

CHAPTER V

CONCLUSION AND RECOMMENDATION

A. Conclusion

Based on the case which has been discussed in the previous chapter, researcher may conclude some points, they are:

1. The role of the local Government in the dispute settlement of land procurement for sugarcane plantation in Ogan Komering Ulu (OKU) Timur Regency are:

a. As the third party or mediator in the land disputes. Local Government also facilitates the parties in conducting the mediation in order to discuss about the rights of citizens in this land dispute.

The result of the mediation are:

- 1) Giving the compensation for 54 families of Linang's communities with the amount Rp. 15.000.000 per family
- 2) The compensation for OKU Timur community non-Linang who will be received Rp. 2.000.000 for each family, with the total of 82 families
- 3) Additional data from the special community of the land after verified the data that can be accommodated amount to 84 families and will be given the compensation Rp. 5.000.000 per family

- b. The Local Government of OKU Timur has done persuasive approach to the local communities with socialization for many times. In the socialization, the Local Government with The Local Government Team (*Muspida*) and related stakeholders have given the understanding if the land is State-owned land. This socialization aims to provide the information about the activities of PT LPI's project from pre-construction until the operation of sugarcane plantation and sugar mills. The legal basis of this settlement are:
- 1) Government Ordinance No. 24 year 1997 Article 3 has obliged the holders of HGU to maintain its limits;
 - 2) PT LPI has been established as a National Vital object based on the Ministerial Decree of the minister of Industry of the Republic of Indonesia No. 466/M-IND/Kep/8/2014;
 - 3) The notice from the Head of the Regional Police (*Kapolda*), the Governor of South Sumatra and the Chief Commander of Regional Military Arm Force (*Pangdam*) II/Sriwijaya
 - 4) The Presidential Instruction No. 11 year 2015 on Improving Forest and Land Fire Control.
- c. The legal certainty that has been given by the Local Government of OKU Timur by issuing the HGU Certificate based on the Ministerial Regulation No. 5 year 1974 about the Provisions regarding The Provision and Granting of Land for the Company's

Purposes and the Decree of the Minister of Agrarian Affairs/Head of National Land Agency No. 21 year 1994 about the Procedure for the Land Acquisition for the Company in the Framework of Investment. The Local Government of OKU Timur with the related Stakeholders also have made a measurement and boundary canals in the width based on HGU Certificate in each region, but for the canal itself has not been done yet completely because there are some lands that still controlled by the local communities or in conflict.

The role of local government of OKU Timur in settling land dispute that occurs between PT *Laju Perdana Indah* and the local communities has been done effectively in accordance with its role and became neutral.

2. The obstacle factors of OKU Timur Government in the dispute settlement of land procurement for sugarcane plantation in OKU Timur Regency among others are the less cooperative societies and the presence of outsiders affecting the communities to resist the settlement on the disputed land. Moreover, lack of coordination between PT LPI with local governments in land users, because the parameters of land could be revoked if the land is entered in HGU or if it is not utilized since 3 years since HGU issuance.

B. Recommendation

1. There is a need for improvement of supervision of the land and environmental management in order to minimize the problem or land dispute. In addition, the Local Government is also required to improve the coaching towards PT LPI, so that sugarcane plantations and sugar mills may become useful for local communities and throughout Indonesia even though PT LPI itself is a private company.
2. The Local Government is expected to conduct supervision related to management of HGU land which is managed by PT LPI in order to provide guidance for all citizens about legal ownership of land which is actually legal by law, considering the lack of knowledge of citizens about law.
3. PT Laju Perdana Indah (LPI) is expected to maintain good communication with the government and community in conducting of seeding and harvesting of sugar cane and processing of land with *Hak Guna Usaha* (HGU) for 25 years that will end in 2023.