

THE IMPACT OF EMPOWERMENT OF WELFARE IN STREET VENDORS ENTREPREUNERSHIP : EVIDENCE FROM URBAN INFORMAL SECTOR IN EAST FLOOD CANAL (BKT) JAKARTA

Beti Nurbaiti, University of Bhayangkara Jakarta Raya, email : bettysigit@gmail.com

ABSTRACT: The purpose of this study is to look at the impact of empowerment on welfare of migrant workers / traders who are the informal sector in the flood area of the eastern canal (BKT) of Jakarta. Migrant workers / traders who act as respondent of research in urban areas in the informal sector are able to survive to improve their welfare through Empowerment. The support of Empowerment which are sub dimensions of social capital variables. The results showed that there wasn't a significant correlation between empowerment on Welfare of migrant workers / traders. *Keyword : Urban Informal Sector, Empowerment, Welfare, East Flood Canal.*

I. INTRODUCTION

One of the central areas of a group of street vendors that are quite famous in Jakarta is in the flood of the eastern canal and often abbreviated as BKT as urban informal sector. Always crowded with visitors on weekdays and holidays, providing snacks and food even clothes, watches, tire patches and other daily necessities at affordable prices, also a place to hang out of all ages. Based on the phenomenon mentioned above, the researcher is interested in conducting further surveys about empowerment applied by migrant workers / traders and want to find out more about its effect on the welfare of migrant workers / traders in BKT as an urban informal sector.

II. CONCEPTUAL OVERVIEW

Migration from rural to urban is one of one's efforts to improve his standard of living (Handiyatmo (2009), (Bappenas 2009), and not only affects the population size of an area, but also has a significant influence on the socioeconomic aspects (Chotib and Nurbaiti, 2018). The city promises a better life than a village (Nurbaiti, 2017) and (Schoonjans et all, 2013). In principle, business can develop in areas with more population, and have purchasing power (Horiuchi et all, 2013), Beegle et all (2011), and (Horiuchi, and Takahashi, 2016). The informal sector is a dynamic sector, continues to grow and is always able to adapt to the development of the economic climate (ILO, 2012), also suitable for sale according to community needs (Chen, 2012). The informal sector answers this as a form of adaptation from oversupply of labor that is not absorbed by the market (Morris, 2011), has flexibility in carrying out entrepreneurial activities even for beginners (Priyono, 2015). Street vendors or those engaged in the informal sector often receive discrimination as small people (Gibbing, 2016), because of that, they usually form their own groups to overcome capital (Kwok and Leung, 2017), financial problems among them as small people based on mutual cooperation. Street vendors as migrant workers can be survive in relationships by maintaining interpersonal relationships, friendship and close family ties which is often called social capital (Walsh and Isabel, 2016).

According to Narayan and Michael (2014), social capital is included in 3 groups: (1) the input dimension, which includes group and network as well as trust and solidarity; (2) operational dimension, which includes collective action and cooperation as well as information and communication, and (3) implementation dimension which includes social cohesion and inclusion and empowerment. Empowering street vendors is carried out with an ethnic / cultural approach, and kinship or group (Mensah, 2016). According to Alatartseva and Barysheva (2015) welfare is measured in two aspects, namely (1) the objective aspect, where in this case welfare is measured through material and (2) subjective aspects, where welfare is the internal experience of each individual other than material. Objective aspects include: income or income, wealth, expenditure /

consumption, living conditions, and education, health, while the subjective aspects include psychological, social and spiritual well-being. Subjective aspects are generally related to one's ability to have a balanced lifestyle, to have interpersonal relationships, social networks and community support, as well as to have a relationship with God and good worship.

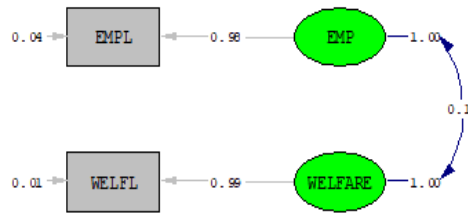
III. RESEARCH METHODOLOGY

The study was conducted for one month from mid-July to mid-August 2019 in the BKT Jakarta area by taking primary data using a questionnaire instrument from 300 respondents. When taking primary data, researchers also conducted with respondents randomly. The results of the field data were processed with Lisrel software. This processed carried out through 3 (three) stages, namely: (1) Test the measurement model that includes the Goodness of Fit test, validity and reliability test. For the fit test can be seen in the Goodness Of Fit Index (GOFI) table where there are 9 indicators to show a good match (RMSEA, NFI, NNFI, CFI, IFI, RFI, Standardized RMR, GFI and AGFI). For the match above, both (Perfect Fit) contains degree of freedom = 0, minimum fit function chi-square = 0. For the validity test can be seen from the Standardized Loading Factor (SLF) value ≥ 0.50 , and the reliability test is said to be good if the Construct Reliability value (CR) ≥ 0.70 , and Variance Extract (VE) ≥ 0.50 . For further, (2) Confirmatory Factor Analysis (CFA) Test, which tests all latent variables processed and simplified by calculating Latent Variable Score (LVS) and the last one is (3) Structural model test (hypothesis test), test the research hypothesis, if the absolute t value score ≥ 1.96 , then the hypothesis is accepted, whereas if it is not rejected. For the standard coefficient value on the structural model test, it shows the strength of influence between two latent variables (Wijanto, 2008).

IV. RESULTS AND DISCUSSION

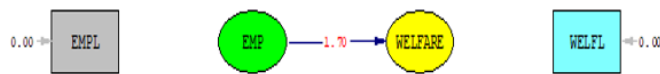
The observed variable was valid and represented the perception of respondents namely EMP2 with the statement every business has a risk of failure and will not give up before success. The statistic result has perfect fit (contains degree of freedom = 0, minimum fit function chi-square = 0), good validity and reliability (CR = 0.96, VE = 0.96). In this case, the street vendors have realized that in running a business there are challenges and obstacles. Although they are passionate about trying as an entrepreneur, in general they have difficulty in limited access to capital market information and skills training in product diversification. As long as the empowerment process is not optimal, street vendors cannot feel the impact on improving their welfare. The migrant traders in BKT based on the results of interviews stated that they gained knowledge about how to start and run a trading business in a group that is still related by family, or one of their hometown colleagues. The kinship factor makes them feel more comfortable and believes that the skills assistance, capital assistance will be smooth because they have known each other long before. This continues to be done from generation to generation to form a trade group in BKT. This is in line with research by Utami (2010), (Shami et al, 2018), (Um, 2012), (Boerry, 2016), Morais et al (2016), (Kwok and Leung, 2015) and (Sabri 2015)

The observed variable were valid and represented the perception of respondents for latent welfare variables (WELF) namely : (1) welfare is primarily to have a place to live that is protected from heat and rain (WELF6), (2) has time to worship and explore religious knowledge (WELF4) and (3) is able to consume healthy foods perfectly or healthy and nutritious food (WELF2). The statistic result has perfect fit (contains degree of freedom = 0, minimum fit function chi-square = 0), good validity and reliability (CR = 0.73, VE = 0.50). Meeting nutrition is felt to be far more important than having to go to a doctor or hospital. These three things are considered more priority compared to the time of friendship with family / relatives, as well as time to improve trading skills. This finding is in line with research conducted by Schueller and Seligman (2016), (Alatartseva and Barysheva, 2015), where welfare is measured by income marked by decent living conditions, and nutrition fulfillment. In theory, there is objective welfare (material) and subjective well-being (non-material).



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Figure 4.1 *Path Diagram of Confirmatory Factor Analysis (CFA) Test (Standardized Solution)*



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Figure 4.2 *Path Diagram Of Measurement Model Test (T-Value)*

Based on the results of the structural model test below, it is proven the research question that there is no significant relationship / correlation between Empowerment (EMP) and Welfare (WELF) of workers / migrants in urban areas, namely Jakarta. Statistically indicated by the T-Value of 1.70 which is less than 1.96. This shows that empowerment is not optimal at street vendors in BKT not only financially, but also increased trade skills and market access, where this is in accordance with research (Karki ad Mirela, 2018), (Santareli and Hien, 2013), (Catherine et al, 2012), (Chaudary and Barman, 2014) and (Schueller and Seligman, 2010).

V. CONCLUSION AND CONTRIBUTION

Based on the survey results and the explanation above, there are advice and input to local government including : (1) Strengthening business capacity or developing entrepreneurship among traders through training or capacity building by utilizing the local government SKPD; (2) Capital access needs to be given through a group and ethnic/cultural approach; (3) Need to be given access to communication with local authorities by utilizing social media and infrastructure as well as technological facilities that can be reached and utilized by street vendors as entrepreneur; (4) Street vendors need to be a joint forum to able to compete with modern markets in the form of institutions, can be work together with companies and academics in providing assistance as a form of community service, and (5) Need assistance in overcoming business obstacles by utilizing social capital in this case the empowerment that exists among street vendors.

REFERENCES

- Alatartseva, E. and Barysheva, G. 2015. Well-being : Subjective and Objective Aspects. *Procedia- Social and Behavioral Sciences*, 166, pp 36-42.
- Al Shami, et al. 2018. *The Effect Of Microcredit On Women Empowerment In Welfare and Decision Making In Malaysia*. Springer Science and Business Media.
- Badan Pusat Statistik. 2013. *Statistik Modal Sosial Tahun 2012*. Jakarta.
- Bappenas. 2009. *Peran Sektor Informal Sebagai Katup Pengaman Masalah Ketenagakerjaan*. Bappenas, Jakarta.

- Beegle, K. De Weerd, J., and Dercon, S. 2011. Migration and Economic Mobility In Tanzania : Evidence From a Tracking Survey. *Review of Economics and Statistics*, 93(3), pp. 1010-1033.
- Boeri, Natascia. 2016. *Boundaries of Home and Work : Social Reproduction and Home- Based Workers In Ahmedabad, India*. Doctor of Philosophy Programs, The City University of New York.
- Catherine, Y. Ira N gang and Myeong Su Yun. 2012. *Self Employment and Wage Earning : Hungary During Transition*. IZA Discussion Paper No 572.
- Chaudary, SR and Barman A. 2014. Holistic Model of Subjective Well Being A Proposed Model and Exploration of Content. *Zenith International Journal of Multidiscipline Research*. ISSN 2231-5780. Vol. 4 (3).
- Chotib and Nurbaiti. 2018. Are Migrant Workers in DKI Jakarta More Welfare Than Non Migrants? A Data Analysis of SUSENAS 2013. *Journal of Strategic and Global Studies* 1 (1), pp. 15-28.
- Chen, Martha Alter. 2012. *The Informal Economy ; Definitions, Theories and Policies*. USA, WIEGO.
- Gibbing, Sheri Lynn. 2016. Street Vending as Ethical Citizenship in Urban Indonesia. *Wilfrid Laurier University. Anthropologica* 58. Pp. 77-94.
- Handiyatmo, D. 2009. *Penggunaan Jenis Transportasi Oleh Pelaku Mobilitas Ulang Alik di Enam Kawasan Metropolitan (Analisis data SUPAS 2005)*.
- Horiouchi, S. Kanazawa Y, Suzuki, T. and Takikawa H. 2013. Who Gain Resources From Which Social Capital? A Mathematical Review In *Social Capital : Theory, Measurement and Outcome*, Nova Publisher pp. 3 – 28.
- Horiuchi, S. and Takashi T. 2016. Globalization and Regional Revitalization in A Local University of Japan. In : *Globalization , Economic, Political and Social Issues*. Nova Publisher, pp. 149 – 159.
- International Labour Organization (ILO). 2012. *Decent Work Profile in Indonesia*. Geneva, International Labour Office.
- Karki, Shova T. and Mirela Xheneti. 2018. *Formalizing Women Entrepreneurs in Kathmandu, Nepal : Pathway Towards Empowerment?* Department of Business and Management, University of Sussex, Brighton UK.
- Kourtit, Karima and Peter Nijkamp. 2012. Strangers on The Move : Ethnic Entrepreneurs as Urban Change Actors. *European Review*, Vol. 20, No 3, pp. 376-402. *Academia Europe*.
- Kwok , Steve and Leung Chan. 2015. Segregation Dimensions and Development Differentials of Ethnic Enclave. *Journal Sociology and Social Policy*, Vol. 42. No 1. Pp. 82 - 96.
- Kwok, Steve. And Leung Chan. 2017. Hierarchical Microcredit Networks : Lending and Borrowing Cliques in Self-Help Groups in Phnom-Penh. Department of Sociology, Keimyung University, Daegu, The Republic of Korea.
- Mensah, A. A. 2016. Street Vending and Competitive Advantage : Towards Building A Theoretical Framework. *The Qualitative Report*, Vo. 21, No. 9, article 5., pp. 1651-1673.
- Morris, Jeremy. 2011. Socially Embedded Workers at The Nexus of Diverse Work in Rusia. *International Journal Sociology and Social Policy*, Vol. 31. No 11/12. Pp. 619-631.
- Narayan, D. and Michael F. Cassidy. 2014. *A Dimensional Approach to Measuring Social Capital : Development and Validation Of A Social Capital Inventory*. *Current Sociology*, SAGE Publication. London, Thousand Oaks, CA and New Delhi., Vol. 29 (2) : 59 – 102.
- Nurbaiti, Beti. 2017. Pengaruh Status Migrasi Melalui Karakteristik Sosiodemografi Terhadap Tingkat Kesejahteraan Pekerja di DKI Jakarta. *Jurnal Kajian Ilmiah Universitas Bhayangkara Jakarta Raya*, 17 (2).
- Priyono, Edi. 2015. *Memahami Pasar Tenaga Kerja*. Pustaka Lentera, Jakarta.
- Sabri, Najla. 2015. *Female Entrepreneurship in Afghanistan: Thesis The Departement of International Studies an the University of Oregon*.
- Santareli, Enrico and Hien Thu Tran. 2013. The Interplay of Human and Social Capital in Shaping Entrepreneurial Performance : The Case of Vietnam. *Small Business Economics* 40, 435 – 458.
- Schoonjans, B. Van Cauwenberge, P., Van Der Bauwhede, H. 2013. *“Formal Business Networking and SME Growth”*. *Small Business Economics*, 42. 169-181.
- Schueller and Seligman. 2010. Pursuit of Pleasure, Engagement, and Meaning : Relationships to Subjective and Objective Measure of Well Being. *The Journal of Positive Psychology*. Vol. 5, No. 4, pp. 253-263.
- Utami, Trisni. 2010. *Pemberdayaan Komunitas Sektor Informal Pedagang Kaki Lima (PKL), Suatu Alternatif Penanggulangan Kemiskinan*. Universitas Sebelas Maret.
- Walsh, Kieran and Isabel Shutes. 2016. *Care Relationships, Quality and Care and Migrant Working Caring for Older People*. National University of Ireland Galway, London School of Economics and Political Science, UK.
- Um, Seong Gee. 2012. *At The Bottom : Migrant Workers in The South Korean Long – Term Care Market*. University of Toronto.
- Wijanto, Setyo H. 2008. *Structural Equation Modeling dengan Lisrel 8.8, Konsep dan Tutorial*. Graha Ilmu, Yogyakarta.

THE IMPACT OF EMPOWERMENT OF WELFARE IN STREET VENDORS ENTREPREUNERSHIP : EVIDENCE FROM URBAN INFORMAL SECTOR IN EAST FLOOD CANAL (BKT) JAKARTA

by BETI NURBAITI

Submission date: 11-Feb-2024 11:25AM (UTC-0800)

Submission ID: 2289455491

File name: rhe_effect.docx (368.2K)

Word count: 287

Character count: 1792

THE IMPACT OF EMPOWERMENT OF WELFARE IN STREET VENDORS ENTREPREUNERSHIP : EVIDENCE FROM URBAN INFORMAL SECTOR IN EAST FLOOD CANAL (BKT) JAKARTA

Beti Nurbaiti, University of Bhayangkara Jakarta Raya, email : bettysigit@gmail.com

ABSTRACT: The purpose of this study is to look at the impact of empowerment on welfare of migrant workers / traders who are the informal sector in the flood area of the eastern canal (BKT) of Jakarta. Migrant workers / traders who act as respondent of research in urban areas in the informal sector are able to survive to improve their welfare through Empowerment. The support of Empowerment which are sub dimensions of social capital variables. The results showed that there wasn't a significant correlation between empowerment on Welfare of migrant workers / traders. *Keyword : Urban Informal Sector, Empowerment, Welfare, East Flood Canal.*

I. INTRODUCTION

One of the central areas of a group of street vendors that are quite famous in Jakarta is in the flood of the eastern canal and often abbreviated as BKT as urban informal sector. Always crowded with visitors on weekdays and holidays, providing snacks and food even clothes, watches, tire patches and other daily necessities at affordable prices, also a place to hang out of all ages. Based on the phenomenon mentioned above, the researcher is interested in conducting further surveys about empowerment applied by migrant workers / traders and and want to find out more about its effect on the welfare of migrant workers / traders in BKT as an urban informal sector.

II. CONCEPTUAL OVERVIEW

Migration from rural to urban is one of one's efforts to improve his standard of living (Handiyatmo (2009), (Bappenas 2009), and not only affects the population size of an area, but also has a significant influence on the socioeconomic aspects (Chotib and Nurbaiti, 2018). The city promises a better life than a village (Nurbaiti, 2017) and (Schoonjans et al, 2013). In principle, business can develop in areas with more population, and have purchasing power (Horiuchi et al, 2013), Beegle et al (2011), and (Horiuchi, and Takahashi, 2016). The informal sector is a dynamic sector, continues to grow and is always able to adapt to the development of the economic climate (ILO, 2012), also suitable for sale according to community needs (Chen, 2012). The informal sector answers this as a form of adaptation from oversupply of labor that is not absorbed by the market (Morris, 2011), has flexibility in carrying out entrepreneurial activities even for beginners (Priyono, 2015). Street vendors or those engaged in the informal sector often receive discrimination as small people (Gibbing, 2016), because of that, they usually form their own groups to overcome capital (Kwok and Leung, 2017), financial problems among them as small people based on mutual cooperation. Street vendors as migrant workers can be survive in relationships by maintaining interpersonal relationships, friendship and close family ties which is often called social capital (Walsh and Isabel, 2016).

According to Narayan and Michael (2014), social capital is included in 3 groups: (1) the input dimension, which includes group and network as well as trust and solidarity; (2) operational dimension, which includes collective action and cooperation as well as information and communication, and (3) implementation dimension which includes social cohesion and inclusion and empowerment. Empowering street vendors is carried out with an ethnic / cultural approach, and kinship or group (Mensah, 2016). According to Alartartseva and Barysheva (2015) welfare is measured in two aspects, namely (1) the objective aspect, where in this case welfare is measured through material and (2) subjective aspects, where welfare is the internal experience of each individual other than material. Objective aspects include: income or income, wealth, expenditure /

THE IMPACT OF EMPOWERMENT OF WELFARE IN STREET VENDORS ENTREPREUNERSHIP : EVIDENCE FROM URBAN INFORMAL SECTOR IN EAST FLOOD CANAL (BKT) JAKARTA

ORIGINALITY REPORT

5

%

SIMILARITY INDEX

5%

INTERNET SOURCES

0%

PUBLICATIONS

0%

STUDENT PAPERS

PRIMARY SOURCES

1

mycampaignjournal.ami.sch.id

Internet Source

5%

Exclude quotes Off

Exclude matches Off

Exclude bibliography Off