

Advancing Innovation in Jakarta's MSMEs: Addressing Key Challenges and Support Mechanisms

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ABSTRACT

This research aims to develop a comprehensive strategy to overcome the limitations of current support mechanisms for MSMEs (Micro, Small, and Medium Enterprises) in Jakarta, focusing on enhancing innovation and sustainable growth. The study employs a qualitative descriptive approach, utilizing case studies, in-depth interviews, focus group discussions, and document analysis to gather data from various MSMEs and stakeholders in Jakarta. Findings: The study identifies key barriers to innovation faced by MSMEs, including limited access to finance, inadequate technological adoption, insufficient infrastructure, and complex regulatory frameworks. Sector-specific challenges were also highlighted, such as supply chain disruptions in manufacturing, e-commerce integration issues in retail, and climate change impacts in agriculture. The research reveals that a multifaceted strategy is essential to address these barriers effectively. Conclusion: To support MSMEs in Jakarta, a comprehensive strategy is necessary, encompassing enhanced access to finance through microfinance options and crowdfunding platforms, increased government grants and subsidies for innovation, and the development of digital literacy programs. Establishing technology hubs and business incubators can provide access to cutting-edge technologies and mentorship. Infrastructure investments in reliable internet and logistics, simplification of regulatory processes, and consistent policy implementation are crucial. Additionally, skill development through training and mentorship, promotion of industry clusters and public-private partnerships, and fostering an innovation culture through challenges and awareness campaigns are vital. Implementing these strategies can create an enabling environment for MSMEs to overcome current limitations, achieve sustainable growth, and contribute to Jakarta's economic dynamism.

Keywords: MSMEs, Jakarta, Innovation, Management

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of Jakarta's economy, significantly contributing to job creation, income enhancement, and overall economic growth. However, as the city evolves into a global hub, MSMEs face various challenges that hinder their ability to innovate and compete effectively in both local and international markets [1]). These challenges include limited access to finance, inadequate technology adoption, insufficient infrastructure, and regulatory barriers. Addressing these obstacles is crucial to fostering innovation and ensuring the sustainability and competitiveness of MSMEs in Jakarta.

[2]. With a focus on these key areas, Jakarta can create an environment that supports the growth and development of MSMEs, enabling them to capitalize on new opportunities and contribute more effectively to the city's

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economic dynamism. This introduction provides a foundation to explore the specific challenges faced by Jakarta's MSMEs and the various support mechanisms that can drive their potential for innovation and long-term success.

Adopting a comprehensive approach and integrating local wisdom, it is hoped that the independence of MSME groups in Jakarta can continue to grow, supporting sustainable economic growth and improving the welfare of the community in the region. The study lays the groundwork for exploring the specific challenges faced by Jakarta's MSMEs and the various support mechanisms that can promote their innovation potential and long-term success [3], [4] .

Sector-Specific Barriers;

While the general challenges faced by MSMEs in Jakarta are well-documented, there is a need for a more nuanced understanding of how these barriers manifest differently across various sectors. For example, MSMEs in the manufacturing sector might struggle more with technology adoption due to the high costs of advanced machinery and the need for specialized skills. In contrast, service-oriented MSMEs might face challenges related to digital marketing and customer relationship management. A sector-specific analysis would help in tailoring support mechanisms to address the unique needs of each sector, thereby enhancing their innovation capabilities [5]

Government Policies and Regulatory Frameworks:

Government policies play a crucial role in either facilitating or hindering innovation within MSMEs. However, the current concept lacks a detailed examination of specific policies that need reform. Identifying and analyzing successful policy interventions from other regions or countries could provide valuable insights. For instance, policies that offer tax incentives for research and development, streamline business registration processes, or provide grants for technology adoption could significantly boost innovation among MSMEs [6], [7]. A thorough review of existing policies and recommendations for new initiatives would be essential to create a more supportive regulatory environment.

Mentorship and Advisory Services:

The importance of mentorship and advisory services is highlighted, but there is a gap in the structured framework for delivering these services effectively. Research into best practices for mentorship programs, including successful models from other cities or countries, could fill this gap. For example, structured mentorship programs that pair experienced entrepreneurs with MSME owners, regular workshops, and access to business incubators can provide the necessary guidance and support. Additionally, creating a network of advisors who specialize in different aspects of business management, such as finance, marketing, and operations, can help MSMEs navigate their specific challenges more effectively.[8]

Overcoming Limitations of Current Support Mechanisms:

While the need for improved support mechanisms is acknowledged, there is a gap in actionable strategies to enhance these mechanisms. Identifying specific financial instruments, such as microloans, venture capital, and crowdfunding platforms, can provide MSMEs with the necessary capital to innovate [6]. Additionally, promoting the use of technological tools, such as cloud computing and e-commerce platforms, can help MSMEs improve their operational efficiency and reach a broader market. Infrastructure improvements, such as better internet connectivity and transportation networks, are also crucial for supporting MSME growth and innovation.

Integration of Local Wisdom

The concept mentions the integration of local wisdom but does not elaborate on how this can be practically achieved. Exploring case studies where local knowledge has been successfully integrated into business practices could provide a clearer roadmap. For instance, leveraging traditional craftsmanship techniques in modern product design or incorporating local cultural elements into branding can create unique value propositions for

MSMEs. Additionally, engaging with local communities to understand their needs and preferences can help MSMEs develop products and services that resonate more deeply with their target market. Addressing these gaps, the research can provide a more comprehensive and actionable plan to support the innovation and growth of MSMEs in Jakarta [9]. This approach will not only help MSMEs overcome their current challenges but also enable them to seize new opportunities and contribute more effectively to the city's economic dynamism. The growth and development of MSMEs enable them to seize new opportunities and contribute more effectively to Jakarta's economic dynamism. With a comprehensive approach and the integration of local wisdom, it is hoped that the independence of MSME groups in Jakarta can continue to develop, support sustainable economic growth, and enhance the welfare of the community in the region. This research provides a foundation for exploring the specific challenges faced by Jakarta's MSMEs and various support mechanisms that can drive their innovation potential and long-term [10].

1. What are the primary barriers to innovation faced by MSMEs in Jakarta, and how do these barriers vary across different sectors?
2. What role do government policies and regulatory frameworks play in either facilitating or hindering innovation within Jakarta's MSMEs?
3. In what ways can mentorship and advisory services be structured to better support MSME innovation in Jakarta?
4. What strategies can be implemented to overcome the limitations of current support mechanisms for MSMEs in Jakarta?

The purpose of this research is to comprehensively evaluate the primary barriers to innovation faced by Micro, Small, and Medium Enterprises (MSMEs) in Jakarta, and to examine how these barriers vary across different sectors. MSMEs play a critical role in Jakarta's economy, contributing significantly to job creation, income enhancement, and overall economic growth. Despite their importance, MSMEs encounter numerous challenges that hinder their ability to innovate and compete effectively in both local and international markets. These challenges include limited access to finance, inadequate technology adoption, insufficient infrastructure, and regulatory barriers. Addressing these obstacles is crucial to fostering innovation and ensuring the sustainability and competitiveness of MSMEs in Jakarta.

RESEARCH METHOD

Qualitative descriptive research is well-suited for understanding complex phenomena such as innovation within MSMEs (Micro, Small, and Medium Enterprises [11]. Jakarta, as it allows for an in-depth exploration of the experiences, perceptions, and views of MSME actors and relevant stakeholders. This research aims to analyze the impact of access to financial resources on MSMEs' ability to adopt new technologies and innovate. It also examines the role of government policies and regulatory frameworks in either facilitating or hindering innovation within these enterprises. Additionally, the study explore a- ways to enhance collaboration between MSMEs, educational institutions, and research organizations to foster a culture of innovation.

To achieve these objectives, a qualitative descriptive methodology will be employed. Data collection will involve in-depth interviews with MSME owners and managers across various sectors in Jakarta to understand the barriers they face in innovating and their perspectives on potential solutions, [12]. Focus group discussions (FGD) with key stakeholders, including government officials, financial institutions, technology providers, and non-governmental organizations, will be organized to discuss support and interventions that can drive innovation. Direct observations at MSME business sites will also be conducted to identify ongoing innovative practices and the challenges encountered in their implementation.

Data analysis will follow a structured approach, starting with the codification and categorization of interview, FGD, and observation data to identify main themes and sub-themes related to innovation, barriers, and support mechanisms. Thematic analysis will be used to examine and understand patterns and relationships among the various factors influencing innovation in MSMEs in Jakarta [13]

Data triangulation will validate the findings by comparing data from multiple sources and collection methods, ensuring the reliability and accuracy of the results. Policy recommendations will be developed based on the research findings to assist policymakers in designing more inclusive and sustainable programs for MSMEs in Jakarta. By employing qualitative descriptive methods, this research seeks to offer deep insights into the challenges and support needed to promote innovation within MSMEs, ultimately helping to formulate strategies that enhance their innovation capabilities and ensure their long-term success

RESULTS AND DISCUSSION

What are the primary barriers to innovation faced by MSMEs in Jakarta, and how do these barriers vary across different sectors?

The primary barriers to innovation faced by MSMEs (Micro, Small, and Medium Enterprises) in Jakarta can vary significantly across different sectors. Common challenges include limited access to finance, inadequate technological adoption, insufficient infrastructure, and regulatory hurdles. Many MSMEs struggle to secure funding due to stringent lending criteria, lack of collateral, and high-interest rates, which hampers their ability to invest in innovative activities, [11], [14], [15], [16]. Additionally, the lack of access to modern technology and digital tools, often due to financial constraints and limited technical skills, further impedes innovation. Digital technology, digital capability and organizational performance: A mediating role of digital innovation. International Journal of Innovation Science, 11(2), 177-195. Poor infrastructure, including unreliable electricity, inadequate internet connectivity, and insufficient transportation networks, exacerbates these challenges [17], [18]. Moreover, complexity and burdensome regulations can create significant barriers to innovation, particularly for smaller enterprises without dedicated legal resources. The shortage of skilled labor also prevents MSMEs from adopting innovative practices, as they lack the necessary technical, management, and entrepreneurial skills [16], [19]

Sector-specific barriers also play a critical role. For example, in manufacturing, MSMEs face supply chain disruptions and high capital requirements for machinery and technology upgrades, which are difficult for smaller enterprises to secure. Retail MSMEs often struggle with integrating e-commerce solutions and competing with larger retailers, which stifles innovation. In agriculture, barriers include limited access to modern farming techniques and equipment, and vulnerability to climate change impacts. Service-oriented MSMEs need to continuously innovate to meet evolving customer expectations, but the cost and complexity of advanced software and digital tools can be prohibitive. Creative industries, meanwhile, face challenges related to protecting intellectual property and expanding market reach without substantial marketing budgets [3], [4]

Addressing these barriers requires a multifaceted approach, including improving access to financial resources, enhancing technological adoption, upgrading infrastructure, simplifying regulatory processes, and investing in skill development. By understanding and tackling these specific challenges, Jakarta's MSMEs can be better positioned to innovate and thrive in a competitive global market. The insights gained from this analysis provide a comprehensive framework for supporting MSME innovation and addressing the key issues they face (UNCTAD, 2020).

What role do government policies and regulatory frameworks play in either facilitating or hindering innovation within Jakarta's MSMEs?

Government policies and regulatory frameworks play a crucial role in either facilitating or hindering innovation within Jakarta's MSMEs. Effective policies can create an enabling environment for innovation by providing financial support, simplifying regulatory processes, and fostering collaboration between different stakeholders. For instance, tax incentives and grants can alleviate financial burdens, allowing MSMEs to invest in new technologies and innovative practices². Simplified regulations can reduce bureaucratic red tape, making it easier for MSMEs to navigate legal requirements and focus on innovation [20].

Conversely, overly complexity and burden some regulations can stifle innovation by creating barriers to entry and increasing operational costs. For example, stringent licensing requirements and lengthy approval processes

can delay the implementation of new ideas and technologies¹. Additionally, inconsistent enforcement of regulations can create uncertainty, discouraging MSMEs from pursuing innovative projects.

In Jakarta, the government has implemented various initiatives to support MSMEs, such as providing access to financing, offering training programs, and promoting digital transformation. These efforts aim to enhance the innovation readiness of MSMEs and improve their competitiveness in the global market¹. However, there is still room for improvement, particularly in streamlining regulatory processes and ensuring consistent policy implementation.

Government policies and regulatory frameworks are instrumental in shaping the innovation landscape for MSMEs in Jakarta. By creating a supportive environment and addressing existing barriers, policymakers can significantly enhance the ability of MSMEs to innovate and thrive [21].

In what ways can mentorship and advisory services be structured to better support MSME innovation in Jakarta?

The "Mentorship and Advisory Services Matrix for MSME Innovation" outlines key components crucial for fostering innovation within Micro, Small, and Medium Enterprises (MSMEs) in Jakarta. It emphasizes the importance of pairing MSMEs with industry-specific mentors who can provide tailored advice and solutions. Personalized training sessions address unique challenges and enhance innovation capabilities, while workshops and seminars on topics like digital transformation and financial management offer skill development and networking opportunities [22]. Providing MSMEs with access to modern technology, digital tools, and financial support alleviates financial constraints and facilitates the implementation of innovative solutions. Long-term mentorship relationships, supported by regular feedback sessions, ensure sustained support and continuous improvement. Partnerships with academic institutions provide access to cutting-edge research and fresh perspectives, further bolstering the innovative capacity of MSMEs. This comprehensive approach integrates tailored guidance, resource access, and continuous support, thus fostering a robust environment for MSME innovation and competitiveness.

Table 1. Mentorship and Advisory Services Matrix for MSME Innovation

Component	Description	Benefits
Industry-Specific Guidance	Pairing MSMEs with mentors experienced in their specific industry.	Tailored advice and solutions for industry-specific challenges.
Customized Training	Offering personalized training sessions addressing unique challenges and needs.	Enhanced innovation capabilities and skill development.
Workshops and Seminars	Organizing events on topics such as digital transformation, financial management, and market analysis.	Skill development and networking opportunities.
Access to Resources	Providing access to modern technology, digital tools, and financial support.	Implementation of innovative solutions and alleviated financial constraints.
Continuous Mentorship	Establishing long-term mentorship relationships with regular feedback sessions.	Sustained support and continuous improvement.
Academic Partnerships	Partnering with universities and research institutions.	Access to cutting-edge research and fresh perspectives.

Secondary data by Authors (2024)

The figure 1. Illustrates a structured approach to supporting Micro, Small, and Medium Enterprises (MSMEs) in their innovation efforts. This scheme outlines various components that are essential for fostering innovation within MSMEs.

Firstly, it emphasizes the importance of industry-specific guidance, which involves pairing MSMEs with mentors who have expertise in their specific industry. This tailored advice helps address unique challenges and provides industry-specific solutions.

Secondly, the scheme highlights the role of customized training. By offering personalized training sessions, MSMEs can address their unique challenges and needs, enhancing their innovation capabilities and skill development.

Workshops and seminars are another key component, providing events on topics such as digital transformation, financial management, and market analysis. These events not only facilitate skill development but also offer networking opportunities for MSMEs.

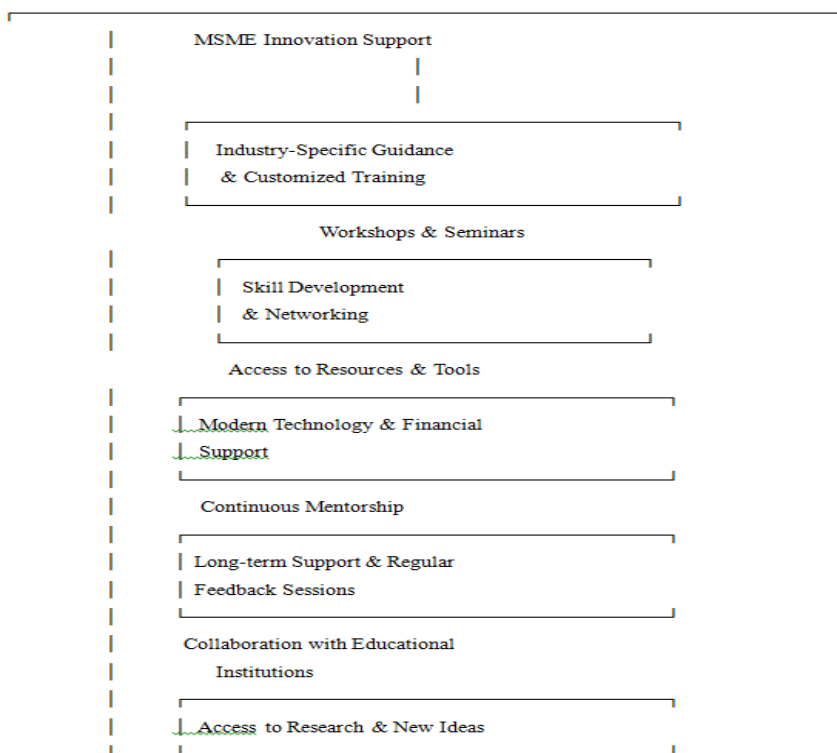
Access to modern technology, digital tools, and financial support is crucial, as indicated under access to resources; This component helps MSMEs implement innovative solutions and alleviate financial constraints.

The scheme also includes continuous mentorship, establishing long-term mentorship relationships with regular feedback sessions to ensure sustained support and continuous improvement.

Lastly, academic partnerships, with universities and research institutions are highlighted. These partnerships provide MSMEs with access to cutting-edge research and fresh perspectives, further enhancing their innovative capacity.

The scheme presents a comprehensive and integrated approach to mentorship and advisory services, combining tailored guidance, resource access, continuous support, and academic collaboration to foster a robust environment for MSME innovation and competitiveness.

Figure 1. Scheme: Mentorship and Advisory Services for MSME Innovation



This matrix and scheme illustrate the comprehensive structure of mentorship and advisory services aimed at enhancing innovation among MSMEs in Jakarta. The matrix outlines the key components and their benefits, while the scheme visualizes how these components interconnect to provide a supportive environment for MSMEs [23].

What strategies can be implemented to overcome the limitations of current support mechanisms for MSMEs in Jakarta?

To overcome the limitations of current support mechanisms for MSMEs (Micro, Small, and Medium Enterprises) in Jakarta, a comprehensive strategy is needed. Enhancing access to finance through more accessible microfinance options and promoting crowdfunding platforms can provide alternative funding sources that bridge the gap left by traditional banks [23]. Additionally, increasing the availability of government grants and subsidies aimed at fostering innovation and technological adoption can support MSMEs in making necessary investments. Improving technological adoption is crucial, and this can be achieved by developing comprehensive digital literacy programs for MSME owners and employees, which would enhance their understanding and utilization of modern technologies. Establishing technology hubs and business incubators would provide access to cutting-edge technologies, mentorship, and collaborative opportunities, acting as innovation ecosystems.

Infrastructure development is another key area, with investments needed in reliable and high-speed internet connectivity, as well as improved roads and logistics networks to facilitate market access. Creating shared resource centers equipped with modern machinery and tools can help MSMEs access essential infrastructure without the full cost of ownership. Simplifying the regulatory environment by streamlining registration, licensing, and compliance processes can reduce bureaucratic burdens. Consistent policy implementation across different regions and sectors is also vital to reduce uncertainty and build confidence among MSMEs.

Skill development and capacity building can be supported through regular training sessions and workshops on business management, innovation, and technology adoption, coupled with structured mentorship programs that pair MSMEs with experienced entrepreneurs. Encouraging collaboration and networking by promoting industry clusters and public-private partnerships can foster a supportive ecosystem, facilitating access to research, innovation funding, and market opportunities. To promote an innovation culture, organizing innovation challenges and competitions, alongside awareness campaigns highlighting the importance of innovation and available support mechanisms, can motivate MSMEs to actively seek and utilize these resources. By implementing these strategies, Jakarta can create an enabling environment that supports MSMEs in overcoming current limitations and achieving sustainable growth and innovation, thereby contributing to the city's overall economic dynamism.

The involves examining how barriers to innovation vary across different sectors within Jakarta's MSMEs. For instance, manufacturing MSMEs may face higher costs and skill requirements for technology adoption compared to service-oriented MSMEs, which might struggle more with digital marketing and customer relationship management. Tailoring support mechanisms to address these unique sector-specific challenges can significantly enhance the innovation capabilities of MSMEs. Additionally, a thorough review of existing government policies and regulatory frameworks is crucial. Identifying successful policy interventions from other regions, such as tax incentives for R&D and streamlined business registration processes, can provide valuable insights for creating a more supportive regulatory environment in Jakarta.

Furthermore, structuring effective mentorship and advisory services is vital for supporting MSME innovation. Researching best practices from successful mentorship programs in other cities or countries can help develop a structured framework for delivering these services. This could include pairing experienced entrepreneurs with MSME owners, offering regular workshops, and providing access to business incubators. Additionally, enhancing current support mechanisms by identifying specific financial instruments, such as microloans and crowdfunding platforms, and promoting the use of technological tools like cloud computing and e-commerce platforms, can provide MSMEs with the necessary resources to innovate. Integrating local wisdom into business practices by leveraging traditional craftsmanship and engaging with local communities can also create unique value propositions and help MSMEs develop products and services that resonate more deeply with their target

market. By addressing these gaps, Jakarta can foster a more innovative and competitive MSME sector, contributing to the city's economic dynamism and sustainable growth.

DISCUSSION

The discussion of this study aims to delve deeper into the primary barriers to innovation faced by MSMEs in Jakarta and evaluate the effectiveness of existing support mechanisms. MSMEs in Jakarta encounter a myriad of challenges that hinder their innovative capabilities, including limited access to finance, inadequate technological adoption, insufficient infrastructure, and complex regulatory frameworks. These barriers not only vary across different sectors but also have a profound impact on the overall competitiveness and sustainability of MSMEs. Understanding these challenges provides a comprehensive framework to address the specific needs of MSMEs and enhance their innovation potential. The discussion also explores the role of government policies and regulatory frameworks in either facilitating or hindering innovation. Effective policies and streamlined regulatory processes can create an enabling environment that supports MSMEs in overcoming these barriers. Moreover, the structure of mentorship and advisory services will be examined, highlighting how tailored support can significantly boost innovation among MSMEs. The insights gained from this analysis are crucial for developing multifaceted strategies that not only tackle the existing limitations but also promote a thriving and innovative MSME ecosystem in Jakarta. The discussion underscores the importance of a collaborative approach involving various stakeholders, including government agencies, private sector partners, and academic institutions, to foster a supportive environment for MSME growth and innovation.

Key Findings

1. **Limited Access to Finance:** Many MSMEs struggle to secure funding due to stringent lending criteria, lack of collateral, and high-interest rates.
2. **Inadequate Technological Adoption:** Financial constraints and limited technical skills impede the adoption of modern technology and digital tools.
3. **Insufficient Infrastructure:** Poor infrastructure, including unreliable electricity and inadequate internet connectivity, hinders innovation.
4. **Regulatory Hurdles:** Complex and burdensome regulations create significant barriers to innovation, especially for smaller enterprises.
5. **Sector-Specific Barriers:** Manufacturing: Faces supply chain disruptions and high capital requirements.

Retail: Struggles with e-commerce integration and competition with larger retailers. Agriculture: Limited access to modern techniques and vulnerability to climate change impacts. Service-Oriented MSMEs: High cost and complexity of advanced software and digital tools. Creative Industries: Challenges in protecting intellectual property and expanding market reach.

6. **Government Policies and Regulatory Frameworks:** Effective policies can facilitate innovation by providing financial support and simplifying regulatory processes, while overly complex regulations can stifle innovation.
7. **Mentorship and Advisory Services:** Structured mentorship and advisory services, including industry-specific guidance, customized training, access to resources, and continuous mentorship, can significantly enhance innovation among MSMEs.
8. **Comprehensive Strategies Needed:** To overcome current limitations, strategies should include improving access to finance, enhancing technological adoption, upgrading infrastructure, simplifying regulatory processes, investing in skill development, and fostering a culture of innovation.

As comparison, the authors presented the literature that explaining MSMEs,

Table 2: Key Studies on MSME Innovation and Digital Transformation in Indonesia

Title	Authors	Focus	Key Findings
Digital Transformation of MSMEs in Indonesia	Singgih Purnomo, Nurmalitasari, Nurchim	Digital transformation among Indonesian MSMEs	Increased market reach, operational efficiency, but faces challenges like limited resources and inadequate technical skills
MSMEs Digital Readiness in Indonesia	Abdi, R., Suharti, L., Usmanij, P., Ratten, V.	Digital readiness and intrinsic motivation	Intrinsic motivation and ICT knowledge moderate digital readiness
Strategy to Improve MSME Performance	Aliyah, H., Wahyuni, S.	Entrepreneurial orientation, organizational readiness, knowledge management, e-commerce adoption	Improves MSME performance
MSMEs Competitiveness in Indonesia	Anatan, L., Nur	Competitiveness of MSMEs	Reviews factors affecting competitiveness
MSMEs Readiness for Digital Transformation	Anatan, L., Nur	Readiness for digital transformation	Highlights readiness levels and challenges
Customer Engagement Effect on Customer Loyalty	Army, W. L., Nugroho, A., Anita, S., Sarah, S.	Customer engagement and loyalty	Positive impact on customer loyalty
Digital Transformation in MSMEs	Ghobakhloo, A., Iranmanesh, M.	Economic growth and innovation	Promotes sustainable development
Digital Transformation and Business Model Innovation	Ratten, V.	Business model innovation	Enhances business models through digital transformation
Digital Transformation and Market Reach	Purnomo, S., Nurmalitasari, N., Nurchim, N.	Market reach and operational efficiency	Expands market reach and improves efficiency
Digital Transformation and Profitability	Purnomo, S., Nurmalitasari, N., Nurchim, N.	Profitability and digital adoption	Increases profitability through digital adoption

The Table 2. Effectively encapsulates the focus of the table, emphasizing the key studies related to MSME innovation and digital transformation within the Indonesian context, while providing a clear overview of the research presented.

Key Findings Innovation variables significantly influence MSME performance, with factors like market orientation and technological capability playing crucial roles.

These studies provide valuable insights into the challenges and opportunities for MSMEs in Jakarta, particularly in the areas of innovation, digital transformation, and performance enhancement.

CONCLUSION

To overcome the limitations of current support mechanisms for MSMEs (Micro, Small, and Medium Enterprises) in Jakarta, a comprehensive strategy is essential. Enhancing access to finance through more accessible microfinance options and promoting crowdfunding platforms can provide alternative funding sources that bridge the gap left by traditional banks. Additionally, increasing the availability of government grants and subsidies aimed at fostering innovation and technological adoption can support MSMEs in making necessary investments. Improving technological adoption is crucial and can be achieved by developing comprehensive digital literacy programs for MSME owners and employees, thereby enhancing their understanding and utilization of modern technologies. Establishing technology hubs and business incubators would provide access to cutting-edge technologies, mentorship, and collaborative opportunities, acting as innovation ecosystems. Infrastructure development is another key area, with investments needed in reliable and high-speed internet connectivity, as well as improved roads and logistics networks to facilitate market access. Creating shared resource centers equipped with modern machinery and tools can help MSMEs access essential infrastructure without the full cost of ownership. Simplifying the regulatory environment by streamlining registration, licensing, and compliance processes can reduce bureaucratic burdens. Consistent policy implementation across different regions and sectors is also vital to reduce uncertainty and build confidence among MSMEs. Skill development and capacity building can be supported through regular training sessions and workshops on business management, innovation, and technology adoption, coupled with structured mentorship programs that pair MSMEs with experienced entrepreneurs. Encouraging collaboration and networking by promoting industry clusters and public-private partnerships can foster a supportive ecosystem, facilitating access to research, innovation funding, and market opportunities. To promote an innovation culture, organizing innovation challenges and competitions, alongside awareness campaigns highlighting the importance of innovation and available support mechanisms, can motivate MSMEs to actively seek and utilize these resources. By implementing these strategies, Jakarta can create an enabling environment that supports MSMEs in overcoming current limitations and achieving sustainable growth and innovation, thereby contributing to the city's overall economic dynamism.

The limitations of current support mechanisms for MSMEs in Jakarta, a comprehensive strategy is needed, including enhancing access to finance through microfinance options and crowdfunding platforms, increasing government grants and subsidies for innovation and technological adoption, developing digital literacy programs, establishing technology hubs and incubators, improving infrastructure such as reliable internet and logistics, simplifying the regulatory environment, supporting skill development through training and mentorship, fostering collaboration and networking, and promoting an innovation culture through challenges and awareness campaigns, thereby creating an enabling environment for sustainable growth and innovation, contributing to Jakarta's economic dynamism.

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