



Regional Autonomy in the Context of the Unitary State of Indonesia: Evaluation of Household Systems, Measurement Parameters, and the Rationality of Decentralization

Fadiah Hasna Nadiatul Haq^{1*}, Nurnisaa binti Abdullah Suhaimi², Grida Saktian Laksito³

¹*Master's Program of Mathematics, Faculty of Mathematics and Natural Sciences, Universitas Padjadjaran, Jatinangor, West Java, Indonesia*

²*Faculty of Marine Engineering and Information Technology, Universiti Malaysia Terengganu, 21300 Kuala Nerus, Terengganu*

³*Faculty of Business, Economics and Social Development, Universiti Malaysia Terengganu, 21300 Kuala Nerus, Terengganu, Malaysia*

**Corresponding author email: Fadiah20001@mail.unpad.ac.id*

Abstract

Regional autonomy in the context of the unitary state of Indonesia is a phenomenon based on constitutional foundations, especially Article 18 paragraph (1) of the 1945 Constitution. This discussion examines the regional household system, parameters for measuring regional autonomy, as well as the rationality and arguments supporting decentralization. The regional household system, consisting of material, formal and real, raises considerations regarding the granting of autonomous rights to regions. The measurement parameters involve authority quotas, supervision systems, methods for selecting regional heads, and the process of making regional regulations, but further clarification is needed. The rationality of regional autonomy includes efficiency, political education instruments, strengthening political stability, political equality, preparation for political careers, and accuracy of development planning. Arguments supporting decentralization highlight the prevention of accumulation of power, popular participation, government efficiency, adaptation to regional specificities, and direct assistance for development. Strengthening regional autonomy requires regulatory capabilities, adjustments to national regulations, local political support, financial resources, and human resource development. This research reflects efforts to understand, evaluate and strengthen regional autonomy systems to support regional development and national stability.

Keywords: Regional Autonomy, Unitary State, Regional Household System, Measurement Parameters, Rationality.

1. Introduction

Indonesia as the largest archipelagic country in the world with an area of 1.9 million km² and a population of more than 270 million people (BPS, 2021) certainly cannot be managed solely by the central government. Since independence, the founders of this nation have determined that a unitary state is the best model to accommodate diversity of ethnicity, religion, race and class (Sukmaraga, 2018). However, government administration must also pay attention to geographical, demographic aspects and different potentials in each region.

Therefore, the constitution emphasizes that provincial and district/city administrative units are formed by granting the widest possible autonomy (UUD 1945 Article 18). The main purpose of regional autonomy is to prevent the centralization of authority by the central government, as well as preventing disintegration due to regional separation (Hadiz, 2004; Bertrand, 2004). With regional autonomy, it is hoped that development will be more in line with the potential, problems and aspirations of the people in the region.

The discourse on regional autonomy and decentralization has actually developed since the Dutch colonial period which implemented a system of limited decentralization (*desentralisatie*) and in 1959 Law no. 1 of 1957 concerning the Principles of Regional Government (Hanif, 2015). However, it was only after the 1998 reform that the implementation of regional autonomy had a real influence on political dynamics and regional development (Brodjegoro, 2004).

The period following the collapse of Soeharto's New Order regime marked a significant shift in Indonesia's political landscape, characterized by a transition to democratization. The amendments to the 1945 Constitution played a crucial role in this transformation, particularly by strengthening the constitutional status of provinces and districts/cities as

autonomous regions. This constitutional change was further elaborated in Law no. 22 of 1999 concerning Regional Government, which granted extensive autonomy to regions for self-governance.

However, the initial legislation was criticized for its loose framework, leading to potential misuse and the emergence of regional egoism. In response to these challenges, Law no. 32 of 2004 was enacted, reaffirming the principle of maximum autonomy in the Republic of Indonesia. This law emphasized democratic values, justice, equality, as well as acknowledging and leveraging the diverse potential within regions (Sambodo, 2007). Subsequent refinements were made through Law no. 23 of 2014 to address the evolving dynamics of the nation.

Despite ongoing efforts to refine regional autonomy regulations, the implementation has faced hurdles. Tensions between the central and regional governments have arisen, often stemming from disputes over the interpretation of laws and conflicting interests (Kawamura, 2013; Suara 2010). Notable points of contention include the division of authority, budget allocations, and control over strategic resources. Disparities in fiscal and human resource capacity among regions have further complicated matters, impeding the effectiveness of TPID (Smoke, 2003).

Given these challenges, examining the relationship between the central and regional governments within the framework of regional autonomy remains crucial. Such studies are essential for refining policies, fostering better governance, and responding to the unique dynamics of each locality. The focus should be on addressing central-regional tensions, disparities in resources, and other obstacles to ensure a more democratic and responsive governance system in Indonesia.

2. Results and Discussion

2.1. The Dynamics of Central-Regional Government Relations in Indonesia

The intricate relationship between the central and regional governments plays a pivotal role in the administration of government in Indonesia, a unitary state. This dynamic is characterized by two main conceptions: centralization and decentralization.

Within the intricate dynamics of central-regional government relations, the agency model emerges as a distinctive approach where regional governments operate in a subordinate capacity, akin to agents or executors of policies crafted by the central government. This model positions regional authorities primarily as instruments through which national policies are implemented at the local level. In essence, regional governments assume a role of agents, tasked with executing directives and adhering to policies determined by the central government.

The agency model underscores a hierarchical relationship, where decision-making authority remains concentrated at the central level. This setup ensures a streamlined and uniform implementation of policies across various regions, aligning with the central government's overarching vision. However, this centralized control raises pertinent questions about the adaptability and responsiveness of regional entities to the unique needs and nuances present in diverse local contexts.

While the agency model emphasizes efficiency and consistency, its limitations become apparent when considering the potential constraints on local autonomy. The model suggests that regional governments function more as conduits for executing centrally devised policies rather than as entities with the latitude to tailor strategies to meet local demands. This dynamic prompts scrutiny regarding the model's ability to foster genuine local development and address the distinctive challenges faced by different regions within the unitary state of Indonesia.

In practice, the efficacy of the agency model hinges on achieving a delicate balance between the benefits of centralized governance—ensuring uniform policy implementation—and the imperative of accommodating regional diversity and responsiveness. Striking this balance is pivotal to the success of the agency model within the broader context of Indonesia's unitary state, where the interplay between central control and regional adaptability remains a critical aspect of effective governance.

The centralization concept entails the concentration of absolute power in the hands of the central government. In this model, all policies and decisions are exclusively made at the center, with regional governments acting merely as extensions, their authority significantly restricted. Regional development becomes highly dependent on national budget allocations and centralized programs, limiting local autonomy.

Conversely, the decentralization concept offers greater freedom for regions to organize and manage their government affairs independently, beyond the purview of the central government. Decentralization manifests in three forms: deconcentration, assistance tasks, and regional autonomy. While deconcentration and assistance tasks maintain final responsibility at the central level, regional autonomy empowers regions with greater authority to shape policies in alignment with local interests and aspirations.

Throughout the history of Indonesian constitutional affairs, the pendulum of central and regional relations has swung between centralization and decentralization. Presently, Indonesia adopts a Unitary State system that grants extensive autonomy to regions. However, despite this shift, the interplay of interests between the central and regional governments remains evident, often manifesting in a tug-of-war scenario within the system.

Effective coordination and a balanced distribution of authority are crucial in navigating these complexities. The goal is to achieve synergy in realizing national objectives while accommodating the unique dynamics and aspirations of local communities. This requires a delicate balance, ensuring that neither centralization nor decentralization

dominates the relationship. The challenge lies in fostering cooperation and understanding between the center and regions, acknowledging diverse needs, and fostering an environment conducive to the progress of all regions within Indonesia.

In conclusion, the central-regional government relationship in Indonesia reflects a nuanced interplay between centralization and decentralization. Striking the right balance is essential for achieving harmonious governance that caters to both national objectives and local dynamics, ultimately fostering the advancement of all regions across the archipelago. The relationship between the central and regional governments is an inseparable part of the administration of government in a unitary state. There are two main conceptions of this relationship, namely centralization and decentralization.

The centralization concept places absolute power in the hands of the central government. All policies and decisions are taken by the center without involving the regions. Regional governments only act as extensions of the central government in their respective regions. Regional authority is very limited and regional development is very dependent on the national budget and programs. Meanwhile, the concept of decentralization provides much greater freedom for regions to organize and manage their own government affairs outside of those that are the affairs of the Central Government. Decentralization is divided into three types, namely deconcentration, assistance tasks, and regional autonomy. Deconcentration and assistance tasks still place final responsibility in the central government, while regional autonomy gives regions greater authority to determine policies according to the interests and aspirations of local communities.

In the history of Indonesian constitutional affairs, central and regional relations have experienced ups and downs between centralization and decentralization. Currently, Indonesia is implementing a Unitary State system by granting the broadest possible autonomy to regions. However, tug-of-war interests between the center and the regions still often occur in this system. Therefore, good coordination and a balance of authority are needed to achieve synergy in realizing national goals while accommodating local dynamics for the progress of all regions of Indonesia.

Between Decentralization and Development. The pattern of relations between the central and regional governments, which is reflected in the laws, marks a design that develops over the course of history and political dynamics that shape the government stage. For example, the New Order era characterized a centralized and authoritarian relationship pattern through Law no. 5 of 1974. In this period, regional government was considered more as a tool for implementing central policies, taking away regional creativity and initiative in developing local potential and community welfare.

However, after the fall of the new order in 1998 and the emergence of the reform era, Law no. 22 of 1999 and then replaced by Law no. 32 of 2004 reflects changes in the pattern of relations between central and regional governments. This is in line with the spirit of political and economic democratization which is the basis for granting greater autonomy to regions. How is this relationship pattern designed within the framework of regional government law?

The study of this relationship pattern must refer to constitutional principles and relevant legal provisions. The principle of a unitary state implies that the central government has responsibility for all government administration. Even though regional governments are given autonomous rights in administering government, the central government still has control through guidance and supervision.

In this context, instruments such as Law no. 22 of 1999 concerning Regional Government is the key in opening central-regional relations by implementing the principle of decentralization. Decentralization includes handing over some government affairs to regions, with provinces and districts/cities as government implementing units. However, the application of the deconcentration principle also marks the existence of the central government as a guide and supervisor to prevent deviations.

Even though this relationship pattern reflects the spirit of decentralization, centralized principles are still present as a consequence of the principle of a unitary state. The central government maintains a guidance and supervision role, emphasizing its national responsibility. Therefore, understanding the pattern of relations between the central and regional governments must be seen in the context of history, legal politics, and state objectives to prevent possible tensions between the central and regional governments.

2.2. Implementation of Government Affairs: Constitutional Foundations and Limitations of Regional Autonomy

Current discussions regarding the administration of regional government affairs cannot be separated from the constitutional basis as the starting point and foundation for building constitutionality in government administration. The Constitution clearly states that the Unitary State of the Republic of Indonesia is divided into provinces, each of which is divided into districts and cities. Each of these entities has a regional government regulated by law. Therefore, the existence of regional and central governments as entities administering government affairs is a constitutional mandate that must be carried out.

The management of government affairs which is the regional government's authority quota is the result of the implementation of the constitution. However, in practice, it is still difficult to find clear benchmarks regarding the right to autonomy in the administration of government affairs. Article 7 Law no. 32 of 2004 limitatively regulates

government affairs which fall under central and regional authority. However, other parameters or criteria for measuring regional autonomy have not been explicitly regulated in statutory regulations.

The importance of evaluating the weight of decentralization or regional autonomy is not only limited to the type and number of autonomy quotas. Other parameters that also become benchmarks also need to be taken into account. Until now, limitations in measuring regional autonomy are still a challenge, and further efforts need to be made to develop indicators that are more holistic and reflect the essence of implementing regional autonomy. Therefore, it is necessary to continue to strive for a deeper understanding of the constitutional basis and evaluation of the parameters of regional autonomy to ensure that the granting of autonomous rights truly achieves the main objective of establishing autonomous regions, namely improving community welfare and advancing local potential in a sustainable manner.

Discussing the essence of regional governance, which is currently gaining traction in its implementation, cannot be detached from its constitutional foundation as the starting point and manifestation of building constitutionalism in governance. The constitution asserts that the Unitary State of the Republic of Indonesia is divided into provinces, and each province is further divided into regencies and cities, each having its own regional government, regulated by law.

This constitutional provision serves as the basis for the shared administration of governance between the central and regional governments. Therefore, the existence of regional and central governments in the framework of governance implementation, which falls under their respective quotas of authority, is a constitutional mandate that must be executed.

Evaluating the extent of autonomy granted to regions in the administration of governance, which is a consequence of the establishment of autonomous regions, remains challenging to pinpoint explicitly. In legal provisions such as Article 7 of Law No. 32 of 2004, the quotas for the administration of government affairs that fall under the authority of the central government and those that fall under the authority of regional governments are stipulated, while other crucial indicators are less clearly defined.

2.3. Measuring Autonomy Levels: Additional Perspectives

To comprehensively measure the level of regional autonomy, four main criteria are proposed:

a. Quota of Regional Authority:

- Identifying and assessing the number and types of authorities granted to regional governments.
- Determining the extent to which regions have the freedom to regulate and manage affairs within their jurisdiction.

b. Supervision and Guidance System from the Central Government to Regional Governments:

- Evaluating the supervision system implemented by the central government over the performance of regional governments.
- Assessing the guidance and support efforts provided by the central government to enhance the capacity and effectiveness of regional governments.

c. Procedure for the Election, Appointment, and Dismissal of Regional Leaders:

- Reviewing the process of electing regional leaders, including the procedures for their appointment and dismissal.
- Measuring the extent to which regional governments have autonomy in determining local leadership.

d. Local Regulation-Making Process:

- Analyzing the process of creating Regional Regulations (Perda) at the regional level.
- Assessing how much freedom regions have to formulate local policies that align with the needs and aspirations of the local community.

In addition to these four criteria, exploring and identifying additional indicators is necessary for a more comprehensive understanding of the level of regional autonomy. It is essential to recognize that while stringent legal regulations regarding the division of governance responsibilities between the central and regional governments are crucial, adapting and responding to the diverse conditions of each region in Indonesia requires wisdom. Striking a balance between regulations and regional realities is key to building a relationship that respects each other and promotes local potential fairly and sustainably.

2.4. Three Systems of Regional Governance in Indonesia

In the implementation of regional governance, three systems of regional households are recognized: the material household system, the formal household system, and the real (actual) household system. In the material household system, regional autonomy is not a natural growth but is limited to a grant or transfer from the central government to the region. The existence of regional autonomy in this system depends on whether there is a transfer of a particular governance matter from the central government to the regional government. As emphasized by Bagir Manan, a region can only manage the affairs of its household if the central government transfers those specific matters to that region.

In the formal household system, regional autonomy is not considered a grant but something that naturally grows and is later recognized. Autonomy in this system is inherently embedded in a region, similar to the inherent rights of

individuals. The underlying principle of this system is that there is no inherent difference between the governance matters handled by the central or regional governments. Matters managed by the central government can inherently be managed by the regional government.

The real household system, on the other hand, bases the management of household affairs on actual conditions or real factors existing in a region. This system provides regions the opportunity to manage specific governance matters independently, as long as these matters are genuinely based on real conditions and are suitable to become regional household affairs.

According to the real household system, the recognition of real conditions or factors by the government becomes the basis for determining the content/quota of governance authority. This system strongly supports and is more appropriate to be considered as the model for Indonesia's autonomy system. It serves as a follow-up to the formation of regions entrusted with specific governance matters while also providing formal recognition (strengthening) of specific governance matters (actual) that have existed in that region.

As a unified framework in a unitary state, the relationship between the central government and regional governments encompasses authority, finance, public services, and the utilization of resources.

2.5. Principles of Division of Authority

The division of authority in governance matters between the central government and regional governments is a construct established by the 1945 Constitution. The central government's limitations in administering all governance matters are one reason for involving regions in governance. Through such a governance system, it is hoped that regions will be more proactive and creative in administering and managing governance matters and various community interests.

To support the strengthening of regional autonomy, policies and regulations should aim at serious efforts, providing several components that strengthen the implementation of regional autonomy. Agus Syamsudin identified these components as follows:

- Self-Regulating Power: The ability to manage and implement regional autonomy for the welfare of the local community.
- Self-Modifying Power: The ability to make adjustments to nationally established regulations according to regional conditions.
- Local Political Support: The establishment of a regional government with broad legitimacy from the community.
- Financial Resources: The development of capabilities to manage income sources and finances adequately.
- Developing Brain Power: Building human resources within the government and the community based on intellectual capabilities to solve various problems.

These components are normatively regulated in regional government laws, aiming to ensure effective governance and development.

2.6. Rationale for Regional Autonomy in a Unitary State

The implementation and follow-up of the formation of autonomous regions involve the granting of autonomy to these regions. The legal approach used in providing extensive autonomy to regions, except for matters explicitly determined by law as central government affairs, represents a form of power-sharing that is highly rational, although it sparks debates within the perspective of a unitary state. Several rational arguments supporting the implementation of regional autonomy within a unitary state can be outlined:

a. Efficiency and Effectiveness in Governance:

- Managing a vast and complex country with thousands of islands connected by seas and waters centrally is impractical.

b. Instrument for Political Education at the Local Level:

- Local governments can serve as a training ground for local politicians and a strong base for building and developing democracy on a national scale.

c. Strengthening National Political Stability:

- National political stability is rooted in and initiated by local political stability. If local political life builds robust and sustainable stability, it will have positive effects nationally.

d. Political Equality:

- Individuals and groups in autonomous regions, whether at the personal or group level, have equal opportunities to influence local governance policies related to their interests.

e. Preparation for Broader Political Careers:

- Local political actors, in building their political careers nationally, will be tested and matured, gaining public legitimacy if they can successfully navigate and manage local governance.

f. Accurate Development Planning:

- Indonesia's multicultural conditions, including demographic, geographic, economic livelihoods, religion, and beliefs, can be well-suited for development plans tailored to the fundamental needs of its diverse population.

The considerations by Josef Riwu Kaho, as cited by Bambang Yudoyono, further rationalize the need for decentralization of authority in line with the state's governance system: a. Decentralization to Prevent Power Accumulation:

- Decentralization is seen as a measure to prevent the accumulation of power in one entity, which could lead to tyranny.

b. Decentralization as a Democratic Action:

- It is viewed as a democratization measure to involve the people in governance and train them in using democratic rights.

c. Efficiency in Governance:

- Decentralization aims to achieve efficient governance, focusing on matters considered best managed by local governments.

d. Addressing Regional Specificities:

- Decentralization is necessary for a focus on the specificities of a region, such as geography, population, and economy.

e. Direct Assistance for Regional Development:

- Decentralization is needed for local governments to directly assist and implement regional development.

These rational arguments support the notion that regional autonomy, within the context of a unitary state, is a strategic and beneficial approach for effective governance, political development, and addressing the unique needs of diverse regions.

3. Conclusion

From the discussion above, several main conclusions can be drawn regarding regional autonomy in the context of a unitary state:

- a). **Constitutional Foundation:** Regional autonomy in Indonesia has a clear constitutional basis, in accordance with Article 18 paragraph (1) of the 1945 Constitution which recognizes the existence of regional government. The division of authority between the central and regional governments is regulated in detail in the law.
- b). **Regional Household System:** There are three regional household systems, namely material, formal and real. The real system is considered more supportive, providing opportunities for regions to manage their own government affairs based on real conditions in each region.
- c). **Regional Autonomy Measurement Parameters:** Measuring the level of regional autonomy involves several parameters, such as regional authority quotas, supervision systems, methods for selecting regional heads, and the process of making regional regulations. However, further clarification regarding this benchmark is still needed.
- d). **Rationality of Regional Autonomy:** Providing regional autonomy in a unitary state has a strong rationality. These include efficiency and effectiveness in government administration, political education instruments at the local level, strengthening national political stability, political equality, preparation for broader political careers, and the accuracy of development planning.
- e). **Arguments from those supporting decentralization:** In addition, arguments supporting decentralization highlight the importance of preventing the accumulation of power, involving people's participation in government, government efficiency, adaptation to regional specificities, and direct assistance for regional development.
- f). **The need to strengthen regional autonomy:** To support regional autonomy, several components need to be strengthened, such as the ability to regulate and implement autonomy, adjustments to national regulations, local political support, financial resources, and human resource development.

Overall, regional autonomy in Indonesia is directed at strengthening governance, accommodating diversity, and bringing benefits to regional and national development. However, special attention is needed regarding measurement parameters and strengthening certain aspects to ensure the effectiveness and sustainability of this autonomous system.

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