

ISLAMIC ECONOMIC ANALYSIS OF THE ACEH SPECIAL AUTONOMY FUND MANAGEMENT

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DOI: 10.21580/wa.v11i1.20007

Abstract

Following the peace treaty, the Indonesian government enacted a new legislation that officially designates the Aceh Province as an area with special autonomy inside Indonesia. Subsequently, the government has been spending substantial financial resources to support this arrangement. However, Aceh continues to be the least affluent province in Sumatera and the fifth-most destitute in the entire country. The objective of this study is to investigate the underlying factors contributing to Aceh's persistently high poverty rate, as well as to analyse the strategies employed by the local government in managing the special fund in Aceh. The study employed a qualitative methodology, specifically adopting an empirical legal approach. The outcome signifies that the distribution of special autonomy funding for Aceh is exclusively applicable for a duration of 20 years, commencing from 2008 and concluding in 2027. For the initial 15-year period, Aceh was allocated 2% of the General Allocation Fund (DAU) from the State Budget (APBN) as Special Autonomy funding. During the period from 2023 to 2027, the quantity decreases to 1% in the subsequent phase. Regrettably, the administration of the special autonomy fund in Aceh lacks effectiveness in mitigating poverty and enhancing the well-being of the Acehnese populace. Consequently, the administration of Aceh's special autonomy funds deviates from the principles of finance and development in Islamic teachings. Additionally, the rulers have engaged in corrupt activities such as collusion and nepotism, which have impeded Aceh's progress in comparison to other provinces in Indonesia.

Keywords: Aceh, Islamic Law, Revenue Management, Special Autonomy Fund

Abstrak

Setelah perjanjian damai, pemerintah Indonesia mensahkan Provinsi Aceh sebagai daerah otonomi khusus di dalam Indonesia. Setelah itu, pemerintah telah menyalurkan keuangan yang sangat besar untuk mendukung pembangunan di daerah ini. Namun, Aceh masih menjadi provinsi yang paling miskin di Sumatra dan yang kelima di Indonesia. Tujuan dari studi ini adalah untuk menyelidiki faktor-faktor mendasar yang berkontribusi pada tingkat kemiskinan Aceh yang terus-menerus tinggi, serta untuk menganalisis strategi yang digunakan oleh pemerintah setempat dalam mengelola dana khusus di Aceh. Penelitian ini menggunakan metodologi kualitatif, secara khusus mengadopsi pendekatan hukum empiris. Hasilnya berarti bahwa distribusi dana otonomi khusus untuk Aceh hanya berlaku selama 20 tahun, dimulai dari 2008 dan berakhir pada 2027. Untuk periode awal 15 tahun, Aceh diberikan 2% dari Dana Alokasi Umum (DAU) dari Anggaran Negara (APBN) sebagai dana Autonomi Khusus. Selama periode 2023-2027, jumlahnya berkurang menjadi 1% pada fase berikutnya. Sayangnya, administrasi Dana Autonomi Khusus Aceh kurang efektif dalam mengurangi kemiskinan dan meningkatkan kesejahteraan penduduk Aceh. Akibatnya, administrasi dana otonomi khusus Aceh menyimpang dari prinsip-prinsip keuangan dan pengembangan dalam ajaran Islam. Selain itu, para penguasa telah terlibat dalam kegiatan korup seperti konspirasi dan nepotisme, yang telah menghambat kemajuan Aceh dibandingkan dengan provinsi-provinsi lain di Indonesia.

Kata kunci: Aceh, Hukum Islam, Pengelolaan Pendapatan, Dana Otonomi

A. Introduction

The province of Aceh possesses a distinct autonomy to oversee its own revenues, fiscal matters, and financing for development, as stipulated by the national Law Number 11 of 2006, known as the Law on Government of Aceh (LoGA). According to Article 183, paragraph (1) of the Law on Government Administration (LoGA), the special autonomy funds pertain to the Aceh region's revenues that are exclusively designated for funding development projects, specifically in the fields of infrastructure, economic empowerment, poverty alleviation, education, social welfare, and healthcare (Aceh, 2022). Furthermore, according to article 183, paragraph (2) of the Law on Government Administration (LoGA), the special autonomy fund remains valid for a total of 20 years. This duration is divided into two parts: the initial 15-year period, which is equivalent to 2% of the maximum limit of the national General Allocation Fund (Dana Alokasi Umum, DAU), and the final 5-year period, which corresponds to 1% of the maximum limit of the national general allocation fund (Indonesia, 2006). The special autonomy funds in Aceh are allocated for various sectors, including the administration of religious affairs, traditional customs, education, and the active participation of religious academics (Aceh, 2022).

In 2008, the central government initially allocated around IDR 3.5 trillion in special autonomy funds to the Aceh administration. These monies have regularly increased each year in line with the expansion of the national budget (Arfiansyah et al., 2022). The resultant fund is considerable and should be used towards development initiatives aimed at enhancing the well-being of the Acehnese populace and mitigating poverty (Ikhsan et al., 2023). However, the distribution of special autonomy financing has shown to be inefficient and is not readily accessible to the residents of Aceh, despite being a recipient of special autonomy payments. As a result, Aceh is ranked as the sixth most poor province in Indonesia. The poverty rate in Aceh Province has increased significantly to 819 thousand inhabitants, making it the highest in the Sumatra area (Ikhsan et al., 2023).

The local administration is confronted with a daunting task of improving the well-being of the people of Aceh, given the substantial poverty rate. By granting local governments fiscal authority, they are empowered to create and implement tailored development plans and programmes that meet the unique needs of their respective regions. Local governments must prioritize being attentive to the requirements of their inhabitants. Although the government possesses extensive authority, it faces challenges in different locations. Therefore, it is crucial to evaluate the extent to which the fiscal decentralisation policy could alleviate poverty in the region.

Starting in 2023, Aceh only allocated around 1% of the special autonomy budget, which is sourced from the national general fund allocation platform. The amount received in 2023, which is IDR 3.9 trillion, is much lower compared to the IDR 7.5 trillion received in 2022, representing only half of the total from the previous year. The Head of Bank Indonesia (BI) Aceh Representative emphasised that the reduction of the special autonomy fund will inevitably impact the budget allotted to the Aceh government (Husaini, 2023). To address the decline in special autonomy funding, the Aceh government should pursue a remedy, such as reducing the value of the 'over budget calculation' (Indonesia: Sisa Lebih Perhitungan Anggaran, SiLPA). The SiLPA of Aceh in 2021 amounted to IDR 3.5 trillion (Bakri, 2023). The primary aim of special autonomy is to improve the standard of living, welfare, and prosperity of the community, while addressing the discrepancy between the Aceh region and other regions in Indonesia (Fahmi, 2010). This is achieved through the reallocation of specific financial resources for education, health, and poverty alleviation from the central government to the local government (Alqarni et al., 2022).

Islamic economic policy aims to enhance the well-being of the community through the establishment of principles for the management of regional finances, with the ultimate goal of benefiting the people (Hasan, 2014). Furthermore, Islamic economic scholars assert that there exist regulations that align with the criteria of fund administration (Azis* et al., 2023) The rules are as follows: “The policy of a leader towards his people depends on the benefit”. This rule states that every action or policy of leaders regarding the rights of the people should be for the benefit of the people and intended to bring about good. Leaders bear the mandate of the suffering of many people and are expected to act accordingly (Musbiki, 2001, p. 12). The ruler's conduct towards the populace must consistently prioritise the public welfare, rather than personal or collective advantage. Imam As-Shaafa'i asserts that the ruler assumes the role of safeguarding and carrying the burdens of the people, similar to

a guardian's responsibility towards an orphan. Hence, when formulating policies that impact the populace, a leader must strictly abide by the tenets of Islamic jurisprudence (Usman, 2002, p. 193).

B. Research Method

This research utilises an empirical juridical legal approach, which involves the integration of juridical principles with numerous empirical aspects. The research approach is utilised to examine the practical application of normative legal provisions in specific legal occurrences within society, with the objective of attaining pre-established objectives (Siddiq-Armiya, 2022). The research emphasises that books on Special Autonomy serve as the main information source. The study employs a qualitative approach and specifically examines the legal norms stipulated in legislation and regulatory frameworks (Banakar & Travers, 2005). The research data source refers to the origin of the data. Library research is the main focus of this study, which involves the analysis of data and literature related to the theme. The authors used two data sources: (1) Primary Data Sources, and (2) Secondary Data Sources. (Banakar & Travers, 2005) Primary data was collected through literature studies, documentation, and interviews. Interviews are a primary method of collecting data directly from the field. In this research on Aceh special autonomy, the interviewees are the Aceh government and legal experts on Aceh special autonomy.

C. Results And Discussion

The Definition of Special Autonomy

Etymologically, autonomy comes from the Greek word's 'autos', meaning 'self', and 'nomos', meaning 'rule' (McLean, 2010). Autonomy refers to self-acting, self-governing, or self-regulating (Fenwick & Banfield, 2021). The term autonomy is often associated with regional autonomy and autonomous regions, and regional autonomy is defined as self-government and freedom of independence, but not independence itself (Lubis, 2013).

Differentiating between the concepts of 'independent region' and 'regional autonomy' may provide difficulties. According to Article 1 Number 6 of Law 23 of 2014, regional autonomy refers to the rights, authority, and duty of self-governing regions to govern and manage their own government affairs and the well-being of local residents within the framework of the Unitary State of the Republic of Indonesia. Hence, the distinction between regional autonomy and autonomous areas is readily apparent (McLean, 2010). An autonomous region is a designated area that has the authority to govern and administer its own affairs (McLean, 2010). Regional autonomy pertains to the jurisdiction and power of a specific territory. The purpose of special autonomy is to enhance the well-being of the community and address the challenges faced in a particular region (McLean, 2010). For instance, in areas like education, social welfare, healthcare, financial development, and particularly in the construction and upkeep of infrastructure as well as the elimination of poverty.

The Special autonomy of Aceh grants it expanded jurisdiction over other regions to administer its own governance, while still operating within the framework of the The Unity of Indonesian republic (Fahmi, 2012). The province of Aceh is subject to the regulations outlined in Act No. 11 of 2006, which grants it unique autonomy (Muhammad, 2018). This legislation holds particular significance for Aceh. The rationale behind this particularity is elucidated in Article 179 (1), which stipulates that the government of Aceh, along with its subregion, possesses the revenue source for the region, which is unlawfully diverted through a dedicated private fund (Alqarni et al., 2022).

The legal framework for the implementation of regional autonomy is established by UUD 1945, specifically Articles 18, 18A, and 18B, as well as Tap MPR No. XV/MPR/1998 which addresses the preservation of regional autonomy, regulation, distribution, and equitable utilisation of national resources, and the maintenance of financial balance between the central and regional governments within the framework of NKRI. Additionally, Tap MR No. IV/MR/2000 provides policy recommendations for the maintenance of autonomous territories (Jalil et al., 2017).

Aceh is a province that has a unique legal community and is granted special authority to govern and manage its own affairs and the interests of the local community (Azis* et al., 2023). This authority is in accordance with the regulations and principles of the Indonesian state, as outlined in the 1945 Constitution of the Republic of Indonesia. The province is led by a governor. The implementation of special autonomy for Aceh commenced with the enactment of Act No. 11 of 2006 on the Government of Aceh. As per the stipulations in Article 18A Paragraph 1 of the Basic Law and Article 18A Paragraph 1 of the Constitution of the Republic of Indonesia of 1945, it is declared that the interaction between the central government and the provincial, district, and city governments, or the entities of these regions, is governed with consideration for the unique characteristics and variety of the area (Ikhsan et al., 2023).

According to Article 183, paragraph (1) of Act No. 11 of 2006 on the Government of Aceh, the special autonomy fund refers to the funds received by the government of Aceh for the purpose of financing development, particularly infrastructure development and maintenance, economic empowerment of the people, poverty reduction, and funding for education, social services, and healthcare (Indonesia, 2006). According to Article 183, paragraph (2), the Special Autonomous Fund has a duration of 20 years, as specified below: (1) The initial year to the fifteenth year corresponds to 2% of the national limit of DAU; and (2) the sixteenth year to the twenty year corresponds to 1% of the country's limit. The Aceh Government has released the Regulations of the Governor of Aceh No. 78 Year 2015 No. 114 Year 2018 about the Master Plan for using the Special Autonomous Fund of Aceh for the period of 2008-2027 (Indonesia, 2006). The master plan for the utilisation of the special autonomous fund of Aceh serves as a directive for the government to prioritise and allocate funds towards specific initiatives and activities, which are funded by the Special Autonomy Fund. The master plan for Aceh's specific autonomous funds aims to achieve three main objectives: (1) integrating development programmes based on government functions at different levels (national, provincial, district/city) and adapting them to the specific region, space, and time; (2) ensuring a coherent and consistent approach to planning,

maintenance, and implementation of development projects; and (3) ensuring the effective, efficient, fair, and sustainable use of available resources (Musa, 2016).

Local governments possess significant autonomy, with the exception of certain central government matters that are regulated by law. They are responsible for managing their own affairs in accordance with applicable laws and regulations, with the primary goal of promoting the welfare of the people (Syafudin, 1993).

Right to manage fiscal and development

The central government has granted the autonomous region the power to manage its finances by Law No. 11/2006 (LN 2006 No. 62, TLN 4633). The legal administration of Aceh is closely tied to the Memorandum of Understanding (MoU) between the Government and the Free Aceh Movement, which was signed on 15 August 2005 (Thorburn, 2012). This agreement serves as a respectful means of achieving lasting social, economic, and political progress in Aceh. (Nurparijah, 2022) The year 2005 as a dignified means of achieving sustained social, economic, and political progress in Aceh. The Law on Governing Aceh No. 11/2006 is a legislation that consists of 273 articles that is specifically designed for the local administration of Aceh (Aspinall, 2009b).

The implementation of regional autonomy in Aceh is intricately linked to the collaboration between regional autonomy and political parties in executing regional policy. (Aspinall, 2009a) This is facilitated by political autonomy through local parties. The Acehese government officials, including the governor and regents, have utilised the Special Autonomy Fund (*Dana Otonomi Khusus Aceh*, DOKA) to stimulate economic growth and achieve prosperity in Aceh (Nurparijah, 2022). However, it has come to light that some officials have misused this fund, and the distribution of DOKA has failed to effectively enhance the well-being of the Aceh population (Ikhsan et al., 2023).

In theory, the commitment of substantial expenditures for the development of a region will enhance the well-being of the population in that region, a concept known as the trickle-down effect hypothesis. The trickle-down effect idea posits that economic development should be prioritised before equity. For instance, this year, company capital is allocated to enhance the economic conditions of individuals or groups. Subsequently, in the next year, this business capital is redirected to other persons or organisations, ensuring a fair distribution of resources to foster economic growth for everyone (Muhammad, 2018). The trickle-down effect refers to the phenomenon where economic progress has a positive impact on human economic development by gradually permeating through various levels of society.

The function of developmental components within the Aceh government is to expedite the process of development. The success of a development model in Aceh, which involves special autonomy funds from the government, private sector, and community, can be measured by Aceh's ability to match the level of development achieved by other regions in Indonesia. This pertains directly to the level of accumulated productivity resulting from the development efforts undertaken by the 23 districts/cities in Aceh through the utilisation of special autonomy funding. All components should prioritise development priorities in order to effectively employ the limited amount of financing available. Additionally, Aceh may be regarded by other regions as an unproductive province.

The primary factors contributing to the sluggish progress and inadequate advancement of special autonomous priority can be attributed to the government's flawed identification and categorization of development targets, resulting in ineffective and off-target development acceleration. Another factor is the inability of the majority of the bureaucracy to integrate contemporary development concepts into the local context, resulting in ineffectiveness and inefficiency (Kuncoro, 2004).

Table 1: Total Special Autonomy Fund for Aceh Province 2008-2022

No.	Year	Amount (in Rupiah)
1	2008	Rp. 3,590 Triliun
2	2009	Rp. 3,729 Triliun
3	2010	Rp. 3,850 Triliun
4	2011	Rp. 4,511 Triliun
5	2012	Rp. 5,477 Triliun
6	2013	Rp. 6,223 Triliun
7	2014	Rp. 6.825 Triliun
8	2015	Rp. 7.057 Triliun
9	2016	Rp. 7.707 Triliun
10	2017	Rp. 7.971 Triliun
11	2018	Rp. 8.030 Triliun
12	2019	Rp. 8.358 Triliun
13	2020	Rp. 7.555 Triliun
14	2021	Rp. 7.555 Triliun
15	2022	Rp. 7.560 Triliun
Total		Rp. 96.249 Triliun

Source: Special autonomy fund Aceh database

Based on the table above, it shows that Aceh has consistently received the annual allocation of fund under the scheme of DOKA. From this budget, the local government allocates the highest proportion among the seven priority areas are allocated to infrastructure sector. The average allocation of funds for infrastructure from 2014 to 2018 was IDR 3.39 trillion, accounting for 45.34% of the total. Economic empowerment received IDR 798.86 billion, representing 10.57% of the total. Poverty alleviation was allocated IDR 278.64 billion, accounting for 3.63% of the total. Education received IDR 1.69 trillion, representing 22.56% of the total (2023).

The discrepancy in the allocation portion arose due to the absence of regulations governing the allocation of each sector, except for the education sector which mandates a 20% budget. However, it should be noted that sectors other than infrastructure are also intended recipients of the Aceh Special Autonomy Fund allocation. Furthermore, according to Qanun No. 1/2018, which is the Third Amendment to Aceh Qanun No. 2/2008, the allocation of additional oil and gas revenue sharing funds and the use of special autonomy funds must adhere to specific guidelines. Article 10, paragraph (2), letter a, stipulates that the

Government of Aceh and district/city governments are required to allocate a minimum of 50% of the special autonomy funds for monumental infrastructure development. This allocation should be made from the pro This results in a greater allocation of funds towards infrastructure development compared to other areas of emphasis.

The Aceh government should enhance its planning and budgeting processes for infrastructure development projects. Budgeting serves the purpose of not just funding development, but also allocating resources for maintenance. For instances, infrastructure has been constructed in districts/municipalities, yet it has been disregarded due to the absence of funds allocated for upkeep. This is evident in the case of the sports hall in Subulussalam city and the Islamic centre in Aceh Singkil district (Agency, 2023). Despite the potential of these infrastructures to generate additional revenue for the respective districts/municipalities, they have been left unattended.

Special Autonomy Fund Management of Aceh Province

The source of special autonomy money is derived from the State Budget (*Anggaran Pendapatan Belanja Negara*, APBN). Consequently, special autonomy funds are considered as integral components of state finances, necessitating their administration to adhere to the state financial management system and relevant rules and regulations pertaining to state finances (Azis* et al., 2023). The funds designated for the implementation of a region's special autonomy, as specified in the Aceh special autonomy law. The Aceh province receives a 2% allocation from the general allocation fund (*Dana Alokasi Umum*, DAU) for the first 15 years, and a 1% allocation for the next 5 years. This allocation is specifically designated for infrastructure development, economic empowerment, poverty reduction, as well as funding for education, social services, and healthcare (Barron & Burke, 2008).

The province of Aceh receives special autonomy funds, which are derived from the provincial balancing fund, to support the implementation of special autonomy. These funds primarily include the Tax Revenue Sharing Fund, which encompasses 90% of the revenue generated from land and building tax as well as 90% of the revenue generated from land and building acquisition tax and 20% of the income tax revenue comes from domestic individual taxpayers (Ikhsan et al., 2023).

The allocation of special autonomy funds is granted for a duration of 20 years. The amount of funds received by the province of Aceh may vary, therefore it is essential for the government to effectively and accurately utilise these funds to ensure the intended objectives are achieved. Aceh province was allocated the special autonomy fund for a duration of 20 years, commencing in 2008 and concluding in 2022 (Aceh, 2022). The fund amounted to 2% of the national DAU throughout this period. From 2023 to 2027, the fund was reduced to 1% of the national DAU. The allocation of the special autonomy funds, as stipulated by the governor's rule (pergub), designates 60% to be allocated to districts/cities within the Aceh province, while the remaining 40% would be utilised by the provincial government. Subsequently, a modification was made with the introduction of Qanun No. 2 of 2013, which stipulated that starting from 2014, the provincial government would receive 60% of the allotment, while the districts/cities would receive forty percent.(Aceh, 2022).

The purpose of the Special Autonomy Fund is to provide financial support for development programmes and activities that are strategically important and have a significant impact on improving the well-being of the community. (Wahyuni et al., 2023) The purpose of the Special Autonomy Fund, as stipulated by the legislation and qanun, is to provide financial resources for the development of six sectors: infrastructure, economy, poverty alleviation, education, social welfare, and health. Effective funding of development in these sectors is anticipated to serve as a potent catalyst for Aceh's progress. 20% of the funding in Aceh is allocated to the education sector, while 15% is allocated to health. The remaining funds are adjusted based on the province's needs.

A. Jalil disclosed that according to Qanun No. 2 of 2008, the allocation of additional oil and gas revenue sharing funds and the utilisation of special autonomy funds are determined as follows: the provincial government receives 40% of the allocation, while the district/city government receives 60%. These percentages are set by the local government as a maximum limit. Subsequently, Qanun No. 2 of 2013 was modified in 2014, stipulating that the provincial government would receive 60% of the allocation, while the district/city government would receive 40%. This transfer would be made to the district/city cash account (APBK). Moreover, in 2016, Qanun No. 10 of 2016 was implemented to modify the method of allocating special autonomy funds to districts/cities. Instead of using a transfer mechanism, the funds are now channelled through a submission system from districts/cities to the province. This modification involves a transfer mechanism that is based on submissions from districts/cities to the province. Under this mechanism, 60% of the special autonomy funds are allocated for Aceh development activities, while the remaining 40% are allocated for district/city development programmes and activities in the form of DOKA (Musbiki, 2001). The division's value has been preemptively decreased to accommodate the requirements of collaborative programmes and initiatives between the Aceh government and the district/city governments, as specified in the Governor's Regulation (May, 2008).

According to Article 31 paragraph 4 of the 1945 Constitution, the government is obligated to allocate a minimum of 20 percent of the national and local budgets for the education sector. The Government of Aceh provides a minimum of 20 percent of the APBA annually for the education budget as part of its responsibility. The monies are designated for certain programmes and activities within the Aceh Education Office, Aceh Dayah Education Office, and Aceh Education Council. They are distributed in the form of scholarships and transfer funds, which are managed by the Aceh Financial Management Agency (Amiruddin, 2003).

The dedication to promoting education is achieved through the prominent "Aceh Carong" initiative. The program's objective is to provide Acehnese children with the necessary skills and knowledge to excel in the workforce and achieve success on national, regional, and global platforms, by providing them with high-quality education. In order to achieve the vision, objective, and goals, it is essential to have a management of education services that is transparent, competent, reputable, law-abiding, and free from corruption. Moreover, the contemporary labour landscape necessitates global adaptations to school administration, which naturally entails a proficient and successful school governance

structure, encompassing school finance management. When implementing school finance management, attention to details is crucial to ensure compliance with relevant requirements.

Tendering is a phrase used in the educational development system. Tendering refers to a sequence of competitive bidding operations conducted by one party against another party, based on a specific agreement. Tenders serve the purpose of evaluating, acquiring, and determining the most viable and appropriate company or organisation to execute specific tasks. Presidential Regulation No. 16/2018 governs the presence of individual procurement agents, corporate companies, or goods/services procurement work units (ULPs) that are responsible for conducting some or all of the goods/services procurement process assigned to them by ministries, institutions, or local authorities. Furthermore, this rule also modified the threshold for direct procurement of consultant services, increasing it from IDR 50 million to IDR 100 million.

The Aceh Special Autonomy Fund serves the objective of funding infrastructure development and maintenance, enhancing the local economy, alleviating poverty, and subsidising education, social, and health services. The issue lies in the inadequate handling of the Special Autonomy Fund in Aceh. The utilisation of the Special Autonomy Funds should be directed towards the eradication of poverty and the enhancement of the welfare of the populace in Aceh. (Ali et al., 2023) The allocation of special autonomy money should be directed towards prioritised sectors, including infrastructure, education, and healthcare. The planning system requires a concentrated approach.

Analysing the Aceh special autonomy funds based on Islamic economic's perspective

The Government of Aceh implements the management of special autonomy funds as a public policy, driven by rational thinking and aimed at achieving justice, efficiency, security, freedom, and the overall goals of the community (Muhammad, 2018). These funds also contribute to the operational maintenance of government duties.

The Government of Aceh undertakes the financial management of the decision as a public policy guided by rational thinking towards achieving an ideal goal. This includes pursuing justice, efficiency, security, and freedom, as well as aligning with the goals of the community and contributing to the operational maintenance of government duties (Azis* et al., 2023). The origins of state and regional funding in Islam can be observed via the presence of institutions that consolidate state and local money, while also having their own systems for allocating funds (Asutay & Turkistani, 2015). Baitul Mal serves as the financial institution of the Islamic state, responsible for managing the financial resources of the people, including both income and expenditure of the state. When considering expenditure management, it is closely tied to the government's development priorities, including infrastructure and human resources.

The Islamic system of government includes autonomous institutions, such as the Baitul Mall, which operate independently and hold significant authority inside the state. Special autonomy in governance grants the Government of Aceh the power to regulate and oversee its internal affairs. The efficient organization of the local government in overseeing homes is sustained by local revenue streams and other sources such as the national budget or public allocation funds. Conversely, the Baitul Mal Institution functions as a regulatory

authority responsible for overseeing the allocation of state funds by the executive, judicial, and legislative branches. Baitul Mal Aceh, a subordinate organization of the Aceh Government, recognizes the significance of education and annually dedicates zakat contributions to enhance education in Aceh. Several programs have been designed to promote positive student behaviors, such as muallaf, centri, and others, with the aim of achieving these noble objectives (Mashuri, 2016).

However, it appears that the aforementioned amounts are still inadequate, as there are still some young individuals in Aceh who have not gotten such aid due to the restricted availability of zakat and infak money controlled by Baitul Mal Aceh. Furthermore, there exists a detrimental tendency among young individuals to squander student funds, laboring under the misconception that these dollars are effortlessly acquired. Consequently, they are expended on social meals and non-educational consuming, among other things. To reduce or remove this behavior, it is important to recognize that the student's customs fund is a sacred trust that must be protected. This is particularly crucial if the fund comes from a zakat fund, which has both a human and divine dimension (Fahmi, 2012).

According to Article 183, paragraph 1 of the LoGA, the Otsus Fund is required to be used for financing development activities. These activities include infrastructure development and maintenance, empowering the local economy, reducing poverty, and providing funding for education, social programs, and healthcare. Moreover, the UUPA stipulates that the Otsus Fund shall be used to finance the development projects in Aceh, which should be distributed across the provinces, districts, and cities. This distribution should be based on the need to maintain a balanced progress of development across all districts and cities.

The sluggish economic growth in Aceh has resulted in persistently high poverty and unemployment rates, which are the highest among all regions in Sumatra. The poverty rate in Aceh has experienced a substantial decrease, dropping from 23.5 percent to 16.8 percent. The subsequent inquiry pertains to expediting the reduction of poverty rates following the termination of the Otsus Fund. Concurrently, the Gini Ratio (GR) indicates a tendency for income inequality to deteriorate, particularly in metropolitan regions. However, there has been a reduction in the territorial discrepancy between districts and cities in Aceh.

Based on the test results, the outcomes derived from the special autonomous fund have only had a limited effect on the economic growth of Aceh province. Researchers have found that the decision budget allocated to the province of Aceh has not been fully utilized for the betterment of the people, such as enhancing education and the economy. Instead, it has been predominantly used for constructing grand government office facilities and highways. The government of Aceh has a notable indifference, particularly in the domain of education. The National Examinations conducted in 2013 and 2014 revealed that Aceh has the lowest number of high school/MA/SMK graduates compared to other regions in the country (Mardani, 2019).

Based on the above explanation, it is evident that the performance of the private fund focused on education in Aceh did not meet the anticipated outcomes. The management of budget allocation from the private special fund for the education sector in Aceh is ineffective due to the presence of several initiatives that lack clear targets, inadequate coordination, and

insufficient cross-sector collaboration. Furthermore, this might be attributed to the insufficient provision of sustained assistance for high-quality education and the dearth of innovative initiatives aimed at enhancing the standard of education in Aceh.

This principle also applies to the performance of the government. The prevalence of corruption remains very high, with a total of 141 corruption cases currently pending at the prosecutor's level. The ongoing investigation by the KPK indicates that the decision money in Aceh province has not been fully utilized for the betterment of the people, highlighting potential corruption. *Batul Mal Aceh*, a subordinate organization of the Aceh Government, recognizes the significance of education and annually designates zakat funding to enhance education in Aceh. Several programs have been designed to promote positive student behaviors, such as *muallaf*, *centri*, and others, with the aim of achieving these noble objectives (Asutay & Turkistani, 2015).

Nevertheless, it appears that the aforementioned amounts remain inadequate, as there are still certain youths in Aceh who have not yet received such aid due to the low availability of zakat and infak money controlled by *Baitul Mal Aceh* (Musa, 2016). Furthermore, there exists a detrimental tendency among young individuals to squander student allowances, as they erroneously believe that these monies are effortlessly obtained. Consequently, they are used on socializing over meals and other non-educational expenditures. To reduce or remove this practice, it is important to recognize that the student's customs fund is a sacred trust that must be carefully protected. This is particularly crucial if the fund comes from a zakat fund, which has both a human and divine dimension.

According to Article 183, paragraph 1 of the Aceh Government Act (UUPA), the Otsus Fund is required to be used for financing development activities. These activities include infrastructure development and maintenance, economic empowerment of the people, poverty reduction, as well as funding for education, social programs, and healthcare. Additionally, the UUPA stipulates that the Otsus Fund should be used to finance development projects throughout the provinces and districts/cities of Aceh. These projects should be planned in a way that ensures a balanced distribution of progress among all districts and cities.

The sluggish economic growth has resulted in persistent high levels of poverty and unemployment in Aceh, making it the region with the highest rates in Sumatra. The poverty rate in Aceh has experienced a substantial decrease, dropping from 23.5 percent to 16.8 percent. The subsequent inquiry pertains to expediting the reduction of poverty rates following the termination of the Otsus Fund. Concurrently, it indicates a tendency for income inequality to deteriorate, particularly in metropolitan regions. However, there has been a reduction in the territorial discrepancy between districts and cities in Aceh (Wahyuni et al., 2023).

To effectively service and implement development, each region must possess the creative capacity to generate and promote additional sources of local income. Regional retribution is a possible source of regional real revenue (Fahmi, 2018). The idea of regional autonomy grants the area with the utmost level of self-governance, allowing it to manage and regulate all government matters not explicitly outlined in this legislation.

The fundamental tenet of Islamic law is that there exists a resemblance between the system of governance founded on Islamic principles and the implementation of a government system based on positive legislation (Fahmi, 2012). Upon closer examination, the two governmental systems would discover the resolution to the emerging situations. In governmental governance, both at the central and regional levels, problems are generally settled by applying positive law. Furthermore, the internal inspectors typically address administrative or administrative law matters in relation to the functional equipment of the auditors.

D. Conclusion

The Special Autonomous Funds have a duration of 20 years. The allocation for the first 15 years is 2% of the National General Allocation Fund (DAU) ceiling, while for the remaining 5 years it is 1% of the DAU ceiling. Subsequently, a significant modification occurred with the implementation of Qanun No. 2 of 2013. Under this regulation, in 2014, the provincial government was granted a 60% allocation, while the district/city government received 40%. The funds were transferred to the districts/cities' cash accounts through the mechanism of the District/City Budget (APBK). Three parties are responsible for the development of education in Aceh in the Direct Procurement (PL) development initiative. These parties have distinct roles and responsibilities, specifically, planning consultants, construction executives, and supervisory consultants. In the field of education, there is a concept called "tender" that is relevant to its growth. A tender refers to a sequence of bidding operations conducted by one party against another party, in accordance with a specific agreement. When evaluated by Islamic economic policy, the administration of the Special Autonomous Fund demonstrates a tendency to favor an ethical and virtuous approach. This policy extensively governs the processes of production, distribution, and consumption, which are strongly influenced by religious and moral principles. It is enforced through legal regulations to ensure fairness and predictability.

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