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Decentralization: a Question for Developing Countries

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Abstract*. Decentralization is frequently seen to provide an impact for the development of local government. However, for developing countries, such as Indonesia, decentralization is not adequately understood from an administrative concept or merely from the government politics. Obstacle found in local areas, such as a low index of human development, low local competitiveness and inadequate public service can become an issue by local politics to interfere local government. Two cases of local government in Indonesia, Jembrana and Banyuwangi regency can be the illustration of this matter based on the case analysis and on empirical data analysis in those two areas. A descriptive analysis revealed that Jembrana regency is successful in running its local government, that can be seen from its high innovative level. Conversely, Banyuwangi regency, despite having a blueprint of its innovative area, encounters failure in its application. Failure or success in those two areas is more heavily affected by local political intervention in those intended areas. In Jembrana, local politics does not too enormously interfere its local government, while in Banyuwangi the local politics strongly interferes.*

Keywords: *decentralization, local politics, local government.*

Raktažodžiai: *decentralizacija, vietos politika, vietos valdžia.*

Introduction

Decentralization is seen to give an impact on governmental development. However, for developing countries, political cost which is spent is far greater and gives a systematic effect for developing government. By using a systemic analysis, this following article illustrates a different description of decentralization, also provides two case analysis. A conceptual popularity as well as the intense analysis of decentralization is generally related to the development and the growth of developing [5; 12]. Indonesia, one of the developing countries, is also included in that phenomenon [6]. Reformation era signed by several political policies not far different from the previous one (Old Era 1945-1965 and New Order, 1966-1998), is characterized by a shift of central authority paradigm to local by moving from a centralized governmental system to decentralized one, which then raised local autonomous enthusiasm. According to Hoessein (2002), this shift is a *big bang*

approach [9; 10]. This is understandable, because a change required by Law is classified into a radical change or drastic change which is not a gradual change. That shift can be seen from *Table*.

A shift of authority to local one brings two consequences, firstly, it has a more opened public political participatory area and democratization opens up a political space for citizens to be actively involved in any governmental matters in his or her community. Antlov and Sumarto (2004) noted that '*local autonomy and democratization have opened a political space for citizens to be actively involved in any governmental affairs in his/her own community*' [2].

Formally, decentralization provides a sufficiently ideal framework, allowing dynamic and democratic local political conditions in every local area. The enlightening process of improved public political participation is highly possible in decentralization era. Huther and Shah (in report result of Semeru Research Institution cooperated with AusAID and Ford Foundation (2004) 'The Management of Government and Poverty Solution: Early proof of Decentralization in Indonesia') revealed that '*a country carrying out decentralization has a better governmental management than a country having a centralized system. Citizen participation and public sector accountability is closely related to the decentralization of policy making in the public sector*'. This means that transfer of central political power to local politics gives a bigger space for local community to participate in dynamics of political life in his/her own local area. Besides, there is also improved and enhanced political participation in the society. Secondly, a shift of paradigm to decentralization brings a very vital change in its contribution for the sake of an improved political democracy. Theoretically, a shift from representative democracy to participative democracy appears. This second consequence is a logical fact, resulting from the wide extent of public political participation. This is related to two conditions needed to make participative democracy come true, which are:

- a changing public awareness, who previously saw themselves as passive recipi-ents for everything given by authority change into agents of active social changes in the form of positive participation in the process of country's decision making;
- massive reduction toward any existing imbalances.

This is the fact that local government is a conducive training place for democracy with an assumption that in a local area, local government is closer to its society. This closeness between government and its society is viewed as a package and a part in the effort of reformation, leading to democracy.

The widening condition of the participative space causes a wider space as well, especially as participative political channels. Regarding this matter, a central power transfer to decentralized one allows local political channels self improve. This means that a local political channel which includes: (1) local government; (2) local legislatives (DPRD); (3) political parties; (4) concerned parties; (5) mass media - are expected to be the things that can be relied on regarding public political participation.

Table. **Decentralization and Centralization 1900-2000**

Period	Laws	Politics	Administrative	Fiskal	Indicator
Dutch colonization	Law of 1903 Law of 1922	Delegation of authority to local government Delegation of authority to provincial government	Delegation of responsibilities to local government Delegation of responsibilities to local population of Java	Delegation of authority to tax	Decentralization
Japanese colonization		Centralization of formal authority	Responsibility shift to central government	Centralization of fiscal	Centralization
Revolution (1942-1945)	1945 Constitution UU 22/1948 Policy Dutch 1948-1949	Republic of Unity Delegation of democratic principles Federal state	Delegation of responsibilities Decentralization of administration	Fiscal devolution/ tranference Decentralization of fiscal	Centralization
Old Order (1945-1965)	Unity UU 1957 Presidential Decree of 1959	Unitary State Power/authority distribution of democracy	Administrative centralization Administrative transfer, centralization of administration	Fiscal centralization Fiscal centralization	Centralization
New era/ Order (1965-1998)	Laws No. 18/1965 Laws No. 5/1974	Transfer of Authority Centralization of Authority, an authority under civilian and military bureaucracy	Administrative centralization Administrative concentration	Fiscal Centralization Fiscal Centralization	Centralization
Reformation Order (1999-now)	Laws No. 22/1999 (This Law is then revised into UU (Law)32/2004	Transfer of authority of democracy, strengthening of provincial and district legislatures (DPRD)	Redistribution of responsibility and authority	Transfer of expenditure, centralization of revenue	Decentralization

Source: Mudrajad Kuncoro. *Developmental Economics*, (UPP) AMP YKPN, Yogyakarta, based on Jaya and Dick, 2001.

However, a power transfer to local, in fact, gives a different circumstance. For developing countries, such as Indonesia, despite obstacles encountered, some problems are also faced. There are 3 problems which include: (1) the low index of human resource development; (2) low level of global competition; and (3) low quality of public service carried out by staff that becomes an issue for politicians to interfere more on local government.

Firstly, Index of Human Development (HDI, IPM in Indonesian language) is a composite index involving 3 fields of human development, which are considered fundamental, which comprises longevity, knowledge and decent living. The Data from United Nations (UN Index) concerning Human Development Index, provides an indicator how low the developing countries' index have, which is in the level of 0.700 below. This illustrated that the meaning of human development needs improving. The varied development index among provinces illustrates imbalanced development in several developmental sectors.

The development in western part of Indonesia is more likely to be faster than in the eastern part of Indonesia. In other side, a middle term developmental draft plan 2004-2009 identifies that there were 199 (43%) under developed regencies, with a concentration in the eastern part of Indonesia 62% and western part of Indonesia 38%. In 2007 there were 28 under developed areas which had been improved, in 2008 there were 12 under developed areas which had been in better conditions. However, up to 2009, there were 34 newly under developed areas due to the expansion result.

Secondly, in a global competition, developing countries are less fortunate than developed ones. In 2009, IMD World Competitiveness in the IMD World Competitiveness Years Book issued a ranking list of 57 countries in the world. From the issued result, the first rank to 20th was occupied by developed countries. In its statement, IMD stated that: 'of the 57 economies ranked by IMD, the US still ranks No. 1 in 2009. Hong Kong has switched places with Singapore to gain the 2nd place and is swiftly 'closing the gap' with the US. Switzerland maintains its 4th rank from last year. All of economies have increased or maintained their rankings compared to the US: Denmark improves one rank to 5th position, Sweden moves up 3 places to 6th, and Finland, a huge bound from 15th place last year to 9th place. Norway maintains its 11th position'.

The most spectacular was Indonesia, rising from 51 to 42. Conversely, Estonia dropped from 12 to 35. Meanwhile, some countries got a substantial change such as Colombia (51), Greece (52) and Taiwan (23) which fell 10 levels from the previous position, followed by Rumania (from 45 to 54). Some significant changes included Luxembourg (from 5 to 12), Hungarian (from 38 to 45), Spain (from 33 to 39) and Ireland (from 12 to 19) (IMD World Competitiveness, 2009). As seen from the reported data, Indonesia is adequately succesful in a competitive power, the most spectacular movements are seen for Indonesia, rising from 51st place to 42nd).

However, in a specific field, Indonesia competitive level is still low. *Global Competitiveness Report 2009/2010*, which also score a country's level of competition from the quality of its educational aspect, depicted that no Indonesian higher

educational institutution is classified into 200 the world best universities according to the most prominent agency of *The Times Higher Education-QS World University*. According to Jaweng (2009), to make matter worse, '*the quality of local economic governance as a core of competitive power is not yet entirely well performed*'. Nationally, some areas still occupy a low competitive capacity.

A study of local investment competitive ranks in 169 regencies and 59 cities in Indonesia was performed by KPPOD, a commitee of observing the implementation of local autonomy, together with United Stated Agency of Improvement and development (USAID) as well as The Asia Foundation. The result was that the highest percentage of areas had a low competition. In another part, it states that: Indonesia's has consistently ranked below other ASEAN countries on the Investment Climate and has often found itself at the bottom of the pack. According to the World Economic Forum (WEF), Indonesia ranked 69 out of 104 countries. This is slightly better than in 2003, when Indonesia was number 72, but it is still far below Malaysia and Thailand, at 31 and 34. Meanwhile, the results of surveys by the International Institute for Management Development (IMD) on global competitiveness show Indonesia's ranking steadily declining from year to year. From 2001 to 2004, Indonesia's ratings were 46, 47, 57 and 58. In 2005, Indonesia fell to number 59 out of 60 countries investigated, better only than Venezuela. Thirdly, in public service, index of corruption can be an indicator of improved public service. 2009 Transparency International indicated that many developing countries were still closely trapped in corruptive matters. This also was proved by main findings of The Asia Foundation in the Investment Competitiveness of Regencies/Cities in Indonesia in 2005 (perceptions of the business community ratings of 169 regencies and 59 cities in Indonesia). Kompas (2009) revealed that public service could be an indicator of corruption index. Based on Transparency International from year to year Indonesia Corruption Perceptions Index grew. In 2000, it was 1.7; in 2001-2003 it was 1.9; in 2004 it was 2, in 2005 it was 2.2; it was 2.4 in 2006; in 2007 its Corruption Perceptions Index was 2.3 and in 2008 it grew to 2.6. A survey of Corruption Eradication Commission (KPK) (2009) showed that the score average of national public sector integrity was 6.50 with a detailed integrity average in a central level 6.64, an average of public sector integrity value in provincial level was 6.18 and the average of integrity level in local government/regency was 6.46. If compared, a value of integrity of provincial government was lower/worse than that in central level or even regency/local government. The problems illustrated above provide a challenge for intellectual groups from diverse scientific perspectives to give an answer. For public administration, in the last 30 years, an answer has been done by conducting research regarding the substance of public organization behavior, public management and public policy implementation. When analyzed further, those analysis are related to improvement, leading to answers of the problems as illustrated above. Fredrickson and Smith in their book 'Public Administration Theory Primer' (2004) attempted to make 4 coherent answers towards fundamental questions regarding the professional existence from several points of view, which

were: (1) can public administration theory be taken seriously? (2) can theory be important in a field as applied, practical, and interdisciplinary as public administration? (3) which are the most promising theoretical approaches? (4) how can theory be useful?

Decentralization: an intelectual discussion

Decentralization which is understood as a transfer of responsibilities and authorities toward public function from central government to local governments is a multidimensional and complex concept. Initially, according to Hoessein (2002), the concept of decentralization is autonomy of the community existing in a specific region, which is then interpreted as a responsible element, regulating and administering which are conceptually implemented by local government [9]. In an implementation aspect, there is a dimensional shift in which the shift from centralized to decentralized is seen to give a significant impact for devolution/ transference of authority to local area. Smith (1985) identified some decentralization benefits, which made up: '*(a) political education; (b) training in political; (c) political stability; (d) political capacity; (f) accountability; (g) responsiveness*'. While Rondinelli (1981) stated that 'decentralization is closely related to a principle of local government security, participation and accountability', Esman and Uphoff (1988) identified 7 benefits of decentralization: '*(a) accurate and representative information; (b) adaptation of programs; (c) group communication; (d) resource mobilization; (e) local expertise; (f) better utilization and maintenance of facilities and services; (g) cooperation*'. Besides, Antlov (2002) noted that 'local autonomy' has opened a political space for citizens to be actively involved in the governmental implementation in his own community' [1], or Devas's statement (1997), '*making local services more responsive to consumers and of enhancing local democracy*' [6; p. 353]. Ichimura's and Bahl statement (2009): '*One might test the hypothesis that the benefits of decentralization outweigh the costs, by looking for evidence on the growing fiscal importance of subnational governments*' [12, p. 7].

In addition, the transfer of power and authority of local leader provides flexibility for local areas to dig up or optimize local capacity to maximize wider usefulnesss for the intended areas. That condition, indeed, can be separated from the global demand of local area independence with a conception of 'a competitive benefit'. This also means that a demand of decentralized governmental system is a local independence with a capacity and optimized capital which are derived from the intended areas. Consequently, the demand of independence is the creation of a competitive area for the sake of sustainability of the area. In addition, the final objective of decentralization gain becomes the centre of attraction to be applied. Some discussions/analysis revealing the aim of decentralization such as World Bank expresses the purposes of decentralization which aims to enhance the provision of public service and public welfare via good governance. Prasojo (2004) stated that, 'generally the main purpose of decentralization can be classified into two

important variables which are: the increase of efficiency and effectiveness of governmental implementation (which is a structural efficiency model) and secondly, the enhancement of public participation in government and development (which is an approach of participatory model)'.

In power transfer, there are two changing impacts, firstly, the more opened public political participation. Formally, decentralization is an sufficiently ideal framework to create a dynamic and democratic local political condition in every area. The enlightening aspect of better public political participation is possible in decentralization era. A country carrying out decentralization has a better governmental administration than a country having a centralized system [26]. It was pointed out that public participation and public sector accountability are closely related to decentralization of policy making in public sector. This means that political power transfer to local politics provides a wider space for local public to be actively involved in his or her dynamism of political life. In addition, there has been an enhanced political movement. In the analysis of political system, participation is an integral part in an input of a political system. In a systemic analysis, Easton (1965) viewed a political system as a conversion process or a change, which alters in-put to out-put. There are two inputs in a political system which is demand and support. The emergence of both types of input can only work well if publics understand and realize as long as their demand and support provide the understanding of political system running. Implicitly, decentralization gives a wider space for publics in realizing their political rights. This concept is related to the decentralization purpose as expressed by Byrne and Schnyder (2005): '*decentralization aims at improving the active participation of the population in political decision-making processes. It implies that locally elected authorities must bear more responsibility towards those who elected them and that they must better represent local interests in political decision-making processes*' [4, p. 5]. This means that a change into decentralization leads to enhanced active participation from public.

Secondly, a paradigm shift to decentralization brings an important change in its contribution for the improvement of political democracy. This second consequence is a logical fact from the extent of public political participatory area.

The significance of decentralization attracts developed countries' attention. During 80's, there were many local governments which shifted to a more decentralized governmental system [21; 25; 5], including Indonesia, signed by a revised UU (Law) of Indonesian Republic Number 5 in the year 1974 regarding Principles of Local Government in local areas which changed into UU RI no. 22 in the year 1999 regarding Local Government. Regarding law changes in local government, Hoessein (2002), stated: 'a required change by UU No.22 in the year 1999 and UU no, 25 in the year 1999 is classified into a radical change or drastic change not a gradual change' [9]. That is why, conflicts, crisis and shocks which accompany reformation are bigger than preexisting reformation. Compared to the reformation of local government in several developing countries, the reformation of local government in Indonesia is still tremendeous. This is a *big bang approach,* which was then revised into UU of Indonesian Republic No. 32 in the year 2004

regarding Local Government, in which in 2008, several articles were revised so that UU (Laws) of Indonesian Republic no. 12 in the year 2008 regarding the second change of Laws no. 32 in the year 2004 regarding Local Government. A change of articles in Law No. 32/2004 was more concerned about local leader election. Articles revised were: article 26; article 42; article 56; article 58; article 59; article 60; article 62; article 63; article 64; article 75; article 107; article 108; article 115; article 233; article 235; article 236. For Indonesia, the historical root of decentralization development, in fact, can be traced since 1930's. As a result, a system of decentralized government is inseparable for the development of a governmental system.

However, it is unfortunate fact that as stated by Oyugi (2000), '*existing decentralization programmers often fall short of the great expectations that precede them, and fail to 'deepen' democracy*' [17, p. 5]. This results from the difficulty of fulfilling a consistency aspect of a long term policy needed to accommodate a change in society in which that change is frequently triggered by the weakness of the existing supporting systems. In addition, political leadership is responsible for applying a strategic formulation (in a policy model and strategic priority) and executive leadership must be responsible for implementing strategies from the entire policies bear conflicts and responsibility avoidance. A study conducted by Riruako (2007) in Namibia concluded that: the progress made in the implementation of the decentralization policy in the Omaheke, Oshikoto and Otjozondjupa regi-ons in Namibia was painfully slow as a result of a number of constraints which include inadequate co-ordination, administrative inertia, a shortage of skilled human resources, inadequate central government guidance, and inadequate financial and other resources [19].

Several studies conducted such as in Bangladesh (Sarker, 2003) in Kerala (India) (John and Chathukulam, 2003) [13]; Columbia (Forero and Salazar, 1991; Holbrook and Finch, 1997) [7; 11]; Malawi (Tambulasi and Kayuni, 2007) [27]; Bangladesh (Mollah and Hossain, 2007) [16]; Amsterdam (Simmie, 2001) [24]. Fritzen's analysis (2006) in Vietnam provided the same condition regarding decentralization [8]. A fundamental question which frequently appears in several research regarding decentralization is whether it gives an added value for local government or not (Bardhan, 2002) [3], (Schiefelbein and Schiefelbein 2000) [22], (Katorobo, 2005) [14], (Mensah, 2000) [15], (Reddy and Sabalo, 1997) [18]. Saito (2001) in his research in Uganda found several problems of the implementation of decentralization system, by stating: '*newly created autonomy may be manipulated by local elites for seeking their narrow personal benefits at the cost of general population who are in dare need of improved livelihood. Decentralization may increase corruption at local level and thus this would not improve accountability*' [20, p. 2]. The increased efficiency and effectiveness of public resources may not be realized, since resources (capital, human and even social) available at local level in low-income countries are very limited. These scarce resources are more effectively utilized when they are concentrated at the national level. Decentralization may also jeopardize equity among different localities. Resourceful areas may take advantage of opportunities created by decentralization while relatively poor areas cannot.

Decentralization: empirical gain

To understand a decentralization empirical condition, there was a comparison in two regional areas carried out – case studies of Indonesia East Java province - Banyuwangi regency and Jembrana, the two areas giving an illustration of the meaning of the authority in decentralized areas. Jembrana regency can be an example of an area successfully developed, while Banyuwangi regency can be descripted as a place overwhelmingly having a prolonged conflict.

Jembrana is a regency of Bali, Indonesia. It has an area of 841.8 km2 and a population of 220,000. Its regency seat is Negara. The Regency of Banyuwangi is located at the easternmost end of the Indonesian island of Java and it is a very strategic area for those who want to go to Bali, since it also serves as an important ferry port between Java and Bali. Banyuwangi regency had a population of 1,488,791 at the Census held on 30 June 2000, by 2005 it was estimated to have risen to 1,514,605. The city of Banyuwangi is the administrative capital. The Regency of Banyuwangi consists of 24 subdistricts. The success of Jembrana regency can be seen from the local progress of that area by referring to three indicators as illustrated in Laws of Indonesia Republic no. 32 in the year 2004 regarding local governance, specifically article 2 paragraph 3 mentioning three objectives of implementing local government, which were: (1) the increase of public welfare, (2) the increase of public service, and (3) the increase of local competitive capacity. The illustration of success can be seen in the given figure below.

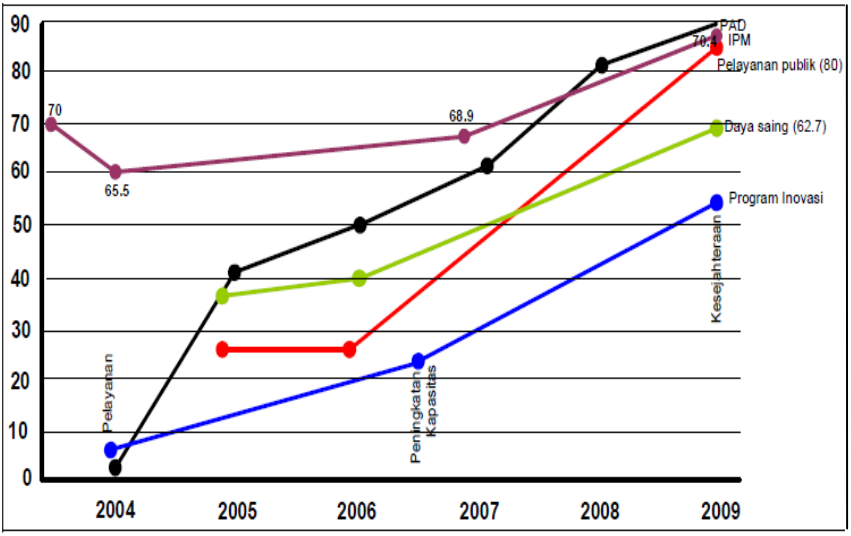

Figure: The percentage growth of the Original Regional Income (Pendapatan Asli Daerah - PAD) of Jambrana regency's local revenue, Index of Human Development (IPM), Public Service (Pelayanan publik), Competitive level (Daya saing), and Innovative programs (Program Inovasi) by year

The Success of Jembrana regency in implementing its programs (1999-2010) was not separated from a conductive political environment. Two supporting factors of this condition came from the political areas of the local leader and the support from the winning political party where the regency head/regent was elected.

For a-two-period leadership of Jembrana regent, I Gede Winasa, there was no conflict both in his local society and Jembrana regency government. Both conditions were closely related to a regent's success in his election of local leader supported by most political party existing in Jembrana. In his second period of local election, I Gede Winasa got his absolute winning. The support in the second period (2005-2010) achieved 88,56%. In addition, in a legislative aspect, I Gede Winasa, who was also a head of Indonesian Democratic Party-Struggle (PDIP) of Jembrana regency, had a significant asset. PDIP political party had the greatest majority in legislative.

That condition was a prominent asset for the development and the smooth flow of the regent's programs. As a result, it can be proposed that a political factor provides an important role in developing a decentralized government. This statement shows that programs in Jembrana regency could work smoothly during a two-decade leadership of regent due to the support of political parties which were a local leader supported by political party in his leadership and a winning political party which automatically supported any policy which a regent had.

That condition was different from what happened in Banyuwangi regency. Although its government had a local government's blueprint, the programs could not work effectively [23]. An incondusive political environment caused several conflicts for local leaders, both vertical and horizontal. Although the Mayor had 39% of voters in local election in 2006, a couple of regent and his vice who were supported by 18 small parties, they still did not get any representative legislative in Banyuwangi regency. Conflicts in government body spread since the beginning of pilkada (The election of the local leader) results were firstly announced. In addition, according to the community aspect, several demonstrations happened, triggered by a forum of United Banyuwangi (FBB) and was supported by local legislatives. This in conducive political condition gave a role in the hindrance of several policies in Banyuwangi.

In short, a political environment as an interpretation of legislative power and political party, in one side it can be triggered by decentralization success. However, in another side, it can be a hindrance for the success of decentralization which is being planned. That is why the understanding of political environment can be a factor that needs consideration in developing a local government decentralization. A political environment power which is based on UU no 12 in the year 2008 in Indonesia regarding the second change toward Law no. 32 in the year 2004 regarding Local Government, allows local leaders to require/demand attention toward political environment, specifically a demand toward a local democratic environment.

This condition needs a further understanding toward the meaning of local democracy. A democracy which integrates a real involvement resulting from political awareness, a political awareness which appears not because of the

interference of political elites or pressures from a winning political party, but as a consequence of the clarity and aware understanding of political party. This condition can only be realized if legislatives as the political party extension have awareness toward the creation of good governance. As a result, a local democratic process will only be created if local politics will understand the political power in regulating the needs and its political role. This condition is a process in the paradigm of decentralization.

As a result, the paradigm of decentralization is in fact a process of stages of creating a democratic government. The strengthening of decentralization stages provides a significant impact on the creation of governmental objectives implementation according to the good governance approach. Public policy implementation conditions have to be suitable and create open and responsible governance. Together, a political participation is a gate for a local democracy in the intended area.

The extent of political environment scope provides individual flexibility in expressing political rights. Reddy and Sabelo (1997) called it as '*individual full participation in making societal choices and decisions is a natural outcome of the endowment of individual dignity, because it contributes to individual self-development*' [18, p. 574]. However, in other side, the extent of political areas is not based on requirements of personal capacity development that can lead to the political system instability as was proposed by Reddy and Sabelo (1997): '*in recent years*, '*participation*' *has become something of a political catchphrase and many people with a serious interest in politics have become suspicious of it*' [18].

A political environment (legislative institutions or political party) can create success or failure of innovation being planned. A political environment gives a crucial value even as a supporter in local areas in developing decentralization in local government. Consequently, a political environment factor is a factor which needs more attention. Decentralization is seen to give an impact on governmental development. However, for developing countries, political cost which is spent is far greater and gives a systematic effect for developing government.

Conclusions

1. An authority shift from central to local, in one side, gives a positive value for the intended local area development. On the other side, this also gives a different value as well, specifically for local government in developing countries. Low Human Development Index, low level of competiveness as well as low quality of public service could be named as those reasons for the intervention of central government to local one, especially in the context of political value intervention (such as political parties).

2. Two cases of local government in Indonesia (Jembrana and Banyuwangi regency) can be the illustration of political intervention in local government. Jembrana regency's success in its local government is due to less powerful political intervention (especially political party) in its government. While in Banyuwangi regency, its local governmental development/growth is less successful (less innovative), which formed as a result from the processes of dominant political parties in interfering local government.

3. For developing countries such as Indonesia, decentralization provides both – challenges and opportunities. There is a need of better understanding of decentralization from the field of existing local politics, specifically regarding the demand of local politics toward the leadership of local heads/leaders. Failure to understand a local politics dynamics can give a substantial negative impact for the development of decentralization.

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Decentralizacija ir besivystančios šalys

Anotacija

Decentralizacija siejama su didesne vietos valdžios įtaka, operatyvesniais sprendimais. Tačiau besivystančiose šalyse, tokiose kaip Indonezija, decentralizacijos poveikis yra nepakankamai ištyrinėtas ir vietos valdžios sprendimų decentralizuotas įgyvendinimas vertinamas prieštaringai. Žemas žmogaus socialinės raidos indeksas, silpnas vietos savivaldos konkurencingumas ir nepakankama viešųjų paslaugų kokybė gali paskatinti politinę valdžią labiau kištis į vietiniu lygmeniu įgyvendinamą politiką. Straipsnyje pateikta centralizacijos ir decentralizacijos koncepcijų raidos analizė, teoriškai apibūdinami iššūkiai besivystančioms

šalims, taip pat pateikiama dviejų vietos savivaldos atvejų – Indonezijos Bali salos Jembrana regiono ir Javos salos Banyuwangi regiono – vystymosi analizė palankios politinės ir administracinės aplinkos decentralizacijos procesams aspektu. Remiantis mokslinės literatūros, atvejų ir empirinių duomenų studija, atskleidžiama, kad Jembrana regione sėkmingai plėtojami decentralizacijos procesai, o Banyuwangi regionas šiuo atžvilgiu susiduria su praktinėmis problemomis. Sėkmės ir nesėkmės atvejai yra labai paveikę Indonezijos vietinės valdžios politinės intervencijos lygį skirtinguose regionuose. Siekiant stiprinti konkurencingumą, skatinant tolesnę besivystančių šalių raidą, yra svarbu analizuoti kintančius politinius prioritetus ir regionų specifiką.

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