

RESEARCH ARTICLE

QRIS Cross-Border: Indonesia's Soft Power Diplomacy Instrument in Payment Digitalization in Southeast Asia

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Abstract

The use of the Quick Response Code Indonesian Standard (QRIS) as a digital payment method has become widespread among the Indonesian population. This success can be attributed to the innovation and convenience offered by QRIS. Beyond Indonesia, QRIS can also be utilized as a digital payment method in Thailand, Malaysia, Singapore, Philippines, Vietnam, Laos, and Brunei Darussalam through the QRIS Cross-Border initiative. This paper explores the trajectory of QRIS Cross-Border as a digital payment system applicable in most Southeast Asian countries despite similar payment systems already in use within these nations. From the perspective of soft power diplomacy, this paper argues that Indonesia has effectively influenced the digital payment policy preferences of Southeast Asian countries by positioning QRIS Cross-Border as a tool of soft power. By leveraging the competitive advantages of QRIS Cross-Border, Indonesia has successfully attracted these nations to adopt it as their digital payment system.

Nevertheless, the implementation of QRIS Cross-Border has not yet fully reached all Southeast Asian countries.

Keywords: QRIS, QRIS Cross-Border, soft power, soft power diplomacy, Southeast Asia

I. Introduction

Since it was introduced to the public and became an effective legal digital payment method in 2020, QRIS immediately became a catalyst for increasing digital transactions in Indonesia. In 2022, there was an increase in digital transactions of 117.59%, reaching 130.01% in 2023 (Rahadi et al., 2023). In addition, QRIS has dramatically influenced the growth of MSMEs in Indonesia. In their research, Permana and Aryowiloto (2024) stated that implementing QRIS as a digital payment method successfully increased MSME transactions in Bali Province, ultimately improving the welfare of MSMEs. QRIS as a digital payment method must be recognized as positively impacting domestic economic growth. Reflecting on the success of the QRIS application domestically, the Indonesian government and Bank Indonesia planned to expand QRIS abroad so that both Indonesian tourists and people from other countries could use it. As part of internationalization, QRIS changed its name to QRIS Cross-Border to be introduced in foreign markets (Rachmad & Raharjo, 2023). Southeast Asia is the target market for QRIS Cross-Border, with Thailand as the first target country. Furthermore, QRIS Cross-Border expanded to other countries, namely Malaysia, Singapore, the Philippines, Vietnam, Laos, and Brunei Darussalam. This means that only two countries, Cambodia and Myanmar, have yet been unable to use QRIS Cross-Border.



Following the implementation of QRIS Cross-Border in the three countries, public enthusiasm, both Indonesian citizens going abroad and foreign nationals visiting Indonesia, has slowly increased. Bank Indonesia (BI) noted that the number of transactions by Indonesian tourists using QRIS Cross-Border in Thailand until early 2023 had reached 14,555, equivalent to IDR 8.54 billion (ASEAN2023.id, 2023). Meanwhile, as reported, Thai tourists who used QRIS Cross-Border in Indonesia reached 492 transactions, comparable to IDR 114 million (kumparan.com, 2023). This indicates that QRIS Cross-Border is beginning to play an essential role in the trade transactions in the Southeast Asia Region. In addition, using QRIS Cross-Border can automatically adjust to each country's currency, which can impact reducing dependence on the US Dollar. From a regional perspective, in the view of Ong et al. (2023), the use of QRIS Cross-Border possibly strengthens the region's digital economy, which is also listed in the ASEAN Digital Masterplan 2025 with a primary orientation on the digital economy and digital society (ASEAN, 2021). Fundamentally, the implementation of QRIS Cross-Border cannot be separated from Indonesia's success in reaching agreements through negotiation and diplomacy with ASEAN countries.

QRIS as a digital payment method is relatively new, which is in line with research on QRIS Cross-Border that has not been widely conducted. Several studies on QRIS Cross-Border can be seen in Rachmad and Raharjo (2023), Maharani (2023), and Aisyarani (2023). Those three studies have different focuses. QRIS Cross-Border becomes a 'game changer' because it can increase efficiency and make

cross-border payments more inclusive (Rachmad & Raharjo, 2023). Meanwhile, in her research, Maharani (2023) focuses more on international legal provisions regarding cooperation between Indonesia and Thailand in implementing QRIS Cross-Border in Thailand. Finally, Aisyarani (2023) discusses consumer protection in transactions using QRIS Cross-Border in her study. Meanwhile, if the scope of the literature is expanded only to discuss QRIS or even QR code-based payment methods, several studies can be used as references for this research. For example, Yulius et al. (2023) researched the QR code-based payment ecosystem in ASEAN, Rafferty et al. (2022) researched how QRIS becomes a non-cash payment solution from the seller's perspective, and Gotami and Umanto (2023) researched QRIS as a public sector innovation offered by BI.

Based on various previous studies on QRIS and QRIS Cross-Border, this study attempts to provide additional contributions by offering an analysis from a diplomatic perspective so that QRIS Cross-Border is accepted and applied in most Southeast Asian countries. By using the concept of soft power diplomacy, this study places QRIS Cross-Border in a unique position, not only as a goal but also as a primary instrument. As a goal, QRIS Cross-Border is the endpoint that Indonesia wants to achieve in the sense that QRIS applies across national borders. Meanwhile, as the primary instrument, QRIS Cross-Border is a tool in Indonesia's soft power diplomacy activities. Thus, the main argument in this study is regarding the optimization of QRIS Cross-Border as a soft power that has excellent leverage over Indonesia's bargaining position regarding payment digitalization so that it can



be accepted in most Southeast Asian countries for implementation.

II. Soft Power Diplomacy

Goldsmith et al. (2021) stated that soft power diplomacy refers to diplomatic activities or activities carried out using soft power as the main instrument. Therefore, to understand soft power diplomacy holistically, it is necessary first to understand what soft power means.

Joseph Nye introduced the concept of soft power at the end of the Cold War. In his writing, Nye (2008) stated that the end of the feud between the United States and the Soviet Union also resulted in a shift in the pattern of the use of state power in achieving its national interests. Countries, including great powers, no longer saw the elements of hard power, including military power and other coercive devices, as efficient instruments for achieving international superiority. Instead, countries emphasized soft power, including economic, cultural, educational, technological, and socio-economic capabilities to attain their international goals. The trend of using state power in the global realm tends to be less transferable, less coercive, and less tangible. In soft power, countries are assumed to increasingly set aside military power and switch to using elements of culture, economy, and ideology in influencing other countries. Nisbett (2016) added that substantially soft power is a form of renewal, refreshment, and replication of previously existing power structures.

In simple terms, soft power is a resource owned by a country and can attract interest from other countries without involving coercive elements (Saaida, 2023). To attract interest from different countries, Nye (2016) argues that a country will try to create advantages in certain areas so that it can freely dictate the behaviors and policies of other countries. This is because soft power is more than just an act of persuasion and influence; it is also a source and part of efforts to influence other parties.

Solomon (2014) said that a country can be prosperous in projecting soft power if it can make other countries want or do what it wants. By projecting soft power, the country can control the policies of different countries. There are four crucial soft power resources: culture, values, policies, and personality (Ohnesorge, 2020). The more a country can cultivate its attractiveness, the more it can attract interest and have a position that can ultimately influence the preferences of other countries. In addition to attractiveness, affection is a key variable in soft power. By utilizing intangible elements of power, a country seeks to establish an emotional bond with another country's public. Forming this kind of emotional attachment becomes the foundation for a country to expand its political influence significantly in the international realm (Solomon, 2014).

The use of soft power by countries as a diplomatic and foreign policy strategy is commonplace. At some point, even soft power is seen as a manipulative tool, as the nature of soft power itself is abstract (Fedorova & Khlyzova, 2022). Burnay et al. (2014) stated that in its implementation, soft power



diplomacy involves at least five main components, including: (1) strengthening the soft power of diplomatic actors; (2) exchange based on mutual agreement; (3) exchange of meaning, learning, and self-reflection; (4) accommodating the involvement of non-state actors; and (5) considering the low politics aspect.

Jayanti (2019) stated that soft power diplomacy is a subtle way to build a good image. This is consistent with the argument that soft power diplomacy occurs when a country appears attractive in the global political space by consistently making positive contributions. However, the concept of soft power diplomacy has been interpreted further, namely, not only to achieve national interests but also to help other countries deal with trouble due to economic or political problems both domestically and abroad (Srivastava, 2013).

III. QRIS Cross-Border as Indonesia's Soft Power

Based on the theoretical description in the previous section, this section presents the realization of QRIS Cross-Border as an Indonesian soft power. Referring to several references regarding soft power above, QRIS Cross-Border can be categorized as soft power using the following description.

First, QRIS Cross-Border as a digital payment system is not new because digital payment systems in other forms have existed. For example, online credit or debit cards, digital wallets, VISA and Mastercard are global payment networks, mobile banking, internet

banking, virtual accounts, point-of-sale terminals, and ATMs. Especially in the Southeast Asia region, Indonesia's bargaining position is quite strategic. Thus, Indonesia's presence with QRIS Cross-Border is a renewal, refreshment, and replication of Indonesia's soft power in the Southeast Asia region. QRIS Cross-Border might further strengthen Indonesia's bargaining position against other countries.

Secondly, although the digital payment system is not entirely new, QRIS is still considered a banking, finance, and transaction innovation breakthrough. It offers a convenient transaction that has never happened before, including real-time transaction speed, availability and integration, security, minimal transaction costs, flexibility, and extra integration. It makes sense that the expansion of QRIS implementation to various Southeast Asian countries is well received. QRIS Cross-Border can be Indonesia's innovative financial tool, attracting interest from Thailand, Malaysia, Singapore, and other Southeast Asian countries. This positions QRIS Cross-Border as a soft power.

Thirdly, QRIS Cross-Border as a soft power can also be observed from its various advantages. Compared to other digital payment systems owned by other countries, such as Thailand's Thai QR, Malaysia's DuitNow QR, and Singapore's SGQR, QRIS Cross-Border has a competitive advantage regarding the features offered. Bank Indonesia, which carries the theme 'SUPERIOR' to market QRIS, prioritizes the following values: (1) Universal, can be used by all levels of society, both local and international, with a variety of transaction amounts; (2) Easy, transactions can be carried



out very quickly and safely without going through intermediaries, thus minimizing transaction costs; (3) Profitable, offers efficiency through its use which can reach various payment channels with just one QR code; and (4) Direct, transactions take place quickly and their status can be confirmed immediately. The impact, which also emphasizes the status of QRIS Cross-Border as a soft power, is that other Southeast Asian countries are interested and keen to be able to implement QRIS Cross-Border in their countries.

Fourth, the increasing number of QRIS users illustrates Indonesia's capability to promote the application of QRIS both domestically and internationally. According to the Indonesian Information Portal, in the first semester of 2024, the nominal QRIS transactions grew by 226.54% annually, with the number of users reaching 50.5 million and the number of merchants reaching 32.71 million. Meanwhile, Thailand, which is the first market for QRIS Cross-Border, recorded inbound transactions (use of QRIS Cross-Border by Thai tourists in Indonesia) increasing by 13% monthly and 9% in outbound transactions (use of QRIS Cross-Border by Indonesian tourists in Thailand) (Indonesia.go.id, 2024). The impact is that QRIS Cross-Border has succeeded in attracting interest and influencing the preferences of other countries such as Malaysia, Singapore, the Philippines, Vietnam, Laos, and Brunei Darussalam to implement QRIS Cross-Border.

Finally, as a soft power, QRIS Cross-Border, with various convenience features offered, makes its users abroad, both Indonesian citizens and citizens of other

countries, feel comfortable so that an emotional bond or affection is formed. This affection is a crucial aspect that influences the volume of QRIS Cross-Border usage in various countries and strengthens its position as Indonesia's soft power in the context of economy, business, trade, and finance.

a. Competitive value of QRIS Cross-Border

As an innovation welcomed positively by many parties, QRIS is a technological breakthrough in the form of a QR code that facilitates easy economic transactions between sellers of goods and services and their consumers. In addition, unlike other technological products, QRIS is the result of technological innovation developed directly on the initiative of Bank Indonesia (BI) as the central financial institution in Indonesia, together with the Indonesian Payment System Association (ASPI) (QRIS, 2024). The initial idea for developing QRIS emerged often with the boom in digital transactions in Indonesia entering the mid-2010s. The many digital payment platforms that offered transaction models using their respective QR codes at that time complicated the transaction process. Consumers had to download many applications to make transactions, precisely according to the digital payment platform owned by the seller. The complexity of the situation then urged the government and the central bank to develop QRIS technology that was able to integrate payment systems so that sellers and buyers ultimately no longer needed to download many digital payment platforms to be able to make buying and selling transactions. Integrating the payment system through QRIS is expected to produce a more efficient transaction model that automatically



triggers national economic and business growth.

Since 2020, the Indonesian government has required all payment service providers, both banks and non-banks, to provide the QRIS payment feature with the lowest transaction amount of 1-1000 rupiah (QRIS, 2024). Bank Indonesia claims that QRIS technology is superior to other QR code-based digital transaction platforms. The four superior aspects include: (1) QRIS can accept payments from all existing bank and non-bank payment applications; (2) Integration of the payment system on QRIS simplifies the transaction process; (3) Ease of transactions through QRIS will increase profits for business actors; (4) QRIS payments are processed immediately so that sellers and buyers do not have to wait. The presence of QRIS, with all the easy transactions offered, clearly provides instant benefits from both the seller's and buyer's perspectives. From the buyer's perspective, purchasing can now be done quickly, safely, and conveniently. Meanwhile, from the seller or business actor's perspective, QRIS can potentially increase sales revenue while helping to manage revenue.

The invention of QRIS has significantly revolutionized digital transactions while also triggering the growth of national economic and business activities. In recent years, the Indonesian government has been aggressively trying to expand the integration of digital payment systems by promoting QRIS, especially in Southeast Asian countries. Implementing QRIS in the regional scope will not only aim to make it easier for Indonesian people to make purchase transactions in other ASEAN countries. However, this is expected to

bring more significant benefits by increasing cross-border economic and business activity growth between Indonesia and other Southeast Asian countries. In addition, the implementation of QRIS also aims to promote the use of local currencies of ASEAN countries, where the QRIS system will directly convert currency rates in the cross-border transaction process.

Indonesia's vision of integrating digital payments in the ASEAN region through QRIS Cross-Border is strengthened by the cooperation of Indonesia, Malaysia, Singapore, Thailand, and the Philippines regarding cross-border payments based on QR codes and e-wallets in early 2023. The agreement was then followed by cooperation between Bank Indonesia and the central bank authorities of Malaysia, Singapore, the Philippines, and Thailand in realizing more efficient, transparent, and inclusive cross-border payments. This series of collaborations is the foundation for implementing and integrating QRIS Cross-Border into the QR code-based digital payment system in ASEAN countries (ASEAN, 2023). From 2022 until now, the QRIS payment system can be used in Thailand, Singapore, and Malaysia. Indonesian people who shop in these three countries can make payments by direct conversion via QRIS on their respective payment applications. Likewise, citizens of Singapore, Malaysia, and Thailand can make direct transactions in Indonesia by scanning the QRIS code using various digital payment applications.



IV. QRIS Cross-Border in the context of digitalization of payment in Southeast Asia

a. The implementation of QRIS Cross-Border in Thailand

The expansion of QRIS implementation in ASEAN was first carried out in Thailand. The Indonesian government views the increase in the number of Indonesians visiting Thailand as tourists and workers in recent years to be facilitated with an easy and efficient digital transaction mode. Likewise, from the Thai government's perspective, an integrated digital transaction mode is expected to optimize economic income from many Indonesians visiting Thailand. Based on mutual benefit, the two countries, through Bank Indonesia and Bank of Thailand, agreed to establish cooperation on integrating payment systems using QR Codes by the end of 2021. This cooperation was also built by involving ASPI, Bank Appointed Cross currency dealers, switching institutions and payment service providers in both countries. The two parties then carried out standardization between QRIS as the Indonesian payment QR Code and Thai QR Payment (Yogatama, 2021). With the integration of the payment system, sellers and buyers from both countries can conduct digital transactions using the QR system without conventionally converting currencies. The implementation of the QR Code system integration began with a trial phase from the end of 2021 to the beginning of 2022 before being fully implemented in August 2022.

The integration of the QRIS-based digital payment system with Thai QR Payment

is claimed to bring significant benefits to the growth of economic and business activities between Indonesia and Thailand. The integrated QR code will facilitate the buying and selling process between the two countries. Indonesian people visiting Thailand no longer need to exchange conventional money. Purchase transactions can be made simply by opening QRIS on each of the online banking and e-wallet applications they have and then scanning the available Thai QR codes. The application then automatically converts the price in rupiah to Bhat according to the applicable exchange rate in real time, and the transaction is successful. This also applies vice versa, where Thai people who come to Indonesia can make transactions simply by scanning the QRIS code provided by the seller (Bank Indonesia, 2024). From the seller's point of view, the integrated digital payment system through QRIS will increase product marketing, which also has the potential to generate greater profits. Implementing cross-border QRIS will also make it easier for business actors in Indonesia and Thailand to manage income and financial bookkeeping and minimize fraudulent cross-border transactions (QRIS, 2024).

Since the trial period until the end of 2022, Bank Indonesia data recorded that the number of Indonesian transactions in Thailand using QRIS had reached a quantity of 14.55 thousand times with a total transaction value of around 8.5 billion Rupiah. Most transactions were carried out using online banking applications provided by Bank BCA, Bank CIMB, Bank Mega, Bank Sinarmas, Permatatabank, and Dana. Meanwhile, it was recorded that the number of Thai people who transacted in Indonesia using QRIS simultaneously was only



six thousand, with a transaction quantity of 492 times and a total transaction value of around 114 million Rupiah. The minimal transactions of Thai people in Indonesia using QR codes can be caused by two factors: the number of Thai people visiting Indonesia is still limited. Second, it is possible that Thai people visiting Indonesia still do not know much information about QRIS and the integration of QR Code payments between the two countries (Katadata, 2023). However, through the government's intensive promotion, Indonesia and Bank Indonesia are optimistic that QRIS will be increasingly known and used in Thailand and other partner countries in the ASEAN region. This optimism is validated by the increasing trend of transactions using QRIS across borders between Thailand and Indonesia by 1% per month until 2024. This data applies to Indonesian tourists who transact in Thailand and Thai tourists who purchase in Indonesia (Hutauruk, 2022).

Based on the potential benefits of QR Code-based digital transactions between Indonesia and Thailand, the Indonesian government is committed to increasing the use of QRIS across borders. Strategic steps are needed to foster an understanding of the value, benefits, and advantages of cross-border QRIS transactions among the Indonesian and Thai public. According to the official website of Bank Indonesia (2024), the government can pursue at least five main strategies, including promotion, collaboration, inclusion, evaluation, and synergy. Promotion refers to efforts made by the government and Indonesia by disseminating information about cross-border QRIS to the broader public using social media and influencers in Indonesia, Thailand, and other ASEAN countries. In this

case, the collaboration aspect concerns strengthening cooperation in the economic and financial sectors involving government, banking, and business actors in Indonesia and Thailand, explicitly aiming to expand the implementation of QR Code-based digital transactions between the two countries. Third, the principle of inclusivity prioritizes openness to the involvement of all public components from both countries so that the government and central bank, as the main parties responsible, can continue to improve the quality and quantity of cross-border QRIS use. The ambition to increase the implementation of QRIS also requires awareness and evaluation of the shortcomings and weaknesses that must receive attention and improvement. Furthermore, the last principle is synergy, which refers to creating harmony between the desires and aspirations of the Indonesian and Thai public, with the government and financial service provider authorities as the parties responsible for developing the cross-border QRIS system.

b. QRIS Cross-Border implementation in Malaysia

After being successfully implemented in Thailand, the expansion of QRIS payment interconnection continued in Malaysia. The initiative to integrate the payment system was realized in early 2022 when Bank Indonesia succeeded in expanding cooperation in implementing QRIS across borders with Bank Negara Malaysia (BMN). The realization of this payment system interconnection also involved stakeholders consisting of business actors, payment associations, and banking elements from both parties (QRIS, 2024). Through this agreement, the two countries integrated the



QR Code-based payment system between QRIS, which applies in Indonesia, and DuitNow, the QR payment standard that applies nationally in Malaysia. So Indonesian people who make purchases in Malaysia can easily make payments by directly scanning the DuitNow QR Code provided by the sellers. The realization of integrating payment systems between the two countries through QRIS is expected to maximize economic and business activities further, considering that people no longer need to convert Rupiah and Ringgit currencies conventionally before making purchase and sale transactions.

The integration of QRIS into the Malaysian QR Code payment system was carried out in two stages. The trial phase was carried out from early 2022 to early 2023, during which many Indonesians used QRIS across borders to make transactions in Malaysia and vice versa (Jaringan Prima, 2023). Following the great enthusiasm in the trial phase, Bank Indonesia and Bank Negara Malaysia inaugurated the interconnection of QRIS payments with the Malaysian QR Code in May 2023. At this stage, the digital payment system has been fully integrated with the involvement of more financial and banking institutions, both from Indonesia and Malaysia. It is noted that the financial institutions that participated in this project included all state-owned banks from Indonesia and Malaysia. To realize QR-based digital payment integration between the two states, some large private banks are also involved, such as Bank Mega, Permatatabank, Bank Mega, Hong Kong Leong Bank, CIMB Bank Berhad, and many other private financial institutions from both sides. Along with high enthusiasm from the public and private sectors, BI and

BNM are optimistic that integrating QR-based payments will increase transaction volume and promote significant economic growth for Indonesia and Malaysia (Bank Indonesia Communication Department, 2023).

Since its implementation during the trial period and after the inauguration, Bank Indonesia claims that Indonesia-Malaysia transactions using QRIS have continued to increase. In January 2024, Bank Indonesia revealed that there had been an increase in Indonesia-Malaysia transactions using QRIS of up to 10% compared to the previous year. More detail, it was stated that the inbound volume of transactions made by Malaysians in Indonesia using QRIS was around 73.3 thousand transactions with a nominal value of 20 billion Rupiah. The large outbound volume, or transactions by Indonesians using QRIS in Malaysia, also increased by 11.5 thousand times with a transaction value of 3 billion Rupiah (Kahfi, 2024). This number is still minimal, considering the large number of Indonesians who travel and work in Malaysia. This encouraged the government and Bank Indonesia to aggressively promote information on the ease of QRIS transactions among Indonesians in Malaysia. As a result, entering mid-2024, there was an increasing trend in cross-border QRIS usage between Indonesia and Malaysia, reaching 18% per month until September 2024. Referring to the significance of the intensity of population movement between the two countries, the volume of QRIS transactions can be maximized again. Therefore, the governments of Indonesia and Malaysia are trying to increase public understanding of each other about the great value of the benefits of transacting using QRIS. In addition, what is no less critical is



encouraging business actors in Indonesia and Malaysia to provide digital transaction options with QRIS for their customers (Tradingview, 2024).

c. Expansion of QRIS-Cross Border to Singapore

Soon after Thailand and Malaysia, the implementation of QRIS Cross-Border expanded to Singapore through cooperation between BI and the Monetary Authority of Singapore (MAS). Both parties agreed that implementing QRIS Cross-Border in Singapore is part of a larger cooperation framework for promoting digital economic integration, financial ecosystems, and economic connectivity between the two countries. The position of QRIS Cross-Border was initially intended to facilitate micro and small-scale retail transactions between the two countries. This is inseparable from the increasing tourist data from both countries after the pandemic. In the first half of 2023, no less than 600,000 Singaporean tourists visited Indonesia, and vice versa, 1.1 million Indonesian tourists visited Singapore (mas.gov.sg, 2023).

Along with its development, as reported by The Paypers (2023), QRIS Cross-Border applicable in Singapore, which is based on the Letter of Intent (LoI), leads to a larger and broader goal, namely building a local currency settlement framework, facilitating the settlement of cross-border transactions, accommodating trade and investment activities between the two countries using their respective local currencies so that there is no need to convert currencies first which can reduce the risks and costs related to exchange rates. On a larger scale, QRIS Cross-Border between the two countries aligns with ASEAN

financial integration efforts to facilitate broader use of local currencies in transactions within the ASEAN region through faster, cheaper, transparent, inclusive, convenient, and efficient cross-border payments for users. Ultimately, the expansion of QRIS Cross-Border to Singapore also serves as a foundation for collaboration between industries in both countries under the command of BI and MAS, which also involves close partnerships with related parties in both countries, including the Indonesian Payment System Association (ASPI), RAJA (Rintis, Artajasa, Jalin, and Alto), Network for Electronic Transfers (Singapore) Pte: Ltd (NETS), and various participating financial institutions.

d. Integration of QRIS Cross-Border in other Southeast Asian countries' QR-based digital payment system

After successfully integrating QR code-based digital payment systems in Thailand, Malaysia, and Singapore, the Indonesian government has grand ambitions to expand the implementation of QRIS in the Philippines, Vietnam, and other Southeast Asian countries. The main goal is to realize the integration of digital payment systems at the ASEAN regional level. Like other countries, the exploration of digital payment system interconnection cooperation with the Philippines began in 2022. The Central Bank of Indonesia held a special meeting regarding integrating QR code payments with the leaders of five Central Banks in ASEAN, one of which is Bangko Sentral Pilipinas (BSP). Then, at a meeting in July 2023, BSP and five other ASEAN central banks agreed on Bank Indonesia's vision to integrate digital payments using QRIS technology. However, when the implementation of QRIS in Thailand



and Malaysia was fully underway, and the implementation in Singapore entered the trial phase, QRIS still could not be implemented in the Philippines by the end of 2023. Bank Indonesia stated that the realization of integrating QRIS digital payments in the Philippines was still waiting for the readiness of banking and financial institutions in the Philippines (Kinanti, 2023). Various sources have stated that QRIS payments can be made in the Philippines in early 2024. There is still no adequate data on Indonesians' use of QRIS in the Philippines and vice versa. One thing is clear: the digital transaction revolution offered by QRIS will undoubtedly simplify and optimize cross-border buying and selling transactions between Indonesia and the Philippines.

Apart from the five initiating countries, Vietnam is the only ASEAN country that signed a memorandum of understanding on regional payment interconnection in August 2023. Through this agreement, the State Bank of Vietnam (SBV) is willing to integrate the QR code-based digital payment system applicable in its country with QRIS and the QR code payment platform applicable in the other five ASEAN countries (Elena 2023). With an integrated digital payment system, people from Indonesia and ASEAN countries who visit Vietnam no longer need to exchange conventional money to make purchase transactions. Purchases can be created simply by opening their respective online banking and digital wallet applications and then scanning the QR code provided. The application will automatically convert the local currency of each country to the local currency of Vietnam, and transactions can be made immediately. This also applies to Vietnamese visiting and making transactions in Indonesia and the other

four ASEAN countries. Although it is still not widespread, BI and SBV are confident that future payment integration through QRIS will increase regional economic growth and create fast, efficient, and safe transaction methods (Praditya, 2023).

Laos and Brunei Darussalam are the latest countries to express interest in adopting QRIS Cross-Border as a digital payment system. BI and Brunei Darussalam Central Bank (BDCB) and BI and Bank of Laos have agreed to implement QRIS Cross-Border in their respective countries. The interest of both countries is inseparable from the desire to participate in the Regional Payment Connectivity (RPC) or regional payment connectivity initiated by Indonesia through QRIS Cross-Border (Hasran and Karima). By implementing QRIS Cross-Border, Laos and Brunei Darussalam's transaction activities will be easier with Indonesia, Thailand, Malaysia, Singapore, the Philippines, and Vietnam. The statement of Hajah Rokiah, President Director of BDCB, stated that the implementation of QRIS Cross-Border with Indonesia not only strengthens collaboration between the Central Banks of the two countries but also greatly helps in facilitating trade, investment, and business cooperation activities of Brunei Darussalam in the Southeast Asia region. For Laos itself, which is the host of the meeting of the ASEAN Central Bank Governors and Finance Ministers on April 3, 2024, through the Governor of the Bank of Laos, Bounleua Xinxayvoravong stated that Laos' involvement in QRIS Cross-Border will help accelerate Laos' economic growth because of the advantages offered by QRIS Cross-Border, namely faster and cheaper payments, thus creating efficiency for cross-border transactions.



V. Conclusion

The transformation of QRIS into QRIS Cross-Border to penetrate the international market has been successfully carried out. The main argument in this study states that Indonesia has succeeded in optimizing QRIS Cross-Border as an instrument of soft power diplomacy in the context of digitalization of payments in Southeast Asia. The proof can be seen from QRIS Cross-Border, which has reached seven Southeast Asian countries, including Thailand, Malaysia, Singapore, the Philippines, Vietnam, Laos, and Brunei Darussalam. This is inseparable from the attractive features presented by QRIS Cross-Border so that it attracts the interest of these countries. Furthermore, the bilateral agreements established between Indonesia and each country in implementing QRIS Cross-Border as a digital payment system culminate in the regional payment connectivity agenda in the Southeast Asian region. Indonesia has succeeded in directing the preferences of digital payment policies of seven Southeast Asian countries to use QRIS Cross-Border not only as a digital payment system but more broadly than that, including supporting trade and investment activities and collaboration between industries. Ultimately, QRIS Cross-Border, as a goal, provides a domino effect from one country to another and, as an instrument of soft power diplomacy, provides a spillover effect on the growth of the region itself. However, there are still challenges faced, namely that QRIS Cross-Border has not been implemented in Myanmar and Cambodia. Apart from that, QRIS Cross-Border has also begun to reach areas such as East Asia and the Middle East. It is interesting to study this further from various perspectives.

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