

## Research Article

# Internal and External Factors Affecting the Development of BUMdes Cadaskertajaya, Telagasari District, Karawang Regency, Indonesia

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**Abstract.**


Village-owned businesses (BUMDes) play an essential role in the economic development of the village. The main objective of these businesses is to improve the village economy, reduce population migration to cities, and explore local economic potential. Despite these benefits, the development of BUMDes is often limited by internal factors, such as the lack of knowledge, attitude of members, dishonesty, and lack of transparency, as well as external factors, including limited access to information technology. Therefore, this study aims to identify the internal and external factors influencing BUMDes. Data were obtained through interviews with BUMDes administrators, heads of farmer groups, and heads of Gapoktan, as well as community representatives. The results show that internal weakness factors directly influenced the progress of these businesses, while internal strength factors had a limited positive impact. External factors, such as village government assistance and the People's Business Credit (KUR), had an important role in supporting the development of businesses, however, certain limitations, including a lack of skills and knowledge, must be addressed. The results also suggest several strategic recommendations, such as increasing knowledge and skills through training, enhancing financial management and bookkeeping, and encouraging active community participation. These activities are expected to help BUMDes Cadaskertajaya become a model of success in empowering the village economy and improving the welfare of local communities.

**Keywords:** inhibitory behavior, village development, bumdes cadaskertajaya

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## 1. INTRODUCTION

BUMDes (Village-Owned Businesses) are businesses with the flexibility to operate across various sectors, including agriculture, fisheries, animal husbandry, creative industries, and tourism. These businesses are typically established to increase the income and welfare of rural communities, reduce population migration to cities, and explore local economic potential. Furthermore, several studies have shown that BUMDes offer a wide range of services, including the production, distribution, and marketing of local products.[1] In line with these objectives, the Indonesian government actively

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supports their development as part of efforts to advance village economy and reduce the gap between urban and rural areas. BUMDes play an essential role in effectively increasing economic empowerment at the village level by providing direct ownership and management to local communities [2].

Despite these benefits, a significant challenge facing the advancement of BUMDes lies in the lack of knowledge among members and managers. This challenge also manifests as a lack of comprehensive understanding of the potential and opportunities existing in their village, such as local resources and supportive government programs. Furthermore, the attitude of members and local communities has been reported to be a major limitation [3,4].

Behavior theory assumes that human behavior is influenced by external stimuli emanating from the environment. The observable behavior of an individual is a direct response to these stimuli, underscoring the significance of external factors, such as reinforcement or punishment in shaping attitudes [5].

Actions that limit the progress of BUMDes include a lack of cooperation among members [6], non-compliance with established policies and business plans, or ineffective management practices. For example, inadequate financial management or failure to engage the broader community in the decision-making process can serve as limitations [7].

BUMDes Cadaskertajaya is a village-owned entity located in Telagasari District, Karawang Regency, West Java Province. BUMDes provides a streamlined avenue for village and their communities to harness and elevate the inherent potential in the form of existing human or natural resources. Furthermore, their establishment aims to propel economic development, fostering prosperity and reducing poverty levels [8]. As explained in Law Number 6 of 2014, these businesses have the authority to improve welfare and increase the potential in village for the benefit of the broader community.

BUMDes are institutions operating in the field of managing village economic assets and resources. The primary goal of these institutions is community empowerment, focusing on harnessing existing human or natural resources for a better economy [9]. Given that a substantial portion of the land is dedicated to rice fields, and 60% of the population is engaged in farming, there is a pronounced need for agriculture-based BUMDes. The agricultural sector also holds the potential to generate pro-poor growth through the creation of new market opportunities that specifically benefit the rural poor. Previous studies have shown that existing BUMDes are experiencing problems and are

stagnant, requiring guidance for revitalization [10]. Therefore, this study aims to identify internal factors (strengths and weaknesses) and external factors (opportunities and obstacles) affecting BUMDes Cadaskertajaya in Telagasari District, Karawang Regency, as well as analyze alternative strategies and strategic priorities for their development [11].

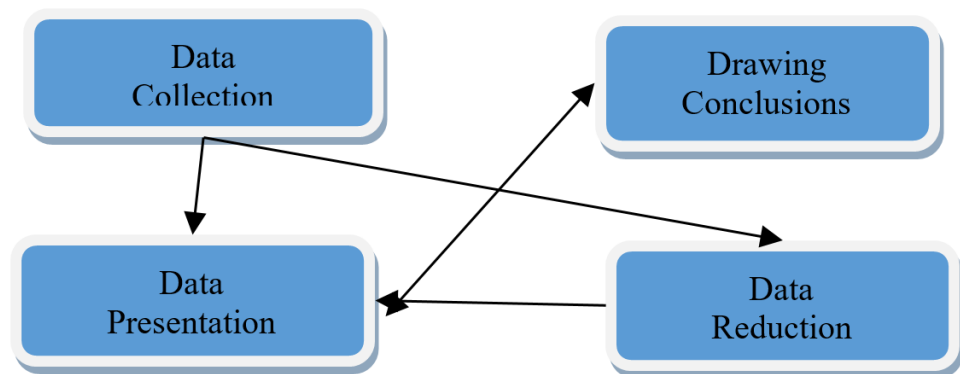
Development of BUMDes can also be hampered by various factors, including individual or group behavior, policies, and environmental factors. Some of these behaviors comprise weak leadership, dishonesty, as well as a lack of openness, motivation, and competence. Corruption or unethical management practices can also be detrimental to their development and sustainability. These practices erode public trust, making it difficult for BUMDes to achieve their goals. Moreover, the absence of understanding or skills necessary for management can pose a significant obstacle, along with a deficiency in knowledge about business management, finance, or agriculture [12]. Some individuals are also likely to be unaware of the potential and benefits of BUMDes development. Indifference or a lack of awareness of the strategic role of these businesses in local development can hinder community participation and support.

## 2. METHODS

This study was carried out at BUMDes Cadaskertajaya, which was located in Telagasari District, Karawang Regency, West Java Province, for three months, from August until September 2023. The procedures required an extended period to complete various activities related to the subject. A notable example was conducting a literature study before field orientation and conducting structured interviews with community members and BUMDes Cadaskertajaya administrators. In addition, secondary data were collected to obtain data in the form of images or numbers at various related agencies and institutions.

A qualitative constructivist case study methodology was used to develop subjective meaning from informants' experiences regarding BUMDes Cadaskertajaya. The sample population comprised Cadaskertajaya BUMDes administrators who were selected based on predetermined criteria. When the empirical data obtained were a collection of conversational words, analysis could be carried out. Data collection methods included various methods, including observation, interpreting documents, interviews, and recorded conversations that had been processed before use. BUMDes, Interview conducted with BUMDes administrators, heads of farmer groups, and heads of

Gapoktan, as well as community representatives. Qualitative analysis did not require mathematical calculations but comprises the arrangement of sentences into written text. Furthermore, interview notes, data reduction, analysis, interpretation, and triangulation were some of the data analysis activities performed in this study. Figure 1 presents the data analysis flow used during the qualitative study:



**Figure 1:** Description.

The tool used for qualitative data analysis discussed was NVivo 12 Plus, which was first created by programmer Tom Richards in 1981 and was known as Non-Numerical Unstructured Data Indexing, Searching, and Theorizing (NUDIST) [13]. Since 2002, the name had been changed to NVivo, with “N standing for NUDIST and “Vivo taken from in-vivo, which showed coding based on live (real) data experienced in part or whole [14].

The data analyzed in this study consisted of two factors, including internal and external factors, as shown in Table 1:

## 3. RESULTS AND DISCUSSION

### 3.1. Internal Code

Based on the coding results of the NVivo 12 Plus program, all internal weaknesses had a direct impact on development of BUMDes Cadaskertajaya. Meanwhile, certain internal strength factors could not strengthen its development. These factors included village government assistance and effective leadership, the presence of KUR, and the availability of BUMDes, which were recognized and had official status in line with legal provisions. Furthermore, these businesses could quickly respond to changes in applicable legal provisions.

TABLE 1: Study Factors.

Internal and external strategic factors		
Strength	Weakness	
1	Village government assistance and effective leadership.	Limitations in managerial skills, specifically in terms of strategic planning and financial management.
2	Availability of diversification of sources of financial income.	Weaknesses in financial management, including sloppy bookkeeping.
3	Availability of human resources with rich local expertise and in-depth knowledge of village potential in Cadaskertajaya, Telagasari District.	BUMDes face limitations in certain skills and knowledge.
4	Availability of facilities and infrastructure in cooperative and financial centers in BUMDes.	BUMDes experience limitations in accessing and using information technology.
5	Availability of KUR.	BUMDes cannot quickly respond to changes in applicable legal provisions.
6	The availability of BUMDes is recognized and has official status in accordance with the legal provisions that form the legal.	Limitations in managerial skills, specifically in terms of strategic planning and financial management.
7	Limitations in managerial skills, specifically in terms of strategic planning and financial management.	BUMDes face limitations in certain skills and knowledge.
8	Weaknesses in financial management, including sloppy bookkeeping.	BUMDes experience limitations in accessing and using information technology.
9	BUMDes face limitations in certain skills and knowledge.	BUMDes cannot quickly respond to changes in applicable legal provisions.
10	BUMDes experience limitations in accessing and using information technology.	Limitations in managerial skills, specifically in terms of strategic planning and financial management.
11	BUMDes can quickly respond to changes in applicable legal provisions.	Weaknesses in financial management, including sloppy bookkeeping.

Despite the presence of several internal strength factors, their full potential to fortify development process of BUMDes Cadaskertajaya. The results showed the availability of support from village government, effective leadership [15], and the presence of KUR, but the recognition and official status of these businesses in line with legal provisions fell short of providing comprehensive encouragement. However, a positive aspect emerged in the form of a legal framework that served as a basis for BUMDes, including responsibility for adapting to changes in applicable legal provisions. This underscored their ability to quickly respond to changes that could occur in the legal environment. By realizing and overcoming existing internal weaknesses, these businesses could strengthen their position in facing the challenges and opportunities that exist in the

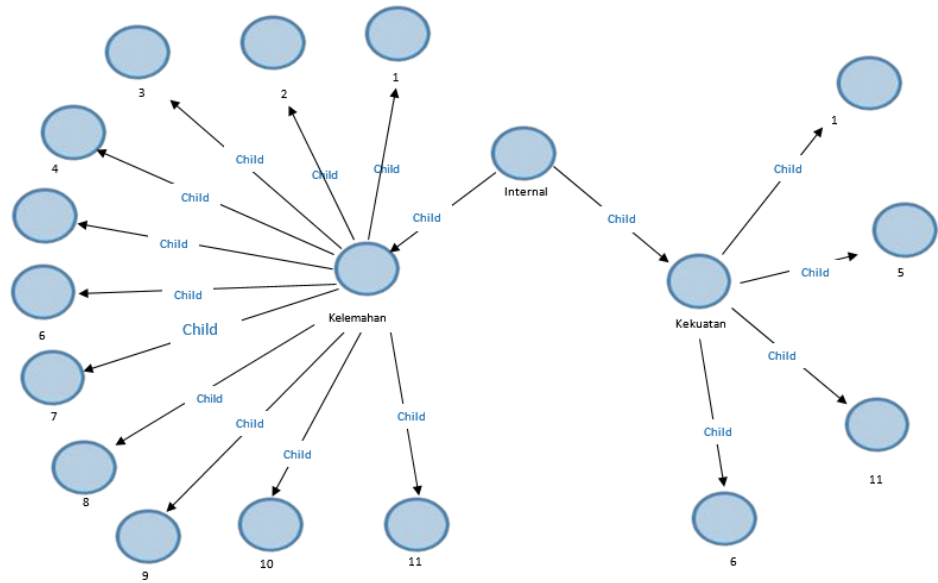


Figure 2: Internal Code Visualization.

surrounding environment. Support from village government and continued effective leadership, along with firmness in facing changes, were important factors in achieving the sustainable development of BUMDes Cadaskertajaya [16].

### 3.2. External Code

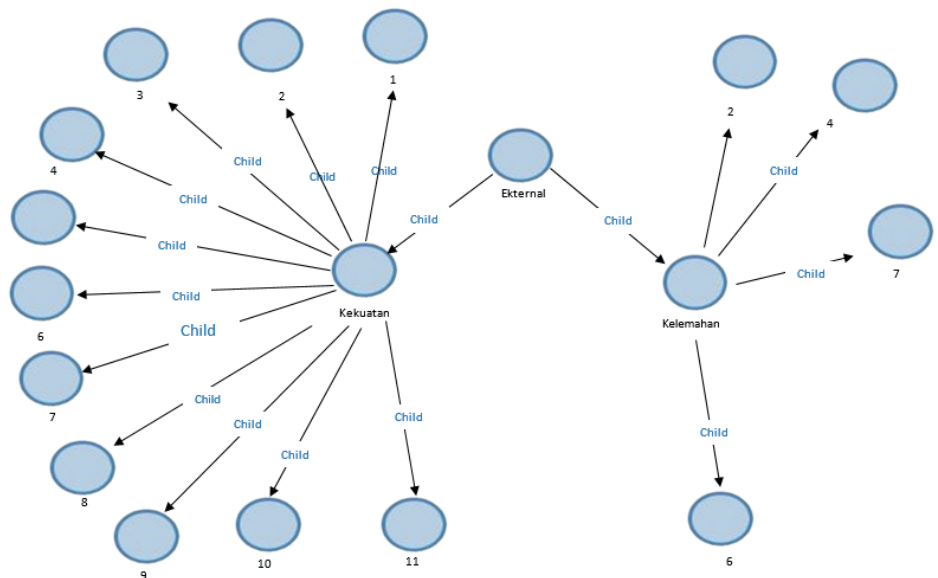


Figure 3: External Code Visualization.

Based on the coding results obtained from the NVivo 12 Plus program, external strength factors played an essential role in the development of BUMDes Cadaskertajaya, but certain weak factors causing limitations were also identified. External weaknesses included limited knowledge and proficiency in certain areas, restricted access to information technology, and constraints in managerial skills, specifically in terms of strategic planning and financial management [17,18].

Limited managerial capabilities could hinder BUMDes from formulating effective strategies and managing finances optimally, which were essential for their growth and sustainability. However, the existence of external forces, such as support from related parties and available resources, could be the main driver in overcoming this challenge [19].

External support was expected to help BUMDes overcome limited knowledge and skills, while available resources were used to overcome limitations in access to information technology. By realizing and overcoming these external weaknesses, BUMDes Cadaskertajaya could increase its capacity to face the dynamics of external environment, leading to the development and provision of maximum benefits to the local community.

## 4. CONCLUSIONS

In conclusion, Cadaskertajaya BUMDes had great potential, given the predominant farming activities and expansive agricultural land within the community. The primary aim of establishing these businesses was to improve village economy, reduce migration levels, and use local resources, which were relevant to the existing conditions.

The results showed that internal weaknesses, such as lack of knowledge, unsupportive attitudes, inadequate management, dishonesty, lack of openness, lack of will, lack of competence, and suboptimal actions, were limitations to the development of BUMDes. These limitations manifested as a lack of understanding of the potential and opportunities in village, a skeptical attitude towards collaboration, and a lack of implementation of policies and business plans [20].

External factors, including village government assistance, the existence of KUR (People's Business Credit), and official recognition of BUMDes, were forces that supported the growth of businesses. However, limitations in skills and knowledge, as well as access to information technology, were obstacles that must be addressed. Effective leadership

and active community engagement were essential to overcoming these obstacles. A transparent attitude, openness, and broad participation in the decision-making process could also improve performance [21].

Guidance and education related to business management, finance, and agriculture were urgently needed to improve the skills and knowledge of BUMDes members. This could help overcome obstacles that occurred due to a lack of understanding. The Cadaskertajaya BUMDes development strategy must consider internal and external factors that had been identified in this study. This could comprise training, communications campaigns to increase positive attitudes, more effective policy implementation, and improved financial management [22].

## ACKNOWLEDGMENTS

Based on the analysis of the condition of BUMDes Cadaskertajaya, here are some suggestions from the author:

Provide regular training to BUMDes members related to business, financial, and agricultural management. This can help increase their understanding of the potential and opportunities in village, as well as equip them with the skills needed to run their businesses effectively.

Holding a leadership development program to improve the quality of BUMDes management. Transparent, honest, open, and competent leadership is expected to have a positive impact on overall performance.

Maximize the use of village government assistance and KUR. By taking a proactive method to various government support programs, BUMDes can be more effective in implementing business plan and development projects.

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