

Regional Autonomy and Governance Challenges: An Analytical Study on Policy Effectiveness

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Received: January 15, 2025

Revised: January 28, 2025

Accepted: February 01, 2025

Published: February 28, 2025

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Abstract: *Regional autonomy in Indonesia aims to increase the efficiency and effectiveness of government administration through decentralization. However, its implementation still faces various challenges, especially in fiscal inequality, the quality of public services, and transparency and accountability of governance. Regional dependence on central transfer funds hinders financial flexibility, while disparities in human and administrative capacity exacerbate development inequality. Other obstacles include a sluggish bureaucracy, low use of information technology, and weak supervision of regional policies, which contribute to the rampant practice of corruption and maladministration. This study uses a normative juridical approach by analyzing Law Number 23 of 2014 concerning Regional Government as well as literature studies to evaluate the effectiveness of local government governance. The results of the study show that improving the fiscal transfer mechanism, optimizing Regional Original Revenue (PAD), digitizing services, and strengthening the supervision system and public participation are strategic steps in increasing the effectiveness of regional autonomy. Policy reform based on good governance and transparency is a key factor in creating an accountable and responsive local government to the needs of the community. With these steps, it is hoped that local governance in Indonesia can run more optimally and sustainably.*

Keywords: *Regional Autonomy, Fiscal Inequality, Governance, Decentralization, Transparency.*

INTRODUCTION

The implementation of regional autonomy in Indonesia is a strategic step in realizing government decentralization, which aims to increase the efficiency, effectiveness, and responsiveness of local governments in meeting the needs of the community. The basic principle of regional autonomy contained in Law Number 23 of 2014 concerning Regional Government emphasizes that regions have the authority to regulate and manage their own government affairs based on the principle of autonomy and assistance duties. However, in practice, the implementation of this policy still faces various structural and administrative challenges. One of the main obstacles is the uneven capacity of human resources in each region. Many regions, especially outside Java, experience a shortage of competent apparatus personnel in the fields of planning, budgeting, and public policy management, so that the designed policies often do not



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run according to expectations¹. This gap is exacerbated by the lack of training and capacity building for state civil servants at the regional level, which hinders the effectiveness of the overall implementation of regional autonomy.

In addition to human resource problems, coordination between the central and regional governments is also a crucial factor that affects the success of regional autonomy. In many cases, regional policies still depend on central regulations, so that the flexibility of regions in formulating policies in accordance with local characteristics is limited. This can be seen in the management of transfer funds from the central to the regions, where budget allocations are often not in line with regional development priorities. The regional financial system in Indonesia is still highly dependent on the General Allocation Fund (DAU) and the Special Allocation Fund (DAK), which causes fiscal inequality between regions². Regions with low Regional Original Revenue (PAD) tend to experience difficulties in financing infrastructure development and public services independently, so the effectiveness of regional policies is limited. Therefore, improvements are needed in the fiscal transfer mechanism and strengthening regional authority so that the policies implemented truly reflect the needs and aspirations of the local community.

Effective local governance is highly dependent on transparency and accountability in the management of public policies. Unfortunately, various studies show that many regions in Indonesia still experience problems in these two aspects, which have an impact on poor public services and low public trust in local governments. According to a report by Transparency International Indonesia (TII, 2023), the corruption perception index in the local government sector still shows alarming numbers, with many cases of abuse of authority, embezzlement, and nepotism practices in the bureaucracy. One of the main factors that causes weak transparency is the low public access to public information and the lack of participation in the decision-making process. The bureaucratic system that is still hierarchical and closed causes control over public policy to be weak, thus opening up loopholes for corruption and maladministration practices.

In addition, the weak supervision system for the implementation of regional policies is also a serious obstacle in governance. Although there are various supervisory agencies, such as the Financial Audit Agency (BPK) and the Regional Inspectorate, the effectiveness of supervision is often hampered by a lack of independence, political pressure, and limited capacity to conduct a thorough audit. Many regional policies fail to be properly evaluated due to conflicts of interest between the executive and regional legislatures, which causes the practice of check and balance not to run optimally. In addition, the sanction system against public officials who are proven to abuse authority is still weak, so it does not provide a sufficient deterrent effect. To overcome this challenge, more decisive institutional reforms are needed, including strengthening the digitalization system in governance, making the supervisory mechanism more transparent, and increasing the involvement of the public and the media in supervising the performance of local governments.

¹ Rahman, A. (2022). *Formulasi Kebijakan Penyusunan Rencana Pembangunan jangka Menengah Desa (RPJMDes)*. Pascal Books.

² Sembiring, T. A. (2020). Pengaruh pendapatan asli daerah (PAD), dana alokasi umum (DAU), dan dana alokasi khusus (DAK) fisik terhadap pembangunan manusia di Provinsi Sumatera Utara (Periode 2016–2018). *Indonesian Treasury Review: Jurnal Perbendaharaan, Keuangan Negara dan Kebijakan Publik*, 5(1), 77-91.

In the context of local governance reform, Law Number 23 of 2014 concerning Regional Government has emphasized the importance of the principles of transparency, accountability, and effectiveness in the administration of government. Article 58 of this law explicitly mandates that the implementation of local government must apply the principles of *good governance*, which includes community participation in decision-making and supervision of regional policies. However, in practice, many local governments are still unable to apply these principles optimally. The study reveals that while decentralization has given greater authority to the regions, without a strict system of supervision, it has opened up opportunities for the emergence of local oligarchs and structured corruption practices.³ This weakness shows that although regulations have regulated ideal governance, its implementation still faces various obstacles, both from the institutional side and from the bureaucratic culture that is still patrimonial.

Furthermore, Law Number 23 of 2014 also emphasizes that regional financial management must be carried out in a transparent and responsible manner, as stipulated in Article 280 which requires the preparation of regional budgets oriented to the needs of the community and measurable results. However, inequality in budget management is still a serious challenge in various regions, especially in terms of the distribution of funds that often do not match development priorities. Regarding fiscal decentralization in Indonesia, this shows that the budgeting mechanism at the regional level still tends to be elitist, with more budget allocations used for employee spending compared to investment in infrastructure and public services.⁴ This is contrary to the spirit of decentralization which is expected to improve people's welfare through policies based on local needs. Therefore, it is necessary to improve the regional planning and budgeting system that is more evidence-based (*evidence-based policy*), as well as a more independent monitoring mechanism to ensure that the use of the budget is truly oriented towards the welfare of the community.

In an effort to increase the effectiveness of regional autonomy, policy reform must be directed at strengthening the capacity of local government, both in managerial, technical, and leadership aspects. One of the biggest challenges in local governance is the low quality of data-driven decision-making, which is often influenced more by political interests than by the real needs of the community. Although decentralization has provided room for policy innovation at the regional level, many regional heads still face limitations in the use of technology and data analysis to design effective policies.⁵ This is exacerbated by the lack of coordination between regional apparatus in sharing information and designing policies that are cross-sectoral. Therefore, digitalization in government systems, such as the implementation of *e-government* and *open data*, is an urgent step to increase accountability and effectiveness of regional policies.

In addition to capacity building and digitalization, increasing public participation is also a key element in local governance reform. Article 354 of Law Number 23 of 2014 emphasizes that the public has the right to participate in the formulation of public policies and supervise their implementation. However, in practice,

³ Asri, M. A. (2020). *Sistem Meritokrasi Rekrutmen Kepemimpinan Daerah Dalam Penguatan Demokrasi Lokal Di Tingkat Provinsi Sulawesi Barat* (Doctoral dissertation, Universitas Hasanuddin).

⁴ Musadat, A. (2023). The Effects of Participatory Budgeting on Local Government Service Delivery: Evidence From Sumedang. *Bulletin of Indonesian Economic Studies*, 59(1), 29-60.

⁵ Wenjuan, S., & Zhao, K. (2024). Navigating the innovation policy dilemma: How subnational governments balance expenditure competition pressures and long-term innovation goals. *Heliyon*.

community involvement is still a formality and does not have a significant impact on the decision-making process. Studies have shown that many development planning deliberative forums (*musrenbang*) are only used as a tool for policy legitimacy without a strong feedback mechanism from the public.⁶ For this reason, there is a need to strengthen more substantial public participation mechanisms, such as the development of digital platforms that allow the public to provide direct input and ensure that their aspirations are truly accommodated in regional policies. Thus, local governance reform does not only depend on formal regulations, but also on the active role of the community in overseeing the effectiveness of the policies implemented.

METHOD

This research uses a normative juridical method, which is an approach that focuses on the study of laws and regulations, legal doctrines, and principles that apply in local governance. This method aims to analyze the effectiveness of regional autonomy policies based on legal norms that have been set, by referring to Law Number 23 of 2014 concerning Regional Government as the main foundation. In this approach, the research will explore the extent to which existing regulations have been able to create transparent, accountable, and effective governance in accordance with the principles of *good governance*.

The normative juridical approach in this study will be carried out with three main stages. First, a normative analysis of laws and regulations, especially Law Number 23 of 2014, to identify the authority of local governments and supervisory mechanisms in the implementation of regional autonomy. Article 280 of this Law, for example, regulates regional financial management that must be carried out in a transparent and responsible manner, so that research will examine the implementation of this provision in practice. Second, the study of legal literature and court decisions, including the results of the audit by the Financial Audit Agency (BPK) and the recommendations of the Ombudsman related to local governance practices. Third, comparative studies, namely comparing policy implementations in various regions to understand the factors that support or hinder the effectiveness of decentralization policies. With this approach, the research is expected to provide a comprehensive overview of legal challenges in regional autonomy and provide more effective law-based policy recommendations.

RESULTS AND DISCUSSION

Effectiveness of the Implementation of Regional Autonomy Based on Law Number 23 of 2014

1. Fiscal Inequality and Regional Financial Dependence on the Central Government

Fiscal inequality and regional financial dependence on the central government are still the main challenges in the implementation of regional autonomy in Indonesia. Although Article 280 of Law Number 23 of 2014 gives the authority to regions to manage finances in a transparent and accountable manner, the reality is that many regions still rely on fiscal transfers from the central government. The revenue of some regions comes from the General Allocation Fund (DAU) and the Special Allocation Fund (DAK), which shows a

⁶ The inclusiveness of community participation in village development planning in Indonesia

low level of fiscal independence.⁷ This dependence leads to disparities in development between regions, where regions with high Regional Original Income (PAD), such as DKI Jakarta and West Java, have flexibility in formulating financial policies, while regions with low PAD are highly dependent on central funds, which limits their ability to determine local development priorities.

This fiscal inequality is caused by several main factors. One of them is the uneven economic potential in various regions. Regions with a developing industrial and service sector have a higher PAD potential than areas that still depend on primary sectors such as agriculture and plantations. In addition, different administrative and institutional capacities also affect the ability of regions to explore their own sources of income. Some regions have weak financial governance systems, so they have not been able to optimize revenue from regional taxes and levies. On the other hand, the design of national fiscal policies that are still based on the DAU and DAK distribution formula without providing sufficient incentives for regions to increase PAD has also exacerbated this inequality.⁸

This high fiscal dependence has a significant impact on regional development. One of the impacts is the lack of incentives for regions to increase PAD because they tend to rely on more stable and secure central transfer funds. As a result, innovative efforts to explore regional sources of revenue often receive less attention. In addition, this dependence also limits regional fiscal flexibility in formulating policies based on local needs. Many regional policies must be adjusted to the requirements of the central government, thus hindering innovation in local governance. Fiscal inequality also contributes to uneven development, where regions with high PAD tend to develop faster than regions that still rely on transfer funds from the central government.

To overcome fiscal inequality and increase regional financial independence, various strategic steps are needed. One of the main steps is to optimize the collection of regional taxes and levies, such as hotel, restaurant, and entertainment taxes, in order to increase PAD. In addition, strengthening the capacity of human resources and regional financial governance systems is crucial so that regions have better capabilities in managing finances independently. Another effort that can be made is to diversify regional sources of income through the development of local economic sectors, such as tourism, creative industries, and agribusiness, which have the potential to make a major contribution to PAD. In addition, the central government also needs to reform fiscal decentralization policies by adjusting the transfer fund distribution formula to be more incentive-oriented for regions that have succeeded in increasing their fiscal independence.⁹

With these various efforts, it is hoped that the regions can be more independent in managing their finances and reduce their dependence on central funds. Without concrete steps to encourage fiscal independence, the

⁷ Qisthina, F. A., Wahyudi, S. T., & Khusaini, M. (2020). Analisis Kemandirian Keuangan Daerah Di Kabupaten Dan Kota Swp Gerbangkertasusila Plus. *Jurnal Ekobis: Ekonomi Bisnis & Manajemen*, 10(2), 107-118.

⁸ Andrea, D. L. (2020). Penyelenggaraan otonomi daerah bidang pendidikan berdasarkan undang-undang nomor 23 tahun 2014 tentang pemerintahan daerah. *Jurnal Ilmu Hukum Kyadiren*, 1(2), 157-165.

⁹ Rizkika, C., Salman, S., & Kusaimah, K. (2023). Efektivitas Pembentukan Daerah Otonom Baru Ditinjau Dari Undang-Undang Nomor 23 Tahun 2014 Tentang Pemerintahan Daerah. *SEMBILAN: Jurnal Hukum dan Adat*, 1(1), 13-23.

regions will continue to experience limitations in determining development policies based on local needs. Therefore, fiscal policy reform, PAD optimization, and regional capacity building are the main keys in realizing a fairer and more sustainable development equity.

2. Quality of Public Services as an Indicator of the Success of Regional Autonomy

Regional autonomy aims to improve the quality of public services by giving greater authority to local governments so that they can manage government affairs in accordance with the needs of the local community. In this context, the quality of public services is the main indicator of the success of decentralization. However, in practice, the effectiveness of this policy still faces various challenges, especially related to the inequality of local government capacity in providing public services. Differences in human resources, infrastructure, and governance cause uneven service quality in various regions.¹⁰

Although Law Number 23 of 2014 has regulated regional authority in various sectors, the implementation of this policy has not been optimal. The Ombudsman Report of the Republic of Indonesia (2023) shows that there are still many public complaints regarding the low quality of public services, which are caused by slow bureaucracy, ineffective administrative systems, and lack of transparency in budget management. Slow bureaucracy is caused by long and inefficient administrative procedures, where the bureaucratic work culture is still more oriented towards procedural compliance than on quick and effective results.¹¹ In addition, an ineffective administrative system is the main obstacle in the implementation of public services, especially due to the lack of use of information technology. Many regions still rely on a manual system that slows down the service process, while the implementation of the one-stop service system is not evenly distributed, so people have to deal with many agencies to get certain services.¹²

In addition, the lack of transparency in budget management is also a major issue in public services in the regions. There are still reports of budget misuse due to weak monitoring and accountability systems, which are further exacerbated by the lack of public participation in the public service planning and evaluation process.¹³ This condition causes many programs and policies that are not in accordance with the needs of the community due to the absence of an effective control mechanism. To overcome this problem, various

¹⁰ Maulani, W. (2020). Penerapan Electronic Government Dalam Peningkatan Kualitas Pelayanan Publik (Studi Kasus Program E-Health Di Kota Surabaya). *AS-SIYASAH: Jurnal Ilmu Sosial Dan Ilmu Politik*, 5(2), 44-54.

¹¹ Radiansyah, R. R. (2020). Reformasi birokrasi sebagai upaya mewujudkan good governance melalui kerangka otonomi daerah. *Jurnal Inovasi Ilmu Sosial Dan Politik (JISoP)*, 2(1), 80-93.

¹² Aminah, A., Gantyowati, E., Winarna, J., & Redaputri, A. P. (2021). Implementation of The Effectiveness of Regional Autonomy in Indonesia. *JEJAK: Jurnal Ekonomi Dan Kebijakan*, 14(1), 123-133.

¹³ Lanin, D., & Hermanto, N. (2019). The effect of service quality toward public satisfaction and public trust on local government in Indonesia. *International Journal of Social Economics*, 46(3), 377-392.

strategic steps are needed to improve the quality of public services as an indicator of the success of regional autonomy.¹⁴

The first step that needs to be taken is to strengthen the capacity of human resources (HR) of local government apparatus through continuous training and the implementation of a meritocracy-based recruitment system. Thus, it is hoped that local governments have a competent and professional workforce in providing services to the community. In addition, improving technological infrastructure is an important step in accelerating the service process. Digitization of public services through the implementation of e-government can increase efficiency and transparency in various aspects of administration and community services. Therefore, the development of equitable digital infrastructure throughout the region needs to be a priority to ensure equitable access to public services.

In addition to strengthening human resources and technological infrastructure, stricter supervision and evaluation are also needed to ensure the effectiveness of regional autonomy policies in improving the quality of public services. The role of supervisory institutions such as the Ombudsman, BPK, and KPK must be strengthened in supervising the running of public services in accordance with the standards that have been set.¹⁵ In addition, community involvement in supervision and planning of regional policies must be increased through a transparent and participatory complaint mechanism. With strategic efforts involving strengthening local government capacity, optimizing technology, and a strict supervision system, it is hoped that public services can run more efficiently, transparently, and in accordance with the needs of the community, so that the main goal of regional autonomy can be achieved to the maximum.

Challenges of Regional Governance in a Normative Juridical Perspective

1. Weak Supervision Mechanism for Regional Governments

The weak supervision mechanism for local governments is one of the main challenges in realizing transparency and accountability in governance. Law Number 23 of 2014 has actually regulated the supervision mechanism for the implementation of local government, where Article 354 gives the right to the community to participate in supervising the running of the government. However, in practice, the effectiveness of this supervision is still far from expectations. Public participation in supervision is often a formality and does not have a significant impact. One of the reasons is that there is still limited public access to public information, where financial reports and regional policies are often not published transparently.¹⁶

¹⁴ Putri, G. E., Ismaya, A., Taqi, M., & Hanifah, I. A. (2023, December). Does Regional Autonomy Guarantee a Good Financial Performance?. In *International Conference on Sustainability in Technological, Environmental, Law, Management, Social and Economic Matters (ICOSTELM 2022)* (pp. 175-189). Atlantis Press.

¹⁵ Putra, R., Taufiqurrahman, M. M., & Pambudi, B. R. (2022). Governing The Ombudsman As An Independent State Institution In The Constitution: An Attempt To Strengthen Public Service Supervision In Indonesia. *Aldaulah Jurnal Hukum Pidana dan Ketatanegaraan*, 11(1).

¹⁶ Lorenza, I. L., & Sihabudin, A. A. (2022). Implementasi Kebijakan Pemerintah Daerah Dalam Pembinaan Prestasi Olahraga Oleh Komite Olahraga Nasional Indonesia di Kabupaten Ciamis. *Moderat: Jurnal Ilmiah Ilmu Pemerintahan*, 8(4), 856-867.

In addition, the low literacy of law and government administration causes the public not to understand the supervision procedures and violation reporting mechanisms properly. Furthermore, the existing complaint and reporting systems are often unresponsive and do not provide adequate protection for whistleblowers, thereby reducing public interest in conducting supervision.

In addition to weak public participation, supervisory institutions such as the Regional Inspectorate, the Financial Audit Agency (BPK), and the Corruption Eradication Commission (KPK) also face various obstacles in carrying out their duties. Political pressure is the main factor that weakens the independence of supervisory institutions, where regional heads or high-ranking officials often have strong political networks so that they are able to intervene in the audit and investigation process.¹⁷ The complexity of the bureaucracy also slows down the effectiveness of supervision, where convoluted administrative procedures make the investigation process slow and ineffective in following up on cases of misuse of the regional budget. In addition, the limited resources and experts in the supervisory agency further aggravate the situation, considering that effective supervision requires auditors and investigators who are competent in the field of finance and governance.

Transparency International Indonesia (2023) noted that many cases of misuse of the regional budget were not handled properly due to weak coordination between supervisory agencies. The Regional Inspectorate, BPK, and KPK often work separately without a clear coordination mechanism, resulting in ineffective case handling and many violations that go unpunished. In addition, the lack of transparency in regional financial statements is also a major obstacle, where financial statements are often not thoroughly audited or not published to the public. As a result, corruption practices and irregularities in regional financial management still continue to occur without adequate supervision.

To overcome this problem, reforms are needed in the local government supervision mechanism. First, the independence of supervisory institutions must be increased by reducing political intervention and strengthening the authority of the Regional Inspectorate, BPK, and KPK in cracking down on irregularities at the regional level. Second, the implementation of a technology-based audit system must be carried out immediately to increase transparency and accuracy in regional budget supervision. The use of e-audit systems and blockchain technology, for example, can help minimize the risk of financial data manipulation as well as speed up the audit process. Third, the role of civil society needs to be strengthened by increasing the involvement of community organizations, investigative journalists, and creating a safe and responsive complaint system for whistleblowers. Fourth, public information disclosure must be improved by ensuring that financial reports and regional policies can be accessed in real-time by the public, so that transparency in local governance can be realized.¹⁸

With the reform in this supervision mechanism, it is hoped that the supervision system for local governments can become more effective, transparent, and accountable. Weak supervision that has been a loophole for corrupt practices and irregularities must be immediately overcome through increased

¹⁷ Saputra, A. M., & Hidayat-Sardini, N. (2024). NETRALITAS BIROKRASI DALAM PEMILIHAN GUBERNUR DAN WAKIL GUBERNUR PROVINSI JAWA BARAT TAHUN 2018. *Journal of Politic and Government Studies*, 14(1), 591-609.

¹⁸ Hawari, K., & Sari, V. F. (2023). Faktor-Faktor yang Mempengaruhi Kelemahan Sistem Pengendalian Internal pada Pemerintah Daerah Kabupaten/Kota di Sumatera Barat. *Jurnal Eksplorasi Akuntansi*, 5(3), 1290-1305.

coordination between supervisory agencies, the use of technology in financial audits, and more active community involvement in overseeing regional policies. If these measures can be implemented systematically and consistently, the effectiveness of local government supervision can be increased, so that clean and integrity governance can be realized.

2. The Rise of Corruption and Maladministration Practices in Local Government

Corruption and maladministration in local government are still serious challenges in realizing good governance in Indonesia. Although regulations such as Law Number 23 of 2014 have regulated the principles of transparency and accountability, the reality is that there are still many regional heads involved in corrupt practices, especially in the management of budgets and infrastructure projects. One of the main causes of rampant corruption is the lack of transparency in project planning and procurement, where the practice of bribery and collusion often occurs in the contractor determination process. In addition, decentralization, which is expected to provide autonomy to the regions, actually opens up a gap for abuse of power, especially in the allocation of regional budgets that are not strictly supervised.¹⁹

The lack of supervision, both internal and external, further exacerbates this condition. Audit bodies such as the BPK and the Regional Inspectorate often face obstacles in following up on findings of violations, while the involvement of the public and the media in supervising regional policies is still limited due to the lack of access to public information. In addition, the culture of patronage and money politics also exacerbates corruption at the regional level.²⁰ Many regional heads are elected through financial support from certain parties, so that after taking office they feel obliged to return their political capital through corrupt practices, such as manipulation of project tenders and acceptance of bribes from businessmen.

The impact of corruption and maladministration is very detrimental to the community. One of the most obvious impacts is the decline in the quality of public services. Budgets that should be used to build infrastructure and improve people's welfare are actually corrupted, causing projects such as roads, bridges, schools, and hospitals to become stalled or built with low quality. In addition, the rise of corruption cases also erodes public trust in the government, which can ultimately lead to political apathy and low participation in regional development programs.²¹ Furthermore, corruption in regional budget management has an impact on development inequality, where poorly managed regions experience a lag in economic growth compared to regions that have a more transparent government system.

To overcome this problem, various preventive measures and solutions need to be implemented systematically. One of the effective strategies is the implementation of digitalization in the procurement of goods and services through the e-Procurement and e-Budgeting systems. With this system, every

¹⁹ Sudirman, M. A., Amiruddin, A., & Parman, L. (2020). Tindakan maladministrasi dalam perspektif tindak pidana korupsi. *Pagaruyuang Law Journal*, 3(2), 232-258.

²⁰ Ramadhani, S., & Dyastari, L. (2024). Upaya Pemerintah Kota Samarinda Mewujudkan Good Governance Melalui Aplikasi Samarinda Santer: Samarinda City Government Efforts to Realize Good Governance Through the Samarinda Santer Application. *Jurnal Ilmu Pemerintahan*, 12(3), 95-101.

²¹ Arsalan, I., Junaidi, M., Sukimin, S., & Sudarmanto, K. (2021). Reposisi Kewenangan Kejaksaan Dalam Melakukan Penegakan Tindak Pidana Korupsi Dan Maladministrasi Pemerintahan. *Jurnal USM Law Review*, 4(2), 651-662.

transaction can be monitored in real-time thereby minimizing the chances of budget manipulation. In addition, stricter law enforcement against local officials involved in corruption should be a priority, including the provision of heavier sanctions to create a deterrent effect. Strengthening the role of the community and the media is also very important in efforts to supervise local governments. Therefore, a public information disclosure policy is needed so that the public can access regional financial reports and participate in supervising the implementation of government projects.²²

In addition to technological and law enforcement aspects, bureaucratic reform is also a key factor in eradicating corruption at the regional level. The selection of regional officials must prioritize aspects of integrity and competence, and implement an internal whistleblower system that protects government employees who dare to report corrupt practices. With a comprehensive approach, including strengthening regulations, digital transparency, community supervision, and strict law enforcement, it is hoped that corruption and maladministration in local government can be minimized. Thus, local governance can run more cleanly, transparently, and accountable for the welfare of the community as a whole.

CONCLUSIONS

The implementation of regional autonomy in Indonesia still faces various challenges, especially in fiscal inequality and the quality of public services. Fiscal inequality occurs due to the high dependence of local governments on central transfer funds, which limits regional financial flexibility. The main factors that cause this inequality are differences in economic potential, diverse administrative capacity, and national fiscal policies that do not support the increase in Regional Original Revenue (PAD). To overcome this problem, it is necessary to reform fiscal decentralization, optimize regional taxes, and strengthen regional financial governance to be more independent in development financing. In addition, the uneven quality of public services is another challenge in the implementation of regional autonomy. The main obstacles to improving public services include slow bureaucracy, ineffective administration, and lack of transparency and the application of information technology. Therefore, increasing the capacity of regional apparatus, accelerating service digitalization, and stricter supervision are strategic steps in improving service quality. From a normative juridical perspective, local governance also faces challenges in the form of weak supervisory mechanisms and rampant corruption and maladministration practices. Reform in the supervisory mechanism, the use of technology in financial audits, and increased civil society involvement are important steps to address these problems. With systematic and sustainable efforts, it is hoped that local government governance can become more transparent, accountable, and free from corruption.

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²² Fasa, A. W. H., & Sani, S. Y. (2020). Sistem Manajemen Anti-Penyuapan ISO 37001: 2016 dan Pencegahan Praktik Korupsi di Sektor Pelayanan Publik. *Integritas: Jurnal Antikorupsi*, 6(2), 187-208.

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