The Paradoxy of Governance and Regional Autonomy in Indonesia

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ABSTRACT

This study examines the paradox of governance and regional autonomy in Indonesia by tracing the historical development of decentralization and evaluating its implications for contemporary development administration. Using a qualitative critical literature review and interdisciplinary analysis, the study synthesizes relevant literature, historical sources, regulations, official data, and previous studies on Indonesian governance from the Nusantara kingdoms and Dutch colonial administration through the Old Order, New Order, and post-1998 Reform era. The analysis shows that regional autonomy has produced important opportunities for strengthening local democracy, bringing decision-making closer to communities, encouraging local innovation, and enabling development strategies that respond to regional needs. However, decentralization has also generated significant challenges, including corruption among regional leaders, the emergence of local political oligarchies or "little kings," unequal institutional and human resource capacities, continued fiscal dependence on the central government, and persistent development disparities across regions. The study argues that these contradictory outcomes demonstrate that decentralization alone cannot guarantee effective and equitable regional development. Strengthening accountability and oversight, institutional and bureaucratic capacity, public participation, fiscal capability, intergovernmental coordination, and inclusive governance is therefore essential to improve the effectiveness of regional autonomy. Overall, regional autonomy remains an important governance framework for Indonesia, but its long-term success depends on continuous institutional reform and the capacity of central and regional governments to balance local autonomy with accountability, equity, and sustainable development.

INTRODUCTION

When we examine the history and dynamics of Indonesian governance, one key theme that cannot be overlooked is regional autonomy. Since the Reformation era of 1998, regional autonomy has been touted as a major project to bring public services closer to the people and spread development evenly across the archipelago. High hopes have been inherent from the outset: to make regions more independent, support policies responsive to local needs, and improve the quality of life for the community. However, we must honestly ask: has regional autonomy truly achieved its lofty goals? After twenty years, empirical data shows a contradictory picture.

On the one hand, some districts and cities have successfully optimized their regional potential, for example, through governance innovation and community empowerment, leading to increased prosperity. However, on the other hand, many regions remain mired in persistent problems, such as corruption, inequality, and local conflict. This phenomenon raises the question: are these noble promises of decentralization still a puzzle we must solve together? Therefore, we need to investigate the factors causing these disparate outcomes to ensure that the goals of decentralization are truly realized equitably.

To address this paradox, we need to adopt a holistic and multidisciplinary mindset. A multi-perspective approach and the concept of ecological administration help us view the reality of regional autonomy from various perspectives. The phenomenon of decentralization cannot be explained solely from a political or public

policy perspective but must also consider the local social, cultural, economic, and environmental context. For example, the interaction between regional officials and local communities or specific economic interests can be explained through the lens of ecological administration.

Simply put, administrative ecology views local governments as part of an interconnected governance ecosystem, rather than as monolithic entities. This approach allows us to identify more comprehensive cause-and-effect relationships. Furthermore, the methodology of critical literature studies synthesized with interdisciplinary analysis provides a strong academic foundation for this study. With this approach, we strive to develop a holistic framework for a deeper understanding of the dynamics of regional autonomy.

This approach is crucial to avoid becoming trapped in a narrow analysis that only looks at one side of the problem. We also incorporate institutional perspectives and political economy theory to broaden our insights. The goal is to build a truly comprehensive framework, so that proposed solutions address the root of the problem and not just the surface symptoms. Thus, we strive to organize each finding as part of a broader, holistic picture of regional autonomy. Ultimately, this comprehensive approach is expected to foster synergistic thinking between theory and practice, ensuring that this study is not only academically sound but also relevant for policymakers.

RESEARCH METHOD

This study employs a qualitative critical literature review approach. The analysis synthesizes relevant literature, historical sources, regulations, official data, and previous studies concerning regional autonomy and decentralization in Indonesia. An interdisciplinary perspective is applied by integrating historical, institutional, political economy, and development administration perspectives to examine the development, challenges, and paradoxes of regional autonomy.

Historical Roots of Regional Governance

As a systematic framework, this speech is structured into several interrelated main sections. First, we will trace the historical roots of our governance. We look back to the era of the Nusantara kingdoms, where our society developed its own local wisdom and political structures. We will also examine how Dutch colonialism transformed the face of government, as well as the legacy of feudalism that still influences the present day. Then, our historical journey continues through the transition period to independence, through the Old and New Order eras. In this section, we examine how the Old Order government attempted to approach autonomy and why the New Order reaffirmed centralization. After understanding these historical roots, our focus shifts to the 1998 Reformation era. Here, we examine the first wave of reforms and the decentralization policies adopted. We also discuss important regulatory changes in regional government law (Law 32/2004 and its revision, Law 23/2014), which define the framework of central-regional authority. Equally important, we highlight the phenomenon of post-Reformation regional expansion, a new dynamic that emerged alongside the spirit of decentralization.

Dynamics of Regional Autonomy History

Next, this speech examines the serious challenges facing regional autonomy today. The following section focuses on the paradox of growing corruption in several regions, as well as the frequent phenomenon of "little kings" and local political oligarchies. We also examine the issue of development disparities between regions: has decentralization succeeded in equalizing progress or has it actually widened the gap in inequality. In response to these challenges, the discussion then turns to the potential of regional autonomy as an instrument for sustainable development.

Here, we discuss how regions can optimize local resources and empower their communities, as well as the structural barriers that must be overcome to realize this potential. The next section emphasizes the role of inclusive institutions as catalysts for regional development, including lessons from the theory of failed nations and case studies from Asian countries. We also discuss the adaptation of public administration in the digital age, including e-government transformation and its accompanying challenges.

Our first step is to trace the historical roots of governance in the Indonesian archipelago, before the colonial era. Traditional kingdoms in Indonesia developed distinctive government systems, deeply rooted in local wisdom and customary values passed down through generations. Communities were led by kings or tribal chiefs, supported by a simple yet effective bureaucratic structure. One example of a key institution was the position of Bendahara, which not only served as the treasurer of the kingdom's finances but also served as a symbol of trust and a counterweight to the king's power (Heo, 2018). We can imagine how the Bendahara played a crucial role in maintaining economic stability and designing equitable royal trade policies. Broadly speaking, the socio-political structure of the Indonesian kingdoms was generally decentralized, meaning power was shared among local leaders and a system of customary adjudication.

Customary norms supported this distribution of power, enabling local governments to adapt policies to the needs of their communities. The success of governance during this kingdom era underscores the importance of local autonomy as a crucial pillar of national governance. During that era, despite the hierarchical nature of the kingdom, local creativity and popular participation were often incorporated into governance, reflecting harmony between the central government and the regions. For example, the Majapahit Empire in the 14th century successfully unified a vast territory because its king and prime minister actively involved regional leaders in the decision-making process.

The Majapahit government operated not only from its capital in Trowulan, but also through a network of palaces in Java and beyond, demonstrating effective decentralization. This demonstrates a valuable lesson: governance that incorporates local wisdom and intensive communication between regions can foster stability and shared progress. By understanding this historical foundation, we realize that the concept of autonomy is not foreign; in fact, traditional governments have organically incorporated it into the daily lives of people throughout the archipelago.

However, the arrival of Dutch colonialism drastically and systematically changed the governance of the archipelago. From the 17th century, the Dutch *East Indies (VOC*) and subsequently the Dutch East Indies government established laws and policies that strongly favored central control. A series of strict policies were implemented, from the Cultivation System (Cultuurstelsel), which forced farmers to provide part of their crops for Dutch needs, to the construction of government offices and military forts in the colonial capital, Batavia. These policies marginalized traditional governance systems: native kings and traditional leaders were often used as symbolic figures with no real authority. Instead, a bureaucratic Dutch administration, full of superiors and subordinates, developed to replace the role of local traditions.

For example, the once-respected position of royal treasurer was gradually transformed into a colonial administrative position reporting solely to Dutch officials. Thus, the customary institutions and mechanisms of local wisdom that had once been the foundation of the Indonesian archipelago's governance were weakened. Consequently, centralization of power became the norm: the central government of the Dutch East Indies had absolute authority over taxation, trade policy, and security, without regard for regional aspirations. Meanwhile, the unity of the vast colonial territory was maintained through strict control, administrative divisions, and the elimination of the autonomy rights previously enjoyed by local kingdoms.

In short, colonial history left a profound legacy of centralism. This centralization had a lasting impact that only gradually faded decades later when decentralization policies were implemented. Although the colonial era is over, its shadow remains in today's governance patterns.

The legacy of the feudal system of kingdoms has become a burden in our modern political journey. The collapse of traditional royal power due to colonialism did not immediately eradicate deeply entrenched patterns of patronage and nepotism. In practice, some old elites managed to maintain their influence after adapting to the new political order. As a result, local oligarchic groups emerged, inheriting the patron-client structure. Certain regional families still dominate the political scene today, seemingly untouched by the shift in national power. This phenomenon demonstrates that even though the central government restructured the government system, feudal patterns remain hidden within local bureaucracies.

In the modern context, we see that traditional power dynamics still emerge: regional officials appoint trusted family members as key officials, or there is a division of power among former loyalists. These patterns are similar to those of the past: the interests of the extended family prevail over the principle of public service. As a result of this feudal legacy, the values of transparency and accountability are threatened, as local governments tend to prioritize loyalty and old power structures over efficiency and fairness. This situation is exacerbated by the lack of strong accountability mechanisms at the regional level; without decisive bureaucratic reform, the old party culture will continue to recur. Therefore, understanding this feudal legacy is crucial to ensuring that any institutional reforms are targeted.

During the Japanese occupation (1942-1945), the Japanese military government increasingly tightened central control. All policies were directed towards supporting the Japanese war machine, so that occupied territories were utilized solely for military purposes. The Japanese military authorities completely eliminated local autonomy, appointing Japanese officials or collaborators who were solely accountable to the central government. Civilians and local leaders were given little room to participate in government. Instead, local government power flowed through a military chain of command directly connected to Tokyo, rendering local governments merely extensions of Japanese authority. In some cases, military officials even took over legislative and executive functions at the local level, making development policies and other public policies at the village or city level merely formalities.

The experience of the military regime created institutional trauma: the existing regional autonomy was forced to give way, and its traces were only completely erased after the Proclamation of Independence. Even after independence, this centralistic spirit carried over into the new governance model, as we will see in the next section. This bitter experience taught us that if government is too centralized and controlled by a narrow elite, the aspirations and needs of the people in the regions will be completely neglected. This situation underscored the importance of sound local autonomy for government resilience and public welfare. This lesson later became a crucial consideration when designing the post-independence government structure.

After Indonesia's independence, during the Old Order era (1945-1966), the fluctuating political situation continued to encourage the centralization of power. National leadership during this era focused more on maintaining national unity and addressing various internal conflicts, resulting in many policies strengthening central control. As a result, regional autonomy was effectively limited. Although the constitution provided space for regional government (Ohemeng, 2022), its implementation was hampered by the political and economic crisis. Local areas were often viewed as subordinate regimes that had to obey, rather than as equal partners in development. After the proclamation of independence, the Old Order era brought a different political nuance.

During this period, President Sukarno implemented the concept of "Guided Democracy," a model of government that some considered sacrosanct and centralized power. Although a spirit of nationalism and decentralization was briefly promoted, the unstable political conditions provided the basis for more centralized policies.

The Old Order government was marked by various political upheavals, ranging from regional rebellions to ideological tensions between political groups in Jakarta. To maintain unity and confront these threats, central power was strengthened, with regional autonomy becoming increasingly limited. For example, while the constitution provides a basis for regional government autonomy, its implementation was often neglected in the interest of maintaining national stability. Many key decisions, from budget allocation to regional development policies, were made directly by the central government, with little consultation with local governments. As a result, local governments were positioned almost as administrative subordinates, carrying out central orders, rather than as equal partners. Despite this, several initiatives in infrastructure and education began to be promoted in the regions, serving as the precursor to modern Indonesian development. However, all of these remained under the control of central government decisions. A key lesson from this period is: maintaining a balance between national needs and regional aspirations to maintain political stability without sacrificing local development.

Conditions changed drastically during the New Order era (1966-1998), which implemented a stricter centralization system. Under President Suharto, national political and economic power was completely centralized. The single ruling party (Golkar) and the Pancasila system as the sole principle of the state became the primary instruments of political control, diminishing the role of local parties and governments. Presidential Instructions (Inpres), for example, became a policy instrument, binding regional heads to absolute compliance with central orders.

Massive infrastructure developments such as national roads and large-scale projects in many regions may seem impressive, but their planning and implementation were always under the strict supervision of the central government. As a result, more fundamental development policies were determined by the central government, while regional initiatives were limited to operational matters. In this era, regional autonomy was largely symbolic; local governments acted as executors of central government programs. Even new districts or cities established during this period had to undergo strict permit and approval processes from the central government.

This depiction of the New Order era demonstrates that even successful development was still centrally controlled, leaving regions without full freedom to determine their own development direction. Many criticized this approach, as it stripped away regional autonomy and responsibility, creating a distance between the central government and its citizens. While this approach brought national stability, we recognize the price paid for it was a lack of local initiative and adaptation, which regions need. The lessons of the New Order era emphasize that while a single central government can direct large-scale development, regional autonomy remains crucial for directly addressing community aspirations.

The 1998 Reformation Era marked a dramatic turning point in the history of Indonesian governance. A wave of protests and demands for democracy toppled the old regime and ushered in a new, hopeful chapter. Since then, the spirit of decentralization has been a key focus: the public hoped for greater regional independence. Many new regions were established in response to local pressure for governments to better represent their specific needs. The concept of regional autonomy was introduced as an effective way to bring public services closer to the people and as a mechanism to prevent absolute central power domination. The new government began building an institutional framework to realize these hopes. For example, direct elections for regional heads would be implemented as a form of local democracy, ensuring that regional officials would truly be elected by the local people. Implementing general elections for regions, increasing budget allocations, and decentralizing responsibilities were concrete steps taken during the early stages of reform.

This political transformation is filled with optimism: decentralization is expected to address the root causes of poverty and inequality in remote areas of the country. We could liken this era to a new dawn for regional autonomy, where local hopes and aspirations can begin to gain ground. However, it's important to note that this high spirit of reform demands caution: major changes must be accompanied by careful planning to ensure the lofty goals are achieved effectively.

Subsequently, regulatory frameworks were restructured to support the era of decentralization. In 2004, the government passed Law No. 32 of 2004 concerning Regional Government, which provided the first legal framework for regional autonomy since the New Order era. Law 32/2004 more precisely defined the division of authority between the central and regional governments. It stipulated the types of government affairs that fall under the authority of the regions, ranging from education and health to basic infrastructure. While national strategic matters remained the domain of the central government.

Furthermore, this law regulates the distribution of fiscal balance funds: such as the General Allocation Fund and the Special Allocation Fund to support regional development. Thus, Law 32/2004 was expected to provide a more robust legal framework so that regions could manage their own resources and be responsible for local development. Several years later, this law was revised through Law No. 23 of 2014. This revision clarified the central government's oversight mechanism for the implementation of regional autonomy, while also increasing regional authority in planning and financial aspects. Essentially, this regulatory change aimed to deepen fiscal, political, and public service autonomy while addressing weaknesses in previous implementation.

This new and updated legal framework provides a key foundation for regional governments to innovate and take responsibility for driving local development. Furthermore, Law 32/2004 ushered in a major innovation in local democracy; regional heads and their deputies began to be directly elected by the people, lending strong legitimacy to local governance. The oversight provisions in this law also provided space for periodic evaluations so that the central government could continue to monitor the overall implementation of autonomy. Furthermore, regional governments were encouraged to be more creative in formulating their regional budgets (APBD), given that they now had the authority to determine their own development priorities. However, this new framework also raised new questions: how quickly and effectively could regional governments adapt to these increased responsibilities? This issue prompted the government to revise its policies to optimize decentralization.

The Paradox of Decentralization and Regional Expansion

The excitement of the decentralization era was also marked by massive regional expansion. Hundreds of new provinces, regencies, and cities were born in the first decade of the Reformation in response to public demand for more responsive and representative government. This process fostered optimism that by dividing administrative regions into smaller ones, the government would be closer to the people. However, the euphoria of this expansion also had complex consequences. New autonomous regions often faced funding challenges; due to their small economic scale, financing their bureaucracy and public services became a significant challenge. A double burden arose when budgets were cut to support the dual government units of the old province and the new province, or the parent district and the new district. For example, some new districts had to operate with regional government facilities that were not yet fully ready; office infrastructure, human resources, and even budgeting systems required rapid improvements. This expansion phenomenon then raised a major question: does administrative division of regions truly bring services closer to the people?

After examining the face of decentralization through the enactment of laws and regional expansion, data shows that the reforms have indeed resulted in significant administrative expansion. The number of provinces increased from 27 in 1998 to 38 in 2022, while the number of regencies/cities increased from 341 in 1999 to 514 in 2024. These figures confirm one thing: regional autonomy is not simply a change in the name of a region, but rather an expansion of authority, service delivery, and political expectations for local communities. However, broadening the government structure does not automatically mean deepening the quality of governance. It is at this point that we must honestly acknowledge that expansion often proceeds faster than capacity building, faster than accountability improvements, and faster than building bureaucratic integrity.

Therefore, regional expansion needs to be read not only as a political victory for decentralization, but also as an institutional test for the state. On the one hand, expansion opens access to services and brings the state closer to the people. On the other hand, it creates new burdens: increased government spending, fragmented coordination, and increasingly complex local political risks. As authority increases, oversight should also strengthen. However, data on regional head corruption shows that the expansion of authority in many areas is accompanied by increased opportunities for abuse. The Corruption Eradication Commission (KPK) records 207 regional heads as perpetrators of corruption in its official statistics, while the Indonesian Corruption Watch (ICW) reports that at least 356 regional heads were implicated in corruption between 2010 and 2024. At this point, regional autonomy reveals its most poignant paradox: territory increases, authority expands, but integrity does not necessarily strengthen.

This expansion phenomenon raises a major question: does administrative division of regions truly bring services closer to the people? The following data suggests otherwise.

Table 1Recap of regional head corruption cases

Source	Data range	Main findings	Methodological remarks
Corruption Eradication Commission	2004–2025	207 regional heads	176 district heads/mayors and 31 governors in KPK statistics

KPK quoted by ICW	until January 3, 2022	170 regional heads	148 district heads/mayors and 22 governors
ICW	2010–June 2018	253 regional heads	Suspect status/being prosecuted by law enforcement officers
ICW	2010–2024	356 regional heads	ICW monitoring recap
Notes	—	Cannot be added directly	Scope and terms vary between sources



Regional expansion data demonstrates an extraordinarily rapid and extensive administrative expansion. In less than three decades, Indonesia added 11 new provinces and more than 170 regencies/cities. This is not simply numerical growth, but a reflection of a fundamental political choice: the state consciously redistributing authority, resources, and decision-making space to the local level.

However, behind this expansion lies a critical question about capacity. The massive expansion of regional governments during the early reform period demonstrated the characteristics of "big bang decentralization," namely the rapid transfer of authority without adequate institutional readiness. This is evident in the pattern of district/city development, which surged sharply in the early 2000s, then slowed after the government began evaluating and implementing a moratorium. This means that the state itself recognizes that growth in the quantity of regions does not always align with improvements in the quality of governance.

Further analysis is needed to balance the positive and negative aspects of regional expansion, so that the desired goal of equitable development can be achieved without burdening the state's finances and administration as a whole. Another frequently encountered problem is narrow political factors: in some cases, regional expansion is driven by local political interests, rather than objective administrative needs. Shifting political support among regional elites also sometimes complicates the process of forming new regions.

Thus, the initial euphoria of regional expansion needs to be tempered by rigorous evaluation mechanisms to ensure that the formation of new regions truly meets the needs of the community. Overall, the post-Reformasi regional expansion phenomenon teaches us to carefully balance the spirit of decentralization with institutional and fiscal considerations to maintain the fundamental goals of equality and democracy.

The paradox of corruption lurks behind the spirit of decentralization. Despite the spirit of autonomy, many autonomous regions are plagued by rampant corruption. The substantial funds allocated to local governments

in the form of General Allocation Funds (DAU) and Special Allocation Funds (DAK) are often misused. Several studies (Mutawally, 2022; Indrawan, 2014) reveal a systemic pattern: infrastructure budgets are inflated through fictitious tenders, and collusion in public development projects. This phenomenon creates an irony: the noble intention of transferring authority to the regions is instead misused for abuse of power. Permissive attitudes and weak budget transparency at the local level create new "corruption havens," as oversight is often merely a formality.

We must acknowledge that without strong public accountability, the potential for misappropriation of funds is unstoppable. In fact, such behavior becomes even more entrenched when regional bureaucrats view central government funds as "state money" to be used as they please. Consequently, the people are the primary victims of financial leakage, as promised development programs are neglected.

Reincarnation of "Local Kings"

A crucial question arises: why are autonomy initiatives, with noble intentions, often accompanied by massive corruption? Is this a test for us to further strengthen ethics and oversight? The answer needs to be sought together. The classic concept is that "power tends to corrupt." The broader the authority, the greater the temptation for officials lacking integrity. However, the root of the problem is complex.

There remains a low level of awareness of bureaucratic ethics in some regions, compounded by uneven oversight. The law often fails to prosecute perpetrators due to a lack of coordination between oversight agencies and a weak legal bureaucracy in the regions. The social impact of this mass corruption is severe: public trust in government institutions has plummeted, leading to a decline in public participation. It will be difficult for people to place hope in regional autonomy if they witness only abuse of power for personal gain. Therefore, accelerated bureaucratic reform and firm law enforcement must be integral to realizing clean autonomy.

A similar phenomenon is evident in the emergence of what are often called **"little kings** ." In many regions, political power is often concentrated in the hands of a single family or local dynasty, which monopolizes the administration and local representative institutions. In other words, certain regional leaders are like little kings in their own time: ruling from generation to generation, appointing trusted aides to important positions, and virtually untouchable by public criticism. In this pattern, even though elections are held and democratic processes are supposed to be functioning, independent candidates struggle to compete. Society often witnesses a succession of power that resembles a monarchy: the son, son-in-law, or sibling of the previous leader emerges as the strongest candidate.

The petty kings demonstrate that political transformation at the local level has not yet fully transcended the old structures. Political dependence on kinship networks and loyalties hinders the emergence of fresh new leaders. As long as this patron-client political culture persists, the acquisition of power by a single local elite creates an oligarchy that controls resources and unilaterally policies within the region. Consequently, public participation becomes a false space: citizens view local government as the preserve of a few, rather than a shared power.

This phenomenon is prevalent in various provinces, from Aceh to Papua, although its manifestations vary. Old politicians use autonomy as a tool to consolidate their old power, when in fact it should open up opportunities for new candidates. Like a paradox, the decentralization we pride ourselves on has actually given rise to family oligarchies. Therefore, local political reform is crucial to eradicate these patterns of kingship, for example by limiting terms of office or strengthening independent oversight bodies at the regional level. We must present alternative leadership that is open and competitive, so that the true essence of local democracy can be realized. Let us remember, maintaining a healthy local democracy means eliminating the spread of closed power domination in the regions.

To address this paradox, experts highlight the importance of multi - **level governance** . In principle, the central government, provincial governments, and district/city governments must work synergistically, rather than in isolation. This concept first gained popularity in European countries, but its essence is relevant to Indonesia: when each level of government is responsible and able to collaborate, transparency and accountability can be

better maintained. In practice, multi-level governance encourages collaborative decision-making, where central regulations and local policies are aligned.

For example, natural resource management policies in a province must align with national standards while still considering the needs of local communities. This collaboration can involve civil society and the private sector as oversight partners or implementers of local programs, so that government authority does not remain siloed. If implemented well, this system will equalize power and responsibility. Conversely, the biggest challenge is establishing clear coordination mechanisms and effective oversight institutions. Without a strong shared governance blueprint, each level of government risks playing its own game; the central and regional governments could blame each other if targets are not met. We can liken this approach to a large orchestra. If each musician (at each level of government) plays their own tune without coordination, the resulting music will be chaotic.

But if everyone plays their part according to the same composition, the result will be harmonious. In our context, harmony means achieving shared development goals. Therefore, the spirit of partnership and collaboration must be instilled in every decentralization policy. Shared governance demands regulatory reform, joint training, and inclusive leadership at all levels of government. In this way, we hope to create synergy between governments in implementing autonomy, making it a key ingredient, not a cause of failure.

We encounter an ironic fact when reviewing inequality data: regional autonomy has not been able to eliminate the development gap between regions. Several newly formed provinces still record higher levels of poverty and economic underdevelopment than the national average (Indrawan, 2014). For example, the Human Development Index (HDI) varies widely across provinces, indicating disparities in access to health, education, and economic services. Access to basic facilities such as hospitals, schools, and road infrastructure remains highly unequal between large cities and rural areas. This is a worrying picture of inequality, proving that decentralization does not automatically result in equitable distribution of prosperity.

In fact, in some cases, fiscal decentralization without policy alignment has actually widened the gap. The main factor is differing capacities: wealthy regions with abundant resources can develop more rapidly, while poorer regions are constrained by limited budgets and qualified human resources. Furthermore, growth disparities between provinces are sometimes higher than before, indicating that the benefits of decentralization have not been enjoyed equally. In the context of public administration, this is a serious problem. Such disparities remind us that decentralization must be accompanied by extraordinary policy interventions for disadvantaged regions, so that all levels of society can experience equal development.

This gap can create social tensions: underdeveloped regions may feel sidelined, potentially triggering horizontal conflict. This underscores the importance of affirmative action policies to address inequality: for example, the provision of special funds, scholarships, and strategic projects in remote areas. In an era of sustainable administration, the goal of equity must be one indicator of the success of decentralization. Without a commitment to addressing disparities, the promise of regional autonomy will be difficult to fulfill, and national development will become unbalanced.

One of the main pillars of decentralization is **fiscal decentralization** , namely the granting of greater budgetary authority to regions. In theory, regional autonomy should be accompanied by financial independence so that regions can finance their own programs. However, in reality, there is still a very high dependence on transfers from the central government. The majority of district/city and provincial revenues come from the General Allocation Fund (DAU), Special Allocation Fund (DAK), and Revenue Sharing Fund (DBH) from the State Budget (APBN). Many autonomous regions rely on these balancing funds as their primary source of revenue (Mutawally, 2022). As a result, despite their formal expansion of fiscal authority, these regions remain closely linked to central government financial policies. This transfer mechanism is sometimes seen by some as a way for the central government to maintain its influence, as the disbursement of funds is often accompanied by strict conditions and oversight. In fact, some regions have stated that they cannot afford development without financial support from Jakarta.

This phenomenon raises a dilemma: to what extent has autonomy truly been realized if the majority of regional revenue comes from the central government? Should regions be truly independent or should they simply have administrative autonomy? These questions indicate that without fiscal reform and increased local revenue (PAD), de jure fiscal autonomy will remain difficult to transform into de facto autonomy. In practice, the sarcastic question arises: "Economically independent, or simply relying on administrative independence?" Some regions have attempted to increase their own local revenue (PAD) through improved taxes and levies, but still struggle to cover development needs without central government assistance. Therefore, further fiscal reforms, such as freedom in tax management and special funds for local business development, are often proposed as solutions. The basic principle is that if autonomy is the goal, then regions must truly have economic breathing room, not just rely solely on central government subsidies.

Development Administration Perspective

Within the framework of development administration, an **ecological perspective** provides additional insight into assessing the success of regional autonomy. Ecological administration views regional government as an integral part of the social, economic, and environmental ecosystem. This means that every public policy must not ignore environmental sustainability and the long-term prosperity of the community. Ignoring ecological aspects in regional planning, such as the exploitation of natural resources without environmental restoration engineering, can cause significant losses. For example, excessive exploitation of forests or mining in many post-autonomy regions has given rise to new problems such as flooding, drought, and community poverty. From a public administration perspective, this reminds us that physical development must always be complemented by conservation policies and local community participation in preserving nature.

The ecological administrative approach also encourages the use of broader development indicators, such as the Human Development Index with an environmental dimension, rather than just per capita income. With this in mind, decentralization is expected to not only expand bureaucratic networks but also promote equitable distribution of potential in a sustainable manner. For example, regional reforestation programs, local renewable energy development, and environmentally conscious spatial planning are essential elements. The ultimate goal is to ensure that regional development achievements do not harm the nation's ecological future and prioritize the quality of life of future generations.

This approach also values local wisdom: indigenous communities often possess traditional knowledge for environmental protection. Therefore, integrating indigenous community participation and local knowledge into development policies is crucial. Therefore, every regional development policy, whether in the industrial, agricultural, or tourism sectors, is expected to align with the principles of ecological sustainability. Only then can regional autonomy truly become a tool for achieving real progress without sacrificing the future of the environment.

Although much remains to be improved, regional autonomy still holds enormous potential as an instrument for sustainable development. With greater authority, visionary and professional regional leaders have the opportunity to create innovative policies tailored to local needs. Regions can capitalize on their respective strengths: for example, agrarian regions can develop technologically advanced agriculture, coastal areas can advance the fisheries and marine tourism sectors, while urban areas can focus more on developing the creative economy and service industries. One key to success is combining community strengths with natural resources. For example, local cooperatives can be empowered to market superior regional products nationally, thereby contributing to the growth of the people's economy.

Community empowerment and public participation, such as village involvement in budget planning, provide opportunities for creative ideas to emerge from the grassroots. Essentially, effective regional autonomy can provide a platform for economic diversification and improved public services. Health, education, and infrastructure services can be tailored to local conditions, enabling optimal utilization of regional resources. The phenomenon of local innovation in several regions demonstrates that when responsibility is delegated, regional leaders strive to be creative. We must remember that Indonesia, with its diversity and large number of regions, requires different governance solutions in each region. As the principle of subsidiarity suggests, local

problems are often best addressed by local actors. By giving local governments room to maneuver, we foster relevant local innovation.

We can imagine various possibilities: for example, forested areas could develop sustainable forest management projects, thereby reducing poverty while preserving the environment. Densely populated urban areas could boost creative economy programs to absorb new workers. Ultimately, regional autonomy has the potential to become a development engine that relies on local strengths if all parties commit to maintaining it.

Structural Constraints of Regional Autonomy

However, the challenges of implementing regional autonomy are also significant. Several structural obstacles must be overcome to achieve this potential. First, the quality of human resources in regional governments varies widely. Many regions, especially new and poorer ones, lack experts, professional bureaucrats, and trained officials. Training in leadership, public financial management, and strategic planning within regional governments is uneven. This situation often leads to ineffective and inefficient planning and implementation of development projects.

Second, regional government institutions are not yet well integrated. We still see overlapping functions between departments, agencies, and vertical institutions. Without synergy between institutions, program implementation is often hampered by complex bureaucracy and lengthy administrative processes.

Third, the legacy of the old bureaucratic culture still lingers. The practices of nepotism and corruption inherited from the past have not been completely eradicated; new officials are also not yet accustomed to working transparently. The lack of clear incentives for officials with integrity is also a problem: salaries are relatively low, and careers often depend on loyalty, not performance.

Fourth, external factors such as national political uncertainty also complicate matters: changes in central policy can cancel or disrupt ongoing regional programs. For example, regional officials often lose momentum due to being unprepared for major projects, or development programs stall due to differing views between agencies.

Fifth, public participation is crucial to regional autonomy. Autonomy offers opportunities for local communities and organizations to be directly involved in the planning and oversight of public policy. Through the development planning forum (Musrenbang), residents have the opportunity to provide input on development priorities in their area. Furthermore, community organizations such as LPM (Community Empowerment Institutions) or youth organizations can also act as partners with local governments in formulating policies. With active participation, development policies will be more accurately targeted and aligned with the real needs of the community. For example, budgets allocated for health and education will be more focused if local residents participate in formulating them.

Community involvement also fosters a sense of ownership in development programs, enabling their implementation to garner broader support. However, public participation in Indonesia is still suboptimal. Many citizens remain apathetic or unaware of participation mechanisms. Therefore, proactive measures can be taken, such as involving civil society committees in the budgeting process or utilizing information technology to disseminate program plans. Open information is crucial for citizens to control the functioning of local government. This culture of participation must be instilled from an early age through civic education and real transparency. Imagine: if technology could facilitate e-membership for the Regional Development Planning Forum (Musrenbang), and legal instruments such as the Musrenbang Technical Guidelines were strengthened, public participation would increase dramatically. Without strong participation, regional autonomy will remain mere rhetoric; only with the voice of the citizens will the ideals of just and responsive governance be realized.

Regional autonomy is a promising but challenging paradigm. On the one hand, it offers opportunities to advance local democracy, policy innovation, and equitable development. On the other hand, it raises the challenges of corruption, oligarchy, and new inequalities. The synthesis we can draw is that the success of regional autonomy requires the courage to abandon old practices and consistent application of the principles of

transparency and inclusiveness. If past reforms brought hope, today's implementation will determine whether those hopes become a reality.

CONCLUSION AND POLICY IMPLICATIONS

This study concludes that regional autonomy remains an important and appropriate governance framework for Indonesia, particularly given the country's geographical, social, economic, and cultural diversity. More than two decades of decentralization have demonstrated that regional autonomy can strengthen local democracy, bring decision-making closer to communities, encourage policy innovation, and provide regional governments with greater opportunities to respond to local development needs. At the same time, the experience of decentralization has revealed important contradictions. The expansion of regional authority has not always been accompanied by corresponding improvements in institutional capacity, accountability, and integrity. Corruption among regional leaders, the emergence of local political oligarchies or "little kings," unequal bureaucratic and human resource capacity, continued fiscal dependence on the central government, and persistent disparities between regions remain significant challenges.

These findings suggest that the appropriate response is not to reverse decentralization, but to continuously improve its institutional design and implementation. Regional autonomy should therefore be accompanied by stronger transparency and accountability mechanisms, effective oversight, professional and merit-based regional bureaucracies, greater public participation in planning and evaluation, and more effective coordination between central, provincial, and district or city governments. Digital governance should also be strengthened to improve administrative efficiency, transparency, and public access to government processes. At the same time, regional governments need to develop stronger fiscal capacity, make productive use of local resources, and pursue development strategies that are inclusive, environmentally responsible, and responsive to their distinctive regional characteristics.

The experience of Indonesia further demonstrates that the success of regional autonomy ultimately depends not merely on the formal distribution of authority between levels of government, but on the quality of the institutions and people responsible for exercising that authority. Leadership integrity, bureaucratic professionalism, effective accountability mechanisms, active public participation, and evidence-based policymaking are therefore fundamental to ensuring that decentralization produces meaningful development outcomes. Academic research and development administration also have an important role in providing evidence, critical evaluation, and policy recommendations that can support the continuous improvement of regional governance.

Ultimately, regional autonomy should be viewed as a long-term process of institutional development rather than a completed reform. Indonesia's experience demonstrates both the potential and the limitations of decentralization, but it also reinforces the importance of maintaining meaningful regional authority within a strong framework of accountability, coordination, and national development. With continuous institutional reform, capable and ethical leadership, stronger community participation, and commitment from both central and regional governments, regional autonomy can continue to evolve as an effective instrument for achieving more equitable, inclusive, sustainable, and prosperous development across Indonesia.

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