

Decentralization Practice in Developing Countries: Lessons for Indonesia

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Abstract: *This study seeks to examine the practice of decentralization as a good lesson in Indonesia. This is done by analyzing whether decentralization can be an effective development solution in developing countries through the identification of several reviews of the problems that arise in it. By using a descriptive-qualitative approach, the research presents and describes a phenomenon in its entirety with the author's interpretation. The results of this study found several important things. The case of Indonesia shows that the problem of the minimum quality of apparatus resources in the regions is still a problem in achieving optimal regional autonomy. Strengthening the management of the apparatus in the regions systematically and equally in this case is an effort that must be made to support the practice of decentralization. In addition, providing political education to civil society to encourage the maturity of society in democracy is a strategic step that can be taken to ensure the political commitment of the government in the regions in realizing decentralization practices that lead to the goal of accelerating development based on the principles of justice and the facilitation of democratic values.*

Keywords: *centralization, decentralization, regional autonomy, regional government, division of government affairs*

Introduction

The concept of decentralization is often considered as a formulation that contains dogmatic values to solve the problem of the relationship between the central government and the regions in a nation-state (Spina, 2014). This is because a decentralized system of government is seen as a way to restore power to the lowest levels of a social system (Rondinelli, 1983; Cheema and Rondinelli, 1983; Rondinelli and Cheema, 1983; and Rondinelli, Nellis

and Chema, 1983). Thus, decentralization as a government system implies democratization of government (Haryanto, 2010; Avritzer, 2002). However, the concept of decentralization itself is still often debated both in terms of policy conception and its implementation in governance.

Etymologically, decentralization comes from the Latin, namely *de* which means free and *centrum* which means center (Ruland, 2012). *Decentrum*

means to move away from the center. This meaning then gave rise to two major streams of the concept of decentralization as an instrument of government in the state, namely the Continental European and Anglo-Saxon schools. In the Continental European tradition, decentralization is defined as the transfer of authority held by the central government to local governments to manage their own household affairs independently (Prasojo et al., 2006; Prasojo, 2003). In this concept, the transfer of authority has implications for regional authorities ability to make, decide and implement regional policies. In other words, there is regional autonomy.

However, the concept of decentralization is different from the meaning that applies to the Anglo-Saxon stream. Referring to Rondinelli, Nellis and Chema (1983), decentralization is the transfer or delegation of planning, decision making or management authority from the central government and its agencies to field organizations, subordinate units of government, semi-autonomous public corporations, area wide or regional authorities, functional authorities, or non-governmental organizations. The type of decentralization is determined by the extent to which authority or power is transferred from the center and what institutional arrangements are used to carry out the transfer. In this case, decentralization can be in the simplest form, namely the delegation of certain powers from the central government to its apparatus in the regions (deconcentration), to granting full

autonomy and certain freedoms to regional governments (devolution).

In this explanation, it is clear that the Continental European stream defines decentralization differently from the concept of deconcentration, so that deconcentration is not part of decentralization. However, it is undeniable that both streams are still needed by every decentralized country (Prasojo et al., 2006). Meanwhile, the Anglo-Saxons interpret deconcentration as part of decentralization and call the Continental European model of decentralization the term devolution. Furthermore, according to Hoessein (1993), the term deconcentration in the Anglo-Saxon school has the same meaning as the phrase administrative decentralization, while devolution has the same meaning as the phrase political decentralization.

Although they differ in the meaning of decentralization, the two streams interpret deconcentration as the delegation of authority from the central government to the regional apparatus. In this case, the authority to formulate policies and financial resources rests with the central government, while the authority to implement policies rests with the central government apparatus in the regions (Maksum in Kompas.com, 2011). To avoid the confusion of meaning between decentralization and deconcentration, the author defines decentralization in this article as political decentralization.

Basically, no single government in a nation-state, especially one with a large area, is able to determine and implement policies and various

development affairs effectively and efficiently through centralization (Bowman and Hampton, 1983). However, in a nation-state, decentralization cannot take place without the principle of centralization (Olum, 2014; Prasajo et al., 2006; Stegarescu, 2005). The state, as an organization, from birth until whenever will always carry out the principle of centralization. Every organization in the world is founded by implementing centralization first. The main principle of an organization is *la centralization*, meaning that in every organization there must be one main source of command, direction, responsibility and source of power (Prasajo et al., 2006). Decentralization is always run concurrently and on a continuum with centralization itself. In this case, what makes each nation-state different is its degree of domination; some tend to be centralized and some are dominant towards decentralization (Prasajo, 2003; Pratikno, 2003; Jennie, 1998).

In the context of developing countries, the spirit of decentralization felt by most of these countries is generally based on public dissatisfaction with the results of national development planning, poor public services, high poverty rates, low quality of life of the community and ineffective macroeconomic development programs as a result of centralized domination that occurs in government (Olum, 2014; Pratikno, 2003; Jennie, 1998; Prud'homme, 1995). None of these have significantly increased the capacity of the central government to formulate, articulate and implement national development policies.

Theoretically, decentralization should allow projects to be completed more quickly by giving local leaders greater discretion in decision-making thereby allowing districts to cut through the red tape and sluggish procedures that are more often associated with centralization of authority (Chema and Rondinelli, 1983). Decentralization is also expected to increase public participation in the political arena at the regional level (Spina, 2014; Blair, 2000). When the local government and the community have reached an autonomous level, they are expected to be able to manage regional resources optimally in order to achieve a better level of economic development, both for their respective regions and for the country as a whole.

In the context of the nation-state, decentralization is manifested in regional autonomy, which in turn gives birth to local governments (Prasajo, 2003). Regional autonomy provides space for each local government to be able to manage their own regional household affairs independently. However, not all of these functions can be decentralized. A nation-state that adheres to decentralization is not an alternative to centralization, because decentralization and centralization are not mutually exclusive and not dichotomous, but rather sub-systems within the larger framework of the nation-state organizational system (Darmansyah, 2003). As an organization, all nation-states in the world centralize a number of affairs, especially those related to vital matters concerning the existence and integrity of the state (Prasajo et al., 2006).

However, in reality, there is no guarantee that decentralization will accelerate equitable development and facilitate democratic outcomes. Studies evaluating decentralization have shown that success stories about decentralization are rare in developing countries and that decentralization cannot be a fully effective poverty reduction strategy (Olum, 2014; Blair, 2000; and Jennie et al., 1994). According to Olum (2014) and Newton (1995), decentralization has the potential to reduce the quality of public services in some cases, widen regional disparities, and even increase the likelihood of corruption. Many developing countries are experiencing decentralization, and at about the same time, also inherit or delegate corrupt practices that occur in the regions (Prud'homme, 1995). These are the problems that cause anomalies in the practice of decentralization in nation-states, especially in developing countries; far from the hope for prosperity, justice and equitable development.

The strategic issue that must be continuously studied at this time lies not in how decentralization must continue to eliminate centralization to strengthen regional empowerment and autonomy in the context of national development, but in how the management and arrangement of the distribution of authority can form an optimal government. Based on the description above, this study aims to examine decentralization practices and analyze whether it can be a solution in developing countries through the identification of various problems that arise in it. From this analysis, the study

then identified lessons learned to strengthen decentralization practices in Indonesia.

Methods

This study uses primary and secondary data as a source for the analysis process. Primary data was collected through in-depth interviews with informants, both academics and practitioners. Informants were selected using a purposive method, with the criteria of understanding decentralization practices in several nation-states, developing countries and in Indonesia. While the secondary data is done through a systematic literature review. The data is collected through various sources obtained from various literatures, namely books, scientific journals, scientific proceedings and laws and regulations.

This type of research is descriptive-qualitative, namely showing and describing a phenomenon as a whole (Neuman, 2003) with the author's interpretation. The analytical technique used is to identify various problems and important factors that become levers so that decentralization can become a development solution in developing countries. The analysis is then continued by providing scientific views on relevant lessons that can be applied in the practice of decentralization in Indonesia by examining the existing conditions of regional autonomy.

During the research, the author collected various literatures related to decentralization practices that exist in developing countries, as well as decentralization and regional autonomy practices in Indonesia. All related

literature is then categorized based on the keywords “decentralization in the nation-state”, “decentralization in developing countries” and “decentralization and regional autonomy in Indonesia”. Based on the various primary and secondary data findings, the researcher then triangulated the data as referred to Meloeng (2007) and connected the questions with the research objectives.

This research will first identify various problems in the practice of decentralization in developing countries by conducting systematic literature reviews. The research then continues by explaining how the practice of decentralization has been carried out in Indonesia, by analyzing the development of its policies, the division of government affairs and its mechanism in running regional autonomy. The discussion will then lead to the identification of lessons learned to strengthen decentralization practices in Indonesia.

Results and Discussion

In this section, the author will describe the findings of the study starting with the definition of centralization and decentralization. It is important to elaborate on this definition in order to provide readers with the same understanding of the concepts of centralization and decentralization as referred to in this study, considering that there is a lot of literature on the definition of these concepts which often results in meaning bias. The discussion then continued on a study of decentralization practices and their problems in developing countries, their

practices in Indonesia and recommendations for improvements to strengthen decentralization practices in Indonesia in line with the aim of accelerating equitable development and facilitating democratic outcomes.

Defining Centralization and Decentralization in Nation-States

In general, centralization is defined as concentration of power (Ruland, 2012). In the context of the nation-state, centralization is defined as the full concentration of power and authority of government to the central government. According to Kelsen (1973), centralization is a situation in an organization where the policy-making process and its implementation take place at the top of the hierarchy of an organization. While in the dynamic concept, centralization can also be interpreted as the process of concentrating power at a particular locus (Prasojo et al., 2006; Darmansyah, 2003). As an organization, the nation-state can be centralized from the start, there can also be a concentration of power that has been dispersed to certain loci. This concept is always opposed by the community and is common in authoritarian and militaristic type of governments (Kulipossa, 2004).

There are several implications of centralization. First, there is a norm or law that applies nationally (such as the Constitution) as well as a policy that applies to a whole country. Second, there are institutions from the central government that work for the national interest with national jurisdiction. Third, decision making is carried out at the top

of the organizational hierarchy (in this case is the central government) and its implementation is also carried out by elements of the central government directly. If observed, all organizations, including nation-states, must apply this principle. Without the principle of centralization, a nation-state will be scattered and cannot become a unified whole.

Meanwhile, there is no single definition of decentralization. Many definitions have been put forward by experts regarding decentralization. As the emergence of two streams of meaning of decentralization, namely the Continental European and Anglo Saxon schools, is one of the various other definitions contained in the concept of decentralization itself. According to Hart (1972), the many definitions of decentralization are due to the existence of several disciplines and theories that give deep attention to the concept of decentralization, such as state administration, political science, management science, business science and theory of administration and organizational governance.

Amrah (1986) classifies decentralization into three parts. First; political decentralization, an acknowledgment of the right to a region to be able to manage its own household interests through political bodies in regions elected by the people in certain areas. This then gave rise to the concept of local government. Second; functional decentralization, namely the recognition of the rights of certain institutions to perform certain functions. Third; cultural decentralization, namely the recognition of the right of a small group

of people to carry out their own culture. Meanwhile, Pide (1999) defines decentralization as the vertical transfer of power or authority in a certain area from institutions or higher officials to institutions or functionaries that are underneath, so that those entrusted with the power or authority have the right to act on their own behalf in this particular affair.

In decentralization, there is a distribution of power between the central government and the regions. This distribution can be done in two ways, namely the distribution of power based on territory (territorial) and based on certain functions of government. Referring to Humes (1991), on an area basis (also called the territorial basis), the power to manage local public affairs is distributed among a number of general purpose regional and local governments. On a functional basis, the power to manage local public services is distributed among a number of specialized ministries and other agencies concerned with the operation of one or more related activities. Thus the way power is distributed affecting which central agencies exert control over which local institutions.

Thus, the power of local government has two types of power, namely the power of decentralization or autonomy and the power of the task of petrification (*medebewind*). According to Kortmann (in Hendratmo, 2009), autonomous power is to regulate and administer their own affairs. Furthermore, it is said that in areas where it has autonomous powers, the decentralization authority conducts its own policies, decides for itself, its aim

and means. Meanwhile, the power of co-administration (*medebewind*) is cooperates in the implementation of policy which has been decided by other government institutions.

Rondinelli, Nellis and Chema (1983), using a broader meaning, divides decentralization into four types. First; deconcentration, is the delegation of authority from the central government to its government officials in the regions. Second; delegation, is the transfer of authority to a business entity or authority body and the like to carry out a special task. Third; devolution, namely the transfer of authority from the central government to autonomous regions. Fourth; privatization, is the transfer of responsibility or power to parties outside the government, or in this case the private sector.

From these various definitions, a common thread can be drawn that the practice of centralization and decentralization in a nation-state is an integrated system that complements each other, does not exclude each other; mutually reinforcing, not contradicting each other; and run together, not separately. In this sense, all nation-states are a genus of centralized and decentralized species. However, the degree and proportion between decentralization and centralization in each country tends to vary; some are dominantly centralized and some are decentralized. In fact, over time, the centralized and decentralized dominance of a country can also change. In the next section, the author will discuss the division of affairs within the government system, by taking study examples from several nation-states.

Problems of Decentralization in Developing Countries

A study conducted by Vieira (1967) taking field studies in 45 countries showed that the degree of political decentralization (or devolution in the Anglo-Saxon model), both in developed and developing countries, was significantly correlated with gross national product (GNP) and the level of industrialization of the country. In the study, countries with higher GNP values and more advanced and modern levels of industrialization tend to be more decentralized than vice versa. This then leads to a conclusion that decentralization is significantly related to economic growth and development of the country.

Many nation-states in the world view that decentralization is a tool to achieve the main goal of the state, namely the welfare of the people. Decentralization is also seen as a democratization of government, because it is able to restore power to the lowest part of a social system. Decentralization is seen as a state vehicle for eradicating poverty, accelerating development and ultimately improving the standard and quality of life of the people. The trick is to empower the regions through a policy instrument which is then known as regional autonomy. Developing countries, especially after their dominant government characterized by centralism failed to improve the development and welfare of their people, began trying to decentralize some of its powers to lower levels of government during the late 1970s (Rondinelli, Nellis and Chema, 1983). Excessive centralization is seen as a

cause of poor government performance; decentralization efforts are one other form as a corrective tool.

However, despite many positive views regarding decentralization, the authors observe that decentralization, as experienced by most developing countries, does not actually facilitate development nor does it facilitate democratic outcomes. Studies show that success stories about decentralization are rare in developing countries and that decentralization cannot be a fully effective poverty reduction strategy (Olum, 2014; Blair, 2000; and Jennie et al., 1994). In fact, decentralization has the potential to actually reduce the quality of public services in some cases, widen regional disparities with one another and may even increase the chances of corrupt practices (Olum, 2014; Newton, 1995). Many developing countries have experienced decentralization, but at the same time, they have also inherited or delegated corrupt practices that occurred in the regions (Prud'homme, 1995). These are the problems that cause anomalies in the practice of decentralization in nation-states, especially in developing countries; hope for prosperity, justice and equitable development.

In this regard, Blair (2000) conducted studies in six countries, namely Bolivia, Honduras, India, Mali, Philippines and Ukraine. The results of this study indicate that although local governments are already autonomous and there has been an increase in public participation in government, decentralization has failed to help reduce poverty and increase economic growth and development of the country.

In this regard, economists argue that markets in developing countries work imperfectly. This is what makes decentralization even more likely to only provide benefits to a few groups at the expense of many people.

Therefore, the author sees that the spirit of decentralization in developing countries must also be simultaneously followed by the improvement of several important factors that affect the successful implementation of the decentralization policy itself. These factors are identified by the authors through a study of decentralization practices sourced from the literature, including: Ahmad (2010) regarding changes in the perspective of decentralization in Pakistan through strengthening governance; Dijk (2008) on the impact of decentralization in Tanzania; Kulipossa (2004) related to decentralization and democracy by taking the case of several developing countries; Khattak, Ahmad and Khan (2010) regarding good lessons learned from fiscal decentralization in Pakistan; Muriisa (2008) regarding decentralization and its prospects for improving the quality of public sector services in Uganda; Spina (2014) related to decentralization and political participation by focusing on Eastern and Western European countries; Hussein (2004) on decentralization in Malawi; Stegarescu (2005) related to public sector decentralization by taking the case of 23 OECD countries; Ayee (1995) on the decentralization policy in Ghana; Kauzya (2007) related to political decentralization in Africa by taking specific cases in Uganda, Rwanda and South Africa; Mansrisuk (2012) on

decentralization and institutional reform in Thailand; Canaleta, Arzoz and Garate (2004) related to decentralization and regional economic disparities by taking the case in 17 OECD countries; Ruland (2012) related to decentralization, governance and democratization in Southeast Asian countries; and Bagchi and Chattopadhyay (2004) regarding decentralized governance in India.

Based on the results of the systematic literature review, a common thread can be drawn that the problems of decentralization practices found in developing countries in general can be characterized by several very important factors as follows.

(1) Government political commitment

The government's political commitment is the most fundamental factor and the main leverage in running the decentralization principle well in developing countries. This is because decentralization through regional autonomy policies is a legal product produced by the central government, which in leading a nation-state must apply the principle of centralization. This means that decentralization in a nation-state was born after the principle of centralization and is part of the central government's commitment to decentralizing its government affairs.

The results of the study show that many of the problems faced by developing countries are precisely due to doubts from the government itself in decentralizing government affairs. The causes are various: political interests, distrust in fair and equitable

development through the concept of decentralization and the threat of national disintegration as a result of granting the broad autonomy. As a result, many government affairs that should be better left to local governments to bring services closer to the community effectively, are in fact held by the central government alone. In this case, the main focus should be on how the government can best prepare for decentralization practices, especially taking into account the following factors. So that in this case, decentralization can function in accordance with its essential objective, namely to accelerate development based on the principle of justice and facilitate democratic values.

(2) Community participation in regional development

Meaningful community involvement is essential in supporting decentralization practices in the regions. This is because the implementation of regional autonomy requires a real presence of the community in supporting development affairs as well as an effort to control the running of a healthy government wheel in the region. However, the problems of community participation in developing countries can generally be categorized into two groups. The first group consists of people who are unwilling to participate due to a lack of public understanding of the importance of community involvement or because the community believes they lack adequate capabilities in political and development issues in their area. These community groups can be encouraged by providing understanding in order to build public

awareness regarding the importance of community presence in government for development in their area.

The second group is people who are not willing to be involved because they do not care or do not trust the government; they can be called apathetic social group. Building awareness in this community group is relatively more difficult than the first group. In this case, the efforts that can be done are not enough just to build awareness, but must also be accompanied by concrete actions by the government to show the community that their involvement in government and development affairs in the region is truly meaningful.

(3) Improving the quality of apparatus resources in the regions

When a region becomes autonomous, the effectiveness of regional governance will depend heavily on the local government. This is due to the fact that autonomy provides a large space for local governments to manage their households independently. A common problem that occurs in many developing countries is the lack of qualified and competent people in local government. This quality improvement effort does not only come from the aspect of hard skills (main knowledge in supporting the ability to master the field of duty) in managing the local government well, but also mainly in terms of developing soft skills (especially lies in moral education, character and manners) to be able to minimize moral hazard practices that exist in local government.

(4) Designing effective decentralization, especially in the division of government affairs and institutional mechanisms needed to support optimal regional development

Many obstacles of decentralization in developing countries occur because of its ineffective design. Complex procedures, arrangements and institutional mechanisms are often the cause of the complicated pattern of coordination between the central government and the regions. This also often results in a lot of overlapping powers that occur. In this regard, the decentralization study emphasizes the importance of good relations between central and local personnel. Not only that, services and technology that support regional development must encourage each other systematically. Decentralization regulations must be clearly written and described. Procedures should be kept simple and remain flexible.

(5) Efforts to equalize fiscal among regions

It is undeniable that the potential of each region varies from one another. There are regions that are endowed with very abundant natural resources. There are regions that actually do not have large natural resources but the economic structure is well organized so that fiscal potential can be optimal. However, there are also regions that do not have both of these things. This variation is a factor that causes large inter-regional fiscal disparities, which in turn lead to development disparities

between regions. For this reason, the main focus of the government through its fiscal policy (or rather fiscal decentralization) must continue to seek an optimal formulation of the distribution of financial resources in order to minimize disparities between these regions.

Studying Decentralization and Regional Autonomy in Indonesia

In Indonesia, since the very beginning of independence until now, there have been several changes in the direction of domination between centralized and decentralized. Indonesia as a nation-state has adopted the principle of decentralization since the enactment of Law No. 1 of 1945 concerning the position of the Regional Indonesian National Committee (KNID). Decentralization is formulated very simply, namely the granting of autonomy to the regions with the intention of giving the regions freedom to regulate. Regional heads, apart from being the central apparatus, are also regional apparatuses and lead the KNID in managing their regional households independently. Autonomous regions at that time were divided into three types, namely residencies (same as current provincial level), cities (same as current district/city level) and districts (same as current kecamatan level).

However, like a pendulum on a clock, it has swung drastically towards centralization in the New Order era, especially since the enactment of Law No. 5 of 1974 concerning the Principles of Governance in the Regions. In the law, the government places the principle of decentralization carried out together

with the principle of deconcentration and also provides the possibility for the implementation of co-administration tasks (*medebewind*). In this case, the principle of deconcentration with representatives of the central government in the regions is no longer in line with the principle of decentralization as a consequence of autonomous regions. This causes the relationship between central and regional authorities to be inconsistent and minimizes the role of the principle of decentralization itself. As a result, instead of the transfer of authority to the dominant region, instead, control is getting stronger from the center to the regions (dominantly centralized). The government adheres to ultra vires by specifying the authority of Level II Regions (districts/cities) as many as 12 affairs and Level I Regions (provinces) with 19 affairs.

However, the division of government affairs did not really encourage regional autonomy because the style of government in the New Order era, both at the center and in the regions, was thick with militaristic nuances and tended to be authoritarian. In addition, the dualism of authority in the regions, even if held by the same person, has implications for the existing authority relationship, namely the existence of a hierarchical relationship between the Central Government and Level I and II Regions. Local elites such as Regional Heads then only become an extension of the Central Government in the regions. These things reinforce the characteristics of the New Order era government which was very dominant in a centralized direction.

Once again, the pendulum has swung back to extremes toward decentralization after the fall of the New Order regime and the revival of the reform era. Public disappointment with the dominant practice of the New Order regime which was centralized and tended to cripple regional autonomy was later answered by the issuance of Law No. 22 of 1999 concerning Regional Government. In its development, the law underwent improvements and several changes with the emergence of Law No. 32 of 2004 and Law No. 23 of 2014 concerning Regional Government. These changes occurred as part of the follow-up to several problems in the implementation of the law, particularly related to the relationship between the central government, provincial governments and district/city governments.

However, in principle, the laws that emerged after the birth of the reform era strengthened the domination towards decentralization which was manifested in the regional autonomy policy. This policy is a strategic step in order to solve various problems that exist in the region, especially problems caused by the New Order government style, such as the threat of national disintegration, poverty, inequality in development, low standards and quality of life of people in the region and human resources development problems. Some of the basic things in this regional government law include strong efforts to encourage community empowerment, development of initiatives and creativity and increasing community participation in political participation at the regional level.

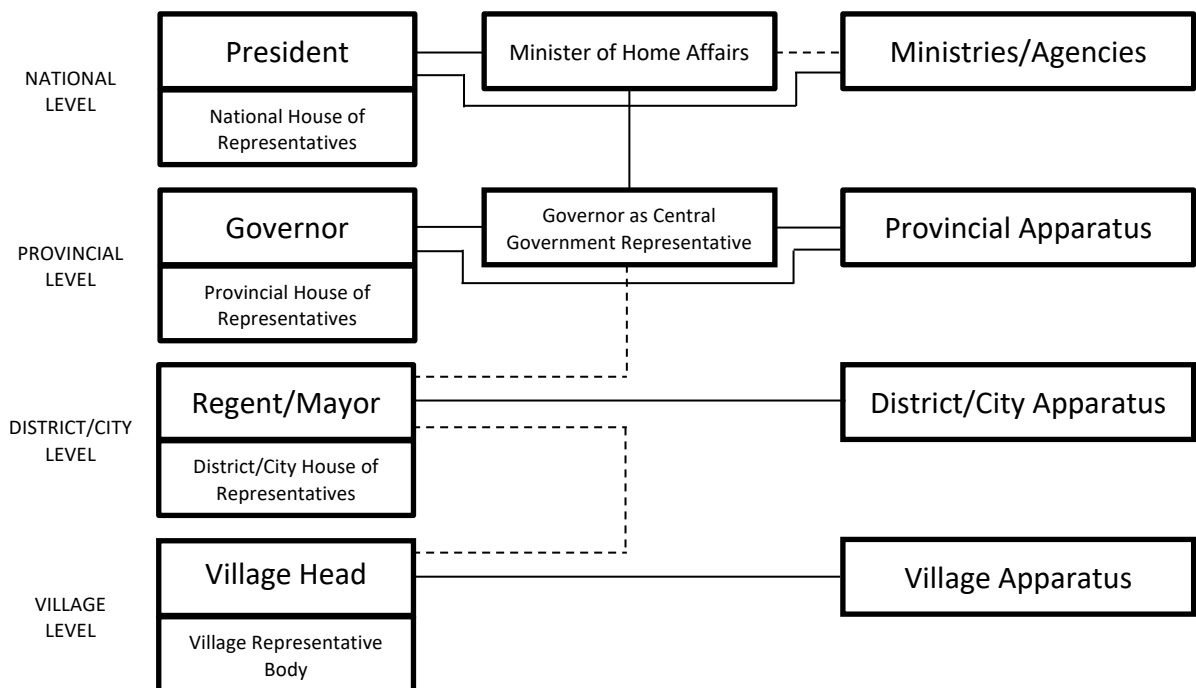
In Indonesia, the practice of centralization and decentralization is seen in the division of government affairs, both those that are under the authority of the central and local governments. For this reason, the author tries to describe the practice of centralization and decentralization that is currently taking place in Indonesia. The practice of centralization is carried out either directly by the central government or by applying the principle of deconcentration; by delegating central authority to regional governors as central government representatives. In addition, there are also co-administration tasks (*medebewind*), namely the assignment of the central government to autonomous regions to carry out part of government affairs which are the authority of the central government or from the provincial government to district/city areas to carry out part of government affairs which are under the authority of the provincial government.

Of course, every country around the world that is dominant in implementing decentralization practices has a division of government affairs with different arrangements and proportions. In Indonesia itself, the division of government affairs in accordance with Law No. 23 of 2014 consists of absolute government affairs (cannot be decentralized) where the implementation can be carried out alone by the center or decentralized through vertical agencies; concurrent government affairs (divided into mandatory and optional affairs) where the authority can be divided between the central government (implemented

by the center itself, the principle of deconcentration, as well as assistance tasks) and provincial and district/city regions (decentralization principle by means of self-administration by each provincial and district/city government, provincial government assistance tasks to districts/cities, as well as village assignments); and general government

affairs which are under the authority of the president where the implementation can be carried out by governors and mayors or regents in their respective working areas assisted by vertical agencies. The levels of government organizations in Indonesia in general can be described as follows.

Table 1. Indonesian Government Organizational Structure



Source: Law No. 6 of 2014 and Law No. 23 of 2014, processed by the author.

From the figure, it is clear that there are two autonomous regions, namely at the provincial and district/city levels of government. However, there are also village governments below the district/city level whose autonomy is implicitly recognized as a form of government at the lowest level and coordinated by the regent/mayor. At the provincial level, the governor in addition to being the

head of the autonomous region at the provincial level, also acts as a representative of central government (prefectoral system). Meanwhile, at the district/city level, the regent/mayor only serves as the head of the region.

At the village level, although the latest law does not explicitly state that the village is an autonomous region, the interpretation of autonomy is implicit because it is in accordance with Law No.

6 of 2014 concerning Villages that clearly defines the village as a legal community unit that has territorial boundaries that are authorized to regulate and manage government affairs, the interests of the local community based on community initiatives, origin rights and traditional rights that are recognized and respected in the government system of the Unitary State of the Republic of Indonesia.

In essence, the village is not subordinate to the kecamatan because it has autonomous power that is not subject to the authority of the district or city; this is in contrast to the kelurahan (one level above the village), which is subject to the kecamatan. The village has the right to regulate its territory wider than the kelurahan which is only part of the district/city regional apparatus. The authorities possessed by the village include, among others, carrying out existing government affairs based on the rights of village origins, carrying out government affairs which are the authority of the district/city which are assigned to the village, especially related to government affairs that can directly improve the services of the local village community and co-administration tasks from higher levels of government. Village autonomy can also be seen with the village government (village heads who are directly elected by the local village community and village officials) and the Village Representative Body. In the development, a village can be changed to kelurahan and vice versa.

In the law, it is clear that what is meant by autonomous regions are provinces and districts/cities; or in this case territorial decentralization. In the

context of deconcentration, this connection with territorial decentralization is then shown by the implementation of integrated field administration, which is reflected in the presence of representatives of the central government in each administrative area whose territorial boundaries are the same (coincidentally) as the autonomous regions. With the presence of government representatives, the typology of local government adopted by Indonesia is prefectural with the characteristics of the unification of positions between government representatives and regional heads (integrated prefectors).

This can be demonstrated by the role of the governor, who apart from being a regional head leading an autonomous region (decentralization principle), is also a representative of the central government which, theoretically, is responsible for coordinating all vertical agencies (field administrators) in the region. In addition, referring to Leemans (1970), based on the author's analysis, because the position of representative of the central government is only carried up to the governor (provincial level), not the regent/mayor (district/city level), the prefecture system in Indonesia is only one layer with a split model type, because the district/city only acts as an autonomous region.

The law also explicitly details the division of powers that exist for both the central and local governments. Similar to Law No. 32 of 2004, Law No. 23 of 2014 concerning Regional Government also adheres to ultra vires which is

justice and facilitating democratic values.

The next two factors, namely the design of decentralization and efforts for fiscal equalization between regions, have basically been clearly regulated in Law No. 23 of 2014. The practice of decentralization in Indonesia is manifested in the form of division of government affairs that adheres to the ultra vires model, namely by detailing clearly the division of government affairs between the authorities of the central, provincial and district/city governments. The affairs that can be decentralized in this case are concurrent government affairs which are divided into 24 mandatory affairs and 8 optional affairs. However, the critical point in the design of decentralization in this case lies in the institutional arrangements and mechanisms of regional apparatus to implement regional autonomy, considering that each region in Indonesia has different institutional arrangements and name nomenclatures in forming their respective regional apparatuses. In this case, the demands of regional needs (Darmansyah, 2003; Prasojo, 2003), the wide scope of work space based on the main tasks and functions (Hendratmo, 2009) and the ability of resources (Pratikno, 2003) are the three main considerations of each region in forming the arrangement of regional apparatus in accordance with their government affairs. However, the evaluation process must always be carried out to ensure the optimal design of local government structures and mechanisms.

Meanwhile, current fiscal equalization efforts have been

formulated through a calculation formula which was later realized in the form of a General Allocation Fund (DAU). DAU is basically a form of allocation of development funds given by the central government to each region to reduce the disparity in the ability and fiscal potential between regions which is obtained through Regional Original Revenue (PAD). However, the factual conditions in Indonesia show that there is still a wide fiscal gap between regions. There are still many regions where the proportion of regional expenditure is dominated by routine and non-productive expenditures, such as personnel expenditure, operational expenditure and expenditure on office equipment and supplies, while the proportion for expenditure on development programs is still minimal. Therefore, from the point of view of inter-regional fiscal equity, the policy must always be evaluated to ensure the formation of an ideal formula (Stegarescu, 2005; Canaleta et al., 2004), while simultaneously continuing to strive for good governance practices (Khattak, 2010).

The final and most essential factor in establishing optimal decentralization practices lies in the commitment of the government. In the Great Dictionary of Indonesian Language (KBBI), commitment is defined as an agreement to do something. From this understanding, it can be translated that commitment is a promise to oneself and to others which is reflected in their actions. Commitment is a realization of promises made in the form of concrete actions, so that

because essentially both centralization and decentralization are needed in a nation-state. The nation-state, as an organization, definitely needs the principle of centralization as a guide to one main source of command, direction, responsibility and source of power.

However, in the nation-state, it is inevitable that the wide geographical scope of the organization, the variety of affairs, the large number of people as customers that the state must serve properly and the magnitude of political responsibility, demand the need for decentralization of several state affairs which, based on mutual agreement, the authority can be delegated to the regions to bring services closer to the community. In this case, what distinguishes one country from another is the degree of proportion; some are dominantly centralized and the other are decentralized.

In the case of developing countries, decentralization often deviates from its main hopes and objectives. Therefore, according to the author, the factors that greatly influence the success of the decentralization principle itself include; improvement of the quality of local apparatus resources, both in terms of hard and soft skills, effective decentralization design, efforts for fiscal equity between regions to avoid development disparities and the government's political commitment.

Currently, the division of government affairs in Indonesia adheres to ultra vires combined with a concurrent model by detailing the distribution of central and local authority. There are three types of government affairs, namely absolute,

concurrent and general. The absolute government affairs are the authority of the center and cannot be decentralized. Meanwhile, concurrent government affairs are "joint" affairs which are divided between the central and regional authorities, where the affairs delegated to the regions become the basis for the implementation of regional autonomy. The last is general government affairs which are matters under the authority of the president and are carried out by governors, mayors and regents in their respective working areas assisted by vertical agencies.

The case in Indonesia shows that the problem of the lack of quality of apparatus resources in the regions, both in hard and soft skills, is still a problem in achieving optimal regional autonomy. Strengthening the management of apparatus management in the regions systematically and evenly in this case is an effort that must be made to support the practice of decentralization. In addition, providing political education to civil society to encourage community maturity in democracy is a strategic step that can be taken to ensure the political commitment of local governments in realizing decentralization practices that lead to the goal of accelerating development based on the principles of justice and facilitating democratic values.

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