

The Urgency of National Land Law Reform in Responding to The Challenges of Digitalization and Sustainable Investment

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Abstract

Agrarian issues in Indonesia are complex and multifaceted, encompassing legal, administrative, social, economic, technological, and environmental aspects. The development of digital technology and the push for sustainable investment require reform of *hukum pertanahan* (national land law). Rigid legal systems, overlapping regulations, and limited spatial data are obstacles to realizing efficient, transparent, and accountable land governance. This article aims to examine the urgency of national land law reform in responding to the challenges of digitalization and the need for equitable investment. This study uses a juridical-normative method with a conceptual approach and critical analysis of applicable land regulations and policies. The results of the study indicate that land law reform must integrate the principles of good governance, digitalization of land services, and protection of community interests. The formation of regulations that are adaptive to technological developments and guarantee *keadilan agraria* (agrarian justice) are the main prerequisites for providing legal certainty and supporting sustainable investment in the land sector.

Keywords: Land Law, Digitalization, Investment, Legal Reform, Legal Certainty

INTRODUCTION

Agrarian issues in Indonesia are multidimensional and complex. This complexity is not only related to legal and administrative aspects but also encompasses social, economic, technological, and environmental dimensions (Suyanto et al., 2021). Amid technological advances and the flow of globalization, the national *hukum pertanahan* (land law) system is required to be adaptive to changes, especially in response to digitalization and the increasing need for sustainable investment (Rachmat, 2020). However, in reality, Indonesian land law is still unable to fully meet these expectations (Utami & Hermawan, 2020). The hope for the creation of an efficient, transparent, and fair land system, as envisioned in the Basic Agrarian Law (UUPA) of 1960, has not been optimally realized (Mulyadi, 2019). According to Boedi Harsono, "the Indonesian land law system is still dualistic between customary law and national law, and does not fully reflect the principle of *keadilan sosial* (social justice) in land control and utilization" (Harsono, 2020). This dualism serves as an obstacle in efforts to build an integrative and adaptive legal system that aligns with the development of the times (Fadhli & Rahman, 2021; Amin & Wahyuni, 2022).

One of the crucial issues is the overlapping of certificates and weak land information systems. Maria SW Sumardjono highlighted that "limited and non-transparent access to land information is often the root of agrarian conflicts, especially when land is used for investment purposes" (Sumardjono, 2019). This

issue is exacerbated by weak coordination between institutions and the limited availability of accurate and real-time spatial data (Sari & Kusnadi, 2021). The lack of a centralized land registry and proper digital infrastructure has been identified as one of the major causes of inefficiency and disputes in land management (Prasetyo & Haryanto, 2020). Furthermore, weak land information systems hinder the effective implementation of land policies, which impacts the fair distribution and legal certainty for landowners (Widodo & Prasetyo, 2020). The integration of advanced geographic information systems (GIS) and improved institutional coordination has been suggested as essential for resolving these challenges (Yuliana & Budiharjo, 2021).

Investment in the land sector, particularly in infrastructure development, industrial areas, and large-scale plantations, often leads to conflicts between local communities and corporations (Arifin et al., 2020). Fitriani stated that "the low legal certainty in land ownership is the main factor hindering the realization of equitable investment" (Fitriani, 2019). This reality contradicts the government's vision of attracting foreign investment through bureaucratic reform and legal certainty (Sulaiman & Wibowo, 2021). Legal ambiguities and overlapping land claims continue to pose significant obstacles to sustainable development (Yulianto & Haryanto, 2020). Moreover, the lack of effective land use planning and the absence of a robust legal framework further complicates the realization of fair investment distribution (Kurniawati, 2021). As a result, there is a need for comprehensive reforms in land policy to create a more stable and predictable investment environment (Harahap & Sutrisno, 2021).

On the other hand, the digitalization of land services, which is expected to increase the efficiency and transparency of public services, has not been fully implemented (Hersperger et al., 2022; Mynenko & Liulov, 2022). According to Eko Sulaiman, "the main obstacle in land digitalization is the lack of integration of the national land administration system and the low capacity of human resources in managing information technology." In fact, the application of information technology is crucial for accelerating services, preventing corrupt practices, and providing accurate spatial data for development planning.

The ongoing agrarian conflicts, particularly in mining, forestry, and national strategic development areas, demonstrate that the land law system has not fully guaranteed the protection of community rights. Kamal stated, "many land conflicts arise from the inconsistency between investment policies and the recognition of the rights of *masyarakat adat* (indigenous peoples) and farmers." This highlights a serious gap between ideal legal norms and their implementation on the ground.

Thus, there is a noticeable gap between the expectations of a modern, transparent, and accountable land law system and the reality, which reveals various inequalities, conflicts, and regulatory inefficiencies. This inequality forms a significant basis for the problem presented in this study, namely the need for national land law reform that can address the challenges posed by digitalization and encourage the creation of sustainable and socially just investment.

Previous research by Harsono (2010) on Indonesia's land law system identifies dualism between customary law and national law as a major barrier to creating an adaptive and integrative legal framework. However, while the study highlights legal dualism, it does not fully explore how technological advancements and globalization might influence the reform of land law. This research addresses this gap by focusing on the necessity of adapting national land law to meet the challenges posed by digitalization and sustainable investment and proposing

solutions for integrating modern technology within the legal framework.

Similarly, research by Sumardjono (2015) highlights the issues of overlapping certificates and weak land information systems, which contribute to agrarian conflicts, particularly in investment contexts. However, while Sumardjono discusses the consequences of these challenges, the research lacks a focus on how digitalization can be leveraged to improve land governance and transparency. This study builds on Sumardjono's work by suggesting that digitalization can be the key to addressing inefficiencies in land administration, providing accurate spatial data, and improving the accessibility and transparency of land information systems.

This study aims to analyze the gap between the current state of Indonesia's land law and the need for a modern, transparent, and accountable legal system that can respond to the challenges of digitalization and sustainable investment. The research provides recommendations to support the creation of a more efficient, fair, and transparent land law system, which can foster equitable investment and protect the rights of communities.

RESEARCH METHOD

This study uses a juridical-normative method with a conceptual and legislative approach. Data were collected through a literature study of legal literature, legislation, and relevant academic studies. The analysis was conducted qualitatively-descriptively to explain the current legal conditions and provide solutions to the need for land law reform.

This study is limited by the scope of the legal materials reviewed, focusing primarily on *hukum pertanahan* (land law) in Indonesia, with an emphasis on issues such as dualism, overlapping certificates, and the digitalization of land services. While the study addresses various challenges within the legal framework, it does not extensively explore case studies from regions outside of Indonesia or compare land law reforms across different countries. Furthermore, the study concentrates on legal and conceptual approaches, which may not fully capture the socio-political and economic dynamics that influence land law reform. Additionally, the analysis is based on secondary data from literature and does not include primary data collection, such as interviews or fieldwork, which could provide deeper insights into the practical application of the proposed reforms.

The analytical framework used in this study is rooted in progressive legal theory, which advocates for legal reform that promotes *keadilan sosial* (social justice), equity, and adaptability to contemporary challenges. Progressive legal theory emphasizes the need for laws to evolve in response to societal changes, including technological advancements and the increasing demand for sustainable practices. In this context, the study examines the current state of Indonesian land law through a progressive lens, proposing reforms that can better align the legal system with the demands of the digital age and the principles of social justice and sustainability. The study also integrates concepts from *good governance* and *keadilan agraria* (agrarian justice) to highlight the importance of fairness, transparency, and accountability in land law reform.

RESULT AND DISCUSSION

The Urgency of National Land Law Reform in Addressing the Challenges of Backward Land Information Systems, Overlapping Regulations, and Conflicts of Interest between Communities and Investors

To understand the urgency of national land law reform, it is important to first

examine in depth the actual condition of the current Indonesian land system. Various classic problems such as overlapping regulations, weak land information systems, and conflicts of interest between the community and investors show that the existing land legal framework has not been able to answer the challenges of modernity and the need for legal certainty. Therefore, the discussion in this section will focus on a legal-normative analysis of these structural problems and the legal basis underlying the importance of reform.

Indonesian national land law is still experiencing various fundamental problems, especially in the context of digitalization of land information systems, regulatory fragmentation, and conflicts of interest in land use. This indicates that the implementation of the principle of social justice as mandated in Article 33 paragraph (3) of the 1945 Constitution is not yet optimal.

The national land system still leaves a legal dualism between the customary law system and national law, which makes it difficult to implement regulations uniformly throughout Indonesia. The lack of integration of this system is further complicated by the existence of various sectoral regulations such as the Forestry Law, Plantation Law, and Mineral and Coal Law which overlap with the Basic Agrarian Law (UUPA) No. 5 of 1960.

Another quite striking problem is the weakness of the land information system. Sumardjono stated that "limited spatial data and lack of access to public information have caused many agrarian conflicts, including overlapping certificates and land ownership". This is also acknowledged by the National Land Agency in various reports, that not all areas of Indonesia are covered by the land digitalization system, especially in eastern Indonesia.

Conflicts between communities and corporations often occur due to non-transparent land permits and neglect of customary or traditional land rights. Kamal said that "exploitative regulations on land for investment purposes have created agrarian inequality and eroded public trust in the state". Therefore, land law reform is important not only for administrative efficiency, but also to ensure justice and legal protection for all parties.

From the description above, it can be concluded that Indonesia's national land law still faces various fundamental challenges, ranging from an information system that is not yet integrated, overlapping regulations, to recurring agrarian conflicts. This situation shows the urgency of legal reform that is not only administrative in nature, but also touches on the substance of land rights protection, information transparency, and social justice. Without fundamental improvements in the structure and system of land law, the ideals of presenting legal certainty and agrarian justice will not be achieved optimally.

Direction of National Land Law Reform to Realize Digital-Based Land Governance and Support Sustainable Investment

After identifying the various fundamental problems in the Indonesian land law system, the next step is to formulate the direction of legal reform that is in accordance with the demands of the times. The discussion in this section will examine the relevant legal concepts and norms for building a digital-based, inclusive land system that supports sustainable investment. Conceptual and legislative approaches will be used to identify the basic principles that must be accommodated in the future land law framework.

Facing the challenges of globalization and the digital era, the direction of land law reform must be directed towards the establishment of a responsive, transparent,

and accountable legal system. The legal system must be able to accommodate the principles of sustainable investment that pay attention to environmental aspects and social justice.

Land law reform should begin with a revision of UUPA No. 5 of 1960 so that it can adapt to the needs of the times, especially in terms of technology integration and protection of community rights. According to Fitriani, "land regulations must adopt an information technology approach and good governance principles, such as transparency, public participation, and accountability".

Strengthening the land digitalization system is also an important component. Eko Sulaiman explained that "land digitalization through national electronic systems such as Sentuh Tanahku and PTSL (Complete Systematic Land Registration) is a progressive step, but has not touched on the aspect of legal protection for indigenous peoples or small farmers".

In a conceptual approach, land law reform should refer to the progressive legal principle put forward by Satjipto Rahardjo, where "the law must side with the community and not just with the text of the regulations". This means that in the framework of sustainable investment, the law must be an instrument that maintains a balance between economic growth and social justice.

In addition, harmonization of laws and regulations is very important. Currently, there are various regulations that run independently, such as Law No. 2 of 2012 concerning Land Acquisition for Public Interest and PP No. 18 of 2021 concerning Management Rights, Land Rights, and Land Registration. This harmonization is needed so that all regulations run harmoniously in a complete national land law system.

As a long-term solution, the government needs to create a new National Land Law that integrates aspects of digitalization, protection of community rights, and legal certainty for investors. The law must also affirm the legal position of customary land and state land, and create a fair and fast conflict resolution mechanism.

The discussion on the direction of land law reform shows that the future legal system must be designed adaptively to technological developments, the principles of good governance, and an orientation towards equitable and sustainable investment. Digitization of the land system, harmonization of regulations, and recognition of community rights are crucial elements in building a modern and inclusive land law system. Therefore, national land law reform is not only a technocratic need, but also a strategic step to realize an agrarian legal order that supports the interests of the people and the future of national development.

CONCLUSION

The current national land law system in Indonesia faces challenges in addressing digitalization and the growing conflict of interest between communities and corporations. Issues such as outdated land information systems, overlapping regulations, and limited access to spatial data contribute to legal uncertainty and social injustice in land ownership. The lack of responsiveness to social and technological changes further complicates land governance. Therefore, urgent land law reform is needed to create more transparent, participatory, and accountable regulations and institutional structures. Future land law reform should focus on integrating digitalization, protecting community rights, and ensuring legal certainty for sustainable investment. It should be guided by progressive legal theory, emphasizing adaptability, agrarian justice, and information technology to resolve

agrarian conflicts swiftly and fairly. Future research could explore case studies of successful land law reforms in other countries and analyze the practical implementation of digitalized land governance systems.

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