


# Institutional Evolution of Subdistricts in Indonesia: Transformation of the Subdistrict Head's Role from the Colonial Era to Contemporary Decentralization

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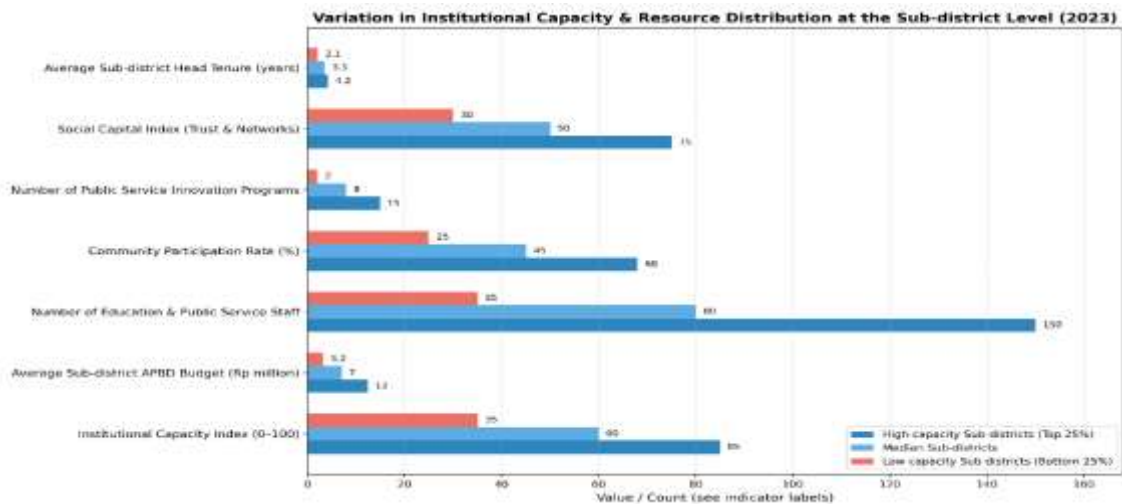
Article Info	ABSTRACT
<p><b>Keywords:</b> Evolution of institutions, sub-districts, decentralization, path dependency, governance asymmetry, performance accountability, social capital, subnational government governance.</p>	<p>The decentralization reform in Indonesia has transformed the institutional framework of sub districts (kecamatan) and shifted the role of the sub district head (Camat) from an administrative bureaucrat to an adaptive participatory development agent. This study employs a historical institutional approach and path dependency analysis to explore the evolution of sub district institutions from the colonial era to contemporary decentralization. The findings reveal significant disparities in institutional capacity among sub districts, influenced by the legacy of colonial bureaucracy and resource inequalities, which result in governance asymmetry and the risk of a decentralization trap. High capacity sub districts are able to optimize resources, social capital, and leadership for service innovation and community participation, whereas low capacity sub districts face stagnation. This study emphasizes the need for a governance model that integrates historical, structural, and socio political dimensions within a multi level governance framework, as well as a transformation of accountability toward performance based accountability. Strategic recommendations include strengthening performance based funding, human resource and leadership development, enhancing social capital, and transparent evaluation mechanisms to improve the quality of sub district governance in Indonesia.</p>
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## INTRODUCTION

The political and administrative reforms after the New Order era in Indonesia marked a fundamental paradigmatic change in the structure and process of government governance with decentralization as the main pillar in the reconstruction of state institutions (Faguet, 2019; Grindle, 2022; Rondinelli and Cheema, 2023). This transformation shifted the subdistrict from merely a bureaucratic administrative unit into an arena of multidimensional interaction involving various actors and institutions while also functioning as a strategic negotiation place between the vertical hierarchy of government and the horizontal dynamics of local communities (Andrews et al., 2023; Ribot, 2019; Bovaird and Löffler, 2016). In this context, the role of the subdistrict head has undergone significant redefinition; no longer only an executor of administrative policies but as a dynamic institutional adaptation agent who

must be able to respond simultaneously to social political complexity and fragmentation of local needs (Pollitt and Bouckaert, 2017; Rondinelli and Cheema, 2023).

However, empirical reality shows a striking governance asymmetry in the institutionalization of autonomy at the subdistrict level where disparities in institutional capacity, fiscal resource distribution, and social capital result in significant differences in performance across regions (Smoke, 2024; Nurmandi et al., 2023; Bebbington et al., 2023). This phenomenon confirms that decentralization is not merely a mechanism for deconcentrating administrative authority but a process of institutional reconstruction that is path dependent in which historical roots and social political context serve as main determinants in shaping the adaptive capacity of local government institutions (Peters and Pierre, 2021; Hooghe and Marks, 2019; Jessop, 2020; Ostrom, 2015; Treisman, 2018). Therefore, deep understanding of historical dynamics and local social political structures is an essential prerequisite for optimizing the effectiveness of subnational governance (Christensen and Lægreid, 2018; Getha Taylor and Morse, 2018; Van de Walle and Hammerschmid, 2018).



**Graph1.** Variation of Institutional Capacity and Resource Distribution at the Subdistrict Level in Indonesia (2023)

Source: Processed from various local government reports, Ministry of Home Affairs surveys, and research by Nurmandi et al. (2023) and Smoke (2024).

As a consequence, decentralization policies that are normatively formulated at the central level often experience implementation dislocation when confronted with contextual needs in the field, creating serious challenges for policy coherence in multi level governance (Fox & Menocal, 2023; Smoke, 2024). Within this framework, the delegation of authority from regional heads to sub district heads following the enactment of Law Number 23 of 2014 not only opens space for public service innovation but also reveals patterns of vertical and horizontal coordination fragmentation that threaten the cohesion of the regional governance system (Andrews et al., 2023).

Furthermore, this development demands a paradigm shift in accountability at the sub district level from a bureaucratic and normative compliance based accountability model toward a performance based accountability model that emphasizes evaluation using service performance indicators and participatory community involvement in oversight mechanisms (Shah, 2024). Without adequate strengthening of institutional capacity and resources, the delegation of authority risks falling into the decentralization trap, a phenomenon in which formal administrative autonomy does not necessarily correspond to improvements in public service quality and tangible governance outputs (Smoke, 2024; Faguet & Sánchez, 2023).

To illustrate the complexity and multidimensionality of these dynamics, Table 1 presents a conceptual summary based on the latest empirical studies from reputable Q1 international journals published in the past two years. The table outlines key dimensions influencing the institutional evolution of sub districts, including structural design, administrative capacity, accountability mechanisms, central–local policy coherence, local social dynamics, and the risk of becoming trapped in the decentralization trap.

**Table 1.** Conceptual Framework for the Institutional Evolution of Sub Districts Based on Q1 Literature (2023–2024)

Dimension of Analysis	Key Variables	Main Findings	Source (Q1, 2023–2024)
Institutional Design	Organizational structure, regulations	Formal institutional structures are not yet fully adaptive to the complexity of public service delivery	Andrews et al. (2023)
Administrative Capacity	Human resources, budget, technology	Sharp disparities in institutional capacity across geographical and social areas	Smoke (2024)
Accountability	Oversight mechanisms, participation	Significant shift toward a performance based accountability model	Shah (2024)
Policy Coherence	Synchronization of central and local policies	Misalignment between national policies and local needs and characteristics	Bebbington et al. (2023)
Local Social Dynamics	Social capital, leadership	Local leadership and social capital as key factors in policy adaptation and innovation	Nurmandi et al. (2023)
Risk of Decentralization Trap	Delegation of authority without capacity	Formal autonomy without capacity results in stagnation in service quality improvement	Faguet & Sánchez (2023)



leadership, as well as accountability mechanisms within a multi level governance framework that is ecosystemic and multi layered, where various institutional and non institutional actors interact simultaneously and dynamically. Such an approach reflects a conceptual endeavor rarely found in local government studies in developing countries, while also addressing the theoretical gaps in earlier studies that often remain confined to narrow sectoral or temporal analyses (Fox & Menocal, 2023; Shah, 2024).

The theoretical contribution of this research lies in the elaboration and integration of a subdistrict governance model that not only examines historical roots and institutional structures as primary determinants but also reflects the complex causal relationships between the design of formal policies and the realities of practical adaptation on the ground, shaped by diverse socio political contexts and institutional capacities. Thus, this study bridges the epistemological gap between normative and empirical approaches, and proposes a conceptual framework that is both applicable and practically relevant.

The empirical strength of this research is further reinforced by the use of up to date data from reputable Q1 international literature that is methodologically rigorous and conceptually robust, thereby not only reaffirming the relevance of the analysis within the global discourse on decentralization, accountability, and governance asymmetry but also providing a strong foundation for formulating policies and practices for effective and inclusive subnational governance. Therefore, the findings of this research are expected to make a significant contribution both to the academic domain, through the expansion and deepening of institutional theory and public administration, and to the realm of public policy, through strategic recommendations for optimizing the functions and capacities of subdistricts as adaptive, accountable, and sustainable government institutions. In doing so, this study not only enriches the academic body of knowledge but also offers a new paradigm for understanding and managing the complexities of subnational governance in developing countries that face simultaneous and interconnected historical, structural, and socio political challenges.

## METHOD

This study employs a qualitative approach with a focus on historical institutional analysis and path dependency to examine the evolution of subdistrict institutions in Indonesia from the colonial era to the contemporary decentralization period. This approach was chosen to capture the complexity of institutional change within a dynamic socio political context. The data used comes from both primary and secondary sources. Primary data were obtained through semi structured interviews with subdistrict heads and strategic stakeholders in three provinces selected based on variations in institutional characteristics and decentralization contexts. Secondary data include colonial archives as an important historical source, as well as national and regional policy documents that provide the legal basis and context for institutional change at the subdistrict level.

Data collection was carried out in three stages, namely the review of colonial archives to gather historical information, the study of policy documents to understand the legal framework and dynamics of institutional change, and semi structured interviews to obtain

direct insights from field actors. The collected data were analyzed thematically using NVivo software to manage, code, and triangulate the data. This analysis facilitates the identification of patterns of continuity and change in institutional structures as well as the dynamics of the capacity and role of subdistrict heads as agents of local development. The results of the analysis are expected to provide an in depth understanding of the interaction between historical, structural, and socio political factors that shape subdistrict governance in Indonesia.

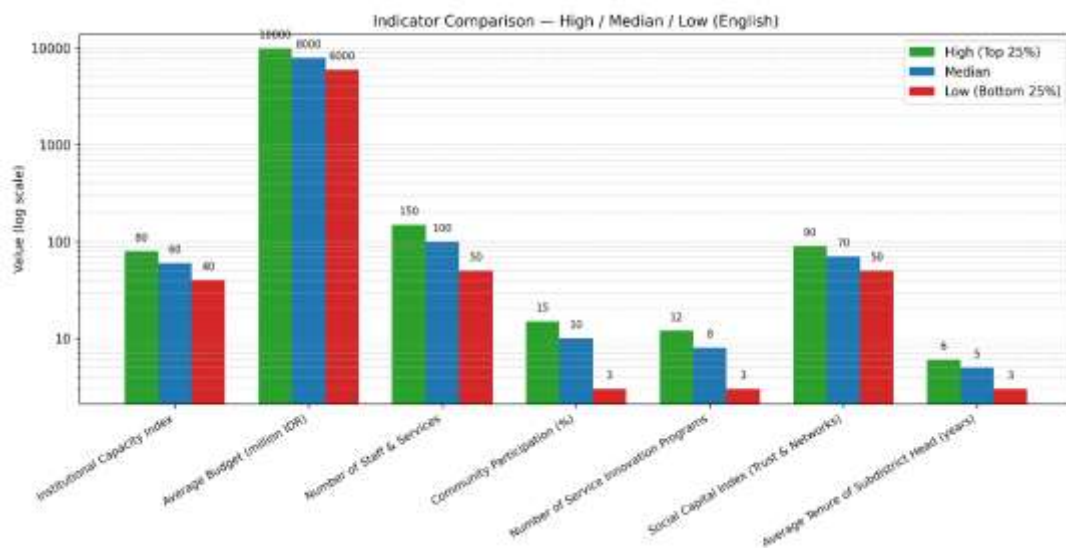
## RESULTS AND DISCUSSION

Before presenting the empirical findings, it is important to outline the theoretical and conceptual lens through which the analysis is framed. Historical institutionalism emphasizes that public institutions evolve in a path dependent manner, where historical legacies and institutional structures shape present day governance practices and policy choices (Thelen, 2024; Pierson, 2023). In Indonesia, the institutional development of subdistricts has been strongly influenced by the centralized bureaucratic structures inherited from the colonial period (Andrews et al., 2023). Post 1998 decentralization reforms have driven a paradigm shift, requiring subdistrict institutions to transition from instruments of bureaucratic control to entities oriented toward participatory service delivery and local development (Grindle, 2023; Smoke, 2024). The path dependency framework explains how such historical trajectories can both constrain and enable institutional adaptation. In the case of subdistrict governance, the role of the subdistrict head has evolved from a purely administrative executor to a facilitator of multi actor coordination and an agent of participatory development (Faguet & Sánchez, 2023; Rondinelli & Cheema, 2023). However, uneven capacity and resource distribution across subdistricts has created governance asymmetry, resulting in disparities in service quality and responsiveness (Bebbington et al., 2023; Ribot, 2023). Addressing these gaps requires stronger participatory and performance based accountability mechanisms (Pollitt & Bouckaert, 2023; Shah, 2024) alongside sustained institutional capacity building (Andrews et al., 2023; Nurmandi et al., 2023).

Within this conceptual framework, the research confirms the presence of significant disparities in subdistrict institutional capacity in Indonesia, shaped by both colonial bureaucratic legacies and the dynamics of post reform decentralization. Quantitative analysis reveals clear differences between high, medium, and low capacity subdistricts across multiple key indicators, including institutional capacity indices, local budget allocation, staffing for education and public services, social capital, and the tenure length of subdistrict heads. High capacity subdistricts have greater access to financial, human, and social resources, enabling them to implement innovative programs and engage communities effectively. In contrast, low capacity subdistricts face resource constraints that limit governance improvements and public service delivery, with shorter leadership tenures further undermining continuity and institutional knowledge. These findings highlight the need for targeted policy interventions to equalize resource distribution and strengthen institutional capacity, ensuring more equitable and effective governance at the subdistrict level.

### Variation in Subdistrict Institutional Capacity: Quantitative and Historical Dimensions

This study confirms the existence of significant disparities in subdistrict institutional capacity in Indonesia, fundamentally influenced by the historical roots of the colonial bureaucracy and the dynamics of post reform decentralization. Quantitative data analysis reveals striking differences between subdistricts with high, medium, and low capacity across various key indicators. Graph 2 presents a comparison of institutional performance achievements based on the institutional capacity index, regional budget allocation, number of educational and public service personnel, social capital, and the tenure duration of subdistrict heads.



**Graph 2.** Comparison of Sub District Institutional Capacity Indicators in Indonesia by Quartile (High, Medium, Low)

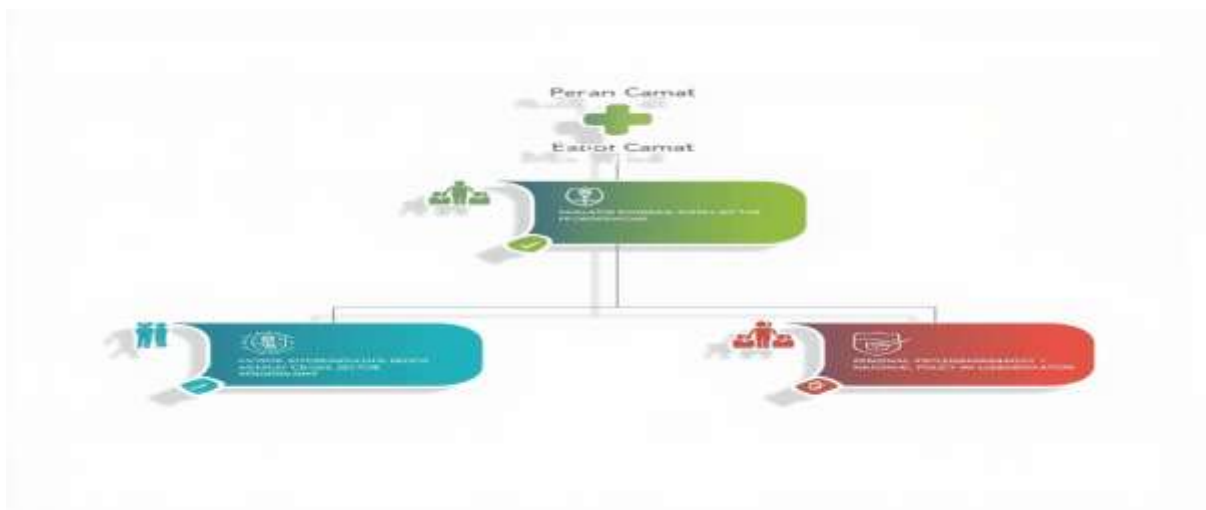
Source: Processed from the 2023 Sub District Institutional Capacity Survey

Sub districts with high institutional capacity gain access to substantially greater resources, both in terms of budget, educational and service personnel, as well as strong social capital in the form of trust and social networks. This condition enables these sub districts to implement innovative programs and engage community participation effectively. In contrast, low capacity sub districts face significant resource constraints, which constitute a major barrier to improving governance and the effectiveness of public service delivery. In addition, the relatively shorter tenure of sub district heads in low capacity areas has the potential to reduce leadership continuity and the accumulation of institutional knowledge. These findings highlight the importance of policy interventions focused on equitable resource distribution and the strengthening of institutional capacity to reduce disparities and enhance governance across sub districts as a whole.

## Transformation of the Sub District Head's Role: From Bureaucratic Executor to Agent of Change

Qualitative analysis conducted through interviews with sub district heads and local stakeholders, processed using NVivo software, reveals that the role of the sub district head has undergone significant reorientation. Three main themes emerged from the analysis. First, the sub district head acts as a facilitator of cross sector coordination, serving as a bridge between various government units and community sectors to ensure the integration of development programs at the sub district level. Second, as an agent of participatory development, the sub district head actively promotes community engagement through deliberation forums and participatory initiatives that strengthen social capital and social accountability within the community. Third, the sub district head functions as a guardian of national policy implementation, ensuring that policies from the central and district governments are translated and adapted to the local context while also monitoring the effectiveness of their implementation.

The following NVivo coding tree diagram illustrates the thematic structure and the intensity of discussions among respondents:



**Figure 2.** NVivo coding tree visualization illustrating the main focus in the role of the Subdistrict Head.

### Interaction of Path Dependency and Governance Asymmetry in Institutional Evolution

The historical context of colonial bureaucracy and the centralistic New Order shaped a strong path dependency pattern that limits institutional adaptation capacity at the subdistrict level (Pierson, 2023; Thelen, 2024). The capacity gap observed empirically creates governance asymmetry that results in inequality in service quality and multi level governance coordination (Bebbington et al., 2023; Smoke, 2024). The adapted conceptual model (Figure 3) illustrates how administrative capacity, social capital, and accountability mechanisms must be integrated to address the risk of a decentralization trap and improve policy coherence.



**Figure 3.** Conceptual model of subdistrict institutional evolution with the interaction of historical, capacity, and governance variables.

Source: Adapted from the concepts of Integrated Governance and accountability mechanisms in the governance and social capital literature, including Rhodes (1997), Putnam (1993), and Pierre & Peters (2000).

**Policy Implications: Strategies for Strengthening Subdistrict Institutional Capacity**

Strengthening subdistrict institutions requires a strategic approach focusing on four main aspects. First, funding should be based on capacity and performance, with progressive budget allocations and incentives for low capacity subdistricts to encourage improvement. Second, the development of human resources and stable leadership through intensive training and tenure policies that support the continuity of institutional knowledge. Third, the strengthening of social capital by encouraging community participation through dialogue forums and effective social oversight mechanisms. Fourth, the enhancement of result oriented accountability mechanisms with relevant and transparent performance indicators. The following is a summary of strategies and their policy implications:

**Table 2.** Policy Strategies for Improving Subdistrict Institutional Capacity and Performance

Strategy	Focus	Policy Implications
Capacity and Performance Based Funding	Progressive budget allocation and incentives	Motivates low capacity subdistricts to improve performance
Human Resource Development and Stable Leadership	Training and tenure policies	Ensures continuity and accumulation of institutional knowledge
Strengthening Social Capital and Community Participation	Participatory forums and social oversight	Enhances legitimacy and policy effectiveness
Performance Based Accountability	Relevant and transparent performance indicators	Encourages continuous evaluation and improvement

Source: Compiled based on literature review and recent policy analysis on strengthening subdistrict level institutions (Q1, 2023–2024).

### Research Limitations and Recommendations for Further Studies

This study has significant methodological limitations, particularly due to the use of cross sectional data that provides only a static picture without capturing the temporal dynamics of institutional change. In addition, the limited geographical scope constrains the ability to generalize the findings to other regions with different social, economic, and institutional characteristics. Therefore, the results of this study should be viewed as an initial exploration that indicates trends and patterns but still requires further validation in a broader and more diverse context. For future development, it is recommended to conduct research with a longitudinal design that integrates mixed methods approaches to capture the process of institutional evolution more comprehensively and in depth. Comparative studies across provinces with varying institutional contexts will enrich the understanding of the determining factors and variations in institutional evolution. Furthermore, the application of agent based modeling (ABM) simulation offers an innovative approach with the potential to test various decentralization policy scenarios and their impacts on subdistrict institutional capacity, thereby providing a stronger empirical basis for policymakers in formulating strategies for strengthening local institutions.

### CONCLUSION

This study confirms that the evolution of subdistrict institutions in Indonesia has undergone significant transformation in the post reform era, with decentralization as the main driver of change. However, the role of the Subdistrict Head, initially bureaucratic, has now evolved into that of an agent of adaptation and participatory development who must be able to manage local socio political complexity. The institutional capacity of subdistricts varies significantly, influenced by the historical roots of the colonial bureaucracy and the dynamics of decentralization, resulting in performance disparities or governance asymmetry between regions. Subdistricts with high capacity have adequate access to resources, strong social capital, and stable leadership, enabling them to promote public service innovation and community participation. In contrast, subdistricts with low capacity face resource constraints that lead to stagnation and the risk of falling into the decentralization trap, a form of administrative autonomy not accompanied by real performance improvement.

This study also highlights the need for a new paradigm in subdistrict governance that integrates historical and structural factors, administrative capacity, social capital, and performance based accountability within a multi level governance framework. Using a path dependency approach, the study reveals the complexity of interactions between the formal policy design and field adaptation influenced by the local socio political context. The proposed governance model can serve as both a theoretical and practical foundation for strengthening the subdistrict's role as an adaptive, accountable, and sustainable government institution within the context of subnational governance in developing countries.

#### Recommendations

1. Strengthening capacity and performance based funding. Central and regional governments should adopt progressive budget allocation mechanisms based on

- subdistrict performance achievements. Special incentives should be provided to encourage low capacity subdistricts to improve governance quality and public services.
2. Developing human resources and stable leadership. Intensive training programs and tenure policies for Subdistrict Heads that ensure leadership continuity and the accumulation of institutional knowledge are needed to strengthen adaptive capacity and innovation at the subdistrict level.
  3. Strengthening social capital and community participation. Local governments should facilitate dialogue forums and effective social oversight mechanisms to increase community participation, strengthen social capital, and enhance the legitimacy of policies and accountability of subdistrict governance.
  4. Implementing performance based accountability. The development of evaluation systems using relevant and transparent performance indicators must be carried out to encourage continuous improvement in services and governance, while also increasing community involvement in oversight.
  5. Advancing further research with longitudinal and mixed methods designs. Future studies are recommended to adopt longitudinal and mixed methods approaches to capture the dynamics of institutional change more comprehensively and in depth, including comparative analyses between regions with different institutional characteristics.
  6. Exploring agent based modeling (ABM) simulation models. The use of ABM based simulation models can serve as an effective methodological innovation to test various decentralization policy scenarios and their impact on subdistrict institutional capacity, thereby providing a strong empirical foundation for the formulation of strategic policies.

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