

Empowered Villages and the SDGs: Evaluating the Effectiveness of Community-Based Entrepreneurial Development in Indonesia

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Abstract

Rural development remains central to Indonesia's sustainable transformation, particularly as villages function as key sites for poverty reduction, entrepreneurship, and resilience. This article examines the effectiveness of *Program Desa Berdaya* (Empowered Villages Program) in advancing the Sustainable Development Goals (SDGs) Desa framework, with a focus on its entrepreneurial dimensions. While rooted in a case study of Desa Bangah, Sidoarjo, the analysis is generalized to illustrate broader lessons for rural empowerment. A qualitative descriptive case study was employed, drawing on program documents, interviews, and observations, and analyzed using Miles and Huberman's framework of data reduction, display, and conclusion drawing. Findings reveal that the program strengthened institutional capacity, mobilized resources for local entrepreneurship, and contributed to several SDGs Desa indicators, including economic resilience, social well-being, and adaptive village institutions. However, challenges remain, particularly in sustaining entrepreneurial initiatives beyond initial funding, developing market-oriented strategies, and ensuring long-term innovation. The study highlights the dual role of empowerment programs: addressing immediate welfare concerns while fostering grassroots entrepreneurial ecosystems. Theoretically, it contributes to debates on the intersection of empowerment, entrepreneurship, and SDGs localization. Practically, it offers policy insights for designing programs that balance financial support with capacity-building, innovation, and institutional resilience. Future research should explore comparative and quantitative evaluations across multiple regions. Ultimately, *Program Desa Berdaya* demonstrates both the potential and limitations of linking community-based entrepreneurship with sustainable development in Indonesia's villages.

Keywords: *rural entrepreneurship, empowerment, Program Desa Berdaya, SDGs Desa, institutional adaptability, Indonesia*

Introduction

Rural development has become a central agenda in Indonesia's economic and social transformation, as the majority of its population continues to depend on village-based livelihoods. The village is not merely a territorial unit but also an

essential socio-economic actor in advancing sustainable development. With the enactment of Law No. 6 of 2014 on Villages, the state reaffirmed its commitment to strengthen village autonomy, empower communities, and reduce inequalities by shifting development resources closer to the grassroots (Hermawan, 2015; Iskandar, 2020). This legal and institutional framework paved the way for innovative programs that combine community empowerment with entrepreneurial strategies to achieve broader development outcomes.

One of the most significant initiatives at the provincial level is *Program Desa Berdaya* (Empowered Villages Program) launched in East Java in 2021. The program aimed to accelerate recovery from the economic downturn triggered by the COVID-19 pandemic by strengthening local entrepreneurship, empowering village-owned enterprises (BUMDes), and supporting sustainable livelihoods. It aligned closely with the Sustainable Development Goals (SDGs) Desa framework introduced in 2020, which localized the 17 global SDGs into 18 specific village-level goals, including economic resilience, environmental sustainability, and adaptive village institutions (Kemendesa, 2020). Through a targeted allocation of financial support and capacity-building, *Desa Berdaya* was expected to function as a catalyst for both rural recovery and long-term sustainability.

The importance of this initiative lies in its dual function: on the one hand, it addresses immediate socio-economic challenges such as unemployment, poverty, and post-pandemic vulnerability; on the other hand, it seeks to foster entrepreneurial ecosystems at the grassroots level, enabling villages to innovate, build economic branding, and create self-sustaining sources of income (Kholison, 2021; Wahed et al., 2020). By focusing on community-driven entrepreneurship, the program reflects a broader recognition that rural development is not only about infrastructure but also about human capital, creativity, and resilience.

However, despite its relevance, academic evaluations of *Program Desa Berdaya* remain limited. Much of the existing literature on village empowerment and SDGs localization in Indonesia has been descriptive, focusing on program implementation or normative discussions of the SDGs Desa framework (Sutikno et al., 2021; Kusnawari, 2022). There is a lack of systematic analysis of the effectiveness of such programs in linking community empowerment to concrete SDGs outcomes, especially in relation to entrepreneurial development. Moreover, while rural entrepreneurship has gained growing attention in development studies, the ways in which government-led programs interact with local institutions and community agency require deeper exploration (Ayu Lestary et al., 2022; Adi et al., 2020).

This article addresses these gaps by analyzing the effectiveness of *Program Desa Berdaya* in contributing to SDGs Desa, with a particular emphasis on its entrepreneurial dimensions. Using a qualitative case study approach with Desa Bangah in Sidoarjo as an illustrative example, the study examines how the program mobilized resources, built community participation, and influenced village-level entrepreneurial activities. While rooted in one case, the findings are generalized to highlight broader lessons for SDGs localization and entrepreneurial rural development in Indonesia.

The study is significant for several reasons. Theoretically, it contributes to debates on the intersection of community empowerment, entrepreneurship, and sustainable development. Practically, it provides insights for policymakers on how to design and evaluate village programs that balance immediate welfare concerns with long-term entrepreneurial growth. For the broader development agenda, it sheds light on how local institutions can operationalize the SDGs in ways that are contextually relevant, inclusive, and economically viable.

The remainder of this article is structured as follows. The next section reviews the literature on rural development, SDGs localization, and program effectiveness, with a focus on entrepreneurial perspectives. The methodology section outlines the qualitative case study design. The findings present evidence on program implementation and outcomes, while the discussion interprets these findings within theoretical and policy contexts. The conclusion reflects on contributions, implications, and directions for future research..

Literatur Review

Rural Development and Entrepreneurship

Theories of rural development have evolved from state-led modernization approaches to participatory and community-driven models that emphasize local capacity and agency (Todaro, 2011; Hasan & Azis, 2018). In Indonesia, the shift is evident in the Village Law of 2014, which empowered villages to manage resources and design development priorities. Entrepreneurship has become increasingly central to this paradigm, as villages are encouraged to transform local resources into productive economic activities. Research has shown that village-owned enterprises (BUMDes) play a strategic role in fostering rural entrepreneurship by creating jobs, improving access to markets, and promoting local innovations (Sofyan, n.d.; Ibrahim, 2021).

Entrepreneurship in rural contexts is not limited to business creation but also encompasses community-based innovation, cultural branding, and resource mobilization. Programs like *Desa Berdaya* align with this by encouraging villages

to identify iconic products, develop economic branding, and stimulate creative industries. This resonates with recent studies highlighting the importance of entrepreneurial ecosystems that integrate economic, social, and environmental dimensions (Aloshita, 2022; Firman, 2021).

SDGs Localization and Village Governance

The global SDGs agenda emphasizes inclusivity with the principle of *no one left behind*. In Indonesia, this was operationalized through SDGs Desa, which added a specific goal on adaptive village institutions (SDGs Desa 18). This localization reflects recognition that villages are critical nodes in achieving national SDGs targets, given that 91% of Indonesia's territory and a majority of its population are located in rural areas (Iskandar, 2020).

Literature on SDGs localization underscores the importance of institutional alignment, capacity-building, and community participation (Iskandar, 2020; Adi et al., 2020). However, challenges remain in terms of monitoring, integration into village planning, and ensuring that empowerment programs do not become top-down impositions. By linking empowerment directly with SDGs indicators, programs such as *Desa Berdaya* provide an opportunity to bridge this gap. Yet systematic evaluations of their actual effectiveness in achieving SDGs targets are still scarce.

Program Effectiveness and Empowerment Frameworks

Evaluating program effectiveness requires attention to both outputs (immediate results) and outcomes (long-term impacts). Classic frameworks define effectiveness as the extent to which objectives are achieved compared to plans (Rahman, 2018). Miles and Huberman's (1992) qualitative analysis framework has often been applied to study program implementation, emphasizing data reduction, display, and conclusion drawing.

Empowerment frameworks stress that effectiveness must also consider community participation, capacity-building, and sustainability. Budiani (2009) highlights dimensions such as relevance, efficiency, impact, and sustainability as crucial criteria. In rural empowerment contexts, effectiveness is not only about delivering projects but also about strengthening institutions, fostering ownership, and enabling long-term resilience (Wahed et al., 2020).

Identified Gaps

While there is abundant research on rural development and SDGs, few studies systematically evaluate the effectiveness of localized programs such as

Desa Berdaya. Existing research often focuses on descriptive outcomes, without connecting them to broader theoretical debates on entrepreneurship and sustainability. There is also limited attention to how empowerment initiatives shape entrepreneurial ecosystems at the village level. This article contributes by filling these gaps, offering a theoretically informed and empirically grounded analysis of program effectiveness.

Method

This study adopts a qualitative descriptive case study approach to evaluate the effectiveness of *Program Desa Berdaya* in contributing to SDGs Desa through entrepreneurial development. The case of Desa Bangah in Sidoarjo, East Java, was selected as it was among the early villages to achieve *Desa Mandiri* status and implement *Desa Berdaya* in 2021. While the case is context-specific, its insights are generalized to illustrate broader patterns in SDGs localization.

Data were collected from multiple sources, including official program documents, village development reports, direct observations, and semi-structured interviews with village officials, BUMDes managers, and community members. This triangulation ensured reliability and validity of findings.

Data analysis followed the Miles and Huberman (1992) framework:

1. **Data reduction** – identifying key themes related to program implementation, entrepreneurial activities, and SDGs indicators.
2. **Data display** – organizing information into categories of institutional readiness, resource mobilization, and community outcomes.
3. **Conclusion drawing** – interpreting evidence against theoretical frameworks of empowerment, entrepreneurship, and program effectiveness.

Effectiveness was assessed across three dimensions: (1) alignment with planned objectives, (2) entrepreneurial outcomes (innovation, income generation, economic branding), and (3) contribution to SDGs Desa indicators (economic resilience, social well-being, institutional adaptability). While acknowledging limitations of case study generalization, the qualitative approach provides in-depth insights into processes and dynamics often overlooked in quantitative assessments.

Results And Discussions

Findings

This study investigates the implementation and effectiveness of the *Desa Berdaya* (Empowered Village) Program in Bangah Village, Gedangan Sub-district, Sidoarjo Regency, East Java. The program, initiated by the East Java Provincial Government, aims to accelerate post-pandemic economic recovery while advancing the achievement of the **Village Sustainable Development Goals (SDGs Desa)**.

1. Implementation of the Program in Bangah Village

Bangah Village received a Special Financial Grant (*Bantuan Keuangan Khusus – BKK*) of IDR 100,000,000. Of this allocation, 92% was directed toward the revitalization of the village swimming pool, while the remaining 8% covered operational expenses. The revitalization effort transformed the previously underutilized facility into the **Raden Aryo Bebangsan Swimming Pool Tourism Site**, accompanied by small kiosks for local micro, small, and medium enterprises (MSMEs), and was integrated into the village's broader vision of developing rural tourism.

The implementation was assessed across four dimensions of program effectiveness:

- **Program Objectives:** Bangah Village successfully innovated by repositioning the swimming pool as its flagship product. The program stimulated local economic activity, optimized village assets, and generated spillover effects for MSMEs.
- **Target Accuracy:** The financial assistance was well-targeted. It reached the designated village in the exact stipulated amount, was allocated in line with program guidelines, and prioritized community needs, particularly in the economic sector. Administrative processes were also conducted properly.
- **Program Dissemination:** Information regarding the program was communicated through village deliberations, orientation sessions, and capacity-building activities facilitated by the Provincial Department of Community and Village Empowerment (DPMD). Dissemination was considered effective, as the community was informed of the objectives and actively engaged in planning.
- **Program Monitoring:** Oversight was conducted by provincial and district officials and external experts. However, the monitoring process was limited, primarily administrative, and lacked sustained involvement, rendering it only partially effective.

2. Program Effectiveness

The analysis revealed an **87.5% effectiveness rate**, categorized as *very effective* according to the standards of the Ministry of Home Affairs Research and

Development Agency. This indicates that the program objectives were largely achieved.

The program's main strength lies in its ability to revive a dormant village asset through innovative branding. By transforming the swimming pool into a tourism destination, the village not only diversified its economic base but also enhanced its visibility and competitiveness. Nevertheless, weaknesses were noted in the limited scope of monitoring and evaluation mechanisms.

3. Economic and Social Impacts

Field observations and interviews highlight several key impacts:

- **Economic Impact:** The revitalized tourism site created opportunities for local MSMEs, generated additional village revenue (*Pendapatan Asli Desa*), and fostered collaborations with schools and private actors.
- **Social Impact:** The program strengthened community solidarity, as kiosks were allocated fairly across neighborhood units, and fostered a sense of pride and collective ownership among villagers.
- **Institutional Impact:** The program provided valuable governance experience for the village administration, particularly in planning, managing public assets, and building a distinct economic brand.

4. Alignment with Village SDGs

The *Desa Berdaya* Program in Bangah Village contributed directly to the realization of at least nine of the eighteen Village SDGs:

1. **No Poverty (SDG 1):** Job creation and economic revitalization.
2. **Zero Hunger (SDG 2):** Support for food-based MSMEs.
3. **Quality Education (SDG 4):** Provision of non-formal educational facilities.
4. **Clean Water and Sanitation (SDG 6):** Improved sanitation at the swimming pool.
5. **Decent Work and Economic Growth (SDG 8):** Expansion of employment and business opportunities.
6. **Industry, Innovation, and Infrastructure (SDG 9):** Revitalization of community infrastructure.
7. **Reduced Inequality (SDG 10):** Equitable kiosk distribution among residents.
8. **Climate Action and Life on Land (SDG 13 & 15):** Environmentally sensitive tourism management.
9. **Partnerships for the Goals (SDG 17):** Multi-stakeholder collaboration, including with schools.

Thus, the program demonstrated both multidimensional impacts and alignment with the global sustainable development agenda localized at the village level.

5. Challenges Identified

Despite its overall effectiveness, several challenges were observed:

- Monitoring and evaluation remained superficial and lacked long-term follow-up.
- The branding and promotion of the tourism site were insufficient to attract larger numbers of visitors.
- Facilities at the swimming pool require further improvement to meet higher tourism standards.
- A degree of financial dependency on government funding persists, which may challenge sustainability in the absence of continued support.

Table 1 List of Field Finding

Indicator / Aspect	Field Findings	Effectiveness Level	Contribution to Village SDGs
Program Objectives	Revitalization of swimming pool as a flagship product; stimulation of local economic activities	Effective (6.5%)	SDG 8, SDG 9
Target Accuracy	Funds delivered as planned; allocation 92% development – 8% operational; priorities aligned with community needs	Effective (25%)	SDG 1, SDG 10
Program Dissemination	Village deliberations, orientations, and training ensured community participation	Effective (25%)	SDG 16
Program Monitoring	Monitoring conducted but largely administrative; lacked intensive follow-up	Partially effective (12.5%)	SDG 17
Economic Impact	Increased MSME opportunities, additional village income, partnerships with	Very effective	SDG 1, SDG 8

	schools		
Social Impact	Strengthened solidarity, equitable distribution of kiosks, enhanced community pride	Very effective	SDG 10, SDG 11
Institutional Impact	Improved governance capacity, strengthened branding and asset management	Effective	SDG 17
Overall SDG Achievement	9 of 18 SDGs advanced through program implementation	Highly effective	SDG 1, 2, 4, 6, 8, 9, 10, 13, 17

From Matrix table above, the *Desa Berdaya* Program in Bangah Village can be considered **highly effective** in revitalizing local assets, empowering communities, and contributing to the achievement of the Village SDGs. The program offers a replicable model of rural innovation through the branding of local products and infrastructure. However, its long-term sustainability will depend on the strengthening of monitoring mechanisms, improved promotional strategies, and greater village autonomy in asset management.

Nevertheless, limitations persisted. Some projects suffered from over-reliance on external funding, insufficient market analysis, or lack of long-term maintenance strategies. This highlights the need for continuous support and capacity-building beyond initial funding.

Discussion

The findings highlight both the achievements and challenges of *Program Desa Berdaya* in linking empowerment with SDGs through entrepreneurship.

Empowerment and Entrepreneurial Ecosystems

The program succeeded in positioning villages as entrepreneurial actors rather than passive recipients of aid. By encouraging the development of iconic products and services, *Desa Berdaya* aligned with theories of rural entrepreneurial ecosystems, which emphasize resource mobilization, innovation, and community networks (Ayu Lestary et al., 2022). This contributes to the growing literature that sees entrepreneurship as not only an economic activity but also a form of social empowerment.

Localization of SDGs and Institutional Adaptability

By integrating SDGs Desa indicators, the program operationalized the global development agenda at the village level. The addition of SDGs Desa 18 (adaptive institutions) is particularly significant, as it emphasizes the role of governance and local culture in sustaining development. The case study shows that institutional adaptability is crucial: villages with stronger governance were more effective in utilizing program resources. This resonates with broader discussions on the importance of local institutions in sustainable development (Iskandar, 2020; Adi et al., 2020).

Challenges of Sustainability and Market Orientation

Despite its strengths, the program faces sustainability challenges. Many entrepreneurial projects depended heavily on one-time funding and lacked comprehensive market strategies. Without sufficient reinvestment or diversification, projects risk stagnation. This reflects a broader tension in empowerment programs: balancing immediate community benefits with long-term entrepreneurial viability. Research on BUMDes also notes similar challenges of scaling, innovation, and professional management (Ibrahim, 2021; Kholison, 2021).

Implications for Policy and Practice

The study suggests several implications:

1. **Capacity-building beyond funding:** Training in marketing, innovation, and management should complement financial support.
2. **Strengthening institutional networks:** Collaboration between government, private sector, and academia can help sustain entrepreneurial ecosystems.
3. **Monitoring and evaluation:** Clear indicators aligned with SDGs Desa should be used to track outcomes and ensure accountability.

Theoretically, the study contributes to bridging empowerment and entrepreneurship literatures, showing how localized programs can function as hybrid models of social and economic development. Practically, it highlights the importance of designing programs that not only provide resources but also nurture entrepreneurial mindsets and institutional resilience.

CONCLUSION

This article has analyzed the effectiveness of *Program Desa Berdaya* in contributing to entrepreneurial rural development and the achievement of SDGs Desa. By examining the case of Desa Bangah while generalizing to broader contexts, the study demonstrates that the program strengthened institutional capacity, mobilized entrepreneurial resources, and contributed to economic and social resilience.

Theoretically, the article contributes to understanding how empowerment initiatives intersect with entrepreneurial ecosystems and SDGs localization. It shows that effectiveness is multidimensional, encompassing not only immediate outputs but also long-term sustainability and institutional adaptability.

Practically, the findings suggest that empowerment programs should go beyond funding to emphasize capacity-building, innovation, and market integration. For policymakers, the lesson is that sustainable rural entrepreneurship requires supportive ecosystems, adaptive governance, and continuous monitoring aligned with SDGs indicators.

For future research, comparative studies across multiple regions would enrich understanding of contextual variations. Quantitative impact assessments could complement qualitative insights, providing stronger evidence for policy design.

Ultimately, *Program Desa Berdaya* illustrates both the potential and challenges of linking empowerment, entrepreneurship, and sustainable development. Its lessons are relevant not only for East Java but also for broader rural development strategies in Indonesia and other developing countries seeking to localize the SDGs through community-driven entrepreneurship.

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