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RESEARCH ARTICLE

**DYNAMIC OF STREET VENDORS (PKL) DISCIPLINING PROGRAM
(A STUDY IN GROGOL PETAMBURAN SUBDISTRICT, WEST JAKARTA)**

Dr. Paiman Raharjo

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Corresponding Author*Dr. Paiman Rahardjo.****Abstract**

In terms of microeconomics, street vendors (PKL) are quite helpful in growing the economy of the grass roots. However, the existence of street vendors is also identical with the impacts emerging at the arrangement of the city. This qualitative study aims to assess the dynamic of problems in disciplining PKL with Grogol Petamburan Subdistrict of West Jakarta as the location. The findings show that, from the perspective of government officials, disciplining program is a major step to handle PKL. However from the perspective of PKL, disciplining program is a repressive measure of the government to suppress their rights. In fact, the pattern of repressive disciplining program carried out so far is only effective in the short term. Therefore a persuasive effort and the provision of greater space for PKL become quite important for the government to maintain order in the city in the long term. On the other hand, PKL can still contribute substantially to the economy of the city.

*Copy Right, IJAR, 2016,. All rights reserved.***Introduction:-**

According to *The Economist* (2014), about 70% of total economic growth of Indonesia is contributed by the informal sector¹. It suggests an important role of the informal sector as the backbone of economic stability. The informal sector is also known as the 'underground economy'. According to Hidayat (2010), the informal sector is defined as business units that formally receive no or least protection of economy from the government. The informal sector is generally small-scale enterprises, with limited capital, scope, and development.

The lack of employment in the formal sector encourages people to turn to the informal sector for living, i.e. as street vendors (PKL). Street vending/street hawking is one of the businesses in trade and a manifestation of the informal sector. In terms of microeconomics, PKL significantly contributes to economic growth at the grass roots level. However, the existence of PKL is also identical with the concomitant impacts, including dirty environment, since it is not neatly organized and arranged, such as PKL along the side of the road and sidewalk.

The location for street vending is so influential to the development and sustainability of the business that it will in time affect the volume of sales and profitability of the vendors. According to Waworoentoe in Widjajanti (2000: 28), street vendors are frequently found in functional spaces of the city, including office areas. In the capital city area of Jakarta they are commonly found, like in the office areas in Grogol Petamburan Subdistrict, West Jakarta. Many areas and locations in this subdistrict are greatly appealing for street vendors, leading to the most rapid development of PKL in the office areas compared to other office locations. However, since the planning of the urban space is

¹ The Economist, 2014, "Poverty in Indonesia: Muted Music", in *The Economist*, Third Edition May 2014.

limited to the formal spaces and does not include the space for informal activities, PKL use existing public spaces around the office areas.

For reorganizing, repressive disciplining program is often carried out by the government officials of Grogol Petamburan Subdistrict. The disciplining program frequently creates a dynamic on the field, because PKL in this region always play cat and mouse with the Civil Service Police Unit (Satpol PP), so that it is difficult to discipline the PKL.

This qualitative study aims to assess the dynamic of problems in disciplining PKL, using Grogol Petamburan Subdistrict of West Jakarta as the location. The study applies a qualitative approach supported by the results of primary data (in depth-interviews and focus group discussions with government officials and PKL) and secondary data using the results of desk study in the form of literature study.

Literature review:-

The Role of the Government in Disciplining PKL

According to Dai Bachtiar (2006), discipline is the atmosphere that led to the order in the society according to the applicable norms, generating the motivation to work in order to achieve the desired objectives. According to Budi Santoso (2011), discipline is a component to determine whether the environment around us is good or not. To raise the awareness of people on the environment around them, the most important process to do is by touching their heart. If there has been a process of awareness and changes in attitudes and mindsets towards the environment, the increase of knowledge and environmental understanding and the improvement of skills in managing the environment can be carried out.

In disciplining PKL, the role of the government through Satpol PP is crucial in determining the restructuring process of PKL. This is in line with the role of Satpol PP as a leading part in the administration of state government. Soekarno (1999) states that State Government Administration is the entire activities taken and aimed to implement government policy in order to provide Services to the society.

The ability of the government to perform the disciplining program depends on the effective role of Satpol PP. Furthermore, according to Sarwoto (1988) and Soewarno Handyaningrat, (1998), the effectiveness can be measured through the elements of effectiveness, economy, rationality, the implementation of the work that can be held accountable, real and practical division of work.

The effectiveness of Satpol PP's role in disciplining program is very important as found in the researches by Warsito (2011), and Abdullah (2010), revealing that the effectiveness of the management of the environment control is supported by the role of Satpol PP. Both researchers see that the dimension of effectiveness shows that the disciplining program has resulted on the effective, efficient and appropriate effect.

PKL as an Important Economic Entity

Tulus Haryono (2010) argues that PKL are people with relatively low capital who do business in the field of production and sale of goods (services) to meet the needs of certain groups in society. The business is carried out in places considered strategic in an informal atmosphere. According to Hidayat (2011), PKL in general are self-employed, meaning that the majority of PKL consists of only one labor.

Soemadi (1993) states that most PKL are low-educated and have no specific expertise, therefore, it is difficult for them to enter the formal sector. The informal sector, to earn a living as PKL, is the only option to survive. Though the wages of the business is below the minimum level, it is still far better than the state they have in their original place.

According to McGee and Yeung (1977), PKL have the same meaning as "hawkers", defined as people who sell goods and services at places for the public interest, particularly on the road and sidewalk.

According to Waworoentoe in Widjajanti (2000: 28), PKL are frequently found in functional urban spaces, including office areas. However, since the planning of the urban space is limited to the formal spaces and does not include the space for informal activities, PKL use existing public spaces around the office areas.

The use of public spaces by PKL should be disciplined. One of the ways is through the relocation program. In order to determine the new location for PKL, it is necessary to identify the characteristics of PKL in doing their activities and choose the location for vending associated with formal events taking place around them, so that the location criteria preferred by PKL to be occupied will be found. Thus, it is expected that the characteristics of the new location are suitable with the preferred characteristics, so that PKL do not return to the prohibited locations.

Nevertheless, economically, PKL have economic resilience since they tend to be independent. PKL relatively own few capital, consisting of fixed capital (in the form of equipments) and working capital. The funds rarely come from official financial institutions; typically derived from illegal funds or the suppliers who supply merchandise. The source of funds coming from their own savings is quite rare. This means only a few of them capable to save the revenue of their businesses, due to the low profit and their weak financial management. In consequence, the chance to conduct a capital investment and business expansion is quite small.

International Labor Organization (ILO) estimates that 60% of all non-agricultural employments in Indonesia are informal employment. Although it is lower than the figure in India (68%) and the Philippines (73%), the figure is much higher compared to China (33%) and Vietnam (44%). For urban areas, most informal work is certainly street vending.

According to Nazara (2010), informal activity has been known as a natural phenomenon in many developing countries. The involvement in the informal economy is also associated with lower wages, more difficult and risky job, lower security and protection as well as other disadvantages. In short, informal economy represents improper job. Nevertheless, informal economy is also a source of livelihood and immediate protection from poverty. In an economy providing no benefit for the unemployed, informal sector offers quick solutions to the needs of many people to earn an income.

Motivating factor for entering informal sector and the existence of this sector in urban areas encourage different parties to further scrutinize its potential to absorb the labor force; hence potentially functioning as a safety valve to prevent rampant unemployment and social insecurity, creating employment opportunity, as well as contributing as taxpayers (levy). The levy obtained from this sector is a source of local retribution and local retribution is a source of Locally-Generated Revenue.

The success of PKL will also determine its contribution to regional economic development, whose indicator is measured from how much the labor force absorbed in the informal sector contributes to the workforce.

Analysis:-

The Effectiveness of Disciplining PKL by Satpol PP in Grogol Petamburan

Based on the results of field study, the program of disciplining and managing PKL, particularly in the Grogol Petamburan Subdistrict, encountered various obstacles such as: 1) PKL are reluctant to be relocated, because they have been comfortable and accustomed to vend in the previous places; 2) Public awareness of the importance of orderly, clean and comfortable environment in Grogol Petamburan Subdistrict is still low; 3) The lack of available places to relocate PKL from the streets to more proper and comfortable ones; 4) Coordination in the PKL disciplining program in Grogol Petamburan Subdistrict does not proceed well; 5) The effectiveness of the disciplining of PKL in Grogol Petamburan Subdistrict cannot be achieved optimally; and 6) The level of participation of the society in the management of environmental order is still low.

The interesting thing is the effectiveness level of PKL management that is still felt not optimal. It refers to the findings of the study conducted using dimensions of successful effectiveness, state of being economical, rationality, and accountable working performance, real and practical division of work (Sarwoto (1988), Handyaningrat (1998), Warsito (2011), Abdullah (2010)). It shows that the ineffectiveness occurs due to different understanding of both the authorities and PKL. The apparatus (Satpol PP) considers that disciplining program is a major step in the management of PKL. However, PKL always consider the disciplining program of the government as a repressive undertaking, tending to suppress their rights.

The non-optimal disciplining program can be perceived from the statement of Grogol Petamburan Subdistrict Head in an interview in January 2015 who stated: *"The disciplining of PKL conducted by the subdistrict apparatus of*

Grogol Petamburan by transporting their merchandise and giving fine has not been optimal. There are many obstacles related to the difficulty of the society to understand discipline and order."

The assumption that disciplining program is a major step to be conducted yet with no optimal effect can also be perceived from the statement of the Chief of Satpol PP of Grogol Petamburan Subdistrict (interview, January 23, 2015), *"that PKL disciplining program is often conducted to maintain orderly and comfortable environment. The street vendors, whose merchandise is taken, are recorded, and then given further direction and guidance. The disobedient vendors who have been repeatedly arrested yet keep vending back on the street are given sanction: their merchandise is confiscated"*.

However, the disciplining program has influenced the mindset and attitude of the apparatus. This is justified by the Administrative Village Head of Grogol (Interview, January 23, 2015), that disciplining PKL is a thing to conduct, because the region has the obligation to maintain the Kalpataru award (a top environmental prize), i.e. by creating a safe, beautiful, clean, orderly and comfortable area. According to him, seen from the variable of effectiveness, the PKL disciplining program that has been conducted is quite successful and effective. It can be seen from the gradual reduction of the number of PKL in some unfavorable points after disciplining programs.

The same thing is also expressed by Mr. Nawawi, the Head of Community Association (RW) 01 Grogol Village (Interview, January 24, 2015), that the disciplining of PKL conducted by the subdistrict apparatus shows a fair level of success. This is perceived from the getting cleaner and more comfortable environment, due to the reduced number of PKL, and some public spaces that alter their function into green areas, or return to their original function.

Most apparatuses tend to perceive PKL negatively, and do not accommodate them in the government's urban planning. This is in line with the opinion of Harlan (2008) in his journal:

"The informal sector, of which street vending is just one component, is a vessel that accommodates labor unemployable in the urban formal sector. As such it is not as much a problem as a solution. People need to revise their perception of the informal sector in general. Street vendors have a negative image in the view of congested urban road users and pedestrians crowded out from the sidewalks/pavements. As such people generally support local government efforts to sweep them off the streets. However repressive municipal policy toward street vendors (PKL), with the deployment of Satpol PP, have been shown to be counter productive. PKL exist because there is a market niche for them. They serve an economic purpose. As such they are productive. They are an urban asset. They deserve support, not only because they are part of the poor and the weak."

According to Harlan (2008), informal sector is a means to accommodate the unemployment in the formal sector. So far, society only sees the negative impact of the use of space by PKL, but it is important to realize that the repressive measures conducted by Satpol PP actually give counter-productive effect. PKL exists due to the pull of market demand. They meet the needs of the economy; thus they tend to be productive. Therefore, Harlan (2008) argues that PKL should be viewed as an asset.

However, the effectiveness of the disciplining program conducted by Satpol PP is only for short term. It is short-term since PKL merely give up street-vending in prohibited places for a few months, however, as there are more demands from the market, PKL will reemerge to answer the demands. It shows that economically PKL tend to be productive; hence clearly the disciplining program merely gives a short-term effect.

Since PKL is a productive asset for the city, it is necessary for PKL to be well accommodated in spatial planning. According to Widjajanti (2009), given the informal activities, in this regard PKL, are part of the city, then it is necessary to accommodate spaces of activity for PKL in urban planning.

The Urgency of Persuasive Approach for PKL in the Area of Grogol Petamburan

PKL themselves perceive the disciplining program from different sides. Agus, PKL in RW 01 Grogol Village (Interview, January 24, 2015) argues that PKL disciplining program lacks of socialization, causing unrest and chaos, or even clash. Prior to the demolition or disciplining program, the apparatus (Satpol PP) is supposed to conduct sufficient persuasive approach and socialization, until they both reach an agreement. Thus, in his opinion as PKL, the disciplining program conducted shall not be successful unless accompanied by a relocation to a proper place with adequate socialization.

The same opinion is expressed by Ratmin, PKL in Jelambar Village (Interview, January 24, 2015), that: *"PKL disciplining program is less humane, leading to chaos and clash. The disciplining program conducted by apparatus is not accompanied by sufficient socialization and persuasive approach, thus, in our opinion as street vendors, the program will hardly successful unless accompanied by deliberation and preparation of relocation to a new proper place"*.

Referring to the various opinions of PKL in the field, then a persuasive approach becomes the keyword expected by PKL to solve the disciplining problem.

Research findings reveal that there is a fundamental difference in understanding between the apparatus and street vendors. On one side, the apparatus sees the disciplining of PKL as the only solution for spatial arrangement. On the other side, PKL see the disciplining as a repressive and harmful action.

Based on the analysis, in terms of the effectiveness dimension, PKL disciplining program, particularly in Grogol Petamburan Subdistrict of West Jakarta, **is successful merely for short term**, because it stops PKL from vending in prohibited places. However, in the long term, PKL will vend again in the prohibited places because the disciplining program is not conducted in sustainable manner and there is no strong communication relationship between the apparatus and PKL.

It clearly illustrates that PKL should still be given space in the society either to speak or to obtain a place in spatial arrangement. Therefore, a demand of more open and persuasive approach is supposed to be a reference for more effective action rather than repressive effort from Satpol PP in Grogol Petamburan Subdistrict.

The provision of greater space for PKL from the government is quite important to sustain the contribution of the informal sector substantially to the economy of the city. It is in line with the statement by Kamunyor (2007) who takes the example of far more persuasive disciplining program of street vendors in Nairobi. Kamunyor reveals:

"However, informal sector activities, such as street vending, provide sustenance for many citizens and contribute substantially to the economy. Therefore, for these cities to truly develop economically, it has become critical to understand how the local government, formal businesses and street vendors can work together. In Nairobi's Central Business District, while on the surface the cat-and-mouse game still continues between the two sides over the tug-of-war for "modern" streets, a growing space for dialogue between the different parties is emerging. This dialogue space has brought street vendors in touch with policy-makers for the first time".

The same thing was conducted in Solo in the era of Joko Widodo as the Mayor where repressive measures were replaced by persuasive harmonious action. Solo government managed to conduct deliberation to resolve the issue of PKL. According to Hartati (2012) by reflecting on the situation in Solo, it is not impossible to actually have a good and harmonious relationship between the informal sector and the government. There are many approaches, intense communication and mutual consensus that should be understood and obeyed to maintain the consistency of the agreement made. And it is not impossible for the government in other regions to have the same view even though the approach will be adjusted to the circumstances in each region. However, to create such situation requires hard work and mutual commitment among all elements of society.

The description indicates that a persuasive approach has significance in the more sustainable and effective effort of disciplining PKL in the long term. The government must look at persuasive action as a more effective way in maintaining the order of spatial arrangement. On the other side, PKL themselves will be more committed to maintain the order for the continuation of their businesses.

Closing:-

There is a dilemma in the management of PKL. On one side PKL also contribute to the economy; on the other side, PKL also cause disorder in urban planning. The ability of the government to perform the disciplining program depends on the effective role of Satpol PP. In fact, the effectiveness of the PKL disciplining program in Grogol Petamburan Subdistrict cannot be achieved optimally. It is due to different understanding both from the authorities and PKL. The apparatus assumes that disciplining program is a major step in the management of PKL, while the PKL always consider the disciplining program by the government as a repressive action, suppressing their rights.

The pattern of repressive disciplining program carried out so far by Satpol PP is only effective for short term. This measure is only a short-term measure. Economically, the market demands still provide space for PKL to reborn and continue their business productively. Therefore, a change of mindset where PKL should be viewed as a productive asset for the city is required. It should be actualized by properly accommodate PKL in urban spatial planning. Therefore, a demand of more open and persuasive approach is supposed to be a reference for more effective action rather than repressive effort from Satpol PP in Grogol Petamburan Subdistrict. The provision of greater space for PKL from the government is quite important to sustain the contribution of the informal sector substantially to the economy of the city.

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