

The Effectively of Privilege Fund: Cases in Yogyakarta Special Region

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Abstract

Purpose: This study analyzes the effectiveness of special fund management in the Special Region of Yogyakarta in four aspects, namely culture, institutions, land, and regional layout.

Design/methodology/approach: This study uses a qualitative method with data obtained in several ways—first, in-depth interviews. Interviews were conducted with various stakeholders in five target groups (5K): Keraton and Puro Pakualaman, Kaprajan (local government and district/city governments), Campus, Village, and Community. Second, the focus group discussion method for each K is mentioned above. Third, a survey to the people of Yogyakarta, in 4 districts and one city, on the effectiveness of implementing the privilege program. Fourth, by conducting document studies. And fifth, by direct field observation

Findings: This study finds several problems and provides recommendations for improving Yogyakarta privileged fund management effectiveness. The problem lies in human resources, lack of clear regulations and procedures, and paradigm errors. The recommendations for improving the effectiveness of the management of privileged funds, in general, include establishing synergy, increasing socialization and understanding of the community, and improving facilities.

Research limitations/implications: This research provides a theoretical contribution to managing privileged or special funds. This study emphasizes effectiveness in managing special funds. The Four aspects must be prioritized in allocating privileged funds, especially in Indonesia: cultural, institutional, land, and regional layout.

Practical implications: An important step that must be taken is to increase the effectiveness of the privileged fund management recommendations in increasing the efficacy of privileged fund management, in general, include establishing synergy, synergy, in this case, includes various parties, namely the government, the private sector, and the community. Furthermore, increasing socialization and understanding of the community regarding the purpose of privileged funds and programs planned to allocate privileged funds. Next up is the facility upgrade.

Originality/value: In contrast to previous research, this study analyzes the effectiveness of privileged fund management in four areas of privilege, namely culture, regional layout, institutional, and land.

Keywords: Privilege fund, effectively, governance, fund management

Introduction

Yogyakarta is the second oldest province in Indonesia to receive the title of privilege or special autonomy. This status is a legacy from the era before independence. Special substance for Yogyakarta consists of three things, namely unique in terms of the history of the formation of the Special Regional Government where there is authentic evidence and historical facts that Yogyakarta has a role in the process of the struggle for independence and advancing education and Indonesian culture (BPKP, 2021).

Furthermore, Yogyakarta has the privilege in terms of the Form of Special Regional Government which consists of merging the two territories of the Sultanate & Pakualaman into one province-level area that is royal within the territory of the Unitary State of the Republic of Indonesia. The third privilege for Yogyakarta is in the case of the Yogyakarta Special Region Government held by the reigning Sultan (BPKP, 2021).

Having a privileged degree is a big responsibility for the Yogyakarta local government. Every year, Yogyakarta receives privileged funds from the central government to maintain and preserve its privileges. During the period 2013-2017, the amount of the Privileges Fund showed an increasing trend. In 2014 and 2015 increased significantly by 126.4% and 4.5%. But the percentage of privileged funds in 2016 remained, and in 2017 allocation of privileged funds increased by 46.13% (BAPPEDA, 2018).

Some researchers criticize the management of special funds in several regions. Agustinus (2013) examined the performance of special autonomy funds and their management accountability in Papua. They found that local government officials cannot handle funds, resulting in poor budget management with indicators of four management functions, namely planning, implementation, reporting, and monitoring, that are not carried out correctly. Therefore, an integrated building compliance mechanism and a fund management control system are needed to achieve the education budget's value for money (effectiveness, efficiency, and economy).

Another criticism was also raised by Sakir & Sarofah (2020) against the management of the Yogyakarta privilege fund and stated that the poverty rate in DIY as of March 2017 was around 488.53 thousand people or approximately 13.02% and the Gini Ratio in DIY was 0.425%. It is not worth the number of special funds that increase every year. Even Achyar & Hakim (2021) stated that using the Yogyakarta special funds for the first three years faced a condition called 'big-budget but low impact. Therefore, it is crucial to determine the success indicators of achievement and outputs following the outputs and results to be achieved. In addition, the accountability process also includes technical reporting, ensures the operation, and involves the community in the planning and accountability processes.

This study analyzes the effectiveness of special fund management in the Special Region of Yogyakarta. Efendi et al. (2017) examine the impact of privilege funds in Yogyakarta on the community. In contrast, Iqbal & Pratiwi (2020) analyzed privileged funds in terms of land management, Sakir & Sarofah (2020) examined the accountability of DIY privileged funds

management. This study investigates the effectiveness of implementing privileges studied in four areas of privilege: culture, regional layout, institutions, and land.

Literature Review

Privilege Fund

One of the benefits of unique titles held by several regions in Indonesia is the existence of special funds or special autonomy funds from the government to develop these regions. Some literature examines the management of these funds in various regions such as Aceh, Isa, 2014; Ali, 2019; Gayatri, 2010; Hasan et al., 2020; Abrar et al., 2020; Aspinall, 2014; Achyar & Hakim, 2021; Sukarniati & Lubis, 2021), Papua, Resosudarmo et al., 2014; Augustine, 2013; Prabowo et al., 2020a; Pakasi, 2012; Halkis, 2020; Ultimate, 2015; Prabowo et al., 2020b) and Yogyakarta, Iqbal & Pratiwi (2020; Sakir & Sarofah, 2020; Efendi et al., 2017; Harsono & Yuanjaya, 2020; Mashdurohatun et al., 2021; Badrudin & Pronosokodewo, 2019). Some other literature also discusses the management of special autonomy funds in various countries, such as Peng & Bai (2021) and Greer & Scott (2020) in the USA.

The management of special funds is a significant mandate and must be carried out in a transparent, fair, and continuously evaluated manner. Mashdurohatun et al. (2021) presented an excellent idea of supervising the Regional People's Representative Council (DPRD) on justice-based privilege funds. The justice in the relationship between humans and themselves, humans and other humans, humans and society, nation and state, and human relations with God. The values —namely, learning welfare of citizens and territory and educating citizens. These values of justice become the basis for formulating new norms in Article 2 paragraph 5 and Article 42 paragraph 2 of Law Number 13 of 2012 concerning the Privileges of the Special Region of Yogyakarta.

Sulistiono & Efendi (2018) stated that in using the 2016 Privileges Fund in the field of culture in Sleman Regency, it is known that the Sleman Regency Culture and Tourism Office has performed well with the use of the Privileges Fund. It can be seen from the percentage of realization of absorption and the rate of activity progress that reaches 100%. Furthermore, compared to 2014 and 2017, 2016 was an excellent year regarding the percentage of realization of absorption and the rate of activity progress. Although each fiscal year was different, 2016 was the highest percentage of successful use of the Privileges Fund compared to other years.

However, some problems still need to be fixed in implementing the Privileges Fund in 2016. These problems include the lack of government socialization to the public on accessing the Privileges Fund, unique relationships between bureaucrats and the community in approving proposals, programs, and activities that are considered unable to prosper the community in general. In other words, the findings in this study prove that the concept of Good Governance, the government has not been able to demonstrate an attitude of transparency, accountability, and responsiveness to the community. The percentage of absorption and realization of the program has been perfect. In fact, in the field, it is not following the results of reports from the government.

Effectively of Privilege Fund

Some literature reveals that one of the biggest obstacles in managing privileged funds is human resources (Agustinus, 2013; Halkis, 2020). Several regions in Indonesia receive special funding, such as Yogyakarta, Aceh, and Papua. Not only in Indonesia, but privilege funds are also implemented in several countries such as the United States (Greer & Scott, 2020), Shanghai (Peng & Bai, 2021), and Vietnam (Van Brakel et al. 2010). Some regions that are given the mandate of special funds are expected to manage them effectively and achieve the desired target.

Prabowo et al. (2020b) analyze the performance of the management of special funds in Papua. That study provides several recommendations to achieve more effective performance. Some of the proposed recommendations include forming institutions required by dividing the Papua Province into several new provinces based on cultural or ecosystem similarities and respective authorities -each institution implements Papua's special autonomy overlaps. Hence, there need to be better rules in regulating the Authority of each institution. Strengthening institutional Authority needs to be supported by special regional regulations and provincial regulations. The proportion of financial arrangements for the Special Autonomy of Papua Province does not distinguish between high and low HDI (Human Development Index). Therefore, it is necessary to reconsider the financial percentage of *Otsus* based on the HDI status of each district. Meanwhile, communities in Papua that still have a 'low' HDI status need to continue the implementation of Special Autonomy.

On the other hand, the effectiveness of the special fund management can be pursued through the preparation of detailed and precise implementing regulations, establishing proactive communication and building trust, massive socialization. Prabowo et al. (2020a) analyzed the implementation of symmetric and asymmetric decentralization in Papua regarding the management of special funds. They found that the asymmetric decentralization model was more effective than symmetrical decentralization. They also prepared guidelines for implementing special autonomy and clarifying the division of Authority between the regions and the center (Ali, 2019).

Hassan et al. (2020) revealed several factors that influence the non-optimal management of special funds in Aceh. Some of these factors are; first, regulations for managing Aceh's special autonomy funds have not been standardized and are often changed, so they cannot be used as complete guidelines. Second, the an unclear Authority for managing the special autonomy fund between the provincial and district/city governments, so there is no good coordination between the parties. Third, the poor management of Aceh's special autonomy funds has caused development and community empowerment not to be well-targeted. Based on the findings, it can be concluded that these three factors hinder Aceh's special autonomy funds from meeting the objectives of realizing the development and welfare of the Acehnese people.

Method

This study uses qualitative methods with data obtained in several ways—first, in-depth interviews. Interviews were conducted with various stakeholders in five target groups (5K): Keraton and Puro Pakualaman, Kaprajan (local government and district/city government), Campus, Village, and Community. Second, efforts to obtain data also use the focus group discussion method for each K mentioned above. Third, a survey to the people of Yogyakarta, in 4 districts and one city, on the effectiveness of implementing the privilege program. Fourth, by conducting document studies. And fifth, by direct field observation

The validity and reliability of the instrument in this study, triangulation of data sources were carried out. The core purpose of using source triangulation is to increase the credibility and reliability of the data. By triangulating data sources, researchers explore the truth of certain information through several informants. So that later the results of each informant will mutually correct the results of the informants.

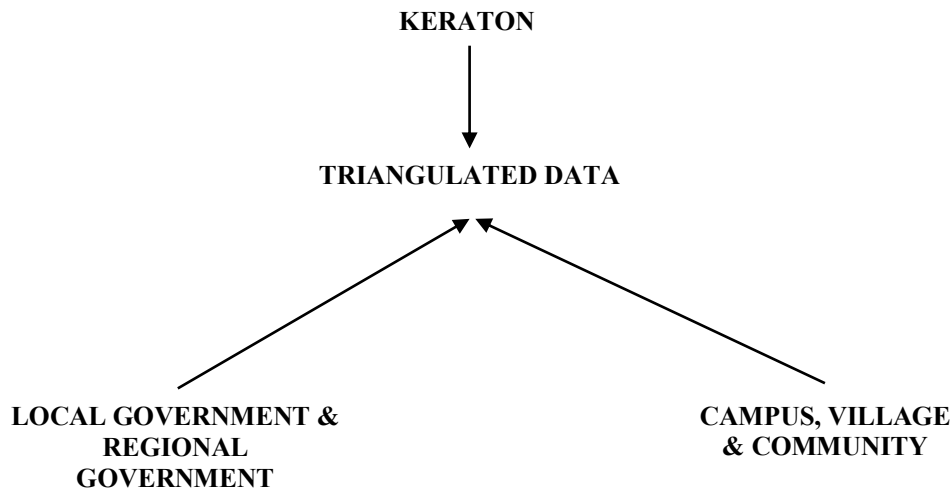


Figure 1. Data Source Triangulation

This study uses three primary data sources: the palace and the Pakualaman, the district and provincial governments, and the campus and related communities. From the three data, triangulation was carried out to increase the validity and reliability of the research data (Yin, 2009).

Discussion and Conclusion

This study analyzes the effectiveness of the implementation of privileges examined in four areas of benefit: culture, regional layout, institutions, and land. These four areas have a significant impact on people's welfare. Among the aspects related to the management of privilege funds are business aspects, especially SMEs and the environment. The cultural area in the economic sub-aspect emphasizes that privilege funds must be oriented to the welfare of the people, one of which is by facilitating and developing MSMEs in Yogyakarta. As for the regional layout area, the emphasis is also on the sustainability of the layout where the Yogyakarta local government must prepare an environmentally friendly city plan and preserve the environment.

In detail, the discussion of the results of the analysis in this study is as follows:

Table 1. Problems and Solutions in the Effectiveness of Privilege Funds

ASPECT	SUB-ASPECT	PROBLEMS	SOLUTION
Culture	Culture	Wrong cultural paradigm	Integration of performing arts to support cultural preservation activities in a more holistic and integrated sense
	Tourism	Cultural activities tend to be profit-oriented	Equitable for the welfare of residents around the tourist area.
	Education	The development of cultural education is less integrated	Optimizing the development of a more integrated and holistic cultural education
	Economy	The Privilege program and synergy in accelerating the	Initiated the integration of the "Among Tani Dagang Layar" program

ASPECT	SUB-ASPECT	PROBLEMS	SOLUTION
		achievement of citizens' welfare are not yet optimal	Improve the performance of MSMEs through education, training, and capital provision.
	Society	Citizen participation has not grown from a solid awareness base	Empowerment of citizens as the basis for economic development Privileges
Institutional		<ul style="list-style-type: none"> • Not yet optimal synergy of institutional management between Bappenas, Ministry of Home Affairs, Ministry of Finance, and the DIY Government; • Not yet optimal integration and synergy of institutional roles between the Palace, Puro Pakualaman, and the DIY Government; • Limited Human Resources (HR) • Difficulty in financial accountability mechanisms 	<ul style="list-style-type: none"> • The need for human resource placement that adapts to the development of information technology facilities • Simplification of financial planning and management based on money follow the program • Intensive coordination with the Department of Culture, Kawedanan in the Sultanate and Duchy
Land		<ul style="list-style-type: none"> • There is no synchronization of regulations for implementing land affairs in DIY • The unfinished regulation of land affairs has an impact on the disruption of people's livelihoods 	<ul style="list-style-type: none"> • It is still necessary to increase legal certainty for residents who use and utilize land • The need for dissemination and sharpening of the values and spirit of Sri Sultan HB IX's noble mandate regarding the "throne for the people," formulated in affirmative policy products and public service practices to realize the vision of "the glory of human dignity in Jogja."
Regional Layout		<ul style="list-style-type: none"> • The involvement of residents in the regional layout process in DIY is not yet optimal. • The limited access of citizens to new livelihoods after the spatial change occurred. • The spread of pollution and the erosion of green land 	<ul style="list-style-type: none"> • The need for optimizing facilitation Privileges in the regulation of regional layout • Increased socialization and dissemination of information related to regulations and policies on spatial privileges need to be intensified and improved • Developing environmentally friendly and environmentally friendly city planning and environmental sustainability

Culture Affairs.

The cultural fields studied in this study include the areas of culture itself, education, tourism, economy, food security, community empowerment, and citizen protection. First, in terms of culture, one of the field findings confirms that there has been no mapping of cultural potential,

both tangible and intangible, to support activities or work related to empowerment so far in DIY. Furthermore, in some notes, there is no understanding regarding cultural literacy optimally. Five years of the privilege of cultural development has not been optimal. Even more, culture is reduced to art festivals. The privilege program in the cultural aspect has not transformed culture as a “*sko guru*” to develop Yogyakarta’s special blood.

Second, in terms of education, the implementation of privileges has also not effectively given a different color to national education. Culture has not yet appeared to be a differentiator in educational spaces in the Special Region of Yogyakarta. In this regard, teaching in the legal sphere shows cultural accommodation. Several elementary and high school schools have provided a portion of culture in their education. However, the non-formal education sector does not seem to have given enough color to the privileges of education in Yogyakarta effort is needed is to deepen, elaborate, and conduct repeated studies to strengthen this knowledge. Because science does not stop, science continues to grow, continues to be enriched, and continues to answer more complex problems. This step is cultural work in developing Yogyakarta education which has distinctive characteristics. Cultural work is not merely the restoration of historic buildings but also raises (rethinks) the knowledge born as the biological child of culture. Cultural work is not only preserving art and culture. It also explores the values contained in art and makes it a buy and teaching for life.

Third, in terms of tourism. One of the challenges faced by DIY is the synchronization of culture and tourism. Five years of the privilege program is not enough to show the collaboration of cultural aspects into the tourism sector exploitative. Still, it is not enough to work on cultural factors as a characteristic of tourism. Although the presence of many cultural villages is a sign of the success of the privilege program, there are still some notes that need to be seriously considered. Among them are the cultural dilemmas in the tourism sector, between the internalization of culture in the tourism sector and cultural commercialization.

Fourth, economy and food security. The purpose of privilege from the economic side is to strengthen a financial system based on potential regional diversity. To increase equitable economic growth to foster an entrepreneurial spirit in the creative industry and tourism industry based on assets/local cultural possible initiatives from residents to build a food security system and strengthen the agricultural economy. One of them is the Mataraman granary. It explains how to farm to realize healthy food sovereignty based on the philosophy of *wiji wutuh wutah rupture wetah dadi wiji maneh ron genduru stump semi mego mendhung udan mas puser bumi banyu panguripan*. These efforts need to be continuously supported to achieve the welfare of farmers, innovative in utilizing narrow land, using a multicultural system. This multicultural system utilizes every available land into productive and productive land. Another aspect that needs to be appreciated is the protection to save traditional markets. It becomes essential to continue to protect the markets or small businesses of the people so that private conglomerates do not erode them. But on the other hand, what needs serious attention is agrarian conflicts involving the expropriation of people’s productive lands in the name of infrastructure development.

Fifth, it is community empowerment and citizen protection. Five years of privilege has been enough to encourage some community residents to be empowered. The construction of several tourist points, cultural villages, and independent villages is trying to build villagers’ empowerment. This tendency certainly brings good things to achieve the goal of privilege: the welfare of the people of Yogyakarta. The achievement that needs to be appreciated is the initial initiative and implementation of Gunungkidul Regency conducting a Participatory Poverty

Analysis (AKP) to identify the poor from the community's perspective. This PPA is synergized with the Village Information System (SID) as a poverty data processing system.

It gives hope to continue to reduce the poverty rate in DIY, which is considered high. But in another measure, life expectancy in Yogyakarta is high. In another sector, the question arises whether the privileges of Yogyakarta have strengthened Yogyakarta as a tolerant city? Several cases of intolerance have emerged in recent years. The issue of forcibly closing several houses of worship by specific mass organizations, acts of violence in the name of religion and belief, violence with the label of *klitih* have colored the implementation of privileged programs. Scientifically, of course, a serious study of this paradox is needed. It shows that social aspects and community protection have not shown significant progress.

Several findings indicate that the attitude of the apparatus seems to be omission towards intolerance behavior. It is crucial to evaluate the *Jaga Warga* program to turn the top-down logic into a bottom-up orientation. It is hoped that this will encourage residents to be independent in responding to some problems that can be solved locally.

Institutional Affairs

Law Number 13 of 2012 about the Privileges of the Special Region of Yogyakarta. It has to organize and regulate its governance. They are issuing a Special Regional Regulation (*Perdais*) to implement the law. Several *Perdais* have been published. Three of them are related to institutions, including *Perdais* No. 1 of 2013. It concerning Authority in privilege matters as amended by Regulation of the Special Region of Yogyakarta. Law Number 1 of 2015 regarding Amendments to the Regulation of the Special Region of Yogyakarta. Law Number 1 of 2013 concerning the Authority in the Privileges of the Special Region of Yogyakarta. The issuance of the *Perdais* is to implement the five privileges mandated to DIY. Then *Perdais* no. 3 of 2015 concerning the institutions of the Special Region of Yogyakarta. This regulation actualizes the privileges of the DIY Government institutions.

The issuance of Special Regional Regulation Number 3 of 2015 has changed the structure of the DIY government from the previous institutional policies, namely: 1). Regulation of the Special Region of Yogyakarta no. 5 of 2008 concerning the Organization and Work Procedure of the Regional Secretariat and the Secretariat of the DIY Provincial DPRD; 2). Yogyakarta Special Region Regulation no. 6 of 2008 concerning the Organization and Work Procedures of the DIY Regional Office; 3). Regional Regulation of the Special Region of Yogyakarta no. 7 of 2008 concerning the Organization and Work Procedure of the Inspectorate, Bappeda, LTD and Satpol PP; 4). Regional Regulation of the Special Region of Yogyakarta no. 10 of 2010 concerning the Organization and Work Procedures of BPBD DIY.

In the spirit of privilege, the official institutional policy changed with the issuance of *Perdais* No. 3 of 2015 concerning the institutions of the Yogyakarta Special Region Government. Given the challenges in the era of privilege, of course, more splendid. Not to mention the mandate to institutionalize the role of the Sultanate and Duchy of Pakualaman in maintaining and developing the culture of Yogyakarta. This study is undoubtedly essential to evaluate the institutional policies that have been implemented.

Studies related to the institutional features of DIY are focused on: 1). Institutional comparison before and after privileges; 2). The effectiveness of DIY institutions in carrying out privileges affairs; 3). The ideal pattern of institutional relations between the DIY Regional Government and the Pakualaman Sultanate and Duchy.

We can describe the privilege of institutional dynamics in the following explanation. At the beginning of the year of the privilege program, in 2013, DIY was still carrying out the affairs of the local government plus the privileges. The legal umbrella refers to the mandate of Law no. 32 of 2004 and Law No. 13 of 2012. During this transitional period, the local government of DIY carried out symmetrical and asymmetrical decentralization, but the institutions had not undergone any adjustments.

In 2014, the DIY local government carried out local government affairs Law no. 23 of 2014 concerning Regional Government and the privileges of Law No. 13 of 2012 concerning the privileges of DIY. Even though it has entered the transitional period of the 2nd year of privilege, the Regional Government of Yogyakarta is still implementing symmetric and asymmetrical decentralization as in the previous year and has not yet made institutional adjustments. However, to strengthen the privileges, the OPD in the DIY Regional Government has the mandate to carry out privileges in line with the issuance of the Regulation of the Governor of the Special Region of Yogyakarta Number 5 of 2014 concerning the Duties and Functions of Regional Government Organizations (OPD) in the Implementation of Privileges. Since this, the dynamics of the workload for OPDs that carry out privilege programs have emerged.

Entering the 3rd year of privilege, in 2015, the DIY Regional Government began to carry out institutional arrangements in line with the issuance of Perda Number 3 of 2015 concerning the Institutions of the DIY Regional Government. Since this 3rd year, institutions have been formed that handle privileges, including Privilege Assistant, the Culture Service, which has the position of Deputy Head of the Service, the Land and Regional layout Service, and the Parampara Praja Secretariat. However, in this 3rd year, problems arise in the coordination pattern between OPD-OPD in implementing privilege affairs due to structuring new institutions.

In 2016, PP number 18 of 2016 was issued regarding Regional Apparatus. Even though it was published, the DIY Regional Government did not fully use the Government Regulation as the basis for structuring regional apparatus. This year, there is also a process of harmonization of policy regulations. Furthermore, there are problems with the dynamics of workloads and the pattern of coordination of OPDs, especially OPDs that are in charge of privileged affairs.

Entering the 4th year of privilege, In 2017, Permendagri Number 8 of 2017 was issued concerning the Institutional Government of the Special Region of Yogyakarta. Based on this Permendagri, the Regional Government of Yogyakarta has designed a new institution that adopts the original form of government and the overall coordination pattern of privileged assistants with all OPDs to implement privilege affairs.

From the description of the dynamics according to the 2013-2017 timeline, several institutional achievements under the mandate to “Institutionalize the Roles and Responsibilities of Kratons and Temples” (Article 5 of the UUK) need to be presented here, can be seen in the following explanation. In 2013, privilege programs began to involve the Kraton and Pakualaman. However, they have not been institutionalized. In 2014, privilege programs started to apply to the Kraton and Pakualaman, although they are not yet institutionalized. A new chapter of institutional achievements took place in 2015-2017, where the roles and responsibilities of the Sultanate and Duchy in maintaining and developing the culture of Yogyakarta had begun to be institutionalized in the form of coordination with related OPDs coordinated by the Special Assistant.

The following are many essential notes on institutional affairs in the special DIY program since 2013-2017.

1. In coordinating the implementation of programs and activities, the Privilege Assistant coordinates with OPDs that carry out privileges and non-privileges.
2. Concerning budgeting coordination, privilege funds are implemented through PA and KPA at the provincial and district levels. There needs to be a mechanism that can accommodate PA and KPA between levels of government and family of affairs. In addition, so far, there have been no sanctions for OPDs who are unable to carry out Danais programs and activities. There needs to be a function arrangement in the regency/municipality that coordinates the privileges. In addition, it is necessary to develop a unique mechanism at the village/sub-district level.
3. About the availability of Human Resources, the Regional Government of DIY needs to strengthen and increase the capacity of human resources implementing programs and activities at the district/village level. For the village level, a unique formulation of human resources is needed.
4. Relates to the achievement of the goal of privilege. The process of planning (planning), organizing (organizing), implementing (actuating), and controlling (controlling) Privileges Affairs and Privileges Funds need to be managed optimally and regulated by the Privileges Assistant to optimize the achievement of Privileges goals.
5. Conformity with the duties and functions of the OPD. Because privilege affairs are managed by several OPDs, which are not specifically designed only to carry out privilege matters, more adjustments to the duties and functions of OPD are needed to match the demands for privilege affairs.
6. Budget Availability. The planning and budgeting mechanisms that are spread across many OPDs result in problems in budget availability.
7. Availability of Facilities. Facilities related to privileges scattered in many OPD theoretically cause problems in procurement, distribution, and maintenance.
8. Budget Absorption. Because each OPD manages unique and concurrent affairs simultaneously, budget absorption may be lower because it cannot focus on one of them.
9. Quality of Programs and Activities. During the 2013-2017 period, program and activity planning was controlled by Bappeda and Danais, budgeting by TAPD and the Central Government. However, the quality of programs and activities still needs to be considered.
10. The ideal pattern of institutional relations between the DIY Regional Government and the Pakualaman Sultanate and Duchy. So far, the relationship between the DIY Regional Government and the Sultanate and Pakualaman is in direct coordination of work programs and activities by the Technical SKPD. The pattern of working relations and facilitation in the Management and Utilization of Sultanate Land and Duchy Land has also been regulated in the Regulation of the Governor of the Special Region of Yogyakarta Number 35 of 2017 concerning Patterns of Employment Relations and Procedures for Providing Facilitation of Management and Utilization of Sultanate Land and Duchy Land. Still, the institutional pattern is generally The comprehensive relationship between the DIY Regional Government and the Sultanate and Pakualaman as Legal Entities like an “auxiliary state organ” requires specific institutions and functions that the DIY Regional Government handles.

11. Institutions at the Regency/City and Village levels. Institutions at the Regency/City level in DIY still refer to PP. 18 of 2016 concerning Regional Apparatus. In terms of aligning with institutions in DIY, it is necessary to have institutions that refer to the mandate of Privileges. There is also a need for OPD compliance in DIY, Regency/City in implementing Danais-funded programs and activities.
12. Institutions at the Village Level. Institutions at the village level refer to Government Regulation of the Republic of Indonesia Number 43 of 2014 concerning Implementing Regulations of Law Number 6 of 2014 concerning Villages. Still, for alignment with institutions in the DIY Regional Government, adjustments are needed to Village institutions. Then it is necessary to form an Abdi Budaya as an institution that connects the DIY Regional Government with the village community.

Land Affairs

Land affairs in Yogyakarta regarding the existence of Sultan Grond (SG) and Paku Alam Grond (PAG) require serious handling from the palace and Pakualaman palaces because there are still conflicts that can be solved; troubling in people's lives. In the Privilege Act (Law number 13 of 2013), the Sultanate and Duchy are declared as legal entities that have ownership rights to the Sultanate Land/Sultan Grond (SG) and the Paku Alam Grond (PAG) Duchy Land. The status of SG and PAG is distinguished as *keprabon* land and *dede keprabon* land (not keprabon).

The legal basis of the Sultanate Land and the Pakalamanan Land. Namely: Rijk blad Number 16 of 1918 from the Sultanate of Yogyakarta and Rijk blad 18 of 1918, the Agreement dated March 18, 1940, between Governor Dr. Lucien Adam and Sri Sultan Hamengku Buwono IX, Instructions from the Regional Civil Service Bureau Number 13 of 1946 concerning State Land (Vrij Rijkdomein), Law Number 13 of 2012 concerning the Privileges of DIY.

The land law of the Sultanate and Duchy is implemented with the DIY Perda Number 1 of 2013 concerning Authority in the Privileges of the Special Region of Yogyakarta, the Special Region of Yogyakarta Regulation Number 1 of 2015, the Special Region of DIY Regulation Number 1 of 2017 concerning the Management and Utilization of Sultanate Land and Duchy Land, Regulations Governor of DIY Number 33 of 2017 Governor of DIY Regulation Number 33 of 2017 Governor of DIY Number 35/2017.

The presence of SGs in DIY is spread across the districts of Sleman, Bantul, Gunung Kidul, and Yogyakarta City, while PAGs are located in Yogyakarta City and Kulon Progo District. SG and PAG are used by government agencies, communities, and private parties for various purposes. The number, location, and area of SG and PAG land in DIY have been carried out in an inventory, but there are still problems regarding the transition and utilization.

Regional Layout

First, the Field of Spatial Settings. Based on the Strategic Policy Direction related to Privileged Regional layout, namely, to realize the Privileged Spatial Plan regulatory document into a binding legal product, it can be said that it has not been fully implemented. There needs to be an increase in activities and programs related to detailed spatial arrangement regulations in the Privilege Strategic Space Unit to fully realize the Privilege Spatial Arrangement. The embodiment of the privileged spatial arrangement will provide legal certainty regarding the actual implementation of regional layouts such as physical development and other regional layout-related activities.

Second, the Field of Spatial Development. Privileged Regional layout has been partially implemented with the coordination between the DIY Government as the bearer of the UUK mandate and the district/city government as the owner of the autonomous region. However, coordination between OPDs is felt to be less intense when implementing regional layouts.

Third, the Field of Spatial Implementation. Implementation of Special Regional layout consists of Planning, Utilization, and Control of Special Regional layout. In terms of plans, there are only 6 SRS that have detailed plans, while other projects have 12 Building and Environmental Planning Plans (RTBL) out of 18 existing SRSs. In terms of utilization, there have been several Masterplan, DED (Detailed Engineering Design) documents, and the realization of the implementation of physical development. In conclusion, based on general strategic policy directives that mandate to make and complete regional layout for all privileged spaces and strengthen spatial control in all privileged areas, the planning aspect has reached 61%. The Utilization aspect has reached 72%, while the Control aspect has not been practical.

Fourth, the Field of Spatial Supervision. There is no spatial control in the Special SRS, so it can be said that the supervision so far has been very loose. Programs related to regional layout supervision are significant in ensuring that the plan realizes the existing restricted layout. However, the absence of this program causes the weakness of spatial management in the current SRS.

On the other hand, regional layout development must also be carried out through intelligent manufacturing technology. Zhou et al. (2018) emphasize the importance of using technology and implementing digitalization in development plans with intelligent digital manufacturing, including digital manufacturing, digital-networked manufacturing, and new-generation smart manufacturing. Wang et al. (2021) added technology and digitalization in urban planning and manufacturing, namely intelligent manufacturing. The management of privileged funds must also adopt technology and implement digitalization well. The current industry has entered the 4.0 era, which considers that intelligence is being rapidly applied to modern manufacturing and human–cyber-physical systems.

Conclusion

There are four aspects of privilege in Yogyakarta that must be appropriately managed. Government must allocate privilege funds to realize the goals and targets of these funds. This study finds several problems and provides recommendations in improving the effectiveness of Yogyakarta privileged fund management. The problem lies in human resources, lack of clear regulations and procedures, and paradigm errors. The recommendations for improving the effectiveness of managing privileged funds, in general, include establishing synergy, increasing socialization and understanding of the community, and improving facilities. On the other hand, the management of privilege funds must also lead to people's welfare and environmental sustainability and keep pace with technological advances by digitalization.

Theoretical Implications

This research provides a theoretical contribution related to the management of privileged funds or special funds. This study emphasizes effectiveness in managing special funds. Four aspects must be prioritized in allocating privileged funds, especially in Indonesia: cultural, institutional, land, and regional layout. These four aspects can be used as benchmarks in assessing the management of privileged funds or special funds.

Practical and Social Implications

This case contains various parties, namely the government, the private sector, and the community. The Yogyakarta provincial government is expected to be able to improve the effectiveness of the privileged fund management. Recommendations in increasing the efficacy of privileged fund management, in general, include establishing synergy. Furthermore, increasing socialization and understanding of the community regarding the purpose of privileged funds and programs planned to allocate privileged funds. Next up is the facility upgrade.

Limitations and Suggestions for Future Research

This study analyses the effectiveness of privileged fund management in Yogyakarta. So that the results of this study can generally be implemented in the direction of privileged funds in other regions, but the specifics may not be relevant. For further research, it is expected to analyze the management of privileged funds in the different areas. Furthermore, this study analyses the effectiveness and proposes managerial recommendations in the direction of privileged funds.

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