Jurnal Sahabat ISNU-SU (JSISNU)
(eISSN: 3064-0067)
Volume 3, Nomor 2, September 2026 (145-157)

Regulating Street Vendors through Siyasah Sharʿiyyah: A Maslahah Based Governance Model for Regional Policy in Indonesia

[1]Muhammad Ikhlas Bin Rosele lubis, [2]Fandi Wahidi, [3]Andara Isnaini
[1]Universiti Malaya, [2]Institut Agama Islam Negeri Datuk Laksemana Bengkalis, [3]Universitas Islam Negeri Sumatera Utara
E-mail: [1]ikhlas@um.edu.my, [2]fandiwahidi2005@gmail.com, [3]andaraisnaini70@gmail.com

Article History
Received : 2026-08-15
Revised: 2026-09-12
Published: 2026-09-30

Keywords:
siyāsah sharʿiyyah; street vendors; regional government; maṣlaḥah; informal economy

Abstract

Street vendors are a significant component of the urban informal economy in Indonesia, yet their presence is frequently treated as a threat to public order, road function, and urban aesthetics. Regional governments generally respond through relocation, enforcement, and empowerment, but implementation often faces limited relocation sites, inadequate communication, low vendor participation, and repressive enforcement. This study analyses the legal framework governing street vending in Indonesia and evaluates it from the perspective of siyāsah sharʿiyyah*, Islamic public-policy jurisprudence. It applies normative legal research using statutory, conceptual, and comparative approaches to the 1945 Constitution, the Regional Government Law, the Micro, Small and Medium Enterprises Law, Presidential Regulation No. 125 of 2012, Minister of Home Affairs Regulation No. 41 of 2012, Government Regulation No. 16 of 2018 on the Municipal Police Unit, ILO Recommendation No. 204, and literature on* siyāsah*,* ḥisbah*, and the informal economy. The findings show that the national framework mandates both arrangement and empowerment, but regional practice tends to emphasise enforcement and relocation without guaranteeing livelihood continuity. From the perspective of* siyāsah sharʿiyyah*, such policies do not yet fully satisfy the principles of* maṣlaḥah*, justice, consultation, and protection of vulnerable groups. The study proposes a* Maṣlaḥah*-Based Street Vending Governance Model consisting of recognition and registration, negotiated spatial allocation, graduated and humane enforcement, relocation with livelihood guarantees, and consultation and grievance forums.*

I. INTRODUCTION

Street vending is one of the most visible features of urban life in Indonesia and in much of the Global South. Vendors selling food, beverages, clothing, household goods, and services occupy pavements, road shoulders, market peripheries, transport terminals, and other public spaces with high pedestrian traffic. For millions of people, street vending is a principal means of earning a livelihood in the absence of sufficient formal employment, and for millions more it is a source of affordable goods and services (Bromley, 2000; Bhowmik, 2005). At the same time, street vending is a persistent source of conflict over the use of public space. Municipal authorities often associate vendors with congestion, obstruction of pedestrian paths, waste, and disorder, while vendors experience periodic evictions, confiscation of goods, and uncertainty about where and when they may trade (Roever & Skinner, 2016; Recchi, 2021).

In Indonesia, the regulation of street vendors, known as *pedagang kaki lima* (PKL), falls primarily within the competence of regional governments. Regional authorities enact regional regulations (*peraturan daerah*) on the arrangement and empowerment of street vendors, designate permitted and prohibited trading zones, organise relocation programmes, and deploy the Municipal Police Unit (*Satuan Polisi Pamong Praja*, Satpol PP) to enforce public order. The national framework, set out in Presidential Regulation No. 125 of 2012 and Minister of Home Affairs Regulation No. 41 of 2012, requires regional governments to combine arrangement (*penataan*) with empowerment (*pemberdayaan*). In practice, however, studies of regional policy across Indonesia report recurring problems: relocation sites that are poorly located and lead to declining income, insufficient communication of policies, limited participation of vendors in policy formulation, inadequate budgets, weak coordination among agencies, and enforcement that is perceived as repressive (Dwipasari et al., 2021; Sartima et al., 2023; Hapsari et al., 2024; Zakiya, 2025).

These problems raise not only questions of administrative effectiveness but also questions of

justice. Street vendors are typically among the urban poor, with limited capital, low levels of formal education, and volatile income (Reza, 2023). They depend on social networks and location-specific clientele to survive economic shocks, as the COVID-19 pandemic demonstrated (Hasanah et al., 2020). Policies that remove them from viable locations without adequate alternatives may push them into deeper poverty. Conversely, unregulated vending can impose real costs on pedestrians, other traders, and the public. The legal and ethical challenge is therefore to design policies that reconcile the legitimate public interest in orderly urban space with the equally legitimate interest of vendors in earning a livelihood.

Islamic public-policy jurisprudence, known as *siyāsah sharʿiyyah*, offers a normative framework that is directly relevant to this challenge. *Siyāsah sharʿiyyah* concerns the governance of public affairs in accordance with the objectives of the sharia, particularly in matters not explicitly regulated by the texts. Its central principle is that the authority's dispositions over the people are bound by public welfare (*taṣarruf al-imām ʿalā al-raʿiyyah manūṭ bi al-maṣlaḥah*). Classical jurists developed this framework through the institutions of *siyāsah* and *ḥisbah*, the latter of which was historically responsible for supervising markets, weights and measures, and the use of public roads (Ibn Taymiyya, 1982; Stilt, 2011). The framework therefore speaks directly to the regulation of market activity in public space. In a country where the majority of the population is Muslim and Islamic values inform public ethics, *siyāsah sharʿiyyah* provides a vocabulary for evaluating whether regional policy serves the common good and protects the vulnerable (Sulistiyawati et al., 2025; Syah et al., 2025).

The stakes of these questions have grown as Indonesian cities pursue urban redevelopment, transit-oriented development, and tourism promotion. Projects to revitalise city centres, build pedestrian-friendly pavements, and improve the appearance of heritage districts frequently target the spaces vendors occupy. These projects pursue legitimate public goals, but they also create pressure to remove vendors quickly and visibly. At the same time, economic shocks, including the COVID-19 pandemic and periods of rising living costs, have pushed more households into informal trade as a means of survival. Regional governments thus face a growing tension between the drive to modernise urban space and the expanding dependence of the urban poor on that space for their livelihoods.

Existing Indonesian studies have examined street-vendor policy from the perspective of public administration and policy implementation (Dwipasari et al., 2021; Hapsari et al., 2024; Zakiya, 2025), and others have examined the application of *siyāsah sharʿiyyah* in national policy or in specific sectors such as banking (Wahyudiono et al., 2022; Sulistiyawati et al., 2025). Studies that combine the two, examining street-vendor regulation through the lens of *siyāsah sharʿiyyah*, remain limited and tend to stop at the level of general normative statements. Moreover, the rich classical literature on *ḥisbah* and market regulation, and the international literature on the informal economy, have rarely been brought together in the Indonesian context.

This article addresses that gap. It poses two research questions. First, how does the Indonesian legal framework govern the arrangement and empowerment of street vendors, and what problems arise in its implementation by regional governments? Second, how should such policies be evaluated and redesigned from the perspective of *siyāsah sharʿiyyah*? The article argues that the national legal framework already contains the elements of a balanced approach, but regional practice has tilted toward enforcement at the expense of empowerment. Drawing on the principles of *maṣlaḥah*, justice, consultation, and protection of the vulnerable, and on the historical practice of *ḥisbah*, it proposes a *Maṣlaḥah*-Based Street Vending Governance Model that can be implemented within existing legal authority.

II. RESEARCH METHODS

This research uses normative legal research to analyse the legal framework governing street vending in Indonesia and to evaluate it from the perspective of *siyāsah sharʿiyyah*. Normative research is appropriate because the questions concern the content and coherence of legal norms and the design of normative policy frameworks. The study does not collect field data from vendors or officials and does not focus on a particular municipality; instead, it relies on published empirical studies of regional policy across Indonesia to identify recurring patterns of implementation.

Three approaches are combined. The statutory approach analyses the 1945 Constitution, particularly Article 27(2) on the right to work and a decent livelihood and Article

28H on the right to welfare; Law No. 23 of 2014 on Regional Government; Law No. 20 of 2008 on Micro, Small and Medium Enterprises as amended by the Job Creation legislation; Law No. 38 of 2004 on Roads; Presidential Regulation No. 125 of 2012 on the Coordination of the Arrangement and Empowerment of Street Vendors; Minister of Home Affairs Regulation No. 41 of 2012 on Guidelines for the Arrangement and Empowerment of Street Vendors; and Government Regulation No. 16 of 2018 on the Municipal Police Unit. The conceptual approach analyses the concepts of *siyāsah sharʿiyyah*, *maṣlaḥah*, *ḥisbah*, justice, and consultation. The comparative approach draws on international literature and on ILO Recommendation No. 204 to identify regulatory functions that may inform Indonesian policy.

Legal materials were collected through library research. Primary materials include legislation and classical Islamic sources in translation. Secondary materials include peer-reviewed books and articles on the informal economy, Indonesian street-vendor policy, and *siyāsah sharʿiyyah*. The analysis proceeded in three stages: mapping the legal framework, identifying implementation problems documented in the literature, and evaluating both against the principles of *siyāsah sharʿiyyah* in order to construct a governance model. Data were analysed qualitatively through reduction, presentation, and drawing of conclusions, with interpretation guided by systematic and teleological methods.

III. RESULTS

A. The National Legal Framework: Arrangement and Empowerment as a Dual Mandate

The first result is that the Indonesian legal framework establishes a dual mandate of arrangement and empowerment rather than a mandate of removal. At the constitutional level, Article 27(2) of the 1945 Constitution guarantees every citizen the right to work and to a livelihood befitting human dignity, and Article 28H guarantees the right to live in physical and spiritual prosperity. These provisions establish that the livelihood of street vendors is a constitutionally protected interest that public authorities must take into account. At the same time, the Constitution permits the limitation of rights by law for the protection of the rights of others and public order, which provides the basis for regulating the use of public space.

Presidential Regulation No. 125 of 2012 defines street vendors as business actors who conduct trade using movable or immovable facilities, using public infrastructure, land, and buildings owned by the government or private parties that are temporary or not permanent. The regulation establishes a coordination structure at national and regional levels and mandates that arrangement and empowerment be carried out together. Minister of Home Affairs Regulation No. 41 of 2012 elaborates the guidelines: regional governments must collect data on vendors, designate locations for vending (permanent or temporary), relocate or remove vendors from locations not designated for vending, and provide empowerment through capacity building, access to capital, facilitation of business partnerships, and provision of facilities. The regulation also provides for registration of vendors through a business registration mark and for the involvement of vendors in decisions concerning relocation.

Law No. 23 of 2014 on Regional Government classifies public order and community peace (*ketenteraman dan ketertiban umum*) as a mandatory governmental affair related to basic services, which provides the basis for regional enforcement. Government Regulation No. 16 of 2018 regulates the Municipal Police Unit as the agency responsible for enforcing regional regulations and maintaining public order. Law No. 38 of 2004 on Roads prohibits activities that disrupt the function of roads, providing a statutory basis for restricting vending in road space. Meanwhile, the Micro, Small and Medium Enterprises Law, as amended, obliges governments to facilitate and empower micro enterprises, and its implementing regulations require the allocation of space in public infrastructure for micro and small enterprises.

Table 1. Legal Framework Governing Street Vending in Indonesia

Instrument	Key Provisions	Orientation
1945 Constitution, Arts. 27(2), 28H	Right to work and livelihood befitting human dignity; right to welfare	Protection of livelihood
Law No. 23 of 2014 on Regional Government	Public order as mandatory basic-service affair of regions	Enforcement and order
Law No. 20 of 2008 on MSMEs (as amended)	Duty to facilitate and empower micro enterprises; space in public infrastructure	Empowerment
Law No. 38 of 2004 on Roads	Prohibition of activities disrupting road function	Order and safety

Instrument	Key Provisions	Orientation
Presidential Regulation No. 125 of 2012	Definition of street vendors; coordination of arrangement and empowerment	Dual mandate
Minister of Home Affairs Regulation No. 41 of 2012	Data collection, location designation, relocation, registration, empowerment programmes	Dual mandate with procedures
Government Regulation No. 16 of 2018	Municipal Police Unit enforcement of regional regulations and public order	Enforcement

As Table 1 shows, the framework balances enforcement-oriented and empowerment-oriented instruments. The dual mandate is explicit in the Presidential Regulation and the Ministerial Regulation, which treat arrangement and empowerment as inseparable. This finding is significant because it means that a regional policy focused exclusively on enforcement and removal is not merely ethically questionable but inconsistent with the national legal framework.

B. Implementation Patterns in Regional Policy

The second result is that regional implementation tends to depart from the dual mandate in five recurring ways, as documented across studies of different regions. The first is *unsuitable relocation*. Relocation sites are frequently located away from pedestrian flows and customer bases, leading to declining income and the return of vendors to their original locations (Dwipasari et al., 2021; Zakiya, 2025). Because the commercial viability of street vending depends on location, relocation without attention to customer access effectively deprives vendors of their livelihood even when they are formally provided with a place to trade.

The second is *insufficient communication and participation*. Policies are often formulated and announced without meaningful consultation with vendors, and rules are not adequately explained (Hapsari et al., 2024). As a result, vendors may not understand where they are allowed to trade, what registration requires, or what support is available. The Ministerial Regulation's provisions on involving vendors in relocation decisions are frequently implemented in a perfunctory manner.

The third is *enforcement-heavy implementation*. Enforcement by the Municipal Police Unit is the most visible and frequently used instrument, while empowerment programmes are underfunded or discontinuous (Sartima et al., 2023). Enforcement actions sometimes involve confiscation of goods and physical confrontation, which are perceived by vendors as humiliating and unjust. Cycles of eviction and return create a pattern of permanent insecurity.

The fourth is *resource and coordination constraints*. Regional governments face limited budgets, insufficient supervisory personnel, and weak coordination among agencies responsible for public order, trade, cooperatives and small enterprises, spatial planning, and transportation (Hapsari et al., 2024). The coordination structure envisaged by the Presidential Regulation is not always operational.

The fifth is *limited formal recognition*. Data collection and registration of vendors are often incomplete, so that vendors remain legally invisible except when they are subject to enforcement. Without registration, vendors cannot easily access empowerment programmes, capital, or digital payment infrastructure, which reinforces their informality (Armani, 2025).

C. Common Content of Regional Regulations

A further result emerges from reading regional regulations on street vendors as a body of law. Although each region drafts its own regulation, most follow the structure suggested by the Ministerial Regulation. They typically define street vendors and their facilities; designate the authority responsible for arrangement and empowerment; provide for data collection and registration; establish categories of locations, such as permanent locations, temporary locations, and prohibited locations; set out the rights and obligations of vendors, including obligations to maintain cleanliness, observe trading hours, and not to sell prohibited goods; provide for empowerment measures; and prescribe administrative sanctions ranging from oral and written warnings to temporary suspension, revocation of registration, removal of facilities, and confiscation (Sartima et al., 2023).

The common structure shows that regional regulations formally incorporate the dual mandate. Yet the provisions differ markedly in their degree of specificity. Enforcement provisions are usually precise: they specify prohibited locations, sanctions, and the authority of the Municipal Police Unit. Empowerment provisions are usually general: they state that the regional government "shall" or "may" provide training, capital assistance, facilities, or partnership facilitation, without specifying budgets, targets, eligibility, or timelines. Provisions on participation are often limited to

statements that vendors will be "involved" or "socialised". This asymmetry in drafting translates into asymmetry in implementation. Precise enforcement provisions can be operationalised immediately; vague empowerment provisions depend on discretionary budget allocation and administrative initiative.

The asymmetry also affects legal accountability. Because enforcement provisions are precise, vendors who violate them can be sanctioned with clear legal basis. Because empowerment provisions are vague, vendors cannot easily claim the support the regulation promises. From a legal perspective, the dual mandate is therefore unbalanced at the level of enforceability: obligations on vendors are justiciable in practice, while obligations on government are not. This finding suggests that reform should focus on drafting empowerment and participation provisions with the same specificity as enforcement provisions.

D. Gender and Household Livelihoods

The livelihood consequences of street-vendor policy also have a gender dimension. International research shows that women constitute a substantial share of street vendors in many countries, often concentrated in food preparation and sale, and that they face particular vulnerabilities, including lower capital, responsibilities for childcare, exposure to harassment, and limited representation in vendor organisations (Chen, 2012; Roever & Skinner, 2016). Indonesian studies of street vending note the importance of food and beverage trading and of family labour in vendor households (Reza, 2023; Hasanah et al., 2020), which suggests that women's work is significant even where it is not separately documented.

Policies that relocate vendors to distant or less accessible sites may disproportionately affect women who must combine trading with care responsibilities, and enforcement actions that confiscate goods may destroy the small capital on which women's businesses depend. Conversely, policies that provide safe, well-lit, and accessible trading sites with sanitation can improve women's participation and security. The absence of gender-disaggregated data in most regional policy documents means that these effects remain largely invisible. From the perspective of *siyāsah shar'iyyah*, which requires attention to the welfare of the vulnerable and to the protection of the family, gender-sensitive policy design is part of the duty of public authority rather than an optional addition.

E. Constitutional and Human-Rights Dimensions of Eviction

The enforcement-heavy pattern also raises human-rights questions. Indonesia has ratified the International Covenant on Economic, Social and Cultural Rights through Law No. 11 of 2005, thereby accepting obligations concerning the right to work (Article 6) and the right to an adequate standard of living (Article 11). Law No. 39 of 1999 on Human Rights similarly recognises the right to work and to a decent livelihood. The United Nations Committee on Economic, Social and Cultural Rights, in its General Comment No. 7 on forced evictions, emphasises that evictions should not result in individuals being rendered homeless or vulnerable to other human-rights violations, and that procedural protections, including genuine consultation, adequate notice, information, and legal remedies, should precede any eviction (CESCR, 1997). Although General Comment No. 7 concerns primarily housing, its procedural standards are widely regarded as relevant to evictions affecting livelihoods.

Read together with Article 27(2) of the Constitution, these instruments suggest that the removal of street vendors from their trading locations is not merely an administrative act but a measure that affects protected rights. Such measures must therefore be prescribed by law, pursue legitimate aims, be proportionate, and be accompanied by procedural safeguards. Enforcement actions that confiscate goods without documentation, that take place without notice, or that leave vendors without viable alternatives are difficult to reconcile with these standards. The human-rights perspective thus reinforces the conclusion drawn from the national framework: the dual mandate is not an optional policy preference but a legal requirement grounded in constitutional and international obligations.

F. Vendor Responses and the Cycle of Contestation

The third result concerns the responses of vendors. Studies report a range of responses, from acceptance of relocation where new sites are commercially viable to resistance where they are not (Dwipasari et al., 2021). Resistance takes the form of continued trading in prohibited areas, return to former locations after enforcement operations, and collective negotiation through

vendor associations. These responses are not merely acts of non-compliance; they reflect rational calculations by vendors whose survival depends on access to customers. When enforcement removes vendors from viable locations without viable alternatives, non-compliance becomes a survival strategy.

The result is a cycle of contestation in which regional governments expend resources on repeated enforcement, vendors bear losses from confiscation and lost trading days, and the underlying problem remains unresolved. International research reports the same cycle in many cities and attributes it to policies that treat vendors as a problem to be removed rather than as stakeholders in urban space (Roever & Skinner, 2016; Bhowmik, 2005). Breaking the cycle requires policies that align the interests of vendors with the public interest in orderly space, so that compliance becomes economically viable.

IV. DISCUSSION

A. Evaluating Regional Policy through the Principles of Siyāsah Sharʿiyyah

The principle of *maṣlaḥah* is the starting point for evaluating regional policy. In *siyāsah sharʿiyyah*, every policy of the authorities must aim at the welfare of the people, and the legitimacy of a policy depends on its actual contribution to welfare (Abdullah, 2022; Nurussa'adah, 2025). Applied to street-vendor policy, this principle requires that relocation and enforcement be assessed by their effects on the welfare of all affected parties, including vendors, pedestrians, formal traders, and residents. A relocation that removes vendors from congested pavements but deprives them of income may improve order while reducing overall welfare. Under the *maqāṣid* framework, the vendor's livelihood concerns the protection of property and, for poor households, the protection of life at the level of necessity, whereas urban aesthetics typically concerns the level of embellishment (Kamali, 2008; Auda, 2008). A policy that sacrifices a necessity-level interest to secure an embellishment-level interest inverts the hierarchy of the objectives of the sharia.

This does not mean that vendors' interests always prevail. The maxim that a particular harm may be tolerated to prevent a general harm provides a basis for restricting vending where it creates serious public harm, such as obstruction of emergency access, danger to pedestrians on busy roads, or health risks. But classical jurisprudence also requires that the harm imposed on individuals be minimised and, where possible, compensated. The principle that harm must be removed applies to harm caused by vendors and to harm caused to vendors by public action. A policy consistent with *siyāsah sharʿiyyah* would therefore restrict vending only where necessary to prevent significant public harm, would choose the least harmful means of restriction, and would provide viable alternatives to those whose livelihoods are affected.

The principle of justice (*ʿadl*) requires that vendors be treated as members of the community with legitimate claims, not as intruders. Justice in Islamic thought means giving each their due and placing things in their proper position (Munadzir et al., 2025). In the context of street-vendor policy, justice requires consistency in the application of rules, proportionality between the violation and the sanction, and fairness in the allocation of trading opportunities. Enforcement that confiscates the goods of poor vendors while tolerating violations by better-connected actors, or that applies sanctions disproportionate to the harm caused, violates this principle. Justice also requires attention to the distributive effects of policy: when public space is reorganised, the burdens should not fall exclusively on the poorest users of that space.

The principle of consultation (*shūrā*) requires that those affected by public decisions be consulted. Classical scholarship treats consultation as a duty of rulers and a safeguard against error and injustice (Sulistiyawati et al., 2025). In modern governance, consultation translates into meaningful participation in policy formulation. The documented lack of participation of vendors in decisions concerning relocation and arrangement therefore represents a deficit not only in administrative practice but in the normative legitimacy of policy. Policies developed without consultation are also more likely to fail, because they ignore the knowledge that vendors possess about customer flows, viable locations, and practical constraints.

The principle of protecting the vulnerable derives from the role of public authority as guardian (*rāʿin*) responsible for those in its care, as expressed in the prophetic tradition that every guardian is responsible for those under their guardianship. Street vendors, as members of the urban poor, are among those whose interests public authority must protect. This principle supports empowerment measures, such as access to capital, training, and facilities, and requires that the burdens of urban reorganisation not be

imposed on the vulnerable without support (Syah et al., 2025).

Table 2. Evaluation of Regional Street Vendor Policy against Principles of Siyāsah Sharʿiyyah

Principle	Normative Requirement	Common Regional Practice	Assessment
Maṣlaḥah	Policy must increase overall welfare; necessity-level interests prioritised over embellishments	Relocation to unviable sites; priority to aesthetics and order	Partially fulfilled; welfare effects on vendors neglected
ʿAdl (justice)	Consistent, proportionate, and fair treatment; fair distribution of burdens	Enforcement-heavy, sometimes disproportionate; burdens fall on poor vendors	Not yet fulfilled
Shūrā (consultation)	Affected parties consulted in policy formulation	Limited, often perfunctory participation	Not yet fulfilled
Protection of the vulnerable	Empowerment and support for those whose livelihoods are affected	Empowerment underfunded and discontinuous	Partially fulfilled
Removal of harm	Restrictions only where necessary; least harmful means; alternatives provided	Blanket prohibitions; repeated evictions	Partially fulfilled

Table 2 summarises the evaluation. The overall finding is that regional policies generally pursue legitimate objectives, namely public order, road function, and urban amenity, but often do so through means that do not satisfy the principles of *siyāsah sharʿiyyah*. The deficits are most evident in justice and consultation, while *maṣlaḥah* and protection of the vulnerable are partially fulfilled through empowerment provisions that exist on paper but are inconsistently implemented.

B. Lessons from the Historical Practice of Ḥisbah

The historical institution of *ḥisbah* offers lessons that complement the normative principles. The *muḥtasib* was responsible for supervising markets and public spaces, including ensuring that roads were not obstructed and that trade was conducted honestly (Ibn Taymiyya, 1982; Al-Mawardi, 1996). This shows that regulating the use of public space for trade is a legitimate function of public authority in Islamic tradition. Vendors have no absolute right to occupy any space at any time.

However, the practice of *ḥisbah* also reveals the limits of regulation. Ibn Taymiyya (1982) warned against unjust interference in lawful trade, including arbitrary price-fixing and the imposition of unjust levies. A widely reported prophetic tradition concerning the market of Medina emphasises that the market should not be narrowed and that no levy should be imposed on it, suggesting a concern to keep markets open and accessible to small traders. Classical texts also report the principle that a trader who occupies a place in a public market has a prior claim to it for the duration of trading, but does not acquire permanent ownership, which provides a model for time-limited, non-exclusive use rights in public space. Stilt (2011) shows that the effectiveness of the *muḥtasib* depended on knowledge of local conditions and on negotiation with merchants rather than on coercion alone.

These lessons suggest that Islamic tradition supports a regulatory, rather than an exclusionary, approach to street vending. Public authority may designate where and when trade may occur, may enforce rules to prevent obstruction and fraud, and may supervise conduct. But it must do so in a way that keeps opportunities for trade open to the poor, avoids arbitrary levies and interference, and relies on knowledge of local conditions and negotiation with traders. This historical model converges with what Recchi (2021) calls the inclusion paradigm and with the approach recommended in ILO Recommendation No. 204.

C. The Maṣlaḥah-Based Street Vending Governance Model

Building on the results and the normative evaluation, this article proposes a *Maṣlaḥah*-Based Street Vending Governance Model consisting of five components. The model is designed to be implemented within existing legal authority, particularly the dual mandate of Presidential Regulation No. 125 of 2012 and Minister of Home Affairs Regulation No. 41 of 2012.

The first component is *recognition and registration*. Regional governments should conduct comprehensive and regularly updated data collection on vendors, including their locations, types of business, operating hours, and socioeconomic characteristics, and should issue registration marks that confer recognised status. Registration is the foundation for all other components: it makes vendors visible as stakeholders, enables targeted empowerment,

and provides a basis for allocating trading rights. This component reflects the *maṣlaḥah* of legal certainty and corresponds to the transition-to-formality approach of ILO Recommendation No. 204 (ILO, 2015).

The second component is *negotiated spatial allocation*. Rather than designating vending zones unilaterally, regional governments should negotiate allocation with vendor representatives, using knowledge of pedestrian flows and customer demand. Allocation can include permanent zones, temporary zones, and time-sharing arrangements in which certain spaces are available for vending at particular times, such as evenings or weekends, when they are not needed for other purposes. Time-limited, non-exclusive use rights reflect the classical principle that a trader's claim to market space lasts for the duration of trading. Allocation should also implement the obligation to provide space for micro and small enterprises in public infrastructure such as terminals and stations.

The third component is *graduated and humane enforcement*. Enforcement should follow a graduated sequence: communication and warning, administrative guidance, temporary restrictions, and only as a last resort removal or confiscation, with procedures for the return of confiscated goods. Enforcement officers should be trained to act proportionately and respectfully, consistent with the principle of justice and the prohibition of humiliation. Enforcement should prioritise genuine public harms, such as obstruction of emergency access or danger to pedestrians, over aesthetic considerations.

The fourth component is *relocation with livelihood guarantees*. Where relocation is necessary, regional governments should select sites with demonstrated customer access, provide infrastructure such as shelter, sanitation, and electricity, promote the new location to customers, and provide transitional support, such as reduced fees or temporary income support, until vendors' businesses stabilise. The success of relocation should be measured by vendors' income and retention at the new site, not merely by the clearance of the old site. This component directly operationalises the principle that harm imposed on individuals for the public good must be minimised and, where possible, compensated.

The fifth component is *consultation and grievance forums*. Regional governments should establish standing forums in which vendor associations, government agencies, residents, and formal traders discuss the use of public space, review policies, and resolve disputes. Grievance mechanisms should allow vendors to challenge enforcement actions and seek redress. This component institutionalises *shūrā* and provides a channel through which local knowledge informs policy. It also reflects the historical role of negotiation in *ḥisbah* practice (Stilt, 2011).

Table 3. The Maṣlaḥah-Based Street Vending Governance Model

Component	Main Measures	Legal Basis	Siyāsah Principle
Recognition and registration	Comprehensive data collection; registration marks; integration into MSME programmes	Ministerial Regulation No. 41 of 2012; MSME Law	*Maṣlaḥah* (legal certainty); protection of the vulnerable
Negotiated spatial allocation	Permanent, temporary, and time-shared zones; space in public infrastructure	Presidential Regulation No. 125 of 2012; MSME implementing regulations	*Maṣlaḥah*; *ʿadl*; classical use rights in markets
Graduated and humane enforcement	Warning, guidance, restriction, removal as last resort; return of goods	Government Regulation No. 16 of 2018; regional regulations	*ʿAdl*; removal of harm; dignity
Relocation with livelihood guarantees	Viable sites; infrastructure; promotion; transitional support; outcome monitoring	Ministerial Regulation No. 41 of 2012; Constitution Art. 27(2)	Minimising and compensating harm; protection of property and life
Consultation and grievance forums	Standing multi-stakeholder forums; grievance and redress mechanisms	Regional Government Law (public participation); Presidential Regulation No. 125 of 2012	*Shūrā*; justice; accountability

Table 3 summarises the model. Its distinguishing feature is that it treats street vending as a legitimate use of public space to be governed, rather than as a problem to be eliminated, while maintaining the authority of regional governments to protect public order.

D. Implementation Conditions and Policy Coherence

The model requires several conditions to be effective. First, regional budgets must allocate resources to empowerment and relocation support in proportion to enforcement. A policy that funds enforcement but not empowerment will reproduce existing patterns regardless of its formal design. Second, coordination among agencies must be strengthened through the coordination structures envisaged by the

Presidential Regulation, so that public order, trade, small enterprise, spatial planning, and transport agencies act consistently. Third, vendor organisations must be supported so that consultation forums include representatives who can speak for vendors and negotiate agreements that vendors will respect. Fourth, data systems must be maintained so that registration and allocation remain current.

The model also contributes to policy coherence across levels of government. National policy on micro and small enterprises promotes formalisation, digitalisation, and access to finance. Street vendors are a major segment of micro enterprises, but enforcement-oriented regional policies can undermine national empowerment goals by destroying the businesses that national programmes seek to support. Integrating vendor registration with national MSME programmes, digital payment infrastructure, and microfinance would align regional and national objectives (Armani, 2025). From the perspective of *siyāsah sharʿiyyah*, coherence across levels of authority is itself an aspect of good governance, since contradictory policies impose unnecessary harm on those subject to them.

E. Ḥisbah, Accountability, and the Municipal Police

The comparison between the classical *muḥtasib* and the modern Municipal Police Unit is instructive. Both institutions are responsible for maintaining order in public spaces, including markets and roads. Yet the classical literature placed the *muḥtasib* under demanding ethical requirements: the office-holder was expected to be knowledgeable, just, and restrained, to act gradually from advice to admonition to coercion, and to avoid exceeding what was necessary to remove the wrong (Al-Mawardi, 1996; Ibn Taymiyya, 1982). The graduated sequence of intervention, beginning with knowledge of the wrong and proceeding through gentle words before any use of force, reflects a jurisprudential concern that the remedy should not be worse than the harm it addresses.

This classical model provides normative support for the graduated enforcement component of the proposed model. It also suggests that the legitimacy of enforcement depends on the conduct of enforcers. Government Regulation No. 16 of 2018 requires the Municipal Police Unit to respect human rights and act in accordance with applicable norms, but reports of confrontations, confiscations, and humiliating treatment of vendors indicate that these standards are not always met. Training, codes of conduct, documentation of enforcement actions, and accessible complaint mechanisms are therefore essential. From the perspective of *siyāsah sharʿiyyah*, an enforcement officer who humiliates a poor vendor while removing a minor obstruction fails the ethical standards associated with *ḥisbah*, even if the removal itself is lawful.

The comparison also highlights a difference. The *muḥtasib* was responsible not only for preventing obstruction but also for protecting market participants from fraud and abuse, including abuse by powerful actors. A modern equivalent would include protecting vendors from extortion, illegal levies by private actors or officials, and unfair competition. Integrating such protective functions into the mandate of agencies responsible for street vending would align modern practice more closely with the classical model.

F. Fiscal Dimensions: Levies and Retributions

Fiscal arrangements are an often-overlooked dimension of street-vendor policy. Regional governments may impose retributions for the use of regional assets and market services under Law No. 1 of 2022 on Financial Relations between the Central Government and Regional Governments. In practice, vendors may also face informal levies collected by private actors or officials. Retributions can provide revenue for maintaining trading facilities, but excessive or arbitrary charges can make vending unviable and encourage evasion.

The classical warning against imposing unjust levies on markets, and Ibn Taymiyya's (1982) criticism of unjust exactions on traders, provide normative guidance. Charges should be proportionate to the services provided, transparent, collected through official channels, and adjusted to the capacity of vendors, particularly during transitions such as relocation. Informal levies should be eliminated through registration, transparent fee schedules, and enforcement against extortion. A *maṣlaḥah*-based fiscal approach treats retributions as a means of financing shared facilities rather than as a revenue source extracted from the poorest users of public space.

G. Applying the Model: An Illustrative Policy Cycle

The operation of the model can be illustrated through a stylised policy cycle for a central commercial district in a medium-sized Indonesian city where vendors occupy pavements around a traditional market and a transport terminal. In the conventional approach, the regional government designates the area as a prohibited zone, announces a deadline for vendors to move to a newly built relocation site several hundred metres away, and deploys the Municipal Police Unit to clear the area. Vendors move, find few customers at the new site, and gradually return to the pavements, prompting renewed enforcement.

Under the proposed model, the cycle begins with registration. The government, together with vendor associations, conducts a census of vendors in the district, recording their locations, goods, hours, and household circumstances, and issues registration marks. The registration data reveal, for example, that most vendors sell prepared food in the evenings and fresh produce in the early mornings, and that their customers are commuters using the terminal. Negotiated spatial allocation then follows. Through a consultation forum, the government, vendors, formal traders, and residents agree that certain pavement sections will remain clear during peak commuting hours but may be used for evening food stalls, that a section of the terminal forecourt will be allocated to vendors as part of the obligation to provide space for micro enterprises in public infrastructure, and that the relocation site will be developed as a fresh-produce market linked to the terminal by a covered walkway.

Enforcement under the agreed arrangements is graduated. Vendors who trade outside allocated spaces first receive warnings and guidance; repeated violations lead to temporary suspension of registration; removal of facilities is reserved for serious obstructions. Confiscated goods are recorded and returned upon payment of administrative fines. Relocation to the fresh-produce market is accompanied by reduced fees for an initial period, promotion through the terminal, and monitoring of vendors' sales. The consultation forum meets regularly to review problems and adjust arrangements, and a grievance desk allows vendors to contest enforcement actions.

The illustration shows that the model does not abandon order. Pavements remain clear when they are most needed, emergency access is protected, and the regional government retains its enforcement authority. What changes is that order is achieved through arrangements that vendors can comply with without sacrificing their livelihoods. This alignment of interests is what *maṣlaḥah* requires: a policy that secures the public interest while minimising harm to those affected, rather than one that achieves order at the cost of poverty and repeated conflict.

H. Digitalisation and Formalisation

Digital technologies offer new tools for implementing the model. Registration can be supported by digital databases linked to national business identification systems, enabling vendors to access MSME programmes. Digital payment systems, such as the national QR standard, can provide transaction records that help vendors access microfinance and demonstrate business viability (Armani, 2025). Digital mapping of pedestrian flows and vending locations can inform negotiated spatial allocation. Online grievance channels can lower the cost of complaints.

Digitalisation, however, carries risks. Vendors with limited digital literacy may be excluded from programmes that require online registration. Data collected for registration may be used for enforcement in ways that discourage participation. Digital payment adoption may expose vendors to taxation or fees before their businesses are stable. A *maṣlaḥah*-based approach requires that digital tools be introduced in ways that expand access rather than create new barriers, with assisted registration, clear limits on data use, and gradual transitions. The principle that harm must be removed applies to harms created by well-intended technological measures as much as to harms created by enforcement.

I. Objections and Responses

Three objections may be raised against the model. The first is that it rewards illegality by granting recognition to vendors who occupy public space without permission. The response is that the model conditions recognition on registration and compliance with negotiated rules. It replaces an informal and unstable equilibrium, in which vendors occupy space and are periodically evicted, with a formal arrangement in which rights and obligations are clear. Both classical *ḥisbah* practice and ILO Recommendation No. 204 support this approach as a pathway to order rather than a concession to disorder (Ibn Taymiyya, 1982; ILO, 2015).

The second objection is that the model is too costly for regional governments with limited

budgets. The response is that the conventional approach is also costly: repeated enforcement operations consume personnel and resources, relocation sites that remain empty represent wasted investment, and the economic losses suffered by vendors reduce local economic activity. Many components of the model, such as consultation forums, time-sharing arrangements, and graduated enforcement, require organisational effort rather than large expenditures. Investment in viable relocation and empowerment is more likely to produce lasting results than repeated cycles of eviction.

The third objection is that invoking *siyāsah sharʿiyyah* in regional policy is inappropriate in a religiously plural state. The response is that the principles invoked, namely public welfare, justice, consultation, and protection of the vulnerable, are consistent with Pancasila and the 1945 Constitution and can be articulated in terms accessible to all citizens. *Siyāsah sharʿiyyah* provides a normative vocabulary that resonates with the values of a majority of Indonesians and with Islamic traditions of governance, while the policy model itself is grounded in national law and applies to all vendors regardless of religion (Sulistiyawati et al., 2025).

J. Monitoring and Evaluation Indicators

A governance model is only as credible as the indicators used to evaluate it. Conventional evaluation of street-vendor policy often measures outputs such as the number of locations cleared, the number of vendors relocated, or the number of enforcement operations conducted. These indicators capture the activity of government but not the welfare of those affected. A *maṣlaḥah*-based evaluation requires indicators that reflect the interests the policy is meant to balance: order and safety in public space, the livelihoods of vendors, the quality of participation, and the fairness of enforcement.

Table 4. Indicators for Evaluating Street Vendor Policy from a Maṣlaḥah Perspective

Dimension	Indicator	Related Principle
Public order and safety	Pedestrian accessibility of designated routes; emergency access maintained; complaints from residents	Removal of harm; public interest
Vendor livelihood	Vendor income before and after relocation; retention rate at relocation sites; access to capital and programmes	Protection of property and life; *maṣlaḥah*
Recognition	Share of vendors registered; share integrated into MSME programmes	Legal certainty; protection of the vulnerable
Participation	Frequency of consultation forums; share of agreements co-signed by vendor associations	*Shūrā*
Fairness of enforcement	Share of actions following graduated procedure; documented confiscations and returns; grievances resolved	*ʿAdl*; dignity
Inclusion	Gender-disaggregated data on vendors and programme beneficiaries	Protection of the family and the vulnerable

Table 4 sets out a set of indicators organised by dimension. The indicators are designed to be measurable with data that regional governments can collect through registration systems, consultation records, and enforcement documentation. Their purpose is to shift the definition of success from the clearance of space to the balanced achievement of public order and livelihood security. Such indicators would also allow regional legislatures, the Ministry of Home Affairs, and the public to hold regional governments accountable for implementing the dual mandate.

K. Theoretical Contribution and Limitations

The article contributes to scholarship in three ways. First, it brings the classical literature on *siyāsah* and *ḥisbah* into dialogue with the international literature on the informal economy, showing that Islamic tradition supports a regulatory and inclusive approach to street vending rather than an exclusionary one. Second, it translates the general principles of *siyāsah sharʿiyyah*, which Indonesian scholarship has often discussed at a high level of abstraction, into concrete evaluative criteria and policy components. Third, it demonstrates that the Indonesian national framework already embodies a dual mandate consistent with these principles, so that reform can proceed through better implementation rather than new legislation.

The study has limitations. As normative research based on published studies, it does not provide new field data on vendors' experiences or on specific regional policies. The patterns identified are drawn from studies in several regions and may not apply uniformly. Future research should use field methods to test the model in specific municipalities, examine the experiences of women vendors, who face particular vulnerabilities, and assess the effects of digital payment adoption on vendors' formalisation and income.

V. CONCLUSION AND RECOMMENDATIONS

A. Conclusion

Street vendors are an important part of Indonesia's urban informal economy, providing livelihoods for the poor and affordable goods for urban residents, but their use of public space generates conflicts with public order, road function, and urban amenity. The Indonesian legal framework establishes a dual mandate of arrangement and empowerment, grounded in the constitutional right to work and a decent livelihood and elaborated in Presidential Regulation No. 125 of 2012 and Minister of Home Affairs Regulation No. 41 of 2012. Regional implementation, however, frequently tilts toward enforcement and relocation without adequate attention to livelihood continuity, participation, and empowerment, producing cycles of eviction and return that resolve neither the vendors' problems nor the public's.

From the perspective of *siyāsah sharʿiyyah*, such policies pursue legitimate objectives but do not fully satisfy the principles of *maṣlaḥah*, justice, consultation, and protection of the vulnerable. The historical practice of *ḥisbah* shows that Islamic tradition supports the regulation of trade in public space while protecting access to markets for small traders and avoiding unjust interference. The proposed *Maṣlaḥah*-Based Street Vending Governance Model, consisting of recognition and registration, negotiated spatial allocation, graduated and humane enforcement, relocation with livelihood guarantees, and consultation and grievance forums, offers a way to align regional policy with both the national legal framework and the principles of Islamic public-policy jurisprudence.

The broader lesson of this study is that Islamic public-policy jurisprudence, properly understood, does not offer a choice between order and compassion. It offers a method for reconciling them through attention to the hierarchy of interests, the minimisation of harm, consultation with those affected, and the responsibility of public authority for the vulnerable. Regional governments that adopt this method are likely to achieve more durable order than those that rely on enforcement alone, because they create arrangements that vendors have reasons to respect.

B. Recommendations

First, regional governments should review their street-vendor regulations and practices to ensure that empowerment receives resources and attention comparable to enforcement, and that relocation is undertaken only with demonstrated commercial viability and transitional support. Second, regional governments should establish standing consultation forums with vendor associations and other stakeholders and should institute grievance mechanisms for enforcement actions. Third, the Ministry of Home Affairs should strengthen guidance and monitoring of the implementation of the dual mandate, including indicators that measure vendors' livelihoods rather than only the clearance of public spaces. Fourth, future research should conduct field studies in specific municipalities to test and refine the proposed model.

REFERENCES

Abdullah, F. (2022). Perspektif siyasah syar'iyyah terhadap relevansi kaidah fikih dalam pengambilan kebijakan pemerintah. *Jurnal El-Dusturie, 1*(2).

Al-Mawardi, A. al-H. (1996). *The ordinances of government: Al-Ahkam al-Sultaniyya w'al-Wilayat al-Diniyya* (W. H. Wahba, Trans.). Garnet Publishing.

Armani, D. P. I. (2025). Analisis keputusan adopsi teknologi QRIS pada pedagang kaki lima: Perspektif pengguna dan non-pengguna. *Jurnal Teknologi Informasi (JMTI), 15*(2), 115–124.

Auda, J. (2008). *Maqasid al-Shariah as philosophy of Islamic law: A systems approach*. International Institute of Islamic Thought.

Bhowmik, S. K. (2005). Street vendors in Asia: A review. *Economic and Political Weekly, 40*(22/23), 2256–2264.

Bromley, R. (2000). Street vending and public policy: A global review. *International Journal of Sociology and Social Policy, 20*(1/2), 1–28. https://doi.org/10.1108/01443330010789052

Brown, A. (Ed.). (2006). *Contested space: Street trading, public space, and livelihoods in developing cities*. ITDG Publishing.

CESCR (Committee on Economic, Social and Cultural Rights). (1997). *General Comment No. 7: The right to adequate housing (Art. 11.1): Forced evictions* (E/1998/22, Annex IV). United Nations.

Chen, M. A. (2012). *The informal economy: Definitions, theories and policies* (WIEGO Working Paper No. 1). Women in Informal Employment: Globalizing and Organizing.

De Soto, H. (1989). *The other path: The invisible revolution in the Third World*. Harper & Row.

Dwipasari, T., Rachmawati, I., & Budiman, Y. F. (2021). Implementasi kebijakan penataan dan pemberdayaan pedagang kaki lima (PKL) di zona merah Kota Sukabumi. *Decision: Jurnal Administrasi Publik, 2*(2). https://doi.org/10.23969/decision.v3i2.4318

Hapsari, L., Lestari, H., & R., D. (2024). Implementasi kebijakan penataan PKL di kawasan Alun-Alun Simpang Tujuh Kabupaten Kudus. *Journal of Public Policy and Management Review*, Universitas Diponegoro.

Hart, K. (1973). Informal income opportunities and urban employment in Ghana. *The Journal of Modern African Studies, 11*(1), 61–89. https://doi.org/10.1017/S0022278X00008089

Harvey, D. (2008). The right to the city. *New Left Review, 53*, 23–40.

Hasanah, T. U., Nurhadi, & R., A. (2020). Modal sosial dan strategi kelangsungan usaha sektor informal pedagang kaki lima pada era pandemi Covid-19. *Socia: Jurnal Ilmu-Ilmu Sosial, 17*(2).

Ibn Taymiyya, A. (1982). *Public duties in Islam: The institution of the hisba* (M. Holland, Trans.). The Islamic Foundation.

International Labour Organization. (2015). *Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204)*. International Labour Office.

Kamali, M. H. (2008). *Maqāṣid al-Sharīʿah made simple*. International Institute of Islamic Thought.

Lefebvre, H. (1996). *Writings on cities* (E. Kofman & E. Lebas, Trans. & Eds.). Blackwell.

Munadzir, F., Prihatmoko, G., & Hubur, A. (2025). Kajian siyasah syar'iyyah pada proses kepemimpinan (Tinjauan komparatif antara sistem Indonesia dan Arab Saudi). *Wasatiyah: Jurnal Hukum, 6*(1), 17–31. https://doi.org/10.70338/wasatiyah.v6i1.175

Nurussa'adah, K. (2025). Implementasi nilai-nilai fikih siyasah dalam kebijakan publik di negara Islam. *Tashdiq: Jurnal Kajian Agama dan Dakwah, 1*(2), 1–15. https://doi.org/10.8734/tashdiq.v1i2.365

Recchi, S. (2021). Informal street vending: A comparative literature review. *International Journal of Sociology and Social Policy, 41*(7/8), 805–825. https://doi.org/10.1108/IJSSP-07-2020-0285

Reza, Y. A. R. F. A. (2023). Analisis pendapatan pedagang kaki lima berdasarkan jenis usaha. *Jurnal Prospek: Pendidikan Ilmu Sosial dan Ekonomi, 5*(1), 1–10.

Roever, S., & Skinner, C. (2016). Street vendors and cities. *Environment and Urbanization, 28*(2), 359–374. https://doi.org/10.1177/0956247816653898

Sartima, T., Oldisan, D., & Fauzanil, R. (2023). Kebijakan penataan pedagang kaki lima (PKL) di Kota Solok berdasarkan Peraturan Daerah Nomor 5 Tahun 2017. *UNES Journal of Swara Justisia, 6*(4), 603. https://doi.org/10.31933/ujsj.v6i4.304

Stilt, K. (2011). *Islamic law in action: Authority, discretion, and everyday experiences in Mamluk Egypt*. Oxford University Press.

Sulistiyawati, E., Kharamah, A., & Y., A. Z. (2025). Penerapan nilai-nilai siyasah syar'iyyah dalam kebijakan publik nasional. *Interdisciplinary Explorations in Research Journal, 3*(3), 857–879.

Syah, A. L. A., Ardyansyah, M. F., & A., S. F. (2025). Maqashid syari'ah dalam kebijakan publik: Analisis implementasi prinsip Islam dalam kebijakan pemerintah di Indonesia. *Muta'allim: Jurnal Pendidikan Agama Islam, 4*(3), 227–240.

Vogel, F. E. (2000). *Islamic law and legal system: Studies of Saudi Arabia*. Brill.

Wahyudiono, T., Rochim, F., & I., J. (2022). Economic policy from the perspective of siyasah syar'iyyah: A case study of Islamic banks. *International Journal of Health, Economics, and Social Sciences, 4*(4), 325–334.

Zakiya, D. R. (2025). Evaluasi dampak kebijakan penataan dan pemberdayaan PKL di Kabupaten Bojonegoro (Studi pada PKL Alun-Alun Kabupaten Bojonegoro). *Inovant, 3*, 142–155.