

Asymmetric Decentralization: An Analysis of the Implementation of Aceh Special Autonomy and Its Impact on the Welfare of Acehnese Society

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Received: 14 October 2021 / Revised: 09 March 2022 / Accepted: 10 March 2022 / Published: 21 March 2022



ABSTRACT

Indonesia has passed through long hard times to stand as an independent country. The past struggles to break from colonialism out were in concordance with Indonesia's efforts to maintain and secure its territorial sovereignty. Upheavals, threats and even rebellions to leave the Republic have often arisen in various regions even since the beginning of Indonesia's independence. One of which has occurred in the Province of Aceh. The considered injustice in the distribution of benefits from natural resources has led to conflict in Aceh. To deal with this issue, through the enactment of the Law No. 11 of 2006, the central government aims to confirm the special autonomy for Aceh to induce peace as well as security and achieve social justice within the region. Besides to improve education, quality of life, health, infrastructure, accelerate economic development through the special autonomy fund allocation. How the special autonomy has been implemented hitherto and how it contributes to improve Acehnese welfare is considered critical as well as interesting to analyze. The term 'welfare' is analyzed based on four aspects of analysis namely: (1) poverty and (2) unemployment alleviation, (3) Human Development Index (HDI), and (4) Gini Ratio. The study adopted a qualitative exploratory research design by which data were derived from analysis of secondary sources through literature review. The results show that Aceh is considerably dependent on the special autonomy fund. There are also seven priority sectors set by the government, namely: infrastructure, economic empowerment, poverty alleviation, education, social, health, and Aceh privileges. Furthermore, Aceh's special autonomy fund in general has had a positive impact on the welfare of the Acehnese society besides the Gini Ratio that is still high.

Keywords: Asymmetric Decentralization, Special Autonomy; Welfare.

1 Introduction

Proclaimed its independence on 17 August 1945, the Republic of Indonesia has passed through long hard times to stand as an independent country. The struggles to break from colonialism out in the past were in concordance with Indonesia's efforts to maintain and secure its territorial sovereignty. Indonesia's current sovereign territory or commonly called the 'Nusantara' (the world's biggest archipelago) has even been existed since the superiority of the *Majapahit* emporium in the 14th century (Yasyi, 2021). Maintaining the entire territory to remain under the Republic of Indonesia however is proven to be arduous. Upheavals, threats and even rebellions to leave the Republic have often arisen in various regions even since the beginning of Indonesia's independence. One of which has occurred in the Province of Aceh through the Free Aceh Movement (GAM). Upheaval and rebellion in Aceh emerged commonly due to the Acehnese that considered that the (financial) benefit of the natural resources possessed by them was unfairly distributed back for the development of Aceh. This injustice in the distribution of benefits from natural resources has inevitably led to conflict in Aceh. The long conflict has had a negative impact on social and economic life in Aceh Province, such as the loss of an estimated 15.000 lives during the conflict period (Nurlina & Syafira, 2019).

As time goes by, the collapse of the New Order in 1998 has influenced the national political climate to present Jakarta with wide-ranging reform demand. After the decade-long counterinsurgency campaign against GAM, the third President of Indonesia, B.J. Habibie decided to conduct a negotiated solution by withdrawing the military troops from Aceh and launching human rights investigation (Miller, 2006). Consecutively to the regime transition, a move has also taken by Habibie to reform center-periphery relations towards decentralizing state power. These reforms were initiated mainly to restore national stability and recover from the crisis politically, socially and economically (Miller, 2006). The decentralization process was instigated by reviewing laws and regulation that had restricted regional authority under the new order (Miller, 2006). The Indonesian government then introduced several autonomy laws, inter alia: Law No. 22 of 1999 on Regional Government, Law No. 25 of 1999 on Fiscal Balance between the Central Government and the Regions which came into effect in 2001, and Law No. 44 of 1999 on Special Status of the Province of Aceh Special Region (Miller, 2006). Law No. 44 of 1999 emphasizes that the given specialties for Aceh Province is a recognition of the nation for the intrinsic values which have been wielded as the spiritual, moral, and humanitarian foundation of the Acehnese society (Sanur, 2020). Moreover, it was also a form of state appreciation for the dedication and extraordinary struggle of Aceh during the war of independence, and it is hoped that this Special Autonomy grant can also prevent security issues in Aceh (Saputra & Rizki, 2014). Specialty for Aceh Province was also regulated by Law no. 18 of 2001 concerning Special Autonomy for the Special Region of Aceh as Nanggroe Aceh Darussalam (NAD) Province. This law contains regulations primarily related to the shift in governance from centralization towards decentralization in Indonesia. Several notable points in this law in regards to NAD inter alia:

- 1) NAD is given the opportunity to manage its own economic resources, to explore and empower both the nature and human resources;
- 2) NAD is allowed to implement social order in accordance to the noble values of Acehnese society, improve community participation, develop initiative, creativity as well democracy;
- 3) NAD is mandated to further enhancing its government through the optimization of the NAD Province Regional Representative Council; and
- 4) NAD is permitted to apply the Islamic law to manage its social life (Sanur, 2020).

The special autonomy provision for Aceh as aforementioned is inseparable from the long conflict between the Indonesia's government with GAM. The conflict was ended through a Memorandum of Understanding (MoU) in 2005 called the Helsinki MoU. The MoU contains the granting of special autonomy along with special autonomy fund for Aceh. This MoU is the forerunner of the establishment of the Law No. 11 of 2006 regarding the Government of Aceh which stands hitherto replacing Law No. 18 of 2001 (Jalil et al., 2019; Sanur, 2020). The special autonomy fund is a form of asymmetric decentralization aimed at accelerating the improvement of public welfare and public services. One of them is through the provision of basic infrastructure for development by opening isolated areas through easy access to transportation and information. Infrastructure fund directed for this purpose should be able to encourage capital expenditures of the Regional Revenues and Expenditures Budget (Nurlina & Syafira, 2019).

Asymmetric decentralization is regulated by the 1945 Constitution article 18A paragraph (1), article 18B paragraph (1) and (2). Article 18A paragraph (1) mandates that "The relationship of authority between the central government and provincial, district and city governments shall be regulated by law with due observance of the specificity and diversity of the regions". Furthermore, in Article 18B paragraphs (1) and (2) it is regulated that (1) the State recognizes and respects special or special regional government units regulated by law. (2) The state recognizes and respects customary law community units and their traditional rights as long as they are still alive and in accordance with community development and the principles of the Unitary State of the Republic of Indonesia, which are regulated in the law (DPR RI, 2020).

The implementation of Law No. 11 of 2016 has strengthened Aceh's fiscal capacity to drive economic development which had devastated due to prolonged civil conflict and tsunami disaster in 2004. Law No.

11 of 2006 gives Aceh a full authority to regulate the Special Autonomy Fund management. The procedures for the use of the Special Autonomy Fund as well as the allocation of additional funds for oil and gas are further regulated by Aceh Qanun No. 2 of 2008 which was amended by Qanun No. 1 of 2018. The latter is concern to the allocation of additional funds for petroleum-sharing, natural gas and the use of Special Autonomy Funds (Jalil et al., 2019). According to Law No. 11 of 2006, Aceh is entitled to receive the special autonomy fund for twenty years and receives 70% of its revenue from oil and gas. Regarding the special autonomy fund, Aceh is allocated fund equal to 2% of the national allocation of the General Allocation Fund from the first until the fifteenth year, while funds equal to 1% of the national allocation of the General Allocation Fund will be allocated from the sixteenth to the twentieth year. The increase in the amount of the special autonomy fund each year comes from the national general allocation fund which also increases the budget each year by which as aforementioned 2% of the national general allocation fund is budgeted for the first year to the fifteenth year of the Aceh Province special autonomy fund (State Financial Accountability Agency, 2020).

The granting of special autonomy fund aims to encourage regions with special autonomy status to be able to catch up with other regions. Special autonomy fund that are transferred from the Central Government can certainly affect the size of the regional revenue and expenditure budget of a region. In the case of Aceh, the special autonomy fund received by Aceh has become the main and largest source of income and even exceeding the original regional revenue and other balancing funds since the implementation of Aceh's special autonomy (Nurlina & Syafira, 2019). Apart from that, the receipt of special autonomy fund is expected to be a catalyst for the Regional Revenues and Expenditures Budget's ability to finance public investment. Public investment through the provision of physical facilities and infrastructure, education and health will directly shape qualified human resources. Education is expected not only to form experts and skilled workers but also to induce national character building (Nurlina & Syafira, 2019).

The enactment of Law No. 11 of 2006 is an attempt of the central government to reach the objectives of regional autonomy. Over fourteen years of implementation, supported with trillions of IDR of fund since 2008, the objectives of special autonomy conferment for Aceh are to improve education, quality of life, health, infrastructure, accelerate economic development, induce peace and security and achieve social justice within the region (State Financial Accountability Agency, 2020). How the special autonomy has been implemented hitherto and how it contributes to improve Acehnese welfare is considered critical as well as interesting to analyze. For the purpose, this paper intends to evaluate the implementation of Aceh's special autonomy since it was granted in 2006 until 2020 and answer the main research question: How does the implementation of the given special autonomy for Aceh and how it contributes to the improvement of the welfare of Acehnese Society?

This paper in particular is focused on evaluating the extent to which the implementation of special autonomy in Aceh has contributed to the improvement of the welfare of Acehnese society. In this paper, the term 'welfare' is analyzed based on four aspects of analysis namely: (1) poverty and (2) unemployment rate alleviation, (2) human development index (HDI) improvement, and (4) social inequality level (Gini Ratio). Previous studies related to the implementation of special autonomy and its impact on the people of Aceh has vastly been developed. However, most research focuses only on one aspect, poverty alleviation or economic growth for instance and the level studied is at particular district or city level (Zulham et al., 2015; Jalil et al., 2019; Setiawan et al., 2020). In addition, several studies also focus on the political approach to the failure of the special autonomy implementation to contribute to the improvement of welfare of the Acehnese society (Cahyono, 2012; Sanur, 2020). Furthermore, another study analyzes the implementation of special autonomy nationally thus the scope of the research does not merely focus on the implementation of special autonomy for Aceh but also the special autonomy implementation in Papua (Suharyo, 2016). The aforementioned previous research on the field under study shows the novelty of this study. This study will

complement the data and information of the impact of the given special autonomy for Aceh to the welfare of its society in four aspects as above-explained while the focus of this study is the Province of Aceh.

2 Methods

This study adopted a qualitative exploratory research design and is of a descriptive nature (Neuman, 2014). Given the complexity of the topic under study, a qualitative approach is considered suitable to analyze the implementation of the special autonomy of Aceh and its impact towards the welfare of Acehnese society because a qualitative research design provides immense flexibility (Kumar, 2010). This means that qualitative approach allows researcher to change the direction or focus of the research and it remains open to unexpected circumstances. Given the qualitative approach adapted to this research, the main research question will also be answered on a qualitative manner. Data and information were derived from review of secondary sources through literature study and statistical data analysis. Specifically, the descriptive qualitative approach aims to provide in-depth descriptions of data and information utilizing qualitative aspects of research (Bandur, 2019). While the literature study intends to acquire data and information from various sources particularly from the internet such as journals, e-books, and any publications related to the object of research (Farida, 2019).

To find relevant literature, electronic searches of databases were conducted such as Google Scholars and IOP Science. While statistical data were derived from the Central Statistics Agency of Indonesia (BPS). Keywords and terms used include Aceh special autonomy, asymmetric decentralization, special autonomy fund, poverty reduction in Aceh, Aceh's Human Development Index, Aceh's unemployment rate, Aceh's Gini Ratio and economic growth in Aceh. Literature was refined based on several criteria, namely: it has to be peer-reviewed journals; published thesis and dissertations; official documents; articles published by credible organizations and institutions; and the time period was limited from 2010 to 2021.

3 Results and Discussion

Aceh Province through Law No. 11 of 2006 was given a special autonomy by which the special autonomy authorized special funds, rights and constitutional obligations for Acehnese prosperity (Sanur, 2020). In the period 2008-2020 Aceh has received a special Autonomy Fund of IDR 81,4 Trillion with the amount of fund increased from year to year. First time disbursed in 2008, Aceh received special autonomy funds of IDR 3,5 Trillion and this number continued to increase into IDR 4,5 Trillion in 2011. This amount has increased in the following years reached IDR 7 trillion in 2015 and as of 2020, Aceh received the special autonomy funds amounted IDR 8,3 Trillion. (Ministry of Finance, 2021) (see figure 1 below).

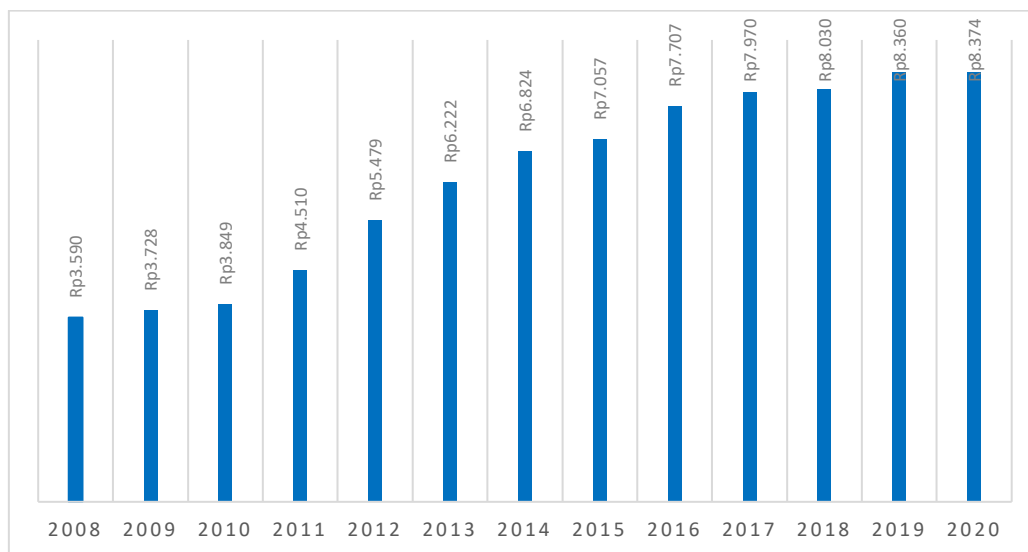


Figure 1: Proportion of Aceh Special Autonomy Fund in the interval of 2008-2020 in billion IDR (Ministry of Finance, 2021).

From 2008 to 2019, special autonomy fund provided for Aceh contributed about 51,58% to the total Revenue and Expenditure Budget of Aceh (REBA) of a total of IDR 142,157 trillion. In 2008, the proportion of special autonomy fund in the REBA reached 42,15%. This number was stably increased where the proportion of special autonomy fund in the REBA almost reaches 57% in 2012. The proportion of special autonomy fund in the REBA continued to increase and reached its peak in 2016 by almost 60%. This amount was then declined periodically until 2019 the proportion of special autonomy fund in the REBA was 48,88% (State Financial Accountability Agency, 2020) (see table 1 below).

Table 1: *Proportion of the Special Autonomy Fund in REBA (State Financial Accountability Agency, 2020)*

Year	REBA (Billion IDR)	Special Autonomy Fund (Billion IDR)	Proportion of special autonomy in REBA (%)
2008	8.518	3.590	42,15
2009	9.791	3.728	38
2010	8.246	3.849	46,68
2011	7.974	4.510	56,56
2012	9.711	5.479	56,42
2013	12.398	6.222	50,19
2014	12.939	6.824	52,74
2015	12.755	7.057	55,33
2016	12.874	7.707	59,86
2017	14.763	7.970	53,99
2018	15.084	8.030	53,23
2019	17.104	8.360	48,88
Total	142.157	73.326	51,58

Table 2 has shown that the special autonomy fund has significantly contributed to support REBA. It is conceivable that if the granting of special autonomy fund for Aceh is stopped, a budget deficit would occur in Aceh if other sources of regional revenue are not suffice to replace the special autonomy fund.

Table 2: *Achievements of the Priority Sectors of Aceh's Special Autonomy (Adapted from the State Financial Accountability Agency report 2020.)*

No	Sector	Achievements
1	Infrastructure	a. Road and bridge construction; b. Airport construction; c. Harbor construction; d. Dam construction; e. Irrigation construction; f. Pond construction.
2	Economic Empowerment	a. The creation of small and medium-sized industrial centers (SIKIM) for food, woods, nutmeg, patchouli, lemongrass, and marine and fishery products processing and production; b. The creation of Arun Lhokseumawe Special Economic Zone; c. The creation of Aceh Industrial Zone of Ladong; d. The creation of Lampulo Fisheries Processing Industry; e. The creation of Bersela Special Economic Zone.
3	Poverty Alleviation	a. Construction of 11.400 houses for poor households; b. Fishery productivity improvement;

		<ul style="list-style-type: none"> c. Optimizing the use of oil palm plantations in the expansion of smallholder plantation areas; d. Agricultural and plantation production facilities provision.
4	Education	<ul style="list-style-type: none"> a. Scholarships provision from Diploma to Doctorate degree for the Acehese; b. Scholarship provision for orphans and the poor; c. Budget realization for early childhood education; d. Budget realization for nine-year compulsory basic education; e. Budget realization for secondary education; f. Budget realization for non-formal education; g. Budget realization for extraordinary education; h. Quality improvements program for educators and education personnel.
5	Health	<ul style="list-style-type: none"> a. Hospital construction; b. Aceh's health insurance implementation.
6	Social	<ul style="list-style-type: none"> a. Aceh Health Insurance implementation b. Assistance from the central government through the Family Hope Program and Non-Cash Food Assistance in the form of rice for the poor; c. Social welfare organization establishment to deal with children involved with legal problems; d. Food assistance for orphanages; e. Public kitchens establishment by the Social Service for disaster victims in the form of social assistance for compensation, business assistance, and wheelchair assistance for disabled victims.
7	Aceh Privileges	<ul style="list-style-type: none"> a. Construction/rehabilitation of 997 units of mosques in Aceh from 2012-2014; b. The Development of the landscape and infrastructure of the Baiturrahman Grand Mosque c. Financial incentive for <i>Imum Meunasah</i> and <i>Dayah</i>.

Regarding the allocation of the Aceh special autonomy fund, the infrastructure sector has been becoming priority. Of the 7 priority sectors (i.e. infrastructure, economic empowerment, poverty alleviation, education, social, health, and Aceh privileges), the infrastructure sector receives the largest portion transcended the other fields. The fund allocation for infrastructure in 2014-2018, for instance is reached IDR 3,39 trillion. This number is substantially high compared to the fields of economic empowerment, poverty alleviation and education which respectively are allocated a budget of IDR 798,86 billion, IDR 278,64 billion, and IDR 1,69 trillion. Meanwhile, the social and health sectors are budgeted at IDR 175,28 billion and IDR 1,02 trillion respectively. Aceh's privileges are allocated budget at the lowest of about IDR 156,77 billion (State Financial Accountability Agency, 2020) (See figure 2).

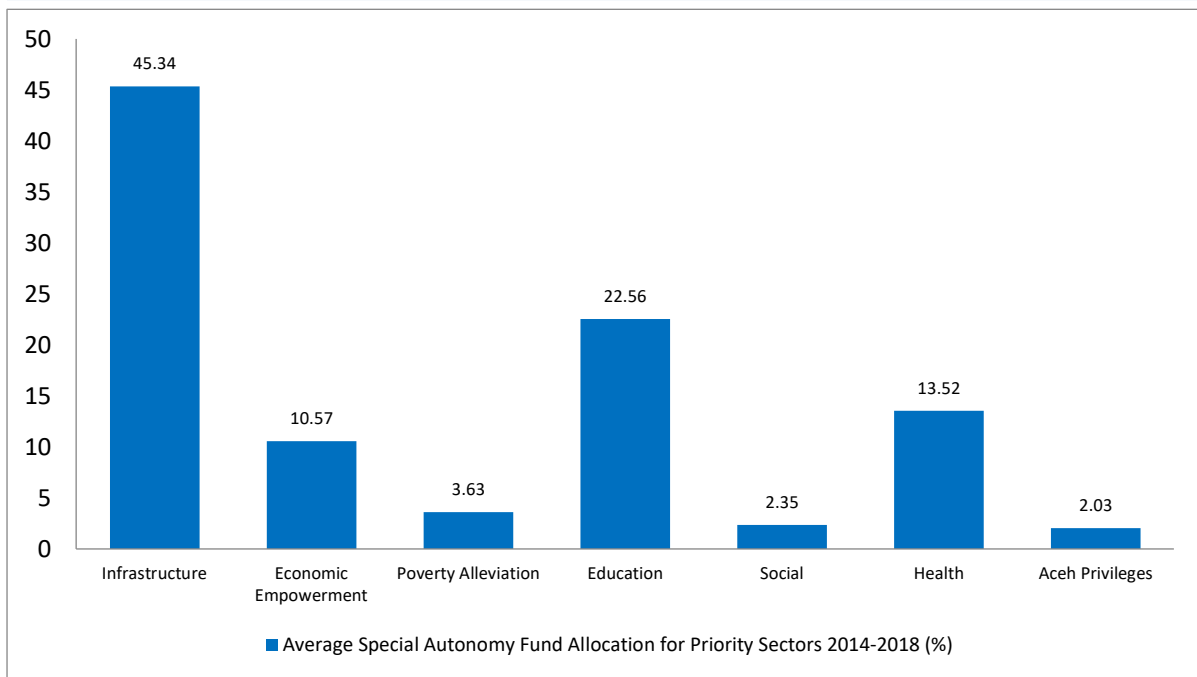


Figure 2: Average percentage of Special Autonomy Fund Allocation for Priority Sectors by 2014-2018 (State Financial Accountability Agency, 2020).

Behind the large amount of Aceh's special autonomy fund, there are issues related to the use of the budget. Based on data from Aceh's Remaining Budget Usage (ARBU) for 2013-2018, the special autonomy fund was not fully absorbed. The total ARBU fund for the period 2013-2018 was IDR 5,580 trillion or 12.73%. The largest ARBU fund was in 2018 which reached IDR 2,090 trillion or 25.02% of the total special autonomy fund provided amounting to IDR 8,030 trillion (State Financial Accountability Agency, 2020). Based on the 2020 State Financial Accountability Agency report, the large value of ARBU has been caused by the low absorption of the budget in the infrastructure sector of about IDR 889,5 billion or 24.15%. However, the lowest budget absorption occurred in sector of poverty alleviation with a value of IDR 400,5 billion or 86.64% of the Aceh special autonomy fund ARBU in 2018 (State Financial Accountability Agency, 2020). Meanwhile, according to the Aceh provincial government, the low level of budget absorption is due to programs that are not effectively utilized due to time constraints, regional conditions and ineffective coordination thus budget absorption was not optimal even though planning and budgeting are well prepared. Furthermore, one important reason of why there is low budget absorption is considered due to the procurement process that is not in accordance with the predetermined schedule, therefore effects on delays in disbursement (State Financial Accountability Agency, 2020; Syah Kuala University, 2021).

Aceh's special autonomy is implemented based on the Aceh Medium-Term Development Plan (MTDP) and the 2008-2027 Aceh Special Autonomy Fund Utilization Master Plan (State Financial Accountability Agency, 2020). Provided below is a table of the achievements of the priority sectors of Aceh's special autonomy which shows the Aceh government concern to the areas that becoming the objectives of the special autonomy fund.

Since it was initially disbursed in 2008, Aceh's special autonomy fund has had a positive impact on the welfare of the Acehnese society. The impact of special autonomy fund has contributed to the reduction of the poverty rate from 23,53% in 2008 to 14,99% in 2020; a decrease in the unemployment rate from 9,56% in 2008 to 6,59% in 2020; an increase in the HDI figure from 67,09 in 2010 to 71,99 in 2020. Nevertheless, the level of inequality increased from 0,290 in 2008 to 0,323 in 2020.

3.1 Poverty Alleviation

Aceh is one of the provinces that received special attention from the central government and has been granted special autonomy. As aforementioned, with this special autonomy, Aceh gets a larger proportion of revenues from oil and gas resources, which is 70%. This stipulation goes beyond the usual autonomy that regulates the distribution of other provincial revenues which are only 15% from oil and 35% from gas (Mantsani et al., 2019). In addition, Aceh is also entitled to special autonomy fund which is transferred by the central government every year. The granting of special autonomy is expected to have an impact on maximizing regional potential, increasing regional income, and boosting economic development and economic growth in Aceh. Nonetheless, it turns out that this policy has not had a substantial impact in overcoming poverty in Aceh (Mantsani et al., 2019).

Since 2008, the poverty rate in Aceh Province has decreased. In 2008 the percentage of poor people in Aceh reached 23,53%. This percentage gradually decreased in the following years to reach 21,80% in 2009 and 20,98% in 2010. This percentage continued to decline steadily until 2013 at 17,60%. Minor fluctuations occurred when the percentage of the poor in Aceh increased to 18,05% in 2014. However, this number gradually declined to 14,99% in 2020 (BPS, 2021a). Overall, from 2008-2020 the percentage of the poor in Aceh decreased by 8,54%. Compared to the amount of the population in Aceh, the amount of 14,99% poverty rate is still considered high. This figure is higher than the percentage of poverty nationally, which has always been the case in recent periods. The government's efforts to reduce poverty are expected to continue to be optimized by moving the real sector through micro, small and medium enterprises. Nationally, the trend of poverty based on data from the Central Statistics Agency of Indonesia tends to decrease gradually. The percentage of national poverty fell from 15,42% in 2008 to 11,96% in 2012. The percentage then gradually decreased to 9,41% in 2019 but increased slightly to 9,78% in 2020 (BPS, 2021a). Relatively, the national poverty rate decreased by 5,64% from 2008 to 2020 (see figure 3 below to see the comparison of Aceh and the National poverty rate from 2008 to 2020).

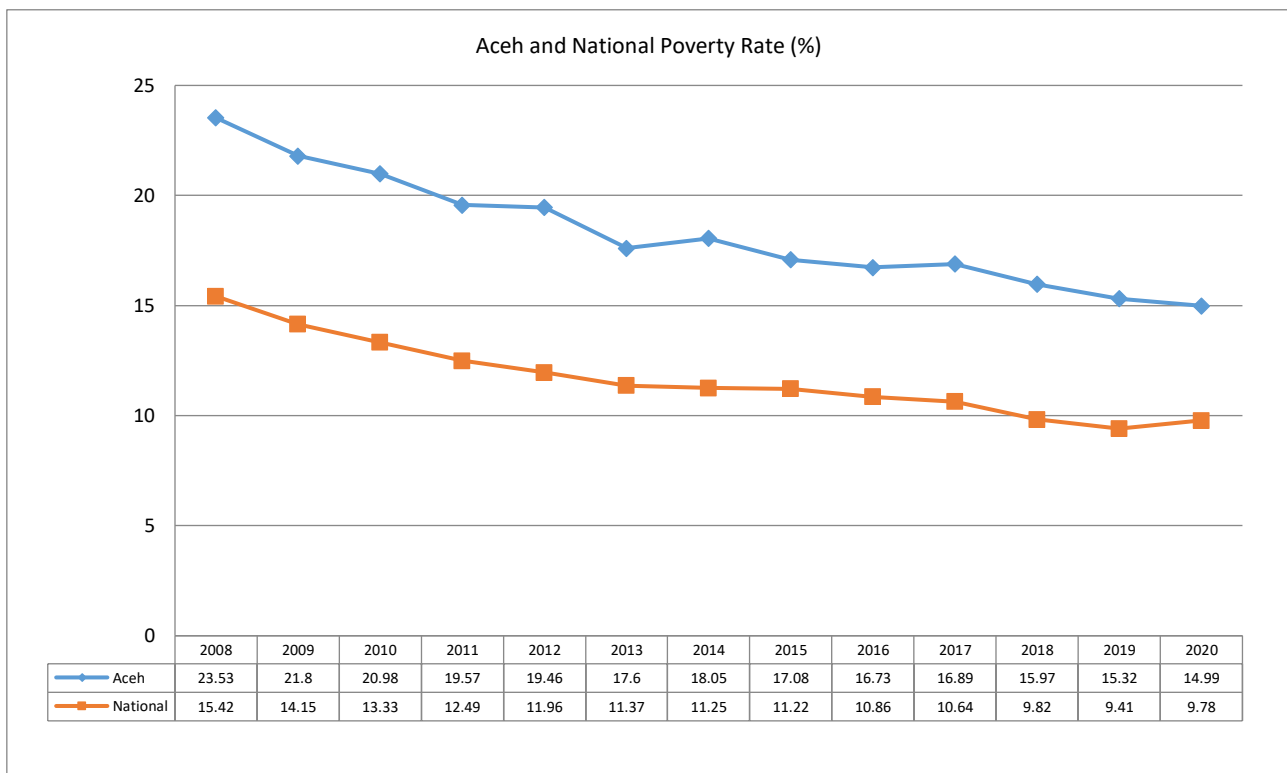


Figure 3: Comparison of Aceh and National poverty rate (BPS, 2021a).

According to Bank Indonesia, COVID-19 has been devastating to the country as well Aceh economy. The pandemic is suspected to be one of the drivers of the increase in the unemployment rate both nationally and Aceh. A total of 388.000 people of working age (10,01%) were affected by the pandemic which then resulted in these people becoming unemployed, temporarily unemployed, or being reduced in their working hours (Bank Indonesia, 2021). Apart from that, structural factors such as policies or programs that have not yet targeted the root causes of poverty are one of the causes of the obstacles to poverty reduction in Aceh. When compared to other provinces in Sumatra, Aceh possessed highest poverty rate within the region in September 2020 with 15,43% of the population were poor. This percentage is higher than the average poverty rate for the provinces of Sumatra of about 10,22% and the National of 10,19%. The number of poor people is concentrated in North Aceh, Pidie, and West Aceh Regency. Meanwhile, in terms of high poverty levels, the concentration is in the Regency of Aceh Singkil, Gayo Lues, Pidie Jaya, Bener Meriah, Nagan Raya, Southwest Aceh, Simeulue, and Subulussalam (Bank Indonesia, 2021).

With regards to the comparison of the distribution of poor people in urban and rural areas, the number of poor people is dominant in rural areas compared to urban areas. About 694.000 poor people reside in rural areas or approximately 19,44% of the total poor population whereas there are about 157.570 poor people living in urban areas or equal to 11,13% of the total population (Setiawan et al., 2020). Furthermore, there is a lack of changes in regards to the distribution of poor population composition. Literature review conducted revealed that there has been a steady number of poor people until living in rural areas with 17,68% outraced the percentage of the poor in urban areas of about 9,47% in 2019 (Setiawan et al., 2020). The granting special autonomy fund should have a major impact on the welfare of the community. With the large fund provided by the central government, local governments are expected to be able to stimulate development within their region thus induce the welfare of the community, especially the poor. Area-based poverty alleviation can be focused on strengthening the local economy and induce aid programs that are more targeted at areas that are centers of poverty. With regard to strengthening the local economy, Aceh possessed abundant natural resources that are spread in various regions. This can be a source of strength and opportunities to improve the economy as well as the income of the poor and vulnerable people in Aceh.

3.2 Unemployment Rate

As aforementioned, the special autonomy fund has been utilized by the government of Aceh to develop new projects in 7 priority areas (see table 2) to bring welfare to Acehnese society as well as to create job opportunities. Aceh's open unemployment rate actually decreased due to the increasing number of job opportunities and the wider business opportunities created. The more conducive regional security and the better condition of various regional facilities and infrastructure have encouraged the community to participate more in accelerating Aceh's development. This is indicated by the growing number of small and medium-sized business units (Ikhsan, 2015). Nevertheless, the increase in the number of the working-age population and the low absorption of the government budget as well as the low economic growth that absorbs labor greatly affect the (still) high open unemployment rate in Aceh even though statistical data shows that there is a decrease in the percentage of open unemployment from 2008 to 2020.

The open unemployment rate uses to depict the general economic situation of a region or even a country and simultaneously provides an overview of community activities towards prosperity. The open employment rate is calculated in accordance with the percentage of the unemployed workforce that is influenced by several factors including environmental, social, cultural, economic, and even personal issues of the workforce itself (Setiawan et al., 2020). The percentage of Aceh's open unemployment was decreased from 9,56% in 2008 to 8,37% in 2010. This percentage then increased to a peak of 10,12% in 2013. This figure was very high compared to the national open unemployment rate which in the same period was at the level of 6,17% (BPS, 2021b). The lack of a manufacturing sector to develop and Aceh's dependence on the commodity sector are one of the reasons for the high unemployment rate in Aceh (Ibrahim et al., 2018).

The percentage of Aceh's open unemployment was steadily declined by the next 7 years until finally reached 6,59% in 2020 (BPS, 2021b).

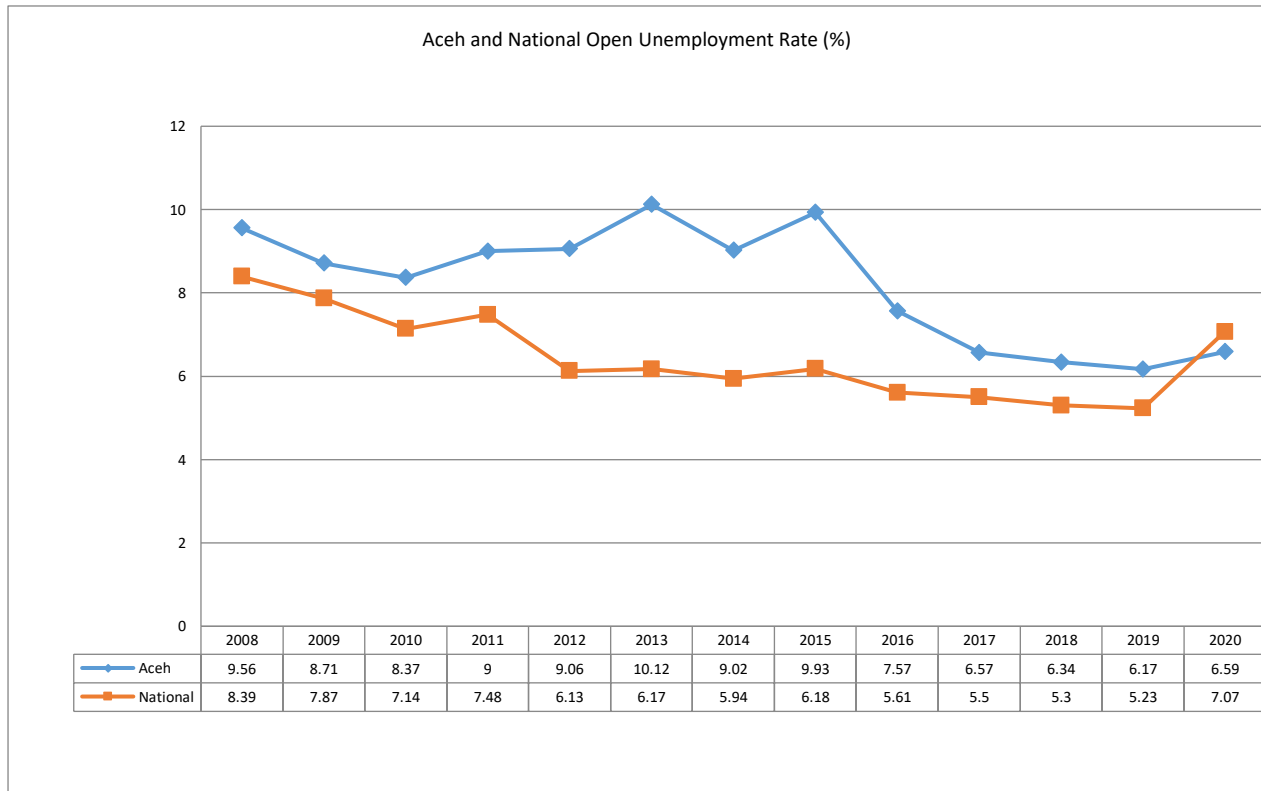


Figure 4: Comparison of Aceh and National Open Employment Rate (BPS, 2021b).

Meanwhile, the percentage of the national open unemployment rates also undergone a fluctuation but was better than Aceh. The percentage of the national open unemployment rate in 2008 was 8,39%. This figure then declined steadily to 5,23% in 2019. Due to the COVID-19 pandemic, the national open unemployment rate increased drastically to 7,07% in 2020 (BPS, 2021b). (See figure 4 above to see the comparison of Aceh and the National open unemployment rate from 2008 to 2020).

Based on data from the Central Statistics Agency of Aceh, there are several sectors that absorb a lot of labor, thus reducing the unemployment rate in Aceh although the percentages of Aceh's open unemployment rate are not as better as the national rate. Among them are the agricultural and plantation sectors with workforce absorption of 36.49% with a total of 810 thousand workers. In the second position is the trade sector, which reached 35,74% with a total of 349 thousand workers. The manufacturing sector reached 8,20% with a total of 187 thousand workers, education services 7,60% or equal to 183 thousand workers. Meanwhile, the electricity supply sector, water gas, waste management, and recycling are being the lowest sector of employment, those only absorb 0,42% with only 11 thousand workers (Jamaan, 2019).

Furthermore, the total workforce was recorded at 2,52 million people or an increase of around 122 thousand people from the total workforce in August 2019 which was recorded at 2,40 million people. The business fields that experienced a decrease in the percentage of the working population mainly occurred in government administration and education services. Meanwhile, the jobs that experienced an increase as aforementioned were mainly in the fields of agriculture, forestry, and fisheries. Moreover, the number of employed people is increased by 122 thousand people while the number of unemployed people increased by 19 thousand people compared to the same period in the previous year to 167 thousand people. This indicates that the addition of the labor force during the period of 2019 to 2020 was not absorbed by the labor market (Bank Indonesia, 2021) (see table 3 to find out the percentage of labor by sector as of August 2020).

Table 3: *Percentage of Labor by Sector as of August 2020 (Bank Indonesia (2021))*

No	Sector	August 2020 (%)
1	Agriculture	37,22
2	Commerce	15,76
3	Education Services	6,99
4	Government administration	6,91
5	Construction	6,24
6	Processing industry	8,26
7	Others	18,62

Regarding the workforce by education, the workforce in Aceh is currently dominated by workers with the latest high school education level. According to Bank Indonesia, the number of workforce in Aceh in 2020 has been steady to the same quarter in the previous year, which is dominated by workers with secondary education that is at the high school level. This shows that the education level of the workforce in Aceh has increased. The working population in Aceh Province in August 2020 with a high school education level reached 742 thousand people (31,44%) while the working population with an elementary education level and below was 636 thousand people (26,95%). On the other hand, the highest open unemployment rate is the labor force was people with a Vocational High School education at the level of 10,87% (Bank Indonesia, 2021) (Table 4 below depicted the percentage of workforce by education in Aceh in the interval of 2019-2020).

Table 4: *The percentage of Workforce by Education in Aceh in the interval of 2019-2020 (Bank Indonesia (2021))*

No	Level of Education	August 2019	August 2020
1	University	13,53	12,95
2	Diploma	4,33	4,15
3	High Senior School	29,76	31,44
4	Vocational High School	4,91	4,83
5	Junior High School	18,88	19,68
6	Elementary School	28,59	26,95

The decreased unemployment rate in Aceh shows that there has been good progress in regards to job opportunities creation. This means that the economy of Acehnese society has started to grow. Nevertheless, optimization of the use of special autonomy fund must continue to be carried out to create as many job opportunities as possible because it cannot be denied that the unemployment rate in Aceh is still quite high.

3.3 Human Development Index (HDI)

The HDI figure in Aceh based on data from the Central Statistics Agency of Indonesia from 2010 to 2020 shows a positive trend. In determining the HDI, the Central Statistics Agency uses 4 indicators namely Life Expectancy at birth, Literacy Rate, combined Gross Enrollment Rate, and Gross Domestic Product per capita (Isnadi & Fikriah, 2019). Aceh's HDI increases periodically from year to year starting with 67,09 in 2010, this figure steadily increased until it reached 71,99 ten years later. Not much different from Aceh, Indonesia's HDI has also increased in the last ten years. Starting at 66,53 in 2010, Indonesia's HDI gradually rose from year to year to 71,94 in 2020 (BPS, 2021c).

The increase in Aceh's HDI in the last ten years showed a figure of 4,9 compared to the increase in Indonesia's HDI which was 5,41. Thus, the increase in Aceh's HDI in the 2010-2020 periods is considered still not much better than the increase in the national HDI. Nevertheless, as above-explained, the latest data from the Central Statistics Agency of Indonesia shows that the HDI in Aceh until 2020 was at the level of 71,99. This means that Aceh's HDI can be included in the High HDI category by which it was slightly exceeded the National HDI which was at the level of 71,94. And the trend of increasing Aceh's HDI is relatively stable from year to year.

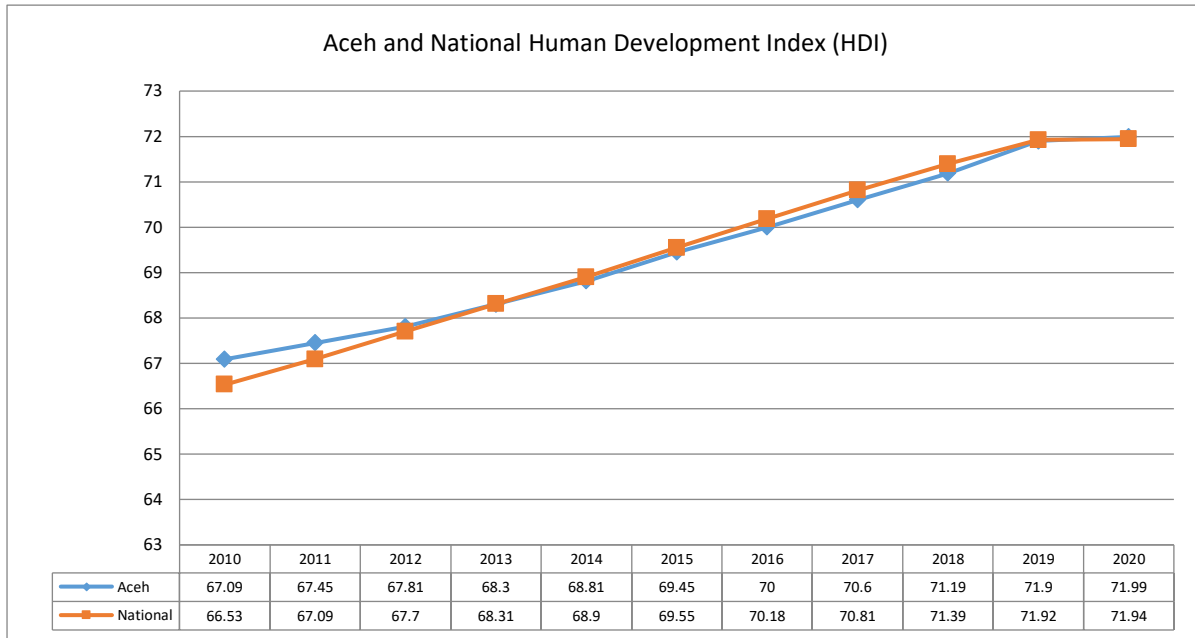


Figure 5: Comparison of Aceh and National HDI (BPS, 2021c).

According to a report by the State Financial Accountability Agency in 2020, the increase in Aceh's HDI was due to the use of special autonomy fund, even though Aceh's HDI figures were still slightly below the national HDI figures. This poses a challenge for the Aceh government to maximize the use of special autonomy fund in the education sector because one of the priority areas of Aceh's special autonomy fund is in the education sector (State Financial Accountability Agency, 2020) (see figure 5 above to see the comparison of Aceh and National HDI from 2010 to 2020).

Even though Aceh's HDI shows a positive trend, the Aceh government is encouraged to create a more effective and efficient policy breakthroughs, both in the form of planning and implementation as well as transparency in the management of the special autonomy fund. Therefore the regional revenue sources, especially revenues from the special autonomy fund can be channeled to various leading sectors not merely directed and focused on the infrastructure sector. There should be an adequate quota for allocation of fund to human development, most importantly focusing on the education sector. It has to be understood that the trigger for increasing the level of community welfare is supported by a good and advance level of education. With a good level of education, the instruments of the human development Index will improve accordingly.

3.4 Gini Ratio

During the 2008-2020 Gini ratio in Aceh is fluctuated. The highest inequality occurred in 2013 when Aceh's Gini ratio stood at 0,341. This figure then decreased in the following year to 0,325 and rose again by 0,009 in 2015 and gradually decreased to 0,320 in 2019 then rose slightly in 2020 to 0,323 (BPS, 2021d). Aceh's Gini ratio is still better when compared to the national level of inequality. Nevertheless, the figure of Aceh's Gini ratio is steadily increasing.

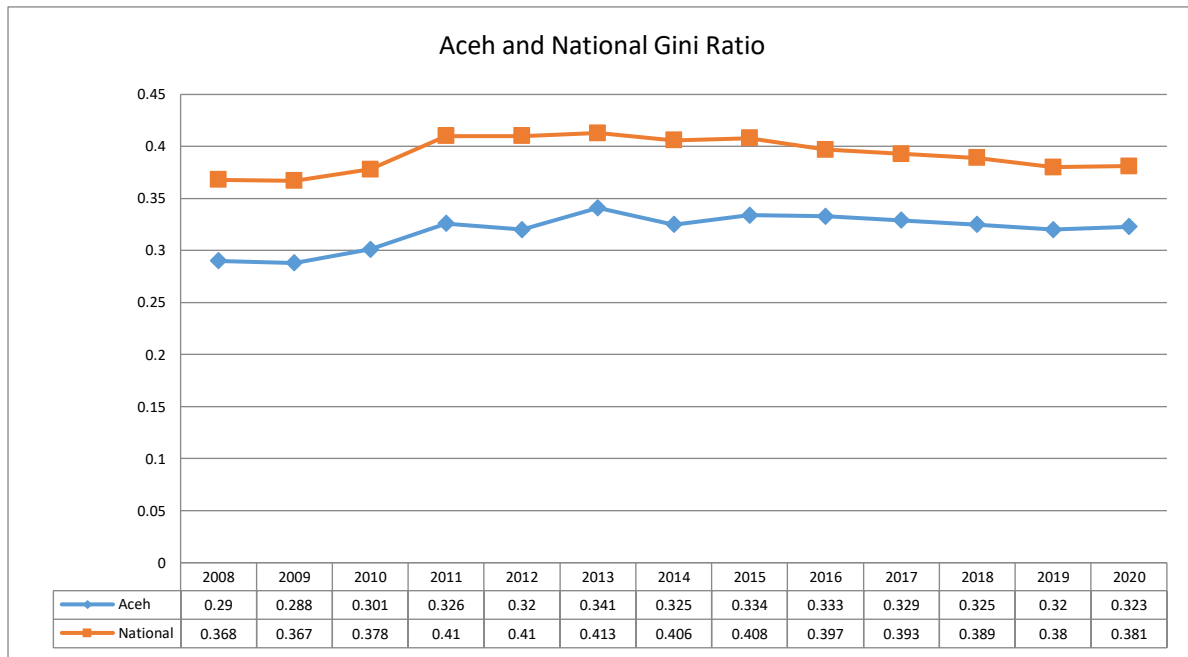


Figure 6: Comparison of Aceh and National Gini Ratio (BPS, 2021d).

The national Gini ratio showed a figure of 0,368 in 2008. This figure then increased to a peak of 0,408 in 2015. The national Gini ratio then decreased gradually to 0.381 in 2020 (BPS, 2021d). This shows that although in terms of regional gross domestic product per capita Aceh is still below the national average, Aceh Province is better in terms of income distribution (see figure 6 above to find out the comparison of Aceh and National Gini Ratio from 2008 to 2020). According to the 2020 State Financial Accountability Agency report, Aceh's inequality increased from 2008 to 2020 due to the massive development projects in Aceh that leads to not all Acehnese society being able to be evenly shared the economic benefits and opportunities (State Financial Accountability Agency, 2020).

Furthermore, it should be noted that economic inequality is one of the triggers of the disintegration conflict in Aceh in the past. Asymmetric decentralization and special autonomy are expected by the central government to be a solution to anticipate the possibility of ethnic conflict, or other physical conflicts. It is also a form of a democratic and peaceful response to complaints or problems faced by minority groups (Ikhsan & Pribadi, 2015). Therefore, the Aceh given special autonomy is expected to able to reduce poverty more quickly. The management of the special autonomy fund has to be driven by good governance. Special autonomy in Aceh will inevitably increase the efficiency of resource allocation. This is critical to be considered to prevent the past conflict to recur in Aceh.

4 Conclusions

To answer the main research question, the special autonomy has been implemented through the enactment of Law No. 11 of 2006. Since then, the Province of Aceh has been given a special autonomy and authorized special fund. In the period 2008-2020 Aceh has received a special Autonomy Fund amounted to IDR 81,4 trillion. There are seven priority sectors set by the Government of Aceh namely: (1) infrastructure, (2) economic empowerment, (3) poverty alleviation, (4) education, (5) social, (6) health, and (7) Aceh privileges. Since it was first time disbursed in 2008, the special autonomy fund provided for Aceh has contributed to about 51,58% to the REBA. Since 2008, the special autonomy fund has been grossly contributed to the REBA by which in 2019 the proportion of special autonomy fund in REBA reached 48,88%. This irrefutably shows that Aceh is greatly dependent on the special autonomy fund to induce development within the region. Aceh government relies heavily on the Special Autonomy Fund. The total

Aceh Special Autonomy Fund since 2008–2019 was IDR 73.326 trillion or 51,58% of the total REBA of IDR 142,157 trillion. Apart from that, of the special autonomy fund disbursed to sectors that are the objectives of Special Autonomy, infrastructure is dominated the other sectors with an average of IDR 3,39 trillion or 45,34% during 2014–2018 of the total special autonomy funds. In regards to the impacts of the given special autonomy to the welfare of Acehnese society, Aceh's special autonomy fund in general has had a positive impact on the welfare of Acehnese society though the Gini ratio that is still considered high. Regarding poverty alleviation, the poverty rate in Aceh Province has decreased since 2008 and reached to 14,99% in 2020. In regards to open unemployment rate, the percentage of Aceh's open unemployment has been decreased from 9,56% in 2008 towards 6,59% in 2020. Regarding the impacts of the given special autonomy for Aceh on HDI, Aceh's HDI has been increased perennially started with 67,09 in 2010, this figure steadily increased until it reached 71,99 in 2020. Meanwhile, the Gini ratio of Aceh shows an increasing figure. Started at 0,290 in 2008, the number steadily increased towards 0,323 in 2020. This increasing number is projected due to Aceh's inequality increased from 2008 to 2020 due to the failure of the massive development projects within Aceh to evenly share the economic benefits and opportunities.

5 Declarations

5.1 Competing Interests

The author declared that no conflict of interest exists in this publication.

5.2 Publisher's Note

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How to Cite this Article:

Darmawan, I. G. W. A. (2022). Asymmetric Decentralization: An Analysis of the Implementation of Aceh Special Autonomy and Its Impact on the Welfare of Acehnese Society. *Advanced Journal of Social Science*, 10 (1), 30–44. <https://doi.org/10.21467/ajss.10.1.30-44>

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