

THE STRATEGY OF THE DEPARTMENT OF COOPERATIVES, SMALL AND MEDIUM ENTERPRISES, INDUSTRY, AND TRADE OF MEDAN CITY IN ENFORCING THE PROHIBITION OF IMPORTED SECOND-HAND CLOTHING

Jana Raymond^{1*}, R. Sally Marisa Sihombing²

¹ Ilmu Administrasi Publik, Universitas Sumatera Utara

² Ilmu Administrasi Publik, Universitas Sumatera Utara

Corresponding Author Email: janaraymond450@gmail.com

ABSTRACT

Received: 15-12-2025

Accepted: 01-06-2026

Keywords:

Strategy, Policy, Second-hand Clothing

The circulation of imported second-hand clothing has become a persistent challenge in many developing cities, including Medan City, Indonesia, due to its implications for public health, environmental sustainability, and the competitiveness of local small and medium enterprises. This study aims to analyze the strategy of the Office of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City in implementing the policy on the prohibition of imported second-hand clothing, with a particular focus on community economic empowerment. The research employs a qualitative descriptive approach, utilizing in-depth interviews, direct observations, and document analysis to capture institutional practices and stakeholder experiences. Data were analyzed using the strategic framework developed by Geoff Mulgan, encompassing purposes, directions, and actions. The findings indicate that although the policy objectives emphasize the protection and empowerment of local enterprises, the implementation faces significant challenges. These include weak data-based planning, limited coordination and communication among internal units and external stakeholders, and fragmented empowerment programs that are not aligned with the actual needs of affected traders. Training activities are often conducted without adequate follow-up support, such as access to capital, business mentoring, or market facilitation, resulting in limited long-term impact. The study concludes that the effectiveness of the strategy remains constrained by structural and managerial weaknesses. This research highlights the need for an integrated, participatory, and sustainable empowerment approach that combines capacity building, financial access, and institutional collaboration to support local economic resilience and sustainable urban development.

1. INTRODUCTION

Economic development and the rapid expansion of industrial and commercial activities have significantly intensified the circulation of goods and services at both national and international levels. In the context of globalization, supported by advances in information technology and telecommunications, cross-border trade has become increasingly efficient and accessible. This condition has allowed consumers to obtain a wide variety of products, ranging from locally manufactured goods to imported commodities originating from various countries. International trade activities are generally conducted through exports and imports, which are regulated by different legal frameworks and customs regulations in each country. According to Tanjung (2011), exports refer to the process of shipping goods from Indonesia to foreign countries in accordance with applicable customs regulations, while imports are defined as the activity of bringing goods from abroad into Indonesia. This definition is reinforced by Law Number 17 of 2006 on Customs, which states that exports involve the removal of goods from the customs territory,

whereas imports involve the entry of goods into the customs territory.

Imports have long been used by the government as a mechanism to meet domestic needs, particularly in sectors such as food, clothing, and industrial raw materials (Rahmat, 2022). However, in contemporary society, the pattern of consumption has shifted significantly. The continuous development of consumer needs has made it increasingly difficult to distinguish between basic necessities and secondary or lifestyle-oriented needs. Consumption decisions are no longer solely based on utility, but are also influenced by social status, self-image, and lifestyle preferences. As a result, consumer culture has evolved into a lifestyle-driven phenomenon characterized by brand orientation, uniqueness, and symbolic value.

One notable manifestation of this phenomenon is the growing demand for imported second-hand clothing. The development of the fashion industry and the influence of global trends have encouraged consumers, particularly young people, to seek distinctive styles that differ from mass-produced local products. Imported second-hand clothing is perceived as offering unique designs, higher material quality, and well-known international brands at relatively affordable

prices (Hayati & Susilawati, 2021). These factors have contributed to the increasing popularity of second-hand clothing markets, which operate through traditional markets, retail shops, and digital platforms such as social media and e-commerce websites.

Despite their economic attractiveness, imported second-hand clothing presents serious risks and challenges. From a health perspective, there is no adequate assurance regarding the hygiene and safety of used clothing. Second-hand clothing may contain bacteria, fungi, and other microorganisms that pose potential health risks to consumers. Research conducted by the Ministry of Trade in 2015 revealed that samples of imported used clothing contained harmful microorganisms such as *Staphylococcus aureus*, *Escherichia coli*, and various types of fungi, as indicated by high Total Plate Count (ALT) and mold parameters (Kemendag, 2015). These findings highlight the potential danger of second-hand clothing as a medium for the transmission of infectious diseases, thereby justifying government intervention in regulating and prohibiting its circulation.

From an economic and industrial perspective, the circulation of imported second-hand clothing undermines the competitiveness of domestic textile industries and local micro, small, and medium enterprises (MSMEs). The availability of cheap imported used clothing with strong brand appeal creates unfair competition for local producers, whose products often struggle to compete in terms of price and consumer perception. In the long term, this condition threatens the sustainability of domestic industries, reduces employment opportunities, and weakens national economic resilience. Furthermore, the continued circulation of second-hand clothing contributes to the accumulation of textile waste, which poses additional environmental challenges.

In response to these multidimensional risks, the Indonesian government has established a legal framework prohibiting the import of second-hand clothing. This prohibition is regulated through various policies, including the Minister of Trade Regulation Number 51/M-DAG/PER/7/2015 and reinforced by Regulation Number 40 of 2022 concerning prohibited export and import goods, which explicitly categorizes used clothing as prohibited import items. The primary objectives of this policy are to protect public health, safeguard consumers, and strengthen domestic industries and MSMEs.

However, the existence of formal regulations does not automatically guarantee effective implementation. Empirical evidence shows that imported second-hand clothing continues to circulate widely in various regions of Indonesia, particularly in major urban centers with strategic trade infrastructure. Medan City, as one of the largest cities in Indonesia and the largest city in Sumatra, represents a critical case in this regard. The presence of Belawan Port—the largest port in North Sumatra—makes Medan a strategic entry point for international trade activities, including illegal imports. Smuggling networks often utilize unofficial routes such as rivers and coastal areas, enabling the continued inflow of imported second-hand clothing despite government restrictions.

Data from the Central Statistics Agency (BPS) indicate significant fluctuations in the volume of imported second-hand clothing entering Indonesia, with notable increases in certain periods. In 2022 alone, imports of used clothing reached 26.22 tons, originating from 23 countries, including

Japan, Australia, Malaysia, Singapore, and Hong Kong. These figures demonstrate that the prohibition policy faces substantial enforcement challenges, particularly at the local level. In Medan, field findings indicate that enforcement efforts remain limited, fragmented, and largely reactive, often focusing on socialization and warnings rather than comprehensive law enforcement.

Several previous studies have examined the issue of imported second-hand clothing from different analytical perspectives. Ariana (2021) focused on the practice of buying and selling imported used clothing at the community level and identified economic motives such as low prices and income opportunities as key driving factors. Febrianti (2022) analyzed the impact of illegal second-hand clothing imports on national economic resilience and highlighted their detrimental effects on the domestic textile industry and public health. Aditya (2017) examined the implementation of the Ministry of Trade's regulation on the prohibition of imported used clothing and emphasized the importance of institutional capacity, inter-agency coordination, and public compliance.

Although these studies provide valuable insights, they do not sufficiently explain how local government institutions formulate and implement strategic actions to address enforcement challenges in complex urban settings. In particular, there is a lack of research that specifically examines the strategic role of local trade and industry agencies in preventing, supervising, and controlling the circulation of imported second-hand clothing. This gap highlights the need for a more comprehensive analysis of policy implementation at the local level, focusing on strategic management, coordination mechanisms, and stakeholder responses.

This article offers a novel contribution by analyzing the strategy of the Department of Cooperatives, MSMEs, Industry, and Trade of Medan City in enforcing the prohibition of imported second-hand clothing. Unlike previous studies that emphasize legal norms or economic impacts, this study focuses on strategic governance, including preventive measures, enforcement mechanisms, inter-agency collaboration, and responses from traders and the community. By situating the analysis within the context of Medan City, this study provides empirical insights into the challenges of policy implementation in regions with high trade intensity and complex smuggling networks.

Based on the issues outlined above, the main research problem addressed in this article is: How does the Department of Cooperatives, MSMEs, Industry, and Trade of Medan City implement strategies to enforce the prohibition of imported second-hand clothing? Accordingly, the purpose of this article is to analyze and evaluate the strategies adopted by the Medan City government in enforcing the ban on imported second-hand clothing, as well as to identify the challenges and limitations encountered in its implementation.

2. METHODS

This study employed a qualitative descriptive research design to examine the strategy of the Department of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City in enforcing the prohibition of imported second-hand clothing. A qualitative approach was selected because it allows an in-depth understanding of social

phenomena, institutional practices, and policy implementation processes within their real-life context. Qualitative research emphasizes the interpretation of meaning, experiences, and interactions among actors involved in a particular policy setting. According to Denzin (1994), qualitative research aims to interpret phenomena as they naturally occur by involving multiple methods and perspectives (Anggito, 2018). Similarly, Siyoto (2015) explains that qualitative research produces descriptive data in the form of words, either spoken or written, derived from observed behaviors and social interactions.

This research adopted a descriptive qualitative approach to capture the complexity of policy implementation and strategic management within public institutions. As stated by Creswell (in Ahmad, 2015), qualitative research is a method used to explore and understand the meanings that individuals or groups ascribe to social or human problems. The research process involves collecting specific data from participants, analyzing the data inductively, identifying emerging themes, and interpreting their meanings. The flexible structure of qualitative research enables researchers to adapt to field conditions and explore issues that emerge during the research process. In line with Sugiyono (2016), this study focused on descriptive data rather than numerical measurement, viewing the research object as dynamic and emphasizing the interrelated nature of variables within the policy implementation process.

The research was conducted at the Office of the Department of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City, located on Jalan Jenderal Gatot Subroto Km 7.7, Medan, North Sumatra. This location was deliberately selected because it is the primary government institution responsible for formulating and implementing policies related to trade regulation, industry development, and the enforcement of the prohibition on imported second-hand clothing in Medan City. The selection of this site enabled the researcher to directly observe institutional practices and obtain first-hand information from key policy implementers.

Data used in this study consisted of both primary and secondary data. Primary data were collected directly from the field to obtain information that was not available through institutional documents. Primary data collection was carried out through in-depth interviews, direct observation, and documentation. In-depth interviews were conducted using an open-ended interview guide to allow informants to freely express their views, experiences, and perceptions related to policy implementation. This interview technique enabled the researcher to explore issues more deeply by asking follow-up questions based on informants' responses. The interviews involved key informants from the Department of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City, as well as supporting informants such as policy observers, traders, and consumers of second-hand clothing.

Direct observation was conducted to record and understand actual practices related to policy enforcement in the field. Observational data were recorded descriptively to capture visible phenomena, interactions, and patterns of behavior relevant to the circulation of imported second-hand clothing. The observations included visits to traditional markets, distribution points, and areas identified as centers of second-hand clothing trade. Visual data such as photographs and field notes were used to support the analysis. In addition,

documentation was utilized as an important data collection technique. Documents included government regulations, policy reports, official records, photographs, and written materials related to the prohibition of imported second-hand clothing. According to Sugiyono (2015), documents serve as records of past events that can provide valuable contextual information for qualitative analysis.

Secondary data were obtained from books, academic journals, government regulations, official reports, and other credible written sources. These data were used to strengthen research findings and provide theoretical and regulatory context for the analysis. As stated by Sugiyono (2016), secondary data do not directly originate from the data collector but are obtained through intermediary sources such as documents or previous studies.

Informants in this study were selected using purposive sampling. This technique was chosen because it allows researchers to deliberately select individuals who possess relevant knowledge, experience, and authority related to the research topic. According to Sugiyono (2016), purposive sampling is particularly suitable for qualitative research that does not aim to generalize findings but seeks depth and accuracy of information. The informants included the Secretary of the Department as the key informant, Heads of relevant divisions as main informants, a public policy observer, and traders and consumers of imported second-hand clothing as supporting informants. This selection ensured that data were obtained from multiple perspectives, including policy implementers, observers, and affected stakeholders.

Data analysis in this study was conducted using descriptive qualitative analysis. Data obtained from interviews, observations, and documentation were systematically organized, categorized, and interpreted to identify patterns and themes relevant to strategic management and policy implementation. According to Sugiyono (2014), data analysis involves selecting important information, synthesizing findings, organizing data into meaningful patterns, and drawing conclusions that can be easily understood. This study applied the qualitative data analysis model proposed by Miles and Huberman (in Sugiyono, 2016), which consists of three main stages: data reduction, data display, and conclusion drawing.

Data reduction involved summarizing and selecting relevant information related to strategic objectives, directions, and actions undertaken by the Department. This process required continuous reflection and discussion throughout the research to sharpen analytical insights. Data display was conducted through narrative text to present relationships among categories and facilitate interpretation. Finally, conclusions were drawn based on patterns identified in the data, with the understanding that conclusions remained open to revision as new evidence emerged during the research process.

To ensure data validity and reliability, this study applied credibility testing through triangulation. Triangulation was conducted by comparing data from different sources, using different data collection techniques, and collecting data at different times. According to Sugiyono (2016), triangulation enhances the credibility of qualitative research findings by minimizing bias and increasing confidence in the results. Source triangulation was used by comparing information from government officials, traders, and observers. Technique triangulation involved comparing interview data with

observation and documentation. Time triangulation was applied by conducting data collection at different periods to ensure consistency. Through these procedures, the research findings were ensured to be credible, dependable, and confirmable.

3. RESULTS AND DISCUSSION

This study examines the strategy of the Department of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City in responding to the national policy on the prohibition of imported second-hand clothing. The analysis is based on the strategic framework proposed by Geoff Mulgan, which emphasizes three interrelated indicators: purposes (ends), directions (steering), and actions. The findings reveal that while the policy objective is normatively clear and institutionally acknowledged, its implementation at the local level faces substantial structural, organizational, and socio-economic challenges.

Strategic Purposes

The results show that the primary purpose of the prohibition on imported second-hand clothing is to protect local micro, small, and medium enterprises (MSMEs), safeguard public health, reduce environmental risks, and strengthen the competitiveness of domestic textile products. These objectives reflect the broader national agenda of trade regulation and industrial protection, which seeks to limit illegal imports while promoting local economic resilience.

Interviews with senior officials consistently emphasized that the policy is not intended to be merely punitive, but rather corrective and developmental. The Secretary of the Department explained that the prohibition aims to “create a fair market space for local products to grow and prevent illegal imported goods from undermining domestic producers” (Interview, April 24, 2025). This perspective indicates an awareness that enforcement alone is insufficient without parallel efforts to strengthen local production capacity.

From a strategic standpoint, these objectives align closely with Mulgan’s (2007) concept of *ends*, which stresses that public sector strategies must be oriented toward clearly articulated outcomes that address social and economic problems. The stated purposes also resonate with Dunn’s (2003) view that policy goals should function as problem-solving instruments capable of facilitating adaptation to structural changes in the economy.

However, despite the clarity of these overarching objectives, the findings reveal a substantial gap between policy intentions and institutional readiness. The Department has not developed a formal strategic roadmap, medium-term operational plan, or measurable performance indicators that translate abstract policy goals into concrete implementation targets. Several internal informants acknowledged that while leadership articulates the policy vision clearly, technical staff often lack detailed guidance regarding how to operationalize these goals in daily activities.

This disconnect reflects what Sabatier and Mazmanian (1980) identify as a critical weakness in policy implementation: the failure to transform policy objectives into coherent administrative routines. Without clear operationalization, strategic purposes risk remaining

rhetorical rather than functional. Moreover, limited human resources and budgetary constraints further restrict the Department’s ability to pursue its objectives comprehensively, particularly in relation to sustained MSME empowerment.

Another significant constraint is the absence of reliable and comprehensive data on traders affected by the prohibition. Several officials admitted that program planning is often conducted without accurate information regarding the number, characteristics, and economic conditions of former second-hand clothing traders. As Pressman and Wildavsky (1973) argue, implementation success depends heavily on the availability of accurate data to guide decision-making. Without such data, policy goals become difficult to target and evaluate, increasing the likelihood of misaligned interventions.

Strategic Directions

The strategic direction of the Department is characterized by an emphasis on persuasive rather than repressive approaches. Officials highlighted efforts to promote dialogue with traders, coordinate with enforcement agencies, and communicate policy objectives to the public. In Mulgan’s (2007) framework, this dimension of strategy concerns how institutions steer actors and resources toward shared goals through coordination, communication, and prioritization.

Despite these intentions, the findings reveal that coordination mechanisms remain weak and fragmented. Inter-agency coordination with Customs, municipal police, and national law enforcement agencies is largely reactive and episodic, typically occurring only during joint raids or when prompted by directives from higher levels of government. A customs official noted that coordination efforts are “not continuous and depend heavily on formal instructions from the central government” (Interview, April 24, 2025). This pattern undermines enforcement consistency and allows illegal trade networks to adapt and persist.

Internal coordination within the Department is also problematic. Several staff members described difficulties arising from weak horizontal communication between divisions. Programs are sometimes announced without adequate notice, resulting in insufficient preparation or even cancellation due to misalignment between units. This condition reflects Mintzberg’s (1979) analysis of bureaucratic organizations, where hierarchical structures often prioritize vertical communication at the expense of horizontal collaboration.

Organizational culture further exacerbates these coordination challenges. Interviews suggest that divisions tend to operate in silos, with limited initiative to communicate beyond formal lines of authority. According to Schein (2010), such fragmented organizational cultures hinder collective problem-solving and reduce institutional adaptability. In the context of this study, the lack of collaborative culture weakens strategic direction by preventing the alignment of efforts across units.

Externally, communication with traders and local communities remains limited in scope and effectiveness. Many traders reported receiving information primarily through social media or informal networks rather than direct engagement with the Department. One trader expressed confusion regarding the policy, stating that while the prohibition is widely discussed online, “there is no clear

explanation from the Department about what alternatives are available for our businesses” (Interview, April 25, 2025). This finding supports Rogers’ (2003) argument that effective behavioral change requires direct, interpersonal communication rather than reliance on passive information channels.

The limited involvement of cooperatives and community organizations represents another weakness in strategic direction. Although cooperatives possess extensive networks and experience in MSME support, they have not been systematically engaged as strategic partners. This omission contradicts the principles of collaborative governance articulated by Ansell and Gash (2008), which emphasize the importance of inclusive, multi-actor engagement in addressing complex policy problems.

Strategic Actions

At the action level, the Department has undertaken various initiatives, including market inspections, confiscation and destruction of illegal goods, entrepreneurship training programs, and promotional activities for local products. These actions demonstrate a commitment to translating policy objectives into practice. However, the effectiveness and sustainability of these actions remain limited.

A key finding is the mismatch between empowerment programs and the actual needs of affected traders. Several former second-hand clothing traders reported participating in training programs that were unrelated to their skills or business backgrounds, such as training in household product manufacturing. One participant expressed confusion and frustration, noting that the training content bore little relevance to their prior experience in clothing trade (Interview, April 24, 2025).

This misalignment indicates a lack of needs assessment in program design. Chambers (1997) emphasizes that participatory development requires a deep understanding of local contexts and capabilities. Without such understanding, empowerment initiatives risk becoming symbolic rather than transformative.

Furthermore, training programs are rarely accompanied by sustained post-training support. Participants consistently reported the absence of capital assistance, production equipment, or market facilitation. As one participant stated, “What we received was knowledge, but without capital or tools, it is impossible to start a new business” (Interview, July 25, 2025). This finding aligns with Grindle’s (1980) critique of implementation practices that prioritize administrative outputs over substantive outcomes.

From an empowerment perspective, Zimmerman (1995) argues that true empowerment requires not only skill acquisition but also access to resources and decision-making power. In this case, the lack of access to capital and markets severely limits participants’ ability to translate training into viable economic activities. Consequently, many traders continue to rely on informal or online sales of second-hand clothing, undermining the policy’s intended impact.

Monitoring and evaluation mechanisms also remain underdeveloped. Evaluation efforts focus primarily on administrative reporting rather than measuring socio-economic outcomes or behavioral change. The absence of continuous learning cycles prevents strategic adaptation to emerging challenges, such as the migration of illegal trade to digital platforms.

Discussion

The findings of this study indicate that the strategy implemented by the Department of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City in enforcing the prohibition of imported second-hand clothing demonstrates a clear normative commitment to protecting local economic actors, particularly micro and small enterprises. However, despite this commitment, the overall effectiveness of the strategy remains limited due to weaknesses in strategic integration, institutional coordination, and empowerment mechanisms.

At the level of policy intent, the prohibition of imported second-hand clothing is framed as a strategic effort to create a fair and healthy business climate for local producers while simultaneously protecting consumers from the economic and health risks associated with illegal goods. This objective is consistently articulated by senior officials within the Department, who emphasize the need to safeguard local industries from unfair competition caused by low-priced imported second-hand products. Empirically, this objective resonates with the experiences of local micro and small entrepreneurs, particularly those engaged in garment production, who acknowledge that the influx of second-hand clothing has significantly eroded their market competitiveness.

Nevertheless, the study reveals that this strategic purpose remains largely abstract and insufficiently translated into concrete operational plans. The absence of a comprehensive strategic roadmap, clear performance indicators, and measurable targets reflects a critical gap between policy ambition and bureaucratic execution. In practice, the Department lacks formal instruments to ensure that policy goals are systematically converted into coordinated programs. This condition illustrates a broader implementation challenge in public policy, where objectives are well-defined rhetorically but weakly institutionalized at the operational level.

The lack of strategic translation is further compounded by limited data regarding the number, characteristics, and socio-economic conditions of traders affected by the prohibition. Without an accurate mapping of impacted actors, policy interventions tend to be generalized and reactive rather than targeted and responsive. As a result, empowerment initiatives fail to address the specific needs and constraints of affected traders, reducing their relevance and sustainability.

In terms of strategic direction, the study finds that communication and coordination mechanisms remain fragmented and uneven. While the Department claims to adopt a persuasive and dialogical approach in communicating the policy, many traders report that they receive information indirectly through social media, informal networks, or rumors rather than through structured and inclusive socialization processes. This communication gap undermines policy legitimacy and weakens compliance, as affected actors feel excluded from the decision-making process.

Inter-agency coordination, particularly with enforcement bodies such as Customs, municipal police, and other relevant agencies, is largely episodic and reactive. Joint actions are typically conducted during raids or specific operations rather than through permanent coordination mechanisms. This fragmented coordination results in inconsistent enforcement,

creating uncertainty among traders and enabling adaptive behaviors, such as the relocation of second-hand clothing trade to online platforms. Such dynamics suggest that enforcement without consistent strategic direction encourages circumvention rather than compliance.

Internally, organizational fragmentation within the Department further constrains strategic coherence. Limited horizontal communication among divisions weakens the alignment between enforcement activities and empowerment programs. As a consequence, regulatory actions such as raids and confiscations are not systematically linked to follow-up support measures, reinforcing the perception among traders that the policy is primarily punitive rather than developmental.

The limited involvement of cooperatives and community-based organizations represents another critical weakness in strategic direction. Despite their potential role as intermediaries between government and local entrepreneurs, cooperatives are largely excluded from policy planning and implementation. This exclusion reduces opportunities for participatory governance and weakens local ownership of the policy. From a governance perspective, the findings suggest that the Department continues to operate within a traditional hierarchical framework, rather than adopting a collaborative governance model that leverages local institutions as strategic partners.

At the level of strategic action, the study reveals a pattern of visible yet fragmented interventions. Enforcement actions such as market raids and confiscations demonstrate the government's capacity to act, but their deterrent effect remains limited due to inconsistent implementation and the absence of long-term monitoring and evaluation. Many traders perceive these actions as temporary and symbolic, leading to short-term behavioral adjustments rather than sustained compliance.

Similarly, empowerment initiatives in the form of entrepreneurship training and skills development programs are implemented without adequate follow-up support. While participants acknowledge the usefulness of the training content, they emphasize the lack of access to capital, production equipment, market facilitation, and mentoring after the training concludes. As a result, training programs function more as formal administrative outputs than as transformative interventions capable of enabling economic transition.

The persistence of second-hand clothing trade, particularly through digital channels, illustrates the rational adaptation of traders to economic pressures in the absence of viable alternatives. This phenomenon underscores a fundamental limitation of the current strategy: regulatory enforcement is not accompanied by the creation of a supportive economic ecosystem. Consequently, the policy fails to alter the underlying incentives that drive informal trade practices.

Overall, the findings suggest that the strategic shortcomings observed in this study are not rooted in a lack of political will, but rather in weak strategic integration across policy objectives, institutional direction, and concrete actions. The elements of strategy operate in parallel rather than as a coherent and mutually reinforcing system. This fragmentation limits the policy's capacity to achieve its intended outcomes and highlights the importance of aligning enforcement with empowerment in regulatory governance.

From an academic perspective, this study contributes to the understanding of public sector strategy by demonstrating

how strategic frameworks can be used to diagnose implementation gaps at the local level. The findings reinforce the argument that effective public policy requires not only clear objectives and enforcement mechanisms, but also inclusive governance arrangements, sustained coordination, and context-sensitive empowerment strategies. In broader terms, the study underscores that prohibition policies targeting informal economic activities must be embedded within comprehensive development-oriented strategies to ensure both regulatory effectiveness and social sustainability.

4. CONCLUSION

This study concludes that the strategy implemented by the Department of Cooperatives, Small and Medium Enterprises, Industry, and Trade of Medan City in enforcing the prohibition of imported second-hand clothing reflects a strong policy intention to protect local economic actors and promote sustainable domestic production. The research demonstrates that the policy's fundamental purpose—namely to create a fair business environment for local micro and small enterprises—has been clearly articulated at the institutional level and is normatively aligned with national economic protection goals. However, the achievement of this purpose remains limited due to weaknesses in strategic integration, operational planning, and institutional coordination.

The findings indicate that while policy objectives are well understood by decision-makers, they have not been sufficiently translated into concrete and coherent operational mechanisms. The absence of a comprehensive strategic roadmap, measurable indicators, and accurate data on affected traders constrains the government's ability to design targeted and responsive empowerment programs. As a result, the prohibition policy tends to function more as a regulatory control mechanism than as a developmental instrument capable of facilitating sustainable economic transition for affected actors. In this regard, the research confirms that policy effectiveness is not determined solely by the clarity of objectives, but by the capacity of institutions to operationalize those objectives in a structured and data-driven manner.

In terms of strategic direction, the study finds that fragmented communication and weak inter-agency coordination significantly undermine policy consistency and credibility. Although the Department adopts a persuasive and dialogical approach in principle, this communication has not been institutionalized through inclusive and systematic engagement with traders, cooperatives, and community organizations. Consequently, many affected actors perceive the policy as distant and exclusionary, which reduces compliance and encourages adaptive behaviors such as the shift of second-hand clothing trade to digital platforms. This condition illustrates that policy direction lacking inclusive governance mechanisms is unlikely to produce sustained behavioral change.

At the level of action, the study reveals that enforcement and empowerment initiatives are implemented in a fragmented and short-term manner. Training programs and enforcement operations are conducted without sufficient follow-up, integration, or monitoring, resulting in limited long-term impact. Empowerment efforts that are not

accompanied by access to capital, production facilities, market linkages, and continuous mentoring tend to produce administrative outputs rather than substantive economic transformation. Therefore, the study concludes that the current strategy has not yet succeeded in creating a supportive ecosystem that enables affected traders to transition toward legal and sustainable livelihoods.

Taken together, these findings answer the research purpose by demonstrating that the strategic shortcomings observed are not rooted in a lack of political commitment, but rather in weak strategic coherence across policy purposes, directions, and actions. The study affirms that effective enforcement of prohibition policies in contexts characterized by informal economic activities requires a balanced integration of regulation and empowerment, supported by inclusive governance and sustained institutional collaboration.

Despite these contributions, this study has several limitations. First, the research focuses on a single local government institution, which may limit the generalizability of findings to other regions with different institutional capacities and socio-economic conditions. Second, the study relies primarily on qualitative data obtained through interviews and observations, which, while rich in depth, do not capture quantitative measurements of economic impact such as income changes or employment shifts among affected traders. Third, the dynamic nature of informal and digital trade poses challenges for capturing the full scope of adaptive behaviors within the study period. These limitations suggest that future research could benefit from comparative regional studies, mixed-method approaches, and longitudinal designs to assess long-term policy impacts.

Based on the conclusions and identified limitations, several recommendations are proposed. The Department should strengthen strategic planning by developing a comprehensive, data-based roadmap that clearly links policy objectives with operational programs, indicators, and evaluation mechanisms. Accurate mapping of affected traders is essential to ensure that empowerment initiatives are tailored to real needs rather than generic assumptions. Institutional coordination should be formalized through permanent inter-agency mechanisms involving enforcement bodies, cooperatives, and relevant local institutions to ensure consistency and shared responsibility.

Furthermore, empowerment programs should move beyond short-term training toward integrated support systems that include access to capital, production tools, mentoring, and guaranteed market channels. Cooperatives and community organizations should be positioned as strategic partners in policy implementation, enabling participatory governance and enhancing policy legitimacy. Finally, continuous monitoring and evaluation should be institutionalized to assess policy outcomes, incorporate feedback from affected actors, and allow adaptive adjustments in response to changing economic conditions.

In conclusion, this study emphasizes that the effectiveness of prohibiting imported second-hand clothing depends not only on regulatory enforcement, but on the government's ability to build an inclusive, coordinated, and sustainable empowerment framework. Such an approach is crucial to ensuring that regulatory policies contribute not only to market order, but also to social equity and long-term local economic resilience.

REFERENCES

- Anggito, A., & Setiawan, J. (2018). *Metodologi penelitian kualitatif*. Sukabumi: CV Jejak.
- Chambers, R. (1997). *Whose reality counts? Putting the first last*. London: Intermediate Technology Publications.
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). Thousand Oaks, CA: Sage Publications.
- Denzin, N. K., & Lincoln, Y. S. (1994). *Handbook of qualitative research*. Thousand Oaks, CA: Sage Publications.
- Dunn, W. N. (2003). *Public policy analysis: An introduction* (3rd ed.). Upper Saddle River, NJ: Prentice Hall.
- Grindle, M. S. (1980). *Politics and policy implementation in the Third World*. Princeton, NJ: Princeton University Press.
- Kementerian Perdagangan Republik Indonesia. (2023). *Larangan impor pakaian bekas dan penguatan produk dalam negeri*. Jakarta: Kementerian Perdagangan Republik Indonesia.
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- Mintzberg, H. (1979). *The structuring of organizations*. Englewood Cliffs, NJ: Prentice-Hall.
- Mulgan, G. (2009). *The art of public strategy: Mobilizing power and knowledge for the common good*. Oxford: Oxford University Press.
- Pierre, J., & Peters, B. G. (2000). *Governance, politics and the state*. London: Macmillan Press.
- Pressman, J. L., & Wildavsky, A. (1973). *Implementation: How great expectations in Washington are dashed in Oakland*. Berkeley: University of California Press.
- Sabatier, P. A., & Mazmanian, D. A. (1980). The implementation of public policy: A framework of analysis. *Policy Studies Journal*, 8(4), 538–560.
- Siyoto, S., & Sodik, A. (2015). *Dasar metodologi penelitian*. Yogyakarta: Literasi Media Publishing.
- Sugiyono. (2014). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.
- Sugiyono. (2016). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Bandung: Alfabeta.
- Todaro, M. P., & Smith, S. C. (2015). *Economic development* (12th ed.). Boston: Pearson Education.
- United Nations Industrial Development Organization. (2019). *Industrial development report: Transforming manufacturing for sustainability*. Vienna: UNIDO.
- World Bank. (2020). *Micro, small, and medium enterprises economic resilience*. Washington, DC: World Bank.
- Zimmerman, M. A. (1995). Psychological empowerment: Issues and illustrations. *American Journal of Community Psychology*, 23(5), 581–599.