



Dynamics of Border Community Business: A Case Study of Bengkayang Regency, West Kalimantan

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ABSTRACT

This research is motivated by the complexity of business dynamics among communities in the border region of Bengkayang Regency. Border regions have unique characteristics, leading to various factors influencing business dynamics in these areas. This research aims to understand the business dynamics of communities in the border region of Bengkayang Regency and formulate strategies for their development. This study employed a qualitative approach using a case study method. Data was collected through in-depth interviews, participant observation, and documentation. The data analysis technique used was narrative analysis to deeply understand the experiences of business actors. The results showed that the business dynamics of communities in the border region of Bengkayang Regency are influenced by various factors, such as government policies, ethnicity, border security, infrastructure, skills and knowledge, and government roles. Based on the research findings, several strategies for business development in the border region of Bengkayang Regency were formulated, including infrastructure improvement, provision of training and business mentoring, facilitation of partnerships with large-scale businesses, enhancement of border security, and strengthening cross-border cooperation.

INTRODUCTION

The border is an area that has unique and complex characteristics. On the one hand, the border area is a strategic area that has great economic and social potential. On the other hand, the border area is also often faced with various challenges, such as illegal trade, smuggling of goods, and vulnerable security.

Communities living in border areas have different ways of life and cultures from those in other areas. They often have close ties with people in neighbouring countries and are involved in various cross-border economic and social activities. Bengkayang Regency is one of the regencies in West Kalimantan located in the border region with Malaysia. This regency has great economic potential, especially in the trade, plantation, and tourism sectors.

However, Bengkayang Regency is also faced with various challenges, such as illegal trade, smuggling of goods, and vulnerable security. This causes the business dynamics in Bengkayang Regency to be complex and interesting to study.

The concept of community business dynamics has been discussed by several experts. Community business dynamics are changes and developments that occur in community business activities (Setyadiharja, 2016). These changes and developments are influenced by various internal and external factors (Syahid, 2019). Internal factors include human resources, capital, and technology. External factors include government policies, socio-cultural conditions, and the global economic environment (Ghafur, 2016).

Research on the dynamics of community business in marginal areas. Found that people in marginal areas have limited access to resources and capital. However, they have high creativity and innovation to survive and develop their businesses (R. Pugu Melyana et al., 2019). Several studies have identified factors that influence the business dynamics of communities in border areas, State policy, (Saleh, 1969) in his research on Sebatik Island, North Kalimantan, emphasized that state policies, such as trade and customs regulations, can influence the business dynamics of border communities (Elyta, 2021). Ethnicity and dual citizenship in his research on the Indonesia-Malaysia border, found that border communities often utilize their ethnicity and dual citizenship to carry out cross-border economic activities (Purnamasari et al., 2016).

Vulnerable border security can hamper the business activities of people in border areas (Muslim, 2022). The importance of infrastructure development, such as roads and bridges, to facilitate access and distribution of goods in border areas (Wangke, 2013). Providing training and business assistance to border communities to improve their business skills and knowledge (Maisondra, 2023). Facilitating partnerships with large-scale business actors can help small and medium enterprises (SMEs) in border areas to develop (Yusliana et al., 2023).

Based on the background above, several problem formulations are formulated as follows: (1) How are the business dynamics of the community in the border areas of Bengkayang Regency? (2) What are the factors that influence the dynamics of community business in the border areas of Bengkayang Regency? (3) What is the right strategy to develop a business in the border area of Bengkayang Regency? The purpose of this study is to describe the dynamics of community business in the border area of Bengkayang Regency, analyze the factors that influence the dynamics of community business in the border area of Bengkayang Regency, and formulate appropriate strategies to develop business in the border area of Bengkayang Regency.

METHOD

This study uses a qualitative approach with a case study method. The qualitative approach was chosen because this study aims to understand the dynamics of community business in the border area of Bengkayang Regency in depth. The location of this research is in Bengkayang Regency, West Kalimantan. Bengkayang Regency was chosen because it is one of the regencies in West Kalimantan located in the border area with Malaysia. The informants of this study were people living in the border areas of Bengkayang Regency who had businesses or were involved in economic activities. Informants were selected using purposive sampling techniques. A purposive sample of ten individuals was selected from the border community of Bengkayang Regency. The sample included business owners, members of the general public, and key stakeholders in the border region, all of whom have direct involvement in the local economy. The data collection techniques used in this study are: In-depth interviews with informants, Participant observation, and Documentation. A narrative analysis approach was employed to explore in depth the dynamics of business activities as experienced by individuals in the border community.

RESULTS AND DISCUSSION

Results

Based on the research results, it was found that the business dynamics of the community in the border area of Bengkayang Regency are very complex and influenced by various factors.

Following are some of the research findings:

- 1) **Type of Business:** The majority of people in the border areas of Bengkayang Regency have small and medium enterprises (SMEs) such as trade, agriculture and animal husbandry.
- 2) **Market Access:** Communities in the border areas of Bengkayang Regency have limited market access. This is due to inadequate infrastructure and the long distance to the main market.
- 3) **Business Competition:** Business competition in the border areas of Bengkayang Regency is quite tight, especially with products from neighbouring countries.
- 4) **Skills and Knowledge:** Communities in the border areas of Bengkayang Regency have limited skills and knowledge in doing business.
- 5) **Role of Government:** The role of government in assisting the development of community businesses in the border areas of Bengkayang Regency is still not optimal.

Based on the research results, it was found that several factors that influence the dynamics of community business in the border areas of Bengkayang Regency include:

- 1) **Government Policy:** Government policies, such as trade and customs regulations, can affect the business dynamics of border communities.
- 2) **Ethnicity and dual citizenship:** Border communities often exploit their ethnicity and dual citizenship to carry out cross-border economic activities.
- 3) **Border security:** Poor border security can hamper the business activities of people in border areas.
- 4) **Infrastructure:** Inadequate infrastructure, such as roads and bridges, can hamper market access and distribution of goods in border areas.
- 5) **Skills and Knowledge:** Limited business skills and knowledge can hinder the development of community businesses in border areas.
- 6) **Role of Government:** The role of government is still not optimal in helping to develop community businesses in border areas.

Some business development strategies in the border areas of Bengkayang Regency include:

- 1) **Infrastructure Improvement:** Infrastructure development, such as roads and bridges, can facilitate market access and distribution of goods in border areas.
- 2) **Providing Business Training and Mentoring:** Providing business training and mentoring to border communities can improve their business skills and knowledge.
- 3) **Facilitating Partnerships with Large-Scale Business Actors:** Partnerships with large-scale business actors can help small and medium enterprises (SMEs) in border areas to grow.
- 4) **Improving Border Security:** Improving border security can create conducive conditions for the economic activities of communities in border areas.
- 5) **Strengthening Cross-Border Cooperation:** Strengthening cross-border cooperation with neighbouring countries can open up wider market opportunities for local products.

Discussion

The results of this study reveal that the business dynamics of communities in the border region of Bengkayang Regency are highly complex and influenced by various factors, both internal and external. These findings align with previous studies, such as Saleh's (2016) research on the dynamics of border communities in Pulau Sebatik.

Inhibiting Factors:

- **Limited market access:** This finding is consistent with Purnamasari et al.'s (2016) study on the development of border region economies, which highlighted inadequate infrastructure as a major constraint in reaching wider markets.

- Intense competition: Competition with products from neighbouring countries is a common challenge faced by businesses in border regions, as illustrated by Wangke's (2017) research on cross-border trade.
- Limited skills and knowledge: This aligns with Maryam and Sumar'in's (2021) findings, which emphasized the importance of strengthening cooperative institutions to enhance the business capacity of border communities.

Supporting Factors:

- The potential of cross-border markets: The potential of cross-border markets is a significant opportunity for businesses in border regions, as highlighted by Syahid's (2019) study on cross-border trade between Indonesia and Timor-Leste.
- Community involvement in economic activities: Border communities have high levels of involvement in economic activities, as evidenced by Ghafur's (2016) research on social resilience in Pulau Sebatik.

The government plays a crucial role in developing businesses in border regions. Elyta's (2021) research underscores the importance of government development policies in supporting border region development. However, this study shows that the government's role in assisting business development in Bengkayang Regency's border region is still suboptimal. This is consistent with Muslim's (2022) findings on the potential and challenges faced by the Entikong traditional market.

The development strategies proposed in this study, such as infrastructure improvement, business training, and cross-border cooperation, align with recommendations from previous studies. Beni et al.'s (2023) research highlights the importance of access to capital for business development, while Alunaza's (2024) study emphasizes the importance of international trade education for border communities.

The findings of this study have significant policy implications. The government needs to pay greater attention to the development of border regions by focusing on infrastructure improvement, capacity building for businesses, and facilitating cross-border cooperation. Furthermore, there is a need for further research on the impact of government policies on the business dynamics of border communities.

Overall, this study makes a significant contribution to understanding the business dynamics of communities in the Bengkayang Regency border region. The findings can serve as a basis for developing more effective policies to improve the welfare of border communities.

CONCLUSIONS

Conclusion

This study underscores the pivotal role of government intervention in fostering a conducive business environment within border regions. By implementing strategies such as infrastructure development, business capacity building, and cross-border cooperation, governments can empower border communities to enhance their economic prospects. However, the study's findings are limited by its sample size, necessitating further research with a larger sample to generalize the results. Future studies could explore additional factors influencing business dynamics in border regions and evaluate the long-term impact of the proposed strategies.

Suggestion

Based on the results of the research and discussion, the following are some suggestions for business development in the border areas of Bengkayang Regency:

a) To the Government:

- 1) Improving infrastructure in border areas, such as roads, bridges, and telecommunications networks.

- 2) Providing training and business assistance to border communities to improve their business skills and knowledge.
 - 3) Strengthening cross-border cooperation with neighbouring countries to open wider market opportunities for local products.
 - 4) Encourage investment in border areas by providing incentives to investors.
 - 5) Simplifying business regulations and licensing in border areas.
- b) To the Border Community:
- 1) Improve business skills and knowledge by participating in training and business mentoring provided by the government.
 - 2) Taking advantage of market opportunities available in border areas, both domestic and international markets.
 - 3) Building cooperation with other business actors in border areas to increase competitiveness.
 - 4) Adopting new technologies to improve business efficiency and productivity.
- c) To Large Scale Business Actors:
- 1) Building partnerships with small and medium enterprises (SMEs) in border areas to help them grow.
 - 2) Providing market access and capital to SMEs in border areas.
 - 3) Transferring technology and knowledge to SMEs in border areas.

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