The Future of Land Ownership Regulation in Indonesia

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Abstract

Indonesia is a state of law. All aspects of social, national and state life including government must be based on laws that are in accordance with the national system. Indonesian land law is an independent law. Based on the 2010 Badan Pusat Statistik census, Indonesia has recorded 1340 ethnic groups. With this number of diversity, Undang-Undang Nomor 5 Tahun 1960 (UUPA) explains that customary law is the original legal source of land law in Indonesia. However, UUPA provides further understanding that customary law is adjusted to the awareness and legal situation of the wider community. Then it was perfected with the interests of the people in a modern country and in its relations with the international world, and adjusted to Indonesian socialism. The challenges in regulating ownership of land rights consist of two challenges, namely challenges at the internal level from the government and external challenges from the government. The internal challenges from the government are the transition from a negative publicity system of land registration to positive publicity, the division of authority between the centre and the regions, the recognition of indigenous communities. While the external challenges from the government are the completion of the land mafia, community participation in ensuring legal certainty with land registration in the form of certificates. The future arrangements for ownership of land rights based on their term are classified into two, namely the short-term future and the long-term future. The short-term future that can be done is to immediately implement existing legislation such as the mandate of Undang-Undang Nomor 23 Tahun 2014, Instruksi Presiden RI Nomor 2 Tahun 2018, Keputusan Presiden RI Nomor 20 Tahun 2018, Peraturan Presiden RI Nomor 86 Tahun 2018. The future of land ownership arrangements in Indonesia needs to prepare big things such as the implementation of the omnibus law related to land affairs in encouraging investment progress and ease, steps to implement a positive publicity system in ensuring legal certainty, digitizing land services and improving governance that is based on good governance principles.

Keywords: Land Ownership; Indonesian Land Regulation; Land Registration

Introduction

Indonesia is a state of law. All aspects of life, whether social, national and state including government must be based on laws that are in accordance with the national system. (Urip Santoso, p. 13) explained that Indonesia had gone through various dynamics of land history. When viewed in terms of its validity, land law in Indonesia has passed through two periods, namely; First, Colonial Land Law,
applicable before Indonesia gained its independence and before the issuance of Undang-Undang Nomor 5 Tahun 1960 tentang Peraturan Dasar Pokok-Pokok Agraria (UUPA) was the era before September 24, 1960. Second, National Land Laws, after the issuance UUPA, the era after September 24, 1960 to currently.

The consistency of Indonesian policy with regard to the idea of structuring tenure and ownership of land rights with social justice has not yet been realized. This is due to the incomplete reconstruction effort in all overlapping and conflicting agrarian laws and regulations (Imam Koeswahyono, p. 87). The initial political direction of land law was to ensure prosperity for all Indonesian people. But during the “Orde Baru” era there was a change in the ideology of development from Indonesian-style socialism developed by Soekarno toward capitalism, liberalism and privatization. Then during the “Orde Reformasi” era there was an effort to restore the balance as was intended by the UUPA, but it was not enough to get support from other sectorial agencies including law enforcement officials (Nurhasan Ismail, p. 50).

Resolving the problem of overlapping laws and regulations in the field of land is not easy because each sector adheres to its sectorial laws and the position of the sectorial laws is the same. For example, Undang-Undang Nomor 22 Tahun 2001, Undang-Undang Nomor 22 Tahun 2002, Undang-Undang Nomor 25 Tahun 2002, Undang-Undang Nomor 27 Tahun 2007 and so on. UUPA which was originally intended to be used as a basis and further regulation of laws and regulations in the field of natural resources, has been degraded since the early 1970s along with the issuance of various sectorial laws. UUPA is not included in the consideration of the sectorial law, all sectorial laws directly refer to Article 33 paragraph 3 of Undang-Undang Dasar 194 (UUD 1945) (Wasis Susetio, p. 145).

In addition, throughout the 2018 “Konsorsium Pembaruan Agraria” recorded at least 410 land conflict incidents with an area of conflict area reaching 807,177.613 hectares and involving 87,568 households in various provinces in Indonesia. Thus, accumulatively throughout the four years (2015-2018) the Jokowi-Jusuf Kalla government has occurred at least 1769 land conflicts (Konsorsium Pembaruan Agraria, p. 17).

If we look at the typical land conflicts that exist in Indonesia are diverse and often intersect with the government as an organization of authority to regulate ownership of land rights. For example the land conflict in West Sumatra as explained (Abdul Mutolib et al., p. 223) is caused by the existence of mutual claims between the community and the government over forest ownership so that it also impacts on forest management companies.

In addition, if seen from the typical other land conflicts in Indonesia such as in Bali, Maluku, Riau, Sumatra and several other areas have more or less in common which is related to land boundary claims and proof of ownership rights. (Mukmin Zakie, p. 52) explains that conflict cannot be avoided, as is the fact that conflict will always exist in society. The only way that can be done, in addition to resolving conflicts that have occurred, is to detect potential conflicts that will arise earlier.

The law has a goal to be achieved. The law has a main goal which is to create an orderly community order, creating order and balance (Bo’a, Fais Yonas, p. 2017). UUPA that has been enacted and was born since 59 years needs to be reviewed and strengthened so that it can be adapted to social conditions, politics, culture, economy, technology and the changing times of the very fast future. The legal objectives of the regulation and legislation of land ownership must provide justice and prosperity for all Indonesian people. In addition, it must be able to contribute in suppressing and reducing the number of land conflicts that exist in Indonesia.
Legal Objectives of Land Ownership Regulation

The increase in development activities which is the implication of the swift current of globalization has greatly affected the fields of human life, especially with regard to providing a place to carry out development activities. The problem is that the area of land does not increase but the number of people who need the land either in a residence, business place or the fulfilment of various other community needs is increasing (St Nurjanah, p. 152).

Many investments in the economy involve land. Real estate involves land directly while other investments that take place on the surface or below the surface, be it in agriculture, forestry, fishing, industry, mining, construction or services use land either directly or indirectly (Frank F. K. Byamugisha et al., p. 10). However, in regulating ownership of land rights for investment activities, the State must lay the foundations of agrarian politics that are rooted in protecting the rights of land for the people of Indonesia by making Pancasila, UUD 1945 and UPPA a rule of law that forms the basis and purpose of every law (Yanis Maladi, p. 441). Even though it is undeniable that Indonesia is also one of the countries that wants investment inclusion especially in the use of natural resources and land use. Although currently based on World Bank data, Indonesia is only ranked 73rd in terms of Ease of Doing Business. The principal ambition of registration of title is to facilitate the security of land ownership and transfer (Mark P. Thompson, p. 111). One of the arrangements for ownership of land rights is through land registration. The government, based on Article 19 of UUPA, is tasked with holding land registration throughout Indonesia to ensure legal certainty. (Meita Djohan Oe, p. 72) explained that through the implementation of land registration, then: First, the land owners easily prove their rights by providing proof of land rights, in the form of certificates; Second, those who need information easily obtain it because it is open to the public, where all registered land rights data is stored at the Land Office.

Indonesian land law is an independent land law. This meant that all the contents contained in the UUPA were the work of the thoughts of the founding fathers when together they had seized and fought for Indonesian independence. In addition, the enactment of the UUPA was also marked by revoking several legislation from the Dutch legacy ranging from "Agrarische Wet", "Domeinverklaring", "Kominklijk Besluit" to Book II of the Indonesian Civil Code as far as the earth, water and natural resources which contained therein, except for the provisions on mortgages. For this reason, it is certain that the UUPA has the spirit of independence of the Indonesian people over their own land as the relationship of the earth, water, land and space with the Indonesian people is an eternal relationship.

Based on the 2010 “Badan Pusat Statistik” census, Indonesia has recorded 1340 ethnic groups. With this diversity, the UUPA explains that customary law is the original legal source of land law in Indonesia. This is because some of the people of Indonesia are still subject to their respective customary laws as sources of original law. However, UUPA provides a space for further understanding, that land law sourced from customary law is adjusted to the legal awareness of the people at large. Then it was perfected with the interests of the people in a modern country and in its relations with the international world, and adjusted to Indonesian socialism.

Customary law is the original law of the Indonesian people. The source is unwritten legal regulations that grow and develop and are maintained with the legal awareness of the people. Because these regulations are unwritten and thrive, customary law has the ability to adapt and be elastic (Djaren Saragih, p. 32). The characteristics of customary law are: 1) not written in the form of legislation and not codified; 2) not arranged systematically; 3) not compiled in the form of a book of legislation; 4) irregular; 5) the decision does not use consideration; 6) the articles of the rules are not systematic and have no explanation (Muhammad Bushar, p. 5).

Indonesia, Malaysia and Singapore as neighbouring countries actually have similarities in terms of system of publication and land registration. The application of the Torrens system in Indonesia and
Singapore ultimately aims to provide legal certainty and legal protection for parties interested in certain parcels of land. However, in its application, Indonesia does not fully use the Torrens system because in Indonesian land law Caveat is not known (Indiraharti, Novina Sri, p. 124).

**The Right to Control the State in Land Ownership Regulation in Indonesia**

Access to and use of the land is a fundamental instrument for successful development, both economically and socially (Alain de Janvry & Elisabeth Sadoulet, p. 4). The regulation of land tenure in Indonesia until now still gives ambiguity in its interpretation of the law. UUPA recognizes the right to control the state (Hak Menguasai Negara) as a tool to achieve the greatest prosperity of the people. However, the absence of a clear and specific definition causes many interpretations of the state's position in the definition of controlling land.

The state as an organization of powers granted the authority to regulate and occupy the earth, water and space in accordance with the mandate of Article 33 paragraph 3 of UUD 1945 and the mandate of Article 2 paragraph 2 of UUPA has not been able to carry out its role properly in managing and organizing the economy, which includes responsibilities the state's responsibility to guarantee the availability of certain basic welfare services for its citizens, including the availability of land used for the survival of the community (Awaluddin, p. 122).

The right to control the state (Hak Menguasai Negara) must be reconciled in order to avoid the abuse of authority by the government on behalf of the state by narrowing the interpretation / interpretation to regulate it very rigidly so that it negates participation let alone articulates by owning (Imam Koeswahyono, p. 70). The authority of the right to control the state must be as fair and straight as possible in carrying out the mandate of Article 2 of UUPA, namely: 1) regulating and organizing the designation, use, supply and maintenance of the earth, water and space; 2) determine and regulate legal relations between people and the earth, water and space; 3) determine and regulate legal relations between people and legal actions concerning earth, water and space.

Unbalanced ownership arrangements can trigger land conflicts. (Herlina Ratna Sambawa Ningrum, p. 226) explains that the factors causing frequent land dispute problems include; 1) land administration system; 2) unequal distribution of land ownership; 3) legality of land ownership which is based solely on formal evidence (certificates) without regard to land productivity.

In an effort to reduce land conflicts, the government is obliged to increase legal certainty. The government has now included efforts to explore changes in the system of land registration publications from negative to positive. A positive publication system will mean that the state guarantees the truth of the information contained in the land certificate issued. Thus, when a lawsuit occurs in court, the loss party for the loss of ownership of his land rights will receive compensation from the state (RPJMN 2015-2019, p. 8-43).

Indonesia still applies a negative publicity system in land registration. Actually there are some conformities that make Indonesia still use a negative publication system including; First, there is protection for the actual rights holders; Second, there is an investigation of the land history before the certificate is issued (Indri Handisiswati, p. 137). In a negative publication system, the right holder is still given space to reclaim his rights which are owned or controlled by other subjects who are not entitled. In one case for example as explained by (Ricco Survival Yubaidi & Tata Wijayanta, 2017) that the Bantul District Court of Yogyakarta decided to cancel the certificate of land rights that had been issued even though those who had transferred ownership of land rights on behalf of the buyer. The reason taken by the
judge is because it does not meet the elements of "Light (Terang)" and "Cash (Tunai)" so that ownership of land rights is considered to be returned to the original holder.

Reflecting on the case, so far the legal consequences of the transfer of rights to the sale and purchase of land that has not been registered (although not yet have a certificate) also remains valid according to law in Indonesia. This is justified as long as it meets the material requirements of the sale and purchase, namely "Light (Terang)" and "Cash (Tunai)" (Baiq Henni Paramita Rosadi, p. 434). "Light (Terang)" and "Cash (Tunai)" are two distinctive features of Customary Law as a source of National Land Law. "Light (Terang)" means the sale and purchase is carried out in front of the competent official (Head of Customary, Land Deed Making Officer, Sub-District Head). While "Cash (Terang)" means the sale and purchase price has been paid in cash.

Accountability is needed in the administering land administration in Indonesia so as to reduce the occurrence of land conflicts in Indonesia. Accountability of land administration is based on the principles of good governance. Through land administration accountability, access to land information will be open so that everyone can access the land information (Arisaputra, Ashri, Abdullah & Bakar, p. 289).

In fact, all people have the right to have equal access and not to exploit each other in utilizing agrarian resources. In this context, the government is obliged to take the role of creating agrarian policies in accordance with the objectives when the country was founded, namely the welfare of the people (Dodi Faedlulloh, p. 74).

To fulfil justice for the access and assets of ownership of land rights for the people of Indonesia, the need for the desire and willingness of the government to restructure ownership of land rights, or better known as land reform. (Arditya Wicaksono & Yudha Purbawa, p. 36) explained the implementation of land reform in Indonesia was not optimal, due to the lack of support from various relevant stakeholders, because this program would have a large impact if supported by other ministries which had funding sources to increase the economic potential of the community, if internal Ministry of Agrarian Affairs and Spatial Planning is only limited to community land certification.

Challenges of Land Ownership Regulation in Indonesia

Indonesia as explained by the Badan Pusat Statistik that in 2017 the geographical condition consists of 16,056 islands with a total area of 1,916,862.20 km2. This figure certainly illustrates that dynamics and land ownership and land ownership will always be found. He added that up to now there have been approximately 40 million land parcels out of a total of 126 million land parcels that have been registered and registered. This illustrates the need for immediate completion of land registration in order to be able to go to the next stages of improvement.

The problem of land registration is not only felt by Indonesia. There are three sets of factors help to explain the difficulties and slowness in registering land title in the rural areas of Southeast Asia. They are poor standards of governance, the nature of traditional peasant community, and policy capture by bureaucratic and business elites (David S. Jones, p. 84).

At least in classifying the challenges in the regulation of ownership of land rights consists of two, namely challenges at the internal level of the government itself and external challenges of the government. Some internal challenges of the government are the study and application of the transition from a negative publicity system to a positive one, the division of authority between the center and the regions and the recognition of indigenous communities.
The negative publication system that has been used by Indonesia has not been able to provide security and certainty for right holders. Meanwhile, a positive publication system is considered to be able to provide more legal certainty and public trust in legal products from the government in the form of certificates. However, with the conditions on the ground that not all land in Indonesia is registered and mapped, it will be difficult to implement a positive publication system. The Complete Systematic Land Registration Program (PTSPL) which has been carried out since 2015 with the target that all parcels of land in Indonesia will be registered in 2025 is expected to actually have outputs that can be used as the basis for implementing a positive publication system. Due to the positive publication system also requires an endowment in compensation if there is an error.

Whereas with the Undang-Undang Nomor 23 tahun 2014 has given authority to the regional government to manage land, only in the implementation of disharmony is still often found (Wenda Hartanto, p. 98). For this reason, there is a need for a commitment for the government to implement existing laws. What has been published must be obeyed and carried out. If it cannot be implemented, it must immediately be revised or canceled.

Until now, customary / ulayat land rights are carried out individually and communally in perspective. The UUPA is still blurred so that it has implications for conflict in its transition (I Made Suwitra, p. 453).

Meanwhile, the government's external challenges, namely the completion of the land mafia and community participation in helping to ensure legal certainty by registering land certificates. In Indonesia there are still many land mafias, this is one of them which hinders the ease of investing. Explained by (RB Agus Widjayanto, 2019) that currently the government will do two things in eradicating the land mafia: First, there will be a strengthening of regulations, proof of old ownership in addition to certificates will be limited to validity. Due to the still circulating letters / proof of old rights long before the existence of the certificate is sometimes used as an excuse for land mafias to cancel a valid certificate. Secondly, certification of all parcels of land in Indonesia. The government estimates that all parcels of land in Indonesia will be registered in 2025.

The Future of Land Ownership Regulation in Indonesia

As Indonesia recognizes the existence of the *Ius Constitutum*, which is the law in force today, and the *Ius Constituendum* which is the law aspired to (in the future). So the arrangement of ownership of land rights in Indonesia that has gone through various dynamics needs to continue to pay attention to this. According to (Soerjono Soekanto & Purnadi Purbacaraka, p.7) the idealized law can turn into a positive law that applies with; 1) the replacement of a law with a new law; 2) changes to existing laws by including new elements; 3) interpretation of laws and regulations that allow differences in interpretation of the present with the past; and 4) the development of leading legal scholars' doctrines or opinions in the field of legal theory.

The future arrangements for ownership of land rights can be classified into at least two kinds, namely the short-term future and the long-term future. The short-term future that can be done is to immediately implement existing laws such as the application and carrying out the mandate of Undang-Undang Nomor 23 Tahun 2014, Instruksi Presiden RI Nomor 2 Tahun 2018, Instruksi Presiden RI Nomor 2 Tahun 2018, Keputusan Presiden RI Nomor 20 Tahun 2018, Peraturan Presiden RI Nomor 86 Tahun 2018. Aside from carrying out the existing mandate, there is also a need for immediate completion of the Indigenous Peoples Bill and Land Bill.
Until now there are still many articles in the UUPA that have not been implemented by the government. Even though the UUPA has been made in such a way that if it can be implemented properly it can improve the justice and welfare of the community. As is the case with the implementation of Article 12 of the UUPA which mandates the existence of joint ventures on land in the form of cooperatives or other forms of mutual assistance. In the case of tourism, for example, this article can be a bridge of good collaboration between the Ministry of Agrarian Affairs and Spatial Planning which is in charge of guaranteeing the legal certainty of ownership of land rights with the Ministry of Tourism as a companion in developing tourist destinations in the regions.

Meanwhile, for the long-term application, which is to carry out the mandate of Undang-Undang Nomor 17 Tahun 2007, the application of a positive publicity system, digitalization of land services with the aim of information disclosure and omnibus law relating to the land sector. A positive publication system in land registration is a necessity that needs to be applied in Indonesia. This will help reduce the number of conflicts in Indonesia. A positive publication system is also expected to reduce the number of lawsuits in land related courts, and even stop the discourse related to the establishment of land courts. But besides that if a positive publication system has been implemented and requires the government to provide compensation if there is a claim for ownership, it must be avoided and it is anticipated the practices of false claims through the court either planned by one party, both parties or organized by the land mafia.

Digitalization of land services is also expected to be the end of solving problems in the regulation of ownership of land rights. With complete basic information in one map related to land ownership and other geospatial data and information needed. This has been based on Peraturan Presiden Nomor 9 Tahun 2016, Keputusan Presiden RI Nomor 20 Tahun 2018. Digitalization of land services can also help the community in getting closer access to registration of rights and transfer of land rights through technological advances.

The idea of the Omnibus Law concept is expected to be able to resolve regulatory conflicts in the land sector and is expected to be effective in resolving regulatory conflicts. Some of the advantages of applying the Omnibus Law concept in resolving regulatory disputes in Indonesia include: 1) overcoming conflicting laws and regulations quickly, effectively and efficiently; 2) to uniform government policies both at the central and regional levels both at the central and regional levels to support the investment climate; 3) licensing management is more integrated, efficient and effective; 4) able to break the bureaucratic chain to be simple; 5) increased coordination relationships between related agencies because it has been regulated in an integrated omnibus regulation policy; 6) there is guaranteed legal certainty and legal protection for policy makers. (Firman Freaddy Busroh, p. 248).

Conclusion

The need for regulatory reform in the field of land is urgent because it can impact on the declining investment climate in Indonesia. One of the land conflicts is also caused by regulatory conflicts. For this reason, it is necessary to find a solution or a breakthrough to reorganize the political direction of land affairs. This study concludes that there are three main parties that can support the success of land tenure arrangements in Indonesia, namely the central government, regional governments and the community.

The Central Government is a representation of the people's mandate through UUPA. That the central government as the highest power organization must be able to provide clear guidelines on the future of land ownership arrangements in Indonesia. As land law in Indonesia originates from customary law, the government must be careful in its implementation even though it does not close to be adapted to
social, political, cultural, economic and technological developments and the demands of changing times today.

Regional Government as a representation of managed area. So, with the foundation of Undang-Undang Nomor 23 Tahun 2014 it is time for the implementation of the division of authority between the centre and the regions to take place properly. Regional Governments must have autonomous authority to regulate and determine land ownership arrangements that are adapted to their respective territories, due to the diversity of existing tribes and indigenous peoples in Indonesia. In addition, local governments certainly better recognize their respective regions. So in this case the local government must be able to resolve land conflicts that currently exist to be resolved so as not to interfere with the land registration process in Indonesia which is targeted at all registered areas by 2025.

Society as a representation of the holder of eternal power over land in Indonesia. Then the need to always supervise the government in the process of regulating ownership of land rights. There are a number of things that can be done such as community participation in land registration, supervise the land reform, participation in the determination of land boundaries, mapping in recognition of indigenous community communities, assistance to areas experiencing land conflicts.

The future arrangements for ownership of land rights in Indonesia need to prepare big things such as the implementation of the Omnibus Law related to land affairs as a step in encouraging progress and ease in investment, steps in implementing a positive publication system in ensuring legal certainty, digitizing land services as a reflection of openness and good governance principles.

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