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The Influence of Quasi- or Hybrid-Authority Governments in Promoting the Emergence of a Sequential Decentralization Model: A Comparison of the United Kingdom and France Model

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Keywords:
Nusantara Capital City; Quasi-Hybrid Authority; Sequential Asymmetric Decentralization; Indonesia; United Kingdom; France

Abstract:
Structural inconsistencies regarding the legal status of the Nusantara Capital City Authority (IKN) and its Head who simultaneously act as special regional government administrators and central government representatives have produced a governance setup marked by dual authority. This institutional overlap is exacerbated by the fact that the IKN Authority and its leadership also operate as contracting parties in private investment agreements for capital development. Such regulatory design under the IKN Law departs sharply from constitutional and statutory provisions that traditionally govern regional administration. Addressing these discrepancies, this article applied a normative legal research design with a comparative approach. The analysis demonstrates that a quasi- or hybrid-authority governance model provides a novel theoretical framework to map the relational dynamics between the IKN Authority and the Central Government. To eliminate statutory disparities while respecting constitutional local governance principles, the paper argues for a sequential asymmetric decentralization model adapted from Tulia G. Falleti's theory—an approach previously implemented in jurisdictions such as the United Kingdom and France. Beyond theoretical contributions, these findings offer concrete guidance for future policy planning and regulatory design for the national capital within Indonesia's regional autonomy framework

Kata Kunci:
Ibu Kota Nusantara; Quasi-Hybrid Authority; Desentralisasi Asimetris Sekuensial; Indonesia; United Kingdom; France

Abstrak:
Ketimpangan pengaturan kedudukan Lembaga dan Kepala Otorita Ibu Kota Nusantara (IKN) sebagai penyelenggara Pemerintahan Daerah Khusus Ibu Kota dan juga sebagai wakil pemerintah pusat, memunculkan model pemerintahan dengan kewenangan yang ganda. Problematika semakin menguat melihat Lembaga dan Kepala Otorita Ibu Kota Nusantara juga bertindak sebagai pihak dalam perjanjian investasi pembangunan IKN. Pengaturan UU IKN juga memiliki perbedaan mendasar dengan pengaturan pemerintahan daerah pada konstitusi dan undang-undang pemerintahan daerah. Untuk dapat mengurai permasalahan ketimpangan tersebut, penulisan jurnal ini menggunakan metode penelitian normative dengan studi perbandingan. Ditemukan hasil bahwa model quasi atau hybrid authority government merupakan model baru yang dapat digunakan untuk menggambarkan pola hubungan kewenangan Lembaga Otorita Ibu Kota Nusantara dengan Pemerintah Pusat. Agar tidak ada ketimpangan pengaturan kedudukan Lembaga Otorita IKN dengan segala kewenangan yang dimiliki dan melihat ketentuan konsep pemerintahan daerah sebagaimana diatur dalam konstitusi dan undang-undang, maka perlu diselenggarakan model

desentralisasi asimetris sekuensial yang lahir dari adopsi teori sequential decentralization milik Tulia G. Falleti, yang juga diterapkan di beberapa negara, misal Inggris dan Perancis. Artikel ini diharapkan dapat memberikan sumbangsih model pengaturan penyelenggaraan desentralisasi asimetris di Ibu Kota Negara pada masa depan. Temuan model ini merupakan temuan baru yang dapat menjadi pertimbangan rancangan kebijakan penataan Ibu Kota Negara dalam rezim otonomi daerah.

A. Introduction

Debates surrounding the legal status of the Nusantara Capital City (IKN) and its Authority stem from statutory conflicts between the IKN Law—Law No. 3 of 2022, as amended by Law No. 21 of 2023—and the Regional Government Law (Law No. 23 of 2014). This legislative mismatch is particularly visible in provisions defining the capital's position within Indonesia's regional autonomy framework. Rather than operating harmoniously to govern IKN as a special autonomous region, these statutory frameworks contain contradictory directives regarding its administrative standing. Article 1(2) of the IKN Law designates the national capital as a special provincial-level administrative unit, tying this status to the territory specified as the capital's site. A comparable special designation historically applied to Jakarta under Law No. 29 of 2007 on the Government of the Special Capital Region of Jakarta (the Jakarta Special Capital Region Law). In theory, classifying IKN as a special provincial government unit ought to grant it asymmetric decentralization similar to Jakarta. In practice, sharp disparities emerge in how administrative, financial, and political authority is apportioned between IKN and established asymmetric regions like Jakarta.

Unlike the IKN framework, the statutory scheme governing Jakarta grants substantive autonomy beyond that of standard, symmetric regions. In Jakarta, administrative and political decentralization is sharply delineated. Under Article 7 of the Jakarta Special Capital Region Law, municipalities and regencies within Jakarta function purely as administrative entities rather than autonomous local governments. Article 19 reinforces this asymmetric model by placing mayors and regents under direct gubernatorial appointment, bypassing local electoral dynamics present elsewhere in Indonesia. Article 9 of the Jakarta Special Capital Region Law further consolidates this framework by vesting regional autonomy strictly at the provincial level. Centering authority within the province aligns with the core rationale for asymmetric capital status, equipping the Governor—as head of the special regional executive—with expansive administrative jurisdiction across the entire capital territory.

Jakarta's asymmetric political setup is equally pronounced in its legislative architecture: a Regional People's Representative Council (DPRD) exists solely at the provincial level. Although Article 24 provides for municipal and regency advisory councils nominated by the public, their appointment remains contingent on provincial DPRD approval. In effect, assigning special administrative status to Jakarta was designed to concentrate and enhance local autonomy, not dilute it. These political and administrative distinctions directly dictate fiscal decentralization. Because autonomous power resides exclusively with the province while lower tiers operate as administrative arms, financial management is concentrated under the Governor as regional head. This fiscal model accords with Article 284(1) of the Regional Government Law, which designates the elected Regional Head as sole custodian of regional financial management—effectively excluding appointed municipal mayors and regents in Jakarta from holding independent fiscal authority.

Despite relocating the national capital from Jakarta to Nusantara, Law No. 2 of 2024 on the Special Capital Region of Jakarta (as amended by Law No. 151 of 2024) reaffirming Jakarta's special administrative standing was enacted.[1] The DKJ Law highlights the distinct nature of Jakarta's asymmetric decentralization, explicitly spanning administrative, political, and fiscal autonomy.[2] A markedly different approach characterizes the legal framework of the Nusantara Capital City (IKN). Rather than fostering genuine asymmetric decentralization, the IKN Law embeds a framework driven by special centralization. This structural shift is evident in how the statute distributes administrative, political, and financial authority. The resulting framework reveals a centralistic orientation that departs from constitutional local governance principles under Article 18 of the 1945 Constitution of the Republic of Indonesia. Consequently, this creates jurisdictional friction, triggering competing claims over whether the special regional government functions as an autonomous entity or merely as an administrative arm of the central government.[3]

Under Article 5(4) of the IKN Law, the Head of the IKN Authority holds ministerial-level rank. This status directly shapes the appointment, removal, and dismissal of the Head,

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[1] K.P. Suharyono Soemarwoto Hadiningrat, "Opportunitiesand Challengesinthe Developmentof A Sustainable Capital City of Nusantara," *Jurnal Lemhannas RI* 12, no. 1 (2024): 2830–5728, https://doi.org/10.55960/jlri.v12i1.534.

[2] Rozi Beni, "Jurnal Hukum & Pembangunan Peran Baru Dan Kewenangan Khusus Jakarta Pasca Pemindahan Ibu Kota Negara Peran Baru Dan Kewenangan Khusus Jakarta Pasca Pemindahan Ibu Kota," *Hukum Dan Pembangunan* 54, no. 2 (2024): 409–32, https://doi.org/10.21143/jhp.vol54.no2.1621.

[3] Muhammad RM Fayasy Failaq and Faraz Almira Arelia, "Diskrepansi Sistem Pemerintahan Daerah Khusus Ibu Kota Negara (IKN) Nusantara," *JKSP: Jurnal Studi Kebijakan Publik* 1, no. 1 (2022): 57–69, https://doi.org/10.21787/jskp.1.2022.57-69.

which fall exclusively under presidential control. Such an executive structure fundamentally alters administrative and political accountability. Because the Head of the IKN Authority is appointed and dismissed solely by the President, accountability runs upward to the executive branch rather than downward to local citizenry as the ultimate bearers of popular sovereignty—a design standing in stark tension with democratic principles underlying regional autonomy. Formally holding cabinet rank, the Head functions less as an autonomous local executive and more as a presidential extension tasked with coordinating capital planning, development, and relocation.

This centralized structure similarly alters local political authority by eliminating regional executive elections. Although Article 18(4) of the 1945 Constitution mandates that regional heads be elected democratically, the IKN Law suppresses this local political mechanism, signalling a strong preference for centralized administration over decentralized governance. Existing literature underscores that direct democratic elections remain a foundational pillar of decentralized governance that cannot be easily set aside.[4] The IKN framework further curtails regional democratic representation by omitting a Regional People's Representative Council (DPRD). Article 18(3) of the 1945 Constitution mandates that autonomous regions, including provinces, maintain a local legislative body. By failing to provide for a DPRD, the IKN Law leaves no statutory space for representative-deliberative democracy at the capital level.

Fiscal management within IKN exhibits similar structural distortion. Under the original IKN Law (Law No. 3 of 2022), Article 25(1) designated the Head of the IKN Authority as a primary budget user within the central government framework. Following statutory revisions, Article 24B(1) of Law No. 21 of 2023 positioned the Head as manager of the IKN Budget (APB-IKN), equating this function to a standard regional head managing a local budget (APBD) under Article 24B(2). Although this mechanism superficially mirrors fiscal decentralization, it introduces a political imbalance: budget management remains entrusted to an official accountable strictly to the President rather than local constituents. In securing capital development funding, the Head of the IKN Authority operates in a dual capacity. Beyond serving as a special regional administrator, the Head acts in a private-law capacity—managing land acquisition, entering commercial development agreements with third parties, and structuring project financing with private investors. Governance under the IKN

[4] María Pilar and Carlos Antonio Flores Pérez García-Guadilla, "Democracy, Decentralization, and Clientelism: New Relationships and Old Practices," *Latin American Perspectives* 29 (2002): 90–109, https://doi.org/10.1177/0094582X02029005006.

Authority thus risks evolving into a hybrid model,[5] blending public administration with commercial execution akin to specialized non-structural agencies in the United States.

Indonesia has previously established specialized administrative entities, such as authorities in Batam, Borobudur, and Labuan Bajo-Flores. However, the regulatory architecture of the Batam Authority differs fundamentally from that of IKN. The Batam Authority—precursor to the Batam Indonesia Free Zone Authority (BP Batam)—was established specifically to manage, develop, and construct the Batam Free Trade Zone and Free Port Area (KPBB).[6] Positioned as an industrial development agency, BP Batam operates under presidential appointees holding ranks comparable to ministers or state-owned enterprise directors,[7] rather than as an institution governing a regional autonomy regime. Moreover, equating IKN to a economic development agency is problematic, as historical precedents show such arrangements frequently spawn jurisdictional disputes between local governments and development authorities.[8][9]

In principle, no statutory conflict should exist between the IKN Law, general regional governance laws, or the Constitution, given that IKN is framed as a Special Regional Government—a status that logically demands a stronger emphasis on decentralization than centralization. Harmonizing the IKN Authority's dual role as both a regional administrator and a central development agent remains essential. As Mahfud MD emphasizes, dividing authority between central and local governments in a democracy reinforces decentralization as the cornerstone of effective local administration.[10] These regulatory tensions justify close academic inquiry. First, this article examines the structural bias surrounding the Head of the IKN Authority, who occupies conflicting roles as a local regional head and a cabinet-level official. A parallel bias emerges in capital financing, which relies heavily on private investment

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[5] Ronald C. Moe, "The Emerging Federal Quasi Government: Issues of Management and Accountability," *Public Administration Review* 61, no. 3 (2001): 290–312, https://doi.org/http://www.jstor.org/stable/977601.

[6] Badan Pengusahaan Batam, "Tugas Dan Fungsi," Badan Pengusahaan Batam, 2020, https://bpbatam.go.id/wp-content/uploads/2020/09/tugas-dan-fungsi.png.

[7] "Peraturan Pemerintah Nomor 5 Tahun 2011 Tentang Perubahan Atas Peraturan Pemerintah Nomor 46 Tahun 2007 Tentang Kawasan Perdagangan Bebas Dan Pelabuhan Bebas Batam," n.d.

[8] Jetter Wilson Salamony, "Tinjauan Perubahan Nomenklatur Kepala Daerah Menjadi Kepala Otorita Pada Ibu Kota Negara Indonesia (Studi Terhadap Undang-Undang Nomor 3 Tahun 2022 Tentang Ibu Kota Negara)," *Jurnal IKAMAKUM* 2, no. 1 (2022).

[9] Muhammad Zaenuddin et al., "Dualisme Kelembagaan Antara Pemerintah Kota Dan Badan Pengusahaan Batam Serta Dampaknya Terhadap Kinerja Perekonomian Di Kota Batam," *Journal of Business Administration* 1, no. 2 (2017).

[10] Andrizal Andrizal simamora, birman, Eddy Asnawi, "Otonomi Khusus Terhadap Eksistensi Negara Kesatuan Republik Indonesia," *Jurnal Analisis Hukum* 4, no. 2 (2021): 242–63.

rather than sole reliance on the State Budget (APBN), forcing the IKN Authority to balance public fiscal management with commercial execution. This study analyzes these dual-authority dynamics through a comparative lens, examining similar "hybrid" or "quasi-authority" governance setups internationally.

Second, this article explores how institutional ambiguities within the IKN Authority fuel broader tug-of-war dynamics over administrative, political, and financial power. Addressing these ambiguities is critical to determining whether the future IKN government operates under decentralization or centralization. Rather than adopting immediate, sweeping autonomy, the author advocates aligning IKN governance with an asymmetric decentralization framework implemented sequentially. Sequential decentralization has proven effective internationally, notably in the United Kingdom[11] and France.[12] Building on these precedents, this study proposes a phased decentralization model to strengthen IKN's autonomous standing within Indonesia's future regional autonomy framework. The United Kingdom and France were selected as comparative cases of sequential decentralization because both are unitary states that have implemented differentiated forms of decentralization. The United Kingdom has adopted devolution, granting different degrees of authority to several metropolitan and territorial regions, while France has pursued gradual decentralization through the progressive transfer of powers from the central government to subnational authorities. Both countries also have relatively strong democratic institutions, making them relevant comparative examples for Indonesia.

This inquiry departs from existing literature that focuses primarily on formal statutory differences. For instance, Gunawan (2023) evaluates the constitutional legitimacy of relocating the capital by comparing Indonesia with the United States, Malaysia, and the Netherlands.[13] That study concludes that Indonesia lacks an explicit constitutional mandate for capital relocation, that the IKN Law suffered from minimal public participation, and that its provisions clash with regional autonomy principles. In contrast, the present article investigates the practical operational risks of the IKN Authority's dual status (as both regional government administrator and central development agent), demonstrating how this dual setup necessitates

[11] Noemia Bessa Vilela Rachel Wall, "Deal or No Deal: English Devolution, a Top-down Approach," *Lex Localis - Journal of Local Self-Government* 14, no. 3 (2016): 655–70, https://doi.org/10.4335/14.3.655-670(2016).

[12] Farimah Daftary, "Experimenting with Territorial Administrative Autonomy in Corsica: Exception or Pilot Region?," *International Journal on Minority and Group Rights* 15, no. 2–3 (2008): 273–312, https://doi.org/10.1163/157181108X332631.

[13] Angellia Gunawan, "Pemindahan Ibu Kota Negara Sebagai Pusat Pemerintahan Dalam Perspektif Perbandingan Konstitusi" (Universitas Airlangga, 2023).

redesigning authority distribution through sequential asymmetric decentralization. This study similarly diverges from Tauda (2025), who analyzes the constitutionality of the IKN statutory framework.[14] Tauda argues that the IKN Law aligns with Article 18 of the 1945 Constitution if Articles 18 through 18B are interpreted as autonomous, co-equal provisions without hierarchical subordination. Consequently, Tauda calls for a Fifth Amendment to Article 18(1) of the Constitution to accommodate political realities surrounding IKN governance. Rather than calling for immediate constitutional amendments, the present article offers a functional blueprint for restructuring IKN governance under an asymmetric, phased decentralization design.

With respect to this issue, the novelty of this study lies in its identification of a quasi- or hybrid government model within the institutional arrangement of the Nusantara Capital City (IKN), which is currently characterized by a centralized governance structure despite being established as a special regional government. To address the dual role of the IKN special regional government, which is inconsistent with the principles and objectives of regional autonomy, this study proposes a novel legal design of sequential asymmetric decentralization for the future governance of IKN. This proposed design seeks to restore the underlying principles of regional autonomy by gradually shifting IKN's governance structure from a centralized model toward a more decentralized system of special regional government.

B. Methods

This study applies a normative legal research design based on primary legal materials, digital documentary sources, and policy analysis. It examines how the dual legal status of the Nusantara Capital City (IKN) and its executive leadership influences the implementation of sequential decentralization. A statutory approach is used to delineate the quasi- or hybrid-governance structure governing the IKN Authority. To systematically evaluate the IKN Authority's hybrid structure, this study applies Karré's organizational framework across six core dimensions:[15]

(1) **Ownership:** Distinguishes between state and private title over assets or regulatory mandates;

[14] Gunawan A. Tauda, "Desentralisasi Asimetris Dan Pembentukan Daerah Khusus Ibu Kota Nusantara" (Universitas Gadjah Mada, 2025).

[15] Philip Marcel Karré, "The Thumbprint of a Hybrid Organization — A Multidimensional Model for Analysing Public / Private Hybrid Organizations," *Public Organization Review* 23, no. 2 (2023): 777–91, https://doi.org/10.1007/s11115-021-00598-2.

(2) **Activities:** Assesses whether operational functions represent public-law duties or commercial undertakings;

(3) **Funding:** Maps financial reliance on public budgets versus private investment;

(4) **Value Orientation:** Determines whether organizational priorities serve public interests or commercial returns;

(5) **Strategic Orientation:** Evaluates whether long-term planning aligns with state policy or market-driven objectives;

(6) **Autonomy:** Measures institutional independence from non-governmental and commercial pressures.

Applying Karré's typology provides a rigorous metric to classify the IKN Authority as a hybrid administrative entity—a newly emerging form of subnational governance in Indonesia.

Complementing this, a comparative approach examines sequential decentralization in the United Kingdom and France. These two jurisdictions were selected because they illustrate distinct configurations of asymmetric, incremental authority distribution within unitary, non-federal constitutional settings. Specifically, the comparative inquiry analyzes three key aspects: (1) statutory mechanisms for decentralization and devolution; (2) subnational institutional structures and authority allocation; and (3) Tulia G. Falleti's theoretical framework on sequential decentralization. These theoretical tenets are systematically evaluated and adapted to inform future authority distribution within the special regional government of IKN.

C. Result(s)

Preliminary analysis reveals a fundamental misalignment in the statutory framework governing the Nusantara Capital City (IKN) Authority and its executive leadership. Discrepancies among the IKN Law, the 1945 Constitution, and the Regional Government Law—which designates IKN as a Special Regional Government while assigning its executive head cabinet-level rank—introduce an unprecedented dynamic into Indonesian subnational governance. Previously, Indonesia maintained structural consistency across its asymmetric regions, ensuring that local executive setups aligned with constitutional mandates. Departures introduced by the IKN Law from Article 18 of the Constitution signal a broader systemic shift in national decentralization policy.

Subnational governance frameworks are frequently analyzed through Arthur Maass's division of power theory, which distinguishes between the Capital Division of Power (CDP) and the Areal Division of Power (ADP). The IKN model aligns closely with the centralized CDP structure. This centralizing impulse is reflected in statutory rules governing the Head of the IKN Authority, whose presidential appointment confirms their primary role as a central government representative within the capital territory. Although the IKN Authority holds operational responsibility for preparing, constructing, and relocating the capital, executive authority remains concentrated in the presidency. Unlike standard regional heads, the Head of the IKN Authority lacks autonomous executive standing. Consequently, the IKN framework embodies administrative deconcentration rather than true political decentralization, delegating administrative tasks to central officials operating locally under direct presidential control.

Comparative administrative theory divides local government systems into functional models (fragmented field administration) and prefectural models based on territorial divisions.[16] Indonesia traditionally adheres to a prefectural system. Within prefectural frameworks, scholarship distinguishes between integrated prefectures—where the prefect acts simultaneously as a central government representative and a local executive—and unintegrated prefectures, where the official functions purely as a central delegate.[17]

Statutory provisions reinforcing IKN's alignment with a centralized CDP model are most evident in the complete elimination of a local assembly (DPRD). Rather than establishing a subnational legislature, the IKN Law assigns parliamentary oversight exclusively to the national House of Representatives (DPR). Under this arrangement, legislative monitoring, policy evaluation, and statutory review of the capital's administration fall entirely under national parliamentary committees. Concentrating oversight within the national DPR underscores the extensive reach of central authority over IKN governance. This structure diverges sharply from standard, symmetrically decentralized regions governed by local assemblies, as well as established asymmetric jurisdictions such as Papua, Aceh, Jakarta, and Yogyakarta.

The distinct governance design of the Nusantara Capital City (IKN) occupies an intermediate position between standard subnational administration and direct central authority, culminating in a novel administrative framework: the hybrid or quasi-governance model. While conventional asymmetric designations in Indonesia expand local autonomy relative to symmetric regions, the IKN framework operates in reverse. Its institutional setup reinforces central control, exemplified by the presidential appointment of its executive head and the

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[16] Aries Djaenuri dan Enceng, *Sistem Pemerintah Daerah* (Tangerang: Universitas Terbuka, 2019).

[17] Bhenyamin Hossein et al., *Naskah Akademik Tata Hubungan Kewenangan Pemerintah Pusat Dan Daerah* (Jakarta: Pusat Kajian Pembangunan Administrasi Daerah dan Kota FISIP UI, 2004).

complete omission of a subnational legislature (DPRD). Consequently, the IKN Authority cannot be classified as a traditional autonomous local government, despite its statutory designation as a special regional entity.

This hybrid model represents an unconventional institutional combination within Indonesian administrative law.[18] Recent scholarship acknowledges that the IKN Authority functions simultaneously as a local regional administrator and an extension of central government authority.[19] In organizational theory, "hybrid governance" describes entities that blend public administrative functions with private-sector execution[20] a phenomenon widely observed in United States non-structural agencies.

D. Analysis and Discussion

1. Dualism of the IKN Authority in Relation to the Quasi or Hybrid Authority Model

In Indonesian administrative history, quasi-governmental arrangements were primarily utilized by state-owned enterprises (SOEs) combining public service mandates with commercial operations.[21] Extending this concept, this study adopts the term "hybrid governance" to describe the IKN framework. The hybrid model blends centralized political control and direct state oversight regarding capital development with the exercise of subnational administrative functions—specifically non-absolute or concurrent government affairs. Crucially, the IKN Authority holds independent fiscal management powers exceeding those of a conventional central agency carrying out delegated tasks. This hybrid setup directly addresses the institutional tension between the Authority's cabinet-level rank (placing its Head on par with a minister) and its constitutional mandate as a special regional government entity. This hybrid model reshapes the accountability framework governing the IKN Authority and its leadership. Navigating this dual status requires analyzing the institutional relationships, division of powers, and accountability mechanisms linking IKN to the Central Government, particularly regarding fiscal administration and capital development financing.

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[18] Diani Sadiawati, Rianda Dirkareshza, Wicipto Setiadi, and Elizabet Devi Permatasari. "Kewenangan Kepala Otorita Dalam Penyusunan Perencanaan Pembangunan Ibu Kota Negara Nusantara." Jurnal Penelitian Hukum De Jure Vol 23, no. 3 (2023): 325-340.

[19] Aprilia Dwi Ariyanti, and Sidik Pramono. "Memahami Kekhususan Ibu Kota Nusantara Dalam Perspektif Sistem Pemerintahan Asimetris." Journal of Syntax Literate 9, no. 11 (2024): 6888.

[20] Moe, "The Emerging Federal Quasi Government: Issues of Management and Accountability."

[21] AS Dimas, *Gambaran Umum Kelembagaan Negara Di Dalam Struktur Pemerintahan Negara Kesatuan Republik Indonesia*, 2018, https://doi.org/https://eprints.undip.ac.id/61879/3/BAB_II.pdf.

a) IKN Financial Management in Relation to the Quasi or Hybrid Authority Model

Article 18A (2) of the 1945 Constitution mandates that financial relations, public services, and resource utilization between central and regional governments be regulated fairly and harmoniously by statute. This constitutional provision serves as the primary benchmark for evaluating the IKN Law. Because Article 18A (2) broadly references "regional governments" rather than restricting its application to specific tiers (such as provinces or municipalities), it provides an appropriate legal basis for examining fiscal relations between the Central Government and the IKN Authority.

Regarding fiscal administration, the original IKN Law (Law No. 3 of 2022) designated the IKN Authority merely as a "budget user". However, statutory amendments under Law No. 21 of 2023 elevated the Authority to a full "budget manager". This shift expanded the Authority's jurisdiction beyond executing central allocations from the State Budget (APBN), granting it powers to formulate and manage its own dedicated regional budget—the Nusantara Capital City Budget (APB-IKN).[22] Consequently, this statutory revision reinforced the Authority's legal standing as a special regional government entity.

By assuming direct fiscal management, the IKN Authority achieves operational parity with autonomous local government units. This fiscal autonomy sets the IKN Authority apart from executive ministries and central agencies, which operate strictly as budget users executing assigned central allocations. Whereas standard central bodies lack independent budgetary domain, local governments manage transferred revenues within a Regional Budget (APBD)—a model replicated in IKN through the APB-IKN. This unique fiscal structure further distinguishes the IKN Authority from historical authority models in Indonesia, as summarized in the comparison below:

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[22] Muhamad Nafi Uz Zaman, "Perubahan Status Pengelolaan Keuangan Otorita Ibu Kota Nusantara," *Journal of Studia Legalia* 5, no. 1 (2024): 46–58, https://doi.org/10.61084/jsl.v5i01.87.

Table 1. Differences in Financial Management Between the IKN Authority and Other Authorities in Indonesia

Aspect	Batam Development Agency	Borobudur Authority	Labuan Bajo Flores Tourism Authority	IKN Authority
Legal Basis	Government Regulation No. 6 of 2011	Presidential Regulation No. 46 of 2017	Presidential Regulation No. 32 of 2018	Law No. 3 of 2022, as amended by Law No. 21 of 2023
Institutional Status	Public Service Agency (BLU)	Work Unit under the Ministry of Tourism	Work Unit under the Ministry of Tourism	Special Regional Government Unit
Status of Financial Manager	Budget User	Budget User	Budget User	Budget User and Budget Manager
Sources of Funding and Budget Proposals	State Budget (APBN), Regional Budget (APBD), and service fees, with budget allocations outlined in the BLU Business and Budget Plan	Ministry budget allocations, proposed under the State Budget (APBN) framework	Ministry budget allocations, proposed under the State Budget (APBN) framework	State Budget (APBN), IKN Budget (APB-IKN), and other legitimate sources, in accordance with the IKN Master Plan and/or the National Medium-Term Development Plan (RPJMN)
Budget accountability	Submitted to the Regional Council and the Minister of Finance	Submitted to vertical agencies and	Submitted to vertical agencies and	In accordance with the special budget

	the Ministry of Finance	the Ministry of Finance	management procedures for the IKN and submitted to the President

The table underscores that the IKN Authority diverges significantly from historical authority models in Indonesia. Because IKN's financial management aligns with subnational government structures—far exceeding the fiscal authority of standard development agencies or cabinet ministries—the IKN Authority cannot be categorized merely as an unintegrated executive body. Statutory discrepancies regarding IKN's administrative status, balance of powers, and fiscal autonomy generate systemic ambiguity concerning its location within Indonesia's constitutional governance framework.

This financial framework places the IKN Authority in a dual role, straddling central budget execution under the State Budget (APBN) and autonomous regional budget management through the IKN Regional Budget (APB-IKN). Combining central and subnational budgetary powers within a single entity is anomalous in Indonesian local governance. Managing central APBN allocations directly for capital construction confirms the Authority's hybrid nature. Furthermore, private-law exposure presents distinct accountability risks, particularly as land acquisition and infrastructure agreements with third parties position the Authority to act like a commercial development entity.

Evaluating IKN's fiscal position requires contrasting its statutory framework with general intergovernmental fiscal relations under Law No. 1 of 2022 on Fiscal Relations between the Central Government and Regional Governments. Although the IKN Law operates as *lex specialis*—superseding general fiscal relations statutes—comparing the two frameworks highlights key structural differences, particularly regarding Special Autonomy Funds versus IKN's special APBN transfers. Under Article 132 (1) of Law No. 1 of 2022, Special Autonomy Funds are reserved for recognized special autonomous regions. Conversely, Article 24A(5) of the amended IKN Law mandates direct, special APBN transfers into the APB-IKN. Whether these special transfers equate legally to Special Autonomy Funds remains ambiguous, directly impacting whether IKN functions as a fully autonomous region or merely as a special administrative zone.

b) IKN Development Financing Scheme in Relation to the Quasi or Hybrid Authority Model

Developing Nusantara represents a flagship national initiative, aiming to establish a sustainable, green smart city to model future capital urbanization. Attracting domestic and foreign private capital remains central to this vision. Digital platforms such as *Investara* facilitate private investment streams.[23] Incorporating private investment aligns with sustainable development principles that emphasize public-private collaboration, fostering broad stakeholder buy-in to achieve long-term urban sustainability.

Total capital development costs are estimated at IDR 466 trillion. Rather than relying solely on central tax revenues, the government designed a multi-tier financing strategy leveraging Public-Private Partnerships (PPPs), state-owned enterprises (SOEs), private entities, and foreign investors. This collaborative model is projected to generate roughly 80% of total capital relocation funding.[24]

Rigorously evaluating this financing structure is critical to gauge project readiness and prevent fiscal overexposure on the central budget. Beyond administrative relocation, the capital move aims to balance regional economic growth. Projections by the National Development Planning Agency (Bappenas) estimate a 0.1% increase in Gross Domestic Product (GDP) driven by the relocation,[25] alongside boosted interregional trade and investment inflows.[26]

Realizing these macroeconomic gains requires robust, resilient fiscal planning. While the state budget is not the primary funding vehicle, central fiscal allocations remain indispensable. APBN funding must be optimized to ensure capital construction does not stall should private investments or PPP pipelines encounter market delays.

Comparative research on new capital construction in several African nations illustrates the danger of inadequate financial planning, where major infrastructure and

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[23] Nusantara, "Berinvestasi Di IKN," ikn.go.id (Indoneesia, n.d.).

[24] Siswantoro, "Analisis Tingkat Kesiapan Anggaran Dan Pem- Biayaan Indonesia Dalam Memindahkan Ibu Kota Negara : Studi Kepustakaan Analysis of the Level of Budget Readiness and Fi- City : Literature Study," *Jurnal Studi Kebijakan Publik* 1, no. 1 (2022): 27–41, https://doi.org/10.21787/jskp.1.2022.27-41.

[25] Muhammad Taufiq, "Pemindahan Ibu Kota Dan Potensi Konektivitas Pemerataan Ekonomi," *Jurnal Vokasi Indonesia* 8, no. 1 (2020), https://doi.org/10.7454/jvi.v8i1.156.

[26] Manda Kumoro Saraswati, Emmanuel Ariananto, and Waluyo Adi, "Pemindahan Ibu Kota Negara Ke Provinsi Kalimantan Timur Berdasarkan Analisis Swot," *JISIP (Jurnal Ilmu Sosial Dan Pendidikan)* 6, no. 2 (2022): 4042–52, https://doi.org/10.58258/jisip.v6i2.3086.

public housing projects stalled due to severe fiscal shortfalls.[27] These international precedents offer valuable cautionary lessons for Indonesia, underscoring the need to mitigate fiscal risks that could halt capital relocation mid-way.[28] Analyzing state budget readiness remains essential, as the APBN underwrites foundational public infrastructure. Official budget records indicate that central allocations for IKN totaled IDR 54.695 trillion between 2020 and 2024.[29][30] Subsequent medium-term fiscal adjustments designated IDR 29.95 trillion for the Ministry of Public Works in 2025 and IDR 48.8 trillion for IKN between 2025 and 2028.[31] Restraining direct APBN funding aims to curb inflationary pressures, safeguard monetary stability, and prevent national liquidity strain.

National economic policies often utilize sovereign bond issuances to cover budgetary shortfalls. However, large-scale bond issuance alongside rising public debt can fuel inflation and weaken investor confidence if unbacked by stable monetary interventions. Such market volatility poses particular risks to PPP frameworks that rely heavily on capital commitments from private firms, SOEs, regionally-owned enterprises, and foreign corporations.[32] To avoid fiscal overreach, the government capped direct APBN contribution at roughly 19.2% of total project costs (approximately IDR 89.4 trillion).[33][34] The remaining 80% relies on PPP schemes and direct investment, tapping private sector capital and innovative financing mechanisms—including Foreign Direct Investment (FDI)—to bridge the capital gap without expanding state debt.

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27 P. L Abubakar, I. R., & Doan, "Building New Capital Cities in Africa: Lessons for New Satellite Towns in Developing Countries," *African Studies* 76, no. 4 (2017): 546–65, https://doi.org/10.1080/00020184.2017.1376850.

28 Saraswati, Ariananto, and Adi, "Pemindahan Ibu Kota Negara Ke Provinsi Kalimantan Timur Berdasarkan Analisis Swot."

29 Kementerian Keuangan Republik Indonesia, "Data APBN", accessed at https://www.kemenkeu.go.id/home, on 23 April 2026, 20.25 WIB

30 Satgas Pembangunan Infrastruktur IKN-PUPR. (2023). Progres Pembangunan Ibu Kota Negara "Nusantara", accessed at https://nusantara.pu.go.id › paparan-umum-ikn, on 23 April 2026, 21.03 WIB.

31 IKN.go.id., (2025), "Pasca Perpres 79/2025, IKN Bersiap Bangun Kawasan Legislatif dan Yudikatif, Infrastruktur dan Sumber Daya Manusia", accessed at https://ikn.go.id/id/posts/pasca-perpres-792025-ikn-bersiap-bangun-kawasan-legislatif-dan-yudikatif-infrastruktur-dan-sumber-daya-manusia, on 23 April 2026, 20.20 WIB

32 Presiden Republik Indonesia, "Pasal 1 Angka 7 Peraturan Presiden Republik Indonesia Nomor 38 Tahun 2015 Tentang Kerjasama Pemerintah Dengan Badan Usaha Dalam Penyediaan Infrastruktur" (2015).

33 A Fadli, "Jokowi Sebut 80 Persen Anggaran IKN Berasal Dari KPBU Dan Investasi Langsung," kompas.com, 2022.

34 Sinta Nungrum Ervina Wulandari, Tomi Setiawan, *Public Private Partnership Sebagai Solusi Pembiayaan Pembangunan Ibu Kota Negara (IKN)* (Bandung: Universitas Padjajaran, 2022).

In Indonesia, PPP frameworks are governed by Presidential Regulation No. 38 of 2015, which establishes long-term contractual partnerships between government authorities and business entities to deliver public infrastructure. Specifically for Nusantara, Head of the IKN Authority Regulation No. 9 of 2025 outlines PPP operational procedures within capital territory. This PPP model embeds institutional accountability by requiring rigorous due diligence before entering commercial partnerships. Tapping private expertise fosters technical innovation and operational efficiency. Structurally, the 80% non-APBN funding target is split into a 54.4% PPP allocation (IDR 253.4 trillion) and a 26.4% direct private investment allocation (IDR 123.2 trillion).[35]

Under standard PPP and direct investment structures, private entities design, finance, and operate infrastructure assets over a concession period before transferring them back to the state.[36] In IKN, these concession schemes welcome both domestic (PMDN) and foreign (PMA) capital. Project risks are allocated based on risk-bearing capacity.[37] Crucially, IKN PPP structures utilize Availability Payment mechanisms, shifting demand and usage risks away from the public while balancing performance risks between the state and private concessionaires.

Previous research has identified a form of IKN contract analysis based on PPP theory and field practices, as follows:[38]

Table 2. Analysis of PPP Contracts Implemented in the IKN

No.	**Contractual Aspects of the IKN**	**Implementation in the IKN**
1.	Contract Characteristics	Long-term KPBU Contract
2.	Duration	May be up to 20–50 years (Ministry of Finance Regulation (PMK) No. 115/PMK.06/2020 on the Utilization of State-Owned Assets; and Article 32(2)(b) of Presidential Regulation

[35] Ervina Wulandari, Tomi Setiawan.

[36] Ida Hayu Dwimawanti Feri Lintang Saputra, Budi Puspo Priyadi, "Public-Private Partnership Pada Sistem Penyediaan Air Minum (SPAM) Semarang Barat," *Journal of Public Policy and Management Review* 15, no. 1 (2024): 72–86, https://doi.org/10.25130/sc.24.1.6.

[37] G. Matos-Castaño, J., Mahalingam, A. and Dewulf, "Unpacking the Path-Dependent Process of Institutional Change for PPPs," *Australian Journal of Public Administration* 7347–66 (2014), https://doi.org/10.1111/1467-8500.12062.

[38] Danang Bertrand Camico Yana Syafriyana Hijri, Saiman, Ahmad Arrozy, "Tata Kelola Kemitraan Pemerintah-Swasta (PPP/KPBU) Dalam Pembangunan Ibu Kota Nusantara," *C. Sospol* 12, no. 1 (2022): 109–42, https://doi.org/10.22219/jurnalsospol.v12i1.43589.

		(Perpres) No. 38 of 2015 on Government Cooperation with Business Entities in Infrastructure Provision)
3.	Contract Focus	Provision of public services in the infrastructure sector
4.	Risk Sharing	Risks are shared by both parties: the government bears the risks associated with the policies it issues, while businesses or private entities are responsible for risks arising from the technical and operational aspects of the projects or programs they undertake.
5.	Payment	There are two options: *a. User charge* *b. Availability payment* (Ministry of Finance Regulation (PMK) No. 220/PMK.08/2022 and Articles 29 and 30 of Government Regulation No. 17 of 2022 on Budget Financing and Management in Connection with the Preparation, Construction, and Relocation of the National Capital City) What is currently being used at the IKN for this project is *Availability payment*

As illustrated above, the operationalization of PPPs and direct investment mechanisms underscores a multi-stakeholder governance structure for IKN. By engaging market actors alongside state entities, this financing architecture treats capital infrastructure development as a shared public-private imperative.

Mobilizing off-budget capital signifies a shift away from strictly centralized fiscal policies. While expanding non-APBN funding mitigates immediate state budget exposure, long-term fiscal relief must be critically weighed against inherent investment risks. Under the Availability Payment (AP) structure, the state commits to fixed long-term annuity payments to concessionaires while retaining political and policy risks. Consequently, commercial shortfalls or project defaults under these multi-decadal concession contracts threaten to reinstate fiscal burdens onto the state. Alternative financing models, such as user-charge schemes (tariffs imposed directly on consumers for utilities, transit, or toll roads), remain economically unviable at this stage due to IKN's initial population base.

Heavy reliance on off-budget capital introduces systemic risk to capital development continuity. Private concessionaires prioritize commercial returns and risk mitigation. Structuring robust, balanced contract specifications is therefore essential to maintain investor confidence without compromising public interest. However, a structural tension exists between private profit maximization—which incentivizes cost minimization—and the public mandate to construct civic infrastructure that meets national capital standards. Conflict between public service imperatives and private profit motives positions the IKN Authority as a "quasi-authority" operating at the intersection of public and private domains. This institutional duality mirrors hybrid government entities in the United States, such as Fannie Mae, the National Park Foundation, or the Polish-American Enterprise Fund.[39]

Dominant private capital participation risks creating regulatory capture and policy distortion, triggering friction between public accountability (serving civic welfare) and private accountability (delivering shareholder value). Structural dependency on market financing increases the likelihood that commercial interests will compromise public policy priorities. Under contractual governance, state accountability focuses on ensuring standard-compliant public service delivery rather than commercial profitability. This dynamic complicates supervisory mechanisms, creating a dual oversight imperative that must evaluate performance simultaneously through a public policy lens and a commercial feasibility framework.

Statutorily, budget implementation and financing supervision are grounded in Article 184 of Government Regulation No. 17 of 2022. For Availability Payment mechanisms, Article 24 of OIKN Head Regulation No. 9 of 2025 assigns supervisory responsibility to the Government Cooperation Contracting Agency (PJPK)—comprising relevant Ministers, Agency Heads, SOE Boards of Directors, or the Head of the IKN Authority. Concentrating supervisory authority within executive officials creates systemic oversight complexity, as these bodies must monitor both public policy compliance and commercial performance metrics. Furthermore, democratic oversight bodies—including the House of Representatives (DPR) and the general public—face institutional hurdles in scrutinizing proprietary commercial arrangements.

Ultimately, heavy reliance on off-budget financing combined with overlapping public and commercial oversight frameworks confirms that the IKN Authority functions as a hybrid entity spanning public and private law spheres. Evaluated against established quasi-organizational dimensions, the Authority's position within this off-budget financing landscape demonstrates:

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[39] Moe, "The Emerging Federal Quasi Government: Issues of Management and Accountability."

Table 3. Dimensions and Indicators of Quasi-Authority

No.	Quasi-Authority Dimension	IKN Authority Indicator
1.	Ownership	The development of IKN constitutes the business ownership of the IKN Authority (Central Government).
2.	Activities	Carrying out both activities of governmental functions and business entity functions, namely development and strengthening investment.
3.	Funding	The source of financing involves investment and business agreements with business entities.
4.	Value Orientation	The main interest is public interest and development.
5.	Strategic Orientation	Financing strategies through the State Budget (APBN) and investment.
6.	Autonomy	IKN is more centralized by strengthening the financial management function under the supervision of the Central Government.

Evaluating the IKN Authority against established organizational criteria confirms its alignment with hybrid-governance indicators. Mitigating the risks of institutional dualism—particularly within capital development financing—is therefore essential. Over-reliance on off-budget (non-APBN) sources forces the Authority to operate under competing logic: fulfilling public service duties while adhering to corporate return expectations. Beyond administrative tension, heavy dependence on market capital exposes capital development to regime-change risk. Commercial investors evaluate political continuity and legal predictability across presidential administrations. Without long-term statutory and political safeguards, political turnover threatens capital commitments and stalls infrastructure momentum.

2. Sequential Decentralization Model to Eliminate the Potential of the IKN Authority as a Quasi-Authority

Resolving the constitutional friction generated by the IKN Authority's hybrid status requires a structured framework of sequential decentralization. Sequential decentralization expands subnational autonomy incrementally, considering historical, political, and socioeconomic conditions.[40] Unitary states such as the United Kingdom and France demonstrate that gradually transferring administrative, fiscal, and political powers strengthens subnational governance without compromising central constitutional coherence.

The United Kingdom applies asymmetric decentralization through devolved frameworks in Scotland, Wales, and Northern Ireland, alongside negotiated City Deals and Devolution Deals at the subnational level.[41] London offers a prime example of capital-city sequential devolution. Initiated under the Blair administration in 1997, statutory reforms transitioned capital administration from the former Greater London Council structure to the Greater London Authority (GLA), instituting direct democratic mandates through mayoral and assembly elections.[42] Devolved powers were expanded in 2007, transferring spatial planning, housing development, strategic waste management, fire services, and police oversight to the Mayor of London, subject to legislative oversight by the London Assembly. [43]

Between 2016 and 2023, this capital devolution template expanded across metro-regions, including Greater Manchester, the West Midlands, and Liverpool—via tailored Devolution Deals. London's governance remains distinct due to its regional assembly structure, demonstrating how asymmetric, phased devolution accommodates capital-city needs within a unitary state.[44] Similarly, France implemented gradual asymmetric decentralization for special status metropolitan areas (*communes à statut particulier*), specifically Paris, Lyon, and Aix-Marseille.[45] Evolving from a highly centralized unitary state (*État centralisé*),[46] France initiated decentralization waves in 1982–1983 to rebalance state-subnational relations.[47] Constitutional recognition in Article 1 ("organized in a decentralized manner") was later reinforced by the

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[40] Tulia G. Falletti, "A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective," *American Political Science Review* 99, no. 3 (2005).

[41] Rossy Lambelanova, *Paradigma Baru Desentralisasi Asimetris Di Indonesia* (Jakarta: IPDN, 2022).

[42] Tony Travers, *The Greater London Authority, 2000 to 2008* (Inggris: London School of Economics, https://www.lse.ac.uk/geography-and-environment/research/lse-london/documents/Archive/HEIF-2/Tony-T.pdf, 2025).

[43] Travers.

[44] Tony Traves, "Elected Mayors Have Made Their Mark, but Still Westminster Hogs Power. That's a National Embarrassment," www.theguardian.com, 2025, https://doi.org/https://www.theguardian.com/commentisfree/2024/apr/25/elected-mayors-westminster-power-national-embarrassment.

[45] D.-L Loughlin, J., & Seiler, "The State and Regionalism in France," *Regional & Federal Studies* 11, no. 3 (2001): 50–67.

[46] J Chevallier, *The Territorial Politics of France* (Britania Raya: Routledge, 2003).

[47] S. Jainchill, A., & Moyn, "French Democracy between Totalitarianism and Solidarity: Pierre Rosanvallon and Revisionist Historiography," *The Journal of Modern History* 76, no. 1 (2004): 107–54, https://doi.org/10.1086/421186.

2010 Territorial Reform Law (*Loi de réforme des collectivités territoriales*) and the 2014 MAPTAM Law (*Loi MAPTAM*).

This statutory evolution culminated in 2020 with direct democratic elections for local leadership in Paris, Lyon, and Aix-Marseille, completing a transition from purely administrative deconcentration to full political decentralization.[48]These European precedents demonstrate that unitary constitutional frameworks can successfully integrate incremental, asymmetric decentralization. Restructuring IKN governance requires resolving the current jurisdictional ambiguity, where the Authority oscillates between acting as a central executive delegate, a local governing body, and a commercial enterprise.

To eliminate this institutional dualism, the author proposes bifurcating these roles: designating the IKN Authority strictly as a commercial development entity (*Development Business Authority*), while establishing a distinct Special Regional Government entity aligned with constitutional mandates under Article 18. Transitioning to this model requires an incremental, phased approach to balance administrative stabilization with constitutional democracy.

Grounded in Tulia G. Falleti's sequential decentralization theory, this transition follows three distinct phases: 1. Administrative Decentralization: Managing state administrative affairs during initial capital development; 2. Fiscal Decentralization: Transitioning from basic budget execution to autonomous budgetary management (already partially realized under the APB-IKN); 3. Political Decentralization: Establishing elected local executives and a local assembly (DPRD) to restore popular sovereignty.

Determining the transition timeline between these stages should not rely on arbitrary statutory deadlines. Under Luc J. Wintgens' legisprudence theory—specifically the principle of *temporality*—the temporal validity of legal norms depends on rational evaluation, monitoring, and socio-political readiness rather than fixed calendar dates.[49] Combining Wintgens' temporality principle with legislative management criteria[50] yields a condition-based legislative sequencing approach. Moving beyond rigid temporal targets, this model triggers successive decentralization phases based on empirical evaluations of institutional capacity and societal readiness. This framework operationalizes Mansfield and Snyder's "sequencing democracy"

[48] Assemblée Nationale, *Projet de Loi Relatif à l'organisation Territoriale de La République* (Paris, n.d.).

[49] Luc J Wintgens, *Legisprudence – Practical Reason in Legislation* (Abingdon: Routledge, 2012).

[50] Julius Cohen, "Legisprudence : Problems and Agenda," *Hofstra Law Review* 11, no. 4 (1983).

theory,[51] building institutional capacity alongside democratic opening. Aligning this approach with Hans Nawiasky's legal hierarchy (*Stufenbaulehre*) ensures that statutory revisions continuously advance the constitutional principles (*Staatsverfassung*) embedded in the 1945 Constitution.

Furthermore, this dynamic legal design reflects Mochtar Kusumaatmadja's Development Law Theory,[52] utilizing legislation as an adaptive vehicle to guide national development and institutional maturity. Operationalizing this sequential model requires establishing empirical legal conditionality to evaluate transitions between decentralization phases. Adapting the United Nations Development Programme (UNDP) good governance framework, the author proposes a tripartite readiness matrix that IKN must satisfy before triggering statutory devolution shifts:

a. Administrative readiness:[53]
    i. Transparency: Mandated open-information protocols and public disclosure standards.
    ii. Responsiveness: Timely, institutionalized delivery of public services.
    iii. Administrative Accountability: Formalized liability for public executive actions.
    iv. Rule of Law: Impartial enforcement of administrative regulations.
b. Fiscal readiness
    i. Equity and Inclusiveness: Service distribution focused on broad public welfare.
    ii. Public resources are managed effectively and efficiently, particularly financial resources (*Effectiveness and Efficiency*), also demonstrated by IKN's capacity to generate revenue from its own sources (*revenue capacity*), as well as its capacity to manage the IKN Regional Budget (*budget management*)
    iii. Accountability is realized through responsible and sound financial governance (*Financial Accountability*)
    iv. *Rule of law* is realized through compliance with financial or fiscal regulations (*Fiscal Rules*)

[51] Olle Törnquist et al., *Demokrasi Di Atas Pasir: Kemajuan Dan Kemunduran Demokratisasi Di Indonesia*, ed. Nicolaas Warouw and Willy Purna Samadhi, *Power Conflict Democracy Publication*, 1st ed. (Yogyakarta: Power Conflict Democracy Publication, 2009).

[52] Mochtar Kusumaatmadja, *Hukum, Masyarakat, Dan Pembangunan* (Bandung: Binacipta, 2006).

[53] S. Moenek and I. Suwanda, *Manajemen Pemerintahan Daerah* (Mitra Wacana Media, 2019).

c. Political readiness

i. Consensus Orientation: Stakeholder-driven decision-making processes for major policy initiatives.

ii. Strategic Vision: Institutional alignment on long-term capital development goals.

iii. Democratic Capacity: Structural readiness to transition to direct local elections, establish a Regional People's Representative Council (DPRD), and integrate civic oversight.

iv. Accountability: Subjection of authority powers to constitutional norms and popular sovereignty.

E. Conclusion

The current legal architecture governing the IKN Authority establishes a hybrid governance model characterized by institutional dualism. Positioning the Head of the Authority at ministerial rank while assigning regional executive budget functions creates severe jurisdictional friction within Indonesia's regional autonomy regime. Concurrently, the Authority's role as a counterparty to commercial investment contracts blurs the boundary between municipal public finance and private commercial enterprise, resulting in a democratic accountability deficit beteen presidential-investor obligations and popular sovereignty.

While central executive concentration is pragmatically justified during initial infrastructure development, maintaining this permanent hybridity violates Article 18 of the 1945 Constitution. Drawing from the asymmetric, sequential decentralization frameworks of the United Kingdom and France, Indonesia must implement a phased transition toward full subnational autonomy. By bifurcating commercial development responsibilities from municipal administration, IKN can systematically progress through administrative, fiscal, and political decentralization stages.

Lawmakers must embed this transition within future statutory amendments to the IKN Law by adopting a condition-based legislative sequencing approach. Grounded in Wintgens' legisprudence temporality, Nawiasky's legal hierarchy, Kusumaatmadja's Development Law Theory, and UNDP-aligned readiness metrics, this approach ensures that the shift toward an elected local government (DPRD and regional head) is dictated by empirical institutional maturity rather than fixed statutory deadlines.

F. Conflict of Interest Statement

The authors and co-authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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