UNEVEN DEVELOPMENT AND CIRCULAR CAUSATION

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ABSTRACT

This paper discusses the uneven development and detects the circular causation that occurs in the Kalibata area. Uneven development occurs between the street vendor trade area and Kalibata City trade area. The research method we use are: 1) literature study as a theoretical basis to understand the uneven development theory and the occurrence of circular causation; 2) data collection by conducting interviews, observation, and direct mapping; 3) information processing where we used the data obtained to compare the differences in production processes between two regions. Kalibata City (formal area) and street vendor trade area (informal area) have different potential that generates the difference in the production process. This article found that: 1) street vendor's consumer facilities is simpler than Kalibata City; 2) street vendor area doesn't have a legal permit, thus making them susceptible to eviction, 3) street vendor is limited to the area beside the railway, 4) the tools used by the street vendors are less sophisticated than Kalibata City, and; 5) the street vendors have limited skills than the workers in Kalibata City. We also found there are three types of production of street vendors: low, mid, high complexity. Meanwhile, the production process in Kalibata City is ran in a more structured and organized way. These differences trigger the developmental differences between these regions. Circular causation makes it worse. Kalibata City will continue to be able to develop its area, while PKL will be difficult to develop because of its limitations.

Keywords: Circular Causation; Formal; Informal; Street Vendors; Uneven Development

1. INTRODUCTION

This paper addresses the occurrence of uneven development in Kalibata region. Uneven development of two regions occurs due to the potential differences between the two regions. (Smith, 1990). Trade area of street vendors as the informal area has a limit in developing their production process, different from Kalibata City which is a formal trade area. The street vendor area is limited to the sidewalk and adjacent to the Kalibata railway. Thus, street vendors cannot improve the quality of their production process. The difference in the production process, which transpires in Kalibata City and street vendor area, triggers the difference in sale value for the two regions. As a result, uneven development occurs between the two regions. With the emergence of circular causation, the uneven development in Kalibata City area and street vendor area will become worse. The regional development of street vendor area will be hindered by their limited potential, while Kalibata City will keep getting better. In this paper, we will address why this uneven development might occur.

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2. LITERATURE STUDY

The natural factor is very influential due to the condition of the area, and it happens naturally. (Smith, 1990). With different geographical conditions in each region, the government should be able to better utilize the natural potential they own in order to meet the need of people consumption. The natural form of a region has its characteristic which should have been noticed during the management process. A region should utilize its natural potential to meet the needs of its people. With the difference in natural condition, the availability of natural potential becomes limited and unable to fill the life necessities in its region. The interdependence between regions to fulfill their own needs is the one that pushes the export-import process.

The application of export-import does not just occur between countries, but also between regions as well. In export-import activity between regions, different sale value between two regions occurs as well. Between two regions with the same natural potential, the region with high sale value is going to dominate the one with lower sale value. The development of a region is affected by spatial aspects like area-wide, and economic aspects like production process, labors, and processing area. (Hanham, 2001). The production process is an essential factor in each regional development. (Savur, 1980). The less effective region, during the production process, will produce limited products. The region with low sale value is driven out of the regional competition and unable to fully develop itself. (Smith, 1990). A region that has more potential to manage its production process will continue to develop and take the opportunity away from the less potential region to develop. With the increasing demand for human need, the production process becomes vital because the sale value of a material is also increased after it has gone through processing. The basis for this consideration is if the numbers of products manufactured through machinery processing during the production process increases, then so make the profit. (Smith, 1990). Technological development is the vessel of the economic growth competition between regions.

The use of technology in the production process is considered as the tool to increase the benefit of a product. The concept to improve the quality of a product creates a competition between regions to improve their production method in order to reach their target. A competition as not to lose in order to improve the quality of the product creates a link between a developed region to an underdeveloped region. (Smith, 1990). The potential of a developed region will be improved while the potential of the underdeveloped region will stay the same or decline. The less innovative regional development in order to improve the effectivity of the production process will be hindered, unlike the developed region. (Booth, 1986). With the same type of product, the difference in the quality of the production process creates a different sale value. The difference between the improvements in the quality of the production process between two regions will be more significant and triggers the uneven development. (Ray, 2010)

The production method improvement from merely using bare hands to utilizing machinery in production makes the production process more manageable. The use of technology in the production process is not only in the form of machinery, but also includes the improvement of the more efficient production method. Production processes are run at the same time and organized so the production process runs more effectively and can produce on a larger scale. Each final product needs to go through a specific processing process that requires different needs in its production process. (Massey, 1995). The use of technology in the production process must be adjusted to the ability of the workers and the processing process that is required for each final product. (Myrdal, 1974).

The limited ability of the local workers is going to hinder the production process as a unit which will impact on the lower number of the final product production. The hindrance that occurs

The location of these vendors is right beside Kalibata City. Kalibata City as the formal trade area is located in an organized. Kalibata as an urban region has a flaw in its capability to produce its basic material to be processed by the vendors during the production process. The limited availability of primary material in Kalibata turns export-import process to be a part of the production process conducted by Kalibata City workers and street vendors. Kalibata is unable to make and produce the required basic material without outside help. The export-import process found in Kalibata region occurs at areas inside Kalibata and outside Kalibata. Both parties, Kalibata City and street vendors, need to import the material from other regions before it is brought to the trade area in Kalibata

3. METHODS

The research was done through literature study as the theoretical basis in order to understand the occurrence of uneven development and the occurrence of circular causation in uneven development. Data collection was done through field study by conducting interviews, observations, and direct mapping. The interviews were conducted in order to obtain the date of income and expenses of the workers in Kalibata City and the street vendors, therefore enabling us to calculate the relationship between income and the life of the workers using circular causation. The interviews were conducted with three workers from Kalibata City and to 5 street vendors. The mapping was made in order to observe the production process conducted by street vendors and the workers in Kalibata City with direct observation. The observations were done by observing the field in person, taking photos and videos, and gathering information about the production process. While the mapping was done by doing some selective redrawing to sort out the information. The redrawing was done to get more detailed information, such as the plan of the workplace, the flow of the production process, the work division, the space quality of their workplace, and the technologies of the utilities they use. The information obtained from the mapping was used to compare the difference in the production process between the two regions.

4. RESULTS AND DISCUSSION

4.1. Comparison Between Trade Area of Street Vendors and Kalibata City

Production process conducted in Kalibata City and the one conducted by street vendors makes the same basic material for food sold by street vendors and Kalibata City have different sale value. Basic material for processing process can increase the sale value of the required raw material. Once it goes through the processing process, it will have a higher sale value. The different production process conducted by Kalibata City and street vendors results in the different sale value of the final product produced by each party. The complex production process conducted by Kalibata City adds more value to the aspect of a product sale value.

Table 1. Comparison between Trade Area of Street Vendors and Kalibata City

Indicator	PKL	Kalibata City	Implications
Regional Warranty	No warranty	Warranty	The limited region warranty create minimum regional management
Food Court	Simple	Adequate	PKL more straightforward food court restrict the convenience of visitors
Trade Area	On sidewalk	Shopping center area	Sidewalk hinders the production process of PKL
Area	Limited to sidewalk	Big	PKL movement space for the production process become limited

Import in production Work Division	No formal process Overlapping job description	Organized process organized	Organized import process can support the production process Production process become more useful when applied in an organization
Equipment Production	Simpler	More advance	The inappropriate quality of the equipment can hinder the production process
Workers	Limited skill	In accordance with a standard of operation	More skillful workers increase the quality of production
Assets	Minimum	Big amount	Minimum asset makes it hard for PKL to improve
Region Management	Minimum management	Organized management	The regional management of PKL is limited because there is no formal management

The more organized and developed production process helps Kalibata City to facilitate the needs of the customers. One of the facilities provided by Kalibata City is an adequate food court space with a sturdy roof. Meanwhile, street vendors only use tarpaulin, so there is a possibility of exposure to the rain when the visitors eat there. Kalibata City offers comfort to its visitors. The more organized production process, the comfort value, and the facilities offered by Kalibata City are parts of a series of production process conducted by Kalibata City. The different production process conducted by trades in Kalibata City and street vendors triggers the different increase of sale value between both areas.

The different production process between the two regions can be reviewed by their different import process. The import process conducted by street vendors does not have any regulation, and it has no structure. Some vendors bring their basic material that they buy from other regions, and there are vendors who wait for the raw material distribution that is delivered to the trade area. Meanwhile, the import process occurred in Kalibata City is more organized than the street vendors. Each restaurant has their distributor who deliveries the material according to the delivery schedule. The export process occurs in the street vendors trade area, and Kalibata City is the process of the discharging the product made in the trade area, and it will be consumed later. There is revenue gained when the customer pays for the purchased product, and they bring the product away from Kalibata area.

Figure 3. Production Flow of Low-Complexity Workers

Workers who use carts with low complex level creates a flow of movement around the cart area. Snack vendors are the type of final product that belongs to the low-complexity cart group. Carts with low-complexity generate a walking area that encourages a fast-paced ordering process while discouraging the visitors to settle and consume their food on the spot from the lack of available facilities. The production process for food serving is more straightforward because it does not require cooking process and it just requires for the vendor to serve the food to be taken away by the customer. The area inside the cart serves as storage and cashier area for payment. An example of this type is ice cream vendor who does not have to go through any processing process and only require to serve their goods. The serving process only requires a simple process in the form of taking the food from the storage then putting it to the food container.

Figure 4. Production Flow of Mid-Complexity Workers

Figure 5. Production Flow of High-Complexity Workers

On the second tier, there is a mid-complexity cart that requires a more elaborate facility because it needs to provide an area for cooking purpose. The type of food served by this group is fried snacks that are not meant to be consumed right there on the spot. It belongs to the cooking category that doesn't require a complex cooking process because it uses ready-to-use ingredients without the need to go through the preparation process first. The cart is divided into the cooking area and the ingredients storage area which also serves as payment area.

On the third tier, there is a high-complexity cart with a production process that requires a worker to handle both the cooking processes and preparing process simultaneously. The area inside the production area is divided into the cooking area and a storage area. The entire cooking process and serving process are handled by one worker. The production process involves cooking and serving process, so the trade area requires a seating area for several customers while they are waiting for their food. One of the types of food they prepare is *martabak*. The vendor needs to go through a more complex process with a more significant responsibility like preparing process, cooking process, serving process, and payment process that is handled by one person.

Picture 6. Production Flow with Two Workers

Figure 7. Production Flow with Three Workers

Figure 8. Production Process Flow with Three High-Complexity Job Description

In addition to the production process carried by one worker, the following part is about the division of labor in a production process with multiple workers. Processing process handled by more than one person has higher complexity. The production process with two workers has simpler division of labor than the one with three men. The production process is distributed to those two workers with their job description; one worker for preparing and cooking the food while the other handles the plating and assists the cooking process. The type of food prepared by these workers is more complicated, thus causing the production process to be more complicated as well. The food sold here needs to be consumed on the spot, so the vendors have to provide a seating area to serve their food. The seating area is a part of the production, thus making it more complicated because it adds more responsibility for the workers to handle. One of the types of food that belongs in this category is grilled fish.

Unlike the division of labor with two workers, production process with three job description has a higher complexity level. The type of food that produced needs to go through more complex processing process, so there is a need for a more distinct division of labor. The division of labors can be seen in the grouping of tasks assigned to each worker. Using the example of satay serving process (Indonesian style skewered and grilled meat) which is categorized as a complex task, there is a division of labor based on the responsibility of each worker. One worker holds the responsibility to grill the satay, one worker is responsible for preparing the grilled satay on the plate, and the other is responsible for attending the customer and give them the food.

A more complex production process with three job description can be found in a cart with a tent. Foods and beverages served there needs to go through a more complex serving process than the simpler food. They serve various type of food based on the customer's order because they offer varied foods and beverages here. The diverse menu makes the production process more complex. Production process also includes ordering process, the processing process, and serving process. During the production process, each worker has their different responsibility, but they are still working as one unit in order to complete the production process. One worker holds the responsibility to cook, one worker is responsible for preparing the cooked foods, and one worker is responsible for preparing the beverages, do the dishes, and serve the foods. This type of food vendor uses a cart and a tent that gives access to the three workers so they can serve and prepare the foods. The type of food produced here is more complex like fried catfish with peanut sauce and rice and grilled chicken.

Figure 9. Production Process Flow in trade area in Kalibata City

Unlike street vendors, workers in Kalibata City run their production process in an organization with a clear division of labor. In the trade area in Kalibata City, each restaurant has their working area. The restaurant area is divided into kiosks which allow the division of work post inside the kiosk. One restaurant has enough space for serving process, transaction proses, and cooking process that has its separate post.

In Doner Kebab restaurant that uses the same kebab grill machine as others kebab bars, the production process is conducted in a more precise manner. The restaurant area is divided into two; kitchen for cooking purpose and restaurant front is for transaction purpose. Transaction area is designed to maintain a line between those who are waiting to order and the one who is currently engaged in the transaction process. The kitchen area allows the placement of sophisticated cooking utensils which also improve their cooking process quality. An improved cooking process allows the addition of food variety made from the same meat in the menu, which will increase the sale value.

It provides a dining area with air conditioner, fitting chairs, and tables, a more comfortable room. The facilities offered by Kalibata City food court improve its visitor's comfort. The visitors usually spend their time eating, hanging out with friends, or simply enjoying the atmosphere around them. The comfort offered by Kalibata City increase its product sale value.

The workers are working as a unit in their post. They have their quality that is suitable for their post. The production process is carried in one synchronized flow that reflects their professionalism in the transaction process. Their professionalism can add comfort value to the customers during the transaction. This production process can increase its product sale value. Production process done by Kalibata City shows a good labor division according to the skill of each worker. Production process runs in a more structured manner, and it is shown by the clear, and organized division of labor. Each post runs separately, and they have no link with other posts. Unlike the street vendors production process that doesn't have any work structure with a clear division of labor, in Kalibata City trade area, one worker only focuses on their assigned post. Workflow of the cashier is just around the transaction and serving area, the cook is only working around the cooking area, and the dishwasher is only responsible for doing the dishes and to store the plates back to the shelf.

In addition to the workers who run the production process as a unit, the tools they used during the production process in Kalibata City is more sophisticated than the ones used by the street vendors. The condition of the production area affects the quality of the production process. Kalibata City area is big enough to allow the vendors to use more sophisticated and bigger tools. For example, even though both parties go through the same grilling process, they use different tools. Trade area size in Kalibata City allows the vendors to use a big automatic griller that can produce more foods at the same time. Besides the area size, the more sophisticated machine also requires other things like electricity that can powers up certain machines. Coffee

shops in Kalibata City utilize advanced coffeemakers that can only be operated by baristas who have a specific certificate. The same product produced by street vendors does not go through more advanced processing with sophisticated tools like the one conducted in Kalibata City.

Production process conducted by street vendors is limited to their temporary carts while Kalibata City has a better place and facilities. Final products with different quality create a development competition between each area. Both Kalibata City and street vendors serve food, but Kalibata City offers a better service for the customers. A more satisfactory service offered by Kalibata City reflects the different production process which distinguishes the sale value for foods between the one sold in Kalibata City and the one sold by street vendors. It creates competition between them.

3.2. Circular Causation in Kalibata

There is an improved development of a centralized production process in Kalibata City. The occurrence of the centralized development is influenced by the different potential between both parties. The centralized development is directed to a developed region in order to develop it even more. With the centralized development for the developed region, the underdeveloped region like street vendors area become marginalized. Street vendor trade area does not receive the same development as Kalibata City, thus resulting in a limited opportunity for them to develop their area. Given the difference in opportunity for growth, this development gap between Kalibata City and street vendors would only get worse. The different potential between the trade area in Kalibata City and street vendors has already caused an uneven development. Without any fair solution for both parties, the development of Kalibata City and street vendor trade area would be much different. There would be no development in the street vendor area due to the limited opportunity to manage the area. The regional development would only be done by Kalibata City in order to improve it more.

Looking at the fate of street vendors, the lack of skill to conduct a formal production process like Kalibata City limits their capability to improve their production quality. The limited development in production process limits the numbers of the final product as well. The limited final product also limits the increase in sale value. The minimum sale value limits the workers' wage, so the workers are unable to improve the production process. The limited facilities for them limit the improvement as well.

Mrs. Siti, a 51 years old satay vendor, has a satay business with two extra workers who help her to run her business. The additional cost to pay the workers cut the profit the street vendors get from their business. With a lot of expenses and no fixed revenue, it is hard for street vendors to manage their income for their private needs. In addition to the rental fee for the trade area, there are also rent free for their house and basic needs. Those vendors do not have any money left to save with the daily revenue of Rp. 300.000,00, Mrs. Siti has to cut it around Rp. 150.000,00 to pay for security fee every day. With the unstable low revenue, the street vendors need to cut any expenses but the basic needs. The cut in their already small revenue only decreases their opportunity to improve their life. It will all be spent on basic needs to survive, and it will be impossible for them to improve their quality of life.

In addition to the rental fee, they still need to pay for other expenses besides the basic needs. Street vendors would continue to get a low revenue which would be spent on their basic needs in order to survive. Unfortunately, street vendors are not able to increase their revenue and improve the quality of production. Their condition and the limited opportunities to change their life would not just change suddenly. The fact is those factors that limit their revenue like minimum facilities, the high living expense, and the unstable revenue is going to limit their chance to improve their life.

On the contrary, coffee shops in Kalibata City trade area can keep on improving their quality of life. Zaki, the a 33 years old owner of Sama Dengan coffee shop in Kalibata City Square, has the skill to calculate the profit he gets from his business. With a total asset of 2.5 billion, Zaki had achieved break-even point in 8 months. He does not get a fixed revenue every month, but he has made a marketing target to achieve his other targets. An entrepreneur like him can calculate their minimum expenses and minimum revenue that he needs to achieve to avoid any loss.

Judging from the development of fortune of the entrepreneur in the formal area with increased revenue, the entrepreneur could keep developing within the trade area they own. With the increased quality of the trade area, it will have an impact on the improvement of the production process. The circular causation is found in the entrepreneur in the formal area, in Kalibata City Square. Unfortunately, people who can afford to start a business in the formal area are those who have a big asset and able to manage their business on a big scale. Visitors Entrepreneurs can make an estimation and come up with a strategy to monitor their revenues and expenses. Entrepreneurs calculate their revenue with a plan and strategy in order to get the maximum revenue that will increase their profit. The profit they gain can be used to improve their quality of production process. The improvement of the production process will not only increase the sale value but also on the profit as well. The excessive profit offers an opportunity to open a branch store or other business. Entrepreneurs manage their business so they will be well organized according to the plan and target in order to control the revenues and expenses. Entrepreneurs keep getting the opportunity to improve from the profit they get from their business. Entrepreneurs in the formal area will continue to make development, and it will run circularly.

Street vendors have limited facilities for the production process, and it causes a limited development on their potential. Kalibata City continues to improve continuously, and it increases the production quality. The improvement would continue to increase the regional potential while the improvement of street vendor area would be neglected and marginalized. The condition of both street vendors and the workers in Kalibata City would continue to run circularly. The street vendors in Kalibata have a limited facility to run their business. The right they get is only a temporary permit to run their business on the sidewalk and the street beside the railway. Street vendors cannot have a permanent building, and they have to disassemble their trading facilities every day. With the limited facilities, the street vendors need to spend their energy to prepare their cart, tent, benches, and table in order to make the area beside the railway to be a functional trade area. The regional development that is suitable for them is an improvement for their trading facilities. Street vendor trade area should be organized and managed in order to become a permanent trade area with a more stable division for each vendor. The temporary nature of street vendor's facilities makes it difficult for the street vendors to arrange the cart. Regional improvement in the form of an arrangement of trade area will benefit the street vendors. It will be the first step to improve the quality of production process conducted by the street vendors. A maximum production process allows the increase in sale value in Kalibata City. Kalibata City high sale value becomes a profit for Kalibata management. The profit they gained can be used to develop the area. Kalibata City management team can control the profit they gained from the production in order to develop the area, thus increasing the production process even more. The quality of the production process will continue to increase with the help from the Kalibata City area development that is going to impact the sale value. The Kalibata City area development will continue to run in a circular manner, and it will continue to improve.

4. CONCLUSION

The uneven development in Kalibata is caused due to the different potential of street vendors and Kalibata City. The trade areas of both parties have different potential. The different potential causes a different quality of the production process, thus triggering a different development for both areas. Kalibata City has a more organized and structured production process than the street vendors. The uneven development in Kalibata is triggered by the different production process conducted by the street vendors and Kalibata City. The potential of Kalibata City as the formal area indicates a more structured production process than the street vendors which are located in the informal area. The regional development is centralized in Kalibata City which has been developed. As a result, the development of informal areas continues to get hindered because the sale value of the street vendor trade area is lower than in Kalibata City.

Circular causation is found in Kalibata, and it would make the difference in development worse because the causative factor always runs in a circular manner. The occurrence of circular causation would be more detrimental to the informal workers. The money spent by street vendors is not proportional to the revenue they make, and so their revenue is only enough for them to meet their basic needs in order to survive. In a relation between one factor and another, the street vendors are not going to be able to break free from their limitation in order to improve themselves. Circular causation has an impact on the different area of development between the street vendors and Kalibata City. Street vendors with their limited potential to develop would be hampered in their attempt to develop and to improve. There is an opportunity in Kalibata City to continue their area development. The limited area development would continue to occur for street vendors, and it would not let street vendors break free from their limited regional potential. Differences in development would continue to make the difference between the two regions more significant due to the occurrence of circular causation in the problem of uneven development of the region. While this study has a limited number of cases, the information we gather has its limitation. Therefore, the results cannot be generalized since they are only based on limited study cases. However, this study is still significant to explain how the production process can affect the uneven development.

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