



Resolving Property Rights Conflicts in Land Utilization: A Case Study of PT. VALE

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ABSTRACT

Property rights are the rights of an individual or a group of individuals or an institution stated as their right to own something or goods and specific resources. Therefore, there are often conflicts over ownership of goods/resources, especially land resources where land rights have been granted by the Government to an individual or individual company, becoming a conflict of ownership with the local community due to changes in the system of socio-economic culture—the agreements between the state and society. The state law underlies it so that there is coercion of society's social and cultural system. To provide rights through transferable rights to certain parties even though communities' customary rights are above the resources. This qualitative study is based on data collection of land ownership and community opinions, followed by in-depth interviews. Conflict resolution involves involving the community and stakeholders in conflict and conducting a participatory rural appraisal approach. Therefore. The study results show that the community that manages the work contract lands at PT. VALE (formerly PT INCO) generally lacks skills other than gardening. They do not have enough land to earn income to meet their family's living needs. Farmer's economic system in managing the work contract land is sourced from the potential of the land. Farmers generally manage pepper, clove, and chocolate plants based on experience and information from others. The land management pattern carried out by the community is carried out manually and does not use technology where, generally, the community utilizes water sources from nearby rivers and wells; this potential is relatively reasonable and supports the cultivation pattern of pepper, cloves, and chocolate. Facts also show that the conflict in managing PT. VALE work contract land has developed since the 1980s, and this conflict began with forest clearing without asking permission from the authorities. This activity is based on the community's thinking that empty land can be used before mining activities are carried out.

Keywords: Participatory Rural Appraisal; Socio-economic Culture; Water Sources; Land Ownership.

Introduction

Property rights give the ownership of goods/resources, the right to hold resources, or the individual or community's ability to do with the resources or property they choose (Posey & Dutfield, 1996). That includes holding on to it, selling or renting it out for profit, or transferring it to another party. Property rights can also be defined as the theoretical terms of legal ownership of resources and how stakeholders can be used. These resources can be tangible or intangible; individuals, businesses, and governments can own them. Individuals in many countries, including the United States, exercise private property rights to accumulate, hold, delegate, rent, or sell their property.

Property rights in economics terminology are the basis for all market exchanges. The allocation of property rights in a society affects the efficiency of resources. Complete private property rights do not, however, actually exist in the modern world (Galiani & Schargrodsky, 2011). National, state, and local governments commonly restrict property rights to some extent. They do so for various reasons, including political traditions and beliefs, the desire to promote the well-being of a community, and the need to combat social problems. Most governments (including many states and local governments) increasingly imposed restrictions on real property during the twentieth century. For example, private property rights are restricted in some cities through rent controls, which prevent owners of certain buildings from demanding whatever rent prices the market will allow. Instead, rent controls limit the rent some landlords can charge, intending to preserve affordable housing options when prices rise. Likewise, numerous zoning requirements specify the uses to which specific.

The growth of the industrial sector in Indonesia will significantly affect the ownership pattern (property rights), which will impact the risk of conflict of interest in resources, especially land resources. Various facts about land conflicts in Indonesia are also caused by growth in the industrial sector, which is increasing in line with changes in economic conditions and socio-cultural society. This is proven by various industrial activities that aim to improve Indonesia's competitiveness in the international world by tying the diversification of goods and services to impact conflicts in the use of resources, especially land resources. The potential for conflict is getting bigger when society has the technological ability and knowledge to manage resources, especially land resources (Klare, 2001). So, various land conflicts in Indonesia trigger social and security disturbances in society and company operations.

The conflict management model with the partnership method is the best choice because it can benefit all parties with access to land. However, the application of this method is specific according to the region's characteristics and the community's socio-economic conditions (Soliku & Schraml, 2018). This concept is faced with regulations on land rights that provide power to one party, especially the industry, considering their ability to negotiate with the Government to control an area and not provide opportunities for other people or shareholders to manage it. In (Cole & Ostrom, 2011), four types of land access ownership are expressed, namely 1) private ownership that provides access for individuals or management rights for individuals; 2) joint ownership that provides collective access to a group; 3) state ownership or access to land use with Government control; and 4) open access or the absence of regulations governing land ownership and management of the land.

The land conflict problem that has been going on for decades in South Sulawesi occurred due to the work contract policy for PT. VALE in Sorowako, South Sulawesi. This company is a foreign investor that has obtained a mining management permit since 1968. This company received a work contract permit as a businessman in the mineral mining sector. For foreign investors in the mining sector, the cooperation pattern using a work contract to operate this mineral sector provides extraordinary appeal. The granting of Lex specialist rights is considered to have great potential for the industry. However, this has caused various problems, including land conflicts with the community and other residents.

Land management policies are based on property rights or land ownership rights. In several references, property rights or ownership rights are referred to as the authority to do anything to goods or land owned, including managing them or in terms of transfer of ownership. This ownership right has legal standing with the aim of guaranteeing and securing these rights. On the other hand, the theory of land ownership also regulates common property rights or joint ownership of resources. (Furubotn & Richter, 2000) trace the theory of ownership and conclude with two theories, namely, the theory of individual ownership and the theory of social ownership. The theory of individual ownership is the leading supporter of the doctrine of natural rights from classical economics, leading to the birth of private property rights/individualism. The theory of social ownership encourages the birth of common property or state property, which is adopted to the extreme by socialist countries (Finnis, 2011). (McGinnis, 2011) explains the collection of rights according to its position, namely Access: The right to enter a defined physical area and enjoy non-subtractive benefits (e.g., hiking, canoeing, sitting in the sun); Withdrawal: The right to obtain units of resources or products from a resource system (e.g., catch fish, divert water); Management: The right to regulate internal use patterns and to modify the resource by making improvements; Exclusion: The right to determine who will have access and withdrawal rights, and how those rights will be transferred; and Alienation: The right to sell or lease management rights and exclusive rights.

(Ostrom, 1990) describes eight principles of common property, namely: 1) clearly defined boundaries, 2) there is a match between regulations and local situations, 3) there is an agreement that allows for the participation of most users in the decision-making process, 4) effective monitoring carried out by the owner as part of the owner's responsibility for the resource, 5) there are sanctions for those who do not respect the rules, 6) cheap and easily accessible conflict resolution mechanisms, 7) there is recognition of rights from other organizations, 8) In the case of extensive CPR; organizations can take the form of several smaller, locally based layers. The research subjects were PT VALE, the holder of the work contract rights in East Luwu Regency, the Regional Government, and the Police, who had received complaints or reports regarding land use by the community. The object of the study was 60 community members using PT. VALE work contract land who were considered to understand the focus of the survey spread across three sub-districts in East Luwu Regency. Meanwhile, Rapid Rural Appraisal involved PT. VALE and community institutions.

Research Methods

Focus and Description of Research

In qualitative research, informants are chosen to offer detailed, context-rich insights rather than results that can be generalized to a broader population. This approach contrasts with quantitative research, where participants are often selected to represent a larger group statistically. Qualitative studies emphasize obtaining comprehensive, nuanced information from informants familiar with the subject matter. Therefore, research subjects are carefully selected based on their potential to provide the most relevant and meaningful data needed to address the specific research questions rather than to achieve statistical representativeness.

According to (Henderson & Nelson, 2006), there are three types of informants in qualitative research, each contributing significantly. First, key informants are those with critical and profound knowledge, such as indigenous community leaders or NGOs who understand the social, cultural, and legal dynamics. Second, primary informants are individuals directly involved in the social interactions under study, such as local communities and PT VALE in East Luwu Regency. Third, additional informants are those who, while not directly involved, possess relevant information, such as Government officials or security personnel familiar with land disputes. This combination of informants provides diverse and in-depth perspectives, enriching the qualitative research findings.

Data Collection and Analysis Techniques

This study collected and analyzed data through various techniques, including observation, case studies, in-depth interviews, and focus group discussions (FGDs). Observation lets researchers directly record community behaviors and conditions, while case studies provide detailed information about specific situations and experiences. In-depth interviews are used to uncover individual views and experiences, and FGDs facilitate interaction among participants, deepening the understanding of collective opinions and social dynamics.

One of the critical approaches in this research is Participatory Rural Appraisal (PRA), which empowers communities to participate in all study phases. PRA emphasizes the importance of local knowledge and community involvement in the planning, monitoring, and evaluating policies that impact their

lives. Treating community members as co-researchers rather than mere subjects of study enhances the accuracy and relevance of the data collected. It supports the community's sustainability and ownership of the research outcomes (Narayanasamy, 2009).

Research Result

Conflict Resolution Model

The second model for resolving conflicts in the management of work contract land is a partnership model designed to enhance farmers' capacity to manage these lands. This approach can be implemented through the PKMP (Community Empowerment Program) mechanism, an initiative by PT. VALE is aimed at fostering the development of the surrounding community. By focusing on collaboration and skill-building, this model seeks to empower farmers, improve their agricultural practices, and ultimately reduce conflicts related to land management. The partnership between farmers and PT. VALE can facilitate knowledge sharing, resource access, and support systems that strengthen the community's ability to manage work contract lands more effectively.

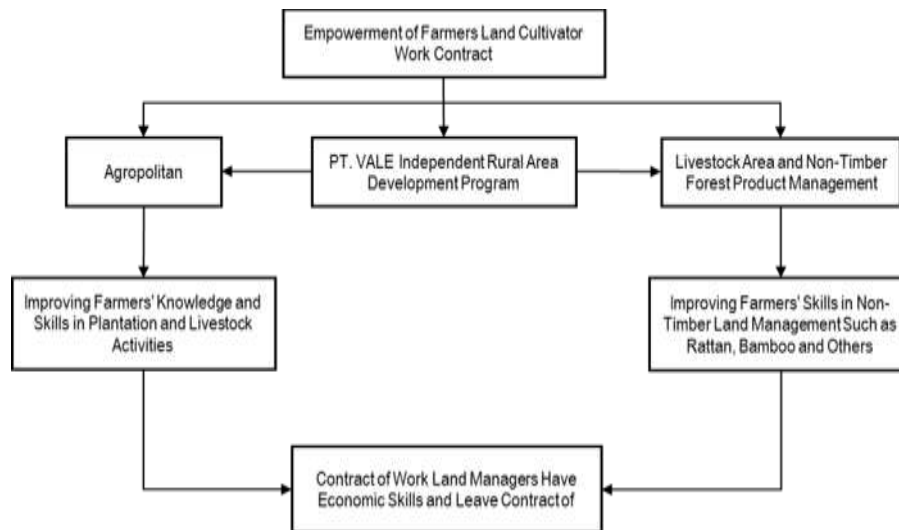


Fig. 1 - Partnership-based Work Contract Land Management Model

The resolution of land management conflicts against work must involve the Government. The study results show that the prolonged conflict between the two parties does not include the role of the Government. (Evaquarta, 2008; Nurlaelah et al., 2024) explained that the Government has four stages in resolving conflicts: 1) expert prescriber, namely becoming an expert advisor to help the company; 2) public relations problem-solving facilitator, namely as a facilitator in the process of solving every problem that arises in the company or community; 3) communication technician means being a communication technician and can provide solutions to every problem that occurs; 4) communication facilitator means public relations as a communication facilitator or bridging the company with community partners, the media in resolving conflicts that occur.

Land conflict management that occurred at PT. VALE Sorowako can also be resolved by negotiation and mediation methods. Negotiation is a voluntary problem-solving between two conflicting parties. This method requires an understanding of the attitudes of both parties for the benefit of the conflict (Marfuah & El Amady, 2021). In this study, both parties tried to negotiate to find the correct dispute resolution technique. However, this technique was not implemented thoroughly, so an appropriate resolution was not found.

In this study, the village Government is the party that has the opportunity to become a mediator. The existence of an agreement between the two conflicting parties is formed because of the role of the village Government as a mediator. However, the weak point of this role is only temporary as long as the company needs it.

Discussion

The Socio-Economic System of The Community That Manages PT. VALE Counter-Work Land

The description of the research results shows that the community that manages the contra work land has a low level of welfare due to limited access to land. This description is also revealed in the characteristics of the community around the forest. Senoaji (2011) explained that improper land management by the community around the forest can reduce the function of the land. The community generally depends on land management for its livelihood. As a result, the land quality decreases due to unsustainable management—the description of the contra work land management and the social aspect of the conflict between PT. VALE is also reviewed. PT. VALE and the community in managing the land, causing anxiety for both PT. VALE and the community group managing the land. Institutionally, PT. VALE has full authority in land management, so the community is not allowed to carry out activities on the land.

The role of the villagers and the Government is to provide partnership assistance, which is very important because it can act as an internal regulator. In addition, partnership programs in the use of contra-work land can also be directed at the conservation of perennial plants that provide ecological benefits to the land. In addition, the community is directed to utilize the land as long as it does not damage the area's ecology, such as chicken farming activities. Furthermore, various essential variables in the community's social conditions should be considered to involve the community in various partnership programs in managing contra-work land. The primary variable considered in the program is the potential income obtained by farmers. In other words, participating in a partnership program will positively impact their income (Permatasari & Rondhi, 2022)

Sustainable Land Management Patterns

In this study, land management by the community is considered not to support sustainable development. Ecologically, cutting down trees or perennial plants on the contra-work land is an action that can disrupt the ecological system of the area. These plants function as buffers or protectors of land and water resources (Ali & Arfandi, 2024; Gunathilaka & Wijeratne, 2022; Ventabal et al., 2024). In addition, the diversity of plants on the contra-work land is genetically diverse, with the presence of various tree species. However, with the management of the community, ecological function decreases.

Sustainable land management practices prevent or reduce the risk of land degradation. This management also contributes to the ecosystem function of the area (Andreeva et al., 2021). In this study, land management is generally not carried out sustainably. The destruction of various natural plants and their replacement with non-timber plants impacts the area's hydrological function. Naturally, the presence of diverse plants will maintain the availability of groundwater.

This differs from the statement of (Ruiz et al., 2020) that sustainable land management practices with a green cover system and various woody plants can encourage the formation of different ecosystem services. These services can regulate the hydrological cycle, multifunctional landscapes, climate change adaptation patterns, and socio-economic protection for the surrounding community (Goshem et al., 2023; Sarwade, 2021; Tahseen & Al-Jumaily, 2020). Based on the study above, the management of contra-work land by the community can be continued because it contributes socio-economically. However, the community must consider sustainable land management to not disrupt the balance of the ecosystem.

Community partnership development strategy in managing counter-work land

Based on research findings, it is evident that land conflicts between PT. VALE and local communities require a comprehensive resolution approach that integrates legal and environmental considerations. The sustainability of work contract land is paramount, as it affects local farmers' economic viability and the region's ecological health. Legally, PT. VALE has authority and rights over land use, which are granted through formal agreements and regulations. However, public recognition of this legitimacy is alarmingly low, primarily due to insufficient information dissemination and communication from PT. VALE to the local communities. This lack of transparency breeds mistrust and contributes to ongoing conflicts over land management.

From an environmental standpoint, PT. VALE bears significant responsibility as the holder of management rights for the area for a specified period. The company must actively engage in practices that maintain ecological balance and promote sustainable land use. This includes implementing effective environmental management strategies to monitor, protect, and restore the natural ecosystem. In contrast, the community's land management practices often exacerbate ecological degradation. Actions such as illegal logging, the cultivation of non-native or inappropriate crops, and the unsustainable extraction of groundwater threaten the immediate landscape and the long-term viability of resources critical for community and ecological health.

Moreover, the approach adopted by the community in managing the land tends to overlook both the legality of land use and ecological principles. Decisions regarding land management are predominantly influenced by pressing economic needs—such as the necessity for immediate income—and the absence of alternative livelihood opportunities. This urgent focus on financial survival often comes at the expense of ecological integrity and sustainability. Additionally, the challenges faced by the community are exacerbated by a lack of access to modern agricultural technology and inadequate preparation of necessary infrastructure, further complicating their ability to engage in sustainable practices.

In response to these complex challenges, the researcher has formulated a partnership-based strategy for managing work contract land that aims to harmonize the interests of PT. VALE with those of the local communities. This strategy is centered on three critical aspects of sustainable development: social equity, economic viability, and ecological sustainability. To guide the development of this model, three foundational keywords have been highlighted: opportunity, dialogue, and empowerment.

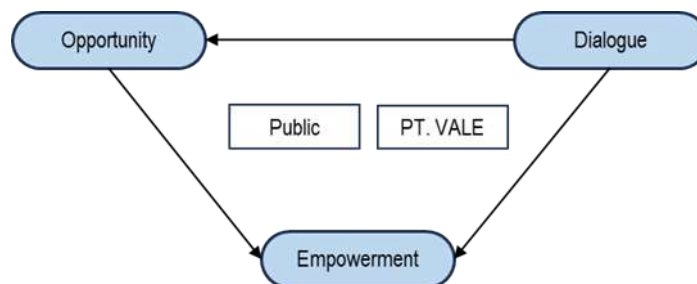


Fig. 2 - Model Development Strategy

By focusing on opportunity, the strategy seeks to identify and create avenues for mutual benefit between PT. VALE and the local farmers, such as access to training programs, resources, and technology that enhance agricultural productivity. Dialogue emphasizes the need for open communication channels

between stakeholders to address concerns, share information, and collaboratively devise solutions that serve both parties' interests. Finally, empowerment aims to enhance the capacity of local communities by equipping them with the knowledge and skills necessary for sustainable land management practices. This comprehensive approach is intended to mitigate current conflicts and foster long-term collaboration and shared stewardship of land resources, ultimately leading to enhanced ecological health, economic stability, and social harmony.

Table 1 - Model Development Strategy

	PT. VALE	Public
Opportunity	PT. VALE opens up economic development opportunities for SCR-based communities.	Developing economic capacity by utilizing legal resources. Developing self-potential in the form of skills to adopt partnership programs developed by the community.
Dialogue	PT. VALE opens intensive communication facilities with the Government and the community to discuss the obstacles and successes of the partnership program.	The community conveyed their thoughts and responses to the Government and PT. VALE, regarding the success and obstacles to the ongoing partnership program,
Empowerment	PT. VALE develops partnership programs aimed at growing community economic activities.	Communities are involved in partnership programs and receive socio-economic benefits.
Education	Increasing public knowledge about management rights on work contract land. Carried out by PT. VALE to reduce the risk of expanding work contract land managed by the Community.	The community participates in activities to increase knowledge about work contract land.

The implementation of PT. VALE's model development strategy and the Government and the community require close collaboration and careful planning. First, a clear action plan for each strategy pillar—opportunity, dialogue, empowerment, and education—must be developed, complete with goals, targets, and success indicators. Open communication is essential to ensure transparency and cooperation through regular dialogue and feedback. Regular monitoring and evaluation are needed to assess the program's effectiveness and adjust as necessary.

Active community involvement in every phase, from planning to evaluation, ensures the program is relevant and supports their independence. With the community acting as agents of change, the program's success is more secure. Finally, to ensure sustainability, PT. VALE must facilitate the forming of independent business groups and provide ongoing training so that the program's positive impacts endure long-term. This approach addresses short-term needs and fosters sustainable economic and social growth.

Conclusion

The community managing the work contract land primarily relies on gardening, as they lack other skills. Unfortunately, the limited land availability restricts their ability to generate sufficient income for their family's needs. The farmers' economic activities are primarily based on the land's potential, cultivating crops like pepper, cloves, and chocolate. This agricultural knowledge is acquired chiefly through personal experience and shared information from others. Traditionally, these farmers utilize manual land management techniques and refrain from employing modern technology. They often rely on water sources such as nearby rivers and wells, which, despite being essential, are adequate for supporting their cultivation of pepper, cloves, and chocolate.

Conflicts surrounding the management of PT VALE work contract land have been ongoing since the 1980s, originating from the community's unauthorized clearing of forests due to a belief that unused land could be repurposed before mining operations commenced. To address these conflicts, a dual-objective model for settling work contract land management issues was developed to cease unauthorized land management activities and empower the community. Ceasing these activities involves collaboration among critical entities: PT VALE, the Village Government, the Ministry of Environment and Forestry, and the Police. Meanwhile, empowerment initiatives are undertaken through partnerships between PT VALE and the East Luwu Regency Government, and this program features mechanisms such as the acropolitan program, livestock area development, and management of non-timber forest products. These efforts are geared towards fostering sustainable community development.

Based on the findings of this study, several recommendations are made for critical stakeholders. Local governments should intensify public education on the importance of land status and the legal risks of illegal land use, supported by PT. VALE land management through the IPPKH (Forest Area Borrowing Permit) mechanism. The Ministry of Forestry and Environment, as the issuer of IPPKH permits, must also socialize the status of forest areas within the contract land and enforce stricter control over land use violations.

Furthermore, communities managing the contract land must strengthen their social and economic capacities, providing alternative income sources to reduce dependency on illegal land use. PT. VALE should also foster communication with the Government and local communities to develop a value-sharing partnership strategy, ensuring that the communities' benefit from land management and thus reducing potential conflicts.

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