

ASYMMETRICAL SEQUENTIAL DECENTRALIZATION: RESETTING THE PARADIGM OF REGIONAL AUTONOMY

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Abstract

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This paper explores the issues related to the future regional autonomy regulation in Indonesia as an evaluation material and efforts to find and reformulate the ideal form of decentralization as the basis for working relations between the central and the regional government. The “zigzag” pattern that has been applied in autonomy policy in Indonesia, between centralization or decentralization and between symmetrical or asymmetrical decentralization, does not indicate any grand design in the implementation of regional autonomy. Therefore, a new blueprint that is able to become a paradigm and guideline for the implementation of regional autonomy in Indonesia is needed in order to achieve regional fiscal independence. This research is normative legal research based on deductive logic to build positive law by using secondary data sources and legal materials (Marzuki, 2010). This research indicated that the meaning of decentralization as a process (Falleti, 2005) and the educational mechanism are significantly related to achieving regional independence. In essence, the transfer of knowledge concerning the government’s capability in management should be more prioritized and must be given first before handing over the autonomy authority.

Keywords: Regional Autonomy, Decentralization, Asymmetrical Sequential Decentralization, Fiscal Independence, Indonesia

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1. INTRODUCTION

It has been 77 years since the laboratory for the implementation of regional autonomy in Indonesia. The experiment began with the issuance of Law No. 1 of 1945 concerning the Regulation of the Position of the Regional National Committee which further underwent changes to the regional autonomy system until the last regulation of the Law No. 23 of 2014 *juncto* Law No. 9 of 2015 concerning local government (Local Government Law). In this case, according to Djohermansyah Djohan, the changes in regional autonomy regulation shows the continuous process of finding the ideal form of

working relation pattern between the central government and regional government (Romli, 2007).

Currently, based on the Local Government Law, regional autonomy is implemented with two patterns of decentralization policies, those are symmetrical decentralization and asymmetrical decentralization. Symmetrical decentralization means that the autonomy authority given by the central government to the regional government is uniform. Meanwhile, asymmetric decentralization means that the autonomy authority granted varies according to the condition and characteristics of each region (Jaweng, 2011). This policy pattern was implemented partially since there were only five Indonesia regions that applied an asymmetric

decentralization policy pattern, those are the Special Capital Region of Jakarta, the Special Region of Yogyakarta, the Special Region of Aceh, Papua, and West Papua.

Furthermore, the Local Government Law is more dominant using a symmetrical decentralization pattern with the presence of division of government affairs division into three categories, which are absolute, concurrent, and general government affairs. In other words, only one law is used to become the juridical basis for the implementation of regional autonomy in almost all regions in Indonesia. It is interesting to study further about this symmetrical decentralization policy considering that from constitutional, geographical, social, and cultural aspects of the Indonesian nation are more characterized by asymmetry, where each region has its own conditions, capabilities, readiness, characteristics, and problems.

In addition, it is also important to reconsider and rebuild the paradigm of regional autonomy in Indonesia which has been implemented unsubstantial. This is proven by the historical and juridical facts that autonomy authority is granted based more on formalistic reasons, such as to accommodate regional interests, to reduce conflict between the central and regional governments, and to meet the public demands who are not happy with centralized power. Furthermore, the autonomy policy is also considered not to have a clear foundation seen from the "zigzag" pattern between the implementation of centralization and decentralization in formulating autonomy policies. Therefore, the essence of implementing decentralization as a process and educational mechanism has not been realized.

Meanwhile, viewed the important data directly related to the quality of the regional autonomy implementation in Indonesia, it still indicates unsatisfying results. Based on the report on the review results of the fiscal independence of regional governments in 2020 issued by the Audit Board of Indonesia, the analysis results gained are that the majority of regional governments in Indonesia are still classified as "not independent yet" in which among 503 regional government, 443 of them (88.07%) is not independent yet, 50 regional government (9.94%) is going to be independent, and 10 regional government (1.99%) is independent (BPK RI [Badan Pemeriksa Keuangan Republik Indonesia], 2021).

This certainly is appropriate to be chosen as an evaluation material by the Indonesian government in order to find weaknesses and problems encountered in the implementation of the Local Government Law so far. Therefore, the writers are interested in studying further issues related to the future regional autonomy regulation in Indonesia as an evaluation material for the implementation of decentralization and at the same time as an effort to reformulate the form of decentralization as the basis for working relations between the central government and regional governments. In this regard, the writers propose an idea to develop the concept of asymmetrical sequential decentralization. Hence, our study aims to answer the following questions:

RQ1: What is the importance of regional fiscal independence?

RQ2: How is the concept of asymmetrical sequential decentralization?

We elaborate this research into six sections. The following Section 2 contains the references that we used to build the research framework and establish hypotheses. Section 3 is the research methods, including the type, source, and nature of the research. Section 4 is the result and the discussion is in Section 5. The last is Section 6, which summarizes all parts of this paper, including limitations and suggestions. In addition, we recommend some perspectives for future research.

2. LITERATURE REVIEW

2.1. Sequential decentralization

Asymmetrical sequential decentralization is a concept of regional autonomy that the writers developed based on the sequential decentralization theory proposed by Tulia G. Falleti¹, Professor of Political Science at the Department of Political Science, University of Pennsylvania.

Falleti is the author of *Decentralization and Subnational Politics in Latin America*, Cambridge University Press (Falleti, 2010), which earned the *Donna Lee Van Cott Award* to the best book on political institutions by the Latin American Studies Association. Her articles on decentralization, federalism, authoritarianism, participation, and qualitative methods have made a great contribution to the development of the sequential theory of decentralization.

Falleti basically formulated a new regional autonomy format based on the decentralization principle as a solution to the weaknesses and problems of decentralization practices that have been generally implemented. These weaknesses and problems are particularly related to the balance of position and authority between the central government and regional government where conflicts often occur on many occasions. With this sequential decentralization format, it is expected that it can be the main determinant of the evolution of the power balance between the two government units. In Falleti's asymmetrical decentralization, there are several basic ideas regarding the implementation of decentralization, those are:

1) *Decentralization is a process*: this theory is founded on the view that decentralization is basically a state reform process containing a series of public policies by handing over some responsibilities, resources, or authority from the government at the top level to the government at the bottom level.

2) *Territorial interest*, for the central government, the types of decentralization they prefer to hand over to the regions are administrative decentralization (A) compared to fiscal decentralization (F) and fiscal decentralization compared to political decentralization (P). Therefore, it is sorted into $A > F > P$. This is because the central government tends to delegate responsibility for government affairs than delegate fiscal and political resources. Meanwhile, between fiscal and political decentralization, the central government will prefer to give up fiscal power and maintain political control

¹ <https://live-sas-www-polisci.pantheon.sas.upenn.edu/people/standing-faculty/tulia-falleti>

over the regions, so that they can affect the decisions made by the regions. The same reasoning also applies to the order of decentralization preferred by the regional government. However, in this case, the type of decentralization preferred is the opposite of the central preference, which is $P > F > A$ (Falleti, 2005).

3) *The decentralization order* (origin, time, and mechanism), the discussion concerning the origins of the decentralization process becomes an important discourse, both theoretically and methodologically. The origin of the decentralization process can be defined by looking at the state of a country which includes the constitutional, geographical, social, political, cultural, and other systems. Falleti uses Skwronek's (1993) terminology which is further obtained as an illustration that the relationship between governments is a layered structure of institutional action. The level of regional independence or readiness will affect the fiscal, administrative, and political decentralization layers that will be granted.

The sequential decentralization theory consists of three (3) types of authority that can be granted from the central government to the regional government. These three authorities are (Falleti, 2005):

First, the administrative decentralization aspect, which includes a series of policies that delegate administrative authority and the provision of public services such as education, health, public welfare, or housing from the central government to the regional government. The form of decentralization that can be imposed on regions is adjusted to the regional government's independence condition in implementing the administrative authority.

Second, fiscal decentralization, which refers to a series of policies designed to increase income or regional fiscal independence. Fiscal decentralization policies can take different institutional forms such as increasing subsidies to funds from the central government, the establishment or opening of new types of regional taxes, or the delegation of tax authorities that were previously national.

Third, political decentralization, which is decentralization in the form of giving political authority or general elections capacity to the regional government administrators to the actors in the regions. This mechanism basically aims to open or activate the existing space but is inactive or ineffective for the process of selecting regional government representatives. Examples of such political decentralization are the mechanism for the general election of regional government administrators by being appointed, the establishment of regional legislative assemblies, or constitutional reforms that strengthen the political autonomy of regional governments.

2.2. Fiscal independence

Theoretically, local fiscal independence can be determined by calculating the size of all local revenue compared to local revenues from external sources, such as grants from the center or regional loans. According to Halim (2007), the ratio of fiscal independence shows the level of regional dependence on funds from outside parties, if the ratio of regional fiscal independence is higher,

the region's dependence on external funds will be lower, and vice versa (Halim, 2007).

Furthermore, the calculation results of the regional fiscal independence ratio obtained from the above formula can further be matched with the guidelines for the pattern of regional fiscal independence relationships as follows:

Table 1. Relationship pattern of regional fiscal independence

<i>Financial capacity</i>	<i>Independence</i>	<i>Relationship pattern</i>
Very low	0%-25%	Instructive
Low	25%-50%	Consultative
Medium	50%-75%	Participative
High	75%-100%	Delegative

Source: Halim (2007).

First, instructive, means that the relationship pattern between the central government and regional government applied for a bigger role from the central government than the regional government. In other words, regions with this relationship pattern are categorized as regions that are not yet capable of being independent and are still very much reliant on central funds. In this case, the regions with this pattern are considered not able to implement regional autonomy. *Second*, consultative, means that the participation or role of the central government has begun to decrease. In this case, the regions have started to explore their potential sources of local revenue, but the amount is still small and the majority of the Regional Budget (Anggaran Pendapatan dan Belanja Daerah, APBD) still comes from the provision of central funds. Regions at this level are considered to have begun to be able to implement regional autonomy but are still limited. *Third*, participative, means that the regions are starting to go further in obtaining income for the APBD through local revenue. In this relationship pattern, the role of the central government is getting smaller and the regions are considered to be approaching the category of implementing regional autonomy in a broad and comprehensive manner. *Fourth*, delegative, means that the role or involvement of the central government is very low because the main source of income for the APBD comes from local revenue. Regions with this pattern are considered to be fiscally independent and capable of truly implementing broad and comprehensive regional autonomy.

Based on the literature review and previous research above, we develop the following hypotheses:

H1: Sequential decentralization can increase the regional fiscal independence index.

H2: There is a relationship between local revenue and regional fiscal independence index.

3. RESEARCH METHOD

The current research was carried out through normative or doctrinal legal research based on deductive logic to build positive law by using secondary data sources and legal materials (Marzuki, 2010). In other words, this study is a theoretical paper based on a literature review. This legal research is descriptive exploratory because it tries to analyze and present data in-depth and systemically related to the regulation of regional autonomy based

on the decentralization principle. Meanwhile, it is also categorized as exploratory because it tries to explore something new, in this case, is the form of a regional autonomy format with the concept of asymmetrical sequential decentralization, where in principle the concept is a development of the theory of sequential decentralization that was initiated by Falleti and based on how the evaluation of regional autonomy arrangements in Indonesia has been so far. Furthermore, the research data were collected through a literature study, which is by reviewing laws and regulations, legal principles, doctrines, literature books, official documents, and other literature materials that are related to the issues studied (Soekanto, 2010). The laws and regulations that are the subject of analysis are limited to regulations governing regional autonomy in Indonesia, in particular the current law on regional autonomy, namely Law No. 23 of 2015 *juncto* with Law No. 9 of 2015 concerning regional government.

The data analysis technique used in this legal research is to use deductive logic, which is to draw a conclusion from a general problem to the concrete problems faced, namely the problem of not realizing one of the main objectives of implementing regional autonomy in the context of realizing a fiscally independent region. In addition, induction logic is also used because this research examines the principles that should exist and animate a statutory regulation or government program, in this case, namely the implementation of regional autonomy.

Table 3. Classification of asymmetrical sequential decentralization

No.	Regional financial capacity	Relationship pattern	Decentralization authority
1	Very low/Not independent yet (0%-25%)	Instructive asymmetric	Local state administration/field administration
2	Low/Going to be independent (25%-50%)	Consultative asymmetric	Institutional decentralization (Administration and fiscal)
3	Medium/independent (50%-75%)	Participative asymmetric	Administrative, fiscal, and political decentralization
4	High/Very much independent (75%-100%)	Delegative symmetry	Local self government (Administrative, fiscal, and political decentralization)

Source: Compiled by the authors.

5. DISCUSSION

5.1. The importance of regional fiscal independence

Based on the result of the regional fiscal independence index, it is known that the majority of regions in Indonesia are still classified as regions that are "not independent yet". Whereas currently, the regional fiscal independence becomes one of the most important indicators for every country that applies the regional autonomy principle, particularly with the decentralization principle. The reason is that fiscal independence is significantly related to the provision of fiscal decentralization authority from the central government to the regional government. Its existence has even become one of the vital aspects of the implementation of regional autonomy as a whole. The realization of fiscal independence is actually the main and final goal of the implementation of regional autonomy, where the distribution of these goals is in the form of developing democratic life, approaching and maximizing public services, creating equitable resources, justice, and community welfare principle, as well as maintaining the relationship between the

4. RESULTS

Table 2 shows the statistics for the category of regional fiscal independence in Indonesia. Based on the table below, it is known that the majority of regions in Indonesia are still categorized as "not independent yet". Of a total of 503 regions in Indonesia, only 10 regions have independent status, 50 regions are going to be independent independence, and the remaining 443 regions are not independent yet.

Table 2. Regional fiscal independence index

No.	Region status	Number of regions (percentage)
1	Not independent yet	443/503 (88.07%)
2	Going to be independent	50/503 (9.94%)
3	Independent	10/503 (1.99%)

Source: BPK RI (2021).

Table 3 shows the classification of the asymmetrical sequential decentralization concept that we compiled based on the theory of sequential decentralization, the theory of regional fiscal independence, and based on the results of an evaluation of how the implementation of regional autonomy arrangements in Indonesia so far. There are four (4) classifications of regional autonomy status levels that will be obtained according to their respective readiness, abilities, and problems.

central government and regional government (Rizan, 2019). The government's financial condition shows the ability of regional governments to fulfill their obligations (short-term obligations, long-term obligations, operational obligations, and obligations to provide services to the community), anticipate unexpected incidence, and carry out financial affairs efficiently and effectively (Fafurida & Pratiwi, 2017).

Fiscal independence is basically an indicator used to determine the level of a regional government's ability to finance its own government, development, and services affairs to the public without having to rely on financial aid from other parties. In line with this statement, Hadi (2010) also stated that the financial independence of regional governments is the level of regional independence to fund all of their activities. The success of regional development will be affected by the level of financial independence of the region in determining the success of the autonomy system implementation. It means that the success does only involve an authority shift from top to bottom but must also be realized on the basis of initiatives from below to encourage regional financial independence (Redaputri & Barusman, 2018).

Regional financial capacity through the fiscal independence indicator is also one of the benchmarks for the ability, development, as well as success of the region in implementing its regional autonomy. Booth (2000) argued that fiscal capacity can be employed as an assessment of regional fiscal independence, which is the ability of the region to obtain sources of regional financial income from its own income outside of the provision of financial grants from the central government. A similar opinion is also stated by Shah (as cited in Hardiana, Tanuatmodjo, and Kurniati, 2020) who claimed that fiscal capacity must have a correlation with the improvement in the quality of fiscal performance and market function in general.

Furthermore, according to Mardiasmo (2018), there are three (3) benefits of assessing fiscal independence, those are:

1) stimulating an increase of initiative participation degree and regional communities' creativity in the development and policy-making degree as well as encouraging the regions to increasingly recognize and explore their potential so that it will automatically trigger the creation of equitable community welfare;

2) improving the process of transferring productive resources due to a shift in public policy-making from the higher government to lower government which is closer to the regional community and has more complete information; and

3) as a realization and effort to increase public accountability as well as efforts to improve institutional communication.

Therefore, considering the condition of the majority of regions in Indonesia which are still categorized as "not independent yet", it is necessary to think about how the concept of implementing decentralization is capable of spurring and realizing regions in Indonesia to become fiscally independent regions. This should be a serious concern due to the fact that after almost 77 years of implementing regional autonomy in Indonesia, the regulation has not been able to make the region's fiscal independence.

5.2. Asymmetrical sequential decentralization

Based on the result of a classification of asymmetrical sequential decentralization, the new model of decentralization can be formulated as follows:

The *first level* is asymmetric decentralization with an instructive relationship pattern that is applied to regions with a fiscal independence index within 0% to 25%. Regions at this level refer to those which have a very low regional financial capacity or are not yet independent since up to 75% of the budget they use to carry out government affairs relies on the central government's assistance. These regions have not been able to manage and administer their own regions based on their own characteristics and advantages, thus they have not succeeded in exploring the sources of regional original income optimally. Therefore, these regions should be considered as not having the readiness and capacity to manage and carry out the autonomy granted. At this point an instructive relationship pattern is applied, where the central government controls the implementation of the regional

government affairs accompanied by a transfer of knowledge mechanism from the central government to the regional government concerning how to manage and administer the region according to its characteristics so that later they are able to carry out regional autonomy authority. Furthermore, regions with asymmetrical instructive relationship patterns have a role as the agents of the central government in the regions that carry out the functions of the local state administration affair. In addition, these regions do not have their own autonomous authority in the administrative, fiscal, and political aspects. The regulation enforced by the central government is also asymmetrical by adjusting to the conditions in each region.

The *second level* is asymmetric decentralization with a consultative relationship pattern is applied for the regions that have a fiscal independence index within 25% to 50%. Regions at this level are classified as regions with low regional financial capacity or towards independence. In this case, the regions have been able to explore their original income sources yet still limited. Therefore, the focus is still on the transfer of knowledge mechanism accompanied by development to maximize the potential of the existing regional income further. For these regions, the role of the central government has decreased slightly and the regions have been deemed to have the basics for implementing their autonomy. Therefore, autonomy has begun to be given to these regions in the form of institutional decentralization which can be chosen from one of the elements of administrative and fiscal decentralization authority. The granting of this authority is aimed more at strengthening the regional institutions so that they become more ready as independent regions and be able to manage and implement wider autonomy. The regulation applied is also still asymmetrical, by adjusting to the conditions of each region categorized at this level. The administrative and fiscal authorities granted are also different based on the capacity and skills of the regions to implement the authority granted.

The *third level* is asymmetric decentralization with a participatory relationship pattern for regions with a fiscal independence index within 50% to 75%. Regions that are categorized at this level are regions that have a high regional financial capacity or are independent. These regions are recognized to be able to manage and implement their autonomous authority granted so that it can be maximized to achieve independence and welfare. At this stage, the regional government has a much greater role in managing its own government affairs compared to the central government. In this case, the central government only implements its functions to supervise and assist the regions in maintaining their independent status and increase the source of original local income. Therefore, these regions have been granted autonomous authority in the form of administrative, fiscal, and political decentralization by the central government. In addition, the regulation applied is also asymmetrical in order to know the conditions and capabilities of each region.

The *fourth level* is asymmetric decentralization with a delegative relationship pattern for regions is applied to the regions that have a regional fiscal independence index within 75% to 100%. This refers

to the regions that have a very high financial capacity or are very independent. The autonomy authority granted to the regions categorized at this stage is in the form of local self-government which almost fully controls the authority of administrative, fiscal, and political decentralization. The regulation of regional autonomy for regions at this level is symmetrical because the relationship pattern that appears is in the form of delegation or full delegation of authority to implement the regional autonomy.

Based on the Falleti's (2005) sequential decentralization theory, asymmetrical sequential decentralization format tends to prioritize national interests first, thus the order of decentralization granted is administrative, fiscal, and political. This is carried out because it refers to the Indonesian state administration system which adheres to a unitary state system, where genuine authority relies on the central government. In a unitary state, regional affairs are actually aimed at national affairs. In addition, the granting of administrative decentralization authority is also based on reasons of effectiveness and efficiency to achieve the goal of regional independence. Bahl and Martiniz-Vasquez (2006) stated that deconcentration can facilitate the decentralization process because there is already local experience in managing government affairs. Therefore, when a region is considered to have a fairly new capability, then the granting of decentralization is continued to the fiscal and political aspects which are more complex.

This format, apart from being a mechanism for regional education and development, is also a trigger, both internally and externally, for regions to become independent regions. Internally, it means that the region is encouraged to have a sense of commitment to be able and willing to become an independent region so that it will affect the high spirit of the regional community in carrying out the government. Meanwhile, externally means that the central government encourages regions to become independent through the configuration of regional autonomy regulation based on the principle of quality decentralization or those which are truly capable of encouraging the regions to achieve their independence.

The statement above is in line with the opinion stated by Susanto and Murtini (2015) who revealed that in order to realize regional fiscal independence, the region has a central role in it. Meanwhile, the regulation and provision of a high-quality decentralization format granted by the central government to the regional government will further encourage the effect of original regional income in improving the regional financial independence (Sari, Muzaki, Mulyatini, Faridah, & Prawiranegara, 2019; Kuai, Yang, Tao, & Khan, 2019; Akbar, Brata, Herlina, Prawiranegara, & Prabowo, 2019; Syahputra, 2017). Regions that have been provided with the skills and resources to carry out their autonomy will be able to explore more sources of their local income (Erawati & Suzan, 2015, Tolosang, 2018).

The asymmetrical sequential decentralization format that focuses on the processes, education, and stimulants for regional fiscal independence is in accordance with some previous research projects.

First, research by Vujanovic (2017), a member of the Organisation for Economic Co-operation and

Development (OECD) Department, has conducted a review of the decentralized-based regional autonomy policy in Indonesia. Through the research, he provides suggestions and input for the Indonesian government to take a more strategic view of economic development in the regions, such as providing technical government skills, monitoring the regional government performance, encouraging the regions to imitate the best regional government performance, and providing assistance in short and medium-term regional expenditures to be released in prioritized and strategic areas. This activity is way more important rather than just granting big responsibilities to the regions.

Second, research was conducted by Bahl and Martiniz-Vasquez (2006) who developed a sequential fiscal decentralization approach that is normatively effective in establishing regional fiscal independence. In their research, they compiled six (6) steps in the process of submitting sequential fiscal decentralization, those are:

- 1) initially establishing a platform to build a strong administrative and institutional structure as the basis for implementing decentralization;
- 2) providing a discourse on decentralization regulation to the public;
- 3) establishment of an academic paper on the decentralization regulation draft that contains the grand design and paradigm for implementing decentralization;
- 4) forming a law of decentralization that becomes the juridical basis for implementing decentralization;
- 5) developing the implementation of the law of decentralization, both at the national and regional levels, including the preparation of the state civil apparatus to apply the law;
- 6) implementing the decentralization policies;
- 7) conducting monitoring and evaluation.

This decentralization design was established based on the general practice of world countries, including analyzing the strengths and weaknesses of each decentralized system and adopting the best practices for implementing decentralization internationally. The asymmetrical sequential decentralization format has a decentralization implementation paradigm that is similar to this theory. Both of these formats emphasize the implementation of decentralization as a process and basis of the regional skills and abilities that become the first and main requirements that must be achieved before granting autonomy to the regions.

Third, the format is also in accordance with the ten (10) guidelines for realizing effective and conducive decentralization for regional development as proposed by the OECD (2019), which are:

- 1) clarifying the responsibilities assigned to different levels of government;
- 2) ensuring that all assignment of responsibilities is adequately funded;
- 3) strengthening the regional fiscal autonomy to improve their accountability;
- 4) supporting subnational capacity building;
- 5) building adequate coordination mechanisms at all levels of government;
- 6) supporting cross-jurisdictional cooperation;

7) strengthening innovative and experimental state administration, and promoting public involvement;

8) allowing and utilizing the advantage of asymmetric decentralized regulation;

9) consistently improving transparency, data collection, and performance monitoring;

10) strengthening the fiscal equity system and national regional development policies to reduce regional disparities.

Based on the guidelines for developing decentralization above, the OECD emphasizes the importance of improving regional capacity and resources in all aspects and implementing asymmetric decentralization as one of the important ways to implement decentralization effectiveness and development.

Fourth, research has been conducted concerning the correlation between regional fiscal independence and the performance of regional government. In this case, Shu, Xie, Jiang, and Chen (2018) claimed that fiscal independence is the main goal of implementing the principle of regional autonomy because regions that have achieved fiscal independence will undoubtedly be able to implement their government affairs effectively and efficiently in all fields. Through this independence, the regional public services to the regional community will also be implemented well and the community the welfare will definitely increase because the region is able to maximize its potential, and makes the region no longer dependent on the central government (Oz-Yalaman, 2019).

Furthermore, regions with fiscal independence must also have the capacity of managing their territory more optimally. Regional fiscal independence will direct the quality of government services more positively (Diaz-Serrano & Meix-Llop, 2019; Kyriacou & Roca-Sagalés, 2011). In this case, ideally, the better the fiscal capacity, the better the quality of government services provided. Regional fiscal independence runs in accordance with the regional economic growth. Meanwhile, the ratio of the provision of balancing funds from the central government runs in contrast with the regional economic growth.

In addition, the indicator of the degree of regional fiscal decentralization will greatly affect the performance of the regional governments. In this case, the higher the regional independence, the greater the freedom in regional expenditure. Therefore, it can achieve the organizational goals that have been established. The ratio of regional fiscal independence also determines the level of regional dependence on the central government. The higher the ratio of regional fiscal independence, the lower the region's dependence on external funds and vice versa (Diaz-Serrano & Meix-Llop, 2019).

Therefore, regional financial capacity through an indication of fiscal independence is also one of the main benchmarks for the ability, development, as well as success of regional governments in implementing their regional autonomy. For example, a region with high fiscal independence means that the region must have been able to regulate and manage its people to actively participate in the regional development process. This is because regions with high independence must be obedient and routine in paying regional taxes and levies.

With the implementation of asymmetrical sequential decentralization as a new blueprint for the implementation of regional autonomy in Indonesia, at least there are several benefits gained, including:

1. Through asymmetrical sequential decentralization, the system for implementing regional autonomy will be more planned. In addition, the goals to be achieved and how the steps that must be taken to achieve these goals are clearer. Each level of decentralization is mutually sustainable and complementary so as to minimize errors in policy implementation. The policies that will be taken will also be consistent and not have a "zigzag" pattern like the practice of regional autonomy so far. Such a "zigzag" pattern will certainly bring huge losses in resources as well as public and regional trust in the decentralization program.

2. The government is much more able to monitor and estimate the future, especially in the implementation of regional autonomy. It is important to be able to anticipate problems that may occur during the policy implementation process rather than when unexpected problems arise during policy implementation. For example, the government is much more able to monitor the gradual development of regional capacity through asymmetric policies.

3. Encouraging regions to be more committed to improving their capabilities and capacities in government management. The region certainly wants to become an independent region so that it can be given full autonomy and authority.

4. This format is able to prevent and minimize state financial expenditures for the implementation of inefficient decentralization policies. The state can manage state finances more efficiently in accordance with the principle of "finance follow function" so that the funds spent are not in vain and bring benefits to the wide community.

However, this format application requires comprehensive preparation. In order that this format can be implemented effectively and efficiently, there are at least two (2) conditions required, which are the amendment of the 1945 Constitution of the Republic of Indonesia, which needs to implant the asymmetric decentralization paradigm as a process, and the educational mechanism in the provisions of Article 18 of the constitution which regulates regional autonomy. In addition, goodwill from all elements of government and society is also needed both at the national and regional levels, to jointly build regional autonomy in order to achieve the state goals.

6. CONCLUSION

Based on the result above, we can conclude that regional autonomy arrangements based on the principle of decentralization in Indonesia have so far not been able to make the majority of regions become fiscally independent. In general, the decentralization policy of regional autonomy implemented in Indonesia is still half-hearted. This is indicated by the "zigzag" pattern between centralization and decentralization in developing the regional autonomy paradigm. In addition, the selection of either symmetrical or asymmetrical

decentralization format is also still a “tug-of-war” regulation. This shows that the regulation of regional autonomy in Indonesia is still not based on a clear paradigm or grand design.

Therefore, a new format of decentralization is needed along with the rearrangement of the regional autonomy implementation paradigm based on the asymmetric decentralization principle aiming to achieve regional fiscal balance and independence. In that case, asymmetrical sequential decentralization is the idea of a new format of regional autonomy implementation based on the asymmetric decentralization principle. The substance of this format is trying to build a regional autonomy paradigm as a structural process and educational mechanism from the central government to regional governments. Asymmetrical sequential decentralization as a process of devolution of the granting of authority

is implemented by being accompanied by the transfer of skills, technical capacity, resources, and supervisory mechanisms from the central government to the regional government so that regions will later have the commitment, ability, and willingness to carry out and maximize the regional autonomy authority granted to them.

There are several limitations to this study. First, this study focuses on examining the implementation of regional autonomy based on the principle of decentralization applied in Indonesia. Second, this study uses a normative approach, so it only analyzes the concept of applying decentralization theoretically. Therefore, further research is needed particularly empirical research that must analyze and formulate the levels and types of authority that can be applied to each region according to their own circumstances, capabilities, readiness, problems, and characteristics.

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