The Special Autonomy Funds are not for Poverty Alleviation: A lesson from Aceh's Way

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ABSTRACT

This article is about allocating the Special Autonomy Fund’s efforts to combat poverty in Aceh. The Special Autonomy Fund began in 2008 until 2027 to achieve the highest level of peace in Aceh. Data is derived from interviews and supporting documents and a qualitative method based on case studies. Following that, the data was analyzed by covering encoding activities (coding), categorization (categorizing), comparison (comparing), and discussion (discussing). The findings indicate that the Aceh Special Autonomy Fund cannot significantly reduce poverty levels in Aceh. The critical point is that the Special Autonomy Fund is not pro-poor budgeting and failing to address Aceh’s poverty problem.

INTRODUCTION

The problem of poverty is currently unresolved in Indonesia. Poverty is defined as an individual’s or a group’s inability to exercise their fundamental rights and live a dignified life (Soleh, 2018). Poverty has five dimensions, according to Chambers (2008): (1) low income, (2) physical weaknesses, (3) powerlessness, (4) vulnerabilities, and (5) alienation. Poverty in Indonesia is relatively high, with 25.14 million people living in poverty (Ginting, 2020). Meanwhile, the World Bank estimates that approximately 20.19 percent of Indonesia’s population is poor and will fall below the poverty line if inflation and economic stability are not controlled (Burke & Siyarananual, 2019). Furthermore, Indonesia’s high poverty rate is caused by 0.38 percent economic inequality (2019) (Booth, 2019; Muthia, 2019) and directly impacts welfare, particularly in meeting the community’s basic needs and causing social insecurity. If not addressed immediately (Ginting, 2020; Mogra, 2021; Noer & Madewanti, 2020).

The central government has issued several policies to improve people’s well-being through ministry institutions and special local government programs (Suryono, 2018). (1) Prosperous Family Card; (2) Healthy Indonesia Card; (3) Smart Indonesia
Card; (4) People’s Business Credit Program; (5) National Program for Independent Community; (6) Family Hope Program; and (7) Aid for Poor Students are among the programs. On the other hand, the government’s efforts to improve welfare have been slow. As a result, an increasing number of Indonesians cannot meet basic needs (Ingratubun, 2021; Monang, S. Tambun & Bangun, 2018). The following are the causes of these failures: (1) the occurrence of policy uniformity in each region, with the very diverse social, economic, and geographical backgrounds of each region in Indonesia determining the success of policy decisions; (2) each government agency has a solid sectoral ego, resulting in overlapping programs; and (3) the problem lies in the policy side, which appears project-oriented without evaluation and there is no clear program continuity. Welfare policies are also associated with images such as the provision of social assistance, which increases people’s reliance (Ase, 2012). Implementing particular autonomy policies contributes to the ‘against’ policy uniformity. Special autonomy is a "certain" right granted to regions to manage local communities' interests on their initiative (Kurniawan Ardy, 2021). Special autonomy in several Indonesian regions provides opportunities for better poverty alleviation efforts (Ikhsan & Pribadi, 2015). Because it allows each region to maximize existing potential through the provision of greater authority and finance through special autonomy funds to finance development, maintenance infrastructure, people’s economic empowerment, poverty alleviation, as well as funding for education, health, and social (Agustinus, 2015; Darmi, 2018; Priyono, 2020).

In Indonesia, five regions have been granted special autonomy: (1) Papua Province, (2) West Papua Province, (3) Jakarta Special Capital Region, (4) Yogyakarta Special Region, and (5) Aceh Province (Butt, 2019; Rahmatunnis, 2018; Suwari Akhmaddhian, 2015). Aceh Province, for example, was the first to be granted special autonomy (Fauzi, 2016). As a particular autonomous region, Aceh derives more income from regional wealth than other regions in Indonesia. As stipulated in Law Number 4 of 2004 and Law Number 11 of 2006 concerning the Aceh Government (Bunnel, 2012; Nurfurqon, 2020; Sukarniati, 2021), Aceh has a golden opportunity to regulate itself by implementing this special autonomy (Fauzi, 2016). Particular independence is hoped to address more than just conflict resolution in Aceh Province (Aspinall, 2014; Prabowo et al., 2021; Warner, 2001).

The Aceh Special Autonomy Fund is valid for 20 years (2008-2027), with an annual allocation of 2% of the national General Allocation Fund (DAU) for the first 16 years and 1% for the remaining 20. Aceh Province will receive IDR 88.43 trillion in special autonomy funds between 2008 and 2021 (Putra et al., 2021). However, due to slower development of welfare indicators and economic access in Indonesia than in other regions (Kadafi & Murtala, 2020; Putra et al., 2021), Aceh Province ranks sixth in national poverty and first in poverty on the island of Sumatra (Machfud & Naz’aina, 2021). It means that, despite being in place for more than 14 years, Aceh’s special autonomy has failed to reduce poverty (Inamdar, 2018; Suwari Akhmaddhian, 2015).

Poverty is a complex and multidimensional problem (economic, social, health, educational, and political) that describes a person’s inability or lack of sufficient income to meet basic life needs such as food, clothing, housing, education, and health. According to (Wongdesmiwati, 2009), the following factors influence poverty in a region:
population, Gross Domestic Bruto (GDP), and life expectancy. Furthermore, the following variables for the factors above are the level of education and health, as well as the number of unemployed (Ananda, 2015; Arshanti & Wirathi, 2015; Chen & Wang, 2015; Kang, 2014; Khan et al., 2014; Lekobane & Seleka, 2017; Permana & Arianti, 2012; Pindyck & Rubinfeld, 1991; Sudiana & Sudiana, 2015; Syahrani, 2021; Wiradinata, K. I., and Nengah, 2015). Furthermore, investment, economic growth, and local government spending can contribute to poverty (Auwalin, 2009; Brata, Aloysius, 2008; Dauda, 2017).

**Figure 1.** Mapping Research on Budget and Poverty

According to an analysis of the Vosviewer application, no research on the Special Autonomy Fund has focused on reducing the impact of poverty. As a result, more research is needed to determine why the Special Autonomy Fund is not used to alleviate poverty in Aceh. According to the previous description, the purpose of this study is to investigate poverty, particularly in Aceh Province. This research is significant because one of the goals of granting special autonomy is to reduce the high poverty rate, but data show that the poverty rate in Aceh remains high.

The central question in this study is whether granting Special Autonomy can speed up development and reduce poverty. It is necessary to examine several criteria for the use of the Special Autonomy Fund for poverty alleviation to address this issue, such as (1) the causes of the Special Autonomy Fund’s inability to reduce poverty; (2) the Special Autonomy Fund’s bias against the community; and (3) There is no community-friendly program design; and (4) the special autonomy budget is not intended to have an impact on poverty alleviation.

**METHOD**

This study’s qualitative method is supplemented by a case study approach (Tashakkori & Creswell, 2007). This method was chosen to investigate why the special autonomy funds failed to alleviate poverty in Aceh. Furthermore, it allows researchers to see cases more clearly through two phenomena: (1) the management of Aceh’s special autonomy funds; and (2) poverty in Aceh Province. The two phenomena are linked by the special autonomy fund and the high level of poverty in Aceh Province. Both phenomena are observed in the context of Special Autonomy Fund management and poverty alleviation efforts.
Furthermore, researchers obtained primary research data through participatory observation and in-depth interviews with various groups with the ability to manage special autonomy funds at the provincial and district city levels. The informant is local government, such as (1) the head of the Development Planning Agency at Sub-National Level (BAPPEDA); (2) a member of the provincial legislature (DPRA); and (3) the staff of the social office. Meanwhile, secondary data is gathered from various works of literature, such as journals and books, that are deemed appropriate and capable of enriching the researcher’s understanding of the problem under investigation. The data was analyzed by following the analysis model steps in a case study approach, such as covering encoding activities (coding), categorization (categorizing), comparison (comparing), and discussion (discussing).

RESULTS AND DISCUSSION

Dynamics of Special Autonomy Fund Management in Aceh

Special Autonomy Funds are allocated to regions designated as having Special Autonomy. Aceh Qanun Number 10 of 2016 and Governor of Aceh Regulation Number 9 of 2017 specifically regulate the granting and management of the Special Autonomy Fund. Figure 1 shows that the amount of the Special Autonomy Fund’s budget ceiling in Aceh has fluctuated significantly from 2008 to 2020. The gradual increase in revenue from the Aceh Special Autonomy Fund corresponds to the national General Allocation Fund (DAU) rise. In contrast, the federal General Allocation Fund (DAU) growth is heavily influenced by the State Revenue and Expenditure Budget (APBN) increase. The Special Autonomy Fund, which has been given to Aceh for the next twenty years, is divided into three stages: Phase one, the Special Autonomy Fund, is allocated from the first to the fifteenth year and has a maximum of 2% of the national Allocation Fund General (DAU). The Special Autonomy Fund, the second stage, is equal to 1% of the national General Allocation Fund (DAU) ceiling for the 16th to 20th years. From 2008 to 2019, the total receipt of the Special Autonomy Fund reached Rp. 73.326 trillion, and the receipt of the Aceh Special Autonomy Fund from the central government increased yearly, starting with Rp. 3.590 trillion in 2008 and rising to Rp. 8.360 trillion in 2019. Meanwhile, the Special Autonomy Fund budget ceiling will be reduced beginning 2021-2027, before the Special Autonomy Fund officially ends in Aceh in 2027.

Figure 2. Total Ceiling for 2008-2020 and Projected Special Autonomy for Aceh 2021-2027
The Aceh government has made numerous changes to the procedure for handling the Special Autonomy Fund, which impacts the transfer of authority between the Provincial and District/City governments, as well as the size of the district/poverty city’s alleviation budget. According to the peace agreement, the policy for managing the Special Autonomy Fund focuses on the Provincial Government rather than the Regency/City Government; as a result, the province has more authority in governing the Special Autonomy Fund. The shift in policy on the management of the Special Autonomy Fund between the Aceh Provincial Government and the Regency/City Government demonstrates this change. First, the provincial government is in charge of 40% of the funds for special autonomy (2011–2013). Second, the Provincial Government’s authority increased to 60%. (2014–2017). Third, the Provincial Government’s power is growing to 100%. (2018). Fourth, the Provincial Government’s authority was reduced to 60%. (2019).

The Provincial Government receives 40% of the allocation, and the Regency/City Government gets 60%, according to Qanun Number 2 of 2008. The Regency Government’s percentage of 60% indicates that the Regency/City Government has more authority in managing special autonomy funds. This authority impacts districts by setting development priorities based on their regional needs to alleviate poverty. It does, however, have a negative impact, namely the emergence of petty kings in districts/cities due to a large amount of special autonomy money circulating.

Qanun No. 2 of 2013, an amendment to the previous Qanun, in this Qanun, the Provincial Government received 60% of the allocation in 2014, while the District/City Government received 40% via a transfer mechanism to the regional treasury account (APBK). Until then, another change occurred in 2016 regarding distributing the Special Autonomy Fund to districts/cities via Qanun Number 10/2016, which no longer followed the transfer procedure but followed the submission procedure from the district/city to the province (Aceh Revenue and Expenditure Budget /APBA).

Then, Qanun Number 1 of 2018 applies, which governs the mechanism for allocating 100% Special Autonomy funds to the Aceh Government and 0% to Regency/City governments. It means that special autonomy funds for districts are provided through a transfer mechanism by submissions from districts/cities to provinces (APBA) and are allocated in the form of Aceh Special Autonomy Fund (DOKA), which is divided into two parts: a minimum of 60% for Aceh development programs and activities, and 40% for programs and other activities. The value of this distribution is first reduced by the existence of joint program and activity obligations between the Aceh Government and district/city governments, as stipulated in the Governor’s Regulation based on the recommendation of the Aceh People’s Representative Council (DPRA). This policy is expected to have a multiplier effect on the community, allowing the government to distribute special autonomy funds more precisely.

This Special Autonomy Fund is given for: (1) infrastructure development and maintenance; (2) economic empowerment of the people; (3) poverty alleviation; (4) funding for education, social, and health services; and (5) implementation of Aceh’s privileges. Additionally, special autonomy funds can fund joint programs/activities such as health insurance, scholarships, orphanage assistance, adequate housing, and other activities planned and determined by the Aceh Governor.
Table 1. Allocation of Special Autonomy Funds Aceh (2008-2018)

| No. | Field                  | Total         | Percentage |
|-----|------------------------|---------------|------------|
| 1.  | Infrastructure         | 31.86 Trillion| 46%        |
| 2.  | Education              | 14.30 Trillion| 22%        |
| 3.  | Economic Empowerment   | 6.87 Trillion | 10.57%     |
| 4.  | Health                 | 8.69 Trillion | 13.37%     |
| 5.  | Poverty alleviation    | 2.36 Trillion | 3.63%      |
| 6.  | Social                 | 1.52 Trillion | 2.35%      |
| 7.  | Specialty of Aceh      | 1.35 Trillion | 2.08%      |

Source: Ministry of Home Affairs, 2020

This data is processed based on the allocation of special autonomy funds budgeted by the Aceh government in the regional revenue and expenditure budget (APBD) each year. As can be seen, there is a significant difference in the budget allocation between the poverty alleviation sector and the other sectors. If the goal of granting special autonomy funds is to create community welfare, then the budget for poverty alleviation should be large or around 30-40%. The budget for this sector is tiny, at 3.63%.

According to Tempo (2016), an increase in the receipt of the Special Autonomy Fund in Aceh Province has not yet impacted increasing community welfare or reducing poverty in Aceh. According to Central Statistics Agency (BPS) data for Aceh Province in 2020 (as of September 2019), the poverty rate is 15.01 percent, with 809,760 people living in poverty. The management of the Special Autonomy Fund has yet to be targeted and has had little impact on reducing poverty in Aceh, as the poverty rate has only decreased by 1.8 percent in the last five years. The average reduction in poverty in Aceh is only 0.36 percent per year, and this decrease is not significant enough for regions that receive special autonomy funds.

The Failure of Poverty Reduction in Special Autonomous Regions in Aceh

Budgeting Failure for the Special Autonomy Fund

The Special Autonomy Fund has been budgeted since 2008. Still, the Aceh Government only compiled and determined the grand design for the DAU master plan in the form of the Special Autonomy Fund Qanun in 2015. As a result, the Special Autonomy Fund was initially managed ad hoc (2008-2015). It was confirmed by Teuku Ahmad
Dadek, the Head of the Aceh Regional Planning and Development Agency in 2020, who stated that if the Qanun on special autonomy funds was signed in 2015. A legal vacuum resulted in the slow absorption of the program benefits, whose budget was sourced from special autonomy funds.

One of these programs is to alleviate poverty by empowering rural communities. The lack of a grand design at the program’s start and the legal vacuum has resulted in a minimal budget in this sector. Not comparable to the number of special autonomy funds allocated to other industries. As a result, pro-poor activities in Aceh did not run smoothly in the early years of Special autonomy implementation. Only in 2021 will the Aceh government prioritize using special autonomy funds for poverty alleviation. According to Azhari (12 Mei 2022), the Head of the Aceh Financial Management Agency, "We are currently preparing the budget; for the long term, especially in 2023, programs that use special autonomy funds must be oriented toward poverty alleviation."

The community perceives the Special Autonomy Fund as a fund that is not intended for the poor. The budget allocation for poverty alleviation is small and insufficient compared to the Special Autonomy Fund budget allocations in other sectors. According to Irham Fahmi, one of the community leaders, the special autonomy funds have so far been used for activities that do not benefit the community’s welfare and to catch up with other provinces in Indonesia. According to data from the Ministry of Finance report on the autonomy fund budget (2008-2020), the specific autonomy fund budget for Aceh is IDR 8 trillion per year, with poverty alleviation funds amounting to around 3.36 percent of that amount, or approximately 280 billion. With Aceh’s high poverty rate revealed by BPS, the Aceh Special Autonomy Fund for Poverty Alleviation should have a more significant portion, around 30-40% of the special autonomy fund. It is because poverty in Aceh is a critical issue that must be addressed immediately by the Indonesian government.

Dahlan Jamaluddin, Chairman of the Aceh People’s Legislative Council, admitted that the Budget Agency discovered various budget management problems due to the lack of a poverty alleviation program plan, particularly for those sourced from special autonomy funds. As a result, the Central Government’s special autonomy funds for Aceh have not been able to reduce poverty and unemployment significantly. Aceh’s particular autonomy fund channel will be reduced to 1% of the general allocation fund (DAU) beginning in 2023 and will end in 2027.

Based on the implementation of the Special Autonomy Fund budget management policy in Aceh from 2008 to 2020, the Special Autonomy Fund has not been able to prosper the community. Particularly with budget allocations for programs aimed at poverty alleviation, which continue to receive the lowest percentages and are not explicitly designed for mitigation. For example, compared to other activities such as health, education, and people’s economic empowerment, the 2008 budget year’s realization was Rp. 61.75 billion (13.4 percent). The Aceh Government’s commitment to poverty alleviation through the Special Autonomy Fund is less severe when compared to infrastructure development, which has a budget allocation of 45 percent and a realization rate of 75 percent, and education, which has a realization rate of 68 percent.

Furthermore, it allocated only 5% of the total Special Autonomy Fund for that year and realized only 13% of the budget. The Special Autonomy Fund’s budget
realization of only 16% demonstrates that it is not intended to alleviate poverty. The following factors contribute to low budget absorption: (1) limited human resources in the field of poverty alleviation, (2) communication breakdowns between government agencies, and (3) a lack of commitment to creating community welfare.

The Aceh Government, like other regions in Indonesia, tends to direct its budget, in this case, the Special Autonomy Fund, to work on small-scale infrastructure projects, i.e., those with a budget of less than Rp. 200 million. The goals are as follows: (1) avoid strict supervision from supervisory institutions such as the Financial Supervisory Agency (BPK), the High Prosecutor’s Office, the Police, and the Corruption Eradication Commission (KPK); (2) allow the government to directly appoint (PL) small-scale projects to friends or family without going through the project tender process, and (3) allow the government to facilitate a "payment" and "thank you" process to success teams, donors, and others.

It contradicts the principle of transparency in the Special Autonomy Fund's management. It has consequences such as a lack of transparency due to nepotism relationships and poor project quality due to incompetent tender winners. Corruption is expected in the construction sector's direct appointment process because it is thought to be easier to earn profits. The government can receive a project fee ranging from 5 to 10% of the total project cost. The process of granting a projected profit of 5-10% is known as "Siwa blank/Siwa umong," which translates to the cost of renting rice fields/rice fields for agriculture. According to Figure 3, projects with small budgets, or those with less than Rp 100 million, make up 59% of Special Autonomy Funds. In contrast, projects with large budgets, or those requiring project tenders, make up only 33% of the total Special Autonomy Fund, or Rp 8 trillion annually.

![Figure 3. Budget Portion of the Special Autonomy Fund by Project Value](Source: ACDP 2019)

According to Presidential Decree No. 70/2012, the procurement of goods/construction works/others through direct appointment is Rp. 200 million. This regulation enabled the establishment of many small, low-skilled contracting firms to secure projects, often through collusion and nepotism. These small-scale projects include erecting fences, digging trenches, and paving stones. The public was outraged by this situation. According to a World Bank survey (2011), satisfaction with infrastructure development in Aceh is very low when compared to other sectors. It is due to poor construction and unfinished projects.
It is undoubtedly a pity because Aceh is an autonomous region with a sizable autonomy fund that should be used to address the problems in Aceh. One of these is the issue of poverty. Aceh has received tens of trillions of dollars in special autonomy funds. Surprisingly, these funds are being used for infrastructure development that does not improve people's lives. "One example is the Banda Convention Center Building, which was built with special autonomy funds but is still not operational and cannot help the community's economy," said Irhami, one of Aceh's community leaders (19 Mei 2022). The Aceh government is supposed to use the special autonomy funds to foster community economic growth, such as assisting businesses with capital and creating jobs. The Indonesian government and Aceh must recognize that Aceh's extreme poverty results from the conflict and tsunami. Due to the competition and tsunami, many communities lost their businesses, such as gardens, livestock, and others. If no local government assistance is provided, this condition will worsen. Then it will be difficult for the people of Aceh to revive their economy and lift themselves out of poverty.

The budget allocation for poverty in the fiscal years 2008 to 2018 was only 3.63 percent, indicating that the Aceh Government is still not optimal in implementing poverty alleviation programs and achieving low utilization of the Special Autonomy Fund. It means that the Special Autonomy Fund budget was not prepared with programs that benefit the poor. The following are some reasons: (1) No statutory regulation in Aceh Province (Regent/City) explicitly regulates the use of special autonomy funds. (2) The Special Autonomy Fund in Aceh Province is still regarded as a "source of funds" rather than an "allocation of funds" for poverty alleviation. (3) Because the Special Autonomy Fund is only understood as an additional fund for the Aceh Revenue and Expenditure Budget (APBA), there are no special rules governing sanctions if it is not implemented. (4) Because the Special Autonomy Fund is only understood as an additional fund for the Aceh Revenue and Expenditure Budget (APBA), there is no program for its implementation. 5) The Special Autonomy Fund's effectiveness has the potential to be low due to the lack of a strategy (Renstra), the absence of detailed and firm sanctions, and the potential for misuse due to the Special Autonomy Fund's Excess Budget Financing (SiLPA) without accompanying rules for its use. As a result of the previous, the Special Autonomy Fund cannot address Aceh's poverty problem.

**Failure of a Poverty Reduction Program**

As previously discussed, the failure of the poverty alleviation program began during the planning (program design) stage of poverty alleviation. The Aceh Government's desire, according to the purpose of the special autonomy fund, namely for the welfare of the community, is incompatible with the Aceh Government's programs. The majority of special autonomy funds (46%) are used for infrastructure development, while programs for education (22%) and health (13.37%) also include school and hospital infrastructure development. It means that programs funded by Aceh's Special Autonomy funds are infrastructure rather than poverty alleviation defined by law. The budget allocation for poverty in the fiscal years 2008 to 2018 was only 3.63 percent, indicating that the Aceh Government is still not optimal in implementing poverty alleviation programs and achieving low utilization of the Special Autonomy Fund. It means that the Special Autonomy Fund budget was not prepared with programs that benefit the poor.
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Most of the infrastructure development carried out by the Aceh Government is closely related to the Aceh Government’s mandatory affairs, such as road infrastructure, housing, electricity, and the distribution of clean water to the community. Poverty alleviation programs fail and have no impact on the poor because they are not implemented correctly. For example, infrastructure development, which is widely echoed as part of poverty alleviation, is frequently incomplete in its construction, such as the Rp. 2.2 billion market construction projects in Muara Dua District, Lhokseumawe, in 2012, which was abandoned, leaving the poor unable to reap the benefits of the building. Meanwhile, the Aceh government is failing to manage programs aimed at improving the quality of health and education as part of poverty alleviation.

**Table 3. Abandoned Projects in Aceh Province**

| No. | Name of Project                              | Area        |
|-----|----------------------------------------------|-------------|
| 1   | Drainage of Mon Pasong                       | Aceh Barat  |
| 2   | PKK Building                                 | South Aceh  |
| 3   | Abandoned Market Muara Dua                   | Lhokseumawe |
| 4   | Abandoned Terminal Saree                     | Aceh Besar  |
| 5   | Regional General Hospital                    | Aceh Barat  |
| 6   | International Standard School Building (RSBI) | Aceh Singkil|
| 7   | Aceh Islamic Center/Wali Nanggroe Building   | Aceh Besar  |

**Source:** GeRAK Aceh, 2019

There is a lot of corruption in the management of the Special Autonomy Fund, which contributes to Aceh’s high poverty rate. Corruption in the Special Autonomy Fund’s
management is one of the reasons why the Special Autonomy Fund has no impact on the poor in Aceh. Many Special Autonomy Fund-funded programs cannot stimulate the economy and have no effect on poverty alleviation in Aceh because they are unclean or show signs of corruption.

Meanwhile, the problem of corruption is inextricably linked to aspects of Special Autonomy Fund management because the higher the corruption rate in Aceh, the lower the absorption of the Special Autonomy Fund budget in poverty alleviation efforts. According to the Aceh Anti-Corruption Movement (GeRAK), it is evident from the use of the Rp.3.5 trillion per year Aceh Special Autonomy Fund, which has always been a problem. For example, suppose you look at the realization of the management of the Aceh Special Autonomy Fund. In that case, issues always do not uphold transparency and accountability. They tend not to comply with laws and regulations in every work process in the field, such as infrastructure development in education and health.

According to an audit conducted by the Republic of Indonesia’s Supreme Audit Agency (BPK), using the Special Autonomy Fund in Aceh was problematic. Using the Special Autonomy Fund can cause state losses because it is not on target, the work results are inappropriate, and work supervision does not work. For example, the Financial Supervisory Agency (BPK) results on the Management of Special Autonomy Funds for the fiscal year 2008-2010 showed a state loss of Rp.443 billion. Still, the state loss since Aceh received the Special Autonomy Fund in 2008 has reached Rp.11.1 trillion. One of the possible losses stemmed from purchasing oil palm seeds in the Aceh Selatan and Aceh Timur districts in 2010, where the sources did not meet the standards stated in the Indonesian Financial Supervisory Agency’s audit documents (BPK). The corruption in constructing the Cek Mboon Suspension Bridge in East Aceh is a markup of up to Rp.700 million due to the direct appointment of project implementers without a project auction. The various corruption cases in the Special Autonomy Fund’s management are only a tiny part of the many other corruption cases that contribute to the Special Autonomy Fund’s inability to reduce poverty in Aceh significantly.

All of this infrastructure funding is provided by the Special Autonomy Fund, another source of revenue for the Aceh government. Other funds, such as Regional Original Income (PAD) and Balancing Funds, have been depleted to cover regional operational costs such as employee salaries and other expenses. Thus, when the government misuses (corrupts) the Special Autonomy Fund, whether through alleged gifts or promises to give projects to contractors, it indicates a violation of the obligation to distribute the Special Autonomy Fund. As was the case with Irwandi Yusuf, the former governor of Aceh, and Meriah Ahmady, the Regent of Bener, who were arrested by the Corruption Eradication Commission (KPK) for corruption in the misuse of the Special Autonomy. Irwandi Yusuf was arrested because Ahmadiyah’s fee for infrastructure development projects was Rp.500 million, out of a total project cost of Rp.1.5 billion. This condition contradicts the goal of the special autonomy fund, which is to benefit the people of Aceh.

When we compare the Special Autonomy Fund to the budget allocation, we see that the Special Autonomy Fund has no significant impact on poverty alleviation. The reasons are as follows: (1) corruption committed by officials in charge of budget management; (2) the poverty rate in Aceh did not decrease significantly and tended to
fluctuate, which was around 16.89 percent (March 2017), then decreased to 15.92 percent (September 2017), then increased to 15.97 percent (March 2018), then fell to 14.99 percent (September 2018). It demonstrates that the government has not successfully reduced poverty; (3) the Aceh Government’s programs and budgets are not pro-poor and are more focused on physical infrastructure development rather than development.

CONCLUSION

The study's conclusion, particularly in answering the question, "Why is the Special Autonomy Fund not used to alleviate poverty?" are: (1) The management of Aceh’s Special Autonomy Fund has not been pro-poor in the budgeting process. It is evident from the use of the Special Autonomy Fund, which is not intended to implement pro-poor programs, changes in the procedures for managing the special autonomy fund. The special autonomy fund’s budget portion for poverty, which is only 3.36 percent, which is insufficient to finance poverty alleviation. (2) The Special Autonomy Fund's budgeting policy does not affect poverty alleviation because 46 percent of funds are allocated for infrastructure projects that cannot be used by the poor due to corruption, neglect, or improper targeting.

Suggestions for improving exceptional autonomy fund management include: (1) separating special autonomy funds from other fund receipts so that the Aceh government has more focused and transparent governance. (2) Allocating special autonomy funds for strategic development and large projects focusing on solving significant problems in Aceh Province. This study focuses on pro-poor budgeting and does not detail accountability in managing special autonomy funds. Therefore, it is necessary to conduct further research on responsibility in the management of Aceh’s special autonomy funds.

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