

## Study of the Implementation of MSME Empowerment Policy in Pekanbaru City

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### ABSTRACT

This study aims to analyze the implementation of the MSME empowerment program in Pekanbaru City, which is managed by the Office of Cooperatives and MSMEs of Pekanbaru City. MSMEs in Pekanbaru still face various challenges, including limited marketing and promotion capabilities, constrained budget allocations, inadequate supporting facilities, and a shortage of human resources that affects service delivery to the growing number of MSME actors. This research uses a qualitative method with a descriptive approach. Data were collected through in-depth interviews with employees of the Office of Cooperatives and MSMEs and MSME actors, supported by field observations and documentation studies. Data analysis was conducted through data reduction, data display, and conclusion drawing. The informants consisted of four key informants and six additional informants. The findings show that government support, such as training programs, business facility assistance, loan interest subsidies, and product promotion through exhibitions and digital platforms, has contributed positively to MSME empowerment in Pekanbaru City. However, the program still faces several obstacles, including limited budgets, low managerial and technological understanding among MSME actors, and weak coordination among stakeholders. The presence of field assistants at the district level has helped improve communication between the Office of Cooperatives and MSMEs and MSME actors. Overall, the study highlights the need to strengthen communication, enhance human resource capacity, and improve cross-sector collaboration to increase the effectiveness of MSME empowerment programs in Pekanbaru City.

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## INTRODUCTION

Local businesses have grown rapidly in various regions across Indonesia. Many have been operating for a long time and are still going strong. These local businesses are generally known as Micro, Small, and Medium Enterprises (MSMEs). MSMEs are a type of business largely run by the wider community, with products or services produced that are also needed by the community itself. These entrepreneurs typically build their businesses using personal capital or assistance from other parties, both to meet personal needs and the needs of others, while also generating income from their business activities. MSMEs play a strategic role as the main driver of the national economy. This is evident in their resilience during the monetary crisis that hit Indonesia in 1997. While many large companies collapsed due to the crisis, MSMEs were able to survive and remain a major pillar of national economic stability (Husaini, 2023).

Promotion through internet media has become a popular choice among business owners, especially in the MSME sector. One form of internet media that is widely used is social media. The use of social media as a promotional tool is increasingly popular because of its relatively low cost, even free of charge (Sulianta, 2014). Compared to conventional media, social media has various advantages, such as its ability to share activities, knowledge, build networks and communities, and disseminate information (Sulianta, 2014). Online promotional activities through social media can be carried out by sending messages and receiving responses (feedback), which are packaged attractively to attract the audience's attention. Furthermore, social media has the ability to disseminate information very quickly and has a wide reach, exceeding other media (Sulianta, 2014). According to Kotler (2009), social media has also become a platform for consumers to share information in the form of text, images, audio, and video, both with other consumers and with companies. The types of social media used, based on the results of previous research, include Twitter, Facebook, and Instagram (Khairani, Soviyant, & Aznuriyandi, 2018).

Micro, Small, and Medium Enterprises (MSMEs) are economic activities with significant potential for job creation and broad contributions to economic services for the community. MSMEs also play a crucial role in equalizing and increasing community income, driving economic growth, and supporting national stability. Furthermore, MSMEs are a key pillar of the national economic structure and deserve priority in the form of opportunities, support, protection, and maximum development. This reflects a clear commitment to small-scale economic actors, without neglecting the important role of large businesses and State-Owned Enterprises (SOEs) (Sari et al., 2024). Micro, Small, and Medium Enterprises (MSMEs) are a crucial part of the national economic environment, possessing significant potential for driving economic development and growth. Therefore, MSMEs require special attention, such as improving the quality of human resources, providing capital, training, and promotion. With this support, MSMEs are expected to develop optimally and make a significant contribution to the economy. One form of MSME empowerment is through a licensing mechanism, which function as a legal instrument to direct and control the activities of MSME actors (Wahyuningsih, 2022).

In general, empowering Micro, Small, and Medium Enterprises (MSMEs) is focused on supporting poverty alleviation efforts, reducing social disparities, creating jobs, and increasing exports. Therefore, the MSME sector plays a strategic role in strengthening the current community economy. However, most MSMEs in Indonesia still face various challenges, such as low productivity, minimal added value, and suboptimal product quality. Despite this, MSMEs are recognized as having made a

significant contribution by providing millions of jobs for the community (Afandi, 2019).

The primary objective of MSME empowerment is to encourage growth and increase the capacity and scale of MSME businesses, in order to strengthen the domestic market while developing global competitiveness. This effort is implemented through the Promotion, Business Development, and Infrastructure Division, which is under the coordination and responsibility of the Head of the Service. This division is led by a Division Head who is responsible for carrying out guidance, development, and promotion of cooperatives and MSMEs (Ummah Ritonga, 2024). The development of MSMEs is also the responsibility of the Pekanbaru City Cooperative and MSME Office, which plays a crucial role in the cooperative and micro-enterprise sector. The implementation of services carried out by the Pekanbaru City Cooperative and MSME Office aims to provide satisfaction and ensure certainty of services provided to the community (Amin, 2022).

One of the main objectives of the Micro, Small, and Medium Enterprises (MSMEs) empowerment program is to encourage the growth and capacity building of MSMEs to become independent and strong businesses, and become the main foundation for people-based economic development. MSMEs are also expected to be able to strengthen the domestic market and be competitive at the global level. This objective is in line with the strategic plan (Renstra) of the Pekanbaru City Cooperatives and MSMEs Office, which emphasizes increasing the scale of MSME businesses. This means that MSMEs are not only directed to be independent and resilient, but also able to develop at the national and international levels. However, the reality on the ground shows a different story, especially in the Pekanbaru City area, where there has been a significant decline in the number of micro-business units. MSMEs in Pekanbaru City continue to show positive development. The number of MSMEs in this city is recorded as the largest in Riau Province, surpassing other districts/cities. According to data from the Riau Department of Industry, Trade, Cooperatives, and MSMEs, Pekanbaru City is in the top position. In Pekanbaru City, MSMEs are managed by the Cooperatives, Micro, Small, and Medium Enterprises Agency. The empowerment role of the Agency is crucial, given that its primary duties include coaching, promotion, and business development, as well as the provision of facilities and infrastructure (Fernando, 2023).

Research (Alwin, 2023) revealed that the government at the village and sub-district levels has provided comprehensive services to the public, particularly to MSMEs with business permits. In Lakarsantri District, Surabaya City, outreach activities included explaining the Business Identification Number (NIB) to MSMEs. Furthermore, support was provided in processing business permits, including the issuance of business codes to legalize business activities. The implementation of MSME development and empowerment policies in Jeruk Village, Lakarsantri District, reflects several indicators in Merilee S. Grindle's Policy Implementation Theory.

In terms of communication, policy implementers have played an active role and carried out their responsibilities well, as reflected in various outreach activities to business actors and the public regarding the BPUM program. However, the implementation of this policy has not been fully effective due to ongoing obstacles in the bureaucratic structure. The bureaucratic structure itself encompasses aspects such as the division of authority, relationships between units, and other internal arrangements. Two key characteristics of the bureaucracy that influence implementation are the existence of Standard Operating Procedures (SOPs) and fragmentation (Pasza, 2022). The implementation of government policies in community empowerment efforts by the Cooperatives, Micro, Small, and Medium

Enterprises Office in Biak Numfor Regency can be considered quite effective when viewed from the aspects of goal achievement, integration, adaptability, and organizational characteristics, environment, workforce, and management. The programs implemented by the office have shown progress towards achieving their goals, although this is still ongoing gradually in line with budget availability and the specified timeframe (D Krobo, 2023).

The implementation of the MSME empowerment program in Bojonegoro Regency demonstrates intense and consistent communication between parties, with support from various stakeholders, including the private sector and non-governmental organizations. The use of technology media such as WhatsApp is also used as an effective communication tool. Furthermore, a clear implementation structure has been established along with an organized division of tasks, supported by the availability of human and non-human resources. The implementation disposition is formed hierarchically and also involves stakeholders, accompanied by an enthusiastic attitude from the implementers in implementing the MSME empowerment policy (Ismail, 2022). In implementing Sidoarjo Regency Regional Regulation Number 2 of 2016 concerning poverty alleviation, the Sidoarjo Regency Government, through the Regional Development Planning Agency (Bappeda) and the Regional Poverty Alleviation Coordination Team (TKPKD), established a regional priority scale, specifically sub-districts classified as red zones for poverty. There are seven sub-districts included in this zone: Tarik, Prambon, Krembung, Tulangan, Taman, Krian, and Balongbendo. Based on this data, Bappeda together with the TKPKD of Sidoarjo Regency then submitted information on the seven red zone sub-districts to relevant agencies involved in poverty alleviation efforts, including the Cooperatives and SMEs Office (Sopah, 2020). The government has issued policies to empower MSMEs during the Covid-19 pandemic. There are several MSME protection schemes implemented by the government, namely: (a) providing social assistance to poor and vulnerable MSMEs (b) tax incentives for MSMEs (c) credit relaxation and restructuring for MSMEs (d) Expansion of MSME Work Model Financing (e) Provision of Product Buffers. To support government policies, several short-term and long-term strategies need to be considered by the government (Anggraeni, 2021).

Some people still don't understand the MSME empowerment program, which has slowed the development of their businesses. This is due to a discrepancy between the theory and the reality encountered on the ground. Furthermore, the implementation of the MSME empowerment program in Sungai Sembilan District is still not fully targeted. In fact, MSME owners are still unaware of the development program organized by the Dumai City Government in the area (Ita Rosita, 2021). The strategies implemented by the Regency Cooperatives and MSMEs Office to empower MSMEs are still suboptimal. This is evident in the large number of MSME owners who have not yet felt the tangible impact of government development programs. Furthermore, MSME owners have not received capital assistance from the local government, and to date, the majority of MSMEs have not been touched by available development programs (Wulansari, Hakim, Ramdani, & Karawang, 2020). The Pekanbaru City Government, through the Cooperatives and SMEs Office, has implemented various MSME empowerment policies aimed at improving the quality and competitiveness of micro, small, and medium enterprises (MSMEs) in the city. Among these policies are training programs for business capacity development, access to capital, and product marketing facilitation (Pekanbaru City Cooperatives and SMEs Office, 2021). However, despite the implementation of these policies, several obstacles remain that hinder the effectiveness of MSME empowerment programs, such as

MSMEs' limited understanding of business management and limited access to broader markets (Pekanbaru City Statistics Office, 2021).

The problem of MSMEs in Pekanbaru City is the limited budget, which is the main obstacle in implementing MSME empowerment policies. The number of participants who can take part in training is still insufficient compared to existing needs. In addition, MSME actors also experience the same obstacles, especially in terms of limited capital due to the lack of direct assistance from related agencies, this condition illustrates the mismatch between MSME needs and support provided by the government, there are obstacles in the disbursement of funds that hinder the implementation of MSME empowerment activities, there are still a number of deficiencies in the provision of facilities by the Cooperatives and SMEs Office, the lack of socialization activities causes low participation of MSME actors in the programs held, and the utilization of available facilities is less than optimal. In addition, ineffective communication between policy makers and implementers in the field hinders the delivery of information related to the empowerment program as a whole, the effectiveness of policy implementation is also hampered by an inefficient bureaucratic structure.

The Pekanbaru City Government issued Mayoral Regulation No. 13 of 2024, an update to Mayoral Regulation No. 104 of 2022. This regulation addresses the Loan Interest Subsidy Program. MSMEs receive loan interest subsidies, allowing them to access loans from the City Government through the Pekanbaru City Cooperatives and SMEs Office. The interest is fully covered by the City Government, with no interest payments (0%).

The following data shows the number of MSMEs registered with the Cooperatives and SMEs Office from 2018 to 2023:

Table 1. Data on the Number of MSMEs in Pekanbaru City

No	Year	Amount
1	2018	13,435
2	2019	14,120
3	2020	15,098
4	2021	18,642
5	2022	25,074
6	2023	26,648

Source: Pekanbaru City Cooperatives and SMEs Service 2024

The data shows that the number of MSMEs in Pekanbaru City has continued to increase over the past six years. This increase reflects the contribution and policies implemented by the Cooperatives and SMEs Office in supporting MSME development.

The following is the number of MSMEs registered with the Pekanbaru City Cooperatives and SMEs Office in 2023 by sub-district:

Table 2. Number of MSMEs by District

No	District name	Amount
1	Sukajadi	1181
2	Pekanbaru Kota	931
3	Sail	634
4	Limapuluh	1148
5	Senapelan	1826
6	Rumbai Barat	629
7	Bukit Raya	2508
8	Binawidya	1451
9	Marpoyan Damai	3905

10	Rumbai Timur	769
11	Tenayan Raya	2513
12	Payung Sekaki	2524
13	Rumbai	1798
14	Tuah Madani	3892
15	Kulim	939
<b>Total</b>		<b>26648</b>

Source: Pekanbaru City Cooperatives and SMEs Service 2024

Based on the data above, Marpoyan Damai District is the area with the largest number of MSMEs in Pekanbaru City, with 3,905 entrepreneurs. To date, these MSMEs have received support through digital marketing and product packaging training. However, training alone is not enough, as they still need additional assistance in the form of equipment and production facilities to increase business capacity and expand their market. Tuah Madani District, with 3,892 entrepreneurs, has benefited from product promotion programs through bazaars and exhibitions, but many entrepreneurs are still unaware of these empowerment programs. Meanwhile, in Sukajadi District, with 1,181 MSMEs, many businesses have not participated in the empowerment program and have difficulty obtaining information regarding assistance and training. Overall, despite the empowerment program from the Cooperatives and SMEs Office, there are still disparities in access to information, equitable distribution of assistance, and ongoing mentoring.

This research plays a crucial role in addressing issues facing MSME empowerment in Pekanbaru, such as limited budgets, access to capital, lack of training, technological limitations, and marketing challenges. Although the number of MSMEs continues to grow, their quality and competitiveness have not yet reached optimal levels. This research aims to formulate more targeted policies, such as budget increases, strengthened training, access to digitalization, and the opening of new markets. While efforts such as collaboration with the private sector and bazaar programs have been implemented, their impact needs to be broadened to ensure that all MSMEs can benefit equitably. Based on the issues described above, an implementation study of the MSME empowerment program conducted by the Pekanbaru City Cooperatives and SMEs Office is needed. This study aims to determine how the MSME Empowerment Implementation Study conducted by the Pekanbaru City Cooperatives and SMEs Office addresses existing issues and can positively impact MSMEs.

## LITERATURE REVIEW

According to Pramono (2020), public policy implementation is a series of actions stemming from previous decisions. These actions include efforts to translate these decisions into operational steps within a specific timeframe, as well as continuing various efforts to achieve both major and minor changes in accordance with policy direction. This process is carried out by public organizations with the aim of realizing predetermined goals. George Edward III (1980) emphasized that the main problem in public administration is a lack of attention to implementation. He stated that without effective implementation, the decisions of policymakers will not be carried out successfully. Edward suggested paying attention to four key issues for effective policy implementation: communication, resources, deployment, and bureaucratic structures (Pramono, 2020).

## Communication facts

Communication plays a crucial role in providing direction to policy implementers so they clearly understand the necessary actions. This demonstrates that communication can take the form of direct instructions from superiors to implementers, ensuring that policy implementation is in line with established objectives. Therefore, communication must be delivered clearly, accurately, and consistently. Communication plays a crucial role in government, particularly in conveying policies to the public. In the 4.0 Era, government communication is essential because the public is now more selective and does not readily accept policies without understanding their benefits. For policies to succeed, active public support and participation are essential. In general, communication is the process of conveying information or ideas to recipients using symbols or language to ensure understanding (Fithriyyah, 2022).

## Resource Factors

Within an organization, resources encompass the capabilities of the organization and the individuals involved, both in terms of quantity and quality, including the authority held and the prevailing work culture. If policies are implemented by more than one organization, then resources also encompass aspects of cooperation and coordination between institutions. Human Resources (HR) are the potential within individuals that enables them to function as social beings capable of adapting and bringing about change. HR also reflects a person's ability to self-manage and utilize natural resources to achieve a prosperous, harmonious, and sustainable life. Practically, HR is often viewed as a crucial element that integrates the systems that make up an organization (Fithriyyah, 2021).

## Implementer Attitude Factor (Disposition)

The attitude of the implementer is the third crucial element in the study of public policy implementation. To achieve effective policy implementation, implementers are required not only to understand the tasks to be performed and possess adequate competencies, but also to possess strong motivation and a strong will to implement the policy.

## Bureaucratic structure factors

Bureaucratic structure concerns the extent to which bureaucratic organizations involved in implementing public policy are coherent and integrated. One of the main challenges is preventing separation or fragmentation within the bureaucracy, as this can hinder the effectiveness of the policy implementation process.

According to Edwards, four factors influencing policy implementation operate simultaneously and interact with each other, both supporting and hindering policy implementation. Therefore, the ideal approach is to discuss all these factors in an integrated manner to reflect their complexity. However, to facilitate understanding of policy implementation, simplification is necessary, namely by breaking it down into its main components (Tahir, 2014).

## METHODOLOGY

This study uses a qualitative approach with descriptive methods to examine the implementation of the MSME empowerment program in Pekanbaru City. The qualitative approach was chosen because it allows researchers to explore and understand more deeply the phenomena occurring in the field related to the policies implemented by the Pekanbaru City Cooperatives and SMEs Office. This study focuses

on interpreting and understanding policy implementation from the perspective of MSME actors and the parties involved in the empowerment process.

#### Data Source

In this study, one of the data sources used by the researcher was primary data. Primary data was obtained directly from the original source without intermediaries. The researcher collected this data through face-to-face interviews conducted at the Pekanbaru City Cooperatives and SMEs (Small and Medium Enterprises) Office (Sugiyono, 2022).

Secondary data is information not obtained directly by the data collector, but rather through intermediaries such as other people or documents. In this study, secondary data sources consisted of journals, articles, and books (Sugiyono, 2018).

#### Data Collection Technique

To obtain accurate, relevant, and accountable data, researchers employ several data collection techniques. Each technique has its own advantages and disadvantages, so its use is tailored to the research needs. The first technique used is field observation, which involves direct observation of the research object to capture various phenomena as they emerge. Through this observation, researchers can record important points in a structured manner. Furthermore, researchers conduct interviews as a form of direct interaction with informants to gather more in-depth information. In this process, researchers use semi-structured interviews to keep the conversation flowing but remain focused on the research topic. Finally, researchers rely on documentation to supplement the data, collecting various documents such as archives, writings, and photographs related to the research object. The presence of this documentation helps strengthen the findings and increase the validity of the data obtained (Sugiyono, 2022). In this study, the researcher used a purposive sampling technique, or the deliberate selection of informants. This technique was chosen because the researcher needed informants who were considered to have knowledge, experience, and direct involvement in MSME empowerment policies in Pekanbaru City. The informants in this study numbered four people, consisting of employees of the Pekanbaru City Cooperatives and SMEs Office who played a role in the planning and implementation of the program, and informants who were MSME actors numbering six people in several sub-districts such as Marpoyan Damai, Tuah Madani, and Sukajadi who were the targets of the empowerment program.

#### Data Analysis Techniques

To analyze the data obtained, the researcher used qualitative data analysis techniques consisting of three main steps: data reduction, data presentation, and conclusion drawing. Data reduction was carried out by filtering relevant information from interviews, observations, and documentation, while data presentation was carried out by organizing the selected and filtered information into a more systematic and structured form. Conclusions were drawn based on patterns emerging from the analyzed data to provide a comprehensive overview of the implementation of MSME empowerment policies in Pekanbaru (Sugiyono, 2022).

Overall, this qualitative approach enabled the researcher to gain a deeper understanding of MSME empowerment policies in Pekanbaru, including the challenges faced and the effectiveness of the implemented policies. The research findings are expected to provide useful input for future policy improvements and provide a clearer picture of the role of local government in supporting MSME development in Pekanbaru City.

## RESULTS AND DISCUSSION

### Study of the Implementation of the MSME Empowerment Program in Pekanbaru City

The research results show that MSME empowerment policies in Pekanbaru City have been implemented through various programs aimed at increasing the capacity and competitiveness of MSMEs. These programs include skills training, providing access to financing through microcredit schemes, and promoting MSME products through exhibitions and digital platforms. The Pekanbaru City Cooperatives and SMEs Office plays a key role in designing and implementing these policies, aiming to provide concrete support to the MSME sector, which is a key pillar of the regional economy. The main challenges faced by MSMEs in Pekanbaru are difficulties in marketing their products effectively and limited mastery of modern technology. The limited budget of the Cooperatives and SMEs Office also poses a barrier, such as limited loan interest subsidies, which are only accessible to a select few MSMEs due to the numerous requirements. Furthermore, they also face challenges in improving product quality amidst increasingly fierce competition.

#### Communication

Communication plays a crucial role as a guide for policy implementers to ensure they understand their duties. Instructions from superiors are also part of the communication process, ensuring policies are implemented according to their objectives. Therefore, their delivery must be clear, precise, and consistent. The Cooperatives and SMEs Office disseminates information regarding MSME empowerment programs through various media, both directly and indirectly, such as by phone, WhatsApp, and social media like Instagram and brochures. Every time an activity takes place at the sub-district level, information about available programs is also disseminated to MSMEs. Outreach is conducted regularly over a specific period, for example, monthly, quarterly, or annually, depending on needs and applicable policies.

Furthermore, there are assistants in each sub-district who play an active role in explaining policies and programs to MSMEs, making it easier for them to understand the policies. Communication between the Office and MSMEs runs smoothly without any significant obstacles. If any business owner experiences difficulties understanding or implementing the policies, staff from the Cooperatives and SMEs Office are ready to provide assistance and guidance. In this way, the implementation of MSME empowerment policies can run more optimally and in accordance with the stated objectives.

#### Resource

Organizational resources encompass the capabilities of the organization and individuals involved, both in terms of quantity and quality, including the authority held and the prevailing work culture. If policies are implemented by more than one organization, resources also include aspects of cooperation and coordination between institutions. The current budget availability is still suboptimal due to limited resources. For example, of approximately 27,000 MSMEs, the available training can only reach 1,000 participants per batch each year, thus achieving the training target less than optimally. To support business activities, the Office provides various tools tailored to the MSME's business sector, such as ovens for catering operators and catering equipment for culinary businesses.

Assistance is also provided in the form of sales space. It should be emphasized that the assistance provided is not in the form of cash, but rather in the form of

facilities and equipment to support business activities. However, the amount of this assistance remains limited. Each year, only 60 containers are available, which are then distributed to each sub-district based on their needs. A total of 80 MSMEs have gained access to facilities provided by the Office of Cooperatives and SMEs in the exhibition sector. To expand the reach and increase the number of MSMEs that can utilize these facilities, the Cooperatives and SMEs Service continues to strive to encourage and promote loan programs for MSME actors.

### Implementer's Attitude

The attitude of implementers is a crucial factor in the public policy implementation approach. For policies to be implemented effectively, implementers must not only understand their duties and possess the necessary skills, but also be motivated and willing to carry them out. The Cooperatives and SMEs Office continues to encourage MSMEs to take advantage of various government programs and facilities, such as loan interest subsidies. However, in providing services to MSMEs, employees often face obstacles, particularly related to time and distance constraints. Through coaching programs, the Office plays an active role in helping improve the quality of MSME products and opening up opportunities for collaboration to support the achievement of business goals.

The work environment at the Cooperatives and SMEs Office is also considered conducive, with adequate facilities and proper coordination between departments. There were no significant obstacles in implementing MSME empowerment tasks. Overall, employee job satisfaction at the Office was considered quite good, although time constraints remain a challenge. However, no issues were identified regarding the Cooperatives Office's motivation and commitment to supporting MSMEs.

### Bureaucratic Structure

Bureaucratic structure relates to the extent to which the responsible bureaucratic organization can effectively implement public policy. The challenge is how to prevent fragmentation within the bureaucracy, as a fragmented structure can reduce the effectiveness of the policy implementation process. The division of tasks and responsibilities within the organizational structure has been clearly defined and understood by all employees in each field.

However, there are obstacles in its implementation, such as delays in disbursement of funds from the city government even though activities have already been implemented. The division of tasks among employees in implementing the MSME empowerment program at the Cooperatives and SMEs Office is carried out based on an issued Decree (SK). The Cooperatives and SMEs Office ensures that the division of tasks is carried out effectively and efficiently, in accordance with the organizational structure and existing capacity.

I also ensure the efficiency of the division of tasks by encouraging cooperation between employees and assigning assignments according to their respective fields and expertise.

## CONCLUSION

Based on research findings on the implementation of the MSME empowerment program in Pekanbaru City, it can be concluded that although the policy has been implemented through various programs aimed at increasing the capacity and competitiveness of MSMEs, several challenges remain that hinder its effectiveness. Ineffective policy communication between the government and MSMEs is a major obstacle, with many MSMEs experiencing difficulty accessing information related to

procedures and facilities provided. Furthermore, limited human resources among MSMEs, particularly in terms of managerial skills and digital technology utilization, also pose a significant obstacle to the policy's implementation.

Another challenge is the lack of coordination between various stakeholders, such as the government, financial institutions, and MSME associations. Although empowerment programs are underway, poor coordination between these parties has prevented some initiatives from performing as optimally as expected. However, support from local governments and financial institutions, which provide access to financing and digital technology training for MSMEs, has positively impacted the success of these policies.

Overall, this study confirms that the successful implementation of MSME empowerment policies depends heavily on clear and effective communication, strengthening human resource capacity, and better coordination between all parties involved. Therefore, to increase the effectiveness of MSME empowerment policies in Pekanbaru City, improvements in policy communication, MSME skills development, and increased collaboration between stakeholders are needed. This will significantly contribute to creating a more supportive ecosystem for the growth and development of MSMEs in Pekanbaru.

It is crucial for the Cooperatives and SMEs Office to encourage increased budget allocations to reach more MSMEs. With increased funding, training programs and the provision of facilities such as business equipment can reach more MSMEs, especially those in remote areas. This step can also narrow the gap between MSMEs that have received support and those that have not.

In today's digital age, technology utilization should be a primary focus. The Cooperatives and SMEs Office can maximize the use of digital platforms, such as applications or websites, to disseminate information and facilitate MSME access to available programs and services. Furthermore, training and outreach can be conducted online through webinars or virtual classes as an efficient alternative to reach more MSMEs without the constraints of distance and time.

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