

Local Wisdom as “Capacity-in-Waiting”: Strengthening the Institutional Capacity of BPPKAD to Increase Local Own-Source Revenue in Southwest Papua Province

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ABSTRACT:

Background. Newly formed autonomous regions with strong customary character hold local wisdom that is often treated as an object of preservation rather than a resource for strengthening the capacity to manage regional revenue.

Purpose. This study analyzes the position of the local wisdom of Southwest Papua communities in strengthening the institutional capacity of the Regional Financial and Asset Management Agency (BPKAD) to increase local own-source revenue (PAD).

Methods. A qualitative approach with a case-study design based on interviews, observation, document review, and secondary data, analyzed thematically using the interactive model of Miles, Huberman, and Saldaña.

Results. Local wisdom functions as a capacity-in-waiting—social-institutional infrastructure functionally equivalent to the capacities most lacking in the fiscal bureaucracy. Mutual cooperation supplies voluntary compliance, customary institutions supply a data network and legitimacy, sasi supplies a complete levy model, and customary justice supplies obeyed enforcement. The environmental-service revenue of Raja Ampat proves that linking the bureaucracy with customary institutions yields the largest non-tax revenue.

Conclusion. Strengthening capacity requires linking the two systems through the pathways of legitimacy, partner institutions, and design model, conditioned on genuine customary representation, honesty in revenue-sharing, and procedural patience.

Keywords: local wisdom; capacity-in-waiting; local own-source revenue; customary institutions; Southwest Papua

1 Introduction

Southwest Papua Province, a newly created region with a distinctive cultural character, faces particular challenges in developing the

institutional capacity of the Regional Financial and Asset Management Agency (BPKAD) in a way that accommodates local wisdom. Most of the potential local own-source revenue (PAD)—

especially from fisheries, forestry, and tourism—sits on land claimed as the customary (*ulayat*) territory of indigenous communities. Institutions such as marine *sasi*, the role of *marga* (clan) and *keret* institutions, and the value of *gotong royong* (mutual cooperation) are in fact institutional resources that have proven effective in managing natural resources sustainably. Yet fiscal policy and levy collection tend to be formulated in a sectoral-administrative manner without involving customary institutions, without adopting customary governance practices, and without using customary conflict-resolution mechanisms—so that many collection policies meet resistance and revenue potential from customary areas goes unrealized.

In public-administration literature, studies of local wisdom in regional fiscal governance remain limited. Most theories assume that public organizations operate in a neutral social space, without considering the value systems and cultural practices alive in society. In Southwest Papua, where much of the PAD potential lies in areas with strong customary tenure, this assumption is inadequate. The existing literature also tends to treat local wisdom as an object of cultural preservation rather than an institutional resource that can be institutionalized in public governance. There is, therefore, a theoretical gap regarding how local wisdom can influence the effectiveness of BPKAD capacity development in strongly customary contexts.

1.1 Theoretical framework

Several frameworks can be applied with different emphases. Common-pool resource governance (Ford et al., 2018; Ostrom, 2010) strongly explains communal management such as *sasi*, and its logic has been extended to customary marine tenure across the Asia-Pacific (Asafu-Adjaye, 2000; RUDDLE et al., 1992), yet it remains anchored in common-property regimes and, as critics of the tragedy-of-the-commons model note, tends to abstract institutions from the cultural meanings that sustain them (Sanjatmiko, 2019). Institutional theory (Scott, 2014) highlights the normative-cultural pillar and legitimacy but is abstract and rooted in Western

contexts. Social capital explains trust and citizen–institution linkage but is generic and not specific to customary institutions. Sibarani, (2018) local-wisdom approach is chosen as the main basis because it is grounded in the Indonesian customary context and can be operationalized into four functions that align directly with field realities.

(Sibarani, 2018) argues that local wisdom is not merely a heritage to be preserved but a system of values and practices that can be institutionalized as a basis of policy legitimacy, and that its institutionalization requires value recognition, the involvement of customary institutions, and long-term commitment. This claim finds international corroboration in the indigenous-institutions literature, which holds that such institutions have sanctioned the interests, resources, and capacities of community members through norms and behaviours across generations, yet have been largely ignored in development policy (Igarashi, 2022; Iriawan & Edyanto, 2023; Slikkerveer, 2019). From this framework, local wisdom is elaborated into four interlocking components. First, mutual cooperation as a basis of participation. *Gotong royong* as an indigenous institution has been shown to increase community participation in development interventions (Slikkerveer, 2019), and its regional variants — such as *gintingan* in West Java — demonstrate that the same reciprocal-contribution logic recurs across Indonesian cultural regions rather than being confined to one ethnic setting (Saefullah, 2019). Second, the role of customary institutions as legitimacy partners. Policies that fail to obtain customary legitimacy tend to face low compliance and higher conflict; conversely, where customary tenure is allowed to coexist with state order rather than being displaced by it, both regimes retain functional authority (Budiman et al., 2020). Third, customary resource-governance practice. Marine *sasi* is an institution with open-close rules, monitoring, and obeyed sanctions, and thus deserves to be treated as a design model rather than mere tradition (Satria & Mony, 2019). Its design features have been documented in comparative detail in Raja Ampat (McLeod et al.,

2009) and Central Maluku (Soselisa, 2019), while community-based studies show that its performance depends on the continued authority of the customary body that enforces it (Putri et al., 2020). Fourth, customary conflict-resolution mechanisms. Resolving customary land disputes through deliberation is more accepted and obeyed than formal channels alone, because the legitimacy of the forum — not merely the legality of the ruling — determines compliance (Tias et al., 2026).

1.2 Research objective

This study aims to analyze the institutionalization of local wisdom within BPKAD's institutional capacity for increasing PAD in Southwest Papua Province, through four dimensions—mutual cooperation, the role of customary institutions, customary resource-governance practice, and customary conflict-resolution mechanisms—in order to strengthen the legitimized social capital of BPKAD. The analytical framework is presented in Figure 1.

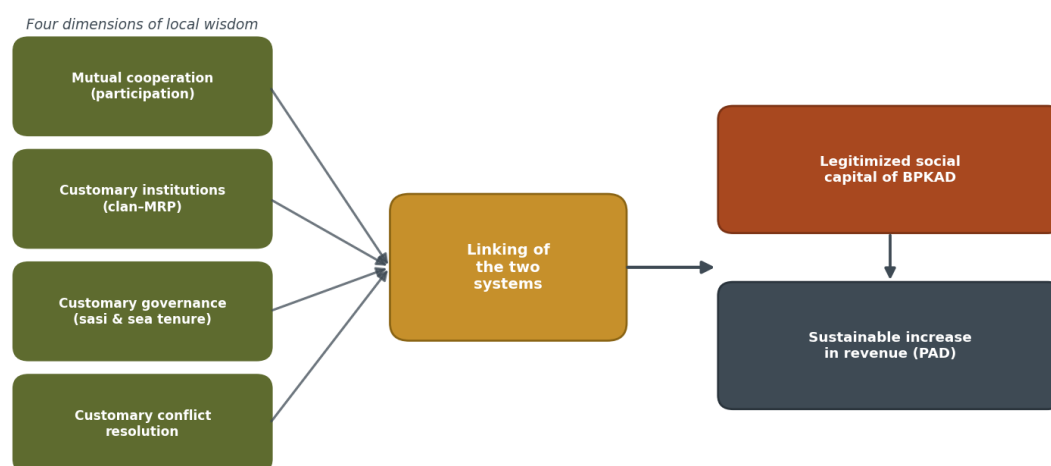


Figure 1 Analytical framework of the study

2 Methods

The study uses a qualitative approach with a case-study strategy to understand in depth the institutionalization of local wisdom within BPKAD's institutional capacity. A case study was chosen because it enables contextual understanding of the phenomenon and explains relations among factors in a real setting. Southwest Papua was selected as the locus because, as a region with strong customary tenure, the institutionalization of local wisdom in fiscal governance is a specific phenomenon. The focus is on BPKAD as the regional finance-management institution and on the customary areas that host PAD potential—the fisheries sector with sasi, forestry on clan ulayat land, and tourism on customary land.

Data comprise primary data (interviews and observation of customary practice) and secondary data (indigenous-community policy

documents, special-autonomy regional regulations, documents of the Papuan People's Assembly (MRP), and literature on Papuan local wisdom). Informants were selected purposively and via snowball sampling, including BPKAD officials handling levies in customary areas, leaders and members of the MRP, customary-institution figures and clan/keret heads, figures knowledgeable about sasi, businesses operating in ulayat areas, and academics and observers of Papuan culture. Data were collected through semi-structured in-depth interviews, direct observation, and documentation study. Analysis used the interactive model of Miles et al., (2020)—data condensation, data display, and conclusion drawing and verification—with trustworthiness maintained through source and method triangulation, member checking with key informants including customary leaders and MRP representatives, and an audit trail.

3 Results

In Southwest Papua, the bureaucracy is not the first layer of governance but the youngest. Long before the province was formed, the living space now administered by the province was already ordered by a complete system: land and waters divided into ulayat territories held by clans and keret; leadership exercised through tribal institutions and customary councils; resource use regulated through open-close mechanisms such as sasi; large works accomplished through mutual-help traditions reinforced by church institutions; and disputes settled through deliberation and customary fines. This order is alive and working today, constitutionally

recognized through the special-autonomy regime that even provides its own cultural-representation body, the Papuan People's Assembly (MRP). For revenue management this is practical, not merely cultural background: nearly all flagship revenue sources—fisheries, marine tourism, forestry, land use—physically sit on space that already has owners, rules, and guardians, so that every rupiah to be collected is in fact collected from doubly-owned space: owned by the state under positive law, and owned by custom under an older law that, in many villages, is more obeyed. The documented practices referenced in this article are summarized in Table 1.

Table 1 Documented local-wisdom practices in Southwest Papua Province

Practice / Institution	Location	Documented form & performance	Recognition status
Egek of the Moi Kelim customary community	Malaumkarta, Makbon, Sorong Regency	Open-close of $\pm 4,000$ ha; ban on destructive gear; annual harvest up to $\pm$ IDR 200 million for church & village; customary sanctions	Sorong Regent Reg. 7/2017 & 10/2017; written customary rule (2025)
Women's sasi, Waifuna group	Kapatcol, West Misool, Raja Ampat	213-ha sasi area since 2008; size & harvest rules; opening begins with worship & ritual; proceeds for religious, social, education uses	Recognized by village, church, custom holders; conservation zone
Sasi of Joom Jak & Zakan Day	Aduwei & Salafen, North Misool	Replication of women's sasi since 2022; Salafen ± 498 ha	Recognition by village, church, custom holders
Environmental-service fee, Raja Ampat MPA	Raja Ampat Islands	Visitor levy managed by public service agency (BLUD); $\pm$ IDR 22.5 billion from 32,500 visitors (2024); projected > IDR 30 billion	West Papua Gov. Reg. 4/2019, updated; mandate to WSW Papua Prov.
Papuan People's Assembly (MRP), WSW Papua	Southwest Papua Province	33 members (custom, religion, women working groups); power to advise on & approve special regional regulations	Inaugurated 14 Dec 2023; Law 21/2001 jo. Law 2/2021
Ulayat sealing-off (oil-gas & plantation)	Sorong & South Sorong Regencies	Sealing of oil-gas facility (2024); clan-palm-oil dispute up to two decades; joint spatial-agrarian team formed	Documented in reporting, 2024–2026

Source: compiled from regional regulations, partner-organization publications, and media reporting, 2017–2026.

One thing is immediately apparent and forms this article's opening finding: each dimension of local wisdom has a functional counterpart to precisely the capacities most lacking in BPKAD. The tradition of working together is the counterpart of the voluntary-compliance base that the counter-window approach has failed to build; clan and customary-council institutions are the counterpart of the data-mapping and legitimacy

network the organization lacks; *sasi* is the counterpart of resource-use governance and its levy system; and customary justice is the counterpart of the enforcement capacity left empty by the absence of a bailiff (Table 2). What appears from inside the BPKAD building as a capacity gap appears, from the villages, as a capacity that has long existed but has never been invited to work.

Table 2 Inventory of local-wisdom forms and their contact points with PAD management

Dimension	Forms found	Contact point with PAD
Mutual cooperation	Village work, church-congregation mobilization, clan kinship social security	Voluntary-compliance infrastructure not yet linked to taxes and levies
Customary institutions	Clans & <i>keret</i> holding <i>ulayat</i> ; tribal chiefs; customary councils; the MRP	Field-data network and source of legitimacy for revenue objects in customary space
Customary resource governance	Marine <i>sasi</i> (open-close, sanctions, collective harvest, revenue-sharing); sea tenure; ecotourism	A complete levy-governance model; the junction for fisheries & tourism levies
Customary conflict resolution	Deliberation & customary fines; church peacemakers; sealing-off as a negotiation-forcing act	Legitimacy & dispute mitigation; community-based enforcement capacity

Source: compiled from interviews, observation, and area literature review, 2026.

3.1 The tradition of mutual cooperation

The tradition of working together operates in several mutually reinforcing forms. At the village level it remains the main way to accomplish collective affairs, and participation is not a personal choice but a social obligation whose neglect draws the sanction of shame. At the congregational level, church institutions present even in remote villages become highly effective collective engines: people are accustomed to giving regularly and voluntarily for shared purposes and to being mobilized for scheduled communal work. At the kinship level, clan ties perform a reciprocal social-security function. Major life-cycle events—from marriage to mourning—are essentially redistribution machines that move large economic value according to rules everyone understands, evidence of a social-administration capacity that

no one speaking about compliance should underestimate.

This capacity for collective contribution is now documented in figures. In the *egek* practice at Malaumkarta, one collective harvest reportedly reached around two hundred million rupiah handed over for the church and village development; in the *sasi* at Kapatcol, harvest proceeds were allocated through deliberation for religious purposes, social activities, and children's education savings. In other words, the people here are not strangers to the idea of surrendering part of what they own for the common good; they practice it routinely, institutionally, and with compliance far higher than their compliance with obligations coming from the state. What differs is not the willingness to contribute but to whom, and through which institution, the contribution is requested.

This finding offers a different explanation for low fiscal compliance. Two contribution systems operate side by side without knowing each other: a communal system, in which people give obediently because the request comes from an institution they trust, the benefit is visible, and neglect is rebuked by their own social environment; and a state system, in which people are asked to pay by a distant institution, for an abstract benefit, through unfamiliar procedures, and with enforcement that is practically absent. Low compliance in the second system is therefore not evidence that people are reluctant to contribute, but that the second system has never connected itself to the sources of compliance that sustain the first. Taxes and levies, in their oldest sense, are formalized mutual cooperation—yet no trace in the data shows that this bridge of meaning was ever built. On a new autonomous region whose formal enforcement capacity is still empty, such voluntary-compliance infrastructure is not a nice-to-have but the only realistic path to broad compliance in the near term.

3.2 Customary institutions

Customary institutions are layered and still working. At the base are clans and *keret*, the most concrete customary legal subjects: they hold *ulayat* rights over land and, in coastal and island areas, over sea tenure and its contents. Above them work customary leadership, from tribal chiefs to customary councils—as shown by the Moi Tribal Customary Council, which in 2025 led the enactment of a written customary rule on marine management at Malaumkarta. At the apex of the formal architecture stands the MRP: its 33 members for Southwest Papua were inaugurated on 14 December 2023, arranged in three working groups representing custom, religion, and women—a composition that mirrors precisely the three social-institutional pillars found working in the villages.

The depth of the base layer distinguishes this region from most others: *ulayat* rights, particularly among island communities, do not stop at the shoreline—waters, reefs, and fishing grounds are divided into sea tenure whose clan

ownership is known across generations, complete with memorized boundaries, access rules for outsiders, and permit-and-reward mechanisms. This living cadastral knowledge is precisely the kind of data that modern taxation must build expensively through mapping; here it is already available, maintained, and updated by the owners themselves, waiting to be invited to work.

The most decisive finding arises from juxtaposing this structure with the arena of PAD management: over the same territory lie two complete institutional maps—the bureaucratic map (BPKAD, technical agencies, vehicle-tax offices) and the customary map (clans, chiefs, customary councils, MRP)—with almost no deliberate junction in revenue matters. This produces two simultaneous effects. First, data blindness: the fiscal bureaucracy lacks access to the knowledge it most needs for revenue expansion, since who owns what and what activity occurs where is mastered by the customary map in far greater detail. Second, fragile legitimacy: any revenue object worked on customary space without recognition from the first map stands on lopsided validity—valid under state law but ownerless under the law villagers obey—and is thus vulnerable to challenge precisely when it begins to yield.

The MRP offers the most formal bridge between the two maps, and it is precisely this bridge that most clearly sits idle in fiscal matters. By design, it is a mechanism the state itself provides so that policies touching the rights of indigenous Papuans obtain cultural consideration; its authority to approve special regional regulations means the legal form for fiscal–customary linkage already has an official, guarded door. The relevance extends to asset protection: nearly all provincial assets stand on former clan *ulayat*, and the clarity of their customary release is a layer of asset security recorded on no inventory card. An inventory of the customary history of key assets, done together with *ulayat* holders, is the most concrete cooperation that can begin the relationship between the two maps—precisely because its benefit is immediate and its interest reciprocal.

3.3 Customary resource governance

Here local wisdom shows its most complete form as a governance system: the open-close mechanism known in the islands as *sasi* and among the *Moi* as *egek*. An area or *biota* is declared closed for an agreed period, confirmed through customary ceremony and blessed by the church; during closure the area is guarded by communal monitoring with customary sanctions; and at the agreed opening, the recovered harvest is collected collectively with an agreed distribution—part for families, part for the village treasury, church, or other shared needs. The *Malaumkarta egkek* has gained legal recognition through Sorong Regent Regulations 7/2017 and 10/2017, then further codified into a written customary rule in 2025; in Raja Ampat, *sasi* has even developed in its most institutionally interesting form, women-managed *sasi* (*Kapatcol* since 2008; replicated in *Aduwei* and *Salafen* since 2022).

Read with an institutional eye, *sasi* is not merely conservation tradition but a complete governance package: definition of object and area, use rules, a validity period, monitoring, sanctions, a value-harvesting mechanism, and—most importantly—distribution of proceeds to shared interests that makes the whole system voluntarily obeyed. In public-finance vocabulary, this is a complete mini fiscal cycle: a jointly guarded revenue base, an agreed collection moment, allocation for community public spending, and accountability before the eyes of all. This contrasts sharply with provincial levy regulation that is fully written yet mute, without implementing instruments—one of the most ironic findings of the study: the state has regulation without compliance, the community has compliance that is even being codified.

The junction is in fact already running inside the province's own finances. The Raja Ampat marine conservation area has long applied an environmental-service maintenance fee per visitor, managed through a regional public service agency; in 2024, from about 32,500 visitors, its revenue reached around IDR 22.5 billion and is projected to exceed IDR 30 billion per year under

new tariffs. Set against the provincial budget structure, the public-service-agency revenue line—ranging from about twenty-eight to thirty-three billion rupiah per year—is largely the fruit of this instrument; in other words, the largest non-tax contributor to provincial PAD is a levy standing on the preservation of an area guarded, among others, by the *sasi* and sea-tenure institutions of its villages. This most successful instrument, ironically, lives within provincial finances without ever being read as a replicable model.

Three working principles of *sasi* are worth drawing as design lessons. First, clarity of reciprocity—*sasi* is obeyed because everyone knows where the proceeds flow. Second, monitoring by those with a stake—*sasi* is guarded not by paid officers but by the community that owns it, a tested answer to what the bureaucracy calls a shortage of supervisors. Third, a rhythm that respects carrying capacity—*sasi* collects when the resource can give. These are direct answers to three common ailments: a legitimacy crisis, an enforcement vacuum, and short-term orientation. The condition is single and firm: a levy instrument connected to *sasi* must place the community as a party that shares proceeds and helps decide, not as an object levied again; a scheme that collects from *sasi* space without returning anything to its guardians will not only be rejected but will damage the institution itself.

3.4 Customary conflict resolution

A layered and still-trusted dispute-resolution process works here. Its core is customary deliberation: disputing parties, facilitated by a tribal chief or clan elder, sit together until an accepted resolution is reached, usually including the restoration of relationships and, where there is a violation, a customary fine. A customary fine differs in character from an administrative one—it is designed not to punish but to restore, calibrated to the parties' capacity and standing, and its fulfilment closes the case while restoring the social relationship. This restorative character explains why customary sanctions are obeyed without officers: what is guarded is not fear of

punishment but the wholeness of the relationship needed for living together.

Alongside this peaceful channel works another form best known to the bureaucracy and business—sealing-off (*pemalangan*): closing access to land or facilities by ulayat holders who feel their rights have been bypassed, as a statement of dispute that forces the other party to come and deliberate. Its traces are fresh and recurrent, and notably concentrated in the sectors that form the backbone of the provincial fiscal base: in 2024 an oil-and-gas contractor's facility in Central Salawati was sealed by ulayat holders demanding customary-land compensation; in the plantation sector, clan-palm-oil disputes such as the claim of fourteen clans in Klamono have run for nearly two decades. Oil-gas and palm oil are precisely the sectors that feed vehicle-fuel tax; chronic ulayat disputes there are a risk hanging directly over the foundation of provincial revenue.

Deliberation and sealing-off are read here as one system seen from two ends. Deliberation is the front door—cheap, restorative, available to whoever comes first with respect. Sealing-off is the back door—costly, disruptive, and the only door left to those never invited through the front. On this reading, the sealing of government assets or activities is in fact a bill that arrives late for legitimacy not managed at the outset; it is the fourth dimension collecting on neglect in the second. The cost of arranging agreement upstream through deliberation is far smaller than

the cost of a mid-course seal—a simple calculation not yet part of how the fiscal bureaucracy plans its revenue expansion.

The other side of this mechanism offers an answer to the gap hardest for the bureaucracy to fill. Its formal enforcement capacity is practically empty—no bailiff, and collection stops at warning letters nearly meaningless in the villages—while in those same villages an effective enforcement mechanism works because its sanctions come from a recognized authority. For community- and area-based levies, entrusting part of enforcement to customary institutions with a fair revenue share is a far more realistic design than waiting for a bailiff post to be filled at some uncertain date.

3.5 Cross-dimension synthesis

The four dimensions converge on one proposition that answers the research question: local wisdom in Southwest Papua Province functions as a **capacity-in-waiting**—a set of real, tested, documented, and partly legally recognized social-institutional infrastructures that are functionally equivalent to the capacities most lacking in the fiscal bureaucracy, yet have never been consciously invited to work, with the single exception of the Raja Ampat environmental-service instrument, which itself proves how large the yield of that linkage can be (Figure 2, Table 3).

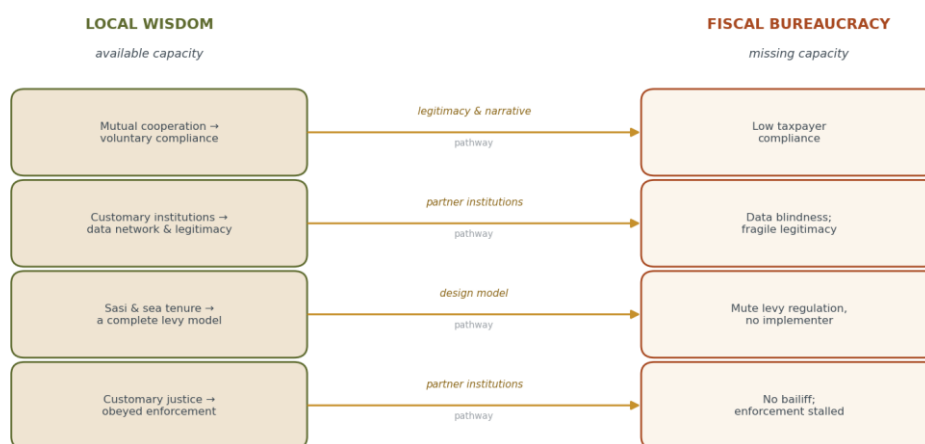


Figure 2 Correspondence between local wisdom and the fiscal bureaucracy's capacity gaps ("capacity-in-waiting")

Table 3 Correspondence between local wisdom and the fiscal bureaucracy's capacity gaps

Dimension	Capacity it supplies	Corresponding BPKAD gap	Linking pathway
Mutual cooperation	Voluntary compliance; contribution mobilization; visible reciprocity	Low taxpayer compliance; counter-window approach; empty enforcement	Legitimacy & narrative
Customary institutions	Ulayat data network; obeyed leadership; MRP advisory channel	Field-data blindness; customary actors absent from forums	Partner institutions
Sasi & sea tenure	Complete levy system: object, rules, monitoring, sanctions, sharing	Mute levy regulation; levies without steward or yield	Design model
Customary justice	Cheap upstream deliberation; obeyed community enforcement	No bailiff; unaccounted dispute/sealing risk on new objects	Partner institutions & legitimacy

Source: compiled from research findings, 2026.

The research answer can be stated in tiers. At the level of policy awareness, the role of local wisdom is still zero—no strategy document, revenue regulation, or PAD forum consciously designs a linkage with local institutions. At the level of reality, its role has already begun unnoticed—the largest non-tax contributor to PAD, the Raja Ampat environmental-service

revenue, stands on an area guarded, among others, by sasi and sea-tenure institutions. And at the level of potential, the four dimensions demonstrably supply the right functional counterparts to the most obstructive capacity gaps, complete with workable linking pathways (Figure 3).

**Figure 3 Three linking pathways between local wisdom and BPKAD capacity building**

4 Discussion

The findings converge on a striking correspondence: each capacity most lacking in the fiscal bureaucracy has a functional counterpart alive within local institutions. Read

through Sibarani, (2018) framework, the four functions of local wisdom prove alive and mappable in a single study area. Yet this case demands one extension of that framework: here local wisdom is best read not as a heritage to be preserved or a value guiding behavior, but as an

available institutional capacity—complete with compliance infrastructure, a data network, a governance model, and enforcement mechanisms—which is what is termed capacity-in-waiting.

The dimension that shows this most clearly is *sasi*. Read through common-pool resource theory, *sasi* is not mere tradition but a complete management institution. Ostrom, (2010) shows that durable common-property management is generally supported by recurring principles: clear resource and user boundaries, rules fitted to local conditions, monitoring, graduated sanctions, dispute-resolution mechanisms, and collectively accepted revenue-sharing. *Sasi* meets nearly all of them. What regional levy regulation most lacks—a levy design running from object to enforcement—is already mature within the customary institution, so *sasi* is not folklore but a design model ready to be studied. These institutions can be understood as authority centers effective in their own domains, to be linked with state authority rather than absorbed into it. This view relocates the capacity-building problem: the question is not how the bureaucracy builds all capacity from scratch, but how two systems working in the same territory are finally linked. Why a linkage so clearly parallel has never occurred does not lie with indigenous communities but with the preceding findings: administrative equilibrium explains why the organization does not look outward, merely reconciliatory collaboration explains why its networks are blind to customary actors, and the absence of customary actors explains why this capacity-in-waiting keeps waiting (Sawir et al., 2026; Ungirwalu et al., 2017).

On legitimacy, cultural reading adds force, reminds us that action is meaningful only within the webs of meaning a society holds, so the acceptability of fiscal policy also depends on whether it can be framed in an already-understood language (Budiman et al., 2020; Sanjatkiko, 2019; Soselisa, 2019). Reframing taxes and levies as shared contribution whose benefit trickles back to the source village, and routing policies that touch customary space through deliberation and MRP consideration, is

not cultural pleasantries but a condition of legitimacy. The evidence is not hypothetical: the largest non-tax PAD contributor stands on the preservation of an area guarded by *sasi* and sea-tenure institutions—that linkage has quietly occurred and already yielded, though never consciously designed (Ammirato et al., 2022; Appadurai, 1998; Lee & Chung, 2020).

From this correspondence come three linking pathways that constitute the study's practical contribution—legitimacy and narrative, partner institutions, and design model—placing local wisdom not as a decorative dimension appended for local color, but as an institutional resource filling precisely the gaps already mapped. This linkage demands non-negotiable conditions that are also its ethical guardrails: genuine representation (the customary figures invited must be those recognized by their own communities, not those most accessible to the bureaucracy), honesty in revenue-sharing (every scheme must state clearly the share returning to the community and keep it), and procedural patience (customary decisions arise from deliberation whose rhythm does not obey the budget year). These align with Sibarani, (2018) emphasis that local wisdom is a dynamic system whose institutionalization requires long-term commitment, not momentary use.

The study's limits should be stated honestly. Customary practice lives in high diversity across tribes and villages, so the mapping presented is a mapping of patterns whose per-location depth must still be filled by fieldwork with the practitioners themselves; direct testimony from customary leaders, *sasi* and *egek* practitioners, and MRP members remains the most-needed enrichment. What is offered is analytic generalization—a proposition about local wisdom as a capacity-in-waiting in newly formed autonomous regions of strong customary character—whose applicability to other cases is open to testing.

5 Conclusion

Local wisdom in Southwest Papua Province can be understood as a force that already exists and is already tested, yet has never truly been invited to

cooperate in managing regional revenue. Mutual cooperation supplies a compliance capital the bureaucracy lacks for want of enforcement officers; customary institutions hold local knowledge and recognition that can help the government find revenue objects invisible from the office; sasi has become a concrete example of levying not yet formally regulated; and customary justice has become an effective way of enforcing compliance that BPKAD lacks for want of collection staff. The evidence that this local wisdom truly works is visible in the Raja Ampat environmental-service revenue, which runs thanks to an area guarded by indigenous communities, though not yet fully recognized as part of the governance system.

This absence of connection is not because indigenous communities refuse to be involved,

but because the regional government is still busy with routine matters and has never opened a space for formal cooperation. Strengthening BPKAD's capacity therefore need not start from scratch; it can be done by linking two existing systems—the modern governance system and the local-wisdom system—through three pathways: recognizing and respecting the customary presence, making customary institutions formal working partners, and emulating customary practice as a basis for designing new levy rules. It is recommended that the regional government promptly open formal partnership with customary figures and institutions—ensuring fair revenue-sharing and a patient cooperative process that respects local customary values—so that the local wisdom that has long been waiting can truly be empowered as a shared strength.

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