THE ROLE OF OVERSIGHT IN THE IMPLEMENTATION OF CROSS-BORDER TRADE AGREEMENTS: A LITERATURE REVIEW ON THE BENEFITS FOR BORDER COMMUNITIES

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Abstract
This study discusses the role of supervision in the implementation of trade agreements between countries, with a focus on the benefits felt by communities in border areas. Through a literature review, this study analyses various sources of literature related to supervisory mechanisms, challenges in their implementation, and the positive impacts on local communities. The findings reveal that effective oversight not only prevents illegal trade practices and regulatory abuse but also enhances the economic and social well-being of border communities through fairer market access, protection of legal businesses, and improved security and empowerment of local communities. Therefore, strengthening the monitoring system through inter-agency collaboration, community participation, and the use of technology is key to the successful implementation of trade agreements that have a positive impact on the development of border areas.
Keywords: monitoring, inter-country trade agreements, border communities, literature review, socio-economic benefits, illegal trade, community empowerment.

Introduction

International trade is one of the main aspects of international relations that influences a country's economic development. This activity enables the cross-border exchange of goods and services, which benefits the welfare of society. In border areas in particular, international trade agreements open up new economic opportunities that can empower local communities. International trade not only meets the demand for goods that are not available domestically but also expands the market for domestic products, thereby driving economic growth (Apriani & Daniah, 2021).

However, the implementation of trade agreements between countries is not without challenges, particularly related to oversight. Effective oversight is crucial to ensure that agreements are implemented in accordance with their terms and provide optimal benefits for society. Moreover, border regions are often vulnerable to illegal trade practices and smuggling, which can harm the national economy and threaten social stability (Rachim, 2022).

The role of supervision in this context includes various mechanisms and actors, ranging from government agencies to local community participation. Supervision aims to monitor the flow of goods and services to ensure compliance with regulations, maintain security and order, and maximise the benefits of trade agreements.

In the context of border communities, surveillance contributes to social protection while supporting local economic empowerment (Mihardja & Lee, 2021). Trade agreements between countries are based on mutual agreements that regulate the mechanism for the exchange of goods and services, which are expected to improve the welfare of both parties.

The success of these agreements depends heavily on effective implementation, including oversight that can curb harmful practices such as illegal trade. Good oversight also strengthens bilateral relations and creates a healthy and sustainable trading climate (Zakaria, 2023).

As the volume of trade between countries in border areas increases, the need for effective oversight becomes more urgent.

Border areas are the main gateway for the flow of goods and have become strategic areas for optimising economic benefits while reducing negative impacts. Therefore, supervision is not only a technical aspect but also a strategic one in supporting the implementation of international trade agreements (Leong & Mutalib, 2021). The benefits of optimal supervision for border communities are not only economic but also social.

Strict surveillance helps curb the entry of illegal goods that can harm legal businesses. Additionally, surveillance promotes the creation of new jobs, increased income, and the growth of micro, small, and medium enterprises (MSMEs) in border areas. This, in turn, strengthens the economic and social resilience of local communities (Saleh, 2023).

Weak surveillance can cause significant losses, including a decline in state revenue due to illegal trade and increased social instability. Conversely, effective surveillance can create a healthy trading climate and contribute to the economic development of border areas. Therefore, strengthening surveillance needs to be a focus of the implementation strategy for trade agreements between countries (Kurniawan, 2021). In addition to economic benefits, supervision also plays a role in security and social aspects. In border areas that are often prone to various threats, supervision serves as a preventive measure to maintain public order and foster a sense of security among the local community. This is very important in creating conditions conducive to sustainable economic and social activities (Aslan, 2019).

Border communities have a strategic position in the implementation of surveillance because they often act as actors, informal supervisors, and direct beneficiaries of trade agreements. Active community participation in surveillance can increase the effectiveness of policy implementation and ensure that the benefits of agreements are widely felt (Siahaan, 2022). Therefore, surveillance is not only the responsibility of the government but also requires collaboration with local communities.

The concept of monitoring in inter-country trade agreements refers to mechanisms that regulate compliance with applicable rules and monitor the flow of goods in and out of the country. Various institutions play an important role in this regard, such as government agencies, customs, and trade supervisory bodies. The development of a modern and integrated monitoring system is necessary to address the increasingly complex challenges of cross-border trade (Suratman et al., 2021).

Overall, monitoring plays a vital role in bridging the interests of the state and border communities in the implementation of international trade agreements. With an effective monitoring system, economic and social benefits can be maximised without causing significant losses.

Research Method

The research method used in this study is a literature review, which involves collecting, examining, and analysing various relevant sources of literature such as books, scientific journals, policy documents, and official reports related to the role of supervision in the implementation of trade agreements between countries, particularly those discussing the benefits for border communities. the analysis was conducted qualitatively using content analysis and thematic synthesis to gain an in-depth understanding of the dynamics of oversight and its impact according to existing literature findings (Eliyah & Aslan, 2025); (Cronin et al., 2008).

Results and Discussion
The Role of Supervision in the Implementation of Trade Agreements between Countries

Supervision is a fundamental aspect in the implementation of trade agreements between countries, especially in ensuring that all provisions agreed upon by both parties can be effectively implemented in the field. In cross-border trade schemes, supervision is not limited to physical inspection of goods at the border, but also includes administrative assessment and the application of jointly developed economic regulations (Yuniar, 2022).

The main function of supervision is to prevent violations of the contents of trade agreements. This is important because non-compliance in implementation can disrupt the stability of economic relations between countries and cause losses to one or both parties involved in the agreement (Kusumastuti, 2021).

Supervision in the implementation of trade agreements is usually carried out by government agencies, both at the national and regional levels, such as customs, police, and trade supervisory agencies. In addition, international organisations or joint committees can also act as external supervisors to ensure that both countries comply with their commitments (Tarmizi & Misran, 2020).

In border areas, supervision plays a strategic role because these areas are often prone to illegal trade and smuggling. The increase in the flow of goods at the border following the implementation of trade agreements is often accompanied by attempts by business actors to exploit legal loopholes (Arieff, 2022).

The effectiveness of surveillance depends heavily on good coordination between various relevant agencies. The involvement of local institutions, law enforcement agencies, and the local community can enhance both prevention and detection of potential violations. Cross-sectoral cooperation enables responsive action to changes in the modus operandi of illegal traders (Amar, 2020).

The role of border communities in supervision is equally important. They are not only objects but also active participants in supporting supervision efforts. Public awareness to report suspicious or irregular activities greatly assists the monitoring process carried out by the government. Effective surveillance provides protection for legal businesses (Iskandar & Khair, 2021). If surveillance is optimal, local producers and traders have legal certainty and competition becomes healthier. This provides economic incentives for border communities to increase production capacity and optimise local potential (Yusuf & Nugroho, 2021).

Furthermore, supervision prevents the circulation of illegal goods that can affect economic and social stability in border areas. In addition to economic losses, the entry of illegal goods such as narcotics, weapons, or counterfeit products can cause social problems—including security, health, and the erosion of community morals (Siregar, 2024).

The role of supervision in creating fair trade is important because it ensures that all business actors obtain balanced rights and obligations. Comprehensive supervision can suppress monopolistic practices, cartels, or collusion that can harm small and medium-sized businesses (Rahman & Ismail, 2021).

Supervision also plays a role in maintaining state revenue from the trade sector. Through strict control mechanisms, potential revenue leakage due to illegal practices or document manipulation can be minimised. Optimal state revenue can then be allocated in the form of development programmes in border areas. In terms of national security, supervision at borders is vital. Border areas are often used as entry and exit points for goods that could threaten national security, such as illegal weapons or prohibited items. With strong supervision, security aspects can be better controlled and threats to the state can be minimised (Ali & Musa, 2023).

Equally important, surveillance also has an educational function for the community and business actors. Through socialisation activities regarding trade agreement regulations and their implementation, it is hoped that collective awareness of the importance of complying with applicable regulations will grow, so that surveillance in the future can be carried out more effectively and efficiently (Hidayati, 2023).

Supervision supports transparency and accountability in the implementation of trade agreements. Every provision and mechanism of the agreement needs to be monitored openly to prevent deviations or irregularities that could damage trust between countries. This transparency is a key asset in maintaining good relations in the future.

Information technology is now playing an important role in border surveillance systems. The use of digital documents, sensors, surveillance cameras, and online reporting systems has increased the effectiveness of surveillance while reducing opportunities for dishonest practices. The integration of technology has proven to speed up the verification process and response to violations (Batu, 2022). In addition, surveillance also serves to identify and adjust trade agreements if ineffectiveness or imbalances in implementation are found in the field. Through data and evaluation of surveillance results, the countries involved can revise or improve the agreed agreement scheme (Sarjono & Rudiatin, 2022).

Challenges in implementing monitoring generally include limitations in human resources, infrastructure, and the influence of corrupt practices that can weaken the effectiveness of the monitoring system. Therefore, efforts are needed to strengthen institutional capacity, improve the integrity of officials, and develop community-based monitoring systems (Hair Awang, 2013).

Thus, comprehensive and sustainable oversight ensures that the benefits of intergovernmental trade agreements are felt by border communities. This ultimately supports economic growth, national security, and harmonious and mutually beneficial international relations.

The Benefits of Effective Surveillance for Communities in Border Areas

Effective supervision in the implementation of trade agreements between countries plays an important role in providing benefits to communities living in border areas. With a strong supervisory system, cross-border trade activities can run according to the rules, thereby having a positive impact on the welfare of local communities. One of the main benefits of monitoring is ensuring fairer and more orderly market access for businesses in border areas. This allows local products to be marketed more effectively without being disrupted by illegal trade practices that can distort competition (Abd Rahim, 2023).

With strict surveillance, illegal trade such as smuggling and counterfeiting can be reduced. This helps minimise economic losses caused by the flow of illegal goods, which often harm legal businesses and the government in terms of tax revenue (Purwanto, 2020).

Surveillance supports the protection of consumer rights and legal businesses. With clear regulations and consistent oversight, the public is not harmed by low-quality or dangerous goods entering through illegal channels. Social benefits are also felt

through oversight, as it helps maintain security and social order in border areas. Border areas are often vulnerable to transnational crime, and effective oversight can reduce such criminal activities (Effendi & Junaidi, 2021).

The involvement of border communities in surveillance strengthens their role as informal monitors who are familiar with the conditions and potential vulnerabilities in their areas. This increases social participation and fosters a sense of collective responsibility for maintaining order and smooth trade (Husain & Rahim, 2022).

Reliable surveillance also contributes to the economic empowerment of local communities. With a controlled market and fair surveillance, small and medium-sized businesses can develop better, thereby increasing their income and welfare (Adnan, 2021). The eradication of illegal levies and corruption in the trade process becomes more effective with transparent and systematic surveillance. This increases public trust in the trade system and the government.

Supervision enables the government to perform its fiscal functions more optimally because tax revenues from official trade can be maximised. These funds can then be used for the development of facilities and infrastructure in border areas that support economic growth. In addition, effective supervision encourages harmonious cross-sectoral and cross-border cooperation, creating a conducive and mutually beneficial trading environment for both countries and border communities (Lim & Cheah, 2024).

A modern monitoring system that integrates information technology facilitates the monitoring and reporting process, enabling early detection of potential violations to be faster and more accurate. This ensures the smooth flow of trade and prevents significant losses. Effective supervision also helps compile data and evaluations to formulate trade policies that are more responsive and targeted to the conditions of the border region. This ensures that policies can adapt to the dynamics and real needs of the community (Hutagaluh & Aslan, 2019).

Thus, supervision acts as a preventive and corrective instrument that prevents harmful trade practices and at the same time improves the trading system to be more effective and efficient.

From a socio-cultural perspective, monitoring helps maintain harmony among cross-border communities by preventing conflicts that may arise from unfair trade practices or social inequality. Good monitoring also provides a sense of security for the community. This security is important so that the community can carry out economic and social activities comfortably without fear of crime or legal uncertainty.

In the long term, the benefits of effective oversight are reflected in the sustainable economic development of border areas, where local communities experience improved quality of life through stable market access, higher incomes, and expanding business opportunities. By integrating all these functions and benefits,

oversight is not merely a tool for control but also a key driver of socio-economic progress that provides direct and sustainable benefits for communities in border areas.

Conclusion

Supervision plays an important role in ensuring that trade agreements between countries are implemented in accordance with the agreed terms. Through effective supervision, potential violations such as illegal trade, smuggling, and other fraudulent practices can be minimised, thereby creating a healthy and sustainable trading climate. In border areas, monitoring serves not only as a fiscal and security control but also as a strategic instrument in empowering local communities and improving their well-being.

The benefits of optimal supervision for border communities are diverse, ranging from fairer market access and protection for legal businesses to improved social security. The involvement of local communities in supervision strengthens the effectiveness of policy implementation and creates a sense of collective responsibility. In addition, the integration of technology and coordination between institutions are key to the success of supervision that is adaptive and responsive to the dynamics of cross-border trade.

Therefore, strengthening the surveillance system must be a priority in the implementation of trade agreements between countries, especially those that impact border areas. Governments and stakeholders must enhance institutional capacity, empower local communities, and adopt modern technology to improve the effectiveness of surveillance. In this way, the role of surveillance is not only to protect national interests but also to promote inclusive economic and social development in border areas.

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