

## ARTICLE

# Balance Between Delegation of Authority and Submission of Regional Revenue Sources in Indonesia

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**Abstract:** Since 1946, Indonesia has adopted a decentralization policy that impacts the transfer of authority to regulate and administer government affairs in the regions, followed by financing to manage these affairs. In a unitary state, the power source, both in terms of financial management and administrative power, rests with the central government. This study uses a descriptive qualitative method to explain the history of the development of authority and financial balance policies in Indonesia and the meaning of decentralization policies in Indonesia. Quantitative descriptive was used to analyze data regarding the implementation of regional government affairs, personnel expenditure ratios, comparison of central and regional expenditures, and other data related to burdens and revenues between the center and the regions. This study found that the central government has recognized regional independence through income sources managed by themselves and reduced transfer funds that aim to cover the lack of regional revenues. The provision of sources of revenue from the central government to the regions is not proportional to the ratio of the burden given. The results of this study indicate that the load is inversely related to the budgetary capacity between the government and local governments. The imbalance between the workload and the source of revenue received by the region is the low ability of the region to provide basic services that are the authority.

**Keywords:** local autonomy; expenditure; authority; financial autonomy

## 1. Introduction

Decentralization has been the subject of debate by both experts who oppose it and those who support it. Supporters view that decentralization will maintain national integration by preventing discontent with the center (Rasyid, 2004, p. 6; Riker, 1964), encourage the growth of democracy (Muluk, 2009, p. 3), and prevent the birth of authoritarianism (Riker, 1964). Meanwhile, groups that criticize, especially the Marxists, view that decentralization will make it easier for capitalists to control and utilize local political elites to strengthen their grip on the proletariat (Muluk, 2009). Other critics also consider that decentralization has a parochial, separatist, against the public will, sectarian and anti-egalitarian spirit (Smith, 2012, p. 5).

Although there are criticisms of decentralization, reflecting on the experience of the new order's centralistic and authoritarian government, which lasted for 33 years, it has inspired the 1997 reform movement to make decentralization one of the fundamental agendas in Indonesia's constitutional change. Amendments to Article 18 and the issuance of Article 18A of the 1945 Constitution are the strongest foundations for changes in decentralization and regional autonomy in post-reform Indonesia.

The amendments to the 1945 Constitution not only give political autonomy to autonomous regions, but the birth of Article 18A of the 1945 Constitution has also given birth to a strong foundation for financial decentralization to autonomous regions. Article 18A paragraph (2) expressly states that the central and regional governments' regulation and implementation of financial relations, resource utilization, and public services must be fair and harmonious.

Research related to equity and harmony is carried out by looking at the relationship between the central government and local governments in fiscal decentralization to reduce poverty (Hussain et al., 2021). There is a reconfiguration of the role of local government and the size of local government (Kwabena Obeng, 2021; Sohail et al., 2021), domestic political stability (Wang et al., 2021), and regional development planning (Mainali et al., 2021).

There is no previous research that discusses the balance between political decentralization in the form of handing over government affairs which are the authority and burden of the regional government, with fiscal decentralization, which gives up revenue sources for the regions to finance government affairs which are the burden and authority of the region. But it is more about handing over revenue sources to the regions (Mukhlis & Makhya, 2019) along with its management, such as the relationship between fiscal decentralization and the degree of independence in regional financial management (Oulasvirta & Turala, 2009; Saunders, 2018), the amount of mandatory spending (Phaup, 2019), transparency of financial management and public trust (Koeswara, 2016), and regional financial management (Olson, 2012).

Law No. 33 of 2004 as an amendment to Law No. 25 of 1999 which substantially did not bring about fundamental changes to the components of regional revenues but was more aimed at increasing the value of general allocation funds and increasing the types of revenue sharing funds and the portion of revenue sharing funds for autonomous regions (Handayani & Badrudin, 2019; Rahula & Bowo, 2021).

The research question posed is whether the transfer of authority to the autonomous region has been followed by the transfer of revenue sources balanced with the burden of government affairs under the authority of the region? This study aims to obtain an overview of the balance and harmony between the policy of handing over government affairs to autonomous regions and submitting sources of revenue to support public service performance to the community.

## 2. Methods

This research uses descriptive quantitative and qualitative descriptive methods. Descriptive quantitative methods in the form of percentages, averages, or ratios were used in analyzing the balance between the burden of the affairs of the autonomous region and the fiscal capacity of the region. In contrast, the qualitative method is used

to analyze the distribution of government affairs over time and/or between policies related to the submission of regional revenue sources given to carry out these government affairs.

Data collection is carried out through documentation studies and literature studies in statutory regulations, government reports, and other relevant documents and literature. The data needed in this study includes State Budget data, allocation of State Budget expenditures for ministry/institutional expenditures, and data on transfer funds to the regions. Regional Budget data needed in this study include the number of Regional Budgets throughout Indonesia, personnel expenditure data, regional revenue data (PAD). Meanwhile, other data needed is the number of civil servants (PNS) throughout Indonesia, central employees, and regional employees. Regional development performance data required include data on education, data on health, and data on infrastructure.

Data analysis was carried out in several steps, which included 1) comparing the total expenditure of the central ministries/agencies with the total expenditure of the regions; 2) comparing regional personnel expenditures with the total Regional Budget; 3) compare the number of central civil servants with regional civil servants; 4) comparing the ratio of central civil servants to regional civil servants; 5) comparing central ministry/institutional spending to total regional expenditure.

Analysis of regional fiscal capacity is carried out to analyze the achievement of development performance as a form of implementation of regional government affairs. Regional fiscal capacity is considered balanced with the burden of its authority if development performance in government affairs above reaches 90% or more or is following global targets. Therefore, performance measures above 90% or following global targets are set with 100% minimum service standards for mandatory affairs. Government performance in other affairs is of good value in the Report and Evaluation of the Performance of Local Government Administration.

### 3. Results and Discussion

#### 3.1. History of the Division of Government Affairs

Delegation of government affairs to autonomous regions has begun since the early days of Indonesian independence. During the old order, the transfer of authority to autonomous regions was carried out through several laws, namely Law No. 1 of 1946, Law No. 22 of 1948, Law No. 1 of 1957, and Law No. 18 of 1965 (Hoessein, 1993). Regional authorities in the old order used the principle of general competence, where local governments carried out all government affairs except those which the central government declared as central authorities (Muluk, 2009).

The authority of autonomous regions in the old order period can be divided into two phases. The first phase was the liberal political era between 1945 and 1959. In this phase, autonomous regions had very broad powers and had a very high degree of autonomy. The second phase was the era of guided politics from 1959 to 1965. In this phase of guided politics, the role of the President was very strong and very central. In the era of guided politics, regional heads carry out two roles, namely as regional heads and as representatives of the central government, without any clear distinction between the duties of the heads of autonomous regions and representatives of the central government (Hoessein, 1993). This condition places local governments more under the control of the central government. During the New Order era, the delegation of authority was carried out through two events: First, the submission of basic affairs whose submission is included directly in the law for the formation of each region. Second, the transfer of additional authority stipulated by government regulations. The delegation of additional authority varies between regions (asymmetrical), which is determined based on the capacity and conditions of each region. The delegation of additional authority is based on financial capability, economic conditions, externalities, and accountability (Suwandi & Yahya, 2017).

In entering the reformation period, regional autonomy has regained its place and has been strengthened. Strengthening regional autonomy is carried out through laws and amendments to the 1945 Constitution by amending the provisions of Article 18 and adding Article 18A and Article 18B of the 1945 Constitution. Fair and harmonious finance between the central and regional governments and between regions (Suwandi & Yahya, 2017).

In-Law No. 22 of 1999 concerning Regional Government, regional authority covers all authorities except absolute government affairs. The authority of the autonomous region was again given based on the principle of general competence. In addition to giving broad authority to autonomous regions, especially regencies/municipalities, Law No. 22 of 1999 also gives autonomous regions a high degree of autonomy. Regions can regulate their authority with regional or head regulations without the central government's guidelines or technical instructions. The central government does not have the authority to re-evaluate and cancel regional regulations and regional head regulations.

The golden period of broad autonomy did not last long; through Law No. 32 of 2004, corrections were made to regional autonomy policies. The division of authority no longer uses the principle of general competence but uses the ultra vires principle with a concurrency model (Suwandi & Yahya, 2017). The original authority is no longer placed in the district/city area but with the central government. With the foremost authority in the central government, if there is a government function that is not regulated in the division of authority, then the government function becomes the central government's authority.

In addition to changing the principle of division of authority, Law No. 32 of 2004 also gives the central government the authority to intervene in the authority of autonomous regions through First the establishment of guidelines known as Norms, Standards, Procedures, and Criteria that local governments must obey. Second, guidance and supervision by the central government to regional governments. In implementing supervision, the central government can evaluate Draft Regional Regulations and Regional Head Regulations. It can cancel Regional Regulations, and Regional Head Regulations deemed contrary to the central government's policies. The principle and model of the division of authority used in Law No. 32 of 2004 were re-adopted in Law No. 23 of 2014.

Despite changes in the principle of division of authority in Law No. 32 of 2004 and Law No. 23 of 2014, there is almost no significant change in the amount of authority granted to autonomous regions compared to Law No. 22 of 1999. Therefore, currently, autonomous regions are still given broad authority covering 34 government affairs.

### 3.2. History of Submission of Autonomous Regional Revenue Sources

The provision of financial resources to autonomous regions has also been carried out since the beginning of Indonesia's independence. In Article 37 of Law No. 22 of 1948 concerning Regional Government, it is stated that regions have sources of revenue consisting of regional taxes, including levies, regional company results, state taxes that are submitted to regions, and others. In-Law Number 22 of 1948, it is stated that the system for filling in deficiencies (*sluitpos*) is no longer used so that regions do not depend on central assistance so that they can be independent with their income. In following up on the provisions in Law No. 22 of 1948, Law No. 32 of 1956 has been enacted, whereby the regions are again assisted by the central government outside of the central tax revenue sharing in the form of subsidies and donations. Law No. 32 of 1956 handed over several types of taxes into local taxes, including eight types. In addition to the regional taxes mentioned above, the regions are also given profit sharing from the central tax, including wage tax, transitional tax, property tax, company tax, stamp duty and import duty, export duty, and excise (Hoessein, 1993).

The percentage of tax revenue sharing is regulated in PP No. 12 of 1958. Meanwhile, subsidies are given to regions for extraordinary purposes at the request of

the regions. At the same time, donations are given to areas that cannot afford. In addition, regions that achieve certain targets are given rewards or incentives. Furthermore, with Emergency Law No. 11 of 1957 concerning the General Regulation of Regional Taxes, additional taxes were given to those regulated in Law No. 32 of 1956 mentioned above.

Meanwhile, the provisions regarding regional levies are regulated by Emergency Law No. 12 of 1957 concerning General Regulations for Regional Levies. Based on the above provisions, the regions can collect six types of levies, such as stamp money, border money, and others. Law No. 18 of 1997 concerning Regional Taxes and Levies regulates transfer fees for motorized vehicles, motor vehicle taxes, and motor vehicle fuel taxes as types of taxes at the level I regions. Meanwhile, types of regional taxes at level II include six types of taxes. Other types of local taxes are regulated by government regulations as long as they meet the criteria specified in the law. Meanwhile, the regional levies regulated in Law No. 18 of 1997 are divided into three groups which include general service levies, business service levies, and certain licensing fees. The type of retribution for each group is further regulated in a Government Regulation.

Post-reform, in line with changes in policy towards decentralization, the provisions on the financial balance between the central and regional governments were also changed. The issuance of Law No. 25 of 2000 concerning Financial Balance is a new milestone in the financial balance between the central and regional governments. In this new financial balance law, regions, besides having a source of revenue from regional taxes and levies, are also given balancing funds in the form of transfer funds from the central government to regional treasuries. The balancing fund consists of general allocation funds, special allocation funds, and profit-sharing funds. In its implementation, in addition to balancing funds, the central government still provides transfer funds in special autonomy funds, village funds, regional incentive funds, emergency funds, and special regional infrastructure funds. In addition to the provisions on financial balance, provisions regarding regional taxes and levies were also amended with the issuance of Law No. 28 of 2009, which regulates taxes and levies. With this law, the types of provincial taxes include five types. At the same time, Regency/City Taxes cover 11 types.

Meanwhile, the types of regional user fees regulated in the law include 14 general service fees, 11 types of business service fees, and five specific licensing fees. In addition, law No. 28 of 2009 adheres to the principle of a closed list, where the regions are not allowed to determine and collect taxes and levies outside the types of taxes and levies that have been stipulated in this law.

Although it has been stated in Law No. 22 of 1948 that regions are encouraged to be independent in managing their revenues and no longer rely on assistance from the central government, in every government regime, the central government always provides assistance in various forms, the amount of which is greater than regional revenues from sources. It independently managed revenues, such as autonomous regional subsidy funds (SDO) and Presidential Instruction funds during the New Order era, which became the backbone of the revenue source in the Regional Budget. It is also not much different; the source of revenue managed themselves as regional revenue (PAD), only ranges from 5-10% of the total Regional Budget. The rest comes from transfer funds from the central government.

The region's dependence on the center for revenue sources is not entirely a weakness of the regional government because the central government also uses this to control the regions through budget evaluation and the transfer of budget allocation policies to the regions (Vicente et al., 2013). The budget becomes a budgetary and political instrument for the central government in controlling regional policies.

### 3.3. Regional Financial Capability

The measurement of regional financial capacity in this study does not use the formula used in the distribution of general allocation funds (DAU) using regional revenue (PAD)

and revenue sharing funds (DBH), but through the ability of regions to finance their authority. As previously described, the assessment of the regional financial capacity is carried out through an assessment of the region's ability to finance some of its elemental powers, namely:

### 1) Payment of Employee Salaries

The amount of personnel expenditure is often used to see the ability of the region to provide services to the community through the provision of goods/services to the public. The larger the personnel expenditure, the smaller the remaining Regional Budget that can be allocated for expenditure on activities that directly provide services to the community. The total personnel expenditure based on Regional Budget data for the last five years can be seen in [Table 1](#).

**Table 1.** The Ratio of Employee Expenditure to Regional Budget

Year	Employee Expenditure (in thousand)	Total Regional Budget (total thousand)	% Employee Expenditure
2021	395,844,271,687	1,195,853,737,333	33.1
2020	442,667,648,668	1,316,825,979,376	33.6
2019	432,251,486,138	1,259,650,627,500	34.3
2018	410,661,497,316	1,168,992,887,175	35.1
2017	405,004,767,620	1,116,843,387,060	36.3

Source: Directorate General of Regional Finance, Ministry of Home Affairs

The ratio of employee spending to the total Regional Budget each year tends to decrease. The decline occurs between 1 to 0.5% every year. This decrease in personnel expenditure is caused by the number of employees who retire every year while employee appointments are limited. The absence of employee appointments to replace retired employees has encouraged the regions to hire contract employees, which account for more than half of civil servants ([Rante et al., 2017](#)). Based on a statement from the Ministry of Education, Culture, and Research, it was found that the regional government still lacked 1,020,921 teachers ([CNN Indonesia, 2020](#)). As regulated in-laws and regulations, if the number of teachers was not met, then the implementation of national education will run below the established national standards.

If the number of teacher needs is met, then the ratio of personnel expenditure to the Regional Budget will increase because all teachers are regional employees in accordance with the management authority based on Law No. 23/2014 on Regional Government, where basic and secondary management is the authority of the region. The decrease in the ratio of regional personnel expenditures does not mean that the allocation of expenditure to pay salaries has decreased, because although personnel expenditures on indirect costs/operating costs have decreased, personnel expenditures on activity expenditures in the form of honorarium expenditures for contract employees/non-civil servants have increased. Expenditures for honorary/contracted employees are not budgeted for personnel expenditures but are budgeted for activity expenditures.

Regional personnel expenditures are usually contrasted with service expenditures. The greater the personnel expenditure, the smaller the budget allocation that can be used for services. Therefore, many experts consider that regional failures are too extravagant in personnel expenditure ([Karenina et al., 2021](#)). In order to assess the level of efficiency in allocating personnel expenditures to regional governments, it is necessary to compare the average income of central employees and regional employees. Comparison of the income of central government employees with local governments can be seen in [Table 2](#).

The income of regional agency employees is lower than that of central agency employees, where the income of regional employees is Rp123,346,752 or only 84%



**Table 2.** Comparison of Income of Central Agency Employees and Regional Agency Employees

Agency	Year	Total Employee Expenditures (in a million)	Number of Employees (in thousand)	Employee Income (in thousand)
Central Government	2021	267,511,900	1,829	146,236
Regional Government		395,844,271	3,209	123,346
Central Government	2020	256,627,445	1,831	140,120
Regional Government		442,667,648	3,209	137,937
Central Government	2019	224,460,234	1,839	122,009
Regional Government		432,251,486	3,318	130,267

Source: Ministry of Home Affairs, Ministry of Finance, State Civil Service Agency (processed)

of the income of employees at the central agency, which reaches Rp146,236,504. Thus, it can be concluded that the allocation of salaries and allowances for employees in regional agencies is smaller than the allocation for salaries and allowances for employees in central agencies. This information also shows that local governments are less wasteful in providing salaries and allowances to their employees than those given by the central government.

## 2) Education Services

The ability of the regions to provide services for both primary and secondary education, which is the regional authority, can be seen from the scope of services described by the achievement of the net enrollment rate (NER) at each level. The NER is the ratio between the number of children attending school at a certain level and school-age children. The net enrollment rate for schools in Indonesia in 2020 can be seen in Table 3.

**Table 3.** Primary and Secondary Education Net Enrollment Rate

Educational Level	Year		
	2018	2019	2020
Primary Education	97.58	97.64	97.69
Secondary Education	78.84	79.40	80.12
Tertiary Education	60.67	60.84	61.25

Source: Kementerian Pendidikan dan Kebudayaan Indonesia (2021)

Regional capacity in service coverage is still relatively low. Primary education has implemented six years of basic education since the New Order era. It only reached 97.69% in 2020. Meanwhile, for secondary education (SMP/Equivalent), which has also entered nine years of compulsory education since the beginning of the reform period, it only reached 80.12% in 2020, while the NER for senior high school (SMA/Equivalent) is still very low, reaching only 61.25% in 2020. The net enrollment rate describes the number of school-age children who have not enjoyed education following their school-age level. The comparison of the number of school-age children with children who attend school can be seen in Table 4.

**Table 4.** Comparison of Number of School-age Children with Number of School Children

Level	School Age	Students	No School
Primary/Equivalent	29,329,969	26,322,125	3,007,844
Secondary/Equivalent	13,780,237	10,500,998	3,279,239
Tertiary/Equivalent	12,450,655	9,511,615	2,939,040

Source: Ministry of Education and Culture, 2020

The data above shows that millions of school-age children still do not receive educational services at the level according to their age. The low coverage of education services requires the government's seriousness to improve education services following the legislation's mandate (Dewi, 2019). The regional incompetence in providing educational services also reflects the regional capacity in providing a budget for the provision of these educational services. Meanwhile, the condition of state school buildings is also not entirely good, and there are as many as 333,645 classrooms categorized as heavily damaged and moderately damaged (Safutra, 2019).

### 3) Health Services

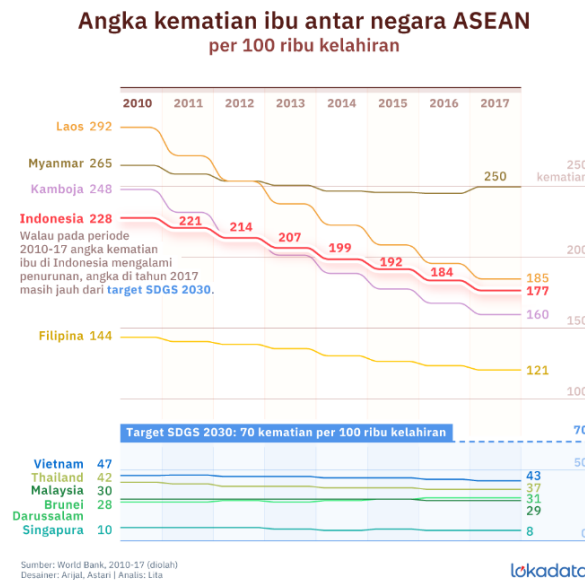
Health services under the authority of the regions can still not achieve the maximum level of service. The performance of health services under the authority of local governments can be seen in Table 5.

**Table 5.** Health Service Performance Indicators

Indicator	Achievements
Maternal Mortality Rate	305 per 100,000
Service Coverage for Pregnant Women Four times antenatal visits (K4)	84.6%
Basic Immunization Coverage	83.3%
Stunting/Short Toddler	27.7%
Infant Mortality Rate	21.21%
Malnutrition	7.4%

Source: various sources (processed)

The maternal mortality rate in the last national health survey conducted in 2017 was 177 deaths per 100,000 mothers giving birth, while the MDGs target to be achieved in 2030 is less than 70 per 100,000 live births.



**Figure 1.** Maternal Mortality Rate in Asean Countries per 100 Thousand Births

Source: Andini (2020)

Meanwhile, the coverage of K4 pregnant women services in 2019 only reached 84.6%. Meanwhile, the target to be achieved based on PP No. 2/2018 concerning SPM stipulates a service coverage of 100%. The coverage of basic immunization services



whose target is 100% has also not been achieved, whereas, in 2020, the coverage of basic immunization services has only reached 83.3%. On the other hand, stunting toddlers in 2020 still reached 27.7%, which should be 14% in 2024, following the 2020–2024 RPJMN target.

The infant mortality rate in 2020 is still 21.21 per 100,000 live births. This figure is still higher than other countries in Southeast Asia, such as Malaysia (6.65), Singapore (2.26), Brunei Darussalam (9.83), Thailand (7.80), and Vietnam (16,50) (Andini, 2020). The low achievement of health services that are under the authority of local governments indicates that the regional financial capacity to finance health services is still limited, even though health services are basic services that directly affect the quality of life of the nation.

#### 4) Provision of Road Infrastructure

Road infrastructure is vital infrastructure in economic and social development. The availability of roads will provide easy access and increase efficiency for the community both in carrying out economic activities, education, health, and other community activities. The authority for road management has been divided between the central, provincial, and district/city governments. The performance of road management which is under the authority of the regions is as shown in Table 6.

**Table 6.** District/City Road Stability Conditions in 2018–2020

Year	Total length (km)	Stable Condition	
		Length (km)	%
2020	355,669	187,287	52.64
2019	388,504	211,664	52.21
2018	388,159	207,116	53.35

Source: *Tingkat Kemantapan Jalan Provinsi, Kabupaten/Kota (2020)*

The increase in the level of stability of district/city roads each year is relatively stagnant, the increase in the stability of district/city roads is around 1%, and there is even a decrease in 2019. Meanwhile, the level of stability of provincial roads from 2018 to 2020 is relatively better than district roads. This condition is due to the relatively shorter length of provincial roads than district roads. The level of stability of provincial roads in 2018–2020 can be seen in Table 7.

**Table 7.** Provincial Road Stability Conditions for 2018–2020

Year	Total length (km)	Stable Condition	
		Length (km)	%
2020	47,874	35,324	73.7
2019	54,555	39,471	72.3
2018	47,874	33,010	68.9

Source: *Tingkat Kemantapan Jalan Provinsi, Kabupaten/Kota (2020)*

It appears that the stability of the provincial roads was relatively better than the district road conditions. Even though the condition was much better, the level of stability of the provincial roads was still relatively low, namely 73.7% in 2020. There were 26.3% or 12,550 km of provincial roads in heavily damaged and moderately damaged conditions with this data. The low level of road stability, both district and provincial roads, illustrates that the financial capacity of local governments in providing basic road infrastructure was still very limited.

### 5) Provision of Clean Water

The provision of clean water is one of the basic services that all people must obtain with a service target of 100% following PP No 2/2018 concerning SPM. In 2019, the coverage of households using safe water reached 76.2%. Although the coverage of households using proper water reaches 76.2%, the number of households using clean water through pipes provided by the government or Local Water Company has only reached 20.14%. The still low coverage of clean water services also illustrates that the financial capacity of local governments in providing basic and vital needs such as clean water is still very low. The inability of local governments to provide adequate clean water for all residents will affect the health status of the community.

### 6) Provision of Irrigation Infrastructure

In order to realize national food security, the role of irrigation is very important and fundamental. In 2020 Indonesia will have 9.136 million hectares of irrigation. An area of 7.1 million ha or 78% of the irrigation area belongs to the provinces and districts/cities. Of the total irrigation, there are 46% or about 3.3 million ha of irrigation in damaged condition. Of the 46% damaged irrigation, the central government contributed 7.5%, the province 8.26%, and the remaining 30.4% was district/city irrigation (Program Pengembangan dan Pengelolaan Sistem Irigasi di Indonesia, 2018). Millions of agricultural lands not getting good irrigation services will affect national food production.

Indicators of regional financial capacity in the form of regional capabilities in providing services for several basic and vital sectors, including education, health, and infrastructure, show that achievement is still low. This condition shows that the balance between the burden of government affairs and the financial capacity to finance the authority is unbalanced (Karenina et al., 2021). Extensive delegation of authority is not followed by the transfer of revenue sources that are balanced and fair. This condition will be detrimental to the public because many services by local governments will be neglected. The ability of the region to exercise its authority will have a direct impact on the people of the area.

## 3.4. The Balance Between Authority and Budget

The relationship between the center and the regions must be carried out fairly and harmoniously. Fair and in harmony means that there must be justice between burdens (authorities) and revenues (budget). In workload analysis, the weight or lightness of a job is measured by the number of employees needed to carry out the load. Based on this concept, the assessment of the balance of burden between the central and regional governments is measured based on the number of employees needed to carry out central and regional authorities. The comparison of the burden of authority between the central government and regional governments can be seen in Table 8.

**Table 8.** Comparison of the Burden of Authority of the Central Government and Regional Government

Agency	Number of Employees (Civil Servants, Indonesian Armed Forces, Indonesian Police)	Percentage
Central Government	1,829,310	36.3
Regional Government	3,209,199	63.7

Source: State Civil Service Agency and Other Sources (processed)

Meanwhile, the budget comparison between the central government and regional governments can be seen from the total budget expenditures of the provincial government and national district/city governments after deducting village fund expenditures compared to the total expenditure of ministries/institutions listed in the Regional Budget. The comparison between regional government budgets and ministry/institutional budgets at the central government can be seen in Table 9.

**Table 9.** Comparison of Regional Government Budgets and Ministry/Agency Expenditures

Agency	Budget (in a million)	Percentage
Ministry/Agency	1,954,548,500	64
Regional Government	1,103,675,434	36

Source: Ministry of Finance and Ministry of Home Affairs (processed)

It appears that the comparison between regional government budgets throughout Indonesia is only 36% of the total regional government spending and the budget of ministries/agencies at the central government. Meanwhile, ministerial/institutional budgets account for 64% of total regional government expenditures and ministerial/institutional budgets at the central government. Based on the comparison of the budget, it can also be compared to the balance between the burden of authority and the ability of the budget. The comparison of expenses and budgets between the central government and regional governments can be seen in Table 10.

**Table 10.** Comparison of Burden and Budget Between Central Government and Regional Government

Agency	Budget Proportion	Employee Proportion
Ministry/Agency	64%	36.3%
Regional Government	36%	63.7%

Source: Secondary Data (processed)

The burden of authority is inversely proportional to the budgetary capacity of the central government and local governments. The central government has a budget of 64% but bears the burden of the authority of 36.3%. On the other hand, local governments with a budget of 36% must bear the burden of 63.7%. The disparity between the burden (authority) and the budget between the central government and regional governments shows that the relationship between the central government and regional governments does not yet have the principle of justice as mandated in Article 18A paragraph (2) of the 1945 Constitution. The disparity between authority and budget that occurs and is experienced by local governments is currently caused by the absence of alignment of policies on the transfer of central authority to regional authorities.

The large burden of authority with small revenue sources has caused the provision of public services under the regions' authority to not be carried out optimally. As a result, even the various basic service obligations cannot be fulfilled properly by local governments, as discussed above. This condition will result in many regions being left behind, especially areas that do not have natural resources or adequate Regional Budget Revenue potential.

#### 4. Conclusion

The transfer of authority by the central government to autonomous regions is not balanced with the transfer of sources of revenue. The central government as a source of power, both in terms of the distribution of authority and revenues, is characterized by the lack of consideration of harmony and justice between the central government and the autonomous regions. This can be seen from the burden of authority that is inversely proportional to the budgetary capacity of the central government and local governments. As a result, the ability of the regions to provide public services is limited, especially in matters of basic services.

The success of the regional government in carrying out its authority is part of the success of the state government, including the central government, in carrying out the obligations of the state government to prosper the people. Therefore, there is a need for harmonization between the policy of delegation of authority and the policy of handing over sources of revenue to autonomous regions.

In determining the policy for the transfer of authority, a clear calculation of the budget requirements for carrying out the authority must be carried out. The policy of delegation of authority and transferring the source of revenue to the autonomous regions must be carried out by a national team led by the vice president. The discussion by the national team aims to overcome the partial regional autonomy policy. The partial regional autonomy policy is detrimental to the regional government. It harms the broader community because it results in many public services that should be provided by the regional government that cannot be realized.

This study was a documentary study so that it only illustrates the imbalance between political decentralization and fiscal decentralization in Indonesia, especially in mandatory affairs related to basic services, so that it does not capture the reality and empirical conditions related to the causes and consequences of the low implementation of these affairs in the regions. Therefore, further research on the impact, influence, and relationship between political decentralization and fiscal decentralization in mandatory affairs related to basic services.

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