

Research Article

Gaining Insight into Fiscal Decentralization at Producing Public Value (Accountability) Through Public Goods and Public Interest: Literature Review of Fiscal Decentralization in the Indonesian and Global Context

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Abstract.

This study examines fiscal decentralization in Indonesia and globally focuses on public value. Empirically, several studies show that fiscal decentralization positively or negatively impacts economic growth. When examined with the meaning of public value, the budget, which is the basis of bureaucracy in the political process (decision-making and management institution), can reflect public values. The difference between these two phenomena means that some studies show variations in the implementation and effectiveness of fiscal decentralization. Using a semi-systematic literature review method, this study analyses empirical findings from Indonesia and globally on public value in the context of public goods and public interest. The results show that the facts related to fiscal decentralization both in Indonesia and globally still have a low degree of public value, especially concerning accountability in the meaning of public goods and public interests.

Keywords: fiscal decentralization, public value, accountability, public good, public interest, Indonesia, global

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1. Introduction

There have been many studies that discuss fiscal decentralization both in Indonesia and in the global context [1-20]. Interestingly, these various studies have conflicting findings with each other. One of them is when it comes to the impact of fiscal decentralization on economic growth. Various studies show that fiscal decentralization has a negative impact on economic growth and some say that there is a positive impact on economic growth [3]; [4]; [5]; [21]; [22]. Meanwhile, when talking about economic growth, it has linearity in public goods and public interest. When talking about the provision of public goods and public interests, it will talk about decisions and the management of these

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institutions on public value. From this, we know that fiscal decentralization can produce public value through public goods and public interest.

The theory of economic growth can simply be defined as an explanation of every factor that can interact with each other and can determine or influence a process in the long term so as to produce an economic growth value (Kemenkeu Learning Center 2018). The factors that affect economic growth include household consumption, investment, government consumption, exports, and imports. In that interaction, population affects economic growth. This can be seen empirically in Indonesia. In Indonesia, the population is ranked fourth worldwide and is ranked tenth as the world's largest economy with the catalyst of purchasing power comparison (World Bank 2024). In addition, based on the diagram below, Indonesia's economic growth has performed quite well.

TABLE 1: Economic Growth in ASEAN Countries, 2020-2023.

No	Country	2020	2021	2022	2023
1	Indonesia	-2,1	3,7	5,3	5
2	Malaysia	-5,5	3,3	8,7	3,7
3	Filipina	-9,5	5,7	7,6	5,6
4	Thailand	-6,1	1,6	2,5	1,9
5	Vietnam	2,9	2,6	8,1	5
6	Kamboja	-3,1	3	5,2	5,4
7	Laos	0,5	2,5	2,7	3,7
8	Brunei Darussalam	1,1	-1,6	-1,6	1,4
9	Myanmar	6,6	-9	-12	4
10	Singapore	3,9	9,7	3,8	1,1

Source: (World Bank 2024)

The data above shows that over the last four years has fluctuated better for economic growth from -2,1% in 2020 to 5% in 2023. The success of this economic growth record is the inseparable impact of the degree of fiscal decentralization of provinces in Indonesia.

The degree of fiscal decentralization over the last four years has fluctuated for the better. For provinces that apply the excellent category, it can start from 2020 with 8 countries to 14 countries in 2023. However, the data also reinforces that there are still provinces that are in the category of less by 1 province, sufficient by 7 provinces, and moderate by 7 provinces while there are oddities from empirical data that show the irregularity of the decline of provinces from 7 to 5 provinces in the good category. Interestingly, both quantitative data above show that Firstly, over four years, the variables

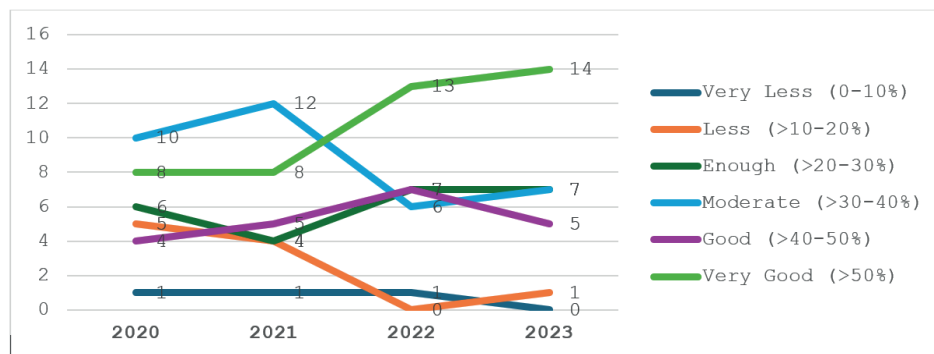


Figure 1: Categories of Provincial Government’s Degree of Fiscal Decentralization, 2020-2023.

of the percentage of economic growth and the number of provinces in the degree of fiscal decentralization have increased, it may be concluded that fiscal decentralization may affect economic growth. Secondly, that data is different from finding evidence gaps before. Thirdly there are not only economic growth but many empirical fiscal decentralizations is interesting to discuss (see the result). Fourth, this has linearity with public good and public interest through decision and management to produce public value.

Based on the empirical and evidence gap, the researcher is interested in Gaining Insight into Fiscal Decentralisation at Producing Public Value (Accountability) through Public Goods and Public Interest: Literature Review of Fiscal Decentralisation in the Indonesian and Global Contexts. Through a semi-systematic approach, this research study aims to empirically explain the development of fiscal decentralization in Indonesia and globally and to discuss how fiscal decentralization can produce Public Value (Accountability) through public goods and public interest. This research also has benefits for academics and practitioner. Firstly, this study can be used by academics to develop the concept of fiscal decentralization in the context of public value in public goods & public interest through empirical studies in Indonesia and globally, and secondly, it can be used by practitioners as input in fiscal decentralization more accountability in practice.

2. Methods

The author used the literature review method in this study. The use of this method is based on the consideration that the results obtained can be useful for providing an overview of a problem or research problem where it can evaluate the state of knowledge

related to a particular topic [23] The approach used is a semi-systematic approach. This approach aims to see how the research field develops over time. This strategy is carried out both systematically and unsystematically with qualitative or quantitative analyses [23] Specifically for this study, the research areas studied consist of two including fiscal decentralization and public value. These research areas will be analyzed using qualitative descriptions. The method of analysis with a semi-systematic approach with steps PRISMA:

1) Search strategy. This stage is divided into two stages. **First**, data related to the theory and practice of fiscal decentralization is carried out by coding two categories, namely Indonesia and other countries with mining Scopus, Google Scholar, etc with article n=45; website n=2; and book n=1. **Second**, related to public value in fiscal decentralization with mining scopus data in title, abstract, and keyword strategy. “fiscal decentralization” AND “public values” OR ethics OR transparency OR accountability with data up to 2024 resulting in the number of articles n= 109. **Third**, searching data related to the theory of public administration in relevant books and journals n=2.

2) Inclusion and Exclusion. **First**, the inclusion stage is more of a fiscal decentralization article with 5 subcategories: a) Implementation of Fiscal Decentralization; b) The effect of fiscal decentralization on economic growth; c) Fiscal Decentralization in public services (*public goods*); d) Fiscal decentralization in equal distribution of welfare between levels of government; e) Fiscal decentralization on other points of view. **Second**, the exclusion is more for public value articles with limitations: a) social science subject; b) article document type; c) exact keyword ‘public administration’ ‘bureaucracy’; d) English language limitation; e) open access. This search strategy resulted in 11 articles

3) Eligibility. **First**, reading journals and books in the theory and practice of fiscal decentralization with the keywords empirical and theory of fiscal decentralization journal n=43; website n=2; book n=1. **Second**, read the journal theory of public value on fiscal decentralization with keywords only accountability and fiscal decentralization n=7. **Third**, read public good, public interest, and public value in relevant books and journals n=2

4) Including. This stage is a data analysis of websites, articles, and books in the empirical and theoretical contexts of fiscal decentralization n = 46, and analysis of data articles and books with the relationship between fiscal decentralization and accountability with n = 9.

3. Results and Discussion

In every implementation of an activity there are always obstacles in its implementation. To achieve a desired desire in carrying out activities is not easy even if all these matters are carried out optimally. Achieving satisfactory results cannot be separated from obstacles and obstacles caused by several factors. The following are various things or factors that inhibit stunting sufferers from decreasing:

This study is the result of an analysis of data from websites, articles and books to determine whether empirical studies have been conducted on fiscal decentralisation. From these 46 data, five sub-categories are presented as follows:

3.1. Implementation of Fiscal Decentralization

Each country has a different system context and implementation. In Indonesia, for example, It has been explained that fiscal decentralization has started since 2001. Historically, that system started from centralization to decentralization. It says that system decentralization in fiscal has been 23 years since its implementation. Therefore, it is necessary to know more about how that system is implemented in Indonesia. Through the diagram categories of the degree of fiscal decentralization, it can be seen that the implementation in each district or city government in Indonesia.

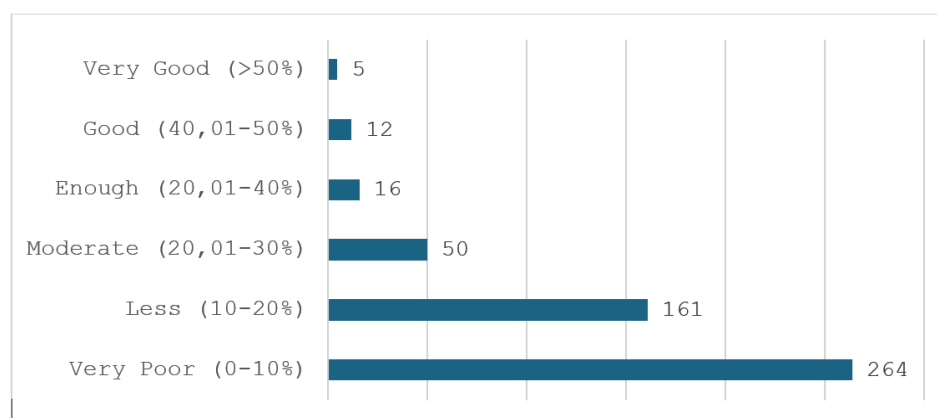


Figure 2: Categories of the Degree of Fiscal Decentralization District/City Governments, 2022.

One of the causes of the still high stunting

The degree of fiscal decentralization in 508 districts or city governments in Indonesia has different categories in the level of very good, good, enough, moderate, less, and very poor. Just five of 508 districts/cities have a very good degree of fiscal decentralization.

Among them are Badung Regency, Surabaya City, South Tangerang City, Tangerang Regency, and Semarang City. But, there are 425 out of 508 districts/cities that have categories less or very poor. Whereas, through the comparative measurement of HDI and fiscal decentralization, it can be seen that a high percentage of the poverty rate is influenced by a low degree of decentralization. Based on this, it can be concluded that 84% of the districts/cities with a low degree of decentralization in Indonesia can have the possibility of facing problems with a high percentage of the poverty rate in their region. Not only that, the implementation of fiscal decentralization in Indonesia has other problems that can be explained by studies revealed by Lewis and Akita, Riadi, and Rizal [1]; [9] That study shows that technical operations of Law No. 1 of 2022 regulations can affect the equitable distribution between regions related to transfer funds, there is an increase in local government tax mobilization, regional spending efficiency, and services to the regions [9] Where the central to regional transfers in the form of the General Allocation Fund turned out to have a negligible impact on the high fiscal gap, so the need to formulate the General Allocation Fund budget [1]

We can compare fiscal decentralization implementation in Indonesia with other countries. Bulgaria has implemented fiscal decentralization by showing planning and execution. Firstly, the expenditure system has undergone a review where the responsibility has been placed in the realm of local government. Secondly, the right to set upper and lower limits on tax rates has been devolved to local governments through legislation. Third, the distribution of grants is a component of the fiscal decentralization system. Fourth, there is still no stability regarding fiscal transfers from the centre to the regions as well as arrangements related to the calculation of capital expenditure grants [13]. Interesting findings also occurred in Jordan as revealed by Aljaloudi [2]. In his research, Aljaloudi stated that fiscal decentralization that occurred in the presence of elected councils at the municipal, regional, and even national levels reinforced transfer of power from high levels of government to regional and even local bodies. However, Jordan is still very low compared to other countries in terms of fiscal decentralization.

The matador country of Spain shows the same thing as implementation in Jordan. First, it starts with institutions, which lead to high centralization and low decentralization. The findings show that the federal structure strongly influences the financial and economic crisis and is even the most severe [8]. Nigeria has the same phenomenon as Jordan and Spain. Ocheni examined the variables of fiscal decentralization and public budget expenditure management in Nigeria [24]. The allocation and implementation of budgets that are supposed to improve human capital capacity fail to build human

capital capacity. This is due to poor allocation and implementation budgets in this country. Ukraine is also experiencing the same thing. Ukraine shows that the problems occurred due to immature readiness, as well as “service lip” the presence of a declaration of fiscal decentralization where in its application the concept used is centralistic, the inaccuracy of the availability of money, even though the authority is delegated from the center to the regions [11].

Based on findings in various countries, the results show that the implementation further strengthens the study written by Rodden [25] Rodden stated that developing nation, the disadvantages of decentralization may be less accentuated due to poor governance and administrative issues. For instance, Rodden argues that ‘how well decentralization works is dependent on the extent of strong national political institutions that can possess effective control over fiscal operations.

3.2. The effect of fiscal decentralization on economic growth

Individual empirical studies about fiscal decentralization’s impacts on economic growth generate positive and negative results, seemingly depending on how it fits within the institutions’ context in that country. Based on the previous discussion, it can be seen that economic growth in Indonesia has increased well with linearity in a good provincial fiscal degree, but it is different when we look deeper into the fiscal degree in the city. Moreover, that finding is can be explained by the next research. The first phenomenon was presented from Khamdana’s research. Through the REM method, the results show that fiscal decentralization can have both positive and negative effects on economic growth ([7]. However, this is contradicted by Negara’s research [13]. Based on 2001-2017 data, fiscal decentralization does not have either a positive or negative effect on economic growth when it is reduced to the revenue variable (PAD, Revenue Sharing Fund, and Transfer Fund) and the regional expenditure variable (spending on education, health, and infrastructure sectors). In contrast to Sofilda et al’s research, fiscal decentralization in the variables of grants and PAD has a positive impact to economic growth in Indonesia [17]

In contrast, China shows that the implementation of fiscal decentralization has a negative correlation with economic growth [4]. This is also reinforced by the execution of fiscal decentralization studied with the comparative locus of China and India. It can be seen that in China, fiscal decentralization in the expenditure variable does harm economic growth in both the short and long term, while in India, it has a negative impact

in the short term and a positive impact in the long term [22]. This finding has the same as 18 countries, Australia, Austria, Azerbaijan, Belgium, Brazil, Canada, Colombia, Germany, Mauritius, Paraguay, Peru, Russian Federation, South Africa, Spain, Switzerland, United Arab Emirates, United States, and Uzbekistan [21]. It can be seen that expenditure variables in 18 countries can harm economic growth. However, when viewed from Arif & Chishti's research [3], through data from the World Bank from 1990 to 2018, 43 countries (Argentina, Australia, Austria, Belgium, Bolivia, Canada, Chile, Columbia, Congo, Cyprus, Denmark, El Salvador, Estonia, Finland, France, Germany, Greece, Honduras, Hungary, Iceland, Ireland, Israel, Italy, Jamaica, Japan, Lithuania, Luxembourg, Malta, Morocco, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russian Federation, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, and United States) found that fiscal decentralization both revenue & expenditure has positive impact on economic growth.

Various studies have shown the intersecting effects of fiscal decentralization in various countries on economic growth. Among 51 countries, 44 countries show that revenue and expenditure variables have a positive effect on economic growth. while 18 countries show that expenditure variables have a negative effect on economic growth, and 11 countries show that those two findings. For example, Germany and Spain stated that both income and expenditure are positive for economic growth, but there are studies that state that expenditure has a negative impact on economic growth. Most countries with a positive impact on both revenue and expenditure variables in economic growth have high-income countries like Germany and Spain indicating that fiscal decentralization has proven beneficial to economic development at the regional levels. Bartolini, Stossberg and Blöchliger report that on the whole countries that have more autonomy given to subnational entities over fiscal policies and the implications tend to be on the efficiency of delivery of public services and consequently the growth of that region geographies that have an absence of baselines of institutional hierarchies and distinct inter-jurisdictional boundaries [26]. Not only that, studies show that the effects of fiscal decentralization are mostly positive within the high-income countries which have strong institutions since these countries are able to operate decentralized system adeptly. Conversely, in developing nations, the disadvantages of decentralization may be less accentuated due to poor governance and administrative issues [25]

3.3. Fiscal Decentralization in public services (public goods)

In the Financial Memorandum document, there are main points of policy in the State of Indonesia in 2024 (Kemenkeu 2024). One of the policies in 2024 is the presence of refocusing in the utilization of mandatory expenditure which is used to provide public goods in the form of services. Based on the study of Puspita et al, the main hypothesis is the effect of fiscal decentralization, especially the expenditure variable, which can affect public service delivery. Based on their study, the performance of public services in Indonesia is still low in some provinces like education and health sector, while the social and public work sector are good [27]. These results are in line with is found by Siburian in the public service in the education sector. This study states that there is an indirect effect of fiscal decentralization on the delivery of public services, especially the degree of educational outcomes [16]. In addition, it can also negatively affect on the delivery of public goods and services in the context of bribery.

The next research is in China. Research shows that fiscal decentralization is more directed at the environmental sector. Evidenced by research by [19] which illustrates that there is an influence in 30 provinces in China on improving environmental governance in the region through green technology innovation or GTI with the effect of inhibiting pollution in the region. However, there is a phenomenon that when certain regions prioritize spending in areas of economic development orientation, environmental governance is neglected. Not only that, in China green development is influenced by regional preferences, both the level of decentralization in expenditure and revenue. Therefore, it requires a new breakthrough in this handling, including the need for evaluation of government performance assessment in government preferences [19], fiscal decentralization reform, and the need for regional financial investment especially in sustainable environmental preferences.

Another research is also revealed by Chen et al about the application of carbon emission tax has a less favorable situation in economic growth but carbon emission tax can reduce the intensity of environmental pollution in China [4]. This is in contrast to research conducted in the ecological realm of South Africa. Fiscal decentralization can reduce the content of CO₂ emissions using a race-to-the-top perspective [28]. CO₂ emissions have linearity in maintaining the ecology of the region. What is interesting is that this study proves that economic growth in this country has reduced erosion in the ecological realm in the South African country. In the United States, it turns out that

fiscal decentralization does have a positive influence on economic development, but it is inversely related to carbon emissions/carbon control/environmental protection [29]

In Italy, studies on public service delivery have emphasized health care delivery [15]. This study shows that fiscal decentralization can reduce the public goods provided to the public. This study also proves that the public goods produced are also influenced by the wealth of the region. This is different from what happened in South Korea [30] examines the concept of fiscal decentralization based on the theory of federalism. This study proves that there is an impact of fiscal decentralization on the efficiency of expenditure allocation. The findings show that the expenditure that occurs is more directed towards public welfare than spending in terms of the capital account even though other findings show that the allocation of government expenditure is influenced by income. Based on this chapter, fiscal decentralization can impact public service and public service delivery in Indonesia such as education, health, social, public work sector, in China such as environmental sector, in South Africa such as ecological sector, Italy health care delivery, and South Korea in public welfare. But, the services and service delivery in different sectors are different in their impact to their own country.

3.4. Fiscal decentralization in spillovers

Digdowiseiso examined the effect of fiscal decentralization on vertical and horizontal inequality in 32 provinces across Indonesia and their characteristics in the period 2005-2014. The study found that vertical inequality is positively and significantly affected and this is inversely related to horizontal inequality [31] [5]. What is interesting in Digdowiseiso's research is that when Java-centric provinces are excluded, horizontal inequality is very clear. This indicates that the degree of inequality is higher outside Java. Carreras also confirmed that more regional fiscal authorities can have a high significance on the phenomenon of inequality between levels of government that occurs in the Spanish State. This leads to fiscal asymmetries as a result of territorial arrangements [32]. When we talk about inequality, we are talking about vertical and horizontal equity. China and India have in common that fiscal decentralization in the expenditure variable has a positive effect on fiscal equity) [22]. Not only that, in Africa and Latin America, decentralization can also contribute to regional disparities and changes in governance for some regions. For example, in Africa, fiscal decentralization rarely decreases the level of differences of regional outcomes due to unevenness among administrative abilities. Faguet observed in Bolivia that there was a decentralization that increased

local investments but exposed governance deficiency because the poorer regions had low administrative skills and resource mobilization. In Uganda, the move towards decentralization yielded some benefits on local service delivery, although it exacerbated regional disparities mostly between wealthy urban regions and the less wealthy rural districts.

3.5. Fiscal decentralization against other viewpoints

A comparison in Indonesia, research was conducted by Murshed in 2009. This study found that fiscal decentralization in the variable of local revenue can affect the number of routine violent incidents both in the category of community justice and in the state of vigilantism [12]. Sudhipongracha examined the method of fiscal allocation in Indonesia with the characteristics of the regions receiving fiscal allocations [33]. The findings of Sudhipongracha show that the fiscal allocation method in Indonesia has a distinctive method and has been implemented evenly. This is because the lower the per capita income in the region, the higher the fiscal allocation/grant allocation in the region. In addition, fiscal decentralization in Indonesia also has a negative influence on the presence of ethnic diversity. When this happens, it can affect the degree of unfavorable educational outcomes. Although fiscal decentralization funds are getting bigger, when ethnicity creates conflict and is unable to provide public benefits in education, the resulting output is not good for the future. Another study by Lago shows how fiscal decentralization affects the economic and financial crisis in Spain ([8]). It can be seen that there is still a negative influence on finance, especially the economic crisis, and even more severe.

Various empirical findings related to fiscal decentralization have been presented in five sub-indicators. These five sub-indicators will be used for comparative analysis with accountability (public value) through public good and public interest as follow this table

TABLE 2: Analysis Fiscal Decentralization in Indonesia and Global with Public Value through Public Good and Public Interest.

Categories	Fiscal decentralization	Analysis with Accountability (Public Value) Through Public Good and Public Interest
Implementation of Fiscal Decentralization	<p>Indonesia: 1) 84% of the districts/cities with a low degree of decentralization in Indonesia can have the possibility of facing problems with a high percentage of the poverty rate in their region; 2) Technical operation of Law No 1 of 2022 regulations can affect the equitable distribution between regions related to transfer funds, local government text mobilization, regional spending efficiency, and services to the regions</p>	<p>First, The meaning of public goods and public interest is not achieved. In Indonesia, the persistence of poverty problems is caused by a low degree of fiscal decentralization, in Spain, creating an economic crisis, in Nigeria failure to build human resource capacity. This is contrary to the objectives in the context of accountability in budgeting, because accountability ensures that the budgets are intended to fulfill each development objective (Ewetan et al. 2020). Second, low public value can be reflected in the management, especially implementation. Decentralization that is implemented in Indonesia and other countries seemingly service lip (decentralized is conceptual, but centralized is implemented). This is contrary to vertical accountability which refers more to the relationship between levels of government in accountability for performance and decision (Mcintyre, Mitchell, and Roy 2022). Third, the responsibility of the expenditure in local government in Bulgaria makes the system undergone. whereas accountability means that the government has the responsibility to ensure that services are provided in accordance with the budget(López-Laborda, Rodrigo, and Sanz-Arcega 2023). Not only that, Fourth, in developing nations, the disadvantage comes from poor governance and administrative issues. It says that there are contrary to horizontal accountability that refers more to the mechanisms used to oversee the exercise of power, transparency, and collaboration (Mcintyre, Mitchell, and Roy 2022).</p>
	<p>Bulgaria: The expenditure system has undergone when responsibility in local government; 2)Limit determination is in local government with legislation; 3)No stability in fiscal transfer through capital expenditure</p>	
	<p>Jordan: <i>transfer of power</i> but very low compared to others in term fiscal decentralization</p>	
	<p>Spain: High centralization and low decentralization make economic crisis and is even the most severe</p>	
	<p>Nigeria: Poor allocation & implementation of budgets fail to build human capital capacity</p>	
	<p>Ukraine: 1)immature readiness; 2) service lip declares fiscal decentralization but the implementation is centralistic; 3) inaccuracy of the availability of money</p>	
	<p>Developing Nation: In Developing nation, the disadvantages of decentralization may be less accentuated due to poor governance and administrative issue</p>	

TABLE 2: Continued.

Categories	Fiscal decentralization	Analysis with Accountability (Public Value) Through Public Good and Public Interest
The Effect of Fiscal Decentralization on Economic Growth	<p>Indonesia: 1) Two studies conflict with each other about revenue and expenditure variables can have both positive and negative effects on economic growth; 2) However, in variables of grants and PAD have a positive impact to economic growth in Indonesia. It concludes that expenditure variables may negative impact to economic growth</p>	<p>First, economic growth is influenced by fiscal decentralization in revenue and expenditure variables. But, in the expenditure variable, there are 18 countries that negative impact on economic growth. It can be said that decision-making and management through expenditure by local government is questionable. Whereas, presenting information that can be implemented by explaining financial decisions through expenditures and loans owned by local government (Gray 2014). Second, This means that when it has a positive impact on economic growth, the country has more autonomy (authorization) to the subnational in fiscal policy. In the sense that countries that implement Hayek's (1945) concept (Puspita et al. 2021) about knowledge in society. Local government participation in the decision-making process that local governments also know information related to their area. It is also emphasized that accountability can be seen from the context of each</p>
	<p>All countries: 1) Among 51 countries, 44 countries show that revenue and expenditure variables have a positive effect on economic growth. while 18 countries show that expenditure variables have a negative effect on economic growth, and 11 countries show those two findings. For example, Germany and Spain stated that both revenue and expenditure are positive for economic growth, but there are studies that state that expenditure has a negative impact on economic growth; 2) Most positive in effects of fiscal decentralization within the high-income countries that have strong institution and have</p>	
	<p>more autonomy to sub nation entities over fiscal policies; 3) Developing nation, disadvantage of decentralization due to poor governance.</p>	<p>individual's participation in resource allocation and policy implementation through transparency and participation in the decision-making process (Bojanic 2018).</p>
Fiscal Decentralization in Public Service and delivery of public service	<p>Indonesia: 1) Fiscal decentralization, especially expenditure can provide public goods in the form of services such as education, health, social, and public work sector; 2) in context provinces, the education and health sectors still low in some provinces; 3) in educational outcome, this can negatively impact on the context of bribery</p>	<p>First, The meaning of public goods and public interest (Pesch 2008) is achieved when in China, fiscal decentralization is good enough to produce public service in the environmental sector, in South Africa produces economic growth that can reduce erosion, in Italy health care, South Korea, public welfare, and in Indonesia produces health, public work, and social, but not the educational sector. There are relatively negative impacts, especially in the context of bribery. Bribery is like a level of fraud in local financial management. It can be said that financial reports are questionable not to use accountability. Because in the context of fiscal decentralization, the higher the financial reporting accountability, the greater the negative influence of fiscal decentralization on the level of fraud in local financial management (Mcintyre, Mitchell, and Roy 2022). Second, The phenomenon that when the development objective in economics is conflicting to the development objective in environmental governance in China.</p>

TABLE 2: Continued.

Categories	Fiscal decentralization	Analysis with Accountability (Public Value) Through Public Good and Public Interest
	<p>China: 1) Most public service in the environmental sector; 2) Environmental sector with technology and Innovation; 3) The phenomenon that when certain regions prioritize spending in areas of economic development orientation, environmental governance is neglected; 4) Application in content CO2 may harm economic growth but can reduce environmental pollution</p>	
	<p>South Africa: Conflicting with China, that Economic growth can reduce erosion in the ecological in the content of CO2 emissions</p>	
	<p>Italy: fiscal decentralization can produce public good, but depend on wealth that region</p>	
	<p>South Korea: The expenditure variable that occurs is more directed public welfare</p>	
Fiscal Decentralization in spillovers	<p>Indonesia: a) period 2005-2014 34 provinces has vertical inequality but if Java province excluded, Indonesia has horizontal inequality between region</p>	<p>First, Fiscal decentralization in the meaning of public good is not achieved when it comes to disparities and spillover. Second, spillovers or disparities between regions are almost the same as the phenomenon of First-Generation Theories by Musgrave and Tiebout concept (Puspita et al. 2021). One is a prosperous region and the other is not a prosperous region. It turns out that the region with the prosperous region provides better public good while the other does not provide good public goods. The key is not the prosperous region to be responsible for the not-prosperous region but the key is the decision at the higher levels of government to mediate the adverse effects to reduce spillovers and disparities. Its responsibility that has linearity with vertical and horizontal accountability (McIntyre, Mitchell, and Roy 2022).</p>
	<p>Spanish: more regional fiscal authorities can have a high significance on inequality between levels of government</p>	
	<p>China & India: Expenditure variable has positive impact of fiscal equity</p>	
	<p>Africa and Latin America: Decentralization can contribute to regional disparities and changes in governance for some regions</p>	
	<p>Bolivia: There was a decentralization but governance deficiency because the poorer regions had low administrative skills and resource mobilization</p>	
	<p>Uganda: Regional disparities between wealthy urban and the less wealthy rural districts</p>	

TABLE 2: Continued.

Categories	Fiscal decentralization	Analysis with Accountability (Public Value) Through Public Good and Public Interest
Fiscal Decentralization against other viewpoints	<p>Indonesia: 1) In 2009, fiscal decentralization in local revenue can affect the number of routine violent incidents (community justice & vigilantism), 2) The Allocation method in Indonesia has distinctive because the lower the per capita income in the region, the higher the fiscal allocation in region 3) Negative impact on ethnic diversity and affect educational outcome. When ethnicity creates conflict, is unable to provide public benefits in education</p>	<p>First, Fiscal decentralization in the meaning of public interest and public good is not achieved when it can affect routine violent incident and negative impact on ethnic diversity and impact educational outcome. Second, Accountability is not only in providing information on decisions but accountability also refers to the context of each individual's participation in resource allocation and policy implementation through transparency and participation in the decision-making process ((Bojanic 2018) to generate public trust in the realm of strengthening the relationship between voters and their representatives (Hindriks and Lockwood 2009). This is because their representatives, namely politicians, together with central and local governments are responsible for good budget management.</p>
	<p>Spain: Fiscal decentralization can affect economic and financial crisis</p>	

4. Conclusion

The development of fiscal decentralization in Indonesia has provided 23 years of deep meaning for the public good and public interest. However, there is still a note that there is still a lack of public value, especially accountability in budgeting both revenue and expenditure. This can be seen from the fact that Indonesia is still experiencing problems of low degree of fiscal decentralization districts/cities that impact poverty rate, technical problems about regulation that impact equity, bribery, ethnic conflict that impact educational outcome, expenditure management, regional disparity/spillover, and so on. This meaning that other countries also experience the same thing in providing public good and public interest such as economic growth from revenue variables and expenditure variables, and increasing environmental governance, especially in countries with high per capita income, this is due to the granting of more autonomy to subnational, however, there is something that is not achieved when talking about the public good and public interest, resulting in low public value, especially the meaning of accountability. Such as the implementation process of fiscal decentralization through the meaning of service lip (decentralized but implemented in centralized), due to poor governance and administrative issues, especially in developing countries. There are still differences in objectives in the fulfillment of development between economic and environmental, there are still differences between wealthy urban and less wealthy in rural to produce public goods and etc.

For academics interested in the issue of Fiscal Decentralisation, based on this study, there are still many research gaps that can be filled. Starting from explaining and questioning the effect of fiscal decentralisation in the context of revenue and expenditure variables in various sectors; How is the process of decision making and management especially in revenue and expenditure; transfer of power in each region that has different degrees along with its impact; and there are still many research gaps based on the results of this study. and for practitioners, the finding points show that the key word is in the expenditure variable. Expenditure variables that must be aligned with the meaning of accountability. The meaning of accountability means that the government has a responsibility to ensure that services are delivered within the budget.

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