

# Impact Assessment of Presidential Regulation No. 17 of 2019 on Assets of Indigenous Papuan Entrepreneurs in Mimika Regency

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## Abstract

**Purpose:** This study aims to evaluate the impact of Presidential Regulation No. 17 of 2019 on the assets of Indigenous Papuan (OAP) entrepreneurs in Mimika Regency, focusing on sustainability, participation, and challenges in procurement activities.

**Research methodology:** A qualitative descriptive approach was applied using interviews, questionnaires, and documentation. Data analysis followed the Miles and Huberman method, including data reduction, display, and conclusion drawing.

**Results:** Findings reveal that 71% of OAP entrepreneurs operate in construction, while 19% are engaged in goods and 10% in services. Most businesses have been operating for 4–6 years (33%). Despite high awareness of the regulation (81%), participation in procurement remains low, with 48% of respondents involved only sporadically. Key constraints include limited business capital (38%), lack of information (19%), and intense competition (19%). In terms of assets, cash capital dominates (71%), followed by business premises (52%), equipment (48%), and operational vehicles (43%). Procurement participation has positively influenced business assets, with 67% reporting increased capital and equipment, though 24% saw no significant improvement.

**Conclusions:** The regulation has had a positive effect on asset growth and business development of OAP entrepreneurs, yet implementation remains uneven. Enhanced information access, transparency in procurement, and stronger support in capital and training are needed for greater impact.

**Limitations:** The study is geographically limited to Mimika Regency and relies on descriptive qualitative data, which may restrict broader generalization.

**Contribution:** The research contributes empirical evidence on the link between national policy implementation and indigenous entrepreneurship development in Papua.

**Keywords:** *Asset, Entrepreneurship, Indigenous Papuans, Procurement, Regulation*

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## 1. Introduction

Presidential Regulation Number 17 of 2019 on the Procurement of Goods/Services for the Acceleration of Welfare Development in Papua Province and West Papua Province, issued on March 22, 2019, aims to improve the efficiency and effectiveness of government procurement of goods and services. One of the main focuses of this regulation is to increase the participation of business actors, including Indigenous Papuan Entrepreneurs (OAP), in government projects. This study aims to evaluate the

impact of Presidential Regulation Number 17 of 2019 on the assets of OAP entrepreneurs, which are expected to contribute significantly to the local economy. Government procurement of goods and services is one of the key components in efforts to promote economic development and improve community welfare. In Indonesia, procurement policies are regulated by various legal frameworks, one of which is Presidential Regulation Number 17 of 2019. This regulation is designed to enhance efficiency and effectiveness in procurement, as well as to strengthen the participation of local business actors, including OAP entrepreneurs in regions such as Mimika Regency. Mimika Regency, located in Central Papua Province, is an area rich in natural resources, including mining, plantations, and fisheries. With a total area of 21,693.51 km<sup>2</sup>, Mimika has a strategic position that supports local economic development. According to data from the Central Bureau of Statistics (BPS) of Mimika Regency, the economic growth of Mimika reached 5.4% in 2022, indicating positive dynamics in the economic sector (BPS Mimika, 2023).

The procurement sector in Mimika plays a crucial role in driving economic growth. Based on data from the Web-based General Procurement Planning Information System (SIRUP) of the National Public Procurement Agency (LKPP RI), in the 2023 Fiscal Year, the total budget ceiling for goods and services procurement in Mimika amounted to Rp 4,261,672,000,000.00; with procurement through providers accounting for Rp 3,069,382,000,000.00; through self-management Rp 1,185,420,000,000.00; and through provider-in-self-management Rp 6,869,000,000.00. Presidential Regulation Number 17 of 2019 was designed to improve Indonesia's procurement system, with a focus on increasing transparency, accountability, and the participation of local business actors. According to Halim (2018), transparent procurement can enhance public trust in the government and improve the quality of public services. In the context of Mimika Regency, the implementation of this regulation is expected to provide greater opportunities for OAP entrepreneurs to participate in government projects, thereby increasing their assets. Based on data from the Procurement Section of the Regional Secretariat of Mimika Regency in 2023, there were 346 OAP entrepreneurs registered in the Timika OAP Entrepreneur Information System Application (Siput OAP). This figure includes 36 Limited Liability Companies (PT) and 310 Limited Partnerships (CV). However, not all of these OAP entrepreneurs actively participated in government projects.

Sari (2020), in her research, showed that increasing the participation of local entrepreneurs in government projects can enhance their income, which in turn contributes to poverty reduction in the region. Moreover, greater involvement in government projects provides opportunities for Indigenous Papuan Entrepreneurs (OAP) to develop their business capacity, which is essential in the context of local economic development. The welfare of OAP entrepreneurs can be measured through several indicators, such as increased income, changes in assets, and reinvestment in business. With greater participation in government projects, OAP entrepreneurs are expected to improve their earnings. Furthermore, the utilization of income gained from winning government contracts is also an important factor in asset growth. Many OAP entrepreneurs allocate these earnings for business investments, education, and health. Therefore, rising income and improved access to basic services become key indicators in assessing the impact of procurement policies on the assets of OAP entrepreneurs.

Despite the increased participation of OAP entrepreneurs, challenges remain in the implementation of Presidential Regulation Number 17 of 2019. One major challenge is the lack of understanding and capacity among OAP entrepreneurs in navigating the bidding/tendering process. According to Prasetyo (2021), many local entrepreneurs still face difficulties in comprehending procurement mechanisms and the requirements needed to participate in tenders. Hence, government efforts are necessary to provide training and mentoring for OAP entrepreneurs so they can take full advantage of available opportunities. In addition, issues of corruption and non-transparent practices in procurement processes also need to be addressed. As Piketty (2014) argues, inequality in access to information and resources can hinder fair participation in procurement. Therefore, it is crucial to ensure that procurement processes are conducted openly and accountably, so that all entrepreneurs have equal opportunities to participate

## **1.2 Research Questions**

Here's the English translation of your research questions:

1. How is the implementation of Presidential Regulation Number 17 of 2019 carried out in Mimika Regency?
2. What is the impact of Presidential Regulation Number 17 of 2019 on the assets owned by Indigenous Papuan Entrepreneurs (OAP) in Mimika Regency?

## **1.3 Research Objectives**

This study is conducted with the following objectives:

1. To examine the implementation of Presidential Regulation Number 17 of 2019 on the procurement of goods and services in Mimika Regency, particularly in relation to government efforts to enhance transparency, accountability, and local business participation.
2. To analyze the impact of the regulation on the assets and welfare of Indigenous Papuan Entrepreneurs (OAP), with indicators such as income growth, asset accumulation, and reinvestment in business activities.
3. To identify the opportunities created by this regulation for OAP entrepreneurs to strengthen their business capacity and contribute to local economic development.
4. To explore the challenges and barriers faced by OAP entrepreneurs in participating in procurement projects, including limited understanding of tender mechanisms, institutional capacity, and issues of transparency.

## **1.4 Research Scope and Limitation**

This research focuses on evaluating the implementation and impact of Presidential Regulation Number 17 of 2019 on the procurement of goods and services in Mimika Regency, Central Papua Province, with particular emphasis on the participation of Indigenous Papuan Entrepreneurs (OAP) registered in the Timika OAP Entrepreneur Information System (Siput OAP) during the fiscal year 2023. The study specifically examines how the regulation influences the welfare of OAP entrepreneurs through indicators such as income growth, asset accumulation, and reinvestment in business activities, while also considering institutional challenges such as limited understanding of tender mechanisms and issues of transparency. However, this research is limited in several ways. It does not cover external factors beyond procurement policy that may affect OAP entrepreneurs' welfare, such as fluctuations in commodity prices, private sector investment, or broader political and security dynamics in Papua. In addition, the analysis relies primarily on secondary data from government records and selected primary information, which may restrict the depth of insight into informal or unregistered business practices. Consequently, the findings of this study are context-specific to Mimika Regency and may not be generalized to other regions in Papua and West Papua.

## **2. Literature review**

### **2.1 Theory of Procurement of Goods and Services**

Procurement of goods and services is an important process in public management that aims to meet the needs of both the government and society. "Government Procurement of Goods/Services is an activity to obtain Goods/Services by Ministries/Agencies/Regional Work Units/Other Institutions, beginning from the planning of needs until the completion of all activities to obtain Goods/Services" (Presidential Regulation Number 16 of 2018 on Government Procurement of Goods/Services, Article 1 Paragraph 1). Presidential Regulation Number 16 of 2018 generally regulates the entire process of government procurement of goods/services in Indonesia; it establishes general rules such as the basic principles of procurement (efficiency, transparency, accountability). Presidential Regulation Number 17 of 2019 on the Procurement of Goods/Services for the Acceleration of Welfare Development in Papua Province and West Papua Province specifically governs government procurement in these two provinces, with the objective of empowering Indigenous Papuan Entrepreneurs (OAP). This regulation contains affirmative policies that give priority to OAP entrepreneurs in procurement processes and is part of the effort to support Papua's special autonomy policy in accordance with Law Number 21 of 2001. Presidential Regulation Number 17 of 2019 introduces special provisions, including: granting direct opportunities for OAP entrepreneurs to handle certain work packages; allowing small-scale work packages (valued at  $\leq$  Rp 1 billion) to be awarded directly to OAP entrepreneurs without an open tender;

and providing training and mentoring programs to strengthen OAP entrepreneurs' capacity to participate in procurement.

Furthermore, Mimika Regent Instruction Number 4 of 2019 on the Implementation of Presidential Regulation Number 17 of 2019 concerning Government Procurement of Goods/Services for the Acceleration of Welfare Development in Papua Province and West Papua Province stipulates that:

1. Entrepreneurs participating in procurement in Mimika Regency must be Papuan entrepreneurs with small and non-small business qualifications.
2. The entrepreneurs referred to in point 1 must: (a) have an office/branch office/sub-branch office/representative office in Mimika Regency; (b) have a bank account at Bank Papua; and (c) possess a Taxpayer Identification Number (NPWP) registered in Mimika Regency.

Government Procurement of Goods/Services under Presidential Regulation Number 17 of 2019 includes the procurement of goods, construction works, consulting services, and other services, which are carried out in two ways: through providers and through self-management. The implementation of procurement regulated under this Presidential Regulation is as follows:

1. Direct Procurement is a selection method to obtain providers of goods, construction works, or other services with a maximum value of Rp 1,000,000,000.00 (one billion rupiah), or a selection method to obtain providers of consulting services with a maximum value of Rp 200,000,000.00 (two hundred million rupiah).
2. Limited Tender is a post-qualification tender in which participation is restricted to Papuan entrepreneurs, to obtain providers of goods, construction works, or other services with a value of more than Rp 1,000,000,000.00 (one billion rupiah) and up to Rp 2,500,000,000.00 (two billion five hundred million rupiah).

Several relevant theories in the context of goods and services procurement include:

1. **Public Economics Theory**  
This theory emphasizes the importance of efficiency and effectiveness in managing public resources. According to Musgrave (1959), the procurement of goods and services must be conducted transparently and accountably to prevent abuse of authority and corruption. This aligns with the principle that efficient procurement can improve the quality of public services and community welfare.
2. **Project Management Theory**  
This theory focuses on the planning, implementation, and monitoring of projects to achieve specific objectives. According to Kerzner (2013), good project management in procurement includes effective risk and resource management. This process is essential to ensure that projects are completed on time and within budget.
3. **Community Participation Theory**  
This theory highlights the importance of community involvement in decision-making, including in procurement activities. Arnstein (1969) argues that public participation can enhance the legitimacy of government decisions and ensure that local needs are taken into account. Such involvement is crucial in the context of procurement for local entrepreneurs, including Indigenous Papuan Entrepreneurs (OAP).
4. **Social Welfare Theory**  
This theory focuses on how public policies can improve the quality of life for individuals and communities. According to Sen (1999), policies that support local entrepreneurs in procurement can contribute to increased income and job creation, which in turn enhances social welfare.

## **2.2 Development Economics Theory**

1. **Definition**  
Development economics is a branch of economics that studies the processes and factors influencing the growth and development of a country or region's economy.
2. **Modernization Theory**  
This theory argues that developing countries must follow the same path as developed countries to achieve development. Rostow (1960) proposed that economic development occurs in five stages:

traditional society, preconditions for take-off, take-off, drive to maturity, and mass consumption. More recent literature, such as Bennett and M. (2021), emphasizes the importance of investment in infrastructure and education to facilitate transitions to more advanced stages.

### 3. Dependency Theory

Popularized by Andre Gunder Frank (1966), this theory posits that developing countries are trapped in a dependency relationship with developed nations. Recent literature by Ghosh (2020) shows that such dependency hinders local economic development and leads to resource exploitation. This research highlights the need for alternative approaches that focus more on building local capacity.

### 4. Endogenous Growth Theory

Developed by Paul Romer (1986), this theory emphasizes that economic growth can be influenced by internal factors such as innovation and knowledge. More recent studies by Aghion and Howitt (2021) suggest that investment in research and development (R&D) generates technological progress that drives long-term economic growth.

### 5. Asset Theory

Frank Ellis, in his book *Rural Livelihoods and Diversity in Developing Countries* (2000), defines assets as productive resources owned or accessed by individuals or households. These resources play a key role in supporting livelihoods, either through direct utilization or by sustaining economic activities. Assets are considered essential components of household survival strategies, which are often diverse, particularly in rural areas of developing countries. Ian Scoones, in his paper *Sustainable Rural Livelihoods: A Framework for Analysis* (1998), defines assets as fundamental capital that forms the basis of sustainable livelihoods. In this framework, assets are resources owned, controlled, or accessed by individuals or households, used to achieve better outcomes in social, economic, and environmental contexts.

### 6. Fixed Asset Theory

According to PSAK 16 paragraph 06, fixed assets are tangible assets owned by companies and used in production processes or the provision of goods or services, or leased to other parties. Warren, Reeve, and Duchac (2014) describe fixed assets as long-term or permanent assets, such as equipment, land, buildings, and machinery, which provide long-term benefits.

### 7. Institutional Theory

This theory highlights the role of institutions in the development process. According to Douglass North (1990), strong and effective institutions can create a conducive environment for economic growth. More recent literature by Acemoglu and Robinson (2020) emphasizes that inclusive political and economic institutions are key to achieving sustainable development.

### 8. Social Justice Theory

Popularized by John Rawls (1971), this theory stresses the importance of fairness in the distribution of resources and opportunities. Rawls argued that inequality is only acceptable if it benefits the least advantaged members of society. Recent work by Piketty (2014) in *Capital in the Twenty-First Century* illustrates how economic inequality affects social welfare and political stability.

## 3. Research methodology

### 3.1 Research Location and Time

This research will be conducted in Mimika Regency over a two-month period, from January to March 2025. The location was selected because the Regional Budget (APBD) of the Mimika Regency Government is the largest in Papua Province, where in 2022 Mimika Regency had an APBD of IDR 4.4 trillion (Regulation of the Regent of Mimika Number 4 of 2022 on the Elaboration of the Regional Revenue and Expenditure Budget for Fiscal Year 2022) and a significant budget allocation for the procurement of goods and services.

### 3.2 Types and Sources of Data

The data used in this research consist of primary and secondary data. Primary data are collected directly from respondents through the methods previously described. These include: Questionnaires, which will gather information on assets, the number of procurement packages won by Indigenous Papuan Entrepreneurs (OAP), and the use of income generated from completed projects. Respondents will be asked to provide honest and accurate information regarding their conditions before and after the implementation of Presidential Regulation Number 17 of 2019. Interviews will provide in-depth qualitative insights, including the personal experiences of OAP entrepreneurs related to procurement,

the challenges they face, and the impact of the policy on their welfare. Interviews will also involve government officials who can provide perspectives on policy implementation.

Secondary data will be collected from various existing sources, including:

1. Official Government Documents: These consist of annual reports, policy documents, and procurement statistics in Mimika Regency, which provide context and a general overview of policy implementation and outcomes achieved.
2. Literature and Previous Research: Relevant prior studies will be reviewed to gain an understanding of the effects of procurement policies in other regions as well as the theoretical foundations of this research. Journal articles, books, and academic publications will serve as the main sources of this information.

### **3.3 Population and Sample**

#### **3.3.1. Population**

The population in this study consists of all Indigenous Papuan Entrepreneurs (OAP) involved in government procurement of goods and services in Mimika Regency who had won tenders up to 2024, totaling 112 OAP entrepreneurs (Source: Tender Monitoring and Evaluation Data, Procurement Section, Regional Secretariat of Mimika Regency, 2018–2024). This population covers various business sectors, such as construction, trade, and services, which participate in government projects within Mimika Regency.

#### **3.3.2. Sample**

The sample is a subset of the population that will be selected as research subjects. In this study, the researcher applies the stratified random sampling method to ensure that all groups of OAP entrepreneurs are represented.

##### **1. Sampling Method**

Stratified random sampling is a method in which the population is divided into several strata or groups based on specific characteristics, such as type of business, business size, or procurement experience. The researcher will select samples of OAP entrepreneurs based on business type and assess their assets before and after the implementation of Presidential Regulation Number 17 of 2019. Once the strata are determined, samples are drawn randomly from each stratum. This method is chosen to ensure that variations within the population are reflected in the sample, making the research results more representative.

##### **2. Sample Size**

Considering a population of 112 OAP entrepreneurs, the researcher applies the Slovin formula to determine the appropriate sample size, with a margin of error of 20%.

### **3.4 Data Collection Methods**

The methods of data collection to be used in this research are as follows:

#### **3.4.1 Questionnaires**

Questionnaires will be designed to gather quantitative information from Indigenous Papuan Entrepreneurs (OAP) involved in government procurement of goods and services. The questionnaires will include questions regarding assets, the number of work packages won before and after the implementation of Presidential Regulation Number 17 of 2019, as well as the use of income from these projects. Using a Likert scale, respondents will be asked to assess the impact of the regulation on their assets. The data collected from the questionnaires will be analyzed statistically to identify significant patterns and relationships.

#### **3.4.2 Interviews**

Semi-structured interviews will be conducted with OAP entrepreneurs. This method aims to explore their experiences and perspectives regarding the impact of Presidential Regulation Number 17 of 2019. The interviews will be carried out either in person or through online platforms, depending on respondent availability. The results of these interviews will provide in-depth qualitative insights into the challenges and opportunities faced by OAP entrepreneurs in the context of government procurement.

### 3.4.3 Literature Review

A literature review will be conducted to collect relevant information and secondary data related to procurement activities in Mimika Regency, as well as previous research discussing the impact of similar policies. These sources include official documents, annual reports, journal articles, and books relevant to the research topic. Through the literature review, the researcher will obtain a broader context to support the analysis of data collected from questionnaires and interviews.

### 3.5 Data Analysis Method

The data analysis method used in this research is the Qualitative Descriptive Method, an approach that assists the researcher in describing or explaining phenomena in detail based on data collected through observation, interviews, or documents. This method aims to understand the meaning of certain situations or behaviors within a specific context. Miles and Huberman (1994) explain that qualitative data analysis involves three main steps: data reduction, data display, and conclusion drawing. In a descriptive approach, the process focuses on organizing data into adequate narrative descriptions to illustrate the phenomena. According to Creswell (2007), this method is suitable for exploring complex phenomena through a holistic and individual-centered approach. Data are analyzed by identifying key themes from the descriptions provided by respondents or participants.

### 3.6 Operational Definitions

1. Government Procurement of Goods and Services, hereinafter referred to as Procurement, is the activity of acquiring goods/services by Ministries/Agencies/Regional Work Units financed by the State or Regional Budget (APBN/APBD), starting from the identification of needs up to the handover of work results.
2. Entrepreneurs are individuals or business entities, either legal or non-legal, established and domiciled or conducting activities within the jurisdiction of the Republic of Indonesia, either independently or jointly through agreements, to carry out business activities in various economic sectors.
3. Assets refer to fixed assets, which are assets that provide long-term benefits or are of a permanent nature, such as equipment, land, buildings, and machinery.
4. Indigenous Papuans (OAP) in Mimika Regency are individuals recognized as native Papuans based on customary and legal criteria.

## 4. Results and discussions

### 4.1 Characteristics of Research Respondents

Based on the questionnaire results, the respondents' answers are presented in the following table:

Table 1. Description of Research Respondents

No	Indicator	Response Option	Number of Respondents	Percentage (%)
1	Education Level	Senior High School	8	38
		D1/D2/D3	5	24
		Bachelor (S1)	7	33
		Master (S2)	1	5
2	Age	<25 years	1	5
		25-35 years	9	43
		36-50 years	7	33
		>50 years	4	19
3	Gender	Male	17	81
		Female	4	19
4	Business Operation Duration	<1 tahun	4	19
		1-3 tahun	5	24
		4-6 tahun	7	33
		>6 tahun	5	24

Source: Author's Questionnaire, 2025

The analysis of the characteristics of Indigenous Papuan Entrepreneurs (OAP) as shown in Table 1 indicates that most respondents have a relatively good educational background. The majority of respondents completed Senior High School (38%) and Bachelor's degree (33%), followed by D1/D2/D3 (24%) and Master's degree (5%). This educational profile reflects the potential for skill development and the capacity of entrepreneurs to manage their businesses, although there remains a need to enhance capabilities at higher education levels.

Regarding age, entrepreneurs are predominantly within the productive age groups of 25–35 years (43%) and 36–50 years (33%), while those over 50 years and under 25 years account for 19% and 5%, respectively. This suggests significant involvement of younger generations in economic activities, offering long-term prospects for the sustainability of OAP businesses. In terms of gender, the majority of entrepreneurs are male (81%), while females account for only 19%. This imbalance indicates the need for further empowerment of OAP women to promote gender equality in entrepreneurship. Concerning business operation duration, most businesses are in a stable phase, with 33% of respondents operating for 4–6 years. Newly established (<1 year) and long-running (>6 years) businesses account for 19% and 24%, respectively. This situation shows that although many businesses have survived for a considerable time, challenges remain in sustaining businesses long-term.

## 4.2 Analysis Results

### 4.2.1 Analysis of the Implementation of Presidential Regulation No. 17 of 2019 in Mimika Regency

The following table presents the questionnaire results regarding the implementation of Presidential Regulation No. 17 of 2019 in Mimika Regency:

Table 2. Questionnaire Tabulation Results

No	Indicator	Response Option	Number Respondents	of	Percentage (%)
1	Business Sector	Construction	15		71
		Goods	4		19
		Services	2		10
2	Business Operation Duration	<1 years	4		19
		1-3 years	5		24
		4-6 years	7		33
		>6 years	5		24
3	OAP Entrepreneurs' Awareness of Presidential Regulation No. 17/2019	Yes	17		81
		No	4		19
4	Sources of Knowledge About Procurement Opportunities	Government announcements	11		52
		Social media	2		10
		Information from colleagues	5		24
		Others	3		14
5	Frequency of Participation in Procurement Processes	Often	7		33
		Occasionally	10		48
		Never	4		19
6	Transparency of Procurement Processes in Mimika	Very transparent	4		19
		Quite transparent	7		33
		Less transparent	9		43
		Not transparent	1		5
7	Main Obstacles in Procurement	Complex administrative requirements	3		14



		Limited information on opportunities	4	19
		Limited business capital	8	38
		Intense competition from other businesses	4	19
		lainnya	2	10
8	Perceived Equality of Access Compared to Non-OAP Entrepreneurs	Yes	9	43
		No	12	57
9	Adequacy of Local Government Support for OAP Entrepreneurs	Very adequate	2	10
		Adequate	8	38
		Less adequate	7	33
		Not adequate	4	19

Source: Author's Questionnaire, 2025

The analysis shows that the majority of OAP entrepreneurs in Mimika Regency operate in the construction sector (71%), while the goods and services sectors account for 19% and 10%, respectively. Regarding business duration, the largest proportion comprises businesses operating for 4–6 years (33%), followed by 1–3 years (24%) and over 6 years (24%). This indicates ongoing business continuity, even though most entrepreneurs are still in the early development stage.

Most OAP entrepreneurs (81%) are aware of Presidential Regulation No. 17 of 2019, reflecting a high level of policy awareness. However, knowledge of procurement opportunities is primarily obtained through government announcements (52%), while social media contributes only 10%, and information from colleagues accounts for 24%, with 14% obtaining information directly from government officials. This suggests the need for diversified information channels to make procurement opportunities more inclusive and accessible.

Regarding participation, about 48% of entrepreneurs occasionally participate in procurement processes, 33% participate frequently, and 19% never participate. Most respondents consider the transparency of procurement processes to be insufficient (43% “less transparent” and 5% “not transparent”), indicating a need to improve accountability and openness in procurement.

The main challenges faced by OAP entrepreneurs include limited business capital (38%), insufficient information on procurement opportunities (19%), and intense competition from other businesses (19%), while 10% reported needing to approach government leaders to secure contracts. Furthermore, 57% of entrepreneurs feel they do not have equal access compared to non-OAP entrepreneurs, highlighting gaps in competition and economic opportunities. Nonetheless, 38% consider local government support to be adequate, although 33% deem it insufficient.

#### 4.2.2 Analysis of the Impact of Presidential Regulation No. 17 of 2019 on the Assets of OAP Entrepreneurs in Mimika Regency

The following table presents the questionnaire results regarding the impact of Presidential Regulation No. 17 of 2019 on the assets owned by OAP entrepreneurs in Mimika Regency:

Table 3. Questionnaire Tabulation Results on Asset Impact

No	Indicator	Response Option	Number of Respondents	Percentage (%)
1	Assets Owned at Business Start	Working capital (cash)	15	71
		Work equipment	10	48
		Operational vehicles	9	43

			Business premises/buildings	11	52
			Others	2	10
2	Participation in Procurement Increased	Business Assets	Yes	14	67
			No	7	33
3	Type of Assets That Increased		Working capital (cash)	9	43
			Work equipment	6	29
			Operational vehicles	3	14
			Business premises/buildings	4	19
			Others	2	10
4	Magnitude of Asset Increase After Procurement		Very significant	4	19
			Significant	7	33
			Not significant	5	24
			No increase	5	24
5	Asset Increase Supported Further Business Growth		Yes	17	67
			No	4	33

Source: Author's Questionnaire, 2025

Based on the collected data, the majority of Indigenous Papuan (OAP) entrepreneurs in Mimika Regency possess primary business assets in the form of cash capital (71%) when starting their enterprises. Other commonly owned assets include business premises/buildings (52%), work equipment (48%), and operational vehicles (43%), while a small portion owns private land (10%). This indicates that OAP entrepreneurs have a fairly well-diversified initial asset base, although ownership levels of operational vehicles and work equipment remain relatively low.

Participation of OAP entrepreneurs in government procurement processes has been shown to contribute to the growth of their business assets. Approximately 67% of respondents stated that involvement in procurement positively impacted their asset accumulation. The types of assets most significantly increased were cash capital (43%), followed by work equipment (29%), business premises/buildings (19%), and operational vehicles (14%). Nevertheless, a small percentage of respondents (10%) reported increases in other asset categories, such as private land, as well as business networks or other intangible assets.

Regarding the magnitude of asset growth, 33% of respondents assessed the increase as fairly significant, while 19% considered it very significant. However, 24% reported that the asset increase was not significant, and another 24% experienced no increase at all. This highlights variations in the impact experienced by OAP entrepreneurs, possibly due to differences in business capacity, access to opportunities, and the level of support received. The majority of entrepreneurs (67%) agreed that the asset growth facilitated further business development, whether through business expansion, increased productivity, or improved competitiveness within their sector. Conversely, 33% felt that asset growth did not directly contribute to business development, underscoring the importance of additional support such as business management training and more inclusive access to financing.

### 4.3 Discussion

*4.3.1 Discussion of the Implementation of Presidential Regulation No. 17 of 2019 in Mimika Regency* Analysis shows that most Indigenous Papuan (OAP) entrepreneurs in Mimika Regency operate in the construction sector (71%), whereas the goods and services sectors account for only 19% and 10%, respectively. The dominance of the construction sector suggests that business opportunities facilitated by the policy are concentrated in this field, indicating that other sectors may require greater attention in project allocation. Regarding business duration, most enterprises have operated for 4–6 years (33%), followed by those with 1–3 years and more than 6 years, each accounting for 24%. This suggests that

many entrepreneurs have accumulated sufficient experience, although challenges in business sustainability remain.

About 81% of OAP entrepreneurs are aware of Presidential Regulation No. 17 of 2019, indicating a relatively high level of policy awareness. However, knowledge about procurement opportunities is primarily obtained through government announcements (52%), while social media and information from colleagues contribute only 10% and 24%, respectively. Many OAP entrepreneurs do not fully understand the contents and objectives of this regulation, highlighting the need to diversify information sources to ensure equitable access to business opportunities.

In terms of participation, only 33% of respondents frequently engage in procurement processes, while the majority (48%) participate occasionally. The perceived transparency of procurement processes is insufficient, with 43% rating the process as “less transparent” and only 19% as “very transparent.” Administrative requirements remain complex for many OAP entrepreneurs, particularly for newcomers. Verification and selection procedures are often non-transparent, resulting in opportunity gaps between OAP and non-OAP entrepreneurs.

The main challenges faced by OAP entrepreneurs include limited business capital (38%), insufficient information on procurement opportunities (19%), and intense competition (19%). Many entrepreneurs struggle to meet the requirements for high-value procurement contracts due to capital constraints. Financial support or access to funding from the government or financial institutions remains limited. Additionally, 57% of respondents feel they do not have equal access compared to non-OAP entrepreneurs, indicating disparities in competition and economic opportunities. Nevertheless, some entrepreneurs consider local government support adequate (38%), although 52% view it as insufficient or inadequate. Non-OAP entrepreneurs with greater capacity often dominate procurement projects, despite the regulation’s affirmative purpose for OAP entrepreneurs. In some cases, OAP entrepreneurs are only engaged as subcontractors, limiting their economic benefits.

These findings are consistent with previous research, such as Yuliana (2019), which identified access to information and business capital as primary barriers for OAP entrepreneurs. Sari (2020) also emphasized that transparency and active participation in procurement processes are crucial for supporting the success of local entrepreneurs. This analysis reinforces prior findings and highlights the need for more inclusive policies to maximize the positive impact of Presidential Regulation No. 17 of 2019.

Oversight mechanisms for implementing this regulation are not yet optimal. As a result, some non-OAP entrepreneurs continue to dominate, even though the regulation aims to support OAPs. Regular evaluation of the policy’s impact on OAP entrepreneurs has not been conducted systematically, making it difficult to assess effectiveness. Many OAP entrepreneurs lack the technical, managerial, and infrastructural capacity to compete effectively in government tenders. The absence of training and technical assistance from the government limits most OAP entrepreneurs’ ability to improve competitiveness.

#### *4.3.2 Discussion of the Impact of Presidential Regulation No. 17 of 2019 on OAP Entrepreneurs’ Assets in Mimika Regency*

Analysis indicates that the majority of OAP entrepreneurs in Mimika Regency initially possess cash capital (71%) as their primary business asset. Other key assets include business premises/buildings (52%), work equipment (48%), and operational vehicles (43%). This diversity of assets demonstrates the entrepreneurs’ preparedness to run their businesses. However, other assets such as networks or additional resources are owned by only 10% of respondents, suggesting a need for broader asset diversification to strengthen business stability.

Participation in government procurement has proven beneficial in increasing entrepreneurs’ assets. Approximately 67% of respondents reported that involvement in procurement significantly contributed to asset growth, particularly in cash capital (43%), work equipment (29%), business premises/buildings

(19%), and operational vehicles (14%). Nevertheless, perceptions of asset growth vary: only 19% considered it very significant, while 33% regarded it as fairly significant. Forty-eight percent of respondents stated that asset growth was either not significant or nonexistent, indicating unequal impacts of the policy. About 67% acknowledged that asset growth facilitated further business development, including business expansion and productivity improvements. However, 33% felt that asset increases did not directly affect business sustainability, highlighting structural barriers or limitations in managerial capacity that need to be addressed through guidance and training.

These findings align with Yuliana (2019), who emphasized that access to economic opportunities through government policies plays a critical role in supporting OAP business growth. As also noted by Ahmad Rizal (2023), positive impacts depend on factors such as access to information, policy support, and entrepreneurs' ability to compete in the market. The results further corroborate Sari (2020), who demonstrated that participation in government procurement strengthens the economic capacity of local entrepreneurs, though challenges such as transparency and capital constraints remain significant barriers.

## **5. Conclusion**

### **5.1 Conclusion**

The discussion results indicate that Presidential Regulation Number 17 of 2019 has had a positive impact, but its effects have not been fully experienced by Papua Indigenous Entrepreneurs (OAP) in enhancing their assets and business capacity. Policy implementation needs to be strengthened to truly achieve inclusive and sustainable development objectives in Mimika Regency, especially in opening business opportunities in the dominant construction sector (71%). Most OAP entrepreneurs are highly aware of this policy (81%) and report that participation in government goods and services procurement has helped increase their business assets. The main assets owned include cash capital (71%), buildings/business premises (52%), work equipment (48%), and operational vehicles (43%). However, the impact of this policy is not yet evenly distributed, as only 19% of respondents felt that their asset increase was very significant, while 48% stated that the impact was insignificant or nonexistent.

Key challenges faced by entrepreneurs include limited business capital (38%), insufficient information on procurement opportunities (19%), and intense competition (19%). Additionally, 57% of respondents feel they do not have equal access compared to non-OAP entrepreneurs. Nevertheless, local government support is considered adequate by 38% of respondents, but 52% assess it as lacking or insufficient. In its implementation, this policy faces several shortcomings, including: limited information and socialization, resulting in low OAP participation; administrative barriers, such as complex procurement procedures; unequal access to capital, hindering OAP entrepreneurs from competing in high-value projects; unbalanced competition with non-OAP entrepreneurs; weaknesses in oversight and evaluation, allowing continued dominance by non-OAP; and limited OAP entrepreneurial capacity, especially in technical and managerial aspects. These findings are consistent with previous studies, such as Yuliana (2019) and Sari (2020), which highlight the importance of transparency, access to information, and policy support in fostering the success of local entrepreneurs.

### **5.2 Recommendations**

To address shortcomings in the implementation of Presidential Regulation Number 17 of 2019, the following steps can be taken:

1. **Diversification of Business Opportunities**  
The government should encourage a more equitable distribution of procurement projects across sectors other than construction, such as goods and services, to ensure more OAP entrepreneurs can participate.
2. **Improving Transparency**  
Transparency in the procurement process must be enhanced through the development of more open information systems, such as digital platforms, to provide trust and equal access for all entrepreneurs.
3. **Increasing Access to Information**

Information channels regarding procurement opportunities should be expanded, including utilizing social media, online platforms, and more inclusive announcements to reach all entrepreneurs, especially in remote areas.

4. Empowerment of Entrepreneurs  
Focused training and mentoring programs are needed on business management, competitiveness improvement, and financial management to address structural barriers faced by OAP entrepreneurs.
5. Capital Support and Incentives  
Local governments and financial institutions should provide access to credit with more affordable and flexible schemes and offer special incentives for OAP entrepreneurs to enhance their business capital capacity.
6. Policy Monitoring and Evaluation  
Regular evaluations of the implementation of Presidential Regulation Number 17 of 2019 need to be conducted to identify and resolve barriers in its execution, ensuring the policy produces a more significant and equitable impact.

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