

**RELIEVING COMPETITION BETWEEN FORMAL AND
INFORMAL PUBLIC TRANSPORT
CASE STUDY: INDONESIA**

MASTER THESIS

**A thesis submitted in partial fulfillment of the requirements for
the Master Degree from University of Groningen and
the Master Degree from Institut Teknologi Bandung**

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**DOUBLE MASTER DEGREE PROGRAMME
ENVIRONMENTAL AND INFRASTRUCTURE
PLANNING
FACULTY OF SPATIAL SCIENCE
UNIVERSITY OF GRONINGEN
AND
DEVELOPMENT PLANNING AND
INFRASTRUCTURE MANAGEMENT
SCHOOL OF ARCHITECTURE, PLANNING AND
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Supervisors:

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**Double Master Degree Program
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Faculty of Spatial Sciences
University of Groningen**

And

**Development Planning and Infrastructure Management
Department of Regional and City Planning
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Abstract

Like other cities of developing nations, urban public transports in Indonesia, like Bandung, Semarang, Surabaya, and Palembang, are commonly served by small and low-performance vehicles run by private operators, like minibus and/or minivans “*angkot*” and pedicabs “*becak*”. But in the last few years, their existence began to be “threatened” by the existence of the new formal public transport service initiated by government, like BRT, which has been flourished mainly in large- and medium- sized cities. As the result, these informal operators protest the implementation of the new system and try to halt the plan. Although in reality the dialogue between informal transport operators and local government were already conducted, protests were still occurred.

This research aims to develop guidelines which attempt to raise awareness among decision makers about the potential impacts caused by any public transport development plan, and specifically focus on preventing or minimizing potential conflicts of competition between formal and informal transport operators. The study will involve both theoretical and empirical analysis to develop key improvement factors for guidelines. Finally the observation is to see the possibility of implementing the similar approaches in Indonesia’s transport planning and considering several potential barriers.

The finding of this research indicates that competition is actually can be prevent by using ex-ante evaluation, like SIA. In case if the competition already occurred, competition can be relieved by using policy instruments, like drivers training, mediation and coordination, compensation and formalization through regulation. The success of its implementation depends on the level of stakeholders’ participation group during the process, the governments’ commitment and support to realize the chosen instrument. Finally, governments have to take into consideration several potential barriers, like practical, political and socio-cultural barriers when choosing or designing the decision making approach, policy instruments and policy evaluation method.

Keywords: *competition, public transport, formal and informal operators.*

Guideline for Using Thesis

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Preface

Competition between formal and informal public transport operators is quite a new issue in Indonesia. Before the implementation of BRT in several cities, like Jakarta, Bandung, Semarang, and Yogyakarta, the competition occurred was mainly between informal transport operators which operated in the same route. As a new issue, there are very limited information can be obtained and not so many people paid attention on this. In fact, not all policy makers are aware of this potential social conflict before they decide to adopt the new system of public transport service, like BRT. As one of government employees in local government level, I really concern about this issue and try to emphasize it on my thesis. This thesis is not solely intended to fulfill the requirement of my Master Degree, but also as part of my contribution and dedication to my country and institution. Hopefully, the result would become a positive input for all stakeholders in public transport sectors and readers in general.

This thesis would not have been possible without the support of many people. First of all, I would like to express gratitude to my supervisors Dr. Femke Niekerk and Ir. Miming Miharja, M.Sc.Eng., Ph.D for their supervision and useful suggestions, input and support that enables me to complete my thesis successfully. My appreciative to the National Planning Board (BAPPENAS), and Netherland Education Support Office (NESO) for giving me an opportunity to study at qualified universities, to Environmental Board of Semarang Municipal Government for the precious working experiences, and to all lecturers and staffs of the Environmental and Infrastructure Planning (RUG) and Development Planning and Infrastructure Management (ITB) for their support and knowledge. Special thanks to all my friends, especially the members of Double Degree ITB-RUG 2010 for sharing great moments in Bandung and Groningen. Finally, to my beloved parents and sisters, for their love, prays and support throughout my study. Above all is my thankfulness to Jesus for giving me a wonderful life.

Groningen, August 2011

G. Nasarani

Contents

Abstract	i
Guideline for Using Thesis	ii
Preface	iii
Contents	iv
Tables	vii
Figures	vii
Boxes	vii
Chapter 1 Introduction	1
1.1. Background	1
1.2. Research Objectives	7
1.3. Research Questions	7
1.4. Theoretical Framework	8
1.5. Research Methodology.....	11
1.6. Research Design.....	15
Chapter 2 Theoretical Review	18
2.1. Introduction	18
2.2. Planning: Theory and Practice	18
2.3. Policy instruments	21
2.3.1. Informational instruments.....	23
2.3.2. Cooperative instruments	25
2.3.3. Economic instruments.....	26
2.3.4. Regulatory instruments	28
2.4. Policy evaluation.....	30
2.4.1. Impact assessment and mitigation	30
2.4.2. Community empowerment evaluation.....	32

2.4.3. Advocacy-adversary	33
2.5. Findings: conceptual framework.....	34
Chapter 3 Public Transport in Developing Countries.....	38
3.1. Introduction	38
3.2. Roles of public transport in developing countries.....	38
3.3. Formal public transport	39
3.4. Informal public transport.....	40
3.5. The three case studies.....	44
3.5.1. The Philippines	44
3.5.2. Colombia.....	50
3.5.3. South Africa.....	55
3.6. Summarizing case studies	60
Chapter 4 Public Transport in Indonesia	64
4.1. Introduction	64
4.2. Public transport: existing condition	64
4.3. The history of competition	67
4.4. Stakeholders' perspectives on BRT	70
4.5. Decision making context.....	75
4.6. Approaches to decision making	76
4.7. Policy instruments and evaluation	78
4.8. Implementation problems	79
4.9. Optimisation.....	81
Chapter 5 Development of Guidelines	83
5.1. Introduction.....	83
5.2. Comparison of key factors between the Philippines, Colombia, South Africa and Indonesia	83

5.3. Development of Guidelines for Indonesia	93
5.3.1. Implementation barriers	93
5.3.2. Key factors for development.....	95
5.3.3. Key questions for guidelines.....	100
Chapter 6 Conclusion, Reflection and Recommendation.....	111
6.1. Introduction	111
6.2. Conclusion	111
6.3. Reflection	115
6.4. Recommendation.....	117
6.4.1. Recommendation for local government.....	117
6.4.2. Recommendation for future research.....	118
Appendix 1 List of interviewees	119
Appendix 2 List of interview questions	120
References	

Tables

Table 2.1. Transport policy instruments and degree of government intervention	22
Table 3.1. Comparing formal and informal public transport	42
Table 3.2. Key factors' check list	62
Table 4.1. Stakeholders' perspectives on BRT implementation	70
Table 5.1. Comparison of case studies	86

Figures

Figure 1.1. Theoretical Framework	10
Figure 1.2. Analytical framework	14
Figure 1.3. Research structure	17
Figure 2.1. Conceptual framework	37
Figure 3.1. Public transports in the Philippines	45
Figure 3.3. Scheme of influence in Colombia's transport policy planning	52
Figure 3.4. Public transport in South Africa	56
Figure 4.1. Public transports in Indonesia	66
Figure 4.1. Map of Indonesia's Cities	67
Figure 5.1. Scheme of guidelines	109

Boxes

Box. 3.1. Key traits of informal transport	42
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Chapter 1 Introduction

1.1. Background

Cities in many countries in the world, including Indonesia, are experiencing rapid growth and development in the last few decades. The city often becomes the central place for many kinds of activities, this include cities as a place for social, economic and cultural exchanges. These conditions have implication on the emergent of new activities like new settlement areas, industrial areas, and commercial and service areas. The availability of many services and facilities and also many conveniences have make cities become an attractive place to live in, especially for people in the surrounding periphery areas. In accordance with those conditions, the existence of the city cannot be separated from the availability of transportation infrastructure and its facilities as the main artery to support almost the whole urban activities, including human and goods movement (Fricker & Whitford, 2004).

In Indonesia, the growth of urban area until the boundaries of central cities (urban sprawl), like what happened in Jakarta and its surrounding areas (Bogor, Depok, Tangerang and Bekasi), mount the needs of transport means to connect people from their house in periphery areas to the central city, either to work or leisure reasons. The first option to cope with this demand is by owning a private vehicle, like car and motorcycle. Boosted by economic growth, each household is now able to own one or more private vehicles (Soejachmoen, 2005, p. 18). The second option is to use public transports, like bus, minibus or mini-van. Those who cannot afford to buy personal vehicle, namely poor households, those who are unable or not allowed to drive, like senior citizen, under-aged citizen, and women who usually become the majority of customers (Cervero, 2000, p. 5), are depend on their mobility to this public transport.

Like other cities of developing nations, urban public transports in Indonesia are commonly served by small and low-performance vehicles run by private operators. In major cities, like Bandung, Semarang, Surabaya, and Palembang the

public transports are provided by minibus and/or mini-vans serving at artery and collector roads and pedicabs (pedal-powered mode) and/or hired-motorcycles (motorcycle-taxi) serving streets at local and small neighborhood. Particularly, taxis can serve from streets in small neighborhood to main streets at the city center. In other cities, like Solo and Bogor, pedicabs and hired-motorcycles can also operate in main artery street. Additionally, in some cities, like Bali and Yogyakarta, horse-pulled carriages are also serving for tourism purposes (Cervero, 2000, p. 3; Soejachmoen, 2005, p. 51-57).

According to Cervero (2000, p. 3), these privately operated vehicles are referred to “informal transport”. The term reflects the condition in which “*this sector operates – informally and illicitly, somewhat in the background, and outside the officially sanctioned public transport sector*”. Like other informal businesses, in general, the informal transport sector consists of independent entrepreneurs who lack of official registration and worked for many hours in a highly competitive market. The operators usually do not pass the certification required to provide commercial public services, such as minimum vehicle size, maximum vehicle’s age, or appropriateness standards. Other infringement comprise in the lack of legal insurance responsibility, nonexistence of a commercial driving permit, and operation of an unclassified or substandard vehicle. Despite having many defects, their presence is actually tolerated by local authorities. In fact, the existence of these informal public transports is very important to serve areas that are not covered by formal public transport modes provided by local government, like narrow streets in poor neighborhood. Moreover, formal transports, like bus, often depend on these informal operators to supply feeder connection between local streets of neighborhood and collector or artery roads (Cervero & Golub, 2007, p. 445; Cervero, 2000, p. 6). Thus, they are permitted to operate, and their administration is managed by the local authority, namely local transport agency.

The facts that many local governments in Indonesia cannot provide public transport services that are reliable, comfortable, affordable, and convenient generates the increase number of personal vehicles and opens employment opportunities for marginalized people to work in informal transport sector. These

conditions worsen the urban transport problem like traffic congestion and air pollution. For example, based on data in June 2009, the total number of motor vehicles in Jakarta is 9.993.867 units, including 2.054.254 units of private car, 308.941 units of public transport, and 7.084.753 units of motorcycle. With total population recorded in March 2009 is more than 8,5 million, it can be calculated that each household has at least three motorcycle¹. Moreover, if the number of private vehicles, including cars and motorcycles, compared with the number of public vehicles, it can be obtained a composition of 99% private vehicles proportionate with 1% public vehicles, including formal and informal transport. Added with the attitude of informal transport operators – driving aggressively, recklessly and ignoring the traffic rules – the road congestion has become more severe. Similar cases also happen in other metropolitan cities like Semarang, Surabaya, and Bandung (Soejachmoen, 2005)

To response the ‘national’ problem of urban public transport, the central government of Indonesia issued the Law Act number 22/2009 about Traffic and Road Transport. In this national act, article number 158 stipulated about the responsibility of cities – especially big/metropolitan cities inhabited by more than 500.000 people – to provide mass public transport. One concept proposed as the mass public transport system is by using Bus Rapid Transit (BRT). Nowadays, many cities in Indonesia have been adopting the concept of BRT although in a slightly different ways. This idea becomes a common “theory” used by many local governments to solve their transport problem, and this showed by the mushrooming method of BRT as the promising solution. However, the result of implementation in each places show in different way (Soejachmoen, 2005).

BRT often referred to formal public transport since it is initiated, funded and managed by local government. Some common features that distinguish BRT as formal transport are that it has fixed routes, fixed timetable, large vehicle type, public and private ownership with bureaucracy organization and fixed fare structures (*see* Transportation Research Board, 2003; Cervero, 2000, p. 14). In

¹The data of number of motor vehicle in DKI Jakarta from The Independent Commission of Police Research web site: <http://www.komisikepolisianindonesia.com/main.php?page=artikle&id=1187>

some cities, like Jakarta and Semarang, the daily operation is fully run by private party, namely operator consortium. Consortium is a form of contract management between local government, through Transport Board, and one or more private companies who work together as operator (Dagun, 2006, p. 120), such as PT. JET which become the operator for Busway in Jakarta and PT. Trans Semarang in Semarang City. While in some other cities, like Yogyakarta and Bogor, the operational is run by independent governmental body called “*Perusda*” (Local Company). The similarities of BRT implementation in Indonesia are that the construction of supporting infrastructures and the buses are fully become the responsibility of government to provide them, mainly in the beginning of the project establishment.

Within its progress, many protests shouted by some interest group especially the current informal public transport operators. The existence of the new public transport system, namely BRT, appears to be a competitor that might threaten their livelihood and wellbeing. They worry if consumers or passengers would not use their service anymore and start to utilize the new bus services provided by government. In May 2009, BRT trial in Semarang city marred by rallies from tens of mini-vans “*angkot*” drivers – informal transport operators – who claim to represent about 300 drivers. They protest because the presence of BRT is considered detrimental to the driver and transportation entrepreneurs since it targeting the same customer. In their opinion, BRT operational will continue to reap problems if local government do not arrange the bus route carefully and still overlapping². Moreover, the incomplete regulation about the route management and separation between the informal public transport and the ‘formal’ bus system makes the anxiety become more severe; thus, strong rejection leads to anarchy protests cannot be avoided. In Bandung, vandalism protest against BRT occurred in December 2008. Five government-owned buses consist of four DAMRI³ buses

accessed on May 11, 2011

² Semarang, May 2, 2009 – “*Uji Coba BRT Diwarnai Unjuk Rasa*” (BRT Trial Marred Rallies) daily e-news from Kompas.com:

<http://regional.kompas.com/read/2009/05/02/16160415/Uji.Coba.BRT.Diwarnai.Unjuk.Rasa>

accessed on March 30, 2011

³ DAMRI (*Djawatan Angkoetan Motor Repoeblik Indonesia*) is public companies regulated and, sometimes, funded by government which responsible in providing public transport services for either human or goods, and exists in almost all cities in Indonesia (<http://damri.co.id> accessed

and one BRT bus, namely Trans Metro Bandung (TMB), become the victim of mass rampage of protesters who refused the operation of TMB bus for Cibereum-Cibiru routes. The destruction was done by pelting vehicles with stones. Even the driver or passenger is injured by this incident⁴. These facts are in line with what explained by Vanclay (2011) that new projects introduced in developing countries often carry heavier social problem than in developed countries. Moreover, the project is, most of the times, design and built by developed countries based on their rules; thus, it often does not match with the local features or conditions of the area adopting the project⁵. Therefore, implementing BRT as a ‘good intention’ initiated by local government does not automatically supported by all stakeholders.

Competition between formal and informal public transport also happened in several cities of developing countries in the world. In Metro Manila, Philippines, the implementation of urban mass transit, particularly light trains, introduced by the Metro Manila Development Authority has been replacing jeepneys⁶ and buses. They are moved from the city center to the province generating further competition with the existing public vehicles there (Pascual, 2006, p. 20). In Johannesburg, South Africa, regular protests from taxi operators have been occurred since the announcement of BRT implementation plan. BRT was chosen as the solution of transport problem as they were preparing to become host of two major FIFA tournaments, the Confederations cup in 2009 and the World Cup in 2010. These taxi operators were protesting the overlapping route between their business line and BRT route that will be applied⁷. In order to reduce conflict of competition between formal and informal public transport, backed up by local

August 7, 2011)

⁴ Bandung, December 22, 2008 – “*Lima Bus Jadi Korban Amukan Masa*” (Five Buses Rampage Victims of Mass) daily e-news from Kompas.com:

<http://regional.kompas.com/read/2008/12/22/1749171/Lima.Bus.Jadi.Korban.Amuk.Massa>

accessed on March 30, 2011

⁵ Lecture material given by Prof. Frank Vanclay in Social Impact Assessment course (University of Groningen) on March 2, 2011

⁶ Jeepney is an elongated jeep-like vehicle, and includes within class II, which carrying intermediate loads from 12 to 24 passengers and categorized as paratransit vehicles that operated informally (Cervero, 2000, p. 16)

⁷ Ayodele, O. Public Transport in South Africa: the Introduction of the South African Bus Rapid Transit System: <http://www.suite101.com/content/public-transport-in-south-africa-a124457>

accessed in May 7, 2011

government, both cities adopt similar strategy which is organizing the urban transport system. The authority attempts to organize the informal transport workers which offer better job opportunities and stronger legal position as a union. By using organizational approach, individual transport operators or small transport workers associations can be grouped into structured organization as a union. This union is expected to take part as the operator of BRT service that offer stronger and more “legitimate” position as a worker (see: Pascual, 2006; Barret, 2010).

Based on my review on several documents published by some local governments in Indonesia regarding the plan of BRT project, like Feasibility Study of Development Corridor Trans Metro Bandung, Feasibility Study of Mass Transport System in Semarang City, none of them clearly mention about how to accommodate demands requested by current informal transport operators. They often do not acknowledge or explicitly discuss facts about possible social conflicts triggered by competition between the two public transport providers, formal and informal transport operators. These documents commonly focus on financial and institutional aspects and based on common issues in urban transport planning, such as traffic congestion and air pollution. The BRT management plan conducted by the local government mainly explore the development plan and future operation, and also about the cost-benefit and its share between government and private/non-governmental/independent government bodies. Although in reality the dialogue between informal transport operators and local government were already conducted, protests were still occurred. From these governments’ documents, it can be seen that there is a lack of formal statement, such as guideline, that explain about methods to involve these conflicted groups (stakeholders participation), methods to predict social impacts, instruments to prevent or reduce social conflict, like competition, and other related issues. The question emerge is how to manage the current conflict and also prevent the future conflict caused by competition between informal transport operators and formal transport operator and also with the local government.

1.2. Research Objectives

The aim of this research is to develop guidelines as recommendations for the transport planning process at local government level in Indonesia. These guidelines attempt to raise awareness among decision makers about the potential impacts caused by any public transport development plan, and specifically focus on preventing or minimizing potential conflicts of competition between formal and informal transport operators. This research will explore the current practice of transport planning in local level by seeing the development plan of BRT system, as an example of formal public transport service, and the management plan to organize the existing informal transport operators in several cities of Indonesia, like Jakarta, Bandung, Semarang, Bogor, Palembang, Yogyakarta, Solo and others. The study will examine the reactions of informal transport operators in responding BRT plan, which varied between cities. The research will also look at the efforts done by other developing countries in Asia, Africa and South America, such as the Philippines, Zambia, South Africa, Colombia, Brazil and others in overcoming similar issue of competition between formal and informal transport providers. The study will identify how far stakeholders, especially informal transport operators, can participate within the planning process and project implementation, and what approaches or actions taken by government in other developing nations to cope with the problem. Finally, the research will develop several key improvement factors for guidelines, by observing the possibility of implementing the similar approaches in Indonesia's transport planning and considering several potential barriers.

1.3. Research Questions

The development of this research is based on several questions as follow:

1. What policy instruments can be applied to prevent possible conflict between formal and informal public transport in the future?

This question addressed to the theoretical aspect of planning processes. The answer of this question will elaborate the concepts of policy instruments and theories about procedures or requirements prior to the implementation of

government plan in public transport field.

2. How to organize both formal and informal public transports so that they complementing each other?

This question refers to the fact that both public transport operators are actually complementary, but the lack of local government role in insuring the success of public transport service become the main cause that create competition between both operators. To answer this question, some cases from different cities in developing countries, as empirical study from international practices, are going to be explored. The analysis will see the context and approach of decision making, the extent to which stakeholders can involve in transport decision making process, the policy instruments and evaluation applied, the implementation problem, and the optimization efforts.

3. How far policy practice in Indonesia involves these informal transport workers/operators within transport planning and decision making process?

This question will address the current practice of decision making process in public transport planning whether it has already anticipate the possible conflicts between formal and informal transport workers. The answer will figure out to what extent stakeholders, especially informal transport operators, can participate during the process, policy instruments and evaluation applied, implementation problem and optimization.

4. How to accommodate demands requested by these informal transport operators so that they are willing to cooperate rather than obstruct the implementation of new public transport service?

This question will examine and compare to find out what lesson can be learned from the international practices and which strategy can be applied in the context of Indonesia.

1.4. Theoretical Framework

The theoretical framework sets the basic analysis to create key development factors for guidelines and becomes the foundation to build conceptual framework. The objective is to provide basic argument from “ideal” theoretical perspective about possible strategies to manage social problem, like competition, resulted

from public transport development project. This research will focus on three theoretical areas. First is planning theory, second is theory about policy instruments, and finally is theory on policy evaluation. These three theoretical areas will be the basis to identify key factors that are going to be analyzed from case studies in order to design the guidelines.

To begin with, planning theory integrates the whole aspects in policy making process. It includes approaches used in the process (top-down and bottom-up) and attitudes performed by policy makers (commitment and real action/supports). In the past, planning practice mainly relied on technical-rational approach with comprehensive process and top-down direction. In the recent years, planning by involving the public in its process (bottom-up direction) becomes more popular because it is considered being more acceptable from stakeholders perspectives.

Policy instruments are tools used by government as part of strategy to solve problem in public domain. In this research, theories on policy instruments will follow definition and categorization from Bocher (2011). In his theory, *“politicians require policy instruments that influence collective action as a means of realizing political objectives”*. There are huge arrays of policy instruments that can be chosen from, at least, four categories, namely informational, cooperative, economic, and regulatory. Governments, as regulators and policy makers, can employ one or more tools to solve one particular problem. In this research, policy instruments become the center of analysis in drawing lessons. It attempts to collect possible strategy to solve competition between different transport providers in Indonesia by learning from other countries.

The third theoretical area came from policy evaluation field. According to Leroy and Crabbe (2008), policy evaluation is very useful to improve the implementation and the process of policy itself in the future so that the plans, policies, programs, and projects can be done effectively and efficiently. Theoretically, there are several methods of policy evaluation that can be used and one of them is Social Impact Assessment (SIA). This method seems to be more relevant to prevent or relieve problem of competition between formal and

informal public transport. The consideration is because issues on competition are closely related to social phenomena, and it emerges as social impacts resulted from changes in society (Vanclay, 2002).

These three theories will become the foundation to build a conceptual framework to analyze study cases. By linking the theories and practices, this research will identify the key development factors from lessons that can be drawn from the comparison. The idea is to compare the ideal strategies (from theories) and the real practice (from study cases) to see the most potential barriers that might occur and to conclude the most possible steps or strategies that can be applied for Indonesia case. The framework will be shown in figure 1.1.

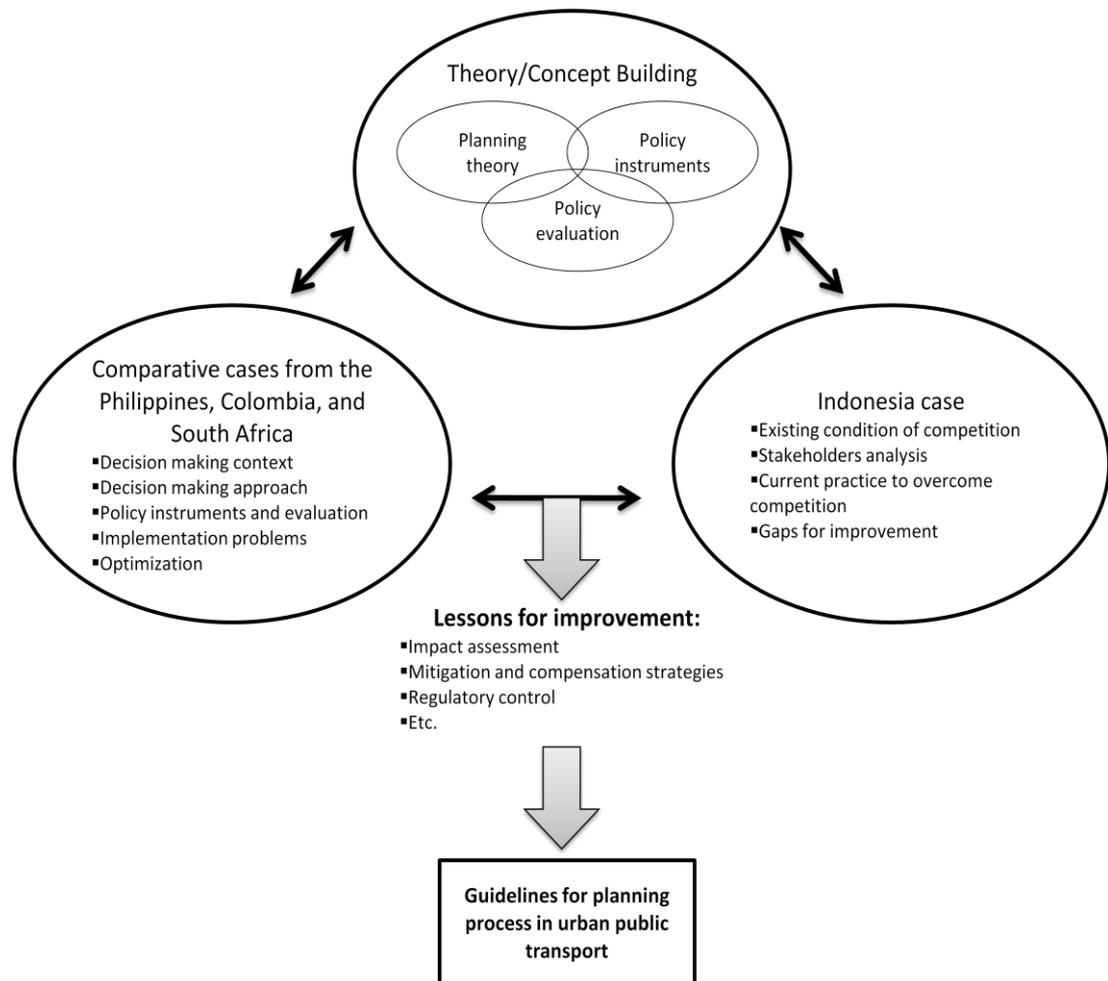


Figure 1.1. Theoretical Framework

1.5. Research Methodology

This research is based on *qualitative analysis* which the data are commonly in the form of text, written words, or symbols as the representation from people's action, ideas, thoughts, and other social phenomena (Neuman, 2000). For this research the data are collected from:

- Primary data from interview with local authorities who are responsible in local public transport planning, representatives from informal transport operators, and citizen. The interviews done in several cities in Indonesia, mainly those which adopt BRT system as a new form of public transport service, namely Bogor, Bandung, Semarang, Solo, Yogyakarta, Palembang. Additionally, there are also interviews with the authorities from national agency, namely Directorate General of Land Transportation.
- Secondary data from government reports, documents or other publications in transport planning issues, and also from international organizations which concern with public transport issues.
- Literature review from books, journal articles, reports, proceedings, documents from websites and other publications from reliable sources.

Methods of Sampling:

The sampling method for selecting the interviewees from government officers was conducted based on *snowball sampling method* – also known as network, chain referral, or reputational sampling. As stated by Neuman (2000), the crucial characteristic of snowball sampling method is that some persons are connected each other through a direct or indirect linkages. In this research, the interviewees especially the government officers are basically interconnected within *Asosiasi Pemerintah Kota Seluruh Indonesia* (APEKSI), or Association of Indonesia Municipalities (AIM), in which they have annual meeting and one of their agenda is to discuss about public transport provision in local level. Moreover, the other interviewees from local transport operators/providers are indirectly connected with the authorities in local transport agency. The stakeholders selected from the

local authorities are those who held significant position in determining local transport policy, officials from regulatory bodies, and those who actively involved in the decision making process of local public transport services.

Methods of Interview:

The interview was conducted using *unstructured interviewing* method. This method can provide broader and more profound data than the other types of method in qualitative method. The unstructured interview is done by an informal or open-ended approach to allow much information to flow rather than restricting it as in closed-ended approach (Fontana & Frey, 2003). The information collected is based on several key questions that may trigger in-depth information to reveal. Additionally, this approach also helpful to make the conversation more relax, better understanding about the language and culture of the respondent, and more trust gained among each other.

The interview analysis will apply *data triangulation method*. This means that the observation will look from different viewpoints. According to Neuman (2000), triangulation is widely used in social research because looking at something from several angels is better than seeing it only from one direction. The objective is to obtain more reliable or valid result from the interviews. By “cross checking” from several sources, this method can overcome biases from interviews. In this research, the triangulation will consist of (i) triangulation of location (different cities); and (ii) triangulation of persons (interviewees from different local government).

The interview was basically conducted in order to gather general perspectives from stakeholders (government, public transport entrepreneurs, and public) in responding the government plan to adopt new public transport system, namely Bus Rapid Transit (BRT). The information will provide broad overview about the pros and cons among stakeholders. Furthermore, this overview will be useful to analyze opportunities to improve its implementation, in which relieving conflicts among different public transport service providers becomes part of improvement.

The key interviewees from the local government level are mentioned in the appendix. Additionally, there are several correspondents interviewed from local transport operators especially paratransit “*angkot*” drivers and public transport users, but there is no permission to mention their name.

Methods of Analysis:

In general, this research using the *Comparative method* as part of qualitative analysis. The method chosen for it is appropriate to comparatively study the current condition of the implementation of public transport system at different cities of different countries. The focus is to see the similarity and difference between units, and then find the gap of specificity to define what lesson can be learned from others’ practice in managing or organizing formal and informal public transport to avoid conflict, and then formulating a guideline for the transport planning process in local level for cities in Indonesia (Neuman, 2000). In drawing some lessons about a particular policy practice from other places, it is important to see to what extent the lessons can be applied in one place. In many cases, policy transfer (which knowledge about policies and schemes in one political system, either in the past or present, is used within the development of policies in another political structure) is often used by policy makers to overcome similar problems experienced by different places (Dolowitz & Marsh, 2000). Focusing on transport issues, there is much evidence show that policy transfer has often occurred in transport field, like the implementation of Bus Rapid Transit in many develop and developing countries in the world (*see*: Bray, Taylor, & Scrafton, 2010; Dagun, 2006; Marsden & Stead, 2010; Wang, 2010). For this research, the process of creating the guidelines is based on lessons that are drawn from comparative study of several cases. At this stage, the *Transferability* of the transport policy becomes the focus of analysis. The lessons are not only drawn from the “success” application of a policy but also from the “failure” implementation to see the negative examples that can be learned (Dolowitz & Marsh, 2000). The analytical framework can be seen in figure 1.2.

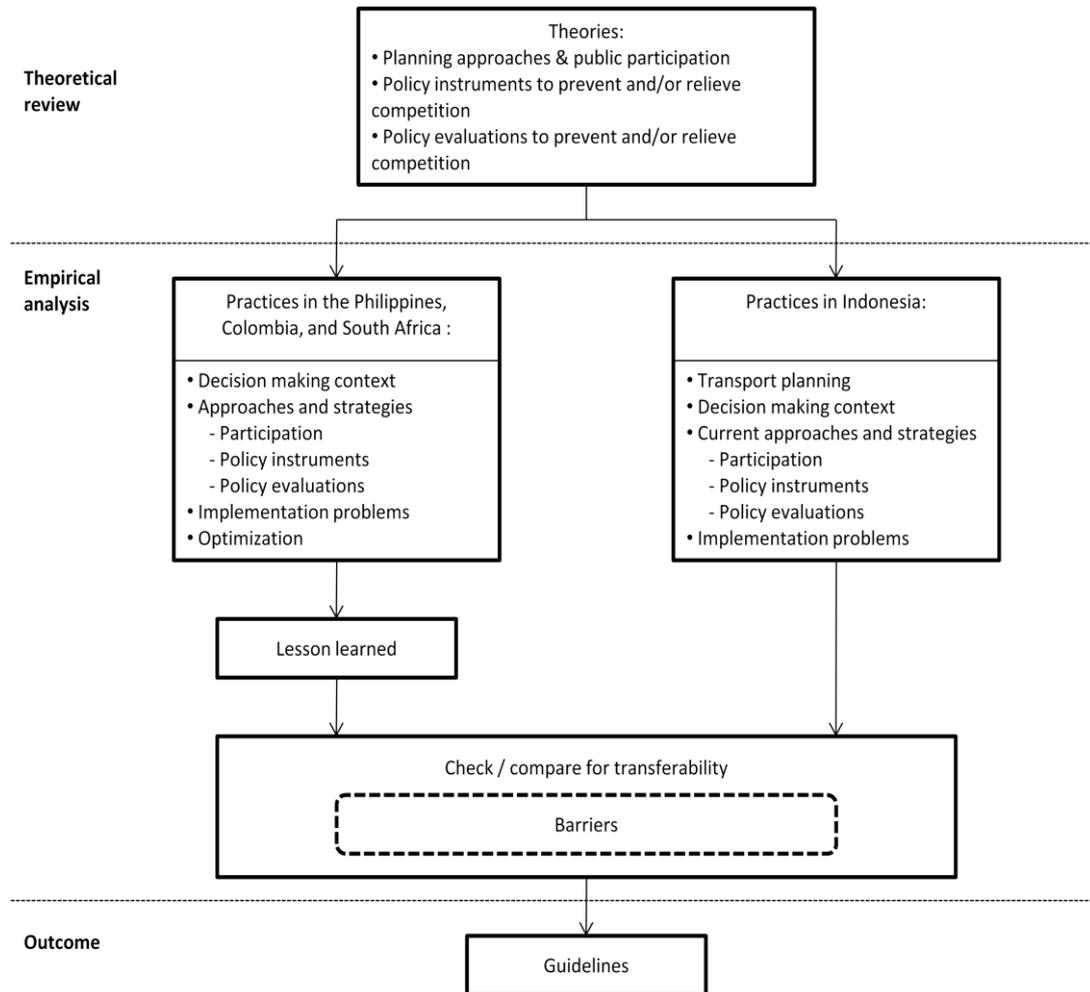


Figure 1.2. Analytical framework

Research Procedures and Data Collection:

This research will not largely depend on quantitative data, but more on *qualitative data*. It consists of five main procedures in collecting the data:

- First is exploring theories about the issues of transport planning in general, including planning processes, policy instruments and policy evaluation. This is also establishing clear understanding and definitions about the difference between formal and informal public transports within the context of case study. The definitions and terminologies will be obtained mainly based on literature review from books, report, journal articles or other publications.

- Second is analyzing practice and experiences from other developing nations, namely the Philippines, Colombia, and South Africa. The data collected from literature reviews, including reports of research project conducted by international organization that can be retrieved from websites.
- Third, collecting data and information about the issue of competition between formal and informal public transports in Indonesia. The data will be collected from several interviews (with the local authorities, informal transport operators and some other relevant stakeholders) and document analysis (from news publications, journals, articles, and government reports obtained from government offices, libraries, and websites).
- Fourth is comparison of case studies based on the analysis from the second and third steps in order to develop guidelines. In the process of developing the guidelines, some potential barriers will be considered to see the opportunities in implementing the strategy in the context of Indonesia.
- Fifth are the conclusion, reflection and recommendation that can be proposed as a guideline for transport planning process in Indonesia.

1.6. Research Design

This research will consist of six chapters and the structure can be seen in figure 1.3. The content of each chapter can be described as follows:

Chapter 1: Introduction

This chapter consists of background, research objectives, research questions, theoretical framework, research methodology, and research design.

Chapter 2: Theoretical Review

This chapter explores the theoretical concept of planning process, policy instruments and policy evaluation. These three theories will become the basis to develop key factors in the conceptual framework to analyse empirical cases.

Chapter 3: Public Transport in Developing Countries

This chapter will focus on the substantive topic of formal and informal transport providers and describe the international practices in several developing countries (the Philippines, Colombia and South Africa) which have the similar experience about competition between transport providers. The objective is to get the empirical knowledge of international practices as the basic of comparison. The explanation will focus on the key factors developed in conceptual framework.

Chapter 4: Public Transport in Indonesia

This chapter will explain the current practice of public transport in Indonesia. The section will include description about the current condition of public transport in Indonesia, planning process, stakeholders' analysis, regulatory framework, and problems from the current practice.

Chapter 5: Development of Guidelines

This chapter will compare the practices between the three case studies (in chapter 3) and Indonesia. The comparison will analyze what lesson can be learned, which practices can be adopted, and what potential barriers for the practice in Indonesia. The chapter will result in guidelines of planning procedure in public transport development plan.

Chapter 6: Conclusion, Reflection and Recommendation

This chapter will provide conclusion, reflection and recommendations for the improvement of public transport planning in Indonesia. The reflections are on the research and methods that are used in this research, while the recommendations are intended to local government in Indonesia as suggestion and to the future research in public transport fields, specifically on informal transport sector.

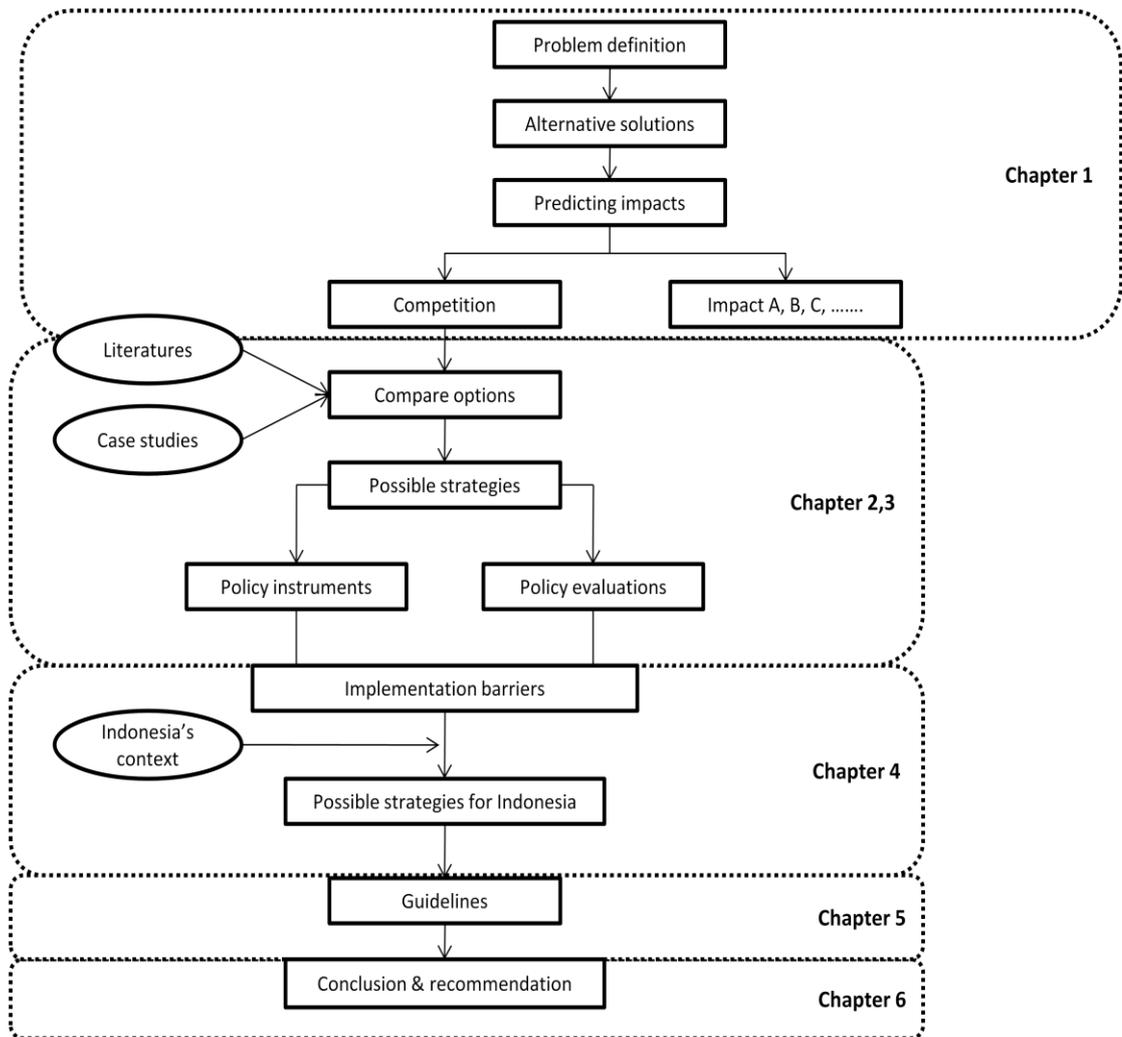


Figure 1.3. Research structure

Chapter 2 Theoretical Review

2.1. Introduction

This chapter will examine the theoretical background of planning processes in public policy. The first section will discuss theories of planning focusing on approaches to decision making in order to provide clear understanding about the concept and process. Next sub-chapters will explain about policy instruments and policy evaluation that can be chosen as strategies to reduce the possible competition between formal and informal public transport. The discussions will emphasize on four policy instruments, namely informational, cooperative, economic, and regulatory, and policy evaluation, like SIA, community empowerment and advocacy-adversary. Finally, this chapter will present the important aspects represented by key factors of conceptual framework as the baseline to analyse the empirical cases. The best practice in public transport field refers to the ideal condition of the key factors derived from the theories.

2.2. Planning: Theory and Practice

Since the last few decades, planning has experienced significant changes in both theory and practice. What is considered to be correct in the past has now turned into something that is inappropriate or even wrong. The most influential change in planning is the shift from a rational model to a collaborative model. Different author might adopt different terms in explaining these changes, such as “technical to participatory”, “functional to communicative rational”, “centralized to decentralized”, and “rational to consensus” (*see*: Allmendinger, 2009; Brooks, 2002; de Roo & Geoff, 2007; Woltjer, 2004). However, the difference is slim and the main idea is basically similar.

In the beginning of its development, most planning practices are mainly relied on (comprehensive) technical-rational model. The approach is considered to be the “right” method of conducting plan since the process involves comprehensive steps of sequence. Furthermore, rational decision-making is the one which alternatives,

goals, and consequences are considered profoundly, based on valid assumptions and relevant information, and are adjusted to the available time and resources. This method is also known as plan-led approach and commonly used as in top down planning approach. However, this rationality has undergone difficulties in making comprehensive plan considering the available resources and in finding the root of a problem that sometimes we cannot see. Another problem exist for the inadequate information that should be obtained in conducting comprehensive plan since there is no basic rule in determining whether the assumption and information are valid and relevant or not (Brooks, 2002). Additionally, many recent publications and literature also discuss about some technical problems regarding to the practice of this rational approach (see: Allmendinger, 2009; Brooks, 2002; de Roo & Geoff, 2007; Levy, 2006).

The later planning approaches are then shift into more mixed and unstructured model, like disjointed incrementalism or *muddling through*, which first suggested by Lindblom, and “*Mix scanning*” suggested by Amitai Etzioni. The idea of the first approach (*muddling through*) is that planners should quickly make a short list of possible plan and then focus on it; while the second approach (*mix scanning*) has two-step process. First is general scanning process to get the overall picture of the problem, then by using knowledge, scan for the more specific or the smaller field to be observed more profoundly. These models usually refer to vision-led approach in which usually involve an individual, like mayor or local leader, having a clear outlook of the future, focusing potential policy instruments and implementing them as effective as possible to reach the vision (Brooks, 2002; Levy, 2006; May, 2003). Yet, these approaches also have their own critiques on practices.

Another model in planning theory is advocacy planning, by Paul Davidoff, in which planners play their role as advocates for society's poor and minority members due to the inequities in political process. However, the advocacy planning also faces obstacles for some reasons, such as heterogeneity of urban neighborhoods and their interest, problem of representation of group member, inadequate information to achieve adequate decision, and political problems and

power relation (Brooks, 2002, pp. 105-118).

Recent development in planning approach is collaborative or participatory planning. The need of collaborative planning emerges because the world is changing more rapidly and unpredictable due to the borderless connectivity of telecommunication system, faster interaction and mobility, and heterogeneity of society. Consequently, there is no exact pattern of particular things and the future become less predictable. Therefore, people need to collaborate, have dialogue, or discuss together to get the future ideas. In the context of making public policy, stakeholders are working together through collaborative dialogue to solve the problem of diversity. This model is also recognized as “bottom-up” or consensus-led approach in which stakeholders involve at each stage of the plan-led approach (de Roo & Geoff, 2007; Innes & Booher, 2003; May, 2003).

The practice of involving public within the process of planning has been thriving in both developed and developing nations, and has been conducted differently among countries. In developing countries, public participation was introduced by international organization, such as the World Bank, as requirement to get approval of financial aid for a project proposal (Roberts, 2003). According to Roberts (2003), there are differences between public involvement, public consultation, and public participation. Public involvement is “*a process for involving the public in decision making process of an organization.*” The degree of involvement itself ranges from consultation to participation. They are different in the way public can influence, share, and control the decision making process. Consultation includes education, information sharing and negotiation. While participation means bringing the public into decision making process.

The so-called consultative model of persuasion lies at the end of the spectrum of public involvement, together with public information or education. Participatory model is located near to the other end of the spectrum of public involvement. In this model, the proponents will offer the public and stakeholders the opportunity to participate more directly in decision-making, building a sense of ownership among participants, while creating a non-confrontational communication and

involvement can have that effect on reducing the project when the issue is being debated. Both the consultative and the participatory approaches are practical, feasible and suitable in different project situations. Selecting the best models depends on the degree of participation in decision making required by the promoter, the supervisory body and the community (Roberts, 2003).

Remarks

From all of the above planning approaches, it is not easy to choose which model that is best suit for all cases of public planning. A vision-led approach is very dependent on people with vision on the better future, but finding such figure may not be easy. Moreover, a “top-down” plan-led approach can become excessively reliant on professional planners, who may ignore the needs of local community members, important politicians and other relevant stakeholders. Nonetheless, this approach is highly praised since the past for it is less time consuming and successfully imposes and implements the “best-considered” alternative, with a systematic process. Finally, the “bottom-up” consensus-led approach emphasizes on stakeholders’ participation; thus, the plan is usually gain many supports from the society. Nevertheless, the approach may lead to delay or cancelation, except if agreement can be promptly reached and continued. It is best therefore to combine or integrates both “top-down” and “bottom-up” approaches which conform to condition of a particular place.

2.3. Policy instruments

Policy instruments are tools which are frequently used by politicians to influence community actions, solve public problems, and achieve political goals (Bocher, 2011). According to Bocher (2011), policy instruments can be distinguished into four main types based on the method they use to influence and coordinate collective action. These types are:

- a) Informational (persuasive) instruments which aim to persuade communal action by giving information to stakeholders.
- b) Cooperative instruments which can occur either among private actors or

among private actors and government through coordination or negotiations, in order to build voluntary measures that leads to voluntary agreement (VA).

- c) Economic instruments that commonly use the market-based management system to influence actors' behaviour, for example by promoting economic incentives.
- d) Regulatory instruments which is commonly used by government institution with hierarchical principle as a tool to apply "command-and-control" in order to control actors' behaviour.

Table 2.1. Transport policy instruments and degree of government intervention
(Adopted from Bocher, 2011, p. 2)

Informational instruments	Cooperative instruments	Economic instruments	Regulatory instruments
e.g., <ul style="list-style-type: none"> • community education • drivers training • symbols or labels (for low emission vehicle) • advertisement or promotion • trip planning system • etc. 	e.g., <ul style="list-style-type: none"> • voluntary agreement (VA) • mediation • developer contributions on infrastructures • etc. 	e.g., <ul style="list-style-type: none"> • fuel taxes • parking forfeits • transport fares and subsidies • road pricing • compensation • etc. 	e.g., <ul style="list-style-type: none"> • route regulation • parking restriction • urban traffic control system • cycle or bus priority • impact mitigation system • etc
			
low degree of government intervention high			

Regulatory instruments with direct control system are the most widely used policy tool in many countries for it mainly depends on government control to impose a plan. This instrument requires strong direct government intervention but usually it is only limited to set other instrument, like economic instruments in environmental policy by putting economic incentive for the compliance of regulation. Thus, economic instrument has less degree of government intervention because people may react differently and flexibly to this policy. Moreover,

cooperative instrument has less direct state control because the idea is to coordinate stakeholders, while informational instrument entail least government intervention (Bocher, 2011). Figure 2.1 shows the types of policy instruments and some examples in transport fields.

Policy instruments in transport field can be applied either to improve the quality of public transport service or, for this case, to reduce competition between formal and informal transport operators. Within the context of this research, there are several options of instruments that can be selected because of their potential use to cope with problems describes in the Chapter 1.

2.3.1. Informational instruments

Informational instruments can help policy makers to influence people's behaviour so that they act in accordance with the rules, usually with the aim of mutual interest. Information can be effectively and attractively dispersed through advertisement. In most developing countries, advertising public transport services is not very popular. Only promotion of bus services which targeting for higher-income users that can be found in media, like newspaper, radio or television. Basically, local government can set a promotional scheme to increase ridership by informing the public about the benefits of using public transport services (Iles, 2005). This scheme can also indirectly reduce possible conflicts between formal and informal transport providers which are by giving balance information system about the route planning for both formal and informal modes, like trip planning in tourist information centres, and printed leaflets in vehicles or at strategic points at roadsides. By doing so, users can wisely choose which modes that is best for their trip. At the end, the adequacy of information can create fair competition between formal and informal transport providers as long as the information is carefully coordinated.

Transport activity demands extensive numbers of workers (labour intensive). Most transport entrepreneurs, either formal or informal, employ hefty numbers of people to operate their business. In many cities of developing world, transport

sectors, especially the informal sector, become the source of employment for thousands of unskilled individuals. This sector opens the opportunity to get better life with a sufficient amount of income even without following certain procedures or requirements to become the operator. However, the fact that most of them have lack of know-how about the correct procedure has worsened the traffic congestion and increase safety concern for its passengers (Cervero, 2000: Iles, 2005).

The formal transport organizations usually have a scheme of training for drivers before they start to operate the public vehicle. It usually becomes the basic requirement for its personnel. Meanwhile, informal transport operators have less opportunity to attend the program. They do not have enough resources and access to follow such training. Hence, government have responsibility to help them by providing free training program or other types of traffic education, so that they are aware of the problem they might cause and acknowledge the general rules of being good public transport provider. In terms of reducing competition, this instrument can be chosen to help this informal transport to become more competitive and have positive image, and finally to be able to give better service for their consumer.

Indeed, there are several informational instruments that are potential either to improve the quality of public transport service in general or to reduce tensions between formal and informal operators. One factor that is essential in choosing or combining which information program best for the study case is the involvement of related stakeholders, namely formal and informal transport operators. In designing the instrument, governments have to share information through consultation with the representation from both formal and informal operators. In line with the objective of information instrument, public information and education are, it selves, considered as consultative model of persuasion which require public involvement (Roberts, 2003). Finally, to facilitate the government in implementing the program evenly and thoroughly for all stakeholders, government need some sort of media that is able to bridge and facilitate good communication. Transport workers' organisations are often chosen as means to impose the program (Iles, 2005).

2.3.2. Cooperative instruments

Cooperative instrument intend to achieve mutual agreement from both proponent and opponent voluntarily. The idea is to bridge good communication between both conflicting sides through negotiation and coordination (Bocher, 2011). There are several examples of instruments that can be applied to improve the performance of public transport service, like mediation, voluntary agreement between companies and government, and running schedule agreement between public transport providers.

Mediation is one of dispute management techniques that are used to resolve conflicts between two or more parties. The process provides room for each side to present their “stories” or complaints regarded to problem they are currently faced. From this process, clear definition of the problem can be achieved and the alternative solution can be formulated together with the mediator (Haynes, Haynes, & Fong, 2004). Within this research, mediation method can be useful to bridge communication between formal and informal transport operators or the project proponent and opponent. Mediator can be from government or from judicial or independent bodies. As illustrated in the chapter 1, protests occur because the demands requested by this informal transport operator are not well accommodated prior to implementation of new public transport. Therefore, mediation can be chosen as an instrument to give room for dialogue between these disputed stakeholders.

Another possibility is labour working time agreement between private companies and local or regional government. Such agreement is often used as instrument to prevent harsh traffic jam in peak hours by controlling the mobilization of workers outside the busy hours. As the impact of globalization, cities in developing countries often become the location for foot-loose and labour-intensive factories owned by multinational companies. These overseas manufacturing companies prefer to invest their capital in developing nations because of the availability of

material and natural resources and the abundance of job markets⁸. Consequently, almost all developing cities experience similar problem of acute traffic congestion around industrial area during the factory workers' shift hours. Likewise, the majority public transport providers, especially from the informal sectors, tend to run their vehicles only in these particular hours, yet they still have to competing each other. Having agreement between companies and local government can indirectly control the traffic condition and more importantly reduce competition between providers either from the same or different modes (Cervero, 2000; Iles, 2005).

The similar approach can also be applied directly to formal and informal operators through their representatives by coordinating the schedule or coverage areas in which the formal or informal modes can operate (Iles, 2005). Although this approach is not widely practiced in developing countries due to the difficulties in organising and existence of informality, the idea is still can be a good option to reduce tension between different types of modes.

Mediation, coordination, voluntary agreements or any kind of negotiation methods demand intensive stakeholders' involvement in their processes. The dialogue processes create good communication and relationship that eventually reduce the possible conflict between different actors (Roberts, 2001). Additionally, setting cooperative instruments need the support of clear regulation about how to design the instrument, what factors should be considered, and how stakeholders can involve to promote better implementation. Strong enforcement from the regulatory authority is required to realize the result of the agreements.

2.3.3. Economic instruments

Economic instruments are usually used as tools to create agreement or to direct groups' action by giving economic incentives. This option often considers more attractive and demanded by community groups affected by the negative impact of

⁸ The Economist, March 27, 2004 – “Footloose firms: Are global companies too mobile for workers' good?” Economist Newspaper Group, Incorporated.

a particular project, although commonly policy-makers do not prefer this economic instrument as the first alternative (Bocher, 2011). Moreover, this type of instrument can also be employed to induce better performance of a particular program by giving additional financial support, like subsidy, and to replace the potential economic opportunity from one source to another through compensation (Cervero 2000; Iles, 2005).

Subsidy for public transport service is given by the local or central government, normally in developing countries, either directly or indirectly. The common objectives are to create affordable fares of public transport for users and to support inefficient public transport operators. It can be given in different forms, such as operator support, revenue improvement, fares reduction, and service provision under contract (Iles, 2005). Provide subsidy to public or a certain groups is a very sensitive issue, the government should be cautious in calculating and distributing the subsidy to ensure fairness and equity. It is also expected that the subsidies granted to support the performance of service in general rather than to maximize the financial benefits for certain group. Generally, subsidies, like operators support, are not given to other parties as individuals, although it can still happen in some special cases, because the administration may be difficult. Therefore, the government usually prefers to give a subsidy to an organization, worker union or public corporation. On the other hand, subsidy in public transport sector can also cause inefficiency because, sometimes, operators tend to be reluctant to “join” the competition and strongly relied on this financial subsidy for their daily operational and maintenance. Thus, careful government supervision is important to avoid misuse of the subsidy (Iles, 2005; Soejachmoen, 2005).

According to Kim (2008), compensation can be part of risk allocation method, such as unemployment compensation, which embedded in socio-economic insurance. This scheme highlight on unemployment as a risk and the government acts as the risk manager who can “*reallocate unemployment risk either by shifting it from one party to another or by spreading it across a large number of people.*” Unemployment compensation can be politically chosen as a social program set by

government to reduce societal risks caused by a particular government project. Referring to the background analysis in chapter 1.1, unemployment compensation program can be selected to minimize the protests from the informal transport operators because it can reduce their fear of losing their current job. This scheme provides opportunity or even certainty for these former informal operators to work in the same field – as public transport drivers – but at different employer, which is in formal transport companies. However, this program has to be embedded within regulatory instrument to ensure that the other parties, namely the formal transport companies, will put the potential workers from the informal sectors as the top priority employee to be selected in their companies. This scheme can be done by setting such priority clause through a legal statement or agreement between government and the formal or government-owned transport companies.

Despite these two examples of commonly used economic instruments, there are still a wide range of economic instruments that can be chosen to overcome problems in public transport sector, especially problem of competition. It is essential however, to design the instrument by as much as possible involving the target groups, like the group that will receive the subsidy or compensation.

2.3.4. Regulatory instruments

Regulatory instruments are closely related to top-down approach and are often chosen as the quick solution to manage public issues (Bocher, 2011). In public transport field, this instrument could either stand alone as a single rule or in combination with other instrument as reinforcement in terms of legality. Therefore, regulatory instrument can be used as both direct and indirect tools to overcome issues in urban public transport. Focusing on issue of competition between transport providers, this tool frequently applied as an amplifier for other instruments, for example, regulation as a legal basis in providing subsidy, as the law requiring transport workers to implement a minimum standard, and as the legal basis for the establishment of public transport workers' organization. One example of the more direct regulatory instrument to reduce competition is the route regulation.

As stated by Iles, (2005) there is always an element of competition between different modes or combinations of modes within a network which serving the same routes. The competition can be in terms of price or service standard in order to attract the same consumer in a particular route. In other words, competition happens because of overlap between modes. Route network regulation is usually used to combine two or more transport routes (which are complement each other), within an area so that passengers can finish their journey. Furthermore, the concept of complementarities means that two or more public transport modes are connecting two points where passenger has to transfer at some point in between to complete their trip (Iles, 2005).

Complementarities link to co-ordination or integration between transport services. This can be occur either naturally (based on passengers' choice to combine different modes within one trip) or regulatory (set by formal regulation or agreement). To achieve this concept, route regulation can be used as an instrument to arrange the operational of different modes, including the frequency, number of vehicle and coverage area. Setting a clear and fair route network through a formal regulation can help to reduce competition between formal and informal transport operators because each party will realize their role within a network, either as "feeder" or main provider.

In brief, regulatory instrument can be used as the "umbrella" to implement or to support other instrument. Although it is often used as a tool in top-down approach, stakeholders' involvement is still necessary to determine which form of regulation that is best suit for a particular problem.

Policy instruments take a high political, symbolic, ideological and more importantly very relevant to public discourses. Public choice of the "best alternative" instruments relies on the public dialogue in which they are set in, and is resulted from the interaction of different actors who seek for possible array of applicable instruments (Bocher, 2011).

Indeed, there several policy instruments that can be chosen to overcome competition problem in urban public transports. Different cities or countries may choose different strategies depend on their socio-economic and geo-political condition. In many cases, combining two or more instruments become the best option to do, since one instrument can strengthen the implementation of other instrument. Regulatory instrument can be used to impose the quick implementation of other instruments because designing programs as part of formal regulation have more legitimate power to force people or stakeholders to obey the stipulated instrument proposal. But, again, this instrument alone may inadequate and combining it with other instruments can help make it more flexible. Finally, this idea will work out as long as all stakeholders agreed on the arrangement – through early stakeholder involvement – and the implementation is supported by government commitment to enforce the execution of the regulation itself.

2.4. Policy evaluation

According to Leroy & Crabbe (2008), policy evaluation is “*a scientific analysis of a certain policy area, the policy of which are assessed for certain criteria, and on the basis of which recommendations are formulated.*” Policy evaluation is very useful to improve the policy itself in terms of implementation and to improve the process of planning in the future. It can guarantee that the plans, policies, programs, and projects are conducted effectively and efficiently. It also provide policy-makers with data – statistics, comparative researches, evaluations of the implemented policies – as the basic to analyse the context of a particular policy for further evaluation. There are two types of policy evaluation, namely *ex-ante* and *ex-post* evaluation. This research will mainly focus on *ex-ante* evaluation focusing on Social Impact Assessment (SIA) which is aimed to evaluate policy and manage the social issues prior to the project implementation.

2.4.1. Impact assessment and mitigation

Impact assessment can range from the top policy level to the project level. Hierarchically, policy defines the plan, and program is the elaboration of the plan,

while project is the operational level of the program. Strategic Environmental Assessment (SEA) incorporates the top three of strategic level, namely policy, plan and program. At the project level, there are several impact assessments that can be conducted, for example Environmental Impact Assessment (EIA), Social Impact Assessment (SIA), Health Impact Assessment and many more ((Arts & van Lamoen, 2005; Arts, 2004).

As mentioned earlier, this research will mainly focus on SIA. The reason is because SIA, as an *ex-ante* evaluation method, has the potential manage social issues from the pre-establishment of project. SIA process can help project proponents to convince stakeholder through a discourse. Focusing on the issue of competition between transport operators as explain in the first chapter, the protests raise because the informal transport operators as the affected groups are almost excluded within the formal decision making process. Moreover, proponents, like local governments and transport companies, are lack of awareness about the possible social conflict between transport providers.

According to Vanclay (2003a, 2003b), SIA includes

“the processes of analyzing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment”

SIA aims to maximize benefits and minimize costs from a new project introduced in a particular area by predicting potential impacts prior to project implementation. Early impacts identification can help decision-makers to perform better decision about which interventions can be conducted to prevent possible negative impacts and to arrange mitigation measures and compensation scheme if necessary. The process of SIA supports community empowerment, gender equity, poverty alleviation, and other social related problems. The process of SIA consists of ten steps:

- 1) Public participation
 - 2) Inventory of alternatives
 - 3) Baseline measurement
 - 4) Scoping
 - 5) Prediction of effects
 - 6) Prediction of possible responses to expected effects
 - 7) Indirect and cumulative effects
 - 8) Change relating to alternatives
 - 9) Mitigation/ compensation
 - 10) Monitoring
- (Leroy & Crabbe, 2008, pp. 84-85)

SIA opens opportunities for early stakeholders' involvement by giving information, increasing social awareness, and creating changes for negotiation and mediation in formal dialogues, so that both potentially conflicted sides can directly address to main problem and, together, find the alternative solutions before the project begin. By doing so, the planned project is not only be able to be implemented appropriately, but also will gain supports from all stakeholders (Vanclay, 2003a, 2003b).

2.4.2. Community empowerment evaluation

Community empowerment evaluation is basically a tool aimed to help community or different stakeholders to foster themselves, increase the course of actions of their program impact and improve their capability of self-determination by using evaluation concepts, techniques, and findings. The idea is to help either policy-makers or other stakeholders involved evaluate their action. (Leroy & Crabbe, 2008, p. 159; Suarez-Balcazar & Harper, 2003, p. 2). As stated by Suarez-Balcazar & Harper (2003) that "*empowerment evaluation is in itself participatory*", even though not all participatory evaluations are empowering because it is not always attempt to encourage people to build self capacity. Moreover, empowerment approach is very useful when working with society which experienced different states of marginalization and coercion since this

method provide changes to speak up their thoughts. In conducting the process, the evaluators, the policy-makers and the involving communities may have different roles within the collaborative process (e.g., educator, facilitator, etc). Empowerment evaluation provides opportunities to evaluate policy-making and the processes itself are the institutionalized in policy-making; thus the result can be quickly responded by policy-makers for improvement in policy context (Leroy & Crabbe, 2008; Suarez-Balcazar & Harper, 2003).

2.4.3. Advocacy-adversary

Advocacy-adversary evaluation is an instrument that allows both proponent and opponent of a particular project or plan to communicate their thoughts. The process is using juridical principles where there is a “judge” who put together all arguments, testimonies, expert reports, and facts from a public hearing participated by the related stakeholders. The aim of this method is to guarantee the public’s ability to acknowledge the benefits and drawbacks of the object discussed. Despite many advantages of this approach (including creates openness, transparency, and reduces political controversy), this also carries risks (including the procedural problem and unequal change or position within political debates) that makes this evaluation method not widely applied in practice. The judicial approach intends to educate the stakeholders involved including the public who present in the process of public hearing. Therefore, this method is closely link with other participatory approach, like empowerment evaluation (Leroy & Crabbe, 2008).

Conducting ex-ante evaluation, namely SIA, can be a valuable strategy for transport sector’s decision-makers. It has the potential to prevent competition before it happens by involving stakeholders as early as possible and giving those opportunities to speak up their thoughts, ideas, or complain through formal discourses. Public participation becomes an essential part in the sequence of SIA process, in fact, the development of the assessment itself is based on input from public dialogues.

Remarks

From all of the above discussions, relevant stakeholders' participation in the decision making process seems to be the key prevent conflict between proponent and opponent, to reduce tension between winners and losers, and to gain support and raise sense of belonging towards a particular project or government intervention. Notwithstanding with the advantages of participatory approach, it also important to be aware of the critics towards this method, including the existence of *pseudo-participation* in which stakeholders are not genuinely participate the discourses.

2.5. Findings: conceptual framework

Summarizing from the theoretical review, there are several key factors that are important to manage the problem of competition between formal and informal transport sectors.

1) Governments' commitment

Governments' commitment becomes the crucial part of public governance. Without commitment any plan, program or project that proposed will not be able to be maximally implemented. Commitment refers to the preference of strategy that government will unconditionally follow in order to achieve the common goal of the society. Commitment can be shown by giving concrete support to public.

2) Political, financial, and institutional supports

Governments' supports and intervention are concrete manifestation of their commitment in achieving the objective of public interests. Moreover, the supports can be given in many different forms, but for this analysis the supports are focusing on three aspects.

○ Political supports:

Supports from politicians consider being an important aspect in policy making because they often have stronger influence than the

incumbent itself. Politicians may have “invisible” power to influence the final decision through lobby, coalition, negotiation, or even rejection. They are also able to push or halt the planned intervention from government.

- Financial supports:

Budget allocation is needed to guarantee the implementation of the programs. Financial supports from government can be given in different kinds of forms, like subsidy, annual development budget, funding of administration and so on. Governments – national, regional, local – have to allocate funds directed to the realization of the selected policy instrument.

- Institutional supports:

Institutional supports from government can cover a wide range of activities including: (i) general administrative management (offices of responsible agency, human resources, information system); (ii) fiscal operational (accounting, contract, administration, etc.); (iii) logistic services (purchasing, distribution, etc); and (iv) community relations (publications, etc.). These supports are necessary to facilitate the implementation of the selected instruments.

3) Policy instruments: regulatory, informational, cooperative, and economic

The whole policy instruments become the important tools to improve the quality of public service in general and to relieve the tension that might already been happen as the result of government intervention in public. The choice of each instruments and the success of its implementation are highly depend on the degree of stakeholder participation.

4) Policy evaluations

Policy evaluations can be both prevent the negative impacts (ex-ante) and improve the performance (ex-post) of plan’s implementation. Evaluation is an important step in a policy cycle and can indirectly prevent the occurrence conflict of interest.

5) Stakeholders' participation

Participation gives opportunities for public and relevant stakeholders to directly involve in decision-making. The process will encourage the sense of ownership and reduce the possible tension between project's proponent and opponent through a good and two-way communication. Having this process in selecting policy instruments can also increase the public acceptability and obedience toward the rules that collectively agreed.

The concept integrates both top-down and bottom-up approach. First is top-down approach in which government have the "command-and-control" power to force people or certain groups, namely formal and informal transport operators, to act in accordance with the instruments that already been set. However, in setting the instruments to control the communities' or groups' action, the policy-makers or regulatory authorities have to consider stakeholders' opinion, thoughts, complains, and expectations acquired from public discourses (bottom-up approach). In fact, their inputs have to become the basis in choosing the "best" alternative instruments that are going to be implemented. Top-down approach cannot be done without preceded by bottom-up process to ensure the public acceptance, and vice versa, the bottom-up procedure cannot be employed without clear and legal procedure and commitment from the authorities to undertake the process. In addition, the commitment and supports as the input of the whole process are not only from the local government and its incumbent authority but also from regional and national government.

All in all, there are six key factors that will be analysed and assessed from the discussion of next study cases (from the Philippines, Colombia, and South Africa), in order to design the guidelines for relieving competition between formal and informal transport operators particularly in Indonesia. These key factors are:

1. Government's commitment
2. Government's supports (political, financial, institutional)
3. Application of policy evaluations (SIA, community empowerment)
4. Participation (stakeholder involvement)

5. Application of policy instruments (informational, cooperative, economic, regulatory)
6. Integration of top-down and bottom-up approaches

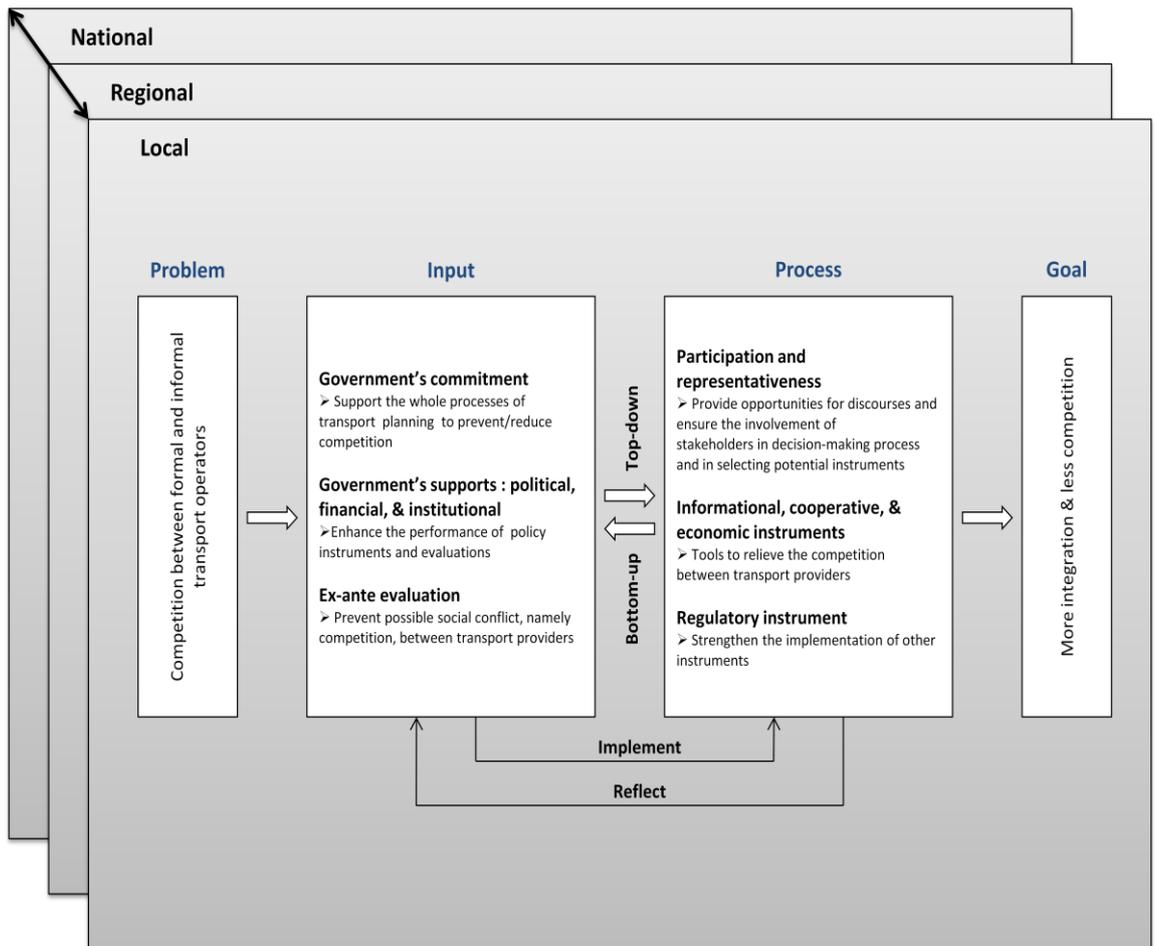


Figure 2.1. Conceptual framework

Chapter 3 Public Transport in Developing Countries

3.1. Introduction

This chapter starts by explaining the importance of public transport in cities of developing countries. The later sub-chapters will explore some facts about both formal and informal transport. The discussion will elaborate advantages and disadvantages of both system, and how they are supposed to complement each other. Additionally, it will also identify some potential problems that lead to competition. Furthermore, the next section will illustrate case studies from developing countries, namely the Philippines, Colombia, and South Africa. The objectives are to see how they manage the competition between formal and informal public transport. The analysis will focus on the six key factors discussed in chapter 2 – namely, government’s commitment, government’s supports, policy instruments, stakeholder participation, policy evaluations, and approaches in decision making. These important aspects are going to be compared to see the possibility of implementing them in the context of Indonesia. The chapter will end with the summary of lessons that can be learned from these empirical studies about strategies to relieve competition between formal and informal transport operators.

3.2. Roles of public transport in developing countries

Developing countries experience rapid population growth, particularly in urban areas. The increase is often faster than the development pace of public infrastructure and facilities including in transport sector. Inadequate public transport facilities increase the number of car and motorcycle ownership, which in the end worsen traffic congestion. However, some people who cannot afford to buy private vehicle are still dependent on public transport, and in some cases, those who have car but reluctant to use it because of the traffic or accessibility problems also prefer to use public transport facilities. Additionally, the lack of public transport service, especially the formal operators, due to fast increase of population has been mostly replaced by informal operators. This type of service is

often become the favourite option for the minority group who cannot afford to pay more for their mobility. In brief, public transport is crucial for personal mobility and access to employment opportunities for low income citizens (Iles, 2005).

3.3. Formal public transport

Formal public transports usually refer to conventional bus services which operated based on schedule along the recognized routes. The system is usually provided by government and/or non-governmental bodies. Providing public transport service is one of government responsibilities which is essential to prevent massive growth of private vehicles and to give mobility services for the minority groups of population, namely poor, disable and senior citizens, so that they will have equal access for conducting activities without having to own a private vehicles (Aworemi, Salami, Adewoye, & Ilori, 2008; Iles, 2005).

Different places provide different types of modes of formal transport system. In main cities of develop countries, the system being operated are quite sophisticated, such as tramway and underground metro system, and their supply are in moderate-high quality and sufficient to serve the total demand. On the contrary, formal public services in most cities of developing countries commonly served by conventional buses and are tend to be inadequate either quality or quantity. They are often not well managed and sometimes inefficient. This fact has trigger the flourish of informal public transport as the gap-fillers that gradually replace the need of the formal modes (Aworemi, Salami, Adewoye, & Ilori, 2008; Cervero, 2000; Iles, 2005).

Formal transports are usually reliable in terms of schedules and routes. They are not easily shifts their operational system since they have to follow the regulation and minimum service standard defined by government. However, their service areas are commonly limited to main streets or main urban centres because of the road accessibility and vehicle's size. Moreover, formal transports have fixed tariff which is normally higher than the informal modes, except if there is a frame of subsidies from the local government. In general, formal transports have benefits

of better services but their provisions are sometimes limited to certain groups in society which live in a particular neighbourhoods accessed by the operational routes (Iles, 2005).

3.4. Informal public transport

According to Cervero and Golub (2007), “informal transport” often referred to “low-cost transport”, “intermediate technologies”, and “third-world transport”. The term reflects the condition in which “*this sector operates – informally and illicitly, somewhat in the background, and outside the officially sanctioned public transport sector.*” Informal transport sector mostly consists of small cars, poor performance of private management services and charge commercial rates mainly for low-income, less individual car travel and non-work trips. In general, there are at least four key characteristic that this type of transport providers have in its practice, which can be seen in box. 3.1.

Moreover, the existence of this informal transport brings significant drawbacks. Some of the most significant are (Cervero & Golub, 2007):

- a) *Erratic scheduling and service*: since their systems are mostly unregulated so that they do not have fix schedule. Therefore, they are lack of accountability and the supply often not balances between peak and off peak periods.
- b) *Competition ‘in the market’*: since they have poor planning, their income are mainly reliant on ridership and operators now are pushed to fight for waiting passengers and they tend to drive aggressively, causing further clogging and safety problems.
- c) *‘Cream Skimming’*: many informal operators try only to drive during the peak hours or in several demanding locations considering the opportunity to get higher profits. This means services on off-peak or low demand routes are poor or not present.
- d) *Safety issues*: traffic accident might happen not only because of over-competition but also because of a lack of driver training, inappropriate vehicle occupancy or overloads, and poor vehicle maintenance.

- e) *Air pollution and environmental problems*: the majority of informal transport motor-vehicles are old and poorly maintained; thus, they create high emissions that worsen the air pollution.

However, informal public transports also provide benefit for urban mobility in developing countries in terms of (Cervero, 2000; Iles, 2005):

- a) *Mobility and development*: refers to its main benefit to connect the poor people, who cannot afford to have private transport, from their poor neighbourhoods, which cannot be reached by the formal transport modes, to job centres with low fares so that they can conduct economic activities that will contribute to regional development.
- b) *Source of employment*: informal transport sector provides vast job opportunities for the unskilled people to have their own income by working as transport operators; thus informal sector can create wealth for the marginalized groups.
- c) *Complementarities and gap-fillers*: formal transports, such as conventional buses, often depend on the informal modes to provide feeders by collecting people from neighbourhoods and trunk roads that inaccessible or not served by buses.
- d) *Efficient and low-cost services*: informal transports sometimes are able to provide low fares service compare with the formal buses although they serve the same route. This is because they minimize the maintenance and operational costs.
- e) *Market responsive*: informal transports are flexible in their operation, like the schedule and routes; therefore, they can easily respond the changing conditions.

In general, informal public transports are still an essential part of the communities in developing world especially for the marginalized groups so that they have access to income opportunities either as users or operators.

Box. 3.1. Key traits of informal transport

- *Entrepreneurialism*: Informal transports are purely private sector – owned and operated by personal freelancers; drivers can be the owner of the vehicles or they rent the vehicles from leaseholders with a particular degree of installment payments. They operate without legal or structured assistance and are managed and coordinated throughout somewhat official arrangements, like route associations.
- *Small, aging vehicles*: Informal sector vehicles commonly are small if compare with the conventional vehicles, like bus, and other formal transport modes. Thus, they can make maneuver easily in crowded roads and can speed up and lose speed faster. These vehicles also tend to be old and poorly maintained considering the financial ability to purchase or keep them.
- *Low-performance services*: Informal sector vehicles are generally has slow average speeds, which often cause traffic problem, like congestion. They are slow, stop-and-go movement, majority of old and not well-maintained vehicles, crowded, and uncomfortable conditions. Thus their service quality is very low.
- *Competitive, niche markets*: Informal operators often have to compete between each other –namely between different types of informal transport modes, such as pedicabs, hired-motorcycles, or mini-vans. They also tend to be gap-fillers which provide feeder by collecting passengers from small neighborhoods to the main or artery roads. Thus their markets are often narrowly defined as niches.

(Cervero, 2000)

Each mode has its own characteristics, market and role within the urban public transport sectors. They can be complementing or competing each other. In general, there are at least eight elements that distinguish both characteristics as can be seen in table 3.1.

Table 3.1. Comparing formal and informal public transport

Elements	Formal public transport	Informal public transport
Consumer groups	Communities from middle and upper class	Communities from lower class and poor
Political influence and support	Strong and empowered	Weak and disenfranchised
Legality	Legally operated, regulated and registered	Illegally operated, unregulated and unregistered
Internal organization	Structured and vertically integrated	Less structured and horizontally integrated

Assets and investment	Exhaustive and concentrated	Minimal and diffuse
Financing and credit access	Commercial bank and sometimes from government budget	Family loan and loan sharks
Technology	High or sophisticated technology vehicles	Low technology vehicles
Skill level	Knowledge-based, well trained, and cognitive	Labour-based, untrained, and adaptive

(Adapted from Cervero, 2000)

From illustrations about informal public transports in developing countries, it can be seen that the existence of this informal sector is actually still important in societies. They are beneficial especially for the low income citizens who also need mobility with low price. Moreover, they also have a significant contribution in regional economics, from fuel taxes, vehicle registration, licence and other fees for operational, and possible economic activities they generate. Compare with formal public transports, which sometimes require considerable and routine local budget allocation for subsidies or operational support, informal transports generate money for regional income. Therefore, government have to know their importance and pay more attention on their existence. Instead of trying to get rid of them and start the new “formal” modes of public transport, local or national government also have options to organize, coordinate, or integrate with the new system.

For the analysis, I will explore three case studies taken from other developing countries, namely the Philippines, Colombia, and South Africa which experience similar problem of competition and they have already arrange schemes to prevent or relieve the competition that happened. The analyses are obtained from overview studies, project reports, proceeding journals, electronic news, discussion papers and other sources.

3.5. The three case studies

In the next pages, I will summarise three case studies focusing on (i) “unique” problem of competition they encounter; (ii) decision making context; (iii) approaches to decision making and stakeholder’s participation; (iv) strategies of policy instruments or evaluations that have been planned or conducted; (v) implementation problems; and (vi) optimisation plan. The description aim to make a comparison of the cases and then to identify good practices and lessons that can be learnt for future implementation in the context of Indonesia.

3.5.1. The Philippines

Informal transports in the Philippines are dominated by privately owned and operated public transportation services, like buses, *jeepneys*, tricycles (motorcycles with sidecars) and taxis. The pressure of competition increases due to the introduction of new “formal” transport alternatives, namely mass transit and buses, which have stronger workplace bargaining power to labour. They appear as competitor for *jeepneys*, while the old units are increasingly replaced by faster, air-conditioned Asian Utility Vehicles (AUVs) and vans. Moreover, tricycles and *pedicabs* are subject to new competition from multicabs and shuttle buses serving specific areas or villages. In general, informal transport workers operate as independent units, in competition with each other and have to struggle daily to survive. The political concern to this informal transport sector arises because of their ‘public visibility’ since they operate in disperse places rather than in common terminal of other waiting facilities. (Pascual, 2006).

To relieve the problem of competition, a project initiated by the ITF Education Department in cooperation with the ITF Road Transport Section can be a good lesson to be learnt. I choose this project as a valuable example because it has the potential to bridge good communication between proponents, decision-makers and affected groups which finally address to relieve competition between formal and informal transport operators.



Shuttle-bus⁹



Jeepney¹⁰



Pedicab¹¹



Tricycle¹²

Figure 3.1. Public transports in the Philippines

- Decision making context

After the enacting of Decentralization Act and significant changes on devolution through *Local Government Code (LGC)*, planning system in the Philippines, which used to be top down system, has been decentralized to the Local Government Units (LGUs). They are responsible in providing primary fulfilment of basic services and facilities and enforcing certain regulatory power. Since most powers including in transport sector planning were devolved to these LGUs, they have the responsibility in regulating the local transport system and investing in local rural road infrastructures. The local government consists of five levels; the barangay, municipality, city, province, and autonomous region. LGUs' financial source mainly relies on their Internal Revenue Allotment (IRA) allocated by the national government although there

⁹ <http://members.virtualtourist.com/m/e3101/153bfe/9/> accessed July 15, 2011

¹⁰ <http://www.tropicalisland.de> accessed July 15, 2011

¹¹ <http://www.lonelyplanetimages.com> accessed July 15, 2011

¹² <http://www.ilovehateamerica.com> accessed July 15, 2011

is an attempt to strengthen the collection of their own financial revenue¹³.

- Approaches to decision making

The performance of plan, program and project within an LGU are mainly relying on its citizen as the actors who must obey the law and participate in the program or project implementation. In practice, however, planning development in the Philippines do not always reveal the importance of public participation as an instrument within the process. Some of the reason behind this condition are: (i) implementation of sectoral plan and lack of integrated plan development; (ii) strong political influence in project plan; thus projects are mainly based on priorities and particular political interests; and (iii) the lack of planners' involvement in the project preparation stage¹⁴.

Among the essential transformations on devolution stipulated by the *LGC* or *Local Government Code* (including devolution of authority, assets, personnel and regulatory powers), people's participation (NGO, POs and private sectors) in local government level is promoted through statutory procedure. Within this *LGC*, the ways these groups can participate in the planning process are divided into five courses¹⁵:

- i) Representation in Local Special Bodies (LSBs), in which NGOs and POs can involve within local sectoral planning process;
- ii) Mandatory consultation and Public hearings, where NGOs and POs can actively participate in appraising the government-owned corporations' project before its implementation;
- iii) System of recall, where NGOs and POs may participate in revoking local official whose performance is insufficient;
- iv) Local initiatives and Referenda, in which NGOs and POs may participate in LGU's law making processes, including proposing, enacting, repealing

¹³ Institutional framework for the transport sector in the Philippines

http://www.ifrtd.org/en/regions/country_pages/Philippines.php accessed in June 29, 2011

¹⁴ Demetrio Imperial Jr., Introducing participatory planning practices with local government: A Philippines case study <http://www.fao.org/docrep/004/ac158e/ac158e0f.htm> accessed June 30, 2011

¹⁵ Roel Ranavera, Decentralizing government in the Philippines

<http://www.fao.org/docrep/004/ac158e/ac158e0f.htm> accessed June 30, 2011

or amending;

- v) Sectorial representation to Local *Sanggunians*, where NGOs and POs can participate in choosing sectorial representative to local sanggunians from labour, woman, and minority groups (such as poor and disable people).

Through these mechanisms, public and their representatives can involve within decision making process (consultation, negotiation, policy dialogue, etc.) or after the project implementation. In line with this system, representatives from community groups or POs like informal transport workers' association can also participate in designing project, policies, or regulations related to public transport services by following those procedure.

- Policy instruments and evaluations

Among the hefty urban transport problems in the Philippines, such as congestion and air pollution, competition between formal and informal transport operators is only a piece of “homework” that has to be done by its government. One policy instrument that has been taken in order to reduce this problem is organising informal transport workers.

The main goal of organising informal transport workers in the Philippines, as stated within its project report, is not directly objected to relieve problem of competition, but rather to alleviate the difficult ‘socio-economic’ condition in which they work and live and to liberate themselves with their own struggle. However, the argument about the importance of organising informal transport acknowledge the fact that this group has weak position in bargaining marketplace and they often have to compete each other in order to preserve their domination of a particular route (Pascual, 2006).

At the beginning, the idea of joining the transport operators’ associations under one umbrella emerged from their own initiative to confront the rivalry between “old” and “new” transport operators. The objective is to have stronger bargaining power in urban public transport market. This initiative gains supports from the national government, which then followed by local

government levels, by formalising the organisation. The organisation, called National Transport Workers' Union (NTU), unites informal transport workers – which most of them belong to small transport association – within three major types of land transport modes, namely jeepneys and AUVs, tricycles, and pedicabs. As a national transport workers' centre, NTU has significant contribution in government's transport policies and regulations. It has suggested amendments to several laws, including the *Local Government Code*, which requires local government to coordinate regulations with the national transport department and later with stakeholders. Thus, they have made their (members of association) voices being considered through public hearings (Pascual, 2006). This scheme shows that the union itself is based on representation and participation from the federations, through governmental bodies – congress, leaders' council and executive committee – to make sure that the union's program is in accordance with the aspirations of its members. This organisation attempts to empower their members so that they have: (i) better involvement in local transport decision making process by having representatives in local planning bodies and imposing public hearing; (ii) more robust organisation and broader network by sharing information and linking informal transport workers to other sectors (local, national or international level); (iii) stronger position in route marketplace by lobbying the local authorities to limit or stop issuing new operating licences in the same area to prevent further competition; and (iv) better working performance by giving training to their members.

In brief, NTU seems to become the media for both bottom-up and top-down approaches. First, the union collects and convey the demands, complains, suggestions, and opinions from transport workers to the government through legitimate representatives to get more attentions. Furthermore, the union also become the means for government to implement the programs (policy instruments) and other interventions that have been tailored to the aspiration of workers through the representatives' participation.

- Implementation problems

Despite the internal problems of the organisation itself, such as financial limitation to support operational of the organisation and to pay the administrator, there are other internal problems such as difficulties in uniting these informal transport groups under one body since they came from different groups which are inherently compete each other. So coordination within the union also becomes the huge obstacle.

Furthermore, although they are legally supported by the national law through LGU, there are still several barriers that relates to government issues. According to Pascual (2006), local politicians may intervene to avert the establishment of local or regional transport workers union. In some areas, they try to control or sway the transport associations within their jurisdiction area either to sustain their own political reasons or to support programs or policies for the informal workers' interests. Another political issue is the closeness of the union's leader with the local politicians which often viewed as implausible, although this scheme can give better access to decision makers and better change of their voice to be accommodated within the new transport policy or program in local level. However, in maintaining good relationship with the local leader, the organisation must be able to also maintain their credibility within society.

- Optimisation

Overcoming financial barriers, strengthening the organisation capacity, and uniting the member groups become three important agenda in dealing with NTU's challenges. First is by promoting political and practical educations for leader in managing the union, including finance, information and development. Second is enhancing education for members, like training, skill development and encouraging participation. Additionally, the NTU also carefully select the new federation members especially for those who held position in the federation to be able to manage the whole operational entity. Finally, the organisation also attempts to maintain good relationship with local leader and maintain credibility within society to keep their position in influencing policy making process (Bonner, 2006).

3.5.2. Colombia

Before 1998, public transport in Colombia, especially Bogota, was dominated by buses which are run by semi-formal bus operators who rent the bus from individual investor as bus owner. The service provision task was fully given to the bus owners rather than to bus companies. This condition further motivates the bus companies to include as many buses as possible. Consequently, the incorporation of the buses is reaching beyond the market demand and further leads to an excessive competition among drivers, known as “*penny war*”, in order to take up as many passengers as possible. To relieve the competition between the semi-formal bus operators, the local government of Bogota, Colombia, supported by the national government, set a scheme of instrument to integrate the existing semi-formal operators within the new formal bus system, namely BRT Transmilenio (Febriana, 2009).

At first, the BRT Transmilenio project was designed to reduce rivalry between the “semi-formal” public transports. However, this scheme creates further competition between the formal Transmilenio bus and the association of individual bus owners together with the union of semi-formal bus operators whose businesses are being put out. They protest for the unfair integration of Transmilenio feeder system and for the public transport oligopoly created by this BRT system (Porter, 2010).

To relieve the problem of competition between the formal transport modes and the semi-formal operators, a proposal initiated by the Public World Organization as possible intervention to the World Bank – Transmilenio – project cycle can be taken as appropriate strategies. This project is emphasizing on the importance of conducting early impact assessment (ex-ante evaluation) and stakeholders’ participation in every phase of project plan to implementation.



*Colectivo bus*¹⁶

Transmilenio bus¹⁷

Figure 3.2. Public transports in Colombia

- Decision making context

Colombia's constitution organizes the state around the concept of a "unitary" republic in which the central government plays a central role in policy formulation in many areas, including urban transport. At the same time, however, the constitution states that Colombia is a decentralized state. The constitution assigns autonomy to other units of governments such as departments and municipalities. The constitution therefore decentralizes and delegates on the municipalities a series of responsibilities, including many relating to the provision of public transport. The National Government is responsible for setting transport policies in general, while the municipal governments are in charge for urban transport and urban development. Related to urban public transport, local governments in Colombia are responsible for defining local public transport modes, including the routes, fares, coverage area, traffic management system, and its partnership with private sector (Ardila, Study of Urban Public Transport Conditions in Bogota, Colombia, 2005).

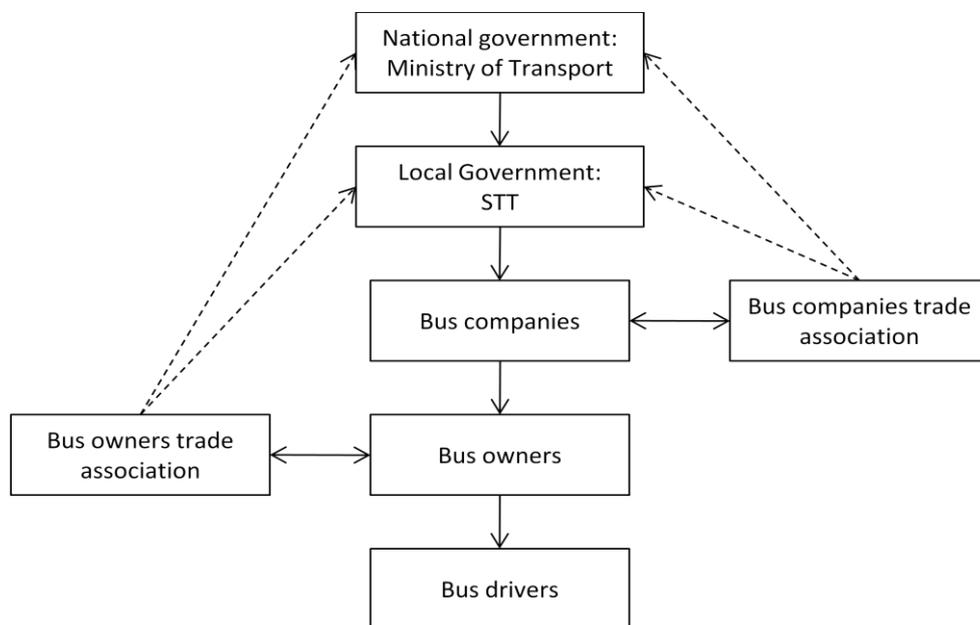
- Approaches to decision making

Decision making approach in transport planning is closely related to organizational arrangement of public transport provision in which city

¹⁶ <http://blog.gale.com/speakingglobally/the-view-from-here/gaitana-k-15-subazar-colectivos-in-bogota-colombia/> accessed July 22, 2011

¹⁷ <http://ecoefficiency.bligoo.com/content/view/762435/Bus-rapid-transit-BRT-system-Bogota-Colombia-TransMilenio.html> accessed July 22, 2011

government's agency, namely STT (Secretariat of Traffic and Transport), has duty to translate the general transport policy from national government into the a more detail local regulatory. The STT directly organize and regulate local bus companies – consist of non-Transmilenio and semi-formal bus system – and its affiliations to ensure the availability of public transport service. These bus companies often provide valuable information regarding the existence of operational problems or other unsatisfactory by carrying out studies and analysis, and then propose new requirement or improvement. Moreover, bus companies organize bus owners and bus drivers respectively. Bus companies and bus owners also have trade associations which are able to negotiate or lobby the local and national transport agencies in drafting legislations in public transport sector (Ardila, 2005). Hierarchically, the approach in decision making and how the bus companies and bus owners association can participate in the process can be seen in figure 3.3.



—> : Hierarchical line
 - - - -> : Influence in policy-making

Figure 3.3. Scheme of influence in Colombia's transport policy planning
 (Adapted from Ardila, 2005)

- Policy instruments and evaluations

Focusing on public transport competition in Bogota as the capital of Colombia, the first policy instrument aimed to relieve competition between the semi-formal transport operators was integration of the existing operators within a new format of BRT system. The idea of integration is similar with re-organising the semi-formal transport groups. The integration was combined with compensation system. There are two perspective of compensation which are vehicle compensation and labour compensation. The first compensation was designed to replace seven minibuses or *colectivos* with one bus. The later scheme is labour compensation by ensuring the affected workers to acquire new job in the new system (Porter, 2010). In the beginning of the project, BRT system receives considerable supports from local and national government in terms of political, financial, and institutional by using top-down system. It also accepts extensive financial support from international organisation, like the World Bank. Therefore, the project often appears to be the example of good practice in restructuring public transport service (Ardila, 2005; Porter, 2010).

On the one hand, the integration through BRT system seems to become the solution in favour of sustainable transport for its benefits in reducing air pollution and traffic congestion. In addition, the system also creates formal jobs for the informal transport groups through the compensation system. On the other hand, there are also evidence that the integration idea creates further competition between the BRT operators and the “left-over” of the semi-formal transport operators, which are not yet integrated within the system and still remain as semi-formal side by side with the new formal bus system (see: Febriana, 2009; Porter, 2010).

Apparently, there are not many studies or literatures that show the extent to which the government of Colombia, especially Bogota municipal government, tried to address the problem of competition. Hence, some approaches proposed by the Public World Organisation aimed to relieve this extended competition can be chosen for this case. The essence of the proposal will be

considered as improvement; therefore, the discussion will be presented as part of optimisation program.

- **Implementation problems**

The first approach, which is integrating the semi-formal operators into a single provider called BRT, seems to be not quite successful in terms of its failure in creating equal opportunity for all informal/semi-formal transport providers to join the new system. Additionally, there seems to be a miscalculation in labour analysis so that not all of the semi-formal providers can get the employment compensation. As the result, many non-BRT bus companies are still operated in a “traditional” way. Furthermore, the instrument to integrate urban transport system in Colombia results in a further competition because there were absence of adequate consultation with workers and their representatives in planning and implementation stages of BRT project. There is also lack of political support for operators outside the BRT system (Ardila, 2005, 2007; Porter, 2010).

As mentioned earlier, there are no particular programs or instruments specially designed to tackle the competition between the formal BRT system and the informal/semi-formal providers. This problem occurs due to the fact that BRT implementation in Colombia becomes the “pride” of the country. BRT practices in Colombia, especially Bogota, often become the reference for many cities of developing countries who want to copy or follow the system. Therefore, BRT operators have stronger bargaining position in public transport market. In fact, there is an inequality of political support between the formal and informal providers. Finally, the absence of instruments to relieve the conflict is also happened because the Colombian authorities appear to be resistance toward social dialogue with representatives from the workers’ groups affected by the public transport reformation (Ardila, 2005; Porter, 2010).

- **Optimisation**

In order to optimise the BRT service without ignoring the social impact that

has been caused, there are several approaches proposed to reduce the social conflict. Although this proposal is specifically addressed to World Bank as the donor organization, in general, there are some essential points that are appropriate to manage the problem. First is conducting impact analysis in project preparation stage which focusing on social and economic aspects. Second is forming alliance between trade associations to strengthen the bargaining position. Third is lobbying the regulatory bodies to promote instruments to reduce the existing competition and supporting the making of formal complains through dialogue and negotiation. Finally is evaluation and monitoring for the implementation of the project and the selected instruments (Porter, 2010).

3.5.3. South Africa

Having the characteristics of informal transport providers mentioned in box 3.1, the informal public transport in South Africa is also recognized for its tedious violence. They are often in conflict not only with other taxi operators and drivers, which may also harm passengers or other road users, but also with the authorities and other transport operators, like the formal or franchised bus operators. Their repeated hostility and “destructive” competition often called as “taxi wars” (Lomme, 2008).

In South Africa, both operators (formal and informal) appear to be confronting each other in “unhealthy way. The competition is not only on fares but also on routes issues. Even as the formal operators, the franchised bus companies keep expanding their coverage areas by making their bus routes winding extensively from the point of origin to destination in order to prevent minibus-taxis from being feeder and prevent the bus users from transferring to another vehicle. This fact has made the formal bus even become less competitive against the informal taxis because the operators have lengthen their passengers’ travelling time by twisting the routes, while the minibus have shorter routes to reach the destination (Lomme, 2008).



Minibus-taxi¹⁸



Bus Rapid Transit (BRT)¹⁹

Figure 3.4. Public transport in South Africa

Introducing BRT service becomes an important component within the transformation of public transport system from the fragmented and inefficient system to the integrated rapid transit system. Some of the South African cities like Lagos, Dar es Salaam and Johannesburg, Cape Town, Port Elizabeth, and Pretoria are already have the initiatives to improve their public transport system by proposing the integrated system and installing BRT network within their local authorities, aimed to provide transport service for people who unable to access the private motorized transport modes. The model is more or less similar to the Latin American experiences with the Transmilenio project of Bogota, Colombia as the main reference. Nevertheless, the systematic concepts of transformation pose some issues of whether and how the existing informal public transport operators might or should be incorporated into the process. In fact, it is undeniable that it is necessary to integrate the informal modes with the formal system either because of their operational inadequacy or because of their favourable existence for a very scattered urban area (Lomme, 2008; Wilkinson, 2010)

- Decision making context

Since the transition to a post-apartheid policy in the mid-1990s, the urban public transport policy has been designed into two main objectives. First is to put priority on proving public transport and non-motorized transport (NMT) modes. The objective is to help the marginalized groups to gain equal access

¹⁸ <http://www.capetown.gov.za/en/Pages/FirstIRTbusdriversintraining.aspx> accessed July 26, 2011

¹⁹ <http://www.treehugger.com/files/2010/02/rich-south-africans-oppose-green-new-brt-lines.php>

on urban mobility. The second is to establish effective travel demand management strategies, including by promoting integration of public transport and land use plan ('development corridors'), managing the road space and setting pricing or disincentives measures for private car usage, including parking restrictions, and introduction of congestion charging. Moreover, the recent formal regulation, namely the National Land Transport Act (n.5 of 2009) has established a legislative framework to enable the implementation of 'integrated transport planning' at the local authority level, to distribute the necessary powers and functions to local level, and to regulate and oversee the operational management of public transport services at this local area (Wilkinson, 2010).

- Approaches to decision making

The first approach taken by the government is to overcome the problem of fragmentation and mistrust among minibus-taxi (informal transport) operators so that they can be involved in negotiations and training activities as the way to make them as formal public transport providers. Dealing with more than 150 individual associations in the province levels is fairly difficult to do; therefore, government plans to facilitate the formation of minibus-taxi operators' union so that they will have their legal representatives at provincial level. The competition of routes and passengers also trigger these minibus-taxi owners to voluntarily establish associations to protect the domination of a particular route and area against other providers. As the Road Transportation Act gives authorization of any third party to oppose the issuing of a permit, the associations quickly started to make their aspirations as official proposal at hearings on the Local Transport Boards. By doing so, the association represented by executive members can have stronger control regarding the access to route or the registration of new vehicles to these routes (Ahmed, 2003).

- Policy instruments and evaluations

Recently, government authorities in South Africa have acknowledge the

importance of minibus-taxi industries as mobility providers and also as employment opportunities to the marginalized people. They are able to fulfil the passengers' demand more than other modes of public transport providers. Moreover, they are capable of filling the "gaps" of public transport service by taking advantage from the scattered settlement areas. In other words, this informal operator appears to be more reliable than the formal modes in terms of availability, accessibility, regularity and promptness. The official recognition was proven by issuing formalization policy since 1996 that transforming the informal minibus-taxi industries through formalization regulation; while the operators' empowerment mainly aimed to reduce the negative externalities (including the destructive behaviour in competition with the franchised or formal operators) and operational limitation (Ahmed, 2003; Lomme, 2008).

Formalization policy is selected among a wide range of legal instruments designed to promote the operational integration of minibus taxis together with "recapitalization program". The policy also try to promote the self-regulation capacity among the members of associations in order to be able to control the "ownership" of routes and other transport facilities from the minibus taxi industry (Lomme, 2008). Focusing on the recapitalization program, government has the commitment to pay the 'scrapping allowance for minibus-taxi operators to replace for their current vehicles as these allowances will be kept as deposits for the new "recap" vehicles (Ahmed, 2003).

Formalization policy first intends to give authorization towards the informal operators' trade. The process is by integrating and registering the association as a company so that they are taxable, able to perform the requirement of minimum standard, able to obey the regulatory contracts, and, finally, able to participate an active role in the formalization process. These ideas aim to enhance their effectiveness and competitiveness against formal modes, since their fare levels are very much aligned with the formal bus companies (Lomme, 2008).

In addition, government has also helped the establishment of a single organization to represent the minibus taxi industry, namely the South African National Taxi Council (SANTACO). The expenses of its daily operation are maintained by government, in order to (i) encourage the industry's capacity to achieve common agreement on collective interest' (ii) facilitate consultation; and (iii) integrate the minibus taxi industry into the formalization process (Lomme, 2008).

- Implementation problem

Implementing the formalisation program has been disputed to be held up by the recapitalisation program. Vagueness and inconsistency of the recapitalisation's main objective have conceivably deprived it from the necessary support of the minibus-taxi industry. The absence of profound socio-economic impact analysis towards the industry amplifies the fears and suspicions about the real rationale of the government's intervention. Moreover, "recapitalized vehicle" requires considerable capital and operation costs which are, consequently, taken from the market, while public transport users are unable to afford a higher tariff. On the contrary, government's intervention is actually not necessary because the minibus taxi industry will eventually renew their fleets independently. Another impediment is the existence of distrust and miscommunication among minibus-taxi operators and authorities in all three levels of government over at least the last two decades (Lomme, 2008; Wilkinson, 2010)

- Optimisation

First proposal for optimization is to revise the rationale of the "recap program", like the scrapping of the current minibus taxis fleet and its substitution by less numerous new vehicles. Furthermore, the ongoing formalization policy is expected to aim at better target of market demand and put highlighting on mobility needs so that it could develop the "recap" practice rather than to put it as a program. The second effort is to perform impact evaluation to take closer analysis of the distributional impacts affecting

both operators and users, considering the degree of accessibility and affordability of transport service for the poor. Next is optimization by setting new financial arrangements which maintain the management capacity among bus operators and promote incentives to small operators. Finally, an optimizing strategy is by integrating transport modes and combining users' fares to promote recapitalization (Lomme, 2008).

3.6. Summarizing case studies

To summarize the three case studies, in general, there are four key factors that are typically occurred in those countries.

- First of all is the strong commitment from government from national to local level to seek instruments either to improve the quality of urban public transport in general, like in Colombia, or specific to relieve competition between formal and informal public transport operators, like in the Philippines and South Africa.
- Second, in imposing and implementing the selected instruments, this commitment goes hand in hand with the government supports. In fact, supports given by each level of government are basically the realization of the commitment itself. The three case studies imply that governments' supports become a crucial part in the whole planning process which shapes its result either directly or indirectly. The supports consist of three aspects, namely political, financial and institutional. In the case of the Philippines and South Africa, political supports are mainly given to uphold the establishment and legalisation of informal transport workers' unions or associations. Apart from individual politicians' or particular political group's interests which sometimes occur, local politicians can become the negotiator between union's representatives and the incumbent through lobby. Political support also results in the enhancement of other supports, like financial (by imposing budget allocation for subsidies or compensation) and institutional support (by facilitate organisational, operational and managerial requirements). In Colombia, strong commitment can be obviously recognized by seeing the comprehensive reformation of public transport from semi-formal to formal

providers, namely BRT. The approach appears to be top- down which makes it possible to give full supports in terms of political, financial and institutional for the fast realization of transport reform plan.

- The third key factor that similar for three cases is the absence of policy evaluation especially before introducing the new concept of formal mass transport system into the public. This factor can be one of the reasons by such competition occur after introducing new concept of formal public transport.
- Finally, there are evidences that either national or local government in these three countries have combine two or more policy instrument that are supporting each other. The objective is to enforce the implementation of one instrument by strengthening it with other instruments, especially with regulatory instrument. Moreover, the degree of stakeholders' participation also varies among countries. The description also figure out that conducting early impacts identification, like Social Impact Assessment, is very essential to prevent the possible competition.

Linking the practice of organising local transport in the Philippines, the idea is to provide better arena so that they can make their voice heard and accommodated in a good way. The organisation becomes the bridge between transport operators and government and it works in two ways. First is collecting aspirations from “the bottom” (transport operators) and conveying them to the authorities. Second is the association as the media for government to introduce the policy instruments to all operators. In other words, organising transport operators into one legal body enables the integration of top-down and bottom-up approaches.

Practice in Colombia underlines the strong government initiative and commitment to support the new formal public transport project in order to give better service for public and, in the same time, to involve as much as possible the existing semi-formal transport operators within the new project. Colombia become a very interesting case because, apart from the abundance stories of its international success of BRT implementation, there still remain an important task for governments to consider how to further improve integration and complementarities between different providers to relieve the competition.

However, the Colombian case indicates a considerable governments' support in improving mass transit systems, and the fact that they have thorough consideration to prevent competition by setting labour compensation instrument, which can actually be very effective to prevent further competition if the implementation is improved.

In South Africa, government consciously recognize the importance of informal transport as the “gap fillers” and employment opportunities for hundred thousands of people. As the result, South African government tries to improve the quality of this informal service through formalisation and recapitalisation programs although the outcome is not yet satisfactory. The attempt shows that planning policy instruments have to be adjusted with the local condition. In this case, government realize the informal transports' importance because they recognize their inability and limitation in providing urban public transport as a whole. Therefore, keeping, restructuring and formalising their being as transport providers seems to be relevant rather than to completely get rid of this informal transport workers.

Table 3.2. Key factors' check list

Key factors	The Philippines	Colombia	South Africa
Government's commitment	√	√	√
Government's supports:			
• Political	√	√	√
• Financial	√	√	√
• Institutional	√	√	√
Application of policy evaluation	-	-	-
Participation	√	-	√
Application of policy instruments:			
• informational	√	-	√
• cooperative	√	-	√
• economic	-	√	√
• regulatory	√	√	√
Integration of decision-making approaches	√	-	√

Source: Author, 2011

Recognizing that the selected strategies of policy instruments in all these studies are not yet fully and perfectly implemented in accordance with their objectives, the illustration provide examples and points out several important factors, either negative or positive, that are important for policy makers to be aware of. From this chapter, it is expected that there will be some lessons learned about the potential mitigation measures in case new similar project will be established in other cities, especially in Indonesia.

Chapter 4 Public Transport in Indonesia

4.1. Introduction

This chapter will describe the current practice of decision-making process in Indonesia's public transport planning. The discussion aims to figure out to what extent stakeholders, especially the informal transport operators can participate prior to public transport development project. The structure consists of description about the existing condition of public transport in Indonesia's cities, context of decision making, current approaches or strategies that have been taken to manage the competition, and some problems from current implementation. The end of this chapter will point out gaps of implementation that have to be filled in order to design guidelines for relieving formal-informal transport competition. The discussion and explanation in this chapter are mostly based on document analysis and interview results with the relevant stakeholders that have already been conducted.

4.2. Public transport: existing condition

As many other cities of developing countries in the world, public transport in Indonesia's cities are mainly served by small private-own companies, cooperative groups or individual transport entrepreneurs who own and lend their vehicles to individual drivers, and not by local government bodies. The existing public transports are commonly operates informally, such as mini-vans "*angkot*", motor-hired vehicles, and "*bejak*" pedicabs, and are purely business oriented; thus, the objectives are mainly concern on profit and return of investment. In running their business, vehicles' owners or companies fully devolve the responsibility of daily operational and maintenance costs to the individual drivers. The quality of services are not become part of their concern in operating their business. As the result, drivers tend to drive recklessly and 'fighting' with other operators to get as many passengers as possible to maximize income and to finally covers the operational and maintenance costs they has to bear (Soejachmoen, 2005). Although the services they delivered are still far from the expected, like the

problem of delays, no clear timetable, inconvenience, careless drivers and so on, there are two points that make this conventional public transport still attractive which are cheap/affordable and ‘serve anywhere’ – means that the public vehicles can stop anywhere the passenger want to hop from the car or bus.

Furthermore, formal public transports owned by government, like DAMRI buses (see explanation chapter 1.1), are often unable to provide satisfactory services. This condition occurs because these government-own companies only act as social service providers. Relying on government financial support, the drivers tend to operate the buses without any motivation to gain more financial benefit. At the end, governments especially at the local and regional level are considered to be unable to provide convenient and reliable urban public transport (Soejachmoen, 2005). However, not all DAMRI bus service or other government-own public bus service is in low quality. In fact, in some cities, like Jakarta and Semarang, services provided by DAMRI are improving in the last few years, and many people depend on this service which provides low fare transport service.

To improve the service in urban public transport, local government in several cities in Indonesia have begun to improve mass public transport system by adopting BRT. Started in 2004, Jakarta, the capital of Indonesia, developed a new urban public transport system, namely Trans Jakarta Busway, which was inspired by the BRT practice in Bogota, Colombia.



Mini-vans “*angkot*” in Bogor²⁰



Pedicaps “*becak*” in Yogyakarta²¹

²⁰ <http://winniesapitritandrialia.wordpress.com/tag/> accessed August 14, 2011



Motor-hired vehicles “ojek” in Jakarta²²



DAMRI bus in Bandung²³



BRT “*Trans Semarang*”²⁴



BRT “*Batik Solo Trans*”²⁵

Figure 4.1. Public transports in Indonesia

After seeing the significant changes in Jakarta’s urban public transport, the central government through Ministry of Transportation have the initiative to develop the similar concept in other large and medium sized-cities. Different from Jakarta which have stronger budget power; these large and medium sized-cities are in co-operation and sharing the role with the central government in order to realize the project. The cities which adopt the BRT-like system are Batam and Pekanbaru (Riau - Sumatera), Palembang (South Sumatra), Bandung and Bogor (west Java), Semarang and Surakarta (Central Java), Yogyakarta (Special Territory), Surabaya (East Java), Pontianak (West Kalimantan), Balikpapan (East Kalimantan), Makassar (South Sulawesi), and Manado (North Sulawesi). All of these cities

²¹ <http://gudangcelotehan.blogspot.com/2011/07/evolusi-becak.html> accessed August 14, 2011

²² <http://jakartaisallweneed.wordpress.com/2011/05/> accessed August 14, 2011

²³ <http://www.unpad.ac.id/archives/4540> accessed August 14, 2011

²⁴ <http://www.skyscrapercity.com/showthread.php?t=573788&page=21> accessed August 14, 2011

have differences approaches in implementing the new public transport concept (Sinaga, 2008).



Figure 4.1. Map of Indonesia's Cities²⁶

4.3. The history of competition

In Indonesia, competition that occurs between formal and informal transport providers are mainly related to the implementation of BRT systems. As stated by Vanclay (2002) that,

“one of the greatest impacts of many projects is the uncertainty or fear associated with a project, and that the impacts that are perceived in anticipation of the planned intervention can be many times greater than the impacts that ultimately result from a planned intervention.”

The presence of BRT is responded in either positive or negative perceptions. At first, government intervention in providing public transport raise great

²⁵ <http://www.skyscrapercity.com/showthread.php?t=573788&page=21> accessed August 14, 2011

expectations from informal transport operators to be able to work as one of the new bus driver. In other words, the new BRT, opens new job opportunities, gives chance to get better life and more stable or fixed income because of the possible changing status from informal to formal public transport operators. On the contrary, the system is considered to be more troublesome and threaten for the existence of informal transport, rather than the presence of public transport that currently provided by the government, like DAMRI. This is happen because the characteristic of this type of operator – which previously described that this system is reluctant to compete due to the adequacy of financial support – are less competitive compare with the informal one. They refused BRT operation because the system appears to be more appealing to the public as consumers for better quality reason. The system also enjoys more adequate facilities, and more importantly, it gets more political and financial supports from local governments.

Initially, the central government took the initiative to help cities to improve their mass public transportation services. The central government are accepting proposal from local governments who are attempt to adopt BRT system and need help for its development. The assistances provided are in the form financial, technical and physical support, especially the provision of bus fleets. Actually, the national government sets several requirements that have to be filled by the local governments. These obligations are that each local government has to have: (i) the transportation master plan at least for five year plan; (ii) the initial readiness, including physical infrastructure and local funding assistance; (iii) the action plans to deal with the existing informal transport operators; and (iv) the availability of monitoring and evaluation plan before and during the implementation stage. Within its development, counted many local governments have already sent the proposal and start to operate the BRT system but only few of them have steadily operate the system.

Focusing on dealing with the existing informal operators, local governments, like in Bandung and Bogor, conduct several sessions of project information dissemination, called Project socialization. As promised in the beginning of

²⁶<http://www.infoplease.com/atlas/country/indonesia.html> accessed August 30, 2011

socialization, there will be a new recruitment for new drivers, co-drivers and staff for the ticket services in which the current informal transport operators will be prioritized as the employee since the new buses will not adding more public transport in street but substituting the ‘old-conventional’ informal transport. Thus, the drivers and co-drivers expect in the beginning that they will be able to drive the new bus. However, the local government as project proponent seems to be miscalculating the real number of available job opportunities. Moreover, in the development of the project, a private company as consortium take over the operation of the new public transport. This new formed institution was expected to provide new opportunities for the informal transport operators to be able to work in a more ‘formal’ institution, like the private consortium; however, not all of the applicants can comply with the basic requirements needed based on the availability of job formation. Instead of accommodate workers from informal transport operators; they open the job vacancy for ‘new comers’ which are not necessarily from local people. This fact triggers negative impressions from the informal transport operators. They feel cheated, disappointed, and dissatisfied about the new plan of public transport, and start to feel uncertain about the positive benefit offered by local government. These common feelings bring altogether the informal transport drivers, as the affected group, to protest the realization of the project.

The important point is that the existence of new modes of transport should not aggravate the existing conditions of urban transport. More specifically, the BRT buses should not add the number of existing public transport fleet. This is done by applying the compensation system for the vehicles and its operators similar as done in Bogota Colombia (see chapter 3.5.2). BRT is implemented in different ways among cities, e.g. in terms of the system’s development, technical aspects of operations, availability of facilities, and managerial and cooperation systems with third parties. By looking at the history, it is expected that planners or policy makers can develop strategies that match and appropriate to overcome the existing competition problem.

4.4. Stakeholders' perspectives on BRT

The introduction of BRT in several cities becomes an important part of the discussion in relieving competition among public transport providers because the competition itself was triggered by BRT plan. To understand the reason of competition and ways to reduce this impact, it is important to see the broad outlook from stakeholders towards BRT implementation. Table 4.1 provides general overview about the stakeholders' perspective according to direct interviews with relevant stakeholders and also based upon their statement in local media. (newspaper; electronic news; etc.)

Table 4.1. Stakeholders' perspectives on BRT implementation

Stakeholders Problem elements	Local government	Existing public transport owners/ informal operators	BRT operators/ formal operators/ business	Citizens/ passengers/ public transport users
Ideas	<ul style="list-style-type: none"> - Transformation in urban public transport is urgently required - BRT is the way to solve urban transport problem after seeing the success story of Bogota, Colombia and pioneered by Jakarta's Busway 	<ul style="list-style-type: none"> - The existing informal transport modes are enough to solve public transport problem and deliver transport service for citizen - Local government better to pay more attention to the existing service 	<ul style="list-style-type: none"> - New business opportunity in public transport sector - New company or consortium is needed as the main BRT operator 	<ul style="list-style-type: none"> - Providing good public transport service is one of government's responsibility - Transport infrastructures need to be improved
Action/plan	<ul style="list-style-type: none"> - Arrange project proposal to national government to get assistances, like technical and financial assistance, including free 	<ul style="list-style-type: none"> - Delivering their rejection through Local Representatives Board - Reject the BRT project by protesting the local government 	<ul style="list-style-type: none"> - Propose the project plan to operate the bus - Establishing the operating company 	<ul style="list-style-type: none"> - Following public campaign about BRT system

	<ul style="list-style-type: none"> buses - Setting plan and formal regulation to realize the BRT system in local area - Intensive campaign and direct dissemination of project information (<i>socialization</i>) 			
Concepts	<ul style="list-style-type: none"> - BRT is operated by separated institution/body/company but fully controlled by local government - The operator is also consist of the existing informal transport operators - Integration of BRT buses' routes and the informal modes' routes 	<ul style="list-style-type: none"> - Cancel the BRT plan and reform their existence so they can give better service - Compensation for any (financial) lost caused by the competition with the new public transport system (BRT) 	<ul style="list-style-type: none"> - Government subsidy for their operational support - Integrating the informal workers into their business has to be with strict selection and some requirements 	<ul style="list-style-type: none"> - The new public transport system should be better than the informal one, in terms of punctuality, availability (coverage area), affordability and comfort ability
Assumptions	<ul style="list-style-type: none"> - There are still some overlapping or miss coordination of job division in local transport management - Institutional ego in '<i>transport-related</i>' institutions makes the realization less effective - Only the local 	<ul style="list-style-type: none"> - The implementation of BRT system is representing local government's ego and ignorance about the current economic pressure, because the existing public transport operators will receive less income from the decrease level of 	<ul style="list-style-type: none"> - Local government do not give full support to the realization of BRT - Lack of government's provision in supporting infrastructure and facilities make the service they deliver become less attractive for the users 	<ul style="list-style-type: none"> - The BRT system is not better than the existing/informal one so they still prefer to use the informal modes - The BRT concept is not supported by sufficient infrastructure facilities - More bus stops

	leader can improve the coordination by tailoring the institutions	daily occupancy (competition with BRT)		and separated lines might improve BRT's performance
Expectations	- Commitment of the local leaders (Mayor/ Governor) and legislative bodies to give continuous financial support for the operation & improvement of BRT	- The informal transport operators (companies or individual drivers) have opportunity to work in the new BRT operating company (consortium)	- More government support for the better performance of the BRT, like improving road infrastructures - Clear responsible institution which assist the practical problems	- Better public transport services can be provided by local government - Some criteria should be meet for the willingness to pay more for the new system

Source: Author, 2011

The descriptions in the above table are only mention the general perspective from stakeholders toward BRT. In fact, within the group itself, there are still differences of opinions in responding the public transport development plan, namely BRT project. Some groups agree, others disagree, while some others are neutral.

From several interviews with the local authorities of several cities, it reveals that different local decision makers have different standpoint in seeing the importance of BRT and informal public transport. One opinion stated that re-structuring and curbing the “messy” informal seems to be better to do first, rather than “pushing” themselves to accept central government’s offer to adopt the BRT system because of the attractive financial or free buses assistance, while they might not have enough resources to continuously sustain those BRT operational costs. Besides, allocating huge amount of local budget for public transport sector is not easy to do because there are often many other important things to do as top priority, like health and economic sectors and poverty alleviation program. Moreover, local governments are also having different opinion in the way to operate the BRT

service, whether it operated as purely private (which gain financial benefit for local income), as Public-Private Partnership (PPP), or as purely public service (which no financial benefit gained from this service). One thing that is agreed by almost all local officers is that the commitment from local leader becomes a crucial part in overall plan. This is because once the project begin, worries about how to manage the protest, how to involve the informal operators and public, how to overcome the barriers can be address if there is a guarantee from the leader. In their view, local leaders have the power to coordinate and move all local bodies so that they can support each other. Local leaders can influence other stakeholders to put transport issue in high priority so that it can be supported by adequate local budget. He/she can lobby the local representatives' board, negotiate with interest groups and persuade the informal groups by having particular agreement. In many cases direct meeting between the local leaders and the affected group give better results for plan development. This is because these affected groups or stakeholders feel that their voice are more appreciated and are more accommodated in the decision making process if it is directly spoken to the local leader, while local government gain their public trust, acceptance, and support from stakeholders after seeing the leaders' serious commitment to protect the aspiration and existence of these affected groups. At the end, any kinds of protests or opposition might less severe. Furthermore, common agreement also stated by the central government that providing good transport service is local governments' responsibility. And, conflict among providers should not happen if the local authorities already anticipate in the beginning by conducting intensive campaign, information dissemination, and finely negotiate with the affected group. Therefore, clear action plan to involve stakeholder as much as possible become one of the requirements in approving the proposal.

Within the informal operators' perspectives, implementing BRT seen as the "short cut" that shows the inability of local government to regulate and re-organize the informal transport system. In the extreme views, some group members even thought that local government choose to, slowly, eradicate their existence rather than protecting them by imposing the new one. Not only opposed by the motorized vehicles operators, like mini buses, mini-vans "*angkot*" and motor-

hired “*ojek*”, rejection also came from pedicab drivers whose threatened if the formal buses will pass on their service area. Only a few of them who support the reformation of public transport system, and they are mainly those who already accepted to work in the new transport companies as BRT operators. However, some members of this group seems to be neutral and do not see BRT as competitor. They believe that this new service will not thread their livelihood because they have their “loyal” passengers that are benefited by their routes as long as government do not change their service area.

From the formal operators’ view, BRT is a potential business opportunity that can bring huge interest, but their financial limitation at the initial stage forces them to search for other financial source especially from the local government. As a new company (either in form of purely private or Public-private Partnership), they demand more attention from local government in supporting infrastructure facilities to make their service attractive and become the leading service in public transport. By doing so, it is expected that they can gain more benefit and mutually give significant contribution to the local income. Some operators still complain about the lack of government commitment to support them. They see government only “half way” to help their business because they initiate the project, invite for investors, and then leave them before they are able to “stand alone”. On the contrary, some other thinks that as a business company they should stand on their own and become creative to find solution for their financial limitation. Above these contradictive perspectives, they are all agreeing that there should be a clear institutional and managerial system from the local authority that will responsible and to consult with if they face practical problems.

While the argument of adopting BRT is merely to give better transport service for public, not all of these users take advantage or even using this service. Not only because of the fare reason – which BRT bus is often more expensive than the informal modes – but also for its inconvenience in relation with people’s habit in using public transport. The incompleteness of its supporting infrastructures, like bus stop and pedestrian, are often blamed for their ineffectiveness. In Semarang for example, users or public are complaining about the inconvenience of the

proximity or distance between bus stops (shelters) which are too far from one to another shelter. Many people are still reluctant to use the BRT bus because they have to walk first to find the nearest shelter and then they walk again to reach the destination yet they are not exactly on time since these buses also have to struggle with crowded traffic. This fact also closely related to the people's habit or attitude in using public transport means. Most citizen are not accustomed to use BRT buses because they cannot "stop everywhere" to load or unload passengers. Thus, the option to use the informal transport modes is still become the best choice for the convenience and efficient travel time. However, some transports users are gratefully welcome the new BRT for it is more beneficial (these people are mainly those who served by the new bus route) and more punctual (with the expected fulfilment of fixed time schedule). In other words, public, as users, are more neutral in responding government plan. This means that they will always seek for the best option; which one that gives greater benefit for them.

From the above discussion, it can be seen that even within the local government bodies, there are still pros and cons about whether it is necessary on not to accept the assistance from central government to adopt BRT in their local territory. Moreover, public transport users in some areas, like Semarang and Bandung, are still prefer to use the informal transport modes for they are cheaper and have better coverage area. All in all, it is clear that not all stakeholders are in favour with the BRT plan and are still in favour with the informal transport service.

4.5. Decision making context

The endorsement of decentralization law in Indonesia (Law No.22/1999 and renewed by Law No. 32/2004) has changed the functions of local government level. As the result, provincial and local governments have new responsibilities in providing all public services that are not delivered by the central and provincial government, including the provision of local public transport. In designing the model for local public transport provision, the proposal has to be conformed to the local transport master plan which hierarchically based on the national and provincial transport master plan.

In local (district/municipal) level, there are two main government bodies that are responsible in planning, managing and regulating the overall provision of urban public transport services, namely Local Planning and Development Body (*Bappeda*) and Local Transportation Agency (*Dinas Perhubungan*), while the “hard” infrastructure provision are mainly served by Public Works Agency (*Dinas Pekerjaan Umum*). In regional level, the responsible bodies are typically similar in terms of its basic task and, sometimes, the name of the agency. The differences lie in the areas that become their responsibility. Additionally, the name of these governmental bodies might different between cities or regions.

4.6. Approaches to decision making

Participation and representation of the informal transport operators within urban transport decision making process is still very limited, although this group is actually own a legal organization. According to the Decree of the Minister of Land Transportation, Post, Telecommunications and Tourism Number 25/1/18/1963, ORGANDA (*ORGanisasi ANgkutan DARat, or Land Transport Organisation*) has been confirmed as the single organization in road transport sector acknowledged by government. The organization represents public transport owners (companies and individual) and operators (except drivers) of taxi, buses, paratransit or *angkot*, and other motorized public transports from semi formal and informal transport groups. The daily operation was financed by collective payment from members and from levies (vehicle testing fees) collected by Local Transport Agency.

In line with the governmental levels, ORGANDA also has 3 levels, namely municipal, provincial, and national. Within more than four decades, this organization has 30 regional councils at the provincial level and 350 branch councils at district/city with 1.5 million plus potential membership consisting of

companies and individuals owners of various types of public transport²⁷. In local branch level, ORGANDA has duties to collect and analyze operational data as information for government, including about fares levels. For its members, this organization has responsible in safeguarding the implementation of government regulations and policies on transport field. The communication was mainly top-down (government – ORGANDA – operators) rather than bottom-up. In other words, ORGANDA appears to be more as government's proponent rather than opponent. Although it opens changes for consultation, the members and other transport operators complains that ORGANDA does not effectively representing their aspirations except in term of fares and routes arrangements. Besides ORGANDA, big cooperatives sometimes also become intermediaries between government and bus industries as cooperatives' member. However, these cooperatives are mainly concern about maintaining the monopoly of access to a particular route rather than representing the interest of its member in front of the authorities. (Munawar, 2007).

Before operating the BRT buses, local governments generally did made approaches to the informal operators. In most cities, the approach was done through formal dissemination of information which often called as *socialization*. The strategy in providing socialization was done in two ways. First is the formal method following bureaucratic system, such as consultation, Focus Group Discussion (FDG), and discourses in formal meetings. Socializations are generally addressed to the representatives of certain groups, for example in Yogyakarta; the socialization was done towards the community of street vendors which associated with their relocation plans for the construction of the bus stops. In Surakarta, socialization was conducted towards the owners of rickshaws before the operation of the BRT plan. The second method is done informally through personal approach that is between the government officers and the operators who usually have strong influence over the other operators in a certain areas. The example was as has been done by the government in Bandung and Bogor in facing protests from the transport entrepreneurs. Formal approach is usually less effective because it tends to be restricted, and rigid to bureaucratic protocol, although it still

²⁷ <http://www.organda.or.id/tentang-organda/histori> accessed August 5, 2011

shows success in some cases and is still widely used by authorities. Personal approach can sometimes be more effective because it is more intense and direct, but it still need to be cautious with the possibility of corruption (bribing), collusion and nepotism because their “dialogues” are less open to public. In general, both approach attempt to be more persuasive, tailored to regional characteristics, especially the cultural aspects. This cultural aspect influence the way people respond a transportation system development plan and are often resulting in different attitude between communities in large- and medium-sized cities.

4.7. Policy instruments and evaluation

Each city applies different types of policy instruments and evaluation that depends on the degree of participation and disagreement from the local stakeholders. In Bogor, the local government apply regulatory instrument by re-routing the stretch or coverage area for each modes. According to the local authority, re-routing is basically changing the route of one or more modes so that they will not mix with other transport modes. The effort also set in order to avoid overlapping between the “old” and the “new” transport system. By doing so, competition can be avoided or relieved.

Furthermore, economic instrument is also applied in some cities. The practice is by using compensation scheme for both fleet and labour opportunities. This effort was quite successfully applied in Yogyakarta. Their success cannot be separated from the role of big cooperatives as the facilitator between its members and government. The operational system of public transport in Yogyakarta requires every single operator or driver to become the member of one of big cooperatives. This system enables the government to reach all public transport operators only by communicating the instrument with the cooperatives, and this simplify the negotiation and organization process of labour compensation.

Another strategy is the integration between land and sea or rail transports system, which of course adapted to the physical condition of the area. This is done in

Palembang that integrates land and river transports. In addition, transport agency of Bogor Municipal Government also has plan to integrate the BRT with other local buses, paratransit (mini-vans/angkot) and small fleets as feeder form hinterland areas; while the integration with the local and regional train is still in the stage of discourses.

Finally is the strategy to organize the local transport providers who works under cooperative units. The objective is to strengthen the cooperatives' financial state, enhance the entrepreneurship skill and facilitate government in providing financial assistance, such as capital assistance and subsidies for members/transport operators. Through this effort, it is also expected that informal operators whom not yet become the member of any organization or still work individually will voluntarily join a transport workers organization.

4.8. Implementation problems

From the analysis of instruments application in several cities in Indonesia, there are still problems faced by the local authorities to realize the instruments and, to some extent, by the informal transports operators to participate in arranging the instruments. In general, implementing BRT is, of course, leading to conflict because initially the idea was to reduce the excessive number of public transports operating on streets, like Jakarta, Bandung and Bogor. Basically, any area that wants to implement a new transport system has already been aware of this potential conflict; however, the decision makers often ignore or less anticipate and tend to wait and see whether there will be a severe protest or not.

Implementing regulatory instrument, like re-routing, may not be too difficult as long as the essence of the rules are fair and agreed by all stakeholders. The challenge is about how to engage the interest of stakeholders into an agreement and assure that most of the aspirations from the relevant stakeholder will be accommodated into a legal binding. From experience in Bogor, social and cultural aspects, especially the educational background, of the community group bring influence within the dialogue process. The representatives from informal

operators are educated people who tend to have profound discussion about government's intention to regulate them. They also have more aspirations to be addressed through such dialogues which affect the time length of the process to reach agreement.

Moreover, there is also difficulties in arranging and organizing informal public transports, like mini-vans "*angkot*", motor-hired vehicles, and "*bejak*" pedicabs, into one organization because most of them are owned by individuals or a family business; while the only legal organization that could represent them, namely ORGANDA, has a lack of organizational capacity to bridge the interest between the informal operators and the governments. These difficulties affect the effectiveness of implementing compensation instruments because administrating compensation to individuals is more difficult (time consuming and create mistrust) than governing through an organization as "one door" for all of its members (efficient and thorough).

From the discussion about stakeholders' perspectives, it can be seen that political disagreement among local government bodies also have an effect in implementing the sort of instruments. Disagreements between local leaders and local transport agency or between institutional bodies within a local authority affect the commitment to support the establishment of policy instruments. In many cases, the lack of commitment from the incumbent and local representatives, for example in allocating financial support for public transport development from the annual budget, has cause delay and inefficiency of implementation. Internal conflict among local politicians in putting public transport issue as a priority also becomes an impediment.

As mentioned earlier, cultural problems that distinguish the degree of participation, the stakeholders' perspectives, and the level of success in instruments' application among cities in Indonesia have become an attention of barrier. There are no clear patterns between cities even among the same scale. This fact influences the attempt to copy policy instruments from other local areas into one local authority, which might seems to be less effective, requires different procedures and gives dissatisfactory result. Another cultural problem refers to the

“culture” of local governments (which are often related to the transparency, accountability, and corruption record). This appears to be more difficult to manage because it will reflect into the degree of public trust to their government and the support towards the campaign of the instruments. Such a breakthrough of an instrument will be wasted if the concept is not accepted by the public because they do not trust on basis of designing the instrument that might not perceived.

Despite the joy of freedom from the local autonomy based on decentralization law, the practices within a decade show that the idea to move the decision making process closer to the public, by changing the system from top-down into bottom-up approach, has made the making process and the realization of any kinds of government instruments become more complicated. Central government have no direct power to impose an instrument, except by giving pressure to the local authorities to promote or accelerate the realization of an instrument selected from a set of instruments, as the options given by the national government.

4.9. Optimisation

Currently, there are not yet any significant efforts made to optimize the performance of the chosen policy instruments to relieve competition between transport providers. However, some information implied from interviews and documents can be considered as the attempts optimizing the program.

First optimization effort is to intensify the persuasive approach – by lobbying or negotiating – in order to discuss the issue of competition with the informal providers, particularly with the operators who is the trajectory is overlap with the formal plan bus routes. The idea is to improve integration rather than competition by compromising it with the affected groups.

Second is maintaining coordination among government bodies within one local government to strengthen the support for implementing the policy instruments. This attempt often conducted by making personal approaches or lobbies between officers from local transport agency and officials from other local bodies and with

the local leader.

Third is evaluating the organizational form of transport organization (ORGANDA and some cooperatives), to see the possibilities of integrating the BRT management with informal transport either in terms of the operation or organization. This effort also followed by an attempt to enhance the capacity, functions and roles of ORGANDA and big cooperatives as facilitator between informal transport operators and government. Finally is enhancing technical assistance from NGOs, like ITDP (Institute for Transportation and Development Policy) and GTZ (*Gesellschaft für Technische Zusammenarbeit*) which are also assisting the implementation of BRT in the Philippines, Colombia and South Africa.

Remarks

The success implementation of the BRT can be determined by whether the operation is protested by another operator or not, in which directly refers to problems of competition. This fact cannot be separated from the existence of political commitment of each local government, as mentioned by the official at the time of the interview. For example, in terms of providing financial support and provision of facilities for the implementation of the BRT, as well as the support in designing the policy instruments to prevent social conflict. Government commitment, especially in terms of political support is considered very important because with that commitment, all sorts of other needs for the fulfilment of project implementation will follow automatically.

It is also important to underline that the lack of consultation and “real participation” with informal transport groups become the main reason of the opposition. Finally, the absence of evaluation before and during the implementation of the new formal transport modes should not happen because evaluation stage is actually very potential to prevent the competition.

Chapter 5 Development of Guidelines

5.1. Introduction

For developing the guidelines, this chapter will first compare the analysis of six key factors exerted from the four case studies (the Philippines, Colombia, South Africa, and Indonesia). The comparison will provide information about the similarities and differences of their practices and, consequently, the gaps that have to be filled and opportunities of changes that can be applied in Indonesian context. The third sub-chapter attempt to develop guidelines for Indonesia. The analysis will first underline the potential implementation barriers that might obstruct the policy transfer. The study continues by identifying specific key factors for the development of public transport in Indonesia based on its applicability after considering the potential barriers. At the end of this chapter, the guidelines will be developed by imposing key questions to pinpoint the aspect that have to be considered in order to prevent or relieve the competition between public transport operators.

5.2. Comparison of key factors between the Philippines, Colombia, South Africa and Indonesia

As explained previously in the conceptual framework (chapter 2.5), there are six key factors assessed and analyzed from the studies, namely (i) Government's commitment; (ii) Government's supports (political, financial, and institutional); (iii) Application of policy evaluations; (iv) Participation (stakeholder involvement); (v) Application of policy instruments (informational, cooperative, economic, and regulatory); and (vi) Integration of top-down and bottom-up approaches. The importance or the basic arguments of why these key factors are chosen and seen as crucial are also explain in chapter 2.5. The comparison of these factors will be presented in table format (table 5.1) to help reader to understand the key points of analysis in a systematic way.

But before comparing these key factors, it is also important to compare other important factors that indirectly determine the degree of transferability from international cases to Indonesia's case. These components are: (i) decision making context; (ii) approaches to decision making; (iii) implementation problem; and (iv) optimisation. To help understand the role of these components in developing the guidelines, first I explain the importance of these elements, and then later elaborate the comparison together with the comparison of six key factors in table 5.1.

Decision making context

Understanding the context in which decisions are made is fundamental in the whole process of policy learning. It helps to understand the power distribution and institutional setting in which a particular decision made. Recognizing the context aids to know: who is the most influential actor from policy makers; in which level (national, regional/provincial, or local/district/ municipal) decisions in a particular – public transport – field are made; and who will be responsible in the whole process and implementation. For this research, the decision refers to the choice of policy instruments and evaluation to relieve competition. Given an example of good practice from other countries/cities, it is good to know about at which level a decision was made. By doing so, decision makers can determine at what level decisions should be made to give the best result according to their local characteristics.

Approaches to decision making

Approaches that are used to make a decision can define the results of its implementation, whether it succeed or not. Choosing the “best” or the most appropriate approach has to be adjusted with the context in which the approach is going to be applied. Centralized and decentralized government systems have different approaches, whether it is top-down or bottom-up, technical rational or collaborative-participatory, or even something in between both extreme. Learning the applied approach from others can help to choose the most effective method to involve stakeholder, or whether their participation is necessary or not within the process and the project development. Since both approaches have their own

benefits and drawbacks, integrating them can be a good option to make it more flexible but can directly hit the goal.

Implementation problem

Learning from others is not only by seeing the positive sides but also the negative aspects (Dolowitz & Marsh, 2000). While learning the positive is obviously useful in transferring and developing new policy, realizing the negatives is also valuable to give warning about the potential difficulties in adopting the similar instruments. The overall information will become the input in analyzing potential barriers if one country attempt to copy practices of others. By doing so, it is expected that other will not do the same mistakes and can anticipate the potential impact before implementing the similar instruments.

Optimisation

Optimisation basically aims to find the best elucidation strategy toward a given situation of public transport problem or to achieve particular objectives. However, empirical studies show that applying a set of combination of policy instruments from “theoretically best practices” is not easy. Policy makers of planning practitioners are often hindered by several barriers, like control power limitation, financial inadequacy, acceptance from public, etc. Therefore, optimisation attempts to improve plan or policy practices by choosing the best strategy within a set of barriers (May, 2003). For this research, I propose that the future optimisation is the guidelines itself which are meant to be developed in order to relieve competition between formal and informal transport providers in Indonesia.

This comparison help to define: which of the key factors that need more improvement based on the setting in Indonesia; what aspect that are essential; which barrier that require more attention; and what “best” practice that possible to relieve the competition. In other words, the comparison provides the data to find the more specific key factor for development. At the end, these key factors will be used to develop the guidelines.

Table 5.1. Comparison of case studies

Key Factors	The Philippines	Colombia	South Africa	Indonesia
Decision making context	Decentralization of power from central government to <i>Local Government Units</i> (LGUs)	Delegation of power from central to municipalities	Delegation of statutory framework of “integrated transport planning” to the local authority level	Devolution of power from central government to local autonomy
Approaches to decision making	<ul style="list-style-type: none"> • Shift from top-down to bottom-up approach by allowing participation of NGOs and POs (including transport workers organization) in the planning process • Set the mechanism for public and their representatives to involve in decision making process 	<ul style="list-style-type: none"> • Top-down from national to local government • Hierarchical approach also from local transport board (STT) to bus companies, bus owners, and bus drivers • Bottom-up only in the form of lobby or negotiation by trade associations to national or local government 	<ul style="list-style-type: none"> • In transition to post-apartheid government • In attempt to allow participation (bottom-up) by authorizing taxi workers union so that they have representatives from provinces. 	<ul style="list-style-type: none"> • Mainly one-way communication (top-down) from government to informal operators through ORGANDA and cooperatives as intermediaries • In attempt to promote participation by opening dialogue through formal and informal discourses
Government’s commitment	<ul style="list-style-type: none"> • Protect the people’s participation by promoting statutory procedures (LGC) in which transport workers’ as the member of union can participate and deliver their 	<ul style="list-style-type: none"> • Provide considerable support (political, financial and institutional) for the realization of BRT project which aim to integrate the semi-formal transport group 	<ul style="list-style-type: none"> • Formalize the representation at hearings in Local Road Transportation Board to assure that their voices are counted and have control over route regulation 	<ul style="list-style-type: none"> • Intensive campaign for BRT implementation • Commitment from national government to assist transport development projects in local level.

	aspirations	into formal operators <ul style="list-style-type: none"> Intensive campaign for BRT implementation 	<ul style="list-style-type: none"> Prioritize financial support to pay the “recapitalization program” 	
Government’s supports:				
<ul style="list-style-type: none"> Political 	<ul style="list-style-type: none"> Channelling aspirations from union’s leader or representatives to decision makers Support the initiative from transport operators to unite by legally formalize the organisation Legal recognition of the union to ensure the representativeness of transport workers in planning process 	<ul style="list-style-type: none"> Strong enforcement from national government and their politicians to accelerate transport integration plan (BRT) Local politicians’/local leader’s support toward the BRT initiative 	<ul style="list-style-type: none"> Issuing National Land Transport Act so that transport management can be integrated with other relevant sectors, like land use planning Give official recognition to informal transport operators so that their existence can be maintained 	<ul style="list-style-type: none"> Lobbies by local politicians (mainly officials from local representatives) against the incumbent and local transport agencies so that these local authorities will pay more attention toward aspirations from the affected informal transport groups (only happen in few cities) Give legal recognition to ORGANDA and transport cooperatives
<ul style="list-style-type: none"> Financial 	<ul style="list-style-type: none"> Monetary support is mainly given for the development of “formal” mass transport system 	<ul style="list-style-type: none"> Allocate national and local budget for BRT implementation Financial support from international organization (World Bank) 	<ul style="list-style-type: none"> Allocate national budget to finance the “recapitalization program” Allocate budget for BRT implementation on city levels 	<ul style="list-style-type: none"> Allocate national and local budget for BRT implementation although still in limited amount Allocate the income from local tax (vehicles testing fees) to finance the daily

				operational of ORGANDA
<ul style="list-style-type: none"> • Institutional 	<ul style="list-style-type: none"> • Facilitate the establishment of transport workers union by providing general administrative management and community relation. 	<ul style="list-style-type: none"> • Facilitate the establishment of consortia as BRT bus operators 	<ul style="list-style-type: none"> • Facilitate the establishment of association to unify all minibus-taxi operators in provincial level 	<ul style="list-style-type: none"> • Facilitate the general administrative management for ORGANDA • Facilitate the establishment of managerial system (offices for the formal bus operators and government institutions who will responsible) for BRT operation in local areas
Application of policy evaluation	No evaluation conducted	No evaluation conducted	No evaluation conducted	No evaluation conducted
Participation	<ul style="list-style-type: none"> • Opportunities to involve in local transport decision making by having representatives from transport workers' union in local planning bodies 	<ul style="list-style-type: none"> • Inadequate participation with the semi-formal operators before and after implementing BRT 	<ul style="list-style-type: none"> • Opportunities to involve in transport decision making process through their representatives in regional level 	Limited participation of the informal transport operators because ORGANDA and cooperatives are only concern about routes and fares and maintain one-way (top-down) communication
Application of policy instruments:				

<ul style="list-style-type: none"> • Informational 	<ul style="list-style-type: none"> • Enhance education for members, like drivers training and skill development, through unions' programs 	<ul style="list-style-type: none"> • Information dissemination through BRT campaign mainly objected to accelerate and gain support • Drivers training mainly for the formal transport operators 	<ul style="list-style-type: none"> • Drivers training as formal public transport contracts after unifying the informal operators into legal associations • Campaign for the formalization and recapitalization programs 	<ul style="list-style-type: none"> • Strengthen the capacity of transport organization through government campaign to attract non-member operator to join the organization • Information dissemination and public campaign focus on informing the public and interest groups about BRT plan • Drivers training mainly for the formal operators, though sometimes also given to the informal operators who works under cooperatives
<ul style="list-style-type: none"> • Cooperative 	<ul style="list-style-type: none"> • Encourage participation in which their representatives can bargain the route marketplace by lobbying the local authorities • Bridge the communication between transport workers and policy makers through union 	<ul style="list-style-type: none"> • Empower the informal operators to cure them from negative externalities (i.e. destructive competition) and operational defects • Promote self-regulation for minibus-taxi drivers (informal operators) who work under the association 	<ul style="list-style-type: none"> • Arrange negotiation before issuing permits over access to routes • Encourage the informal operators to, voluntarily, form transport associations which then legalize them through formal regulation • Facilitate consultation in the 	<ul style="list-style-type: none"> • Negotiation forum only limited to bargain about fares and routes • Voluntary agreement to join or integrate with the formal transport providers mainly done by the informal operators who already become member of

			formalization process	cooperatives
<ul style="list-style-type: none"> • Economic 	<ul style="list-style-type: none"> • No particular economic support given by local or national government 	<ul style="list-style-type: none"> • Vehicle compensation followed by monetary compensation • Employment compensation for the informal who are willing to integrate with the formal BRT bus 	<ul style="list-style-type: none"> • Pay the “scrapping allowance” to minibus-taxi owners in exchange for their present vehicle through “recapitalization program” 	<ul style="list-style-type: none"> • Vehicle compensation become part of labour compensation in which drivers operates the new formal, BRT, bus instead of receive monetary compensation as an exchange
<ul style="list-style-type: none"> • Regulatory 	<ul style="list-style-type: none"> • Regulate the statutory procedure in terms of participation in decision making 	<ul style="list-style-type: none"> • Formal regulations mainly establish to accelerate the realization of BRT project, like minimum service standard, route regulations, etc. 	<ul style="list-style-type: none"> • Set formalization policy to legalize the operation of minibus-taxi so that they can be integrated with the formal providers 	<ul style="list-style-type: none"> • Regulate the routes either by separating or integrating two or more operators to avoid competition
Integration of decision-making approaches	<ul style="list-style-type: none"> • Integration of top-down and bottom-up approaches by using the workers’ union (NTU) as the media to bridge communication and aspiration 	<ul style="list-style-type: none"> • Mainly employ top-down approach from central to local and to transport operators 	<ul style="list-style-type: none"> • In attempt to integrate top-down and bottom-up approaches by using the representative organization (SANTACO) as facilitator 	<ul style="list-style-type: none"> • Lack of integration because the processes are mainly one-way (top-down) communication with ORGANDA and cooperatives as mediator

Barriers	<ul style="list-style-type: none"> • Financial limitation to support the operation of the union • Social barriers in uniting the members since they are inherently compete each other • Political barriers in which local politicians can obstruct the establishment of transport workers union in local level, or have a particular interest that in contrast with the union members' interests 	<ul style="list-style-type: none"> • Practical barriers in integrating the semi-formal operators into a formal provider due to miscalculation in labour compensation • Lack of consultation prior to the project implementation • Lack of political support to promote participation • In equality of political support between the formal and informal operators • Limited choice of instrument to relieve competition 	<ul style="list-style-type: none"> • Lack of impact analysis on social and economic issues diminish public trust to the government about the background of the formalization and recapitalization programs • Social and cultural barriers which refers to the history of mistrust among informal operators 	<ul style="list-style-type: none"> • Lack of participation and legal representation due to the ineffectiveness of transport organization as intermediaries • Practical barriers in implementing compensation instrument because many of the operators still work individually • Political disagreement among local officials about the importance of issue in public transport service which leads to the lack of government commitment • Cultural barriers which affect public's respond towards BRT implementation <p>Institutional barriers in which central government have less power to impose policy instrument to help relieve the competition</p>
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<ul style="list-style-type: none"> • Optimisation 	<ul style="list-style-type: none"> • Promote political and practical education for unions' members • Selective process of NTU members • Maintain good relationship with the local leader and local politicians 	<ul style="list-style-type: none"> • Conducting impact analysis focus on social and economic issues which effective for areas that intend to adopt BRT • Strengthen bargaining position by forming alliance of informal transport workers • Lobby for initiating policy instruments • Monitoring towards the implemented project 	<ul style="list-style-type: none"> • Revise the underlying principle of "recap program" • Profound analysis towards the side effects on both operators and users • Set new financial proposal • Promote integration by also integrate the user fares 	<ul style="list-style-type: none"> • Intensify persuasive approaches, like lobby and negotiation • Maintain coordination among government bodies within one local government • Evaluate the organizational capacity of transport organization (ORGANDA and some cooperatives) • Enhance technical assistance from NGOs
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5.3. Development of Guidelines for Indonesia

This section will define the key factors that are obtained from comparison analysis. First of all; I will identify some potential barriers from literatures that have to be considered in learning practice from international cases. The general presentation of these barriers is mainly useful to introduce some essential aspect for assessing the transferability of other practices. The second sub-section will elaborate the result of the analysis from comparison. The presentation basically explains some important aspects to be improved for the future practice in attempt to prevent or reduce competition between formal and informal transport providers in Indonesia. The last sub-section will points out the key questions for the guidelines.

5.3.1. Implementation barriers

Before developing guidelines, it is important to recognize the potential barriers or limitation that can obstruct the implementation. Summarising from Banister (2002) and May (2003), implementation barriers can be categorized into seven groups:

1. Political barriers

This barrier relate to the limited political support or acceptance towards an instrument. Some political or interest groups may hinder or halt the realization of the chosen instrument that might eventually affect its effectiveness.

2. Legal and institutional barriers

Legal barriers relate to the limited regulatory power to implement the chosen instrument either because of the conflicting regulations or the absence of regulation governing public transport sector. Institutional barriers relate to the legal responsibilities which are different between agencies. Limited institutional capacity may affect the ability of the local authority to coordinate and implement the instrument.

3. Resource and financial barriers

Resources refer to the material (physical) and financial things that have to be available to execute a plan or to implement instrument. Financial barrier relates to budget limitation to finance or pay the expenditure to implement the instrument. Development in public transport are often delayed or cancelled by this financial barrier because almost all transport project need considerable amount of money to pay it.

4. Physical barriers

Physical barrier relate to the topographical or morphology condition of a particular area. Physical condition have specific features that cannot or very difficult to change. Designing new public transport system has to be adjusted with its physical condition which might result in excessive construction cost.

5. Social and cultural barriers

These barriers affect the public acceptance and the degree of public supports towards governments' plan or instrument. Social and cultural background of a particular society influences their perspective and eventually changes their attitudes in responding the intervention. Their responds can be either positive (supportive) or negative (ignorant or disruptive).

6. Practical and technological barriers

Given the fulfilment of political, legal and financial supports, an instrument cannot be implemented if it faces practical and technological problems within the progress. Practical limitation can be caused by rallies of protest from project opponent that might postpone or halt the execution of an instrument. Technological barrier refer to the lack of technical skill in realizing the engineering design.

7. Side effects

Side effects can be anything that may deter the implementation of an instrument. Such effect may not be significant but have the potential in

creating the complexity of the process.

Recognizing barriers is an essential part of the whole process of policy transfer. The idea is to increase the effectiveness of the chosen strategy in the operational stage. In this research, identifying barriers can be helpful to define the chance for implementing the instrument in the context of Indonesia.

5.3.2. Key factors for development

Analysing the current practice in Indonesia (chapter 4), linking to the lesson learnt from international practices (chapter 3), comparing to the ideal practice from theoretical review (chapter 2) and considering the implementation barriers above, there are, at least, nine key factors that are crucial for enhancing the future practice of local public transport in Indonesia which is specifically aimed at prevent or relieve the competition among different public transport providers. Important point to remember is that developing mass public transport will not limited only on bus based like BRT, but also for other type of modes like rail based (MRT, Tram, etc). The key development factors are:

1. In general, adopting BRT practice from Bogota, Colombia, seems to be the best choice to overcome transport problem in Indonesia's cities, as clearly argued by central and local government in their project proposals. However, adopting a new mass transit system has to carefully consider the practical and technological barriers. Facing these barriers may lead to excessive budget consumption and difficulties in maintaining the apparatus.
2. Looking at the implementation in Colombia, it is obvious that central and local government are committed to give full support for the realization of BRT as an instrument to integrate transport operators. Moreover, all parties including the officials from local governments in Indonesia agree that government commitment plays the most important role in the planning

process and the execution of any chosen instrument intended to reduce competition. Commitment of course includes the governments' attempt to give political, financial and institutional support. Being committed can stimulate government, who have power, to ensure the implementation of policy instruments. Commitment to maintain cohesion or horizontal coordination among agencies within one authority is also essential to achieve shared goals. However, strengthening commitment has to be aware of political barriers. Local leaders might find difficulties in compromising public interest and political interests imposed by his/her supporter political party. Moreover, prominent local business owners may sometimes have enough power to influence the choice of instrument. At the end local leader become less credible in front public.

3. Linking with the idea of transferability (see chapter 1.5), negative lessons can also be learnt from Colombia. The lacks of participation from the existing semi-formal transport operators have make the effort to reduce the competition among them by integrating them with the new system become less effective. In fact, the strategy triggers to further competition between the new operators and the rest of the semi-formal operators that are not yet integrated. This implies that strong governments' commitment is not enough.
4. Learning from the Philippines, integrating both bottom-up and top-down approaches by using the workers' union as intermediary appears to be effective. Nevertheless, choosing this instrument have to be aware of legal, institutional and financial barriers. First of all, the source of finance to run to organisation has to be clear to prevent unexpected burden in the future. Furthermore, legal barrier refers to the existence of policy as the basis of establishing the union, while institutional barrier relates to the existence of their office as representative from local or regional levels. Relating to the practice of transport workers union in Indonesia, reformation of the existing transport organizations, namely ORGANDA, is an urgent

requirement. Their current existence, particularly at the lowest level, is neither satisfactory nor helpful from the perspective of their members (informal transport workers) in terms of delivering aspiration, demands or complains to the incumbent. The organization needs to enhance the degree of participation of their members in transport policy making, which indirectly help to prevent or relieve the potential “unhealthy” competition.

5. The Philippines and South Africa cases show that formalizing the informal transport operators under a legal organization is potential to increase trust among transport providers and trust to their local government. Public support to the government determined by the level of trust given by the people to their government, and it is sometimes depends on the “track record” of their government (e.g. whether the incumbent committed to any corruption issue or not). In many cases, protests against governments’ intervention happened because the informal transport operators do not trust in the basic arguments of choosing the instrument. They are often afraid that government’s insurance in implementing the chosen instruments will end up just a mere lip service that eventually cause disadvantage for them. As in Yogyakarta, people have a high loyalty to the governor so that socialization can be more striking into targets and the informal transport providers are willing to merge with the new BRT system. By organizing and formalizing the informal operators, it expected that government will insure their formal representation at public hearing and then accommodate their aspirations.
6. Learning from South Africa, physical barriers become governments’ concern in choosing an instrument. Realizing their limitation to serve the whole scattered areas using the formal system, government choose to optimize, re-organize and formalize the existence of the informal providers. In line with this idea, developing public transport in Indonesia’s cities has to be adjusted with the physical condition of a particular area. Performing a careful and profound feasibility study is the way to decide

which modes are best according to the local physical features. The result might end up to many choices of mass transport system, like BRT and/or MRT, or conclude that the existing informal operators are still adequate to serve the whole local area. Similar with cities in South Africa, cities in Indonesia also have scattered structure of areas for residential and centres of activities, like in Bandung and Semarang. Therefore, keeping the informal public transport to operate in Indonesia's cities can be a good option. This can be done by arranging clear segmentation of service areas for each mode. For example, the informal modes can only serve at the collector streets and small neighbourhoods, while the formal modes can only serve at the main streets. In addition, physical barriers may also generate practical, technological and financial barriers, if the chosen strategies are physically too difficult to change.

7. Learning from the whole case studies (the Philippines, Colombia, South Africa and Indonesia), it seems that evaluation instrument is always skipped from the whole process of public transport policy making. In fact, they experience the competition because they do not perform any evaluation instrument prior to the implementation of transport development project. From this description, evaluation instrument can be the key development for public transport service in which the process does not have to be violently opposed by the informal group and the implementation does not followed by further competition among providers if it was preceded by careful evaluation of impacts.
8. Social and cultural aspects of the region, that are different between large and medium cities, are very influential in the socialization or information dissemination phase. This fact is related on how to engage stakeholders and how they will respond the information from socialization. This point also refers to the respond from the informal transport operators when governments try to introduce a new concept of public transport, whether they accept and willing to be integrated or they oppose and block the plan.

In large and dense cities, such as Bandung and Semarang which have more dynamic society, protests that occurred can be more severe and anarchistic (see chapter 1.2). This might be different with medium-sized cities, like Surakarta and Yogyakarta, where the protests occurred were less destructive. Additionally, the cultural aspects also influence the informal transport driver's behaviour against other operators whether they are more aggressive or not.

9. From the comparative studies of decision making context, it can be noticed that all of these countries are within the process of transition from centralized to decentralized system in which the power of governance are distributed to the local level. Although passing through the similar process, different communities in these four countries show different respond toward the government intervention in public transport sector. The differences are influenced by social and political context of the country. In the context of Indonesia, the recent transition from the "dictatorship" of New Order era to the "reformation" era of local autonomy has created euphoria of the freedom of speech. This fact influences the degree of protest or disagreement toward any government plan or intervention. Currently, almost all new plans, programs, or projects arranged by government are protested by public because of this euphoria. Therefore, it is important to choose the most appropriate and realistic approach that to encounter these contextual issues (social and political contexts).

All in all, the nine development factors shows that relieving competition between formal and informal transport providers is not a simple thing to do. There are more options as indirect strategies rather than direct instrument that can be addressed. Furthermore, the strategies cannot be separated from the potential effort to prevent the occurrence of competition. In fact, preventing appears to be better than relieving the competition that already happened. Moreover, the strategy to reduce competition should track back to the beginning before any transport development project is started. This refers to the importance of early

impact analysis, especially regarding to social problem, which is highly potential to avoid competition among transport providers. Additionally, relieving competition is not only the matter of the choice of the policy or evaluation instruments but more importantly is about the process in deciding which instrument is best.

5.3.3. Key questions for guidelines

Guidelines that are going to be developed in this research aims to help decision makers, professionals, and planners raise their awareness about the potential problem might occur after choosing a strategy of public transport development. The structure consists of several key factors that they have to check before planning an intervention in public transport field. The idea is to impose questions to policy makers and those who involve in decision making process about what aspects they should carefully consider before make a decision. The guidelines are more contexts dependent and flexible for different characteristic of local government. Different cities may have different answers toward the same question and different key factors to be considered.

The guidelines have two objectives, first is to prevent competition before it happens and second is to relieve competition that already happened. The first idea sees the competition as one of side effects caused by public transport development in general. The later idea recognizes the competition as a social problem that has to be managed.

The creation of key questions is based on the identification, analysis, discussion, and comparison of the previous chapters. The answers can be varied but the explanation aim to describe the possible answer from ideal perspective based on the discussion in the whole chapters. The key questions are divided into four groups. The first two groups (1 and 2) consist of questions that have to be answered before a transport development project begins in order to prevent competition. Questions in the third group pose that have to be answer either to

prevent competition (as the continuation of impact assessment/impact management) or to relieve competition that are occurred. The fourth group attempt to evaluate the implementation of the chosen instrument to see its effectiveness.

1. Identifying urban transport problem

The answer can be by collecting as much information as possible from different kinds of sources, like literatures, empirical practices and communication with relevant stakeholders. Finding the main problem can help policy makers to decide whether it is necessary to adopt new mass transit system, like BRT, or it is better to optimize the performance of the existing informal providers, for example by re-organizing, formalizing, and enhancing skill to cure their operational shortcoming. Identifying the main concerns involve, at least, four queries that have to be answered.

1a. How to identify the problem?

Identifying problem in public transport issue cannot only be done by the authorities (local transport agency and local leader) because they may not be objective in overlooking at the issue or they may not have enough information as the input for final decision. What happened sometimes is that the decision of whether new mass transport system is needed or not only relies on the authorities' analysis and/or some project analyst/consultant that might less competent. For these reasons, processes of problem identification are best conducted by involving the relevant stakeholder (which will be further explained in question 2b) as much as possible. Gathering information from local knowledge through consultation, including from people/groups that are already experiencing the impacts or people/groups that are predicted to be affected by the public transport development project, can give broader understanding about what can be "the real problem". For example, given the broad issue of congestion and air pollution, from consultation with the communities who experience congestion, it is

spotted that the real problem is about the inadequacy of public transport service, either in terms of quality or quantity, as this insufficiency triggers the community members to buy a car or motorcycle leading to the increase ownerships of private vehicle, adding to the traffic volume and end up with congestion. This step provides the basis of what to do next.

1b. "What is the main concern?"

Having the answer from the first question, we are now known what "the real problem" is. The later step would be questioning about what would be the main concern. It focuses on smaller scope within the problem identified. The main concern refers to the objective, goal, priority, or focus of attention that aimed to be address by the strategy. For example, given the problem identified is about the lack of public transport facilities, the main concern can be to improve the performance of current service or add new (formal) transport modes. Answering this question will help policy makers to recognize the possible instruments that can be applied.

1c. "What are the 'best' options?"

The answer of this question is context dependent. It means that no fixed answer can be addressed to decide which one is the 'best' instrument. An option successfully implemented in one area may not be applicable in another area. Thus, selecting the 'best' one has to be judged by its own merit. The options of instruments are derived from goal definition. Continuing from the previous example, the options given are optimizing the current (informal) service and promoting new (formal) mass transport system, namely BRT or MRT. Choosing the 'best' option also has to consider about the potential barriers, especially resource and financial, physical, practical and technological, and socio-cultural barriers.

1d. “What is the ‘best’ decision making approach?”

The ‘best’ decision making approach refers to the process of choosing the ‘best’ option. The two main approaches, as already introduced in chapter 2, are top-down and bottom-up. To decide between optimization and reformation strategies, decision makers need to consult with community groups that appear to be affected or will experience the disadvantage impact from the chosen instrument. Thus, the bottom-up or participatory approach seems to be more appropriate. However, the top-down approach is still required to impose and accelerate the process. Therefore, integration between top-down and bottom up approach can be a good strategy to carry out. Integration as an approach can also be applied to the vertical integration among layers of government and horizontal integration among bodies at the same level of government. Moreover, choosing the “best” approach is also dependent on the local context, including the degree of participation and level of public trust to their government. It is also important to aware of social and cultural barrier to see whether the community are ready or not to join a participatory process. This can be done by looking at the educational background of the majority of local communities.

Four answers resulted will lead to further questions about what would be the next things to do after the options of strategy are listed and the best approach is chosen. To choose the ‘best’ strategy among the limited options, it is imperative to conduct deeper analysis through impact analysis or assessment procedure. The objective is to minimize the potential negative impacts and to maximize the potential benefits.

2. *Predicting the impacts*

Predicting the impacts intends to provide input for policy makers as the basis for choosing the ‘best’ instrument. Early impact assessment can identify the potential impacts in which competition between formal and

informal operator can be part of the larger impacts resulted from public transport development project. By realizing whether the chosen instrument will generate competition or not, policy maker can directly shift to another option or design the instrument to prevent or manage the likely competition. In other word, although the competition is still happening at the end, at least this analysis provides an overview of the mitigation measure that can be taken. The analysis poses three questions.

2a. How to predict the impacts?

Impacts of an activity are basically can be predicted simply by seeing the experience from others' practices which performing the similar activity. There are three main categories of impact, namely environmental, social, and economic impacts. Transport development activities induce all of these three impacts. Focusing on the issue of competition between transport operators, social and economic impacts seem to be more relevant to be analyzed profoundly. Therefore, the answer of this question primarily refers to the choice and practice of evaluation method to prevent social conflicts and economic disadvantage. Social Impact Assessment (SIA) can be chosen as a technique to predict impacts and to suggest appropriate mitigation measures for a public transport development project. The benefit of SIA is because it strongly emphasise on stakeholders' participation within its process (the steps as given in chapter 2.4) enable the practice of bottom-up approach. However, SIA is not a fix option; there are arrays of methods that can be chosen to perform analysis of social impacts.

2b. Who are the relevant stakeholders?

The relevant stakeholders should be analyzed carefully to assure that each group have their representatives in decision making process. These groups can be the proponent or opponent of the proposed instruments. According to May (2003), stakeholders that are typically

involved in transport field are national, provincial or regional partners, local authorities, statutory bodies, private parties or business, transport providers (including informal transport operators), transport users, and public. Recognizing the relevant stakeholders will increase the representativeness in formal hearing and, eventually, will enhance the quality and the credibility of the discourses' result.

2c. How to involve stakeholders?

The answer can be by promoting and intensifying formal and informal discourses among relevant stakeholders. Involving these stakeholders refers to the instruments that are going to be used to ensure their participation. The choice is often cultural dependent. It means that some group might prefer the formal meetings to assure that their voice will be accommodated by the authorities; while other group might prefer the informal to maintain good communication, building trust and format flexibility. Moreover, the educational background of the majority stakeholders also influences the choice of participation technique.

Impact prediction stage is often missing from the series of decision making process. Current practices show that impact prediction is only performed upon the project or instrument that is most likely to be executed; while the idea of predicting the impact in this guideline is to make broader analysis about the possible impact before choosing the instrument itself. Without being sceptical on transport development project, the impact analysis intends to encourage policy makers to carefully consider their choice on instruments among the arrays potential instruments.

3. *Selecting policy instruments*

Policy instruments can be useful not only to improve the performance of public service in general, but also to relieve competition between transport

operators. Selecting policy instruments to manage competition is conducted at two different circumstances. First is the instruments that are used to prevent competition, while the second is instruments to relieve the competition which applied after experiencing the impact due to the failure of the previously selected instrument. This area poses three questions.

3a. What are the potential instruments?

The choices of potential instruments are varied (see chapter 2) from the low to the highest degree of government intervention, namely informational, cooperatives, economic and regulatory. Choosing the potential instruments depends on whether the instrument objected to prevent or relieve competition. It also relies on the context in which the instruments are going to be applied. Therefore, selecting the potential options has to be adjusted with the potential barriers.

3b. What are the potential barriers?

Types of barriers can be obtained from the literatures and empirical studies (see section 5.3.1). Nevertheless, to identify the most potential impedance, the analysis must be adjusted with the existing condition and the characteristic features of a particular place. For example, areas with flat topographical contour may have less physical, practical and technological barriers in improving mass transit system rather than areas with hilly landscape. The barriers identification also has to consider the power relation between government and other stakeholders to see if political barrier become the matter. This is because the practice of governance in most local autonomy of Indonesia's cities shows that local politician including the incumbent still hold the dominant power. Thus, it is important to be aware of such barrier for its ability to generate the creation of other barriers, like financial and legal barriers.

3c. How to select the 'best' instrument?

The 'best' instrument refers to the choice that is agreed and supported by the majority of people who will be affected by its implementation. To reach a common agreement about which instrument that should be implemented, a model of participation seems to be the way to do it. Participation can open the flow of ideas which generates the creation of new instruments as options. However, the method to define the best instrument can be open or closed to public's intervention, as long as the method is fairly agreed by the "users" of the instrument.

Selecting the most appropriate policy instrument becomes the essence of strategy to prevent or relieve competition between formal and informal transport operators. Therefore, the process has to be conducted very carefully to avoid side effects that can worsen the state of conflict among operators. Moreover, strategy to prevent or relieve competition should not stop only until a set of instruments established and implemented. Therefore, the later questions will be addressed as continuation stage.

4. *Implementing the chosen strategies*

Once a set of instruments selected, the later stage will be implementing these instruments. Implementation will not be the end of management strategy to relieve competition. The step has to be continued by monitoring and evaluating the practice to see whether any improvement needed. This topic addresses three queries.

4a. Does the chosen strategy effectively address the problem?

This question refers to the effectiveness of the instruments to manage the main problem and objectives identified in the beginning of selection process. For example is if the regulatory instrument of route management can really prevent or reduce the conflict of competition. Recognising mismatch or ineffectiveness from the practice has to be followed by strategy to optimize the implementation of chosen

instruments.

4b. How to optimise the whole planning and policy cycle?

The answer can be by overcoming the barriers and conducting continuous evaluation and monitoring. Optimizing the whole policy cycle often relies on the existence of policy evaluation stages. The result of an evaluation can be quickly responded to improve the policy performance. An example of evaluation method is the community empowerment evaluation. This evaluation technique aims to encourage both policy maker and communities or affected groups, like the informal transport operators, to improve their self-determination and evaluate their own course of action. The idea is to enhance the performance of the selected instrument that agreed together. The process is carried out by policy makers through participatory approach. Despite this evaluation technique, there are still many options of methods that can be conducted, like advocacy-adversary model. The selection depends on the agreement between policy makers and the affected groups.

4c. What improvements needed?

The types of improvement required largely depend on the degree of effectiveness performed by the selected instruments. Some additional instruments might be needed to enhance the implementation of the previous instrument. For example, a new route regulation instrument might be needed to accelerate the integration among different transport providers. To answer this question, policy makers can have inputs from the result of evaluation which pinpoint the aspect that need an improvement. Any possible improvement has to be communicated with the relevant stakeholders to gain support for its future implementation.

From the instrument implementation stage, the process of problem identification can start over again if the selected instrument to prevent or relieve competition resulting in a new problem. Continuous monitoring and evaluation is important to prevent the negative side effect that makes the choice of instrument become less effective.

The sequence of questions posed by the guidelines can be illustrated into a schematic process below.

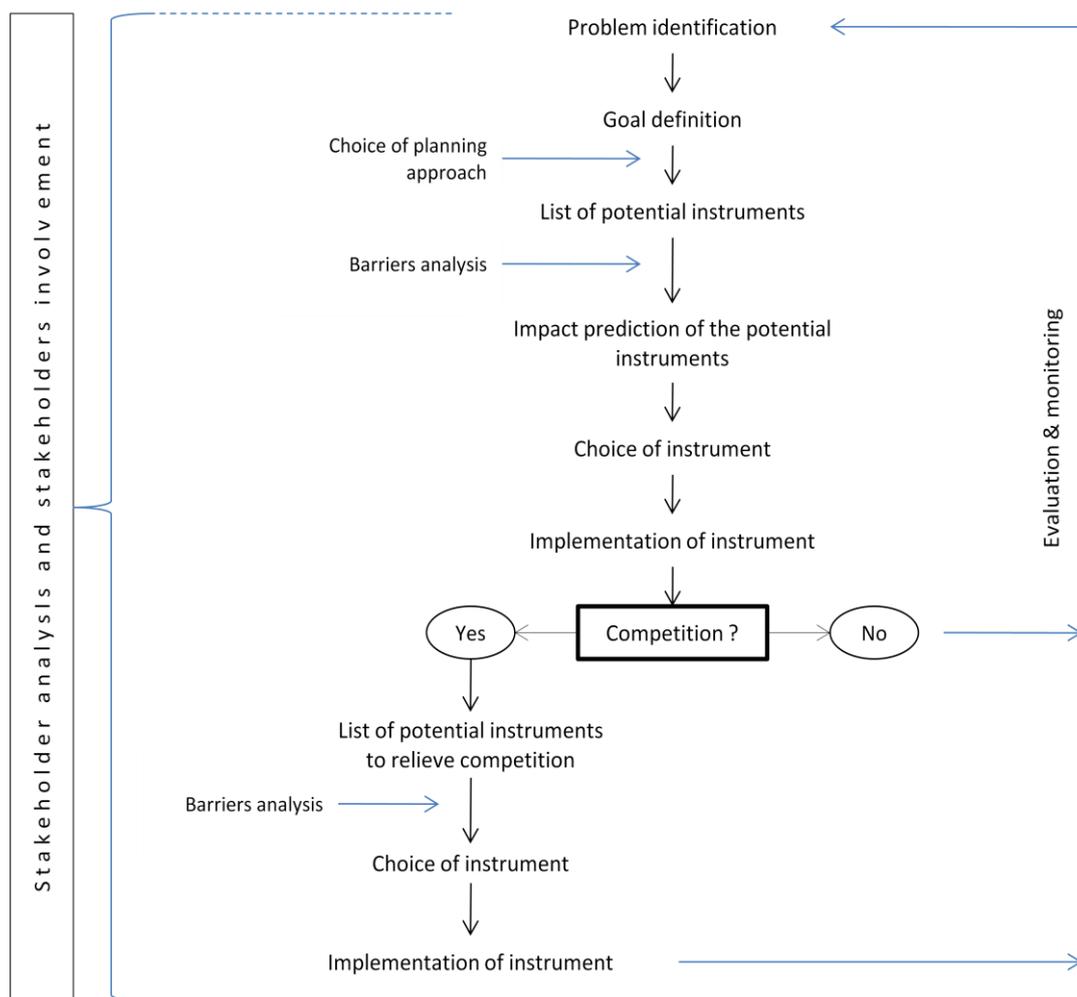


Figure 5.1. Scheme of guidelines

Remarks

The comparison and the guidelines underline the role of participatory or collaborative approach in the whole decision making process. Moreover, policy instruments are basically relevant to public discourses because stakeholders' active participation is essential in choosing the "best" instruments from arrays of possible instruments. It also points out about the potential of evaluation to prevent the possible social conflict, like competition. The guidelines attempt to integrate the key factors and the barriers in order to help policy makers in designing a strategy in public transport sector.

Chapter 6 Conclusion, Reflection and Recommendation

6.1. Introduction

This chapter will first conclude the important aspects resulted from analysis in the previous chapters. The conclusion will focus on the key elements of development which are aimed to prevent and relieve competition between formal and informal transport providers. The second sub chapter will show the reflection from the whole research especially about some technical problems in conduction the research. The final section of this chapter will propose some recommendations for local governments in Indonesia to improve the performance of their local public transport service by focusing on managing the competition between operators as part of the developing process. Another recommendation is intended to academicians for the improvement of future research.

6.2. Conclusion

To conclude, I will answer the research questions posted in chapter 1 by using the components from the whole analysis.

What policy instruments can be applied to prevent possible conflict between formal and informal public transport in the future?

Theoretically, there are extensive numbers of policy instruments that can be applied. The option can be based on the degree of government intervention in implementing the instruments. Informational instruments carry the least government intervention. Cooperative instruments demand participation from different groups of stakeholders. Economic instruments require careful calculation by both project opponents and proponents. Regulatory instruments need considerable intervention from government to impose its realization. Focusing on strategies to relieve competition, there are many possible instruments that can be applied which are currently overlooked by local governments. First of all, trip planning information system can be used to

promote fair competition between the formal and informal providers. Governments through their agencies can provide fair route information which refers to integration between different modes from different providers. Moreover, giving “education” (for the informal transport drivers in order to manage their negative externalities) is not necessarily has to be given to those who already join the transport workers organizations. The economic instrument of subsidies can also be given to the informal operators but mainly to those who already the member of transport associations. The idea is to simplify the administration process and to keep the transparency. Giving subsidies through an organization can promote voluntary participation of the informal operators to join the union. However, this scheme has to consider the affordability of the local government to pay such subsidies. The examples of applicable instruments from each category are not limited to the discussion exemplify in this research (chapter 2). Policy makers can be more creative in finding other instruments as solution based on their setting, and combining two or more instruments can perform better result in their application.

Moreover, from the theoretical analysis, it appears that policy evaluations can be more effective to prevent the social conflict, like competition, rather than only relying on the choice of policy instruments. In fact, policy evaluation method, like SIA, is very potential to prevent the competition since it identifies the potential impacts earlier by involving related stakeholders within process. Other evaluation methods that can be chosen after the competition occurred are community-empowerment and advocacy-adversary evaluations. These methods enable each conflicting stakeholder to reflect about their course of action regarding the issue and to participate in formal or informal dialogue in order to negotiate the “best” way or solution that can be accepted by all conflicting actors.

How to organize both formal and informal public transports so that they complementing each other?

The attempt to achieving the goal of “more integration and less competition” between formal and informal public transport operators is not only relied on

the process (the choice of decision making approach and policy instruments) but also on the fulfillment of some inputs (government's commitment, supports, and early evaluation). Although the process is indeed essential, the implementation of the chosen participatory approach and policy instrument cannot be done effectively if they are not supported by full commitment and support from government. Moreover, organizing and integrating two or more groups that are inherently conflict each other requires extensive negotiation or dialogue processes. Therefore, conducting bottom-up approach to choose the 'best' alternative instruments seems to be more relevant before setting formal regulation to impose their implementation through top-down approach (integration of bottom-up and top-down approaches).

From the case studies, it can be noticed that organizing informal transport workers seems to be quiet effective or at least useful to reduce conflict between formal and informal transport providers. Organizing method emphasized on the informal group because the nature of this group is indeed less organized than the formal one. The idea came from the arguments that their existence is indeed important. Ignoring their existence or even trying to "delete" them from the society is not a wise option to be chosen by decision makers because it can trigger exhausting protests and create "unhealthy" competition. Organizing can be in different forms, namely re-organization, integration, formalization and so on. The objective is to enable these informal providers to be integrated with the formal providers as the "deliberated gap-fillers" rather than competitors.

How far policy practice in Indonesia involves these informal transport workers/operators within transport planning and decision making process?

Competition among transport providers is actually a side effect that can be easily predicted given the condition of social, economic and cultural of the existing informal operators. The ignorance showed by local decision makers has made the problem become more severe. The elaboration in chapter 4 proves that actors from informal transport groups in Indonesia have limited access in public transport decision making process. The existence of the

recognized organization, namely ORGANDA and cooperatives, seems to be less functional in delivering their aspiration to the policy makers, the incumbent or the local politicians. Being opposition and protesting the plan seems to be the most effective way to “participate” the transport planning process. It is also identified that government are less anticipative towards the possible social conflict. The absence of impact analysis, like SIA, before implementing new system of formal public transport can be seen as one the causes of opposition because stakeholders have not enough media to deliver their aspirations or expectation upon the project.

From the research, it is noticed that local policy maker often reluctant to conduct early impact assessment, like SIA. They disregard the importance of evaluation to prevent potential social conflict. In fact, conducting ex-ante evaluation, namely SIA, can be the most potential solution to prevent further competition after a public transport development project has taken place. However, the degree of evaluation culture in Indonesia is still low. Only a very few local governments, as project proponent for public intervention project, who perform impact assessment before executing the intervention plan. The current practices are mainly dominated by the popularity of EIA as project analysis, while social only becomes the small part of its analysis. Focus on this competition issue, SIA seems to be more relevant to be taken as an impact assessment procedure rather than EIA.

How to accommodate demands requested by these informal transport operators so that they are willing to cooperate rather than obstruct the implementation of new public transport service?

Accommodating demands posed by stakeholders refers to the effort of promoting more participation. The idea is to define the “best” setting of policy instrument to strengthen integration rather than create “unhealthy” competition by involving all of these interest groups into a formal or informal meeting to reach common agreement. To achieve better participation, government can invite the informal operators to participate within an organization which provide legal representative for them. To accelerate the

campaign government can give incentives for the individual (informal) operators who are voluntarily join into the formal organization. This process of course has to be legally and institutionally facilitated to ensure that they will have legal voice in formal or informal hearing if they deliver the aspiration through the organization. To choose instruments to accommodate stakeholders' aspiration in order to prevent or relieve competition and improve integration, policy maker can follow the series of stage posed in the guidelines which aimed to raise awareness among decision makers about the potential problem resulted from public transport development plan.

6.3. Reflection

As the reflection from conducting the whole research, from data collection to research construction, researcher faces some difficulties regarding to several issues. First of all is the problem in data collection which is mostly derived from personal interviews with stakeholder from different cities. This field study cannot be done at the whole cities in Indonesia which already implement the BRT system. The consideration is because these cities are located fairly far from each other. Performing direct survey at these areas therefore is difficult. For this reason, the selection of cities as the object of field survey depends on the representativeness based the scale/size of the city (Metropolitan, large-, and medium-sized cities).

Moreover, in performing the interview, not all respondents agree with the recorded conversation (mainly from transport operators group and public transport users). Therefore, the interview process is more like an informal conversation which is "off-the-record". However, this method is helpful to gain more information because they are more relaxed in answering the addressed questions. The advantages are from the flexibility of the process and the deeper understanding of the issue because the data collection method is usually less formal and use open-ended questions that enable the elaboration of detail explanation from the participants/interviewees. The drawback of this method refers to the bias of information from the interviews.

Collecting data for case studies (from the Philippines, Colombia, and South Africa) for comparison is also difficult. There is very limited information available, like studies or literatures that directly discuss about the issue of competition. Most of the data obtained are from reports and document about public transport in general. The competition issue often become part of the discussion about the implementation of BRT and most of them are not straight forwardly mention about the existence of competition. Since the data for the comparison mainly relies on the document analysis; researcher, therefore, has to make careful analysis about the reliability and accountability of source and information that are given, make reflection on the information available into the writing so that they can be used and compared.

In general, using qualitative analysis method carries both advantage and disadvantage. Qualitative analysis method enables the researcher to have in-depth and detail analysis because the data collection method is not limited by a set of categories of analysis. The presentation is also sensitive to the influence of context and the perspective of the interest groups or research users. Finally, the method is flexible and adjustable to the unseen or unpredictable events during the process. However, the method also has disadvantages. First, gaining in-depth and detailed information brings consequences in the more time consumed and less people studies (smaller sample size). Moreover, it is also not easy to generalize the information obtained because the number of sample and respondents are limited. Finally, the analysis of the whole research is dependent on the skill of the researcher itself.

In this research, I acknowledge that dealing with this competition contributes only a small part of solution to the whole social issue cause by the development of urban public transport. The attempt to relieve competition between formal and informal transport operators is only a minor part discussion compare with the abundant problem in public transport sector. Moreover, creating a guideline to prevent or relieve the competition problem is even focus on smaller area of problem solution. However, the whole process of guidelines creation provide

valuable information for readers, planning practitioners, policy makers and other researchers for the learning process, decision making process and the future researches on the topic of public transport service development.

6.4. Recommendation

The recommendations are addressed to the local governments in Indonesia which already adopt or within the process to adopt BRT system into their local territories. They are either already experiencing the impact of competition or prone to experience such condition. The recommendations attempt to have responsiveness among decision makers about aspect they have to consider in designing a public transport development plan. The final recommendations refer to future researchers in order to introduce some vocal points that can be developed into further analysis based on this research.

6.4.1. Recommendation for local government

The recommendations for local government in Indonesia consist of several points: *First*, policy makers especially in the local level have to conduct careful analysis before selecting a new public transport development project in order to prevent competition as early as possible. This can be done by optimizing the potential use of ex-ante evaluation techniques, like SIA.

Second, promoting ex-post evaluation toward the implementation of the current selected instruments or public transport development project is important to optimize their performance. This stage provides feedback about the status of their implementation to anticipate the competition that might resulted from the failure of the first selected instruments.

Third, local government need to intensify the campaign of formal-informal transport integration in order to improve the quality of public transport service in general. The effort can be followed by arranging a set of regulatory instruments to strengthen the position of the informal transport operators and to support the implementation of other chosen instruments.

Fourth, government have to encourage stakeholders' participation by optimising the function of the existing transport organization or by facilitating the establishment of new legal organization at local level. The objective is to open equal opportunities for the affected groups to voice their demands, aspirations and complains so that the potential social conflict can be prevented.

Finally, strengthening the commitment to give full supports (political, financial, and institutional) for the whole planning process is essential as the input for the whole process to achieve the goal of "more integration and less competition" among public transport providers. They play as the key actors which enable the implementation of program or project proposed in local public transport sector.

6.4.2. Recommendation for future research

Competition is a perceive problem resulted by public transport development project that is often ignored. This fact can be notice from the limited body of literatures that discuss or attempt to overcome the competition issue. Therefore, this research intends to generate further analysis on the similar issue of competition among transport operators. Moreover, a future research is needed to improving the guidelines by elaborating and/or adding the key questions of guidelines because answering only thirteen questions may not enough.

Appendix 1 List of interviewees

A. List of the interviewees from national and local government levels:

1. Mr. Ajudin Suriadinata (Transport Agency, Bandung Municipal Government)
2. Mr. Yadi Hariadi (Transport Agency, Bandung Municipal Government)
3. Mr. Suharto (Transport Agency, Bogor Municipal Government)
4. Mr. Rizky Budi Utomo (Transport Agency, Local Government of Yogyakarta Special Authority)
5. Mr. Joko Umboro Jati (Transport Agency, Semarang Municipal Government)
6. Mr. Tofiq (Transport Agency, Surakarta Municipal Government)
7. Mr. Hendrian (Transport Agency, Palembang Municipal Government)
8. Mr. Toni Agus Setiono (National Transport Department, Ministry of Transportation)
9. Mrs. Caroline (National Transport Department, Ministry of Transportation)

The list of the respondents from informal transport operators will not mention the name of the individuals because of sensitivity reasons. The list will only be categorized based on the types of modes and location (city) where they work. Number in brackets shows the number of individuals that was interviewed.

B. List of informal transport operators:

1. Pedicab “becak” drivers in Solo, Surakarta (3 respondents)
2. Pedicab “becak” drivers in Yogyakarta (3 respondents)
3. Minivans “angkot” drivers in Semarang (2 respondents)
4. Minivans “angkot” drivers in Bogor (2 respondents)
5. Minivans “angkot” drivers in Bandung (2 respondents)
6. Minibus drivers in Bandung (1 respondents)
7. Minibus drivers in Yogyakarta (2 respondent)
8. BRT bus driver in Yogyakarta (1 respondent)

Appendix 2 List of interview questions

A. Questions to the local government officials

1. What was the main consideration or background analysis used by decision makers in making the proposal to adopt BRT system?
2. What were the criteria used to select this strategy (to implement BRT concept)?
3. What kinds of problem faced before and/or after the BRT implementation?
4. How is the implementation of BRT so far? (the practical problems, the level of success, the target, the subsidy, etc.)
5. Is there any problem or protests from the existing (informal) transport operators, like *angkot* and mini-buses? If yes, how to overcome the problems?
6. How is the responds from the users?
7. What kind of supports (political, financial and institutional) given by government for the implementation of BRT project?
8. What is your expectation for implementation improvement as an officer in transport agency?
9. What makes the implementation in this city different with the other cities? And what are the main factors of these differences?
10. Do you think the strategy to adopt BRT is satisfactory and able to solve the urban transport problem?
11. What are the main barriers in the implementation?
12. What are the strategies to overcome the protests? And the strategies to spread the information about this new BRT plan to the public?
13. Is the informal transport operators involved in the decision making process?
14. How is the operational of the new BRT system? (fully private, PPP, or fully public)
15. Is there any particular political issues related to the public transport development plan?

B. Questions to the formal and informal operators

1. What is your opinion about your current service?
2. What is your opinion about the new formal buses (BRT)?
3. Do you think their (the BRT buses) existence threatening your existence?
4. What do you expected from government for your future operational?

C. Questions to the public transport users

1. Do you have problem with the current public transport service?
2. What is your opinion about the formal (BRT) and the informal public transport?
3. Which one you prefer to use? And why you prefer that?
4. What kind of improvement needed?
5. Do you think the existence of BRT buses is solving your problem of mobility?
6. Are you willing to pay more for better service?
7. What kind of public service do you expected to be provided by your local government?

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