

**INSTITUTIONAL ARRANGEMENTS FOR LAND ACQUISITION;
THE CASE STUDY OF OIL AND GAS INDUSTRY
IN SORONG REGENCY, WEST PAPUA, INDONESIA**

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ABSTRACT

This research concerns development plan realisation at the regional scale with the main focus on institutional arrangements for land acquisition for oil and gas industry in Sorong Regency, West Papua Province of Indonesia. In 2012, the President enacted Presidential Instruction No. 2 of 2012 to related Ministers, Governors, and Regents for supporting oil and gas upstream business activities to achieve increasing production. In contrast, there were contradictive notions about the state of land acquisition for oil and gas industry in Sorong regency while the institutional arrangements had never been studied. Hence, this research aims to explain about institutional arrangements and the effectiveness for land acquisition for oil and gas industry in Sorong Regency.

The research utilizes a qualitative case study methodology which follows holistic multiple-case design. Three of six oil and gas contract areas in Sorong Regency were selected purposively as samples with consideration that those contract areas were places of largest oil and gas upstream business activities in the regency, i.e. contract areas of PT. Pertamina EP Asset 5 Papua Field, PetroChina International (Bermuda) Ltd., and JOB Pertamina-PetroChina Salawati. From all cases of land acquisition, a case with highest land size in each contract area was selected purposively to be studied in-depth. The selected 3 cases were reported to subsequently draw cross case conclusions as synthesis and generalizations.

The research found that institutional arrangements for land acquisition for oil and gas industry in Sorong Regency during the period of 2007-2012 were formed by the dynamism of a number of rules in use and different stakeholder interactions as the forms of institution. The rules in use comprised formal rules issued by government organizations and informal rules adopted from local customary community. Meanwhile, analysis of stakeholder interaction indicates differences of stakeholder ranks in terms of rights, responsibilities, and returns. Ultimately, the institutional arrangements were judged as 'Effective' in term of objective attainment but in term of stakeholder interaction, the institutional arrangements were classified as 'Effective Enough' measured by the type of conflict existed.

Key words: institutional arrangements, land acquisition, oil and gas

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