

CHAPTER TWO

LITERATURE REVIEW

A. Street vendors

“Indonesian street vendors (*Pedagang Kaki Lima*) as know as PKL, are business actors who conduct their trading business using movable and immovable business facilities, using municipal infrastructure, social facilitation, public facilities, temporary and / or non-permanent land and buildings owned by the Government and / or Private in accordance to the Government Regulation of Banjarbaru Mayor Number 46 of 2017 article 1 concerning public order.¹”

Indonesian street vendors with cart are the term to refer to the merchant vendors who carry out their commercial activities on the area that belongs to the road (sidewalk) that should be intended for pedestrians. There are opinions that the use of the term PKL are for traders who use cart. The term is often interpreted as such because they are the traders who have five legs (*in Indonesian: Kaki Lima means five legs*). The five legs are two legs of the merchant plus three "legs" (which are actually three wheels, or two wheels and one wooden leg). Linking the number of legs and wheels with the term pavement is an opinion that is frivolous and not in accordance with history. Wagon traders who 'stand' statically on the sidewalk are quite new phenomena around 1980, before PKL were

¹ Government Regulation of Mayor Banjarbaru Number 46 of 2017 article 1 concerning public order

dominated by street vendors who carry their goods on their back (*cendol* traders, egg crust traders) and mat (like street drug traders).

“Street vendors usually occupy public spaces, such as sidewalks, parks, roadside, river banks, entertainment areas or even traffic-intensive areas. This trading activity has resulted in the use of these public spaces not being used properly according to their functions.²”

The development of street vendors in the city of Banjarbaru currently requires more serious handling from the Regional Government. By studying the behavior of the Indonesian street vendors with cart, the characteristics can be identified so that plans and arrangements can be made in accordance with the characteristics of the Indonesian street vendors with cart so that these arrangements can be implemented.³

The activities of the Indonesian street vendors with cart can usually be seen from the type of merchandise, trade facilities, distribution patterns of street vendors, service patterns of street vendors, trading times, goals and motivations of visitors to buy merchandise from these street vendors.

According to the Official Indonesian Dictionary, *pedagang kaki lima* (Indonesian street vendors with cart) is traders who sell their goods in the storefront or on the roadside..”

² Retno Widjajanti, 2009, Karakteristik Aktivitas Pedang Kaki Lima Pada Kawasan Komersial Di Pusat kota, *TEKNIK*, ISSN:0852-1697, Vol.30, No 3. Pg. 162.

³ Ari Sulistio Budi, 2006, Kajian Lokasi Pedagang Kaki Lima Berdasarkan Prefensi PKL Serta Persepsi Masyarakat Sekitar Kota Pematang, *Ecomers Law*, ISSN: 2702-5432, Vol. 23, No. 15. Pg. 43-44.

The term Indonesian street vendors with cart was first known during the Dutch East Indies era; it was when Governor General Stanford Raffles came to power to be exact. He issued a regulation requiring the informal traders to make a distance of 5 feet or about 1.2 meters from formal buildings in the city center. This regulation was applied to smoothen the pedestrian pathways while still providing the opportunity for informal traders to trade. The informal merchant's place which was 5 feet from the formal building in the center of the city is what, then, known as “*kaki lima*” or “five feet,” and the traders who sell at that place are known as street vendors or “*pedagang kaki lima*” or PKL. Up to now the term PKL is also used for all traders who work on sidewalks, including restaurant owners who use tents by co-opting pedestrian paths and motorized vehicles. Actually the term sidewalk is originated from the Dutch colonial era. The government regulation at that time stipulated that every highway that is built should provide the means for walking. The width of the section for pedestrians is five feet or about one and a half meters. Twenty years after that, when Indonesia had gained their independence, pedestrian roads were widely used by traders to sell their goods.⁴

Description of the characteristics and the problems faced by Indonesian street vendors with cart:

⁴ Aji Wahyu Herianto, Tahun 2012, Dampak Sosial Ekonomi Reklamasi Pedang Kaki Lima di Kawasan Simpang Lima Kota Pemalang, *economic development analysi*, ISSN:2247-6460, Vol 1, No. 2. Pg. 23

1. Economic aspects: Indonesian street vendors with cart are small-scale economic activities with relatively minimal capital. The access is open so that new businesses are easy to enter, local consumers with middle to lower income, simple technology / without technology, limited business networks, business activities managed by one person or family business with a relatively traditional management pattern. In addition, the types of commodities traded tend to be non-durable commodities such as food and beverages.
2. Socio-cultural aspects: most actors have low education and migrants (migrants) with a large number of household members. They also live in slums.
3. Environmental aspects: lack of attention to cleanliness and located in a crowded traffic area.

Indonesian street vendors with cart or *Pedagang Kaki Lima* (PKL) are people or weak economic groups who sell daily necessities, food or services with relatively small capital, own capital or loan capital from other parties, who sell in prohibited places or not.⁵

The spread of Indonesian street vendors with cart in conducting business activities is divided into two forms, namely:

⁵ Kartini Kartono. *Pedagang Kaki Lima sebagai Realita Urbanisasi dalam Rangka menuju Bandung Kota Indah*, FISIP Universitas Katolik Pahariyangan, Bandung, 1980, Pg. 4

1. Linear shape. The growth or spread of Indonesian street vendors with cart extends along the main road, so they hold merchandise on the sidewalks or roadside, so that it disturbs the movement of the community.
2. Agglomeration. Street vendors hold their merchandise in groups and are centralized in a particular area or a certain activity.⁶

Indonesian street vendors with cart are a community of traders, and there are two different contrasting sides regarding the presence of street vendors who always invite debate, namely the positive and negative sides. The negative one states that the presence of Indonesian street vendors with cart may damage or change the spatial structure of the city, change the function of the place or the public space of the city, damage the image of the city, and change the pattern of the planned urban area structure. Meanwhile, the positive side states that the presence of Indonesian street vendors with cart has social and economic functions, namely:

- a. Open new jobs and businesses.
- b. Increase income for small people.
- c. Create nodes or commercial areas.
- d. Provide income for the government with a contribution.
- e. Create social contacts between communities through the spread of Indonesian street vendors with cart that are influenced by the

⁶ Dian Pertiwi, 2014, Pengawasan Terhadap Pedagang Kaki Lima Dalam Menertibkan Objek Wisata Pantai Purus Kota Padang, *Jom FISIP*, Vol. 1, No. 2 ISSN : 2355-2919, Pg. 2.

nature and types of commodities traded according to consumer needs and the needs of the Indonesian street vendors with cart themselves.

In his book McG Yeung explained in depth about street vendors. In this book, it is explained that street vendors in big cities have simple physical forms and facilities and are usually easy to move around or easily carried from one place to another. According to Retno Wuidjajanti, the physical medium of street vendors can be classified as follows⁷:

a. Stall

Vendors who use this form of medium are categorized as settled vendors since physically this type of medium cannot be moved. This medium is usually a semi-permanent building made of boards.

b. Semi-permanent stalls

Consisting of several carts arranged in rows equipped with tables and long benches. The form of this medium is equipped with roof from plastics or tents. Street vendors with this form of medium are categorized as settled street vendors and usually sell food and beverages.

c. Cart / Stroller

⁷ Retno Widjajanti, 2000, Bandung, *Penataan Fisik Peadagang Kaki Lima pada Kawasan Komersial di Pusat Kota*, Bandung, Institut Teknologi Bandung, p.g.39-40

There are 2 forms of this trade medium, namely roofed carts / strollers as protectors for the goods they sell from heat, dust, rain and etc., and unroofed carts or strollers. By using this medium, the vendors are categorized as permanent and non-permanent street vendors, and these vendors usually sell snacks, drinks, and cigarettes.

d. Squat / Table

This form of trade medium can be roofed or unroofed. By using this medium, the vendors are categorized as settled street vendors.

e. Mat

The vendors sell their goods on pieces of cloth, mats and more. The form of this medium is categorized as a semi-settled street vendor and is generally found in certain types of goods.

f. *Pikulan* / Basket

This medium is used by sellers categorized as higher than semi-settled. They settle using one or two baskets by carrying it. This form is intended to make goods easy to carry around.

B. The Management of Indonesian Street Vendors by the City Government in the Banjarbaru Region

In the main Indonesian dictionary, it is stated that management means the process, method, or action of managing; while managing means the process that organizes or provides supervision on all things involved in

the implementation so that the things managed can run smoothly, effectively and efficiently in achieving goals. Meanwhile, management is referred to as a process, or method, which means a series of activities that have the core of planning, organizing, mobilizing, and controlling in achieving the goals that have been previously set.⁸

The authority of the Regional Government covers all matters in the field of government, except matters which are the authority of the central government. Regional government authority, according to Law Number 32 of 2004 covers mandatory and optional authorities. Mandatory authority includes all government affairs in regional size. While optional authority includes all government affairs that are actually there and can improve the welfare of the local community in accordance with the conditions and distinctiveness of each.”

In structuring and empowering Indonesian street vendors with cart in the Banjarbaru City, the City Government has the Coordination and Empowerment Team for the Indonesian street vendors with cart who are abbreviated as TKPP (*Tim Koordinasi Penataan dan Pemberdayaan*) PKL, which are a team formed by the Mayor, and have the authority to carry out the functions of planning, fostering, and empowerment as well as the functions of supervision, court and law enforcement. The empowerment of Indonesian street vendors with cart is an effort made by

⁸ Departemen Pendidikan Nasional, Kamus Besar Bahasa Indonesia Pusat Bahasa, (Jakarta: PT Gramedia Pustaka Utama, 2008), Cet. ke-4, Pg. 657

the Local Government, the business world, and the community synergistically in the form of developing a business climate and business development of street vendors so that they are able to grow and develop, both in terms of quality and quantity of business. To organize and empower Indonesian street vendors with cart in Banjarbaru City, the City Government has established principles, objectives, and scope for Indonesian street vendors with cart according to Mayor Regulation Number 11 of 2014 before being updated with Article 2 to Article 4 concerning principles, objectives and scope.⁹ The City Government wants to make street vendors an established, smart micro-economic business in business management and orderly in supervision, management and guidance.

The rise of controlling and eviction of the vendors in various places, of course, must become the concern to all parties. “On the one hand they want to support their families in an independent way without government support and facilities, but on the other hand the location of the vendors often violates the stipulated provisions. The provisions of legal protection rights for Indonesian street vendors with cart which are contained in Article 27 Paragraph 2 of the 1945 Constitution which states that each citizen has the right to work and livelihood that is appropriate for humanity. The clause explains that every citizen has the right to work in any field as long as it does not conflict with the law. When the needs are

⁹ Peraturan Walikota Nomor 11 Tahun 2014 tentang asas, tujuan dan ruang lingkup

met, of course the government will have no difficulties in improving the country's economy."This can be realized if the Government is able to solve the problem of Indonesian street vendors with cart wisely and politely. However, if the government fails to create jobs, especially in fostering and managing Indonesian street vendors with cart, which then the impacts are on the increasing of social problems, then this issue will continue to be the responsibility of the government as what has been mandated in the Constitution.

External problems include the number of similar business competitors, inadequate economic facilities and infrastructure, inadequate guidance, limited access to credit. While internal problems include weaknesses in the capital structure, organization and management, limited commodities sold, lack of business cooperation, low education, business, and quality of human resources.^{10,}

The reality of the unfinished problem in handling the Indonesian street vendors with cart in big cities should be a valuable lesson for the government who is executing the controlling. Even though formally the Indonesian street vendors with cart are indeed not allowed to trade at the prohibited places, displacing them turns out to be creating even more social burdens. In addition, new unemployment which of course provides the potential for the occurrence of criminal acts, and which will also give

¹⁰ Firdausy, C. (1995). Model & Kebijakan Pengembangan Sektor Informal Pedagang Kaki Lima di Perkotaan. Jakarta: Dewan Riset Nasional & Bappenas.

birth to severe socio-cultural problems will emerge. One of the ways to overcome these problems is to make local or city policies that also favor the informal. These policies will provide a legal protection function for the activities of Indonesian street vendors with cart not to return to trading in prohibited places, but trading in places that have been provided by the government or the private sector. For example:

1. In the construction of the Mall there is an obligation to provide space in approximately 5-10 percent for the Indonesian street vendors with cart;
2. In widening the road, the government is also obliged to make certain places, not along the road but rather far from the main route where the Indonesian street vendors with cart can use to sell their goods;
3. Building a street vendor center in every city point because, after all, street vendors turn out to have a strategic function in moving the dynamics of the city to be more alive; and
4. Do not allow the growth of street vendors in a place that is forbidden to sell for a long duration. All this time, the emergence of Indonesian street vendors with cart in certain places is because they were initially allowed to sell in that place, even though only one street vendor had stood up, but eventually it would have been followed by other street vendors to participate in selling at the place.

Many City Governments have provided guidance on informal sector service activities including locational management because they have an important role in areas. Locational management is the limit given by the City Government by not allowing the Indonesian street vendors with cart to do business in any places they like arbitrarily. The informal sector is expected to occupy a location in accordance with the city planning. Locational management includes:

- a. Relocation (restoration): it is a form of restoration of location, both to be used as a new functional form which is different from the original or to improve existing conditions. The Indonesian street vendors with cart group that originally occupied it are removed from the place and moved to another place which is more proper.
- b. Stabilization (arrangement): it is intended for structuring the existence of the Indonesian street vendors with cart in a location. In this case the things that needs to be considered is the maintaining of access for the consumer flow.
- c. Removal (transfer): it is intended to transfer the Indonesian street vendors with cart activities to a specified location which can be in the form of an official market or a special location for the street vendors.

Weaknesses occur at the moment of social turmoil, weak implementation and enforcement of regional regulations that make the

street vendors business actors are increasingly free to grow and develop. The street vendors are utilizing the opportunities for doing business when it occurred with the hope that one day they will eventually obtain legalization from the city government. It turns out that the location influence the development of the Indonesian street vendors with cart, and the encouragement of the internal economic factors of street vendors urged this community to carry out trading business which got a boost from the absence of fixed income and employment, and the ease of doing business, which also influence their growth.

The activities of Indonesian street vendors with cart have covered almost all roads in the public road area in Banjarbaru City, except in spaces that get protection from the residents, with a tendency to try to occupy empty land. Spatial development makes the concentration on the type of business or the activity of the Indonesian street vendors with cart is different with each of road segment.¹¹,

As a result, when it is seen that many Indonesian street vendors with cart are selling in the area, it can be confirmed that the officers will be increasingly difficult to execute the controlling. Therefore, before developing, the government must collaborate with the local environment not to make space for the emergence of street vendors in prohibited places.

¹¹ Eko Wahyu Ariyandi, Tahun 2005, KAJIAN TERHADAPFAKTOR-FAKTOR YANGMEMPENGARUHI TUMBUHNYAPEDAGANG KAKILIMA PADASUATUKAWASAN: STUDI KASUS KAWASANMONUMEN PERJUANGAN 45 BANJARSARISURAKARTA, *Jurnal manusia dan lingkungan*, ISSN: 0854-5510, Vol.12, No. 3, Pg. 148.

Regional autonomy laws regarding the Indonesian street vendors with cart are made because the existence of the Indonesian street vendors with cart in the Banjarbaru City is basically the right of the community in order to meet the needs of the community. Indonesian street vendors with cart as the individuals of the community need to be given the opportunity to develop the economy of the informal sector. In addition, the regulation is made because Indonesian street vendors with cart also have the obligation to maintain and preserve the cleanliness, tidiness and orderliness, and respect the rights of other parties to realize a spatial planning program that meets environmental aspects, economic aspects, and aspects of social relations. In its development, the presence of the Indonesian street vendors with cart in urban areas in the area belongs to the roads or public facilities certainly creates disturbances in peace, public order, environmental cleanliness, and smooth traffic so that arrangements need to be made in order to create social order and peace of society.¹² The regulations are also intended to increase efforts to protect, empower, control and guide street vendors, and protect the rights of other parties in Banjarbaru City.

In the Banjarbaru City Regulation there are several goals and objectives so that the Indonesian street vendors with cart can have the

¹² Dinarjanti Eka Puspitasari, Oktober 2010, Penataan Pedagang Kaki Lima Kuliner, *Mimbar Hukum*, Vol.22, No.3, Pg.195.

opportunity to do business or even seek income, as it has been written in the Mayor of Banjarbaru Regulation Number 46 of 2017.”

The street vendors can develop the potential of the Indonesian street vendors with cart to become stronger and more independent economic business. Realizing a clean, beautiful and orderly area with the infrastructure provided by the Government even though it is still in the planning stage in order to make the area for the Indonesian street vendors with cart better. Although there are many Indonesian street vendors with cart in Banjarbaru City, the City Government wants to make these street vendors look orderly in doing their businesses, and wants to create the area to be a tourist region with a variety of culinary vendors.¹³

C. Market Management in Banjarbaru City

“The market is one of the areas where buyers and sellers meet to conduct trade transactions. The market is included as the main target that is often targeted by the Indonesian street vendors with cart and other small vendors who often use bicycle carts or wheelbarrows. The market is a place for transactions where the traders can make a price bargaining system. Sometimes the Indonesian street vendors with cart who trade on the market only take a little profit for the sake of selling their merchandise.”

The market is an embodiment of social interaction for each individual who lives in groups, both in small spheres such as rural

¹³ <http://walhikasel.or.id/?p=104> pada tanggal 6 Februari 2019 pukul 15.35

community groups, urban areas, and in a broader living, such as the people who are living in a country. The market is a driver of the economy in a region or country, if the continuity of interaction and transactions in the market runs smoothly and continues to move, then the economy around it will run normally and naturally; it will even increase the level of community welfare. However, if market sustainability is hampered, then the life in an area will be difficult because the daily needs, which mostly circle on the market, are not fulfilled; not only the market traders who will lose but also the street vendors must lose because the street vendors must look for another area to sell their wares and live their daily lives.

The market has been united and has the most important place in people's daily lives. For the community, the market is not only a meeting place between sellers and buyers but also as a place for social interaction. The economists describe a market as a collection of sellers and buyers who make transactions on a particular product or set of products.¹⁴ The Indonesian street vendors with cart in Banjarbaru City are also located in the central traditional market area or the temporary seasonal market.

The problem of managing the Indonesian street vendors with cart is certainly not inseparable from the interrelationships of the individuals who are responsible, including the Regional Technical Implementation Unit of the Market, and the related agencies. At present, a number of Indonesian

¹⁴ Muhammad Aziz Hakim, 2005, *menguasai pasar mengeruk untung*, Jakarta, Renaisan PT. krisna persada.

street vendors with cart are not all registered and not all of them have a sign that they have a permit to sell, and street vendor data collection is not accurate. Even street vendors can have more than one stall, while the Market, Cleanliness and Parks Regional Technical Implementation Unit are required to accurately record street vendors so that market development goals at providing comfort for traders and the community is achieved.

The functions of the Market, Hygiene and Parks Regional Technical Implementation Unit are:

- a. Organizing part of the technical field in relation to the Market and Hygiene in accordance with the assignment given by the Head of Service.
- b. Carry out the management of public services with the scope of tasks that have been given.
- c. Coordinating and consulting in the context of implementing the Market infrastructure.
- d. Assist the Head of Office to carry out supervision, monitoring, and reporting on the implementation of work related to market cleanliness.
- e. Carry out other duties and functions provided by the leadership both in writing, and verbally, in accordance with the authority and field of duty in order to create smooth execution of duties.

The Department of Industry, Trade, Mining and Energy in Banjarbaru City is an executing element in the fields of Industry, Trade, Mining and Energy which is led by the Head of Agency who is under and responsible to the Mayor through the Provincial Secretary. In Banjarbaru, the system for conducting business licensing or establishing a business building usually through the Department of Industry and Trade, Banjarbaru City.

The Department of Industry and Trade is the department of Industry, Trade, Mining and Energy of the City of Banjarbaru as an element of the regional government led by the head of the Department of Industry and Trade. The duty of the Department of Industry and Trade is to regulate and coordinate environmental impact control and geological mapping in the context of regional and regional development based on the principle of autonomy and co-administration in accordance with Mayor Banjarbaru Regulation Number 24 of 2012. In 2012, Article 3 Number 24 of 2012, and Article 4 Number 24 of 2012.¹⁵

Department of Industry and Trade Agency of Kota Banjarbaru has a special unit for managing the Indonesian street vendors with cart in the market area, namely the Market Regional Technical Implementation Unit (*Unit Pelaksanaan Teknis Daerah Pasar*), which is abbreviated as Market UTPD, which is a Technical Implementation Unit that has Regional Original Revenue through market operations. In the Mayor of Banjarbaru

¹⁵ Peraturan Walikota No. 24 Tahun 2012 tentang Tugas Pokok, Fungsi, Uraian, dan Tata Kerja Dinas Perindustrian, Perdagangan, Pertambangan dan Energi Kota Banjarbaru.

Regulation Number 48 of 2017 concerning the Enforcement of Tariffs for Market Service Levy and Retail Market Retribution, there are only specified market hours such as:

- a. The dawn market is a market whose activities are carried out between 02.00 and 09.00.
- b. The afternoon market is a market whose activities are carried out between 09.00 and 16.00.
- c. The afternoon market is a market whose activities are carried out between 16:00 and 22:00.¹⁶”

The Indonesian street vendors with cart who sell in the market area are the subject to retribution fees because they have obtained public facilities from the City Government such as booths and stalls. The facility was obtained through a leasing agreement with the Mayor or the appointed Technical Service Officer. “The business actors who have rented rents or stalls are not permitted to sell or rent to others without the knowledge of the officer concerned. Every business actor must maintain and utilize the public facilities as good as possible. Regulations on levies and procedures for obtaining public facilities for the Indonesian street vendors with cart have been stipulated in the Regional Regulation of Banjarbaru City Number 10 of 2011 concerning Market Service Retribution and Store Retribution in Chapter IV Article 9 concerning Permit for Use of Shops, Shophouses, Kiosks, Booths, Stalls, Street vendors and Other Facilities

¹⁶ Mayor of Banjarbaru Regulation Number 48 of 2017 concerning Enforcement of Market Service Retribution Rates and Shop Market Retribution

Management. For the Indonesian street vendors with cart who sell on the market, it is forbidden to put their merchandise outside the booth and stalls so that it can disrupt security, order, neatness and market activity. This prohibition has been stated in the Banjarbaru City Regional Regulation Number 10 of 2011 concerning Market Service Retribution and Retribution of Shop Article 34.”

D. Micro, Small, and Medium Business (MSME's) to street vendors

Micro Business is a productive business owned by individuals and/or business entities that fulfill the criteria of Micro Business as stipulated in the Law. **Small-scale business** is a productive economic enterprise which is independent, carried out by individuals or business entities that are not the subsidiaries or not the branches of companies that are owned, controlled, or become part of either directly or indirectly from Medium or Large Businesses that meet the criteria of Business Small as referred to in this Law. **Medium Enterprises** are independent productive economic businesses, carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with Small or Large Businesses with a total net worth or annual sales proceeds as stipulated in this Regulation.¹⁷

The emergence of SME's in Indonesia generally comes from informal businesses. Small and Medium Enterprises (SME's) are

¹⁷Law Number 20 of 2008 article 1 concerning micro, small and medium enterprises.

independent productive economic enterprises, carried out by individuals or business entities that are not subsidiaries owned, controlled or become part of either directly or indirectly from a business or large business that meets the criteria of small businesses. Small businesses as referred to in the Law are those whose criteria are Rp. 50 - 500 million with the criteria for turnover between Rp. 300 million - Rp. 2.5 billion.

Businesses that knows no seasons and never die are the SME's in the culinary sector. This business is always available in every region or place, for various age levels and community classes both large and small. One of the business actors is a street vendor. On the one hand the culinary sector of SME's have less contribution in increasing domestic income, but, on the other hand, it can reduce unemployment. The characteristics of SME's owners are the determinants of success through business strategies, which are increasingly high.¹⁸ In carrying out the development and empowerment of Street Vendor Regulation in Banjarbaru City, the management of street vendor empowerment in reality, is still not maximal, that is, it can be seen from the uncoordinated pattern of street vendors empowerment in the Banjarbaru City area which is reflected in the presence of street vendors who are still chaotic and inappropriate with provisions such as the prohibition to trade in certain places, which in reality are still used as the location for carrying out street vendor activities.

¹⁸ Tony Susilo Wibowo & Christina Menuk Sri Handayani, juli 2018, Surabaya, penerapan kepemimpinan dan spiritualitas dalam pengelolaan UKM sektor kuliner, *Majalah Ekonomi*, ISSN No. 1411-9501, Vol. XXII, No.1

This is because so far SME's have been carried out more by those who are considered socially disadvantaged with low education levels. They only have limited skills as their capital like street vendors. The rapid development of SME's and seen from the reality of how SME's are able to survive amid the crisis, SME's are expected to be able to make a positive and significant contribution to overcome the socio-economic problems above. Apart from being regarded as a relieving valve in the midst of a crisis, SME's also contribute greatly to the formation of GDP (Gross Domestic Product). It is this increase in GDP contribution that is able to drive and spur the acceleration of Indonesia's economic growth.¹⁹

Based on the development, SME's in Indonesia are differentiated into 4 criteria, namely:

- A. Livelihood Activities, which are Small and Medium Enterprises that are used as job opportunities to make a living, which are more commonly known as the informal sector. The examples are street vendors.
- B. Micro Enterprise, which is a Small and Medium Enterprise that has craftsmanship but does not yet have entrepreneurial properties.
- C. Small Dynamic Enterprise, which is a Small and Medium Enterprise that has an entrepreneurial spirit and is able to accept subcontracting and export jobs.

¹⁹ Berman Surriadi, April 2016, Surabaya, pemberdayaan ukm di kota surabaya: Studi Kasus Paguyuban Jajan Pasar di KecamatanTandes, *Jurnal AdBispreneur* Vol. 1, ISSN : 2503-2755, No. 1, Pg. 39-51

D. Fast Moving Enterprise, which is a Small and Medium Enterprise that has an entrepreneurial spirit and will transform into a Big Business (BB).²⁰”

“In the policy of the Banjarbaru City in developing and empowering the micro or SME’s businesses, the Government provides public facilities for business people so that small micro-business actors or street vendors and medium entrepreneur can create their own jobs, good economic growth and reduce poverty. The Banjarbaru City Government policy in developing and empowering micro businesses has been regulated in the Regional Regulation of Banjarbaru City Number 7 of 2015 concerning Empowerment of Micro, Small and Medium Enterprises in the City of Banjarbaru.²¹”

E. Banjarbaru City Policy in managing urban spatial planning for the economic sector

The government has established its own General City Spatial Plan regulation which has been regulated in Mayor Regulation No. 13 of 2014 concerning the Banjarbaru City Spatial Plan for 2014-2034 which the street vendor has set the City strategic area for the economic community sector in the Banjarbaru City people.²² However, in the Mayor's Regulation Number 46 of 2017 concerning the Guidelines for the

²⁰ <https://goukm.id/apa-itu-ukm-umkm-startup> pada tanggal 13 April 2019, pukul 13.54

²¹ Banjarbaru City Regional Regulation Number 7 of 2015 concerning Empowerment of Micro, Small and Medium Enterprises in Banjarbaru City.

²² Mayor Regulation Number 13 of 2014 concerning the Banjarbaru City Spatial Plan for 2014-2034

Arrangement and Empowerment of Street Vendors listed in Article 6 paragraph 3 that the mayor is authorized to establish, move and abolish the location of street vendors by paying attention to spatial layout and socio-economic, order and cleanliness the surrounding environment, which is when the trade activity has made the city spatial layout worse or not according to the plan, the street vendors will be moved to the appropriate place but still become the center of the city's economic sector.”

The large number of street vendors certainly raises problems for the Banjarbaru City Government. One of the problems is the disruption of public facilities/urban infrastructure, in that some places like sidewalks that should be used for pedestrians have been occupied by street vendors. Another problem is the presence of conflict with the City Spatial Planning (RUTK). Finally, another problem is urban environmental impacts in that there are many street vendors who occupy locations that are not in accordance with established regulations so as to cause clutter and slums.²³

Street vendors emerge because of the desire of the community itself to be able to improve their welfare amid the economic conditions of disadvantaged families compared to the economic conditions of other families, in addition to the current economic conditions that also seem to be fluctuating. To be able to increase its income from these trading activities, traders choose to be located in a place that is considered as

²³Kunto Hamidjoyo, Tahun 2005, Analisis Faktor-Faktor yang Mempengaruhi Keberhasilan Jurnal “dialogue” JIAKP, ISSN: 803-822, Vol.2, No. 2, Pg.806-807.

capable and strategic to attract as many consumers as possible. However, on the other hand, the location they chose turned out to be in the wrong place, which would make the city look irregular and unsightly. At least this is according to the regional / city government as the ruling authority in the region. For this reason, the regional authorities are trying to rearrange the locations of the traders so that the city appears more orderly and traders can continue their business. Here there are often different conflicts of interest between the two. Because the problem of street vendors is also related to broader conditions, the effort to solve the problem of street vendors should not occur sporadically and only case by case, but should be overall so that optimal solutions can be obtained.

In order to anticipate the development of community dynamics and in line with the demands of regional autonomy, as well as to maintain the conditions of peace and order in order to create a conducive atmosphere in the region, one solution to realize this is by forming the Public Order Enforcers (Satpol PP). Satpol PP has the task of helping regional heads to create a peaceful and orderly regional condition so that the administration of the government can run smoothly, so that people can carry out their activities safely. The Public Order Enforcers also has the task of enforcing the Regional Regulation; besides that, the Public Order Enforcers is required to enforce other regional government regulations, namely regional head regulation.

The legal basis for the Regional Government in enforcing a regional regulation and establishing the Public Order Enforcers Unit is regulated in Article 255 paragraph (1) of the Republic of Indonesia Law Number 23 of 2014 concerning Regional Government which reads, “Public Order Enforcers Unit was established to enforce the Regional Regulation and Regional Head Regulations, holding the public order and peace and organizing public protection.””

F. Banjarbaru City

“Banjarbaru City is one of the cities in Indonesia located in the province of South Kalimantan. The city of Banjarbaru was established on April 20, 1999 based on Law Number 9 of 1999 which was the result of the expansion of Banjar Regency. Banjarbaru City is one of the cities on the track between Banjarmasin as the Capital of the Province and Tanah Laut, Tanah Bumbu, Kotabaru, and Regencies in the Banua Enam region to the East Kalimantan Province and Central Kalimantan. The population in Banjarbaru City is 123,973 people (2000) consisting of several tribe.”

Figures 2.1

Borderline of Banjarbaru City

North	Sub distict of Martapura, Districts Banjar
South	Sub distict of Bati-Bati, Districts Tanah
East	Sub distict of Karang Intan, Districts Banjar

West	Sub distict of Gambut and Aluh-aluh, Districts Banjar
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Source: Walhi Banjarbaru City

The government has three essential functions, namely service, empowerment, and development. Service will produce justice in society; empowerment will encourage community independence; and development will create prosperity in the community. Along with the results of the functions of development and empowerment carried out by the government, as well as the limitations that the government has, slowly the community is required to independently fulfill their needs. Thus, the function of development and empowerment is temporary.²⁴

²⁴ Joni Joko Sarjono, Peranan Pemerintah dalam Pemberdayaan Pedagang Kaki Lima di Kecamatan Pontianak Timur, *Jurnal Tesis PMIS-UNTAN-PSS-2014*, Vol. 2 No.0002, ISSN: 0121-1026, (Pontianak,2013), p.g.3.