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# THE DYNAMICS OF THE RELATIONSHIP BETWEEN CENTRAL AND REGIONAL GOVERNMENT AFFAIRS IN DIGITAL TRANSFORMATION: REGULATORY ARRANGEMENT TOWARDS SMART GOVERNANCE

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**Abstract**

*The transformation of urban governance through the Smart City concept in Indonesia often triggers normative tensions within the framework of central-regional relations. Theoretically, regional autonomy provides local governments with discretion to innovate, but in practice, technology standardization and national data integration are often viewed as a form of digital recentralization of authority. This article aims to analyze the legal standing and division of authority between the Central and Regional Governments in the implementation of Smart City from the perspective of State Administrative Law. Using normative legal research methods and a statutory approach, this study finds a gap in integrative regulations (Electronic-Based Government Systems) that often conflict with regional autonomy in managing household affairs. The results indicate that a reconstruction of the relationship model is needed based on the principle of partnership-consultative, rather than simply hierarchical-command, to ensure the sustainability of accountable and inclusive smart city governance. This transformation demands a redefinition of the central government's oversight function that does not stifle local innovation but rather strengthens the interoperability of public services across levels of government.*

## INTRODUCTION

Technological disruption brings with it new challenges in governance. These disruptions can include unclear regulatory hierarchies and the tug-of-war over governance between the central and regional governments in the implementation of Smart Cities (Widodo et al.,

2024). This issue is crucial considering that digital transformation goes beyond changing public service instruments to fundamentally restructuring state institutional power relations (Bardhan & Mookherjee, 2006). This controversy overlaps with the trend of adopting information technology, which is expected to create efficiency; however, in Indonesia, this transition faces fragmentation due to the lack of a coherent national legal framework (Atmaheni & Adianto, 2024). The impact is disharmonious public policies, leading to inefficiencies, overlapping regulations, and the emergence of unfunded mandates for regions (Atmaheni & Adianto, 2024). Those most impacted by this legal uncertainty are regional governments, whose space for innovation is limited, and of course, vulnerable communities marginalized by unequal access to digital services (Nguyen et al., 2022). In terms of its historical and social background, Indonesia has transitioned from the centralistic New Order regime to a democratic, decentralized era. However, technological intervention has introduced anomalies that have the potential to restore hierarchical control patterns (Bardhan & Mookherjee, 2006). Previous research has contributed to the literature on Public Administrative Law by shifting the discourse from merely technical infrastructure to an in-depth analysis of socio-technical power relations (Nguyen et al., 2022; Atmaheni & Adianto, 2024). This study, however, primarily aims to examine the legal dynamics and power asymmetries between the central and regional governments in Smart City governance.

From a constitutional perspective, the debate on smart governance in Indonesia cannot be reduced to a technical discussion about digital applications or electronic service delivery (Pamungkas & Yusuf, 2023). It must be placed within the broader architecture of the 1945 Constitution, particularly the provisions governing regional government and citizens' rights in the flow of public information. Article 18 and Article 18A of the Constitution provide the structural basis for decentralization and the allocation of governmental functions between the central government and regional governments (Hoesein et al., 2022). At the same time, Article 28F recognizes the right of every person to seek, obtain, possess, store, process, and convey information by using all available channels (Wiryawan et al., 2024), while Article 28D paragraph (1) protects the right to fair legal certainty (Korompot et al., 2021). In the context of smart city governance, these constitutional norms are not merely complementary references; they are the normative foundation for assessing whether digital transformation strengthens regional autonomy and public service accessibility, or instead produces legal uncertainty through centralistic standardization.

Accordingly, the legal problem in smart governance is not simply whether the state is digitally modern, but whether the institutional design of that modernization remains faithful to constitutional decentralization. Regional autonomy in Indonesia is not a policy gift from the central government that may be narrowed through technocratic instruments whenever administrative convenience demands it (A. Prabowo & Tjenreng, 2025). Rather, autonomy is a constitutionally framed governance arrangement that must still be respected even when the state seeks interoperability, integrated data systems, and national digital standards (Tinambunan et al., 2025). This position is further supported by Mukhlis et al., who show

that ambiguity in Indonesia's regional autonomy model and uncertainty in regional institutional roles continue to affect the legal distribution of authority between central and regional governments (Mukhlis, Maskun, et al., 2025; Mukhlis, Hariyanto, et al., 2025). This is why the issue of authority in smart city implementation must be analyzed through state administrative law: the law determines not only who may regulate, supervise, and evaluate, but also the acceptable limits of intervention and the legal consequences when central directives effectively shrink regional discretion without a sufficiently clear statutory basis. The problem becomes sharper when national digital policy uses the language of integration and efficiency while leaving regions responsible for adaptation costs, infrastructure readiness, and local implementation risks. In such a situation, legal asymmetry emerges not through explicit abolition of autonomy, but through regulatory design that gradually reorders decision-making power in favor of the center.

This constitutional-administrative framing also explains why smart city policy should not be assessed solely through output indicators such as application numbers, dashboard functionality, or digital service speed. A legally sound smart governance model must also be tested against the principles of legality, proportionality, accountability, and protection of local governmental competence. When digital transformation is assessed in this way, the core issue becomes whether the central government's steering role is exercised as coordination within a decentralized state, or whether it becomes a disguised mechanism of recentralization through standards, data architecture, and performance benchmarking. Therefore, the article's inquiry into central–regional relations is doctrinally justified because the contest over smart city governance is ultimately a contest over lawful authority, not merely a dispute over administrative technique.

The primary research question posed is: How does the current regulatory framework affect the relationship between the central and regional governments, and what obstacles does a decentralized governance system pose to realizing the Smart City agenda? This question is urgent because the Smart City agenda has become a concept that has begun to be implemented in various regions around the world (Wadipalapa et al., 2024). The underlying hypothesis of this study is that the absence of specific legislation—such as the Urban Law—creates unilateral domination by the central government, stifling innovation at the local level. Therefore, the question is no longer why smart city governance is important, but rather how the legal framework is structured (Atmaheni & Adianto, 2024). The novelty of this research lies in the argument that Smart Cities are not simply digitalization, but rather an arena for the redistribution of authority and legal legitimacy. This is especially true when linked to the penetration of artificial intelligence (AI) into governance (Wadipalapa et al., 2024). This issue emerged as a product of globalization and technology, where digitalization acts as a catalyst. If not regulated by fair Norms, Standards, Procedures, and Criteria (NSPK), it risks giving rise to recentralization (Nguyen et al., 2022).

The risk of recentralization in digital governance should be understood as a structural legal phenomenon rather than a merely political suspicion. In conventional decentralization debates, recentralization is often associated with legislative withdrawal of powers or tighter fiscal control from the central government (Tinambunan et al., 2025). In the digital era,

however, recentralization may occur more subtly through mandatory standards, integrated platforms, interoperable databases, and evaluation frameworks that formally appear neutral but materially reorganize authority (Hanisch et al., 2023). Once core public functions are tied to centrally designed digital architectures, local governments may remain formally autonomous while becoming operationally dependent. This produces a new type of asymmetry: the region retains implementation responsibility, yet the center increasingly shapes the parameters of decision-making, data categories, performance indicators, and even service design logic. In this sense, digital systems can become instruments of administrative command without always presenting themselves as command.

This issue is especially relevant in Indonesia because the development of SPBE and Satu Data Indonesia is normatively justified by the legitimate goals of integration, efficiency, and service interoperability, as reflected in digital governance policies aimed at creating integrated data systems, improving public service efficiency, and enabling interoperability across government institutions (Adnan, 2024). Those goals are important and cannot simply be rejected. Nevertheless, from a public law perspective, legitimate objectives do not automatically validate every institutional method used to pursue them. If interoperability is built in a way that leaves local governments with little room to adapt digital systems to their fiscal capacity, spatial conditions, or socio-cultural needs, then the constitutional promise of autonomy is weakened in practice. Likewise, if policy or data harmonization is imposed in a top-down manner—where subnational governments must continuously adjust to centrally defined categories without meaningful participation—the intergovernmental relationship risks shifting away from cooperative federalism toward a more hierarchical and asymmetrical form of compliance. This dynamic reflects a weakening of subnational autonomy and reduces the role of coordination into one of control rather than collaboration (Anderson, 2010). It is this movement—from coordination to compliance—that should be identified as the central administrative law problem in smart city governance.

The concept of digital recentralization is also useful because it explains why many smart city tensions do not arise from open conflict over jurisdiction, but from the accumulation of technical obligations. Regions may be asked to align with national applications, data exchange formats, cybersecurity expectations, service integration targets, and reporting mechanisms, while the legal basis for deciding which institution ultimately controls those standards remains fragmented across laws, presidential regulations, and sectoral regulations. Consequently, what appears to be a technical ecosystem may actually function as a layered regulatory hierarchy in which local initiative is tolerated only when it does not deviate from centrally preferred models. The legal consequence is significant: innovation becomes conditional, not autonomous. For this reason, the smart city agenda should be analyzed as a site where authority is redistributed through infrastructures of data and administration, rather than through explicit amendments to decentralization statutes alone.

Relevant legal theories used as analytical tools include decentralization theory, regional autonomy in concurrent affairs, and collaborative governance (Widodo et al., 2024). Initial empirical evidence supporting this urgency is evident in the imbalance in

regional fiscal capacity, the scarcity of digital talent, and the asymmetric implementation of the Electronic-Based Government System (SPBE) (Jati et al., 2023). This has sparked a major debate in the literature: do Smart Cities function to empower the broadest possible autonomy, or do they become a new tool of authoritarian control for the Central Government?—a question frequently raised in previous research (Wadipalapa et al., 2024). By addressing this debate, this study fills a gap in the literature that has previously overlooked an analysis of the interplay between political decentralization and technology adoption in the public sector. This is because it focuses on the ambiguity of norms, not simply the absence of norms (Nguyen et al., 2022).

Norm ambiguity becomes particularly problematic when smart city implementation intersects with the regime of governmental affairs and regional finance. Under Indonesia's regional government framework, the distribution of authority is not merely a matter of constitutional design but also raises issues of administrative feasibility, particularly in relation to the capacity of local governments to effectively manage devolved functions and responsibilities (Vujanovic, 2017). A regional government may be formally assigned or encouraged to carry out digital transformation, yet the real capacity to do so depends on budgetary space, institutional competence, procurement readiness, human resource quality, and the availability of digital infrastructure. Because of this, a legal analysis of smart city governance cannot stop at identifying which level of government holds regulatory competence. It must also ask whether the regulatory design creates what may be called an "implementation burden gap," namely a situation in which policy ambition is national but the cost, adaptation burden, and practical risk are disproportionately localized.

This burden gap is visible when local governments are expected to adopt integrated digital systems without corresponding certainty regarding financing, technical support, and phased standardization. Such a condition may produce unfunded or under-supported administrative obligations. In doctrinal terms, this matters because regional autonomy in public law is not meaningful if regions are only free in form but constrained in capacity. The legal fiction of "shared digital transformation" can conceal a materially unequal relationship when the center determines normative direction while the regions bear the operational consequences (M. R. Prabowo et al., 2026). The imbalance becomes deeper in Indonesia because regional disparities remain pronounced; some local governments can build and maintain digital service ecosystems, whereas others still struggle with basic infrastructure, digital literacy, and bureaucratic coordination. Therefore, the problem of authority in smart governance must be linked to the principle of fairness in intergovernmental relations. A central policy that ignores structural asymmetry among regions risks reproducing inequality under the language of modernization.

For this reason, the article may strengthen its argument by explicitly stating that norm ambiguity in smart city governance is harmful not only because it creates interpretive confusion, but also because it distorts accountability. When a digital public service fails, it becomes difficult to identify whether responsibility lies in local implementation, sectoral ministerial regulation, central platform design, or fragmented coordination between agencies (Wujarso et al., 2025). This accountability diffusion is one of the most serious legal

consequences of fragmented digital governance. Citizens experience service failure at the local level, yet the structural causes may stem from standards and architectures devised elsewhere. In such a configuration, state administrative law must operate as a corrective framework by clarifying competence boundaries, ensuring proportional supervisory mechanisms, and preventing the transfer of policy risk downward without corresponding authority. Thus, the central issue is not only innovation versus control, but also the legality of burden distribution in a decentralized digital state.

A decentralized system should provide legal discretion for regions to innovate according to the sociological dynamics of their communities (Wadipalapa et al., 2024). Looking ahead, this research is closely linked to national legal policies that urge the formulation of holistic urban legislation (Atmaheni & Adianto, 2024). This approach fundamentally differs from previous research because it correlates the deadlock in the legislative hierarchy (including Ministerial Regulations) with local administrative capacity. The specific objective of this study is to evaluate the harmonization of the Regional Government Law, the Government Regulation on the Implementation of Regional Government Regulations (PP SPBE), and the Presidential Regulation on One Data Indonesia (SDI) on the effectiveness of public services in the regions, which also served as the primary source of previous research (Wadipalapa et al., 2024).

The expected impact on legal practice is the creation of an intergovernmental consensus that divides authority proportionally (Wadipalapa et al., 2024) between policy makers in ministries and regional heads (Widodo et al., 2024). To address all these issues, this article is structured systematically, starting with an analysis of the regulatory framework, a review of internal and external actor relations, and sustainable funding strategies, to avoid repeating previous research (Widodo et al., 2024). However, it is acknowledged from the outset that this research has limitations due to its focus on the institutional legal dimension of intergovernmental governance, thus the analysis of the private sector is not explored as extensively as other studies (Clement et al., 2022).

The legal issues studied have strong interdisciplinary connections with public policy, spatial planning, and information systems (Widodo et al., 2024). This analysis is heavily influenced by existing legal frameworks, particularly Law No. 23 of 2014, Government Regulation No. 95 of 2018, and Presidential Regulation No. 39 of 2019 (Wadipalapa et al., 2024). Therefore, the practical implication offered is the necessity of regulatory synchronization so that local innovation is not hampered by rigid national alignment obligations (Atmaheni & Adianto, 2024). This issue is urgently needed to be studied now because political ambitions and the development of national mega-projects require strong legal certainty (Rachmawati et al., 2023). In fact, globally, this research is highly relevant in supporting the achievement of Sustainable Development Goals (SDGs) Goal 11, as well as providing socio-political contributions in the form of preventing social exclusion and strengthening the foundations of local democracy in the digital era (Wadipalapa et al., 2024).

## METHOD

This research employs a qualitative method with an exploratory descriptive approach that solidly incorporates normative legal analysis. This method was deliberately chosen because Smart City implementation does not simply boil down to a rigid analysis of regulatory texts but rather demands a deep understanding of the dynamics of factual power relations between the Central and Regional Governments (Wadipalapa et al., 2024). The primary legal sources rigorously analyzed in this draft include Law Number 23 of 2014 concerning Regional Government and Presidential Regulation Number 95 of 2018 concerning Electronic-Based Government Systems (SPBE). Meanwhile, relevant secondary legal sources that support this research include various ministerial regulations, regional head policies, and scientific literature related to urban governance. Legal data collection was executed through a literature search and analysis of planning documents.

All collected legal data was then analyzed using thematic analysis methods to identify and codify key argumentation patterns from regulatory documents (Wadipalapa et al., 2024). The legal analysis approach used is both doctrinal and comparative, where the existing legal framework is compared with the reality of implementation across regions to identify where policy harmonization lies (Wadipalapa et al., 2024).

Legal theory—particularly the theories of asymmetric decentralization and collaborative governance—plays a crucial role as the primary analytical tool for exploring the legitimacy of regional innovation amidst centralized intervention (Wadipalapa et al., 2024). This methodological design aligns closely with best practices in modern legal research, which view law as a living, context-bound, socio-technical product (Atmaheni & Adianto, 2024). Through this comprehensive method, research questions regarding points of regulatory disharmony and obstacles to the redistribution of authority in Smart City governance are successfully answered argumentatively (Rachmawati et al., 2022).

While there are challenges in aligning rigid centralized standard interpretations with local dynamics, this is overcome through analysis of the contextual adjustments to local spatial policies (Widodo et al., 2024). Ultimately, when this research must address ambiguous and conflicting data or regulations, such as overlapping Ministerial Regulations and Regional Regulations, we critically analyze these using the principles of the hierarchy of legal regulation formation (Atmaheni & Adianto, 2024).

## RESULT AND DISCUSSION

### Result

The main findings of this study demonstrate a disharmony in the regulatory hierarchy that triggers a power asymmetry between the central and regional governments in Smart City governance. These findings clearly answer the research question by proving that the lack of a comprehensive legal framework stunts local innovation in order to fulfill centralized ambitions. These results sharply contradict previous literature that assumes that digitalization will automatically strengthen decentralization capacity (Atmaheni & Adianto, 2024). The most significant legal gap highlights the conflict between Ministerial Regulations and Regional Regulations (Perda), where regions are often forced to comply with technical

standards without strong legal certainty (Atmaheni & Adianto, 2024). This reality confirms the research hypothesis that Smart Cities without collaborative Norms, Standards, Procedures, and Criteria (NSPK) have the potential to undermine the principle of broad autonomy. An unexpected finding is how the central government transformed concurrent government affairs in the communications sector into unfunded mandates, burdening regional fiscal burdens (Bardhan & Mookherjee, 2006).

Furthermore, these findings reflect a disregard for the principle of constitutional balance, where local discretion is constrained by rigid national alignment obligations (Wadipalapa et al., 2024). The largest identified legal loophole stems from the absence of an Urban Law that should specifically regulate the redistribution of technological authority (Atmaheni & Adianto, 2024). The social impact of this anomaly is very real, triggering disparities in the quality of public services and excluding vulnerable communities due to biases in digital infrastructure between regions (Wadipalapa et al., 2024). Therefore, these findings are highly relevant as a legal basis for developing new laws that combine data integration with autonomy protection (Atmaheni & Adianto, 2024). The impact of these findings on legal decision-making requires synchronizing the architecture of the Electronic-Based Government System (SPBE) to respect the dynamics and real needs of the grassroots (Wadipalapa et al., 2024). In the context of international law, this problem aligns with global trends urging the protection of civil digital rights from the threat of technological authoritarianism (Wadipalapa et al., 2024).

Certainly, there are findings regarding the manipulation of Smart City jargon by local elites for electoral popularity, which still require further sociological examination. Nevertheless, strong evidence supporting the main conclusion is evident in the failure of the One Data Indonesia (SDI) policy due to inaccurate data integration between ministries and regional bureaucracies (Wadipalapa et al., 2024). In the practice of state administrative law, these findings can be applied to overhaul the Central Government's evaluation mechanism, shifting it from a hierarchical control model to a facilitative coaching model. Thus, the contribution of these findings is vital to the theory of Public Administrative Law, expanding the dimensions of decentralization from mere administrative authority to the redistribution of data legitimacy. The results of this study can directly influence regulatory harmonization policies to prevent regional apparatus innovations from being unilaterally interfered with or revoked by the central government. This design is essential for use as a blueprint for socio-technical governance-based legal reform that prioritizes human rights (Jiang et al., 2020).

The urgency of reconstructing central–regional relations in smart governance is further reinforced by recent national indicators showing that Indonesia's digital government is indeed progressing, but that progress does not automatically eliminate structural disparities in implementation capacity. Official data from the Ministry of Administrative and Bureaucratic Reform show that the 2024 National SPBE Index reached 3.12 out of 5, exceeding the 2020–2024 RPJMN target of 2.60 (PanRb, 2025). In the same evaluation cycle, SPBE assessment covered 615 central and regional government institutions, yet only 48 institutions achieved the predicate of "memuaskan". These figures are important

because they reveal a dual reality. On the one hand, Indonesia has achieved measurable progress in digital government maturity (Winarni & Bundianto, 2024). On the other hand, the fact that only a limited portion of institutions reached the highest predicate indicates that digital transformation remains uneven across governmental units (Wujarso et al., 2025). This unevenness is not a minor administrative issue, because in a decentralized state it directly affects how far local governments can comply with national digital obligations while still exercising meaningful discretion.

These numbers support the article's argument that the problem of smart governance in Indonesia is not simply the absence of digital policy, but the unequal depth of institutional readiness beneath a formally integrated framework. A national index may rise, yet the rise itself should not be read too quickly as proof that intergovernmental coordination problems have been solved. In legal-administrative terms, the increase of the SPBE score demonstrates normative and procedural advancement, but it does not by itself answer the deeper question of whether the distribution of digital burdens is fair. Regional governments with stronger fiscal capacity, better digital talent, and more mature administrative structures are more likely to adapt to national architectures than regions whose infrastructure and bureaucratic resources remain limited. Accordingly, a rising national score can coexist with local asymmetry. This is precisely why the article's concern with authority remains relevant: digital integration may be nationally celebrated while locally experienced as a compliance burden whose costs are not equally distributed.

The same pattern appears when Indonesia's international digital-government performance is examined. In the UN E-Government Survey 2024, Indonesia rose 13 places, from rank 77 in 2022 to rank 64 out of 193 countries, and for the first time entered the Very High E-Government Development Index category with a score of 0.7991 (PanRb, 2024). Indonesia also recorded an Online Service Index of 0.8035, a Telecommunication Infrastructure Index of 0.8645, a Human Capital Index of 0.7293, and an E-Participation Index score of 0.7945, with Indonesia's position in e-participation rising from 37 to 35 (Jalaludin, 2024). These indicators matter because they show that Indonesia is not stagnant in the field of digital governance; rather, it is moving upward both domestically and internationally. However, those achievements should be interpreted carefully in the context of this article. International performance indicators mainly capture aggregate national progress. They are useful to show direction, but they do not erase the constitutional question that lies at the center of this study: whether digital progress is being organized in a way that remains consistent with decentralized governance. In other words, the improvement of rankings proves advancement, but it does not by itself settle the legality of central steering over regional implementation.

This empirical context strengthens the article's main finding in two ways. First, it shows that the legal problem discussed in this article emerges not in a vacuum, but in the middle of an actively expanding digital state. The stronger the push toward national interoperability and integrated services, the more important it becomes to define the limits of supervision, the room for regional adaptation, and the proper legal basis for technical obligations imposed on local governments. Second, it confirms that the challenge of smart

governance is no longer whether Indonesia should digitalize public administration, but how such digitalization should be governed across levels of government. Thus, the article's proposed reconstruction is not anti-digital; on the contrary, it is meant to ensure that future digital progress is institutionally fair, legally accountable, and constitutionally compatible with regional autonomy.

It is acknowledged that there are limitations to this interpretation, primarily because the analysis focuses on the legal dimension of public institutions, thus neglecting to explore private law relations with vendors (Wadipalapa et al., 2024). Nevertheless, these findings have strong relevance in the global discourse on the vulnerability of decentralization in developing countries facing massive technological penetration (Wadipalapa et al., 2024). This pattern of bureaucratic recentralization through digital instruments can be generalized to other countries in democratic transition that experience similar fiscal structural weaknesses (Wadipalapa et al., 2024). The main implication emphasizes that the transformation of public services will fail to become a Smart City if it is not accompanied by a fair distribution of budget capacity (Wadipalapa et al., 2024). These findings fundamentally influence the paradigm that digitalization is not a neutral technical proxy, but rather an arena for power restructuring and political negotiations within the state (Wadipalapa et al., 2024). This study successfully updates the theory of regional autonomy by requiring "data sovereignty" as a determining variable for the effectiveness of concurrent governance. An urgent step is to formulate an intergovernmental consensus that allocates digital burdens and authorities proportionally.

## Discussion

In stark contrast to previous studies that glorified technology as a neutral solution, this discussion boldly examines the political dimensions behind the integration of electronic government systems (Jiang et al., 2020). The absolute novelty demonstrated in this analysis is the evidence that the adoption of SPBE (Government Regulation No. 95/2018) actually triggers a paradoxical recentralization of local authority back to the central government. This fact has given rise to a sharp academic debate about whether the imposition of algorithmic standards by ministries reflects policy harmonization or a new form of co-optation of decentralization. This discussion effectively undermines the orthodox theory that assumes technological intervention is directly proportional to the strengthening of local democracy and the efficiency of regional autonomy (Wadipalapa et al., 2024). Therefore, the main recommendation put forward is the need to establish a new regulatory architecture at the level of law capable of preventing unilateral domination by the central government.

The proposed partnership-consultative model should be elaborated not as a rhetorical ideal, but as a legally structured relationship with identifiable procedural consequences. In practical terms, such a model requires at least three institutional safeguards. First, the determination of national digital standards should differentiate between obligatory minimum standards and adaptive standards. Obligatory standards are justified for matters such as interoperability, cybersecurity baselines, and compatibility of public data architecture, because fragmentation in these areas may harm the wider public

interest. Adaptive standards, by contrast, should leave regional governments meaningful room to tailor service design, implementation sequencing, and platform integration to local demographic, fiscal, and geographic realities. Second, consultation must be formalized before major digital governance standards are imposed. Consultation in this context should not be understood as symbolic socialization after a policy has already been decided, but as a legally meaningful process through which regional governments can influence the content of national digital regulation. Third, supervisory mechanisms should be redesigned so that the central government acts not merely as evaluator of outcomes but also as enabler of capacity equalization across regions.

This model is consistent with contemporary scholarship that criticizes technocratic smartness and emphasizes governance arrangements centered on collaboration, context sensitivity, and stakeholder inclusion. The point is not to deny the role of the central government, but to reposition it. In a legally mature smart governance system, the center should provide coordination, support, interoperability frameworks, and redistributive assistance, while refraining from absorbing local policy space unnecessarily. Such a repositioning is vital in Indonesia because regional diversity is not an administrative inconvenience; it is a constitutional and sociological fact. Smart governance that ignores territorial diversity may produce elegant national frameworks but weak local legitimacy. Conversely, a consultative partnership model can preserve the benefits of national integration while maintaining room for local experimentation and democratic responsiveness. This is particularly important for services that interact directly with citizens' everyday needs, where local knowledge often determines whether digital innovation will actually be inclusive or merely performative.

A further advantage of the partnership-consultative model is that it better aligns authority with accountability. If local governments are meaningfully involved in shaping standards and implementation pathways, they can more fairly be held accountable for service performance. By contrast, if they are mainly implementers of centrally designed systems, accountability becomes distorted because responsibility is localized while design authority is centralized. Thus, the model proposed by this article should be defended not only as a better governance practice, but also as a requirement of sound administrative law. It offers a way to reconcile national coordination with decentralized legitimacy by ensuring that digital transformation does not silently convert regions into subordinate execution units within an integrated data state.

As an alternative approach, the Quadruple Helix model of collaborative governance must be institutionalized in legal norms to prevent the marginalization of civil society and private sector participation (Aisyah et al., 2024). The long-term impact of these findings is crucial for preventing jurisdictional deadlocks when regions attempt to regulate innovations that lack legal nomenclature at the national level (Wadipalapa et al., 2024). The logic can be applied across various legal jurisdictions across countries, given that the tug-of-war between levels of government is a universal phenomenon in administrative science (Nastjuk et al., 2022). Socio-economically, this discussion has implications for the need to end the waste of regional budgets (APBD) on duplicative programs and restore the public's rights

to equitable access to digital services (Wadipalapa et al., 2024). For policymakers, this exposition serves as a critical reminder that policies like Satu Data Indonesia (SDI) must not ignore sociological validity at the local level.

In addition to sociological validity, SDI and smart city regulation must also be evaluated against the emerging legal regime of personal data protection. Smart governance depends heavily on the collection, exchange, storage, and processing of citizen-related data, whether in the form of service usage patterns, demographic records, complaint systems, mobility information, or integrated administrative datasets. The more successful a smart city becomes in connecting public services through digital platforms, the greater the legal significance of data governance. This means that the quality of a smart governance framework can no longer be measured only by integration and efficiency; it must also be measured by how clearly it defines data responsibility, access limitations, lawful processing, institutional safeguards, and citizens' rights over their personal data. In Indonesia, this issue gained a stronger normative foundation with the enactment of Law No. 27 of 2022 on Personal Data Protection, which regulates data subject rights, processing obligations, and institutional responsibilities in personal data governance.

This development matters for the article's argument because it broadens the legal stakes of central–regional relations in digital transformation. A poorly designed smart city system does not only risk recentralization; it may also expose citizens to unclear chains of responsibility when personal data is shared across institutions and levels of government. If local governments rely on nationally integrated systems, but authority over architecture, storage protocols, or access restrictions remains diffuse, then legal accountability in cases of misuse, overreach, or data leakage becomes harder to determine. From a state administrative law perspective, this is highly significant because legality in digital government today includes not only competence to act, but also competence to manage data lawfully and transparently. In other words, authority over service design and authority over data governance cannot be analytically separated anymore. The question of who governs a smart city is inseparable from the question of who defines, accesses, and safeguards the data generated by that city.

Therefore, the article may strengthen its normative contribution by arguing that future smart governance regulation in Indonesia must integrate at least two parallel safeguards: intergovernmental clarity in the division of digital authority, and explicit guarantees for lawful personal data governance. Without the first, decentralization is weakened; without the second, citizen protection is weakened. A robust smart governance framework should ensure that data integration does not become an excuse for vague responsibility, and that efficiency does not override legality. This addition is important because it shows that the smart city debate is no longer confined to institutional coordination, but has expanded into the domain of constitutional citizenship, where information rights, legal certainty, and administrative accountability converge.

A strategic suggestion for future research is the need to comprehensively examine the legal aspects of personal data protection and privacy within the Smart City ecosystem governance scheme. The results of this discourse provide a valuable contribution to the

academic discourse of administrative law by positioning Smart Cities as socio-technical policy products, not mere infrastructure commodities. A key challenge in interpreting similar research is unraveling the "political grammar" of local elites, who often exploit artificial intelligence jargon solely to boost electoral electability (Wadipalapa et al., 2024). This discussion clearly highlights the strength of the analysis of central-regional institutional relations, although it remains weak due to the limited review of private sector regulations (Wadipalapa et al., 2024). Ultimately, its implications demand that future constitutional law theory redefine the boundaries of state sovereignty and decentralization in a borderless digital space.

An additional point that deserves emphasis is that the legal debate on smart governance cannot be separated from the persistence of Indonesia's digital access gap. BPS data show that in 2024, 72.78 percent of Indonesia's population had accessed the internet, up from 69.21 percent in 2023 (BPS, 2025). This is a significant increase and indicates that the social foundation for digital public services is becoming stronger. Yet the same development also sharpens the obligation of the state to ensure that public digitalization does not deepen territorial inequality. Expanding internet access is a necessary condition for smart governance, but it is not a sufficient one. A smart city regime can only function fairly when citizens are not merely statistically connected, but are also institutionally able to access services across regions with reasonably comparable quality. Where access, literacy, and administrative responsiveness diverge too widely, the promise of digital government risks becoming geographically unequal.

The constitutional issue is not only whether the center may formulate national digital strategies, but whether it may do so while relying on an assumption of institutional symmetry that does not exist in practice. If digital readiness remains uneven, then a one-directional standardization model may generate legal unfairness. Regions with more advanced infrastructure can comply and even innovate beyond compliance, whereas regions with weaker connectivity, fewer skilled personnel, and more limited budgets may simply struggle to satisfy minimum national expectations. In such circumstances, identical formal obligations may produce unequal substantive consequences. Administrative law should treat this as more than a managerial inconvenience; it is a question of proportionality in intergovernmental regulation. The law should therefore distinguish between what must be uniform for reasons of interoperability and security, and what must remain adaptive in order to preserve the practical meaning of regional autonomy.

The same discussion can also be linked to the development trajectory of Indonesia's smart city agenda itself. Government reports show that the "Gerakan Menuju 100 Smart City" expanded gradually from its earlier cohorts, and by the end of 2021 the program had involved 98 cities/regencies out of 514 kabupaten/kota in Indonesia (Nugroho et al., 2017). This number is useful for the article because it demonstrates that smart city development is no longer a marginal experiment confined to a handful of urban governments. It has become a broad governmental agenda with significant territorial reach. Precisely because of that breadth, the issue of legal arrangement becomes more urgent. A program covering close to one hundred local governments cannot rely only on sectoral enthusiasm,

ministerial coordination, or political branding. It requires a stable legal design capable of clarifying competence, sequencing obligations, and ensuring that local participation is not reduced to passive implementation of national templates.

From this standpoint, the article may sharpen its discussion by stating that Indonesia's digital-government success indicators should be read as evidence of momentum, not as evidence that the central–regional problem has disappeared. Rising SPBE scores, improved UN rankings, and expansion of smart city programs all show that digital transformation is accelerating. But acceleration without normative calibration may intensify, not reduce, the risks identified in this article. The more successful the state becomes in building integrated digital systems, the more urgent it becomes to guard against two tendencies: first, the concentration of design authority at the center without corresponding procedural participation from regions; and second, the transfer of implementation burdens to local governments without proportional support. Therefore, contemporary smart governance law must address not only innovation and service quality, but also the constitutional ethics of coordination in a digitally connected yet administratively unequal state.

## CONCLUSION

The main conclusion of this study confirms that Smart City governance triggers regulatory disharmony and power asymmetry between the central and regional governments, where local innovation is often hampered by policy centralization without fiscal support. This study successfully addresses its objectives by critically examining the conflict between Law No. 23 of 2014 and technical regulations such as the SPBE (Electrical and Administrative Governance System), demonstrating that digitalization has the potential to become an instrument of recentralization of power. Its fundamental contribution to the science of Public Administrative Law lies in deconstructing the paradigm that technology is neutral, by positioning "data sovereignty" as a crucial variable in analyzing the relationship between concurrent government affairs.

In that respect, the article demonstrates that the legal challenge of smart governance is not merely to digitalize public administration, but to constitutionalize the terms on which digitalization occurs. The state may legitimately seek integrated data systems, unified standards, and interoperable service platforms, yet those objectives must remain compatible with the decentralized structure of Indonesian governance. If digital transformation is pursued without adequate protection of regional discretion, procedural consultation, and fiscal proportionality, then the language of modernization may conceal a reconfiguration of power inconsistent with the spirit of autonomy. For that reason, smart governance should be viewed as a constitutional-administrative project, not a purely managerial one. Its success depends on whether law can preserve a fair balance between national coordination and local self-government in an era where authority increasingly travels through data infrastructures rather than solely through traditional bureaucratic commands.

The broader implication is that future regulatory reform should move beyond fragmented sectoral rules and develop a coherent legal framework for digital governance that clearly allocates authority, responsibility, and accountability across levels of government. Such reform should not only clarify the limits of central steering, but also institutionalize consultation, capacity equalization, and personal data safeguards as integral elements of smart governance. In this way, the idea of a smart city can be rescued from a narrow technocratic reading and repositioned as part of a democratic administrative order. A city is not "smart" merely because it is saturated with platforms and applications; it becomes normatively smart when its digital institutions remain lawful, accountable, inclusive, and respectful of both citizens' rights and the constitutional place of regional government.

The practical implications of the above findings urge a restructuring of the architecture of the Electronic-Based Government System (SPBE) and One Data Indonesia, ensuring that it is not merely top-down hierarchical but accommodates regional discretion through proportional intergovernmental consensus. However, a limitation of this study that should be noted is its dominant focus on the relationship between central and regional public institutions, resulting in underexploration of citizens' privacy rights and power relations with the private sector (vendors). Therefore, a key recommendation for further research is to examine the legal framework for personal data protection and the institutionalization of civil society participation in local decentralized digital ecosystems. A true Smart City is not simply about sophisticated algorithms, but rather demands fair distribution of authority and legal legitimacy to ensure inclusive and humane public services.

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## DISCLOSURE STATEMENT

The author(s) declare that there is no conflict of interest regarding the publication of this article. This research was conducted independently and was not influenced by any financial, commercial, or institutional interests that could affect the objectivity or integrity of the study.

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