Ius Constituendum Regulates the Cadre-Based...

Problems of Converting Agricultural Land and the Need to Anticipate Its Control After the Enactment of the Job Creation Law

**Abstract**

The main problem that farmers face now is the conversion of land function from agricultural to non-agricultural ones because of conflicts of interests. Behind this problem, there is an increase in demand for lands as a result of economic and population growths, leading to food security and import dependence threats. Therefore, protecting agricultural lands becomes more and more urgent to ensure the national food security. This research aims to identify the arising problems regarding the conversion of agricultural land function and the need to anticipate its control upon the enactment of Law Number 11 of 2020 concerning Job Creation. This research applied a normative research method using statute approach. The data it used consisted of primary legal materials such as Law Number 11 of 2020 on Job Creation, and its derivative regulations such as Government Regulations (GR) and one Ministerial Regulation as technical operating references. The data were collected by reviewing the literature and studies, using qualitative analysis, including content analysis to evaluate information objectively. The conclusion was drawn deductively, from general ideas to specific findings. An in-depth investigation was carried out into the relevant legal facts using frame analysis, which limited the scope of studies and attempted to find solutions to the arising issues. The research found that upon the enactment of Job Creation Law, a significant change occurred in the regulations on agricultural land conversion in Indonesia. This led to new challenges in managing the land conversion and required anticipatory measures. Tight monitoring on the agricultural land usage and establishment of a specific institution to manage the state’s agricultural lands are needed. Through farmers’ and community’s active participation, it is expected that the government’s programs can be more responsive to local needs and maximize the use of limited resources.

**Keywords:** Agricultural land conversion; concerning job creation; need to anticipate.

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**INTRODUCTION**

Indonesia is an agrarian country with its fairly large agricultural lands, diverse and abundant natural resources, and population mostly working in agriculture sector. Agriculture sector is the main pillar of the country’s economy. Farmers play a crucial role as the main gatekeepers in...
maintaining and upholding the national food sovereignty.\textsuperscript{1} The old issue on land in Indonesia is still attractive to researchers until today.\textsuperscript{2} Land has quite significant economic, social, and ecological dimensions that can help its owners obtain welfare and prosperity. In addition, it also serves as a place to survive and live their life.\textsuperscript{3} Agricultural plays an important role in meeting the basic needs and encourage the development of socio-economic and trade industries.\textsuperscript{4}

How successful an agricultural development is can be evaluated from its effectiveness in optimally utilizing the lands.\textsuperscript{5} Changes in land uses are one of the main factors in economic development, and mankind have changed the way they use lands for ages. Agricultural land conversion has been decided as the main process in many developing countries.\textsuperscript{6} Therefore, it is important to maintain and increase the existence of agricultural land as an attempt to meet the people’s needs at national level. Especially, the existence of food agricultural land is extremely important to ensure that the people’s basic needs are fulfilled. The protection of agricultural land is a system and process that involves planning, decision-making, development, utilization, facilitation, control, and monitoring of food agricultural lands and the surrounding areas on continuous basis. As the demand for land increases, its number gets more and more scarcer. This land scarcity leads to the reduced number of agricultural lands that can be used as an object for developing various facilities.\textsuperscript{7} The increased rate of land function conversion has created conflicts between agricultural land protection, food security attainment and industrial development to create jobs.\textsuperscript{8}

The increase in land function conversion from productive agricultural to non-agricultural ones such as properties, industries, and national strategic development projects have threatened the existence of agricultural land. In turn, it has the potential of disrupting the national food security.\textsuperscript{9,10} More productive agricultural lands are converted into non-agricultural ones. Most of them are for long-term development projects such as housing, industrial plant construction, toll roads, bullet train, and other public facilities. These result in decreased number of agricultural lands whose roles are important in meeting human food needs and maintain the balance between mankind and their

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\end{thebibliography}
environment. The conversation of agricultural lands in those regions where the national strategic projects pass through will keep on going. For example, the Jakarta-Bandung bullet train project will use 56.6 hectares of land, including forest and other productive agricultural lands. Its indirect impact is that 150 hectares of agricultural lands around the stations and rails have been converted for non-agriculture purposes.

The conversion of agricultural lands into housing, industrial, and national strategic project areas have reduced the width of agricultural lands that support the food security and nutrition availability. This is because of the interrelatedness between agriculture productivity and nutrition requirement. A decline in agriculture productivity will affect the overall food system. Thus, the availability of agricultural lands is an absolute prerequisite to build food sovereignty. 150 thousand hectares of agricultural lands have been converted into non-agricultural ones. If this keeps going on, the national food security will be threatened. The shrinkage of agricultural lands into non-agricultural ones significantly influences the food productivity. Currently, Indonesia faces a competition in land utilization, where a great deal of agricultural lands have been converted into non-agricultural ones for such purposes as properties, plant construction, and national strategic projects. The government has been actively developing toll road and bullet train projects that require lands in huge amount. This indicates the importance of effort to maintain the availability of agricultural lands to ensure the national food security.

The Indonesian government has taken concrete measure to address the agricultural land conversion challenges through regulatory policies aiming to realize the national food and nutrition security goals. In its attempt to deal with the situation, the government has issued Law Number 41 of 2009 concerning Sustainable Food Agricultural Land Protection (PLP2B Law). This law clearly mandates the government, at both central and regional levels, to ensure that food agricultural lands are continuously available. This is to meet the national food demand and to provide sources of decent living for the people of Indonesia. The implementation of PLP2B Law emphasizes the formation of three types of lands, namely Sustainable Food Agricultural Land (LP2B), Sustainable Food Agricultural Reserve Lands (LCP2B), and Sustainable Food Agricultural Zones (KP2B), with adjustments being made as per the Regional Spatial Planning (RTRW) at regional level.

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Other than Law Number 41 of 2009 on Protection of Sustainable Food Agricultural Land, the central government has also passed some Government Regulation and Ministerial Regulation as derivatives of the law. There are four Government Regulations (GRs) and one Ministerial Regulation as derivatives of the law that serve as technical operating references in the implementation of this policy. The first one is Government Regulation Number 1 of 2011 concerning Determination and Conversion of LP2B. The second one is Government Regulation Number 12 of 2012 on LP2B Protection Incentive. The third one is Government Regulation Number 25 of 2012 on LP2B Information System. The fourth one is Government Regulation Number 30 of 2012 on LP2B Protection Financing. And the fifth one is Ministerial Regulation Agriculture (Permentan) Number 07 of 2012 on Technical Guidelines on Criteria and Requirement of Sustainable Food Agricultural Land and Reserve Land Zones. These steps shows the government’s commitment to protect and optimize the utilization of agricultural lands to maintain the national food security. The applied policies had some implications on the legal, ecotourism-based economic, environmental sustainability, educational, and socio-religious aspects.\(^\text{18}\)

Despite the attempts to protect agricultural lands through numerous regulations, other regulations still allow some parties to convert lands. Agricultural lands are not completely protected, considering the ongoing growth of demand for lands in the future to support the development. This allows the supposedly protected agricultural lands to be used or converted under certain criteria. This is implied in the provisions of Law Number 2 of 2012 concerning Land Procurement for Development for Public Interest, where in practice many productive lands are used to develop industries and construct strategic road infrastructures. This shows the complexity of attempts to maintain balance between development and agricultural resource protection.\(^\text{19}\)

It gets even worse after Law Number 11 of 2020 concerning Job Creation amends the regulations on agricultural land protection. One of the clusters in the Job Creation Law that attracts attention is the cluster on lands. The arrangement on land affairs, which belong to agrarian domain, is set forth in CHAPTER VIII on Land Procurement, consisting of three parts: land procurement for development for public interest (Article 123), protection of sustainable food agricultural land (Article 124), and land affairs (Articles 125-147).\(^\text{20}\) This amendment worsens the situation that farmers are in since it makes it easier to convert agricultural lands in some other clusters. The amendment of Law Number 11 of 2020 concerning Job Creation makes the unresolved land conversion issues even more complex. The regulations that supposedly protect the continuously shrinking agricultural lands are not effectively and efficiently implemented. The lack of legal protection over the regulations has also led to changes in their implementation.\(^\text{21}\) The regulations are simplified by adopting the norms from the Land Affairs Law Draft into the Law Number 11 of


Problems of Converting Agricultural Land... 2020 on Job Creation. This simplification is a kind of substance smuggling. The norms in the Land Affairs Law Draft, which are still problematic and being discussed, seem to be forcefully adopted into Law Number 11 of 2020 concerning Job Creation. As a result of this legislation process, many substantial issues arise as crucial issues in land affairs sector in Law Number 11 of 2020 concerning Job Creation. Meanwhile, the assumption that the legislation process of Job Creation Law is problematic is proven by the newly issued order of the Constitutional Court Number 91/PUU/XVIII/2020. The order states that Job Creation Law is formally flawed since its formulation did not comply with the standard guidelines and it is found that it did not provide the society any room for meaningful participation. The Constitutional Court suggests that the Job Creation Law is conditionally unconstitutional. However, to avoid legal vacuum, it is decided that this law will still be applicable for at the longest two years while being revised. If within the said period of time no revision is made, then the Job Creation Law will be declared unconstitutional permanently.

Some articles in Law Number 11 of 2020 concerning Job Creation are deemed to have the potential of adding more clusters of issues, such as accelerating the damage to and degradation of environment, labor welfare issue, weakening law enforcement, and land affairs issues. The sustainable agricultural land protection issue arises in the provision of Law Number 11 Of 2020 concerning Job Creation which sets forth that the utilization of food agricultural lands can be changed for public development and/or national strategic project purposes. It is feared that this change might accelerate agricultural land conversion and threaten the existence of farmer groups. Additionally, the uncertainty of food as the national strategic project might worsen even further the national food interest. The research conducted by Oktiana highlights the implementation of Law Number 41 of 2009 on Protection of Sustainable Food Agricultural Land in various regions, and they found that the implementation was still far from expectation. The conversion of food

22 Muhammad Ikhsan Kamil et al., “The Concept of A Perfect BUMDES Law Entity After Law No. 11/2020 on Working Creation in The Role of Increasing Village Income,” Jurnal IUS Kajian Hukum Dan Keadilan 11, no. 3 (December 26, 2023): 589–601, https://doi.org/10.29303/IUS.V11I3.1277.in addition to its existence will be able to open up employment opportunities. This indicates that good management construction is also needed, a construction that supports efficiency so that the principle of independence in village development is realized. The priority of BUMdes is on economic benefits, in addition to social benefits, but the legal aspect must be a foothold. Not merely pursuing benefits just because of the new spirit. However, it is necessary to know the rules to understand the construction as well as the alternatives in it. Regulatory incompleteness (norm ambiguity


agricultural lands into tourism and housing zones in Sleman Regency becomes a hindrance in the formulation of regulations to support Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands. This indicates the real challenge in implementing the food agricultural land protection at local level, where the pressure to convert agricultural lands for other purposes such as tourism and housing exists. Harder works and better coordination between the central and regional governments as well as other stakeholders are needed to deal with this obstacle and improve the implementation of Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Land more effectively in all regions.

Meanwhile, Satria’s research found that despite the enactment of Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands, conversion of agricultural lands still occurs. For example, in Bogor Regency, a total of 3,385 hectares of rice fields had been converted during 2012-2015 period. Likewise, in Bali, a shrinkage in rice field areas at 2,145 hectares for 2012-2016 period had been observed, indicating a significant decrease. This finding underlines that despite the existence of regulations aiming to protect agricultural lands, their implementation still have to face real challenges. These challenges require extra attempts to ensure that the food agricultural lands are protected effectively. Ramadwika found that the protection of food agricultural lands as per Law Number 11 of 2020 concerning Job Creation showed three main problems. First, some regulations made it easy to convert food agricultural lands for development projects. Second, the utilization of food agricultural lands decreased because of the decreased focus on domestic food production as the consequence of food import policy. And third, the land allocation politic established by Land Bank Agency might lower the chance of providing food agricultural lands for the poor. These three problems have systemic impacts that could affect the national food sovereignty.

This article is important because it discusses the critical issue of agricultural land conversion as a result of conflict of interests between agriculture and non-agriculture sectors. The population and economic growth increases the demand for lands, leading to scarcity and encouraging land conversion for business profit, supported by the bureaucracy that are frequently involved. As a result, food security is threatened since the food production declines and dependence on import increases. This article emphasizes the need to control land conversion to protect the agriculture sector and ensure food security. Protecting food agricultural lands is a crucial issue requiring further research, with the state playing the main role through its legal and political policies, such as the Job Creation Law.

Implementing the spatial planning of the food agricultural lands has been an urgent matter. The Islamic perspective also confirms this importance of land issue as a social dimension in need of justice and equality.
of the presence of the state. Therefore, a holistic comprehension from legal, political, and religious perspectives are highly important to address the food agricultural land protection challenge.

This research aims to identify the arising problems in relation to agricultural land conversion and the need to anticipate its control upon the enactment of Law Number 11 of 2020 Concerning Job Creation. This research will investigate two main issues: first, the arising problems upon the enactment of the said law regarding agricultural land conversion, and second, the attempt to anticipate the control of agricultural land conversion upon the enactment of the said law.

RESEARCH METHODS

This is normative research that used statute approach to investigate the conversion of agricultural land function and the need to anticipate its control upon the enactment of Law Number 11 of 2020 Concerning Job Creation. The data used were the secondary ones, including primary legal materials such as Law Number 11 of 2020 Concerning Job Creation, and secondary legal materials in the form of its derivative regulations such as Government Regulations (GRs) and a Ministerial Regulation which served as technical operating references in the implementation of this policy. Five derivative regulations were the focus of this research; they are: (i) Government Regulation Number 1 of 2011 on Determination and Conversion of LP2B, (ii) Government Regulation Number 12 of 2012 on LP2B Protection Incentive, (iii) Government Regulation Number 25 of 2012 on LP2B Information System, (iv) Government Regulation Number 30 of 2012 on LP2B Protection Financing, and (v) Ministerial Regulation of Agriculture (Permentan) Number 07 of 2012 on Technical Guidelines on Criteria and Requirement of Sustainable Food Agricultural Land and Reserve Land Zones.

The data were collected by reviewing the literature and studies. The data analysis was focused on qualitative one, including the content analysis to evaluate the characteristics of information in an objective and systematic manner, and interpret the information qualitatively to draw conclusions. The conclusions were drawn using deductive logic, which was the logical approach from the general idea to specific findings. In addition, an in-depth inspection was done to the relevant legal facts to find the solution to the arising problems using frame analysis. The frame analysis was needed to limit the research scope of the issues being studied.

ANALYSIS AND DISCUSSION

Agricultural Land Conversion Issue and the Need to Anticipate Its Control upon the Enactment of Law Number 11 of 2020 concerning Job Creation

The food agricultural land protection mandate was governed in Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Land (PLP2B Law). This PLP2B Law tasked the central and regional governments to establish a Sustainable Food Agricultural Lands (LP2B), Sustainable Food Agricultural Reserve Lands (LCP2B), and Sustainable Food Agricultural Zones (KP2B) that should be integrated into the regional spatial planning through applicable regulations at both national and regional levels.32

The main objective of establishing these food agricultural lands was to produce staples sustainably, thus supporting the national food independence, security, and sovereignty.33 This was

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32 Indonesia, Undang-Undang Nomor 41 Tahun 2009 tentang Perlindungan Lahan Pertanian Pangan Berkelanjutan [Law Number 41 of 2009 concerning Sustainable Food Agricultural Land Protection].

33 Indonesia.
also confirmed as Law Number 18 of 2012 concerning Food was issued. Hence, it is safe to say that the government had admitted the urgency of protecting food agricultural lands as the basis for providing foods to achieve the national food sovereignty. Protection of sustainable food agricultural land was a system and process that involved planning, determining, developing, utilizing, facilitating, controlling, and monitoring the food agricultural lands sustainably. The establishment of sustainable food agricultural lands was done using an integrated planning by the Central and regional governments. The national LP2B planning served as a reference for planning LP2B at province and regency/municipality levels. This process involved active participation from the community, enabling them to provide responses and feedbacks.

The development of LP2B and KP2B could be done through intensification and extensification programs. The LP2B and KP2B extensifications could be done on abandoned lands and former forest area lands on which no right of lands had been given. This was reiterated by the Presidential Regulation (Perpres) Number 86 of 2018 concerning Agrarian Reform (Agrarian Reform Perpres) and Government Regulation Number 65 of 2019 on Agricultural Land Area Guarantee, which also accommodated the utilization of abandoned lands and forest areas for agricultural lands. To maintain the sustainability, the utilization of LP2B should be ecology-based, by paying a heed to the environmental conservation and ecosystem balance. As an attempt to protect the existence of LP2B, the central and regional governments were required to facilitate any party involved in the utilization of LP2B (Article 35 of PLP2B Law). The provision of incentive to support the access to LP2B utilization was also set forth in Articles 38 to 43 of PLP2B Law. Additionally, the PLP2B Law also included the prohibition and mechanism of LP2B function conversion as set forth in Articles 44 to 54. This regulation legally bound all parties involved in the organization of food agricultural land protection, be it individuals or government officials. Threats in the form of administrative sanction, including fines, and criminal charge were government in Articles 70 to 74 of PLP2B Law.

The degradation of food agricultural land protection as per Law Number 11 of 2020 concerning Job Creation could be understood through two main law amendments. The first one was Article 31 of Law Number 11 of 2020 concerning Job Creation that amended Agricultural Cultivation System Law (SBDPB Law) and the second one was Article 124 of Law Number 11 of 2020 concerning Job Creation that amended Law of Protection of Sustainable Food Agricultural Lands (PLP2B Law). These amendments, which belonged to the chapter on investment and land procurement, were equipped with Government Regulation Number 26 of 2021 on Agriculture Organization, which detailed the implementation of Law Number 11 of 2020 concerning Job Creation.

In short, the amendments taking place in Law Number 11 of 2020 concerning Job Creation in relation to the food agricultural land conversion were additional legitimacy of land usage for the national strategic projects (PSN). Previously, in PLP2B Law and SBDPB Law, the conversion of food agricultural land function was allowed only for public interests. However, UUCK extended the scope of land usage to include PSN, despite the limitation set forth in Article 105 of Agriculture GR. Even if the number of land procurement objects for public interest had increased from 18 to

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35 Indonesia, Undang-Undang Nomor 41 Tahun 2009 tentang Perlindungan Lahan Pertanian Pangan Berkelanjutan [Law Number 41 of 2009 concerning Sustainable Food Agricultural Land Protection].
24 under Law Number 11 of 2020 concerning Job Creation, PSN was still considered one of the objects that allowed the conversion of food agricultural land function.\(^\text{37}\)

Article 103 paragraph (3) of Government Regulation (GR) Number 52 of 2023 on Amendment to Government Regulation Number 26 of 2021 on Agriculture Organization specified the requirements to be fulfilled in the process of converting food agricultural land function for public interests. First, the step to be taken was carrying out a strategic in-depth study to ensure that the conversion of function was extremely needed and advantageous.\(^\text{38}\) Then, a detailed plan of land function conversion needed to be prepared to ensure that this process was done in a well-planned and well-structured fashion. Later, the ownership of right over the lands should be freed from their original owners, signifying that the government had acknowledged and taken over the control over the land. Finally, a substitute land as a compensation of the conversion of food agricultural land function should be provided. The phrase “and/or” used in the regulations provided the government with some flexibility to either give a compensation to the land owners or prepare a substitute land. Nevertheless, the phrase could also be interpreted as a possibility to combine the two options, depending on the need and specific conditions of the relevant case.\(^\text{39}\) The difference between Article 31 and Article 124 in Law Number 11 of 2020 concerning Job Creation was that the latter explicitly showed that freeing the rights of land ownership should be followed by the obligation to provide a substitute land, without using the phrase “and/or”. This was different from Article 31 that used the phrase, creating uncertainty in the requirement. However, it is important to note that the requirement did not change the substance of requirements in Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands. Thus, while Article 124 was more explicit in governing the obligation, the phrase “and/or” in Article 31 could cause ambiguity and inconsistency in its legal interpretation. In general, the requirements for converting agricultural land function in Law Number 11 of 2020 concerning Job Creation and Government Regulation (GR) Number 52 of 2023 on Amendment to Government Regulation Number 26 of 2021 on Agriculture Organization were applicable only for public interests. Yet, no explicit provisions were in place regarding the requirements for converting land function for national strategic project (PSN). Government Regulation (GR) Number 42 of 2021 on Facilitation of National Strategic Projects only explains the mechanism to acquire lands without specifying the requirements for converting agricultural land functions. Therefore, there was an uncertainty in law regarding the requirements of PSN. Assumption could then be made that the requirements for national strategic projects were equal to the public interests or it should be determined by the regulations of the relevant institutions.\(^\text{40}\)

In regard to irrigation system, the revision of Article 19 of Law Number 22 of 2019 concerning Sustainable Agricultural Cultivation System and Government Regulation (GR) Number 52 of 2023 on Amendment to Government Regulation Number 26 of 2021 on Agriculture Organization in

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\(^{39}\) Indonesia.

its Article 103 paragraph (4) demanded protection of irrigation system function despite the fact that the land function had been converted into non-agricultural one. This contradicted the main objective irrigation system that was designed to support food agriculture in its production process.\textsuperscript{41} This discrepancy led to a mismatch of irrigation system function when food agricultural lands changed into non-agricultural ones. Article 19 of Law Number 22 of 2019 concerning Sustainable Agricultural Cultivation System set forth an exception, where any land connected to an irrigation system must never be converted. Therefore, considering the threat to water resource usage, it is important to maintain any agricultural land connected to an irrigation system.

The provision on replacement with a substitute land had been included in Article 107 of Government Regulation Number 26 of 2021 on Agriculture Organization as part of land conversion plan. In this plan, such details as the total area and site of substitute land, the schedule when the substitute land would be provided, and how the substitute land could be utilized should all be specified.\textsuperscript{42} The conversion of food agricultural lands should comply with the obligation to provide substitute lands.\textsuperscript{43} Also, the criteria for substitute lands as set forth in Article 109 paragraph (1) of Agriculture GR only specified normatively the suitability of the land and its ready-to-plant condition. In its comparison with Article 46 of Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands, where the total area of substitute lands was determined based on the suitability of the converted agricultural lands, such as (a) for irrigated lands, the substitution of lands should be three times the converted land area; (b) for tidal swamp and non-tidal swamp (lebak) reclamation lands, the substitute land should at least be twice as wide as the converted lands; (c) for non-irrigated lands, the substitute lands should at least be of the same wide as the converted lands.\textsuperscript{44} From this fact, it is clear that the provisions in Government Regulation (GR) Number 52 of 2023 on Amendment to Government Regulation Number 26 of 2021 on Agriculture Organization allowed the substitution of converted lands at a smaller width than the provisions set forth in Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Land.\textsuperscript{45}

The substitute lands as set forth in Article 109 paragraph (2) item (c) of Government Regulation (GR) Number 52 of 2023 on Amendment to Government Regulation Number 26 of 2021 on Agriculture Organization were acquired through the determination of agricultural lands as agricultural cultivation lands. However, the status of lands set forth in Article 46 of Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Land was different, where the substitute land could be acquired through the determination of agricultural lands as “sustainable food agricultural land”. This showed that in Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands, the substitute lands kept its status as food agricultural lands. Yet, this was different from the provisions in the Agriculture GR, where the substitute lands were


\textsuperscript{42} Indonesia, Nomor 52 Tahun 2023 tentang Perubahan atas Peraturan Pemerintah Nomor 26 Tahun 2021 tentang Penyelenggaraan Bidang Pertanian [Government Regulation Number 52 of 2023 on Amendment to Government Regulation Number 26 of 2021 on Agriculture Organization].


\textsuperscript{44} Indonesia, Undang-Undang Nomor 41 Tahun 2009 tentang Perlindungan Lahan Pertanian Pangan Berkelanjutan [Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands].

declared as “agricultural cultivation lands”, meaning that the lands provided were not required to have the food agricultural land status. Hence, this provision provided greater flexibility in using agricultural lands for various agricultural commodities, as long as the cultivation aspects in the production subsystem were still considered.

Based on the review of Law Number 11 of 2020 concerning Job Creation in regard to the conversion of food agricultural lands, a comparison of the changes in provisions before and after the enactment of Law Number 11 of 2020 concerning Job Creation as shown in the table below was made:

**Table 1. Comparison of Changes in Articles in Job Creation Law regarding Provisions on Agricultural Land Conversion**

<table>
<thead>
<tr>
<th>Provisions before Job Creation Law</th>
<th>Changes in Job Creation Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 44 of PLP2B Law and Article 19 of SBDPB Law allowed the conversion of agricultural land functions only for public interests.</td>
<td>Articles 31 and 124 of Job Creation Law allowed the conversion of agricultural land function for public interests and PSN.</td>
</tr>
<tr>
<td>Article 44 of PLP2B Law required a substitute land to be provided. Article 31 of Job Creation Law and Article 103 of Agriculture GR used the phrase “and/or” for the obligation to provide substitute lands.</td>
<td></td>
</tr>
<tr>
<td>Article 44 of PLP2B Law and Article 19 of SBDPB Law included the requirements for converting agricultural land function for public interests.</td>
<td>Articles 31 and 124 of Job Creation Law and Article 103 of Agriculture GR only included the requirements for converting agricultural land functions for public interests, and no such requirements were included for PSN.</td>
</tr>
<tr>
<td>Article 19 of SBDPB Law prohibited the conversion of agricultural lands connected to a complete irrigation network.</td>
<td>Article 31 of Job Creation Law and Article 103 of Agriculture GR allowed the conversion of agricultural lands connected to a complete irrigation network.</td>
</tr>
<tr>
<td>Article 46 of PLP2B Law required the area width of substitute lands to be quantitatively based on the suitability with the converted agricultural land.</td>
<td>Article 109 of Agriculture GR only explained normatively the form of suitability of the land and the ready-to-plant condition.</td>
</tr>
<tr>
<td>Article 46 of PLP2B Law set the status of substitute lands as sustainable food agricultural lands.</td>
<td>Article 109 of Agriculture GR set the status of substitute lands as agricultural cultivation lands.</td>
</tr>
</tbody>
</table>

Source: Law Number 11 of 2020 concerning Job Creation

In regard to Law Number 11 of 2020 concerning Job Creation, the legal provisions were deemed as an attempt to make the agricultural land conversion process easier. The direct impact had something to do with the increased flow of anticipated foreign capitals for the development of infrastructure upon the enactment of Law Number 11 of 2020 concerning Job Creation. In reality, the development of infrastructure needed a great deal of lands from the spatial planning perspective, making agricultural land conversion an inevitable necessity. Vevin Syoviawati, the Head of Sub-directorate of Land Function Conversion Control at the Ministry of Agrarian Affairs and Spatial Planning/National Land Agency (ATR/BPN), suggested as reported by CNN Indonesia that before the enacted of Job Creation Law, there had been a decline in rice field area width at
around 150,000 hectares per year. The declining trend of agricultural land usage became the basis for argumentation that by 2063 no farmers are left. Based on the Statistics Indonesia’s data, the rice field widths per capita in Indonesia from 2010 to 2019 were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Rice Field Width (hectare)</th>
<th>Indonesia’s Population (persons)</th>
<th>Land Width Per Capita (m²/2/capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>8,002,552.00</td>
<td>237,641,326</td>
<td>336.75</td>
</tr>
<tr>
<td>2011</td>
<td>8,094,862.00</td>
<td>241,990,700</td>
<td>334.51</td>
</tr>
<tr>
<td>2012</td>
<td>8,132,345.91</td>
<td>245,425,200</td>
<td>331.36</td>
</tr>
<tr>
<td>2013</td>
<td>8,128,499.00</td>
<td>248,818,100</td>
<td>326.68</td>
</tr>
<tr>
<td>2014</td>
<td>8,111,593.00</td>
<td>252,164,800</td>
<td>321.68</td>
</tr>
<tr>
<td>2015</td>
<td>8,092,906.80</td>
<td>255,461,700</td>
<td>316.80</td>
</tr>
<tr>
<td>2016</td>
<td>8,187,733.65</td>
<td>258,705,000</td>
<td>316.49</td>
</tr>
<tr>
<td>2017</td>
<td>8,162,608.00</td>
<td>261,890,900</td>
<td>311.68</td>
</tr>
<tr>
<td>2018</td>
<td>7,105,145.00</td>
<td>265,015,300</td>
<td>268.10</td>
</tr>
<tr>
<td>2019</td>
<td>7,463,948.00</td>
<td>268,074,600</td>
<td>278.43</td>
</tr>
</tbody>
</table>

Source: Processed from BPS’s data

Based on analysis of the table above, an increase was observed in 2010-2012 period and in 2019. In 2010-2012 period, the increase was contributed by the Ministry of BUMN’s program aiming at creating new rice fields. Meanwhile, in 2019, the increase in the width area of rice field lands occurred because the data on this were collected during dry season, unlike in the previous year (2018) where the data were collected during the rainy season. The rainy season made many rice fields submerged in water and thus excluded from the data collection. The technical definition of rice field lands had been agreed upon, i.e., an existing rice field land on which rice or other other plants such as sugar cane, tobacco, and others were periodically planted. This means that rice field lands were not limited only to those lands on which only rice was planted. As a consequence, this made the width area of rice field lands factually increased in 2019 when compared to the data from 2018. Nevertheless, during the 2010-2018 period, the rice field land width area per capita

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in Indonesia consistently decreased. The national conversion rate of rice field lands was expected to hit 96,512 hectare each year. Thus, as the process accumulated continuously, it is predicted that the national width area of rice field lands will shrink to around 5.1 million hectare by 2045. The fact that the government, especially the Ministry of Agriculture, could only create around 20,000-30,000 hectares of new rice fields annually, clearly showed that the conversion rate of rice field lands at national level exceeded the government’s ability in creating new rice fields.53

The increase in the conversion of rice field land function as food agricultural land could reach two fold. In his argument, Iwan Nurdin suggested that the development of infrastructure was commonly followed by industrial and residential zones. Therefore, to promptly control the conversion of rice field land function, the government should anticipate it by having a robust detailed spatial planning. This measure is needed to maintain the rice field raw lands, especially those that have been integrated with irrigation network, farming culture, and market network.

The root of academic debate on agricultural land conversion for development projects in the context of Law Number 11 of 2020 concerning Job Creation actually lies in the size of the underlying public interests.54 If we refer to Article 1 of Land Procurement Law, public interests are defined as the interests of the nation, the state, and the community that should be realized by the government and be used to the greatest extent for the people’s welfare. Normatively speaking, this principle does not really differ from the maqashid sharia principles that emphasizes on greater good. This is because greater good should always be prioritized than the more specific benefit.

However, from the perspective of its implementation regulations, the Job Creation Law still leaves rooms for aberration in its development projects for public interest. This stems from the addition of land procurement objects to 24 interests in the Job Creation Law, while previously there were only 18 objects in the Land Procurement Law. This addition is addressed to a number of area developed under the phrase “initiated and/or controlled” by the central government, regional government, state-owned enterprises (BUMN), and region-owned enterprises (BUMD). This shows that the state involvement in the development projects for public interests is no longer an obligation.

Furthermore, still from the perspective of its implementation regulations, the Job Creation Law still leaves great rooms for potential aberration in its development projects for public interests. This stems from the addition of land procurement objects to 24 interests in the Job Creation Law, while previously there were only 18 objects in the Land Procurement Law. This addition is addressed to support a number of areas developed under the phrase “initiated and/or controlled” by the central government, regional government, state-owned enterprises (BUMN), and region-owned enterprises (BUMD). This implies that the state involvement in the development projects for public interests is no longer an absolute obligation.

The presence of investment from the private parties in addition to the state’s budget for projects

aimed for public interests can create a new point of friction, where the public interests potentially contradict those of the investors. This also leads to a dilemma in the state’s political representation, where the priority can shift between considering the public and the investor’s interests. While Agriculture GR limits the conversion of agricultural land functions to the construction of public roads, reservoirs, dams, irrigation, drinking or clean water lines, drainage and sanitation, irrigation buildings, ports, airports, stations and railways, terminals, public safety facilities, nature reserves, as well as power plants and electricity networks, Article 105 paragraph (2) of Agriculture GR still provides rooms for national strategic projects to convert agricultural land functions.55

Based on the information from the Committee for Priority Infrastructure Procurement Acceleration (KPPIP), the government had cut off the number of national strategic projects (PSN) in Presidential Regulation Number 109 of 2020 to 201 projects and 10 PSN program, at an investment worth of around Rp 4,817.17 trillion. However, KPPIP had not given the complete information regarding their sources of funding. In the previous revision, namely the Presidential Regulation No. 58 of 2017 on Acceleration of National Strategic Project Implementation, there were 245 PSNs plus 2 programs. The total estimated cost for these 245 PSN projects and 2 programs was Rp 4,197 trillions, with the funding coming from State Budget (APBN) at Rp 525 trillions, BUMN/BUMD at Rp 1,258 trillions, and private sector at Rp 2,414 trillions. This indicates the proportion of funding from private investors was far greater, hence the private investors’ ownership of the PSN assets was also more significant. This argument indicated that the involvement of private investment in the legitimacy of public interests could disrupt the people’s interests.56

The distribution of national strategic projects (PSN) in Indonesia’s territory still implied a development that tended to be centered in Java Island.57 Java Island had the most priority projects, namely 82 projects and 1 program. Of the total 201 PSN projects, the proportion of projects in Java Island was 40.79%. This was noteworthy since the island was the country’s main rice barn, with its production reaching 56.39% of the total domestic production. This fact indicated that the PSN development had not completely consider the territorial potentials well in the spatial planning. The amendment to articles of the Job Creation Law that assigned priority to the PSN development posed increasingly greater threat to the sustainable food agricultural land status. Java Island with its high fertility level and rice productivity should have received special attention to maintain the existence of its rice field lands. However, the effort to convert the land functions into non-agricultural ones could threaten the food security and had a potential of damaging the established agricultural ecosystem.

The state assumed the responsibility to assess the potentials of each region to allow itself to direct the development and allocate the state’s spending in such a way to improve the productive sectors. Those regions with fertile agricultural lands that had been integrated to irrigation network

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and a market system should never be converted. Even if a substitute land was provided, a food agricultural land that had produced for tens of years had a productivity that could not be immediately covered by the newly-opened substitute land. According to Rusli Abdullah, a researcher from the Institute for Development of Economics and Finance (Indef), it takes around four to five years for a new land to have nutrients that can be optimally utilized. Therefore, infrastructures for industries should be developed on critical or low-productivity lands, rather than sacrificing the productive agricultural lands. This way this utilization of critical lands could lower the tendency to convert productive agricultural lands, thus maintaining the sustainability of agriculture sector which was one of the important pillars in the country’s food security.

Anticipation of Control of Agricultural Land Conversion after Law No. 11 of 2020 concerning Job Creation

To monitor the conversion of agricultural lands, regulations played an important role. The government had anticipated the weaknesses in the implementation of Law Number 41 of 2009 concerning Protection of Sustainable Food Agricultural Lands and concern about the implementation Law Number 11 of 2020 Concerning Job Creation in regard to the existence of sustainable agricultural lands since 1974 by enacting regulations to prevent agricultural land conversion. This prevention was governed in Ministerial Regulation of Home Affairs No. 5 of 1974 on the Provisions Regarding Procurement and Granting of Lands for Company’s Interest and Ministerial Regulation of Home Affairs No. 3 of 1987 on Procurement and Granting of Rights of Land for Housing Construction Company. The two regulations explicitly set forth that in determining a company’s site, any reduction of fertile agricultural lands should be avoided, less productive lands should be utilized instead, relocating people should be avoided, environmental pollution should be prevented, and regional or local spatial planning should be complied with. In addition, regulations involved monitoring the utilization of spaces as set forth in the laws. The monitoring of how spaces were utilized as per Law Number 26 of 2007 concerning Spatial Planning was done to ensure that it matched the function set in the spatial planning. The space utilization monitoring was governed in the form of reporting, monitoring, and evaluation. The reporting involved providing objective information on space usages, both the ones that complied with and that violated the predetermined spatial planning. The monitoring involved observing and tracing the space utilizations to ensure their compliance with the spatial planning.

The evaluation involved assessing the progress of overal space utilization after the monitoring and reporting were completed. Additionally, Ministerial Regulation of Home Affairs Number 58

58 Purnama Hidayah Harahap et al., “Religious Court Decisions Regarding the Revocation of Grant (Hibah) in the Perspective of Islamic Jurisprudence,” *Al-Manahij: Jurnal Kajian Hukum Islam*, November 2023, 215–32, https://doi.org/10.24090/mnh.v17i2.9767.employing the viewpoint of Islamic jurisprudence and the maslahah theory. In this instance, the judicial panel overseeing the dispute related to the cancellation of the grant primarily invoked the provisions outlined in Article 35, Paragraph 1, and Article 36, Paragraph 1 of the Marriage Act (Law Number 1 of 1974).


116 of 2017 on Regional Spatial Planning Coordination mandated the establishment similar coordinating agencies in every regency/municipality. The control steps also involved permit regulations. The regional government authority, by considering the decision of Head of National Land Agency Number 2 of 2003 on Norms and Standards of Mechanism for Government Authority Procedure in Land Affairs Implemented by Regency/Municipality Government, had the authority to issue guidelines for site planning, site permit, and building permit. This transfer of authority aimed to manage housing construction and prevent illegal settlement. To issue the permit, the regency government had established an Integrated Licensing Service Office that monitored all kinds of permits, including building permit and site permit. By complying with the regulation, if the government remain consistent, both in development for public interests that it initiates and in its cooperation with private sectors for investment, including to meet the needs for lands in national strategic projects, sustainable agricultural lands can be maintained and protected. However, it is important to note that decentralization in private sectors has negative effects, which include inefficiency in the central-regional government relationship, lack of attention to local needs, less tighter monitoring to regional governments’ spending, low fiscal transfer system, and lack of coordination between stakeholders.

Furthermore, the attempt to protect food agricultural lands in Indonesia can be carried out by applying a food agricultural land protection model that makes use of the state’s lands. In this model, the government plays a central role in facilitating the production needs. When the state grants its lands to farmers, it does not involve giving the ownership right. Rather, only the right to use is given. The distribution of rights to use over the state’s lands to both individuals and communal groups such as farmer groups. Considering the increasingly limited number of productive lands for food production, providing people with the rights to use becomes relevant in Indonesia. Also, the rights to use over lands can also prevent land fragmentation as a result of inheritance system and put an end to land consolidation by corporates (land grabbing) thanks to the fact that the land ownership cannot be handed over. The state’s lands should be distributed by considering the three principles of food agricultural land management that have been explained previously, namely: (1) optimizing productive lands to achieve food self-sufficiency; (2) massive implementation of sustainable food agriculture; and (3) introducing to sharia-based cooperation in food agriculture production. To achieve this goal, an institution capable of implementing the three principles effectively is needed.

Based on Presidential Regulation Number 66 of 2021 on National Food Agency (Perpres BPAN), the government’s tasks and functions in the field of food is currently managed by the National Food Agency (BPAN). BPAN was established as a response to amendment to the 2018 Food

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64 Ramadwika, “Perlindungan Lahan Pertanian Pangan Menurut Undang-Undang Cipta Kerja Dan Konsepsi Islam.” [The Protection of Food Agricultural Lands under Job Creation Law and Islamic Conception]
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Law as governed in Article 129 of the Job Creation Law. BPAN’s vision, as shown in its website, is “To realize the resilient and sustainable national food security based on food sovereignty and food independence for a developed, sovereign, and independent Indonesia with a gotong-rotyong (mutual assistance) personality”. As a new institution that advocates food sovereignty, BPAN is expected to contribute positively to the food governance in Indonesia. However, its position as a central institution connected explicitly to BUMN, as specified in Article 3 of Perpres BPAN, might pose a challenge. This may make it hard for BPAN to calculate the diverse local potentials and different site characteristics throughout Indonesia. To avoid any difficulty in coordinating activities between departments, White and Wiradi (1984) recommend the establishment of a specific institution to manage agricultural lands on the state’s lands. Maman, et al. (2017) reiterate the importance of government’s control in handling food production and distribution in agricultural land management on the state’s lands, which can be realized through an integrated institution at both central and regional levels. Likewise, Wahyu and Setiawan (2017) suggest that the institutional transformation in the realm of food needs to adopt integrative-collective approach, where the central government’s policies must involve the the institutions at regional levels for their implementation. In Indonesia, the main focus is on strengthening the agroindustrialization in rural areas by supporting the agribusiness system in the local production zones. Considering the diverse local potentials in Indonesia, decentralization plays an important role. The institutions at regional level need to be optimized to support the agribusiness system efficiently and efficiently to enable farmers to access the added value and positive margin improvement. BPAN needs to be integrated with those institutions at regional levels to achieve this goal.

At regional level, this supporting institution can take the form of region-owned enterprises (BUMD). At local production zone level, village-owned enterprises (BUMDes) or farmer-owned enterprises (BUMP) can be formed. This strategy aims at providing correction and anticipation to prevent farmers from being trapped in an agribusiness company value network. This way, it is expected that farmers can be independent and have some control over their own policies in food production activities. Therefore, the active participation of farmers and local community becomes extremely important. In addition to reducing the state’s burden in providing resources and assistances, this active participation can also optimize the villagers’ knowledge and potentials (White and Wiradi, 1984). By empowering BUMDes and BUMP, it is expected that the government can have a good control by placing facilitators to achieve productive land optimization to attain the food self-sufficiency status, massively implementing sustainable food agriculture, and introducing cooperations in food agriculture production as per the predetermined targets. In this way, by developing the government’s program to protect food agricultural lands, the focus should be given to the existing needs in the local production zone. Using the integrative-collective approach, it is expected that BPAN and other state institutions can support BUMDes and BUMP in addressing the structural challenges related to the utilization of state’s lands. The goal is to improve the production...

capacity and quality to support the local people’s economic advancement. Strengthening the agribusiness at regional and local production zone levels needs an adjustment to the existing needs and available resources. When the available resources are limited, the need priority should be set gradually, and the other needs can be fulfilled one by one and tier by tier.

CONCLUSION

Law Number 11 of 2020 concerning Job Creation changes the provisions regarding the conversion of agricultural land functions. Previously, lands could only be converted for public interests. Now, it can also be converted for national strategic projects (PSN). Despite the confusing phrase in the law, the requirements for converting lands still need to be complied with. However, some concern that land conversion will increase and this might endanger food security and the environment. This is because of the potential disruption of interests between the people and the investors as well as dominance of PSN in Java Island that might pose some risks to the sustainable agricultural lands in the region. To control agricultural land conversion after the enactment of Job Creation Law, robust regulations and tight monitoring are needed. Various regulations have been implemented since 1974 to prevent agricultural land conversion, involving monitoring, reporting, and evaluations. Permits are issued by considering the agricultural and environmental aspects. Using a food agricultural land protection model which makes use of the state’s lands, the government can optimize the food production and prevent land fragmentation. The establishment of National Food Agency (BPAN) aims to improve food security, yet the coordination with those institutions at regional levels serves as the key. Empowering BUMDes and BUMP is expected to reduce farmers’ dependence on agribusiness companies and increase the local control over their food production. Using the integrative-collective approach, the government can support the development of an agribusiness system at regional level to improve the local community’s economy.

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