



ABSTRACT

Water is the most important resource to the human basic needs. It is categorized as non economic goods when it supplies exceeds demands, otherwise it is become an economic goods due to competition in its use.

The aim of this research is to analyze the influence of ground water pumping (near by the Cokro water spring) by the operation of PT. Tirta Investama on the economic values of the water resource. The lacks of water for irrigational purposes on the surrounding area after the operational of PT. Tirta Investama were used as the approach to determine the influences. The hedonic-pricing method were used, as the proxy of the lost of economic values from the water resource, were the implicit price of farming-land rent.

The result of this research shows that the lack of water for irrigation purposes in the Kecamatan Juwiring (due to ground water pumping) were decrease the farming-land rents by 22.5% (compared by those with normal irrigational water supply). The lost of the economic values of water resource as the negative impact of the operational of PT Tirta Investama is Rp1,204,807,000.00 (one billion two hundred and four million eight hundred and seven thousand rupiahs) in the year of 2007.

Keywords: water, irrigation, negative impact, farming-land rent, hedonic pricing method