

# LAND ADMINISTRATION IN INDONESIA

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## Introduction

- > Indonesia – Geography & Culture
- > History of Land Administration
- > Land Tenure System
- > Land Administration Reform
- > Lessons & Conclusions



## Geography & Culture

- > An archipelago of more than 17,000 islands
- > 1.9 million square kilometres
- > 235 million people
- > More than 200 ethnic groups
- > Unevenly spread - 60% of population is on Java – only 6% of land mass



## History of Land Administration

- > 300 years of colonial rule – dualism between Colonial and Traditional systems, until
- > 1960 – Basic Agrarian Law - marriage of traditional community concepts (Adat Law) and individual rights (Formal law)
- > 2004 – revision of BAL



## Land Tenure (cont)

- > Rights are recorded by:
  - Private Conveyancing – results in informal but not illegal transfer
  - Registration of Deeds – formal system of registers regarded as primary evidence rather than definitive proof, a negative system (ie State does not guarantee right).



## Land Tenure



- > Private Land - land with a right attached (registered or not)
- > State Land - either
  - land with a right designated to a person or legal entity, or
  - free state land
- > Separate Tenure for Buildings



## Land Tenure (cont)



- A Hierarchy of Rights to Land
  - Hak Milik – ownership
  - Hak Guna Usaha – cultivation only
  - Hak Guna Bangunan – building only
  - Hak Pakai – use only
  - Hak Pengelolaan – management only

Land Right is linked to Land Use – blurred boundary between administration and management of land whereby land registration is used as a de-facto (and ineffective) planning control mechanism

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## Land Administration Reform – Problems

About 80 million (?) parcels of land - and growing. Since 1960 only 30% registered

### Key Issues:

- Social Conflict
  - unequal land distribution – 69% owned by 16% of population
  - Non-viable parcel size – rural holding on Java shrunk to 0.85 ha
  - Conflict with customary land right communities
  - Compensation for land required for GOI projects – Location Permits
  - Poor NGO – GOI relationships
- Underdeveloped Land Registration System and Inefficient Land Market
  - Public confidence
  - Informality and fraud



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## Land Administration Reform – Problems (cont)

- Incoherent Policy and Legal Framework governing Land Administration
- Institutional issues
  - Multiple agencies - overlapping roles and responsibilities
  - National Land Agency (BPN) mandate is not clear
  - Confusion between land administration and management (land use)
- Lack of Cadastral Index Maps – only 10% coverage



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## Land Administration Reform – Stage 1

### Land Administration Project - LAP

1994 - Stage 1 of long term reform aimed at poverty alleviation and sustainable development

- A. Accelerate systematic land titling over all non-forest land
- B. Strengthen National Land Agency as an institution
- C. Support GOI in development of long term land policy



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## Land Administration Reform – Stage 1

### LAP Part A – Accelerated Land Titling



- 2 million parcels registered (target 1.2 m)
- Low cost – 20,000 Rp maximum
- Fast registration – 2 mths vs 2 year norm
- Transparent process – beneficiary involvement
- Beneficiary satisfaction – Social Assessment Survey
- Private Sector development – new cadastral industry

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## Land Administration Reform – Stage 1

### LAP Part B – Institutional Strengthening - BPN

- 2000 staff trained in systematic registration
- Internal training bureau established
- Large Technical Assistance (31 International ; 22 National)
- Reviewed land laws & regulations
- Compiled database of land laws & regulations
- New regulations to support:
  - Systematic registration
  - Shift to state guarantee of title (+ve system)
- Shift to service culture commenced

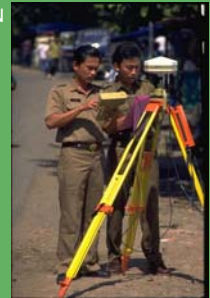


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## Land Administration Reform – Stage 1

### LAP Part C – Long Term Land Policy Development

#### Studies completed:

- Land administration policies and institutions
- Land acquisition
- Land use planning and development controls
- Land laws and tenure
- Land rights
- Customary land tenure
- Forest land issues
- Commercial transactions in land
- Displacement of people and resettlement



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## Land Administration Reform – Stage 2

### Land Management and Policy Development Project - LMPDP

2004 – build on Stage 1 (LAP) to promote good governance, enhance economic growth with equity and support sustainable land resource management - through:

1. Development of Land Policy Framework
2. Institutional Development, Capacity Building & Training
3. Accelerated Land Titling
4. Development of a Land Information System
5. Capacity Building in Local Government



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## Land Administration Reform – Stage 2

### LMPDP – Major Outcomes Expected:

- 1) LMPDP is a vehicle for transition from Central to Decentralized Land Administration System in Indonesia
- 2) Increased confidence in land tenure security and improved land market efficiency
- 3) Reduced level and number of land disputes
- 4) Improved access to - and cheaper - formal credit, especially for low income rural land holders
- 5) Increased registration of subsequent transactions – to ensure land registry is accurate and up to date

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## Land Administration Reform – Stage 2

### LMPDP – Major Outcomes Expected

- 6) Adoption of National Land Policy Framework
- 7) Issue of about 2.5 million new titles
- 8) Expanded cadastral survey industry through licensed private surveyors
- 9) Sporadic registration completed within 3 months
- 10) Greater participation of society as a team member & monitor

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## Land Administration Reform – Lessons



- Land Administration Reform is complex- especially in large multi-cultural societies
  - When proposing changes to land administration institutions and legislation, it needs to be recognized that these will take considerable time, require wide consultation and the engagement of key stakeholders.
- 'Studies' do not guarantee progress toward policy change
  - The success of policy reform initiatives hinges largely on the commitment of top level stakeholders. There is a continuing challenge to generate their support and ownership to the policy recommendations through effective communication and advocacy.

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## Land Administration Reform – Lessons

- Assumed Outcomes are not automatic
  - Tenure security through titling must be linked to broader development programs for the envisioned social, economic and financial outcomes to be fully realised. An emphasis on post-titling activities is needed to facilitate linkages between all levels of government to exploit the benefits of titling and to offer the beneficiaries access to services and finances to develop the land.



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## Land Administration Reform - Lessons

► Community participation – Top Down Vs Bottom up Consensus Building.

- *The consensus building process extends beyond concerned agencies. Indeed the key objective of the consensus building process is to ensure the target beneficiaries realize the importance of the proposed reforms to their cause*



► Land Records

- *Little improvement can be achieved in land records quality, security and access efficiency without the strong support of all agencies acting within the framework of a national strategy for the management of spatial data.*

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## Conclusion

Renewed Political Commitment to Reform and Clear Direction from Government for:

- Agrarian Renewal
  - Rearrangement of control, ownership and exploitation of agrarian resources
- Decentralisation of Land Affairs
  - Land Management devolved to Local Government Units
- Clear Land Administration Mandate for BPN
  - Land Policy and Standards
  - Monitoring & Supervision
  - Land Registration
  - Technical services



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