



Cultural Values Matter: A Shifting Institutionalisation In The Privilege Of Yogyakarta Special Region

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ARTICLE INFO

Article history:

Received 21 June 2024

Received in revised form 27
November 2024

Accepted 30 December 2024

ABSTRACT

This article evaluates the policy of Special Autonomy (Privileges) in the Special Region of Yogyakarta (DIY), which has been in place since 2012 and focuses on institutional strengthening based on local cultural values. Although designed to strengthen local governance and cultural institutions, the impact of such policies on poverty alleviation remains limited. Using a qualitative descriptive approach, this study explores the perceptions of stakeholders and the public, as well as examines policy documents and budget allocation reports. The findings reveal that the implementation of the five privileged affairs has gradually shifted from land and space affairs to institutional and cultural development. The changing nomenclature of the government's organisation has been allowing the further distribution of special funds to the *kalurahan* office, as it is part of the institutional development of the government. This program will hopefully have a leverage effect the the surrounding society to participate in the application of cultural values in the region. However, most programs remain bureaucratic and top-down, limiting their potential to improve social welfare. The study concludes that a reorientation towards community-based programs rooted in cultural empowerment is necessary to realise the constitutional mandate of prosperity and tranquillity. This article contributes to the discourse on asymmetric decentralisation and its alignment with the effectiveness of public policy in culturally distinct regions.

Keyword:

Special autonomy, policy
evaluation, cultural governance,
welfare, Yogyakarta

INTRODUCTION

The enactment of Law No. 13/2012 on the Special Status of Yogyakarta is celebrated as a recognition of the uniqueness of culture and the contribution of regional history to the Republic of Indonesia. As one of the five regions in Indonesia with asymmetrical decentralisation arrangements, DIY has received a sizable fiscal transfer known as the Privilege Fund (Danais), which reached IDR 1.42 trillion in 2022. Despite consistent improvements in Danais and positive evaluations of regional performance (e.g., AA rating in the LAKIP report), the province still ranks highest in the poverty rate in Java, at 11.49% in 2022.

This contradiction raises critical questions about the effectiveness and orientation of the Privilege policy. Previous studies have largely focused on institutional capacity building and normative interpretations of special affairs (privilege affairs), but the actual socioeconomic benefits of these policies have been underexplored. The definition of privilege is not only a constitutional provision but also a cultural and governance mechanism that aims to empower local communities and institutions.

However, the implementation of these privileges faces various challenges, especially in the institutional aspect. The change in the institutional nomenclature of the DIY government, as stipulated in Governor's Regulation Number 25 of 2019 concerning Institutional Guidelines for Special Affairs in Regency/City and Village Governments, aims to restore and maintain the local culture of Yogyakarta through the use of the Javanese language in the naming of institutions. However, there are still mistakes in the pronunciation of the nomenclature in the community, which shows the need for socialisation and a deeper understanding of this change (Ananda, 2024).

In addition, the effectiveness of the use of the Special Fund (Danais) in cultural affairs is also in the spotlight. Research by Cahyono and Sugiyanto (2024) shows that Danais plays a significant role in supporting various cultural activities in Sleman Regency, such as the preservation of traditional arts and the maintenance of cultural heritage. However, the challenges faced include limited competent human resources and inactive community participation. With good transparency and accountability and periodic evaluations, the use of Danais is expected to be more optimal in achieving cultural preservation goals.

Special autonomy institutions in Yogyakarta also play an important role in maintaining cultural values. Research by Annafie and Nurmandi (2016) highlights the importance of regulative and normative pillars in supporting the implementation of cultural values. The regulatory pillar, which includes rules or laws related to cultural values, sanctions, and supervision, can encourage all elements in institutions and community groups to apply cultural values in daily life. Meanwhile, the normative pillar, which includes evaluation as well as obligations and responsibilities in special autonomy institutions, has been carried out through the issuance of regulations on cultural protection in Yogyakarta.

However, in practice, there are still challenges in the implementation of this institution. Research by Giawa and Rukoyah (2024) shows that the collaboration between the Yogyakarta Provincial Government and the district government in the use of Danais has not been fully integrated holistically. The relationships formed tend to be hierarchical (top-down), with a tendency towards ambiguity towards the spirit of village development, which leads to low local initiatives and generally authority is held by the villages.

In addition, the role of the Ombudsman Institution of the Special Region of Yogyakarta (LO DIY) in preventing maladministration in the implementation of public services is also a concern. Research by Mahendra (2024) shows that the LO of Yogyakarta takes preventive and repressive actions based on Governor's Regulation Number 72 of 2022. However, the

obstacles faced include a lack of awareness and insight from the community regarding DIY LO, as well as limited human resources and budget.

In this context, it is important to re-evaluate the implementation of the privilege policy in Yogyakarta, particularly in the institutional aspect. This evaluation aims to identify the obstacles and challenges faced and formulate effective strategies in strengthening local institutions to support cultural preservation and improve community welfare. This study aims to evaluate the implementation of privilege policies in Yogyakarta with a focus on institutional aspects. Using a descriptive qualitative approach, this study will examine the perceptions of stakeholders and the public, as well as analyse policy documents and budget allocation reports. The results of the research are expected to contribute to the formulation of policies that are more effective and responsive to the needs of the community and support the preservation of cultural values in Yogyakarta.

METHODS

This study adopts a qualitative descriptive method with an interpretive approach, which aims to understand the dynamics and institutional arrangements of special autonomy in Yogyakarta. Data was collected through in-depth interviews, focus group discussions, and document analysis. Key informants include representatives from Paniradya Kaistimewan, community leaders, cultural practitioners, and local government officials. Secondary data was collected from official publications, such as the DIY RPJMD, budget realisation reports, BPS statistics, and previous studies on special autonomy. This research was conducted from April to November 2023 and focused on selected provincial and sub-district (village) level institutions to assess how special autonomy funds are operationalised. The analysis was carried out using a thematic coding process to extract key patterns related to institutional change, budget orientation, and community impact.

RESULTS AND DISCUSSIONS

Since its inauguration in 2012, the implementation of Privileges in Yogyakarta has been focused on five main areas: (1) filling the governor's position, (2) institutional affairs, (3) cultural affairs, (4) land affairs, and (5) spatial affairs. Programs related to these affairs are financed with special funds sourced from the State Budget. The number of funds has increased along with the increasing number of activities organised within the framework of privileges.

Table 1. Ratio of Regional Revenue and Special Funds in 2013 – 2023 (in Million Rupiah)

Years	Total Revenue	Realization of Danais	Proportion
2013	2.583.056	115.696	4,45%
2014	3.139.871	357.965	11,37%
2015	3.400.014	400.250	11,76%
2016	3.899.192	477.494	12,23%
2017	5.085.241	838.270	16,48%
2018	5.443.179	1.010.685	18,56%
2019	5.694.118	1.221.604	21,44%
2020	5.611.510	1.319.997	23,51%
2021	5.703.100	1.307.460	22,91%
2022	5.771.805	1.317.228	22,82%

2023	6.305.056	1.396.157	22,14%
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Source: DIY APBD 2013-2023 (processed)

Table 1 shows that the special funds received by Yogyakarta have increased over the past eight years. The ratio to total regional revenue also continues to grow, from 4.48% in 2013 to 22.14% in 2023. This condition shows that the special autonomy fund is one of the most significant contributors to regional revenue. Increasing fiscal capacity certainly increases spending capacity, one of which is for the welfare of the community. This problem is closely related to low-income households and their relatively large welfare in Yogyakarta. In this case, local governments have made efforts to carry out poverty alleviation programs, including by including the program in the implementation of special autonomy financed with special funds.

Regarding the matter of filling positions, direct election of regional heads is more likely to follow democratic principles than determination (Supono, 2023). However, in the context of Yogyakarta, the system of determining the Governor by the President also has a strong historical and cultural foundation. Therefore, policy evaluation must consider various aspects, both political, legal, and socio-cultural, to find appropriate and equitable solutions.

In contrast to institutional affairs that combine elements of democracy and monarchy, it also has consequences for institutional aspects. There is a dualism of authority between the Central Government and the Regional Government, especially in the management of assets belonging to the Sultanate. Law No. 13 of 2012 concerning the Privileges of Yogyakarta does provide recognition and protection for the existence of the Sultanate, but its implementation still leaves problems, such as disputes over land ownership and management.

For this reason, a more detailed and clear arrangement is needed related to the coordination mechanism and division of authority between the Central Government, Regional Governments, as well as the Sultanate and Duchy. Good and harmonious coordination is expected to prevent institutional conflicts in the future. By paying attention to the various aspects above, the evaluation of Yogyakarta's special policy is an important thing to do (Tutik, 2011; Sugiaryo, 2016). This process needs to involve various stakeholders, including the Central Government, Regional Governments, and the people of Yogyakarta itself. Through a comprehensive evaluation, it is hoped that Yogyakarta's special policy can continue to be refined and run effectively by its original purpose, which is to realise the welfare and harmony of the community (Baharudin, 2016; Sugiaryo, 2016).

The Evolution of Special Autonomy in Yogyakarta

The change in the institutional status of local government organisations to villages into cultural institutions provides an opportunity for the expansion of the impact of Yogyakarta's specialties. As a cultural institution, the Yogyakarta Regional Government is responsible for developing organisations which in the process involve a wide range of actors, both government, private, and community. This program allows for activities that encourage productive activities at the community level. Indirectly, institutional changes can be the door to initiating activities that improve community welfare.

Likewise, cultural affairs are another important aspect in the specialty of Yogyakarta. The strength of Javanese culture that is still thick in this region gives its pattern in government practices. For example, the leadership of the Yogyakarta Palace still holds fast to traditional values and Javanese spirituality. The influence of Javanese culture is also

reflected in the spatial layout of the city of Yogyakarta, which still maintains traditional architectural forms (Wardhana & Indradjati, 2019).

On the other hand, Law No. 13 of 2012 also provides space for the integration of Yogyakarta's cultural values in urban planning and development. According to Handayani, through recontextualization of the results of cultural value integration, the spatial plan of Yogyakarta City can accommodate the interests of various stakeholders, including indigenous peoples (Wardhana & Indradjati, 2019). Thus, Yogyakarta's policy of privilege not only regulates government affairs but is also closely related to the preservation of cultural heritage (Handoko et al., 2023). This effort certainly needs support from all parties to maintain the identity and uniqueness of Yogyakarta as one of the cultural centres in Indonesia.

In cultural programs, the Yogyakarta Regional Government initiates activities that have a wide and equitable footprint, including through cultural village programs. The village government can propose activities to develop the potential and cultural heritage of their people to improve the condition of their community, especially in the welfare aspect. Starting in 2021, the cultural village program has been running, and every year, there is an increase in the amount of special fund assistance through the Special Financial Assistance scheme and the villages involved.

In line with the strength of Javanese culture, the issue of land is also one of the important subjects in the study of Yogyakarta's specialties. Law No. 13 of 2012 recognises the existence of lands belonging to the *Ngayogyakarta Hadiningrat* Sultanate and the *Pakualaman* Duchy. However, the implementation of this recognition still leaves many problems, such as disputes over ownership claims and land management.

According to Sulistyowati, Law No. 13 of 2012 can be seen as a form of protection for the historical rights of indigenous peoples in Yogyakarta. However, on the other hand, the policy also has the potential to cause a clash with the principles of agrarian reform launched by the government (Sugiarto, 2016). Therefore, there is a need for harmonisation of land policies between the Central Government and the Special Region Government of Yogyakarta. This effort is expected to maintain a balance between the recognition of the historical rights of indigenous peoples and the principle of broader agrarian reform principles (Sugiaroyo, 2016).

The affairs of urban spatial planning also cannot be separated from the discussion of the specialties of Yogyakarta. Yogyakarta is known as a cultural city that has a unique urban spatial layout, such as the philosophical axis that connects various historical cultural sites. Although the concept of the philosophical axis is closely related to the cultural perspective, the uniqueness of Yogyakarta is recognised and provides space for cultural aspects. In this context, Law No. 13 of 2012 provides an opportunity for the Regional Government to integrate Yogyakarta's cultural values in urban spatial planning. A recontextualization of the integration of cultural values can strengthen Yogyakarta's identity as a sustainable cultural city. Therefore, efforts to preserve the spatial layout of the city of Yogyakarta, characterised by local cultural values, are very important to be carried out. This is not only to maintain the uniqueness of Yogyakarta, but also as a means to strengthen the emotional bond of the community with their place of residence (Sari et al., 2018; Wardhana & Indradjati, 2019). However, another challenge faced is how to integrate cultural aspects into spatial planning that is more modern and responsive to the times. By considering the various aspects above, it can be concluded that Yogyakarta's policy of privilege is an interesting example of efforts to implement the principles of democracy and monarchy in the administration of government at the regional level.

Early programs in the specialness prioritised spatial and land restructuring due to administrative backlogs and infrastructure needs. Over time, however, there has been a clear shift in funding and policy emphasis towards institutional and cultural strengthening. This shift is evident in the increasing share of funds allocated to programs under *Paniradya Kaistimewan* that support local cultural institutions. Among them are the transformation of village administrative units into *kundha kabudayan* (cultural office) at the northern level, and the institutionalisation of *kundha budaya* (cultural centre) at the district level. These institutional bodies are expected to act as the main agents of cultural preservation, education, and community empowerment rooted in local traditions.

To make the utilisation and absorption of special funds more optimal, the implementation of the special fund through the Special Financial Assistance (BKK) mechanism of the Special Fund is under the authority of each recipient. Special Financial Assistance for Special Funds, hereinafter referred to as BKK Special Funds, is assistance from the Regional Government of the Special Region of Yogyakarta to the Regency/City Government and/or the Village Government in the form of money allocated for transfer expenditure, sourced from the Special Fund to support the achievement of performance targets for special affairs through the regional revenue and expenditure budget mechanism. Financing through BKK was proposed, one of which is as a form of attention from the central government and the Yogyakarta Regional Government regarding the COVID-19 response. However, in the post-COVID-19 period, BKK allocation can still be given based on ratification through the decision of the Minister of Finance.

In 2021, the implementation of the BKK Privilege Fund has reached all districts/cities in Yogyakarta. An interesting aspect of the BKK privilege is the budget allocation for the sub-district area. As an effort to reduce the poverty rate at the sub-district level, the Yogyakarta Regional Government, through the BKK scheme, allocates directly to the sub-district area. BKK directly to the sub-district area is expected to help accelerate the alleviation of low-income families, so that it will reduce the percentage of poverty in Yogyakarta. Especially for the allocation of funds allocated for the sub-districts compared to the total number of 392 sub-districts in Yogyakarta, they are as follows:

Tabel 2. BKK Privilege Fund for Kalurahan (In Billion rupiahs)

Years	Amount	Kalurahan	Proportion
2021	50.391	33	8,42%
2022	97.790	132	33,67%
2023	130.474	310	79,08%

Source: BKK report data for the 2021-2023 privilege fund (processed)

The purpose of the BKK special fund of Yogyakarta, especially at the village level, is to support the development and welfare of the community. BKK funds can be used for various programs and activities, such as infrastructure development, education, health, preservation of culture and traditions, and the development of local economic sectors. BKK can also be used to support various development programs in the Special Region of Yogyakarta (DIY). The use of this privilege fund aims to maintain and develop the privileges of DIY and improve the welfare of the local community. Here are some examples of development that can be supported by a privilege fund; first

1. Infrastructure: BKK funds can be used for infrastructure development, such as roads, bridges, irrigation, drainage systems, and other public facilities. Good infrastructure is the basis for economic development and community welfare.

2. Education: These funds can be allocated for the development of education at the district level, including the construction and maintenance of educational facilities, the provision of scholarships, teacher training, and the improvement of the quality of education at various levels.
3. Health: its use can also be focused on the construction of health facilities, medical care, public health programs, as well as improving the accessibility and quality of health services for the people of Yogyakarta.
4. Economic empowerment: These funds can be directed to support the development of local economic sectors, such as micro, small, and medium enterprises (MSMEs) funding, entrepreneurship training, and poverty alleviation programs.

Evaluation of Privilege Policy in Yogyakarta

Along with the development of democracy in Indonesia, the issue of the democratic monarchy system of government in Yogyakarta has become an interesting debate to study. Yogyakarta, as a special region, has a uniqueness in its system of government that combines elements of democracy and monarchy. This is a manifestation of the implementation of asymmetric decentralisation, where provinces or regions in Indonesia are not all the same, and some have special autonomy in some regions. For DIY the form is the specialty of Yogyakarta. The uniqueness of Yogyakarta is reflected in the mechanism for filling the positions of Governor and Deputy Governor, where direct appointment is made by the President (Tutik, 2011).

Case studies on local governance in Yogyakarta show positive impacts on key issues such as education and health. Increased regional revenue and expenditure budgets and pro-poor policies have brought significant progress to these sectors. In addition, Yogyakarta has also shown extraordinary achievements as a city that is free from corruption and the most comfortable to live in in Indonesia (Al-Hamdi, 2020).

The Special Region of Yogyakarta is one of the regions in Indonesia that has special privileges in regional management, including in terms of land systems. With the enactment of Law No. 13 of 2012 concerning the Special Region of Yogyakarta, the land issue in Yogyakarta has become more complex. On the one hand, this law provides recognition of the authority of the Sultanate of Yogyakarta and *Pakualaman* in land management in the region (Sugiaryo, 2016). However, on the other hand, the implementation of this law has caused some controversies and legal issues related to land rights and their management (Sugiaryo, 2016).

One of the important aspects of Yogyakarta's special policy is the system of appointing the governor as the regional head. In the concept of the government system in Yogyakarta, the governor is always held by the Sultan of Yogyakarta and Paku Alam as the traditional authority holder over the region (Tutik, 2011). Through this system, the government provides formal recognition of the traditional role of the Sultanate and *Pakualaman* in the governance of Yogyakarta (Tutik, 2011).

However, this recognition is not followed by a comprehensive regulation of the substance of the privileges that Yogyakarta has, as this can be seen in the issue of land management in Yogyakarta, which still leaves problems. From the source, it can be said that although there is recognition of the privileges of DIY, the regulation has not been completed and leaves various problems, especially in the field of land (Sugiaryo, 2016).

Land management in the Special Region of Yogyakarta is a reflection of the asymmetrical decentralisation strengthened by the authorities of the Sultanate and *Pakualaman*. Land management in Yogyakarta has a unique characteristic where there is a 'dualism' of authority

between the Regional Government and the *Sultanate/Pakualaman* (Tutik, 2011; Sugiaryo, 2016). Land policy in Yogyakarta can also be seen as a form of 'counter agrarian reform' where traditional authorities strengthen their control over land in their territory. This can be seen from the efforts of the Sultanate and *Pakualaman* in strengthening land administration through a combination of formal regulations and traditional and persuasive communication (Everest et al., 2022).

For this reason, a comprehensive evaluation of the application of Yogyakarta's privileges needs to be carried out to optimise the benefits for the welfare of the community, including in solving land problems. By considering relevant sources, Yogyakarta's privilege policy can be perfected so that it can run more effectively and fairly for all parties (Sugiaryo, 2016; Umar, 2021; Tutik, 2011; Al-Hamdi, 2020).

According to William Dunn, policy evaluation is the process of determining the extent to which a policy has achieved a set goal. This evaluation is important to ensure the creation of good governance and *minimise* the negative impacts that may arise from the application of Yogyakarta's privileges (Umar, 2021; Sugiaryo, 2016). *Several aspects need* to be studied further, including the mechanism for filling the position of governor, resolving land disputes, and *harmonising* between national law and customary law. In addition, based on the indicators developed by Dunn, evaluation can also be carried out in terms of effectiveness, efficiency, adequacy, *levelling*, responsiveness, and policy accuracy. (Umar, 2021; Tutik, 2011; Arto, 2016; Al-Hamdi, 2020). *Per* these six indicators, the evaluation of Yogyakarta's privilege policy is expected to provide comprehensive recommendations for decision-makers.

In addition, a case study of local governance in Yogyakarta can also be used as a model for other regions in Indonesia. By applying the principles of good governance, Yogyakarta has succeeded in creating a city that is free from corruption and comfortable to live in. This success can certainly be an inspiration for other regions to continue to improve the quality of their local government. The monarchical system of government in Yogyakarta can be seen as a unique model of democracy. Reflecting on the experience of Yogyakarta, the discourse on the democratic monarchy system is important to discuss, considering the limited concrete examples in the Southeast Asian region. Although the debate about Yogyakarta's privileges continues, all parties are expected to maintain harmony and *prioritise* the welfare of the people.

Based on the indicators developed by Dunn, the evaluation of privilege policy can be explained as follows:

1. Effectiveness Aspects

The implementation of Yogyakarta's privileges has shown positive results in several sectors, such as education and health. Budgetary policies and pro-poor programs have brought significant progress in both sectors. However, several issues still need attention, especially in terms of land dispute resolution. The land problem is one of the challenges in the implementation of Yogyakarta's privileges, as it shows the existence of dualism of land law in Yogyakarta, namely national law and customary law (Nurwidyanto & Maksum, 2020). In terms of effectiveness, Yogyakarta's special policy has had a positive impact on increasing the regional budget as well as a more pro-poor policy (Al-Hamdi, 2020).

2. Efficiency Aspect

In terms of efficiency, the implementation of Yogyakarta's specialties has also shown good results. Yogyakarta has become the most corruption-free and most comfortable area to live in Indonesia. This shows that existing resources have been optimally utilised to achieve policy objectives. (Wiratma & Gorda, 2020; Mulady & Sumadi, 2023). Therefore, an evaluation in terms of efficiency is important to identify areas that need improvement.

The efficiency aspect includes the extent to which the policy can make optimal use of resources to achieve the set goals. Indicators that can be used include productivity levels, cost-benefit ratios, and speed and accuracy in the decision-making and implementation process.

3. Adequacy Aspect

From the aspect of adequacy, Yogyakarta's special policy can be considered to have met the needs of the community, especially in the fields of education and health. With the increase in regional budget allocation, the Yogyakarta government can provide better infrastructure and services. However, the land problem shows that Yogyakarta's privilege policy has not fully answered the needs of the community. The existence of dualism in land law still leaves problems that have not been properly resolved (Arifin, 2023). For this reason, policy improvements are needed to provide comprehensive solutions. This policy is considered sufficient in meeting the needs of the community, especially in the fields of education and health. The increase in the APBD every year and pro-poor policies show that there are efforts by the government to adequately respond to the needs of citizens.

4. Leveling Aspect

Yogyakarta's privilege policy has also shown efforts to realise justice and equality for the community. Increased access to education and health, as well as the empowerment of the poor, are indications that this policy has sought to ensure social justice. This can be said to be quite successful in realising equity. Increased budget allocation for strategic areas such as education and health, as well as programs to empower the poor, shows the commitment of local governments to improve the welfare of all levels of society. One of the forms of this program is BKK for cultural sub-districts. The increase in the number of beneficiaries shows that special activities can reach a wider area and be distributed evenly to various regions in Yogyakarta. This raises the expectation that special activities can directly affect welfare affairs. However, the issue of land still leaves several problems related to justice, especially for marginalised communities. Pro-poor policies and equitable distribution of education and health facilities are a manifestation of the government's efforts to ensure justice and equitable development.

5. Aspects of Responsiveness

Yogyakarta's policy of privilege has shown a fairly good level of responsiveness. Local governments have proven to be responsive to the needs and aspirations of the community. This can be seen from the increase in the APBD, followed by improvements in services in the fields of education, health, and infrastructure. However, the demand to resolve land disputes has not been fully responded to. For this reason, more intensive communication and collaboration between local governments and the community are needed to strengthen public participation and accommodate real needs. Yogyakarta's privilege policy is considered quite responsive to the needs of the community. This is evident from the regional budget allocated to meet the basic needs of residents, such as education and health.

6. Accuracy Aspect

In terms of accuracy, Yogyakarta's special policy has been in line with the set goal, which is to improve the welfare of the community. This is evidenced by the progress made in the education, health, and infrastructure sectors. However, on the other hand, Yogyakarta's privilege policy also raises debates related to unresolved land issues. For this reason, policy evaluation is needed to provide better alignment between the goals to be achieved and the reality that occurs on the ground. The results of this evaluation are expected to be valuable input for the local and central governments to improve the

application of Yogyakarta's privileges, so that it can provide more optimal benefits for the welfare of the community. In general, Yogyakarta's policy of privilege has shown quite good results in realising the welfare of the community. Various advances in the education, health, and infrastructure sectors give indications that this policy is on target.

However, the unresolved land issue is an important note that there are still aspects that need improvement. Therefore, a comprehensive evaluation is needed to improve the implementation of Yogyakarta's privilege policy, so that it can provide more optimal benefits for all levels of society and have a positive impact on several sectors. Yogyakarta's privilege policy must continue to be evaluated and refined to provide optimal benefits for the welfare of the community (Al-Hamdi, 2020). However, there are still several aspects that need to be improved, such as the mechanism for filling the governor's position, resolving land disputes, and levelling the accessibility of public services, including institutional development that is increasingly strengthened and rooted at the village level.

Reorientation at Cultural Institutions

The reorientation towards cultural institutions marks a significant departure from the previous bureaucratic approach that primarily addressed regulatory and spatial issues. Instead of treating culture as a passive heritage that must be preserved, this new approach emphasises culture as a living and evolving practice that must be embedded in public governance. The programs held are very diverse and adjust to the needs and potential of the village. In the context of culture, programs initiated by the village to develop cultural aspects include: cultural offices, cultural centres, and Cultural Autonomy Districts. Cultural Village is a village or sub-district that actualises, develops, and conserves the wealth of cultural potential that it has, as seen in customs and traditions, art, traditional games, language, literature, scripts, crafts, culinary, traditional medicine, spatial planning, and cultural heritage. As a consequence, the cultural potential and heritage of each village are different. Following the chairman of the Hamlet association in Yogyakarta, explained,

“Cultural villages provide opportunities to develop cultural potential, which is expected to have a positive impact on the welfare of their citizens. Initially, in 2021, the Cultural Village was only initiated with a limited number of 10 villages, but the actual number is more than that. It seems that the number continues to increase as the number of proposals submitted by villages in DIY increases.” (Interview with Sukiman Hadiwijoyo, November 16, 2023)

The explanation above is that the increase in the number of villages that receive BKK is under the information contained in Table 2, where, until 2023, the number will reach 310 villages. However, there are concerns related to cultural programs organised by the village. Furthermore, Mr. Sukiman explained,

“I, who was in the field, saw that the capacity of the village was very diverse. Consequently, his proposal also reflects that. There are allegations that the village asked for technical assistance from the private sector to prepare a proposal. This can be done, but must be prepared together, and it is hoped that there will be no problems because if the village does not understand the proposal well, especially during the implementation and the report.” (Interview with Sukiman Hadiwijoyo, November 16, 2023)

The statement from Mr. Sukiman above is also a note related to BKK, which is used for the implementation of cultural village activities.

The use of privilege programs that are increasingly diverse and widespread provides hope for the achievement of the goal of improving the welfare of the community in Yogyakarta. The Yogyakarta Regional Government is trying hard to translate special programs in the 5-affair corridor and utilise the concept of cultural institutions widely so that it has an impact on the community in the village. In this way, the policy of privilege is expected to be more felt and beneficial for all components of the community in Yogyakarta. As said by the official in the Paniradya office,

“As mentioned in Article 5 of the specialness law, the objective of regional privilege is to improve the community welfare in Yogyakarta through the people-based interest policy. The shifting focus on the specialness program is on the way to achieve the objective as it can distribute the special fund further to the closest government level to the people” (interview with Ariyanti Luhur Tri Setyarini, the Head of General Affairs of Paniradya Kaistimewan Office, December 17, 2023).

The three main features that characterise the reorientation of privileges are the pursuit of decentralisation of the governance of cultural institutions. This is done by creating a *kundha kabudayan* at the village level, which signifies formal recognition of local knowledge and leadership. These bodies are empowered to initiate cultural mapping, traditional ceremonies, and arts education initiatives that align with the needs of the community. Next is to integrate cultural programs into planning documents as a form of cultural initiation that is increasingly integrated into the RPJMD and RENSTRA of local governments, ensuring that programs are not isolated events but part of a long-term development strategy. This condition must be supported by a network of cross-institutional collaboration that develops between government agencies, palace institutions, universities, and community organisations in designing and implementing cultural programs. This signifies a more participatory and pluralistic model of government within the framework of privileges.

Despite these advances, the reorientation towards cultural institutions is not without challenges. Program implementation remains largely bureaucratic, often resulting in limited tokenistic participation and grassroots empowerment. As mentioned by a specialness scholar in Yogyakarta,

“..what was happening is the bureaucratisation of specialness. Those bureaucrats could only develop the programs under the special affairs based on the administrative procedures and with less creativity for the wider objective of community welfare. Consequently, the welfare objective is still far to go.” (interview with Bayu D. Kurniadi, lecturer of the Politics & Government Department, Gadjah Mada University, February 18, 2023).

Stakeholder interviews reveal a gap between policy rhetoric and actual impact, especially in rural or marginalised areas. For example, some *kundha kabudayan* units still lack autonomy in budgeting and are highly dependent on top-down direction. In addition, program evaluations often focus on output indicators, such as the number of workshops or cultural events, rather than outcomes that reflect community well-being, intergenerational knowledge transfer, or cultural resilience.

One of the central issues identified in this study is the weak link between strengthening cultural institutions and broader social welfare goals. Although Danais has successfully built physical infrastructure, such as cultural halls or libraries, its potential to reduce poverty and social inequality is still underutilised. Interviews in the field confirm that privilege should not only institutionalise culture in terms of administration but must activate culture as a source of livelihood, identity, and agency. Programs such as batik training, gamelan workshops, or

traditional culinary festivals are examples where cultural heritage intersects with economic empowerment. However, such programs are often fragmented and lack ongoing support mechanisms.

The challenge of Privilege policy is to move beyond symbolic and administrative cultural recognition towards a transformative model of cultural governance. This requires a reframing of culture not only as an identity marker but also as a strategic development asset. Transformation strategies can be carried out by running, First, participatory cultural planning that actively involves local communities in setting the agenda of cultural programs through cultural deliberations or cultural deliberation forums. This will ensure contextual relevance and increase program ownership. Second, linking culture to livelihoods to develop a comprehensive cultural economic strategy that integrates traditional arts, crafts, performance, and local wisdom into market-based development, while ensuring protection from commercialisation and exploitation. Third, empowerment and institutional autonomy that provide greater financial and managerial autonomy to cultural and cultural communities, with appropriate monitoring mechanisms. These institutions should be capable of acting as the centres of local development, not just as cultural preservation units. These strategies are in line with Article 5 of the Privileges Law, which mandates the realisation of community welfare and peace through a culturally based government.

CONCLUSION

The ten-year journey of the Yogyakarta Privilege policy reflecting the democratic monarchy model of government in Yogyakarta is an interesting phenomenon that deserves to be studied in depth. Despite some debates and controversies, Yogyakarta's policy of privilege aims to realise the welfare of the community and the preservation of cultural heritage. This research found that Yogyakarta's privilege policy is an effort to bring together the principles of democracy and monarchy in the administration of government at the regional level. This is marked by the division of authority between the Central Government, Regional Governments, as well as the Sultanate and Pakualaman. However, the implementation of this policy still leaves various challenges, including; political and institutional issues related to the division of authority and roles of each government institution, cultural issues related to efforts to preserve Yogyakarta's cultural heritage in development planning, land issues related to the harmonization of the recognition of the historical rights of indigenous peoples with the principles of agrarian reform, and spatial issues related to the integration of Yogyakarta's cultural values in modern and responsive urban spatial planning. To strengthen the cultural institutions, the institutionalisation of cultural governance through the *kundha kabudayan* and *Paniradya Kaistimewan* to the village in Yogyakarta marks a critical shift towards the recognition of the role of local culture in development. On the other hand, bureaucratic rigidity, output-oriented evaluations, and weak community linkages hinder the transformative potential of policies. Furthermore, this study underscores the importance of reorienting privileges from administrative instruments to socially embedded and socially responsive policies. Cultural institutions, when meaningfully empowered, can act as bridges between tradition and modernity, government and community, identity and prosperity. At the same time, fulfilling the constitutional goals of public well-being and peace requires a new paradigm: a paradigm in which culture is not only preserved, but cultivated as the foundation of inclusive and participatory development.

ACKNOWLEDGEMENTS

The author would like to express his sincere gratitude to Yogyakarta State University for funding this research with DIPA UNY. Special thanks are extended to DIY Paniradya Kaistimewan for their openness and insight, as well as community leaders, hamlets, and cultural practitioners who participated in the interviews and discussions. Their contributions are invaluable in enriching the analysis of this research.

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