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Fostering the Informal Sector In Kediri City, East Java - Indonesia

[1]Suko Susilo and [2]Sri Mulyani

[1]Islamic Institute of Tribakti, Departement of Islamic Psychology, Faculty of Dakwah, 64144, Kediri – Indonesia
[2]University of Wijaya Putra, Postgraudate Scholar Program-Management Magistrate, Administration Magistrate, 60229, Surabaya – Indonesia

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ABSTRACT

Research is framed by a major topic of informal sector. Academicians have quarreled about the growth of Street Vendors who only contribute another social problem to Kediri City. the authors attempt to bring research focus toward several phenomena of Street Vendors (SV) by reviewing the fostering effort taken by government of Kediri City. Research problem emphasized by authors is: How is the practice to foster informal sector in Kediri City? The research findings are elucidated as follows: (1) government of Kediri City has created a partnership with informal sector (Street Vendors) by establishing an association; and (2) government also provides legal protection, vending space, and capacity building through training programs and capital aids. Based on findings above, authors give some recommendations as follows: (1) A new model of development (fostering) for informal sector shall be created with a more substantive perspective; (2) the scope of association must be extended by classifying several groups based on type of merchandises sold by street vendors. Classification will facilitates the direction and coordination before policies making to restructure and to foster street vendors in Kediri City.

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INTRODUCTION

Background:

Urbanization becomes an excess because of inappropriate development strategy implemented by a nation. Regardless the positive or negative impacts of urbanization, it is an absolute case that needs management and planning within realm of economic policy. In making economic policy, community groups working at informal sector are always become target groups.

All big cities in Indonesia indeed desire the position to makes them equal to other metropolitans in world which are occupied by the wealthy population. However, big cities in Indonesia cannot close their gate from the incoming migrants from rural or other cities. The policy to close the city gate to deny the external citizen is not wise option. In other hand, letting the city to become irregular and chaotic is also not discreet at all.

Some cities in neighbor states, such as Malaysia and Taiwan, are more established and giving great concern to prosperity improvement and beautiful urban scene. Kualalumpur in Malaysia has been an ultimate city with the capacity to accommodate housing, informal sector and garage industry in proper ways. Traditionally, informal settlements are considered as slums, but Kualalumpur has converted them into a well organized residences. It is similar to what has been done by Singapore in saving the existence of Chinatown, Little India and Kampung Melayu. This action can successfully recover the image of this city-state from the previous disarray impression. Although the appearance of these settlements is still below the attractiveness of other more advancing residences, it has distinctive enchantment which may attract Singaporean or foreigners to visit. In other words, places which are before considered as slums, as usually found in suburb of Indonesian industrial districts, actually still contain a fascinate attraction that may enrich the face and nuance of city. Kediri City is also encountering this experience.

In Kediri (either Kediri Regency or Kediri City), Gudang Garam Cigarette Factory has an economic attraction that may draw visitors from other regions to come into the city. Citizens from cities around Kediri, such as from Tulungagung, Blitar, Malang, Jombang, Nganjuk, and Trenggalek, have considered Gudang Garam Cigarette Factory as the center target for the improvement of their subsistence. Big expectation is hanged around the existence of this

Corresponding Author: Suko Susilo**,** Islamic Institute of Tribakti Kediri, Jl. KH Wakhid Hasyim No. 62 Kediri- Indonesia, 64144.
Ph: 0354 777239

biggest cigarette industry in Indonesia. the long career span of this cigarette industry and also its several subsidiaries located in Kediri has provided nice job opportunity to any social classes.

The unfortunate social classes, due to their reliable education background, are still absorbed into the rough jobs such as twisting cigarette and others that may not need middle and higher education. Gudang Garam Cigarette Factory has captured almost the half of Kediri City region. Therefore, Gudang Garam Cigarette Factory can deploy huge number of rough workers only for taking care of environmental cleanliness.

Great number of workers at Gudang Garam Cigarette Factory, from the lower-level worker to top manager, brings implications to informal sector. Street Vendors are abundant and beyond control of city. Almost all streets in Kediri City are crowded with street vendors. Consequently, slums grow within city and it can deteriorate city grace if government abstains from the restructuring.

Government of Kediri City has actually watched over the presence of street vendors and considers them as the cause of city disordered scenery. Street vendors have spread on several streets such as Dhoho, Sriwijaya, Patimura, Joyoboyo, HOS Cokroaminoto, Kapten Tendean, KH Wakhid Hasyim, and Achmad Dahlan, and their presence is hardly restrained. Therefore, author attempts to understand the presence of street vendors in Kediri City. Government of Kediri City has seriously taken into account the presence of street vendors or at least does the restructuring action toward the growth of informal sector, but street vendors are still developing annoyingly and bringing along the disorder that stimulates greater anxiety. In this research, authors suggest several guides that may help government of Kediri City to determine the fostering program pattern for street vendors.

Problem:

Research is framed by a major topic about informal sector. This research insists on obtaining information about the relationship between informal sector growth and fostering strategy implemented by government of Kediri City. More specific, research problem emphasized by authors is: How is the practice of fostering informal sector in Kediri City?

Research Method:

Basically, this research captures the practice of street vendors fostering in Kediri City, East Java. The main subject of this research is government of Kediri City, respectively the Mayor and/or the Officer with equal rank. the fostering program is closely related with the phenomena of street vendors, and therefore, data of street vendors are also needed.

Data are collected by several instruments, such as: (1) interview, (2) observation, and (3) documentation. Interview is carried out to attain early description about the understanding of research subjects about the importance of street vendors fostering. Interview is conducted by authors with Kediri Mayor, Head of Regional Guardian Police Unit, and street vendors of Kediri City.

Observation is performed to confirm the result of interview to ensure that authors will obtain "honest data". Authors realize that opportunity is very low to get honest data by only relying on interview. Indeed, during interview, subjects are always giving good answer and this answer often differs with practice on field. Therefore, by observation, result of interview can be confirmed.

Documentation is a data collection technique used to afford the past. Several documents are examined by the authors to understand the past events related to street vendors phenomena in Kediri City. Mayor Decree and its rules of conduct, regulations from related Official about street vendors mapping, and some photographs of street vendors-related activities, are some documents considered as important in this research.

Good fostering is started by understanding the phenomena targeted by fostering. Therefore, this research attempts to acknowledge the understanding of research subjects about the researched phenomena. However, it is more appropriate if the collected data are firstly analyzed in manner of qualitative research. Specifically, phenomenology is determined as the analytic tool, meaning that research will analyze phenomena of street vendors in Kediri City.

Research Time:

Research was started from December 2012 to February 2013. This timing is selected because the authors have a loose schedule in this interval of three months and also because there is an increasing trend of number of street vendors between the end and the beginning of year.

Street Vendors Fostering in Kediri City:
Kediri City in Sociology Perspective:

Kediri City is the center of Moslem traditional schools where Moslem students from outside Kediri will come to learn about Islam by enrolling themselves into 13 Moslem traditional schools. There are more or less 13,976 students (Statistic Bureau of Kediri City, 2000; 75) occupied by these schools. In these schools, religious leader (Kyai) and religion educators will teach Al-Qur'an, Sunnah of Prophet Muhammad SAW, and heaven paths. If these schools are compared by the number of student and the width of complex, Pondok Pesantren Lirboyo is the biggest school. It is reasonable if the 30th Muktamar NU is organized in Lirboyo, Kediri City, in 1999.

The recognition of Kediri City as the center of Moslem traditional schools and also as a part of Javanese unity is aimed to justify and to legitimate the habit of Kediri communities to stay within a harmonic social relationship. It is consistent to

Mulder (in Antlov & Cederroth, 2001; 98) who examines the ideology of Javanese leadership and has found that Javanese deals with a conflict by emphasizing adage "the life is full of danger and thus, avoiding conflict is wise".

At same time, Kediri City has developed some attributes to make itself acknowledged as a modern city. It aligns with Browne who says that a modern city is one that features big shopping malls, restaurants, congestions, and other characteristics that create uncertain meaning and sense of loss among peoples (2001; 23).

Modernity of Kediri City cannot escape from the existence of biggest cigarette factory in Indonesia, Gudang Garam Cigarette Factory. There are about fifty thousands of workers and this number has influenced the dynamic of population economic. Indeed, economic attraction of Gudang Garam Cigarette Factory has classified Kediri City as urban city. Many workers of this factory come from other cities in Indonesia. It is not surprising to find heterogeneity in Kediri City, especially if concerning about racial diversity, faith, social class, tribe and various cultures. Physically, peoples of Kediri City live within crowd of modern city, but socially, they are solitary. Whether this social distance is due to the heterogeneity of Kediri City peoples is still questionable, but at least, cultural adage of Javanese may be hardly negligible.

The mix of modernization and Java tradition in Kediri City, with the transverse of identity spaces, has created a richness of experiences that will signify the cultural pattern. Discourses about tradition and modernization will not considered as conflicting to each other, but both are only liquid metaphors in contemporary life.

Although the *setting* of Mataram culture has grown in Kediri City, it is not directly positioned Kediri City in equal status with other regions in Ancient Mataraman Map. the liquid character of modernity and tradition boundaries in development of Kediri City has forced Mataraman concept to be differentiated into several locality characters, and thus, it produces subcultures. the question is then, "whether Kediri City subculture exists". If the material bases (job, income and social position) of recent community members are deeply reviewed, it is possible that Kediri City has grown with a specific subculture.

Cultural accumulation that accompanies the urban position in cultural discourse of Kediri City is creating a cultural construction that is not only communal, but also critical against hierarchy. It means that cultural mapping through class telescope has positioned Kediri City as great umbrella for Mataraman hierarchic culture. It is empowered by the culture of Moslem traditional school students. It is consistent to the trichotomy concept of Mojokuto Community suggested by Geertz (1966) because Kediri City is obtaining the fame in national stage as the center of Moslem traditional schools.

The modernity of Kediri City tends to deliver individualist and egalitarian cultures. Individualist culture put greater emphasis on equality of opportunity that will allow everyone to engage freely within a competitive market, while egalitarian culture requires that everyone must be treated equally. The expression "nDa" that is used for wider social strata and that has been developed for two decades, is representing a deviance manifestation or a critical posture of egalitarian culture against the dominant hierarchical culture. the later culture is a cultural legacy that stresses upon obedience to the procedural values by the primes that everyone must accept their status. the prominent feature of Mataraman culture (and also the culture of Moslem traditional schools/students) is the subservience to the hierarchy. It is not firmly determined if compared to the explicit culture of "*Arek* (people)" among Surabaya peoples, but at least, Kediri City already has a differentiator to distinguish recent Kediri City from Mataraman Culture. This difference may need deep review in future.

Brief Profile of Street Vendors in Kediri City:

Indonesia economic crisis in 1997 leads to the mushrooming of street vendors in Kediri City. Some of them come from the regions around Kediri City, but most are the indigenous peoples of Kediri City. They enter informal sector by offering higher heterogeneity of merchandises. Their merchandise type may not quite differ from those sold by street vendors in other cities, but food and beverage are the most dominant. Street vendors who sell seconds-hand goods and clothes are the next in order.

The concentration of street vendors is very obvious in several streets including Sriwijaya, Patiunus, Panglima Polim, and Sersan KKO Usman, or Dhoho. In a recent decade, Sriwijaya and Patiunus become witness the dramatic growth of street vendors who sell electronic seconds such as lamp, tape, radio, refrigerator, television, and cassette. Besides these electronic, street vendors of both streets also offer other type of seconds such as bicycle, cloth, and motorcycle and car spare parts.

Several streets in Ngadirejo and Dandangan Villages, such as Kombespol Duryat, Selowarih, Medangkamolan and Mataram, are the place where street vendors supply the daily staples. Vegetables and nine staples are dominating the section of these streets. Semampir and Balowerti Villages are also occupied by great number of street vendors who also sell daily staples.

It is not surprising if the villages above are crowded by street vendors selling daily staples. It is because Gudang Garam Cigarette Factory covers the jurisdiction of all those villages. During commuter hour, thousands of workers leave out of Factory and they are becoming the target of street vendors around

the Factory. the majority is women workers whose job is twisting the cigarette. It is the most rational reason why street vendors selling daily staples concentrate around Gudang Garam Cigarette Factory. Based on number of street vendors, KKO Usman Street is the street with the greatest number of street vendors, counted for 83 street vendors.

Outside the area Gudang Garam Cigarette Factory, Patiunus and Sriwijaya are two streets in downtown with the greatest quantity of street vendors. Patiunus Street is occupied by 141 street vendors, while Sriwijaya Street by 135 street vendors. Both streets are the center of street vendors to sell seconds. Number of street vendors in these two streets is in increasing trend.

Joyoboyo Gymnasium at Banjarmlati Village has witnessed in a recent year dramatic growth of street vendors. It is a new public space with the peak of occupation by street vendors found obviously in Saturday and Sunday. More than 248 street vendors fill into the area around gymnasium. The dominant street vendors are those who sell food and beverages with few street vendors selling kid toys.

Other place with significant presence of street vendors is Dhoho Street. At night, this street becomes the center of street vendors who sell snacks, *Pecel* rice and *Tumpeng* rice. This street is so popular at night and acknowledged by visitors from other cities as the culinary tourism site.

Public Square of Kediri City is the place where street vendors concentrate to sell foods. They occupy semi-permanent kiosks provided by government of Kediri City and they use them as the place for business and transaction. However, there are also street vendors scattering on peripheral section of Public Square, but the number is still few compared to kiosks merchants, especially during the daylight. At night, scattered street vendors exceed the number of kiosks merchants.

The ultimate data about street vendors in Kediri City are obtained from the related official, especially the Official of Industry, Trade, Mining and Energy of Kediri City. Other data of street vendors are also gained from Regional Guardian Police Unit of Kediri City.

Based on last registration (2010), number of street vendors in Kediri City is counted to 2145. This number is spread onto several streets in Kediri City. Street vendors growth cannot be separated from the existence of Gudang Garam Cigarette Factory. the Factory has economic enchantment which attracts visitors, but the limit of their personal capacity and capitalization forces them to contribute the dramatic growth of street vendors.

Mayor Decree:

Street vendors fostering in Kediri City requires government to attend several considerations as the early step for rationalization. In recent decade, increasing number of street vendors is definitely disturbing traffic, esthetic and urban scenery. the presence of street vendors has influenced environment, especially the places occupied by street vendors. Almost all peoples realize that being street vendors is everyone rights but peoples forget their obligation as the citizen who must maintain, support and develop the city into a convenient place for population to live within. Therefore, fostering of street vendors in Kediri City is supported by Mayor Decree.

Government of Kediri City conceptualizes street vendors as the sellers who operate their business at certain time using mobile and removable structures and/or equipments, and also occupying public facilities as their transaction site. Public facilities must be utilized based on Urban Spatial Order Plan.

Concerning with normative perspective, Mayor Decree is aimed to improve the welfare of street vendors and to keep public orderliness and environmental cleanliness. the direction toward this aim is made into realization by delegating the authority to Mayor or the appointed officer. This authority concerns with the restructuring of street vendors such as the determination of location for street vendors, relocation, and the prohibition of certain area from street vendors. Mayor has an authority to prohibit certain lands and public facilities from being occupied by street vendors. Buyers are also warned from having a trade or transaction with street vendors who occupy the prohibited public facilities.

Mayor Decree of Kediri City has stated that Mayor or the appointed officer is given authority to determine and to do several actions to deal with street vendors. the Decree also declares that Mayor has been authorized to determine and to arrange the number of street vendors in every predetermined location, and Mayor is in capacity to determine the type of merchandise sold and various demonstration instruments.

In favor of fostering, Mayor Decree has required every street vendor to have Business List Token (BLT) that is released by Mayor or the appointed officer. Regulations are made to control over street vendors growth. the proposals made by street vendors for BLT are not directly responded with the referral. These proposals are administratively selected to ensure the completion of documents including the enclosure of ID, recommendation from Head of District, demonstration instrument of street vendors, and some letters of statement.

Letters of statement that are needed to apply for BLT are: (1) a statement to restrain from selling illegal materials; (2) a statement to restrain from constructing permanent or semi-permanent buildings; and (3) a statement of willingness to unload or to return the business location to government of Kediri City without any requirements if the location is needed by the Government.

The schedule of BLT is only for a year. This short timing is not coincident. It is expected that short-term permit will not sufficiently stimulate someone to enter this informal sector. the acceptor of BLT must still obey some rules to minimize the risk of disorder.

The holder of BLT Card has several requirements to be met. Mandates of keeping the cleanliness, beauty, orderliness and security, and also maintaining environmental health around business area shall be the obligations obeyed by street vendors. BLT Card holders also shall not use their business site as the shelter. Any deviations from these mandates will cause the revocation of BLT Card. A logical consequence of this revocation is that subjected holder is not allowed to work as street vendor.

In order to develop street vendors business, Mayor is required to give a fostering program, including guidance and counseling about: (1) how to get and improve capitalization; (2) how to increase the quality of demonstration instruments and traded materials; (3) how to develop cleanliness of environment and traded materials; and (4) the importance of obedience to any regulations made by government of Kediri City.

On behalf of supervision, Mayor Decree is considering Regional Guardian Police Unit as an institution or a working unit with authority to implement the Decree.

Discussion of Research:

In fostering of informal sector, participation of informal sector plays important role as the most effective driver of fostering. Following is concrete steps that may be taken for fostering:

1. The improvement of managerial and technical skills is aimed for subsistence and employment.
2. Capitalization may source from banking, such as secondary bank, or even from national or local budgets.
3. Related to marketing, formal sector is expected to absorb the production of informal sector. the location of informal sector in urban order plan may be extended.
4. Still concerned to marketing, fostering of street vendors may involve pre-cooperative, cooperative, and non-cooperative methods.

The information obtained has shown that fostering considers different perspective of timing, including short-term, middle-term and long-term.

(1) Short-Term Policies

Informal sector can absorb the workers who fail entering formal sector. It is a potential sector to be a temporary batch but it needs the well managed control system. Training for specific and technical skills may be given to improve the quality of street vendors. Although informal sector is a temporary, workers in this sector shall be equipped with non-formal education in several fields such as organization, management, administration and others, in order to improve their subsistence and income.

(2) Middle-Term Policies

Recent modern business world is familiar with the wide usage of credit card. the relationship between traders and customers (buyers) at informal sector is traditionally featuring a glance or labile encounter. A prerequisite for the development of industrialization is the presence of institutional framework, that consisting of rules and values, aimed to generate the intricacies of working humans and their proud to the result of their work. Honesty in serving customers (buyers) must be a major principle advocated by all members of market institution (sellers and buyers). Appropriate institutionalization for informal sector is the presence of cooperatives. the founding of cooperatives is consistent to Article 33 of National Constitution. Those cooperatives which the member comes from informal sector workers can provide an integrated credit system, including capitalization of production, which can also be connected to the procurement and marketing of informal sector production.

(3) Long-Term Policies

Although short-term and middle-term policies for informal sector are meaningfully enough to absorb the workers who cannot enter formal sector, this success cannot warrant for healthy growth at long-term. Any resolutions that made through legal paths, which actually aimed to protect job opportunity and to produce many employments, may slow down the growth pace.

Such problem solving above may be wrong. Long-term policies may plan to use worker surplus in city to deploy them into activities that need few capitals but help giving positive impact by increasing output and economic productivity. Such activities are usually public works in urban and rural areas, such as road construction, irrigation channel, flood embankment, and others. All of these are activities that require organizational supervision, which this supervision can only be conducted by the government. Such method is one of important solutions to solve mass unemployment and it is not contrasting with the growth goal of economic field.

Hidayat provides recommendations as follows. *First,* many business units in informal sector do not have business permit and therefore, are not registered with the institutions of data collection, such as Census and Statistic Office, Bappeko, Official of Industry and Official of Workers. Consequently, governments, including central and provincial, cannot afford to help the economically unfortunate groups because governmental aids (such as IK, IKI Candak Kulak, Bank Pasar) are hardly reaching these groups in informal sector. Because informal sector is an integral part of urban and regional economics, any efforts to help informal sector workers will empower job opportunity and help the distribution of family

income throughout the city. the distribution of income through informal sector may be cheaper because informal sector is more work intensive than formal sector.

Second, fifty percents of workforces have worked in informal sector. However, informal sector is rarely touched by governmental aids or programs for those with economically unfortunate. Therefore, informal sector workers are not accepting protection or treatment as their colleagues in formal sector (such as eligible for ASTEK, hygiene standard). Dealing with this problem, a permanent organization may be established in urban and regional levels to ensure the development of informal sector.

Third, what is usually claimed by informal sector is lacking of work capital. It is expected that bank credits can be channeled into informal sector. However, business units in informal sector are always small in scale and without registration, and therefore, it is difficult for the banks to make credit referral to informal sector. It is then suggested that banks may use third party to act as the broker in making credit referral from the banks to informal sector (there are many brokers such as KADIN, Managerial Organization, and others). However, this action remains within transition period until the permanent official is founded in Government of Kediri City.

Fourth, different sub-contract system can be given between informal sector and formal sector, especially at certain area such as Processing Industry and Building Sub-Sector. This sub-contract system is more work intensive than vertical integration system. Therefore, through BPKM Pusat and BPKM Daerah, an experiment can be conducted in companies which aged about few years after setup, where these companies are required to make sub-contract with small business units. This system may accelerate diffusion of technology (especially imported technology) to various businesses and also empower economic protection. Informal sector is a form of imbalance of economic protection by government which business units at formal sector are more privileged. the development of informal sector will require import barrier for the commodities bought by economically unfortunate groups (including sundries) and the limited commodities must be replaced with the domestic product from work-intensive industry. Sundries industry may use sub-contract system between business units at formal sector and informal sector. An interaction between both sectors can be developed by reorienting strategy of selecting industrial location toward rural areas by prioritizing the site where local materials are provided

Fifth, there are six aspects of employment such as: (a) fostering, (b) utilization, (c) protection, (d) treatment, (e) distribution, and (f) organization. This package of aspects shall be understood by the approach of "fulfilling basic needs" because informal sector has functions of social and economic. Its economic function is related to the fact that informal sector gives *valued-added* to national income, while the social function is being "*employer of last resort*".

Last, we must be brave enough to keep aside our Western thought because this mindset has greatly influenced the policymakers in many developing countries. It seems too naïve if the ideal of community aspiration must be sacrificed in favor of pursuing merely economic goals.

Closure:

Conclusion:

Street vendors fostering is a matter of redefining them into productive sellers with the capacity to contribute the economic of region and city. Kediri City government has indeed conducted the fostering program for street vendors by creating a partnership between informal sector (street vendors) and government. This fostering is aimed to motivate street vendors to develop their business, giving them direction about the importance of management, and therefore, expecting them to manage their business into more advancing enterprise.

High motivation and good management may improve the performance of street vendors business. It is expected that higher performance of street vendors business and higher welfare they can get will motivate other communities to follow the example or at least to produce better planning for their business. Better job opportunity at informal sector will in turn reduce unemployment rate that always increases every year.

The important aspects of informal sector development that must be attended in fostering program for street vendors are follows:

1. The protection of Government of Kediri City for street vendors from the problems such as illegal retribution, extortion, and others unfavorable treatments.
2. The fostering shall not eliminate the creativity of street vendors because it is the distinctive marker of their presence.
3. Street vendors is allowed at certain places and certain times but with reliable lights and cleanliness structures.
4. Strategies and policies for development of street vendors can involve legal protection and business space, capacity building and potential development. These three developmental actions must be synergic, interrelated and supporting to each other to ensure the reliable improvement of street vendors.
5. Legal protection and business space are possibly given but depending on goodwill of Kediri City Government. Capacity building of street vendors can be given through training programs. Potential development is measured from motivation and managerial competence of street vendors.

Recommendation:

Based on explanation above, some recommendations are given to informal sector communities, especially about perspective change, policy making and managerial model. Most of recommendations are concerned with macro environment. Authors believe that problems at informal sector are not because "technical incompetence" from informal sector actors, but it is because structural mistake committed by government to protect the interest of few groups in community who are privileged with access, thus forcing government to impose less popular policies. These recommendations are stated below.

First, informal sector policies must be proportional, meaning that it provides room of maneuver for informal sector as the economic entity despite its strengths and weaknesses. Policies that stay against informal sector can be a boomerang for government of city that may disturb economical, social and political realms. In economic perspective, informal sector isolation may mean "poverty generalization" in Kediri City. From political viewpoint, informal sector marginalization may mean accelerating the instability of economical, social and political realms itself.

Second, informal sector presence in Kediri City emanates from structural problem. Governmental policies tend to develop modern sectors but disregarding community sectors. The unfavorable fact is that these modern sectors are failed to keep their promises. Now, development strategies must be changed by giving same opportunity to every economic actor who insists on creating business activity. Extra support should be given to informal sector that is previously abandoned, weak and exterminated from getting its natural development.

Third, informal sector communities must be given room of maneuver to keep them self-organized into some associations. Association of Street Vendors has been founded in Kediri City. It seems better if this association is extending its membership to consider the type of merchandises sold by street vendors. This association presence is very important for informal sector and government of Kediri City. For informal sector, this association helps to build emotional binding between street vendors, and it also provides a structure of business cooperation and at least the insight of *entrepreneurship*. For government of Kediri City, well-ordered organization can facilitate the retrieval of data about the presence of informal sector, especially the number of business and its business type. Through self-organization, informal sector aspiration may be channeled in procedural manner through the selected representative, not through strike. It helps to create good understanding of politic that in turn may reduce further social fluctuation.

Fourth, creating a new development (fostering) model for informal sector in more substantive viewpoint is also important. the existing fostering model is still technical which emphasizes on distribution of capital, improvement of skill, referral of finance, and the formalization of business. In future, model of development and fostering shall be focused upon opening of economical access and the supervision over products with good marketing potentials. the differentiation of product shall be related to local characteristics, such as tourism place and local art history.

Finally, selected perspective above may be the alternative measure to cope the general habit or uniform inclination among policymakers in managing informal sector communities. The existing habit is not only wrong but also not fair. However, this alternative perspective is still a tentative thought which the validity remains debatable. But, at least, it is fundamental response to the rigidity of our current perspectives in seeing the truth behind the environment. For authors, how government perceives about informal sector and how informal sector actors respond this perception are the miniature of a relationship pattern between state and people during New Order era, which is featured by the absolute hegemony of state versus the people who never know how to deal with the state.

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