

Management Policy for Oil and Gas Sector of Bojonegoro Regency Government in Kang Yoto Era

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Abstract

This study aims to understand policy strategies employed by the "Kang Yoto" Government in managing oil and gas sector and its implications for economic resilience of Bojonegoro Regency. The changes in economic resilience after being led by Regent Kang Yoto as well as its relation to management of oil and gas sector is an interesting topic to be investigated. Based on the VOSViewer software, there is a limited amount of analysis conducted on oil and gas management regulations. Therefore, this study employs policy-making theory within the decentralization framework using descriptive qualitative analysis with the assistance of NVIVO 12 Plus data software. The results show that the realization of economic resilience during Kang Yoto era is achieved through the issuance of Regional Regulation Number 23 of 2011. Furthermore, the transparency and accountability of the Local Government are identified as the main factors contributing to the increase in regional economy. This demonstrates the interconnectedness between oil and gas management, as well as the implemented regulations.

Keywords: Bojonegoro Oil and Gas, Regional Autonomy, Economic Resilience, Kang Yoto

Abstrak

Kajian ini bertujuan untuk memahami strategi kebijakan yang dilakukan oleh Pemerintahan “Kang Yoto” dalam mengelola sector migas dan implikasinya terhadap ketahanan ekonomi Kabupaten Bojonegoro. Perubahan ketahanan ekonomi setelah dipimpin oleh Bupati Kang Yoto serta kaitannya dengan pengelolaan sector migas menjadi topik yang menarik untuk ditelaah. Berdasarkan perangkat lunak VOSViewer, terdapat sedikit analisis yang dilakukan terhadap peraturan pengelolaan minyak dan gas. Oleh karena itu, penelitian ini menggunakan teori pembuatan kebijakan dalam kerangka desentralisasi dengan menggunakan analisis kualitatif deskriptif dengan bantuan perangkat lunak data NVIVO 12 Plus. Hasil penelitian menunjukkan bahwa perwujudan ketahanan ekonomi pada era Kang Yoto dicapai melalui penerbitan Peraturan Daerah Nomor 23 Tahun 2011. Selanjutnya, transparansi dan akuntabilitas Pemerintah Daerah diidentifikasi sebagai factor utama yang berkontribusi terhadap peningkatan perekonomian daerah. Hal ini menunjukkan keterkaitan antara pengelolaan migas, serta peraturan yang berlaku.

Kata Kunci: Migas Bojonegoro, Otonomi Daerah, Ketahanan Ekonomi, Kang Yoto.

INTRODUCTION

Natural resources, such as oil and gas possess significant advantages for nations across the globe (Widarsono, 2013). The availability is exceedingly limited but their significance as the primary energy source remains unchallenged. Meanwhile, petroleum continues to be a pressing concern for all nations, including Indonesia. Article 33 of the 1945 Constitution establishes Indonesia's unwavering commitment to oversee sector and enhance the well-being of its people. It consistently maintained crude oil production levels above 1 million barrels per day, peaking at 1.6 million barrels per day throughout the 1970s. During this period, the price of oil surged fivefold, skyrocketing from USD 2.5 to USD 12 per barrel (Wahyuhono et al., 2019).

Oil and gas natural resources are not only of strategic value but also related to their position and role as the main pillar in meeting domestic energy

needs as well as in the national and international economic arena (Ma'arif, 2013). The content of these resources is widespread throughout the region, including Bojonegoro. Oil exploration in regency began several centuries ago, precisely in 1893 during the Dutch colonial period (Tim Peneliti Kontras, 2004). Despite having the potential for natural resources in the form of oil, Bojonegoro remains the poorest area in East Java.

During the Dutch colonial era, Bojonegoro was characterized as an underdeveloped region in Java primarily attributed to inadequate irrigation systems and unfavourable agricultural conditions. Additionally, the recurrent floods in regency, resulting from the overflow of the Bengawan Solo River, have further exacerbated the situation by affecting fertile agricultural land situated nearby. Prolonged drought periods have also significantly hampered agricultural productivity, leading to endemic

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poverty and widespread hunger among the local population (Penders, 1984). Since the colonial period even after the discovery of oil and gas, Bojonegoro area still has a major problem in alleviating the poverty of the local people.

In the 2000s, there was a resurgence in the development of oil and gas sector, primarily attributed to the discovery of new oil reserves by Oil and Gas Institute (LEMIGAS). These reserves were identified in the Banyu Urip, Sukowati, Jambaran, and Alas Tua regions. According to LEMIGAS, the estimated content stored within these areas amounts to approximately 1.4 billion barrels (Tim Peneliti Kontras, 2004). Despite the discovery of oil fields, the ability to address poverty was not substantially improved. This was evidenced by the data presented by BPS, where the main issues related to poverty alleviation remained unresolved. In 2007, Bojonegoro persisted as the third poorest regency in East Java (BPS Kabupaten Bojonegoro, 2013).

According to the data provided by Bojonegoro Regency Central Bureau of Statistics (BPS), poverty experienced a dynamic decrease from 2008 to 2013. Over this period, the number of affected people was reduced by 96,710, representing a decrease of 7.92%. This decline was observed during the tenure of Regent Suyoto and was partly attributed to the effective management of oil and gas sector, contributing to regency's economic resilience. Achieving national economic resilience required a comprehensive approach, encompassing various sector such as oil

and gas, agriculture, manufacturing, maritime activities, tourism, and others. By leveraging the potential of these sector and ensuring their development, the realization of national economic resilience was pursued effectively (Rahman et al., 2021). In the case of Bojonegoro, where there exists significant potential for oil and gas natural resources, management of this sector holds paramount importance in achieving economic resilience for regency.

Management of oil and gas can also be seen from regional autonomy carried out by Regional Government in era of Regent Kang Yoto. This was stated in the formulation of regional regulation that regulates oil and gas exploration in regency. According to Law Number 23 of 2014 concerning Regional Government, article 236 paragraph (1) stated that to carry out regional autonomy and assistance tasks, regions can establish regional regulation. This regulation is established by Regency Regional People's Representative Council (DPRD) with the joint approval of the Regent. It serves as a guide for officials and certain regional communities to carry out community and government activities. To produce a good product under the demands of the community's needs, it is necessary to conduct the procedures for the preparation of Regional Regulations to be more directed and coordinated.

During the initial tenure of Regent Kang Yoto, a significant breakthrough was made concerning management of oil and gas. This involved the establishment of regional

regulation that served as a comprehensive framework within regency. The regulation aimed to address various challenges hindering regional economy and facilitate oil and gas exploration. Furthermore, government issued Regional Regulation Number 6 of 2012, which focused on promoting transparency in revenue management, environmental considerations, and corporate social responsibility within business activities.

The making of this Regional Regulation was guided by the provisions of Law Number 12 of 2011 concerning the Establishment of Legislation. Government in era of Regent Kang Yoto implemented Agile Governance by enacting regional regulation that specifically regulated oil and gas exploration, and perceived by sector as having the potential to improve regional economy. However, a question arose regarding the proper functioning of the implementation mechanism for policy strategies. This became an interesting area of study when examining the Agile Governance of Kang Yoto Government and its impact on regional economic resilience.

The strategy for managing oil and gas to increase and realize economic resilience had rarely been explored in depth. During Kang Yoto government era, the poverty rate experienced periodic decreases, gradually breaking the historical chain that had been difficult to solve in the past. Proper management of oil and gas natural resources also supported poverty alleviation. Previous studies placed greater emphasis on the aspects of oil and gas, neglecting to recognize

management as the key to regional development. Therefore, it was important to adopt a different perspective when viewing oil and gas potential in Bojonegoro.

The VOSViewer software was used in seeking novelty in this study. The advantages lay in its exceptional capabilities for data visualization even though there were several software programs available for analyzing text units and matrix similarities (van Eck & Waltman, 2010). The results show that study trends in oil and gas management are related to the relationship of gas management knowledge between countries. Furthermore, study in engineering fields such as production and construction have a high trend. Based on the analysis conducted by VOSViewer, study on aspects of regional regulation had been rarely undertaken. The findings obtained through the analysis provided evidence that study on regulation had been relatively unexplored, presenting a significant opportunity to expand investigations in this area. Therefore, this study aimed to examine policy strategies employed by Bojonegoro Regency Government in management of oil and gas. It explored problems related to management of oil and gas potential from the aspect of regional autonomy and economic resilience. This was based on the ideals of Regional Autonomy echoed by the Central Government to the regions to improve people's welfare and public services (Muluk, 2006). Moreover, the successful implementation of autonomy in addressing economic

challenges also yielded a positive impact on achieving regional resilience.

In management of natural and mineral resources, it is imperative to adhere to several fundamental principles. These principles encompass the notions of benefit maximization, equitable efficiency, enhancement of added value, sustainability, promotion of community welfare, preservation of environmental functions, bolstering national resilience, and fostering integration (Azhar & Satriawan, 2018). The role of government in setting policy, administration, regulation, management, and supervision for the achievement of public welfare is a key aspect in upholding the intended pillar of national resilience.

METHODS

This study employed a qualitative analysis approach with descriptive exposure to understand the phenomenon of the subjects (Mohajan, 2018) and the data collection used a literature review. The data analysis techniques included data reduction, data presentation, and conclusion drawing. Furthermore, this study utilized secondary sources obtained from recognized national journals, namely Sinta and Scopus International. The data was partly processed to identify the novelty of the study and partly used to formulate the discussion.

According to policy-making theory used, the process was inherently value-laden, and always influenced by various interests (Kay, 2006). Policy-making theory was applied to examine regional autonomy concerning the formulation of regulations and their

impact on oil and gas management in Bojonegoro Regency during Kang Yoto Government era. Additionally, NVIVO 12 Plus software was employed to assist in the analysis of existing problems (Auld et al., 2007). The features employed in the NVIVO 12 Plus software included the crosstab feature, which was used to describe the problem (Gregorio, 2018). In this case, the crosstab feature identified problems in aspects of oil and gas management in Bojonegoro, specifically in terms of regulations and economic resilience. The crosstab table displayed the values associated with each vulnerability identified.

RESULT AND DISCUSSION

Oil and Gas Potential in Bojonegoro Regency

The potential of oil and gas natural resources in Bojonegoro Regency can be traced back to a historical event. It started in 1893 when Adrian Stoop, a Dutchman, made a significant discovery, oil well in the border area of Central and East Java, specifically in the Ledok, Cepu, and Wonocolo areas of Bojonegoro. To strengthen oil refinery constructed, a company was founded to support and manage oil mine called *Dordtsche Petroleum Maatschappij* (DPM). DPM is the first foreign company in Indonesia to manage oil as well as the starting point forming in Java.

DPM changed to *Bataafsche Petroleum Maatschappij* (BPM), and after Indonesia's independence, it was renamed to PTMRI, Permigan,

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Pusdik Migas, PPTMGB Lemigas, PPT Migas, and finally became Oil and Gas Education and Training Center (Pusdiklat Migas) (Tim Peneliti Kontras, 2004). The decline in oil reserves within the Cepu oil field brought about a significant transformation in oil and gas extraction activities on the island of Java. Since oil fields have depleted, the costs of production surpassed the profits. Consequently, the heavy equipment previously employed for oil extraction served solely as a teaching aid at AKAMIGAS. In 1987, following the Decree of the Minister of Mineral and Energy No. March 5, 1987, the mining authorization encompassing an area of 973 km² was transferred to Pertamina UEP III in the Cepu oil field. This particular area spanned four regions, namely Grobogan, Blora, Bojonegoro, and Tuban.

Bojonegoro Regency as oil and gas producing area has hopes of prosperity that must be achieved. This can be obtained from the success of regulating the framework for capital participation (Participating Interest or PI) and Revenue Sharing Funds obtained by local government. Based on this data, management of oil and gas in era of regional autonomy is a centralized policy (Wei et al., 2022) as reinforced by Law No. 22 of 2001. However, in era of regional autonomy, it was involved in management of oil and gas natural resources that are being explored in the territory.

In line with these demands, the Central Government issued PP. 35 of 2004 concerning Upstream Oil and Gas Business Activities which contained the requirement for a Participating Interest

of 10%. This was the right of regional government whose management is carried out by Regional Owned Enterprise in the form of Regional Company or a Limited Liability Company. The Limited Liability Company shares were owned by Regional Government, Regional Companies, Private Companies and the public with this PP. However, the largest part of the Limited Liability Company shares was owned by regional government or companies. This legal arrangement provided opportunities to manage natural resources as a consequence of the exploitation by investors (Ghasemian et al., 2020).

This confirmed the opportunities for local communities regarding the restrictions or possible regulations imposed at the national level (Ngoasong, 2014). In the Cepu Block project, for example, 10% of the participating interest belonged to Bojonegoro Regency Government. As previously mentioned, the Cepu Block oil and gas reserves were located in two different areas, namely in Bojonegoro and Blora Regencies in the East and Central Java Provinces, respectively. Regional government required the production area to allocate a proportionately 10% portion.

The allocation of shares among each Regional Government was considered by the Central Government, geologists, and Regional Heads. Based on these deliberations, an agreement was reached regarding the distribution of shares, where Bojonegoro and Blora Regencies were allocated 4.48% and 2.18%.

Additionally, the Central and East Java Province was allocated 1.09% and 2.25%. This distribution of shares pertained to profit-sharing funds and included capital requirements. Each region contributed operating capital for the Cepu Block in accordance with the agreed distribution (Batubara, 2006). The gift of great natural potential made Bojonegoro Regency one of the national energy and tourism barns. The main obstacle in using the potential of energy and oil and gas was how an area manages the resources to encourage the improvement of people's welfare.

Implementation of Oil and Gas Management Regulations in the Regent's Era "Kang Yoto"

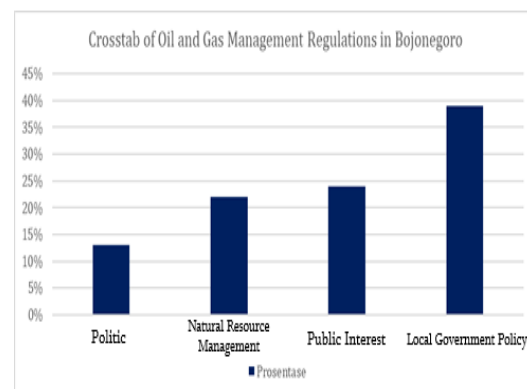
Until 2007, Bojonegoro Regency held the fifth position among the poorest regions in East Java. However, under the leadership of Regent Suyoto, regency embarked on a path of improvement. The upliftment from the status of the poorest can be attributed to the significant oil and gas potential within the area. Considering the production capacity of the region, it is evident that daily output can reach 1,644 barrels per day. Based on this calculation, Bojonegoro Regency is a notable oil and gas-producing region, with substantial potential to contribute towards the national requirements. LEMIGAS part of AKAMIGAS, stated that the Banyu Urip, Sukowati, Jambaran and Alas Tua areas contained crude oil content of up to 1.4 billion barrels (Tim Peneliti Kontras, 2004).

Undoubtedly, this presented a significant advantage for Bojonegoro

Regency Government. The revenue generated from oil and gas sector impacted the revenues of Regional Budget (APBD), resulting in a substantial increase. This surge in revenue was attributed to the funds obtained from Oil and Gas Revenue Sharing Fund, which Bojonegoro Regency received under Article 14 of the Law of the Republic of Indonesia Number 33 of 2004 concerning the Financial Balance between the Central and Regional Government.

Some field observation data, such as interviews with local communities and policymakers, and various secondary data, such as study reports and official data related to management were collected. This was based on the data obtained in the field, which was then processed through the NVivo 12 Plus software with the output obtained from the processing,

Figure 1. Oil and Gas Management Problems Related to Regulation



Sources: Processed by researchers with Nvivo 12 Plus, 2021

Based on the analysis of the NVIVO 12 plus data, the main problem lay within policy of Regional

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Government since the utilization of the potential and production of oil and gas posed a significant challenge. Planning was the most important aspect of management system in Bojonegoro Regency. This was reflected in the poor experience of mining areas that were unable to manage natural resources, causing poverty and conflict to increase with the increase in mining output.

Concerning the public interest, the issue arose as a consequence of previous local government policy that required resolution. In managing oil and gas, Regency Government had to address several social problems related to the public interest. First, the region bore all the social burdens and costs, and this problem was linked to the impact of industrial activities, including social and environmental consequences. Land acquisition for the projects caused shrinkage, resulting in the loss of land and main livelihood for many people. Tempo (2012) explained that from 2010 to 2012, about 841 hectares of agricultural land were eroded.

Oil and Gas Management is the third factor that must be resolved to obtain an effective result. The significant size of the GRDP in oil and gas sector was widely acknowledged but attracted the attention of external entities or individuals with substantial capital to gain control. Unfortunately, this scenario resulted in social inequality and posed obstacles to national projects. The evidence of these challenges was evident in cases where different social issues persisted in proximity to oil and gas mines. For instance, road blockades in several

villages and community reactions to worker recruitment have been observed.

The final challenge lay within the realm of politics, where there were issues concerning the interests of multiple parties. Politics and government were inherently interconnected. Political challenges had severe consequences when the regulations implemented failed to incorporate public participation (Slocum & Gessel, 2022). The residents of Bojonegoro encountered difficulties in obtaining information, which posed a challenge in terms of management. Therefore, the community was unable to access certain opportunities, such as job recruitment and social responsibility funds from exploration companies. One of the reasons for this was the lack of information disclosure by the local government.

To achieve regional economic resilience and facilitate the development of oil and gas fields, government needed to address these underlying issues. In response, Regent Suyoto, also known as "Kang Yoto," took action on November 10, 2011, by issuing Regional Regulation Number 23 of 2011. This accelerated regional economic growth by streamlining the implementation of exploration, exploitation, and oil and gas processing activities in Regency (Wahyuhono et al., 2019). Regional Regulation listed four objectives, including, (1) Increasing income, making the greatest possible contribution to regional economy, developing, and strengthening industry and trade, (2) Supporting and developing regional capacity to

compete at the national, regional and international levels based on competitive advantages, especially the contribution of sustainable use of natural resources, (3) Control of potential social and economic problems that can hinder the smooth progress of the series, and (4) accelerate the achievement of environmental sustainability goals by optimizing the contribution of corporate social responsibility to the private sector.

The nature of policymaking was always related to the implementation of legal results, legal systems, and open social subsystems (Ajija et al., 2021). Furthermore, the formulation also considered the scheme and impact of making policy (Danugroho et al., 2020). In a society relatively open and stable, the legal and political systems maintained a delicate balance alongside other institutions. The legislation served as a legal system, designed to align with the prevailing conditions, culture, and developmental values within society, while also considering the needs of the community. In this capacity, the law had the potential to fulfil its mission of achieving the desired goals. It functioned as a public resource, encompassing all the necessary activities to effectively accomplish those objectives.

The effectiveness of policy implementation had several aspects, namely the accuracy of policy, implementers, targets, processes and the environment (Nugroho, 2011). To optimize the implementation of Perda No. 23/2011, Kang Yoto formed a local content optimization team under

Regency Regulation precisely in Article 21 paragraph 1. Furthermore, the team included Regional Government, Cooperation Contract Contractors (K-KKS), and K-KKS partners as regulated local government intervention measures that affirmed the existence of autonomy. In addition, regional autonomy was considered important because Bojonegoro government acted as a facilitator and regulator related to oil and gas industry.

The local content regulations provided a legal framework that allowed for the rejection of workers from outside the region in oil and gas project activities. This regulation served as significant support for such projects and the issuance of Regional Regulation Number 23 of 2011 deserved appreciation, considering the complex process involved in its creation. This process encompassed study studies, advocacy, assistance, intensive lobbying, and the courage of Regional Government (Kasiyani et al., 2015).

Challenges often arise from parties that prioritized profit. Therefore, it was crucial to have robust measures to ensure the effective implementation of regulations and policy. With the involvement of the community, regional regulation will have the necessary enforcement mechanisms in case of violations committed by oil and gas exploration companies (Danugroho, 2022). Regional Regulation Number 23 of 2011 was also a reference for the surge of Bojonegoro Regency Government in managing and exploring oil and gas sector. There were notable accomplishments resulting from this regulation. Firstly, it

effectively prevented the undue concentration of regional economic activities solely under the control of the central authority. Through the implementation of regional autonomy, local government were empowered to foster innovative approaches, encapsulated in regional regulations (Rozikin, 2019). Moreover, this regulation effectively enhanced the capabilities of business groups while ensuring the transfer of knowledge, skills, and capital by fostering the joint operation model.

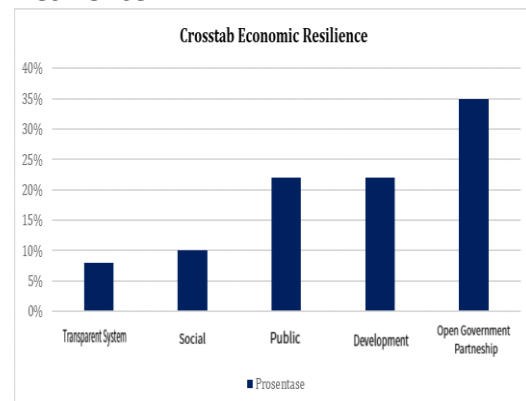
Management of Oil and Gas Products in Supporting Regional Economic Resilience

Economic resilience is a condition of the nation's economic life based on Pancasila democracy (Tarmini, 1992). In addition, economic resilience is one aspect of national resilience, where human needs are increasingly diverse. Competition between countries is a trigger in increasing economic capacity of a country (Rifa'i et al., 2021). The success of the state in sustainably increasing economic resilience will improve the ability and strength of the nation, as well as an important consideration for other countries (Aji, 2014). Therefore, a pillar of national resilience needs to be built through the achievement of economic resilience in the regions.

The NVIVO 12 Plus tool helps to determine several aspects that can be used as indicators of economic resilience. Before processing, several aspects of the indicators obtained from field observations are selected. These

indicators are entered into NVIVO for further processing. Even though the NVIVO 12 is an analytical tool, the indicators visible during field study are determined.

Figure 2. Oil and Gas Management Problems Related to Economic Resilience



Sources: Processed by researchers with Nvivo 12 Plus, 2021

The results of data processing from NVivo 12 Plus can be seen in Figure 4. In the figure, the main problem is the Open Government Partnership followed by Development and Public which have the same value, and there is social and transparency at the bottom. The most urgent problems concluded from the analysis of the NVIVO 12 plus data above are the Open Government Partnership as well as public and development issues. Regional economic resilience can be supported by optimizing the existing development in the area. Therefore, it is imperative to manifest an open government that executes its responsibilities promptly, precisely, and effectively, ensuring tangible outcomes. This was noted in era of the Regent

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Suyoto Administration, where in 2008 Regional Government took the initiative to hold a "Public Dialog".

This dialogue opens access to information that can convey aspirations directly to the Regent, Deputy Regent and officials within Regional Government. In addition to holding Bojonegoro Regent's Public Dialogue, Kang Yoto also intensively conducts "*blusukan*". This approach is regarded as a valuable tool for attaining a comprehensive understanding of the community's aspirations. Kang Yoto Government has prioritized and intensified the disclosure of public information under regulations set forth by the Central Government, as stipulated in Law Number 14 of 2008 on Public Information Disclosure. Article 3 of the law emphasizes the obligation to ensure citizens' rights to be informed about policy-making plans, public policy, public policy programs, public decision-making processes, and the rationale behind decisions. Dissemination is conducted with transparency, effectiveness, efficiency, accountability, and responsibility, ensuring that the information provided accurately represents the actual circumstances and is devoid of any biased content (Akadun, 2007).

The issue of the Open Government Partnership is also the main focus of Kang Yoto Government. Bojonegoro's diverse conditions and its people who can live in harmony are valuable social capital in the development of regency (Danugroho, 2020). The development of Bojonegoro region is shown by economic growth, per capita income, and poverty levels

(Ariyanti & Santoso, 2013). Bojonegoro has achieved various achievements at regional, national and international levels, including the selected Open Government Partnership.

The results of oil and gas production can have an impact on increasing regional income and development. The most obvious impact is the development of Bojonegoro out of the top 10 poorest regencies in East Java. The growth is influenced by regional budget which has increased significantly. Regional development has become clearer after the improvements in management of oil and gas sector. Previously, management was only concentrated in the city centre, and not in the village. As a result of the expansion of oil and gas development through the Village Fund Budget (ADD) plan, the level of development is increasing every year. Compared to other areas in East Java, Bojonegoro is currently one of the areas with a high level of regional growth and development.

Regency possesses significant potential in the field of oil and gas, thereby earning the distinction of being a promising region. Presently, it is renowned as an area abundant in resources, boasting the largest oil reserves in East Java. Among various sector, the natural resource potential of oil and gas industry stands as the primary asset for Bojonegoro Regency. Remarkably, approximately 20% of Indonesia's total oil and gas production can be attributed to the contributions made by Bojonegoro Regency (Tim Peneliti Kontras, 2004). This is the main factor in developing regional economy.

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Kang Yoto's government has paid great attention to this potential, especially since the exploration company announced that there are still many potential points for further development. The potential points of oil and gas resources are almost scattered in the western and northern parts of Bojonegoro.

Regent Kang Yoto with assistance from Academics, Business, Government and Community (ABGC) formulated various policy related to oil and gas management in Bojonegoro. Establishing intimacy and trust between government and the community in different binding elements is a strategy prioritized by Regent Kang Yoto. Mutual trust is not only personal but must be encouraged as a system and implemented as a culture. The OGP team on April 8, 2016, stated that regency was selected as one of the Open Government pilot projects from 15 others (Puspitarini, 2019).

In 2014, regency used information technology to improve performance accountability reports of government agencies or SAKIP. Every year, the District Government organizes innovation awards for the best work units to support the realization of regional RPJM. Each work unit submits data which is then directly verified by an independent team consisting of government and community representatives. Efforts are made to raise the spirit and improve the performance of each local government agency. Government is also active in issuing regulations to strengthen management of oil and gas in Bojonegoro, empowering communities

as regulated in Regency Regulation Number 23 of 2011.

Management of funds is characterized by a commitment to transparency, as regulated by Regency Regional Regulation Number 28 of 2012 on Transparency, Extractive Industry Governance, and the Regulation of Regional Regulation Number 26 of 2011 on the Spatial Plan (RTRW) of Bojonegoro Regency 2011-2031. Furthermore, government actively engages in communication, ensuring effective collaboration with all stakeholders. Policy and initiatives implemented during the tenure of Regent Kang Yoto have been instrumental in addressing the challenges faced by regional economy, enhancing its resilience.

Oil and gas management strategy has also reflected the efforts of government in fulfilling the people's right to live in prosperity. This is consistent with the national goals of the Indonesian people and the mandate of Article 33 of the 1945 Constitution, meaning energy must be used for the greatest benefit of the people, nation and state (Ichsan et al., 2022). UU no. 30 of 2007 concerning Energy also includes the hopes for the realization of equitable development involving the role of government and agencies that oversee management of mineral resources (Azhar & Satriawan, 2018).

This study holds significant importance since it addresses a gap in the existing body of knowledge concerning Kang Yoto's government and its impact on economic resilience. Furthermore, no study has specifically

examined economic resilience achieved during Kang Yoto's tenure. The study will not solely rely on arguments but will also incorporate data supported by processed results using NVIVO 12 Plus. The findings demonstrate the crucial role played by management of natural resources in Bojonegoro. It shows that the outcomes achieved in this sector are substantial, emphasizing the importance of supporting economic resilience through effective natural resource management as a critical aspect of overall development.

CONCLUSION

In conclusion, oil and gas management are the main aspect addressed by government of Bojonegoro Regency in Kang Yoto era. In the spirit of regional autonomy, Regent Kang Yoto issued Regional Regulation Number 23 of 2011 concerning the Acceleration of Regional Economic Growth in Exploration and Exploitation as well as Oil and Gas Processing in Bojonegoro Regency. Regional Regulation Number 23 of 2011 is also part of the intervention to strengthen the existence of autonomy. In this case, government is a facilitator and regulator related to oil and gas industry. Furthermore, oil and gas management is an important part of increasing regional economic resilience. This can run optimally with the support of regional government to manage funds from oil and gas sector. An open and accountable local government is the key to realizing regional economic resilience in Bojonegoro Regency. One of the most notable impacts has been

the remarkable development experienced in the region to remove regency from the list of the top 10 poorest districts in East Java. This growth can be attributed to the substantial increase in budget, which has played a crucial role in driving progress.

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