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To What Extent Is The Governance of Local Public Service Innovation In Indonesia?

Suranto Suranto^{1*}

¹ Universitas Muhammadiyah Yogyakarta, Indonesia
email: suranto@umy.ac.id

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Abstract

This study critically examines the extent to which the governance of local public service innovation in Indonesia operates within and beyond its formal legal and institutional frameworks. Employing an empirical legal research design grounded in qualitative analysis, the study draws on multiple case studies, including innovations implemented in Bantul Regency, Kubu Raya Regency, and Batam City, supported by in depth interviews, document analysis, and field observations. The findings reveal that while Indonesia has established a comprehensive regulatory architecture through Law Number 25 of 2009, Law Number 23 of 2014, Law Number 30 of 2014, Government Regulation Number 38 of 2017, and Ministerial Regulation Number 30 of 2014, the practical governance of innovation remains uneven and fragmented. Normative compliance does not consistently translate into effective implementation, participatory inclusiveness, or sustainable institutionalisation. The study demonstrates that governance outcomes are shaped by the interaction between regulatory structures, administrative capacity, digital transformation, and accountability mechanisms. It argues that strengthening legal integration, institutional coherence, and performance based accountability is essential for ensuring that local public service innovation contributes meaningfully to governance effectiveness and public value creation.

Keywords: Public Service Innovation, Local Governance, Legal Accountability, Institutional Sustainability, Indonesia.



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INTRODUCTION

The global trajectory of public administration has increasingly emphasized innovation as a central mechanism for enhancing public value creation, administrative responsiveness, and governance legitimacy, particularly in the context of decentralization and digital transformation. Contemporary scholarship situates public service innovation not merely as the introduction of novel service outputs, but as a complex governance process involving institutional arrangements, actor constellations, and regulatory frameworks that shape how innovation is initiated, implemented, and sustained (Anttiroiko et al., 2011). Across jurisdictions, the integration of digital technologies and collaborative governance models has intensified the demand for adaptive institutional capacities, especially in developing countries where administrative reforms intersect with uneven socio technical readiness (Febiandini & Sony, 2023; Azhar et al., 2022). Within this evolving landscape, Indonesia represents a compelling case, having institutionalized public service innovation through a series of regulatory instruments, including Law Number 25 of 2009 on Public Service and Government Regulation Number 38 of 2017 on Regional Innovation, which collectively mandate local governments to continuously improve service delivery through innovative practices (Republic of Indonesia, 2009; Republic of Indonesia, 2017).

Existing studies on public service innovation in Indonesia and beyond reveal several important patterns regarding the determinants and dynamics of innovation governance, yet these findings often remain fragmented across disciplinary and empirical boundaries. Empirical analyses highlight the centrality of leadership, organizational culture, and inter organizational collaboration in shaping innovation outcomes, while digital governance studies underscore the role of e government infrastructures in enabling service transformation (Gartika & Widiyanto, 2024). At the same time, sector specific investigations, such as those examining health service innovation at the local level, demonstrate that policy innovations can yield measurable improvements in service quality when supported by

coherent institutional frameworks and stakeholder engagement (Arieffiani & Ekowanti, 2024). However, these contributions tend to privilege outcome based evaluations or sectoral perspectives, often overlooking the underlying governance mechanisms that mediate the translation of regulatory mandates into operational innovation practices, particularly within decentralized administrative systems governed by laws such as Law Number 23 of 2014 on Regional Government and Law Number 30 of 2014 on Government Administration (Republic of Indonesia, 2014a; Republic of Indonesia, 2014b).

Despite the growing body of literature, significant conceptual and empirical gaps persist in understanding the governance of public service innovation, especially in contexts characterized by institutional hybridity and administrative asymmetry. Many studies adopt normative assumptions that equate the presence of innovation policies with effective implementation, thereby neglecting the discrepancies between formal regulatory compliance and actual governance practices. Furthermore, the literature exhibits inconsistencies in explaining the relative influence of organizational, individual, and environmental determinants, with some studies emphasizing structural factors such as resources and institutional design, while others highlight the predominance of leadership and individual agency (Anttiroiko et al., 2011). In the Indonesian context, regulatory frameworks such as the Regulation of the Minister of Administrative and Bureaucratic Reform Number 30 of 2014 provide formal guidance for innovation, yet empirical evidence suggests that local implementation often deviates from these prescriptions due to socio cultural constraints and varying administrative capacities (Ministry of Administrative and Bureaucratic Reform, 2014). Such discrepancies point to an unresolved tension between formal institutional design and lived governance realities.

The persistence of these gaps underscores the urgency of advancing a more nuanced understanding of innovation governance that moves beyond descriptive accounts of innovation proliferation toward analytical examinations of how governance structures shape innovation trajectories and outcomes. This urgency is particularly pronounced in Indonesia, where the rapid expansion of public service innovations since 2014 has not been matched by equivalent progress in ensuring their inclusiveness, sustainability, and scalability. The coexistence of strong regulatory frameworks and uneven implementation outcomes raises critical questions regarding the effectiveness of governance mechanisms in translating policy intent into public value. Moreover, the increasing reliance on digital platforms and data driven administration amplifies existing challenges related to digital literacy, institutional coordination, and accountability, thereby reinforcing the need to interrogate the governance dimensions of innovation rather than its outputs alone (Febiandini & Sony, 2023; Gartika & Widiyanto, 2024).

Positioned within this scholarly landscape, the present study advances the argument that the governance of public service innovation in Indonesia must be understood as a multidimensional process shaped by the interaction between institutional pillars, policy actors, and determinant factors operating at different levels of the administrative system. By engaging with theoretical perspectives on innovation governance and institutionalism, this research situates itself at the intersection of public administration theory and empirical analysis of decentralized governance, seeking to bridge the gap between formal regulatory frameworks and actual governance practices. In doing so, it responds to calls for more integrative approaches that account for the interplay between regulative, normative, and cultural cognitive dimensions in shaping innovation processes, while also incorporating insights from studies on leadership, organizational behavior, and policy implementation (Anttiroiko et al., 2011).

This study aims to examine the extent to which the governance of local public service innovation in Indonesia is shaped by institutional arrangements, actor configurations, and determinant factors, using multiple case studies to generate empirically grounded insights into governance dynamics. It contributes theoretically by refining the conceptualization of innovation governance within decentralized administrative systems and methodologically by employing a qualitative, multi case approach that captures contextual variation and processual complexity. Through this approach, the research seeks to provide a more comprehensive understanding of how innovation is governed in practice and to offer analytical frameworks that can inform both academic inquiry and policy development in the field of public administration.

RESEARCH METHOD

This study adopts an empirical legal and governance research design grounded in a qualitative descriptive approach to examine the governance of public service innovation at the local level in

Indonesia. The empirical nature of the research is reflected in its reliance on primary and secondary data obtained from multiple case studies, namely AKSI SIMPATI and GAMPIL in Bantul Regency, CMS Desa in Kubu Raya Regency, and the Tapping Box innovation in Batam City. Primary data are derived from in depth interviews with key informants, including public officials within leading sector agencies, technical implementers, and relevant external stakeholders involved in the formulation and execution of innovation policies. Secondary data consist of official documents, regulatory instruments, institutional reports, and policy guidelines, particularly those related to Government Regulation Number 38 of 2017 on Regional Innovation and the Regulation of the Minister of Administrative and Bureaucratic Reform Number 30 of 2014 on Public Service Innovation, which provide the formal legal framework governing innovation practices. Data collection techniques include semi structured interviews, document analysis, and field observations, enabling a comprehensive examination of both normative structures and actual governance practices within their institutional contexts.

The analytical strategy employs inductive qualitative analysis, whereby empirical data are systematically coded, categorized, and interpreted to identify patterns, relationships, and explanatory themes concerning the determinants and dynamics of innovation governance. The analysis is guided by an institutional and governance framework that emphasizes the interaction between regulative, normative, and cultural cognitive dimensions, as well as the roles of internal and external policy actors in shaping implementation outcomes. To ensure analytical rigor and validity, the study applies triangulation across data sources, methods, and informants, thereby enhancing the credibility and reliability of findings. Interpretive validation is further strengthened through iterative comparison between empirical observations and existing theoretical constructs, allowing the research to critically assess the extent to which formal regulatory frameworks are translated into effective governance practices at the local level.

RESULT AND DISCUSSION

Institutional Legal Compliance and Empirical Governance of Public Service Innovation

The empirical findings indicate that the governance of public service innovation in Indonesia operates within a formally coherent yet practically differentiated legal framework that derives its authority from Law Number 25 of 2009 on Public Service, particularly Article 4 which mandates principles of transparency, accountability, and participation as binding legal norms for all public service providers. Field interviews with local government officials in Bantul Regency and Batam City reveal that these principles are interpreted in a procedural manner rather than as substantive guarantees of inclusiveness, thereby generating a gap between legal compliance and societal impact. This condition reflects a broader doctrinal tension between formal legality and effective governance as conceptualized within institutional theory, where compliance with rules does not necessarily produce desired policy outcomes (Scott, 2014). Empirical evidence from AKSI SIMPATI demonstrates that administrative procedures comply with regulatory requirements while still encountering limitations in community accessibility due to socio cognitive barriers. The legal interpretation of such findings suggests that Article 7 paragraph 1 of Law Number 30 of 2014 on Government Administration, which obliges administrative bodies to ensure good governance, has not been fully operationalized in its teleological sense.

The role of Government Regulation Number 38 of 2017 on Regional Innovation, particularly Article 3 which defines innovation as a means to improve regional governance performance, is evident in shaping institutional behavior at the local level. Interviews with policy actors confirm that local governments adopt innovation primarily as a compliance mechanism to meet central government expectations rather than as a transformative governance strategy. This pattern aligns with the concept of administrative isomorphism, where institutions mimic formal structures without substantive transformation (Bevir, 2012). Empirical observations from the GAMPIL program indicate that legal compliance is achieved through adherence to procedural standards while innovation remains dependent on leadership initiative rather than systemic institutionalization. Such findings suggest that the normative force of Article 386 of Law Number 23 of 2014 on Regional Government, which encourages regional innovation, is constrained by the absence of enforceable mechanisms ensuring sustainability. The legal implication is that regulatory frameworks function as enabling instruments but lack coercive power to guarantee consistent implementation.

The Regulation of the Minister of Administrative and Bureaucratic Reform Number 30 of 2014 further establishes operational guidelines for public service innovation, particularly emphasizing replication, sustainability, and public benefit. Empirical data indicate that these normative expectations are partially realized, as evidenced by the institutionalization of innovation procedures within local agencies. However, interviews reveal that replication of innovation across regions remains limited due to contextual differences and administrative capacity disparities. This condition reflects the theoretical proposition that innovation governance requires adaptive institutional arrangements rather than uniform regulatory compliance (Torfing & Triantafillou, 2016). The case of CMS Desa illustrates that while regulatory compliance is achieved, the complexity of implementation creates barriers for local actors, thereby limiting the normative objective of inclusiveness. Legal analysis suggests that the regulation lacks sufficient provisions addressing capacity building as a prerequisite for effective implementation.

The interaction between regulative, normative, and cultural cognitive dimensions becomes evident when examining how legal norms are internalized within bureaucratic practices. Empirical findings show that officials demonstrate high levels of procedural compliance while simultaneously relying on informal practices shaped by organizational culture. This phenomenon corresponds with Merrill's assertion that innovation is sustained through cultural alignment rather than formal regulation alone (Merrill, 2015). In the Tapping Box case, compliance with local regulations governing electronic tax reporting coexists with varying levels of user acceptance, indicating a divergence between legal mandates and social practice. The legal interpretation of this divergence highlights the limitations of a purely positivist approach to regulation, suggesting the need for a socio legal perspective that integrates cultural factors into legal design. Such an approach resonates with the broader governance literature emphasizing the importance of contextual adaptability in public sector innovation (Anttiroiko et al., 2011).

The empirical evidence further demonstrates that the involvement of policy actors, both internal and external, is formally aligned with legal provisions yet substantively influenced by power relations and administrative hierarchies. Law Number 30 of 2014, particularly Article 10, mandates administrative discretion within the boundaries of legality and public interest. Interviews indicate that discretion is frequently exercised in a top down manner, reinforcing hierarchical decision making structures rather than collaborative governance models. This pattern reflects the persistence of patron client dynamics within Indonesian administrative culture, as noted in studies on governance effectiveness (Malik, 2024). The legal implication is that discretionary authority, while legally permissible, may undermine participatory governance when not accompanied by accountability mechanisms. Such findings underscore the need to reinterpret administrative discretion through a participatory lens. The following table summarizes the alignment between legal norms and empirical practices observed across the four case studies, providing a structured basis for legal analysis.

Tabel 1. Alignment Between Legal Norms and Empirical Governance Practices in Local Innovation

Legal Instrument	Key Normative Provision	Empirical Observation	Legal Implication
Law No. 25 of 2009	Transparency and accountability in public service	Procedural compliance without substantive inclusiveness	Normative principles partially realized
Law No. 30 of 2014	Good governance and administrative discretion	Top down decision making dominates	Discretion limits participation
Law No. 23 of 2014	Regional innovation encouragement	Innovation dependent on leadership	Weak institutionalization

Government Regulation No. 38 of 2017	Innovation for governance improvement	Compliance driven implementation	Limited transformative impact
Ministerial Regulation No. 30 of 2014	Sustainability and replication	Uneven replication across regions	Capacity gaps constrain implementation

Source: Synthesized from field interviews and regulatory analysis based on Republic of Indonesia (2009, 2014, 2017) and Ministry of Administrative and Bureaucratic Reform (2014).

The table demonstrates that while legal frameworks provide a comprehensive normative structure, empirical implementation reveals significant deviations that affect governance outcomes. The persistence of procedural compliance without substantive transformation indicates a structural limitation within the legal design of innovation governance. This finding aligns with Osborne and Brown's argument that innovation in public services requires integration between formal rules and organizational dynamics (Osborne & Brown, 2005). The legal implication is that existing regulations require reinterpretation through a teleological approach that prioritizes public value over formal compliance. Such reinterpretation would necessitate revising regulatory provisions to incorporate measurable indicators of inclusiveness and effectiveness.

Further empirical analysis reveals that digitalization plays a critical role in shaping the effectiveness of legal frameworks governing innovation. Studies on e government implementation in Indonesia indicate that technological infrastructure significantly influences service delivery outcomes (Gartika & Widiyanto, 2024). In the examined cases, digital platforms enhance efficiency while simultaneously creating barriers for populations with limited technological literacy. This dual effect illustrates the need to interpret legal provisions on innovation in conjunction with digital governance frameworks. The absence of explicit legal mandates addressing digital inclusion within existing regulations represents a normative gap that affects implementation. Addressing this gap would require integrating digital rights and accessibility into the legal framework governing public service innovation.

The relationship between governance effectiveness and innovation outcomes further highlights the importance of integrating legal norms with performance management systems. Empirical findings suggest that innovations are evaluated primarily based on administrative outputs rather than societal impact. This approach contrasts with international standards emphasizing outcome based governance (United Nations, 2015). The legal implication is that current regulatory frameworks lack provisions requiring systematic evaluation of innovation effectiveness. Incorporating such provisions would align Indonesian governance practices with global standards and enhance accountability. This alignment would also support the development of evidence based policymaking within the legal system.

The socio legal dimension of innovation governance becomes particularly evident in the interaction between formal institutions and community participation. Empirical data indicate that public awareness and engagement remain limited despite the existence of participatory provisions in Law Number 25 of 2009. This limitation reflects broader challenges in implementing participatory governance within decentralized systems (Syukri, 2024). The legal analysis suggests that participatory rights must be operationalized through specific mechanisms rather than general principles. Strengthening these mechanisms would enhance the legitimacy and effectiveness of innovation governance. Such reforms would also contribute to the realization of good governance principles within the Indonesian legal framework.

The cumulative analysis demonstrates that the governance of public service innovation in Indonesia is characterized by a complex interplay between legal norms and empirical realities. While the regulatory framework provides a robust foundation, its implementation is shaped by organizational, cultural, and technological factors that influence governance outcomes. This finding contributes to the theoretical understanding of innovation governance by highlighting the limitations of formal legal approaches in addressing dynamic administrative challenges. It also underscores the need for an integrated legal and governance framework that accommodates contextual variability. Such an approach would enhance the capacity of legal systems to support sustainable and inclusive public service innovation.

Legal Accountability and Institutional Control in Local Public Service Innovation Governance

The empirical findings demonstrate that legal accountability constitutes a central yet unevenly operationalized dimension in the governance of public service innovation within Indonesian local governments, particularly when examined through the lens of administrative law compliance. Interviews with public officials reveal that although innovation initiatives are formally anchored in statutory mandates, the practical enforcement of accountability mechanisms often depends on discretionary administrative practices rather than strictly codified procedures. This condition raises critical questions regarding the implementation of Article 3 and Article 4 of Law Number 30 of 2014 on Government Administration, which explicitly require legality, transparency, and accountability in administrative decision making. Theoretically, governance scholars emphasize that accountability is a defining attribute of modern governance systems, ensuring that public innovation does not deviate from legal norms and public interest principles (Bevir, 2012). The gap between formal legality and empirical implementation indicates a partial institutionalization of accountability norms within local innovation governance.

Further empirical analysis shows that internal control mechanisms within local government institutions exhibit varying levels of effectiveness, particularly in ensuring compliance with Government Regulation Number 38 of 2017 on Regional Innovation. Field observations indicate that some agencies have established internal audit units and monitoring systems, yet their operational capacity remains limited by resource constraints and institutional fragmentation. This aligns with findings in public sector governance literature that emphasize the critical role of internal audit in preventing maladministration and enhancing accountability (Nadirsyah et al., 2024). From a legal perspective, the absence of robust supervisory mechanisms potentially undermines the enforceability of administrative law principles as mandated under Law Number 25 of 2009 on Public Service. Consequently, the effectiveness of innovation governance is closely linked to the institutional strength of internal accountability systems.

The interaction between legal norms and administrative discretion becomes particularly evident in the implementation of innovation policies, where local officials exercise interpretive authority in translating regulatory frameworks into operational practices. Empirical data indicate that such discretion often leads to inconsistencies in the application of regulatory standards, particularly in relation to service delivery procedures and performance evaluation. This phenomenon can be interpreted through the doctrinal framework of administrative discretion, which allows flexibility but also necessitates strict adherence to legal boundaries to prevent abuse of power (Osborne and Brown, 2005). The tension between flexibility and legality reflects a broader governance challenge in balancing innovation with rule of law principles. As such, legal accountability in innovation governance requires not only formal compliance but also consistent interpretive practices aligned with statutory mandates.

A more granular examination of accountability practices reveals the significance of external oversight mechanisms, including community participation and stakeholder engagement, in reinforcing legal compliance. Empirical findings indicate that public feedback mechanisms, although formally established, are not systematically integrated into decision making processes, thereby limiting their effectiveness as accountability tools. This observation resonates with governance theory that emphasizes participatory accountability as a critical component of democratic governance (Torfing and Triantafillou, 2016). From a juridical standpoint, this raises concerns regarding the implementation of participatory rights as implied in Law Number 25 of 2009, particularly in ensuring citizen involvement in public service evaluation. The limited institutionalization of participatory mechanisms suggests a need for stronger legal frameworks to guarantee their enforceability.

The role of digital governance in enhancing accountability is also evident in the empirical findings, particularly in relation to the adoption of electronic systems for monitoring and reporting innovation performance. However, the effectiveness of such systems is constrained by technological disparities and varying levels of digital literacy among stakeholders, which hinder their full utilization. Studies on digital governance highlight that technological innovation must be accompanied by institutional readiness and capacity building to ensure its effectiveness (Hafel, 2023; Mutiarin et al., 2024). Legally, the integration of digital systems must align with administrative law principles, particularly in ensuring data integrity and transparency as required under Government Administration

Law. The interplay between technology and law thus becomes a critical factor in shaping accountability outcomes in innovation governance. In order to systematically illustrate the relationship between legal norms and empirical accountability practices, the following table provides a mapping of key statutory provisions and their observed implementation patterns within local innovation governance.

Table 2. Normative Provisions and Empirical Accountability Practices in Local Innovation Governance

Legal Instrument	Article	Normative Requirement	Empirical Observation	Legal Implication
Law No. 30 of 2014	Article 10	Principle of accountability in administrative decisions	Partial compliance due to discretionary interpretation	Risk of inconsistent legality
Law No. 25 of 2009	Article 18	Public participation in service evaluation	Limited integration of feedback mechanisms	Weak participatory accountability
Government Regulation No. 38 of 2017	Article 6	Supervision of regional innovation	Fragmented monitoring systems	Reduced regulatory effectiveness
Ministerial Regulation No. 30 of 2014	Article 7	Evaluation of innovation performance	Irregular and non-standardized evaluation	Lack of measurable accountability

Source: Processed from empirical field data and legal documents, interpreted using Bevir 2012 and Nadirsyah et al. 2024.

The table demonstrates that while the legal framework provides comprehensive guidelines for accountability, empirical implementation remains inconsistent, thereby highlighting a structural gap between law and practice. This gap can be further analyzed through the lens of institutional theory, which posits that formal rules often coexist with informal practices that shape organizational behavior (Scott, 2014). Empirical findings confirm that informal norms and organizational culture significantly influence how accountability mechanisms are operationalized in practice. This is particularly evident in the reliance on leadership driven initiatives rather than institutionalized procedures, which may undermine long term governance stability. The legal implication is that formal regulations alone are insufficient without corresponding institutional capacity and cultural alignment.

Another critical dimension concerns the relationship between accountability and performance management within local innovation governance, where empirical data indicate a lack of standardized performance indicators aligned with legal requirements. This finding is consistent with studies emphasizing the importance of performance measurement systems in ensuring effective governance (Pudjono et al., 2026). From a legal standpoint, the absence of measurable indicators complicates the enforcement of accountability obligations under statutory frameworks. This creates a normative ambiguity regarding how compliance should be assessed and enforced. As a result, strengthening performance based accountability becomes essential for enhancing the legal robustness of innovation governance.

The empirical evidence also highlights the role of inter institutional coordination in ensuring accountability, particularly in the context of multi actor governance arrangements. Interviews reveal that coordination between internal and external actors is often informal and lacks clear legal guidelines, leading to overlapping responsibilities and accountability gaps. Governance literature underscores the importance of clearly defined roles and responsibilities in multi actor systems to prevent fragmentation (Kismartini et al., 2023). Legally, this issue relates to the need for clearer regulatory provisions governing inter institutional collaboration under regional autonomy laws. The absence of such provisions may hinder the effective enforcement of accountability mechanisms.

From a comparative legal perspective, the findings suggest that Indonesia's accountability framework for innovation governance reflects broader challenges associated with decentralization and administrative reform. Scholars have noted that decentralization often introduces complexities in

ensuring consistent legal compliance across different administrative levels (Santoso et al., 2023). Empirical data from this study confirm that variations in institutional capacity and governance practices significantly affect accountability outcomes. This highlights the need for harmonization between central regulations and local implementation practices. Such harmonization requires both legal reform and institutional strengthening to ensure uniform standards of accountability.

The analysis ultimately demonstrates that legal accountability in local public service innovation governance operates within a dynamic interplay between formal regulations, institutional capacity, and socio administrative practices. While the existing legal framework provides a solid normative foundation, its effectiveness is contingent upon consistent implementation and robust institutional support. Empirical findings underscore the importance of integrating legal norms with practical governance mechanisms to achieve meaningful accountability. This integration requires a holistic approach that combines legal reform, institutional development, and capacity building. In this context, the study contributes to the theoretical discourse on governance by highlighting the critical role of legal accountability in sustaining innovation within the public sector.

Legal Accountability and Institutional Sustainability in Local Public Service Innovation Governance

The third analytical focus examines the extent to which legal accountability mechanisms and institutional sustainability frameworks shape the durability of local public service innovations within Indonesian decentralised governance structures. Empirical findings derived from interviews in Batam City and Kubu Raya Regency indicate that accountability practices remain procedurally compliant yet substantively fragmented, particularly in relation to Article 20 paragraph 1 of Law Number 30 of 2014 on Government Administration, which mandates administrative responsibility grounded in legality and proportionality. Informants revealed that innovation initiatives often lack post implementation legal evaluation, thereby limiting the institutional learning cycle required for sustainable governance adaptation. This condition reflects a broader governance challenge in which accountability is treated as an ex post administrative requirement rather than an embedded normative principle guiding innovation processes, as critically discussed by Bevir (2012). The absence of integrated accountability frameworks ultimately constrains the transformative capacity of local innovations within legally mandated governance systems.

From a doctrinal perspective, Government Regulation Number 38 of 2017 on Regional Innovation provides a formal legal basis for innovation sustainability through Article 21, which emphasises evaluation, replication, and dissemination of successful innovations. However, empirical evidence demonstrates that these provisions are interpreted narrowly by local governments, often limited to reporting compliance without substantive policy recalibration based on evaluative findings. This interpretive gap can be understood through a systematic legal interpretation approach, revealing a misalignment between normative intent and administrative practice. Scholars such as Torfing and Triantafillou (2016) argue that sustainable innovation requires iterative governance cycles integrating evaluation, feedback, and institutional reform, which are insufficiently operationalised in the Indonesian context. Consequently, the legal framework exists but lacks enforceable mechanisms ensuring that evaluation results translate into institutional sustainability.

The empirical dimension further highlights the role of internal audit mechanisms in strengthening accountability, particularly in relation to financial governance within innovation programs. Interviews with regional inspectors indicate that audit practices are guided by accrual based accounting standards as mandated under public sector financial reforms, aligning with broader findings by Azhar et al. (2022). Nevertheless, these audits tend to focus on financial compliance rather than performance based accountability, thereby neglecting the qualitative impacts of innovation on public service delivery. This limitation underscores the need for integrating performance auditing frameworks as part of legal accountability structures. Nadirsyah et al. (2024) emphasise that effective internal control systems are essential for preventing governance failures, yet their application in innovation governance remains underdeveloped. The result is a partial accountability regime that prioritises procedural legality over substantive governance outcomes.

The sustainability of innovation is also influenced by bureaucratic structure and institutional capacity, particularly in relation to organisational reform policies under Law Number 23 of 2014 on

Regional Government. Empirical observations reveal that rigid hierarchical structures hinder adaptive governance practices, despite reforms aimed at bureaucratic layering as analysed by Maulana et al. (2022). This structural rigidity limits the ability of local governments to institutionalise innovations beyond pilot stages, thereby affecting long term sustainability. Theoretical insights from Osborne and Brown (2005) suggest that organisational flexibility is a prerequisite for sustaining innovation, yet such flexibility remains constrained by formal administrative procedures. This tension between legal structure and organisational adaptability constitutes a critical barrier to sustainable innovation governance.

Table 3. Legal and Institutional Determinants of Innovation Sustainability in Local Governance

Legal Instrument	Normative Provision	Empirical Implementation	Identified Gap
Law No. 30 of 2014	Administrative accountability principles	Procedural compliance without substantive evaluation	Weak integration of accountability in innovation cycles
Law No. 23 of 2014	Regional governance autonomy	Limited organisational flexibility	Structural rigidity
Government Regulation No. 38 of 2017	Innovation evaluation and replication	Reporting oriented evaluation	Lack of policy feedback mechanisms
Ministerial Regulation No. 30 of 2014	Innovation governance guidelines	Fragmented implementation	Absence of sustainability framework
Legal Instrument	Normative Provision	Empirical Implementation	Identified Gap

Source: Synthesised from empirical interviews and doctrinal analysis, adapted with reference to Pradana et al. (2022) and Pudjono et al. (2026).

The table above illustrates that while Indonesia possesses a comprehensive legal framework governing innovation sustainability, significant discrepancies persist between normative provisions and empirical implementation. These discrepancies highlight the absence of enforceable legal instruments ensuring that innovation outcomes are systematically evaluated and institutionalised. The findings align with Pradana et al. (2022), who identify sustainability as contingent upon institutional support, leadership continuity, and regulatory clarity. Furthermore, Pudjono et al. (2026) emphasise the importance of systemic performance management approaches in addressing governance complexity, which remain underutilised in local innovation contexts. The table therefore substantiates the argument that legal accountability mechanisms require structural strengthening to enhance sustainability outcomes.

Another critical dimension concerns the integration of digital governance tools in supporting accountability and sustainability, particularly within the broader framework of e government development. Empirical data indicate that digital platforms are utilised primarily for service delivery rather than for monitoring and evaluation functions, limiting their role in governance accountability. Studies by Mutiarin et al. (2024) and Gartika and Widiyanto (2024) suggest that digital governance can enhance transparency and responsiveness, yet its potential remains underexploited in local innovation governance. This underutilisation reflects a gap between technological adoption and legal institutionalisation, where digital tools are not embedded within accountability frameworks. Consequently, the transformative potential of digital governance in sustaining innovation remains constrained.

The socio legal analysis further reveals that stakeholder engagement plays a crucial role in sustaining innovation, particularly in ensuring legitimacy and public trust. Interviews demonstrate that community participation is often limited to initial stages of innovation design, without continuous involvement in evaluation and improvement processes. This finding contrasts with the participatory governance model advocated by Syukri (2024), which emphasises sustained citizen engagement as a cornerstone of developmental governance. Moreover, Kismartini et al. (2023) highlight the importance

of stakeholder collaboration in achieving sustainable policy outcomes, which remains insufficiently institutionalised in local innovation practices. The limited integration of participatory mechanisms weakens the social legitimacy of innovation governance.

From a regulatory standpoint, the absence of specific presidential regulations governing innovation sustainability creates a normative vacuum within the hierarchy of Indonesian legislation. While existing laws and ministerial regulations provide general guidance, they lack the binding authority necessary to enforce sustainability standards across regions. This gap is particularly significant when analysed through a hierarchical legal interpretation framework, which emphasises the role of higher level regulations in ensuring uniformity and compliance. The absence of such instruments contributes to regional disparities in innovation governance practices, as observed in comparative case studies. This condition reinforces the argument that legal harmonisation is essential for achieving consistent governance outcomes.

The influence of global governance norms also emerges as a significant factor shaping local innovation sustainability, particularly in relation to the Sustainable Development Goals framework. Massey (2022) argues that good governance principles embedded in global agendas can enhance policy coherence and institutional effectiveness, yet their translation into local legal frameworks remains uneven. Empirical findings indicate that local governments selectively adopt these principles without integrating them into binding regulatory instruments. This selective adoption limits the potential of global norms to strengthen accountability and sustainability in innovation governance. The interaction between global standards and local legal systems therefore remains a critical area for further institutional development.

The extent of governance effectiveness in local public service innovation is fundamentally determined by the interplay between legal accountability, institutional capacity, and socio political dynamics. Malik (2024) demonstrates that governance effectiveness in Indonesia is closely linked to institutional quality and regulatory enforcement, which are uneven across regions. The empirical evidence presented in this study confirms that innovation sustainability is not solely a function of regulatory design but also of implementation capacity and governance culture. Anttiroiko et al. (2011) and Borins (2014) further emphasise that enduring innovation requires institutionalisation beyond individual initiatives, supported by coherent legal frameworks. This synthesis indicates that strengthening legal accountability mechanisms is essential for ensuring that local public service innovations achieve long term sustainability within Indonesia's decentralised governance system.

CONCLUSION

The governance of local public service innovation in Indonesia reflects a complex interplay between formal legal frameworks and empirical implementation practices, revealing a partial alignment that limits its overall effectiveness. Despite the existence of a robust regulatory foundation, including Law Number 25 of 2009, Law Number 23 of 2014, Law Number 30 of 2014, Government Regulation Number 38 of 2017, and Ministerial Regulation Number 30 of 2014, the translation of normative provisions into coherent governance outcomes remains constrained by institutional fragmentation, limited stakeholder integration, and insufficient accountability mechanisms. Empirical evidence demonstrates that innovation practices are often driven by administrative initiative rather than embedded within systemic governance processes, resulting in uneven performance across regions. Furthermore, the lack of integrated evaluation, digital accountability frameworks, and enforceable sustainability mechanisms weakens the long term institutionalisation of innovation within decentralised governance structures. The study concludes that enhancing the extent of governance requires a recalibration of legal interpretation, stronger institutional coordination, and the development of adaptive accountability systems capable of aligning regulatory intent with empirical realities in local public service delivery.

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