

Understanding and Supporting for Village SDG 8 (Equitable Economic Growth): Strategies Toward Sustainable Rural Development

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Abstract: This research aimed to assess the understanding and support of micro-entrepreneurs, village officials, and private sector stakeholders regarding the implementation of Village SDG Goal 8. A qualitative and exploratory approach was employed, utilizing questionnaires, Focus Group Discussions (FGDs), in-depth interviews, and field observations as data collection techniques. The analysis was based on 17 indicators of Village SDG Goal 8, and the study was grounded in Legitimacy Theory. The units of analysis consisted of micro-entrepreneurs, village officials, and private sector stakeholders. The findings indicated that levels of understanding and support varied across the three stakeholder groups. Micro-entrepreneurs generally demonstrated lower awareness and commitment compared to village officials and private stakeholders. These variations underscored the need for targeted strategies to enhance stakeholder engagement in achieving the indicators of Village SDG Goal 8. This study contributes to the formulation of action plans aimed at increasing stakeholder understanding and support for Village SDG indicators. Furthermore, the findings can provide valuable input for The Ministry of National Development Planning and the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration in designing policies related to village fund allocations that are aligned with Village SDG targets.

Keywords: village SDGs, MSMEs, legitimacy theory, stakeholders, sustainable economic growth

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INTRODUCTION

Sustainable Development Goals (SDGs) are a global initiative agreed upon for achievement by 2030. Indonesia is one of the countries that ratified the SDGs, as reflected in Presidential Regulation of the Republic of Indonesia No. 111 of 2022, which outlines the implementation framework for achieving the SDGs. This regulation



emphasizes the collaborative roles of both governmental and non-governmental entities through the SDGs National Implementation Team, with particular focus on local-level engagement, especially under the Village SDGs framework (Ministry of Internal Affairs, Republic of Indonesia, 2022).

Achieving the SDGs requires support from various stakeholders. Given the large number of villages in Indonesia, their role is crucial in this process. To promote effective village governance and facilitate village development, it is essential to formulate village regulations that address the Village Revenue and Expenditure Budget, levies, spatial planning, and village governance structures. These regulations must first undergo evaluation by the Regent or Mayor before implementation.

The number of villages in Indonesia reflects their importance to national development. According to data from the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (Kemendes PDTT), as of 2024, there are 75,265 villages and disadvantaged areas across Indonesia, with a combined population of 202 million (Jurnal Lentera, 2024). This indicates that villages are not only the smallest administrative units but also serve as population hubs and strategic pillars in efforts to achieve the SDGs, particularly the Village SDGs. This aligns with findings by Permatasari et al. (2023), who emphasized that the implementation of the Village Fund plays a central role in integrating the SDGs into village planning and budgeting, positioning villages as key actors in national sustainable development.

The allocation of Village Funds is governed by Regulation of the Minister of Villages, Development of Disadvantaged Regions, and Transmigration No. 13 of 2020 concerning the 2021 Village Fund Priority. The Village SDGs framework includes 18 goals covering poverty alleviation, food security, health, education, gender equality, access to clean water and energy, inclusive economic growth, infrastructure, environmental sustainability, climate resilience, peace, partnerships, and institutional capacity. To date, national achievement of the Village SDGs has reached a score of only 44.64, with the highest individual goal achievement being 98.44 (Goal 7), followed by 72.69 (Goal 16) 63.55 (Goal 1). With an achievement score of only 44, far below the 75% target, accelerating the realization of the Village SDGs is critical to meeting the global SDG targets by 2030. Given Indonesia's vast number of villages that serve as critical economic drivers, progress at the village level is critical to national SDG achievement.

Despite the growing attention to the SDGs, research on their implementation at the village level remains limited, particularly in the context of economic development. The academic literature offers scarce insights, as reflected by the low volume of publications, citation rates, and scientific relevance, especially for Goal 4 and Goal 8, which relate to the knowledge economy and have only seen increasing scholarly focus in the last two years (Makarenko et al., 2021). Prior studies on the SDGs, such as those by Kumar & Narayana (2024), Guarini et al. (2022), Gunawan et al. (2020), and Silaban et al. (2021), have addressed various aspects of SDGs implementation. For instance, Guarini et al. (2022) analyzed implementation gaps in Indonesia's SDG 8 roadmap using comparative data from 2016 to 2020, focusing on four key indicators. In another study, Guarini et al. (2022) explored how to integrate the SDGs into the strategic and management processes of national and regional governments through a case study in Italy. Meanwhile, Kumar & Narayana (2024) examined the role of MSMEs in advancing SDG 8 outcomes across Southeast Asian countries, including Indonesia.

As Musa et al. (2024) noted in the context of Bangladesh, sustainable economic development faces macro-level challenges such as industrial emissions and ineffective investment strategies. These macroeconomic dynamics are similarly relevant for rural Indonesia, particularly when national interventions are not aligned with local sustainability contexts. In the European Union context, Kovalov (2024) found a strong correlation between sustainable development indicators and SME development, highlighting the importance of indicator-based economic planning to improve Village SDGs scores.

Although sustainable development has been widely studied, research specifically focusing on Village SDGs implementation remains limited. Ali et al. (2025), for instance, found that SDGs programs in East Lombok were ineffective in promoting decent work and economic growth due to the limited impact of pre-employment and training initiatives. Ardhanariswari et al. (2024) and Sugandi et al. (2022) argued that successful Village SDGs implementation depends on expert involvement, robust regulations, and a strategic shift from physical infrastructure development toward inclusive and sustainable programming. Similarly, Lestari et al. (2023) and Prihatiningtyas et al. (2023) stressed the importance of allocating Village Funds not only to infrastructure, but also to productive economic activities and human resource development, backed by clear policies and strategic planning.

The existence of the Village SDGs plays a crucial role in supporting national-level SDGs implementation, particularly given the large number of villages that serve as the foundation for national progress. Countries with similar characteristics to Indonesia also emphasize Village SDGs achievements over national-level metrics alone. However, as shown by Guarini et al. (2022), Gunawan et al. (2020), and Silaban et al. (2021), existing implementation efforts remain insufficient in supporting economic growth. Furthermore, academic research on the Village SDGs is still scarce, indicating the need for further studies that evaluate village-level contributions and strategies to ensure effective SDGs implementation. At present, some villages have received support from both government and private entities to boost local economic growth.

Achieving the Village SDGs requires not only implementation but also high-quality reporting to ensure transparency and meaningful evaluation. However, many village reports focus primarily on physical outputs and lack depth in principle-based evaluation. In response, Permatasari et al. (2020) proposed a comprehensive sustainability reporting framework based on principles such as materiality, completeness, and stakeholder inclusiveness. Their findings, based on Indonesian companies, revealed moderate disclosure levels but generally low reporting quality. This underscores the need for improved standards. This is highly relevant to the Village SDGs, where principle-based reporting is essential for monitoring progress and guiding sustainable development. Future efforts must adopt frameworks like those proposed by Permatasari et al. (2020) to enhance transparency and planning quality in Village SDGs implementation.

This study investigates a case in two villages in one regent in Indonesia, labeled by S Village (P Sub-district) and I Village (K Sub-district), which received coaching programs from the Ministry of Cooperatives and SMEs, including training and marketing facilitation. In addition to government support, private sector stakeholders such as the Dharma Bhakti Astra Foundation (YDBA) have also contributed by offering marketing programs and expanding market access. For example, coconut and sugar products made by micro-entrepreneurs in S Village have been marketed internationally, while kitchen knife products from I Village have reached both national and overseas markets.

Despite these interventions, both villages still report relatively low Village SDGs scores, particularly for Goal 8, as shown in Table 1. Micro-business actors are defined as entrepreneurs with capital ownership up to IDR 1 billion (excluding land and buildings) and annual revenue not exceeding IDR 2 billion (Government of Indonesia, 2021).

A comparable case is the CSR initiative of PT Pertamina Hulu Energi Kampar, studied by Tasmal et al. (2023). Through the LAPANG PELITA program, which includes Lepak PKK, Angkringan, and Pustaka Literasi Pertamina, the company implemented SDG 5, SDG 8, and SDG 4 in Bukit Lembah Subur Village. This illustrates how corporate social responsibility can holistically address gender equality, economic growth, and literacy, aligning closely with Village SDGs goals.

Table 1 Village SDGs Scores (2021)

Location	Village SDGs Score 2021	SDG 8 Score
National	44,64	41,88
Central Java	46	41,81
Regent	48	27,38
S Village, P sub-district	36	28,39
I Village, K sub-district	40	32,86

This is consistent with Ikuta & Fujii (2022), who highlighted the increasing role of private companies in community-level SDGs engagement. Castellani et al. (2023) emphasized the importance of partner selection strategies for SMEs to ensure alignment with SDG values, which is relevant for stakeholder selection in village coaching programs. Likewise, Al Koliby et al. (2023) demonstrated that entrepreneurial competencies and innovation are critical to SME sustainability, underscoring the need for competency-based coaching. Prasetyo et al. (2024) also found that sustainability in banana-based SMEs depends not only on economic growth, but also on environmental awareness. This insight is applicable to rural product development. Bakhshi et al. (2023) further emphasized that structured leadership frameworks can empower SMEs. This offers a model that can be adapted to Village SDGs leadership development. Additionally, the effectiveness of MSME programs can be measured using Social Return on Investment (SROI), as shown by Saraswati et al. (2024), who evaluated the value creation of a redesigned culinary MSME program. This offers a replicable approach for impact-driven rural development.

METHODS

This study was qualitative and exploratory in nature. It employed 18 Village SDGs indicators across eight objectives as the basis for analysis. Content analysis was applied to examine words, meanings, symbols, ideas, themes, or messages that were conveyed through responses and observations. The research focused on two villages in a Regent, Central Java, labeled S and I. These villages were selected because they had participated in government and private coaching programs for micro, small, and medium enterprises (MSMEs), yet showed relatively low achievement on Village SDG indicators, particularly for Goal 8 on equitable economic growth.

The units of analysis consisted of three categories. First, micro-entrepreneurs were included as key economic actors contributing directly to village-level growth. Second, village officials, such as the Village Head, Village Secretary, and section heads, were involved due to their role in implementing development policies. Third, private sector stakeholders, particularly from YDBA, were selected for their involvement in daily mentoring and capacity-building for MSMEs.

A total of 40 micro-entrepreneurs currently receiving coaching in S and I Villages were selected as respondents. In addition, the study involved village officials, including the Village Head, Village Secretary, and Head of Affairs from both villages. Ten village stakeholders were included because they represented local extensions of the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (PDTT Ministry) in supporting the implementation of Village SDGs. Furthermore, four private sector stakeholders were selected based on their routine engagement with micro-entrepreneurs in the coaching program.

Data collection was carried out using several primary methods, namely questionnaires, Focus Group Discussions (FGDs), in-depth interviews, and direct observations. These activities took place during the period of November to December 2022. Before full-scale data collection, a pilot test of the questionnaire was conducted to ensure its clarity, relevance, and readability, especially for rural respondents with varying educational backgrounds. Feedback from the pilot test was used to revise the questions for improved linguistic and contextual suitability.

The analysis was conducted by integrating the percentage results of questionnaire responses with qualitative notes from FGDs and field observations. To ensure the credibility of the data, the study employed several strategies. These included selecting a sample aligned with the research objectives, developing interview guidelines with both close-ended and open-ended questions, preparing structured protocols for in-depth interviews, validating responses through respondent follow-up, and involving academic supervisors to provide critical input and guidance throughout the research process

RESULTS AND DISCUSSION

The regent is located in Central Java Province, Indonesia. The regency comprises 27 sub-districts, 30 urban villages (*kelurahan*), and 301 rural villages (*desa*). Within the regent, two villages were selected as research sites based on their participation in mentoring programs organized by the Indonesian Ministry of Cooperatives and SMEs (Kemenkop RI). These villages were S Village in P Sub-district and I Village in K Sub-district.

This research began by trialling the questionnaire with respondents outside of Village S and Village I. The researchers trialled the questionnaire in villages where three types of respondents were present: micro-entrepreneurs, village leaders, and private sector leaders who mentor micro-entrepreneurs in the village. The questionnaire was distributed to 15 respondents from microbusiness owners, three village leaders, and three private sector leaders across seven villages in four districts. The results of this pilot questionnaire produced data from 15 respondents.

The questionnaire primarily assessed the knowledge and understanding of village business actors in four areas: (1) village potential development, training, and mentoring programs; (2) opportunities to participate in business development training in production, marketing, and occupational safety and health; (3) village tourism programs, including stakeholder involvement and associated benefits; and (4) village cash-intensive programs, training and mentoring related to village-owned enterprises, people's business credit schemes, and social, family, and child protection initiatives.

Each respondent was able to answer all statements on the pilot questionnaire. In terms of understanding or supporting the questionnaire statements, 21 percent of the microbusiness respondents understood or supported the statements, 58 percent of the village stakeholders understood or supported the statements, and 14 percent of the private stakeholders understood or supported the statements. Based on the results of the pilot questionnaire, it can be seen that the level of understanding of the SDG-related statements by micro-enterprises and private stakeholders was still minimal. A total of 42 percent of village stakeholder respondents did not understand the statements. The pilot questionnaire can be used for further distribution. To ensure that each respondent understands the statements, it is necessary to be accompanied by an enumerator when completing the next questionnaire.

The questionnaire completion activities were conducted between the third week of November and the first week of December 2022. Meanwhile, Focus Group Discussion (FGD) sessions with the three types of respondents were held on 27 and 28 December 2022.

Based on the data obtained from questionnaires, FGDs, and supporting analysis, the empirical findings are summarized in Table 2:

Table 2 Questionnaire Statement Variable Matrix with Respondents’ Level of Understanding and Support

No	Variable Questionnaire Statement	Micro Entrepreneurs	Village Officials	Private Sectors
1.	Village Potential Development Program	Support	Support	Support
2.	Training/ Mentoring Opportunities from the Village	Support	Support (except for marketing training)	Support
3.	Occupational Safety and Health	Not yet supported implementation	Not yet supported in practice	Not yet supported implementation
4.	Village Tourism Program	Do not Understand	Not all villages support this	Do not Understand
5.	Opportunities to Access Skills Improvement Program	Support	Support	Support
6.	Village Cash for Work Program (PKTD)	Support	Support	Do not Understand
7.	Ease of Financing Facilitation	Support	Support	Support
8.	Quality of Human Resources	Do not Understand	Support	Do not Understand

Table 2 shows that while most respondents supported the proposed programs, there were notable gaps in understanding. These gaps were most apparent in areas related to tourism, occupational health, and human resource quality.

The empirical results from the matrix of questionnaire statement variables and the respondents’ levels of understanding and support were re-tested with selected representatives from the three respondent groups. The re-test was conducted by presenting the results of the FGD analysis along with the matrix of questionnaire statement variables to these representatives, and asking for their responses and input. Based on the re-test results, it was confirmed that the respondents’ levels of understanding and support were consistent with the researcher’s analysis.

Table 3 presents the composition of FGD participants, which included respondents from micro-entrepreneurs, village officials, private sector representatives, and other local stakeholders.

Table 3 Composition of FGD Respondents

Location	Micro Entrepreneurs	Village Officials	Private Sectors	Other Stakeholders
S Village	5 Respondents	1 Respondent	4 Respondents	1 Cooperative Chairman
I Village	9 Respondents	2 Respondents		
Other				1 PHRI representative 1 journalist from B Regency

FGDs were conducted to explore participants’ understanding and support of the questionnaire statements. The transcripts and thematic summaries are available in Appendices Five, Six, and Seven.

Comparison between the questionnaire and FGD findings revealed inconsistencies in levels of understanding among the three respondent groups. This indicated that, despite systematic administration of the questionnaire

and support from enumerators, respondents still had difficulty interpreting certain items. These limitations persisted even though the instrument had been pre-tested using trial questionnaires to improve clarity and relevance.

Observation activities were conducted on January 4, 2023, involving village stakeholder respondents. These observations were undertaken in response to FGD findings that revealed a lack of understanding among village officials regarding the Village SDGs. In particular, the preparation of the Village Government Work Plan (RKP) was still heavily dependent on external assistance from village facilitators.

Each respondent understood the statements related to Village SDG Goal 8. However, their levels of understanding and support varied, as presented in Table 2. To ensure full support for Village SDG Goal 8 from all three respondent groups, it is necessary to legitimize the goal by fostering continuity, credibility, persistence, and shared meaning. These elements align with the “continuity versus credibility” dimension of legitimacy. The appropriate form of legitimacy in this context is sociotropic moral legitimacy, which reflects the social characteristics of village communities. According to Suchman (1995), this type of legitimacy can effectively enhance community welfare.

In implementing moral legitimacy, one applicable approach is the strategy of “gaining legitimacy”. Through this strategy, all actors involved—micro-entrepreneurs, village officials, and private sector stakeholders—can align their roles with Village SDG Goal 8 and agree on shared objectives. Suchman (1995) proposed that this strategy involves three key activities: adapting to the environment, choosing the environment, and manipulating the environment. Adaptation involves producing relevant results, participating in common institutions, and presenting symbolic displays. Environmental selection consists of establishing common goals. Manipulating the environment involves showcasing demonstrated success.

The findings of this study reinforced the relevance of legitimacy theory as a useful lens to interpret stakeholder dynamics in village-level SDG implementation. As stated by Suchman (1995), legitimacy can be gained through strategic alignment with environmental expectations, symbolic actions, and observable outcomes. In this study, micro-entrepreneurs exhibited lower levels of understanding and support compared to village officials and private sector actors. This suggests that legitimacy is contextually shaped by access to knowledge, institutional roles, and participation.

Two indicators—village potential development programs and access to training or mentoring—were the most widely understood and supported across all respondent groups. This highlighted the fact that village actors placed high value on initiatives that were tangible, inclusive, and provided visible benefits to the community. The prominence of these two indicators demonstrated the ability of local institutions to gain legitimacy through structured empowerment and participatory development. These results supported the argument that sociotropic moral legitimacy was enhanced when programs visibly contributed to collective welfare. In this case, such legitimacy fostered stronger alignment and engagement. These findings were also consistent with the strategy of gaining legitimacy, in which institutions offered practical and symbolically meaningful programs to promote long-term stakeholder support.

In the Indonesian context, regulatory legitimacy played a central role in shaping development behavior. Local actors, particularly micro-entrepreneurs and village officials, often complied with formal procedures and institutional norms. Therefore, legitimacy in Indonesia was not only symbolic but was also closely tied to trust in institutions and regulatory clarity. This emphasized the importance of the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (PDTT Ministry) in leading the dissemination of SDG frameworks that were clear, actionable, and easy to understand. The questionnaire results showed that although respondents often expressed support for specific programs, their understanding of the underlying SDG indicators remained

limited. This suggested that many stakeholders demonstrated pragmatic legitimacy based on compliance, but lacked cognitive legitimacy based on true understanding. Enhancing legitimacy in this context required a shift from mere procedural compliance toward deeper stakeholder awareness and engagement.

Legitimacy in Village SDG implementation was also shaped by stakeholder expectations. For a village program to gain legitimacy, it needed to meet both regulatory requirements and the practical needs of stakeholders such as residents, MSMEs, and private sector partners. Aligning program goals with stakeholder interests served as a pathway to gaining and maintaining legitimacy. This conclusion supported the findings of Biloslavo et al. (2020), who emphasized that aligning sustainability strategies with stakeholder values was crucial for transforming business models.

The results of this study also echoed the insights of Kinder et al. (2022) and Ikuta & Fujii (2022), who highlighted the importance of collaborative legitimacy-building among government agencies, businesses, and local communities. The variation in stakeholder engagement observed in this study was similar to the institutional gaps discussed by Guarini et al. (2022) in the local implementation of SDG 8. Furthermore, Malhotra & Kiran (2023) argued that social and cognitive competencies were essential for making decisions aligned with the SDGs. These findings supported the need for behavioral and capacity-building programs at the village level.

This research contributed to the application of legitimacy theory by providing empirical insight into how legitimacy functioned in rural economies, particularly in Southeast Asia where multistakeholder collaboration was essential. The study also extended the literature by showing that legitimacy at the village level was both procedural and relational. Formal SDG integration into local policy needed to be accompanied by continuous dialogue and inclusive engagement with grassroots stakeholders.

The activities within the strategy of gaining legitimacy were also supported by political communication. According to Chakraborty et al. (2025), there were three important processes within this communication framework. These were clarifying terminology to restore meaning, establishing procedural criteria for communication justification, and integrating pragmatic with ethical communication approaches. This perspective was relevant to rural MSMEs, which often encountered barriers similar to those faced by SMEs implementing circular economy practices. In this regard, improving financial literacy was considered an essential factor in supporting sustainable economic growth. Kurniasari (2023) found that financial literacy contributed directly to financial inclusion, which was vital to sustaining MSME growth in rural settings.

To implement legitimacy theory more effectively, this study recommended the creation of joint institutions that involved collaboration among village officials, private sector actors, micro-entrepreneurs, Village-Owned Enterprises (BUMDes), banks, off-takers, tourism associations, hotel groups, and other stakeholders. Through collective goal-setting and coordination, Village SDG implementation could become more effective. This strategy should be supported by targeted communication and community empowerment to build shared vision and capacity.

The results of this study showed that the levels of understanding and support among micro-entrepreneurs, village officials, and private sector stakeholders for Village SDG Goal 8 remained uneven. As this area had not been thoroughly explored in prior studies, the findings provided valuable insights for future research and policy formulation. The study also offered input for the PDPT Ministry in its efforts to accelerate Village SDG achievement by 2030.

Integrated financial instruments also played a key role in supporting the SDGs. For example, Islamic finance, when aligned with sustainability goals, could become a strategic tool for inclusive development. This view was supported by Muhmad et al. (2021), who emphasized the alignment of Islamic financial institutions with the SDG agenda. Gunawan et al. (2020) and Hummel & Szekely (2021) observed that although corporations increasingly

referenced the SDGs in their reports, the quality and depth of such disclosures were often insufficient. This underscored the importance of structured communication strategies and stakeholder capacity-building at the village level to avoid superficial implementation.

Permatasari et al. (2020) proposed a principle-based reporting framework that emphasized materiality, completeness, and stakeholder inclusiveness—dimensions often lacking in village-level reporting. In addition, Silva (2021) suggested that legitimacy could be strengthened when companies selected SDG targets that aligned with broader stakeholder goals. Nuber & Velte (2021) also recommended the alignment of organizational and community activities when applying legitimacy theory in efforts to reduce emissions.

Given that the national Village SDG score remained at 44.64, further research and engagement efforts were necessary to increase understanding and support across all stakeholder groups. Planning for the Village SDGs should incorporate the principle-based reporting guidelines proposed by Permatasari et al. (2020), which allow for meaningful evaluation and transparency. Moreover, leadership and innovation frameworks, as discussed by Castellani et al. (2023) and Al Koliby et al. (2023), could help shape more responsive and capable village enterprises that align with national SDG targets.

Based on the findings of this study, it was evident that the levels of understanding and support regarding the indicators for achieving Village SDG Goal 8 varied among micro-entrepreneurs, village stakeholders, and private sector actors. The research specifically addressed the observation that micro-entrepreneurs often demonstrated procedural compliance but had limited conceptual understanding of the SDG indicators. Village officials exhibited moderate to high levels of understanding and provided consistent institutional support. Among the three groups, private sector stakeholders, particularly those involved in village mentoring, showed the strongest alignment and proactive engagement, especially in promoting inclusive and sustainable rural economic growth.

These findings confirmed the importance of legitimacy in shaping stakeholder behavior and highlighted the need for targeted strategies to address gaps in both comprehension and commitment. Legitimacy was found to play a central role in the Indonesian context. Village-level stakeholders in Indonesia tended to comply with existing regulations and institutional frameworks, reflecting the influence of regulatory legitimacy. However, this compliance did not always indicate a full understanding of the SDG goals. This underscored the importance of strengthening cognitive legitimacy through stakeholder education, simplified communication, and participatory development strategies. It is therefore essential for regulators and policymakers not only to enforce formal procedures but also to actively build understanding and encourage stakeholder engagement.

This research has not been addressed in previous studies and may serve as a useful reference for future academic work. It also provides practical input for the Ministry of Villages, Development of Disadvantaged Regions, and Transmigration (PDTT Ministry) in its efforts to support the achievement of the Village SDGs by 2030. Considering that the national Village SDG score has only reached 44.64, continuous research and stakeholder discussions are required to accelerate understanding and support for each Village SDG indicator.

This study also had several limitations. Some respondents found it difficult to fully comprehend the questionnaire statements, even with the support of trained enumerators. In addition, certain responses may have contained bias, which indicated the value of employing complementary methods such as Focus Group Discussions (FGDs). Future research is encouraged to use more in-depth interview techniques and improve the precision of data analysis. The continued application of legitimacy theory remains highly relevant and should be further developed to improve stakeholder involvement and understanding of Village SDG indicators.

This study offers meaningful contributions in academic, policy, and practical domains. From an academic standpoint, it advances the application of legitimacy theory within the context of Village SDG Goal 8, which

focuses on equitable rural economic growth. It also introduces a 17-indicator instrument to assess stakeholder understanding and support. On the policy level, the study provides valuable insights for Bappenas and the PDDT Ministry to enhance village fund allocation and improve the performance of village facilitators in implementing the SDGs. Practically, the findings serve as a guide for micro-entrepreneurs, village authorities, and private sector actors in aligning their initiatives with Village SDG targets, thereby fostering collaborative and sustainable rural economic development.


The results also emphasized that two indicators—Village Potential Development Programs and Access to Training or Mentoring Opportunities Provided by the Village—received the highest levels of understanding and support across all stakeholder groups. These indicators reflected a shared appreciation for structured institutional support and capacity-building efforts as legitimate and effective means to advance SDG Goal 8. Their prominence suggested that stakeholders not only complied with formal requirements but also recognized and trusted these mechanisms as meaningful drivers of change. From an academic perspective, this supported the theoretical claim that cognitive and moral legitimacy, when cultivated through clear communication and participatory strategies, could significantly enhance stakeholder engagement in sustainable rural development.

CONCLUSION


This study revealed varying levels of understanding and support for Village SDG Goal 8 among micro-entrepreneurs, village officials, and private sector stakeholders, with the private sector showing the highest engagement while micro-entrepreneurs demonstrated the lowest. Using Legitimacy Theory, the research highlighted that although procedural compliance exists, cognitive and moral legitimacy remain limited, particularly among micro-entrepreneurs. Two indicators, namely village potential development and access to training, emerged as the most widely supported, which underscores the importance of participatory and capacity-building programs in gaining legitimacy. These findings contribute to academic discourse by applying legitimacy theory in a rural Indonesian context and provide practical insights for policymakers to enhance communication strategies, institutional coordination, and stakeholder empowerment. In order to accelerate Village SDG achievement by 2030, it is essential to move beyond regulatory compliance and instead promote deeper understanding and shared ownership, supported by inclusive planning, collaborative institutions, and structured capacity development. As the policymaker, the Ministry of Villages can map village potentials that contribute to the achievement of the SDGs. Furthermore, the Ministry should establish clear targets for Village SDG attainment and implement a reward-and-sanction mechanism, disseminated through structured training and mentoring programs. While the study provides valuable input, it also acknowledges limitations in respondent comprehension and the potential for bias, which indicates the need for future research with a broader scope and more in-depth qualitative methods.

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