

## **Institutional Network Model in the Coordination of Street Vendor Empowerment in Makassar City, South Sulawesi, Indonesia**

**Abdul Mahsyar<sup>1</sup>, Rijal<sup>2</sup>**

<sup>1</sup> Magister of Public Administration Muhammadiyah University of Makassar, Indonesia  
Email: [abdulmahsyar@unismuh.ac.id](mailto:abdulmahsyar@unismuh.ac.id)

<sup>2</sup> Public Administration Program, IISIP BIAK Papua, Indonesia  
Email: [abdulmahsyar@unismuh.ac.id](mailto:abdulmahsyar@unismuh.ac.id)<sup>1</sup>; [rijalbudiman020390@gmail.com](mailto:rijalbudiman020390@gmail.com)<sup>2</sup>

(Received: October 21-2021; revised: November 20-2021; published: December 30-2021)

### **ABSTRACT**

The management of street vendors that interferes with city governance has not been effective because it is sporadically done by the displacement or seizure of trading facilities. The pattern is thus ineffective in its construction because it does not reduce the amount, nor the behavior of the street vendors. This research aims to determine the pattern of coaching and explore the model of handling the use of street vendors through a synergic approach between agencies in coordination. This study uses descriptive type with a qualitative approach. The research site is the location of the street vendors trade in the city of Makassar, the research informant consists of the street vendors, government officials, and public citizens. Data is collected through direct interviews with an informant, field observations, and document analysis. Data analysis is done at the same time when collecting data using the interactive models of Huberman and Miles is data collection, data reduction, display data, and conclusion drawing and verifying. Data, source, and time triangulating data. The results showed the construction of the street vendors still oriented to the regulatory offenders and carried out partially by the agency according to its interests so that the handling has not synergized between government agencies and other related parties. Construction of street vendors is institutionally implemented by sub-district offices and assisted by Makassar public order police, while for the utilization of street vendors needed a model coordinated centrally by the mayor to be structured, programmatic, and integrated so that the street vendors can be empowered and contribute to the development of the city.

**Keywords:** network Model; coordination; street vendors

### **INTRODUCTION**

The handling of the problem of street vendors (PKL) has never been completed because the approach taken by the apparatus so far has tended to be repressive. According to (Prodromou & Westerholm (2022) traders are intermediaries whose activities are to buy goods and then resell them without changing the shape of their own creations with consumers to sell them (Atanasov et al., 2015; Hoque & Myrland, 2022; Xhoxhi et al., 2018). The importance of studying the institutional network model in coordinating the utilization of street vendors is so that new models can be found in dealing with an organizational problem, especially related to the coordination aspect.

Coordination itself is known to involve all groups, people, organizational units, organizational resources and those who work together in each organization (AM et al., 2020; Armstrong, 2006; Gassing et al., 2015; Pynes, 2008; Southalan, 2011; Ulrich et al., 1995). (Fallon & Brinkerhoff, 1996; Prasodjo, 2020; Walton, 1999) suggests that the coordination function is to synchronize and harmonize the activities of organizational department units to achieve the same end result. Without coordination, there is a waste of time, effort and money to achieve the goals of an organization. In an organization, the leadership needs to carry out a process of coordination with members of the organization in completing their duties. Lee & Choi (2003) argues that when viewed from a normative point of view, coordination is the authority to harmonize, balance and also move specific or different activities so that all of them lead to the achievement of certain predetermined goals.

According to GR Terry (Bare et al., 2019) suggests that: "*Coordination is the orderly synchronization of efforts to provide the proper amount, timing and directing of execution resulting in harmonious and unified action to a stated objective*". (Coordination is the best possible synchronization of work within the allotted time and implementation guidance so as to produce uniform and harmonious actions, to achieve the predetermined goals). Meanwhile (Ismail et al., 2016) states that: Coordination is the process of integrating goals and activities in separate units (departments or functional areas) of an organization to achieve organizational goals to achieve organizational goals efficiently.

For this reason, institutional theory is known to have the ability and benefit to describe well between relationships, networks, and institutional mergers to overcome solutions, disarticulation, asymmetry between public problems and public jurisdictions, as well as high interdependence between one another (Akib, 2016, 2003; Bare et al., 2019; Hariyono et al., 2019). Thus, through institutional networks, good coordination can be carried out in the utilization of street vendors.

In some countries, especially Asia, street vendors are proven to provide income and become an alternative to cheap and nutritious food (Colozza & Avendano, 2019; J. B. Marcus, 2013). While the state is often seen as not being present in overcoming the difficulty of people's access to daily needs, street vendors appear to provide solutions by offering food, clothing, and everyday goods at affordable prices (McClain & Mears, 2012).

The number of street vendors in Makassar City is growing in quality and quantity. An increase from 3,752 in 2016, then 3,951 in 2007, and in 2018 there was a drastic increase of 4,443 traders (Makassar City Industry and Trade Office, 2018). The increase in the number of street vendors was triggered by rapid urban flows due to better economic growth.

Legally, the existence of street vendors is regulated in various government regulations such as Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, Presidential Regulation Number 125 of 2012 concerning Coordination of Arrangement and Empowerment of Street Vendors, and Permendagri Number 41 of 2012 concerning Guidelines for Arrangement and Empowerment. Street vendors. In Makassar City the regulations governing street vendors are contained in Regional Regulation Number 10 of 1990 concerning the

Guidance of Street Vendors. With this legality, the local government has room to utilize all the potential of street vendors as a driver of the people's economy.

In the study (McClain & Mears, 2012), it is said that the assessment by government officials of the existence of street vendors so far tends to be negative such as being the cause of uncleanness, slums and traffic jams and various other urban problems. Government efforts to overcome these problems tend to use preventive and repressive approaches such as evictions, and other physical and psychological sanctions such as threats and confiscation of merchandise. Efforts to develop street vendors are not carried out in an integrated manner so that the relevant agencies only work according to their duties and responsibilities. This condition has an impact on the non-optimal development of street vendors. The approach that can be taken is through coordination based on institutional networks where this approach emphasizes that the handling of a problem must be carried out in synergy between government agencies, the private sector and with the Inner community (Susanti, 2015).

For this reason, this view clearly shows that the implementation of work within the scope of government organizations aimed at providing services to citizens requires a work integration that requires coordination, including in this case the Empowerment of Street Vendors in Makassar City.

In research (AP & Asano, 2021), it is said that the presence of street vendors is one of the elements that need to be considered in the world of trade in Indonesia from time to time, especially in Makassar City. As one of the informal sectors, street vendors cannot be avoided or eliminated, street vendors themselves for a city not only as an economic function but also as a social and cultural function. The first function as an economic function, street vendors are not only seen in terms of an easy meeting place between sellers and buyers, or not just as an alternative place for easy and affordable informal employment, but more important than these things is that street vendors are the centers of concentration of capital and as a powerful vortex that determines the level of economic activity of the community.

This theory later became an inter-organizational network theory which is widely supported from various theoretical sources including the resource dependence theory which is one of the theories that underlies the inter-organizational network perspective. This theory states that to reduce by supplying resources in the environment and trying to find ways or strategies to obtain these resources. According to (Hitt et al., 2006; Parameswari & Yugandhar, 2015; Peteraf & Bergen, 2003; Schaufeli & Bakker, 2004) resource dependence on other organizations needs to be managed properly through: (1) that it must influence other organizations so that it can obtain resources, and (2) it needs to respond to the needs and demands of other organizations in environment then the level of dependence of an organization on certain resources is a function of two factors, namely how important these resources are to the survival of the organization, and the extent to which these resources are controlled by other organizations. Thus, to reduce dependence on resources controlled by other organizations through *interorganizational networks/collaborations*.

## **METHOD**

Type of research used is a case study by exploring the effectiveness and problems related to the implementation of the development of street vendors. The working procedure of this

research starts from (1) identifying policies related to the development of street vendors; (2) policies and programs for fostering street vendors that have been made by the Makassar City Government; (3) identify the agencies involved and their roles in the development of street vendors, (4) collect relevant secondary data, and collect primary data related to the implementation of the development of street vendors.

The research data was obtained from various sources of informants involved in the implementation of guidance for the utilization of street vendors, including officials or apparatus in the ranks of policy making, implementation of policies for fostering street vendors from relevant agencies within the scope of the Makassar City Government, and street vendors. Primary research data were collected through field observations by looking at the development activities of street vendors carried out by officers in the field, the responses of street vendors to the coaching policies carried out by the government. In-depth interviews with informants, namely officials who are directly related to the task of fostering street vendors, and analyzing relevant documents.

The research data were analyzed by qualitative methods, this analysis used an inductive approach which was not intended to test hypotheses. The research data were analyzed from the beginning the data was collected and carried out continuously until the end of the study, this was intended so that the shortcomings and weaknesses of the data obtained could be known. Data analysis is a systematic tracking and arrangement process for recording field observations, interview transcripts, and other materials so that researchers can present their findings. Data analysis used an interactive model from (Miles et al., 2014), namely data collection, data reduction, data presentation, and drawing conclusions and verification. All the data collected were studied intensively to ensure the validity of the data.

## **RESULT AND DISCUSSION**

Development of street vendors in Makassar City has made regulations governing its implementation in the Makassar City Regional Regulation Number 10 of 1990 concerning the Guidance of Street Vendors. This regional regulation has been enacted since 1990 or has been implemented for 30 years. However, in its implementation, there are various challenges faced by the Makassar City Government to realize it.

The forms of guidance carried out by the Makassar City government for street vendors can be in the form of coaching in the form of providing counseling or guidance, and setting up places of business so that there are no violations.

Guidance in the form of counseling is carried out to provide knowledge to street vendors related to the policies issued by the Makassar City Government related to the activities and existence of street vendors. Counseling can be in the form of socializing city government regulations such as those related to environmental cleanliness, placement of merchandise, the location of business places that are orderly and not a source of urban chaos, licensing and various city government policies.

Other forms of coaching are The empowerment of street vendors in Makassar City is carried out through coaching for empowerment such as providing business capital assistance, providing facilities for selling places, and various other business equipment. It is not only the

Makassar City Government that provides facility assistance but also companies, agencies such as the TNI, and also from non-governmental organizations.

Even though the various efforts that have been made by the Makassar City Government in developing and empowering street vendors have been carried out, the problem of handling street vendors has also never been resolved. This is a consequence of the rapid development of the city. Related to this, the management of street vendors must be handled in synergy between all components, not only between regional apparatus organizations that are directly related but also need to collaborate with other agencies such as involving the private sector.

The ineffectiveness of coaching and utilizing street vendors is caused by several aspects where the organizational network through coordination does not work well. The absence of a defined pattern of guidance that serves as a guide for all regional apparatus organizations has caused the implementation of the utilization of street vendors to not run well. The programs made by each agency have not been synergized properly. So that the pattern of guidance carried out is in accordance with the interests of the duties of each regional apparatus organization. For example, from the perspective of the Civil Service Police Unit organization that street vendors are the cause of disorder and use facilities and infrastructure cityillegally, they must be disciplined or evicted, as well as the Department of Transportation considers that street vendors are the cause of traffic congestion.

A more humane approach is taken by the Office of Cooperatives, Small and Medium Enterprises as well as the Department of Trade which provides guidance to empower street vendors. Through an organizational network approach through tight coordination and commitment to implementing existing agreements, the utilization of street vendors can be carried out properly.

## CONCLUSION

The importance of the pattern of fostering street vendors, especially during this Covid-19 Pandemic, is to empower them so that they can continue their lives in difficult times. Organizational networks through proper coordination can become a multidisciplinary approach according to their respective interests by involving all relevant stakeholders, both from the government itself and from the private sector and street vendors themselves. Through this organizational network, all existing interests can be accommodated, and the realization of efficient street vendors in the sense that street vendors are actually not citizens who burden the city government because they can create jobs for themselves and for others informally, but can be a source of income for the city government through the fees paid.

The utilization of street vendors is institutionally carried out by the sub-district office and assisted by the Makassar Satpol PP, while for the use of street vendors a centrally coordinated model is needed by the mayor so that it is structured, programmed, and integrated so that street vendors can be realized. empowered and contributed to the development of the city.

## REFERENCES

Akib, H. et al. (2016). "Perception of Civitas Academic about Blissful Service for Recipient at PostGraduate Program State University of Makassar, Indonesia,.". *Paper Presented at*

*International Conference of Public Organization (ICONPO) VI.*

- Akib, H. (2003). *Merambah Belantara Manajemen Pengetahuan*.
- AM, E. N., Affandi, A., Udobong, A., & Sarwani, S. (2020). Implementation of Human Resource Management in the Adaptation Period for New Habits. *International Journal of Educational Administration, Management, and Leadership*, 19–26.
- AP, A. L. S., & Asano, J. (2021). The Informal Sector of Cities Characteristics of Local Codes for Street Vendors as Urban Elements and Employment in Makassar. *Urban and Regional Planning Review*, 8, 85–102.
- Armstrong, M. (2006). *Strategic Human Resource Management: A Guide to Action*. Kogan Page.
- Atanasov, V., Davies, R. J., & Merrick, J. J. (2015). Financial intermediaries in the midst of market manipulation: Did they protect the fool or help the knave? *Journal of Corporate Finance*, 34, 210–234. <https://doi.org/https://doi.org/10.1016/j.jcorpfin.2015.07.011>
- Bare, R. R., Akib, H., Anshari, Haris, H., & Salam, R. (2019). International conference on public organization asia pacific society for public affairs (apspa) khon kaen province, thailand, 28-30 august 2019. *International Conference on Public Organization Asia Pacific Society for Public Affairs, August, 28–30*. file:///D:/collaborative governance/SSRN-id3497278.pdf
- Colozza, D., & Avendano, M. (2019). Urbanisation, dietary change and traditional food practices in Indonesia: A longitudinal analysis. *Social Science & Medicine*, 233, 103–112. <https://doi.org/https://doi.org/10.1016/j.socscimed.2019.06.007>
- Fallon, T., & Brinkerhoff, R. O. (1996). Framework for organizational effectiveness. *American Society for Training and Development International Conference*.
- Gassing, H., Akib, H., Makkulau, A., & Kahar, F. (2015). Human Resources Development Based On The Quality Of Working Life In The Department Of Regional Employment, Education And Training, Jenepono Regency. *International Journal of Academic Research*, 7.
- Hariyono, U. S., Sopyan, Y., Akib, H., Haris, H., Paraga, S., & Astuti, A. (2019). The Effectiveness of the Performance of Civil Servants in the Integrated Service Office in Gowa Regency. *1st International Conference on Advanced Multidisciplinary Research (ICAMR 2018)*.
- Hitt, M. A., Bierman, L., Uhlenbruck, K., & Shimizu, K. (2006). The importance of resources in the internationalization of professional service firms: The good, the bad, and the ugly. *Academy of Management Journal*, 49(6), 1137–1157.
- Hoque, M. Z., & Myrland, Ø. (2022). Consumer preference for fish safety inspection in Bangladesh. *Aquaculture*, 737911. <https://doi.org/https://doi.org/10.1016/j.aquaculture.2022.737911>
- Ismail, A., Sulur, A. H., Akib, H., & Salam, R. (2016). Snapshot of Society Social-Economic Welfare based on Human Development Index in Polewali Mandar Regency, Indonesia. *International Conference on Public Organization VI (ICONPO VI)*, 847–858.
- Lee, H., & Choi, B. (2003). Knowledge management enablers, processes, and organizational performance: An integrative view and empirical examination. *Journal of Management*

- Information Systems*, 20(1), 179–228.
- Marcus, J. B. (2013). Chapter 12 - *Global Food and Nutrition: World Food, Health and the Environment: Practical Applications for Nutrition, Food Science and Culinary Professionals* (J. B. B. T.-C. N. Marcus (ed.); pp. 545–605). Academic Press. <https://doi.org/https://doi.org/10.1016/B978-0-12-391882-6.00012-1>
- McClain, N., & Mears, A. (2012). Free to those who can afford it: The everyday affordance of privilege. *Poetics*, 40(2), 133–149. <https://doi.org/https://doi.org/10.1016/j.poetic.2012.02.003>
- Miles, M. ., Huberman, A. ., & Saldana, J. (2014). *Qualitative Data Analysis, A Methods Sourcebook* (Tjetjep Rohindi Rohidi (ed.); 3rd ed.). UI-Press.
- Parameswari, B. N., & Yugandhar, V. (2015). The Role of Human Resource Management in Organizations. *International Journal of Engineering Technology*, 3(7), 58–62.
- Peteraf, M. A., & Bergen, M. E. (2003). Scanning dynamic competitive landscapes: a market-based and resource-based framework. *Strategic Management Journal*, 24(10), 1027–1041. <https://doi.org/10.1002/smj.325>
- Prasodjo, T. (2020). Knowledge Management: Sustainable Human Resource Development in Public Sector Organizations. *Jurnal Ad'ministrare*, 6(2), 159–166. <https://doi.org/10.26858/ja.v6i2.12466>
- Prodromou, T., & Westerholm, P. J. (2022). Are high frequency traders responsible for extreme price movements? *Economic Analysis and Policy*, 73, 94–111. <https://doi.org/https://doi.org/10.1016/j.eap.2021.11.001>
- Pynes, J. E. (2008). *Human resources management for public and nonprofit organizations: A strategic approach* (Vol. 30). John Wiley & Sons.
- Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior*, 25(3), 293–315. <https://doi.org/10.1002/job.248>
- Southalan, J. (2011). What are the implications of human rights for minerals taxation? *Resources Policy*, 36(3), 214–226. <https://doi.org/https://doi.org/10.1016/j.resourpol.2011.04.003>
- Ulrich, D., Brockbank, W., Yeung, A. K., & Lake, D. G. (1995). Human resource competencies: An empirical assessment. *Human Resource Management*, 34(4), 473–495.
- Walton, B. D. C. (1999). *Twelve Heuristics of Successful Organizational Transformation*. 1–9.
- Xhoxhi, O., Pedersen, S. M., & Lind, K. M. (2018). How does the intermediaries' power affect farmers-intermediaries' trading relationship performance? *World Development Perspectives*, 10–12, 44–50. <https://doi.org/https://doi.org/10.1016/j.wdp.2018.09.004>

