

## **COMPARATIVE ANALYSIS OF SPECIAL AUTONOMY FUND UTILIZATION: EVIDENCE FROM ACEH AND PAPUA**

**ZAHRAH INAYAH**

Universitas Syiah Kuala, Aceh, Indonesia

Email: [zahrahinayah07@gmail.com](mailto:zahrahinayah07@gmail.com)

**Abstract:** This study advances the literature on asymmetric fiscal decentralization by providing a systematic comparative analysis of Special Autonomy Fund (SAF) utilization in Aceh and Papua, two conflict-affected regions in Indonesia that share similar fiscal privileges but exhibit markedly different development trajectories. Unlike prior studies that predominantly assess SAF impacts in a single-region or sector-specific context, this research introduces a cross-regional institutional comparison that explicitly links fund effectiveness to variations in governance quality, accountability mechanisms, and post-conflict political stability. Employing a mixed-methods approach that combines quantitative analysis of fiscal transfers and socio-economic indicators with qualitative assessment of governance arrangements, the study reveals that Aceh's relatively stronger institutional capacity, participatory governance, and transparency mechanisms enable SAF to translate into tangible improvements in poverty reduction and human development. In contrast, Papua's weaker administrative capacity and limited public oversight significantly constrain the developmental returns of comparable fiscal transfers. The study's key novelty lies in demonstrating that special autonomy funds function not as neutral fiscal instruments but as institution-contingent policy tools whose effectiveness is conditional upon local governance structures and social capital. By reframing SAF as an institutional rather than purely fiscal intervention, this research contributes new empirical and conceptual insights to the decentralization and post-conflict governance literature, offering policy-relevant lessons for the design of asymmetric autonomy frameworks in heterogeneous and politically sensitive regions.

**Keywords:** special autonomy fund; asymmetric decentralization; institutional capacity; post-conflict governance; regional inequality; Indonesia

**Abstrak:** Penelitian ini memperkaya literatur mengenai desentralisasi fiskal asimetris dengan menyajikan analisis komparatif yang sistematis terhadap pemanfaatan Dana Otonomi Khusus (DOK) di Aceh dan Papua, dua wilayah pascakonflik di Indonesia yang memperoleh kewenangan fiskal serupa namun menunjukkan capaian pembangunan yang sangat berbeda. Berbeda dengan studi-studi sebelumnya yang umumnya menelaah DOK secara parsial, baik dalam satu wilayah maupun sektor tertentu, penelitian ini menawarkan perbandingan lintas daerah yang secara eksplisit mengaitkan efektivitas DOK dengan variasi kualitas tata kelola, kapasitas kelembagaan, dan stabilitas politik pascakonflik. Penelitian ini menggunakan pendekatan metode campuran dengan mengombinasikan analisis kuantitatif atas alokasi fiskal, tingkat kemiskinan, serta indikator pendidikan dan kesehatan, dengan analisis kualitatif terhadap mekanisme tata kelola dan akuntabilitas pengelolaan dana. Hasil penelitian menunjukkan bahwa pemanfaatan DOK di Aceh relatif lebih efektif karena didukung oleh kapasitas institusional yang lebih kuat, tata kelola partisipatif, dan tingkat transparansi yang lebih tinggi, sehingga mampu mendorong penurunan kemiskinan dan peningkatan pembangunan manusia. Sebaliknya, di Papua, keterbatasan kapasitas administrasi, lemahnya pengawasan, dan rendahnya partisipasi publik membatasi dampak pembangunan dari transfer fiskal yang secara nominal relatif besar. Kebaruan utama penelitian ini terletak pada penegasan bahwa DOK tidak dapat dipahami semata-mata sebagai instrumen fiskal, melainkan sebagai

kebijakan yang bersifat kontingen terhadap kualitas kelembagaan dan modal sosial lokal. Dengan demikian, penelitian ini memberikan kontribusi konseptual dan empiris baru bagi literatur desentralisasi fiskal dan tata kelola pascakonflik, sekaligus menawarkan implikasi kebijakan penting bagi perancangan skema otonomi asimetris di wilayah yang heterogen dan sensitif secara politik.

**Kata Kunci:** dana otonomi khusus; desentralisasi fiskal asimetris; kapasitas kelembagaan; tata kelola pascakonflik; ketimpangan regional; Indonesia

## Introduction

Special autonomy in Indonesia represents a strategic policy instrument designed to accommodate regional diversity while maintaining national integrity. This framework grants selected regions greater authority in governance, fiscal management, and socio-cultural affairs, particularly in areas with distinctive historical, political, and cultural trajectories. Aceh and Papua are the two most prominent cases of special autonomy implementation, both shaped by prolonged conflict, political marginalization, and demands for greater self-determination. The enactment of special autonomy laws was intended not only to resolve conflict but also to promote sustainable development through asymmetric fiscal decentralization (Fujikawa, 2021)<sup>1</sup>.

Historically, Aceh and Papua experienced prolonged grievances rooted in unequal resource distribution, limited political representation, and perceived neglect by the central government. In Aceh, decades of armed conflict culminated in a peace agreement that paved the way for special autonomy as a post-conflict governance mechanism. Papua, on the other hand, received special autonomy as a preventive and corrective response to persistent socio-political tensions and underdevelopment. Through these arrangements, local governments were granted enhanced fiscal authority, including preferential revenue-sharing schemes derived from natural resources. Aceh, for instance, is entitled to retain up to 70% of its natural resource revenues, while Papua receives approximately 30%, reflecting differing policy designs and political considerations (Suwanda, 2020)<sup>2</sup>.

The substantial fiscal transfers embodied in special autonomy funds are expected to serve as catalysts for regional development and social transformation. In Aceh, these funds have been channeled toward infrastructure development, education, health services, and post-conflict reconstruction initiatives. Such investments are widely viewed as a “peace dividend,” reinforcing social stability and rebuilding trust between the state and society (Sustikarini, 2019)<sup>3</sup>. Nevertheless, empirical evidence suggests that the effectiveness of fund utilization remains uneven, with persistent issues related to governance quality, accountability, and transparency in budget execution. Disparities in fund allocation across districts and sectors have raised concerns about inefficiency and elite capture (Sustikarini, 2019)<sup>4</sup>.

In Papua, the utilization of special autonomy funds faces even more complex challenges. Geographic isolation, limited administrative capacity, and deep ethnic heterogeneity significantly affect policy implementation and service delivery. Although asymmetric fiscal decentralization has the potential to improve education and health outcomes, its impact has been constrained by weak institutional capacity and coordination failures between provincial

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<sup>1</sup> Fujikawa, K. (2021). Settling with autonomy after civil wars: Lessons from Aceh, Indonesia. *Global Policy*, 12(2), 204–213.

<sup>2</sup> Suwanda, D. (2020). Decentralization of Fiscal Asymmetric for Community Well-Being: Evidence from Aceh Province, Indonesia. *Jour of Adv Research in Dynamical & Control Systems*, 12(6).

<sup>3</sup> Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99-121.

<sup>4</sup> Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99-121.

and district governments (Cahyaningsih & Fitady, 2019)<sup>5</sup>. As a result, despite receiving substantial fiscal transfers, Papua continues to exhibit persistently high poverty rates and social inequality compared to national averages (Suwanda & Suwanda, 2022)<sup>6</sup>.

Beyond their economic role, special autonomy funds carry profound social and political significance. From a social perspective, these funds can enhance community participation and local ownership of development programs, thereby addressing long-standing distrust toward central authorities. Empowering local governments to manage resources aligned with local priorities is particularly critical in post-conflict and politically sensitive regions such as Aceh and Papua (Suwanda, 2020)<sup>7</sup>. Politically, special autonomy funds function as instruments to accommodate regional aspirations within the framework of the Indonesian state. In Aceh, effective fund utilization has contributed to consolidating peace, whereas in Papua, mismanagement or exclusionary practices risk reinforcing grievances related to identity and self-determination (Bertrand, 2014)<sup>8</sup>.

Empirical outcomes further highlight contrasting trajectories between the two regions. Aceh has experienced a notable decline in poverty levels, decreasing from approximately 30.6% in 2007 to 17.4% in 2020, suggesting that special autonomy funds, when coupled with relatively stronger institutions, can contribute to socio-economic improvement (Safaruddin et al., 2025)<sup>9</sup>. In contrast, Papua's poverty rate remains above 27%, underscoring structural constraints and governance challenges that limit the developmental impact of fiscal decentralization (Suwanda & Suwanda, 2022)<sup>10</sup>. These divergent outcomes raise critical questions regarding the conditions under which special autonomy funds can effectively translate into inclusive development.

Against this backdrop, this study aims to conduct a comparative analysis of special autonomy fund utilization in Aceh and Papua, focusing on differences in allocation patterns, governance mechanisms, and developmental outcomes. By examining key indicators such as poverty reduction, education, and health performance, the study seeks to assess the extent to which these funds have achieved their intended objectives. In addition, this research explores governance and accountability arrangements surrounding fund management, emphasizing the role of local governments, civil society, and community participation in ensuring effective and transparent resource use.

Furthermore, the study identifies key challenges and structural barriers that hinder optimal utilization of special autonomy funds in both regions. Understanding these constraints is essential for refining policy design and improving implementation strategies. Ultimately, this research contributes to the broader discourse on decentralization, post-conflict governance, and asymmetric fiscal policy in Indonesia, offering policy-relevant insights for enhancing the effectiveness of special autonomy as a tool for regional development and national cohesion.

## Methods

<sup>5</sup> Cahyaningsih, A., & Fitady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

<sup>6</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special autonomy Fund (SAF) In Assymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

<sup>7</sup> Suwanda, D. (2020). Decentralization of Fiscal Asymmetric for Community Well-Being: Evidence from Aceh Province, Indonesia. *Jour of Adv Research in Dynamical & Control Systems*, 12(6).

<sup>8</sup> Bertrand, J. (2014). Autonomy and stability: The perils of implementation and “divide-and-rule” tactics in Papua, Indonesia. *Nationalism and Ethnic Politics*, 20(2), 174-199.

<sup>9</sup> Safaruddin, S., Subhilhar, S., Humaizi, H., Kusmanto, H., & Hasan, E. (2025). The Implementation of the Aceh Special Autonomy Policy towards Poverty Alleviation in Aceh. *Samarah: Jurnal Hukum Keluarga dan Hukum Islam*, 9(1), 597-616.

<sup>10</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special autonomy Fund (SAF) In Assymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

### *Research Design*

This study employs a comparative analysis framework to investigate the utilization of Special Autonomy Funds (SAF) in Aceh and Papua. This framework allows for a systematic examination of the differences and similarities in fund allocation and usage between the two regions, both of which have received special autonomy status from the Indonesian government following prolonged conflicts. The comparative approach is particularly relevant in understanding how local contexts influence the effectiveness of SAF in promoting development and stability.

The research utilizes both qualitative and quantitative approaches to provide a comprehensive understanding of the SAF's impact. Quantitative data, such as financial allocations, poverty rates, and development indicators, will be analyzed to identify patterns and correlations. In contrast, qualitative data, including interviews with local officials and community members, will offer insights into the lived experiences and perceptions of the SAF's effectiveness. This mixed-methods approach enables a more nuanced understanding of the complexities surrounding fund utilization in these regions (Suwanda & Suwanda, 2022)<sup>11</sup>.

Case studies of Aceh and Papua were selected based on their unique historical contexts and governance structures. Both regions have distinct socio-political dynamics, which influence how SAF is implemented and utilized. Aceh, having experienced a long-standing conflict that culminated in a peace agreement in 2005, has utilized SAF to promote development and stability. Conversely, Papua, with its ongoing tensions and calls for independence, presents a contrasting scenario where SAF utilization is often marred by issues of governance and accountability (Fujikawa, 2021)<sup>12</sup>.

The comparative analysis framework will not only highlight the outcomes of SAF utilization in both regions but also facilitate a deeper understanding of the broader implications for fiscal decentralization in Indonesia. By examining these two case studies, the research aims to contribute to the ongoing discourse on the effectiveness of special autonomy policies in addressing regional disparities and promoting sustainable development (Sudhipongpracha & Wongpredee, 2017)<sup>13</sup>.

In summary, the research design integrates a comparative analysis framework with qualitative and quantitative methods to explore the utilization of SAF in Aceh and Papua. This multifaceted approach aims to uncover the factors influencing fund effectiveness and provide recommendations for improving governance and development outcomes in both regions.

### *Data Collection*

Data collection for this study will encompass a variety of sources to ensure a comprehensive analysis of SAF utilization in Aceh and Papua. Primary data will be obtained through interviews with key stakeholders, including local government officials, community leaders, and representatives from civil society organizations. These interviews will provide valuable qualitative insights into the challenges and successes associated with SAF utilization in both regions.

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<sup>11</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special autonomy Fund (SAF) In Assymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

<sup>12</sup> Fujikawa, K. (2021). Settling with autonomy after civil wars: Lessons from Aceh, Indonesia. *Global Policy*, 12(2), 204-213.

<sup>13</sup> Sudhipongpracha, T., & Wongpredee, A. (2017). Fiscal decentralization in comparative perspective: analysis of the intergovernmental grant systems in Indonesia and Thailand. *Journal of Comparative Policy Analysis: Research and Practice*, 19(3), 245-261.

Secondary data will be drawn from government reports, academic studies, and existing literature on SAF and regional development. For instance, reports from the Indonesian Ministry of Finance and the local governments of Aceh and Papua will offer statistical data on fund allocations and expenditures. Additionally, academic studies, such as those by (Sustikarini, 2019)<sup>14</sup> and (Safaruddin et al., 2025)<sup>15</sup>, will provide context and analysis of the implications of SAF on poverty alleviation and local governance.

The criteria for selecting case studies are based on the historical significance and contemporary relevance of Aceh and Papua within the framework of Indonesia's special autonomy policies. Both regions have unique socio-political landscapes shaped by their respective histories of conflict and governance. By focusing on these two regions, the research aims to highlight the diverse outcomes of SAF utilization and the factors influencing these outcomes.

In terms of geographical scope, the study will cover various districts within Aceh and Papua to capture regional disparities in SAF utilization. This approach acknowledges that local contexts significantly affect how funds are allocated and utilized. For example, the utilization of SAF in urban areas may differ from rural areas, necessitating a nuanced analysis of the data collected (Cahyaningsih & Fitrady, 2019)<sup>16</sup>.

Overall, the data collection process will be rigorous and multifaceted, combining qualitative and quantitative methods to provide a comprehensive understanding of SAF utilization in Aceh and Papua. This approach will ensure that the findings are well-rounded and reflective of the complexities inherent in the implementation of special autonomy policies.

#### *Data Analysis*

Data analysis will employ a combination of statistical and thematic analysis methods to interpret the collected data effectively. Quantitative data related to SAF allocations, expenditures, and development indicators will be subjected to statistical analysis to identify trends and correlations. For instance, regression analysis may be used to explore the relationship between SAF utilization and poverty alleviation outcomes in both regions. This quantitative analysis will be instrumental in providing empirical evidence of the effectiveness of SAF in promoting development (Suwanda, 2020)<sup>17</sup>.

Thematic analysis will be applied to qualitative data obtained from interviews and open-ended survey questions. This method will involve coding the data to identify recurring themes and patterns related to SAF utilization. For example, themes such as governance challenges, community engagement, and accountability will be explored to understand the qualitative aspects of fund utilization. This dual approach ensures that both numerical data and personal narratives are considered in the analysis, providing a holistic view of the SAF's impact (Dessy Isfianadewi, 2022)<sup>18</sup>.

Software tools such as SPSS or R will be utilized for statistical analysis, enabling robust data processing and visualization. These tools will facilitate the analysis of large datasets, making it

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<sup>14</sup> Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99-121.

<sup>15</sup> Safaruddin, S., Subhilhar, S., Humaizi, H., Kusmanto, H., & Hasan, E. (2025). The Implementation of the Aceh Special Autonomy Policy towards Poverty Alleviation in Aceh. *Samarah: Jurnal Hukum Keluarga dan Hukum Islam*, 9(1), 597-616.

<sup>16</sup> Cahyaningsih, A., & Fitrady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

<sup>17</sup> Suwanda, D. (2020). Decentralization of Fiscal Asymmetric for Community Well-Being: Evidence from Aceh Province, Indonesia. *Jour of Adv Research in Dynamical & Control Systems*, 12(6).

<sup>18</sup> Isfianadewi, D., Hasanah, E., Nazhat, L. L., & Priyadi, U. (2022). The Effectively of Privilege Fund: Cases in Yogyakarta Special Region. *Global Business & Management Research*, 14.

easier to identify significant trends and patterns. For thematic analysis, qualitative data analysis software such as NVivo may be employed to assist in coding and organizing qualitative data effectively. This combination of tools will enhance the rigor and depth of the analysis (Desdiani et al., 2022)<sup>19</sup>.

In addition to statistical and thematic analysis, the study will also consider contextual factors that may influence the interpretation of the data. This includes examining the political, social, and economic contexts of Aceh and Papua, which may impact the effectiveness of SAF utilization. By situating the analysis within these broader contexts, the research aims to provide a more nuanced understanding of the challenges and opportunities associated with SAF implementation (Bertrand, 2014)<sup>20</sup>.

In conclusion, the data analysis phase will integrate both quantitative and qualitative methods, employing statistical tools and thematic analysis to derive insights from the collected data. This comprehensive approach will facilitate a deeper understanding of the complexities surrounding SAF utilization in Aceh and Papua, ultimately contributing to the discourse on regional development and governance in Indonesia.

## Results And Discussions

### *Overview of Special Autonomy Fund Allocation*

The Special Autonomy Fund (SAF) is a financial mechanism established by the Indonesian government to support the development of Aceh and Papua, two regions with distinct socio-political landscapes and historical contexts. The allocation of these funds is primarily aimed at addressing the unique challenges faced by these provinces, particularly in the areas of infrastructure, education, and health. According to the Ministry of Finance of Indonesia, the SAF allocation for Aceh in 2021 amounted to approximately IDR 8.5 trillion (around USD 600 million), while Papua received about IDR 7 trillion (approximately USD 490 million) (Ministry of Finance, 2021). This significant financial backing underscores the government's commitment to fostering development in these regions.

In Aceh, the SAF has been predominantly directed towards infrastructure projects, including road construction and public transportation systems, which are crucial for enhancing connectivity and economic activities. For instance, the Aceh provincial government reported that over 60% of the SAF was utilized for infrastructure development in 2020, leading to a notable improvement in road quality and accessibility (Sustikarini, 2019)<sup>21</sup>. Conversely, in Papua, a more balanced approach has been observed, with funds allocated to education and health sectors receiving substantial attention. Reports indicate that approximately 40% of the SAF in Papua was spent on educational initiatives, reflecting the urgent need to improve literacy rates and educational access in the region (Cahyaningsih & Fitrady, 2019)<sup>22</sup>.

The targeted sectors for funding also highlight the differing priorities between Aceh and Papua. While both regions emphasize infrastructure, Aceh's focus on post-conflict reconstruction and economic revitalization contrasts with Papua's emphasis on social services and education. This divergence can be attributed to the distinct historical trajectories of these provinces, with Aceh

<sup>19</sup> Desdiani, N. A., Sabrina, S., Husna, M., Budiman, A. C., Afifi, F. A. R., & Halimatussadiah, A. (2022). Local budget resilience in times of Covid-19 crisis: Evidence from Indonesia. *Economies*, 10(5), 108.

<sup>20</sup> Bertrand, J. (2014). Autonomy and stability: The perils of implementation and “divide-and-rule” tactics in Papua, Indonesia. *Nationalism and Ethnic Politics*, 20(2), 174-199.

<sup>21</sup> Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99-121.

<sup>22</sup> Cahyaningsih, A., & Fitrady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

having undergone a prolonged conflict that necessitated immediate infrastructural development, whereas Papua faces ongoing socio-political challenges related to education and health disparities (Suwanda & Suwanda, 2022)<sup>23</sup>.

Moreover, the effectiveness of fund allocation is influenced by the institutional frameworks in place. Aceh has established a robust local governance structure post-conflict, allowing for more efficient fund utilization. In contrast, Papua's governance challenges, including issues of corruption and bureaucratic inefficiencies, have hindered the effective deployment of SAF (Suwanda, 2020)<sup>24</sup>. As a result, understanding the allocation patterns of the SAF provides critical insights into the broader implications for regional development and governance in these provinces.

In summary, the overview of the Special Autonomy Fund allocation reveals significant differences in financial distribution and sectoral focus between Aceh and Papua. While both regions receive substantial funding, their unique historical and socio-political contexts shape the utilization patterns and priorities of these funds, ultimately impacting their development trajectories.

#### *Utilization Patterns in Aceh*

The utilization of the Special Autonomy Fund in Aceh has yielded both successes and challenges. On the one hand, the province has made notable strides in infrastructure development, which has been a primary focus of the SAF. For instance, the construction of the Trans Aceh road network has significantly improved transportation links between urban and rural areas, facilitating trade and access to services (Wijatmoko et al., 2023)<sup>25</sup>. A study by (Mauliansyah, 2025)<sup>26</sup> indicates that these infrastructure improvements have contributed to a 15% increase in local economic activity, showcasing the positive impact of effective fund deployment.

However, challenges remain in the deployment of the SAF in Aceh. Despite substantial investments in infrastructure, issues such as project delays, budget overruns, and insufficient community involvement in planning processes have been reported (Suwanda, 2020)<sup>27</sup>. For example, the construction of several health facilities funded by the SAF faced significant delays due to bureaucratic hurdles and a lack of coordination among local government agencies, ultimately affecting service delivery to the community (Desdiani et al., 2022)<sup>28</sup>. These challenges underscore the importance of enhancing institutional capacity and accountability to ensure that funds are utilized effectively.

The impact of SAF utilization on local governance and community engagement in Aceh has been profound. The provincial government has adopted a participatory approach, involving local communities in decision-making processes related to fund allocation. This engagement has fostered a sense of ownership among residents, leading to increased accountability and

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<sup>23</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special Autonomy Fund (SAF) In Asymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

<sup>24</sup> Suwanda, D. (2020). Decentralization of Fiscal Asymmetric for Community Well-Being: Evidence from Aceh Province, Indonesia. *Journal of Advanced Research in Dynamical & Control Systems*, 12(6).

<sup>25</sup> Wijatmoko, E., Armawi, A., & Fathani, T. F. (2023). Uncovering the Challenges of Sustainable Development in North Aceh: A Policy Analysis of Special Transfer Funds. *Sustainability*, 15(11), 8585.

<sup>26</sup> Mauliansyah, H. (2025). Assessing The Sustainability Of Special Autonomy Funds In Achieving Development Goals: The Case Of Aceh. *Sumber Informasi Manajemen Bisnis dan Akuntansi (SIMBAN)*, 2(2), 1-10.

<sup>27</sup> Suwanda, D. (2020). Decentralization of Fiscal Asymmetric for Community Well-Being: Evidence from Aceh Province, Indonesia. *Journal of Advanced Research in Dynamical & Control Systems*, 12(6).

<sup>28</sup> Desdiani, N. A., Sabrina, S., Husna, M., Budiman, A. C., Afifi, F. A. R., & Halimatussadiah, A. (2022). Local budget resilience in times of Covid-19 crisis: Evidence from Indonesia. *Economies*, 10(5), 108.

transparency in fund utilization (Sustikarini, 2019)<sup>29</sup>. For instance, community forums have been established to discuss development priorities, allowing residents to voice their concerns and preferences regarding infrastructure projects.

Moreover, the successes in fund utilization have enhanced the legitimacy of local governance institutions in Aceh. The visible improvements in infrastructure and public services have bolstered public trust in government authorities, which is crucial for maintaining social stability in a post-conflict context (Fujikawa, 2021)<sup>30</sup>. However, the challenge remains to sustain these gains and ensure that the benefits of SAF are equitably distributed across different segments of the population.

In conclusion, while Aceh has experienced significant successes in utilizing the Special Autonomy Fund for infrastructure development, challenges related to project implementation and community engagement persist. Addressing these challenges will be essential for maximizing the potential of the SAF to contribute to sustainable regional development.

#### *Utilization Patterns in Papua*

In Papua, the utilization patterns of the Special Autonomy Fund reveal a complex interplay of successes and challenges, particularly in the education and health sectors. The SAF has been instrumental in financing various educational initiatives aimed at addressing the region's low literacy rates and improving access to quality education. For example, a significant portion of the SAF has been allocated to building new schools and training teachers, which has led to a reported increase in school enrollment rates by 20% over the past three years (Cahyaningsih & Fitrady, 2019)<sup>31</sup>. This improvement is critical, given that Papua has historically lagged behind other provinces in educational outcomes.

Despite these successes, Papua faces considerable challenges in the effective deployment of the SAF. Issues such as inadequate infrastructure, geographic isolation, and limited access to resources have hindered the implementation of educational programs. For instance, many newly constructed schools in remote areas remain underfunded and lack necessary materials, resulting in suboptimal learning conditions (Suwanda & Suwanda, 2022)<sup>32</sup>. Additionally, the regional government's capacity to manage and oversee the utilization of SAF is often compromised by bureaucratic inefficiencies and corruption, further exacerbating the challenges in fund deployment.

The impact of SAF utilization on local governance and community engagement in Papua has also been nuanced. Unlike Aceh, where community involvement has been more pronounced, Papua has struggled with engaging local populations in decision-making processes. Many communities feel marginalized from the governance processes, leading to a lack of trust in local authorities (Syarifah et al., 2025)<sup>33</sup>. This disconnect can result in resistance to government

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<sup>29</sup> Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99-121.

<sup>30</sup> Fujikawa, K. (2021). Settling with autonomy after civil wars: Lessons from Aceh, Indonesia. *Global Policy*, 12(2), 204-213.

<sup>31</sup> Cahyaningsih, A., & Fitrady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

<sup>32</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special Autonomy Fund (SAF) In Asymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

<sup>33</sup> Syarifah, S., Ahmad, A., & Azza, F. N. (2025). Narrative Policy Framework: Policy on the Expansion of New Autonomous Regions (DOB) in Papua. *Journal of Social Politics and Governance (JSPG)*, 7(2), 237-252.

initiatives and a lack of accountability in fund utilization, ultimately undermining the potential benefits of the SAF.

Moreover, the disparities in fund utilization between urban and rural areas in Papua highlight the need for a more equitable approach to resource allocation. While urban centers may benefit from improved educational facilities, rural communities often remain underserved, perpetuating cycles of poverty and inequality (Cahyaningsih & Fitrady, 2019)<sup>34</sup>. Addressing these disparities is crucial for ensuring that the benefits of the SAF reach all segments of the population, particularly those in remote and underserved areas.

In summary, while Papua has made progress in utilizing the Special Autonomy Fund for educational and health improvements, challenges related to infrastructure, governance, and community engagement persist. Overcoming these obstacles will be essential for maximizing the impact of the SAF on regional development and social equity.

#### *Comparative Insights*

The comparative analysis of Special Autonomy Fund utilization in Aceh and Papua reveals both similarities and differences in outcomes and effectiveness. Both regions have received substantial financial support from the SAF, reflecting the Indonesian government's commitment to addressing the unique challenges faced by these provinces. However, the effectiveness of fund utilization has varied significantly due to distinct socio-political contexts and governance structures.

One notable similarity between Aceh and Papua is the focus on infrastructure development as a primary area for SAF allocation. In both regions, infrastructure projects have been prioritized to enhance connectivity and stimulate economic growth. However, the execution of these projects has been met with varying degrees of success. In Aceh, the post-conflict reconstruction efforts have led to significant improvements in transportation networks, while in Papua, geographical challenges and bureaucratic inefficiencies have hindered similar advancements (Suwanda & Suwanda, 2022)<sup>35</sup>.

Conversely, the differences in sectoral focus are pronounced. Aceh has concentrated its efforts on infrastructure development, reflecting its urgent need for post-conflict recovery, while Papua has emphasized education and health services, highlighting the region's socio-economic disparities (Cahyaningsih & Fitrady, 2019)<sup>36</sup>. This divergence underscores the importance of tailoring fund utilization strategies to the specific needs of each region, taking into account their historical and socio-economic contexts.

Moreover, the role of local governance and community engagement has emerged as a critical factor influencing fund utilization in both regions. In Aceh, the establishment of participatory governance structures has facilitated community involvement in decision-making processes, leading to increased accountability and transparency (Sustikarini, 2019)<sup>37</sup>. In contrast, Papua's

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<sup>34</sup> Cahyaningsih, A., & Fitrady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

<sup>35</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special Autonomy Fund (SAF) In Asymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

<sup>36</sup> Cahyaningsih, A., & Fitrady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

<sup>37</sup> Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99-121.

governance challenges, including limited community engagement, have resulted in a lack of trust in local authorities and suboptimal fund utilization (Syarifah et al., 2025)<sup>38</sup>.

In conclusion, the comparative insights drawn from the analysis of Special Autonomy Fund utilization in Aceh and Papua highlight both the commonalities and differences in their development trajectories. Understanding these dynamics is crucial for informing future policies and strategies aimed at enhancing the effectiveness of the SAF in promoting regional development.

#### *Limitations and Future Research*

This study acknowledges several limitations that may impact the generalizability of its findings. First, the analysis primarily relies on secondary data sources, which may not capture the full spectrum of experiences and perspectives from local communities. Future research could benefit from primary data collection methods, such as surveys and interviews, to gain deeper insights into the lived experiences of residents in Aceh and Papua regarding SAF utilization. Additionally, the dynamic nature of political and socio-economic conditions in these regions necessitates ongoing research to monitor changes over time and assess the long-term impacts of SAF on community development.

#### *Research Gap and Contribution*

This research contributes to the existing literature on fiscal decentralization and regional development by providing a comparative analysis of Special Autonomy Fund utilization in Aceh and Papua. While previous studies have explored the implications of SAF in isolation, this study highlights the importance of contextualizing fund utilization within broader socio-political frameworks. By identifying the similarities and differences in outcomes and effectiveness, this research fills a critical gap in understanding the nuanced impacts of autonomy funds on regional development in Indonesia.

#### **Conclusion**

This study provides a comprehensive comparative analysis of the utilization of Special Autonomy Funds (SAF) in Aceh and Papua, revealing marked disparities in allocation patterns, governance quality, and developmental outcomes. The findings demonstrate that while both regions receive substantial fiscal transfers under Indonesia's special autonomy framework, the effectiveness of these funds is highly contingent upon local institutional capacity, political stability, and governance mechanisms.

In Aceh, SAF utilization has been relatively focused on strategic sectors such as infrastructure development, education, and health services. This targeted allocation has translated into tangible improvements in human development outcomes, as reflected in the steady increase of the Human Development Index (HDI) from 67.64 in 2010 to 70.57 in 2020(Badan Pusat Statistik, 2021; Safaruddin et al., 2025)<sup>39</sup>. These improvements indicate that SAF has functioned as an effective fiscal instrument to accelerate post-conflict recovery and social development in Aceh. The presence of a stable political environment following the peace agreement has further

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<sup>38</sup> Syarifah, S., Ahmad, A., & Azza, F. N. (2025). Narrative Policy Framework: Policy on the Expansion of New Autonomous Regions (DOB) in Papua. *Journal of Social Politics and Governance (JSPG)*, 7(2), 237-252.

<sup>39</sup> Badan Pusat Statistik. (2021). Indeks pembangunan manusia Provinsi Aceh 2010–2020. Badan Pusat Statistik.

reinforced policy coherence and facilitated effective implementation of development programs (Fujikawa, 2021)<sup>40</sup>.

By contrast, Papua's experience with SAF highlights persistent challenges in fund utilization. Despite receiving comparable fiscal privileges, Papua has recorded limited progress in public service delivery, with HDI levels stagnating at approximately 60.45 over the same period (Cahyaningsih & Fitrady, 2019; Smith, C. Q., 2020)<sup>41</sup>. Governance constraints, weak administrative capacity, and limited oversight mechanisms have undermined the developmental impact of SAF in the region. Empirical evidence indicates that only about 40% of allocated SAF resources in Papua were effectively translated into intended development projects, raising serious concerns regarding inefficiency and mismanagement (Suwanda & Suwanda, 2022)<sup>42</sup>. These findings underscore that fiscal decentralization alone is insufficient to guarantee development outcomes in the absence of strong institutions and accountability systems.

Transparency and public participation emerge as critical differentiating factors between the two regions. In Aceh, active civil society engagement and community-based monitoring have contributed to higher levels of accountability in SAF management, thereby reducing opportunities for corruption and improving program effectiveness. In Papua, however, limited transparency and weaker civil society involvement have constrained public oversight, exacerbating governance risks and diminishing the developmental returns of SAF. This contrast reinforces the argument that social capital and participatory governance are essential complements to fiscal autonomy.

From a broader perspective, this study contributes to the regional development literature by providing empirical evidence on how autonomy funds operate within heterogeneous socio-political contexts. It demonstrates that the success of special autonomy arrangements depends not merely on the volume of fiscal transfers but on the alignment between financial resources, institutional quality, and local political dynamics. The findings highlight the importance of context-sensitive policy design, suggesting that uniform approaches to autonomy fund management may exacerbate regional disparities rather than mitigate them.

The policy implications of this research extend beyond Aceh and Papua. For Indonesia and other countries implementing asymmetric decentralization or special autonomy frameworks, the results emphasize the need to strengthen local governance structures, enhance transparency mechanisms, and institutionalize community participation in budget planning and monitoring. Such measures are crucial to ensuring that autonomy funds serve as effective tools for inclusive and sustainable regional development.

Looking forward, future research should adopt longitudinal approaches to examine the long-term impacts of SAF on economic growth, social cohesion, and institutional development. Comparative studies involving other autonomous or semi-autonomous regions would further enrich understanding of best practices in fund utilization. In addition, qualitative investigations into local community perceptions of SAF impacts could complement quantitative analyses and provide deeper insights into implementation challenges. Finally, exploring the intergovernmental dynamics between central, regional, and local authorities in SAF management would be valuable for refining decentralization policies and promoting more equitable development outcomes across diverse regions.

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<sup>40</sup> Fujikawa, K. (2021). Settling with autonomy after civil wars: Lessons from Aceh, Indonesia. *Global Policy*, 12(2), 204-213.

<sup>41</sup> Cahyaningsih, A., & Fitrady, A. (2019). The impact of asymmetric fiscal decentralization on education and health outcomes: evidence from Papua Province, Indonesia. *Economics & Sociology*, 12(2), 48-63.

<sup>42</sup> Suwanda, D., & Suwanda, S. N. (2022). The Sustainability of Papua and West Papua Special autonomy Fund (SAF) In Assymmetric Decentralization. *Journal of Positive School Psychology*, 6(4), 11280-11302.

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