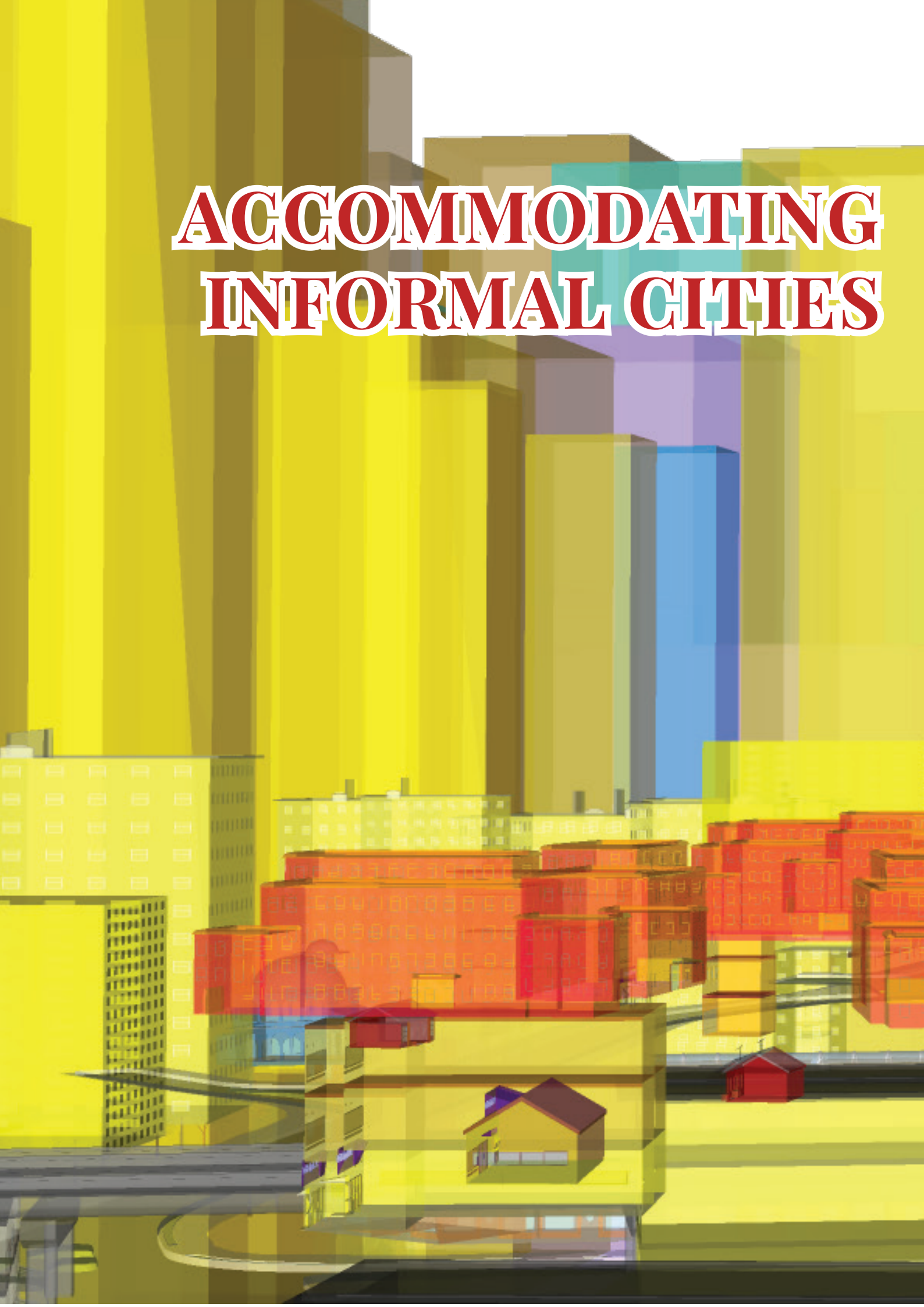


ACCOMMODATING INFORMAL CITIES



Accommodating Informal Cities

Spatial Planning from an Informal Perspective

i) The Informal City - A Missing Link in Urban Planning

The phenomena of informality in our public spaces can be difficult for urban planning to deal with. Unregistered enterprises already exist outside most regulatory frameworks, are typically small-scale and often mobile, which can make their response to planning interventions difficult to predict. In a constantly changing urban landscape like Jakarta, with new developments and policies appearing all the time and where so many informal actors operate, the challenge is certainly significant. Even so, in a city where so many citizens depend on or interact with the informal sector on a daily basis, the need to bridge the gap between planned intention and reality is clear.

One key problem when attempting to account for the urban informal sector in public spaces is the issue of scale. A majority of informal enterprises are small-scale operations, with their business strategies determined by a single individual or perhaps a small group. Unlike formal enterprises, which typically operate according to a fixed and publicly-available SOP, each informal actor operates within a unique set of economic and personal circumstances which influence their behaviour at any given moment. With so many potential actors operating in Jakarta's urban spaces, it is difficult to account for all their individual preferences and behavioural choices when implementing major development projects or policies.

Perhaps the most obvious limitation of urban planning in terms of dealing with informality is the issue of high variability and fluctuation over time. While planning and policies are typically based on the spatial arrangement and function of the urban environment, many informal enterprises occupy certain positions temporarily, are highly seasonal or incidental in nature, or always on the move. Once again, the specific schedule adopted by any individual enterprise will be determined by their own unique circumstances and perception of potential economic opportunity, however in general the presence and movements of informal enterprises are in response to other changes in the surrounding environment. While a single piece of infrastructure or new land-use policy may take months to design, the organic responses of informal actors is a continuous process dependent on a range of variables, including the behaviour of other citizens, which may also change over time.

Essentially, then, it's the nature of informal enterprises themselves which presents such a challenge for the urban planning discipline. But they are not the only ones. Millions of Jakarta's citizens engage openly in the informal economy every day as consumers, and actually drive the proliferation of informal enterprises. A street trader may set up their cart in full knowledge that they are violating regulations, but only because they know that their customer base will be more than happy to do so as well. Convenience, being in the right location at the right time, is a key element of informal business strategy, particularly for mobile typologies, even if not everyone agrees on the definition of 'right.'

Even where clear urban planning principles are established, there is no guarantee that action will be taken to implement them. A night security guard for an otherwise empty office complex, for example, makes an ideal customer for highly mobile, low-cost food and drink vendors, in the same way as crowds of hungry commuters rushing to work do. Predictably traffic jams create a market for cold drinks and snack foods, just as a lack of petrol stations ensure demand for informal fuel vendors. In each instance it is the preferences of citizens which give rise to informal business strategies, with crowded tables beneath temporary canopies a clear indication of how much support the informal economy has. Indeed, millions of consumers depend on informal enterprises just as much as those who make a living from them. In a very real way informality is a simple matter of supply and demand.

ii) An Informal Perspective on Jakarta's Urban Landscape

Despite these significant challenges, urban planning and informality don't have to be incompatible. Just as designers, architects and policy-makers accommodate the infinitely varied preferences and behaviours of other citizens, whether as consumers, pedestrians, motorists or local residents, understanding how informal actors perceive the city around them is an important first step in engaging with and managing informal phenomena. As previously stated, each informal enterprise operates according to a unique combination of economic and personal circumstances, which makes their choices and behaviour difficult to predict. However, in the context of greater Jakarta, there remain a relatively stable set of conditions and features of the urban landscape to which each of them must react. Therefore, understanding how they might react depends first on understanding exactly what it is they are likely to react to.

A central consideration for many informal enterprises, especially highly mobile typologies, is the issue of access in urban spaces. Each typology faces its own set of limitations in terms of access, from motorized vehicles limited almost entirely to the roadside environment to pedestrian traders essentially as free to move where they please as any other

Accommodating informal phenomena within the wider framework of urban planning and policy is clearly as much about meeting the needs of citizens as it is about orderly and well-managed urban spaces. Despite predictions in the 1970s-1980s that the urban informal sector would eventually disappear, it has continued to expand and remains an important part of the urban economy (IIED, 2014), including regular and important formal-informal interactions. Especially during periods of economic instability, the informal sector's flexibility, efficiency and resilience can play an important role in supporting vulnerable populations.

citizen. Similarly, while a motorized enterprise might be able to cover a wide area relatively quickly, push-carts and pedestrians are much more limited in terms of their geographical range. Of course, as well as being able to reach a certain position in the urban environment, there is also the consideration of whether or not enough space is available to accommodate a given enterprise, and we see great variation in the sizes of informal enterprises in response to the variable sizes of Jakarta's urban spaces. Exactly how any given space is shared between informal enterprises and other members of the public is constantly adapting according to changing circumstances, particularly in a city where wholly public spaces are relatively few, and often limited to pedestrian corridors, business areas or other multi-use typologies.

Adequate space and access are issues very familiar to the discipline of urban planning, common to all business and activities whether formal or informal, but there are also less familiar considerations more specific to the way in which informal enterprises engage with the city around them. Particularly for mobile typologies, many of which lack significant protection from the elements, seasonal and even daily changes in the weather can be an important factor dictating their behaviour. Again, each individual enterprise will calculate their responses differently, based on where, how, and what their business is. PKL traders selling chilled fresh fruit or ice cream, for example, will likely see increased demand during hot weather, yet must avoid too much exposure to high temperatures or direct sunlight themselves or risk ruining their stock. Similarly, larger typologies must consider their customer's comfort if they expect them to sit and consume a meal in an informal setting, particularly given Jakarta's tropical climate. Of course, there are also enterprises which emerge specifically in response to seasonal changes in the weather, from vendors selling rain jackets and ponchos to escorting individuals through the rain using an umbrella.

In each case, the physical conditions of the urban environment affect an informal enterprise's strategy by dictating their relationship with potential customers. As previously mentioned, because of their flexibility, informal enterprises are perhaps more sensitive to fluctuations in market demand, and it is their ability to understand the behaviour and preferences of their customer

base that often has the most significant impact on their business strategy and choice of location. This could be a relatively simple matter of knowing when the largest number of potential customers are likely to pass through a certain area, or something more complicated such as predicting the schedules of other informal enterprises. Effectively servicing the daily commuter rush could be a highly efficient business strategy, reducing time and operating costs wasted during less busy hours, but also risks competition with other similarly-minded entrepreneurs. These concerns can be both spatial, in terms of where to operate, as well as temporal, in terms of where to operate, and navigating this complex landscape of supply and demand is the key to success for any informal enterprise.

By responding to the physical environment as well as the demands of customers, a wide range of relationships emerge between the formal and informal sectors, either substituting or supplementing one another in terms of providing goods and services. As previously stated, many employees of formal businesses depend on the informal economy as well, perhaps for its lower prices or ability to service strategic locations. Few formal restaurants in the vicinity of major office complexes, for example, could realistically service the dramatic surge in demand for food and drink at sunset during the Muslim fasting month of Ramadan. Similarly, it would be impractical to construct a petrol station within the narrow streets of a dense residential neighbourhood. Informal typologies therefore emerge to fill these gaps in supply.

However, formal-informal relationships are also potential sources of conflict, particularly when it comes to possession and use of urban spaces. A final key consideration for informal enterprises when navigating the urban environment is avoiding or minimising these conflicts, fully aware that in any formal arbitration process their unregistered status will inevitably favour the other party. The potential implications of such a conflict could be severe, including confiscation of equipment and thereby loss of livelihood, which makes security an important issue for any informal enterprise operating in public spaces.

One way to avoid or minimise these conflicts is to reduce an enterprise's visibility, however this also reduces customer exposure and could undermine the advantage of a strategic location. Strategic locations for informal enterprises therefore must often balance access to customers with not drawing too much attention from potential sources of conflict. Exactly how a formal sector actor, whether office building, restaurant, government agency or transit corridor, is likely to respond to the

presence of an informal enterprise depends on a range of factors, including the time of day, the products being sold and the nature of the enterprise itself. The arrival of a mobile food cart at lunch time, reducing the distance and time taken by employees to get something to eat, might be tolerated or even encouraged, where a traffic-obstructing temporary restaurant might not. After office hours, however, there is likely to be much less resistance. Maintaining this balance between different stakeholders is also an important component of informal enterprises' relationships with their customers. A crowded street during busy times is, again, a good opportunity for a mobile trader to take advantage of more potential customers, but at the point where their presence begins to disrupt the pedestrian traffic, some may choose to take alternative routes or cross the street, and therefore negatively impact the enterprises business strategy in the long run.

Clearly Jakarta's public spaces present a complex and multidimensional environment for informal enterprises seeking strategic business

iii) KOTANATOMI WHC: 8 Land Use Categories and Additional Features

In order to better deal with the challenges of accommodating informal phenomena in city planning, KOTANATOMI proposes an innovative framework for mapping and understanding the urban environment from an informal perspective. The objective is to allow practitioners in a range of disciplines more accurately predict and respond to the behavioural preferences of informal enterprise typologies outlined in KOTANATOMI report (2). By integrating informality within the wider urban planning agenda and managing potential negative outcomes, it is hoped that Jakarta's

limited public spaces can be used more effectively, efficiently and in a way which benefits all citizens.

In developing the 8 Land Use categories and additional features of the urban environment which are most likely to influence the presence and behaviour of informal enterprises, RRJ identified a range of preliminary considerations previously outlined in interviews with informal actors or otherwise observed during research in the field. Each of these categories is based on the primary function of a formal urban space,

The 8 land use categories are identified below, alongside an approximate English-language translation:

1 - Tokoh [Shop]

Key Features:

- **Commercial property**
- **Semi Public Spaces**
- **Open Access**

(T1) - Swalayan [Minimarket]

The 'swalayan' land use category covers commercial retailers selling a range of relatively low-cost household products, packaged food and other items, but have a limited range of fresh or cooked food available. They also typically offer a range of basic services such as paying bills or purchasing phone credit. These may be franchises of large brands or independent stores, targeted at a mass-market consumer base. 'Swalayan' may establish symbiotic relationships with certain informal enterprises attracting passers-by and potential customers or creating informal social spaces.

(T2) - Butik [Boutique]

The 'butik' land use category also covers commercial retailers, but typically more specialised and higher price than their 'swalayan' counterparts. These stores offer industry-specific goods and services including clothing, technology, beauty treatments or speciality foods, but have a limited range of fresh or cooked food available. These may be franchises or branches of larger brands or independent stores, typically targeted at higher-income customers. 'Butik' are less likely to establish symbiotic relationships with informal enterprises because of their more specific customer base, and may consider their presence disruptive or unsightly.

2 - Kantor [Office]

Key Features:

- **Commercial property**
- **Mostly private spaces**
- **Secure access**

(K1) - Perbankan [Banking]

The 'perbankan' land use category covers financial services industries including public bank branches and bank offices which also feature an ATM centre or other public services. Despite being open to the public, they are typically more secure than retail stores and access is normally supervised by a dedicated security guard. They are typically relatively open spaces, with large windows. Perbankan are unlikely to benefit from the presence of informal enterprises, but limited operating hours make them strategic locations for informal enterprises to set up before other offices close for the day.

(K2) - Perkantoran [Offices]

The 'Perkantoran' land use category covers all other private office spaces in which commercial activities are conducted. Access to these spaces is more restricted than category (K1), and normally requires registration and an access card. Activities within these spaces are also largely hidden from view. High-density populations with fixed breaks and working hours make 'perkantoran' very strategic locations for symbiotic relationships with mobile informal enterprises.

3. Restoran / Cafe [Restaurant / Cafe]

Key Features:

- **Commercial Property**
- **Social spaces**
- **Open access**

The 'restoran / cafe' land use category covers all commercial spaces intended to serve fresh food or drinks in a communal or social setting. They are open to public access, and are likely to have invested in aesthetics, style and atmosphere. The nature of their industry means that these spaces are typically busiest outside of office hours and on weekends. 'Restoran / cafe' are unlikely to benefit from the presence of informal enterprises, except those which provide supporting goods and services, and may resent them as a source of potential competition.

4 - Gudang / Industri [Storage / Industry]

Key Features:

- **Commercial Property**
- **Functional spaces**
- **Semi-secure access**

The 'gudang / industri' land use category covers all commercial spaces functioning as storage, whether for goods or vehicles, or as the site of industrial activities or manual labour. These spaces are not typically designed to attract passers-by as customers, and have less investment in aesthetics. They are nominally open to public access, but are also likely to be supervised to ensure the security of materials within. Large labour populations or those lacking alternative facilities may benefit from the presence of informal goods and services.

5 - Hotel

Key Features:

- **Commercial Property**
- **Functional spaces**
- **Semi-secure access**

The 'hotel' land use category covers the private accommodation and hospitality industry, ranging from small guest houses to large hotel complexes. These spaces are likely to have invested in aesthetics, style and atmosphere, and operate as semi-secure locations to ensure the comfort and security of guests and their belongings. Hotels typically provide comprehensive services to their clients, and are unlikely to tolerate the presence of informal enterprises.

6 - Rumah (Housing)

Key Features:

- **Residential property**
- **Private spaces**
- **Exclusive access**

The 'rumah' land use category covers all residential properties, regardless of size. The common features of residential properties include exclusive access by owners or guests, with no intention of attracting passers-by. As private spaces, the presence of informal enterprises is unlikely to benefit the owners of 'rumah,' except those engaging in business with the occupant themselves, although the specific response depends on an individual's preferences and social relationships.

7 - Pemerintahan (Government complex)

Key Features:

- **Public institution**
- **Private spaces**
- **Secure access**

The 'pemerintahan' land use category covers all spaces owned and operated directly by a state, ranging from local administrators to foreign embassies and national governing bodies. These locations are typically highly secure, and have no intention of attracting passers-by to enter, however may be open to supervised public access for those with specific intentions. In the same way as office complexes may benefit from the presence of informal enterprises at key times, government institutions are probably less likely to tolerate their presence, particularly at high security locations.

8 - Agama (Religious)

Key Features:

- **Communal/cultural property**
- **Public spaces**
- **Open access**

The 'agama' land use category covers all religious spaces, irrespective of faith or scale. Typically these spaces are open to the public, and attract crowds at specific times or on specific days, although minority faiths may monitor access more closely for security reasons. Given they are not commercial buildings but highly social and communal spaces, 'agama' are more likely to tolerate the presence of informal enterprises servicing their community, and are less likely to take punitive action against them.

Additional Features:

In addition to the 8 KOTANATOMI land use categories, there are a number of other features common to the urban environment which are likely to affect the behaviour of informal enterprises.

Lapangan [Yard]

The presence of a front yard or open area in front of a building or other formal space, whether used for parking or otherwise empty. These are strategic locations for informal enterprises as setting up here can reduce pedestrian disruption. They are particularly ideal after office hours when formal stakeholders are no longer using the 'lapangan.'

Konstruksi [Construction]

The temporary presence of construction work presents challenges and opportunities for informal enterprises. Construction workers are likely to be a good source of business given the lack of facilities available on site, but the disruption caused by the site may also draw additional attention to the presence of informal enterprises in the vicinity.

Parkiran [Parking]

Formal parking areas are unlikely to generate conflict for informal enterprises, as long as there is no disruption to the flow of traffic. Operators may be less likely than those of other formal businesses to take action against the presence of informal enterprises because parking areas are only transitory spaces.

Konstruksi [Construction]

Major transit nodes are highly strategic locations for informal enterprises, particularly at busy times of day, but are also highly contested locations because of the high number of private and public stakeholders with an interest in activity going on around stations.

Conclusions & Recommendations

Developing categories of land use based on their potential interaction with informal phenomena in Jakarta is intended to begin a long-term process of understanding and reducing conflict with the urban informal sector in the field of urban design and city planning. As outlined in this report, an individual enterprise's business strategy, schedule and choice of location are unique and difficult to predict, but by introducing broad themes and categories based on long term observation and research, KOTANATOMI hopes to provide new insights useful for practitioners or contemporary urbanism.

The intention is to begin developing innovative and responsive policies which reflect the reality of formal-informal interaction in Indonesia's capital, effectively managing shared public spaces and safeguarding the livelihoods of millions of people. As part of an ongoing research project, the specific relationships between the categories outlined in this report, informal enterprise typologies outlined in KOTANATOMI report (2), and other variables will be further investigated to provide more detailed knowledge and assistance to planners and policy makers in 21st-Century Jakarta, as well as other cities with significant informal economies.

Appendix 1:

<https://docs.google.com/spreadsheets/d/1bKAaLiD6jad42ggsXp-jRS1JhcgEVIb-StXsgu3P8Rw/edit#gid=0>