

Assessing the welfare impact of Yogyakarta's privilege fund on street vendors affected by the Sultan's urban order policy

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Article Info

Article History

Submitted:

15 August 2025

Revised:

12 December 2025

Accepted:

17 April 2026

Keywords

dana Istimewa; relocations;
street vendors; urban
governance; welfare;
Yogyakarta

Abstract

This study examines the effectiveness of the Special Fund (Danais) in improving community welfare through a case study of street vendor (PKL) relocation in the Malioboro Terrace area and the Abu Bakar Ali Special Parking Area (TKP), Yogyakarta. Using a qualitative descriptive approach, data were collected through in-depth interviews, focus group discussions (FGDs), participatory observation, and policy document analysis, involving stakeholders including street vendors, parking attendants, and local government representatives. The findings reveal that the Danais-financed relocation policy has not delivered meaningful benefits to the affected communities. Key findings include declining revenues, limited participation in planning, and dissatisfaction with new locations and facilities. Although perceptions of social security improved, selling comfort and business sustainability remain significant concerns. These findings suggest that a technocratic approach insufficiently grounded in community needs and participation risks generating new forms of inequality. Accordingly, the deployment of Danais must be reoriented towards a more inclusive and equitable strategy focused on long-term socio-economic outcomes.

Article Link: <https://journal.uny.ac.id/index.php/civics/article/view/89207>

Introduction

Yogyakarta is one of Indonesia's major cultural and tourism destinations, with the Malioboro corridor serving as a strategic urban space where heritage, mobility, and informal economic activities intersect. Street vendors (*Pedagang Kaki Lima/PKL*) have long played a



crucial role in this tourism ecosystem by providing affordable goods and services and sustaining local livelihoods. Nevertheless, the density of informal trading and traffic pressure in Malioboro has also been framed as an urban management issue, leading the local government to pursue policies of spatial reordering and beautification to strengthen the area's heritage identity and tourism quality (Praditya et al., 2022; Sakir et al., 2025).

As a province with special status, the Special Region of Yogyakarta receives Dana Istimewa (Privilege Funds; hereafter *Danais*) from the Government of the Republic of Indonesia. The legal and administrative rationale of these funds is rooted in Yogyakarta's privileged authorities, particularly in culture, land affairs, and spatial planning, which are expected to strengthen governance capacity and support public welfare through privilege-based development programmes (Illiyani, 2020; Pemda DIY, 2009). In principle, this fiscal instrument should enable the province to implement distinctive policies while ensuring that the benefits of special autonomy are translated into measurable improvements in citizens' quality of life.

One visible implementation of *Danais* in privilege-based spatial planning is the relocation of PKL from the Malioboro area to Teras Malioboro 1 and 2, accompanied by adjustments to supporting urban mobility arrangements, including the planned relocation of parking functions from the Abu Bakar Ali (ABA) area. The policy has been justified as part of a broader trajectory of heritage revitalisation and tourism-oriented urban restructuring. However, such interventions may generate uneven socio-economic consequences for informal workers who depend on foot traffic, place-based consumer habits, and daily cash flow.

Existing evidence indicates that the macro-level contribution of the Yogyakarta Privilege Fund to reducing development inequality remains limited and varied across expenditure categories and regions (Tjahjanto et al., 2024), a concern that resonates with the persistently high levels of economic inequality recorded in the Special Region of Yogyakarta relative to other Indonesian provinces (Faisal Rahman, 2025; Pangestu et al., 2023). Yet, these aggregate assessments do not sufficiently explain how and why *Danais*-funded spatial policies may fail to strengthen livelihood outcomes for directly affected groups, particularly street vendors in tourism core zones. This gap suggests the need for a focused, micro-level policy implementation analysis that connects *Danais*'s objectives with the lived economic realities of vendors affected by relocation.

Therefore, this study examines *Danais*'s implementation in Malioboro's spatial revitalisation by focusing on the relocation of PKL to Teras Malioboro and the restructuring of the ABA parking area as an integrated policy case. The study asks: (1) How is *Danais* operationalised in privilege-based spatial planning in the Malioboro area? (2) What measurable socio-economic impacts are experienced by relocated street vendors, particularly in income, customer access, business continuity, and perceived economic security? (3) What governance and implementation factors explain the limited improvement of vendor livelihoods under this policy? By centring on a clearly defined affected community, this research contributes to discussions on the effectiveness of special autonomy funds, inclusive heritage-tourism governance, and protecting informal livelihoods in Indonesia.

Method

This study employs an embedded mixed-methods design, with a qualitative descriptive approach as the main strategy and a quantitative survey as supporting data. The qualitative component was chosen to provide an in-depth understanding of policy implementation and lived experiences through narratives and contextual meanings not intended for statistical generalisation (Mutiarin et al., 2024; Pribadi et al., 2024; Lawelai et al., 2025). The quantitative survey complements this by capturing a structured overview of affected actors' perceptions and experiences, presented through descriptive analysis.

The research area covers the Malioboro–Abu Bakar Ali (ABA) urban tourism corridor in Yogyakarta City. However, the primary research site for interviews and intensive observation is the Special Parking Place (TKP) Abu Bakar Ali (ABA). This site was selected because it represents a strategic node in the Dana Istimewa-funded spatial and mobility restructuring that directly affects tourism-linked informal livelihoods, particularly those connected to parking services and supporting economic activities. Teras Malioboro 1 and 2 are discussed in the Results as part of the wider policy ecosystem, yet they were not selected as the main interview site because this study prioritises the parking relocation and mobility governance dimension centred on ABA. Teras Malioboro is therefore positioned as a contextual comparison and policy linkage, supported by document analysis and limited field contextualization.

For the qualitative component, the study involved five informants purposively selected based on their formal roles and direct experience with the dynamics of TKP ABA. These informants consist of: (1) a coordinator of TKP ABA, (2) a representative of merchants operating in/around ABA, (3) a representative of parking attendants, (4) a representative of tour guides connected to the area, and (5) a representative from the Yogyakarta City Government. For the quantitative component, the survey involved 30 respondents (hereafter referred to collectively as participants) drawn from affected actors in the ABA area. The survey provided descriptive support for the qualitative findings; accordingly, the team presents survey-based conclusions cautiously, given the limited sample size and practical constraints on field access.

The team collected data through in-depth interviews, participatory observation, a structured survey, and policy document analysis. The team conducted participatory observation through repeated site visits at TKP ABA to document daily routines, spatial-use patterns, interactions among parking workers, merchants, tour guides, and visitors, and adaptive responses to policy changes. The team compiled observation notes to identify recurring issues, operational shifts, and informal coping strategies. The study reviewed relevant policy documents on Dana Istimewa, spatial planning, tourism management, and parking relocation to examine alignment between policy objectives and implementation outcomes.

The study analysed all qualitative data using descriptive thematic analysis to identify patterns, themes, and categories emerging from interviews, observations, and documents. The study analysed survey data using descriptive statistics to summarise respondent perceptions and experiences. The study integrated findings from both components to explain the implementation dynamics and socio-economic implications of Dana Istimewa-funded spatial and mobility restructuring in the ABA context.

Results and Discussion

Implementation of Danais in the Spatial Planning of Yogyakarta City

The Yogyakarta Regional Government manages the Privilege Fund (Danais) and distributes it to regional administrations through a central government transfer mechanism, as mandated by Law Number 13 of 2012 on DIY Privileges (Kholik, 2022). The total *Danais* allocation for 2025 amounts to IDR 1 trillion, down from IDR 1.2 trillion the previous year—a reduction reflecting the central government's broader budget efficiency programme. These cuts are not expected to disrupt public services identified as community priorities. (Syaifullah, 2025).

The Regional Secretary of Yogyakarta, Beny Suharsono, as reported in (Jogjaprov, 2024), conveyed the allocation of special funds by policy domain for the 2024 fiscal year in Table 1. Within Yogyakarta's special autonomy framework, the allocation of regional revenues shapes regional development performance through both capital expenditure and goods-and-services

spending. These revenues are intended to strengthen public services and enhance community welfare.

Table 1.

Allocation of Special Funds (Danais) by Policy Domain and Region, Fiscal Year 2024

Affairs	DIY Special Funds	Regions	Special Funds
Institutional	IDR 95.7 billion	Yogyakarta City	IDR 45.9 billion
Culture	IDR 760 billion	Sleman	IDR 39.6 billion
Land	IDR 58.8 billion	Bantul	IDR 37.1 billion
Spatial Planning	IDR 285 billion	Kulon Progo	IDR 103 billion
		Gunungkidul	IDR 41.5 billion
		DIY	IDR 932.6 billion

Source: Jogjapro.go.id. 2024.

The Indonesian House of Representatives (DPR RI) recommends strengthening the governance of the Yogyakarta Privilege Fund (Dana Istimewa/Danais) by prioritising accountability and policy coherence. The DPR RI highlights the need for annual thematic audits by BPK RI (including specific-purpose and performance audits) to evaluate programme effectiveness and financial responsibility, given the fund's ongoing nature. It also calls for a shared understanding and stronger synergy among communities, district/city governments, and relevant ministries/agencies across planning, budgeting, implementation, and supervision. In addition, the DPR RI recommends developing a grand design for Yogyakarta's privileged mandates, harmonising regulations and stakeholder roles, and strengthening human resources and reporting mechanisms, including clearer derivative rules that regulate Danais accountability separately from the regular Regional Government Financial Statements (LKPD), a concern echoed by earlier assessments of Danais accountability mechanisms (Zakiah et al., 2020).

Based on BAKN DPR RI's recommendations, the Government of the Special Region of Yogyakarta is expected to improve the realisation and governance of Dana Istimewa by strengthening meaningful public participation. Specifically, the second recommendation emphasises that the government should involve the community not only as beneficiaries but also as co-planners and co-monitors of Danais-funded programmes. This involvement can be operationalised through consultative and participatory mechanisms such as public hearings, participatory needs assessments at the *kelurahan/kapanewon* (village) level, transparent disclosure of programme budgets and targets, and the inclusion of community representatives in monitoring and evaluation processes to ensure policy and accountability.

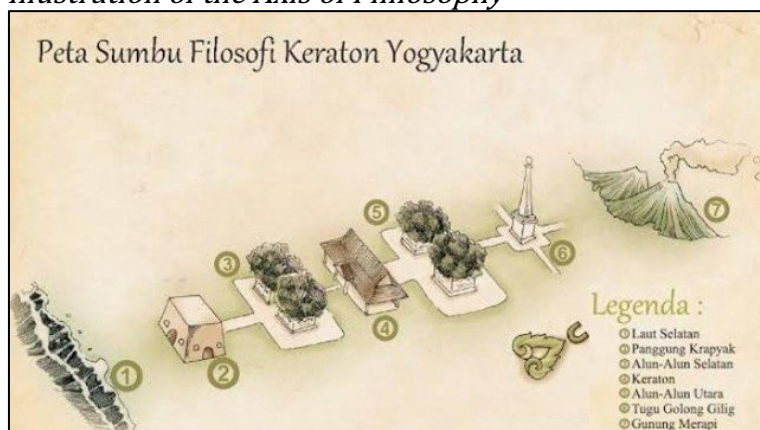
Among Yogyakarta's five privileged authorities, spatial planning and land affairs are particularly central because both directly shape citizens' living space, economic access, and welfare outcomes. Spatial planning determines the direction of urban restructuring, while land authority influences the legal and institutional control of land use, allocation, and protection issues that critically affect informal workers and local communities. In this context, the government's intensive restructuring to support the Philosophical Axis programme has generated public debate, especially as it is linked to successive arrangements and relocation plans. These controversies indicate that Danais's welfare promise depends not only on the programme's cultural and tourism rationale, but also on how land and space are governed, negotiated, and protected for affected groups in practice.

Professor of Urban Planning at Gadjah Mada University, Bakti Setiawan, as cited in (Firdaus, 2023), argues that revitalising and spatially re-organising the Yogyakarta Philosophical Axis must not marginalise local communities, particularly lower-middle-income groups. Formally, this agenda is framed in the official masterplan as a heritage-oriented public-space and mobility programme emphasising cultural conservation, an improved pedestrian experience, reorganised street activities, and better integration of tourism services. Its

implementation should therefore ensure that access to space, economic opportunities, and daily livelihoods for existing residents and informal workers are protected, not displaced.

Figure 1.

Illustration of the Axis of Philosophy



Source: *Penelitianpariwisata.id*

The implementation of Dana Istimewa (Danais) in urban spatial planning—particularly in the Malioboro and Abu Bakar Ali areas—indicates a policy tendency to frame urban space increasingly not as an inclusive public arena, but as a heritage-aesthetic project shaped by dominant state narratives and cultural elites. This study does not position Danais as the primary cause of exclusion; as a fiscal instrument, Danais can enable either inclusive or exclusionary outcomes depending on its governance. This research therefore focuses on how the Government of the Special Region of Yogyakarta designs, justifies, and executes Danais-funded spatial interventions, and how these choices affect informal groups such as street vendors and parking attendants. Lele (2025) argues that democratic urban planning requires agonism—the recognition that conflict and difference are legitimate elements of policy-making that must be institutionally accommodated. From this perspective, resistance and disagreement from affected groups should be treated as integral to the policy process rather than as disruptions to be neutralised. Evidence from the Malioboro–ABA context suggests, however, that vendors' and residents' objections are often denied adequate legal or deliberative space to shape policy outcomes. Relocation initiatives tend to be implemented through technocratic, top-down logic that seeks to “order” difference and suppress public contestation.

A supplementary interpretive lens that may help explain this governance style is the local political-cultural emphasis on harmony and social order in Javanese contexts. Without reducing policy behaviour to culture alone, norms such as maintaining social harmony can shape preferences for consensus, quiet negotiation, and avoiding open confrontation, which may inadvertently narrow the democratic space for affected groups to voice claims explicitly and adversarially. For this reason, this study treats the non-agonistic pattern observed in Danais-funded spatial planning as the product of institutional choices and governance culture, rather than as an inevitable outcome of the fund itself.

The *Danais* is formally designed as an affirmative fiscal instrument to support Yogyakarta's special authorities, particularly in culture and spatial planning, so that local identity and public welfare can be strengthened through privilege-based development. This linkage between identity and welfare is not incidental: the fund's normative foundation assumes that protecting cultural heritage and governing space in a distinctive way can produce social and economic benefits for local communities. However, this study argues that the problem is not the instrument itself but how the Yogyakarta government deploys it in urban planning, especially when heritage-led development functions primarily as a strategy of image-making and tourism-oriented urban ordering rather than a participatory welfare agenda.

Critical urban scholarship has long warned that heritage and tourism-driven revitalisation can function as a mechanism of exclusion when the state prioritises aesthetic order, investment attractiveness, and symbolic prestige over the everyday needs of informal and lower-income groups. In debates on the right to the city and state-led urban restructuring, scholars such as Lefebvre (1996) and Harvey (2008) emphasise that urban space is inherently political and should remain open to citizens' claims to use, meaning, and livelihood. Similarly, perspectives on technocratic governance, authoritarian urbanism, and invited vs. claimed spaces of participation highlight how the language of improvement and modernisation can obscure the displacement of vulnerable groups and the narrowing of democratic agency in planning processes. These frameworks help explain why spatial interventions may appear orderly and progressive while simultaneously weakening citizens' substantive rights to shape and use the city.

What makes the Yogyakarta case analytically distinctive is the intersection of special autonomy, privilege-based authority, and a historically rooted royal-political structure, which elevates the symbolic legitimacy of state narratives in defining what counts as "proper" cultural space and who is entitled to occupy it. In other regions of Indonesia, tourism-led beautification and informal-sector displacement may also occur; yet in Yogyakarta, the privilege framework provides an additional legal-cultural justification that can reinforce elite visions of heritage and order. As a result, contestation over Malioboro and related urban nodes is not only an economic dispute but also a struggle over the meaning of privileged identity and who gets to represent it. In this context, this study supports the broader argument that democratic urban planning requires not only administrative legality but also real participatory space and protection of livelihood rights, especially for groups whose economic survival is tied to the very spaces being "revitalised".

Socio-Economic Impact of Street Vendor Relocation Policy

The socio-economic impact experienced by relocated street vendors (PKL) in the Abu Bakar Ali (ABA) area is captured through three interrelated dimensions: income change, evaluation of the relocation policy and facilities, and perceptions of selling security and comfort. These findings come from an embedded mixed-methods dataset: in-depth interviews with 5 key informants, a supporting survey of 30 relocated vendors, and field observations. Income change was assessed through vendors' self-reported comparisons of daily earnings before and after relocation, while interview themes and descriptive survey items examined responses to policy and facilities, as well as perceptions of security and comfort. Given the limited survey size and the purposive nature of the qualitative component, the evidence is presented as context-specific to the ABA case, rather than as a statistically generalisable claim.

Figure 2.

The ABA relocation environment/vending setting

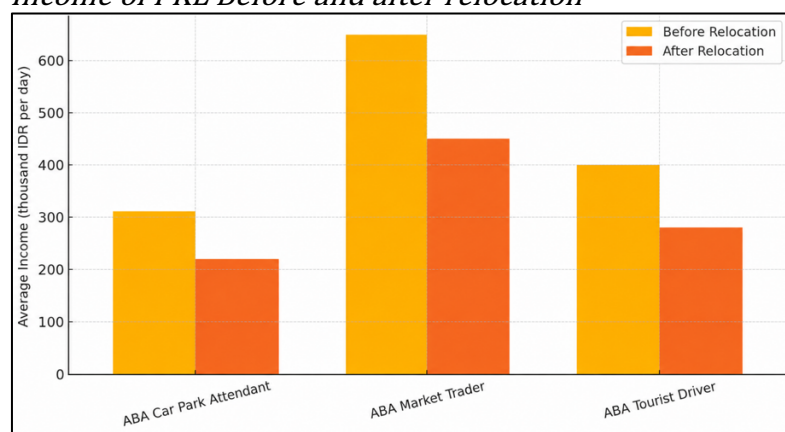


Source: Research data, 2025.

Within this study's sample, most surveyed vendors reported a noticeable decline in daily income after relocation, indicating disrupted customer access and weakened sales capacity in the new setting. Consistent with these survey patterns, interview narratives highlight dissatisfaction with the relocation process, particularly regarding limited participation, perceived gaps in government support, and reduced consumer visibility. At the same time, vendors reported relatively improved social security and order in the new setting, suggesting that relocation may offer institutional stability even when economic outcomes deteriorate. However, physical comfort, including air circulation and environmental conditions, remains a recurring complaint that affects daily work experience and business sustainability. Taken together, these findings suggest that the main policy issue in ABA is not only economic loss but a governance gap: relocation appears stronger at delivering spatial order than at protecting livelihood recovery. This reinforces the argument that inclusive urban governance and effective policy communication are necessary to prevent welfare trade-offs in Danais-supported spatial interventions (Purnomo et al., 2025; Dylia et al., 2025).

Figure 3.

Income of PKL Before and after relocation



Source: Processed by the author, 2025.

Figure 3 presents the average daily income of three groups of informal economic actors in the Abu Bakar Ali (ABA) area before and after relocation: street vendors (PKL), parking attendants, and tour guides, all of whom had depended on tourism activities and community mobility in the area. The local government implemented the relocation as part of its spatial planning and urban environment improvement agenda. The data show, however, that this policy has adversely affected the incomes of all three groups. Street vendors, who previously earned an average of IDR 650,000 per day, saw their daily income fall to approximately IDR 450,000 after relocation. This decline is attributable to reduced consumer foot traffic at new locations perceived as less economically strategic. Parking attendants similarly saw their daily income drop from IDR 300,000 to IDR 200,000, likely reflecting lower vehicle volume in the area after relocation. Tour guides, who had earned an average of IDR 400,000 per day, also reported a decline to IDR 300,000, indicating the direct impact of diminished tourist interaction at the new site.

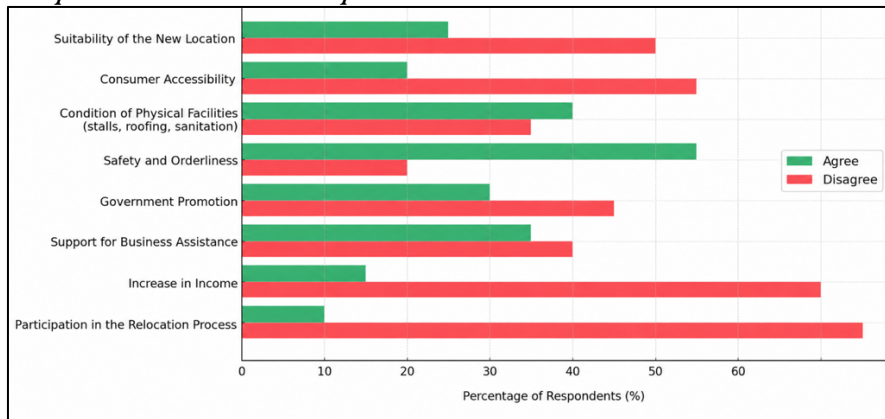
These findings indicate that relocation policies aimed at improving urban spatial quality do not automatically translate into improved socio-economic conditions for the affected groups. The relatively consistent income decline across street vendors, parking attendants, and tour guides suggests that the relocation approach requires thorough re-evaluation, particularly regarding the spatial-economic consequences of displacing informal economic activities away from Yogyakarta's main tourism corridor. Reduced customer visibility and greater distance from key pedestrian and tourist flows likely contribute to the observed decline in turnover.

From a public policy perspective, local governments should prioritise the economic sustainability of affected communities by providing strategically located alternative sites,

targeted business adaptation support, and livelihood protection measures. These results align with previous findings in Yogyakarta and comparable Indonesian urban tourism contexts, which show that relocating informal economic actors tends to reduce income when it is not accompanied by participatory planning and careful replacement-site selection (Prasetyo, 2022). This pattern is also consistent with evidence of declining turnover among traders relocated from high-traffic areas such as Malioboro (Wijaya, 2023) and with arguments that aesthetic-driven urban rearrangement can increase citizens' economic vulnerability (Kardanardi & Syahdani, 2024). Therefore, as suggested by Rachmawati (2013), relocation policies should integrate explicit livelihood safeguards such as business mentoring, transition incentives, and location planning that maintains access to the tourism market.

Figure 4.

Response of PKL to new policies and facilities



Source: Processed by the author, 2025.

The survey of relocated street vendors (PKL) in the Abu Bakar Ali (ABA) area indicates that most respondents are dissatisfied with key aspects of the relocation policy and its supporting facilities. The strongest dissatisfaction concerns economic and market access outcomes: 80% of respondents are dissatisfied with consumer accessibility, 75% with the suitability of the new location, and 85% report negative assessments of income improvement, suggesting the new site does not provide market exposure comparable to the pre-relocation setting. Equally important, the governance dimension reveals a substantial procedural deficit. About 65% of respondents state that they were not adequately involved in the relocation decision-making process, indicating that the policy was experienced as top-down rather than participatory.

Table 2.

Survey Results Summary

Indicator	Key survey response	Interpretation
Customer accessibility	80% dissatisfied	Reduced access to tourist/consumer flows in the new location.
Suitability of new location	75% dissatisfied	New site perceived as less strategic than the previous selling area.
Income increase	85% negative assessment	Relocation perceived to reduce economic welfare.
Participation in relocation process	65% not adequately involved	Indicates a top-down policy process and weak procedural inclusion.
Security and public order	55% satisfied	Suggests improved environmental stability post-relocation.
Physical facilities (stalls, roofing, sanitation)	40% satisfied; 35% dissatisfied	Limited physical improvement; still not fully responsive to vendors' needs.

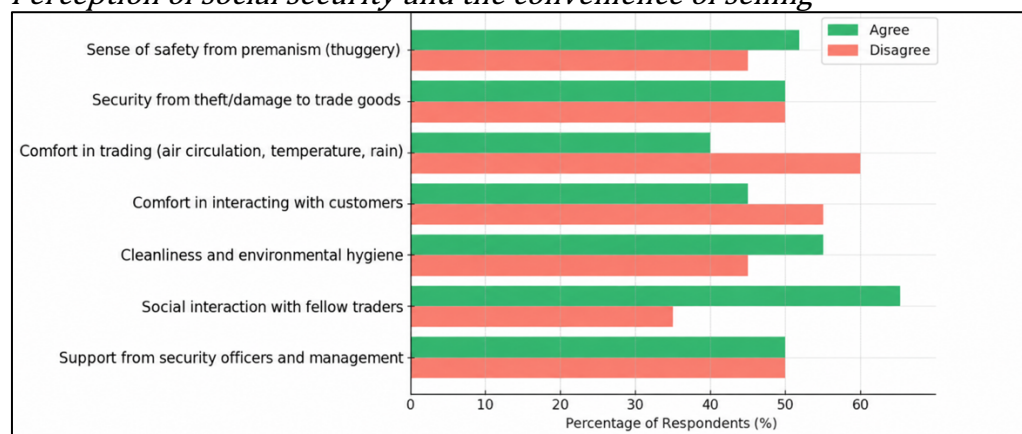
Source: Processed by the author, 2025.

Despite these negative evaluations, the survey also identifies a limited area of perceived improvement. Security and public order received a relatively positive response, with 55% of respondents expressing satisfaction, implying that the relocation may have strengthened environmental stability even as economic outcomes declined. Likewise, physical facilities (stalls, roofing, sanitation) received mixed assessments (40% satisfied; 35% dissatisfied), indicating partial improvement that has not fully met the needs of informal business actors. Overall, the survey suggests that the relocation policy is more effective in producing spatial order than in safeguarding livelihoods and participatory rights.

Overall, these findings indicate that relocation policies have not fully addressed street vendors' economic and social needs. Despite improvements in order and some physical conditions, most respondents reported that relocation reduced market access and income, and that the process was not grounded in inclusive participation. The mismatch between the new location and the consumer interaction patterns vendors previously relied upon is a key factor in the decline in post-relocation business performance. These findings align with previous studies showing that street vendor relocation often fails to improve welfare when it is not accompanied by a participatory approach and adaptive economic strategies. Purwaningsih (2025) finds that aesthetics-driven urban planning tends to overlook the economic needs of marginalised residents, while Kardanardi and Syahdani (2024) show that relocating strategic areas such as Malioboro significantly contributes to declining turnover. Relocations that do not involve business actors in the planning process tend to generate resistance and reduce policy effectiveness (Giawa & Rukoyah, 2024).

Figure 5.

Perception of social security and the convenience of selling



Source: Processed by the author, 2025.

The survey results show that street vendors' (PKL) perception of post-relocation social security in the Abu Bakar Ali (ABA) area is generally positive. As many as 60% of respondents felt safe from thuggery, and 50% felt secure from the risk of theft or damage to merchandise. This suggests increased social stability and environmental control after the local government carried out spatial planning. In addition, 50% of respondents also expressed satisfaction with the presence of security officers and managers, contributing to the sense of security in the new location. Regarding selling comfort, street vendors' perceptions were more varied. As many as 55% of respondents said they were satisfied with the environment's cleanliness and sanitation, and 65% felt the social climate between traders was quite conducive. However, only 40% felt comfortable selling from a technical point of view, such as air circulation, temperature, and resistance to rain or heat. Interaction with buyers is also not ideal, considering only 45% feel comfortable with these conditions. This data shows that despite increased social security, physical comfort and interaction quality still need improvement.

Generally, a positive perception of social stability and cleanliness is essential to sustaining post-relocation business activities. However, technical inconveniences and obstacles in re-

establishing consumer interactions must be a significant concern when evaluating new locations. Without adequate physical adaptation support and a needs-based approach for business actors, long-term selling comfort will remain hampered, even if security has improved. These findings are reinforced by Idajati et al. (2019), which confirms that relocation success depends on environmental safety and the extent to which spatial design can support informal economic activities comfortably and functionally. In the same context, Rachmawati (2013) emphasised the importance of business actors' involvement in relocation technical planning, including stall design, spatial layout, and social support, to create a safe and comfortable space for street vendors.

Building on Lele's (2025) concept of depoliticisation of space, this study argues that the Danais-funded relocation governance at the Abu Bakar Ali (ABA) reflects a tendency to narrow deliberative space for affected informal actors. The novelty of this research, however, lies in moving beyond Lele's conceptual critique by providing micro-level, mixed-method evidence from a concrete policy case embedded in Malioboro's tourism system. By combining interviews, survey data, and field observations, this study shows how depoliticisation operates in practice through specific administrative procedures, communication patterns, and relocation designs that shape livelihood outcomes.

Although the historical role of PKL in the Malioboro corridor provides the policy background, this article focuses empirically on the ABA relocation arena as part of the integrated restructuring of the Malioboro ABA tourism-mobility ecosystem. From this standpoint, the key issue is not that spatial contestation does not exist, but that it is insufficiently institutionalised. In other words, objections from vendors and other affected groups may emerge socially, yet they are not effectively translated into recognised inputs within formal policy deliberation and decision-making. The Yogyakarta government remains the central actor defining the meanings of order, neatness, and decency, while vendor narratives and long-standing socio-economic claims are treated as secondary to heritage-aesthetic and managerial objectives.

The findings therefore suggest that this relocation model risks producing a non-agonistic governance pattern: it prioritises spatial order and symbolic urban image while weakening informal groups' agency to negotiate policy goals and implementation mechanisms. The implication is not only measurable economic loss but also a loss of recognition where PKL and other informal workers are repositioned from legitimate urban stakeholders into objects of regulation. This reinforces the argument that Danais can only function as a welfare-oriented privilege instrument if the Yogyakarta government institutionalises agonistic participation that protects both livelihoods and the right of affected communities to shape the meaning and use of urban space.

The relocation of street vendors from strategic areas demonstrates the dominance of a market-oriented (capitalistic) urban logic expressed through aesthetics, tourism branding, and investment-friendly order over the logic of socio-economic justice. In this sense, public space is increasingly treated as an economic and symbolic asset to be optimised for visitors and city image rather than as a shared arena of livelihood. This argument resonates with Lefebvre's (1996) notion of the right to the city, which emphasises citizens' rights not only to access urban space but also to produce, interpret, and reshape it according to everyday needs. It also aligns with Harvey's (2008) critique that urban restructuring under capitalist priorities often redistributes space and opportunity upward, while pushing vulnerable groups into more precarious positions.

As Lele (2025) argues, this condition reflects a hegemonisation of policy meaning, where space is configured to favour the market and tourists rather than residents. From the perspective of agonistic democracy, policies should institutionalise a dedicated arena for contestation between tourism-led development interests and the survival of informal economic actors. When these conflicts are suppressed or managed merely through technocratic

relocation, the social impact becomes predictable: declining income, reduced selling comfort, and weakened community solidarity. This study therefore argues that the problem is not simply administrative relocation, but a deeper democratic deficit in urban governance in which spatial order becomes a vehicle for market rationality and elite narratives. As a result, policies may appear successful in managerial terms while losing social legitimacy among affected groups, revealing a form of authoritarianism embedded in market-driven urban beautification.

The Effectiveness of Danais in Realising Welfare

Policy studies still debate the effectiveness of the Special Fund (Dana Istimewa/Danais) in improving public welfare in Yogyakarta. Normatively, Danais is intended to support the implementation of Yogyakarta's privileged authorities in spatial planning, culture, institutions, land, and education. However, high-budget realisation does not automatically translate into better welfare outcomes. Previous studies suggest that Danais allocation tends to remain sectoral and insufficiently grounded in grassroots needs, limiting its impact on poverty reduction and quality-of-life improvement (Kamim, 2021). Similarly, Wijaya (2023) notes that Danais-financed public-space arrangements may intensify inequality without meaningful participation and livelihood protection.

This study reinforces and specifies these claims through micro-level evidence from the Abu Bakar Ali (ABA) case. Based on a mixed-method dataset (5 informants and a supporting survey of 30 relocated street vendors), this research finds that the Danais-linked spatial restructuring in the Malioboro ABA corridor is perceived to deliver order and security more effectively than livelihood recovery. Survey results show dominant dissatisfaction in crucial welfare-related indicators: consumer accessibility (80%), suitability of the new location (75%), and perceived income improvement (85% negative assessment). The governance dimension also reveals a procedural deficit, as 65% of respondents state they were not adequately involved in the relocation process. Although security and public order receive relatively more positive responses (55% satisfied), this improvement does not offset the reported decline in economic access and business sustainability.

Taken together, these findings indicate that the key problem in Danais-based spatial planning is not merely the presence of physical development priorities, but the Yogyakarta government's governance orientation in operationalising the fund, where heritage-aesthetic objectives and technocratic relocation are not sufficiently matched with participatory mechanisms and concrete livelihood safeguards for informal economic actors. This pattern risks reinforcing the very social inequality that privilege-based budgeting is intended to mitigate.

Furthermore, a study by Cahyono and Sugiyanto (2024) highlights the weak integration between Danais planning and local economic empowerment programmes. Many Danais activities are implemented as short-term projects without sustainability mechanisms or systematic impact monitoring. As a result, Danais interventions in community economic development—such as training or business facility provision—tend to produce no lasting effect on communities' economic capacity. Danais effectiveness in generating welfare improvements is therefore questionable in this context, as policy orientation tends to prioritise physical outputs over social outcomes.

To achieve substantive welfare gains, the Special Fund (Danais) needs to adopt a participatory approach based on local needs and oriented towards long-term socio-economic impacts. As emphasised by Mufidta (2024), the effectiveness of Danais cannot be measured solely by the rate of budget absorption, but rather by its contribution to reducing inequality and improving the quality of life of Yogyakarta's residents. In this context, strengthening local institutional capacity, transparency in the planning process, and active community involvement

in every stage of the programme are prerequisites for Danais to function as a fair and inclusive policy instrument.

The relocation and spatial reorganisation undertaken by the Yogyakarta Special Region Government are closely related to the revitalisation of the Yogyakarta Philosophy Axis, whose implementation has been accelerated in recent years. Government efforts to revitalise the Philosophy Axis have generated relatively balanced public support and opposition, largely driven by economic considerations and perceived losses resulting from relocation. Arif Usman, Chairman of the Tri Dharma Cooperative, stated that traders had not been adequately involved in the formulation of the relocation plan and requested their inclusion in discussions concerning the Detailed Engineering Design (Putri, 2024). Following the relocation, traders also reported declining sales and inadequate accessibility at the new locations (Subarkah, 2025). Moreover, the new stalls were reported to measure only 100 × 70 cm, compared with approximately 120 × 120 cm at the previous location (Priatmojo, 2025; Subarkah, 2025).

The Yogyakarta Privilege Fund (Dana Istimewa/Danais) should generate tangible benefits for the people of Yogyakarta. If spatial restructuring or relocation to support the Philosophical Axis project is necessary, it should be carried out humanely and with clear livelihood safeguards. Resistance from affected groups signals a strong perception of potential harm. Therefore, to restore Danais to its intended function as an affirmative instrument for public welfare, the Yogyakarta government needs to respond to the demands of those directly impacted. Several demands were voiced by street vendors at Teras Malioboro, as reported by Tirto.id (2025), including:

1. guaranteeing post-relocation livelihood security for Teras Malioboro traders;
2. ensuring full administrative transparency in the relocation process;
3. granting stall rights for traders who have not yet received them;
4. thoroughly investigating stalls allegedly obtained through improper means;
5. involving Malioboro street vendors and broader community elements in participatory area development; and
6. urging the Yogyakarta DPRD to take a firm stance and support the pursuit of justice for affected vendors.

Beyond the relocation issue in the Malioboro Terrace area, similar dynamics also emerged in the Abu Bakar Ali (ABA) parking area. A key informant from ABA parking management explained that various groups who depend on the area for their livelihoods have rejected the planned demolition of the parking site. Parking attendants, traders, and cleaners rejected the plan, saying they felt displaced and had not received certainty about a replacement location. According to data submitted during the field inquiry, approximately 230 traders, 72 parking attendants, and 30 cleaners have relied on economic activities in the ABA parking area (Wicaksono, 2025).

The effectiveness of Dana Istimewa (Danais) is often associated with visible outputs such as infrastructure upgrades, heritage-oriented spatial arrangement, and tourism strengthening. However, based on this study's evidence from in-depth interviews with 5 informants, a supporting survey of 30 affected vendors, field observations, and policy-document review, these indicators do not automatically reflect improved livelihood outcomes for vulnerable groups in the Malioboro–Abu Bakar Ali (ABA) corridor. Our findings show that the governance of Danais-funded spatial interventions tends to prioritise image, heritage aesthetics, and administrative order over livelihood protection and meaningful participation, as reflected in respondents' dissatisfaction with consumer accessibility, location suitability, income outcomes, and the relocation decision-making process.

Figure 6.

Demonstration PKL Malioboro Terrace and Jogja Anti-Eviction Post



Source: Research data, 2025.

This pattern is consistent with broader critical urban scholarship arguing that heritage- and tourism-led revitalisation can generate exclusion when public space is reorganised primarily to enhance market appeal and visitor experience (Lefebvre, 1996; Harvey, 2008). In this paper, “restructuring” refers to state-led spatial reorganisation of informal economic activities through relocation, restriction, redesign of vending zones, and reconfiguration of mobility and public-space functions to produce a more controlled and visually ordered urban environment. Under this approach, informal actors may become objects of regulation rather than recognised stakeholders with legitimate claims over the use and meaning of space.

Conclusion

This study examines why implementing the Yogyakarta Privilege Fund (Dana Istimewa/Danais) in privilege-based spatial planning has not produced proportional welfare benefits for informal tourism-dependent groups, using the Malioboro–Abu Bakar Ali (ABA) corridor as an integrated case. Specifically, the study assesses the socio-economic consequences of relocation policies financed or justified within the Danais framework and identifies the governance factors that shape these outcomes.

The results show that the Government of the Special Region of Yogyakarta (Provincial Government), in coordination with the Yogyakarta City Government, has pursued spatial restructuring that prioritises heritage aesthetics, tourism image, and administrative order. Within this governance configuration, affected actors, particularly street vendors (PKL), parking attendants, and other informal workers linked to the ABA ecosystem, experience limited institutional space to influence policy design and implementation. Although relocation initiatives to support the Philosophical Axis agenda are often presented as administratively and aesthetically successful, the evidence from this study indicates substantial livelihood disruptions. Declining income, limited participation in planning, and dissatisfaction with consumer accessibility and location suitability remain dominant indicators of policy shortcomings, even as perceptions of security and order improve.

Normatively, Danais is intended as an affirmative fiscal instrument to strengthen Yogyakarta's privileged mandates while supporting social justice and welfare. However, this study suggests the core issue lies not in Danais's existence as a tool, but in how provincial and city governments operationalise it through a largely technocratic approach that insufficiently integrates livelihood protection and participatory safeguards. Consequently, spatial ordering risks producing new inequality and contestation among affected informal groups.

This article contributes by combining public policy analysis with an agonistic lens to assess Danais-funded spatial planning, showing how democratic deficits can be embedded in heritage-tourism governance when conflict and difference are not institutionally recognised.

Accordingly, this study recommends strengthening accountability and transparency mechanisms, formalising participatory channels for affected groups, and integrating livelihood-recovery measures into relocation planning. Future research should further examine the interactions among bureaucratic actors, cultural authorities/elites, and market interests in privilege-based urban transformation and compare similar Danaus-linked spatial interventions across other sites in Yogyakarta.

Acknowledgment

We would like to express our gratitude to the Muhammadiyah Higher Education Council and the Universitas Muhammadiyah Yogyakarta Research and Innovation Institute for funding this research, as well as the team from the Universitas Muhammadiyah Yogyakarta Master of Government Science Program who helped complete this article.

Disclosure Statement

Conflicts of Interest: The authors declare no conflicts of interest.

Funding Statement

This research was supported by the Muhammadiyah Higher Education Council and the Universitas Muhammadiyah Yogyakarta Research and Innovation Institute.

Ethics Approval

This study was conducted as a non-interventional social science study involving no clinical procedures or collection of sensitive health data. The Universitas Muhammadiyah Yogyakarta Research Ethics Committee confirmed that this type of research did not require formal ethical approval. Participation was voluntary, and the researchers obtained informed consent from all participants before data collection. Participants were informed of the study objectives, the confidentiality and anonymity of their responses, and their right to withdraw at any stage without consequence.

Consent to Participate

The researchers obtained informed consent from all individual participants before their involvement in the study. Participants were fully informed of the research purpose and voluntarily agreed to participate. All data collected were anonymised and used solely for research purposes.

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