Examining the Authority Relationship Between the Center and Regions in Determining Policy Authority and Regional Interests

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Abstract
The relationship between the central and regional governments always has an integrated hierarchical connection. This relationship is linked in the documents of the National Medium-Term Development Plan (RPJMN) and the Regional Medium-Term Development Plan (RPJM Daerah). The integration of regional authority is an extension of central authority, encompassing the management and formulation of policies, financial management, as well as the management of natural resources owned by the region. All these authorities share the common goal of enhancing the region's capability to realize progress and self-reliance. Governance is related to functions such as leading, guiding, commanding, mobilizing, coordinating, supervising, and motivating in governance relationships. In modern governance, some experts categorize government functions into four parts: services (public service), development, empowerment, and regulation. If the government can effectively carry out its functions, it is assumed that services will lead to justice, empowerment will result in self-reliance, and development will create prosperity. Ultimately, in its implementation, regional autonomy is a partial decentralization of authority from the central government to the regional government to be independently managed as their domestic affairs. Granting autonomy to regions must be based on factors that ensure the concerned region is capable of managing its own household.

1. Introduction

The continuous observation and perception of governance phenomena arouse human curiosity, leading to the emergence of ideas or concepts about how the governance develops and processes. Recognizing that knowledge about

governance accessible to humans is almost limitless, meaning it can penetrate space and time, its development is logically constrained to specific, focused areas. This is done to ensure that the development of human knowledge does not harm the interests of others.

The limitations are imposed through rules (ethics, religion, law, norms). According to Russell's understanding, knowledge is part of true belief. Everything about knowledge is related to true belief, but not vice versa. True knowledge empirically requires evidence. This indicates that knowledge of governance originates from the real world or facts that have occurred, not from imagination or fantasy.[1]

Thus, the approach used in studying the science of governance is not limited to examining the relationship between those who govern and those who are governed, but can also extend to various aspects, undoubtedly considering the historical basis of a country. There are differences between one country and another, and there are also differences in approaches during one period compared to another. This clearly indicates that the approach in the pursuit of the science of governance can have diverse motives and methods.[2]

Basically, constitutional experts still provide diverse definitions of the state, whether viewed from the perspective of sovereignty (power) or evaluated from the standpoint of regulations (legal perspective), such as those without the understanding put forward by experts in constitutional science. For example, Aristotle (384 - 322 BC), one of the thinkers of the state and law in ancient Greece, defined the state as a power of society (a union of families and villages/communities) aimed at achieving the highest good for humanity.

Meanwhile, Marsilius (1280 - 1317), a medieval thinker of the state and law, regarded the state as a body or organism with fundamental principles of existence and the highest goal of organizing and maintaining peace.[3]

Ibn Khaldun (1332 – 1406), as an Islamic thinker on society and the state, formulated that the state is a society that possesses "wazi'" and "mulk," meaning it has authority and power. On the other hand, Al-Mawardi (d. 1058), a political thinker in the classical era, stated that the state is a political institution replacing prophetic functions to execute religious affairs and regulate worldly matters.

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[1] Yusdianto Yusdianto, 'Hubungan Kewenangan Pusat Dan Daerah Menurut Undang-Undang Nomor 23 Tahun 2014 Tentang Pemerintahan Daerah', *PADJADJARAN Jurnal Ilmu Hukum (Journal of Law)*, 2.3 (2015), 483–504 <https://doi.org/10.22304/pjih.v2n3.a4>.

[2] Harry Setya Nugraha, 'Anomali Hubungan Pusat Dan Daerah Dalam Praktik Penyelenggaraan Pemerintahan Daerah', *De Jure: Jurnal Hukum Dan Syar'iah*, 13.2 (2021), 76–91 <https://doi.org/https://doi.org/10.36277/jurnaldejure.v13i2.570>.

[3] Cecep Cahya Supena, 'Tinjauan Tentang Konsep Negara Hukum Indonesia Pada Masa Sebelum Dan Sesudah Amandemen Undang-Undang Dasar Negara Republik Indonesia Tahun 1945', *Moderat: Jurnal Ilmiah Ilmu Pemerintahan*, 9.2 (2023), 372–88.

Such understanding aligns with the thoughts of Al-Maududi (d. 1979), also an Islamic political thinker and reformer in the Islamic world. He asserted that the state is a political institution with religious functions.[4]

In addition to the perspectives mentioned above, scholars and political thinkers of the 20th century, such as Logemen, also stated that the state is a social organization that aims to regulate and manage a specific society through its authority.

Similarly, Mac Ivar formulated that the state is an association that organizes order within a society in a region based on a legal system administered by a government with the intention of providing coercive power.[5]

Meanwhile, H.J. Laski, a political thinker and legal theorist during the development of 20th-century power theories, also asserted that the state is a society integrated by the authority that possesses coercive power and is legitimately superior to individuals or groups that are part of that society. The society represents a state that must be obeyed by both individuals and associations, determined by an authority that is coercive and binding.

Regarding the state's functions in governance, insights from various experts can be observed. For instance, John Locke proposed that the fundamental functions of the state can be observed in three aspects: 1) Legislative function, which involves creating laws and regulations, 2) Executive function, which is responsible for enforcing regulations, and 3) Federative function, which deals with foreign affairs and matters of war and peace.[6]

The viewpoint of John Locke, as elaborated by Soetomo above, emphasizes that the judicial function is part of the executive duties. John Locke's theory was later refined by Montesquieu, who divided the state into three functions: 1) Legislative function, creating laws; 2) Executive function, implementing laws; and 3) Judicial function, overseeing compliance with all regulations (judicial function), which is more popularly known as the theory of separation of powers.[7]

In Montesquieu's view, the Federative function is incorporated into the executive function, and the judicial function is considered a separate function. This can be understood because Montesquieu's goal in introducing the separation of powers is to achieve political freedom, which can only be attained through the power of adjudication (an independent Judiciary institution). Despite the perspective above, Rousseau, another constitutional expert, stated

[4] Jeddah Dawi Patamatta, 'Konsep Negara Hukum Di Indonesia Dalam Perspektif Piagam Madinah', *Al Amin: Jurnal Kajian Ilmu Dan Budaya Islam*, 3.1 (2020), 69–82.
[5] Fikri Hadi, 'Negara Hukum Dan Hak Asasi Manusia Di Indonesia', *Wijaya Putra Law Review*, 1.2 (2022), 170–88 <https://doi.org/10.38156/wplr.v1i2.79>.
[6] Aminuddin Ilmar, *Hukum Tata Pemerintahan* (Jakarta: Kharisma Putra Utama, 2014).
[7] Haeruman Jayadi, AD Basniwati, and Sofwan Sofwan, 'Lembaga-Lembaga Negara Sederajat Dalam Struktur Kelembagaan Negara Berdasarkan Undang-Undang Dasar 1945', *Journal Kompilasi Hukum*, 7.2 (2022) <https://doi.org/10.29303/jkh.v7i2.122>.

that the most prominent primary function of a state is the function of governing or implementing laws.[8]

The function of governing or implementing laws, as intended by Rousseau, in its development, implies that the community cannot execute governance but only serves as the sovereign. In this context, the people delegate this right to the authorities to carry out the function of governance or implement laws. This line of thought can be understood because the government is an entity within the state that does not stand alone but is subordinate to the sovereignty of the people. An ideal government is one that, in fulfilling its functions, must understand the will and aspirations of its people. In other words, there is an obligation for rulers to continually strive to ensure the fulfillment of the people's interests.[9]

The viewpoint above is consistent with the thoughts of Mr. R. Kranenburk, who suggests that the state, fundamentally, is an organization of power built by a group of people referred to as a nation. The primary principle for the establishment of a state is the presence of a group of people, known as a nation, with the awareness to construct an organization. The built organization aims to preserve the interests of those people. From this perspective, it becomes evident that the function of the state is to administer the common interests of the members of the group known as a nation.[10]

2. Research Method

This research utilizes the normative legal research method, specifically focused on library legal research or document studies. This approach is chosen because the research is aimed at analyzing written regulations and other legal materials. The study is more focused on legal materials available in the library.[11] The implementation of normative legal research, in broad terms, will be focused on several aspects: (1) Research on legal principles, (2) Research on legal systematics, (3) Research on legal synchronization, (4) Research on legal history, and (5) Research on legal comparisons. This research is prescriptive and applied in nature, where its aim is to study legal objectives, legal concepts, and legal norms. As an applied research, it adheres to standards, procedures, provisions, and guidelines in examining the principles of local government law. Studying legal principles means understanding the basis for the enactment of regulations (basic policy) and exploring the objectives or reasons behind the enforcement of a regulation (enactment policy). This highlights the prescriptive nature of legal

[8] Hanif Fudin, 'Aktualisasi Checks And Balances Lembaga Negara: Antara Majelis Permusyawaratan Rakyat Dan Mahkamah Konstitusi', *Jurnal Konstitusi*, 19.1 (2022), 202 <https://doi.org/10.31078/jk1919>.
[9] Muh. Khaerul Anas, A. Muin Fahmal, and Nurul Qamar, 'Kedudukan Dewan Perwakilan Daerah Dalam Sistem Ketatanegaraan Indonesia', *Journal of Philosophy (JLP)*, 2.2 (2021), 123–36.
[10] Marilang Marilang, 'Ideologi Welfare State Konstitusi: Hak Menguasai Negara Atas Barang Tambang', *Jurnal Konstitusi*, 9.2 (2016), 259 <https://doi.org/10.31078/jk922>.
[11] Jonaedi Efendi and Johnny Ibrahim, *Metode Penelitian Hukum: Normatif Dan Empiris* (Depok: Prenada Media Group, 2016).

science. The research is conducted with the goal of identifying the authority relationship between the central government and regional government in the context of the Unitary State of the Republic of Indonesia.[12]

3. Results and Discussion

The Relationship of Authority Between the Central and Regional Governments According to Law Number 23 of 2014 Regarding Regional Governance

The implementation of regional government always experiences ups and downs, marked by various issues related to autonomy and institutional working relationships between the central and regional governments that are not harmonious. The presence of Law Number 23 of 2014 regarding Regional Governance (UU Pemda 2014) apparently has not been able to resolve these issues, but instead has complicated the relationship between the central and regional authorities. This is not in line with the expectations of the legislative goal, which is to create fairness and legitimacy that balance competencies.

Upon examining the substance of UU Pemda 2014, the most fundamental issue is the loss of the principle of autonomy, causing autonomous regions to lose their legal foundation. Nevertheless, from UU Pemda 2014, there is a very contrasting aspect with the regulation regarding concurrent affairs as the basis for implementing regional autonomy through detailed or rigid determinations. As formulated in Article 9 paragraph (1), which states that government affairs consist of absolute government affairs, concurrent government affairs, and general government affairs.[13]

The basis for the birth of the Law on Regional Governance (UU Pemda) in 2014 is to address the issues that have arisen in the administration of regional governments (pemda) over the last ten years, as regulated in the previous law, namely Law Number 32 of 2004. The revised content covers 22 strategic issues, as follows:

1. Issues regarding the establishment and organization of autonomous regions;
2. Issues related to the division of government affairs;
3. Issues concerning island regions;
4. Issues related to the election of regional heads;
5. Issues regarding the role of governors as representatives of the central government;
6. Issues regarding regional leadership consultations;

[12] Peter Mahmud Marzuki, *Penelitian Hukum: Edisi Revisi* (Jakarta: Prenada Media, 2017).
[13] Jorawati Simarmata, 'Perspektif Kebijakan Daerah Dalam Konteks Uu No. 23 Tahun 2014 Tentang Pemerintahan Daerah Dan Peraturan Perundang-Undangan Terkait', *Jurnal Legislasi Indonesia*, 12.2 (2015), 1–34.

7. Issues related to regional apparatus;
8. Issues concerning districts;
9. Issues related to regional officials;
10. Issues regarding regional regulations (perda);
11. Issues related to regional development;
12. Issues related to regional finance;
13. Issues concerning public services;
14. Issues related to community participation;
15. Issues regarding urban areas;
16. Issues concerning special regions;
17. Issues related to inter-regional cooperation;
18. Issues related to villages;
19. Issues related to guidance and supervision;
20. Issues related to legal actions against regional government officials;
21. Issues related to regional innovation; and
22. Issues related to the regional autonomy advisory council.[14]

Extensive autonomy, manifested in the form of 31 matters, results in limitations in financing these affairs, leading to difficulties in many regions. This situation is further complicated by the tendency of regions to create 'bulky' organizational structures due to bureaucratic pressures through additional positions, triggering an increase in the need for employees, leading to an increase in personnel costs or overhead costs. Meanwhile, experiences show that in almost all regions, the percentage of Regional Original Income (PAD) is relatively small.

Furthermore, the dynamics of decentralization over the last decade indicate a need for regulation regarding public services and community participation. The absence of such regulation makes regions less inclined to improve public services. However, the consideration for implementing decentralization is to enable regions to provide quality public services according to the needs of their residents and easily accessible. Community participation becomes one of the keys to the success of decentralization and regional autonomy.[15]

One of the goals of decentralization is to make it easier for the community and stakeholders to participate in the policy-making process at the local level. In reality, the regulation of community participation in the 2004 Regional Governance Law (UU Pemda 2004) is still very weak, as seen in the numerous regions neglecting participation in the policy-making process. However, participation is a right of every citizen that should be protected by the state.

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[14] Dian Agung Wicaksono and Faiz Rahman, 'Penafsiran Terhadap Kewenangan Mengatur Pemerintahan Daerah Dalam Melaksanakan Urusan Pemerintahan Melalui Pembentukan Peraturan Daerah', *Negara Hukum: Membangun Hukum Untuk Keadilan Dan Kesejahteraan*, 11.2 (2020), 231–48.

[15] M. Fernanda, Aldri Frinaldi, and Lince Magriasti, 'Desentralisasi Dan Otonomi Daerah Dalam Upaya Penyelenggaraan Pemerintahan Daerah Yang Baik', *Jurnal Ilmu Sosial Dan Pendidikan (JISIP)*, 7.3 (2023) <https://doi.org/10.58258/jisip.v7i1.5423>.

By ensuring citizens' rights, the purpose of organizing regional government genuinely safeguards the interests of citizens. The UU Pemda 2004 is the result of a review of Law Number 22 of 1999 regarding Regional Governance (UU Pemda 1999), which adhered to extensive autonomy. UU Pemda 2004 limits government affairs at the central and provincial levels through Government Regulation Number 25 of 2000 and transfers the rest to cities or regencies through recognition mechanisms.[16]

The mechanism for the division of government affairs follows the concept of residual functions, delegated to the city or regency level, while government affairs at the central and provincial levels are clearly and specifically determined. Given the extensive scope of residual functions transferred to cities or regencies, it creates the impression that cities or regencies adhere to the principle of extensive autonomy (general competence), while limited autonomy (ultra vires) exists at the provincial level.

At the end of 2014, the government issued the Regional Governance Law of 2014 (UU Pemda 2014). The presence of this law, in fact, disregards the desire for regional autonomy and prioritizes the spirit of efficiency and effectiveness in the administration of regional government, with a greater focus on aspects of the central-regional and inter-regional relationships, the potential and diversity of regions, as well as the opportunities and challenges of global competition in the national governance system.[17]

Here, the character of decentralization with the embrace of regional autonomy seems to have been replaced by centralization with the embrace of deconcentration. The lawmakers (People's Consultative Assembly) and the law enforcers (central government) deliberately aim to stabilize the context and existence of local governments more prudently between the central, provincial, and city or regency levels, or conversely, revert to the shadow centralization scheme.

The regulation of the relationship between the central and regional governments largely reduces the authority of regents or mayors to develop their regions and serve their people. These powers are withdrawn and given to governors, and in some cases, even returned to the central government.

This tends to be an effort towards the recentralization of the authority to administer regional government, which is in stark contrast to the spirit of the amendment to Article 18 of the 1945 Constitution. In the end, the changes to the Regional Governance Law depend on the legal government's political direction, aiming to limit the freedom of movement for government units at the lower level and grant freedom of movement to the units above.[18]

[16] Suharto, 'Desentralisasi Dan Otonomi Daerah Dalam Proses Pemerintahan Dikaitkan Undang Undang 23 Tahun 2014 Tentang Pemerintah Daerah', *Jurnal Hukum*, 20.2 (2023), 312–26 <https://doi.org/http://dx.doi.org/10.31845/jwk.v13i2.319>.
[17] Muhammad Mujtaba Habibi, 'Analisis Pelaksanaan Desentralisasi Dalam Otonomi Daerah Kota/Kabupaten', *Jurnal Pendidikan Pancasila Dan Kewarganegaraan*, 28.2 (2015), 117–24.
[18] Jayadi, Basniwati, and Sofwan.

The pattern of standardizing authority between levels of government in the country (central-provincial-city or regency) indicates a philosophical view of regional autonomy that is practically implemented, extensive, and responsible in autonomous regions becoming unclear. This is what then prompted the author to write this piece.

Indonesia is a unitary state and a constitutional state. This constitutional provision conveys the message that this country is built in the form of unity, not a federal state. Therefore, governance in Indonesia adheres to a decentralization system based on the broadest possible autonomy. Regions have the authority to regulate and manage their own household affairs without departing from the framework of a unitary state. The goal of the state is to organize the welfare and happiness of its people, or to establish a just and prosperous society. Sovereignty lies in the hands of the people and is implemented according to the 1945 Constitution (UUD 1945). The President holds the power of government according to the UUD 1945.

According to Philipus M. Hadjon, "Based on Article 1 paragraph (1) of the UUD 1945, Indonesia is a unitary state when linked to the provisions of Article 18 of the UUD 1945, which is not centralistic. State power is divided to regions through the decentralization of power." The concept of a unitary state bears a heavy burden in the administration of government and services to the public.[19]

Considering Indonesia's status as an archipelagic and socially and culturally heterogeneous country, the choice of using decentralization is a necessity. Bagir Manan stated, "The Republic of Indonesia (RI) is a unitary state accompanied by the principle of decentralization (1945 Constitution Article 1 Paragraph 1 and Article 18). Thus, theoretically, issues related to the relationship between the center and regions in a decentralized unitary state also exist in the RI." Similar to C.F. Strong, who described a unitary state as a country organized under one central government. This means that any power held by various districts within the managed region as a whole by the central government must be organized according to government policies. Agussalim Andi Gadjong stated that the inherent characteristics of a unitary state are essential.

Firstly, there is the supremacy of the parliament or the central representative body; and secondly, there are no subordinate bodies with sovereignty (the absence of subsidiary sovereign bodies). Original power resides in the central government, but the authority of the central government is determined by the limits set in the 1945 Constitution and laws, while authority not mentioned in the 1945 Constitution and laws is determined as the authority held by regional governments.

Based on these constitutional provisions, it can be understood that the Unitary State of the Republic of Indonesia is organized through a federal arrangement or a federalistic regulatory mechanism. The basic authority of the

[19] Imam Sukadi, 'Sistem Pemerintahan Indonesia Dan Implikasinya Dalam Kehidupan Berbangsa Dan Bernegara', *Jurnal Hukum Bisnis Bonum Commune*, 4.1 (2021), 119–28.

unitary state is held or owned by the central government, which is then transferred or delegated to regions. The transfer or delegation of authority in a unitary state is usually made explicitly (ultra vires). In other words, regions have limited or restrictive authority or power.[20]

The principle of organizing government affairs by Regional Governments and Regional People's Representative Councils (DPRD) is based on the principles of autonomy and assistance duties. Regional Governments are a subsystem of the national government administration system with the authority to regulate and manage their own household. This authority involves three main aspects: first, the assignment of tasks and authority to complete a delegated authority to the regional government; second, the trust and authority to think, take initiatives, and determine the ways to complete those tasks; and third, in the effort to think, take initiatives, and make decisions, involving the community, both directly and through the DPRD.

The relationship of authority between the central government and provincial, city, or district governments is regulated by law, taking into account the specificity and diversity of regions. Specificity of the region refers to the privileges found in each region, while the diversity of the region refers to the differences between each region. The relationship between the central government and provinces and/or cities or districts is subordinate and dependent.[21]

Granting autonomy as widely as possible to regions is implemented using the principle of a unitary state. Because no matter how much autonomy is given to regions, the ultimate responsibility for the administration of regional government will still be in the hands of the central government.

The division of power or authority in a unitary state can be explained in three ways. First, power or authority is essentially obtained from the central government, while regions are given rights and obligations by the central government through delegation or transfer. So, there is a process of delegation or transfer of authority. Second, the central government and regional governments still have a chain of command and hierarchical relations. Regional governments are subordinate to the central government, but the relationship is not intended to intervene and dictate regional governments in various matters. Third, authority or power that is transferred or delegated to regions, under certain conditions, if the region is unable to carry out it well, the delegated and transferred authority can be withdrawn back to the central government as the owner of the power or authority.

[20] Diane Prihastuti, 'Tinjauan Yuridis Desentralisasi Dan Otonomi Daerah Dalam Proses Pemerintahan Dikaitkan Undang-Undang 23 Tahun 2014 Tentang Pemerintah Daerah', *Jurnal Legislasi Indonesia*, 19.1 (2022), 29–41 <https://doi.org/https://doi.org/10.54629/jli.v19i1.810>.

[21] Damar Tangguh Rabani and others, 'Tinjauan Atas Asas-Asas Pemerintahan Daerah Dan Implementasi SOTK', *JRP : Jurnal Relasi Publik*, 1.1 (2023), 204–14 <https://doi.org/https://doi.org/10.59581/jrp-widyakarya.v1i2.363>.

According to the Regional Government Law of 2014, the absolute authority of the central government includes five areas: 1) foreign policy; 2) defense; 3) security; 4) justice; 5) national monetary and fiscal matters; and 6) religion. Other listed authorities relate to community empowerment, fostering initiatives and creativity, enhancing the role and function of the Regional People's Representative Council (DPRD), and others. An autonomous region is a legal community unit with defined boundaries authorized to regulate and manage government affairs and the interests of the local community based on their own initiatives, according to the aspirations of the community within the framework of the Unitary State of the Republic of Indonesia.[22]

Central and Regional Authority Relations

According to C.F. Strong, a unitary state is a form of state where the highest legislative authority is at the center in a national/central legislative body. The central government has the authority to delegate some of its powers to regions based on the right to autonomy (a unitary state with a decentralized system), but at the final stage, the highest authority remains in the hands of the central government.

The essence of a unitary state is that its sovereignty is undivided, or in other words, the power of the central government is not limited because the constitution of a unitary state does not recognize any legislative body other than the central legislative body. C.F. Strong further states that there are two absolute characteristics inherent in a unitary state, namely:

Its principles must conform to the central government system, which is generally affirmed in the constitution. With this view, it is clear that in the pattern of a unitary state, local government must still have a correlation that aligns with the vertical and horizontal relationships between the central government and regions, structured with the spirit of a unitary state. Once again, a unitary state is different from a federal or confederal state.

Regulations regarding regional autonomy have changed several times post-reform, starting from Law Number 22 of 1999 concerning Regional Government, Law Number 32 of 2004 concerning Regional Government, and Law Number 23 of 2014 concerning Regional Government, which was later amended by Government Regulation in Lieu of Law Number 1 of 2014 concerning the Election of Governors, Regents, and Mayors and stipulated by the Republic of Indonesia Law Number 1 of 2015 concerning the Ratification of Government Regulation in Lieu of Law Number 1 of 2014 concerning the Election of Governors, Regents, and Mayors into Law.[23]

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[22] Dwi Budiarti, 'Penerapan Asas Umum Dalam Penyelenggaraan Pemerintahan Daerah', *YURIJAYA*, 1.1 (2017) <https://doi.org/https://doi.org/10.51213/yurijaya.v1i1.5>.

[23] Indah, 'Hubungan Wewenang Antara Pemerintah Pusat Dan Daerah Dalam Negara Kesatuan Republik Indonesia', *Rechtidee Jurnal Hukum*, 9.2 (2014), 137–53.

However, it is essential to remember that the ultimate goal of these regional government provisions is the same, namely, to bring the government close to the people so that the government is more aware that it exists because it is needed by the people and is a part of the people. An examination of the concept of the relationship of authority between the central government and regional government actually has a very broad scope.

From the perspective of theories regarding decentralization and regional autonomy, there is no singular definition, but many definitions have been proposed by experts on decentralization. By outlining from various theoretical perspectives, there are two definitions of decentralization, namely the definition from the administrative perspective and the political perspective.

In the administrative perspective, decentralization is not much different from deconcentration, as stated by Parson, who emphasizes that decentralization is defined as the transfer of administrative responsibility from central to local governance. Compare this with the concept of deconcentration built by Parson, which is the sharing of power between members of the same ruling group having authority respectively in different areas of the state.

Looking at the regional government laws, the definitions of decentralization and deconcentration are contained in Article 1 numbers 8 and 9 of Law Number 23 of 2014 concerning Regional Government. Decentralization is the transfer of government affairs by the central government to autonomous regions based on the principle of autonomy. On the other hand, deconcentration is the delegation of some government affairs, which are the authority of the central government, to the governor as the representative of the central government, to vertical agencies in specific areas, and/or to the governor and regents/mayors as responsible for general government affairs.

In Article 18 of the Constitution, guidance has been given regarding the implementation of regional autonomy and autonomous regions. According to Yuswanto, regional autonomy is related to politics and governance, meaning that regional autonomy is self-government or "the condition of living under one's own laws." It means a region that has legal self-sufficiency that is self-government regulated and managed by its own laws.

Regional autonomy focuses more on the aspirations and conditions of the region; therefore, autonomy includes four activities. First, creating its own legislation (zelf wet'geving). Second, implementing it independently (zelf uit'voering). Third, conducting its own judiciary (zelf recht'spraak). Fourth, carrying out its own police tasks (zelf poli'tie).[24]

Yuswanto says the meaning of regional autonomy is: first, the right to manage its own household; second, in the freedom to exercise the right to manage and organize its own household, the region cannot exercise its rights and autonomy beyond the boundaries of the respective region; third, the region must

[24] Ane Permatasari, 'Otonomi Khusus Daerah Perbatasan, Alternatif Solusi Penyelesaian Masalah Perbatasan Di Indonesia', *JURNAL MEDIA HUKUM*, 21.2 (2014), 225–40.

not interfere with the right to regulate and manage the household of another region in accordance with the basic authority and affairs delegated to it; and fourth, autonomy does not subordinate other regions, meaning the right to regulate and manage one's own household is not a subordination of the right to regulate and manage the household of another region.

In connection with this, there are two types of power distribution, namely horizontal and vertical distribution. Horizontal distribution is the distribution of power to parallel institutions, each given functions and accompanied by checks and balances, such as the distribution of power to legislative, executive, and judicial institutions. Meanwhile, vertical distribution of power gives rise to two forms of the state: the unitary state and the federal state.[25]

The delegation of authority is intended for the community to participate in the administration of the government, especially at the local level. Decentralization policies are always linked to the condition of the community, especially maturity in politics, so that governance will grow and develop according to the legal politics of the community. The authority of local governments includes the authority to make various local regulations (zelf wetgeving) and the administration of government (zelf bestuur) carried out democratically. Therefore, the implementation of regional administrations cannot be separated from the principles of decentralization and regional autonomy.

R.D.H. Koesemahatmadja explains that decentralization is divided into two, namely ambtelijke decentralisati/deconsentratie (deconcentration) and staatkundige decentralisatie (state decentralization). Amrah Muslimin, on the other hand, has a different view, stating that there are three forms of decentralization as follows:

"Political decentralization is the recognition of the right to manage one's own household in political bodies in selected regions chosen by the people in certain areas. Functional decentralization is the recognition of the rights of groups to manage one type or group of interests in society, whether organized or not, in a specific region. Decentralization of functions (ambtelijk decentralisatie) and decentralization of the state (staatkundige decentralisatie)."[26]

According to Bagir Manan, decentralization is a form or action of dispersing power or authority from an organization, position, or official. Decentralization is not a principle of regional governance but a process. In relation to regional autonomy, decentralization only involves the dispersion of power in the economic field.

Bagir Manan states that in the understanding of decentralization, there are two main things: first, decentralization is interpreted as the delegation of governance affairs to the regions, in other words, there is only one form of decentralization, namely autonomy. Assistance duties (medebewind) are not

[25] Fudin.
[26] Juli Panglima Saragih, 'Politik Desentralisasi Fiskal: Permasalahan Dalam Implementasi', *Politika: Jurnal Ilmu Politik*, 5.2 (2014), 200–224 <https://doi.org/http://dx.doi.org/10.22212/jp.v5i2.340>.

included as a form of decentralization; second, autonomy only exists if there is a delegation (o'verdragen) of governance affairs to the regions, without the aspect of o'verlaten. Regions are not allowed to take the initiative (eigen initiatief) to manage affairs that they consider important for the region or its residents.

According to the Regional Government Law of 2014, decentralization is the delegation of governance affairs by the central government to autonomous regions based on the principle of autonomy. Special Allocation Fund (DAK) is allocated from the State Revenue and Expenditure Budget (APBN) to specific regions to finance the implementation of decentralization for funding specific activities determined by the government based on national priorities.

Bagir Manan says that the form and pattern of the relationship between the central and regional governments in the framework of decentralization depend on various factors. The main factor is the fundamentals of decentralization itself, as the form and pattern of the relationship between the central and regional governments depend on the fundamentals of decentralization stated in the constitution.

Jimly Asshiddiqie explains that "regional specificity" refers to the specificity or privileges present in each region. 'Regional diversity' is the diversity between regions, each different from the others. Bagir Manan then states that the form and content of regional autonomy do not have to be uniform (uniformity), thus determined by various specific conditions and the diversity of each region. Changes in the 1945 Constitution include the absence of the term decentralization as the basis for the relationship between the central and regional governments.

In Article 18 paragraph (2), it has been stipulated that provincial, district, and municipal regional governments manage and govern their own governance affairs according to the principles of autonomy and assistance duties. Therefore, according to Bagir Manan, the form of decentralization is the same as that presented by Van Der Pot, namely distinguishing between autonomy and assistance duties. Bagir Manan emphasizes that decentralization is not a principle but a process because the principles are autonomy and assistance duties.

The question that arises is, what is the basis for the relationship between the central and regional governments in the framework of decentralization? Bagir Manan argues that based on Article 18 of the 1945 Constitution, there are two fundamental bases for decentralization that underlie the relationship between the central and regional governments, namely the basis of deliberation in state governance and the basis of inherent rights that are special in nature. However, overall, there are two more factors that underlie the relationship between the central and regional governments in the framework of decentralization, namely diversity and the concept of a law-based state (rule of law).

The relationship between the central government and regional government has four important dimensions to consider, including authority, institutions, finance, and supervision. First, the division of authority to carry out government affairs will significantly affect how much authority the central and regional

governments have to administer government affairs because the central government's jurisdiction covers regional governments.

Therefore, in this case, the object being dealt with is the same, but the authority differs. Second, the division of authority has implications for financial relations between the central and regional governments. Third, the implications for institutional relations between the central and regional governments require caution regarding the magnitude of institutions needed to carry out their respective tasks. Fourth, the supervision relationship is a consequence that arises from the delegation of authority to maintain the unity of the unitary state.

Such regulations indicate that the pull and push of the relationship then give rise to what Bagir Manan calls a spanning between the central and regional governments. Regarding the order related to ways of dividing authority, tasks, and responsibilities for managing government affairs between the central and regional governments, it is done through the regional household system. In theory, there are three regional household systems, namely the formal, material, and real regional household systems.

In the formal regional household system, central and regional government affairs are not divided in detail because it assumes that there is no fundamental difference between central and regional affairs. In theory, this system provides the greatest freedom for regions to manage their household affairs, and the only limitation is that regions cannot manage affairs that have been regulated by higher-level legislation.

Meanwhile, the material regional household system starts from the fundamental differences between central and regional affairs. Thus, government affairs can be separated and determined precisely.

The real (riil) regional household system is based on real conditions and factors. The real regional household system is a middle ground between the formal and material systems. The real regional household system has characteristics such as:

1. The existence of fundamental matters determined at the time of the establishment of autonomous regions;
2. Regions can regulate and manage other affairs as long as those matters have not been regulated and managed by the central government and higher-level regional governments; and
3. Based on the real factors of a particular region. Thus, differences in the content of regional household systems can occur according to the law.

Based on the description, there are four main points as benchmarks for the relationship between the central and regional governments according to decentralization based on the 1945 Constitution:

First, the form of the relationship between the central and regional governments must not diminish the rights of the regional people to participate freely in the implementation of regional government, following the democratic foundation led by the wisdom of deliberation or the deliberation basis in the

national governance system that must be implemented up to the regional government level (including the village);

Second, the form of the relationship between the central and regional governments must not diminish the rights of the regional people to initiate or take initiatives to regulate and manage matters deemed important;

Third, the form of the relationship between the central and regional governments must be in accordance with the specific conditions of each region;

Fourth, the form of the relationship between the central and regional governments is aimed at realizing justice and social welfare in the region.

Legal Review of the Regional Autonomy Law (UU Pemda) 2014

In Article 18, paragraphs (2) and (5) of the 1945 Constitution, it is stated that regional governments have the authority to regulate and manage their own governance affairs based on the principles of autonomy and delegated tasks, and are granted the widest autonomy. Jimly Asshiddiqie states that the government structure based on this article consists of three levels, each with its own autonomy: the central government, provinces, and cities or regencies. As a result, to ensure an effective governance system, it becomes difficult to consolidate because each unit of government organization at each level is autonomous.

The purpose of delegating authority in the implementation of regional autonomy is to encourage efforts to improve the welfare of the people, promote equality and justice, democratization, and respect for local culture while considering the potential and diversity of each region. The legal consequences arising from the legal relationship (rechtsbetrekking) between the central government and the regions based on regional autonomy and the principle of decentralization include three aspects:

1. Division of authority;
2. Division of revenue; and
3. Division of regional government administration.

To assess the degree of autonomy held by a region, one can examine:

1. having its own government apparatus;
2. having specific affairs/authorities;
3. having the authority to manage its own financial resources, and
4. having the authority to make its own policies/actions.

In general, the 2014 Local Government Law consists of 411 articles. When compared to the three previous laws (the 1974 Local Government Law, the 1999 Local Government Law, and the 2004 Local Government Law), this law is much more comprehensive, detailed, and introduces new breakthroughs in the administration of local government. Overall, a very significant change can be observed in:

1. Central Government and Regional Government Relations;
2. Administration of Local Government;

3. Government Affairs;
4. The Role of the Governor as the Representative of the Central Government in the Region;
5. Regional Arrangement;
6. Regional Apparatus;
7. Regional Finance;
8. Regional Regulations; and
9. Regional Innovations.

In this context, the focus is on discussing the power relations between the central government and regions according to the Regional Autonomy Law of 2014 (UU Pemda 2014).

The essence of organizing regional governments based on this distribution of authority is to realize the functions of governance in public services, development and empowerment, and security. The implementation of these functions requires clear and adequate authority and maximum budget support.

Therefore, in its implementation, the distribution of authority has consequences not only related to its funding sources but also to the sources of revenue for regional income. Delegating authority that does not generate local revenue (PAD) must be borne by the regional government responsible through the local budget (APBD) funding. Conversely, authority that has an impact on the source of PAD revenue will contribute to the increase in the regional budget (APBD).

In the UU Pemda 2014, there are several matters that have been traditionally managed by cities or regencies, such as mining, secondary education, and forestry, which now become the authority of the provincial government. The takeover of these authorities will have unfavorable consequences for the city or regency governments, such as a reduction in PAD.

Article 9 paragraph (1) states that government affairs consist of absolute government affairs, concurrent government affairs, and general government affairs. Absolute government affairs. General government affairs are government affairs under the authority of the president as the head of government.

Concurrent government affairs under the authority of the region consist of obligatory government affairs and optional government affairs. Obligatory government affairs are government affairs that must be carried out by all regions.

Meanwhile, optional government affairs are government affairs that must be carried out by the region according to the potential of the region. Mandatory government affairs organized by regional governments are divided into government affairs related to basic services and those not related to basic services.

In order to achieve proportional concurrent authority division, the state organizer has detailed and rigidly structured the responsibilities between the central government, provincial governments, and city or regency governments

based on the principles of accountability, efficiency, externalities, and national strategic interests. Through the functions and authority relationships between the central government and regions, it can be understood that:

1. Indonesia, as a unitary state adhering to the welfare concept, will face difficulties in implementing affairs beyond the state's competence, especially issues related to local wisdom that require serious and varied handling between different regions.
2. There is inconsistency in the regulation of the power relationship between the central and regional governments. Article 18 paragraph (5) of the Constitution (UUD) requires regional governments to exercise autonomy to the fullest extent, except for other matters determined as the central government's affairs. Meanwhile, Article 9 of the Regional Autonomy Law of 2014 standardizes in detail the material household system of authority affairs between the central government, provinces, and city or regency governments.
3. According to legislative theory, when comparing the substance intended by Article 18 of the 1945 Constitution and the Regional Autonomy Law of 2014, it can be said that there is a contradiction between the substance of the regulations desired by the constitution and the regional government law. This could potentially trigger constitutional court challenges.

4. Conclusion

The balance of authority between the central government and regional government is a subsystem of the State's finances as a consequence of the division of tasks between the central government and regional government. The allocation of financial resources from the State to the regional government is based on delegating tasks to the regional government while considering fiscal stability and balance. Autonomy is a derivative of decentralization, so an autonomous region is an independent area in taking initiatives. The level of independence, derived from the degree of decentralization, indicates that the higher the degree of decentralization, the higher the level of regional autonomy. The optimal implementation of local government functions occurs when the governance of government affairs is accompanied by the search for sufficient revenue sources for the region, based on laws regarding the financial balance between the central government and regional government, which is adjusted and harmonized with the division of authority between the central government and the region.

The rights and obligations of the region need to be managed in a local financial management system. Local finance includes all the rights and obligations of the region in the context of organizing regional government, which

can be valued in monetary terms, including all forms of wealth related to rights and obligations. Meanwhile, the management of local finance includes all activities related to planning, implementation, bookkeeping, reporting, accountability, and supervision of local finances. Financial management is a subsystem of the State financial management system and is a fundamental element in the organization of regional government. The management of local finance must also be carried out in a good and wise manner so that local finances can be used efficiently according to the needs of the region (PP 58 of 2005). The rights and obligations undertaken by regional governments are due to the implementation of fiscal decentralization policies as a logical consequence of decentralization in governance. The authority for the management of local finance is held by the head of the region, who, by virtue of their position, has the authority to oversee the entire management of local finances.

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