



Political and Administrative Dynamics In Public Sector Decision-Making In The Era Of Decentralization

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ABSTRACT

This study examines the political and administrative dynamics of public sector decision-making in Indonesia's era of decentralization. Decentralization is viewed as a key instrument of democratization that not only transfers administrative authority but also reshapes power relations between central and local governments. Using a qualitative, descriptive-analytical approach, this research explores the meanings, perceptions, and interactions among political actors and public administrators in the decision-making process. Data were collected through literature review and policy analysis of post-reform decentralization. The findings reveal that while decentralization provides opportunities for policy innovation and community participation, its implementation faces overlapping authorities, fiscal disparities, and weak vertical coordination. Uneven local administrative capacity further affects service quality, while local political actors such as regional heads and local councils play a decisive role in shaping policy outcomes. These results highlight the need for stronger regulations, improved bureaucratic capacity, and the adoption of adaptive, context-responsive decentralization models to achieve more effective, inclusive, and sustainable local governance.

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1. INTRODUCTION

Decentralization is a crucial phenomenon in modern governance, particularly in democratic countries characterized by social, cultural, and geographic diversity. This concept has developed since the mid-20th century, when many developing countries began promoting the transfer of authority from the central government to the regions to increase development effectiveness and bring public services closer to the people. In the Indonesian context, decentralization has become a fundamental

instrument in regional governance, particularly since the reform era, which marked a shift in the political paradigm from centralism to regional autonomy (Prabowo et al., 2021).

Decentralization is seen not merely as the transfer of administrative authority, but also as an instrument of democratization and the distribution of power. Maddick states that decentralization encompasses both deconcentration and devolution, namely the legal transfer of authority to regional governments to regulate specific affairs. Thus, decentralization has a significant political dimension because it changes the relationship between the central and regional governments. This aligns with the view of Parsons, Taylor, & Crease (2021), who assert that decentralization is a crucial strategy for an archipelagic and multiethnic nation like Indonesia in building a political system that is inclusive and responsive to local diversity.

In the era of decentralization, the political and administrative dynamics of public sector decision-making have become increasingly complex. Decentralization not only provides space for regions to formulate policies tailored to the needs of local communities but also opens up the opportunity for conflicting interests between local and national political actors. García Guerrero et al. (2021) explain that these differing interests often give rise to political tensions, particularly when the distribution of resources and access to power is unequal. In other words, while decentralization has the potential to strengthen democratization, it also carries the risk of fragmentation if not managed effectively.

One distinctive form of decentralization implementation in Indonesia is asymmetric decentralization. This model grants special authority to certain regions based on historical, cultural, economic, and geopolitical factors. Aceh, Papua, Yogyakarta, and Jakarta are clear examples of this model's implementation. However, as noted by Lassou, Hopper, & Soobaroyen (2021), asymmetric decentralization often creates new imbalances because not all regions receive equal treatment. Regions with special status tend to receive larger budget allocations and authority, while other regions potentially feel marginalized.

In the context of Papua, including Merauke Regency, the dynamics of decentralization have become a strategic issue. Through the Special Autonomy (Otsus) policy since 2001, Papua has been granted broader authority in managing regional governance and development. However, the effectiveness of this policy remains debated. Several studies have shown that despite the relatively large Otsus budget, its impact on the welfare of indigenous Papuans remains limited due to weak governance and transparency (Khanal et al., 2023; Lee & He, 2022). This situation indicates a gap between the normative objectives of decentralization and its practical implementation on the ground. Despite the relatively large flow of funds, the achievement of development indicators shows a gap between fiscal inputs and community welfare outcomes. The Human Development Index (HDI) for Papua Province in 2023 was recorded at 63.01, a level still relatively low compared to national standards and indicating significant challenges in health, education, and living standards. This HDI figure reinforces the premise that budget availability alone does not automatically translate into improved quality of life.

Conditions at the district level show a similar picture. Merauke Regency, for example, reported a poverty rate of around 10.01% in 2023, a figure that, when considered in absolute terms, indicates that tens of thousands of residents still rely on various forms of social assistance and local government programs (ANTARA, 2024). This mismatch between the allocation of Special Autonomy funds and the reduction in poverty rates indicates problems with the effectiveness of fund distribution, program prioritization, or implementation capacity at the local level.

In addition to socio-economic indicators, monitoring and academic studies highlight governance issues, including transparency, accountability, and the risk of corruption, as key obstacles to the optimal use of Special Autonomy funds. These findings demonstrate that improved governance is a crucial prerequisite for decentralization instruments to truly impact welfare improvements and strengthen public services.

From a local political perspective, voter participation in the last Papuan regional elections was recorded participation rates are relatively high (around 71%), high levels of participation do not necessarily reflect equal representation for indigenous or marginalized groups in regional policy

decision-making processes. Imbalanced representation and low substantive involvement of indigenous communities in policy formulation can undermine the legitimacy of development programs funded through Special Autonomy (BPS, Merauke Regency, 2024).

Synthetically, this empirical evidence supports the claim that the fundamental problem with decentralization in Papua, including Merauke Regency, is not simply budget quantity, but rather a combination of factors: (1) effective governance and transparency of fund management, (2) program distribution and prioritization mechanisms that are not fully pro-indigenous and pro-poor, and (3) local political dynamics that influence community representation and participation in policy-making. These findings underscore the urgency of research examining the relationship between local political dynamics and public administration capacity in ensuring inclusive and equitable implementation of decentralization (Bappeda, Papua Province, 2021).

In addition to economic and administrative issues, local political dynamics also significantly determine the direction of decentralization implementation. For example, indigenous Papuan political participation in public decision-making remains relatively low. The primary goal of political decentralization is to strengthen community representation in the regional government system (Figueroa Huencho, 2022). Low political participation can weaken the legitimacy of regional policies and even trigger social conflict between local communities and immigrant groups (Bhat & Rajeshwari, 2022).

The political and administrative dynamics within a decentralization framework are characterized by a complex network of interactions between multi-sectoral actors, creating a dynamic arena for policy negotiations. These interactions are not limited to the formal relationship between the central government as the regulatory framework-setting authority and local governments as implementing entities, but extend to include subnational actors with differing agendas and resources. Palmer and Chuamuangphan (2021) emphasize that the effectiveness of decentralization is largely determined by the extent to which these actors can collaborate to create inclusive governance. On the other hand, the inability to manage power relations risks creating inequality and deteriorating the quality of public services.

Previous academic studies have generally focused on the fiscal aspects or economic development impacts of decentralization, while the political dimension, particularly the dynamics of power relations and public sector decision-making processes, remains relatively limited (Prabowo et al., 2021). Although the institutional design of decentralization often focuses on technocratic and administrative aspects, empirical reality at the local government level demonstrates that political factors substantially influence administrative effectiveness and the success of public policy implementation. Policy implementation does not occur in a bureaucratic vacuum; Instead, it is shaped by contestations of interests, elite coalitions, and dynamic power relations.

Based on this background, this research focuses on the political and administrative dynamics in public sector decision-making, with an emphasis on the context of decentralization in Indonesia. Specifically, this research aims to analyze: (1) how decentralization affects the pattern of power relations between the central government and regional governments, (2) how local political actors play a role in the decision-making process, and (3) the extent to which public administration is able to support inclusive and equitable policy implementation. Therefore, the results of this research are expected to contribute to the development of public administration theory as well as provide practical recommendations for improving decentralization policy in Indonesia.

2. RESEARCH METHOD

This research uses a qualitative approach with a descriptive-analytical method. This approach was chosen because it allows for in-depth exploration of the meanings, perceptions, and social interactions occurring within the local political system, particularly in the context of the implementation of decentralization and Special Autonomy in Merauke Regency. Through a qualitative approach,

researchers seek to understand political dynamics not only from a normative-legal perspective, but also from the socio-political perspectives that develop within society (Hassan, 2023).

The descriptive-analytical method is used to provide a comprehensive overview of the implementation of Special Autonomy (Otsus) and how this policy shapes political structures, power relations, and community participation in local governance. With this method, the data obtained is not only descriptive but also critically analyzed to uncover patterns, relationships, and implications of political and administrative dynamics in Merauke.

3. RESULTS AND DISCUSSIONS

3.1 The Influence of Decentralization on Central-Regional Power Relations

Since the 1998 reforms, Indonesia has transitioned from the centralized government of the New Order to a decentralized system. This paradigm not only emphasizes economic efficiency but also primarily promotes political and democratic aspects (Faculty of Administrative Sciences, University of Indonesia, 2025). As stated by the University of Indonesia, "post-1999 decentralization is rooted in the spirit of politics and democracy, with the aim of increasing public participation in the regions." Formally, regional autonomy (Law No. 22/1999 in conjunction with Law No. 32/2004 in conjunction with Law No. 23/2014) transfers a number of authorities to the regions, but in practice, the power relationship between the central government and the regions remains complex. Setiawan et al. (2022) note that this transition was extreme: the central government retained strategic functions (defense, security, fiscal, religious, and forestry), while many public service duties were transferred to districts/cities. Political decentralization was marked by the introduction of direct regional head elections in 2004, which gave new political power to local leaders.

Despite greater flexibility, many central and regional policies are not implemented in sync. Prasajo (2025) and Ekaputra et al. (2025) highlight overlapping authority as a major problem with decentralization. According to Ekaputra et al.'s study, decentralization does provide space for innovation and participation at the local level, but "serious challenges remain, such as overlapping authority, fiscal imbalance, and weak vertical coordination." This situation is exacerbated by weak vertical coordination between levels of government. For example, Prasajo (2025) noted that the central government's strategic plans and budgets are often not aligned with regional planning, resulting in a tug-of-war between policy implementation. An evaluation by the Ministry of Home Affairs (2024), cited by the Faculty of Administrative and Bureaucratic Reform (FIA UI) (2025), shows that only 27% of provinces perform well, and the majority of district/city governments perform poorly or very poorly. This means that decentralization has not significantly improved development outcomes or the effectiveness of regional bureaucracies. Capacity differences between regions are also evident: most low-performing regions are located in the eastern and 3T regions, indicating a still-wide gap in government management capacity.

Overall, the transfer of authority to the regions shifted the power landscape by granting greater autonomy to regional heads and the Regional People's Representative Council (DPRD), but did not completely eliminate centralization. The central government still holds significant authority over macro policies (for example, through the allocation of balancing funds and technical guidance), resulting in a confused central-regional relationship. However, the symmetrical decentralization model (uniform authority for all regions) implemented for 25 years is suspected of exacerbating the situation when the assumption of equal capacity proved unrealistic. As a result, the post-decentralization central-regional power relationship has become fragmented, requiring strengthened oversight and coordination mechanisms to prevent conflicts of authority and bureaucratic inefficiency.

3.2 The Role of Local Political Actors in Public Decision Making

Political decentralization has increased the role of local actors in the decision-making process. Direct regional head elections since 2004 have provided strong political legitimacy to governors, regents, and mayors. Directly elected regional heads generally have the support of a coalition of local political parties in the Regional People's Representative Council (DPRD), local media, and local

interest groups. Setiawan et al. (2022) emphasize that the legitimacy and accountability of regional policies are highly dependent on local legislative support. They recommend that in a decentralized design, regional heads obtain "sufficient support from the local DPRD" so that program policies can be implemented effectively and accountability maintained.

In addition to the DPRD and regional bureaucracy, other political actors such as national/regional political parties, community leaders, and local media also shape the regional public agenda. The participation of civil society and other local elements in policy planning and oversight has become more open. Ekaputra et al. (2025) note that decentralization opens "space for innovation and participation at the local level," but the quality of this participation is strongly influenced by local political dynamics. For example, a strong coalition supporting a regional head can expedite the ratification of draft regional regulations or budget allocations, while if the legislature is controlled by the opposition, regional programs are often hampered. This situation creates a pattern of "bargaining" between the local executive and legislative branches in every public policy.

On the other hand, autonomy opens opportunities for local political elites to negotiate resources. Regional elections and party loyalty often trigger patronage practices: high political costs encourage elected regional heads to recoup campaign costs through development instruments and regional budgets. According to Corruption Eradication Commission (KPK) data, 601 corruption cases involving regional heads and civil servants were recorded between 2004 and 2023. This phenomenon demonstrates that if local institutions are weak or the political process is not clean, local actors can abuse public authority for personal or group interests. Conversely, if public oversight and community participation are strong, decentralization allows for public policies that are more tailored to local needs. Essentially, local political structures, from party coalition patterns to the culture of citizen participation, significantly influence the quality of local public decision-making (Setiawan et al., 2022; Ekaputra et al., 2025).

3.3 Public Administration Capacity and Challenges in Supporting Decentralization

The success of decentralization depends heavily on the capacity of local administrations to plan and implement policies. However, numerous studies point to weak local capacity as a major obstacle. Setiawan et al. (2022) assert that "low local government capacity" is a serious problem hampering the implementation of decentralization. Their analysis shows that employee education levels (analytical capacity), smooth budget execution (operational capacity), and legislative support (political capacity) collectively improve public service delivery. In other words, the combination of these three capacities is complementary: without adequate fiscal and bureaucratic strength, local political authorities are unable to implement development programs.

In practice, many local governments face serious administrative constraints. Case studies show that local officials are often unable to plan and implement development projects on time due to complex budget procedures. As a result, the portion of routine expenditures (civil servant salaries, operational costs) is so high that investment in social infrastructure (education, health) is neglected. This situation aligns with the findings of the Faculty of Administrative and Bureaucratic Reform (FIA UI) (2025) that the majority of 3T (Underdeveloped and Remote) regions have low capacity, making symmetrical decentralization (a uniform model) inequitable and ineffective. Prasjo (2025) also noted that the delegation of authority without improving bureaucratic capacity has resulted in many regions being unable to implement their programs effectively.

Various researchers recommend that further decentralization design consider local capacity. Setiawan et al. (2022) support the concept of asymmetric decentralization, where the type and level of authority are balanced with regional fiscal and institutional readiness. They propose granting varying degrees of independence based on the analytical and operational capacity of each region. This approach can incentivize regions to improve their capabilities. A similar principle is proposed by Prasjo (2025), who suggests classifying autonomy (full, partial, or limited) based on fiscal and institutional maturity.

Furthermore, inadequate technology and information systems often pose obstacles. Many regional governments struggle to manage big data or implement e-government systems due to limited IT human resources. As a result, coordination between regional agencies is often fragmented. Therefore, the literature concludes that there is a need to increase human resource (HR) capacity and improve administrative procedures through training, regular coaching, and bureaucratic reform. Without these efforts, fiscal and administrative decentralization will not optimally improve the effectiveness of public services.

3.4 Implications of Administrative Political Dynamics on Governance and Public Services

The political and administrative dynamics that emerged after decentralization directly impacted the quality of governance and public services in the regions. In theory, decentralization was expected to improve service efficiency by bringing decision-making closer to the people. However, empirical evaluations have shown mixed results. As noted by the Faculty of Administrative and Bureaucratic Reform (FIA UI) (2025), many regions still struggle to govern effectively and efficiently after 25 years of autonomy. This means that the expected improvements in the quality of development and public services have not been fully realized. Similar findings emerge in international studies: without adequate administrative capabilities, decentralization often fails to improve service delivery outcomes (Setiawan et al., 2022; Apriliani & Khoirunurrofik, 2020).

Furthermore, if local policy politicization is high without sufficient counterbalancing capacity, governance can be degraded. Setiawan et al. (2022) even found that high regional political capacity can have negative effects if not balanced with other analytical and operational capacities. This reflects a phenomenon in many regions: strong regional heads and weak legislatures often reduce oversight functions, triggering budget misuse. The negative impact is a decline in transparency and accountability in local government, which in turn undermines public trust in local government. As an illustration, the high rate of corruption by regional heads (601 cases since 2004) demonstrates that decentralization does not automatically guarantee good governance if enforcement institutions in the regions are weak.

On the positive side, in regions with relatively high capacity, decentralization can increase innovation in public services. Local governments that are able to mobilize community participation and build local partnerships are successful in designing more targeted programs (Grindle, 2007). Changes in communication and decision-making patterns are expected to encourage learning by doing: regions learn to improve their governance. Thus, political-administrative dynamics should be used as momentum for bureaucratic reform (for example, limiting the term of office of local elites or increasing transparency of the regional budget) to optimize decentralization outcomes.

Research by Ekaputra et al. (2025) underscores this by concluding the need for "strengthening regulations, increasing local government capacity, and more effective coordination mechanisms." Setiawan et al. (2022) echoes this sentiment, namely the internalization of local conditions through asymmetric design. In policy terms, this means the central and regional governments must collaborate to strengthen the regulatory framework (e.g., regional autonomy laws) to make it more adaptive, while continuing to build regional administrative capacity. The implications of these policies are crucial for achieving synergistic governance and quality public services, as emphasized by Ekaputra et al. (2025).

4. CONCLUSION

Decentralization in Indonesia has changed the power structure between the central and regional governments, granting new political autonomy to local governments, but also creating serious challenges. Central-regional relations are now characterized by overlapping authority and weak vertical coordination. Local political actors (regional heads, regional legislative councils, political parties, community leaders) play a key role in decision-making, where legislative support and public participation determine policy success. Meanwhile, the capacity of local public administration remains a major obstacle; synergy between fiscal, bureaucratic, and political capacity is needed for decentralization to improve service delivery. Without improved governance and enhanced regional

capabilities, decentralization risks widening performance gaps between regions and reducing the quality of public services. Therefore, strengthening regulations, increasing capacity, and designing decentralization that is responsive to local conditions are essential for better governance.

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