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## Development of Empowerment Strategy for Street Food Traders Based on Community in Purwokerto City

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### ABSTRACT

There has been a "process of poisoning" between villages and towns. The city poisoned the villages with industrial products that resulted in a decline in the purchasing power of the people due to the exchange rate of agricultural products is not comparable with the results of industry, on the contrary, the village poisoned the city with urbanization and unemployment. The statement contains the truth even though it is not entirely true. It can be seen, many of our citizens with mediocre capital but they can survive in the city. They become street food vendors that are rife in several big cities and middle cities. One of them located the City of Purwokerto. This study aims to find the problems and solutions faced by street food vendors and also find strategies that have been implemented in connection with street food traders as for empowering them. This research found that the problems faced by food vendors are generally four: first, working capital. Many traders claim the reason is they cannot improve their business responsibly is because of their small capital. Second, the problem of work skills. Third, concerns the capacity of their small and fourth-scale business they generally do not have business networking. Besides, there are several strategies that they have developed. One of the things they do most often is to package their products to make savings, such as modifying their products, reducing the quality of the served food. In the latter case, they reluctant if the product to be stated not qualified.

**Keywords:** Agricultural Products, Networking, Unemployment.

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### 1. Introduction

It has become a general postulate in social analysis, that rural-urban social disparity due to inequality of relations between regions is increasingly implicated in society. Schumacher (1973) called it a process of poisoning between villages and towns. There is one sample case about an old peasant called Kromo who decided to retire and passed his farming land to his four children. It is a usual concept that called partible inheritance which happened in most of rural areas. While Kromo's land size is only about

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500 meter<sup>2</sup>, this made each of his children only got a small portion of it, about 125 meter<sup>2</sup> each. Since this land couldn't support Kromo's children welfare, they decided to join the urbanization life. Unfortunately, life in the city is not easy, while most of them decided to become street vendors but the business competition are way too much for them to handle. In the other hand most of Kromo's children also started to sell their land in the villages to investor from the city. That is one of the example about how the city poisoned villages with industrial products that resulted in a decline in people's purchasing power because the exchange rate of agricultural products is not comparable with industrial output.

Otherwise, the village poisoned the city with urbanization and unemployment. Inevitably, the social buffer and safety for the underprivileged both in urban and peri-urban areas internally are becoming increasingly deteriorating and threatening social inequalities. Many of the rural and urban people are trying to survive such conditions by becoming informal traders. It should be pointed out here, that the informal sector includes an effort that needs to be developed in order to reduce the pressure of national problems, especially unemployment in the productive age. The provision of job opportunities in the informal sector for all citizens is functioning to increase the income as well as the welfare of the population.

From various productive activities managed by the community, the informal sector business includes the efforts of various types of food and beverages that are managed around the street food environment (including street food) including the preferred choice. This is due to the strategic location of this activity which is usually in the heart of the city of a region. The informal sector does have two sides. On the one hand, this sector is often used as a cause of traffic congestion, disruption and damage the environmental sanitation. On the other hand, the informal sector becomes the safeguard for many people's survival.

Based on the research results conducted by Syafardi (2012), it was revealed that the characteristic differences were found in the five-time traders in Padang City from the aspect origin, sex, age, marital status, residence status, number of family dependents, duration of trade, amount of savings per day, source of capital and formal education. Maloney (2004) mentioned that advantages of the flexibility for women for carrying it. Alatas and New House (2010), the policy couldn't show the capability and not have "sense of crisis". Hilal (2013) stated the limitation of policy support made traders haven't convenient yet. Moreover, Sikwan, et.al (2014) concluded that the government policy is still full pay attention to the informal traders and not fully pro-poor. There is a problem in order to integrate between macro and the micro-economy that until now has not been solved. This condition is almost happening in all places, especially in developing countries. According to De Soto (2000), globalization cannot connect small entrepreneurs who are poor to large entrepreneurs. De Soto (1989) sees the informal economy as an extra-legal sector rather than the time of nature as informal. He proposed the concept of "granting property right" to disenfranchised poor. They are not able to manage their assets. De Soto (2000) stated that informal sectors not rely on the government for raising their capacity.

The typology of poultry business managed by fruit traders has its own characteristics when analyzed from aspects of: merchandise, concentration, ownership of business facilities, time of trade, business scale and income. While some merchant activities sometimes cause social, environmental and health problems, this type of productive activity excels in absorbing mass labor. Therefore, empowerment of street food vendors including those located in Purwokerto City is an urgent matter to increase productive employment guarantee for various community members.

The process of empowering street food traders in Purwokerto City is interesting to be studied intensively. Generally, the business location is concentrated in several strategic areas with marked level of high consumer crowd. The traders tend to group in managing the business with various types of food and beverages such as those found around the environment Satria Sports's Building and around the Campus Area UNSOED Purwokerto.

Recently, street food business area in GOR Satria and Campus Area UNSOED has developed into a culinary tourism area, which of course contributes significantly to Banyumas Regency's revenue. Several matters related to the street food traders empowerment pattern in Purwokerto City need to be researched to provide information and policy solution to solve some social, economic, health and environmental problems related to the achievement of sustainable and environmentally friendly development goals. Efforts to empower food traders in the informal sector are an important part of their

efforts to prosper. This is the essential thing and also is a part of uniqueness of this research. Without significant social protection which means their fate is questionable.

Therefore, further study about the food traders in Purwokerto need to be done. Additionally, this study aims to analyze: 1) the characteristic of street vendors and categorized them based on the their enterprises. 2) Several problems and solutions that street vendors have to face. 3) Strategies of each street vendors to empower other street vendors, and 4) The strength and weakness of the strategies that have been tried to overcome their problems.

## 2. Methodology

The research location is purposively determined at Purwokerto City, Central Java Province. The research location is selected based on consideration it grew the food street traders agregately as main earning for living. The types of data collecteed consist of primary and secondary data. The data are collected through in-depth interview, observation, and secondary data analysis. The research population covers the entire street food traders in GOR (Spot Center) and its vicinity, as far as Boenyamin Road, Sumampir and Dr. Suparno Street. The informant data sources are taken with a purposive technique fulfilling the criteria as street food traders who work on that's location. This research use the etic and the emic approaches. The quantative data are analyzed by utilizing simple statistical tabulation, scoring, and percentage. Data analysed with SPSS for getting the basic information (social characteristic of traders). Qualitative data analysed by categorize and interpretate for searching new invention and theory of empowerment.

## 3. Result and discussion

To be able to observe specifically about food vendors in Purwokerto, it is necessary to look at the underlying characteristics of their overall behavior. Whether it viewed from the education sector, sales turnover per day, long trade, location and also sex of the workers in this sector. It is necessary to know the whole picture and thorough in order to discuss Food Traders are not wrong perception, but actually get the opposite. Figure 1 shows the turnover of the merchant. The majority of traders or about 43% can pocket income Rp 100 to 200 thousand per day. The amount is not too big. In general, small traders with limited capital, but there are 24% of traders who can have income Rp 300.000 and above. If their income is made on average per month, then they can earn 3 to 5 million. Of course there are those who do not trade every day, because of the various domestic needs (for instance: attending a celebration, visiting the sick, mourning, escorting school children outside the city and so on).

Based on the informants' level of education, it is revealed that the majority of them are having an elementary school (40%), then junior high (37%) and senior high school (13%), etc (7%) and bachelor (3%). For more details, it can be read in Figure 2 below. Without junior high school. Of course, creative economic thinking has not yet penetrated deeply into their techniques and strategies in the endeavor, but from the observations of those with low education, it has a high level of enthusiasm and independence. They are willing to climb even harder lives with higher levels of difficulty. They are well aware that getting into the formal sector is certainly not an easy task. The informal sector as street food traders is one of the options.

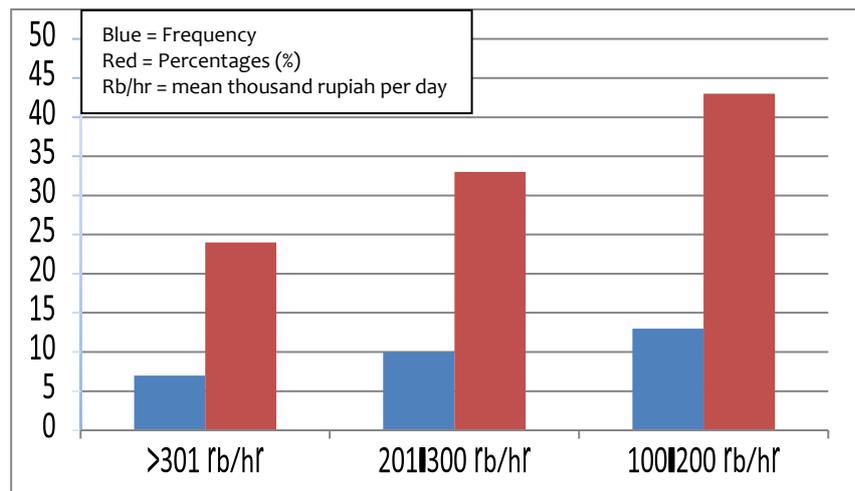


Figure 1: Characteristic of traders based on income

Based on display of data, it is indicated that the capital they use is still very low, its capital is below IDR 100,000 in one day as much as 57%, some are capitalized IDR 101,000 up to IDR 200,000 (23%) and the remaining capital is more than IDR 201.000. Thus it is revealed that their capital is relatively small for a trader. Of course, if their business profits can be estimated from their capital.

Another characteristic of food vendors in four locations in Purwokerto is that most are not permanent traders in a location. Those with a fixed location of only the remaining 27% are merchants whose locations are not fixed. Of course this is one of the problems for food vendors on the street. Places that often move is an obstacle to their trading business. This condition indicates the insecurity that have been felt by the food vendors because their place of sale can change their status. The majority of them (73%) feel they do not have a fixed place yet. Surely they actually crave a strategic place and settle but they can't do anything but to accept a dynamic and mobile conditions. To be more accurate, it can be observed in Figure 4 below.

According to the selling experiences, they have long time experience in the trade. As many as 17% have been selling foods in two up to four years. The study found that approximately 47% have a long time as a merchant. It practically shows that their trade

are able to be a reliable alternative to sustain their family's life. Other findings that need to be paid attention to is the amount of labor that altered they job from the agricultural sector into the informal sector business is also quite large, which is about 37%. This trend shows there are attractiveness of small towns to build their own small businesses. Evers (2015) has been studied about the future of the city for a long time. Almost all traders are comfortable with their profession. It can be traced and scrutinized from the number of traders who can last more than four years. The presence of new traders and the floating future of the city put together by Evers (2015) that shows the attractiveness of the city that need to look out forwards. Especially with the plan of new facilities, including new tourist destinations,

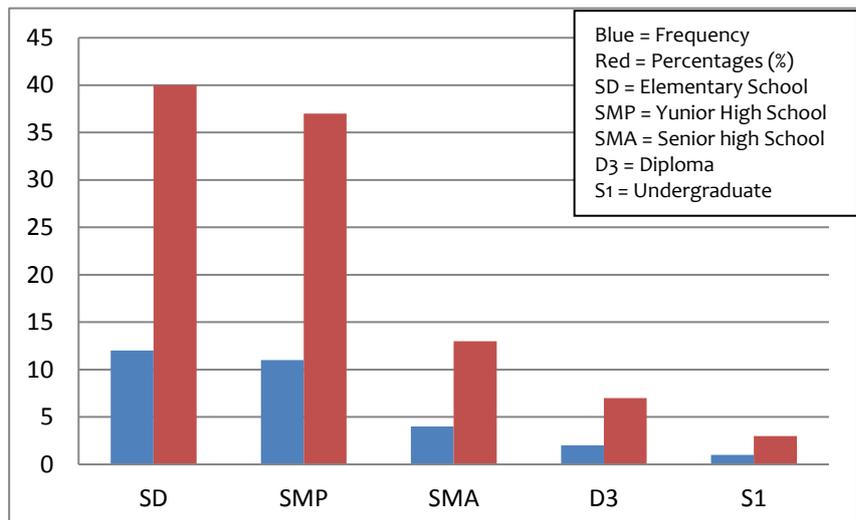


Figure 2: Characteristic of traders based on level of education

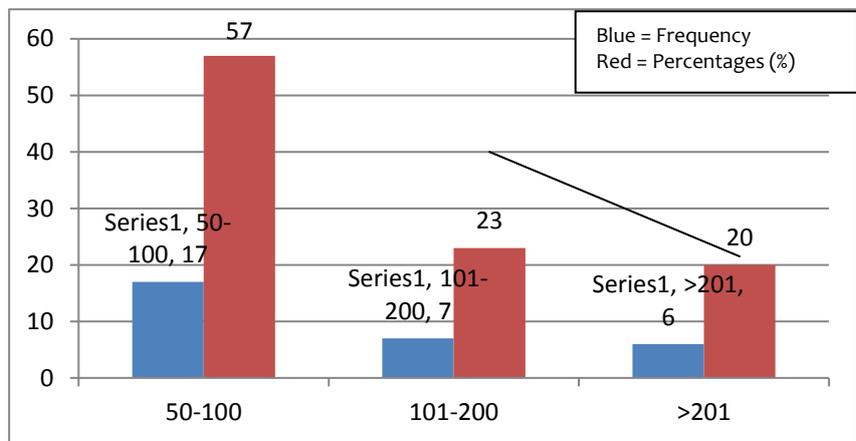


Figure 3: Traders' capital (IDR/day)

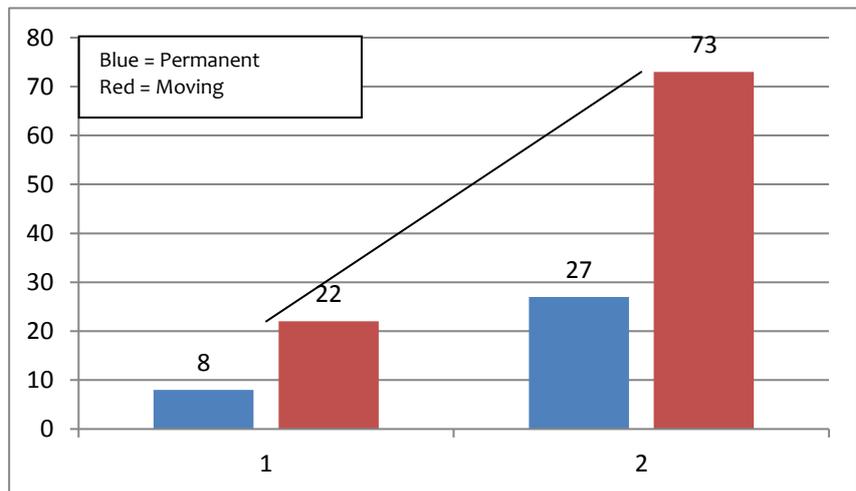


Figure 4: Characteristic of traders' based on the selling place

universities and shortly Airport General Soedirman will be the trigger of the strong power of the city of Purwokerto. To be more clearly, it can be seen from Figure 5 below.

The problem faced by food vendors is generally when asked at least there are 4 answers. First, working capital. Many merchants claim why they can not grow their business responsibly casually is because of their small capital. Second, the problem of work skills, Third, concerns the capacity of their small and fourth-scale business they generally do not have networking business (networking). The results showed that the lack of skills was ranked second in the business problem of food vendors. The author thinks that this second

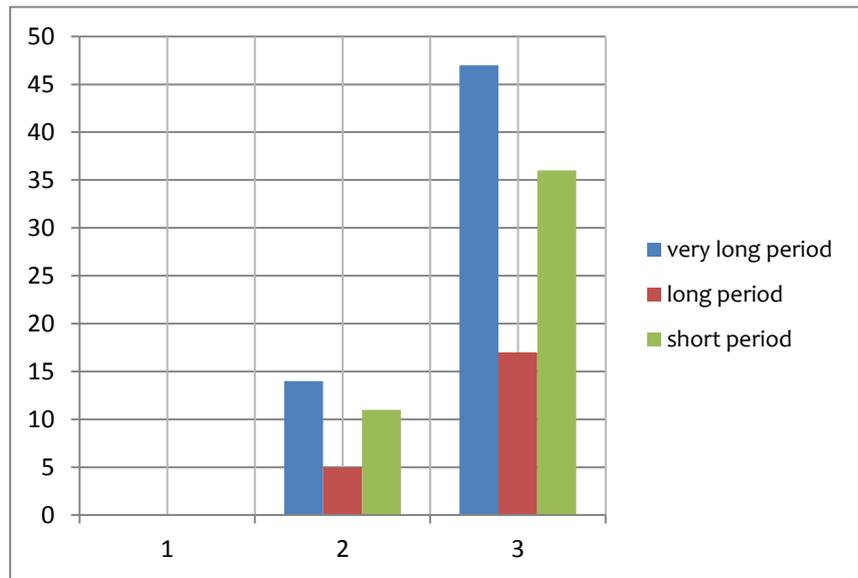


Figure 5: Characteristic of traders based on the trading experience

rank seems to be the main problem for them plus the low experience in the food business, so they have not been able to flap their business wings. Sociologically, it is not the case, why they can survive for so long and why they can still pursue business as food pengajaja. One answer is that they can ride meals for daily needs. The complete problems they face are listed and can be examined in Figure 06 below.

This fact turns out to become a challenge for the Training Agency and governments, non-governmental organizations and economic observers of small businesses to encourage street vendors to continue to empower themselves. Although there are many parties already took attempts to continue making the existence of this merchant in a better form, but if it observed they are still relatively stagnant, slow progress and just stuck in the same condition. Evers (2015) calls it an urban involution. This incident is close to the pattern of income and consumption and the opportunity to save that is not much done by the merchant, so that any income difficult to invest into the business sector that they have done. Especially to other sectors almost certainly did not happened.

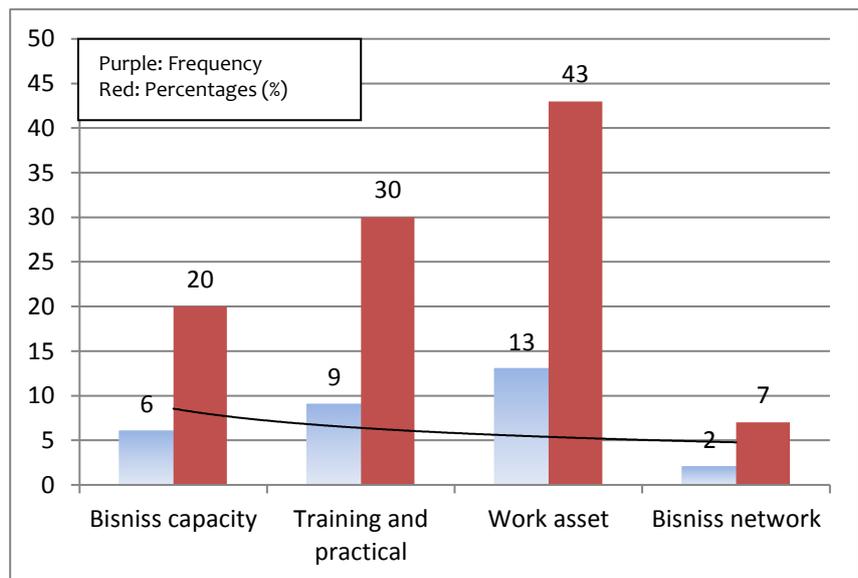


Figure 6: Several problems of food vendors

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### 3.1 Strategies faced by food traders (street foods) in the crisis

Some forms of social adaptation have to face various pressures and circumstances which make them resistant to various circumstances. Including when they have to make difficult decisions amid the flow of consumption and lifestyle that envelop them. Figure 07 below illustrates some of the strategies they have developed. One of the things they do most often is to package their products to make savings, such as modifying their products, but they argue that it is said to reduce the quality of the food served. Instead, they keep trying to maintain the quality of the product.

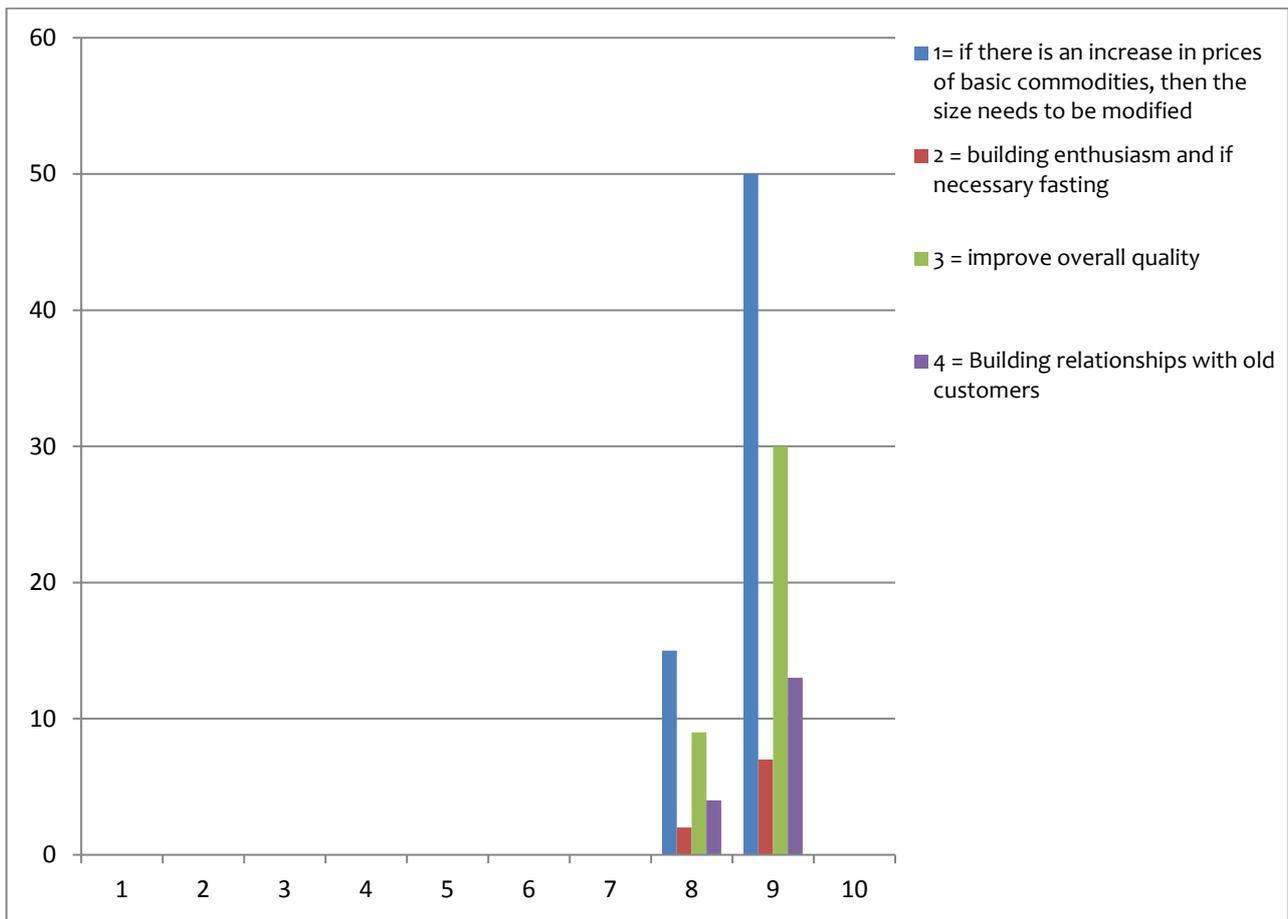


Figure 7: Strategy used by street vendors to face the business crisis  
Source: Primary Data (analyzed) in 2017

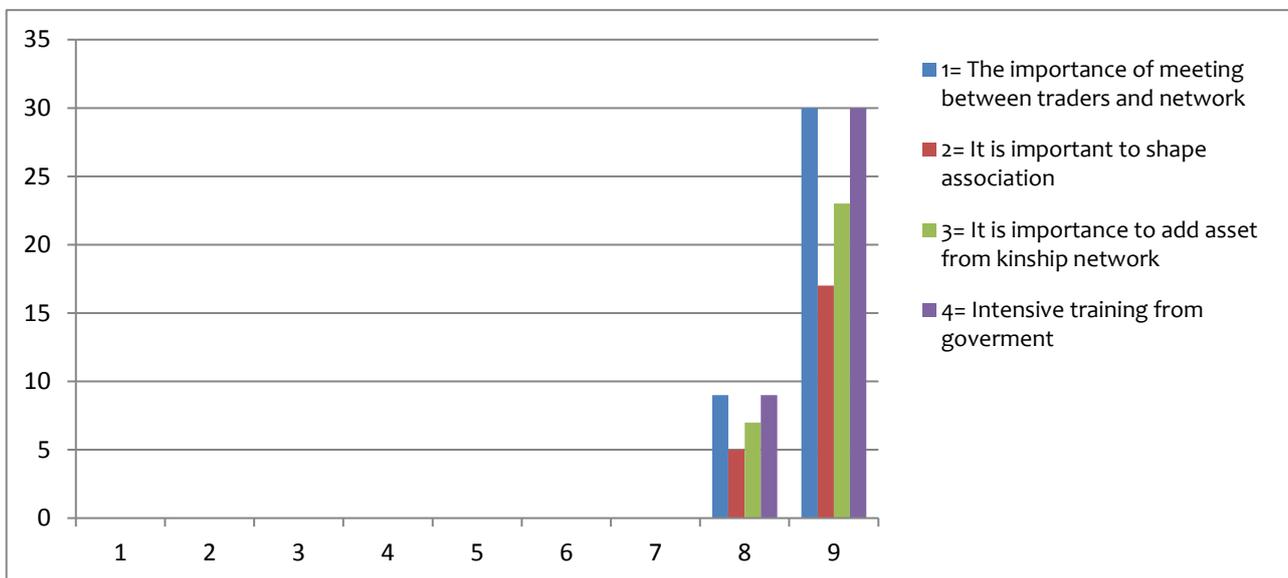


Figure 8: Solutions to Empower the Street Vendors  
Source: Primary Data (analyzed) in 2017

The empowerment of street food traders in GOR Satria area around the campus of Unsoed Karangwangkal, Grendeng and surrounding areas have such pattern aim to strengthening business capital, entrepreneurship, processing technology, food safety, marketing security, business management, business group cooperation, outside (local government) and local residents and structuring the location of street food businesses that meet the aesthetics of comfort, beauty, order and security. Strengthening some of these things can not be implemented alone by the merchant but requires an integrated cooperation with several related parties. According to respondents' information, some of

the things that need to be strengthened and the most important to realized is to fulfill the capital adequacy of the business. In addition to meet the adequacy of venture capital, strengthening is also urgent on matters relating to the problem of maintaining and developing the security of marketing. Sociological strengthening solution to the position of food vendors is the importance of regular meetings among traders to build networks. One of them for example is in the procurement of raw materials with competitive prices. In addition, a solid merchant community should also be formed. This is beneficial to give the power of bargaining against outside pressures. Included in this context is the emergence of thuggery in the allocation of merchant placement. Another interesting thing is that loans through formal institutions (banks and / or other urban releases) are increasingly burdensome to their position. They agreed to have interest-free loans. A more detailed description of the category of Figure 08 below.

#### 4. Conclusion

Characteristics of street food traders in Satria Sport's Center, Karangwangkal, Grendeng and its surrounding areas show certain conditions in terms of: gender, age, formal education, work experience, income level per day / month. Based on the results of the research, it can be noted that there is a tendency of respondents are generally male gender with adult age range (17-55). In addition, the level of formal education is concentrated in the medium or equivalent category of junior high school and senior high school. Work experience of majority respondents belong to relatively old category that is > 4 years. Another characteristic shows that respondents tend to earn high income from street food business (> IDR 1,500,000). This is already higher than the limit of standard of wage specifically in District of Banyumas. However, every month respondents also tend to spend relatively high cost (> IDR 1,500,000). The problem faced by food vendors are these four following points: first, working capital. Many merchants claim why they can not grow their business responsibly because of their small capital. Second, the problem of work skills. Third, concerns the capacity of their small and fourth-scale business they generally do not have networking business. There are several strategies that they have developed. One of the things they do most often is to package their products to make savings, such as modifying their products, but they argue that it is said to reduce the quality of the food served. They keep trying to maintain the quality of the product. Suggestions that can be conveyed for the strengthening of food vendors sociologically, that is for peddler traders more empowered and the position of food vendors that the importance of regular meetings among traders to build a network. One of them for instance, in the procurement of raw materials with competitive prices. In addition, a solid merchant community should also be formed. This is aims to strengthen bargaining against outside pressures. Included in this context is the emergence of thuggery in the allocation of merchant placement. Another interesting thing is that loans through formal institutions (banks and / or other urban releases) are increasingly burden some to their position. Food vendors demand the first two things, they don't want to be bothered by location problems. Secondly they are often accused of selling unhealthy food. In this context they want the government's concern to organize food sanitation training. Therefore, the advice given to policy makers is that they seek structuring street vendors based on merchant communities and secondly hold sustainable food sanitation training.

#### 5. Acknowledgements

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