

The Implications of Traditional Market Development for Governance of Conflicts: an Experience from Klewer Market of Surakarta, Indonesia

SUDARMO

The Study Program of Public Administration, Faculty of Social and Political Sciences, Universitas Sebelas Maret, Surakarta, Indonesia
E-mail: sudarmo63@yahoo.com

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ABSTRAK

Pasar Klewer berdiri lebih dari 6 dekade yang lalu. Sejak keberadaannya, konflik antara *stakeholder* dipasar tersebut telah berulang kali terjadi. Ada berbagai kelompok kepentingan terkait dengan pasar Klewer diantaranya adalah pemerintah kota, pedagang yang mempunyai izin formal penempatan, pedagang jalanan yang mempunyai izin, pedagang yang tidak mempunyai izin dan keluarga Kasunanan Surakarta. Penelitian ini menggunakan metode etnografi untuk menunjukkan interaksi antar *stakeholders* yang seringkali memunculkan konflik. Penyebab konflik tersebut tidak sederhana. Setiap kelompok memiliki kepentingan yang seringkali berlawanan dengan kelompok lain. Dalam beberapa kesempatan, sejumlah pedagang membentuk kelompok modal untuk memecahkan masalah tetapi seringkali malah menimbulkan konflik yang lebih besar. Terkadang konflik dapat dihindari tetapi akan muncul kembali karena akar permasalahan tidak terselesaikan. Salah satu dari sumber konflik adalah kompetisi sumber daya yang terbatas. Keterbatasan sumber daya yang dimiliki Pemerintah Kota Surakarta yang mendorong Pemerintah Kota bekerjasama dengan pihak lain yaitu Kasunanan Surakarta, Bank, perusahaan swasta dan Pemerintah Pusat untuk menyediakan sumber daya yang dibutuhkan sebagai salah satu bentuk manajemen konflik. Kata kunci: Pemecahan Masalah, Pemerintahan kolaboratif, Pedagang Pasar Tradisional, Pedagang Kaki Lima

ABSTRACT

Klewer market has been developing since over six decades ago. Since the beginning of its development, conflicts among stakeholders in the market have repeatedly happened. There are various interest groups associated with the market including the city government, authorized market traders with formal license placement, street traders with formal permission letter, street vendors with no legal placement, and the royal family of former monarchy of the Kasunanan

Surakarta. By using ethnographic method, the study shows that intensive interactions amongst the associations of traditional market traders, the City government, street traders and other interest groups of Klewer market created conflicts. The causes of conflicts are not simple. Each group of traders tends to have its own interest agenda that contradict to that of the others. In some occasions, a group of traders built social capital intended to resolve conflict but it is not always the case because it tends to be used for maximizing its own interests but at the expense of others so that vigorous conflict is unavoidable. Sometimes a conflict was managed by avoidance but it is easy to raise again since the roots of conflict were not entirely resolved. One of the causes of conflict was the competition for limited resources among diverse interest groups. Since the city government of Surakarta has insufficient resources, it collaborated with other parties including the royal family of the former Surakarta monarchy, state banks, private enterprises and the central government to provide the required resources which is the part of governance of conflict.

Key words: conflict resolution, collaborative governance, traditional market traders, street traders.

INTRODUCTION

This study discusses interactions among traders or groups of traders, street traders and traders, groups of traders and the city government, and street traders and the royal family since the beginning of the Klewer Market Development; the Interaction between parties may lead to conflict. This study is intended to investigate the reasons of why conflicts repeatedly occurred in the Klewer Market since the beginning of its development and how the city government (and other stakeholders, if possible) resolved the conflict. Finally, by having a clear understanding of these issues, this study seeks to find a resolution approach called collaborative governance that is likely appropriate for governing the heterogeneity in the Klewer Market circumstance democratically, and thus, this practical benefit of the study may be employed in any other area of Indonesia experiencing similar problem or situation. The study also provides theoretical benefits for public management and policy studies since it enriches the literature on decision making in conflict resolution and governance of diverse interest groups collaboratively.

The Slomporetan market which is well known as Klewer market, an icon of Surakarta City and the biggest *batik* wholesale market in Asia and the circulation of money reaching eight billion Rupiah (US\$615,000) per day has been gradually growing

since the beginning of its formation in 1947. It has experienced significant redevelopment several times.

Development is an idea which combines the moral with the material; it is a moral idea in that it is about human betterment, fulfillment, the enrichment of lives through the expansion of choice; and material one in that it is about overcoming material poverty through the creation and optimal distribution of wealth. Not amazingly, it is usually treated as if it denoted an unalloyed good ([Goldsworthy, 1988: 507](#)). Decision for Klewer market development as activities are exactly like any other decision in which there is little or no likelihood of positive-sum outcomes with gains to all participants. Development practices of Klewer Market is not just about deciding what courses of action will bring what benefits to which group; it is about 'choosing which objectives to pursue at the expense of which others' ([Goldsworthy, 1988: 508](#)); it is also a 'two edged sword which brings benefit, but also produces losses and generates value conflicts' ([Goulet, 1992: 470](#)).

The Klewer market as a traditional market, is a subsystem of a larger economic system engendering the development of an area that shapes a route round of business' ([Aliah, Setioko and Pradoto, 2014](#)). Situated in the center of Surakarta city, recently, the market has been consisting of about one thousand and five hundred kiosks built on the western area and about five hundred and fifty stalls on the eastern area. According to the local law, buildings of the market and their management are under the authority of the local government. Hadiningrat claimed that the eastern kiosks of the market were built on land which was believed to belong to them. Despite this claimant, the city government asserted that it has a certification for land use authorized by the National Land Board so that any development or redevelopment on the land does not need to have permission from the Royal family.

There are three main groups of traders growing in the Klewer market: thousands of authorized market traders; hundreds of *renteng* traders—well organized street vendors occupying the back

yard of Klewer market alongside the wall of former monarchy palace of the Kasunanan Surakarta and having permanent kiosk and legal license placements; and thousands of *plataran* traders—casual unorganized street vendors occupying the area around the market with no legal formal placement and non-permanent stall.

The *renteng* traders are those who were able to make personal relationships and had capability to make network with the city government; and because of it these street vendors were allowed to have license for placement since early 1990s. However they abused the authority they received from the city government. Most *renteng* traders constructed and expanded their permanent kiosks by breaking some fences of the Kasunanan Surakarta palace; it was intended to facilitate their business and maximize their profits. Their behaviors have broken the Presidential Decree no 23/1988 and the 1992 Act Number 5. According to the Presidential Decree no 23/1988 the fences surrounding the palace is under the authority of the royal family; and according to the 1992 Act Number 5 in relation to materials of cultural preservation, anybody is not allowed to break or make any additional construction on the preserved buildings. However, the city government tends to protect them despite their behavior of breaking the rule of law. It is likely that those street vendors with 'strong links to the city government are more likely to survive' ([Sudarmo, 2016](#); [Woolcock and Narayan, 2000](#); [Grafton, 2005](#)). In addition, the number of casual unorganized street traders with no legal authorization gradually increased at the market. This situation where heterogeneous groups of people exist, might lead to conflict because of diverse individual or group demands ([Protasel 1988](#)).

LITERATURE REVIEW AND RESEARCH FOCUS

Conflict may occur between individuals or groups in all forms of human relationships and in all social situations ([Pruitt & Rubin, 1986](#); [Rubin, Pruitt, & Kim, 1994](#)), so highly common in the groups of community or associations at traditional market

like the Klewer Market (see [Rahim, 1983](#); [O'Connor, Gruenfeld & McGrath, 1993](#); [Alper, Tjosvold, & Law Ayoko, 2000](#); [Härtel, & Callan, 2002](#); [Lim and Yazdanifard, 2012](#); [Emanuel and Ndimbwa, 2013](#)).

The term conflict used in this study interchanged with conflict of interest—a property of the preferences of the participants and the structure of the situation in which they find themselves ([Axelrod, 1967](#)). Conflict can be defined as an unsuitability of goals or values between two or more actors in a relationship, fused with attempts to influence each other and opposed feelings toward each other ([Coser, 1957](#); [Fisher, 1990](#); [Axelrod, 1967](#); [Ajayi and Oluwafemi, 2014](#)).

There are some studies focusing on issues of trader or street traders in Surakarta ([Rachmawati, 2014](#); [Permatasari, 2015](#); [Holidin and Hsandini, 2014](#)). A study by [Rachmawati \(2014\)](#) focused on the contribution of street vendors as the majority group of informal sector in generating local government revenue of Surakarta and how to govern them so that they could provide more income to the local government. A study by [Permatasari \(2015\)](#) examined the process of government policy options in Surakarta; she concluded that the relocation process of street vendors has been successfully executed by the city government but it is only sustained for several years. Since most of street vendors have returned to their previous location, it has created a big enduring problem. Another study by [Holidin and Handini \(2014\)](#) concerned the implementation of innovative program on street vendors during the leadership of Mayor Joko Widodo in Surakarta; the research suggested that an egalitarian communication policy among parties in the governance elicited transparency and participation.

There are some other studies on street vendors and traders conducted in any other city of Indonesia and any other developing country ([Syamsir, 2016](#); [Permatasari and Rudito](#); and [Kumar, 2015](#)). A study by [Syamsir \(2016\)](#) described the City Government's attempts to empower street vendors, and the degree of success of

the empowerment program implemented by the Payakumbuh City Government of West Sumatra. A study by Permatasari and Rudito (2014), using a quantitative method with multiple regression, examined factors affecting the successful implementation of street vendors relocation program including Business Location, Working Environment, Communication, Apparatus Behavior and Entrepreneurial Characteristic. Another study by [Kumar \(2015\)](#) sought to investigate the nature, operations and socio-economic features of street vendors in Kerala, India.

Despite the perceptions provided by earlier theoretical, empirical, and case-study work on street traders or traders, the study on conflicts in Klewer market of Surakarta since the beginning of its development and the governance of conflict committed have not been studied in a systematic manner. Moreover, those earlier studies also did not specifically discuss factors causing conflicts and governance of conflict. Thus, this study focuses on factors causing repeated conflict occurring in the Klewer market since the beginning of its development and the way the conflicts were governed.

The term of Governance in this study refers to the 'process of decision making involving diverse stakeholders' that may include government and non-government parties such as associations of market traders, street traders and the royal family of the Kasunanan Surakarta 'towards a common end' ([Henton, Melville and Parr, 2006](#); [Ansell and Gash, 2007](#)). The term governance of conflict means a way of working with those diverse stakeholders involved in conflict to decide and formulate enduring solutions to common problems or any conflict they face, instead of the decision made by a single powerful actor such as the local government or any other dominant party such as the royal family of the Kasunanan Surakarta.

However, governance of conflict needs to be sought deliberately because when individuals or groups or associations are trapped in a conflict they are frequently powerless to leave by themselves. They require the involvement of a third party in the

role of arbitrator, mediator or consultant ([Fisher, 1972](#)). Early studies on conflict resolution identified a large number of sources or conflict ([Fink, 1968](#); [Mack & Snyder, 1958](#)). However, they can be classified into four main sources of conflict: economic ([Katz, 1965](#); [Fisher, 2000](#); [Polachek, 1980](#); [Stewart, Humphreys and Lea, 1997](#); [Emanuel and Ndimbwa, 2013](#); [Bukari 2013](#)), goal, interest or value ([Katz, 1965](#); [Fisher, 2000](#); [Jehn, 1994](#); [Pelled, 1996](#); [Mintz and Geva, 1993](#); [Bukari 2013](#)), power ([Katz, 1965](#); [Fisher, 2000](#); [Hegre et al., 2001](#); [Gaski, 1984](#); [Asadzadeh, 2016](#); [Bernard and Umar, 2014](#); [Bukari, 2013](#)) and communications ([Katz, 1965](#); [Fisher, 2000](#); [Drolet and Morris, 2000](#); [Claycomb and Frankwick, 2004](#); [Lim and Yazdanifard, 2012](#)).

Scholars offered diverse methods for governing conflicts: arbitration, adjudication, bargaining, persuasion, communication, re-conciliation, cooperation, and encapsulation ([Wani, 2011](#); [Ajayi and Oluwafemi, 2014](#); [Bukari, 2013](#); [Lim and Yazdanifard, 2012](#); [Dixon 1994](#); [Raymond 1994](#)). Nevertheless, the way in which conflict is governed ascertains whether it is constructive or destructive ([Deutsch & Coleman, 2000](#); [Kriesberg, 1998](#)).

This study argues that the repeated conflict is not caused by a single factor. Conflict might be caused by economic motive or competition of scarce resources, or incompatible goals, interest or value among stakeholders; or power domination of the powerful to the powerless party, or ineffective communication, or combination of two or more of them. Since the sources of conflict may be complex and involve diverse parties or actors, it is likely that any option of conflict resolutions which does not accommodate interest, value or goal of all stakeholders is unacceptable or fails. Since every conflict may be caused by different factors and occurs in different situations which involved different types of parties' interests it requires collaborative governance of conflict because this approach facilitates all stakeholders to cooperate to achieve common goals working across boundaries through those diverse stakeholders ([Henton, Melville and Parr, 2006](#); [Ansell and Gash, 2007](#)) so that conflict may be entirely resolved.

METHODS

This study, conducted in the area around the traditional Klewer Market of Surakarta, Indonesia, is a descriptive qualitative research, not statistical hypothesis-testing. It uses an ethnographic method, involving several periods of fieldwork using *participant observation*, spending much time watching authorized traders, street traders, the royal family of the Kasunanan Surakarta, and City government officials relating to market affairs, and talking to them about what they did, thought and said. This approach was designed to gain an insight into the market traders, *renteng* traders, *plataran* vendors, officials of city government, the Royal family of Kasunanan Surakarta' viewpoints and the way they comprehended their interactions between the individuals and the groups, and including triangulation by using several approaches to people from different directions. Those approaches were selected on the basis of both purposive and snow-ball sampling techniques. This was combined with interviews with local people including parking attendants, pedicab drivers, public transport drivers and thugs (*preman*) and with detailed content analyses of secondary research and local newspapers. The validity of this research was maintained by using multiple data sources (triangulation of data sources) or multiple information sources by using various informants and various documentary data and methods of data collection, as mentioned above, and the data interpretation collected from multiple views.

RESULT

Since the transaction in Klewer market had increased in the late 1950's the trading space expanded to the western area of the market where different kinds of goods including textile, birds, food, bicycle and other domestic commodities were offered. Due to the constructions of many unordered semi-permanent stalls, the situation quickly became seen by many as a slum, a dirty and a messy market. However, until the end of the Soekarno Old Order in 1966, the idea of market construction was absent. Since

the New Order had got into power the market was paid attention by the authority of Surakarta. The city government of Surakarta under the New Order decided to totally restructure the market in 1969, in a manner that it would be exclusively for textile market. The city government made decision that those who were not the textile traders were forced to get out from the area. Consequently, conflicts between the non-textile traders and the apparatus could not be avoided but it was easily resolved by the local government by force. In dealing with this market development plan, the local government arranged to involve a private investor, while traders were worried about the expensive price of the kiosks. This situation encouraged the textile-market traders to form an Association of Klewer market Traders (the HPPK) in that year, and opposed the government's plan to involve private investor in the market development. Because they did not have enough power to influence the local government decision, they saw Mother Tien Soeharto to help them. Finally, due to the then President Suharto's intervention (and without private investor's involvement), the two-floor western building of Klewer market was successfully built on the land measured 135 x 65 meters square and it was inaugurated in 1971 by the President himself. Fourteen years later the market construction was expanded to the eastern area on the land measured 85 x 65 meters square in 1985 and it was launched by the governor of Central Java, Ismail in 1986.

Initially, the western area of the market with 1,532 kiosks was occupied by 1,147 market traders with formal licenses, while the eastern buildings of the market were occupied by 545 traders with official licenses. The traders with licenses consist of different tribes including Java, Banjar, Arab and China. The last two ethnics mostly have a large-scale trading. Most of them have more than one kiosk. The strategic location, particularly the western area of the market, rapidly had attracted hundreds of street traders to run their informal business around it; they were 136 street traders facilitated by the city government with permanent kiosks,

called *renteng* traders occupying the backyard of the market alongside the wall of former monarchy palace of the kasunanan Surakarta; and 764 street traders without permanent kiosks as the city government claimed (although the HPPK claimed that they were about 1000 street vendors at the end of 2012), called *plataran* traders, mostly occupying the front yard of the market. This promising location for business also attracted many other traders to buy or rent kiosks offered in the market. Because the number of market traders and street vendors increased, while space for trading was limited, the market vastly crowded and gradually turned out to be untidy and messy. This situation had encouraged the city government to plan reconstruction of the market.

The first idea to redevelop the Klewer market in the post New Order came from the city government in the era of Mayor Slamet Suryanto in 2004. It planned to reconstruct and expand the market to western and northern areas and engaged a private investor from Jakarta, but its plan was strongly opposed by all members of the HPPK, who were totally united and cohesive. They convinced that the market was still firm enough and comfortable for trading and provide sustainable income and visible customers. They were also worried about their uncertainty after the renovation. Moreover, they worried about the uninformed hidden reasons behind the city government plan to reconstruct the market because the Mayor would end his power in the mid-2005 while market redevelopment may need more extra time. Due to the cohesiveness of the HPPK members to oppose strongly the market redevelopment plan, the city government cancelled the reconstruction project.

The following Mayor of Surakarta was Joko Widodo who was in power between 28th July 2005 and 1st October 2012. Although the management of market was under his authority, and the feasibility study by hired private enterprise and the detailed engineering design for the market reconstruction had been made in 2012, until the end of his power there was not any proposal for

market reconstruction coming from his administration because he avoided the conflict between the traders and the city government to escalate. Moreover, at that time the HPPK was able to maintain its cohesiveness and common trust among the members, and it had a capability to lobby the mayor and other power holders to protect their business interests in the market. Thus, for over seven years since the mid-2005 all members of the HPPK felt safe from any government's intervention related to the market reconstruction plan and free from worry and uncertainty.

The idea of market redevelopment rose again since Mayor Joko Widodo ended his power in Solo in early October 2012, and replaced by Mayor FX Hadi Rudiantmo at the end of the year. Based on the report by the Market Office Management, recently Klewer market has been occupied by 2,543 market traders with permanent kiosks, 136 *renteng* traders, and 764 *plataran* traders in 2014. The hundreds of street vendors in the area around the crowded market were blamed for having caused disorderliness and untidiness, which may lead to traffic jam and access blockage toward the market. However, as a matter of fact, many pedicab drivers, public transport drivers and parking attendants have contributed to the city traffic disorder around the Klewer Market.

Transactions at the Klewer market have been able to provide local revenue for the city government of 3.5 billion rupiahs per year. The city government expected that by having redevelopment, about 1000 street traders would change their status from informal to formal traders, and thus the city government revenue would increase significantly. This current situation of the market and the detailed result of the feasibility study encouraged the city government to redevelop the market totally. Shortly after the Mayor FX Rudi Hadiatmo got into his power; his administration introduced the redevelopment plan to the HPPK and the rest traders at the market. Some accepted it but some others rejected it. Large scale capital traders consisting of all Chinese non Moslem, some Arabic Moslem, and non-Javanese Moslems

and non-Moslem who were pro market redevelopment, then separated themselves from the HPPK and formed a new association called the KPPK at the end of 2012. Since then the association of Klewer market traders has been divided into two conflicting groups: the KPPK and the rest of the HPPK who were mostly Javanese Moslem people with small scale capital.

The HPPK distrusted the result of feasibility research because in its opinion the market was still comfortable and feasible for trading. Most members of the HPPK were worried about the increasing price of kiosks after the total renovation was done, since based on their experiences, the prices of kiosks usually increase after the reconstruction to the price level that they could not afford. They were also worried about their uncertain future because they did not know where their kiosks would be situated. Due to the worry and its suspicion of the study, they initiated to do the same thing to verify its argument but it was rejected by the city government perceiving that the HPPK had no authority to impose its self-interest on the city government plan. The city government argued that the market redevelopment was entirely under its authority.

Both *renteng* and *plataran* trader groups built networks with and affiliate to the KPPK because they expected that their interests to have safe permanent kiosks in the new upcoming market would be materialized with the help of the KPPK to lobby the city government. Since the HPPK knew that these street traders groups supported the KPPK and they were pro the market redevelopment, it blamed them as part of the market problem and propose them to the city government for removal or relocation to any other location. However, its proposal was rejected since the city government was concerned about the market redevelopment instead of the removal or relocation program of the street vendors.

The city government, supported by the KPPK repeatedly attempted to induce the market redevelopment plan to the members of the HPPK but always failed. Since the KPPK has inten-

sively encouraged the city government for the market redevelopment, conflict between the HPPK and the KPPK increased in the last two years since 2012. Because members of the HPPK were concerned about possible arson at the market, the members of the former regularly safeguarded the market at night. Eventually, the HPPK's worries turned out to be justified. The Klewer market got burned on 27th December 2014. The local government in cooperation with the Police claimed that the cause of the fire was an electrical short circuit. Conversely, the members of HPPK claimed that the fire was not caused by the electrical short circuit, but it was a deliberate fire instead, ignited by the city government and its supporters.

Traders occupying western part of the Klewer market at this moment are in the need for a temporary market place. They demanded the government to provide them with an emergency market. The city government has been promising to reconstruct an emergency market intended to accommodate the traders of the Klewer market; the reconstruction costs up to 5 billion Rupiahs. Because of the limited budget, the city government engaged private institutions and asked them for more financial aid. There were at least three financial agencies (including Bank of Central Java, Bank of the Republic of Indonesia, and the Assembly Board of Local Banking) and one private enterprise (the Sritex), involved in providing resources including 400 kiosks (the former two banks), 1 billion Rupiahs (equals to 100 kiosks), and 500 million Rupiahs (equals to 50 kiosks), respectively to the city government. However, the city government has no sufficient physical resource mainly vast area that is able to accommodate thousands of traders. Finally, after it made cooperation with the royal family of the Kasunan Surakarta, the emergency market was finally built in the Northern Square, with financial compensation provided to the royal family. The provision of the resources for traders has declined the tension of conflict between the city government and the traders of Klewer Market.

While the city government was constructing the emergency

market, it began with market redevelopment intended to accommodate over 3,000 traders. The promising market reconstruction suggests a four-floor object: the first and second floors will be provided for the formal traders, while the ground floors were intended for the former street vendors, including *renteng* and *plataran* traders. The market reconstruction commences in June 2015 at a total cost of 159 billion Rupiahs: that is 61.8 billion Rupiahs in the initial stage from the 2015's state budget adjustment and 97.2 billion Rupiahs in the second stage from the 2016 state budget. The government promised that the reconstruction project will finish in the end of 2016; the city government planned to place all traders who are now in the emergency marketplace into the newly reconstructed market in early 2017.

DISCUSSION AND IMPLICATION

It is evident that inescapable conflict amongst stakeholders at the Klewer Market happening since the late 1960's (see table 1) has embodied part of the dynamics of human interactions (Fidelis and Samuel, 2011; Ghaffar, 2009); particularly, the conflict occurred because of power dominance by the government over the powerless traders; incompatibility interest, values or goals in which each party claims the rightness and superiority of its argument; economic motives and ineffective communication (Fisher, 2000). The interaction among authorized market traders, street vendors and the city government obviously creates two main possibilities: cooperation because of agreements or 'conflict due to disagreements among individuals and groups' (Fisher 2000).

Conflicts among market traders groups or between traders group and street vendors in the Klewer market were driven by economic motive in the forms of opportunism and self-maximizing among them or competition for scarce resources. Based on the feasibility research conducted by a experts team of private enterprise, the city government basically knew that the market need redevelopment because it could not accommodate traders anymore since the number of traders and street traders tend to

TABLE 1. STAKEHOLDER ANALYSIS: INTERACTION BETWEEN FORCING AND FORCED STAKEHOLDERS OF KLEWER MARKET AND INFLICTING ACTIONS, 1969- 2014

YEAR	FORCED STAKEHOLDERS	FORCING STAKEHOLDER			
		CITY GOVERNMENT	RENTENG TRADERS	KPPK	HPPK
1969	Non-Textile Traders	The city government in the New Order era made decision that those who were not the textile traders were forced to get out from the area of Klewer market			
1969	Textile Traders	The city Government in the New Order era planned to restructure the market totally involving private developer			
1990	The royal family of the Kasunanan Surakarta	The city government allowed <i>renteng</i> traders to have license for placemen;; It tends to protect them although they broke some fences of the Kasunanan Surakarta palace, and thus breaking the rule of law.	<i>Renteng</i> traders constructed and expanded their permanent kiosks by breaking some fences of the Kasunanan Surakarta palace		
2004	HPPK	The city government under Mayor Slamet Suryanto planned to reconstruct and expand the market to western and northern areas and engaged a private investor			
2005-2012	HPPK	During Joko Widodo administration there was not any proposal for market reconstruction coming from it because the mayor avoided the conflict between the traders and the city government escalating.			
Oct. 2012	HPPK	Mayor FX Rudi Hadiyatmo's administration introduced the redevelopment plan of Klewer Market to the HPPK and the rest traders at the market; those who were pro market redevelopment separated themselves from the HPPK and formed a new association-the KPPK.			
2012-2014				KPPK has intensively encouraged the city government for the market redevelopment.	
2012-2014	Plataran traders				The HPPK disliked <i>plataran</i> and <i>renteng</i> trader groups because they supported the KPPK who were pro the market redevelopment; therefore it blamed them as part of the market problem and propose them for removal or relocation but the city government rejected its proposal .
2012-2014	Renteng traders				
27/12/2014	HPPK	Klewer Market got burned			

increase meanwhile the space was limited. The market building was also reported getting older; it has been over 40 years. Based on the reasons, the city government supported by the KPPK and other street traders agreed to reconstruct the market.

Conflicts occurring in the Klewer Market were also caused by ineffective communication. Since 'the communication' between the city government (in collaboration with KPPK) and the HPPK 'was lacking' that leads to 'different perception of interests and goals' amongst the parties, conflict was unavoidable ([Katz, 1965](#); [Fisher, 2000](#); [Drolet and Morris, 2000](#); [Claycomb and Frankwick, 2004](#); [Lim and Yazdanifard, 2012](#)).

However, during Slamet Suryanto and Joko Widodo era, conflict could not escalate because the HPPK had a cohesive association with high levels of trust among the members so that it was effective in controlling internal frights ([Woolcock, 2001](#)) created by the city government. Moreover, conflict also did not happen during the era of Joko Widodo administration because he was able to avoid it by rescheduling the market redevelopment from his agenda. It is clear that conflict avoidance can be used as one of conflict management ([Richardson, 1995](#)) but it does not resolve the conflict entirely; it is only a temporary solution because the interaction between stakeholders in the market was dynamic whilst they keep their different interest and goal and compete for scarce resources that can lead to groupings and behaviors which are ultimately 'detrimental to sustainment of the association' of Klewer market trader ([Hocking, 2006](#); [Richardson, 1995](#)).

The study also shows that conflict was caused by 'the asymmetrical distribution of power between social groups' of the HPPK on the one side and the KPPK together with *renteng* and *plataran* traders affiliating to the city government on the other side, 'social capital they made leads to vigorous conflict' ([Narayan, 1999](#); [Lave and Cosmic, 1973](#)) or any other negative form ([Dahal and Adhikari, 2008](#)). Since the *renteng* and *plataran* traders under a threat of the HPPK they affiliate to the KPPK and it strengthen the power of KPPK to support the city government in carrying

out the market redevelopment. It is clear that when there is a threat there is a tendency of affiliation ([Stein, 1976](#)). The conflict in the Klewer Market obviously increased because both parties chose to take a power approach to the relationship and they were attempting to control each other ([Fisher, 2000](#)).

Conflict requires solution democratically. For making democracy work in these circumstances it requires mechanisms and processes to reconcile conflicts among three major social groups, mainly the city government, the KPPK, the *renteng* and *plataran* traders; the HPPK; and the Royal family of the Kasunan Surakarta. In reconciling the conflict, collaborative governance with authentic dialogue in a forum, with independent facilitators ([Booher, 2004](#); [Ansell and Gash, 2007](#); [Pretty, 2003](#); [Flanagan and Runde, 2008](#)) and having valid data on the common issue faced by the conflicting parties is recommended ([Sudarmo, 2015](#)).

In fact, although the city government has dominant power to make decision regarding the Klewer market, it is powerless to work alone to provide the emergency market for accommodating thousands of traders in a short run. It requires participation of other stakeholders including private enterprises and the non-profit institution such a Royal family of the Kasunan Surakarta. Thus, the Klewer market where diverse stakeholders interact intensively leading to conflict requires collaborative governance among stakeholders inclusively to resolve the conflict.

CONCLUSION

The development of Klewer market where many stakeholders interact intensively is potential for repeated conflict but conflict is not caused by a single factor. Although the provisions of resources for traders may improve after its redevelopment, intractable conflict in this area will not end since in the future it may attract many new actors or new street traders to run their businesses around the new market building whilst the space is limited so that it will be unable to accommodate them. In addition, since the street traders may change their status from informal to

formal traders in the new market, instead of paying for cheap daily fee, they must pay for high taxes, public lights, electricity, security and sanitation fees that may reach hundreds of thousands of rupiahs per month. This circumstance may encourage conflict between the new formal traders and the city government in the future. Although the management of traditional market is under the city government authority, intensive interaction between actors which may lead to a vigorous conflict is not able to be managed by a single actor. The city government will find itself being powerless to govern robust conflict as heterogeneous demands and interests of various stakeholders persist. To make the forceful conflict was effectively resolved, instead of resolving individually by the domination of the city government, it requires collaborative governance with authentic dialogue involving a neutral and independent third party having sufficiently accurate data as facilitator, consultant or mediator. It is likely that this approach enables a better and shared understanding of complex problems involving many stakeholders including the three major stakeholders (the City government, the associations of market traders, and the groups of street traders) and any other stakeholders including pedicab drivers, public transport drivers and parking attendants who had contributed to the city traffic disorder around the Klewer Market so that this allows all these stakeholders to work together to find agreed solutions that is appropriate for the current and future situations.

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