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The Right Based Approach to Regional Development : Putting Back Equity in Development Policy

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The Right Based Approach to Regional Development : Putting Back Equity in Development Policy¹

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Abstract. The conventional approach to regional development is under increasing criticism questioning its efficacy in solving the contemporary issues in regional development. Economic-growth and market based development has not been able to solve the problem of interregional and interpersonal disparity. In the era of diminishing role of the state, the new policy debates calls for a more active role's intervention to resolve issues of inequality and equity. The rights based approach offers opportunities, which reinstate the new meaning of state's role in development. The cases of two municipality governments, Surakarta and Bandung, in responding the issues of informal street traders/*pedagang kaki lima*, shed the light of possible application of the approach in the future in the context of decentralization.

Keywords: *rights-based approach, informal sector economy, street vendor, urban development*

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Introduction

The conventional wisdom of economic growth is at stake in the current debate of regional³ development. Over the half century from its first inception during Harry Truman's inaugural speech on January 20, 1949, the development projects have failed to meet their promises, instead they move to opposite direction: 'massive underdevelopment and impoverishment, unfold exploitation, and oppression'[3, p. 4]. The achievement of high level economic growth does not necessarily resolve the fundamental problems of poverty and unequal income distribution [4, 5].

Bar-Ela and Schwartz [5] reviews the burgeoning body of literatures on regional development and find that economic growth often requires a concentration of stronger elements of the economy, such as: investments in regions with better infrastructures and populations with better education and skills. This situation inevitably leads to the concentration in selected populations or regions of benefits from growth, which will then generates inter-personal and inter-regional disparities [5]. This framework of analysis can be used to explain the disparity phenomena in Indonesia despite of the high level of economic growth achievement.

As Indonesia entered a new era of decentralization in 2000, there have been significant changes in inter-regional wealth distribution. Within this decentralization framework, more resources have been distributed to the regional governments. Theoretically speaking, this new situation gives leverage to regional governments to manage more resource for development. However, as shown by Islam [6], preliminary assessment indicates that the new fiscal decentralization framework exacerbates the prevailing spatial inequality. This situation calls for alternative approach for policy options to resolve issues of inequality in the era of decentralization.

This paper proposes the rights-based approach to development as an alternative framework for development policy. The right based approach has the leverage to focus people's attention on the issues of equity. It begins with the review of Indonesia's development policy. The subsequent section will lays the foundation of the right-based approach framework, comprising its basic concepts and theoretical underpinnings,

³ See Dawkins [2]for the discussion about the concept of region. The concept of region used in this paper sees region as sub-national administrative entity. Thus, in the context of Indonesia, 'region' refers to '*Provinsi*' as the first-tier region and the '*Kota*' (Municipality) or '*Kabupaten*' (District), as the second-tier region. The focus of this paper is the second tier-region.

principal features and the discussion of equity. The later section will discuss two case studies using the human-right frameworks with reference of Surakarta and Bandung. The final section concludes the discussions and proposes implications and challenges planning and development practices in Indonesia.

Indonesia Regional Development Policy Revisited

Before the 1997 economic crisis, Indonesia was praised as one of the Asian Miracle, which had successfully achieved high and sustained economic growth [7]. Together with other High Performing Asian Economies, Indonesia had become a model for rapid and pro-poor growth economy [8]. During this period, Indonesia attained remarkable economic and social achievement. According Dowling and Chin-Fang [9], Indonesia succeeded to transform the country from a poor country to a major producer of industrial products in Southeast Asia. By the end of the 1990s, the poverty level fell from 64.3% to 11.4%; domestic investment as a share of GDP increased from less than 10% in the 1960s to over 30% in the 1990s; and agriculture's share of GDP fell from over 50% in the 1960s to less than 20% by 1997[9].

These successes can be traced back to the beginning 1967, when Soeharto successfully overthrew the former President Soekarno, and started his New Order regime. In this period, Indonesia changed the direction of its economic orientation from the populist economy as the legacy of the former regime toward a more pragmatic and market-oriented economy [10]. Chalmers and Hadiz [10] further identifies the three phases of Indonesia's economic development from 1967 to the late 1990s, namely: the economic reconstruction period (1967-mid 1970s); the 'oil boom' years era (1974-1982); and the era of economic structural adjustment (mid 1980s-late 1990s).

During the period of economic reconstruction in 1967-mid 1970s, central government policies focused on restoring country's economic activities once were halted during the political and social turmoil. According to Chalmers and Hadiz [10], this period was the most critical phase for Soeharto's New Order regime to assert legitimacy of his power. Therefore, restoring political and economic stability had become the main agenda of Soeharto. With the loyal military forces behind him, Soeharto had successfully eliminated any political opponents and suppressed any views that might compromise his power. Soeharto also took a more pragmatic and market-oriented economic policies to establish economic stability.

The second phase of Indonesia's economic development was during the 'oil boom' years 1974-1982. This was the period when the New Order Regime successfully reinforced its control and legitimacy. With the virtually unlimited financial resources as the result of the booming of oil revenues, central government was able to finance extensive social and rural development projects across the country [10]. During this era, the central government introduced the INPRES program whose purpose was to support the financial capacity of regional government [11]. This inter-regional equalization fund transfer policy coupled by strong control from central government had been able to maintain a relatively low level of regional disparity [6, 12].

The third phase of economic development was during the massive downfall of international oil prices in the mid of 1980s to late 1990s causing the plummeted state revenues [10]. During this period, Indonesia was hit by a series of external shocks during the 1980s, but still managed to sustain annual economic growth of above the average of 5% per annum [13]. The external shocks had significantly reduced state's revenue particularly from the oil and gas sector [14]. This situation led to the substantial cuts in government expenditures and reductions in domestic subsidies to oil, public enterprises and food, as well as the cancellation of dozens of large public-sector projects. Later on, the central government launched a number of financial sector policies and embarked a more free market orientation policies [14]. Nonetheless, Bhattacharya and Pangestu [13] argue that the long-term trend has been influenced by two factors: 1) big shift in Indonesia's external environment; and 2) the evolution of policy aiming the integration country's economy into world market system and yet still preserving a degree of state control over national economy.

Although prior to the economic crisis in 1997, Indonesia achieved magnificent level of national economic growth, issues of regional disparities are still pervasive. The study of Garcia-Garcia and Soelistianingsih [15] find that prior to economic crisis in 1997, although the provincial income had increased significantly and provincial income disparity had decreased, the personal and regional disparities persist. Takeda and Nakata [16] share the same finding with Garcia-Garcia and Soelistianingsih [15] that the decrease in provincial disparities of GDP per capita was contributed from the high economic growth at national level. Takeda and Nakata [16] further argue that the decrease in regional disparities was caused by the economic downsizing in high-income province due to cut of petroleum prices, rather than economic growth in low-income provinces. Soenandar [17] also confirms the previous studies, by showing that the provinces in West Indonesia region contributed substantially to the national GDP, accounting for about 80% by the year of 1997.

The economic crisis that hit Indonesia in 1997 had lead to political instability and economic uncertainty. This situation inevitably changed the course of regional development in Indonesia. The demise control of New Order regime following the resignation of Soeharto from the presidency put the Indonesian unitary state fragile. The threats of national disintegration had created a strong demand toward decentralization of economic decision-making authority and devolution of power to the regional levels [9]. From 2000, Indonesia embarked 'the most ambitious decentralization project among all developing countries' [18] through the stipulation of the Law No. 22/1999 on Regional Autonomy and Law No. 25/1999 on Fiscal Balance between the Centre and Regions, which were then revised by the Law 32/2004 and Law No. 33/2004, respectively. These two laws provide wide discretionary powers for the regions and substantial financial and personnel resources to exercise those powers.

The new policy framework of decentralization, including the fiscal decentralization, entails new formulation of inter-regional transfer. The new formula is designed to mediate issues of interregional imbalance [6, 19]. The new arrangement of fiscal equalization transfer comprises Revenues Sharing/*Dana Bagi Hasil*, Specific Purpose Grant/*Dana Alokasi Khusus* (DAK); and General Purpose Grant/*Dana Alokasi Umum* (DAU).

Dana Bagi Hasil is funds sourced from then national revenue budget (APBN), which is allocated to the region with respect to the potential owned by the producing regions at certain level of percentage in order to finance local needs in the context of decentralization. *Dana Alokasi Khusus* is basically is an earmark grant that is allocated to specific regions and for particular programs based on central government priorities and commitments. *Dana Alokasi Umum* is a block grant particularly designed to equalize regional government's fiscal capacities to finance their expenditure needs. The DAU alone is amounted 25% (26% in 2006) of the net domestic revenues [19]. From that portion, 10% of the fund is allocated for provincial governments, and the rest is for the municipality and district governments.

The new fiscal decentralization arrangement has transferred substantial amount of financial resources to regional governments. It indicates a significant increase of resources transfer compared to the old regime of fiscal decentralization, which was only accounted around 13.4% in 1995 [16]. The abundant amount of financial resource managed by regional governments provides opportunities to decide their own course of development and to resolve issues of inequality. However, some preliminary studies

reveal that the new fiscal decentralization arrangement tends to exacerbate the disparity issues [6, 12].

Referring the illustration above on Indonesia's regional development, there are still two major issues related to Indonesia's regional development: resolving inter-regional disparities and inter-personal disparities. Such issues confirms the argument proposed by Bar-Ela and Schwartz [5] with the reference of Brazil's experience. In order to resolve these issues of disparities, Bar-Ela and Schwartz [5] support the government's actions to take policy measures to foster better income distribution.

The next section will discuss the framework of the rights-based approach that can be incorporated into development policies. Despite its importance, the discussion of proposals for development policies aiming to resolve inter-regional disparity is beyond the scope of this paper. However, it is worth-noting that some scholars have offered entry points for discussion of such issues. Tadjoeeddin et al. [12] and Islam [6] have advanced improvement proposals for regional fiscal equalization policies with the specific emphasis on realizing social accord. Soeharto [20] offers criteria of poverty measurement using the right-based orientation. Such criteria can also be used in the formula of regional fiscal equalization. The rest of the paper will focus on how the rights based approach can be used in the development policies in order to resolve the inter-personal disparity.

The Right Based Approach

Basic Concepts and Theoretical Underpinnings

The rights-based approach (RBA) emerges as an alternative approach to respond the conventional approach to development that is mainly influenced by the neo-classical view of economic development. Indonesia's experience has shown that the high level of economic growth is not necessarily followed by the income equality [15]. Timmer [8] calls for more active state role in order to realize a more pro-poor growth.

The Human Development Report 2000, states that 'human rights are not, as has sometimes been argued, a reward of development. Rather, they are critical to achieving it.' [21, p.iii]. This statement implies that it is imperative to link development practices with the human rights principles. Development, in term of its processes and outcomes, is subject to the compliance to all human rights principles. Gready [22] identifies two principal value-added the RBA may offer. The first value added is the potential of the

approach to re-center the role of state in development enterprise using the provided law framework of human rights. The second value-added is that

First, the right-based approach may contribute to reinstate the role of the state at the center of development enterprise through leverage given by the country's law framework. It means that by using country's law, individuals and organizations are able to bring cases to court in order to secure economic and social rights [22]. The second value-added is that the approach thrives to repoliticize development actions in at least four ways. It redefines development work as right-based rather than benevolence or charity; reclaims the key process of development; aims to address root and structural causes of poverty and conflict; and speaks the truth about power [22].

The emerging rights-based approach is built upon two strands of theories and practices [23]. The first is mainly based on the work of Amartya Sen [24], who conceptualizes the dynamic nature poverty in term of human capabilities and entitlements, and the growing literatures of vulnerability concept, which is particularly advanced by the work of Moser [25], Bebbington [26], and DFID livelihood analysis framework [27]. Within this theories strand, the rights based approach shares the same ideal that everyone has the inalienable rights to live his or her life with dignity. The rights based approach is also influenced by the growing discourse on the importance of institutions, governance, and participation. The work of Gaventa and Valderrama [28] gives the foundation for community to engage actively in social and formal political process, as an important strategy to influence and shape the prevailing institutions, structures, and processes that will eventually implicate one's status on entitlement to key assets to sustain his or her livelihood.

The principal features

The rights-based approach uses the 1948 Universal Declaration of Human Rights (UDHR) as the normative framework used for national and international policy setting for development actions. This normative framework implies a number of principal features of the right-based approach. First, it acknowledges that every individual, regardless of their race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status, is the rights holder. Although the nature of human rights is universal, which means that they are the same for everyone and everywhere [29], more attentions are given to the poor and marginalized groups of the society. The poor and marginalized groups are often subject to any forms of discrimination that put them into deprivation [29].

Second, the framework specifies the rights that every rights-holder is universally entitled. The UDHR and the following covenants, the International Covenant on Civil and Political Rights (ICCPR) and International Covenant on Economic, Social, and Cultural Rights (ICESCR), outlines the universal rights that every human being is entitled. Hirschl [30] suggest that human rights are categorized into “negative” (“first generation”) rights, “positive” (“second generation”) rights, and collective (“third generation”) rights. The “negative” rights are understood as the freedom from interference, which is closely linked with the fundamental freedoms, for instance the freedom of speech. The “positive” rights include freedom to act in a positive way, which traditionally consist of social rights such as the universal right to services meeting basic human needs (e.g., health care, basic housing, education, social security and welfare, and an adequate standard of living). The term “positive” refers to the requirement of states’ actions to promote the well-being of its citizens, rather than merely refraining from acting [30]. The collective rights refer to collective rather than individual, entitlement to common goods [30].

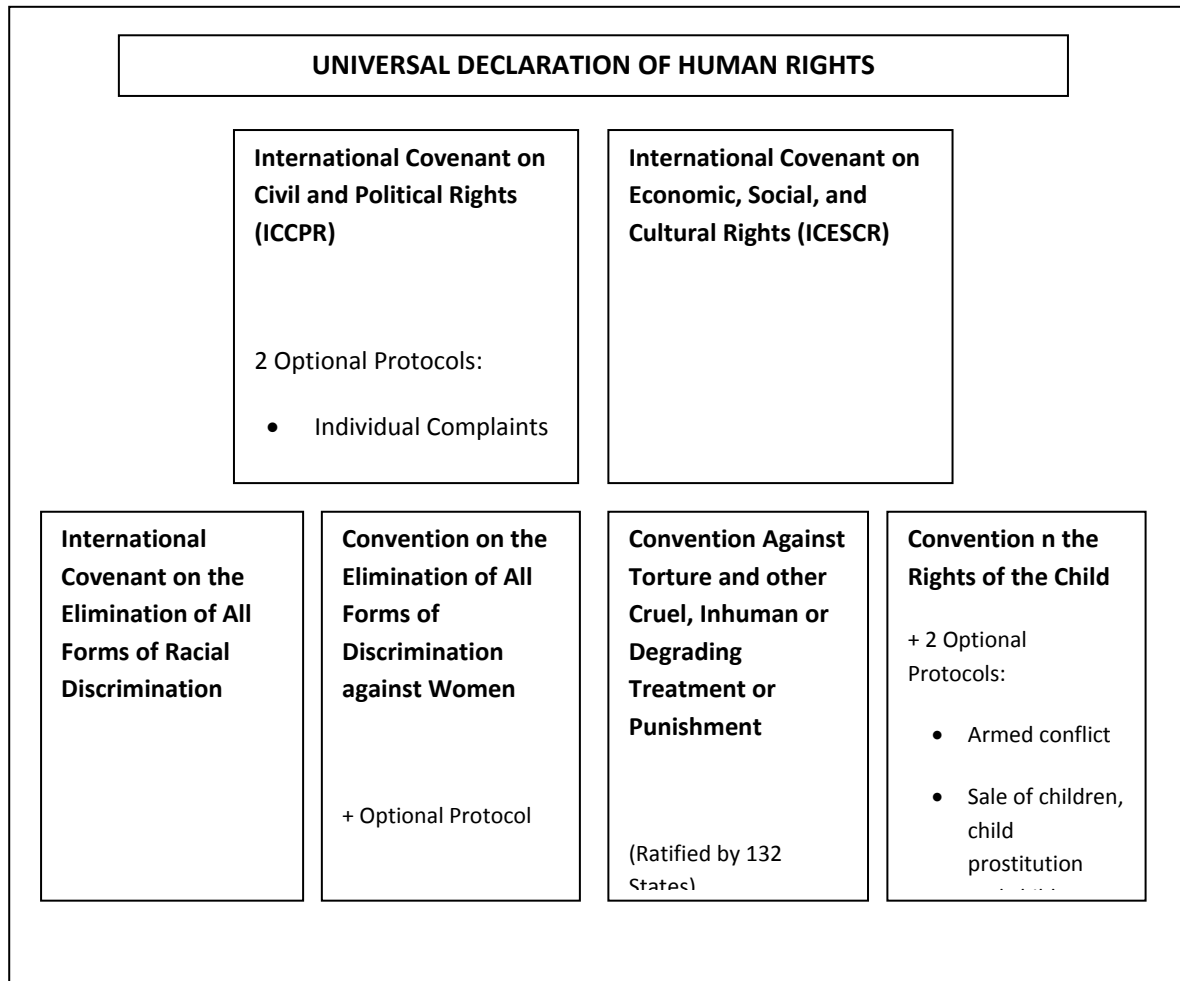


Figure 1 The Core UN Human Rights Treaties

Third, the framework of human rights provide a more specific instruments, which specify minimum standards required before a right can be described as met [29]. As the rights stated in both International Covenant (ICCPR & ICESCR) are often regarded as too abstract to be taken into practice, the Human Rights Committee of the United Nations publishes its interpretations of the content of human rights provisions, in the form of General Comments on thematic issues. For example, the Committee publishes the General Comment No. 14 as an effort to specify the minimum standard of the right to the highest attainable standard of health (article 12 of ICESCR). The general comment

sets the essential elements constituting the rights to health, which covers the availability, accessibility, acceptability, and quality of health services.

As countries ratify the international framework of human rights within their legal system, the framework automatically binds state parties as the principal duty bearers, whose specific obligations to (i) respect, (ii) protect and (iii) fulfill the rights stated in the conventions [1]. Thus, failure to perform any one of these three obligations constitutes a violation of such rights. This means that individuals and organizations are able to bring cases to court if the state party is found violating human rights [22]. However, Hirschl [30] also finds that there are differences among country's legal system that treats the justifiability of the economic, social, and cultural rights.

The rights based approach also features essential principles derived from the concept of institutions, governance and participation, which put together political rights and responsibilities to fundamental aspects of human needs and well-being [23]. UNDP [1] calls for integrating the participation and transparency in decision-making; non-discrimination; empowerment; and accountability of actors in all stages of development processes.

Human Rights and Equity in Development

Equity is the heart of the right based approach to development. However, defining equity is not an easy task. Braveman and Gruskin [31] define equity as social justice or fairness –an ethical concept grounded in principles of distributive justice. In the *World Development Report 2006*, equity is defined in term of two basic principles, which are equal opportunity and the avoidance from absolute deprivation [32]. The equal opportunity means that the outcome of a person's life should reflect his or her efforts and talents regardless of his or her background such as gender, race, place of births, family background, and so on [32]. The avoidance from absolute deprivation means that every person is entitled to be free from any circumstances that may lead to extreme poverty [32]. This suggests that attentions should be given to the neediest member of society even though the principle of equal opportunity has been upheld.

The human rights framework provides the rights-holders instruments to claim rights to equally enjoy the benefit of economic development. Decker et al. [33, p.1] signal that 'economic development without a concern for equity of outcomes or the social arrangements and processes that determine allocations and power, can only serve to reinforce existing inequalities and deprivation'. This is the obligations of the duty-bearer to take any necessary legislative, administrative, budgetary, judicial and other measures

to ensure that everyone has equal opportunity to participate in development process and to enjoy the benefit from development; and to ensure that nobody is being left out from development.

The Rights-Based Approach in Practice

This section will discuss how the framework of the rights-based approach incorporated into development policies particularly with the reference of informal sector development in urban area. Two cases will be presented and followed by the discussion of the cases using the framework of the rights based approach.

Surakarta

As faced by other big city authorities, the Surakarta Municipal government encounters the same problem of the booming number of street vendors following the nation-wide economic crisis that hit the country in 1997. Although informal economy, particularly the street vendors or '*pedagang kaki lima*', had become the safety net for the massive unemployment following the crisis, their existence also generates urban problems particularly when they started to take over public spaces, such as streets, pedestrian ways, parks, etc., as for their economic activities [34]. During the period of 2001-2005, the number of street vendors operating on major streets of Surakarta rose substantially from about 1,100 to 5,817 [35]. This situation calls for immediate government actions to prevent further problems. Learning from the social unrest in 1998, the Municipality government took a more innovative and communicative approach to control the street vendors through its revitalization and relocation programs [35].

In 2001, the Surakarta Municipality Government established Street Vendor Management Office (Kantor Pengelolaan Pedagang Kaki Lima)[34]. According Morrell et al. [35], principal functions of the office are data collection, and conducting, evaluating, and reporting on the strengthening and support program (*pembinaan*); organisation and management (*penataan*); and control and restrictions (*penertiban*). Some of which are the revitalization and relocation programs aiming to manage and control the street vendor bring the informal traders into the formal economy in designated selling areas [35].

Wiyono [34] outlines that government's grand design for street vendor revitalization and relocation programs comprise two main strategies: developing special location designated for relocated traders; and designating special zones that open for street vendors. In the designated areas, traders are allowed to operate by providing them with

permanent shelters, non permanent tents, collapsible shelters; or pushcarts for mobile traders where any other options are unavailable [35]. In the relocation program of traders to new and existing markets, the government provided a new trading location equipped with permanent shelter; expanded and renovated the old building while advising traders to improve their services, cleanliness, and hygiene [35].

One notable success of Surakarta Municipality government is when they succeeded to relocate about 989 informal traders on June 6, 2006, from the historic site of *Banjarsari Monument* to a new location in *Semanggi* on a government-owned land. The relocation proceeded successfully without any resentment from the relocated traders. More interestingly, the relocation process was accompanied by cultural march (*kirab budaya*) to celebrate the peaceful process of relocation [36].

Sjaifudian [37] identifies that the key to success of peaceful relocation process is the willingness of Surakarta Municipality government to take a more communicative approach and have high level commitment toward consensus-based decision making process. The consensus on the relocation process was built upon a lengthy process of communication. There were at least 54 informal meetings initiated by the Mayor to develop mutual understanding between traders and the government [38]. The government has shown high commitment for participatory and transparency process of decision-making.

The economic benefits from the relocation and revitalization of informal sector are apparent. The informal traders were assisted to participate in the formal economy as the government provided traders with free permits comprising Trade Business Permit Letter/*Surat Izin Usaha Perdagangan (SIUP)*, Enterprise Register Mark/*Tanda Daftar Perusahaan (TDP)*; Designation Right Letter/*Surat Hak Penempatan (SHP)*; and Trader Identification Card/*Kartu Tanda Pengenal Pedagang (KTPP)* [34]. These permits and licenses provide formal protection over their status as formal traders. In return, the government charges the newly relocated traders as much as Rp. 2,600,00 (\$4cents) per trader per day. The result was that the government revenue from taxes and retribution in this sector alone accounted Rp. 14,2 billions in 2008, far exceeding the revenue acquired from hotels (Rp 4 billions) or terminals activities (Rp. 3 billions) [38].

Bandung

The Bandung Municipality Government also faces similar problem of the booming of informal economy sectors as faced by other big cities. However the magnitude of the problem is far greater than those experienced by the Surakarta Municipality. Referring

to the survey conducted by *Satpol PP* in 2004, street vendors were mainly concentrated in a number of areas, which are *Bandung Wetan dan Regol* areas (6.000 traders), *Andir* (2,912 traders), *Kiaracondong* (2,500 traders), *Lengkong* (930 traders), *Cicendo* (874 traders), *Cibeunying Kidul* (863 traders), *Coblong* (800 traders), *Astana Anyar* (500 traders), *Sukajadi* (498 traders), and *Bojongloa Kaler* (485 traders) [39]. However, the actual number of street vendors is subjected to fluctuation due to seasonal variations [39].

Responding the issues of informal traders, Bandung Municipality Government takes a more repressive approach. The government officials see street vendors as city problems and only give social and financial burden to the government, undermining their significant role in urban economy. Using *Perda No. 11/2005 tentang Ketertiban, Kebersihan, dan Keindahan* (Local Regulation No. 11/2005 on City Order, Cleanliness, and Beauty) as the legitimacy, Bandung Municipality Government through *Satuan Polisi Pamong Praja/Satpol PP* (Civil Police Unit) had launched a number of measures to get rid street vendors from various strategic locations. In order to back up *Satpol PP*'s operations, municipality government allocated a big sum of money. In 2007, *Satpol PP* received approximately Rp. 4 billions while in 2008, it only received Rp. 2.1 billions [40].

The government assigned seven street-vendor-free zones covering areas in *Alun-alun* area, *Dalem Kaum* street, *Dewi Sartika* street, *Oto Iskandardinata* street, *Merdeka* street, *Kepatihan* street, *Jenderal Sudirman* street, and *Asia Afrika* street. In these street-vendor-free zones, the *Satpol PP* officials are deployed to prevent or even take necessary actions to get rid street vendors. Motivated by the need to earn money, street vendors are persistent to go to these zones although they bears the risk of being arrested and losing their goods. This situation has resulted series of violence clashes between *Satpol PP* officers and street vendors.

A number of efforts to relocate the street vendors had been launched by the government with varying degree of success. Relocation of street vendors from Tegallega Park to Gedebage Market, and from *Kepatihan* and *Supratman* street to *Cilaki* street have been regarded successful, although some dissatisfactions among relocated traders still persist [41]. The unsuccessful relocation of street vendors around Alun-alun areas to the Masjid Agung underground areas was due to the lack of government commitment to fulfil any conditionality agreed during preparation meetings [42].

The negative sentiments toward the existence of street vendors in Bandung Municipality are not limited within government institutions. Some academics also raises their

concern that Bandung society is virtually not benefitting from the presence of street vendors and only receives negative excesses [43]. This is due to the fact that the majority of street vendors come from outside Bandung.

Discussion

The discussion of the two cases will be focused on three aspects. First, it will identify what human rights are involved and possible violations. It will evaluate the degree of government's obligations are fulfilled. It will also examine how development policy actions contribute to promoting equity within the context of regional or urban development.

Human rights involved

The two cases illustrate that government actions dealing with the informal economy sector involve 'the rights to work, which includes everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right', as stated in the Article 6 point 1 of the *International Covenant on Economic, Social and Cultural Rights*. In point 2, the Covenant outlines the steps to be taken by a State Party to achieve the full realization of the right to work, which include 'technical and vocational guidance and training programs, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual'.

The covenant usually only provides a broad definition of the respective rights. The specific interpretation may be referred to relevant General Comment. The available relevant general comment for the rights to works (Article 6 of ICESCR) is the General Comment No. 18/24 November 2005. However the contents of the general comment are irrelevant to be used as international standard of the rights of works in the context of informal sector activities.

Therefore it is important to further analyze informal street-vending phenomena using basic capabilities and entitlement framework as discussed earlier. Using this framework, it is imperative to acknowledge that those who work in informal economy have a higher degree of vulnerability to any shocks or external pressures, which may cause further deprivation. Some studies suggest that the major source of vulnerability in informal sectors is its informality nature that prevents the people who participate in it to access key assets to sustain their livelihood [44, 45]. According to Soeharto [45], informal street vendors, use space in the public spaces that are originally not designated for trading

activities and it is also considered illegal. Due to their informality, the informal worker/entrepreneurs hardly have access to financial resources, since they do not have assets to be used as collateral for applying credit. The street vendor are also vulnerable to physical abuses and exploitation [39, 45].

Combining the human rights instrument discussed earlier and the vulnerability analysis of the informal sector economy, the rights to work can be elaborated as follow. The rights to works in informal economy sectors, particularly the informal street-vendors, involve the rights to secure access to space for their economic activities; and the rights to secure access financial resources.

Assessment of government's obligations

Within the rights-based framework, the State is the principal duty-bearer having obligations under the law to ensure that the rights of the rights-holder are being met. State obligations cover obligation to respect, to protect, and to fulfill the rights of the rights-holder. The detail description of government's obligations on the rights to work in informal sector economy is elaborated in **Table 1**.

Tabel 1 Description of Government Obligations on the Rights to Work in Informal Sector Economy

Human Rights Involved	Government Obligation		
	<i>To Respect</i>	<i>To Protect</i>	<i>To Fulfill</i>
<i>The rights to work (Article 6 ICESCR)</i>	The government should not take any actions that may interfere with the enjoyment of rights to works by those who decide to gain living in informal sector economy activities.	The government should take any necessary actions to prevent violations of the rights to work in informal sector economy activities by other parties	The government should take appropriate legislative, administrative, budgetary, judicial and other measures towards the full realization of the rights to work in informal sector economy

Based on the description of government's obligation in the Table 1, the assessment of the government's obligations based on the two cases is elaborated in **Table 2**.

Table 2 Assessment on Government's Obligations on the Rights to Work in Informal Sector Economy

<i>The rights to work (Article 6 ICESCR)</i>	<i>Government's Obligation</i>		
	<i>To Respect</i>	<i>To Protect</i>	<i>To Fulfill</i>

<i>The rights to work (Article 6 ICESCR)</i>	<i>Government's Obligation</i>		
	<i>To Respect</i>	<i>To Protect</i>	<i>To Fulfill</i>
<i>Surakarta Municipality Government</i>	The government embarked revitalization and relocation of PKL traders aiming to restore city order without compromising their rights to work	- The government established a special office having responsibilities to manage informal trading sector. - The government provided the newly relocated traders with permits and licenses that would give protections over their existence in the new location	- The government secured informal traders access to space by providing: - new trading areas for designated for relocation program - designated informal trading areas with conditionality attached - renovated market areas. - The government committed to fulfill any agreements made between government and traders in the relocation project such as: advertising new trading location in television in order to attract visitors. - The government secured traders access to financial resources by providing legal permits and licenses, which are essential for applying credit through banking institution.

The rights to work (Article 6 ICESCR)	Government's Obligation		
	To Respect	To Protect	To Fulfill
Bandung Municipality Government	The government took a more repressive policy toward PKL traders using Perda No. 11/2005 as the legitimacy aiming to restore order at the expense of the rights to work in informal sector economy.	- The government has not established special institution having responsibilities to take care informal trading affairs. - The government also did not take any actions to grant formal recognition on their status. - The government did not take any necessary actions to prevent any exploitation and physical abuses received by the informal traders.	On contrary to providing access to space, the government designates seven street-vendor-free zones. Traders who are found doing trading activities in these areas will be arrested, and all their goods will be confiscated.

Based on the assessment of the two cases, Surakarta Municipality Government shows higher degree of commitment to fulfill its obligations on the rights to work in informal sector economy compared to its Bandung counterpart. It is important to understand the factors that motivate these two governments to take different approach toward street-vendors. Although, Surakarta Municipality Government did not intentionally use the human rights framework when they started the revitalizations and relocation program, the principal factor lays in the government's philosophy when dealing with the public affairs. The philosophical underpinning is the "*Nguwongke Uwong*", a Javanese philosophy that emphasis a more humane approach toward others and recognizes

others' rights to be treated with dignity as human being. This philosophy requires using a more participatory approach and recognizes the importance of the views and voices of the people [36]. The approach taken by Surakarta Municipality government coincides with the principles of human rights.

In contrast to the Surakarta case, the Bandung Municipality government takes a more negative attitude towards street vendors. Even more, the government is found ambiguous when dealing with the street vendors. Informal street vending activities in Bandung is considered as revenue contributor but also as the problem for the city [40]. Such ambiguities lead to unclear approach of government to resolve street-vending issues. This situation is also exacerbated by the actions of the street bureaucrats, who exploit the street vendors by demanding unofficial contribution for personal benefit [39].

Equity

Some scholars have proposed strategies to extend equity accompanying economic growth. Timmer [8], with his proposal for pro-poor growth, advances strategy to extend equity by improving the 'capabilities' of the poor, lowering transactions costs in the economy, especially between rural and urban areas, and increasing demand for goods and services produced by the poor (or for labor directly). This suggests that, economic growth should be accompanied by measures that will ensure that the majority of the population is benefiting from the economic growth itself. This is where the active role of the government is needed.

Both cities, Surakarta and Bandung are growing cities propelled by the industrial and trade sectors. As the duty-bearer, both municipality governments have the obligations to take any measures to ensure that everyone has equal opportunity to tap the benefits from economic development. Therefore, appropriate policy measures are needed to accelerate distribution of welfare across population. Focusing attention toward informal sector economy is one important innovative policy option based on a number of reasons.

First, the informal sector economy constitutes a substantial portion of labor market, accounting 63.8% in 2005, 64.3% in 2006, and 65.4% in 2007 [39]. Therefore, strengthening the informal sectors particularly in urban areas will eventually contribute to reduce unemployment. Secondly, the informal sector has strong linkages with the livelihood of the poor by providing affordable goods and services to these groups of population. Thirdly, the economic benefit of informal sector economy is still untapped

and with proper policies, this sector will be able to contribute to regional revenue. As shown in Surakarta case, the government has succeeded to generate more revenue as the result of the proper management of informal sector. The additional revenue will eventually provide leverage to local government to invest in public spending aiming for social and economic development. A study conducted by Muljarijadi and Thio [46], which estimates the economic valuation from the informal sector activity in Bandung, hints a new prospect policy option to tap the economic benefit of the sector.

Conclusion

This paper shows that a high level of economic growth does not necessarily lead to reduced disparity across regions and populations. In many cases market fails to work as the most effective means to promote reduced imbalances. This is where the active roles of the state are reinstated to reduce issues of interregional and interpersonal disparity.

The rights based approach provides an alternative way of thinking to deliver equity in development. It emphasizes that any measures taken by the government institution do not violate individual's rights to have equal opportunity to participate in development process and to tap the benefit from economic development. The story of two cities opens up new possibilities for policy innovations derived from the human-rights principles. Within the human rights framework, the fruit of economic development should not be enjoyed exclusively by those who work in formal sector, but to all people regardless their background. With proper policy measures, government institutions can fulfill their obligations as the duty-bearer without being burdened by such duty. The Surakarta case shows that they can earn more revenue from the informal trading sector without compromising the rights of the street vendors to work.

The street based approach can be applied in many development sectors that involve the rights of the right-holders, particularly those that are categorized as social, economic, and cultural rights. In health sector, everyone is entitled with adequate access to health services. The government should take policy measures to ensure adequate access in terms of physically accessible, economically affordable, with acceptable level of quality. Some regional governments have developed a number of policies to fulfill their obligation on the rights to health. Dwicaksono and Nurman [47] review a number of policy innovations introduced by seven district and municipality governments to provide affordable and accessible health service for every citizen. In health sectors, some regional government has launched free elementary education, a policy that coincides with the rights to education as stated in ICESCR.

There are also some implications induced by the rights-based approach to planning practices. First, it requires planners to seek innovative solution beyond the conventional ways to address urban and regional problems. The two cases illustrate that planners are expected to seek innovative solution beyond the conventional view to address urban and regional problems. As the case of informal street vendor activities, planners should see that these activities are part of the urban life and therefore need equal attention with the focus of other issues, for instance on how to develop growth centers in urban and regional areas.

The approach also requires the planners to recognize the implications that may be created by the development policy proposals on any individuals' rights. A set of policies that are designed for the benefit of the whole society, may violate individual's rights. The case of the road blockading by a thousand of clerics in Cirebon to protest the toll road construction project [48] is one example of such policy. The *pesantren* (Islamic boarding school) is impacted by the toll road project. The *pesantren* area will be divided by the construction of new toll road. Although the project is designed with good intention, however, it violates the rights of people to enjoy cultural life, the rights to property, and the rights to from forced eviction.

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