



# Legal Protection for Street Vendors in The Range of Increasing The Economic Innovation of Vendors (Case Study In The Cilacap Town Square)

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## Abstract

The research aims to provide knowledge of the application of central and regional regulations regarding street vendors (PKL) that apply in Cilacap Regency. The author uses an empirical juridical approach, data collection methods are carried out by triangulating data such as discussions, questionnaires or questionnaires with 10 respondents (Ten people) in the Cilacap City square area street vendors (PKL) and observation. Research involving resource persons and policy makers in their fields. By using data analysis in the form of Qualitative to describe the actual situation in the field. Based on the results of the research, it is found that efforts to empower street vendors (PKL) are still inadequate. Need with relevant local legal regulations and legal awareness assistance.

**Keywords:** Law; Street vendors; Government

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## 1. Introduction

Positive law is a collection of written and unwritten legal principles and rules that are currently in force, and are binding in general and specifically, enforced by or through the government and courts in Indonesia (Bagir Manan, 2004). The explanation of positive law provides a definition that positive law is composed of written law, in the sense of law deliberately organized by institutions or organizations that have the authority to form laws, and laws formed in the process of community life without going through stipulation by institutions or organizations that have the authority to form laws.

Legal protection is an effort made to protect legal subjects such as the general public from abuse that may occur. Legal protection covers various aspects of legal regulations. Legal protection is given to all people in accordance with Article 28D paragraph 1 of the 1945 Constitution, which explains that everyone has the right to be recognized and guaranteed equal protection of the law.

Cilacap Regency is a Regency in Central Java Province, the data obtained comes from the Office of Population and Civil Registration (Disdukcapil) of Cilacap Regency in Semester II of 2023, namely the population of 2,032,570 people and the area of 2.124.47 Km<sup>2</sup> so that the estimated population density is around 1,013 people / km<sup>2</sup>, the potential local wisdom of Cilacap Regency is a lot of tourism such as data from the Office of Youth, Sports and Tourism as of 2022 Tourism villages number 28 and various kinds of regional culinary specialties of Cilacap Regency, so that many residents trade as MSMEs, one of which is becoming a Street Vendor (PKL).



Street vendors (PKL) are enterprises that have less capital and can carry out production and sales to meet the demands of certain consumer groups. Business activities in informal environments are considered strategic. Data from the Cilacap Regency Trade Office of Cooperatives, Small and Medium Enterprises (DPKUKM) as of July 2024, there were 21,970 small and micro enterprises (SMEs) from various categories in Cilacap Regency. It is possible that there are many more SME business actors who have not registered or have not been recorded by the Cilacap District Office of Cooperative Trade, Small and Medium Enterprises (DPKUKM).

Legal awareness by traders to comply with regulations in the context of order in the arrangement of street vendors must be done to provide legal certainty for street vendors and also peace and public order for the general public. In general, the legal basis for the arrangement of street vendors in the Cilacap Regency Government area is as follows: Presidential Regulation of the Republic of Indonesia Number 125 of 2012 concerning Coordination of Arrangement and Empowerment of Street Vendors, Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 41 of 2011 concerning Guidelines and Empowerment of Street Vendors, Cilacap Regency Regional Regulation Number 5 of 2004 concerning Street Vendors, Implementation Guidelines for Regional Regulation Number 5 of 2004 concerning Street Vendors and Cilacap Regent Regulation Number 6 of 2007 concerning location designation and licensing procedures for street vendors in Cilacap Regency.

The Cilacap Regency Government through the Trade Office of Cooperatives, Small and Medium Enterprises (DPKUKM) has principles for empowering micro, small and medium enterprises based on Law No. 20/2008 on Micro, Small and Medium Enterprises. These principles are: a. Fostering independence, togetherness, and entrepreneurship of Micro, Small, and Medium Enterprises to work on their own initiative. b. Realization of transparent, accountable, and equitable public policies. c. Development of regional potential-based and market-oriented businesses in accordance with the competencies of Micro, Small, and Medium Enterprises; d. Increasing the competitiveness of Micro, Small, and Medium Enterprises. Increasing the competitiveness of Micro, Small, and Medium Enterprises; and e. Organizing integrated planning, implementation, and control.

The Cilacap Regency Government through the Civil Service Police Unit (SATPOL-PP) in accordance with Law Number 23 of 2014 concerning regional government regulates that Satpol PP is established to enforce Regional Regulations and Regional Head Regulations, organize public order and tranquility and provide protection to the community.

The Cilacap Regency Government through the Regent in accordance with Cilacap Regency Regional Regulation Number 10 of 2022 concerning the Implementation of Business Licensing delegates the authority of the Regional Government in the Implementation of Business Licensing in the Region to the head of the Investment and One-Stop Integrated Service Office (DPMPTSP).



However, street vendors still do not fully understand the regulations governing trading activities for street vendors, so there are still violations committed by street vendors. For Facilities and Infrastructure, Satpol PP Cilacap Regency also contributes to the legal protection factor which is still inadequate so that sometimes it is still constrained in enforcement by the lack of facilities and infrastructure to support existing activities.

The implementation of some of the local regulations of Cilacap Regency that are still in effect is no longer relevant to its application in line with the development of regulations and times, the existence of local regulations contradicts the regulations above it such as Laws, Government Regulations, Ministerial Regulations, and so on. Local regulations should immediately adjust the regulations above them so that there is legal certainty and also the community does not have to worry. Confused with many local regulations but still not relevant and the Government can carry out functions in accordance with applicable local regulations in accordance with vertical and horizontal regulations.

## **2. Research Method**

Research approach with empirical juridical approach. Empirical juridical research is research through obtaining or examining data directly from the community or primary data, with legal research aiming to obtain legal facts contained in social life and how the law runs in social life. Qualitative data analysis is used in this research, qualitative research is applied to understand social events in a perspective. The data collection technique used is the interview method and Focus group discussion (FGD). The author validates the research data by triangulating data sources and triangulating methods to test the credibility of the data obtained.

## **3. Results and Discussions**

Article 27 paragraph (2) of the 1945 Constitution reads, "Every citizen has the right to a job and a livelihood worthy of humanity". So it is the duty of the government to guarantee the right of every citizen to get a job, get a decent livelihood, be entitled to compensation and fair treatment as well as decent in labor relations, and obtain job protection. When the economy of a region runs on a micro level, it will contribute to raising the country's economy on a macro scale, among the efforts to realize this is the development of Micro, Small and Medium Enterprises (MSMEs) such as street vendors (PKL). Explained in Article 34 of the 1945 Constitution paragraphs (2) and (3) which reads that paragraph (2) The state develops a social security system for all people and empowers the weak and incapable in accordance with human dignity. Paragraph (3) The State is responsible for the provision of decent health care facilities and public service facilities. Therefore, the government is obliged to have the task of implementing the empowerment of weak and incapable people considering that the growth of MSMEs will greatly impact on national economic growth so it is important for the government to ensure that the growth of MSMEs is in accordance



with human dignity. Government to create a conducive business atmosphere for the growth of MSMEs, one of which is street vendors (PKL).

According to the Presidential Regulation of the Republic of Indonesia Number 125 of 2012 concerning Coordination of Arrangement and Empowerment of Street Vendors and Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 41 of 2011 concerning Guidelines and Empowerment of Street Vendors. Street Vendors, hereinafter abbreviated as PKL, are business actors who conduct trading businesses using mobile or stationary business facilities, using city infrastructure, social facilities, public facilities, land and buildings owned by the government and / or private sector that are temporary / not settled. According to the Cilacap Regency Regional Regulation Number 5 of 2004 concerning Street Vendors, street vendors are individual traders who engage in informal sector economic activities that use regional areas designated and determined by the Regent that are temporary/non-settled using mobile equipment and / or unloading equipment.

The legal instrument used as a legal basis in fostering street vendors is Presidential Regulation No. 125/2012 concerning the coordination of the arrangement and empowerment of street vendors in Chapter III concerning the Coordination of the Arrangement and Empowerment of Street Vendors (PKL) which regulates the report on the results of the implementation of the duties of the Street Vendor Arrangement and Empowerment Team as referred to in Article 2 carried out through: a. counseling, training and/or social guidance; b. improving business capabilities; c. coaching and technical guidance; d. facilitating access to capital; e. providing facilities and infrastructure assistance; f. institutional strengthening through cooperatives and joint business groups; g. facilitating increased production; h. processing, network development and promotion; i. facilitating inter-regional cooperation; j. developing partnerships with the business world. In addition, there is legal protection contained in the Regulation of the Minister of Home Affairs of the Republic of Indonesia Number 41 of 2012 concerning Guidelines for Structuring and Empowering Street Vendors in Article 40 which states that: The Regent/Mayor shall empower street vendors as referred to in Article 2 paragraph (2), among others, through: a. improving business capabilities; b. facilitating access to capital; c. facilitating trade facilities assistance; d. institutional strengthening; e. facilitating increased production; f. processing, network development and promotion; and g. coaching and technical guidance. In overcoming the challenges of controlling street vendors

The government needs to conduct intensive socialization of applicable regulations, provide guidance so that street vendors can develop their businesses independently, and enforce laws against violations of regulations consistently. The role of Satpol PP in regulating street vendors is very important in shaping the order and beauty of the city area. However, to achieve optimal results, good cooperation between Satpol PP, local government, street vendors, and the community is needed. In addition, it is important to keep evaluating and improving the policies and strategies that have been implemented.



Problems that occur with street vendors in the Cilacap city square area are a lack of detailed understanding of the laws and regulations governing the trading activities of traders and also the irrelevance of several existing Cilacap Regency regional regulations to their current application.

Regulations governing guidance and licensing are contained in District Regulation Number 5 of 2004 Article 7 Letter C which states that every street vendor is entitled to receive guidance and coaching from the local government and Cilacap District Regulation Number 2 of 2024 concerning the Implementation of Peace, Public Order and Community Protection article 18 paragraph (2) letter a which reads "Every person conducting business activities must have a license in accordance with the provisions of laws and regulations", which is applied in Cilacap Regency, licenses through the Cilacap Regency Investment and One-Stop Integrated Service Office (DPMPTSP) by registering through the Online Single Submission (OSS) website or an electronically integrated business licensing system and obtaining a Business Identification Number (NIB), which is an electronically integrated business licensing system managed and organized by the OSS Institution under the Ministry of Investment / Investment Coordinating Board (BKPM). It is beneficial to have legality and become one of the requirements for business development such as banking, contracts / cooperation with other parties and other business activities that require business legality.

The Cilacap Square area is the center of the community's economic activities involving street vendors. However, the existence of street vendors often causes problems, there are several street vendors who do not have official licenses to sell, making them vulnerable to disciplinary action, the existence of street vendors, the existence of street vendors, and the existence of street vendors. Street vendors (PKL) that are not well organized can reduce the beauty of the square area, and PKL are often not well organized, making it difficult to fight for their rights.

Regent Regulation No. 6/2007 Article 2 paragraph 3 on Location Designation and Licensing Procedures for Street Vendors in Cilacap Regency regulates the determination of the location and place of business for street vendors (PKL). In the Cilacap City area, the designated locations include along main roads such as JL. Jendral Sudirman, JL. Brigjend Katamso, JL. Letjend Suprpto, JL. Jendral A. Yani, JL. R.E. Martadinata, JL. Cempaka, JL. Dr. Wahidin, JL. Letjend Sutoyo, JL. Tidar, JL. Kalimantan, JL. Juanda, JL. Wiratno, JL. Pemintalan, Taman KNPI Timur, and JL. KS. Tubun. These locations are set out in detail in Appendix 1 of this Regulation. In addition to the roads mentioned, the Cilacap city area also opens opportunities for other roads, except protocol roads, to be utilized as locations for placement of street vendors provided that conditions in the place allow and do not interfere with public order and smooth traffic.

Regulations related to licensing procedures for street vendors in Cilacap Regency are regulated in Regent Regulation No. 6/2007 Article 3 on Location Designation and Licensing Procedures for Street Vendors in Cilacap Regency regulates the determination of the location and place of business for street vendors, which states that every individual who wants to conduct



business activities as a street vendor must have a permit and identity card issued by the Head of the Cilacap Regency Regional Revenue Agency (BAPENDA). The permit, as explained, does not constitute a right to control the location, but only the designation of a permitted business place or location. This permit is an integral part of the PKL identity card and may not be transferred to others. As for seasonal street vendors, they are allowed to occupy business locations without an official permit, but must still obtain approval from the Head of the Cilacap Regency Pamong Praja Police Unit and comply with obligations in accordance with applicable regulations. This regulation aims to ensure an organized arrangement of street vendors that does not disturb public order, while at the same time providing flexible space for seasonal street vendors in doing business.

However, although Regent Regulation No. 6/2007 on Location Designation and Licensing Procedures for Street Vendors in Cilacap Regency regulates the determination of locations and places of business for Street Vendors (PKL) Article 3 on licensing procedures is still valid and has not been revoked.

However, it is no longer relevant to do this now because the relevant agencies are no longer authorized, such as the Regional Revenue Agency (BAPENDA) of Cilacap Regency, which is no longer authorized to grant permits and collect retribution from street vendors (PKL) according to Cilacap Regency Regional Regulation Number 1 of 2024 concerning Regional Taxes and Retributions, so that these regulations are very contradictory.

The questionnaire was taken from a sample of 10 (Ten) street vendors from the Cilacap Regency square. The main variable is legal understanding with a description of the ability of street vendors to view the law as a framework that is relevant and important in everyday life. Indicators are knowledge, understanding, attitude, and behavior. Score assessment from 1 to 3 for each option point does not understand, less understand.

**Table 1. Results of Pre Test and Post Test Questionnaires at Focus Group Discussion (FGD)**

Description	Answer	Pre Test Percentage	Post Test Percentage
Street vendors' understanding of aspects of Cilacap Regency regional regulations related to street vendors (PKL)	Understand	20%	80%
	Less Understanding	40%	20%
	Not Understood	40%	0%

Based on the results of interviews and questionnaires, there are several factors that can influence street vendors' lack of understanding of the law that regulates their activities.

First, limited access to legal information. Many street vendors have a low level of legal literacy, as most come from a limited educational background, with an average of junior high school to senior high school and a small proportion only completing primary school, making it



difficult to understand complex legal language. In addition, information on street vendor regulations is often not presented in an easy-to-understand format or is not widely publicized, coupled with a lack of effective socialization, leaving many street vendors uninformed.

Second, the complexity and diversity of regulations is an obstacle. Regulations governing street vendors often overlap, coming from different levels of government such as Presidential Regulations, Ministerial Regulations, and Governor Regulations as well as with Regional Regulations. Cilacap Regency itself, which makes it difficult for street vendors to understand and follow the applicable regulations, coupled with frequent and rapid changes in regulations.

Third, the lack of support and facilities also affects the understanding of street vendors. Access to affordable legal aid is very limited because the Tupoksi of the Cilacap Regency Satpol PP is only limited to enforcing local regulations. Communication between street vendors and authorities such as Satpol PP as enforcers of local regulations is also less effective, so street vendors have difficulty in obtaining information.

Finally, economic and social factors come into play. Street vendors often face economic pressures that force them to violate regulations in order to make ends meet. Legal awareness among street vendors is also still low, so they do not fully understand their rights and obligations as citizens who carry out trading activities as street vendors. Coupled with the negative social stigma, where street vendors are often considered as "lawbreakers" this condition further exacerbates their lack of understanding of the applicable regulations.

It was recorded from the data of Cilacap Regency Satpol PP that there were 29 violators of misdemeanor trial activities conducted on June 14, 2024, with details of 25 (twenty five) people violating Cilacap Regency Regional Regulation Number 5 of 2004 concerning Street Vendors, 1 (one) person violating Cilacap Regency Regional Regulation Number 26 of 2003 concerning K3 (Order, Cleanliness and Beauty), and 3 (three) people violating Cilacap Regency Regional Regulation Number 10 of 2022 concerning the Implementation of Business Licensing.d understand.

#### **4. Conclusions**

The government's obligation to provide legal protection for citizens includes street vendors (PKL) as one form of MSMEs. Article 34 of the 1945 Constitution paragraph (2) reads that the State develops a social security system for all people and empowers the weak and incapable in accordance with human dignity.

To improve legal understanding for street vendors (PKL), intensive socialization efforts are needed and include all PKL, so that they can understand the applicable regulations. In addition, the government is expected to provide easier access and better affordable legal aid for street vendors, so that they receive adequate legal protection. Socialization facilities and infrastructure



also need to be improved, both in terms of frequency and quality of implementation, so that information can be conveyed better. Effective communication between street vendors and Satpol PP as law enforcement officers is also very important, especially in the regions, in order to establish a conducive relationship and mutual understanding in implementing the rules in a fair and humane manner.

Because street vendors (PKL) are more inclined to be semi-permanent, there is a more massive and easy-to-understand socialization that can increase legal understanding to street vendors (PKL), the use of social media can be a means to be able to provide information more quickly and widely by using a simpler presentation of information to be understood by street vendors (PKL) in Cilacap Regency.

It is hoped that there will be an integrated renewal of local regulations on street vendors to meet the needs of the community, especially street vendors in Cilacap Regency for services to street vendors such as licensing, guidance and data collection. It is hoped that the street vendors and the Cilacap Regency Government can carry out their respective rights and obligations.

It is hoped that by increasing legal protection for street vendors (PKL) in Cilacap Regency, it can help the micro and macro economy, because MSMEs are part of the independent Indonesian economy and have high potential to improve the welfare of the community in terms of the three roles of MSMEs in the Indonesian economy, including a means of equalizing the economic level of small people, a means of alleviating poverty and a means of earning foreign exchange for the country.



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