure to imposed regulations and law as this paper would show becomes a failed project since they neglect the Sangir’s social ordering based on the needs of welfare institution in the marginal area.

Because of the limitation of the research, this research would only be focused itself on the internal dynamics of the practice of illegal trade in Sangihe only. This paper will only focus on the relationships between the bosses, the crews, the state securities, and also the people on the Sangihe Islands. Although frequently discussed and mentioned, the dynamics of the relations between the people of Sangihe and Mindanao would not be the center of the discussion on this paper.

Research Questions and the Objectives

This paper wanted to analyze the phenomenon by seeing it in the context of the relationship between the state and the Sangir people. The question this paper seeks to answer is why does the government’s project to regulate the trade keeps failing? Why does this practice still continue despite the grave punishment imposed by the state(s) in unregulated trade? The failure of the state to regulate the trade also means the failure of the state(s) to create a border or in Scott’s words (1999: 4) to administratively ordering the nature and society. Understanding the failure of the state to regulate the trade and created an actual border also gives an understanding of the limit of the collective imagination of the state and its working border.

Research Methods

Fieldwork and ethnography were done in Sangihe Islands Regency from November 8th to December 8th near Christmas time. The writer set two home bases in this study. One base in Kampung Nanedakele, Nusa Tabukan sub-district which is on Nusa Island and another in Tahuna, the capital city of the regency. The methodology used in this research

is unstructured conversations with the people who lived, grew in the border area and also those who trade illegally to the Philippines, include the fishermen, crew, merchants, local government officials, state security and officers. The writer asked them to give their stories and experiences regarding the border-crossing activity. Interviews are conducted either planned or unplanned. Besides that, the writer followed a number of daily activities in the area that were carried out by the community.

Previous Studies on Border and Border Society in Indonesia

There are several previous studies discussing Indonesia's border and border society. Many of these studies focused on the border crossing which was sometimes considered illegal by the state. Ford and Lyons (2012) work describes that this kind of illegality is the usual feature of the borderland society. Their fieldwork which was conducted in the Indonesian-Singapore borderlands suggested that smuggling is based on a pre-state social kinship and it is an economically motivated act. In tune with that, Velasco (2009; 2010) through her studies in Sangihe suggested that the illegal crossing of borders was seen as a normal act in a difficult situation where to pass legally means inefficiency in crossing because of the existence of various regulations and the hard-to-reach position of the border outposts.

The relativity of the border had become the object of study by Lumenta (2005; 2010), from her study, she revealed the dynamics of the construction and reproduction of border as a political demarcation. Lumenta shows that during the colonial era, the border between the White Rajah's Sarawak and Indonesia were mostly fluid since the border were still in its infancy. The arrival of capitalism through state logging hardening the national border and identities of the once quasi-egalitarian relationship between the Indonesian Kenyah and the Sarawak Ibans. Similar to Lumenta's works, Amster and Lindquist (2005) discusses about the fluidity of the border from the perspective of marriages on the Indonesian border with Singapore in Batam and Malaysia in Kelabit, in which transnational marriages are occurring in both areas as a means to gain a cultural capital. A historical account of the fluidity of the border were brought about by Tagliacozzo (2005), in which he shows the construction of border between the British Dominion in Malaya and Borneo and the Dutch East Indies which faces the same resistance through smuggling by the local and Chinese traders that disregards the new border.

There are also studies which focus on the effect of the construction of borders towards borderland society. One of the main effects the construction of borders had on the society is marginalization. Pamungkas (2016) shows that the stigma as a people of the margins that lack of nationalistic feelings prompted the state to invest heavily on nationalistic education, neglecting the elephant in the room by disregarding the needs to improve the people's welfare. Other study by Gumelar and Dhanwani (2018) shows how the Sangir people who had been marginalized since the colonial age as the backward people resist this treatment by playing the state rules. By playing the state rule meant they took advantages for being marginalized and outseen by the state, then they could go to the Philippines illegally to do the illegal trade.

Illegal Border-Crossing, Illegal Trade and Illegal Traffic

"Like any maritime border, it is a border continually washed away by unbound streams of water and shifting ocean floors"

(Velasco, 2010:95)

Kampung Nanedakele is a village located in Nusa Island, a very small island after the great Sangir Island. It takes ten minutes using a local fisherman motor machined boat from a small and shabby seaport, Petta in the east part of the Great Sangir to the village. Almost every night, Sangir people in *Kampung* Nanedakele prepare for their journey to go to the southern part of Philippines with their fisherman vessel called *pumpboat* or *fuso* (for the bigger one), and bring their cigarette boxes to sell. They usually go after midnight and will reach Glan, General Santos City after 8 hours of journey, then stay for a few days but not longer than two weeks. After two weeks or less, they go back home to *Kampung* Nanedakele and bring some goods to sell in Petta seaport or some cocks to Minahasan people and the Balinese. There are certain winds where these people will go to Philippines routinely, from April to June. In this time the west wind blows calmly around the Pacific sea. Other than that period of time, they will also go on some months before Christmas and Eid. By doing this trade, these people would frankly say that the trades are some kind of *seludupe* or smuggling. It means that they don't have any border-crossing passes nor certificates for the goods that they buy and sell. These activities have been done for decades and from generation to generation. This isn't surprising because the fact that trades, connections, relationship, was there even before it was prohibited.

Before the European hegemony in the area, the people along the shores were known to be a fierce sailor, warrior, and also trader. They were renowned for their military might and their activities of plundering the shores in search of a new slaves (Warren, 1979). The hegemony of the Sultanate of Sulu and Sultanate of Mindanao which was the two political entity that ruled over these areas enabled them to create a safe space for a trade with Chinese traders. However, these wouldn't last long. The Spaniards from the north along with the Dutch East India Company from the south later took down these sultanates and carved their own territory (Henley, 2006). Both Talaud and Sangihe were later incorporated into the Residency of Manado as part of the *Noordereilanden* or the Northern Islands (Ulaen, 2016). Meanwhile in the north, Mindanao were incorporated into the Spanish Philippines and were later given to the United States of America along with the other Philippines Islands in 1898 after the Spanish-American War (Follett, 1945; Ricklefs *et al*, 2013: 362-365). The political division brought about by borders were later succeeded by the modern state of Indonesia, centred in Jakarta, and the state of Philippines centred in Manila.

In 1975, the Indonesian and Philippines government tried to give them a chance to reconnect by passing the Border Crossing Agreement. But instead of reconnecting, these agreements were just limiting their border crossing or mainly in cross border trade. In Presidential Decree number 6 in 1974, it was regulated that each trader must be registered at a cross-border office as well as for the crew of the ship that goes from the Sangihe area to the southern part of the Philippines. The areas that can be visited for trade are the Kawio islands in Sangihe, the Bokide islands in Sangihe, the island of Nanusa in the Talaud Islands Regency, and in Philippine only Balut Islands. Moreover, other areas couldn't be visited for cross-border trade. It means that *Kampung* Nanedakele in Nusa Island cannot be visited by the cross-border traders nor Glan in General Santos, Philippine. There are also regulations for items that can be sold. From Indonesia, what can be sold are agricultural products and products produced in the border areas, except oil and ores. From Philippines, the ones that can be sold at the border are items used for daily needs. Other than that is illegal and prohibited by the government. If they wanted to go border crossing from Indonesia to Philippine, they must pay cross-border taxes. It is permissible to visit the family within 59 days with commercial regulations which states that they cannot carry items above 250 USD for individuals and 1000 USD for families. They are permitted to cross the border for religious worship and sightseeing reasons.

From what the state asserts, people have to rely on the state if they do not want to be seen as a defiant. In this case the intangible state seen as in infrastructure or markets. Just relying on the market means that the people would only sell fish at very cheap prices with are about one thousand rupiahs per fish or 30 thousand rupiahs if they get a larger fish. The small fishes would not prosper them. In addition, the market itself must be reached by using a pump boat to the seaport which requires around 30 thousand rupiah of gasoline. In shady season between April and June, sometimes fishes are given to other people for free. That's why, people in Kampung Nanedakele have long been known as a community that crosses borders to neighbouring country, the Philippines illegally. They sell a lot of things illegally or buy them, and even the way they travel does not use cross-border regulations as the state regulated. But there is a lot of justification that they did this in the first place. They always said that we crossed the line because we were historically connected. With this historical connection or for those who create new connections, inter-border trade occurs not because it was not there before, but it was a borderless trade. They will say "*so turun-temurun sejak nenek moyang*" it means these trades and border crossing activity has been done since their ancestors. Historical background is used as their main legitimacy to negotiate between state laws. Not only negotiate but also helped them break some of the state laws. Some Sangir people are still doing these trade seek laws to support this trade in hope to continue their activities without being imprisoned and fined.

Nowadays, the items exchanged are increasingly diverse starting from the product produced from the border area, to cigarettes produced in Malang, East Java Province and then *peru* cocks from Philippines in return. They understand very well that these items are not allowed to be taken yet but they did it anyway. They will sell cigarettes and will be bartered with cocks or liquor or other items. They distinguish between illegal goods and which items are prohibited. Illegal goods are goods that are carried using fishing boats without rules set by the state. For the Sangihe people, cross-border posts are in Marore, north of Nusa Island which can be reached in 4 hours by fishing boat. People in the community do not pass this post to request cross-border licenses. They wouldn't stop in Marore nor a single stop over to the small islands, and immediately continue their journey to General Santos, Philippines. Items carried can be various kinds such as cigarettes with a special brand "Gudang Baru" then tuna or copra, which will eventually be exchanged for Philippine goods such as waterproof plywood, nails for boats, fowl chickens, paint and alcoholic beverages. When they go they should let the security to check their goods that they are bringing. Then they will be checked again if they come there. It is illegal but it's not as dangerous as when they bring narcotics or pistols. The state security believes people over there just wanted to find money for living or "*cari makan*" so there is nothing to worry. If the banned goods are found out it would be very problematic and detrimental to them. Goods that are prohibited are drugs and firearms or weapons as well as those who do human smuggling. With the case of carrying prohibited items, border restrictions will be increasingly tightened and they would not be "free" to do cross-border trade illegally.

By bringing these illegal things it does not mean they will be free from punishment. Frequently they are captured in the middle of the sea or after they arrived in the Philippines. Their goods will be taken and sometimes even their boats will be seized. For those caught they will be put in jail. They will run from prison after a few days and return to their villages and do the same thing again.

"If an officer comes, I want to defend. Money circulation only occurs in Petta seaports and market, not in our place (Nanedakele). Where fishermen have difficulty selling fish products and no income."

The *opo lao* (village chief) said this and willing to defend them if people from the village are caught because the local government also believes that the reason why they are

doing this is because they want to find money for living. But let's not forget that the local governments are part of the family too.

Before getting any further, it is important to see who "they" are that are mentioned above. We cannot expect that people over there are from one class of society. There are bosses and also ship crew members in the village. Local bosses are elites who has the capital and has family members as their crew member. The crew member are those people who bring the goods along the Pacific Ocean to General Santos Philippines, in an area where many Sangir people are located. They already know the people there and will be addressed when they arrived. At the time the crew member has enough money to give payment to the other crew and have money to buy some goods to sell abroad and they will become a boss. People who serve as the crew or *ungke* will get payment if they go about Rp. 1.500.000, 00 per visit. Not only they have money but they should have relation with the security as the bosses did. Vertical community mobility occurs from generation to generation from boss to crew members and so on. Then the mobility or the border crossing movement happened so that people get their income.

The state security were clearly involved because they were the one who has another power in this place. In *Kampung* Nanedakele there are army ports that control their illegal crossing activity. They will know which items will be brought to the Philippines and what items will be brought back to *Kampung* Nanedakele. In this case they will allow some illegal goods and illegal crossing on basis that they will get liquor as people from Philippine when they come back. In addition, local bosses will have connections with the security in the sub-district head of the sub-district police and also in the community institution in Tahuna. One day, a security from Nanedakele army ports called the cigarette boss in Tahuna who is also part of the Nanedakele village's family. He said, "I don't want to make things difficult for you, and I have spoken to your brother about this." She seemed afraid that her goods would not be allowed to be brought to Philippines, but a state security apparently helped her to allow the items by saying he doesn't want to make it more difficult.

Here it should be learned that there are at least three parts in the community that are connected based on a kin relationship. The first is local officials such as the current village chief, the bosses, and also the ship crew members. For example, the *opo lao* (village chief)'s younger sister is married to one of the bosses, the younger sister of that boss is the one who controls the cigarette supplies to be traded to the Philippines from the *Kampung*. Then the *wawu lao* (village chief's wife)'s cousin is married to the other boss who handles the supply of the cocks that are to be sold in Indonesia. In the end we look back at their ship's crew who were apparently taken from their own children or nephews. Other than that, they would also recruit people who were born in the Philippines (who are still Sangir people) or have lived in the Philippines before.

There are some aspects that make the bosses trusted by the crew members, state securities and also the other part of the community. The bosses are those who are well-liked by the people in their *Kampung* and are known to be friendly and have a good image in the community. The bosses needed to maintain their good and generous attitude to the other people. Sometimes the bosses would give some extra money or also lend some money to the crew. People do think that the bosses are rich and very generous. If you want to go to Great Sangir you can go on his/her boat without paying any money for the gasoline. They will let you use the houses over there and the cars and sometimes they will take you to a nice restaurant to eat chicken. Chicken is very pricey in this coastal area and also very fancy. Also, Children would ask some money to them for their birthday and the bosses will give them.

On the Shores of Illegality: The Limits of the State's Simplification

Why does the practice of illegal trades still continue despite the harsh punishment from the state? Is it because of the ideology or are there something more than that? Firstly, we should use the materialistic perspective to answer these questions. Harris (1979: 54) argues that a society comprises of three elaborate layers. The first or the base is the infrastructure that is the mode of production and reproduction, the second is the structure which governs the society, and the last one is the superstructure which took shape in beliefs, ideology, religion, and or art. The mode of production and reproduction argues Harris has a deterministic quality regarding a society because production and reproduction of human subsistence are basic needs of a society and therefore it is shaping the other layers of society also (*ibid*: 51-52; cf. O'Laughlin, 1975: 349-350). For the study of Sangihe's illegal trade, this framework should be used to analyse the deeper structure to search for an ethic explanation behind Sangihe's illegal trade.

For start, we should look at Sangihe's superstructure that is their beliefs regarding the illegal trade. This form of superstructure is elaborated on the belief of the one-ness of the peoples of Sangihe and Mindanao. The feeling of belonging as an ideology is reflected on how they viewed the national border. It is the "emic reason" for them to transgress the border since in their views, the border is just an imaginary line formed by government so far away in Jakarta and Manila. It is also the reason that mostly known to the public and because of that, it is the thing that mostly occupied the making of a public policy. The state's efforts to impose nationalistic sentiments (Pamungkas, 2016) and also to open the border only for a kin travel is an outcome of the taken-for-granted explanation of the ideological dimension.

Less known than the discourse of belonging is the discourse of prosperity. The people of Sangihe regarded the illegal trade as a practice that brought them prosperity. This prosperity not only able to make them sustained but also a thing they can be proud of. One of the bosses in Sangihe recalls that,

"I once went to Surabaya, and there I saw an old woman who carries a burden on her head, well, I took pity on her and gave her 100 thousand rupiahs. I never see such things in Sangihe."

The saying of this boss reflected a larger logic amongst the people or at least the bosses of Sangihe that despite the systematic marginalization imposed by the state through discourse (Gumelar and Dhanwani, 2018), the people of Sangihe still see themselves as much more prosperous than those in Java, the cultural, political, and economic centre of Indonesia.

The prosperity acquired from the illegal trade in Sangihe are also experienced not only from the perspectives of the bosses but also from their crew and the other people in the community. James C. Scott (1994) in his work once refers to the villages of Southeast Asia as a communalistic village which based its economy on a moral basis. This moral basis were the foundations for the distribution of welfare that occurs also in Sangihe. The distribution of welfare occurs when the bosses' gives a certain position to the crews and other contributions for the community such as giving them a free ride by a ship. For the crew which usually were the majority of the population in several kampungs in Sangihe and also tied in a kinship relation with the bosses, the illegal trade serves not only as an institution that provided them job and money, but also future security. The vertical mobility that occurs in this institution provided them security in an insecure world of the periphery. The kinship-based economic relation thus benefits them in the now and in the future as opposed to the state sanctioned job as a fisherman.

Seeing the whole economy which was based on kinship and “moral economy”, it is then not quite simplistic to take the Sangihe’s kinship as a mode of production itself. It is what determine the nature and progression of society. The arrival of the state that tries to regulate the trade thus deemed to be failed. Having the status of illegal trader doesn’t deter them from doing this practice since they’ve gained more benefits from it than from what the state said to be legal. The practice of illegal trade thus can be viewed as an informal welfare institution that resists the state’s intrusion on their way of life by creating schemes of border.

Research’s Limitation

Looking at this discussion it is worth to also mention the limitations this study gives. The limitations this study has is the time constraints, the spatial limitation of the research, and the lack of historical study on this site. Because of the limitation of time and funding the main researcher (Natasha Devanand Dhanwani) had, the dynamics between those two were not covered on this paper. This paper focused only on the internal dynamics of the Sangir and didn’t cover both the dynamics of the inter-island connection between Sangihe and Mindanao and also the internal dynamics of the Mindanao society that interacted with the Sangir in this practice. A boss from Sangihe once told that,

“Philippine is a poor country that made me rich”

knowing this, a more comparative study should be done on both sides of the border to see how the illegal trade impacted the society of Mindanao. Other than that, a lack of historical record especially during the Dutch colonial era. There are still gap in this study regarding how the Dutch colonial government treated the people of Sangir regarding their practice and the influence of the Dutch colonial policies on the cultural and social dynamics of the Sangirs.

Recommendations on The State (Indonesia)’s Regulations

Since the pragmatic solution is hard to be given in this paper, there are some recommendations that can be useful for the state in the future which includes, some regulations needs to be revisited, for example the Presidential Decree number 6 in 1974 and the Border Crossing Agreement in 1975 that is still used in the Sangihe and Philippines border area. These regulations are still functioning since back then are ultimately no longer relevant. There are many things that are not effective including the regulation of how much amount of luggage that can be carried, crossing purposes, cross-border stop points that are more inaccessible because it is located in remote area (re: Marore) and many more. Nowadays, the orientation of this border community is not just to meet the separated family but also needs a market to survive economically in the border area. This shows one of the simplifications given by the state by separating economic problems from cultural problems. Although this paper cannot provide definitive solutions, at least this paper would suggest the state to consider some of economic developments that have emerged conventionally in this border community and to create a more opportunity for inclusive economic institutions in the area.

Conclusion: Imaginary Borders, Real Issues

From the discussion above it is shown that the state’s failure to impose its regulatory schemes by creating borders and regulating trades in the border is failed because of the existence of the illegal trade as an informal welfare institution. Far from being a menace as portrayed by the state and the media, the illegal trade that are based on kinship is functioned as an inclusive informal welfare institution that provides not only welfare and prosperity for the low-middle class but also high-status for the bosses.

Compared to the state's sanctioned job as fishermen, the illegal trade was viewed as more beneficial to the islanders and also in a society driven by moral economy in which the elites were playing an important role, it is also the institution that functions to drive the moral economy. Scott's (1999) insight on state's simplification and its failure were particularly useful for analysing the situation in Sangihe where the state's conception of border and trade regulation were overpowered by the Sangihe's conception of welfare from the kinship-based illegal trade.

The discussion above also adds the common explanation of the existence of the illegal trade as merely as the result of the underlying ideology of belonging or the cultural bond between the people of Sangihe and Mindanao. Rather than following the main drive's reasons of the illegal trade's existence, the reason behind the trade was based on kinship relationship and the trade was as an institution for the community's vertical mobility that was driven by the ideology that they have produced. Thus we can view the ideology as a product of or an infrastructure from the superstructure that is the kinship-based illegal trade in Sangihe.

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