

## **THE EFFECTIVENESS OF SOCIALISATION OF THE IMPLEMENTATION OF BILATERAL CROSS-BORDER TRADE AGREEMENTS: A LITERATURE REVIEW ON THE IMPROVEMENT OF THE WELFARE OF BORDER COMMUNITIES**

**Gunawan Widjaja**

Senior Lecturer Faculty of Law Universitas 17 Agustus 1945 Jakarta

[widjaja\\_gunawan@yahoo.com](mailto:widjaja_gunawan@yahoo.com)

### **Abstract**

This study aims to evaluate the effectiveness of socialisation of bilateral trade agreements between countries and its impact on improving the welfare of border communities through a literature review. Effective socialisation is crucial to the understanding and active participation of the community in utilising the economic opportunities provided by these agreements. However, the implementation of socialisation often faces obstacles such as limited access to information and inadequate infrastructure. Literature review indicates that participatory socialisation approaches, adaptable to local contexts, and supported by cross-sectoral synergies can significantly enhance the implementation outcomes of bilateral trade agreements. The findings of this study provide strategic recommendations for policymakers and programme implementers to enhance socialisation capacity to promote sustainable welfare for border communities.

**Keywords:** Bilateral trade agreements, socialisation, effectiveness, community welfare, border areas, literature review.

### **Introduction**

Bilateral trade between countries is one of the important instruments in strengthening economic and social relations in the era of globalisation. Bilateral trade is a form of economic cooperation involving two countries that mutually agree to exchange goods, services, or financial assets with the aim of improving trade and investment relations between the two parties (Surugiu & Surugiu, 2021). In this type of trade, the two countries usually agree on special agreements that regulate the reduction or elimination of tariffs, import quotas, and other trade barriers so that transactions run smoothly and are mutually beneficial. Bilateral trade does not involve a third party, so negotiations and implementation are more flexible and focused on the interests of the two countries (Zhou, 2020).

Countries with direct borders have strategic opportunities to utilise bilateral trade agreements as a means of improving the welfare of people living in the border areas. In border areas, cross-border trade interactions become more intensive and have a significant impact on the local economy. However, this potential does not always run smoothly without systematic and effective socialisation regarding the implementation of trade agreements between countries (Aslan, 2019).

Border regions often face various challenges, such as limited infrastructure, restricted market access, and socio-economic conditions that are still vulnerable compared to the central regions of the country. These conditions cause border communities to tend to receive fewer benefits from bilateral trade policies (Aichele & Felbermayr, 2021). Therefore, effective socialisation by the government and relevant institutions is crucial to ensure that communities understand their rights and opportunities under the agreement. In this context, socialisation is not merely the dissemination of information, but also an effort to build awareness and community participation in policy implementation.

In addition, good socialisation can help minimise misunderstandings, resistance, and obstacles that may arise during the implementation of bilateral trade agreements. If border communities do not receive clear and timely information, the economic and social benefits of the agreement cannot be maximised. Negative impacts such as economic injustice and distrust of the government may arise as a consequence of inadequate socialisation (Beverelli et al., 2022).

Border communities typically have close social and economic ties with communities in neighbouring countries. This cross-border communication influences trade dynamics and cultural life. Therefore, bilateral trade agreements should be viewed in a broader context, not merely as economic mechanisms, but also as part of the process of inclusive border area development (Menon & Melendez, 2020).

Therefore, the effectiveness of the socialisation of the implementation of agreements needs to be studied in depth to ensure their sustainability and benefits for the local community. A clear example of bilateral trade relations and their impact can be seen in the border areas between Indonesia and Malaysia and Thailand. In these areas, bilateral trade agreements have encouraged an increase in the volume of cross-border goods flows and strengthened long-standing traditional trade networks between border communities. However, socialisation and implementation strategies in the field still face obstacles, such as differences in understanding among small and medium-sized enterprises and local communities regarding trade rules and procedures (Freund et al., 2020). Various regulations governing cross-border trade often change over time in line with national policies and market dynamics.

This requires the government and relevant agencies to conduct continuous socialisation so that border communities can always comply with the latest regulations. In practice, limited resources and coordination between government agencies hamper the smooth implementation of socialisation, resulting in many people still having difficulty accessing information and training related to bilateral trade (Prameswari, 2023).

The economic impact of bilateral trade agreements in border areas is significant, particularly in terms of increasing income and employment opportunities for local communities. With easier market access, micro, small, and medium enterprises

(MSMEs) can expand their product distribution networks and obtain raw materials at more efficient costs (Ahmed & Ghosh, 2023). However, the distribution of economic benefits is not always evenly distributed, so socialisation also needs to educate the community about their rights and obligations so that they can reap the maximum benefits.

Apart from economic aspects, the implementation of bilateral trade agreements has an impact on the social and cultural aspects of border communities. Intensive interaction between the populations of the two countries can strengthen kinship and shared identity, while fostering cross-cultural understanding.

A socialisation process that touches on socio-cultural aspects can strengthen relations between communities, while supporting peace and stability in border areas (Hoekman & Shepherd, 2021). Literature discussing the effectiveness of socialisation of bilateral trade agreement implementation shows that the success of such programmes is greatly influenced by the approach used.

Participatory and community-based approaches are considered more effective than top-down socialisation (Dadush & Wolfe, 2023). Studies have also found that the use of communication media that is appropriate to the characteristics of border communities is very important for reaching various social groups (Prange & Pritzl, 2021).

In some cases, literature studies found that effective socialisation encourages local innovation and adaptation of trade strategies that are more responsive to market conditions. Conversely, socialisation that is only formal and does not involve key actors in the field tends to fail to encourage the desired behavioural change. Therefore, evaluating the effectiveness of socialisation needs to consider various factors such as communication methods, community participation, and the local socio-economic context.

## **Research Method**

The research method used in this study is a literature review, in which the researcher collects, evaluates, and analyses various secondary sources such as scientific journals, books, official documents, government agency reports, and previous research findings relevant to the effectiveness of the implementation of bilateral trade agreements and their impact on the welfare of border communities, thereby obtaining a comprehensive understanding without conducting primary data collection in the field (Elijah & Aslan, 2025); (Rowe, 2024).

## **Results and Discussion**

### **Effectiveness of Socialisation of the Implementation of Bilateral Trade Agreements**

The effectiveness of socialising bilateral trade agreements is an important factor in ensuring that these agreements are implemented properly and have a real impact on stakeholders, especially communities in border areas (Ministry of Trade of the Republic

of Indonesia, 2020). Socialisation aims to provide a clear understanding of the content, mechanisms and opportunities of the agreement to the public, business actors and relevant institutions. One indicator of the effectiveness of socialisation can be seen from the extent to which business actors understand the rules of origin, export-import procedures, and the use of origin certificates required in the implementation of bilateral agreements. The government, through relevant agencies such as the Ministry of Trade, often issues regulations and conducts socialisation so that business actors can optimally utilise trade opportunities (Dadush & Wolfe, 2023).

The effectiveness of socialisation also depends on the suitability of the material to the needs of the audience. The material socialised must be able to provide practical explanations about the procedures and benefits of trade agreements, from economic, legal, and procedural aspects. Small and medium-sized business actors in border areas often need simple and easy-to-understand explanations. In addition, the methods used to disseminate information also determine its success (Yuliarta & Rahmat, 2020). A participatory approach involving local communities, traditional leaders, and community leaders can broaden the reach of information and strengthen acceptance of bilateral trade policies.

Socialisation should also optimise the use of various communication media, both formal, such as seminars and workshops, and informal, through social media and community discussion groups (Ing et al., 2022). Barriers to socialisation can arise due to limited resources, language differences, low digital literacy, and unequal access. Border areas that are geographically difficult to reach often pose a particular challenge. Therefore, collaboration between the central government, regional governments, and community groups is crucial in overcoming these gaps (Lavenex, 2024). The effectiveness of socialisation can be measured through various indicators, such as an increase in the volume of cross-border exports and imports, an increase in the number of businesses utilising trade facilities, and an increase in public knowledge about their rights and obligations.

Periodic evaluation of the implementation and results of socialisation is essential as a basis for improving strategies in the future. For border communities, the successful socialisation of this agreement can have a direct impact on improving their welfare. By understanding export opportunities, various local products can more easily penetrate neighbouring countries' markets, thereby boosting income growth and creating new jobs. When communities reap economic benefits, local economic stability is better maintained (Fajarini, 2020).

Effective socialisation can also reduce the potential for illegal practices, smuggling, or trade violations because the community understands the applicable rules. In addition, information transparency strengthens public trust in the government and encourages active participation in cross-border economic activities.

In practice, the effectiveness of socialisation is not only about disseminating information, but also includes monitoring and evaluating programmes, as well as the ability to adjust strategies in line with dynamics and challenges in the field. Follow-up training and mentoring programmes are essential to ensure that the community is truly capable of independently implementing the provisions of bilateral agreements (Lo Turco et al., 2023).

The successful dissemination of bilateral trade agreements can also be a key indicator for attracting foreign investors and businesses. When the trade ecosystem at the border is well managed, partner countries will be more confident in increasing trade and investment in the region (Mahardika, 2024). Synergy between the central government, regional governments, relevant agencies, and the community is key to improving the effectiveness of dissemination. Inclusive and multi-stakeholder policies can encourage local innovation, strengthen cultural identity, and maintain social integration in border areas so that they do not become vulnerable areas (World Bank, 2020). The competitiveness of local products can also be improved through the dissemination of technical assistance programmes, capacity building for business actors, and trade promotion abroad. The government can play an active role in providing access to training, licensing assistance, and promotional facilities that are integrated with the needs of the local community (Rahman, 2022). The role of non-governmental institutions—such as universities, civil society organisations, and business associations—is also significant in increasing the reach of socialisation.

Support for research, advocacy, and information from these institutions can enrich perspectives and solutions to address real issues in the field. Evaluation of the results of bilateral trade agreement implementation needs to be carried out systematically, through surveys, economic indicators, and community testimonials. The results of this evaluation serve as material for reflection and a basis for improving future socialisation strategies so that they remain relevant and effective (Tovar, 2021).

Effective socialisation also requires policy flexibility in adapting to geopolitical changes, global trade trends, and developments in information technology. The government needs to be ready to adapt and access communication innovations in order to reach all levels of society effectively and efficiently.

Ultimately, the effectiveness of the socialisation of bilateral trade agreements is an ongoing process that must be evaluated and refined regularly, with the primary objective of ensuring that all benefits of the agreements are truly felt by the public, especially in border areas. These efforts form an important foundation for achieving inclusive and sustainable people's welfare.

### **Impact of the Implementation of Bilateral Trade Agreements**

The implementation of bilateral trade agreements has multifaceted impacts that are felt not only at the national level but also by local communities, particularly those

living in border areas. One of the most visible effects is an increase in trade and investment volumes between participating countries.

By reducing or eliminating tariffs and other trade barriers, bilateral agreements provide greater ease and access to markets for businesses, thereby promoting economic opportunities for both exporters and importers (Larch & Wanner, 2022). These economic impacts are usually first seen through the creation of new jobs and the stimulation of local entrepreneurship.

As businesses grow and diversify to meet increased demand, employment opportunities increase, thereby improving living standards in affected areas, including marginalised border communities. Small and medium-sized enterprises (SMEs) in particular benefit from access to resources, new buyers and broader supply networks, thereby encouraging stronger economic participation by local actors. However, these benefits are not always evenly distributed (Zappile et al., 2021). Some sectors or groups may experience negative impacts, such as job losses in less competitive industries or increased competition that is disadvantageous for small businesses or those that are not well-prepared. These conditions may be temporary, but without adequate support and retraining, some workers risk being left behind (Li & Yan, 2021).

Culturally, bilateral trade agreements often facilitate greater social integration and cultural exchange. Increased cross-border interaction can strengthen mutual understanding, reduce prejudice, and support peaceful coexistence among neighbouring communities.

Closer cooperation can also strengthen diplomatic relations, thereby providing regional stability and more effective conflict management (Yu & Sun, 2022). The implementation of these agreements can also play a role in harmonising standards, regulations and procedures, ranging from labour standards and the environment to intellectual property rights protection.

This harmonisation creates a more predictable and fair trading environment, reduces transaction costs, and builds trust between partner countries. For border communities, the impact is complex (Zheng & Wang, 2021). On the one hand, increased cross-border trade can encourage infrastructure development such as roads, customs facilities, and shared markets.

This improvement can accelerate local development by facilitating the movement of people, goods, and services. However, if not managed properly, such development can pose risks such as cross-border crime, smuggling, or environmental damage (Graz & Hauert, 2023). The existence of effective mechanisms for information sharing and community involvement greatly influences the final outcome of an agreement's implementation. When border communities are actively involved in consultation and decision-making, initiatives are more likely to be accepted, benefits are more widely shared, and negative impacts are minimised. Case studies of successful bilateral agreements show that inclusive provisions—for example, those that take into

account the needs of indigenous peoples, women, or SMEs—can strengthen positive impacts.

For example, the Free Trade Agreement between New Zealand and the United Kingdom includes stakeholder engagement and meaningful provisions on environmental protection, digital trade, and the empowerment of previously underrepresented groups (Eckhardt & Poletti, 2022).

However, challenges remain, such as the potential for trade diversion, where bilateral trade increases but at the expense of trade with non-member third countries, as well as issues of regulatory complexity and the risk of uneven distribution of benefits. The level of impact is also greatly influenced by the quality of institutions, government transparency, and the ability to adapt to cultural differences and local contexts.

In the long term, bilateral trade agreements not only expand market access and enhance economic resilience but also promote sectoral modernisation and innovation. They facilitate structural adjustments that, with appropriate policy support, can drive progressive and sustainable development in participating countries and their border regions (AHKFTA, 2020).

Thus, the implementation of bilateral trade agreements presents significant opportunities for economic growth, social development, and regional integration. However, the success and fairness of their benefits depend on effective management, inclusive policy frameworks, and continuous evaluation to align with the needs of all stakeholders, particularly border communities.

## **Conclusion**

The effectiveness of socialising the implementation of bilateral trade agreements between countries greatly influences the optimisation of benefits that can be felt by border communities. Systematic socialisation involving various parties, from the government to local communities, can increase public understanding and participation in the provisions of the agreement, thereby enabling economic opportunities, market access, and the strengthening of social and cultural networks to be achieved more evenly.

However, this effectiveness often faces various obstacles such as limited access to information, language barriers, low digital literacy, and inadequate infrastructure in border areas. Literature review indicates that participatory and contextual socialisation approaches, as well as inclusive and sustainable policies, are key factors in overcoming obstacles and ensuring that the implementation of agreements has a positive impact on the welfare of local communities.

Therefore, it can be concluded that the success of the socialisation of bilateral trade agreements is crucial to achieving economic and social development goals in border areas. Recommendations include the need for innovation in communication

strategies, capacity building for communities, and cross-sectoral synergies to strengthen positive impacts while addressing potential challenges in implementation.

## References

- AHKFTA. (2020). *Dampak ASEAN – Hong Kong Free Trade Agreement* [Skripsi]. Universitas Hasanuddin.
- Ahmed, S., & Ghosh, S. K. (2023). Social Welfare and Trade Integration: Evidence from India-Bangladesh Borderlands. *Asian Development Review*, 40(1), 50–73. [https://doi.org/10.1162/adev\\_a\\_00209](https://doi.org/10.1162/adev_a_00209)
- Aichele, R., & Felbermayr, G. (2021). Trade agreements and international technology transfer. *Review of World Economics*, 157, 119–151. <https://doi.org/10.1007/s10290-021-00420-7>
- Aslan. (2019, January 17). *Pergeseran Nilai Di Masyarakat Perbatasan (Studi tentang Pendidikan dan Perubahan Sosial di Desa Temajuk Kalimantan Barat)* [Disertasi dipublikasikan]. <https://idr.uin-antasari.ac.id/10997/>
- Beverelli, C., Fiorini, M., & Hoekman, B. (2022). Trade agreements and international regulatory cooperation. *Review of International Political Economy*, 29(4), 1150–1176. <https://doi.org/10.1057/s41599-022-01366-8>
- Dadush, U., & Wolfe, R. (2023). Preferential Trade Agreements, Geopolitics, and the Fragmentation of World Trade. *World Trade Review*, 22(2), 291–313. <https://doi.org/10.1017/S1474745622000400>
- Eckhardt, J., & Poletti, A. (2022). Deep Trade Agreements and Global Value Chains. *International Studies Quarterly*, 66(1), sqab091. <https://doi.org/10.1093/isq/sqab091>
- Elijah, E., & Aslan, A. (2025). STAKE'S EVALUATION MODEL: METODE PENELITIAN. *Prosiding Seminar Nasional Indonesia*, 3(2), Article 2.
- Fajarini, T. (2020). Kepedulian Sosial Masyarakat Perbatasan Dalam Mempertahankan Ketahanan Ekonomi. *Sosiologi Edukasi*.
- Freund, C., Mattoo, A., Rocha, N., & Ruta, M. (2020). *The Economics of Deep Trade Agreements*. World Bank. <https://doi.org/10.1596/978-1-4648-1539-3>
- Graz, J. C., & Hauert, J. (2023). Digital Trade Provisions in Regional Trade Agreements. *World Development*, 164, 106195. <https://doi.org/10.1016/j.worlddev.2023.106195>
- Hoekman, B., & Shepherd, B. (2021). Services trade facilitation and trade agreements. *Review of International Economics*, 29(2), 255–272. <https://doi.org/10.1111/roie.12524>
- Ing, L. Y., Cadot, O., & Walz, J. (2022). Non-tariff measures and welfare in the ASEAN. *Pacific Economic Review*, 27(1), 156–170. <https://doi.org/10.1111/1468-0106.12332>
- Kementerian Perdagangan Republik Indonesia. (2020). *Renstra Ditjen PPI 2020-2024*.
- Larch, M., & Wanner, J. (2022). Estimating the effects of trade agreements: Lessons from 60 years of data. *The World Economy*, 45(4), 1197–1221. <https://doi.org/10.1111/twec.13569>
- Lavenex, S. (2024). Migration governance through trade agreements: Insights from the MITA dataset. *Review of International Organizations*, 19, 75–99. <https://doi.org/10.1007/s11558-023-09493-5>



- Li, Q., & Yan, Y. (2021). Effectiveness of Preferential Trade Agreements: Evidence from the Belt and Road. *China Economic Review*, 68, 101644. <https://doi.org/10.1016/j.chieco.2021.101644>
- Lo Turco, A., Maggioni, D., & Maffini, N. D. (2023). International Borders, Integration and Development. *Journal of Economic Integration*, 38(4), 545–570. <https://doi.org/10.11130/jei.2023.38.4.545>
- Mahardika, G. P. D. (2024). *Implementasi Trade Facilitation Agreement untuk Meningkatkan Ekspor oleh Usaha Mikro Kecil Menengah di Kawasan Nusa Tenggara Barat* [Tesis]. Universitas Islam Indonesia.
- Menon, J., & Melendez, M. (2020). The Impact of COVID-19 on Trade in the Asia-Pacific Region and Policy Responses. *Asian Economic Papers*, 19(3), 1–29. [https://doi.org/10.1162/asep\\_a\\_00783](https://doi.org/10.1162/asep_a_00783)
- Prameswari, S. R. (2023). Strategi Peningkatan People to People Contact Wilayah Perbatasan Indonesia dan Malaysia. *Jurnal Hubungan Luar Negeri*, 8(2).
- Prange, H., & Pitzl, R. (2021). Policy Coordination and Welfare Gains in Regional Trade Agreements. *Review of International Organizations*, 16, 311–335. <https://doi.org/10.1007/s11558-020-09396-9>
- Rahman, M. N. (2022). Exploring Digital Trade Provisions in Regional Trade Agreements in Asia–Pacific. *Journal of Asian Economics*, 79, 101453. <https://doi.org/10.1016/j.asieco.2022.101453>
- Rowe, F. (2024). Being systematic in literature reviews in IS. *European Journal of Information Systems*, 33(1), 1–7. <https://doi.org/10.1080/0960085X.2023.2281234>
- Surugiu, M. R., & Surugiu, C. (2021). Welfare gains from trade liberalization in the Balkan countries. *Empirica*, 48, 501–517. <https://doi.org/10.1007/s10663-019-09444-x>
- Tovar, J. (2021). Evaluating regional integration and economic growth: Evidence from Latin America. *Empirical Economics*, 61, 2715–2732. <https://doi.org/10.1007/s00181-020-01935-4>
- World Bank. (2020). *Handbook of Deep Trade Agreements*. World Bank. <https://doi.org/10.1596/978-1-4648-1539-3>
- Yu, M., & Sun, D. (2022). Effect of Bilateral and Multilateral Trade Agreements on Exports: Evidence from Chinese Firms. *China & World Economy*, 30(2), 83–100. <https://doi.org/10.1111/cwe.12418>
- Yuliarta, I. W., & Rahmat, H. K. (2020). Peningkatan Kesejahteraan Melalui Pemberdayaan Masyarakat Pesisir Sebagai Upaya Memperkuat Keamanan Maritim di Indonesia. *Jurnal Ilmu Sosial Dan Budaya*, 23(1).
- Zappile, T. M., Leroux, J., & Quirk, P. J. (2021). Empowering Border Communities: The Role of Trade Agreements in Socioeconomic Development. *Journal of Borderlands Studies*, 36(3), 465–482. <https://doi.org/10.1080/08865655.2021.1895609>
- Zheng, Y., & Wang, S. S. (2021). Do trade agreements increase cross-border investment? *The World Economy*, 44(5), 1296–1320. <https://doi.org/10.1111/twec.13077>
- Zhou, M. (2020). Trade Liberalization, Structural Transformation, and Welfare in Asian Border Regions. *Asia-Pacific Journal of Regional Science*, 4, 703–722. <https://doi.org/10.1007/s41685-020-00162-6>