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Relocation of Street Vendors: A Socio-Economic Review In Digital Transformation And Sustainable Development

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ABSTRACT

This research aims to analyze the impact of street vendor relocation in the context of digital transformation and sustainable development. Using a descriptive qualitative approach, this research collected data from literature studies related to relocation policies, economic and social impacts, as well as the use of technology in improving traders' competitiveness. The findings show that relocation can lead to decreased income and business instability. However, relocation also offers positive opportunities, including increased security and accessibility to digital technology. Taking into account the factors that influence the success of relocation, this study recommends the need for government policy evaluation and the development of training programs to improve traders' skills. The results of this study are expected to provide insights for policy makers in formulating more inclusive strategies to support street vendors in the digital era.

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INTRODUCTION

Rapid development in Indonesia has created various challenges, especially for street vendors (PKL), who are often an important element in the informal economy and market providers in urban areas. PKL relocation is often carried out by local governments to regulate and improve infrastructure, while meeting the demands of the wider community. However, this process often faces conflicts between government interests and the needs of traders. PKL relocation can have a negative impact on traders' income, although there are some positive aspects, such as increased security and social relations between traders (Fahrezy & Nurmanina, 2024). The purpose of this study is to analyze the social and economic impacts of street vendor relocation in the context of digital transformation and sustainable development. The focus of this study is on understanding how relocation affects not only the income of street vendors, but also their involvement in the use of digital technology to improve competitiveness.

Various literatures have examined the phenomenon of street vendor relocation, as shown in a study on the conflict of city market relocation policies to tourist markets in Bojonegoro (Agustina et al, 2024). The study implies that an approach involving trader participation can encourage successful relocation. In addition, research on the impact of the COVID-19 pandemic on female culinary traders in Surabaya shows that the use of digital applications can increase income and shopping convenience among consumers (Agustina TS, 2021).

This study proposes a more inclusive approach in formulating relocation policies that consider input from traders and facilitate digital training to improve traders' skills. Thus, this study is expected to provide new value in developing sustainable policy strategies to support street vendors, as well as contribute innovation in understanding the role of technology in the informal economy sector.

METHODS

This study uses a descriptive qualitative approach to explore and analyze the impact of street vendor relocation in the context of digital transformation and sustainable development. Given the limited time and resources for data collection, this study focuses more on reviewing literature from various sources relevant to the topic.

2.1 Data collection

The data used in this study were obtained through literature studies including journals, articles, and previous research reports related to street vendor relocation, socio-economic impacts, and the use of technology in the informal economic sector.

2.2 Data analysis

After data collection, analysis was conducted by identifying key themes emerging from the literature reviewed. The main focus of this analysis was to understand how relocation affects street vendors' income and business stability, as well as identifying opportunities that can be exploited through the adoption of digital technology. The analytical method used included thematic synthesis, where findings from different studies were combined to provide comprehensive insights.

2.3.Validity and Reliability

To ensure the validity and reliability of the research results, the data collected will be evaluated based on the credibility of the source, the relationship between the identified themes and the research context, and the suitability with the objectives and focus of the research. The results of the analysis are expected to provide a clear and in-depth picture of the impact of street vendor relocation, as well as the contribution of digital technology in increasing the competitiveness and sustainability of their businesses.

RESULT AND DISCUSSION

This section aims to explore and analyze the dynamics of street vendor relocation, as well as how the application of digital technology can affect their marketing and sales strategies. In addition, this analysis will link the relocation policy to the sustainable development goals (SDGs), and provide recommendations for the government in supporting the development of street vendors after the relocation process. By understanding these various aspects, it is hoped that more effective and inclusive solutions can be found for street vendors, as well as greater contributions to economic and social development in the community.

3.1 Socio-Economic Impact of Street Vendor Relocation

a) Impact of Relocation on Street Vendors' Income

Street vendor relocation often has a direct impact on the economic conditions of traders, especially in terms of income. Relocation that does not pay attention to the strategic aspects of the new location, such as accessibility and consumer flow, can cause a decrease in income ranging from 50% to 90% depending on location factors and post-relocation facility support (Fahrezy & Nurmanina, 2024).

In new locations, street vendors often face a much lower number of visitors compared to their old locations, which are generally located in areas with higher density. This results in fewer buyers, which automatically lowers street vendors' income. In addition, the narrower space and lack of infrastructure in new locations make it difficult for traders to maintain optimal business operations. They often do not have a strong enough strategy to cope with these sudden changes, which worsens their economic situation (Fahrezy & Nurmanina, 2024). In addition to direct economic factors, there is also the issue of capital affected by relocation. Many street vendors do not have enough capital to adjust to the new demands of a different location. This includes additional costs for adjusting their business premises and promotions to attract new customers. The lack of support and access to capital after relocation also worsens the economic conditions of traders.

However, there are also positive impacts in the long term, especially for street vendors who are able to adapt to digital technology and more modern marketing strategies. Street vendors who utilize digital platforms such as online ordering applications or social media to reach consumers show an increase in several cases (Agustina TS, 2021). This adaptation opens up new opportunities for street vendors to survive even though they are in a new location that is physically less strategic, but digitally connected. Therefore, more mature relocation policy planning must consider not only the physical location, but also the technological readiness and economic support for street vendors. Interventions in the form of training, access to capital, and utilization of digital technology are essential to ensure that the economic impact of relocation is not only negative, but can also be mitigated and overcome with innovative solutions.

b) Changes in Social Dynamics

The relocation of street vendors not only affects the economic aspect, but also brings significant changes in the social dynamics among traders. One of the main impacts is the change in relations between traders, both in the context of solidarity and competition (Fahrezy & Nurmanina, 2024). In the old location, street vendors tend to have a strong and close-knit community due to the daily interactions that occur in a relatively stable work environment. Relocation often causes the disintegration of this community because traders are moved to more dispersed or physically separated locations. This change often creates social tensions, especially when the new location is considered unfair or less supportive of their needs. Traders who feel disadvantaged due to a less strategic location may experience feelings of dissatisfaction and may even cause conflict with the local government

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responsible for the relocation policy (Agustina et al, 2024). In some cases, relocation even creates new inequalities among traders, where a small number of those with better access to resources or digital marketing strategies can survive, while others have great difficulty adapting.

In addition, relocation also changes the pattern of interaction between traders and consumers. In a new location, physical distance and a different atmosphere can make interactions more prone to conflict. Relocation often creates a greater social distance between traders and consumers, which ultimately affects the relationship of trust and customer loyalty. This is especially true among street vendors who previously had regular customers in the old location, where personal relationships played a major role in the sustainability of their business (Nasution et al, 2023). However, not all changes are negative. There are new social dynamics that emerge post-relocation, where traders begin to form new alliances or groups to survive and find joint solutions to face new challenges. The use of digital technology such as online ordering platforms or social media also opens up opportunities for wider collaboration among street vendors. This allows them to build new communities that are digitally connected. This innovation not only increases solidarity among traders but also helps them overcome obstacles created by the limitations of physical locations (Agustina TS, 2021).

In addition, relocation can encourage new relationships with local governments and the private sector. Training and mentoring programs from government or non-governmental organizations are often needed to ensure that vendors are able to adapt to these changes. A more formal relationship between the government and street vendors in the new location also often opens up opportunities for more constructive dialogue on regulations and policies. Therefore, relocation policies need to consider broader social impacts, not only in the context of economic relations, but also the social dynamics that emerge after relocation. Efforts to facilitate solidarity and create new, stronger communities in the new location, as well as providing space for constructive dialogue between the government and vendors, are important elements in the success of this policy.

3.2. Digital Transformation in Street Vendor Business

a) The Role of Technology in Marketing and Sales

Digital transformation has presented new opportunities for street vendors, especially in terms of marketing and sales. Technologies such as online food ordering applications, social media, and digital payment systems have become essential tools for street vendors to remain competitive in the increasingly digitalized market conditions. In the context of relocation, the application of technology becomes increasingly important to help traders adapt to new locations that may be less strategic physically but have great potential in the digital market.

One of the biggest impacts of using technology is expanding market access for street vendors. By using digital platforms such as Gojek or Grab, street vendors can reach consumers who were previously difficult to access, especially in new locations that may be further from consumer activity centers. Previous research has shown that digitalization in marketing can increase street vendors' income, especially among those who have the ability to use technology effectively (Agustina TS, 2021). However, not all street vendors are able to adopt this technology directly, resulting in a digital divide among street vendors. In some cases, technology has even helped overcome physical obstacles that often arise as a result of relocation. For example, a less strategic location physically can be offset by a strong presence on digital platforms. With a good marketing strategy through social media such as Instagram or Facebook, street vendors can build branding and engagement with consumers online. These results are reflected in several studies showing that street vendors who actively use digital marketing technology tend to be more resilient to market changes after relocation compared to those who do not utilize it.

In addition to marketing, technology also plays an important role in the sales aspect. Digital payment platforms such as OVO and GoPay simplify the transaction process between street vendors and consumers, increasing efficiency and convenience for both traders and customers. This non-cash payment system not only provides a sense of security in transactions, but also helps street vendors in better financial management, considering that digital transactions are easier to track and record automatically. The use of payment technology also reduces the risk of income leakage due to the use of cash which is prone to loss or miscalculation. However, the use of this technology also presents new challenges for street vendors, especially for those who are less familiar with digital devices. Limited technological literacy and access to digital devices are still major obstacles for some street vendors, especially those who are older or come from more vulnerable economic groups. Therefore, interventions in the form of training and mentoring programs are urgently needed to help street vendors understand and optimize technology in their businesses. Local governments and digital platforms need to work together in providing ongoing education and training to ensure that all street vendors can make maximum use of technology.

b) Barriers and Challenges in Technology Implementation

Although technology offers a lot of potential for relocated street vendors, the reality is that the application of technology in their business activities does not always run smoothly. There are a number of obstacles that affect the ability of street vendors to utilize technology effectively, both in terms of infrastructure, technical capabilities, and socio-economics. One of the main obstacles is the digital divide. Limited access to technological devices and internet infrastructure is a significant problem for most street vendors, especially those operating in remote areas or in locations with less stable internet access. This not only limits the use of technology in marketing and sales, but also affects access to information related to digital business opportunities. This gap further widens the gap between street vendors who are able to adapt to technology and those who are left behind. Therefore, attention is needed from local governments to improve digital infrastructure in areas where street vendors are relocated.

In addition, low digital literacy is another significant challenge. Many street vendors, especially those from older age groups, are still not used to using technological devices such as smartphones, especially for business purposes. A study in Surabaya showed that female street vendors who were tech-savvy were better able to adapt during the Covid-19 pandemic, while those who were less familiar with technology experienced a decline in sales (Agustina TS, 2021). This low digital literacy requires ongoing training and mentoring programs to improve street vendors' ability to utilize technology. Without proper intervention, street vendors who are less skilled in technology are at risk of being left behind in the increasingly digital market competition.

Then, there are also cultural and habitual challenges, where some street vendors feel reluctant or are not used to relying on technology in running their businesses. Street vendors who have long relied on traditional methods of selling and interacting with consumers may find it difficult to switch to a digital business model. In addition, there is resistance from street vendors who believe that direct interaction with consumers is the key to the success of their business. These cultural challenges are one of the significant obstacles in the implementation of technology by street vendors, especially in areas with a strong conventional transaction culture. To overcome these obstacles, a more intensive communication approach based on local culture is needed so that the adoption of technology is not seen as a threat, but as an opportunity to expand the business.

Lack of policy support also slows down the adoption of technology among street vendors. Many local governments do not yet have policies that specifically encourage the use of technology in the informal sector such as street vendors. Existing programs are often not focused on digitalization or are only short-term. For example, there is no mechanism to ensure that digital training for street vendors is continued with concrete assistance, so that many street vendors ultimately fail to implement the knowledge they have gained. For this reason, a more proactive and sustainable policy is needed from the government in supporting the adoption of technology by street vendors, including in the context of relocation (Christina et al, 2023).

3.3 Implications for Sustainable Development

a) Relocation and the Sustainable Development Goals (SDGs)

The street vendor relocation policy has complex implications for efforts to achieve the Sustainable Development Goals (SDGs). Street vendor relocation is not just a matter of moving a place to sell, but also part of a city's transformation towards better governance in the context of sustainable development. One of the main focuses of the SDGs is how urban policies can reduce poverty, reduce inequality, increase decent work, and create inclusive and sustainable cities. However, the success of achieving these goals is highly dependent on the approach used in the relocation process, especially in integrating economic, social, and environmental dimensions.

One of the main impacts of street vendor relocation on the SDGs is related to poverty alleviation and social inequality. Many street vendors are low-income, so relocation has the potential to worsen their conditions if the new location does not offer comparable opportunities. In many cases, relocations carried out without careful planning actually increase economic hardship for street vendors, thereby risking increasing poverty levels and exacerbating inequality. For example, research in Berau found that street vendor relocations that did not consider the accessibility and economic potential of the new location had a negative impact on traders' incomes, as well as triggering social unrest among traders (Fahrezy & Nurmanina, 2024). On the other hand, if the relocation policy is able to include elements of economic empowerment, such as access to training or digital marketing assistance, relocation can reduce the economic vulnerability of street vendors, and even provide opportunities for more sustainable business development.

In addition, the SDGs that focus on decent work and economic growth highlight that relocation policies involving technology can be one of the strategic solutions to overcome adaptation challenges in new locations. In the context of the digital economy, the government and the private sector can work together to involve street vendors in a technology-based trading system that can support their income stability. A study on the use of digital technology by street vendors during the pandemic showed that access to digital platforms allows traders to reach a wider range of consumers, so they can maintain and even increase their income in less than ideal situations (Agustina TS, 2021). Thus, relocation policies that encourage collaboration with technology platform providers can help street vendors adapt to new locations while supporting decent work and economic growth goals.

Relocation policies also contribute to the SDGs targeting sustainable cities and settlements. Given that street vendors are an integral part of the urban ecosystem, their presence can provide both economic contributions and challenges to urban governance. On the one hand, poor relocation can lead to a decline in the quality of life of street vendors and conflicts over inner-city space. On the other hand, with good integration, relocation can improve the order of urban planning while maintaining economic access for small traders. Local governments that want to achieve the SDGs need to consider the social and environmental impacts in this relocation process, for example by providing environmentally friendly facilities or better transportation access in the new location.

By combining the socio-economic needs of street vendors with a vision of sustainability, relocation can create a balance that allows cities to thrive without neglecting the important contributions of street vendors. To achieve this goal, relocation policies that adopt a holistic and inclusive approach will be key in ensuring that the process is in line with the principles of sustainable development and supports equitable and environmentally sound urban transformation.

b) Policies That Support Sustainable Development

Sustainable development requires policies that not only consider economic growth, but also integrate social and environmental aspects in their implementation. In the context of street vendor relocation, policies that support sustainable development must be able to overcome the various challenges faced by street vendors in adapting to new locations while maintaining their economic sustainability. These policies must be formulated by considering not only improvements in urban planning, but also the socio-economic welfare of traders as an important component of the urban economy.

Successful relocation policies must align sustainable development goals with poverty alleviation, local economic empowerment, and the creation of inclusive environments. For example, policy approaches that encourage collaboration between government, civil society organizations, and the private sector have proven effective in providing support to small traders exposed to relocation processes. In some cases, government policies that provide access to digital skills training and marketing assistance have enabled street vendors to adapt to new environments and expand their market share through online platforms. With this approach, relocation policies are not only a tool for urban planning, but also part of efforts to empower vulnerable groups affected by changes in urban policies (Christina et al, 2023).

On the other hand, relocation policies that support sustainable development must also pay attention to environmental aspects. As part of the SDGs, environmental sustainability is a major concern in city governance, especially in terms of public space utilization and waste management. Relocating street vendors to areas designed with environmentally friendly infrastructure, such as efficient recycling and waste management facilities, can help cities reduce the environmental impact of informal economic activities. In several large cities, for example, policies that regulate street vendors' grouping in special areas with integrated waste processing facilities have been able to reduce negative impacts on the environment, while maintaining the accessibility and attractiveness of the area for consumers (Agustina et al, 2024).

Furthermore, policies that support street vendors can also play a role in achieving the SDGs, namely decent work and economic growth. Encouraging technological innovation in street vendors' business practices, such as access to digital payment platforms and e-commerce, is one strategy that can improve street vendors' competitiveness and expand their market share. For example, digital skills training programs conducted through public-private partnerships have shown success in helping street vendors increase their income and business efficiency. In this era of digitalization, policies that direct street vendors towards the use of technology can improve their economic stability and reduce the risk of dependence on conventional markets (Agustina TS, 2021).

In order for the street vendor relocation policy to be in line with the vision of sustainable development, it is important for the government to conduct regular monitoring and evaluation. This evaluation needs to be done to ensure that this policy has a positive impact in a sustainable manner, not only on the welfare of street vendors but also on the overall governance of the city. The establishment of success indicators that focus on street vendor welfare, economic growth, and environmental impact reduction will help ensure that this policy truly supports sustainable development in the long term.

3.4 PKL Development Policy

Relocation is not the end of the socio-economic transformation process faced by street vendors. Rather, it is the beginning of a series of adaptations that require supporting policies to ensure the continuity of their businesses. Effective post-relocation support must focus on creating an ecosystem that not only supports the economic stability of street vendors, but also strengthens their capacity to thrive in a new environment. This effort needs to be directed at the formation of policies that can provide facilities for adaptation and survival, both in terms of market access, income stability, and adaptation to technological change.

The first step in this supporting policy is the implementation of continuous technology-oriented training. In the era of Society 5.0, street vendors need to be equipped with digital skills so that they can utilize online platforms to increase market access and expand customer reach. This training program can be in the form of improving skills in using social media for digital marketing, application-based financial management skills, and small-scale e-commerce adoption. For example, in several studies, business incubation programs that teach digital skills to small traders have shown significant results in increasing income and business stability (Agustina TS, 2021).

In addition, support policies need to pay attention to the physical facilities in the relocation area. The government can work with the private sector to create an integrated area that is comfortable and environmentally friendly for street vendors, by providing infrastructure such as parking areas, waste processing systems, and access to clean water and electricity. In this case, the development of the relocation area can be integrated with the sustainability goals of the SDGs, which not only maintain environmental cleanliness but also strengthen the attractiveness of the area for local consumers and tourists. For example, the implementation of the "green market" concept in several large cities has been proven to be able to reduce the negative impacts of informal economic activities on the surrounding environment. This approach can reduce long-term operational costs and maintain attractiveness for consumers.

Furthermore, the need for support for access to micro-capital to help street vendors after relocation is also part of an important policy strategy. This support can be in the form of a low-interest micro-credit program facilitated by local governments or community-based financial institutions, so that street vendors have a source of funds to update their inventory or develop innovations in their businesses. The existence of flexible financing schemes can also increase the economic independence of street vendors and encourage them to develop productively. For example, in several developing countries, inclusive financial programs for small businesses have succeeded in having a significant impact on local economic growth and the sustainability of micro-businesses amid changing socio-economic dynamics (Christina et al, 2023).

In the long term, this post-relocation policy also requires a continuous monitoring and evaluation system. The government can implement a data-based digital platform that monitors the economic development of street vendors and records challenges and needs that arise over time. With data collected in real time, the government and supporting organizations can adjust policies and training programs according to the actual needs of street vendors in the field. This data-driven approach provides flexibility for the government to respond efficiently to dynamics that occur in the field, while maintaining the economic resilience of street vendor groups in the long term.

Finally, in a broader context, this policy of support for street vendors is not only a solution to post-relocation problems, but also creates a model for managing small traders that can be replicated in other areas. A technology-based approach, collaboration, and sustainability are key elements in this strategy, strengthening the position of street vendors as part of a resilient and inclusive urban economic ecosystem. Thus, this policy not only serves economic interests, but also supports the social and environmental transformation needed for sustainable development.

CONCLUSION

Street vendor relocation in the context of urban development reveals that business relocation has a broad impact on income, social dynamics, and technological adaptation among street vendors. This relocation not only organizes the city space but also affects the socio-economic structure of small traders. The impact of this change indicates the need for a more comprehensive approach, especially in the integration of technology that supports Society 5.0 and the achievement of the SDGs. Technology has proven to play an important role in enabling street vendors to reach wider markets, while challenges including limited infrastructure and digital literacy require continued support from the government and private sector. Furthermore, the integration of relocation policies with the SDGs encourages the creation of a more inclusive and environmentally friendly economic ecosystem. Through collaboration between the government, financial institutions, and street vendor communities, relocation can be a strategic instrument in advancing the city's economy and the welfare of traders. Innovative and technology-based policies, which comprehensively consider social, economic, and environmental aspects, are key to building an adaptive, resilient, and highly competitive city for the entire community.

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