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## RE-DEFINING SOCIAL JUSTICE IN THE CITY – LEARNING FROM INFORMAL SECTOR WORKERS IN YOGYAKARTA –

(this is a part of a work in progress, please do not quote)

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**ABSTRACT:** As one of major cities in Indonesia and a city given special administrative status due to its sultanate-historical background, Yogyakarta has been (and still is) facing intensive flows of people from outside the city; making the process of urbanization of the city a complex one. The abundant workers in informal sector are part of this intensive flow of the people. Shrinking place for living as well as for finding jobs, seems to be perceived by the informal sector workers as part of their daily life, that have to be accepted as it is. In this paper, the authors try to take a closer look at Yogyakarta's informal sector workers, focusing on the hawkers in the main street of the city, which is called Malioboro street. Through interviews with the workers, the authors try to grasp their perception of their daily life as informal sectors workers and their survival strategies, in order to define the meaning of social justice from the point of view of the workers.

**KEYWORDS:** informal sector workers, social exclusion, social justice

### 1 INTRODUCTION

For informal sector workers in cities in Indonesia, whenever there is no news on informal sector, be it a news in the televisions, or in newspapers, or radios, means good news. News about them is mostly about how they and their fellow-workers are being kicked out (in most cases, literally) from the places where they do their business, by the so-called 'executing troops'<sup>1</sup>. It is because in most cities, and for most of the time, informal sector workers are positioned as one of problems in society that should be totally eliminated from the city<sup>2</sup>.

Being positioned as the source of problems for the city where they are making their living, and facing unequal treatment, it is evident that informal sector workers have significantly less control or power over their own lives, compared to workers in the formal sector. Even if the number of the workers in this sector has exceeded those in the formal sector, these workers have much less access to education, wealth, and success.

<sup>1</sup> In the city of Jakarta, it is known as a 'clearance policy' of the governor

<sup>2</sup> The city governments have the tendency of giving label of 'societal problem' to informal sector workers. Those who are considered the societal problems are people who work or do business such as *kakilima* (street sidewalks vendors), *asongan* (people selling various things at street junctions when the traffic lights turn red), and *joki 3-in-1* (substitutes in private cars, whenever the number of people in the car is not enough to pass through main streets during certain hours).

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Amidst such positioning and condition, the authors of this paper take a closer look at Yogyakarta informal sector workers, focusing on street sidewalk vendors along the main street of the city. Through observation on the dynamics relationship among the workers in informal sector, the formal sector (shops and stores), and the local authority (the city), the authors will elaborate the actual condition of the informal sector workers, where a multi-layering of informal sector is taking shape. With the multi-layering of informal sector, the authors then look at the exclusion and inclusion concerning informal sector workers in the city.

## 2 URBAN INFORMAL SECTOR IN INDONESIA

To understand the bigger story of informal sector workers in Indonesia, we should consider the previous academic works and some statistical data. For previous academic works on informal sector, we can start from the findings of field study done by Hugo (1973) in West Java. Hugo tries to see the geographical move of laborers from rural area in West Java, to big cities such as Jakarta and Bandung. He shows that access to job opportunities depends on each person's network of relatives or acquaintances from the same village who have previously moved to the city. Such networks not only bring new laborers from the same village to the cities, but also shape the layers of informal workers from the same village who are engaged in the same business.

Together with work from Hugo, another most-quoted academic work is the studies on informal workers in inner areas of Jakarta, done by Jellinek (1977a, 1977b, 1988, 1991). Jellinek conducted a field study on pedicab drivers, workers in home-based micro-scale industries, micro-scale traders, construction workers, and workers in the service sector in Jakarta *kampung* areas. She concludes that these informal sector workers are swallowed by the process of economic development of the government, which then gives them the characteristics of being temporary. The change of the center of the city, and the shift in government policy to economic development, all contribute to the temporary characteristic of the informal sector, and drives the people who can only depend on the informal sector for their livelihoods into poverty.

Studies that focus more on personal networks of informal sector in urban areas in Indonesia are studies by Ngadisah (1987), Somantri (1990) and Taqiyyah (2002). Both Ngadisah and Somantri elaborate the patron-client relationship between informal sector workers in micro-scale trading in traditional market of Jakarta. They conclude that, being workers in the informal sector puts the workers in an unstable and insecure position. Workers then seek protection from patrons, and often they find it in people of the same sector. It can be said that patrons are the bare necessity of life for informal sector workers. According to Ngadisah, in most cases the patron functions as 1) a source of funding, 2) help in getting merchandise or as a provider of merchandise, 3) intermediary between informal sector workers and local administrative staff, and 4) religious or spiritual guide. Adding to this, Somantri points out that patrons in informal sectors not only take leadership in financial matters such as providing capital or merchandise, but also provide leadership in cultural and social matters.

If Ngadisah and Somantri conclude that relationships between patron and client is a vertical one, Taqiyyah finds that in the case of informal sector traders, local gangsters, and local administrative officials in a traditional market in Jakarta, the patron-client relationship is defined by the place of origin of the people in the relationship. An informal sector street-side vendor who was born in the area and whose parents and grandparents were native of the area, wins respect from local gangsters, and sometimes becomes a kind of 'father' to the local gangsters. Street vendor who is not native to the area will seek protection from local gangsters, and they will pay a certain protection fee to the gangsters. Taqiyyah's study show that relationships between informal sector vendors, local gangsters, and local administrative officials are multi-layered and complex.

When it comes to statistical data on informal sector, we can start from the total economic

contribution of the sector to the economy of the country. According to a data in 2002<sup>3</sup> Indonesia's informal sector contributes to almost 20% of the country's GNP, with a total amount of US\$ 276.8 million. Although when compared to other Asian countries Indonesia's informal sector cannot be said to contribute much to its GNP, since 1980s until early 1990s, the percentage of people working in the informal sector increased 4.4% each year, reaching more than 70% of the total number of working people<sup>4</sup>. This number does not show any decrease. In the year 2000 – that is about two years since the Asian financial crisis of 1997), the percentage stays the same. In the year 2005, or eight years after the crisis, the percentage of workers in informal sector is still much higher than in the formal sector.

Looking at the type of work in informal sector mainly during the 1997 (to 1998) crisis, it is dominated by agriculture, forestry, hunting, and fishery, as well as retail trades. While according to a survey by Sakernas (the National Labour Force Survey), the status of employment of those in informal sectors can be grouped into five groups: self-employed, self-employed assisted by family members or temporary helpers; employer in informal sector with some workers; laborer or employee; and family worker. And when we look further into the profile of workers in the informal sector, it is not surprising that the lower the educational attainment, the higher the percentage of workers in the informal sector. There is no significant difference between the situation in 1998 or after, regarding the educational attainment of the people in informal sector.

When it comes to urban areas in Indonesia, the percentage of people who work in the informal sector keeps increasing. In 1971, the percentage of the informal sector in urban areas was around 25%, which then increased and reached 36% in 1980, and further increased to 42% in 1990. The peak was in the year 2000, when it reached 65% of the total working people in urban areas (Firnandy 2004). During the following years, the number does not show any significant decrease, which means that even after the economic crisis there are more people in the informal sector in urban areas, compared to the formal sector.

### 3 MIGRANTS OF INFORMAL SECTOR IN YOGYAKARTA

Prior to focusing our attention to side-street vendors in Malioboro street in Yogyakarta, we should know about Yogyakarta and the incoming flows of its informal sector. As one of major cities in Indonesia, and a city given special administrative status due to its sultanate-historical background, Yogyakarta has experienced (and is still experiencing) a process of urbanization and urban development. Until 1997, that is, before the economic crisis that severely hit east and south-east Asian countries, urbanization and urban development of Yogyakarta were characterized by the restructuring of physical and economic activities. Yogyakarta's urbanization had been a complex process, accompanied by intensive borderless flows of investment, goods, information, and –most of all- people.

Prior to the 1997 economic crisis, Yogyakarta experienced several times of flows of people from outside of the city. The people coming into Yogyakarta – similar to some other cities in Indonesia- were in a chain migration pattern. In such chain migration pattern, the head of the household went first to the city alone, leaving behind his family. He would stay in a relative or acquaintance's house until he found a job and a place to live. After a while, he then invited members of his family (including distance relatives) to the city. The pattern then is repeated, and usually resulted in members of families of people of the same village living nearby and doing similar work.

Period of 1980s to 1990s marked again migration to Yogyakarta, as the result of globalizing world, which promoted striking economic development in south-east Asia (which also produced economic crisis in the same area in the year 1997). During this period of migration, people who came to the city were of unskilled and lower class from surrounding rural areas. With the repeat of chain migration

<sup>3</sup> Data from Schneider (2002) as quoted in Kompas daily edition of April 15, 2006

<sup>4</sup> Data quoted from Gunawan (1992:26)

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pattern, some areas of the city which have functioned as receivers of people from previous period of migration, and which have become urban-kampung, also became destinations for the incoming people. This then resulted in more densely-populated urban-kampungs. <sup>6</sup>

The economic crisis <sup>2</sup> 1997 slightly changed the tendency of this rural-urban migration. It is <sup>2</sup> reported that the crisis led a large number of migrant urban workers to return to their hometown, as the lost their jobs in the cities. In some cases, migrant urban workers began to send their family back to <sup>5</sup> e in their village, since living expenses in the cities augmented significantly. On the other hand, since the economic crisis also hit rural areas causing rural people to look for additional source of income, there were still a large number of migrants to urban areas, despite decreasing opportunities of job in the urban areas. What David Harvey mentions as, 'capital rich regions tend to grow richer while poor regions grow poorer' caused by circular and cumulative causation within the economy, still prevails even in the middle of economic crisis that hit the whole country severely. <sup>12</sup>

These waves of migration result in the higher density, not only of the population of the city, but more of the population of workers in the urban informal sector. Shrinking place for living, as well as for finding jobs in informal sector (let alone in formal sector), seems to be perceived by the informal sector workers as part of their day-to-day living, that have to be accepted as it is. Worker in informal sector do not cease to give up the idea of stay in the city of Yogyakarta and continue their work, not only before Indonesia was hit by the 1997 financial crisis, but also during the prolonged crisis, and even after the country began to recover very slowly from the crisis. During this period, informal sector workers depended mainly on their network of people of the same village or hometown, which consist not only of relatives but also of acquaintances who, in most cases, are doing the same kind of business in informal sector.

Concerning informal sector, Malioboro street has always been one of favorite destinations for the people engage in informal sector. Historically, Malioboro street was designed as a commercial area, starting with shops of middle scale, with owners of Chinese ethnic. Looking at opportunity offered by the area, migrants as well as locals began to start business but informal ones, using pedestrian walk in front of the stores. As a result, the street now have a line of street-side vendors that are facing the stores (with their back facing the main street) and a line of street-side vendors that are facing the street (with their back on the walls of the stores).

Economic activities and the informal sector in this main street has been also the focus of several academic works. Starting with the work of Abdullah (1988), an anthropologist that focused his study on batik vendors, we can see that among batik vendors, there is a strong network and trust that result in agreement among the vendors on the price of their merchandise, flow of the merchandise inside the area. The trust among these vendors allows them to do business in a slow pace, and not aiming at expanding their business. In late 1980s and early 1990s, the people engaged in informal sector in Yogyakarta were mostly male in their 50s (Effendy & Evers 1992), most of them are migrants with low level of educational background (Firdausy 1995). More recent studies, such as study by Nugroho (2003) shows that the age of informal sector workers now covers wider range, with some workers having educational background of high school, and in some rare cases even university graduates. Nugroho study also points out the growing number of people engaged in informal sector along Malioboro streets, leading to a condition of prone to competition and conflict among the informal sector itself, despite a number of associations of informal sector workers. Nugroho study reflects the actual condition after the 1997 economic crisis.

#### 4 EXCLUSION OF YOGYAKARTA'S INFORMAL SECTOR

Despite the high number of workers in informal sector, which also result in high degree of economic contribution for the city of Yogyakarta, the policy towards these workers are not always inclusive ones. Back in 1987, the mayor of Yogyakarta issued a letter of decision (*surat keputusan*) no.



56, to re-regulate economic activities along Malioboro street, the main street of the city. From the content of the regulation in the mayor letter, it can be said that in that year, the street-side vendors were regarded as one of the problem of the area, and they were not allowed to conduct business along the street. Those who are allowed to have business in the street were large-scale shops and malls. With the mayor letter, street-side vendors of informal sector were being excluded from the economic opportunities in the area. However, in reality, the street vendors along this street could still do their business, as long as they paid a certain amount of fees, which was collected by the municipal authority themselves, and of which the use of the collected money was not transparent.

While the policy concerning (directly or indirectly) informal sector in Yogyakarta is not always an inclusive one, the policy of the Yogyakarta mayors concerning Malioboro street has changed several times. Being one of liveliest commercial area of Yogyakarta mainly because the street is also one of tourist destination areas, Malioboro street contributes significantly to the economy of the city. And with various stakeholders taking their part there, this area has been used by politicians and mayors of Yogyakarta to establish their political position. The street and its economic activities tend to become the focus of policy of the mayors in their each period. This has resulted in a series of policies towards the street, which - at the end- most of these policies could not be fully implemented, since each mayor had their own policy (Nugroho, 2003)

Despite the non-inclusive policy, the number of workers in informal sector in Yogyakarta, including those who do their business along the Malioboro street, increased significantly during the 1997 crisis, and has not ceased since then. This shows that Yogyakarta has been one of destinations for people who were dropped off from formal sector during the crisis. Facing the increasing number of workers in this sector, the city then made a policy to accommodate the informal sector. The city regulation no 26 year 2002 gives definition on street-side vendors, the duty and rights of the vendors. The street-side vendor is defined as a person who is *temporarily* selling goods or service individually, while using street, pedestrian street, or public facilities as the place for their economic activity, with moving cart/vehicle or non-moving table.

According to the regulation, a street vendor should have identity card and license for using the place, should observe the regulations concerning the place's security-hygiene-beauty-designated function, and should store the merchandise in another place after business hour. If the street-side vendor already has the license, the person may use the place for their business during certain hour, but should not give nor sell the license to other person, nor do a permanent business in the place.

In the case of street-side vendors in Malioboro street, since 2009, a unit belongs to the municipal office, called unit of technical implementation for Malioboro area, is responsible for giving the license. Yet, to be able to get the license, the vendor has to have the approval of the store, whose pedestrian walk in front of them will be used by the street vendor. Once the owner of the store give the approval by signing the application, the vendor then will have to get approval from the neighborhood association leader (*RT/RW*), the head of the village (*kelurahan*) and regency (*kecamatan*), then the city will produce the license. In present time, with the number of street-side vendors and the limited space available along Malioboro street, it is impossible to get new license. To add to this, for the vendors who have not obtained the license, they often find difficulties of getting signature of approval from the owner of the store.

## 5 INCLUSION OF INFORMAL SECTOR WORKERS?

Despite the difficulties in obtaining the above mentioned license, economic activities of street-side vendors in Malioboro street has never ceased. Internal factors and external factors have been the supporting side for this vibrant economic activity. As for internal factors, we see the rising number of the vendors mainly since 1997 crisis, the higher educational background of the vendors, the relatively younger age of the vendors (in their productive age), the number of vendors associations. On the other

hand, the external factors that support the economic activity are, the policy that accommodates the activities of informal sector, and the mayor himself who comes from a business family, owning a store in the Malioboro street. With both internal and external factors seem to be on the side of the informal sector workers, the issue of exclusion should no longer exist. However, in the Malioboro street it is not always the case.

The rising number of street-side vendors indicates the over-capacity of informal sector. The present number of informal sector workers can no longer be absorbed by the sector itself. There is too many people in a too limited space of informal sector. The competition is becoming tighter, which is prone to conflict among the informal sector workers themselves. Concerning the higher educational background and younger age of informal sector workers, the following findings should be put into consideration. The higher educational background shows that in the case of Yogyakarta, informal sector also becomes the destination for people who traditionally should be able to enter formal work without any problem. Contrary to previous studies on informal sector, which emphasis the unskilled side and low educational background of the workers, in Yogyakarta after more than a decade has passed since 1997 crisis, the condition is different. In Malioboro street, people in informal sector but with high educational background, are the owner of more than one space for business, and they 'employ' other people to operate their informal sector business. Their mode of employment varies, from an office-like employment where the employed are given salary, to a patron-like employment where money is not involved and patronage-protection is the base of the relationship. As a result, informal sector in Malioboro street becomes more complex, with several layers of workers, starting from owners, to employee, and non-paid workers.

With the multi-layering of informal sector in the area, the issue of social inclusion and exclusion also become more complex. Since the concept of social exclusion points to the broad range of factors that prevent individual or group from having the same opportunities that are open to the majority of the population, and since there are four dimensions to social exclusion, which are exclusions from adequate income or resources, exclusion from labor market, exclusion from service and exclusion from social relations<sup>5</sup>, dealing with the issue of social exclusion and inclusion for informal sector workers become multi layer also. As a consequence, re-defining social justice for informal sector workers should be based on the multi-layering issue of social exclusion and inclusion.

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