



Presidential Regulation on Agrarian Reform

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INTRODUCTION

According to the Agricultural Census in 2013, there were 14.2 million (55.2%) smallholder farms with an average farm size of less than 0.5 hectare. Consistent with the general pattern in developing countries, the trend of small holder farms in Indonesia is increasing but the average farm size is declining. Currently, total arable land is approximately 48.1 million hectares, which consist of land planted to perennial crops (23 million hectares), dry land (17 million hectares), and paddy field (8.1 million hectares). However, the newly released Regulation of the Minister of Agrarian Reform and Spatiat Planning mentions that the available paddy field has decreased to 7.1 million hectares which imply total arable land of 47.1 million hectares.

To expand production of agricultural commodities and to increase income of smallholder farm, opening and utilization the new available land is one of the strategic policy measures. According to the Center for Research on Land Resources and Agri Climate (2018), there are 32.3 million hectares of potential land to be exploited for agriculture which consists of dry land, tidal swamp and swampy land. Along this line, President Joko Widodo has recently signed a Presidential Regulation No.86 on 24 September 2018 related to Agrarian Reform which provides guidance on identification and utilization of land resources for various purposes. The aim of this brief is to highlight major policy messages mandated by the regulation and the implication for the Ministry of Agriculture.

POLICY MESSAGES OF THE REGULATION

Objectives

Primary objectives of the reform are: (1) to reduce inequality on land ownership and land holding; (2) to handle agrarian conflict and dispute; (3) to create sources of agrarian based prosperity and welfare by regulating land ownership, holding, and utilization; (4) to create employment opportunity in order to reduce poverty; (5) to improve community's access to

economic opportunity; (6) to increase food security and sovereignty; (7) to improve and protect the environment.

Implementation

Identifying potential land. Implementation of the reform consists of two major components, namely: (1) regulating land ownership and land holding; and (2) promoting community's access to land. Regulating land ownership and land holding is conducted by redistribution and legalization of the existing land holding. In addition to current arable land, there are potential lands which are available and suitable for agriculture. The land consists of dry land, swampy land, and peat land, spread over major islands in Indonesia (Table 1). The largest share of dry land is found in Kalimantan, followed by Papua, and Sumatera. In the case of swampy land, the largest share is found in Papua, followed by Sumatera. Peat land is also found mostly in Papua, followed by Kalimantan, and Sumatera.

In practice, it is not easy to identify the potential land which is "clear and clean", due to complex land tenure issues. Based on land utilization status, the three types of land may be delineated further based on utilization status, namely other uses, converted forest, and production forest. Land designated as other uses mostly have been assigned for certain uses, both in agriculture and non agriculture. Therefore, this type of land is almost impossible to be redistributed to somebody else for agriculture or other purpose.

Table 1. Distribution of potential land by type and island (hectare)

Island	Dry land	Swampy land	Peat land
Sumatera	4,074,410	1,175,992	1,087,969
Java	1,456,799	349	0
Bali&Nusa Tenggara	1,743,169	0	0
Kalimantan	8,125,395	842,507	1,011,402
Sulawesi	1,659,025	62,370	0
Maluku	1,948,019	83,006	0
Papua	5,787,010	1,580,913	1,674,626
Total	24,793,827	3,745,137	3,773,997

Source: Indonesian Center for Research on Land Resources and Agro Climate (2018)

Object and subject of agrarian reform. The object of the land redistribution consists of: (a) land under enterprise right (HGU) and building right (HGB) which already expired and is not renewed within one year after expiration; (b) land originated from the obligation of HGU owner to set aside at least 20% of the HGU land which has been changed to HGB due to changes on utilization; (c) land originated from the obligation of HGU owner to set aside 20% of the state land which is under process for HGU, extension, or renewal; (d) land originated from the release of forestry region and/or the changes of forestry region as regulated by the Minister of Environment and Forestry; (e) uncultivated state land which is utilized for the interest of community and the state; (f) land originated from conflict and dispute settlement; (g) ex mining land outside forestry region. According to the Ministry of Environment and Forestry (2018), there is 9.0 million hectares of which has been targeted in the agrarian reform program during 2015-2019 (Table2). However, up until the end of 2017, realization of the target is still very low. For instance, only 1,457 hectare (0.03%) has been redistributed to the beneficiaries out of 4.5 million hectares as targeted.

Redistribution of the land consists of redistribution for agriculture and non-agriculture purposes. The land is redistributed to the subject of agrarian reform with the maximum of five hectares, subject to land availability. After redistribution, the land should be utilized based on soil capacity, soil suitability, and spatial planning.

Table 2. Targeted land for agrarian reform program in 2015-2019

Reform program	Area (million hectare)
Asset legalisation:	4.5
a. Non-certified transmigrant area	0.6
b. Intra-sectoral land certification	3.9
Land redistribution:	4.5
a. Expired and neglected HGU (enterprise right)	0.4
b. Converted forestry region	4.1

Source: Ministry of Environment and Forestry (2018)

Subject or beneficiary of agrarian reform consists of: (a) individual; (b) a group of community with common ownership right; and (c) legal entity. Individual person should meet the criteria: (a) Indonesian citizen; (b) 18 years age or married; (c) local resident of the area where the land is to be redistributed.

The subject should also have the following occupation: (a) small holder farmers who own 0.25 hectare or less, or somebody who rent a piece of land of no larger than two hectares; (b) farm operators who cultivate a land which is not his own; (c) farm laborers; (d) small fishermen who catch fish for own consumption; (e) traditional fishermen who catch fish at the area with traditional fisherman right and is inherited from their parents; (f) laborer fisherman; (g) small fish culture operator to meet home consumption; (h) salt mining at his own land with maximum size of five hectares; (i) non-official temporary school teacher under voluntary arrangement, or paid less than the official minimum wage; (j) free lance worker paid based on their appearance; (k) informal trader without fixed location and operate in public places; (l) informal sector laborer; (m) private sector laborer with income below untaxed income level; (n) civil servant with maximum rank of IIIa and does not own land; (o) member of military with maximum rank of Letnan II/Inspector II for Police Officer.

According to the regulation, the subject of land reform is very broad, not only for individual workers in agriculture but also non-agricultural workers, including civil servants and military personals. Given limited land resources to be redistributed, the potential land available to be distributed and used for agriculture is also limited. Therefore, the Ministry of Agriculture should strongly and actively advocate that the potential land for agriculture is given high priority.

Promoting access to land consists of: (1) social mapping; (2) improvement on institutional capacity; (3) business facilitation; (4) improvement on skill; (5) application of appropriate technology; (6) enterprise diversification; (7) facilitation on access to finance; (8) facilitation on access to market; (9) strengthening data base and information on commodity; (10) availability of supporting infrastructures. With these programs then the allocated land to the subject is utilized in a productive manner, and ultimately serves as reliable sources of prosperity.

Coordinating agency. To implement the reform, a National Team on Agrarian Reform has been established, involving 16 Ministers/Cabinet members and chaired by Coordinating Minister for Economic. The primary tasks of the team are: (a) to set the policy and planning of the agrarian reform; (b) to conduct coordination and problem solving in the

implementation; (c) to implement supervision and reporting on the implementation of the reform. In implementing the task, the team is assisted by the task force at the national, province, and municipal. At the national level, the task force is chaired by Minister of Agrarian Affair and Spatial Planning, whereas at the province level, the task force is chaired by the Governor, and at the municipal level chaired by the Mayor.

CONCLUSION

The newly released Presidential Regulation provides legal guidance on identification of the available land to be redistributed to the targeted beneficiaries for both agriculture and non-agriculture purposes. For the interest of increasing farm income and expanding agricultural production capacity, the Ministry of Agriculture should actively advocate that promoting access to land for small holder farm and landless farm laborer is of high priority.

Up until the end of 2017, only 0.03% of the targeted land distribution has been implemented. This indicates the very complicated nature of policy to identify and redistribute land to the relevant subject or beneficiaries. Sound regulatory framework should be followed by able and consistent implementation programs.

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