



Navigating Fiscal Austerity: Budget Efficiency and Public Service Delivery in Subnational Governance

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Abstract

Indonesia's 2025 fiscal austerity policy required subnational administrations to restrain expenditure while maintaining essential public services. This study examined how the Government Administration and Public Service Program in Gunung Tabur Subdistrict, Berau Regency, implemented spending-efficiency directives and identified enabling and constraining conditions. Using a descriptive qualitative design, the study analyzed retrospective interviews conducted in June 2026, observations, and administrative documents through Van Meter and Van Horn's six implementation variables, with SWOT used as a supplementary synthesis. The allocation for one public-service sub activity declined from IDR 29,995,759 to IDR 26,495,759 (11.67%). Officials reported prioritizing activities, consolidating village visits, coordinating units across, and using existing facilities. Aggregate Public Satisfaction Survey scores for January–June were 3.52 in both 2024 and 2025 and 3.53 in 2026. These figures provided limited context for reported service continuity but did not establish unchanged service quality or improved cost efficiency. The findings highlighted organizational adaptation as a reported mechanism through which a subdistrict translated fiscal directives into administrative routines without formal restructuring. Given the retrospective evidence and limited service-output and cost data, the study could not establish causal effects on service performance. It underscored the need to monitor realized expenditure, service outputs, and accessibility alongside budget adjustments.

Keywords: Fiscal Austerity, Budget Efficiency, Policy Implementation, Organizational Adaptation, Public Service Delivery

Introduction

Public-budget governance becomes particularly consequential when local administrations must reconcile spending restraint with continuing demand for accessible services. In Indonesia, Presidential Instruction No. 1 of 2025 directed expenditure efficiency in the 2025 national and regional budgets (Pemerintah Republik Indonesia, 2025), and a contemporary policy study discussed its fiscal rationale and practical implications (Hartono, 2025). Research on municipal austerity cautions that formal cutback decisions and their implementation can diverge (Overmans & Noordegraaf, 2014). Recent research examining the implementation of Indonesia's 2025 budget-efficiency policy in three local governments further identified differences in expenditure prioritization, administrative coordination, and strategies for maintaining public



services (Hakim et al., 2025). The Berau Regency government subsequently communicated expenditure controls through Regent Circular No. 030/194/BPKAD-B/2025, dated 20 February 2025, as reported in the case documentation. At Gunung Tabur Subdistrict, these directives intersected with routine administrative services and coordination with villages and urban wards (Kecamatan Gunung Tabur, 2026).

Research on fiscal administration and public-service implementation provides several complementary perspectives on these tensions. Akbar et al. (2022) examined public-service budget effectiveness and efficiency through quantitative indicators, whereas Overmans & Noordegraaf (2014) showed that organizational responses to fiscal pressure need not mirror the rhetoric of austerity. A more recent study of the Bogor Regency Regional Secretariat similarly documented how Indonesia's 2025 budget-efficiency directives were translated into operational expenditure adjustments, organizational coordination, and implementation challenges (Maulani et al., 2026). Mustika et al. (2025) highlighted transparency and accountability in local public spending, and Wulandari et al. (2025) advanced a normative argument for linking fiscal efficiency to public benefit. Wartiningsih & Mulyadi (2023) examined the implementation of integrated subdistrict administrative services, while Sampar & Hasanudding (2025) connected decentralized service outcomes to fiscal capacity and administrative professionalism. Research on decentralized governance in Indonesia further demonstrates that analytical, operational, and political capacities jointly contribute to public-service delivery (Setiawan et al., 2022), while evidence concerning minimum service standards suggests that fiscal capacity alone does not consistently translate into improved service achievements (Koeswara et al., 2025). Digitalization scholarship further identifies potential gains and organizational trade-offs in service processes (Mergel et al., 2019; Zein et al., 2025). Studies of street-level organizations emphasize the role of organizational routines, local discretion, and accountability in translating government instructions into service practices (Brodin, 2011; Hupe & Hill, 2007; Lipsky, 1980). A systematic review of street-level bureaucracy research further highlights the continuing importance of frontline administrative behavior and the differing perspectives through which bureaucratic practices are understood (Chang & Brewer, 2023).

Although recent studies have examined local government responses to Indonesia's 2025 budget-efficiency policy at the regency and municipal levels (Hakim et al., 2025) and within a regency secretariat (Maulani et al., 2026), the literature reviewed here provides less direct explanation of how subdistrict administrations translate higher-level fiscal restrictions into changes in activity priorities, personnel arrangements, scheduling, interunit coordination, and citizen access. The research gap therefore concerns the organizational processes connecting fiscal directives to frontline administrative practices and the analytical distinction between reduced budget allocations, reported service continuity, and demonstrable improvements in cost efficiency. The top-down and bottom-up perspectives on implementation suggest that formal policy goals alone do not settle how activities are carried out locally (Matland, 1995; Van Meter & Van Horn, 1975). This distinction becomes especially important when adaptations to spending reductions are described as successful without measuring service outputs or costs.

This study asked two questions: how was the 2025 budget-efficiency policy implemented in Gunung Tabur Subdistrict's Government Administration and Public Service Program, and what conditions facilitated or constrained that implementation? It aimed to explain the reported administrative processes through which officials responded to financial restrictions while attempting to preserve priority government and public-service activities.

A descriptive qualitative, single-setting design was used to examine these processes through interviews, observations, and policy, planning, and performance-related documents, consistent with context-sensitive qualitative inquiry (Creswell & Poth, 2018; Villamin et al., 2025). Interviews conducted in June 2026 elicited retrospective descriptions of 2025 implementation, while budget revisions and aggregate Public Satisfaction Survey (SKM) scores supplied documentary and descriptive outcome context. The study was not designed to estimate causal effects through experimental or quasi-experimental comparison.

The study's value lies in making organizational adjustment visible at a local administrative level that combines direct service provision with territorial coordination. It examines how subdistrict officials reported attempting to maintain priority functions by consolidating field

activities, adapting internal work arrangements, and using existing organizational resources under fiscal constraints. The case offers a process-oriented contribution to discussions of policy implementation under fiscal pressure, subject to the limits of a single case and available documentation.

In this study, the term "budget-efficiency policy" refers to the official directive to restrain and reprioritize public expenditure, rather than an empirically demonstrated improvement in the relationship between service costs and outputs. Accordingly, a reduction in budget allocation is not treated as sufficient evidence of improved cost efficiency. Drawing on Van Meter & Van Horn, (1975), policy implementation refers to the processes by which officials interpret and operationalize formal directives, examined through the six variables proposed by Van Meter & Van Horn (1975): standards and objectives, resources, interorganizational communication and enforcement, implementing-agency characteristics, external conditions, and implementers' disposition. Service continuity is used narrowly to describe reported ongoing activities and the available aggregate satisfaction indicators, not verified preservation of every service standard.

The article next presents the methods and sources, followed by evidence organized around six implementation variables and a synthesis of enabling and constraining conditions. The discussion compares these observations with relevant research, explains the proposed organizational-adaptation mechanism, and considers limits of causal interpretation. The conclusion outlines contributions, practical implications, limitations, and directions for further study.

Methods

Research Design

This study employed a descriptive qualitative, single-setting design to examine the implementation of the 2025 spending-efficiency policy within the Government Administration and Public Service Program at Gunung Tabur Subdistrict, Berau Regency (Creswell & Poth, 2018; Villamin et al., 2025). The unit of analysis was the subdistrict administration and its reported adjustments to expenditure, coordination, and public-service-related activities. Six interrelated variables from Van Meter & Van Horn (1975) structured the implementation analysis; SWOT categories provided a supplementary synthesis of enabling and constraining conditions, not an independent causal model. The continued relevance of this implementation framework at the subdistrict level is illustrated by Handayani et al. (2021), who applied its six variables to the implementation of integrated administrative services in an Indonesian subdistrict.

The empirical account was reconstructed retrospectively: the principal interviews were conducted in June 2026, whereas the policy and budget documents concerned fiscal year 2025. Therefore, the study examined reported implementation practices rather than estimating the causal effect of expenditure adjustment on service outcomes.

Data Sources

Primary data were derived from semi-structured interviews with subdistrict officials and public-service users, together with observations of administrative work and service activities at the Gunung Tabur Subdistrict Office, Berau Regency. The interview documentation identifies eight participants: four officials and four service users. The purposive-informant table separately names five intended official positions, but a separate interview for the subdistrict secretary is not evidenced in the documentation. Accordingly, eight refers to participants documented in the interview appendix, not an independently reconciled count of every interview undertaken.

The four officials documented in interviews held the posts of subdistrict head, head of the program/finance/assets subunit, head of the governance section, and head of the public-service section. Service users were selected for their direct experience of routine service provision. Secondary materials included the Gunung Tabur 2021–2026 strategic plan, the Regent's expenditure-efficiency circular as reproduced in the study, the reported 2025 DPA and DPPA budget figures, organizational records, and aggregate SKM results for January–June 2024, 2025, and 2026. The four service users and four officials are documented photographically; the

available research materials did not include a complete archive of original interview transcripts for independent re-examination.

Research Instrument

An interview guide included in the study appendix sets out questions organized by the policy-implementation variables and respondent roles. Interviews explored officials' understanding of efficiency directives, changes in budget use, coordination, and the experiences of service users. Observation and document review supplemented these accounts by considering work activities, personnel deployment, facilities, and administrative records. A standardized observation checklist or stand-alone document-extraction instrument is not separately identified in the study record and is therefore not claimed.

Data Collection and Procedures

Data collection combined semi-structured interviews, direct observation, and documentary review. Interviews quoted in the research account are primarily dated 9 June 2026, after the 2025 policy period. Observation was situated at the Gunung Tabur Subdistrict Office, focusing on administrative tasks, public-service activities, employee coordination, and use of available facilities; a complete observation timetable or individual service-counter log was not reported. The field observations therefore contextualize practices observed during the research period, while 2025 budget documents supply the time-specific evidence about policy implementation.

Data Analysis

The qualitative analysis was described through data reduction, data display, and conclusion drawing, following Miles et al. (2014). Evidence was organized around the six Van Meter–Van Horn variables, standards and objectives, resources, interorganizational relationships, implementing-agency characteristics, social, political and economic conditions, and implementers' disposition. The use of predefined implementation variables to organize the evidence is consistent with theory-informed qualitative analysis that employs categories derived from an existing conceptual framework (Bingham, 2023). For each of the six implementation variables, interview descriptions were compared with available observation accounts and administrative documents. SWOT was subsequently used to classify reported internal strengths and weaknesses and external opportunities and threats, without quantitative scoring or causal testing.

Data Accuracy

Data accuracy was addressed by comparing reported interview accounts with planning, budget, organizational, and service-related documents, while distinguishing document-based figures from officials' descriptions. The recorded allocation for the public-service subactivity changed from IDR 29,995,759 in the initial DPA to IDR 26,495,759 in the amended DPPA for 2025, a reduction of IDR 3,500,000 (11.67%). This documents an allocation change, not independently audited realization savings or improvements in cost per service. The source documentation did not include a full line-by-line budget audit that could validate every expenditure category mentioned in interviews.

Trustworthiness

The study reported source and method triangulation through comparisons of interview accounts, field observations, and administrative records across the six implementation variables. Such comparisons can identify convergences and source-specific limitations, following good practice for qualitative trustworthiness (Ahmed, 2024; Nowell et al., 2017). However, these comparisons should be distinguished from a comprehensive demonstration of credibility, dependability, confirmability, and transferability, which would require additional supporting documentation. Although the research methods chapter also mentioned triangulation across time, the available results do not establish repeat interviews with the same people at different dates; this article therefore does not claim that repeated-interview triangulation was demonstrably completed.

Ethical Considerations

The undergraduate research record includes an official letter requesting research permission and access to relevant information. Interviews involved government officials and service users, whose identities are not reproduced in the research findings reported here. An ethics committee approval or formal exemption is not recorded, and the available thesis does not specify the participant-consent procedures. Administrative permission should not be treated as equivalent to institutional research-ethics approval.

Findings

The findings distinguish retrospective interview reports, observational accounts, and reported numerical or administrative records. The resulting account identifies policy implementation practices, not a causal estimate of budget-policy effects on service outcomes.

Policy Standards and Objectives

The implementation direction was understood by participating officials as a mandate to prioritize essential government and public-service functions while restraining supporting expenditure. Available case materials report that the Berau Regent's Circular No. 030/194/BPKAD-B/2025, dated 20 February 2025, followed Presidential Instruction No. 1 of 2025. The available illustration of the circular came from a news publication rather than a complete official copy independently inspected for this article. The subdistrict head described budget efficiency as a reason to prioritize spending that supported public-service functions (interview, 9 June 2026). The public-service section head similarly reported that ordinary public-service activity continued (interview, 9 June 2026). These accounts document the objectives understood by officials, not independent confirmation that every service standard was met.

The program-finance-assets official explained that decisions should begin with the subdistrict's core functions and the activities directly related to residents (interview, 9 June 2026). Priority setting was therefore described as a practical criterion used to translate general fiscal direction into day-to-day decisions.

Resources and Expenditure Adjustment

The clearest quantitative evidence is the comparison of the initial DPA and amended DPPA for the subactivity concerned with improving public-service delivery: the allocation declined from IDR 29,995,759 to IDR 26,495,759, a reduction of IDR 3,500,000, or 11.67% of the initial amount. The budget documents and interview accounts associate the reduction primarily with service expenditure (*belanja jasa*). Separately, the program-finance-assets official described adjustments to travel, meetings, printing, and selected operational needs (interview, 9 June 2026). These accounts should not be read as a verified item-by-item allocation of the IDR 3.5 million reduction.

Officials reported reallocating responsibilities among existing employees and using available facilities and communication technologies rather than suspending main duties. The research documentation also records the use of WhatsApp and Zoom for routine coordination. The evidence identifies changes in the way limited resources were used, but no service-output denominator or cost-per-service measure is available to prove greater economic efficiency.

Interorganizational Relationships

Coordination provided a specific mechanism for combining activities within a constrained budget. The subdistrict head described grouping village-supervision and development activities so that teams could cover three villages in one day or centralizing certain village-development meetings at the subdistrict office instead of visiting each village separately (interview, 9 June 2026). This illustrates reported agenda integration, although actual travel savings were not quantified.

Officials also reported that directives from the regency government were conveyed through letters and internal meetings. Interview accounts of coordination were consistent with observations of internal meetings and supporting photographic documentation. This triangulated evidence supports the occurrence of administrative coordination, although it does not establish its frequency or consistency throughout the 2025 implementation period.

Characteristics of the Implementing Agency

The formal subdistrict division of duties remained the principal organizing structure during the reported expenditure adjustment. The organizational chart and supporting research records describe responsibilities divided among the subdistrict head, secretariat, program-finance-assets subunit, governance section, and public-service section. Officials did not report a formal restructuring of the agency as a consequence of fiscal restraint. Instead, they described changing the scheduling, location, and combination of activities while preserving assigned functions. The distinction is analytically important: the reported adaptation concerned operating routines and cross-unit coordination rather than an alteration of legal authority or formal agency design.

Social, Political, and Economic Conditions

The interview accounts suggest that routine public-service demand influenced decisions about office presence and activity priorities. One service user reported that services still appeared to be delivered as usual but also said that the detailed budget-efficiency policy was unfamiliar to them (interview, 9 June 2026). This is evidence about one person's experience and awareness, not evidence that the population as a whole endorsed the policy.

The subdistrict head also described maintaining office-based work because residents needed direct access to officials, despite references to remote-work practices elsewhere. The underlying material does not conclusively date the relevant remote-work arrangements to the 2025 policy period. Consequently, this account helps explain a perceived service requirement but is not used as direct evidence that a specific 2025 working-time policy was changed.

Implementers' Disposition

Participating officials generally described the policy as an instruction they accepted and addressed through work adjustment. The subdistrict head and other officials emphasized continued attention to priority government and service functions despite constraints (interviews, 9 June 2026). Documentary corroboration was more limited for officials' reported disposition than for budget changes, organizational arrangements, or coordination meetings. Accordingly, the finding concerns reported willingness to adapt and observational impressions, not an independent measure of staff motivation.

Enabling and Constraining Conditions

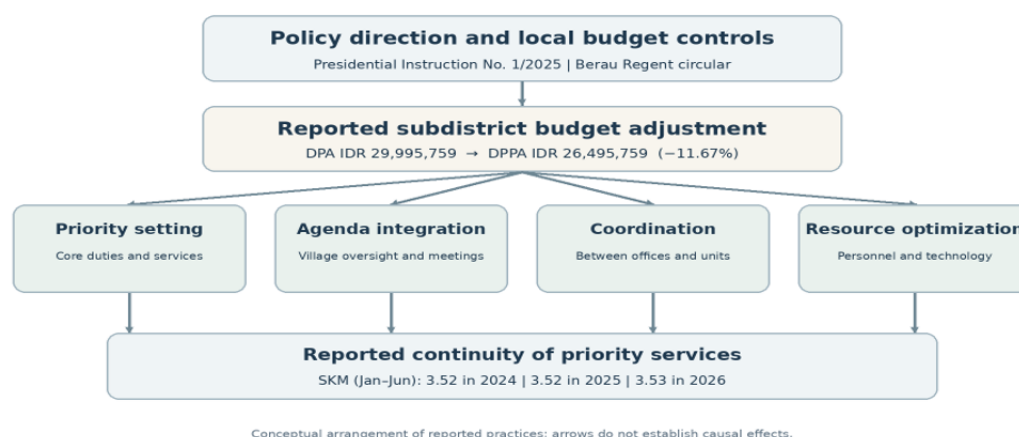
The SWOT synthesis identified officials' commitment, prioritization of activities, available technology, support from the regency government, and coordination as reported facilitating conditions. Constraints included limited spending room, reductions in supporting expenditure, maintenance and procurement needs, continuing demand for public services, changes in directives, and changes in budget allocation. The classification of these conditions as strengths, weaknesses, opportunities, or threats depends on whether they originate within the subdistrict or in its external institutional environment. Because these conditions overlap with the six implementation variables, SWOT is treated here as a thematic synthesis rather than evidence that any one factor independently caused implementation success.

Descriptive Service Indicators and Synthesis

Institutional SKM summaries reported mean scores for January–June of 3.52 in 2024 and 2025 and 3.53 in 2026, all classified as 'good'. The stable aggregate score between 2024 and 2025 is compatible with no detected decline on that particular indicator. It does not show that all components of public-service quality were unchanged or that efficiency caused the result. The number of respondents, results for each survey element, and timing of the 2025 DPPA change relative to the survey window are not specified in the available survey summaries.

Taken together, the interviews and documents describe a repertoire of reported organizational adjustments, activity prioritization, integrated village visits, internal coordination, and reuse of available resources, implemented alongside a smaller sub activity allocation. Figure 1 summarizes these reported relationships as an analytical sequence rather than as a verified chain of causal effects on service quality.

Figure 1: Analytical synthesis of policy translation and reported organizational adaptation in Gunung Tabur Subdistrict.



Source: Authors' synthesis of interviews, budget descriptions, and service indicators (2026).

Discussion

Research on fiscal restraint and implementation suggests that budget reductions must be distinguished from the administrative routines through which they are enacted. Akbar et al. (2022) assessed financial effectiveness and efficiency in public-service budgets, while Overmans & Noordegraaf (2014) examined the gap between austerity rhetoric and actual local government measures. Recent studies of Indonesia's 2025 budget-efficiency policy similarly highlight the importance of expenditure prioritization, administrative coordination, and organizational responses to fiscal restrictions. Hakim et al. (2025) examined different strategies adopted by three local governments to maintain public services, while Maulani et al. (2026) identified operational adjustments and implementation challenges within the Bogor Regency Regional Secretariat. Wartiningsih & Mulyadi (2023) drew attention to the organization of subdistrict administrative services, and Sampar & Hasanudding (2025) addressed how fiscal capacity and bureaucratic professionalism constrain decentralized service provision. These studies provide useful points of comparison because they link fiscal capacity and policy implementation to different outcomes. At the same time, street-level studies remind us that formal directives are interpreted and enacted through work arrangements, social relationships, and organizational accountability (Brodkin, 2011; Hupe & Hill, 2007). A more recent systematic review further emphasizes the importance of frontline bureaucratic behavior and the different analytical perspectives through which administrative practices are understood (Chang & Brewer, 2023). Gunung Tabur contributes a bounded account of these reported adjustments, not a cross-location estimate of budget-efficiency effects.

Against this background, the present study asked how the 2025 spending-efficiency policy was implemented within the Government Administration and Public Service Program at Gunung Tabur Subdistrict and which conditions facilitated or constrained that implementation. Presidential Instruction No. 1 of 2025 and the Berau Regent's subsequent spending-efficiency circular provided the policy context described in the study; however, the analytical focus is the translation of those directions into local administrative decisions. The relevant questions concern how officials selected priority activities, reorganized supporting expenditure, communicated across units and levels of government, and addressed continuing service demands. Accordingly, the study evaluates reported implementation processes rather than treating a reduction in the budget or a favorable satisfaction rating as a self-evident measure of policy success.

The central empirical finding is that a documented reduction in the reported allocation for one public-service subactivity accompanied adjustments to expenditure and work organization, rather than a reported termination of the subdistrict's priority functions. The initial Budget Implementation Document (DPA) amount of IDR 29,995,759 was revised to IDR 26,495,759 in the amended document (DPPA), a difference of IDR 3,500,000 or 11.67% of the initial subactivity

allocation. The DPA–DPPA comparison associates this change primarily with service expenditure (belanja jasa), whereas accounts of reduced travel, meetings, printing, and other supporting needs arise from officials' interviews and should not be represented as verified amounts in those budget line items. Officials also reported reallocating tasks and using existing facilities and communication tools. These observations establish reported budgetary and organizational adjustments, but not a measured increase in cost efficiency.

The most analytically revealing result lies in the reorganization of activities across locations and administrative units. In a retrospective interview on 9 June 2026, the subdistrict head described combining supervision or development visits so that several villages could be covered in one day, as well as holding certain activities at the subdistrict office instead of arranging separate visits to each village. This is a more concrete implementation mechanism than a general statement that staff cooperated or remained committed: it indicates how officials sought to reduce the resource demands of coordination while retaining core assignments. The organizational chart and corroborating accounts also indicate that the formal allocation of authority remained largely unchanged. The evidence therefore points toward adjustment of operating routines within an existing bureaucratic structure, although savings from particular arrangements were not calculated. Research on public-sector digital transformation suggests that technology can reshape organizational routines, although the available evidence here concerns the use of existing tools rather than a measured digital transformation (Mergel et al., 2019). Recent research on digital public-service implementation at the subdistrict level in South Jakarta also identifies organizational resources, implementer behavior, and interorganizational coordination as important implementation conditions (Marthalina et al., 2025). However, unlike that study's focus on digital-service policy, the Gunung Tabur evidence concerns the reported use of existing communication applications to support routine administrative coordination under fiscal constraints.

A noteworthy finding is that the aggregate Public Satisfaction Survey (SKM) scores reported for January–June were 3.52 in both 2024 and 2025 and 3.53 in 2026, all classified as 'good' in the institutional summaries. The SKM is situated within Indonesia's national service-satisfaction measurement guidance (Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi RI, 2017). This stable descriptive series does not establish that spending adjustment left every dimension of service quality unaffected: respondent numbers and disaggregated indicators are not provided, and the January–June 2025 survey overlaps with a period before the 20 February 2025 circular. The timing of the amended budget relative to the survey is likewise not established. Thus, the scores contextualize reported service continuity but do not constitute a before-and-after causal evaluation.

The evidence partly supports previous research emphasizing expenditure prioritization, transparency, and coordination during resource restraint. Official accounts of consolidated visits and selective supporting expenditure echo the difference between budget adjustments and organizational responses highlighted by Overmans & Noordegraaf (2014); they also accord with Mustika et al. (2025) on the need for accountable spending decisions. Compared with the broader local-government strategies examined by Hakim et al. (2025), the Gunung Tabur case provides a more specific account of how activity consolidation and coordination were reportedly undertaken within a subdistrict administration. Similarly, while Maulani et al. (2026) highlighted operational adjustments and interunit coordination in a regency secretariat, the present case illustrates these practices in an administrative unit responsible for both public services and territorial coordination. Research on PATEN implementation at the subdistrict level points to the significance of administrative routines and coordination for service delivery (Wartiningsih & Mulyadi, 2023). Reports of using existing communication tools resemble the opportunities discussed in the digital-service literature (Zein et al., 2025), but the Gunung Tabur material does not measure technology-related cost savings, processing time, or service outputs. It is therefore more precise to describe reported technology use than an established digital-productivity gain.

The findings also qualify, rather than directly refute, conclusions drawn from studies using other measures or settings. Whereas Akbar et al. (2022) evaluated financial effectiveness and efficiency through quantitative budget indicators, the available evidence from Gunung Tabur does not include the realized cost per service, the volume of completed transactions, or

comparable efficiency ratios; the smaller allocation therefore cannot be labeled an efficiency gain in the same measurement sense. Likewise, Sampar & Hasanudding (2025) reported constraints affecting the quality and distribution of decentralized services, while interviewees in Gunung Tabur described routine services as continuing during expenditure adjustment. Research on local government capacity in Indonesia has also demonstrated that analytical, operational, and political capacities contribute jointly to public-service delivery (Setiawan et al., 2022). Furthermore, Koeswara et al. (2025) found that fiscal capacity and mandatory expenditure allocations do not consistently correspond to improved achievement of Minimum Service Standards. Although these studies employ different units of analysis and service indicators, they reinforce the importance of distinguishing financial resources from demonstrated service performance. This is a contrast in reported local experience, not proof that the earlier findings were incorrect or that service quality remained unchanged in Gunung Tabur. Recognizing these differences prevents administrative continuity, perceived satisfaction, and financial efficiency from being treated as interchangeable outcomes.

Read through Van Meter & Van Horn (1975), the findings suggest that standards, resources, coordination, organizational characteristics, environmental conditions, and implementing officials' responses interacted during local administrative adjustment. Stated objectives supplied a rationale for protecting priority services; less financial room encouraged selection of activities; vertical and horizontal communication supported agenda consolidation; and formal duties remained in place as work routines were modified. Recent research on local government policy capacity similarly underscores the importance of organizational and political conditions for public-service implementation, rather than financial resources alone (Koeswara et al., 2025). This connects the case with implementation scholarship on administrative settings (Matland, 1995) and frontline organizational practice (Brodtkin, 2011; Hupe & Hill, 2007). Studies of professionals' willingness to implement reform add an interpretive perspective on perceived policy meaning (Tummers, 2011), although such perceptions were not measured independently here. A recent study of Indonesian civil servants likewise examined the relationship between public service motivation and willingness to implement an administrative policy (Utama et al., 2026). However, its quantitative assessment of policy willingness differs from the retrospective descriptions of officials' responses available in the Gunung Tabur case. The SWOT categories summarize the same conditions and are not presented as an additional causal test.

These interpretations require particular caution because the evidence combines retrospective interviews conducted in 2026 with policy and budget material relating to 2025. Officials can illuminate internal reasoning, but their accounts may emphasize compliance and continuity after the implementation period; observations made in 2026 cannot establish the exact conduct of every activity during 2025. The informant-selection table and interview-documentation appendix are not fully aligned, and the service-user accounts cannot represent the whole population of residents. The SKM series lacks respondent counts, element-level scores, and a clearly matched exposure period; the underlying DPA-DPPA figures also establish a budget revision rather than realized expenditure savings. Further, concentrating meetings at the subdistrict office might shift travel or coordination costs to village participants, a possibility that was not measured. A more defensible proposition is that coordinating and reprioritizing work may help sustain selected activities under fiscal constraint, subject to verification of their costs and service consequences.

The contribution of the study is consequently a process-oriented account of how a frontline government unit reportedly converted a higher-level spending directive into selective expenditure control and changed administrative routines. For public management practice, the case suggests monitoring not only whether budget lines have been reduced but also which services are protected, which activities are combined or deferred, and who absorbs any redistributed coordination costs. Such monitoring would benefit from contemporaneous records of service volumes, processing times, complaint resolution, maintenance backlogs, and user accessibility alongside financial realization and disaggregated SKM results. Future studies could compare several subdistricts subject to similar directives, track implementation prospectively, and examine whether expenditure restraint reduces the total cost of service provision or merely transfers costs across organizational levels. These steps would test the provisional organizational-

adaptation explanation and help distinguish policy compliance, continuity of operations, and demonstrable gains in public-service efficiency.

Conclusion

This study examined the implementation of Indonesia's 2025 budget-efficiency policy within the Government Administration and Public Service Program of Gunung Tabur Subdistrict, Berau Regency, and identified the conditions that facilitated or constrained its implementation. The findings revealed a documented 11.67% reduction in the allocation for one public-service subactivity, accompanied by reported organizational adjustments involving activity prioritization, consolidated village visits, interunit coordination, and the use of existing administrative resources. Aggregate Public Satisfaction Survey (SKM) scores remained at 3.52 in the January–June reporting periods of both 2024 and 2025. However, these figures indicated stability in the reported aggregate satisfaction indicator rather than independently verified improvements in service quality or cost efficiency.

The study's principal contribution lies in explaining how higher-level fiscal directives were translated into adjustments to administrative routines within a subdistrict government. Viewed through Van Meter and Van Horn's policy-implementation framework, the findings highlighted the interaction of policy objectives, resource constraints, organizational characteristics, interorganizational coordination, and implementers' reported responses in shaping administrative adaptation. Rather than restructuring formal bureaucratic authority, officials described reorganizing schedules, combining activities, and utilizing available resources to maintain priority functions. These findings suggest that implementing fiscal restraint in subnational governance involves not only reducing expenditure allocations but also adapting organizational practices to continuing public-service responsibilities. Nevertheless, the evidence supports a process-oriented interpretation of these adjustments rather than a causal demonstration of improved administrative efficiency or service performance.

Several limitations qualify these conclusions. The study focused on a single subdistrict and relied partly on retrospective interviews conducted in 2026 concerning policy implementation in 2025. Inconsistencies between the planned informant list and documented interviews, limited service-user evidence, and the absence of comprehensive service-volume, processing-time, expenditure-realization, and cost-per-service records constrained independent assessment of implementation outcomes. Moreover, the available aggregate SKM data lacked disaggregated service indicators and a clearly established temporal relationship with the amended budget. Consequently, the findings distinguish reported administrative adaptation and service continuity from demonstrated efficiency gains, without establishing that expenditure adjustments preserved every dimension of public-service quality.

Future research should examine comparable subdistrict administrations through longitudinal and comparative designs, incorporating verified expenditure realization, service outputs, processing times, and disaggregated satisfaction indicators. Particular attention should be given to whether consolidated administrative activities reduce overall service-delivery costs or redistribute financial and logistical burdens to village administrations and service users. For public administrators, the findings underscore the importance of transparent expenditure prioritization, coordinated activity planning, systematic monitoring of service accessibility, and documentation of operational adjustments. These measures may strengthen accountability in implementing fiscal restraint while providing a more reliable basis for evaluating whether budget-efficiency policies achieve their intended public-service objectives.

Ethics approval

The study was conducted as part of undergraduate research at Universitas Mulawarman. An official request for research permission and data access is included in the thesis appendix. The research involved interviews with government officials and public-service users, observation, and examination of administrative documents. The available research records do not show formal ethics-committee approval or an institutional exemption, nor do they detail participant-consent procedures. No formal ethical clearance is therefore claimed.

Competing interests

The authors declare that they have no competing interests.

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This study received no external funding.

Underlying data

The findings draw on interview accounts, observation summaries, documentary material, and public-service survey figures reproduced in the underlying undergraduate research. The available documentary appendix forms the research record used in this article; complete original interview transcripts and raw field notes have not been made available for this reconstruction. Requests for accessible supporting material may be directed to the corresponding author, subject to participant confidentiality and institutional requirements, without a guarantee of access to unavailable primary records.

Declaration of artificial intelligence use

Generative artificial intelligence (AI) assisted English-language editing, manuscript reorganization, drafting of revised passages, and organization of academic references. No new empirical data, interview responses, or additional fieldwork were generated with AI. All claims, source metadata, interpretations, and the submitted manuscript remain the responsibility of the authors, who must review and approve the final version.

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