

The Policy of Surabaya City Government about Informal Sector Empowerment

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Abstract

This research is to watch over the response of street vendors (PK5) and to describe to obstacles and factors in the implementation of the policy of Street Vendors (PK5) Empowerment. The point of this research is the implementation of Empowerment of informal sector street vendors (PK5). A study of Implementation of Regional Regulation (PERDA) No. Year 2003 about nurturing Street Vendors (PK5) in tambaksari District, Surabaya. This research is conducted by Dr. Bambang Suprijadi, M. Si. It is to empower informal sector – PK5 in Surabaya. Government has issued Regional Regulation (PERDA) No.19 year 1987. And it is actualized by the Surabaya mayor's decision No. 03 year 1999, about the pattern of ordering and empowering street vendors (PK5) in Tambaksari District, Surabaya. Basically, this regulation covers not onlu for street vendors (PK5), but also for all citizens, so it can keep the security and beauty of city and people's comfort. The existence of street vendors (PK5) contributes a lot of advantages for people such as : people can get a lot of things reasonable price, and the location of them are not far from people's living. But in other side, street vendors (PK5) have made the city dirty, disordered and slum. And also, they have caused traffic jam because they do not care the need of street users. Because street vendors (PK5) are one of people's power in economy, so government must protect, help and develop them. Finally, it is expected that this research can give government consideration to make policy for developing informal sector – street vendors (PK2). So it can lift the quality of street vendors (PK5) and increase the citizens economy and government's income.

1. Introduction

Populist economic system is the realization of economic democary. This is sitable to the description in chapter 33 in the 1945 Constitution. Economic activity should be conducted for all, not for a fraction of the entrepreneurs.

Social reality, for 30 Years of New Order, shows that economic growth be in fovor of the conglomerate. This results in economic inequality and social inequality. This becomes an astuary.

Of the high unemployment rate. Village or urban cannot absord labor force growth, so the onformal sector economic activity become a target to reduce unemployment.

Urban formal sector is as an employment alternative to increase revenue, it is ofen considered disturbing the peace and cleanliness of the city. In fact, according to soeroso (1978.3), [1]

The informal sector is dynamic activity, efficient and economically advantageous, because the perpetrators have a potency of reative entrepreneur.

There are many informal sectors, the most dominant andprominent activities are street vendors (PK5). As said by Bromly (1978.161),[2] street vendors (PK5) is a work of the most abvious and important to develop in most cities Africa, Asia, the Middle East, or Latin.

Those who work in the informal sector, have great vi tality of bold and young life, and in many cases, they are able to participate to increase productivity. More than that, they provide a cheap and economical service and that is an integral part of the economic system of the city, at the same times, it has also contributed to the growth of the national economy, the sector if often referred to by the local government policy. Therefore, they, especially street vendors (PK5), need to be empowered and nutured on an ongoing basis, so that they can conduct their activities while maintaining order and cleanliness in the environment. PK5 Empowerment can reduce unemployment and also to complete the needs of small urban communities.

The meaning of PK5 empowerment is not only improve the economic capacity of the general public, but also to empower in the social field. It needs a serious effort to improve PK5 through students' approach and those effort should be articulated as nurture and business development. Because of the importance of the phenomenon, o the empowerment of the informal sector, in particular PK5 in Surabaya, is very interesting and deserves to be investigated.

Problem Formulation

Based on the background described above, then the issue which investigated is as follows :

1. How the implementation of Surabaya City Government In empowering PK5 in Tambaksari District in Surabaya
2. How to response of the PK5 informal sector policy toward the policy implementation of PK5 Empowerment in Surabaya City Government.
3. What factors that support and hinder PK5 empowerment in Tambaksari District in Surabaya.

Research Objectives

With reference to the background and formulation of the objectives of this study are :

1. To describe the police implementation to PK5 in Tambaksari District.
2. To describe the response of PK5 to the implementation of Government policy
3. To describe the factors that support and hinder the PK5 empowerment.

Usability Research

1. Theoretical Implementation
 - a. Contribution in the development of social sciences in particular the implication of the theory of public policy,
 - b. As a preliminary study that needs to be followed by further research on the same topic.
2. Practical Implications
 - a. Useful for those interested in making public policy, especially PK5 empowerment policy.
 - b. For the consideration and information for agencies and groups concerned parties as as the basis in an effort to empower PK5.

2. Literature Review

Understanding of the policy is the behavior of the number of actors in a particular field of activity, according to the opinion of E. Anderson (1978:33) [3]. The activities that will lead to an answer to a problem which is an effort to reduce, prevent a problem in a certain way that is purposeful action (Hoogerwerf in Sjahrir (1988:66) [4]. This meaning is often associated with the actions of the government and state behavior in this time (Charles O. Jones, 1991:116) [5].

In connection with the implementation of the policy. Van Meer and horn gives the definition that the implementation of the policy is actions carried out by individuals, groups, governments or private and state directed to the achievement of goals and objectives that have been set.

Thus, according to the above definition that implementation of the empowerment of the informal sector, particularly PK5 is actions taken by the government to achieve a good and affective target by providing encouragement, motivation, morale, raise awareness and develop the potential possessed by the PK5.

Empowerment

Empowerment by Webster in Wirosardjono (1985:3) [6] is actualization of the powerless by providing power (strength) on the powerless. To hold back the potential to be developed.

Informal Sector

Informal Sector is distinguished from the formal sector by : (i) certain labor and employment characteristics (such as lack of official protection / recognition, lack of coverage by wage legislation and other social security systems, with predominance of own-account work; absence of trade union organization, low income and wages, little job security, and absence of fringe benefits from institutional sources, (ii) enterprise operation characteristics (such as very small-scale operation, unregulated and comparative market, reliance on locally available resource, family ownership, labor-intensive and adapted technology, and absence of access to institutional source of credit and Similar support or protection), and / or (iii) land housing characteristic of settlements (such as unauthorized use of vacant land. Illegal subdivisions / renting of land, unauthorized constructions techniques, lack of application of safety standards and regulations, and non-availability or any other financing) (Armin 1978 xvii) [7].

Street Vendors (PK5)

While, street Vendors (PK5) according to Regulation (PERDA) No. 10 year 2003 are those that in conduct of their business using the streets / sidewalks and other public places and those are not theirs Surabaya city

government policy in structuring the informal sector PK5, serves as a policy umbrella in support of the existence and development of their business in the city of Surabaya. The form is to provide public facilities become special location for business and support the start-up capital for any trades who have been laid out or economy. The purpose of empowerment and structuring the informal sector (PK5) is to maintain order, security, cleanliness of the city and help to develop business of weak economy.

Empowerment policies and structuring the informal sector (PK5), is a policy that is always present in the growth and development in major cities in developing countries. Therefore, there are many researchers who study it, they are AT.M. Nurul Amin about the informal sector's role in Urban Environmental Management, and also Ali Achsan Mustafa, about the social transformation of the urban informal sector. Both of these studies analyze the interaction and social networking PK5 as the informal sector. (Mustafa, Ali Achsan (1998) [9],

Empowerment, according to the concept of Ginanjar Kartasmita (1995:96) [9], shows that empowerment is from the fact that every human being and the society has potency to be developed. Therefore, empowering can encourage, motivate and raise awareness of the potency of every human being, so they are trying to develop it.

Understanding PK5, as part of the informal sector, can be explained by the characteristics described by Kartini Kartono, dkk (1980:3-7) [10], as follows: they are merchants and also manufacturers, some of them settle permanently and some others are moving from one place to another place to offer their wares at retail, they generally have small capital, sometimes they are just looking for a commission in return. This is not just an institution of purely economic behavior but also the social institutionalization.

3. Research Methods

Approach and Research type

The approach used in this study is a qualitative approach. Qualitative research is research by finding the depth and breadth of information or the amount of information. Qualitative approach in this study is very important to use. Qualitative method is "research procedure result descriptive data either in written or spoken of the people and behaviors that can be observed", it is in accordance with the opinion of Bogdan and Taylor (in Maleong, 1989:12) [11].

Beside that, Kirk and Miller (in Maleong, 1989:13) [12] define, qualitative research is "a particular tradition in social science that fundamentally depends on human observation in their own region, and anything that relates to these people". They type of this research is deeply descriptive trying to describe the depth of an object of research.

Based on the approach and the type of this research, researcher wants to see and obtain explanations of deep and thorough understanding of social phenomena, and may provide a holistic description, either it is expressed explicitly or meaning for that expression.

Research Focus

The focus of this research is the design or method of PK5 empowerment in Tambaksari district in Surabaya. PK5 placed as the subject of empowerment, then the factors which driving and inhibiting the PK5 empowerment focused on traders who do not have a permanent place (physical building)

Research Sites

Research sites are taken and chosen purposively with the following considerations :

- a. Most of the PK5 come from the island of Madura, they have high entrepreneurship souls and also high solidarity.
- b. Participation of PK5 towards empowerment is very high.
- c. Considerations of time, cost, and effort, the location is highly accessible by researchers because he is domiciled in Surabaya.

The Informants In This Study Were

- a. Chief of PK5 division of Surabaya City Government. He is an officer who understands the PK5 activities in Surabaya and he is very rich in data and information,
- b. Head of Tambaksari district he is the head of the District who nurtures PK5 on his territory,
- c. Chairman of PK5 in the Petojo nurtured location, his name is Matt Bakri (50 th), graduated high school, he has become a street vendor since 1982. The representative of PK5 in Petojo, namely:

- Mrs. Matt Bakri (the greatest marchandize Seller in petojo)
- Mr. Nursidi (vice-chairman of the group and owner of the medium-rice shop)
- Mr. Mahmud (small street vendors (PK5))
- Mr. Warji (small street vendors (PK5))

Data Collection

In this study, researcher sought to obtain valid data. Then in the collection of data, the authors use three (3) different techniques of data collection are:

a. In-depth interviews

Interviews were conducted directly to the respondents, and the results of the interviews is in the form of data that need to be analyzed further

b. Documentation

Documentation is secondary data complementits primary data. Documentation from the records, documents, statistics, and records in the Office of the City and District office.

c. Observation

Researchers also observed or had direct observation in the field observing phenomena associated with the activities of street vendors (PK5) in petojo.

Analysis and Interpretation of Data

Analysis of the data used is the qualitative analysis, it means the data obtained would be presented and interpreted deeply. Then, analysis techniques using three (3) components of the analysis are :

a. Reduction of datya

b. Data presented

c. Drawing conclusions (Miles and Huerman, 1992) [3]

4. Discussions

Tambaksari District is part of the easterncity of Surabaya. East by District Mulyorejo, the south by district Gubeng, northand west borders with Simokerto. 90% of the population are citizens and 5% were foreigners. The number of population are 204.068 people, 101.831 males and 102.737 females. The composition of the productive labor age is very large, the details are as follows, age 13-18 years at 26.41%, age 19-24 years at 42.30%, age 25-55 years at 29.29%. Most of the population live in dense urban areas. The biggest type of work is traders and entrepreneurs the informal sector is also very large. Tambaksari District is suburd area of Surabaya. This area is the basis of middle – low economic class and the people are familiar with populist economy. Evidently, there are 5 Village Unit Cooperative (KUD), 7 Credit Unions and 5 other cooperatives. Private enterprise and small businesses dominate the economy of the region, the are : the first, there are many kiosk stalls, the second is the store. In the industrial sector, home industrial sectore, home industries and small industries occupy the highest positions.

Developments of PK5 in Tambaksari District is increasingly growing in number. Based on field data, the increase of PK5 numbers is significant, especially wild PK5 which occupy public facilities such as on sidewalks, road shoulders,and other prohibited lacements. The increase of PK5 which have been nurtured and localized are still few. This increase of PK5 which have been nurtured and localized ae still few. This can be seen in Table 1 below :

In 2008 and 2010, the increase of the number of wild PK5 are very high, because Indonesia was hit by the economic crisis. Once people are suffering from many employees who “dismissed”, around Surabaya and East Java. PK5 is alternative to look for new jobs.

Table 1 : Development of Wild street vendors (PK5) and nurture in Tambaksari district.

Year	Wild PK5	%	Nurtured PK5	%
2002	189	100	-	0
2004	229	52.4	19	7.6
2006	351	93.1	26	6.9
2008	543	93.9	35	6.1
2010	867	90.6	89	9.4

Sources : Notes of potency of Tambaksari District in 2002-2010

In order implement nurturing PK5, in Tambaksari District, based on Regional Regulation (PERDA) Surabaya City, No. 10 year 1987, about setting up the business and nurturing business location and business nurture of PK5 In Surabaya.

Implementation of the rules, by choosing the area of the nurtured PK5 around Petojoterminas is the right move because the location is very strategic, close to the center of the city, especially around the general hospital Dr. Soetomo. In addition, Petojo is also next to International Heart Hospital “ Husada Indah” In its Development, PK5 in Petojo grow into the trade group. It has different types of trading.

Firstly, PK5 in Petojo is wild PK5 with messy abundant plywood and boards that looks very dirty and there is no concern from Tambaksari District Government and Surabaya city Government, because the public transport terminal is small and quiet. Terminal Petojo from its establishment in 1984 until now is a haven transport from the direction of Ujungbaru – Petojo and Joyoboyo – Karangmenjangan – Kenjeran.

Since its establishment, this terminal was occupied by wild PK5, they used moving vendors, morning came and the afternoon away. The amount was less than 20 vendors. But since 2002, the number had grown rapidly, and location of PK5 began to be arranged. In 1997, few mini kiosks were built encircling Petojo terminal. On the development of number of stalls from year can be seen in Table 2 below.

Table 2 : PK5 Developments, at Terminal Petojo

No	Year	Number	Note
1	2002	-	-
2	2004	10	Semi Permanent
3	2006	16	Semi permanent
4	2008	25	Permanent
5	2010	69	Permanent

Source : Primary Data – Chairman of petojo PKK5 group, in 2010

Based on Table 2 above, it can be indicated that nurturing PK5 in Tambaksari District, started in 2004 and PK5 is still a semi – permanent building made by the district government they pay a levy every day, equated with the merchants of the market.

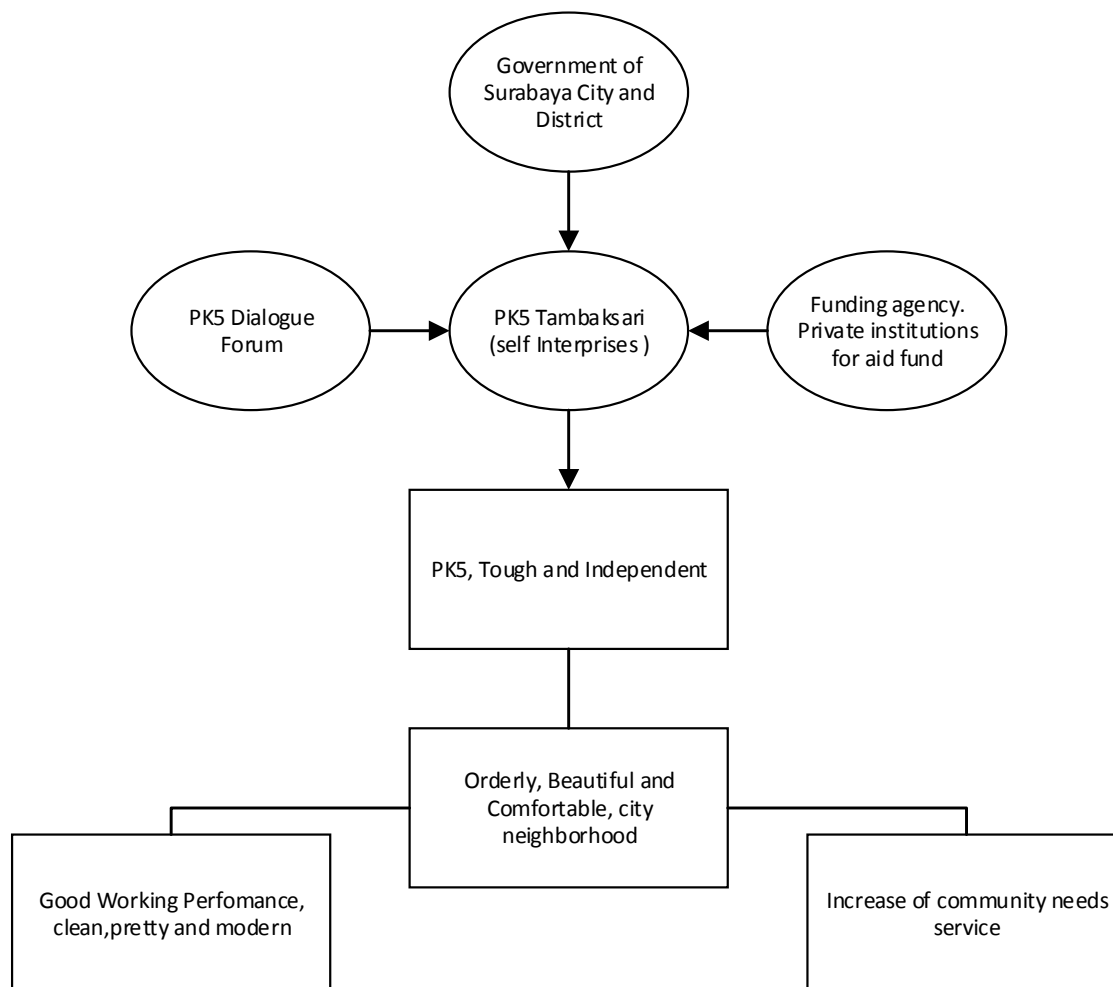
Although the number of merchants increased, but there is no increase in the quality of nurturing. Only in the beginning of 2003 there was an attempt of the government district to improve the appearance of facial Tambaksari PK5, petojo terminal. As for the goal, this place does not look so shabby, and provide flexibility in the private sector, as a third party, to help to improve the appearance of facial PK5 by building permanent stalls, the PK5 can have a kiosk in installments.

In 2004, investors in collaboration with the PK5 group leader, and they managed to build some PK5 stalls, in stage 1, they 25 pieces and then it will be proceed to the next stage.

PK5 nurturing in Tambaksari District involves three strategic forces. First, the strength of the PK5 through self-generate funds. Second, private institution which act as donors for the constructions of a place of business/ third, the city government through the assistance of the District Government as a facilitator, motivator and development of PK5.

PK5 have a pretty good commitment, because they are willing to be organized and disciplined. Besides that, they're willing to pay levy, maintain cleanliness and they are also willing to be put in the location provided. The provisions that will be applied, are always discussed first in the PK5 forum, although not formally.

Implementation of PK5 nurtured Tambaksari District, through that pattern, can run, but they are a lot of inconsisten things, especially from the city government. They are less concerned about the nurturing PK5 in Tambaksari District. Their role was limited, only providing facilities for PK5 permits and nurturing location, the rest is cultivated by the PK5 themselves.

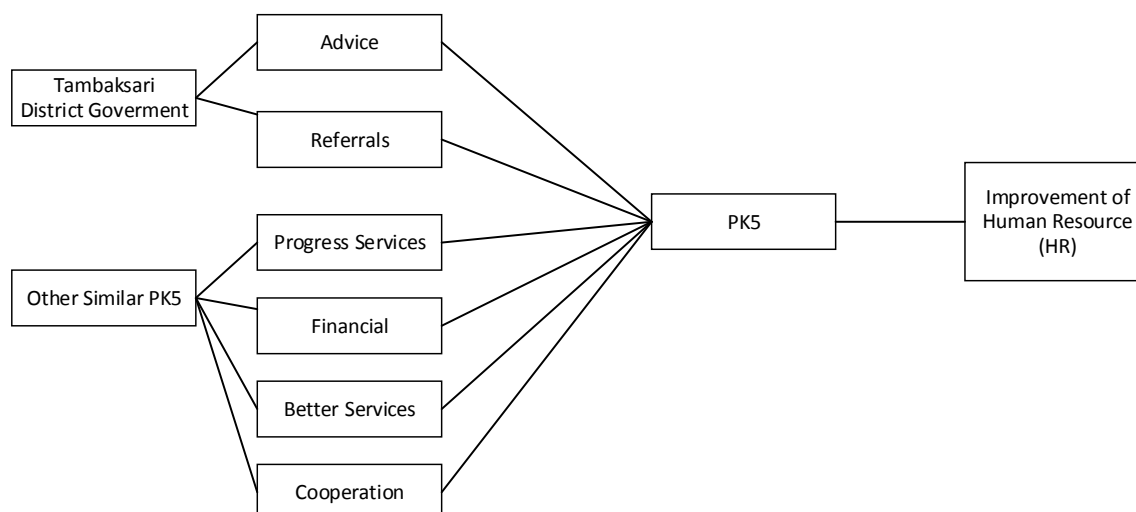


Picture 1 Patterns of Givers and Developer of PK5 In Tambaksari District

Pictured aboe is a pattern of realitions and development of PK5 in Tambaksari District, it means, the focus of the nurturing to the PK5 puts them as the target object and also subject.

Improvement of Human Resources (HR)

Improvement of human resources (HR), such as techniques to serve buyers, financial management knowledge and cooperation among similar PK5 about marketing strategy. More details can be scheme/figure, as follows:



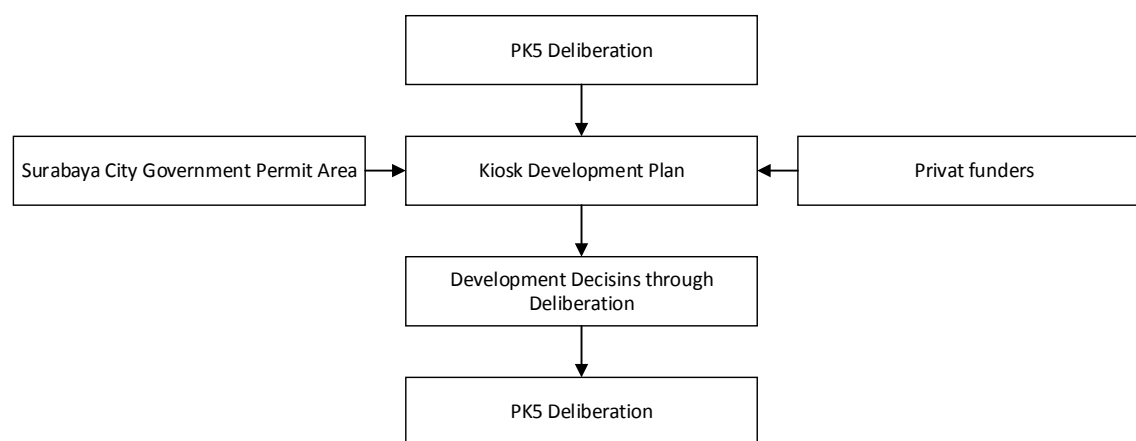
Picture 2 Improving Human Resources Tambaksari District – Surabaya

Through the self-power of PK5, it will attract the presence of private institutions to provide assistance and as a funding agency.

Physical Arrangement (Physical Appearance)

Physical Arrangement is a high priority in the program of structuring PK5 in Surabaya, because if PK5 chaotic (in the sidewalk, street shoulder, public facilities), this would disturb the order, cleanliness and beauty of the city.

Thus, in order to organize PK5 Petojo, it requires self-thinking and self-development as an intern factor while capital and business location permit of PK5 is extern factor. Sequences of activities for the construction of the facility, as shown below :



Picture 3 Actualization of Physical Development Enterprises of PK5 in Petojo Tambaksari District

Constaints on the structure of the bureaucracy, such as, obtaining a PK5 business licence is too long, the placement of a non-strategic location, the lack of socialization of the provisions of the Government, They should be eliminated. Government should incese community participation towards PK5 and should eliminated the bad image (negative), and should eliminated assumption that PK5 was seedy, chaotic,creating traffic jams, and are not orderly.

5. Implication

1. Implementation of Regional Regulation (PERDA) Surabaya City, no. 10 year 1987, about PK5 empowerment in Tambaksari District, depending on the PK5 themselves. Forms of empowerment is to give the authority and ability to implement PERDA through potency development that encourages PK5 to raise

awareness of their potency as an urban people's business which is strong, modern, and capable of creating a clean, neat, and beautiful.

2. PK5 Business Actors, in implementing Regional Regulation (PERDA), they generally obey the terms of the governments, if's proved, the PK5, in the Petojo nurturing, always pay a levy, maintain cleanliness and environmental safety. They respect empowerment done by city government. PK5 nurturing program in Surabaya has advantages and benefit to:
 - 1) Surabaya City Government is:
 - a. Can execute other programs,both in economic and social development,which is associated with cleanliness and order of the city,and also the PK5 provision,and socialization of various government programs related to PK5.
 - b. Providing Jobs,increase revenue and to be the government,and to support programs and develop local tourism facilities
 - 2) PK5 Business Actors are:
 - a. There is a sense of security and the rule of law because they feel they have received attention from the government,so that fosters participation in the program development program.
 - b. Improving the ability to manage the business professionally,develop business insight and encourage the spirit of entrepreneurship.

Having a vision and clear business

- 3) Specific Employers and Manufacture are:
 - a. Can be a potential market for its products,
 - b. Can be a means of promotion for the products offered by PK5
- 4) Bank funding institutions and Sosial Institutions are:
 - a. Can be a credit market for their business,especially in small bussines lending.
 - b. Can distribute the funds appropriately and clearly use.
- 5) City community are:
 - a. Can obtain / buy daily necessities at affordable prices (cheap).
 - b. Able to meet people's needs quickly,and it is close to the residence or workplace
 - c. An alternative place of recreation for the community.

Supporting Factors and inhibiting factors can be observed in resorce factors,the structure of biography,communication structureb and diposition.In addition,the existence of internal factors on the PK5 themselves.

Supportinnng factors in the form of PK5 obedience to the provisions of the District Government. While the inhibiting factors in the lack of insight and understanding about the content of Regional Regulation (PERDA) No.10 year 1999,so they are easily affected by the issue of the parlies.

Supporting external factor is a third party,namely the private sector that helps provide funds to build a kiosks for the PK5.While the inhibiting factor is the participation of the community to the notion of PK5 empowerment still low,so there is still the assumption that PK5 synonymous with chaos,traffis jams and seedy location.

6. Propotions

Based on the finding research and studies,the author puts forward some propositions which would be expected to be useful for further studies,especially related to the informal sector in general and street vendors (PK5) in particular.

- a. PK5 Business Actors have autonomy and authority as the subject or object of the Empowerment of Informal Sector (PK5)
- b. A key factor in fostering PK5 comes from a heightened awareness of the PK5 Business actors and participation of all communities
- c. Professionalism of the work of implementing the policy of the city government officials,will determine the success of Guidance PK5
- d. PK5 empowerment success is determined by internal factors and external factors

Internal factor is self –potency of the traders which include entrepreneurship,management,capital capavity and experience of business. While external factors in the support of the city government,as well as third party,it is capital giver (funders).

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