

GOVERNANCE INNOVATION ON RURAL MSMEs EMPOWERMENT

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Abstract

Background - Rural Micro, small and medium enterprises (MSMEs) are an important sector and have an important role in realizing the economic development goals of a country, including economic growth, job creation, increasing foreign exchange, empowerment, formation of gross domestic product. several major issues hinder the growth of MSMEs in rural areas, including those that are related to low levels of human resource knowledge, skills, and education, limited access to sources that can provide capital assistance, a lack of planning in the production process, and unstable commodity prices. Due to the incomplete integration of upstream and downstream processes, there is no assurance of production continuity and low quality.

Purpose - This study focuses on efforts to empower MSMEs in Banjarsari Village through an innovative governance approach. By utilizing the potential of local resources, digital technology, and the involvement of various actors, MSME empowerment is expected to have an economic impact and strengthen social structures and environmental sustainability.

methodology - The method used a descriptive qualitative approach, The research design used is a case study. Case studies allow researchers to conduct an in-depth analysis of several MSMEs implementing MSME governance innovations, namely Banjarsari Village, Ciawi District, Bogor Regency. This study used semi-structured interviews and observation to collect data.

Findings - Bogor Regency is one of the food barns for West Java Province. Amid rapid urban development, Bogor Regency also still holds great potential from the MSME sector in rural areas. Rural MSMEs in Bogor Regency have a strategic role in the local economy, not only as income generators for the community but also as guardians of the sustainability of local traditions and environmental preservation. Innovation is an important element for the sustainability and growth of MSMEs Innovation has been considered essential for organizations to compete in the modern and international world and dynamic business environment Governance innovations in Rural MSME development in Indonesia revolve around creating a more inclusive and efficient policy environment to support MSMEs. These include Digital-Based Development and Partnership has cultivated a conducive environment for Rural MSMEs empowerment in Banjarsari Village. While public sector innovation provides a robust framework for MSME advancement, its success hinges on addressing structural barriers and ensuring policies are inclusive and responsive to local contexts. Recommendations for enhancing innovative governance include: sustaining efforts in digital transformation, promoting sustainable practices through incentives for eco-friendly technologies, and encouraging data-driven marketing alongside collaborative branding within MSME clusters. Establishing a unified platform for advertising and distribution could further extend the market reach of rural MSMEs.

Originality - The originality of this research is exploring the subject or factual conditions regarding the performance of apparatus in providing services to the community

Keywords: Empowerment, Governance, Partnership, Rural MSMEs.
