

Institutional Failures in Decentralization: Insight from Batam, Indonesia

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Abstract

The Batam Authority (now BP Batam) began development of Batam in 1970 with the goal of creating an industrial region. At the time, Batam had changed into a metropolis with economic growth that above the national average. However, the contrary situation happened with the adoption of regional autonomy in Batam. The Batam City Government's role as an executor of regional autonomy carries significant legal and political weight. As a result, this article focuses on institutional failures with consequences for the economy's deterioration throughout the decentralized age. This study employed a descriptive exploratory technique to extract information from primary and secondary data. Primary data was collected through surveys and interviews with expert informants. The data were analyzed with the Delphi method and the Analytical Hierarchy Process (AHP). The study's findings revealed that the issue was institutional dualism between the Batam City Government and BP Batam, which might lead to legal ambiguity. The Delphi technique produced suggestions for the Free Trade Zone (FTZ), Special Economic Zones (SEZ), and the establishment of special autonomy in Batam. Meanwhile, the Analytical Hierarchy Process (AHP) technique determined that special autonomy was the optimal policy choice. Economics-based asymmetric decentralization is one conceivable type of special autonomy. However, more phases are required in its execution to develop a unique statute governing the substance of the expertise granted to Batam.

Keywords: *decentralization, institutional failures, special autonomy*

INTRODUCTION

Decentralization refers to the arrangement of power, institutions, finances, and control between central and local governments. Turner & Hulme (1997) categorized the type of delegation in decentralization into two distinct types: territorial and functional. The territorial basis and functional decentralization are distinct concepts (Hofman & Kaiser, 2006). While functional decentralization involves the relocation of functions, the territorial basis prioritizes the delegation of functions and authority from the Central Government to Regional Governments (Holzhacker et al., 2016). Meanwhile, the functional foundation focuses on the specific functions that may be accomplished by decentralization, as derived from Turner and Hulme.

Decentralization is a strategy aimed at enhancing the quality of public services in each region while also enabling collective competition (Faguet & Sánchez, 2014). However, not all aspects proceed smoothly due to disparities in the environment, social dynamics, and intellectual capacity of each place. Decentralization is plagued by challenges and failures in many locations (Smoke, 2015) due to the tendency to oversimplify and generalize the entire region (Englebert & Mungongo, 2016; Koelble & Siddle, 2014). The conceptual change in decentralization resulted in the formation of two types of decentralization reform: symmetrical decentralization and asymmetrical decentralization (Adams & Agomor, 2020).

Decentralization encompasses both success and failure, indicating that it does not ensure the success of development. According to Herath (2009), there is no beneficial relationship between the extent of decentralization and growth. Then, Suwanmala & Weis (2009) described the success or failure of decentralization in Thailand as frequently determined by the approach used to establish, monitor, and implement the policy. Decentralization should be used as a tool to attain wider democratic objectives while also being adaptable to specific needs. As a result, its essentials to defining the decentralization format should be adaptive and following diversity above interests.

This aligns with the notion of asym-

metric decentralization, which was developed to fit the varying capabilities of different areas within a country and necessitates granting specific regions exclusive autonomy. Lay (2009) contended that decentralization is achieved through the promotion of distinct administrative districts that operate directly under the control of the central government. In addition, Kurniadi (2012) asserted that asymmetric decentralization may be achieved by taking into account factors such as conflict, historical and cultural considerations, border regions, the national capital, and economic progress. Hence, this approach may be seen as a viable option (both temporary and enduring) to enhance the bond between the central government and the regions under a unified governance structure.

The distinction between symmetric and asymmetric decentralization is based on the degree of appropriateness and resemblance in the relationship between different levels of government and the political system, both with the central government and among countries, as well as between the central government and regional authorities (Rondinelli, 1981). Chien (2010) stated that asymmetric decentralization in China serves as a response to the demands of globalization while also considering the shifts in regional and central relations. In addition, China employs an asymmetric decentralization policy to stimulate economic growth in its regions by offering varying treatment to certain areas based on their capabilities (Wu, 2011).

Meanwhile, the implementation of asymmetric decentralization in Indonesia is characterized by adherence to the established norms rather than by innovation (Suryanto et al., 2021). Kurniadi (2012) determined that the asymmetrical decentralization in Indonesia is a result of historical colonialism and is still present in the country's constitution. In Talitha et al. (2020), it was discovered that the implementation of special autonomy in Aceh has not been functioning at its highest potential due to the persistent conflict, despite the establishment of reforms aimed at creating a democratic state structure. According to Lele (2023), there is no notable disparity in regional financial capability in Papua before and after the implementation

of special autonomy. Furthermore, it was determined that no correlation exists between the financial capability of different regions and the economic development of districts and cities in Papua Province. Consequently, several districts labeled as asymmetric decentralization are merely symbolic and continue to be undeveloped areas.

The advancement of decentralization in the search for an appropriate operating system is steadily increasing, accompanied by extensive deliberations conducted by specialists. For instance, the process of delegating power and capacity from central institutions to regional institutions allows the latter to create and execute efficient policies while still being overseen and guided by the central government (Mietzner, 2012; Yusuf, 2020). Despite ongoing attempts to enhance the capacity through bureaucratic reform and anti-corruption activities, deficiencies in state and regional capacity frequently arise, necessitating regular evaluation and reconstruction. As a result, decentralization is seen as a fundamental means of reducing disputes that occur in various locations (Diprose et al., 2019).

Decentralization was established in Indonesia some decades ago. Aspinall & Fealy (2003) argued the symmetrical decentralization implemented during the New Order era did not provide favorable outcomes for regions and society. Indonesia has two kinds of decentralization, symmetrical and asymmetrical, as stated in the regional autonomy law (UU No. 32 of 2004). Kurniadi (2012b) categorized five areas of asymmetric decentralization, which considers factors such as war and separatism (Aceh and Papua), economic growth (Batam), boundaries (West Kalimantan), culture (Yogyakarta), and the national capital (Jakarta). The success and failure of symmetric and asymmetric approaches in Indonesia may be compared (Arif & Maksum, 2017).

This paper specifically examines the topic of asymmetric decentralization in Batam City, which has garnered significant interest. Firstly, during the centralization period, Batam had substantial economic expansion but faced a setback during the decentralization period. In contrast to the concept and objective of asymmetric decentralization

for Batam City, which is to promote economic development, the actual situation is divergent. Furthermore, prior studies on Batam decentralization conducted by Murti (2014), Pamadi & Pramono (2007), Putra & Kumorotomo (2014), and Wiryawan (2019) revealed the fundamental issue with decentralization lies in institutional dualism and evident conflicts of power.

Secondly, the crux of the issue stems from the intersecting legal frameworks of the two entities, namely the Batam Government and the Batam Business Authority/BP Batam. The intersecting legal frameworks start with the industrial area, followed by the regional autonomy, and conclude with the free trade area. The presence of these overlapping legal frameworks affects the economic growth of Batam (Arif & Maksum, 2017; Damuri et al., 2015).

METHOD

Field research was conducted in the Riau Islands Province, specifically in Batam City, because of the significant conflict of interest that impacts the political, investment, and economic cycles, ultimately affecting the well-being of the population. Industrial hubs are present in nearly all sections of Batam City, contributing to the region's simultaneous economic growth advancement (Hutchison, 2017). Contrary to these favorable outcomes, the presence of significant political power and influence has a detrimental effect. The actions of politically divided individuals have led several industries to incur higher expenses in the form of taxes and bribes (Permana et al., 2022; Wiryawan, 2019). Numerous sectors have economic constraints that result in occasional termination of employment.

Researchers employed a mixed method to analyze the decentralization of municipal institutions in Batam City. According to Creswell (2009), mixed methods research allows for a more in-depth exploration of the issue units that have occurred and are presently occurring, using both descriptive and statistical analytic techniques. The method was also applied to ensure that the findings can offer innovative solutions for future perspectives (Sugiyono, 2011). Researchers have developed a set of closed interview

questions specifically tailored for in-depth qualitative study analysis. Meanwhile, questionnaires are sent to obtain proper study data. Hence, both qualitative and quantitative data were integrated to address the primary study issues and investigate the variables responsible for the deterioration of Batam city following the implementation of decentralization.

Qualitative Approach

The researchers created a set of closed-ended interview questions that were specially tailored for a thorough qualitative analysis. Both primary and secondary data sources were utilized to address study inquiries concerning the factors that led to the decline of Batam City. The interview items were systematically prepared by conducting interviews with 6 individuals from each eligible interested actor involved in the Batam City decentralization issue, namely the Batam City Government, the Batam Authority Agency (BP Batam), the Riau Islands Province Chamber of Commerce and Industry (KADIN)-the City Representatives of Batam, the Batam City Regional People's Representative Council, academics, community leaders, and other interested actors.

The researchers employed the Delphi method in their data analysis to ensure a dependable agreement from the expert panel. The Delphi method is a systematic approach for gathering expert opinions by conducting a series of interviews and closed questionnaires. This process involves multiple rounds of questions, with feedback provided to the respondents while ensuring their anonymity (Okoli & Pawlowski, 2004). This strategy involves utilizing individual panels to transfer problematic concepts and strategic approaches that are then compiled in the researchers' report for further analysis. The method was created in the 1950s as a means of gathering expert opinions. It primarily focuses on obtaining statements, arguments, comments, and constructive discussions from a group of respondents. Additionally, it aims to establish a rating scale for the selection of policies (Landeta, 2006).

The researchers conducted an examination using a Delphi analysis methodology involving a panel of 15 experts. The panel-

ists were inquired about prospective policies that may be enforced in Batam. In this situation, many iterations of interviews and/or questionnaire completion will be carried out. The panelists' progress in obtaining consensus on the appropriate strategy to be implemented in Batam will be rigorously examined at each session.

Quantitative Approach

Along with conducting closed interviews with relevant stakeholders to gather qualitative data, researchers also implemented a quantitative approach by distributing questionnaires to facilitate the collection of statistical data. This approach enables us to identify numerical values pertaining to the failure of decentralization in Batam. The study specifically targeted the business sector in Batam. A total of 120 questionnaires were distributed to medium-sized business owners, large-scale business owners, local investors, and residents of Batam. These groups were chosen because they were directly affected by the transition from centralization to decentralization, which ultimately led to a decline in economic growth and social welfare.

Also, the researchers conducted a categorization by utilizing a Likert scale based on the responses provided by the research participants. By acquiring quantitative data, researchers successfully elucidated the real facts to assess the failure of decentralization and its influence on conflicts of interest in Batam.

Data Analysis

The Analytical Hierarchy Process (AHP) is a methodology used to make judgments for complicated, unstructured, and multi-attribute situations. It involves evaluating decision options based on certain criteria and selecting the optimal option, which is quantified by a numerical value (Emrouznejad & Marra, 2017; Wibisono, 2006). This decision support model aims to break down intricate issues that include several factors or criteria into a hierarchical structure. It may be used for tasks such as planning, allocating resources, and setting strategic priorities, especially in circum-

Table 1. Setbacks Based on Perception from Experts, Business Practitioners, and Society

Reason	Experts (order level)	Business Practitioners	Society
Institutional Dualism-Conflict	1	17.61%	15.61%
Legal uncertainty and long-term policy direction	2	15.34%	5.73%
The decline in investment and economic growth	3	14.77%	29.62%
The decreasing competitiveness	4	9.09%	-
Social problems (housing, poverty, drugs)	5	-	5.73%
Unemployment	-	14.20%	38.85%
Labor issues	-	12.50%	2.55%
Other problems	-	5.11%	1.91%

Source: Data Analysis

stances when conflicts arise. The analytic hierarchy process enables the decomposition of a complicated problem into groups, which are then organized hierarchically to provide a structured and systematic representation of the problem (Darko et al., 2019).

Researchers employed the AHP to ascertain the most advantageous resolution to the power dichotomy prevalent in Batam City. This is achieved by soliciting recommendations from experts, analyzing both quantitative and qualitative data, evaluating alternative options, and engaging in a systematic decision-making process. The fundamental principle behind the establishment of a hierarchy is the methodical organization and analysis of the structure by deconstructing the problem into its component elements (Asadabadi et al., 2019). By employing the AHP technique, we have created and disseminated questionnaires to specialists, who are required to provide their opinions and assessments. Hence, the study analysis was conducted by picking a predetermined sample of experts, specifically 15 experts who were gathered using the prior Delphi method.

The use of AHP is highly appropriate and adaptable for determining and making optimal decisions. It employs a hierarchical framework to prioritize solutions from multiple suggestions, enabling the selection of the best decision.

FINDINGS AND DISCUSSION

There are a lot of disagreements about the growth of decentralization in Batam City, and these disagreements are related to the policy approach and the institutionalism philosophy. In the first place, the development of integrated policy outcomes should be based on the institutional study of public policy, institutions, and institutions that include formal rules, informal norms, and organizational structures. In the case of Indonesia, the legacy of an authoritarian regime has left behind an institutional legacy that has an impact on both the process and the outcomes of policymaking (Haggard & Kaufman, 2000). According to Braun & Guston (2003), complex institutional frameworks frequently contribute to the perpetuation of inefficiencies, corruption, and policy distortions, which in turn impedes efforts to achieve effective governance and change as well.

The research conducted in Batam City reveals that there is a conflict between institutional theory and policy, which has led to a lack of both innovation and progress in policy implementation. Following the implementation of regional autonomy, the presence of institutional and power dualism has led to a state of confusion regarding the relevant laws and policies. According to conversations with experts, the duality has significant repercussions for economic develop-

Table 2. Policy’s Solution-Selection Results through the AHP Method

Policy Alternatives	FTZ	KEK	Special Autonomy
Economics	0,0307	0,0288	0,0644
Law	0,0271	0,0263	0,0397
Politics	0,0971	0,0853	0,1731
Bureaucracy	0,1486	0,1191	0,1573
Total	0,3037	0,2597	0,4347
Priority	2	3	1

Source: Data Analysis

ment, diminished competitiveness, and social issues. Furthermore, studies conducted among business practitioners corroborate this finding. Institutional dualism is seen as the primary element responsible for the first fall. Subsequently, investment and economic growth rates also decreased, along with issues of unemployment, legal ambiguity, employment challenges, a fall in Batam’s competitiveness, and social concerns.

Contrary to earlier research, a study conducted in the Batam community revealed that unemployment is the primary reason contributing to the fall in public sentiment towards the ruling institutions in the city of Batam. This unemployment issue has negatively impacted the stability of social welfare. Furthermore, this issue is closely associated with the problem of diminishing economic growth, which leads to reduced investment, job cuts, and a rise in social inequality. Additionally, Table 1 presents a concise overview of the perspectives of professionals, business practitioners, and the public on the issues contributing to the downfall of Batam City.

The findings of this study are consistent with prior studies by Arif & Maksum (2017), Murti (2014), and Putra & Kumorotomo (2014), who discovered that the primary difficulty in Batam was institutional dualism following the establishment of regional autonomy. The status of Batam as an independent territory raises overlapping jurisdiction between the Batam Government and BP Batam. The existence of these two entities, which are supported by legal substances and have distinct structures, renders

the implementation of Batam's management policies inharmonious. According to Permana et al. (2022), with the adoption of regional autonomy, the Batam Government and BP Batam perceived themselves to have a very strong legal and political position. A solid legal basis sparked a regulatory battle between the Batam Government and BP Batam, particularly over land management, licensing, ports, airports, and tourism sector functions.

According to Law No. 32 of 2004, the Batam Government has broad responsibilities and authorities in regional administration, including social and urban development, the economy and investment, education, and healthcare. In contrast, BP Batam has limited economic development power under Article 8 of Government Regulation Number 46 of 2007. This demonstrates that the responsibility of building the economy (particularly international commerce and investment) is overseen by two entities with nearly equal authority. This situation is really advantageous for economic progress since both institutions may assist one another. However, it exacerbates the conflict of power between institutions.

Furthermore, considering the principal-agent theory, which investigates the connection between people and policymakers, there are difficulties in matching their interests (Wicaksono, 2018; Wood & Waterman, 2011). In Batam, the principal-agent dilemma is worsened by ineffective accountability systems and a culture of patronage, where agents prioritize their own or factional interests over the well-being of society (Dewi,

2008). Conversely, only a small number of individuals come together to give importance to the needs of their community (Miller, 2005). Consequently, when there is a lack of communication and understanding between those in charge and those carrying out the tasks, policies can not be properly aligned and ultimately fail to be implemented as intended (Ricks, 2018).

The principal-agent dilemma arises when central and local governments have divergent interests and capabilities, complicating governance and accountability. In Indonesia, asymmetric decentralization has intensified the principal-agent dilemma as central authorities struggle to monitor and control the actions of heterogeneous local governments (Mietzner, 2012). This governance challenge often results in policy inconsistencies, inefficiencies, and corruption at the local level. Asymmetric decentralization requires building the capacity of local governments to manage decentralized functions and responsibilities effectively. Despite efforts to strengthen local government capacity through training and technical assistance, persistent capacity gaps remain, particularly in less-developed regions (Mookherjee, 2006; Wood & Waterman, 2011). This capacity deficit limits the local governments' capability to deliver quality public services and implement policies efficiently.

Prior research reveals that the problematic relationship between two crucial organizations responsible for governing and expanding Batam must be improved by restructuring the respective authority and competencies. Excluding Ex-Officio from the ongoing asymmetric decentralization is not a strategic approach. The ongoing actions serve as a transient safeguard against political and economic upheaval, as well as other vested interests in Batam. Currently, researchers predict that there will be a significant disruption caused by jealousy, which will drive the two institutions to compete and dominate each other. This will happen despite the implementation of asymmetric decentralization and related factors like special economic zones.

Asymmetric decentralization is dependent on agreements and political circumstances that can mitigate conflict but have a

limited duration and do not effectively enhance prosperity. Meanwhile, in the context of Batam, special autonomy is employed to prioritize economic tasks. Throughout history, the progress of Batam as a distinct territory has relied significantly on the political determination of the Central Government. Nevertheless, with the introduction of decentralization, the Central Government appears to be hesitant to grant complete autonomy to Batam. The prior paradigm of autonomy was substituted with a comprehensive decentralized model. The institutional duality between the municipal administration and BP Batam is evident in the overlapping authority, which in turn contributes to the deterioration of Batam. This image illustrates that the implementation of decentralization in Indonesia has not yet achieved a functional-based regional administration. It may be inferred that the rate of growth in Batam has declined.

The next aspect is governance and legitimacy, which examines the correlation between the quality of governance, institutional legitimacy, and the results of policies. The quality of governance in Batam is undermined by problems such as poor rule of law, restricted transparency, and low institutional trust. These factors impair the legitimacy of public institutions and weaken the efficacy of policies. It is crucial to address the existing lack of effective governance to improve the credibility of institutions and achieve better policy results.

There is also a phenomenon of overlapping licensing services in the areas of land and building use licenses, commerce permits, and advertising permits. The land problem significantly affects commercial players, particularly home developers, who perceive that the dual authority in land management results in substantial economic expenses due to both organizations having the power to grant licenses.

Evidenced by a perpetuation of issues and disputes about jurisdiction, it is apparent that the execution of regional autonomy has proven to be unsuccessful. The formal manifestation of decentralization and regional autonomy is quite obvious, but their purpose remains ambiguous. Decentralization strategies aim to diminish the power of the central

government while increasing the power of provincial and regional governments. Hence, provincial and regional governments serve as mere appendages of the central government, possessing limited powers and authority. The primary objective of regional autonomy is to decentralize services and foster development based on the community's capabilities. Consequently, the regional government is unable to depend on or be reliant on the central government. This study also aims to investigate alternate strategies for the advancement of Batam. To address this issue, the researchers conducted an iterative process of selecting various policies in collaboration with experts.

After undergoing the iterative process of experts' selection of alternative policies, three policy choices were ultimately adopted in the final Delphi analysis: the implementation of special autonomy through the establishment of Batam Special Province, the implementation of Special Economic Zone (SEZ) policies, and the implementation of Free Trade Zone (FTZ) policies. The primary rationale for introducing special autonomy in Batam is to address the issue of institutional duality, as determined through expert interviews and earlier research investigations. The adoption of SEZ policies aims to preserve Batam as a distinct and significant economic region in Indonesia. Furthermore, Special Economic Zones (SEZs) are recognized for offering superior incentives compared to other programs. There are two justifications for preserving the FTZ policy. Firstly, it is imperative to establish legal clarity in Batam, as the statute explicitly stipulates that the Free Trade Zone (FTZ) in Batam remains effective for 70 years from its inception. Furthermore, the previous implementation of Free Trade Zone (FTZ) regulations has yielded valuable insights that may be leveraged to enhance competitiveness. Table 2 provides a more detailed description of the three policies.

The Delphi analysis yields the ultimate outcomes, which are subsequently employed as alternative options in the AHP approach. Prior research has categorized the primary issues in Batam under four criteria: economic, legal certainty, political elements, and bureaucracy. The AHP technique is anticipated to yield priority policy options that can

be implemented in Batam. The AHP method calculation results show that the Special Autonomy policy is the best alternative for implementing the policy in Batam. The Special Autonomy policy choice has the highest final calculation value, 0.434759. The Free Trade Zone (FTZ) policy option has a final calculation value of 0.303706, whilst the Special Economic Zone (KEK) policy option has the lowest final calculation value of 0.259758.

Civil society and accountability theories emphasize the role of civil society organizations (CSOs) and media in promoting transparency, accountability, and citizen participation in policymaking. In Indonesia, although civil society has become more vibrant since the democratic transition, CSOs often face constraints, including legal restrictions and intimidation, limiting their effectiveness in holding institutions accountable (Slater, 2014). Strengthening society and media freedom is essential for enhancing institutional transparency and responsiveness. Hence, it can develop policy resilience and adaptability focusing on the ability of policies and institutions to withstand shocks and adapt to changing conditions (Ayuningtyas et al., 2021). In Indonesia, the pandemic exposed vulnerabilities in the healthcare system, highlighting the need for greater policy resilience and adaptability (Wahyuni & Qodir, 2021). Building adaptive capacity and fostering policy innovation is critical for addressing emerging challenges and ensuring long-term sustainability in public policy.

Asymmetric decentralization requires building the capacity of local governments to manage decentralized functions and responsibilities effectively. In Indonesia, despite efforts to strengthen local government capacity through training and technical assistance, persistent capacity gaps remain, particularly in less-developed regions. This capacity deficit limits the local government's ability to deliver quality public services and implement policies efficiently. Then, the political economy of decentralization examines the distribution of power, interests, and resources between central and local actors. In Indonesia, asymmetric decentralization has been shaped by political considerations, including elite capture, patronage networks, and electoral dynamics

(Diprose et al., 2019). These political factors often undermine the objectives of decentralization, leading to policy distortions, rent-seeking behavior, and institutional failures.

A robust legal framework and regulatory environment are essential for guiding the implementation of asymmetric decentralization and addressing governance challenges. In Indonesia, the legal framework governing decentralization has been characterized by ambiguity, inconsistencies, and gaps, leading to legal disputes, conflicts, and administrative bottlenecks (Wahyuni, 2020). Improving the legal and regulatory framework is crucial for clarifying roles, responsibilities, and accountability mechanisms in decentralized governance. Economic development and regional disparities in asymmetric decentralization can influence economic growth and exacerbate regional disparities by affecting investment, infrastructure development, and job creation. In Indonesia, the uneven distribution of resources and investment opportunities between regions has perpetuated economic inequalities and development gaps (Dewi, 2008). Addressing regional disparities and promoting inclusive growth is essential for reducing poverty, enhancing social cohesion, and ensuring sustainable development in decentralized Indonesia.

Lastly, policy learning and adaptation are essential for improving the effectiveness of asymmetric decentralization and addressing emerging governance challenges. In Indonesia, fostering policy learning and knowledge exchange between central and local governments can help identify best practices, innovative solutions, and adaptive strategies to overcome institutional failures (Haggard & Kaufman, 1995). Promoting a culture of learning, collaboration, and continuous improvement is critical for enhancing decentralized governance and achieving better policy outcomes.

CONCLUSION

As a result of the experts' recommendation that special autonomy be selected as the optimal policy choice, it is anticipated that the Batam Government and BP Batam would merge their operations into a single organization. Batam's income is predicted to

increase significantly as a result of merging those institutions since a single institution will control it. Furthermore, as a province, it is expected that Batam will be less difficult to administer. Both the problem of institutional dualism on Batam and the fact that this option is deemed to be the most practical answer are permanently resolved by this choice. There is a chance that the two institutions will continue to exist in Batam, which can bring back the concept of institutional dualism. This is the case if the Central Government continues to implement the SEZ or FTZ policies. Based on the findings of the research conducted by Murti (2014), it is essential to establish special autonomy to facilitate the ongoing development of Batam into an industrial region, in addition to facilitating free commerce and free ports.

As a result, the special autonomy policy was viewed as a solution to the problem of institutional dualism. However, the notion of special autonomy is not new in government policy; it is also known as asymmetric decentralization. In this regard, Batam stands out from other special autonomous areas. Since its beginning, Batam has been positioned for strategic economic objectives. As a result, the idea of asymmetric decentralization must also reflect this approach. However, implementing special autonomy policies in Batam as an economic-autonomy area necessitates further technical and extensive research on legal and regulatory issues.

Implementation of the special autonomy policy was introduced as a solution to address the challenges posed by institutional dualism within the Indonesian governance structure. Special autonomy, although not a novel concept in government policy, essentially embodies the principles of asymmetric decentralization. However, the application of special autonomy in different regions can vary significantly based on their unique characteristics and strategic interests. Batam's special autonomous status is intricately linked to its strategic economic significance. From its inception, Batam was earmarked for fostering economic development and attracting investments, thereby necessitating a tailored approach to asymmetric decentralization that aligns with its economic orientation and objectives.

Despite Batam's unique economic focus and strategic importance, realizing the full potential of special autonomy policies as an economic autonomy region requires comprehensive and detailed studies. This includes rigorous examinations of juridical frameworks, regulatory environments, and administrative mechanisms to ensure effective implementation and governance. The complexities associated with integrating economic autonomy within the special autonomy framework demand nuanced and context-specific policy interventions. Therefore, follow-up studies and technical evaluations are crucial to addressing legal ambiguities, streamlining regulatory processes, and designing governance structures that can effectively support and sustain Batam's economic development goals within the framework of asymmetric decentralization.

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