

THE IMPACT OF REGIONAL AUTONOMY ON REGIONAL DEVELOPMENT

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ABSTRACT

The objective of this research is to analyze the impact of regional autonomy on regional development. This study aims to understand how the implementation of regional autonomy policies, which grant greater authority to local governments in managing resources and making decisions, influences various aspects of regional development. The research focuses on assessing the effectiveness of regional autonomy in improving the quality of public services, local economic growth, and equitable development. The research method employed in this study is literature review, involving the collection and analysis of data from various written sources such as books, journals, articles, and other relevant documents related to the research topic. Data analysis techniques are conducted through literature studies, where the researcher reviews, compares, and synthesizes information obtained from various sources. This approach allows the researcher to gain a deep understanding of existing theoretical concepts, identify research gaps, and establish a solid framework for further analysis. The results of this study indicate that the implementation of regional autonomy, which provides greater authority to local governments in managing regional affairs, has various positive impacts and challenges for regional development. The success of regional autonomy largely depends on the capacity of local governments to manage the given authority and synergy with the central government in achieving sustainable development goals.

INTRODUCTION

Regional autonomy is regulated based on Law of the Republic of Indonesia Number 23 of 2014 concerning Regional Government, with the aim of strengthening regional autonomy by giving greater authority to local governments to manage and regulate government affairs in accordance with the principles of decentralization. Through this law, local governments are expected to be more independent in the implementation of public services, resource management, and improvement of community welfare. Through Law No. 23 of 2014, it also emphasizes the importance of synergy between the central and regional governments in the implementation of national development, as well as regulating the mechanism of supervision and guidance on the performance of local governments to ensure accountability and transparency in the administration of government.

The purpose of regional autonomy from the aspect of regional development is to give greater authority to local governments in managing their regional resources and potential (Retnandari, 2022; Talitha et al., 2020; Wu et al., 2020), so that they can be more responsive to the specific needs and conditions of local communities. With this autonomy, local governments have the freedom to formulate and implement development policies that are in accordance with the characteristics and priorities of their respective regions. This is expected to encourage the acceleration of infrastructure development,

improve the quality of public services, and develop a more equitable and sustainable regional economy. In addition, regional autonomy also aims to increase community participation in the decision-making process, so that the development carried out can be more inclusive and oriented to the interests of local residents.

Regional autonomy brings many benefits to regional development by giving greater authority to local governments to regulate and manage their own affairs in accordance with the potential and needs of the region (Hadita, 2020; Sipayung & Cristian, 2022; Trisakti & Djajasinga, 2021). One of the main benefits is the increase in effectiveness and efficiency in regional resource management. With regional autonomy, local governments have the flexibility to formulate policies that are more targeted and in accordance with the characteristics of their regions, so that they can improve the welfare of the community more evenly. In addition, regional autonomy encourages community participation in the decision-making process, which in turn can increase citizens' sense of ownership and responsibility for development in their area. This can also accelerate the development of infrastructure and public services because local governments can act faster without having to wait for instructions from the central government.

Regional autonomy is an important concept in public administration and government, which refers to the granting of authority to local governments to regulate and manage government affairs in accordance with the interests of the local community (Fikri & Wibisono, 2023; Pahrudin & Darminto, 2021). Some experts give different views on this concept. Local autonomy is the process by which the central government delegates authority to local governments to improve the efficiency and effectiveness of public services (Cheema & Rondinelli, 2007).

Rondinelli argues that regional autonomy allows local governments to be more responsive to the needs of the community and increase community participation in decision-making. Meanwhile (Smith, 1985) states that regional autonomy is a mechanism for distributing political power, where local governments are given the freedom to make decisions based on regional conditions and needs. Then, (Davey, 1998) emphasized that regional autonomy plays an important role in strengthening the capacity of regional administration and management, as well as increasing the accountability of local governments to the community. Regional autonomy is a way to improve regional resource management and increase regional economic development through the empowerment of local governments (Mawhood, 1983).

Based on some of the opinions above, regional autonomy is a vital instrument to improve public services, community participation, and sustainable regional development. With regional autonomy, local governments have greater authority and responsibility in managing resources and meeting the specific needs of their communities. This allows them to be more responsive to the aspirations and needs of citizens, so that they can improve the quality and efficiency of public services. In addition, regional autonomy encourages community participation in the decision-making process, ensuring that policies are made more inclusive and in accordance with the needs of the region.

The relationship between regional autonomy and economic development in Indonesia is very close. Regional autonomy gives local governments broader authority in managing the resources and economic potential in their regions. Through the effective use of resources and economic potential, local governments can develop economic sectors that are in accordance with the needs and potential of their regions. In this case, fair allocation of balanced funds and good coordination between the central and regional governments are key to achieving inclusive and sustainable economic development throughout Indonesia (Rizki et al., 2023).

On the other hand, with the existence of regional autonomy, the results of other studies show that although the purpose of regional autonomy is to give authority to local governments to manage their own affairs, in reality existing policies are still centralized and do not pay attention to regional needs (Rosmita & Herman, 2020). The implementation of regional autonomy in Indonesia still relies on the central government for several fundamental reasons. Although regional autonomy gives more authority to local governments in terms of resource management and local government affairs, the central government still plays an important role in policy setting and budget allocation.

The implementation of regional autonomy currently still has an imbalance in the capacity and ability between local governments and each other in managing budgets and implementing programs, so the central government must be involved in providing technical support, coaching, and supervision to ensure that the implementation of regional autonomy runs effectively and in accordance with the applicable legal framework. This dependency also reflects the challenges in the uneven distribution of

resources and administrative capacity across regions, which requires coordination and oversight from the central government to achieve the overall national development goals.

The prospect of Regional Autonomy is seen positively if challenges and obstacles can be overcome properly, which requires political commitment, policy consistency, and support from the community and economic actors. With conducive conditions, Regional Autonomy has the potential to have bright prospects in the future (Kusnadi, 2020). Regional autonomy can be seen positively if the challenges and obstacles faced can be overcome effectively. This success is highly dependent on several key factors, including strong political commitment from regional leaders, consistency in implemented policies, and active support from communities and economic actors. Stable political commitment ensures that the designed policies are well implemented, while policy consistency helps create a predictable environment and supports long-term planning.

Although there is a debate about the impact of regional autonomy on economic growth, the majority of studies show that regional autonomy tends to have a positive effect. This success depends on the ability of local governments to manage resources effectively and efficiently, so to maximize the benefits of regional autonomy, it is important to focus on improving the quality of human resources and infrastructure in the regions, which in turn can strengthen resource management and promote better economic growth (Bahasoan et al., 2024).

Regional autonomy and regional development have significant positive and negative impacts, which require a thorough evaluation. On the positive side, regional autonomy allows local governments to be more responsive to the needs and aspirations of local communities. Decisions that are closer to the people can increase the effectiveness of public services and accelerate the development process, because local governments have a better understanding of regional conditions and potential. In addition, regional autonomy can encourage innovation and competition between regions, which has the potential to improve the quality and efficiency of public services and the regional economy.

However, there are also negative impacts that need to be considered. Regional autonomy can create gaps between regions, especially if there is inequality in resources and managerial capacity. More developed regions can benefit more, while less developed regions may have difficulty managing autonomy and achieving equitable development. In addition, without strict supervision and evaluation, there is a risk of increased corruption and abuse of power at the local level, which can hinder progress and harm society, so a continuous and thorough evaluation of the implementation of regional autonomy and development results is essential to ensure that these policies truly meet the goals of decentralization and support the welfare of the community fairly. Evaluation helps identify problems, mitigate risks, and make necessary adjustments to improve the system and achieve optimal results.

METHODS

The method used in this study is the literature method. This method refers to the technique of collecting and analyzing information sourced from various written references such as books, scientific journals, research reports, articles, and official documents relevant to the research topic. In the context of analyzing the impact of regional autonomy on regional development, the literature method allows researchers to examine various existing study results and theories regarding the influence of regional autonomy on various aspects of development, including economic, social, and infrastructure. By using this method, researchers can gain an in-depth understanding of the dynamics and results that have been achieved in various regions that have implemented regional autonomy.

The data collection technique in this study is carried out through literature study, namely by identifying and collecting written sources that are relevant to the research topic. This process involves the search and selection of documents that include academic books, journal articles, research reports, as well as policy and regulatory documents related to regional autonomy and regional development. Once the sources were collected, the researcher then read and evaluated the content of each source to identify information related to the impact of regional autonomy. This technique ensures that the data obtained is comprehensive and based on existing empirical evidence.

Data analysis techniques in research using literature studies involve critical assessment and synthesis of information from various sources that have been collected. Researchers analyzed the data by identifying patterns, similarities, and differences in the findings reported by various studies. This analysis can include a comparison of research results from different locations or time periods to understand how regional autonomy affects development in different contexts. In addition, the researcher also compiled findings from the existing literature in the form of summaries or analytical

models that describe the relationship between regional autonomy and development results. This technique allows researchers to provide a clear and integrated picture of the impact of regional autonomy based on the evidence that has been collected.

RESULTS

The implementation of Law of the Republic of Indonesia Number 23 of 2014 concerning Regional Government regulates the relationship between the Central and Regional Governments within the framework of a unitary state, as regulated in the 1945 Constitution. Article 18 of the 1945 Constitution gives autonomy to regions to regulate their own government affairs based on the principle of autonomy and assistance duties, with the aim of improving community welfare through better public services, empowerment, and community participation. Regional autonomy is expected to strengthen regional democracy and social justice, but it must still be in line with national policies and pay attention to regional wisdom.

Although the regions have broad authority, the ultimate responsibility remains in the hands of the Central Government, which ensures that regional policies support the national interest. Regional government is run by the DPRD and regional heads, where the DPRD is responsible for the formation of regional regulations, budgets, and supervision, while regional heads implement these policies. To support the implementation of regional autonomy, regions need adequate financial resources, such as regional taxes, levies, and balance funds from the Central Government.

Synergy between the Central and Regional Governments is very important, with ministries and government agencies conducting guidance and supervision as well as setting norms and standards as guidelines. The Governor plays the role of the representative of the Central Government in coaching and supervision at the provincial level. Regional planning, including the establishment of new regions, takes into account economic, social, and security factors to ensure an optimal distribution of authority and resources.

Regional Regulations (Perda) must be in accordance with higher laws and regulations and not conflict with the public interest. Provincial and Regency/City Regulations need to obtain a registration number and can be canceled by authorized officials if they are contrary to applicable regulations. In addition, this Law encourages regional innovation and bureaucratic development to increase competitiveness and public services. Good synergy between the Central and Regional Governments, as well as the existence of a clear coaching and supervision mechanism, is expected to strengthen the implementation of regional autonomy and support the effective achievement of national goals.

The implementation of regional autonomy policies can have a significant impact both positively and negatively on the management of local government. The main supporting factor of regional autonomy is the increase in the efficiency and responsiveness of local government. With greater power, local governments have the flexibility to respond to the needs and aspirations of the community more quickly and appropriately. This can increase community participation in the decision-making process and accelerate the development of infrastructure and public services.

However, there are still several inhibiting factors that need to be considered. One of them is the potential for inequality between regions, where regions with limited resources may have difficulty in exercising autonomy effectively, while more developed regions can widen the gap. In addition, the possibility of abuse of authority and corruption at the regional level can also be an obstacle, especially if supervision and accountability are inadequate. The quality of human resources in local government and administrative capacity are also important factors in determining the success of regional autonomy. If these factors are not managed properly, the implementation of regional autonomy can experience various problems that hinder the achievement of policy goals.

Several research results show that the implementation of regional autonomy has a significant impact on economic development in Indonesia, but the effects vary depending on the implementation and capacity of local governments. Regional autonomy has given local governments greater authority in managing local economic resources and potential, which can accelerate economic development if carried out effectively. With a fair allocation of balanced funds and good coordination between the central and regional governments, inclusive and sustainable economic development can be achieved.

The results of other studies show that there is inequality in the implementation of regional autonomy, with the fact that policies still rely heavily on the central government. There is still a capacity gap between regions, and technical support and supervision from the central government are still needed to ensure the effectiveness of the implementation of regional autonomy. Regional autonomy has

a positive impact if it is able to face challenges such as political commitment, policy consistency, and support from the community and economic actors can be overcome.

Although regional autonomy can have a positive effect on economic growth, its success depends heavily on the ability of local governments to manage resources efficiently and improve the quality of human resources and infrastructure. In addition, through regional autonomy which aims to increase equitable development and give more authority to local governments in resource management and planning, in practice, many regions have not been able to optimize their potential. One of the main causes is the unequal capacity and quality of human resources and infrastructure in various regions.

Some regions lack the technical, managerial, and administrative expertise necessary to design and implement effective development policies. In addition, problems in regional financial management, such as a high reliance on general allocation funds from the central government, often limit the ability of regions to implement impactful development projects. Other contributing factors are political instability and local conflicts that interfere with the planning and implementation of the program. In many cases, corruption and abuse of authority also hinder the realization of development programs that are supposed to improve people's welfare.

CONCLUSION

The implementation of regional autonomy policies in Indonesia has a significant impact both positively and negatively on the management of local government. On the positive side, regional autonomy allows for increased efficiency and responsiveness of local government. With greater authority, local governments can respond more quickly to community needs, increase public participation in decision-making, and accelerate the development of infrastructure and public services. However, regional autonomy also poses several challenges. One of them is the potential for inequality between regions, where regions with limited resources may have difficulty in managing autonomy effectively, while more developed regions can further widen the gap.

In addition, there is a risk of abuse of authority and corruption at the local level, especially if supervision and accountability are inadequate. The quality of human resources and administrative capacity in local governments are crucial factors in determining the success of regional autonomy. Research shows that the impact of regional autonomy on economic development varies depending on the implementation and capacity of local governments. Regional autonomy can accelerate economic development if resource management is carried out effectively and the allocation of balance funds is carried out fairly.

However, there are still inequalities in implementation, with many policies relying on the central government and capacity differences between regions. Technical support and supervision from the central government are still needed to ensure the effectiveness of the implementation of regional autonomy. The success of regional autonomy also depends heavily on the ability of local governments to manage resources, improve the quality of human resources and infrastructure, and overcome problems such as political instability, dependence on central funds, and corruption.

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