

NON-STATE ACTORS AND LOCAL AUTHORITIES IN DEVELOPMENT -
ACTIONS IN PARTNER COUNTRIES (MULTI COUNTRY) FOR NON-STATE ACTORS

Best Practice Solo: Humane Relocation and Empowerment of Street Vendors

- detailed description -

Thematic Area: Fiscal Management and Investment Planning

Country of Origin: Indonesia

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A Project implemented by the consortium: Konrad-Adenauer-Stiftung e.V., Thailand Environment Institute (TEI), Local Government Development Foundation Inc. (LOGODEF), United Cities and Local Governments for Asia and Pacific (UCLG-ASPAC), Association of Indonesian Regency Governments (APKASI), Association of Cities of Vietnam (ACVN), and National League of Communes/Sangkats of the Kingdom of Cambodia (NLC/S).



ABOUT DELGOSEA

The Partnership for Democratic Local Governance in Southeast-Asia (DELGOSEA) was launched in March 2010 and is co-funded by the European Commission and the Konrad-Adenauer-Stiftung (KAS) of Germany through the German Ministry of Development Cooperation.

DELGOSEA aims to create a network of cities and municipalities to implement transnational local governance best practices replication across partner countries: Cambodia, Indonesia, Philippines, Thailand and Vietnam. It supports the role of Local Government Associations (LGAs) in providing and assisting the transfer and sustainability of local governance best practices replication by local governments. Most importantly, through the exchange of best practices in the region, DELGOSEA intends to contribute to the improvement of living conditions of disadvantaged groups in Southeast-Asia by helping increase their participation in local planning and decision-making.

In the first phase of project implementation, an intensive research was done to determine Best Practices (BP) in local governance in each of the five participating countries. A consortium of international local governance experts and representatives from the LGAs reviewed and selected 16 BPs out of the submitted 27 BPs.

The project concentrated on the following four thematic areas while selecting best practice examples from the five countries:

1. Peoples' participation in planning and decision-making;
2. Institutional governance;
3. Inclusive urban public services;
4. Fiscal management and investment planning.

The following short descriptions BP is one of the selected 16 BPs in the area of fiscal management and investment planning, provided by Solo in Indonesia.

Starting in January 2011 through August 2012, DELGOSEA will continue to collaborate with LGAs and local governments to transfer best practices replication. The pilot cities/municipalities could modify or improve the original best practice to their local context. The LGAs in the five participating countries will closely consult and guide the selected pilot local governments on the transfer and implementation of BP replication.



Country	Indonesia
Local Government:	Solo City (also known as Surakarta City)
Type:	Municipality
Best Practice:	Humane Relocation and Empowerment of Street Vendors
Aspect of Governance:	Fiscal management and investment planning
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Summary

With a four-year empowerment and re-structuring program, Solo managed to solve the very sensitive issue of illegal street vendors and all the effects it had for the public space, like waste, traffic and poor conditions. The relocation and re-arrangement of street vendors in Solo has been done with great consideration of the local culture and humane methods. The Mayor convinced street vendors that these efforts will improve their condition, not to eliminate business. The Solo administration provided five major solutions for the street vendors namely: Relocation, Shelter, Tents, Carts and Order.

The street vendor management team was preceded by forming a technical and non-technical team. The technical team was responsible to find alternative good locations for street vendors, blueprint for new constructions, traffic arrangement, etc. The non-technical team was in charge to manage the community response (rejection or acceptance), thus minimize potential horizontal and vertical conflict. In approximately four years of implementation, the Solo street vendors' empowerment and structuring program have achieved:

- The relocated street vendors have experienced improved income. Also important is the upgrading of their status from illegal vendors to legitimate merchants and kiosk owners at the market;
- The areas formerly occupied by street vendors—like at the Monjari area—were transformed into open green spaces for public and became liveable.
- The city government built two new markets—Notoharjo Market and Panggung Rejo Market—as relocation sites for the street vendors;
- Vendors have received 200 tents as selling places, 9 shelters that can accommodate 600 vendors, 240 carts, and temporary sales time-slots available from 6 p.m. to 5 a.m. the following day and from 6 a.m. to 6 p.m.



Background and Objectives

Solo City, also called Surakarta City, had problems with street vendors that were cluttered in almost every corner of the city. Such disorganised locations caused public space inconvenience and sanitation problems, traffic disturbance, diversion of land function, and discomfort. About 5,817 street vendors were spread out in the city. In 2006, Solo started to bring order to how these vendors operated. They were either transferred to better locations, or were allowed to sell in the same places but were provided carts, shelters, and tents to make for a more pleasant sight. They were made to follow the temporary sales policy, where vendors are allowed to sell in those areas only at certain hours.

Solo is an autonomous government in the Central Java province, located in the lowland between the Lawu Mountain and the Merapi Mountain. Solo is divided and traversed by three large rivers, namely Bengawan Solo River, Jenes River, and Pepe River. Solo is one of the centers of Javanese culture, where a number of keraton or sultan's palace still stand with an area of 44.04 km², Solo is divided into 5 districts and 51 sub-districts. It has a population of 563,525. The city government has around 11,000 employees. The city's Local Annual Budget for 2010 is around IDR 828 billion.

A. Innovative Elements

The relocation and re-arrangement of street vendors has been done with great consideration of the local culture and humane methods. The local government convinces the street vendors that these efforts will improve their condition, that there is no re-arranging without offering an alternative, and that the re-arranging is not meant to eliminate their businesses. The local government continues these efforts.

In approximately four years of implementation, the street vendors' empowerment and structuring program in Solo have achieved the following:

- The city government has built two new markets—Notoharjo Market and Panggung Rejo Market—as relocation sites for the street vendors.
- Vendors have been provided 200 tents as selling places, 9 shelters that can accommodate 600 vendors, 240 carts, and temporary sales area that are available from 6 p.m. to 5 a.m. the following day, and from 6 a.m. to 6 p.m.

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- The areas formerly occupied by street vendors—like at the Monjari area—have been transformed into open green spaces that are open to the public.
 - The relocated street vendors have experienced improved economic conditions. Their incomes have increased—for example, from only 100,000 rupiah before the relocation, to around 500,000 to 1 million rupiah now. Also important is the upgrading of their status from illegal vendors to legitimate merchants who have kiosks at the market.
 - Increase in the region’s revenue collections.
 - Increase in the local government’s assets due to the empowerment of the low-level community and the expansion of the local economy.

B. Involvement and Activities

Since Mayor Joko Widodo (also known as Jokowi) was elected in 2005, his main policy was to restructure the operations of street vendors under the concept of humane empowerment. His initial concern about the chaos that disorganized street vendors had brought to the streets of Solo gave him the idea that these vendors, if empowered, could fuel the economy and help improve the region’s fiscal capacity.

The first phase of the program was the relocation of 989 street vendors at the Banjarsari Monument (Monjari) to Notohardjo Market. Monjari is a historical place that eventually became a commercial area. Not less than 18 types of vendors are found at this place. The mayor and his deputy first invited the street vendors’ *paguyuban* to several luncheons and informal meetings at the official residence of the mayor. The luncheons and informal meetings were only meant to open communication lines between the parties. Mayor Jokowi used these occasions to convey his government’s commitment to support the informal economic sector. During the conversations, the Mayor and the vendors were also expressing similar interests for the development of Solo City and to ensure all its residents could access good, living condition in Solo. Fifty-six informal meetings such as these were recorded before the local government and the vendors reached an agreement on the relocation process.

To launch the relocation and empowerment program for street vendors, Mayor Jokowi activated the Regional Government Working Units (SKPD). Among these regional government work units are the Market Agency, Street Vendor Management Office, Sanitation and Park Agency, Public



Works Agency, Communication Agency, District and Sub-District Office, and City Government Police Unit. The mayor and local government apparatuses also took a number of measures that allowed the participation of the Regional Parliament (DPRD), regional management (Muspida), vendors, vendors *paguyuban* (association), NGOs, media, public figures, and the general public to relocate the Monjari street vendors from the drafting of the relocation plan up to the occupation of the new site, the Notohardjo Market.

The relocation to the Notohardjo Market finally obtained the support of the Monjari street vendors. It was the vendors themselves who determined who to occupy which kiosks, the local government only acted as facilitator in the process. A ceremony held on 23 July 2006 for the relocation program was attended by 2,000 persons, indicating that the relocation also got the support of the community in general.

The relocation and empowerment of street vendors in Solo were implemented in four phases:

- Phase I: Preparation

Conducting *door-to-door* survey of street vendors to map them and identify their problems. The survey gathered the following information: the total number of street vendors, types of merchandise, amount of business capital, owner or workers at the business, market segment, and expectation of the street vendors toward the new location.

- Phase II: Data collection and process

The data obtained through the survey became the basis for measures to be taken, such as relocation, provision of tents, shelters, umbrellas, and regulating the time of selling.

- Phase III: Relocation and Recovery

The next phase was the transformation of the new market site and the area formerly occupied by the street vendors. The local government assisted the vendors who followed the program, whether they were among those relocated or those who stayed in the old area but were only provided better facilities. The local government also provided assistance to the vendors in the form of capital, marketing, and other incentives, such as retribution relief. The local government turned the former street vendors' location into a public space or green area that can be used for public activities. The area has been placed under special control, so it will not be illegally occupied by street vendors again.



- Phase IV: Development

In this final phase, the local government are making efforts to improve the status and quality of the vendors' businesses, issuing them business license, and increasing the regional collection.

Similar approaches were implemented in the relocation and empowerment of street vendors from other markets in Solo. The humane, non-repressive, and culturally sensitive approach was taken by the local government apparatuses to develop partnership and consensus, and to improve the street vendors' understanding of regional policies.

C. Sustainability and Replication

The Solo City government has re-located and empowered 62% of the street vendors. The remaining will be addressed by end of 2010. The program will continue since Joko Widodo has been re-elected mayor in May 2010-2015. This program is also backed by a regional regulation (Regional Regulation No. 3 of 2008) concerning the management of street vendors. The former street vendors—now referred to as kiosk owners and merchants—also continue to support the program since they have felt its benefits. The empowerment of street vendors has also resulted in regional economic development and the improvement of the regional income. The replication process, therefore, can adjust the concept, program phasing, and implementation management, in accordance to the characteristics of the local area adopting the model. Establishing dialogue with the informal sector and consistent enforcement of the local government's policy will be the major challenges in adopting this best practice.

Other regions intend to replicate this model also need to take the following consideration into account:

- Strong commitment, leadership, and consistency of the head of the region;
- Support from the legislative sector and stakeholders,
- Treat street vendors as subjects and not as object, and ensure this perception is shared among other government sectors;
- Funding support.

The content of this publication is the sole responsibility of the implementing consortium under the lead of Konrad-Adenauer-Stiftung e.V. and can in no way be taken to reflect views of the European Union.

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