

Research Article

Implementation of Shoe MSME Empowerment Policy as an Effort to Improve Competitiveness and the Local Economy of Mojokerto City

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Abstract: This study aims to analyze how the government policy of Mojokerto City is implemented to support the empowerment of shoe SMEs and to identify the factors influencing the success or failure of the policy. The method used in this research is a qualitative approach with data collection techniques through in-depth interviews, field observations, and documentation. Data was collected from shoe SMEs, relevant government officials, and supporting institutions. Data analysis was conducted using Edwards III's public policy implementation theory, which includes four indicators: communication, bureaucratic structure, resources, and implementer disposition. The findings of this study show that although the policy for empowering shoe SMEs has had a positive impact in several areas, such as improving product quality and marketing awareness, there are still barriers in terms of inter-institutional coordination, access to funding, and human resource quality. The conclusion of this study is that the implementation of the shoe SME empowerment policy in Mojokerto City can succeed with improvements in more effective communication, better coordination between institutions, and strengthening the resources needed by SMEs. Recommendations for the local government include simplifying administrative procedures, increasing access to funding, and enhancing entrepreneurship training relevant to the needs of shoe SMEs. Therefore, this policy is expected to have a greater impact on competitiveness and the local economy.

Keywords: Bureaucratic structure; Government policy; Local Economic Competitiveness; Public Policy Implementation; Shoe SMEs Empowerment

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a central role in Indonesia's economy. Data from the Ministry of Cooperatives and MSMEs show that by the end of 2024 there were approximately 30.18 million registered MSME units, with wholesale and retail trade as the largest contributor (Winarsih et al., 2024). MSMEs contribute significantly to national Gross Domestic Product (GDP), accounting for around 61% or the equivalent of IDR 9,580 trillion in 2023. In addition, the sector absorbs nearly 97% of total employment in Indonesia, making it a key pillar of job creation and income distribution. Despite their sizable contribution, Indonesian MSMEs face various development challenges. One of the main obstacles is limited access to capital. Many MSME actors struggle to meet strict credit requirements from financial institutions, such as the lack of collateral and adequate documentation, as well as low financial literacy.

Furthermore, digital technology adoption among MSMEs remains low, with many enterprises not yet leveraging technology to improve efficiency and competitiveness. Limited understanding of digital technology and infrastructure constraints hinder MSMEs' digital transformation. According to (Guntoro et al., 2024) digital technology adoption can expand access to markets and financing, yet the digital divide remains a challenge. Low digital literacy, infrastructure limitations, and trust issues toward digital systems are key barriers to imple-

menting digital transformation for MSMEs. Therefore, collaborative efforts among government, financial institutions, and MSME actors are needed to address these challenges and promote inclusive and sustainable MSME growth.

Indonesia's shoe industry is an integral part of the MSME sector and makes a significant contribution to both local and national economies (Wahyudin et al., 2020). For example, the shoe industry cluster in Cibaduyut, Bandung known as a center of local shoe production experienced sales declines of up to 75% in 2024. This was due to an influx of low-priced imported products from countries such as China and Vietnam that flooded the domestic market at prices far below those of local products, threatening the survival of local craftsmen. Beyond competition from imports, shoe MSMEs also face constraints in production quality, marketing, and access to global markets. Many local shoe artisans still rely on traditional, small-scale production methods, making it difficult to meet broader market demand. A lack of understanding of modern marketing strategies and the use of digital technology also hampers market expansion. For instance, the Ortins Namaste Art shoe MSME in Kediri Regency has attempted to improve competitiveness by applying the 4P marketing mix and utilizing digital platforms for promotion, although it still faces challenges in achieving broader market access.

The Government of Indonesia has designated MSME empowerment as a strategic priority in the 2020–2024 National Medium-Term Development Plan (RPJMN). This is reflected in Government Regulation No. 7 of 2021 on the Ease, Protection, and Empowerment of Cooperatives and MSMEs, which provides the legal framework for various MSME empowerment policies and programs in Indonesia. BPK Regulation. MSME empowerment programs implemented to date cover various aspects, including access to financing, entrepreneurship training, and streamlined licensing. One concrete example is the distribution of People's Business Credit (KUR), which reached IDR 199.88 trillion as of October 2023, with 3.61 million borrowers. In addition, the government has provided entrepreneurship training and business mentoring through various institutions, such as Rumah BUMN and business incubator programs, to enhance the capacity and competitiveness of MSME actors.

According to (Wahyuni et al., 2024) the implementation of MSME empowerment policies in Trenggalek Regency has shown positive results in increasing the capacity and competitiveness of MSME actors. Programs such as digital marketing training, business mentoring, and mobile licensing services have helped MSMEs access wider markets and improve product quality. Mojokerto City, located in East Java Province, has an economic profile dominated by the manufacturing sector, particularly footwear. In 2017, the manufacturing sector contributed around 5.6% to Mojokerto City's Gross Regional Domestic Product (GRDP), with the leather, leather goods, and footwear subsector as a major contributor. In 2014, there were 374 footwear industry units in the city, increasing to 399 units in 2016, with average production reaching 2,000 kodi (bundles) of shoes and sandals per month. Mojokerto's footwear industry is recognized for quality at the Asian level, although most operations are conducted as home industries.

The role of shoe MSMEs in Mojokerto's local economy is highly significant. The local footwear industry not only absorbs substantial labor but also contributes to increasing household income and promoting equitable economic development at the village level (Wahyuni et al., 2024). For example, UD. Sonny Jaya one of the shoe MSMEs in Mojokerto produces 2,000 kodi of shoes and sandals each month, with distribution covering almost all cities and regencies in East and Central Java. In addition, Mojokerto shoe MSME actors actively participate in managerial training and entrepreneurship incubation organized by the local government to improve their capacity and competitiveness in both local and global markets.

The Mojokerto City Government has implemented various policies to empower shoe MSMEs. One such effort was business and management training for shoe entrepreneurs held in July 2024 at the Maja Bharama Wastra Batik IKM Center. The training was attended by 20 shoe and footwear entrepreneurs and aimed to enhance their competencies and capacities in facing an increasingly competitive market. The local government has also supported international market access through export programs, as evidenced by CV. Mitraindo Shoes Pratama's export of 3,250 pairs of shoes to South Korea in July 2025. These efforts reflect Mojokerto City's commitment to increasing the competitiveness of shoe MSMEs and driving inclusive and sustainable local economic growth.

The empowerment of shoe MSMEs in Mojokerto City has a significant impact on the local economy. According to (Hanafi et al., 2024) Mojokerto's shoe MSMEs play an important role in improving community welfare, not only economically but also socially. Shoe MSMEs in the city have created jobs, enhanced skills and knowledge in footwear production, and contributed to household incomes. For example, the footwear industry in Miji Subdistrict,

Kranggan District, has absorbed local workers who were previously unemployed, giving them opportunities to improve their standard of living through stable jobs and steady income.

Limited innovation and technology in production processes are also major constraints. Many Mojokerto shoe artisans still use traditional, small-scale methods, making it difficult to meet wider market demand. A lack of understanding of modern marketing strategies and the use of digital technology also hampers market expansion. For instance, Durachy founded by Aji at the age of 19 experienced up to a tenfold increase in sales after joining the Shopee e-commerce platform, demonstrating the importance of digital technology adoption in marketing.

Another issue faced by Mojokerto shoe MSMEs is weak human resource and managerial capacity. Many MSME actors do not yet have efficient management systems, leading to low productivity and product quality. According to (Mahmud et al., 2024) MSMEs in Mojokerto still face challenges in business management, including suboptimal planning, organizing, and supervision. In addition, low awareness of the importance of quality certification and digital marketing remains a challenge. Most Mojokerto shoe MSME actors have not fully understood production processes that meet quality standards or the procedures for halal certification, both of which can improve product competitiveness in global markets.

The objective of this study is to evaluate the implementation of shoe MSME empowerment policies in Mojokerto City. Specifically, the study seeks to identify the factors that influence the competitiveness and development of shoe MSMEs in the area. It also analyzes the impact of empowerment policies on the improvement of the local economy. Through qualitative and quantitative approaches, this research is expected to provide a comprehensive picture of the effectiveness of policies implemented by the local government to support the shoe MSME sector. According to Primartadi et al. (2022), the implementation of shoe MSME empowerment strategies in Sooko District, Mojokerto Regency, indicates that the role of the Department of Industry and Trade is crucial in addressing entrepreneurs' problems, such as limited capital and market access.

2. Literature Review

Policy Implementation

Public policy implementation is a crucial stage in the policy process that determines whether policy objectives are achieved. Even a well-designed policy will fail to deliver the desired outcomes if its implementation is not thoroughly prepared. Therefore, the implementation stage must be planned from the outset alongside policy formulation to anticipate obstacles in the field (Situmorang, 2020). According to Webster's Dictionary as cited in (Safarudin, 2022) implementation is the provision of means to carry out a policy and produce practical effects. (Makmur, 2023) adds that implementation involves more than bureaucratic procedures; it also encompasses conflict dynamics, decision-making, and the distribution of benefits among relevant actors. Edwards III positions implementation as an integral part of the policy process situated between policy formulation and policy outcomes. He identifies four aspects that strongly influence policy implementation:

- a. **Communication:** Communication is the process that enables ideas or concepts to be understood by others through various symbols or behaviors. Effective communication is essential in policy implementation, as poor communication can hinder policy execution.
- b. **Bureaucratic Structure:** Bureaucratic structure determines the authority and legitimacy of policy implementers in carrying out their tasks. This includes Standard Operating Procedures (SOPs) and organizational fragmentation that typically characterize bureaucracies.
- c. **Resources:** Policy implementation requires support in human, material, and methodological resources. Without adequate resources, policies cannot be implemented effectively. These resources include qualified staff, information, funding, authority, and supporting facilities.
- d. **Disposition of Implementers:** Disposition refers to the characteristics and attitudes of policy implementers, such as commitment, discipline, honesty, and intelligence. Positive attitudes toward the policy can enhance implementation effectiveness, whereas attitudes that misalign with policy goals can impede the process.

Community Empowerment

Community empowerment is a process aimed at increasing the capacity of individuals and communities to manage their resources and make decisions that positively affect their lives (Noor, 2019). According to Jim Ife in *Community Development: Creating Community Alternatives Vision, Analysis, and Practice* (1997), community empowerment means providing access to resources, opportunities, knowledge, and skills needed to help individuals strengthen their ability to set the direction of their lives and participate in social change within their communities.

a. Resources

Providing resources to the community means supplying the basic needs required to improve their quality of life. This may include material assistance such as food and tools, as well as access to health and education services. With sufficient resources, communities have a strong foundation for achieving positive and sustainable change in their lives.

b. Opportunities

Opportunities in the context of community empowerment concern providing fair and equal access for every individual to participate in development processes. This requires removing social, economic, or political barriers that prevent certain people or groups from obtaining equal benefits. By providing opportunities, communities are given space to participate actively in decision-making that affects their lives.

c. Knowledge

Knowledge is a vital component of empowerment because it increases communities' understanding and awareness of the problems they face. Providing knowledge means equipping communities with the information needed to make sound and judicious decisions. This can be done through formal education, training, or information campaigns to enhance awareness and engagement with relevant issues.

d. Skills

Developing skills in community empowerment aims to train and improve individuals' abilities across various fields so that they can be more self-reliant and effective in daily life. Skill development may cover multiple aspects, such as technical skills, leadership, management, and social skills. With solid skills, communities are better able to solve problems, improve well-being, and contribute more significantly to community progress and the sustainability of innovations.

3. Method

This study employs a descriptive qualitative approach to analyze the implementation of shoe MSME empowerment policies in Mojokerto City in enhancing competitiveness and the local economy. It explores the perspectives and challenges faced by shoe MSME actors and evaluates the effectiveness of local government policies through in-depth interviews, field observations, and policy documentation. Data analysis was conducted via categorization to identify factors that influence the success of shoe MSME empowerment. The research focuses on the role of Mojokerto City's government policies in empowering shoe MSMEs, using public policy implementation theory as the analytical framework. It examines policies related to regulation, access to capital, entrepreneurship training, and marketing, as well as their impacts on product competitiveness, job creation, and contributions to the local economy. The study was conducted in Mojokerto City, selected for the strategic role of the shoe MSME sector in the local economy and its growth potential with supportive government policies.

4. Results and Discussion

Policy Implementation

In this study, the researcher analyzes the role of the Mojokerto City Government's policies in empowering shoe MSMEs through the implementation of regulatory programs, access to financing, training, and marketing enhancement, using Edwards III's policy implementation framework. These implementation elements are examined through indicators that reflect policy support for MSME actors' participation in planning, implementation, and management of the footwear industry value chain covering the clarity and consistency of policy communication, the effectiveness of bureaucratic structures and cross-agency (OPD) coordination, the adequacy of resources (mentoring human resources, information, funding, and facilities), as

well as implementer disposition (the commitment and responsiveness of officials to MSME needs). These aspects are analyzed through indicators designed by the researcher as follows:

a. Communication

In Edwards III's policy implementation theory, communication is understood as the process of conveying information that enables a policy to be comprehended, translated, and executed consistently by implementers across different levels. Communication plays a crucial role in bridging policy makers and policy implementers so that the aims and intent of a policy are not distorted. Clarity, consistency, and the appropriateness of communication channels are key to successful implementation. When inter-actor communication is weak, policy messages are vulnerable to misinterpretation, ultimately hindering goal attainment. In the public administration context, communication is not limited to the delivery of formal instructions; it also encompasses socialization, coordination, and the strengthening of a shared perception among stakeholders regarding the direction and objectives of the policy being implemented.

In this study, communication plays a role in the successful implementation of shoe MSME empowerment policies in Mojokerto City. The effectiveness of communication between the local government and MSME actors determines the extent to which policies are well understood and appropriately responded to by business actors. If communication is one-way and fails to reach all MSME players, empowerment programs such as training, capital assistance, or product promotion will not run optimally. Conversely, open, participatory, and consistent communication will create synergy between the government and shoe MSME actors in overcoming on-the-ground obstacles, such as lack of information about assistance programs, mismatched training schedules, or unequal access to markets. Thus, effective communication becomes the main foundation to ensure that shoe MSME empowerment policies genuinely enhance competitiveness and deliver tangible impacts on Mojokerto City's local economy. According to the Head of the Mojokerto City Office of Cooperatives and MSMEs:

"In line with efforts to increase the competitiveness of shoe MSMEs, we at the Office of Cooperatives and MSMEs strive to ensure that the policies issued can be clearly understood by business actors. We have held several socialization programs regarding applicable regulations and available assistance, but we realize that there are still gaps in understanding and information accessibility among MSME actors, especially those unfamiliar with technology or those located in more remote areas."

"If information about the policy is not conveyed clearly, MSME actors will struggle to take advantage of available opportunities whether in terms of financing, training, or market access. In this regard, we are attempting to continue two-way communication approaches so that the implemented policies not only function administratively but also produce real impacts in improving competitiveness and the contribution of shoe MSMEs to the local economy."

Based on interviews with the Head of the Mojokerto City Office of Cooperatives and MSMEs, it can be concluded that clear and effective communication plays a role in the successful implementation of shoe MSME empowerment policies in Mojokerto City. The Mojokerto City Government, through Mayor Regulation (Perwali) No. 2 of 2019 which amends Perwali No. 47 of 2018 seeks to ensure that empowerment policies can be understood and accessed by all business actors, including those in remote areas and those

less familiar with technology. Although policy socialization programs and information dissemination have been carried out, challenges in understanding and accessibility persist, requiring more inclusive and technology-based communication efforts. In this context, effective communication not only helps MSME actors access various empowerment programs such as financing and training but also enables them to develop broader, more competitive marketing strategies. This contributes to improving the quality of local footwear products, ultimately boosting the competitiveness of shoe MSMEs and generating positive impacts on the local economy of Mojokerto City.

b. Bureaucratic Structure

The bureaucratic structure is the system and organization involved in policy implementation, including the allocation of authority, responsibilities, and procedures within the government bureaucracy. It determines the legitimacy and authority of policy implementers and how the policy is translated into concrete actions. This structure includes standard operating procedures (SOPs), which provide guidance on how policies are carried out, as well as how organizational fragmentation can affect coordination and the effectiveness of policy execution. A clear and well-structured bureaucracy can minimize obstacles to implementation; however, when bureaucracy is complex and inter-agency alignment is weak, it can slow down or even derail policy objectives.

In this study, the bureaucratic structure of the Mojokerto City Government plays a role in implementing shoe MSME empowerment policies. The researcher analyzes the extent to which government organizations in Mojokerto City, including the Office of Cooperatives and MSMEs, are able to work synergistically in implementing policies that support the competitiveness of shoe MSMEs. An efficient bureaucratic structure with clear SOPs and strong coordination among relevant agencies is crucial to ensuring that empowerment policies for shoe MSMEs can be implemented effectively. For instance, the success of introducing training programs or access to financing for MSME actors depends heavily on how the relevant institutions collaborate and allocate resources appropriately. If there is fragmentation in the bureaucratic structure such as inadequate communication or overlapping responsibilities among agencies policy implementation can be hampered, reducing its impact on enhancing competitiveness and Mojokerto's local economy. According to the Chair of the Mojokerto City Shoe Artisans Association (KOMPAK), Mr. Emru Suhadak, it is stated that:

“Observing the implementation of shoe MSME empowerment policies in Mojokerto City, our bureaucratic structure plays a very important role. From policy formulation to field implementation, coordination among the involved agencies is decisive for the program’s success. We at the Office of Cooperatives and MSMEs coordinate closely with various relevant agencies, such as the Department of Industry and the Department of Trade.”

“However, we also realize that at times fragmentation within this bureaucratic structure can become a challenge, especially when there are overlapping responsibilities between agencies. For example, in providing financing access for shoe MSMEs, we often encounter obstacles in procedures that are insufficiently integrated, which slows service delivery for MSME actors. Therefore, to improve competitiveness and the local economy, we continue striving to refine this bureaucratic structure by clarifying each institution’s role and strengthening inter-agency communication, so that shoe MSME empowerment policies can be implemented effectively and deliver maximum impact for Mojokerto City’s economy.”

Based on interviews with the Chair of the Mojokerto City Shoe Artisans Association, Mr. Emru Suhadak, it can be concluded that a clear and well-coordinated bureaucratic structure plays a key role in the successful implementation of shoe MSME empowerment policies. The involvement and coordination of various relevant agencies such as the Office of Cooperatives and MSMEs, the Department of Industry, and the Department of Trade enable more efficient and effective management of empowerment programs. Nevertheless, challenges arising from bureaucratic fragmentation, such as overlapping responsibilities across agencies, can slow processes and limit positive policy impacts. Therefore, to enhance the competitiveness and contribution of shoe MSMEs to the local economy, improvements are needed in the bureaucratic structure, including clarifying each institution's roles and strengthening inter-agency communication. The success of policy implementation can be observed in increased MSME participation in empowerment programs, smoother access to capital and training, and direct impacts on improving the quality of local footwear products that are increasingly competitive in national and international markets.

c. Resources

Resources encompass all forms of support needed to implement a policy effectively. They include three main aspects: human, material, and methodological resources. Human resources refer to the quality and quantity of staff involved in implementation, while material resources cover the funds, facilities, and infrastructure required. Methodology concerns the approaches or techniques used to execute the policy. Without sufficient resources expert personnel, funding, and facilities a policy cannot be optimally implemented, which in turn reduces its effectiveness in achieving its objectives.

In this study, resources play a critical role in the successful implementation of the shoe MSME empowerment policy in Mojokerto City. As the implementing agency, the Office of Cooperatives and MSMEs requires qualified staff and adequate facilities to run empowerment programs for shoe MSMEs, such as entrepreneurship training, access to capital, and marketing enhancement. In addition, other supporting resources sufficient program funding and facilities that backstop implementation are indispensable to ensure effective delivery. Absent adequate human and material resources, the empowerment policy will struggle to meet its goals of strengthening competitiveness and the contribution of shoe MSMEs to Mojokerto's local economy. According to the Head of MSME Empowerment at the Mojokerto City Office of Cooperatives and MSMEs:

"We are well aware that resources are the main determinant of this program's success. Even though policies and regulations are in place, our greatest challenge is ensuring that MSME actors have sufficient resources to take advantage of the policies provided. One issue is the limited quality of human resources capable of managing businesses effectively especially in digital marketing and managerial skills. On the other hand, although the government has provided access to financing, many shoe MSME actors struggle to meet the administrative requirements needed to access these funds."

Based on interviews with the Head of MSME Empowerment, it can be concluded that adequate resources are a success factor in implementing the shoe MSME empowerment policy. Although the policy is well designed, constraints in human resources particularly managerial and digital marketing skills and difficulties MSME actors face in meeting administrative requirements for financing constitute significant

obstacles. Therefore, there is a need to improve the quality of training and strengthen the capacity of shoe MSME human resources through education focused on practical skills, as well as to ease access to more flexible financing. The success of this policy measured through strengthened resources is reflected in the increasing number of shoe MSMEs that can access financing and enhance product quality, which can boost their competitiveness in local and global markets and their contribution to Mojokerto's local economy.

d. Disposition of Implementers

Disposition refers to the characteristics and attitudes of individuals or groups involved in policy implementation. It encompasses the commitment, discipline, honesty, and intelligence of policy implementers all of which affect how effectively a policy can be applied. Positive attitudes toward the policy such as enthusiasm and dedication to achieving set goals can increase implementation success. Conversely, attitudes misaligned with policy objectives such as low motivation or resistance to change can hinder the process. In other words, implementer disposition can either drive or obstruct effective implementation.

In this study, the disposition of implementers of the shoe MSME empowerment policy in Mojokerto City strongly influences program success. The Mojokerto City Government through the Office of Cooperatives and MSMEs must field implementers who not only understand the policy but are also committed to making it succeed, whether by delivering entrepreneurship training, facilitating access to capital, or managing marketing programs for shoe MSMEs. For example, proactive and responsive attitudes among officials in addressing MSME challenges, alongside discipline in following established procedures, are crucial to smoothing the empowerment process. When implementers demonstrate positive attitudes and strong commitment to policy goals, the implementation of the shoe MSME empowerment policy becomes more effective enhancing local product competitiveness and generating positive impacts on Mojokerto's local economy. According to Mr. Dedi Pranoto, owner of "Pranoto Shoes" and a shoe MSME actor in Mojokerto:

"As a longtime shoe entrepreneur in Mojokerto, I feel that implementer attitudes greatly influence the success of this empowerment program. When the local government is active and quick to respond to our needs such as by providing clear information about assistance programs or training we feel supported and more driven to grow our business. Thus far, we have received good mentoring, and several policies, such as capital assistance and marketing training, have helped improve our product competitiveness."

"However, at times we also experience shortcomings in implementer disposition. For example, there are occasional delays in administrative processes or slower responses from certain agencies. If policy implementers can be more proactive and responsive, we can more easily tap into available opportunities. So, positive attitudes and commitment from implementers will greatly shape how directly this policy benefits us especially in improving shoe product quality and our competitiveness in the market."

Based on the interview with the owner of "Pranoto Shoes," it can be concluded that implementer disposition is pivotal to the success of the shoe MSME empowerment policy in Mojokerto City. Positive attitudes and commitment shown by government officials such as providing clear information and solid mentoring have helped MSMEs access available programs. However, delays and insufficient responsiveness can impede

implementation and diminish its impact. The success of this policy evidenced by improved access to financing and training for shoe MSME actors shows that proactive, responsive implementer dispositions can enhance the competitiveness of local footwear products and contribute more significantly to Mojokerto's local economy. With faster, better-coordinated implementer attitudes, shoe MSMEs can more fully leverage the policy, improving product quality and expanding market reach.

Challenges and Obstacles in Implementing the Shoe MSME Empowerment Policy

The following are three key challenges and obstacles in implementing the Shoe MSME Empowerment Policy as an effort to enhance competitiveness and the local economy of Mojokerto City:

a. Constraints in Regulatory and Licensing Processes

Cumbersome regulatory and licensing procedures constitute one of the obstacles to empowering shoe MSMEs. Many MSME actors lack sufficient understanding of applicable licensing procedures and regulations, making it difficult for them to obtain the legal status required to access broader markets. In addition, misalignment between existing policies and on-the-ground realities often leads to administrative hurdles that slow registration or licensing processes, thereby affecting MSME operational continuity.

b. Limited Access to Finance and Capital

Access to finance remains a significant barrier for many shoe MSME actors in Mojokerto City. Although the government provides various financing programs, such as People's Business Credit (KUR), many MSMEs struggle to fulfill administrative requirements or lack the collateral needed to obtain loans. Furthermore, limited understanding of sound financial management also hampers the optimal use of available capital.

c. Shortage of Skilled Human Resources (HR)

One of the greatest obstacles in implementing the shoe MSME empowerment policy in Mojokerto City is the shortage of HR with adequate managerial and marketing skills. Many MSME actors do not have sufficient knowledge to manage their businesses professionally, particularly regarding the use of technology and digital marketing strategies. This limits their ability to increase the competitiveness of shoe products in both local and international markets.

6. Conclusions

The findings of this study indicate that the implementation of the shoe MSME empowerment policy in Mojokerto City has substantial potential to improve competitiveness and the local economy, despite significant challenges such as limited skilled human resources, inadequate infrastructure, and bureaucratic fragmentation. Administrative hurdles and restricted access to financing also impede shoe MSME actors from fully leveraging existing policies. Nevertheless, the policy has produced positive impacts, particularly by improving product quality and increasing MSME actors' awareness of the importance of innovation and marketing. If these obstacles can be addressed through more integrated and responsive policies, the empowerment of shoe MSMEs in Mojokerto City has the potential to contribute more significantly to the local economy and to enhance MSME competitiveness at the national and international levels.

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