



Research Article

Implementing Good Governance Principles: Administrative Reform in Indonesian Local Government

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Abstract: Good governance has become a crucial framework for improving public sector effectiveness, accountability, and responsiveness to citizens' needs. In Indonesia, decentralization policies since 1999 have devolved significant authority and resources to local governments, creating both opportunities and challenges in implementing good governance principles. This study examines administrative reform efforts in Indonesian local governments, focusing on progress, challenges, and key success factors. Using a multiple case study design, the research analyzed reform initiatives in six district/city governments with diverse contexts. Data were collected through document analysis, semi-structured interviews with government officials, civil society representatives, and citizens, as well as direct observation of administrative processes conducted between March and November 2024. The study assessed six core principles of good governance: participation, transparency, accountability, effectiveness and efficiency, equity and inclusiveness, and rule of law. The findings reveal variations in implementation across regions, with high-performing governments demonstrating strong leadership commitment, systematic planning, active citizen engagement, and effective monitoring mechanisms. However, challenges persist, including limited capacity, bureaucratic resistance, weak accountability enforcement, and low public participation. Key success factors include visionary leadership, capacity development, strategic partnerships, and institutional strengthening. Policy recommendations emphasize enhancing local capacity, accountability systems, citizen participation, and performance evaluation.

Keywords: Accountability; Administrative Reform; Decentralization; Good Governance; Local Government.

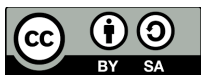
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1. Introduction

Good governance has become a central paradigm in public administration worldwide, emphasizing principles of participation, transparency, accountability, effectiveness, equity, and rule of law. These principles aim to enhance governmental legitimacy, improve public service delivery, combat corruption, and strengthen democratic processes. International organizations, development agencies, and civil society groups increasingly promote good governance as essential for sustainable development and poverty reduction (UNDP, 1997; World Bank, 2020).

Indonesia's governance landscape underwent dramatic transformation following the fall of the authoritarian New Order regime in 1998. The transition to democracy coincided with sweeping decentralization reforms that fundamentally restructured state-society relations. Laws No. 22/1999 and No. 25/1999 later revised as Laws No. 32/2004 and No. 33/2004, and subsequently Law No. 23/2014 transferred substantial political, administrative, and fiscal authority from central government to district and city governments. This decentralization created approximately 550 autonomous local governments with elected

leaders and legislative councils, responsible for delivering most public services including health, education, public works, and local economic development.

Local governments now control roughly 35% of total government expenditure and employ the majority of civil servants. However, decentralization's promise has been unevenly realized. While some local governments have leveraged autonomy for impressive governance improvements, others have witnessed deteriorating governance, increased corruption, and declining service quality. This variation underscores that decentralization alone does not guarantee good governance; rather, deliberate reform efforts implementing good governance principles prove essential (Hadiz, 2010; Aspinall & Fealy, 2003).

Despite two decades of decentralization and numerous reform initiatives, Indonesian local government governance quality remains problematic. National surveys consistently reveal citizen dissatisfaction with public services, perceptions of widespread corruption, and limited meaningful participation opportunities. Budget execution rates often fall below 80%, indicating weak planning and implementation capacity. Service delivery standards vary dramatically across localities, creating inequities in citizen access to basic services (World Bank, 2020; Ministry of Home Affairs, 2023).

Understanding why some local governments succeed in implementing good governance while others struggle carries significant theoretical and practical importance. Indonesia's 275 million citizens depend on local government for essential services; governance improvements directly affect their welfare. This research addresses critical gaps in empirical understanding of good governance implementation, particularly in decentralized developing country contexts where capacity constraints, political dynamics, and institutional legacies shape outcomes.

This study pursues four primary objectives: to assess the current state of good governance implementation across Indonesian local governments; to identify key challenges and barriers hindering good governance reform; to analyze factors and strategies enabling successful governance improvement; and to develop evidence-based recommendations for advancing good governance in local government.

2. Literature Review

Conceptualizing Good Governance

Good governance emerged as a development paradigm in the 1990s, initially promoted by international financial institutions recognizing that effective institutions and governance quality fundamentally shape development outcomes. The United Nations Development Programme (UNDP, 1997) identifies eight characteristics: participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and following the rule of law. The World Bank emphasizes voice and accountability, political stability, government effectiveness, regulatory quality, rule of law, and control of corruption (Kaufmann et al., 2010).

This study adopts a six-principle framework synthesizing major conceptualizations: (1) participation through meaningful citizen involvement in policy-making and implementation; (2) transparency through open access to information and decision processes; (3) accountability through mechanisms holding officials responsible for actions and performance; (4) effectiveness and efficiency through optimal resource use achieving intended outcomes; (5) equity and inclusiveness through ensuring all groups access services and opportunities; and (6) rule of law through fair, predictable, and consistent application of legal frameworks (Grindle, 2007; Hyden et al., 2004).

Decentralization and Local Governance

Decentralization theory posits that transferring authority to subnational governments can enhance governance through several mechanisms: proximity to citizens enables better understanding of local needs; local accountability structures allow more effective citizen monitoring; policy experimentation flourishes across multiple jurisdictions; and intergovernmental competition incentivizes performance improvement (Oates, 1999; Tiebout, 1956). However, decentralization also creates challenges: local capacity constraints, elite capture, coordination problems, and fiscal-responsibility misalignment can undermine governance quality (Prud'homme, 1995; Tanzi, 1996).

Empirical research yields mixed findings. Some studies document improved service delivery, reduced corruption, and enhanced participation following decentralization. Others find deteriorating governance and increased corruption. This variation underscores that decentralization's effects depend critically on implementation quality, local capacity, political dynamics, and complementary reforms. Simply devolving authority proves insufficient; building local governance capability requires deliberate effort (Bardhan & Mookherjee, 2006; Falletti, 2010).

Good Governance in the Indonesian Context

Research on Indonesian local governance reveals substantial heterogeneity. National assessments by the Ministry of Home Affairs show wide variation in local government performance indices, with scores ranging from below 2.0 to above 3.5 on 4-point scales. Geographic patterns emerge Java and Bali generally outperforming outer islands though significant intra-regional variation exists. Recurring challenges include capacity constraints in planning and budgeting, pervasive corruption in procurement and licensing, political interference undermining merit-based administration, and citizen participation mechanisms that exist formally but lack meaningful influence (Kristiansen & Ramli, 2006; von Luebke, 2009).

Implementation Challenges and Success Factors

Literature on governance reform implementation identifies multiple challenge categories: capacity constraints limiting technical ability to implement reforms; political economy resistance from groups benefiting from status quo; institutional inertia reflecting organizational cultures resistant to change; resource limitations constraining reform investments; and weak accountability creating insufficient incentives for reform (Andrews, 2013; Brinkerhoff & Crosby, 2002). Success factors consistently identified include strong leadership commitment, comprehensive planning, stakeholder engagement, quick wins demonstrating feasibility, adequate resources, and institutionalization embedding reforms in regulations and systems (Grindle, 2007; Smoke et al., 2006).

3. Research Methodology

Research Design: Multiple Case Study Approach

This research employs a multiple case study design Yin (2018) examining good governance implementation in six Indonesian local governments. Case study methodology proves appropriate for exploring complex governance phenomena in real-world contexts, understanding how and why reform processes unfold, and examining contextual factors shaping outcomes. Multiple cases enable pattern identification and comparative analysis while maintaining rich contextual understanding.

Case Selection

Six district/city governments were purposively selected to represent diversity in governance performance, geographical location, economic development, and political context. Selection criteria included: variation in governance assessment scores from Ministry of Home Affairs evaluations; geographical distribution across Indonesian regions (Java, Sumatra, Sulawesi); economic development levels; and political context including stable and contested local politics. The six cases comprise two high-performing local governments with consistently strong governance scores and national recognition, two medium-performing governments showing improvement with remaining challenges, and two low-performing governments struggling with governance problems. This purposive sampling enables examination of factors distinguishing different performance levels.

Data Collection

Data collection occurred from March to November 2024, employing three complementary methods.

Document Analysis

A total of 247 documents were collected and analyzed, including local government strategic plans, governance reform action plans and progress reports, local regulations related to transparency and accountability, budget and financial reports, service delivery performance reports, audit reports from provincial and national auditors, civil society monitoring reports, and media coverage. Documents were systematically coded for themes related to governance principles, reform initiatives, implementation progress, challenges, and outcomes.

Semi-Structured Interviews

Fifty-two semi-structured interviews were conducted with diverse stakeholders: district heads/mayors and deputies (n=8), local planning agency heads (n=6), regional secretaries and bureau chiefs (n=12), civil service agency officials (n=6), local legislative council members (n=8), civil society organization representatives (n=8), and citizens including community leaders and service users (n=4). Interviews lasted 60–120 minutes and were audio-recorded with participant consent. An interview guide ensured consistent coverage of governance reform experiences, implementation challenges, success factors, and recommendations across all cases.

Direct Observation

Researchers spent 2–3 weeks in each jurisdiction observing administrative processes, public consultations, legislative sessions, service delivery points, and citizen interactions with government. Observation notes documented formal and informal practices, organizational culture, citizen engagement quality, and service delivery experiences, complementing interview and document data by revealing actual practices versus formal policies.

Data Analysis

Analysis followed systematic case study procedures. Within-case analysis examined each jurisdiction's reform trajectory, current governance status, challenges, and enabling factors. Cross-case analysis identified patterns distinguishing high-performing from lower-performing jurisdictions. NVivo 14 software facilitated data management. Multiple researchers independently coded subsets to establish intercoder reliability ($\kappa = 0.84$). Triangulation across document, interview, and observation data enhanced validity.

Ethical Considerations

Research protocols received institutional review board approval. Government officials provided informed consent for interviews and document use. Individual and jurisdictional identities are protected through pseudonyms and de-identification. Given power dynamics in government settings, particular care was taken to ensure voluntary participation. Sensitive information about corruption or misconduct is reported thematically without attribution to specific cases or individuals.

4. Results

Current State of Good Governance Implementation

Analysis reveals substantial variation in good governance implementation across the six case study jurisdictions and across different governance principles. Table 1 presents a comparative assessment of governance principle implementation using a three-tier rating (High / Medium / Low) derived from triangulated document, interview, and observation data.

Table 1. Good Governance Implementation Assessment Across Case Study Jurisdictions.

Governance Principle	High-1	High-2	Med-1	Med-2	Low-1	Low-2
Participation	High	High	Medium	Medium	Low	Low
Transparency	High	High	Medium	Medium	Low	Medium
Accountability	High	Medium	Medium	Medium	Low	Low
Effectiveness & Efficiency	High	High	Medium	Medium	Low	Low
Equity & Inclusiveness	Medium	High	Medium	Medium	Low	Low
Rule of Law	High	Medium	Medium	Medium	Low	Low

High-performing jurisdictions demonstrate strong implementation across most principles, particularly participation, transparency, and effectiveness. Medium performers show mixed results with strengths in some areas but significant gaps in others. Low performers struggle across all dimensions, with particularly weak accountability and participation. Notably, even high performers face challenges in accountability reflecting universally weak enforcement mechanisms and equity and inclusiveness receive less systematic attention than other principles across all performance tiers.

Implementation Challenges

Capacity Constraints

Limited technical and managerial capacity emerged as the most frequently cited challenge across all cases. Civil servants lack training in modern planning techniques, performance management, data analysis, and citizen engagement methods. One planning

agency head lamented: "We understand good governance principles conceptually, but implementing them requires skills our staff simply don't have. We need systematic capacity building, not just occasional workshops." Capacity gaps particularly affect smaller, resource-poor local governments unable to attract or retain qualified personnel, with brain drain to provincial capitals further depleting local capacity.

Political Economy Barriers

Political and economic interests resistant to reform create substantial obstacles. Transparency and accountability reforms threaten patronage networks, rent-seeking opportunities, and informal power arrangements. Several respondents described how proposed procurement reforms met fierce resistance from businesses benefiting from opaque systems and officials receiving kickbacks. Electoral cycles compound this problem by creating incentives for short-term thinking over sustained reform. One civil society activist explained: "Good governance doesn't win elections. Voters want roads and clinics, not better planning systems. Politicians respond to these incentives."

Institutional Inertia

Organizational cultures emphasizing hierarchy, formality, and risk avoidance impede reform. Civil servants accustomed to top-down directives resist participatory approaches requiring genuine engagement. Established routines and standard operating procedures prove difficult to change even when recognized as inefficient. Resistance manifests through passive non-compliance new systems exist formally but are undermined informally as illustrated by one case where transparency portal postings complied technically by publishing required information in formats deliberately obscure to citizens.

Resource Limitations

Budget constraints limit reform investments in training, systems, and change management, with competing priorities creating tensions between governance reforms and direct service delivery investments. However, resource availability alone does not explain performance variation: some resource-constrained jurisdictions achieved impressive reforms through strategic allocation and external partnerships, while some better-resourced governments made limited progress. Leadership prioritization matters as much as absolute resource levels.

Weak Accountability Mechanisms

Limited consequences for poor performance or misconduct undermine reform incentives across all cases. While formal accountability systems exist, enforcement proves weak: audit findings rarely result in sanctions, performance evaluations have minimal impact on careers or compensation, and citizens lack effective channels for holding officials accountable between elections. This weak enforcement enables governance problems to persist without correction, representing the most pervasive cross-cutting challenge identified in the research.

Success Factors and Enabling Strategies

Visionary Leadership

Every high-performing jurisdiction featured local leaders personally championing governance reform. These leaders articulated clear reform visions, allocated resources commensurate with priorities, shielded reformers from resistance, and maintained commitment over multiple years. One successful mayor explained: "Good governance became my administration's core promise. I personally monitored progress, celebrated successes, and held officials accountable. Without top leadership commitment, reform initiatives fade." Leadership quality proved the single most consistent differentiator between high and low performers.

Systematic Reform Planning

High performers developed comprehensive reform roadmaps with clear objectives, timelines, responsibilities, and monitoring mechanisms. Rather than ad hoc initiatives, reforms proceeded through systematic assessment, planning, implementation, and evaluation cycles. This approach enabled coordinated efforts and sustained progress tracking, preventing reform fatigue and ensuring accountability for implementation across multiple departments and over successive annual planning cycles.

Strategic Civil Society Partnerships

Successful reformers built partnerships with civil society organizations, universities, development agencies, and other local governments. These partnerships provided technical expertise, legitimacy, resources, and external pressure supporting reform. Civil society partners proved particularly valuable for independently monitoring implementation, providing citizen perspectives, and creating accountability pressure that officials struggled to dismiss as internal criticism.

Incremental Approach with Quick Wins

Successful jurisdictions pursued incremental reforms building on early successes rather than attempting comprehensive transformation simultaneously. Quick wins demonstrated feasibility, built organizational momentum, and developed implementation capacity for more ambitious subsequent reforms. One reformer advised: "Start with achievable reforms showing visible results. Success breeds success. Attempting everything at once invites failure and discourages further reform effort."

Institutionalization

High performers institutionalized reforms through local regulations, standard operating procedures, performance systems, and dedicated budget allocations. This institutionalization protected reforms from leadership changes and embedded them in organizational routines. Comparative analysis across cases reveals a clear pattern: reforms surviving leadership transitions in high-performing jurisdictions had invariably been formally institutionalized before the transition occurred, while unreinforced reforms in other cases were commonly reversed.

5. Discussion and Policy Recommendations

Interpretation of Key Findings

This research demonstrates that while good governance implementation in Indonesian local government faces substantial challenges, meaningful improvement is achievable through systematic reform efforts. The variation across jurisdictions confirms that local factors particularly leadership quality and reform strategies significantly shape outcomes beyond structural constraints such as resource levels or geographic location. This finding aligns with Grindle's (2007) 'good enough governance' framework, which emphasizes context-specific, sequenced reform approaches over comprehensive transformation.

The universally weak accountability enforcement identified across all performance tiers represents the most critical systemic challenge requiring national-level attention. Local governments face difficulty strengthening accountability in isolation when national frameworks provide weak enforcement capacity, creating a structural constraint that transcends local leadership quality or reform commitment. Addressing this requires complementary reforms at national, provincial, and local levels simultaneously.

Policy Recommendations

Strengthening Local Government Capacity

- a. Establish sustained technical assistance programs providing on-site support rather than episodic workshops;
- b. Create career pathways and incentives attracting and retaining qualified professionals in local government;
- c. Develop peer learning networks enabling local governments to share practical implementation experiences;
- d. Invest in digital tools and systems reducing capacity requirements for routine governance functions.

Enhancing Accountability Frameworks

- a. Strengthen enforcement mechanisms ensuring audit findings result in meaningful consequences;
- b. Develop citizen feedback channels providing actionable information on service quality and official conduct;
- c. Reform performance evaluation systems linking assessments to career progression and compensation;
- d. Support independent civil society monitoring complementing formal government accountability mechanisms.

Expanding Citizen Participation

- a. Mandate participatory planning processes with demonstrated influence on budget allocations;
- b. Ensure marginalized groups women, minorities, persons with disabilities are actively included;
- c. Build citizen capacity to engage meaningfully with governance processes through civic education;
- d. Use digital platforms to broaden participation beyond geographic and time constraints.

Limitations and Future Research

Study limitations include the qualitative focus on six cases limiting statistical generalizability, reliance on self-reported interview data subject to social desirability bias, and the cross-sectional design capturing a single point in governance trajectories. Future research should employ longitudinal designs tracking reform sustainability across electoral cycles, incorporate systematic citizen satisfaction surveys, and examine mechanisms through which national policies enable or constrain local governance reform. Quantitative analysis of Ministry of Home Affairs governance assessments across all Indonesian local governments would complement the deep contextual insights provided by this study.

6. Conclusion

Good governance remains partially realized in Indonesian local government two decades after decentralization. While meaningful progress has been made particularly in transparency mechanisms and participatory planning in higher-performing jurisdictions substantial gaps persist across accountability enforcement, equity and inclusiveness, and effective rule of law application. This variation across cases demonstrates that structural factors alone do not determine governance outcomes; leadership, reform strategy, and institutional commitment matter enormously.

Success requires moving beyond formal compliance to genuine implementation through visionary leadership, systematic planning, sustained capacity development, meaningful stakeholder engagement, and robust institutionalization. The path forward demands coordinated efforts from local leaders, civil servants, citizens, civil society, and national government supporting local reform initiatives. Critically, strengthening accountability enforcement mechanisms represents the highest-priority reform area, as weak consequences for poor governance undermine all other reform investments.

Indonesia's development ambitions depend substantially on local government performance. The 275 million citizens served by local governments deserve accountable, transparent, participatory, and effective administration. The success stories documented in this research demonstrate that good governance is achievable in Indonesian local government contexts what varies is not potential but commitment, strategy, and sustained effort. Scaling these successes requires learning systematically from high-performing jurisdictions and creating national frameworks enabling rather than constraining local governance innovation.

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