

Indonesia's Commercial Diplomacy: Footwear Export Industry

Iva Rachmawati, Sri Issundari, Dyah Lupita Sari

Department of International Relations, Faculty of Social and Political Sciences, Universitas Pembangunan Nasional Veteran Yogyakarta, Jl. Babarsari no 2 Tambakbayan Yogyakarta

Received: 10 June 2025

Revised: 31 October 2025

Published: 31 October 2025

Abstract:

The increase in Indonesia's footwear export industry since 2019 has become an important marker for the success of Indonesia's commercial diplomacy in the footwear industry. Some trade and investment collaborations organized by the state are believed to be the key to the success of commercial diplomacy. Commercial diplomacy, in this context, refers to the economic activities undertaken by the state to bolster its national economy through trade and investment partnerships. Notably, non-state actors have played a crucial role in enhancing Indonesia's footwear exports by lobbying, advocating, promoting, and ensuring compliance with international standards. These actors have also contributed significantly to the industry's production innovation and human resource development. This research aims to show that non-state actors have an essential role in commercial diplomacy through a commercial diplomacy model using the experience of commercial diplomacy practices in the Indonesian footwear export industry. This research employs qualitative methods, including documentary studies and interviews, to illustrate how these non-state actors support a commercial diplomacy model. The findings indicate that their involvement facilitates trade and strengthens Indonesia's position in the global footwear market, notably as it ranks fourth among the world's producers. By leveraging these collaborative efforts, Indonesia aims to capitalize on its historical successes and address challenges such as rising labor costs and fluctuating international demand

Keywords:

Commercial Diplomacy; Footwear Export Industry; Non-State Actors

Introduction

Commercial diplomacy has become vital in global relations, driving trade, investment, and business development (Kostecki & Naray 2007). In this context, countries communicate and interact to meet political and security interests and develop and expand their economic potential. As part of diplomacy in general, commercial

Korespondensi:

Sri Issundari, Universitas Pembangunan Nasional Veteran Yogyakarta, Jl. Babarsari no 2 Tambakbayan Yogyakarta. Email: sri.issundari@upnyk.ac.id

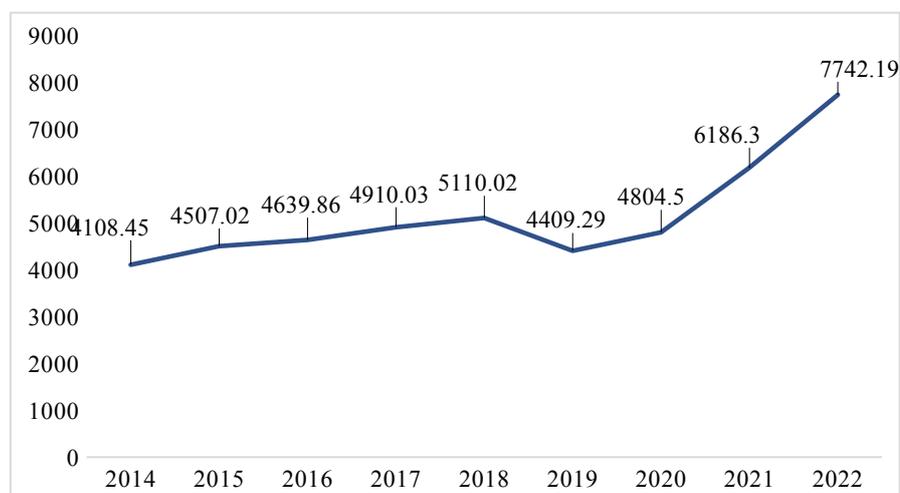
diplomacy tends to make the state the leading actor. Meanwhile, since the end of the Cold War, there has been a significant shift in the paradigm of International Relations where countries are not the only major players in the global diplomacy stage (Lop 2017).

In commercial diplomacy, state actors facilitate interactions between countries, companies, and non-state actors in an increasingly integrated global business environment (Klinkby 2013; Busschers 2011). Thus, commercial diplomacy is essential in promoting exports and foreign investment, protecting national economic interests, and expanding global market reach for companies and non-state actors. Non-state actors can play a crucial role in opening the door to profitable international economic cooperation by having more comprehensive access to market information and a robust global network.

Commercial diplomacy also plays a significant role in Indonesia's footwear industry. Despite fluctuations in increases and decreases, according to data from the Central Statistics Agency, in 2022, footwear exports from Indonesia increased to US\$7.42 billion, an increase of 25.15% compared to the previous year. Graph 1 shows data on footwear exports in Indonesia.

The data on the increase in Indonesian footwear exports indicates not only the importance of the state in encouraging Indonesian footwear exports but also the critical role of non-state actors in the Indonesian footwear industry. The Indonesian footwear industry mostly meets the needs of foreign brands such as Nike and Reebok. This impacts extraordinary labor shortages because these companies locate their factories in Indonesia because of the availability of cheap labor. Of course, this is a warning for Indonesia to be able to balance economic profits while protecting workers. The consequence is the challenge for the local shoe brand industry to gain a place in the international market. The success of local shoes such as Brodo, Piero, and Sagara Boots cannot be separated from their efforts to meet global standards and compete with foreign brands in price and quality.

Graph 1. Indonesia Footwear Export 2012-2022 (In US\$ million)



Source: Rizaty (2023)

The situation is not easy because some raw materials still depend on imports. This situation shows that the state needs to be encouraged to care about domestic conditions and not just serve the interests of foreign companies for the sake of employing workers. In practice, many non-state actors, such as Asosiasi Persepatuan Indonesia (Aprisindo) or the Indonesian Footwear Association, are essential in pressuring the government to issue more favorable regulations for local footwear entrepreneurs. On the other hand, several other non-state actors are trying to protect workers' interests, improve the quality of workers, and even penetrate the international market independently.

Referring to the concept of commercial diplomacy, which tends to be state-centric (Bellina 2019; Berridge & James 2001; Lee & Hudson 2004; Ruel & Visser 2012; Ruël & Zuidema 2021). The role of non-state actors in the footwear industry in Indonesia is important. In practice, many non-state actor roles support commercial diplomacy, even at the policy-making level. Wider access to market information and a strong global network enable non-state actors to play a key role in opening the door to profitable international economic cooperation.

Therefore, this research proposes a commercial diplomacy model that places non-state actors as an essential part of Indonesia's footwear commercial diplomacy, referring to Indonesia's experience. This model expands the role of non-state actors in commercial diplomacy while eroding the strict boundaries between economic and commercial diplomacy. Through this proposed commercial diplomacy model, diplomacy for the Indonesian shoe export industry will progress further by opening up broader cooperation by including non-state actors in commercial diplomacy.

Methods

This study will use a qualitative approach to understand Indonesia's commercial diplomacy model in the footwear export sector. This approach allows for a comprehensive analysis of the role and strategies of the government and industry associations in increasing competitiveness and exports. In addition to using the library research method as data collection, this study also uses in-depth interviews to obtain more accurate data on Indonesia's commercial diplomacy practices in the footwear sector (Nazir 2014). Secondary data gathered from library research can be particularly valuable in the context of data collection methods. It includes published sources such as books, journals, and articles that provide insights and context for the research question. This data type can help researchers design their studies more effectively and provide a baseline for comparison with primary data collected later (Taherdoost 2021).

In-depth interviews are qualitative research techniques to gather detailed and nuanced information about participants' experiences, beliefs, and perspectives (Osborne & Grant-Smith 2021)). Informants are selected based on experience, knowledge, and viewpoints relevant to the researched topic. In doing so, they can provide in-depth insight into the phenomena being explored. Interviews were conducted with the Ministry of Trade, represented by Rinaldo Mardian (Directorate of Industrial and Mining Product Exports, Directorate General of Foreign Trade, Ministry of Trade of the

Republic of Indonesia) and Firman Bakrie, Executive Director of Aprisindo. The interview results were analyzed through thematic analysis, exploring relationships between themes and connecting them with the interviewees' experiences.

Literature Review

Commercial Diplomacy

Commercial diplomacy refers explicitly to activities carried out by representatives of countries that aim to generate commercial profits in the form of trade and investment in and out of the country of origin through the promotion and facilitation of business and entrepreneurship in the host country based on providing information on export and investment opportunities, maintaining contact with key actors and maintaining networks in relevant fields (Bellina 2019; Ruel & Visser 2012). Commercial diplomacy is "the work of diplomatic missions supporting the business sector, trade, and the national economy" (Ruël & Zuidema 2021).

Meanwhile, Kostecki and Naray (2007) define commercial diplomacy as a diplomatic activity that includes trade promotion, investment promotion, business advocacy, and tourism promotion, among others. Not only attracting investment and trade facilitation, other academics mentioned that commercial diplomacy activities also include activities that can encourage technology transfer (Ozdem 2009) or cooperation in the field of science and technology (Klinkby 2013).

More than just activities related to trade promotion, investment information services, and lobbying, Villanueva Lop (2017) moves commercial diplomacy at the state policy level. For Villanueva Lop (2017), commercial diplomacy also includes multilateral trade negotiations, trade consultations, and dispute resolution, all designed to influence government policies and regulatory decisions that affect global trade and investment. This idea is debated regarding the definitions of commercial diplomacy and economic diplomacy. For Saner & Yiu (2003) Economic diplomacy differs from commercial diplomacy. Economic diplomacy is only concerned with the actions taken by different specialized ministries to influence the structure and mechanism of global governance in policy issues in economics and trade. Delegates' work in standard-setting organizations such as the World Trade Organization (WTO) is an example.

In general, the concept of commercial diplomacy still places the state as the only main actor. The state is the leading actor in commercial diplomacy because the state is the only actor in agreements between countries. For Strange (2015), the state is the only actor in diplomacy because it has the power to establish and enforce laws and policies that govern the economy and trade. The state can influence market conditions, set tariffs, and regulate foreign investment (Strange 2015). States are also legitimate entities in the international system, giving them legitimacy to participate in international negotiations and agreements. The state's sovereignty allows it to regulate economic relations to suit its national interests (Strange 2015).

Non-State Actors in Commercial Diplomacy

Nowadays, developing access to information and networks provides non-state actors with more opportunities in commercial diplomacy (Pigman 2020). Although the

state is still the primary agent in policy-making at the policy-making level, non-state actors' role in commercial diplomacy can no longer be ignored. Udovič & Stjan Udovic (2011) put them in business diplomacy activities because they are not only related to business but also cooperate with interest groups, political parties, and other sub-state entities. Thus, cooperation between the state and non-state actors is an absolute thing in commercial diplomacy (Kopp 2004) to gain trust and ensure the success of missions abroad. Actors such as companies, interest groups, syndicates, and the like have considerable influence on the practice of commercial diplomacy (Saner & Yiu 2003).

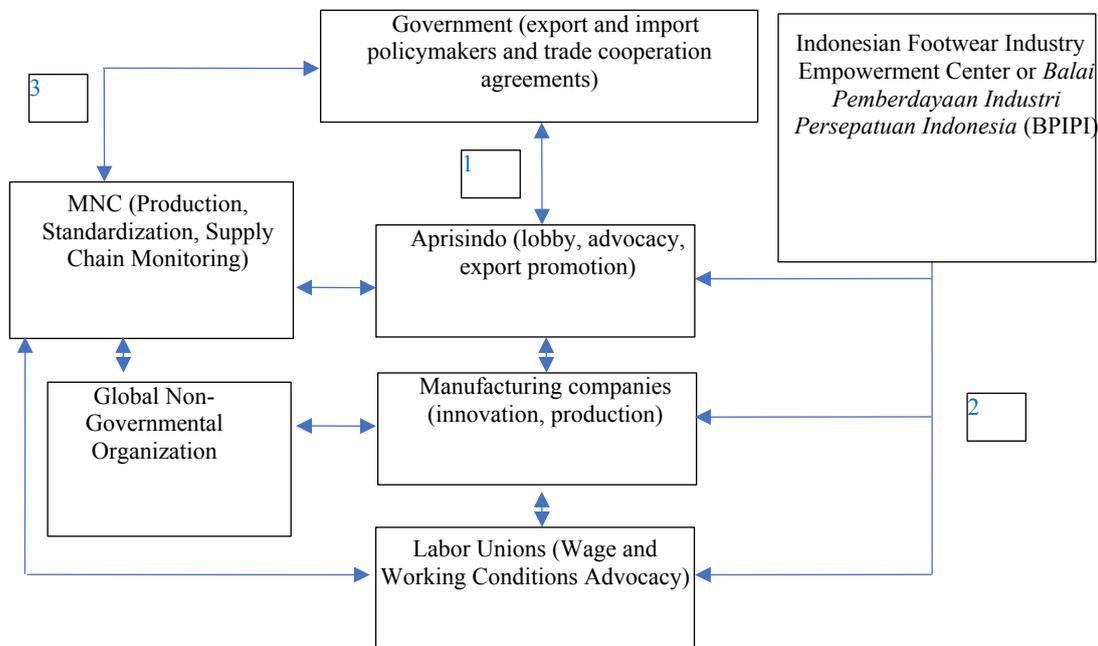
One non-state actor with significant economic power that can influence diplomatic relations between countries is the Multinational Corporation (MNC). Not infrequently working with diplomatic missions, trade promotion agencies, and local business networks, MNCs strive to overcome trade barriers and regulatory challenges to reach new customer segments in various countries. Not only that, but MNCs also navigate political and economic risks and are responsible for initiating Corporate Social Responsibility (Busschers 2011) through networking with external stakeholders, competitive intelligence, corporate reputation, and lobbying (Egea, Parra-Meroño & Wandosell 2020).

In addition to MNCs, actors such as interest groups, syndicates, and non-governmental organizations influence commercial diplomacy considerably (Saner & Yiu 2003; S. Strange 1992). They help companies and countries conduct trade abroad and convince foreign companies of the benefits of investing in their home countries (Mercier 2007). Likewise, associations and chambers of commerce have an equally important influence. These organizations advocate for the interests of their members in trade negotiations and international business affairs, work to influence policies, regulations, and agreements that impact their industries, and seek favorable conditions for market access, investment opportunities, and business growth (Gençtürk & Kotabe 2001; Saner & Yiu 2003).

Baidoo, Méral, & Ongolo (2023) found that the rosewood trade between Ghana and China since 2019 has been carried out by Chinese entrepreneurs sporadically without going through formal channels. Meanwhile, Jordhus-Lier et al. (2024) show the significant influence of labor unions in encouraging the achievement of the energy transition in Norway so that Norway can succeed in meeting the target even though Norway is dependent on the petroleum industry's emissions. Likewise, institutions such as FairTrade USA have succeeded in making an essential contribution to the tuna trade through market access and certification (Wiranthi, Toonen, & Oosterveer 2024).

In commercial diplomacy, which stresses interstate negotiations, non-state actors such as private companies, trade associations, NGOs, and labor unions often have minimal formal influence. However, growing challenges in global trade, particularly in areas such as poverty, labor rights, innovation, and market access, mean that these entities must take a more active role. This shift marks a complex and vital development in Indonesia's footwear export industry as it faces increasing competition, technological changes, and global consumer trends that demand ethical production practices. Despite limited recognition within the framework of traditional commercial diplomacy, non-state actors have become indispensable players in Indonesia's footwear export strategy. In simple terms, Figure 1 shows some important non-state actors in the practices of the footwear industry in Indonesia.

Figure. 1 Indonesian Footwear Commercial Diplomacy



Information: This model shows that non-state actors, shoe companies, domestic associations, unions, MNCs, and NGOs influence commercial diplomacy

1. Non-state actors such as Aprisindo, manufacturing companies, and Labor Unions have a close relationship with supporting shoe exports. Manufacturing companies, directly or through Aprisindo, influence the government in determining raw material import policies, local shoe export policies, and collaboration with foreign brands. Good relations between manufacturing companies and Labor Unions also determine foreign confidence in investing in the footwear sector. Meanwhile, the government executes several trade policies.
2. Even though it is part of the government, BPIPI supports non-state actors in the Indonesian shoe industry to improve shoe quality and human resources,
3. MNCs and NGOs influence the country's government and non-state actors in production, standardization, market supply chains, and worker protection.

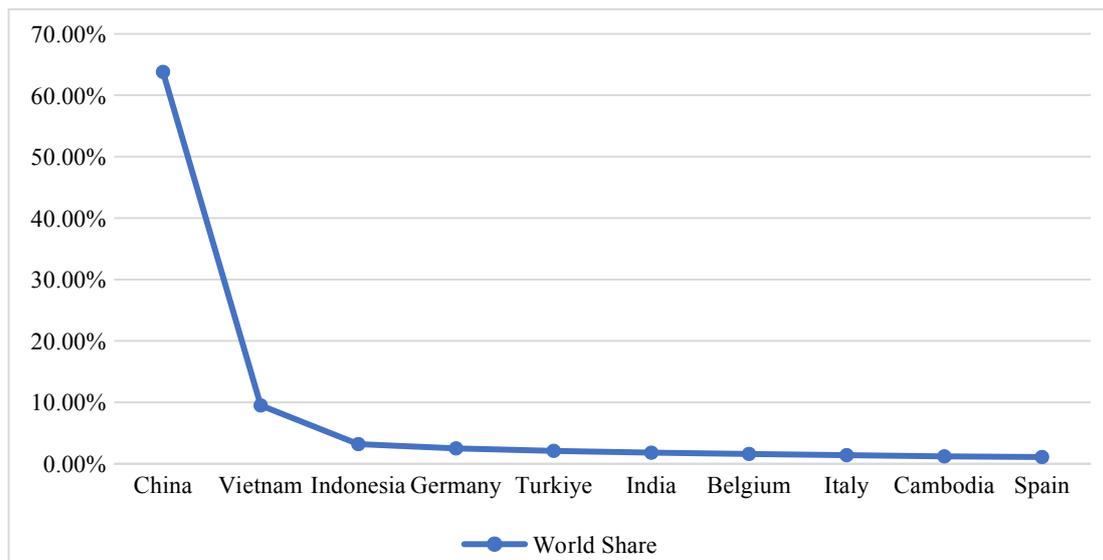
Result and Discussion

Indonesia's Footwear Export Industry: An Overview

The footwear industry is a sector that produces various types of footwear, including shoes, sandals, and other related products. The industry covers the entire process from design and production to distribution of footwear to consumers. The footwear industry contributes a considerable amount to Indonesia's total exports. In

2022, the value of footwear exports peaked, contributing to Indonesia's market share of global footwear exports, which grew from 2.2% in 2003 to 4.4% in 2022 (Permata Institute for Economic Research 2024). The country's footwear industry is the third largest exporter in the world, after China and Vietnam. China controls 63.8% of the world footwear market share, Vietnam at 9.5%, and Indonesia at 3.2%. These three Asian countries collectively account for over three-quarters of footwear exports worldwide (Graph. 2).

Graph.2 Top 10 Footwear Exporters (Quantity) 2023

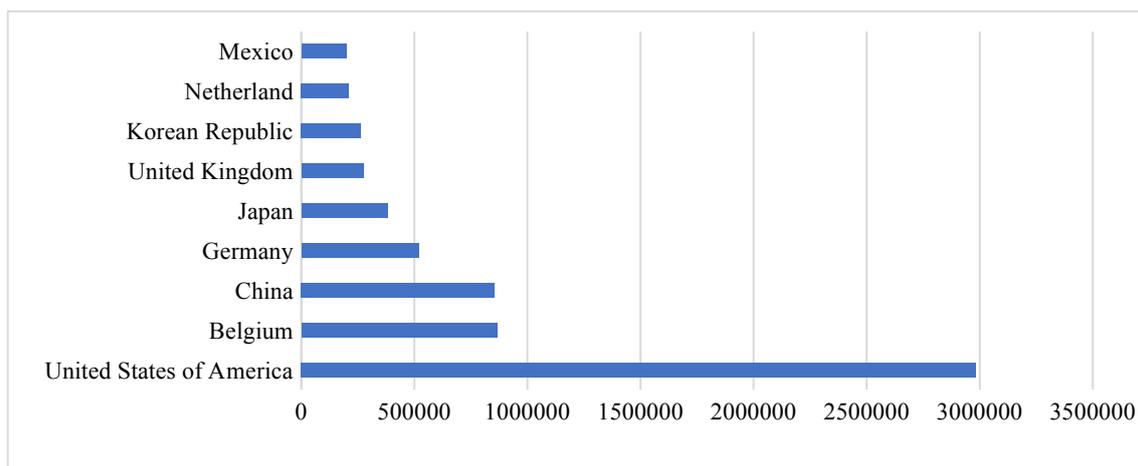


Source: World Footwear (2024).

The footwear industry in Indonesia mainly serves the needs of foreign brands. About 54.4% of the total output of the footwear industry is exported as final products, which indicates that most of the production is intended for the international market. Meanwhile, about 35% of the footwear industry's output is consumed in the domestic market, which means that only a tiny part of the total production serves local brands (Permata Institute for Economic Research 2024). Indonesia's footwear industry has experienced quite good growth in recent years, with the main export markets being the United States, Europe, and East Asia (See Graph. 3). Even during the global economic downturn triggered by COVID-19, Indonesia's footwear sector has survived. In 2022, exports have recovered significantly, surpassing pre-pandemic levels to reach more than \$5.1 billion (Permata Institute for Economic Research 2024).

Historically, commercial diplomacy has been the domain of government actors. The Ministry of Foreign Affairs, the Indonesian Embassy, the trade attaché, the Ministry of Trade, and the Ministry of Industry have spearheaded efforts to open market access, establish cooperation through international trade agreements, negotiate tariff reductions, and foster bilateral relations that facilitate export growth. The Ministry of Foreign Affairs and the Ministry of Trade play an active role in opening access to the international market through several cooperation explorations and trade promotions.

Graph 3. Indonesian Footwear Export Destinations 2022



Source: WITS (2022)

The opening of market access continues to be carried out by Indonesia, for example, through the negotiations of the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA). The IEU-CEPA agreement is expected to be able to resolve various trade barriers between Indonesia and the European Union, including shoe products. If the negotiations for 9 years are successful, then the shoe exports to Europe will become duty-free, just like Vietnam (Arief 2024). IEU-CEPA is expected to follow the IJEPA's (Indonesian-Japan Economic Partnership Agreement) success, which succeeded in lowering the preferential tariff to 0%. The decline succeeded in increasing shoe exports to Japan in 2024 to reach US\$369.99 in 2023. In 2019-2022, it experienced a decline due to the impact of the COVID-19 Pandemic.

In addition to IJEPA, which provides Japan with access to Indonesian footwear, RCEP (Regional Comprehensive Economic Partnership) also opens up better opportunities. Not only to Japan but through the RCEP signed by Indonesia on November 15, 2020, it allows Indonesia to have a broader range of partners, including China, South Korea, Australia, New Zealand, and India. Through the RCEP, about 92% of goods traded between members will be tariff-free, including fuel products, plastics, chemicals, and food/beverages in critical markets such as China, Japan, and Korea. More straightforward and flexible Rules of Origin allow businesses to take advantage of preferential market access and regional accumulation provisions to support regional supply chains. Simplified customs procedures and trade facilitation will speed up the issuance of goods, especially for fast delivery and perishable goods. RCEP also includes increased commitments in various sectors, such as professional services, logistics, research, and e-commerce. The provisions prohibit performance requirements for investors, protect against future policy changes, and cover new areas such as

competition policy and intellectual property rights (Free Trade Agreement Center 2023).

According to Firman Bakrie, RCEP participating countries are significant export destinations for the Indonesian footwear industry. In 2020, exports to RCEP countries reached 29 percent of Indonesia's total shoe exports, with a value of US\$1.39 billion out of total exports of US\$4.80 billion. RCEP countries are the second largest export destination after the European Union (30 percent), followed by the United States (27 percent) (Timmoria 2021). China, as one of the largest footwear exporters in the world, has also experienced an increase in the value of footwear imports from Indonesia. WITS noted that the volume of footwear imports to China increased by US\$ 186,833.84 million in 2020, to US\$ 237,373.21 million in 2021, US\$ 221,257.67 million in 2022 and to US\$ 692.07 million in 2023 (Statista 2024a). Given RCEP countries' significant contribution to exports, RCEP ratification is vital for Indonesia's footwear industry to expand its market share and strengthen its competitiveness.

In addition to the agreement, the country is also actively promoting trade and investment (Naray 2011; Okano-Heijmans 2011). Countries often organize trade shows and missions to promote products, provide relevant information, and build networks between domestic companies and potential partners abroad and investment opportunities. IJEPA, for example, encourages participation in exhibitions and programs that can help Indonesian shoe manufacturers market their products in Japan, such as virtual exhibition facilities and the Designer Dispatch Service (DDS) (Wati et al 2023).

In addition to increasing the number of Indonesian exports, the promotion also increases the value of an investment in the footwear industry in Indonesia, which continues to grow. Statista (2024b) noted that 2019 foreign investment in the footwear sector reached 188.3 million US\$. Foreign investment continued to grow to 214 million US in 2020, 485.5 million US in 2021, 630.4 million US, and 782.5 million US in 2023. The increase in investment is inseparable from investor confidence, which continues to be maintained by Indonesia. This was admitted by Firman (2024), especially in the export-oriented footwear industry (global brand), in an interview by stating that,

‘This group usually has brands that are already accessible to outsourcing, so the most appropriate treatment to attract this investment is to attract buyers. Buyers are susceptible to policies and prices, so when the competitive investment climate and existing industries grow and develop, they will automatically invite investment. So, there is no need to promote anywhere; just tell stories about existing industries that can develop in Indonesia. Currently, the total may be 90% of Indonesia's total exports.’ (Firman Bakri, Personal Communication, 2024)

Nike, for example, has made Indonesia one of their largest production centers, reflecting its confidence in the market potential and quality of production in Indonesia. In addition to the availability of labor, the Indonesian government also provides services to support industrial development, including incentives for investment and the development of better infrastructure (The Conference Board of Canada 2018).

In addition, the government is also active in improving the quality of domestic footwear by organizing various trainings and standardization. Balai Pemberdayaan Industri Persepatuan Indonesia (BPOPI or Indonesian Footwear Industry Empowerment Center) organizes multiple efforts to improve the quality of the Indonesian footwear industry, including footwear business incubator assistance, integrated assistance, quality system assistance, footwear quality testing through BPIPI laboratories, and partnerships business. Rahma et al. (2024) claimed that BPIPI contributes to creating an ecosystem that supports the growth and development of the footwear industry in Indonesia.

These foreign brands often utilize production facilities in Indonesia for several reasons. Trade Facilitation Office Canada and The Conference Board of Canada (2017) consider several essential factors. First, Indonesia has a significant production capacity in the shoe industry and has become one of the largest shoe exporters in the world. Second, despite the challenges in terms of the quality of domestic raw materials, many factories in Indonesia are known to have high-quality production processes. Third, despite rising wages in Indonesia, labor costs are still relatively lower than those in developed countries (On the contrary, MNC is advantageous for Indonesia because footwear products are classified as a labor-intensive industry). Fourth, with a strategic geographical position and favorable trade agreements, Indonesia provides good access to global markets (Trade Facilitation Office Canada and The Conference Board of Canada 2017).

However, relatively high wages compared to China and Vietnam are another challenge to the high absorption of workers. Although wages are not the only factor determining the price of shoes, they play an essential role in consumers' cost structure and purchasing power, which can affect prices in the shoe market (Liu 2021). China and Vietnam have lower wages than Indonesia. According to data from the Indonesian Footwear Association (Aprisindo or Asosiasi Persepatuan Indonesia), the average wage of workers in Indonesia reaches US\$ 179 per month, while the wage of workers in China is US\$ 159 per month, and in Vietnam, the wage is US\$ 95 per month (Abdulkadir, Afriana, & Azis 2020). As a result, the average price of Indonesian footwear is higher than that of Chinese footwear. In addition to wages, the high cost of production in Indonesia, raw materials, energy, and logistics costs have resulted in the price of footwear being higher than in China and Vietnam (Nurkomariyah & Sutjiatmo 2023). Meanwhile, Permata Institute for Economic Research (2024)¹ noted that building and machinery rent controls 40% of total production costs, raw materials 24.3%, energy 8.7%, wages 19.3%, and other expenses cover 13% of the total production cost.

However, the increasing complexity of global trade regulations, rising concerns around environmental sustainability, and increased scrutiny of labor practices have created new challenges for the industry. As a result, Indonesia's footwear exports are now influenced by factors beyond price competitiveness, including production standards, ethical sourcing, and CSR initiatives. These challenges require the

¹ Permata Institute for Economic Research (PIER) started in April 2014 and has been providing various research products such as daily market updates, analysis of the macroeconomic conditions, and strategic industries in Indonesia, including manufacturing, retail, mining and agriculture, tourism and services. See <https://www.permatabank.com/en/pier/>

involvement of non-state actors who have particular expertise to address these diverse issues, but their role is often sidelined in traditional commercial diplomacy.

Aprisindo And Indonesia's Footwear Industry

As argued by (Gençtürk & Kotabe 2001; Mercier 2007; Saner & Yiu 2003; S. Strange 1992) interest groups, syndicates, and non-governmental organizations can help companies and countries in foreign trade and investment with advocacy, business, and policy negotiations. Aprisindo is a non-state institution whose members are Indonesian Footwear Companies. Aprisindo is one of the crucial actors in the Indonesian shoe industry. Trade organizations have an essential role in advocating for the interests of their members in trade negotiations and international business affairs, working to influence policies, regulations, and agreements that impact their industries, as well as seeking favorable conditions for market access, investment opportunities, and business growth (Gençtürk & Kotabe 2001; Saner & Yiu 2003). With policy engagement, they interact with government officials, policymakers, and diplomatic representatives to advocate for policies that benefit their members and participate in commercial diplomacy discussions to shape trade agreements and regulatory frameworks (Klinkby 2013). Gençtürk & Kotabe (2001) show that business associations can help resolve trade conflicts. In the case of trade disputes or commercial conflicts, business associations can play a role in facilitating dialogue, mediation, and dispute resolution between the business world, government agencies, and foreign partners.

To protect the footwear industry in the country, Aprisindo is trying to influence the government to enforce rules that can protect the interests of domestic footwear companies. For example, Aprisindo urges the Indonesian government to include illegal imports as an extraordinary crime because it threatens the domestic industry and establishes an Illegal Import Eradication Commission to stop this practice (Nurdifa 2024). Unfortunately, the flood of illegal products continues to occur. According to the Central Statistics Agency (BPS), data on Indonesia's imports from China was US\$484.3 million in 2022. Meanwhile, ITC data shows that China's footwear exports to Indonesia are worth more than US\$1.2 billion (Nurdifa 2023).

However, this does not mean that Aprisindo has failed to join the footwear industry in eliminating export obstacles. Aprisindo continues to criticize burdensome policies for entrepreneurs, such as additional taxes on imports of cloth as raw materials in 2019-2022. This policy was later removed, but a still considered burdensome policy has emerged, namely the obligation to verify industrial capabilities before importing raw materials. This verification process often causes several companies to experience production delays. Several companies still surviving in export need this convenience to remain competitive (Firman Bakri (Direktur Eksekutif Asosiasi Persepatuan Indonesia) 2024).

Aprisindo's role in removing obstacles for the footwear export industry was also acknowledged by the Ministry of Trade in an interview representing the Ministry of Trade, stating that, "In essence, when business actors convey problems to Aprisindo, and they propose solutions, we discuss this problem with related sectors, including the Ministry of Industry, to find solutions that benefit all parties" (Rinaldo Mardian 2024).

Aprisindo can even collaborate with partners abroad to develop exports and promotions. One of the collaborations is the MoU between Aprisindo and international associations, such as the Footwear Distributors and Retailers of America (FDRA) in

2011. Aprisindo's collaboration with FDRA aims to expand the market for Indonesian footwear products, especially to the United States, one of the largest markets, through exchanging knowledge, technology, and product development support (Yunika 2017).

Multinational Corporation and Domestic Footwear Company

MNCs wield significant economic power and are crucial in promoting diplomatic relations between countries. They often collaborate with diplomatic missions, trade promotion agencies, and local business networks to overcome trade barriers and regulatory challenges, expanding their customer base across various countries. Multinational corporations engage directly in diplomatic action by lobbying local governments and decision-makers to protect their business interests. This involves negotiating requirements, seeking favorable regulations, and building connections that facilitate their operations in foreign markets. Moreover, MNCs navigate political and economic risks and are at the forefront of Corporate Social Responsibility initiatives (Busschers 2011).

Through proactive lobbying and advocacy, MNCs can significantly shape economic and trade policies in the host country. They can influence governments to create policies that support exports, such as tariff reductions, tax incentives, or free trade agreements. Several MNCs like Nike can monitor their supply chains quite well. They use an advanced supply chain management system to monitor every production stage, from raw material procurement to distribution, allowing them to identify problems in real time. They regularly conduct supplier audits to meet quality standards, ethics, working conditions, and environmental compliance (The Conference Board of Canada 2018). Monitoring the supply chain makes the footwear export industry very dynamic. Changes in political and economic conditions that can disrupt their supply region have prompted the relocation policy of factories, such as what happened in the relocation of Nike from Indonesia to Vietnam (Sandi 2022; Suhendra 2019)

In Indonesia, almost 90% of the footwear industry is an industry that serves foreign brands such as Nike, Adidas, New Balance, Reebok, etc. These companies work for brands that already have a name and a market. In addition to the market and brand, their power to absorb the workforce and their interests are the main things that determine the direction of commercial distribution. To attract foreign investors, the Indonesian government offers tax incentives, simplified licensing, foreign investment protection, training of local workers and R&D, innovation in design, and production technology (The Conference Board of Canada 2018).

Conversely, multinational corporations can also be subject to diplomatic action when governments or diplomatic institutions conduct negotiations to support their national business. For example, a country may use commercial diplomacy to promote its multinational companies in the international market, representing the interests of those companies in global negotiations. In this context, multinational companies benefit from the support and advocacy provided by their home country (Sevin & Karaca 2016). Rinaldo Mardian (2024) stated that at the Sydney Global Sourcing Expo 2024, various footwear products supported the increase in Indonesia's exposure. Likewise, the Indo Leather & Footwear Expo 2024 involved 350 participants, including 70 UMKM (Usaha Mikro Kecil dan Menengah/Micro, Small and Medium Enterprises) from 9 countries, including India, Italy, China, Korea, Taiwan, Japan, Singapore, Indonesia, and France (Wiyono 2024).

Another practice of commercial diplomacy is through direct meetings with the government, such as the meeting between the Indonesian government, in this case, the Minister of Trade, with the Vice President/General Manager of Nike UK and Ireland, Sarah Hannah, and Nike's Director of Government Affairs, International Trade, and Customs, Ingrid Van Laerhoven, in London to discuss some matters. During the meeting, they discussed Nike's investment in Indonesia and a more environmentally friendly industry (Santia 2023). Business meetings are also an opportunity for MNCs to discuss many matters with the government, such as those held by Adidas through the Adidas Global Partner Summit. During the meeting, both parties addressed the sustainability of investment and a supportive business climate (Kencana 2023).

Local footwear companies, like MNCs, are significant players in commercial diplomacy, but they confront unique challenges. When pitted against global behemoths like Adidas and Nike, local brands struggle with limited resources, technology, and distribution networks. They often lack access to the latest innovations and technologies that could enhance product efficiency and quality. Capital constraints impede expansion and investment in research. Moreover, government regulations on wages, occupational safety, and the environment can be burdensome for small companies. Building reliable supply chains, brand awareness, and adapting to changing trends and consumer preferences pose significant challenges (Goni & Kadarusman 2015; Hidayat 2024).

Private companies are pivotal to the Indonesian footwear industry, serving as producers and innovators in the production process and sustainability. These efforts are crucial for Indonesia's competitiveness in a global market that increasingly values sustainability. Several local brands, including Piero, League, Compass, Sagara Boots, Thanksinsomnia, and Brodo, have successfully penetrated the international market. They continue innovating their products and designs, striving to reach the global market through international exhibitions like MICAM (Milano), Footwear Expo, Pitti Uomo, and collaborations with international brands (Kusumawardani 2021). Meanwhile, brands like Speed started their sales by sponsoring local football matches. CEO Speed admitted that bold sales and promotions through sponsorship media helped them reach overseas markets (Haerudin 2023). Local footwear brands adhere to international certifications and standards such as ISO 9001 for quality management and ISO 14001 for environmental management systems to ensure their products are accepted in the international market. They leverage social media and storytelling strategies to boost sales and foster strong relationships with global distributors like FDRA.

Local footwear companies can independently carry out commercial diplomacy functions such as trade and investment promotion (Kostecki & Naray, 2007; Okano-Heijmans, 2011). Their independence in accessing information and markets is the primary support for commercial diplomacy Udovič & Stjan Udovi (2011).

Labor Unions and Global NGO

Labor Unions are another critical group of non-state actors in the footwear sector. Jordhus-Lier et al. (2024) found that labor unions influence market and government policies in the energy transition. Labor unions represent their members' interests in trade negotiations and global business matters, striving to shape policies, regulations, and agreements that affect their industries (Gençtürk & Kotabe 2001; Saner & Yiu 2003). They commonly collaborate with international NGOs to pressure companies and countries to care more about workers' conditions. Their influence must

undoubtedly be considered in commercial diplomacy because their bargaining position is quite strong in determining production.

Labor Unions in Indonesia have been pushing for improved wages and working conditions for a large workforce in the industry, advocating for fair treatment and compliance with national and international labor laws. Through some worker associations such as the National Labor Union (SPN or Serikat Pekerja Nasional) or the Federation of Textile, Garment, and Leather Workers' Unions (FSPTSK), they negotiate several rights and obligations as workers both under export-oriented national private companies and MNCs operating in Indonesia. For companies, workers are the principal capital related to human resources and skills, and companies value their contributions with decent wages. The worker will sue the company or strike if the contribution does not receive the appropriate award. This will affect the company's performance. Not infrequently, if the company ignores these demands, workers will take to the streets to demonstrate, as workers of Nike and Adidas companies have done (Asmalyah 2019).

The Labor Union is affiliated with Aprisindo to bridge the relationship between workers and the company. Relatively cheap labor prices are one of Indonesia's advantages in attracting international shoe entrepreneurs to produce their shoes in Indonesia. However, low wages do not provide welfare for workers. Although it does not directly contribute to footwear exports, the presence of the Labor Union and Aprisindo is a forum for negotiations that positively contribute to Indonesia's commercial diplomacy activities. One of the agreements is establishing a Collective Labor Agreement (Mahfudhi et al. 2022).

The labor union collaborates with Aprisindo and partners with non-profit organizations such as the Clean Clothes Campaign (CCC), Asia Floor Wage Alliance (AFWA), and Fair Labor Association (FLA). The collaboration with CCC revealed that the shoe manufacturer Adidas has performed discriminatory and exploitative practices against footwear workers (Gabungan Serikat Buruh Indonesia 2023; OECD Watch 2002). FLA found discrimination against workers in the shoe industry in Indonesia, including in the context of large companies such as Nike. Research and reports by Connor & Dent (2006) and the Fair Labor Association (2017) show that workers in this sector often face unfair working conditions, including significant wage disparities and unequal treatment based on gender or other factors. FLA provides economic assistance to garment workers and/or those affected by COVID-19 to help workers overcome wage problems.

The international community has considerable influence over MNCs, especially in developing countries like Indonesia, to increase transparency in the Global Supply Chain. Setiawati (2021) found that OXFAM's documentation reports on workers' rights abuses can be used to pressure MNCs to comply with better work standards by showing concrete evidence of the negative impact of their practices. International attention to related companies increases when nonprofit organizations such as CCC (2024) and OECD Watch (2002) reveal poor working conditions and force the company to comply with higher international standards (Fair Labor Association, 2017; Connor & Dent, 2006).

Nonprofits that advocate for workers' rights often influence global public opinion about big brands. Oxfam, for example, educates consumers about bad practices carried out by MNCs. Thus, Oxfam can influence consumers' purchasing decisions. If

consumers choose not to buy products from companies that do not comply with good work standards, MNCs will feel the financial impact which can encourage them to make changes (Connor & Dent 2006; Setiawati 2021). Through campaign materials, such as leaflets and ethical shopping maps, CCC seeks to change consumers' perceptions of clothing purchases, making it a political act with public significance (Balsiger, 2010).

International non-governmental organizations can also influence investors to decide to invest in MNCs. CCC, for example, seeks to raise awareness among investors about the reputational risks associated with companies that do not comply with ethical standards in production. By disseminating information about poor working conditions and human rights abuses in factories, CCC encourages investors to consider the social impact of their investments. Oxfam publishes a report documenting the abuses of workers' rights and the adverse effects of certain business practices. Investors use these reports to evaluate the reputational and financial risks associated with investing in companies involved in such violations (Setiawati 2021). In Nike's case, the demand of 70 of its investors to pay garment workers in its supply chain \$2.2 million in additional wages highlights the magnitude of the influence that investors can have on corporate actions (Clean Clothes Campaign 2024).

Conclusion

This paper underscores non-state actors' unique and multifaceted role in bolstering Indonesia's commercial diplomacy within the footwear export industry. The findings reveal that while the Indonesian government has made significant efforts to promote economic activities through diplomatic channels, the active involvement of private companies, industry associations, and non-governmental organizations (NGOs) is indispensable for navigating the complex challenges that the sector faces.

The research demonstrates that non-state actors are not passive recipients of government initiatives; they are proactive and vital players in advocating for policy reforms that align with the interests of various stakeholders, including businesses and workers. Their lobbying efforts help shape a regulatory environment conducive to growth and competitiveness. Additionally, these actors play a crucial role in promoting Indonesian footwear products in international markets, enhancing brand visibility, and facilitating access to new consumer bases.

Additionally, non-state actors play a key role in ensuring compliance with international standards, a crucial requirement for accessing global markets. Their involvement promotes ethical and sustainable production practices, aligning with increasing consumer demand. These actors also contribute to innovation and human resource development within the industry. By fostering partnerships and training programs, they drive advancements in sustainable practices and enhance the workforce's skills.

While non-state actors offer significant contributions, their potential remains untapped within the current commercial diplomacy framework. The paper advocates for a more integrated approach that leverages the strengths of both state and non-state actors. This collaborative model can enhance Indonesia's competitiveness in the global footwear market, promote sustainable practices, and improve labor conditions. It also serves as a model for other sectors seeking to navigate international trade.

Acknowledgement

We would like to thank Mr. Firman Bakri and Rinaldo Mardian for their willingness to be resource persons for this research.

Funding

The research project was supported by The Research and Community Service Institution, Universitas Pembangunan Nasional Veteran Yogyakarta Indonesia (Contract Number: 122/UN62.21/DT.07.00/2024)

References

- Adawiyah W, dkk. 2014. Strategi Pengembangan Desa Wisata Berbasis Masyarakat (Community Based Rulal Tourism) di Desa Papringan. *Pros Semin Nas dan Call Pap.* 1072-1083.
- Abdulkadir, A., W. Afriana, and H. A. Azis. 2020. Footwear Export Competitiveness of Indonesia and Vietnam. *Signifikan: Jurnal Ilmu Ekonomi* 9, 2: 269–284. <https://doi.org/10.15408/sjie.v9i2.15404>
- Andriani, D. N. 2017. Pengaruh Modal, Tenaga Kerja, dan Bahan Baku terhadap Hasil Produksi (Studi Kasus Pabrik Sepatu PT. Kharisma Baru Indonesia). *Equilibrium* 5, 2.
- Arief, A. M. 2024. Perjanjian Dagang RI-Uni Eropa Tuntas September, Ekspor Sepatu Bebas Bea Masuk . Retrieved October 25, 2024, from <https://katadata.co.id/berita/industri/66d036eb84d3b/perjanjian-dagang-ri-uni-eropa-tuntas-september-ekspor-sepatu-bebas-bea-masuk>.
- Asmalyah, S. 2019. Buruh perusahaan sepatu NIKE menuntut upah layak. Retrieved October 24, 2024, from <https://www.antaraneews.com/berita/851687/buruh-perusahaan-sepatu-nike-tuntut-upah-layak>
- Baidoo, A., P. Méral, & S. Ongolo. 2023. Chinese-driven Ghana rosewood trade: Actors and access dynamics. *Geoforum* 146.
- Balsiger, P. 2010. Making political consumers: The tactical action repertoire of a campaign for clean clothes. *Social Movement Studies* 9,3: 311–329. <https://doi.org/10.1080/14742837.2010.493672>
- Bayne, N., and S. Woolcock. 2017. Decision-making and negotiation in international economic relations. In *The New Economic Diplomacy* (4th ed.). ed. N. Bayne & S. Woolcock. London, Routledge.
- Bellina, Ž. 2019. Commercial Diplomacy in The Service Helping to Attract Foreign Direct Investment: The Case of The Republic of Serbia. *Teorija in Praksa* 56,1.
- Berridge, G. R., & A. James. 2001. *A Dictionary of Diplomacy*. New York, Palgrave.
- Busschers, J. A. (2011). *The Value of Commercial Diplomacy from an SME Perspective*. University of Twente.
- Clean Clothes Campaign. 2024. Ahead of Nike's record Olympic spend, investors and activists urge Nike to settle debt with workers. Retrieved October 25, 2024, from <https://cleanclothes.org/news/2024/ahead-of-nike-record-olympic-spend-investors-and-activists-urge-nike-to-settle-debt-with-workers>

- Connor, T., and K. Dent. 2006. Offside! Labour Rights and Sportswear Production in Asia. <https://doi.org/10.13140/2.1.3857.1841>
- Coolsaet, R. 2004. Trade and Diplomacy: The Belgian Case. *International Studies Perspectives* 5, 1.
- Egea, M. A., M. C. Parra-Meroño, and G. Wandosell. 2020. Corporate diplomacy strategy and instruments; with a discussion about “corporate diplomacy and cyclical dynamics of open innovation.” *Journal of Open Innovation: Technology, Market, and Complexity* 6, 3. <https://doi.org/10.3390/JOITMC6030055>
- Fair Labor Association. 2017. Fair Labor Association statement on factory access for the Worker Rights Consortium. Retrieved October 25, 2024, from <https://www.fairlabor.org/fair-labor-association-statement-on-factory-access-for-the-worker-rights-consortium/>
- Free Trade Agreement Center. 2023, January 2. Regional Comprehensive Economic Partnership (RCEP). Retrieved October 16, 2024, from <https://ftacenter.kemendag.go.id/regional-comprehensive-economic-partnership-rcep>
- Gabungan Serikat Buruh Indonesia. 2023. Buruh PT. Sulindafin Korban PHK Terima Bantuan Sembako dari DPP. GSBI dan AFWA. Retrieved October 24, 2024, from <https://www.infogsbi.or.id/2020/08/buruh-pt-sulindafin-korban-phk-terima.html>.
- Gençtürk, Esra F., & M. Kotabe. 2001. The effect of export assistance program usage on export performance: A contingency explanation. *Journal of International Marketing* 9, 2: 51–72. <https://doi.org/10.1509/jimk.9.2.51.19886>
- Goni, J, and Y. Kadarusman. 2015. Local Company Contribution within Global Value Chain: A Case Study in the Indonesian Footwear Industry. *Mediterranean Journal of Social Sciences*. <https://doi.org/10.5901/mjss.2015.v6n6s5p444>
- Haerudin. (2023). Sepatu Lokal jadi Bintang di Pasar Global. Retrieved January 3, 2025, from PublikSatu website: <https://www.publiksatu.co/nasional/1523076024/sepatu-lokal-jadi-bintang-di-pasar-global>.
- Hidayat, D. 2024, April 8. Aprisindo: Pengusaha Sepatu Lokal Sulit Dapatkan Bahan Baku. Rri.Co.Id. Retrieved from <https://www.rri.co.id/bisnis/677867/aprisindo-pengusaha-sepatu-lokal-sulit-dapatkan-bahan-baku>
- Jordhus-Lier, D., J. M. Henriksson, C. Houeland, G. Quirino, & I. A. Holland. 2024. Anchoring a just transition: The ambivalent roles of Norwegian trade unions. *Energy Research and Social Science* 114. <https://doi.org/10.1016/j.erss.2024.103619>
- Kencana, M. R. B. 2023. Pemerintah Rayu Adidas Terus Berinvestasi, Jadikan Indonesia Basis produksi dan Pusat Ekspor. Retrieved January 3, 2025, from Liputan6 website: <https://www.liputan6.com/bisnis/read/5240441/pemerintah-rayu-adidas-terus-berinvestasi-jadikan-indonesia-basis-produksi-dan-pusat-ekspor>.
- Klinkby, B. I. 2013. Minister Meetings-A Commercial Diplomacy Approach for Small Open States How Danish Minister Meetings Can Foster Business Opportunities in China. Master of Science in International Business and Politics. Copenhagen Business School.
- Kopp, H. W. 2004. Commercial Diplomacy and the National Interest. American Academy of Diplomacy.
- Kostecki, M, and O. Naray. 2007. Commercial Diplomacy and International Business. Netherlands Institute of International Relations ‘Clingendael.’

- Kusumawardani, N. A. 2021. Menelisik 7 Kolaborasi Brand Lokal dengan Luar Negeri. Retrieved October 24, 2024, from Kawan GNFI Official website: <https://www.goodnewsfromindonesia.id/2021/09/30/menelisik-7-kolaborasi-brand-lokal-dengan-luar-negeri>.
- Lee, D, and D. Hudson. 2004. The old and new significance of political economy in diplomacy. *Review of International Studies*, 30.
- Lee, D, and H. Ruël. 2012. Introduction: Commercial diplomacy and international business: Merging international business and international relations. *Advanced Series in Management* 9. [https://doi.org/10.1108/S1877-6361\(2012\)0000009004](https://doi.org/10.1108/S1877-6361(2012)0000009004)
- Liu, H. 2021. Development of the Emerging Shoe Market and Its Problems. *Proceedings of the 2021 3rd International Conference on Economic Management and Cultural Industry (ICEMCI 2021)*. Atlantis Press.
- Mahfudhi, M. A. et.al. 2022. The Relationship between Civil Society Organization and Political Party in Legislative Election: The Case of of Fatayat and PKB in Indonesia. *JISPO Jurnal Ilmu Sosial Dan Ilmu Politik* 2022, 1: 105–126.
- Mercier, A. 2007. Commercial Diplomacy in Advanced Industrial States: Canada, the UK and the U.S. *Discussion Papers in Diplomacy*, No. 108. Netherlands Institute of International Relations 'Clingendael.'
- Mohamed, A. N. 2021. Commercial Diplomacy of The Maldives: How to Turn the Country's External Commercial Dependency into Strength. *Maldives Economic Review*.
- Naray, O. 2011. Commercial Diplomats in the Context of International Business. *The Hague Journal of Diplomacy* 6, 1.
- Nazir, M. 2014. *Metode Penelitian* (10th ed.). Bogor: Ghalia Indonesia.
- Nurdifa, A. R. 2023, October 16. Ancam Industri RI, Aprisindo Minta Impor Sepatu Ilegal Masuk Extraordinary Crime . *Bisnis.Com*. Retrieved from <https://ekonomi.bisnis.com/read/20231016/257/1704785/ancam-industri-ri-aprisindo-minta-impor-sepatu-ilegal-masuk-extraordinary-crime>.
- Nurdifa, A. R. 2024, May 22. Impor Ilegal Sepatu Bayangi RI Meski Bolak-balik Revisi Lartas . *Bisnis.Com*. Retrieved from <https://ekonomi.bisnis.com/read/20240522/257/1767654/impor-ilegal-sepatu-bayangi-ri-meski-bolak-balik-revisi-lartas>
- Nurkomariyah, S., and B. P. Sutjiatmo. 2023. Measuring The Competitiveness of Footwear in The Global Market: A Comparison Study. In *JSRET: Journal of Scientific* 2.
- Ozdem, M. I. 2009. *Government agencies in commercial diplomacy: Seeking the optimal agency structure for foreign trade policy*. Raleigh NC, North Carolina State University.
- Osborne, N. & D. Grant-Smith. 2021. In-Depth Interviewing. In *Methods in Urban Analysis* (pp. 105–125). Queensland: Griffith University. https://doi.org/10.1007/978-981-16-1677-8_7
- Okano-Heijmans, M. 2011. Conceptualizing economic diplomacy: the crossroads of international relations, economics, IPE and diplomatic studies. *The Hague Journal of Diplomacy*, 6(1–2), 7–36. <https://doi.org/10.1163/187119111X566742>
- OECD Watch. 2002. CCC vs. Adidas. Retrieved October 25, 2024, from <https://www.oecdwatch.org/complaint/ccc-vs-adidas/>
- Permata Institute for Economic Research. 2024. *Indonesia Footwear Industry*.

- Pigman, G. A. 2020. *Negotiating Our Economic Future: Trade, Technology, and Diplomacy*. McGill-Queen's University Press.
- Potter, E. H. 2004. Branding Canada: The Renaissance of Canada's Commercial Diplomacy. *International Studies Perspectives*, 5, 1: 55–60.
- Rahma, I. N., Muhardi, and A. H. Nu'man. 2024. Pengaruh Strategi Inovasi dan Orientasi Kewirausahaan Sebagai Upaya Meningkatkan Kinerja Pada Sektor Industri alas kaki Cibaduyut Bandung Jawa Barat. *Jurnal Bisnis Dan Manajemen West Science* 3, 1.
- Reuvers, Shirin. 2012. *Research on Commercial Diplomacy: Review and Implications*. MA thesis. University of Twente.
- Rizaty, M. A. 2023. Ekspor Alas Kaki Indonesia Naik Jadi US\$7,74 Miliar pada 2022. Retrieved October 26, 2024, from DataIndonesia.id website: <https://dataindonesia.id/ekonomi/detail/ekspor-alas-kaki-indonesia-naik-jadi-us774-miliar-pada-2022>
- Ruël, H., and R. Visser. 2012. Commercial Diplomats as Corporate Entrepreneurs: Explaining Role Behaviour from an Institutional Perspective. *International Journal of Diplomacy and Economy* 1, 1.
- Ruel, H. J. M., and L. Zuidema. 2021. *The Effectiveness of Commercial Diplomacy: A Survey Among Dutch Embassies and Consulates*. Discussion Paper, No. 123, March. Netherlands Institute of International Relations 'Clingendael'.
- Sandi, F. 2022, September 13. Ramai Relokasi Pabrik ke Vietnam, Zulhas Ungkap Penyebabnya. CNBC Indonesia. Retrieved from <https://www.cnbcindonesia.com/news/20220913122351-4-371668/ramai-relokasi-pabrik-ke-vietnam-zulhas-ungkap-penyebabnya>
- Saner, R., and L. Yiu. 2003, January. International economic diplomacy: Mutations in post-modern times. The Hague, Netherlands Institute of International Relations "Clingendael."
- Santia, T. 2023. Mendag Terbang ke London Ketemu Bos Sepatu Nike, Bahas Apa? Retrieved January 3, 2025, from Liputan6 website: <https://www.liputan6.com/bisnis/read/5228838/mendag-terbang-ke-london-ketemu-bos-sepatu-nike-bahas-apa>,
- Sevin, E., and H. S. Karaca. 2016. Multinational Corporations as Diplomatic Actors: Conceptualizing International Communication Tools. *Handbook of Research on Impacts of International Business and Political Affairs on the Global Economy*, Ed. N. Zakaria, A.-N. Abdul-Talib, & N. Osman, IGI Global.
- Setiawati, W. 2021. The Prospect of Channeling Dispute Between Labour and Foreign Investor. *PETITA: Jurnal Kajian Ilmu Hukum Dan Syariah* 6, 1: 65–81. <https://doi.org/10.22373/petita.v6i1.113>
- Statista. 2024a. Value of footwear exported from Indonesia in 2023, by destination country. Retrieved October 16, 2024, from <https://www.statista.com/statistics/1230464/indonesia-footwear-export-value-by-country/>
- Statista. 2024b. Value of foreign direct investment in the leather goods and footwear industry in Indonesia from 2017 to 2023. Retrieved October 16, 2024, from <https://www.statista.com/statistics/1401622/indonesia-foreign-direct-investment-in-leather-goods-and-footwear/>
- Strange, S. 1992. States, firms and diplomacy. *International Affairs* 68, 1.
- Strange, S. 2015. *States and Markets*. London, Continuum.

- Suhendra. 2019, October 6. Gara-Gara Upah Buruh Tinggi, 25 Pabrik Sepatu Relokasi. CNBC Indonesia. Retrieved from <https://www.cnbcindonesia.com/news/20191006152213-4-104770/gara-gara-upah-buruh-tinggi-25-pabrik-sepatu-relokasi>.
- Taherdoost, H. 2021. Data Collection Methods and Tools for Research; A Step-by-Step Guide to Choose Data Collection Technique for Academic and Business Research Projects. *International Journal of Academic Research in Management (IJARM)* 10, 1: 10–38.
- The Conference Board of Canada. 2018. An Analysis of the Global Value Chain for Indonesian Footwear Exports.
- Timorria, I. F. 2021. Industri Alas Kaki Nantikan RCEP untuk Meningkatkan Ekspor . *Bisnis,Com*. Retrieved from <https://ekonomi.bisnis.com/read/20211213/12/1477117/industri-alas-kaki-nantikan-rcep-untuk-menaikkan-ekspor>
- Trade Facilitation Office Canada and The Conference Board of Canada. (2017). Market Research Report: Footwear
- Udovič, B. 2011. Slovene commercial diplomacy in the Western Balkan countries 44, 4: 357–368. <https://doi.org/10.2307/48610338>
- Villanueva Lop, G. 2017. Commercial diplomacy in a globalized world. *Przeglad Strategiczny* 10: 367–382. <https://doi.org/10.14746/ps.2017.1.20>
- Wati, Annisa Eka et.al. 2023. Pengaruh Perjanjian Indonesia-Japan Economic Partnership Agreement (IJEPA) terhadap Pangsa Pasar Produk Indonesia di Jepang. *Jurnal Ekonomika*, 2, 1.
- Wiranthi, Puspi Eko, Hilde M Toonen, & Peter Oosterveer. 2024. Multi-tier captive relations in the global value chain of tuna: The case of Fair Trade certification of small-scale tuna fishery in Indonesia. *Ocean and Coastal Management* 258. <https://doi.org/10.1016/j.ocecoaman.2024.107398>
- WITS. 2022. Indonesia Footwear Exports by country in US\$ Thousand . Retrieved October 25, 2024, from World Trade Integrated Solutions website: https://wits.worldbank.org/CountryProfile/en/Country/IDN/Year/LTST/TradeFlow/Export/Partner/by-country/Product/64-67_Footwear#
- World Footwear. 2024. World Footwear Yearbook 2024.
- Wiyono, Joko. 2024, August 2. Pameran Indo Leather & Footwear Expo 2024 Bertaraf Internasional. *Times Indonesia*. Retrieved from <https://timesindonesia.co.id/indonesia-positif/504812/pameran-indo-leather--footwear-expo-2024-bertaraf-internasional>
- Yunika. (2017). Daya Saing Ekspor Industri Alas Kaki Antara Indonesia Dan China Di Pasar Amerika Serikat Tahun 2011-2014. *JOM FISIP* 4, 2. Retrieved from <http://bisnis.news.viva.co.id/news/read/22>

In-depth Interview

- Firman Bakri (Direktur Eksekutif Asosiasi Persepatuan Indonesia). (2024). Personal Communication.
- Rinaldo Mardian (Direktorat Ekspor Produk, I. dan Pertambangan. D. J. P. L. N. K. P. R. (2024). Personal Communication.