



Local Government Role in Supporting Food MSME in Berbek Village, Sidoarjo toward Achieving SDGs: Decent Work and Economic Growth

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Abstrack

This study aims to describe the role of local government in supporting micro, small, and medium enterprises (MSME) in the food business group of Berbek Village, Sidoarjo Regency, in achieving the Sustainable Development Goals (SDGs) Goal 8: Decent Work and Economic Growth. This research employs a qualitative approach using a case study method. Data were collected through interviews, observations, and documentation involving village officials and local MSME actors. The findings reveal that the Berbek Village Government plays a crucial role as a facilitator, regulator, and catalyst in MSME development. The forms of support provided include entrepreneurship training, assistance in business licensing and halal certification, product promotion, and facilitation of access to capital through collaboration with financial institutions and local associations. These initiatives have led to increased productivity, expanded market reach, and improved welfare, particularly among women entrepreneurs engaged in home-based industries. Furthermore, the collaboration between the local government, village-owned enterprises (BUMDes), and MSME communities has strengthened an inclusive and locally driven economic ecosystem. Thus, the active involvement of local government significantly contributes to sustainable economic growth at the village level in alignment with the SDGs.

Penelitian ini bertujuan untuk mendeskripsikan peran pemerintah daerah dalam mendukung usaha mikro, kecil, dan menengah (UMKM) di kelompok usaha makanan Desa Berbek, Kabupaten Sidoarjo, dalam mencapai Tujuan Pembangunan Berkelanjutan (SDGs) Tujuan 8: Pekerjaan Layak dan Pertumbuhan Ekonomi. Penelitian ini menggunakan pendekatan kualitatif dengan metode studi kasus. Data dikumpulkan melalui wawancara, observasi, dan dokumentasi yang melibatkan pejabat desa dan pelaku UMKM lokal. Hasil penelitian menunjukkan bahwa Pemerintah Desa Berbek memainkan peran penting sebagai fasilitator, regulator, dan katalis dalam pengembangan UMKM. Bentuk dukungan yang diberikan meliputi pelatihan kewirausahaan, bantuan perizinan usaha dan sertifikasi halal, promosi produk, dan fasilitasi akses modal melalui kerja sama dengan lembaga keuangan dan asosiasi lokal. Inisiatif ini telah menghasilkan peningkatan produktivitas, perluasan jangkauan pasar, dan peningkatan kesejahteraan, khususnya di kalangan pengusaha perempuan yang bergerak di industri rumahan. Lebih lanjut, kerja sama antara pemerintah daerah, BUMN, dan komunitas UMKM telah memperkuat ekosistem

ekonomi yang inklusif dan digerakkan oleh masyarakat setempat. Dengan demikian, keterlibatan aktif pemerintah daerah memberikan kontribusi signifikan terhadap pertumbuhan ekonomi berkelanjutan di tingkat desa sejalan dengan SDGs.

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INTRODUCTION

Micro, small, and medium enterprises (MSME) help drive local prosperity, but village-based businesses, especially food producers, often find it hard to grow beyond basic survival. In Berbek Village, Sidoarjo, they face common but persistent challenges: limited management skills, unclear licensing and halal certification, inconsistent product quality and branding, and slow adoption of digital tools. Meanwhile, Indonesia's development plans call for growth that is both inclusive and creates jobs. SDG 8 Decent Work and Economic Growth points the way, but making real progress depends on having institutions that work closely with these businesses.

Previous studies have demonstrated that local governments play an important role in promoting MSME development through entrepreneurship training, access to financing, business licensing assistance, and digital marketing support. Such interventions have been shown to improve MSME competitiveness, increase productivity, and expand market access (Tohir & Purnamasari, 2023a). In addition, research on village governance emphasizes that institutional quality, collaboration among stakeholders, and community participation are essential for strengthening local economic development and supporting the achievement of the Sustainable Development Goals (SDGs), particularly Goal 8 on Decent Work and Economic Growth (Chigbu & Nekhwevha, 2023).

Despite these findings, the existing literature presents several limitations. Most previous studies examine MSME development at the national, provincial, or district level and primarily focus on individual interventions such as access to finance, entrepreneurship training, or digital transformation. Consequently, limited attention has been given to how village governments integrate multiple forms of support including institutional strengthening, business facilitation, halal certification, marketing development, and stakeholder collaboration within a single local governance framework. Furthermore, empirical evidence explaining how these integrated interventions contribute to the achievement of SDG 8 at the village level remains scarce.

Another limitation concerns the governance process itself. Previous studies generally evaluate the outcomes of government programs but provide limited explanation of how village governments simultaneously perform their roles as regulators, facilitators, and catalysts while collaborating with Village-Owned Enterprises (BUMDes), MSME associations, and other local stakeholders. As a result, the institutional mechanisms through which village governments promote sustainable MSME development are not yet fully understood, particularly in village-based food MSME ecosystems.

This study addresses these research gaps by examining the role of the Berbek Village Government in supporting food-based MSMEs through an in-depth qualitative case study. Unlike previous research that focuses on isolated policy interventions, this study investigates how multiple government functions and collaborative institutional arrangements operate simultaneously to strengthen MSME capacity, expand market access, improve business legality, and increase financial inclusion. By linking these governance practices to SDG 8 outcomes, this study provides empirical evidence on how integrated village-level policies can foster decent work and inclusive economic growth.

The findings are expected to contribute both theoretically and practically. Theoretically, the study enriches the literature on local governance, institutional economics, and sustainable MSME development by explaining the mechanisms through which village governments facilitate inclusive economic growth. Practically, the findings provide policy recommendations for village governments, BUMDes, and MSME organizations seeking to design integrated empowerment programs that support sustainable local economic development and accelerate the achievement of SDG 8.

LITERATURE REVIEW

New Institutional Economics

Institutions have rules. They also have unwritten norms that affect how the economy does. These Norms help by making things more certain which means people know what to expect. They also help

by reducing the costs of doing business like the cost of getting a license or a loan. This makes it easier for people and businesses to do things that're productive.

In development the government plays a big role in making sure things run smoothly. They do this by making rules that're fair and by being transparent. The government also makes policies that help businesses like making it easier for them to get licenses, money and the skills they need. This idea is supported by people like (North, 1990). It is also similar to what (Coase, 1937) and (Williamson, 1985) said that the costs of doing business and how things are governed are very important for being efficient. Institutions and their rules and norms are important for the economy and for development and for small businesses, like MSME.

Inclusive and Extractive Institutions

Inclusive institutions that are fair and open to everyone can really help. These institutions make sure that a lot of people can participate and have access, to the things they need like resources and technology. On the hand institutions that are not fair only help a small group of people. For small and medium businesses to do well local governments should be institutions that're fair and make sure everyone has an equal chance to succeed (Acemoglu & Robinson, 2012).

Social Institutionalism

When we look at things in a way we need to think about what really helps people work together. Community norms and trust are very important. We also need to work and cooperate with each other. This is how we can make things work well without a lot of formal rules. Local people can come together. Make decisions that help everyone. Governments can play a role in this by not just making rules but also by helping people and groups work together. This helps build relationships and partnerships that are good, for MSME empowerment. MSME empowerment is very important. We need to focus on it. (Ostrom, 1990).

Business Models for Sustainability

Sustainable business models integrate value creation, delivery, and capture across economic, social, and environmental dimensions (triple bottom line). For MSME, this implies resource efficiency, process digitalization, and cross-sector partnerships to scale both economic and socio environmental value (Schaltegger dkk., 2016).

SDGs Framework (Goal 8: Decent Work & Economic Growth)

The 2030 Agenda is really important for governments when it comes to sustainable development. It says that local governments should be at the center of making sure we develop in a way that's good for everyone. Goal 8 of the 2030 Agenda is about making sure that growth is good for everyone and that people have jobs that're fair and pay well. It also talks about helping businesses, which is something that countries and international organizations are also working on.

People who study these things are still discussing what it means to have a job and how we can make sure that everyone has one. The idea of growth says that we need to make sure that everyone is included in the process of growing and developing and that everyone gets to share in the benefits. This is much in line with Goal 8.3 of the 2030 Agenda and, with policies that are designed to help small businesses or what we call MSME, which stands for Micro, Small and Medium Enterprises.

Synthesis and Research Gap

The literature converges on four points: (1) institutional quality formal and social conditions local economic efficiency; (2) inclusive institutions expand MSME' access to resources and markets; (3) sustainable business models and digitalization amplify economic and social value; and (4) achieving SDG 8 hinges on good governance and multi-actor partnerships. However, there remains a contextual gap on how local governments at the village level operationalize these roles as regulator, facilitator, and catalyst to orchestrate concrete policies, social institutions, and partnerships that translate into MSME upgrading and decent work outcomes. This study addresses that gap in the lived setting of Berbek village.

The concepts of transaction costs, institutions, and governance provide a useful analytical framework for understanding the role of the Berbek Village Government in supporting food-based MSMEs. From the perspective of New Institutional Economics, village governments reduce transaction costs by simplifying administrative procedures, facilitating business licensing and halal certification, connecting MSMEs with financial institutions, and providing access to training and market information (North, 1990; Williamson, 1985). These institutional interventions reduce uncertainty and improve the

efficiency of business operations, enabling MSMEs to allocate more resources toward productive activities rather than administrative or coordination costs.

Furthermore, the concept of inclusive institutions explains how village governments can create equal opportunities for MSMEs to access public services, financial resources, technology, and markets (Acemoglu & Robinson, 2012). In the context of Berbek Village, government support extends beyond regulatory functions to include facilitation and collaboration with Village-Owned Enterprises (BUMDes), MSME associations, universities, and financial institutions. This governance arrangement reflects Ostrom's (1990) perspective that sustainable local development is achieved through collective action, trust, and cooperation among multiple stakeholders. Therefore, this study employs institutional and governance theories to explain how the Berbek Village Government performs its roles as regulator, facilitator, and catalyst in strengthening MSME capacity and promoting the achievement of SDG 8 through inclusive local economic development.

RESEARCH METHODS

This study employed a qualitative case study approach to gain an in-depth understanding of how the Berbek Village Government supports food-based MSMEs in achieving SDG 8 (Decent Work and Economic Growth). A case study design was selected because it enables researchers to investigate institutional processes, stakeholder interactions, and policy implementation within their real-life context (Creswell & Poth, 2018). This research uses a case study in Berbek Village, Waru District, Sidoarjo Regency, the location was chosen because the village has an active MSME ecosystem and local government policy programs targeting MSME so that institutional dynamics can be observed. This research is scheduled for June - September 2025, through the preparation stage, determining the scope, collecting field data, and iterative analysis until reporting.

The study involved eight key informants selected through purposive sampling, as they possessed direct knowledge and experience regarding MSME development programs. The informants consisted of the Village Secretary (Mr. Zainuddin), one village official responsible for MSME facilitation (Mr. Puguh), the Head of the Kampung Jajan Berbek community (Mr. Eko), and five food based MSME owners representing different business scales, production capacities, and market coverage. These participants were selected to obtain multiple perspectives from policymakers, program implementers, and program beneficiaries.

The data in this study were obtained through three mutually supportive techniques. First, non-participant observation was conducted to observe production activities, marketing strategies, facility utilization, training implementation, and the involvement of MSME in the village empowerment program. This technique was used to compare planned policies with actual practices in the field. Second, semi-structured interviews were conducted with the informants' consent and, where permitted, audio recordings were used. These interviews aimed to explore the perspectives, motivations, obstacles, and strategies of village officials and MSME. The results were then transcribed for further analysis. Third, documentation was conducted by collecting various documents such as village policies, program reports, MSME profiles, and visual documentation in the form of photographs of training activities or exhibitions to strengthen and validate field findings. Through the combination of these three techniques, the study triangulated data, thereby strengthening and enhancing the information obtained.

Data analysis was conducted through interactive stages as outlined by Miles and Huberman (1994): data reduction, data display, and conclusion drawing and verification. In the data reduction stage, the researchers selected, focused, and coded interview transcripts, observation notes, and documents based on recurring patterns identified in the data. These codes were subsequently grouped into five recurring themes: government facilitation and coaching, access to finance, marketing development and digitalization, institutional strengthening and collaboration, and socio-economic outcomes of MSME empowerment. These themes served as the basis for presenting and interpreting the findings. Next, the data were presented in matrix form and analytical memos to clarify relationships among the findings. Finally, preliminary conclusions were verified through comparison of multiple sources of evidence and cross-checking with the informants. To maintain the credibility of the research, source and method triangulation was employed by comparing information obtained from village officials, MSME owners, and direct field observations.

RESULTS AND DISCUSSION

Result

Government's Role in Facilitation and Coaching

Government facilitation and coaching emerged as the dominant theme across all interviews. The findings show that the Berbek Village Government actively supports the development of food-based MSMEs through entrepreneurship training, business mentoring, administrative assistance, product development, and market promotion. These initiatives are implemented through collaboration between the village government, the Village-Owned Enterprise (BUMDes), and the Kampung Jajan Berbek community to strengthen the local economic ecosystem.

Mr. Zainuddin explained that the village government plays an active role in facilitating MSME development by providing entrepreneurship training, administrative assistance, and business licensing services. According to him, these programs are intended to help entrepreneurs improve their business management capacity and facilitate the administrative processes required for business development.

This facilitative role is reinforced by Mr. Pugh, who explained that the Village-Owned Enterprise (BUMDes) organizes monthly bazaars to promote local MSME products and expand business networks. Besides functioning as promotional events, these bazaars provide opportunities for MSME owners to establish connections with consumers and other stakeholders. He further stated that the village government also assists entrepreneurs in simple financial bookkeeping, halal certification, and product packaging development to improve product quality and competitiveness.

Similar views were expressed by Ms. Widya, who stated that continuous training and promotional activities have increased public awareness of Kampung Jajan Berbek, leading to higher product demand and increased income for local entrepreneurs. She also explained that the village government collaborates with various agencies to provide training on digital marketing, financial management, and hygienic food production. In addition, supporting infrastructure, including production road access and waste management facilities, continues to be improved to support business activities.

The impact of these facilitation programs is reflected in the experience of Mrs. Maisaroh, one of the MSME owners. She explained that her business, which initially produced traditional snacks on a small scale, has expanded both its product variety and market coverage. Her products are currently marketed beyond Sidoarjo, reaching customers in Bali, with an average net income of approximately IDR 200,000 per day. As demand has increased, the business regularly involves around five additional workers during the production process. She also explained that members of her business group contribute IDR 50,000 per day to a collective savings scheme that serves as additional revolving business capital.

Institutional support was also described by Mr. Eko, Head of Kampung Jajan Berbek. He explained that the community initially emerged from residents' initiatives to provide snacks for village activities before gradually developing into a joint business group with approximately 75 active members involved in production and marketing. According to him, the village government continuously supports the community by involving MSMEs in official events, providing promotional media, assisting with product packaging, and facilitating business legality and halal certification.

Overall, the findings show that facilitation and coaching provided by the Berbek Village Government encompass capacity building, business assistance, product development, promotional support, and institutional strengthening. These initiatives have contributed to the expansion of business activities, increased production capacity, wider market access, and stronger collaboration among MSME actors in Kampung Jajan Berbek.

Government's Role in Expanding Access to Finance

Expanding access to finance emerged as an important strategy in supporting the development of food-based MSMEs in Berbek Village. The findings indicate that the village government facilitates access to business capital through collaboration with government agencies, financial institutions, and community-based financing mechanisms. In addition to improving access to funding, the government also provides assistance in administrative preparation and financial management to strengthen the sustainability of MSME businesses.

Mr. Zainuddin explained that the village government identifies MSMEs that are eligible to receive capital assistance to ensure that the distribution of funding is appropriately targeted. In this process, the

village government collaborates with the Cooperatives Office and regional financial institutions while assisting entrepreneurs in preparing business proposals and completing the administrative requirements needed to access formal financing.

This effort is supported by Mr. Puguh, who stated that part of the capital assistance is distributed through the Council's BK program (DPRD financial assistance). According to him, the financial assistance is accompanied by education on financial management to encourage productive use of business capital. He also explained that the village government introduces entrepreneurs to soft-credit schemes so that they can avoid dependence on high-interest informal loans.

Similar experiences were described by Ms. Widya, who explained that the village government encourages MSMEs to participate in business groups or associations to facilitate access to collective financing. She added that entrepreneurs are also encouraged to attend financial literacy and simple bookkeeping training to improve their ability to manage business income and expenditures.

The experience of Mrs. Maisaroh illustrates the practical challenges faced by MSME owners in accessing formal financing. She explained that although she had applied for capital assistance through several institutions, the expected funding had not yet been obtained. Nevertheless, support from the Kampung Jajan Berbek association has helped her business respond to increasing demand. Through a collective savings system of IDR 50,000 per day, members are able to accumulate additional revolving business capital whenever production needs increase.

This community-based financing mechanism was further described by Mr. Eko, who explained that the association manages a joint cash fund to assist members requiring additional business capital. He noted that the collective fund enables members to support one another during periods of increased production demand while maintaining the continuity of their business activities.

Mr. Zainuddin further explained that the village government also acts as an intermediary between MSMEs and financial institutions by assisting in the issuance of business certificates and providing information regarding financing procedures. Similarly, Mr. Puguh emphasized that capital assistance is continuously monitored to ensure that the funds are utilized for productive business activities rather than personal consumption.

Overall, the findings show that access to finance in Berbek Village is supported through a combination of formal government facilitation and community-based financial initiatives. Besides expanding opportunities to obtain business capital, these efforts strengthen financial management practices and encourage the sustainable development of local MSMEs.

Government's Role in Marketing Development and Digitalization

Marketing development and digitalization emerged as a key strategy for increasing the competitiveness of food-based MSMEs in Berbek Village. The findings show that the village government supports marketing activities through exhibitions, promotional events, digital marketing training, and the use of online platforms. These initiatives enable MSMEs to expand their market reach while improving their ability to adapt to changing consumer behavior.

Mr. Zainuddin explained that the village government actively promotes local MSME products by involving entrepreneurs in various exhibitions and promotional events organized at the village, district, and regency levels. According to him, these activities provide opportunities for MSMEs to introduce their products to a wider consumer market while strengthening business networks with government agencies and other stakeholders.

This effort is supported by Mr. Puguh, who stated that the Village-Owned Enterprise (BUMDes) regularly facilitates promotional activities through monthly bazaars and other village events. Besides serving as sales opportunities, these activities enable entrepreneurs to interact directly with consumers, receive feedback on product quality, and introduce newly developed products.

Ms. Widya explained that marketing support has increasingly incorporated digital approaches. The village government collaborates with relevant institutions to provide training on digital marketing, social media utilization, and online promotion. She noted that these programs have increased public awareness of Kampung Jajan Berbek and contributed to growing demand for local products.

The experience of Mrs. Maisaroh reflects the impact of these promotional activities on business performance. She explained that her products, which were previously marketed only within the local area, are now distributed to customers outside Sidoarjo, including Bali. The expansion of market

coverage has been accompanied by increased product demand and business income, encouraging the diversification of products to meet consumer preferences.

Similar findings were reported by Mr. Eko, who explained that Kampung Jajan Berbek actively participates in exhibitions and promotional events organized by the village government and external institutions. He stated that these activities provide valuable opportunities to introduce the Kampung Jajan Berbek brand, strengthen relationships with consumers, and expand marketing networks for community members.

Overall, the findings show that marketing development in Berbek Village combines conventional promotional activities with digital marketing initiatives. Through exhibitions, training programs, and the utilization of digital platforms, MSMEs have been able to expand their market reach and strengthen the visibility of Kampung Jajan Berbek products.

Government's Role in Institutional Strengthening and Collaboration

Institutional strengthening and collaboration emerged as an important aspect of MSME empowerment in Berbek Village. The findings show that the village government supports the sustainability of food-based MSMEs by strengthening community organizations and establishing collaboration with various stakeholders, including the Village-Owned Enterprise (BUMDes), government agencies, universities, and community organizations. These collaborative efforts facilitate knowledge sharing, business coordination, and access to broader development opportunities.

Mr. Zainuddin explained that the village government serves as a coordinator by connecting MSME actors with relevant institutions that provide training, technical assistance, and business development programs. According to him, collaboration with government agencies and external partners enables MSMEs to obtain support that cannot be provided solely by the village government.

This collaborative approach was also described by Mr. Puguh, who stated that BUMDes functions as a bridge between the village government and MSME actors. Through BUMDes, various empowerment programs are coordinated, including promotional activities, business mentoring, and communication with external stakeholders. He explained that this coordination helps ensure that assistance programs are implemented more effectively and reach the intended beneficiaries.

Ms. Widya emphasized that collaboration with universities and government agencies has contributed to improving the capacity of MSME owners through training and mentoring activities. She explained that cooperation with external institutions also provides opportunities to introduce new knowledge and business practices that support the long-term development of Kampung Jajan Berbek.

The importance of community organization was reflected in the experience of Mrs. Maisaroh, who explained that the Kampung Jajan Berbek association enables members to exchange information, coordinate production activities, and support one another in responding to market demand. According to her, regular communication among members facilitates problem-solving and strengthens cooperation within the business community.

Mr. Eko further explained that Kampung Jajan Berbek has developed into a community consisting of approximately 75 active MSME members who participate in production, promotion, and various empowerment activities. He stated that the association regularly coordinates with the village government and external institutions to organize exhibitions, training programs, and other collaborative activities that support business development.

Overall, the findings show that institutional strengthening in Berbek Village is supported through continuous collaboration among the village government, BUMDes, MSME associations, government agencies, universities, and the local community. These collaborative arrangements provide an organizational foundation that supports communication, coordination, and the continuity of MSME development programs.

Discussion

Government's Role in Facilitation and Coaching

The findings indicate that the Berbek Village Government plays a facilitative role in empowering food-based MSMEs through entrepreneurship training, business mentoring, licensing assistance, halal certification, product development, and promotional activities. These initiatives demonstrate that the village government functions not only as a regulator but also as a facilitator that strengthens MSME capacity and creates a supportive environment for business development. This finding is consistent with

the perspective of New Institutional Economics proposed by North (1990), which emphasizes that effective institutions reduce barriers and encourage productive economic activities.

These findings are also in line with previous studies showing that government facilitation enhances MSME competitiveness through capacity-building programs and continuous business assistance. However, this study extends previous research by demonstrating that facilitation in Berbek Village is implemented through an integrated approach involving the village government, BUMDes, and the Kampung Jajan Berbek community. This collaboration enables MSMEs to improve business management, product quality, and market participation while strengthening the local economic ecosystem.

Furthermore, these findings support the achievement of SDG Target 8.3, which emphasizes the promotion of productive activities, entrepreneurship, innovation, and the growth of micro, small, and medium enterprises. By strengthening entrepreneurial capacity and creating a supportive institutional environment, the facilitation programs implemented in Berbek Village contribute to more inclusive and sustainable local economic development.

Government's Role in Access to Finance

The findings show that access to finance plays an important role in strengthening the sustainability of food-based MSMEs in Berbek Village. Government support extends beyond providing financial assistance by facilitating access to formal financing, assisting entrepreneurs in preparing business proposals and administrative requirements, and improving financial literacy. In addition, community-based financing mechanisms, such as collective savings within the Kampung Jajan Berbek association, complement formal financial support and help MSMEs respond to increasing business needs. These findings are consistent with the concept of inclusive institutions proposed by Acemoglu and Robinson (2012), which emphasizes that inclusive institutions create opportunities for broader participation in economic activities by improving access to productive resources.

These findings are also consistent with previous studies showing that financial inclusion and government support enhance MSME resilience by reducing capital constraints and improving business continuity. However, this study extends previous research by demonstrating that access to finance in Berbek Village is supported through the integration of formal institutional assistance and community-based financial initiatives. This combination not only expands financing opportunities but also strengthens cooperation and trust among MSME actors at the village level.

Furthermore, these findings support SDG Target 8.10, which promotes broader access to financial services for individuals and businesses. By facilitating access to business capital while strengthening financial management capabilities, the Berbek Village Government contributes to creating a more inclusive financial ecosystem that supports sustainable MSME development and local economic growth.

Government's Role in Marketing Development and Digitalization

The findings indicate that marketing development and digitalization have become important strategies for improving the competitiveness of food-based MSMEs in Berbek Village. Through exhibitions, promotional events, digital marketing training, and the use of online platforms, the village government has enabled MSMEs to expand their market reach and respond to changing consumer behavior. These findings support the Business Models for Sustainability perspective proposed by Schaltegger et al. (2016), which emphasizes that innovation and sustainable business practices enable enterprises to create both economic value and long-term competitiveness.

These findings are consistent with previous studies showing that digital marketing and technology adoption improve MSME performance by expanding market access and increasing business resilience. However, this study extends previous research by demonstrating that digitalization in Berbek Village is supported through an integrated approach combining capacity building, promotional activities, and collaboration between the village government, BUMDes, and the Kampung Jajan Berbek community. This integrated support enables MSMEs not only to adopt digital marketing tools but also to strengthen their market presence through continuous institutional assistance.

Furthermore, these findings contribute to the achievement of SDG Target 8.2, which promotes higher levels of economic productivity through innovation, technological upgrading, and entrepreneurship. By encouraging digital transformation and expanding market opportunities, the

Berbek Village Government has created a more competitive and sustainable business environment for local MSMEs while supporting inclusive local economic growth.

Government's Role in Institutional Strengthening and Collaboration

The findings demonstrate that institutional strengthening and collaboration are essential to sustaining the development of food-based MSMEs in Berbek Village. Beyond providing business support, the village government has established collaboration with BUMDes, government agencies, universities, and the Kampung Jajan Berbek community to coordinate empowerment programs and strengthen local business networks. These findings support the perspective of Social Institutionalism proposed by Ostrom (1990), which emphasizes that collective action, trust, and cooperation among stakeholders are fundamental for managing shared resources and achieving sustainable community development. In the context of Berbek Village, collaboration among institutions has strengthened coordination, knowledge sharing, and mutual support for MSME development.

These findings are consistent with previous studies indicating that multi-stakeholder collaboration improves the effectiveness of MSME empowerment by integrating government support, community participation, and institutional partnerships. However, this study extends previous research by demonstrating that institutional collaboration in Berbek Village is not limited to implementing government programs but also fosters an active local network involving BUMDes, universities, and MSME associations. This collaborative arrangement creates a supportive governance structure that enhances business continuity and strengthens the resilience of the local entrepreneurial ecosystem.

Furthermore, these findings contribute to the achievement of SDG Target 8.3, which emphasizes policies that support productive activities, entrepreneurship, innovation, and the growth of MSMEs. The collaborative governance developed in Berbek Village illustrates how institutional partnerships can create an enabling environment that supports inclusive economic development while ensuring the long-term sustainability of local enterprises.

Overall, the findings demonstrate that MSME empowerment in Berbek Village is supported through the integration of government facilitation, financial inclusion, marketing development, and institutional collaboration. These interconnected strategies create an enabling environment that strengthens MSME competitiveness and resilience while promoting sustainable local economic development. The findings also reinforce the importance of effective local institutions, inclusive access to resources, sustainable business practices, and collaborative governance in supporting MSME development. Therefore, the Berbek Village Government plays a strategic role not only as a regulator but also as a facilitator and coordinator in advancing the achievement of SDG 8 through inclusive and sustainable rural economic development.

CONCLUSION

This study examined the role of the Berbek Village Government in empowering food-based MSMEs toward achieving Sustainable Development Goal (SDG) 8. The findings show that MSME empowerment is supported through four complementary strategies: government facilitation and coaching, expanding access to finance, marketing development and digitalization, and institutional strengthening through multi-stakeholder collaboration. Theoretically, this study extends the perspectives of New Institutional Economics, Inclusive Institutions, Social Institutionalism, and Business Models for Sustainability by highlighting the facilitative and collaborative role of village governments in creating an enabling entrepreneurial ecosystem. From a policy perspective, the findings suggest that MSME empowerment should integrate capacity building, financial inclusion, digital transformation, and institutional collaboration to strengthen sustainable local economic development. This study is limited to a qualitative case study in a single village; therefore, future research should employ comparative or mixed-method approaches across different regions to validate and extend these findings.

SUGGESTION

Based on the findings, the Berbek Village Government should strengthen the continuity of MSME empowerment programs by institutionalizing regular entrepreneurship training, business mentoring, and digital marketing assistance rather than implementing them as occasional activities. In addition,

collaboration with BUMDes, government agencies, universities, and financial institutions should be expanded to improve access to business financing, market opportunities, and technical support.

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