

Reformulation of the Limitation on the Maximum Area of Plantation Sector Land Use Rights for Legal Entities Based on the Public Welfare

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Abstract. This research focuses on reforming the restrictions on land use rights for legal entities in Indonesia's plantation sector. Agrarian conflicts caused by inequality in land ownership, especially in the plantation sector, have become an important issue. The increase in land disputes indicates weak supervision and indecisiveness in implementing the HGU area limitation policy, so the surrounding community is often disadvantaged. This research aims to analyse the policy related to the HGU area regarding people's welfare and how legal reformulation is needed to prevent the monopoly of land use by large legal entities. This research uses normative legal methods with statute and conceptual approaches. The researchers obtain data through a literature study, including laws, regulations, and other secondary legal materials. The researchers conducted a qualitative data analysis to obtain relevant legal conclusions. The results show that Indonesia's land law policies form the basis for the rules related to HGU, but their implementation could be more effective. There are weaknesses in supervision, which leads to land abuse by large companies. Stricter policy reformulation is needed to ensure equitable land distribution, protection of indigenous peoples' rights, and improvement of community welfare around plantations.

Keywords: Reformulation, Cultivation Rights, Plantation Sector, Agrarian Conflicts.

INTRODUCTION

Indonesian society is pluralistic, and various things arise, so conflict or dispute is necessary. Conflicts over land rights can occur at any time and lead to disputes.

Conflicts within the agricultural sector stem from disparities in the ownership, supervision and administration of agricultural assets. These conflicts are persistent, extensive, and prevalent and encompass various legal, social, political, and economic dimensions [1]. According to information provided by the Ministry of Agrarian Affairs and Spatial Planning/Head of the Land Agency at a parliamentary session in Indonesia, there have been 8,111 agrarian dispute cases up to 2021, of which only 1,591 cases have been settled. Agrarian conflicts in Indonesia in 2023 have caused 241 conflict eruptions, which seized an area of 638,188 hectares of agricultural land spread across 346 villages with 135,308 affected families. Agrarian conflicts in 2023 experienced a

12% increase compared to 2022. Plantation companies and communities dominate the majority of agricultural disputes.

Land rights, on the one hand, give specific authority to the right holder and, on the other hand, require different parties to respect these rights. So, it is necessary to limit the authority of the right holder; the use of land rights must not cause harm to other parties [2]. The object of research relates to the concession of business use rights for legal entities. The Basic Agrarian Law or UUPA specifies in Article 28 §1 the regulations on cultivation rights, which allow individuals and entities to cultivate state-controlled land for agricultural, fishery, or livestock activities within a specified timeframe. Indonesian citizens and legal entities established and based in Indonesia under Indonesian Law can obtain business use rights [3]. The government grants cultivation rights through regulations about vast land areas, some larger than entire villages. This process is outlined in

Government Regulation No 24/1997 on Land Registration, which explains the concept of cultivation rights [4].

In practice, the government issues cultivation rights through regulations that may cover extensive land areas, some surpassing entire villages. This procedure is detailed in Government Regulation No 24/1997 on Land Registration, which elaborates on cultivation rights [1]. Government Regulation instead of Law (Perpu) No 56/1960 was introduced to address specific concerns regarding agricultural land. It focused on limiting the maximum size of agricultural land that could be owned and controlled. Additionally, it established guidelines for the minimum length of agricultural land ownership to prevent dividing land into tiny plots. The regulation also outlined procedures for recovering and redeeming agrarian land used as collateral [5]. In practice, the government is not firm in implementing these policies towards land rights holders, primarily business entities.

Government Regulation instead of Law (Perpu) No 56 of 1960 regarding the Identification of Agricultural Land Area, commonly known as Law No 56 Prp 1960, is recognised as the Land Reform Legislation. Its objective is to restrict the ownership and authority over agricultural land rights by establishing a range for the minimum and maximum area of agricultural land. The policy of limiting the size of agricultural land tends to be ineffective in its implementation, with law enforcement relying heavily on the level of compliance of individuals or business entities to report excess land owned; this has resulted in land reform in Indonesia not working well because of many juridical, political, and administrative obstacles. In individuals, the control and ownership of excess agricultural land are not only more challenging to control but also more prone to abuse of power (abuse of right) and become a loophole for the concentration of ownership of legal entities, for example, when the individual sells land to a legal entity [6].

According to Article 28 § 2 of the UUPA, the right to farm is allowed on land that is a minimum of 5 hectares in size, with the condition that if the land is more significant than 25 hectares, it must have adequate financial investment and use modern business methods, in line with current trends. Additionally, Article 31 of the UUPA indicates that the government grants the right to farm through a decision. Government Regulation

No 40/1996 on Business Use Rights, Building Use Rights, and Land Rights is the regulation that governs the rights related to business use at the operational level [7].

The government views Government Regulation No 40/1996 on Cultivation Rights, Building Rights, and Land Rights as outdated and unimportant. The government decided to revoke and revise Government Regulation No 40/1996 to streamline regulations, attract investors, and improve the business climate. As a result, Government Regulation No 18/2021 on Management Rights, Land Rights, Flat Units, and Land Registration was introduced to replace the outdated regulation [8]. This regulation does not specify the minimum and maximum size of the right to cultivate concessions; only one provision in Article 27 (i) states that holders of the right to cultivate must comply with certain obligations: Encourage the establishment of community gardens on a minimum of 20% of the land provided for cultivation when the landholder is a limited liability company, and the purpose is plantation. It is clarified in Article 27 (i) that this requirement applies to limited liability companies, whether privately owned or state-owned, with plantation business rights on at least 250 hectares of land. This responsibility must be fulfilled when the business rights are initially granted.

Government Regulation No 18 of 2021 outlines in Article 23(1) that the Minister grants the authority to cultivate state land through a decree. According to this regulation, the concession of business use rights falls under the jurisdiction of the Minister of Agrarian and Spatial Planning/Head of the National Land Agency. Additionally, Regulation 16 of 2022 allows granting business use rights to Regional Offices and District/Municipal Land Offices.

Regional Offices are authorised to grant business use rights ranging from 25 to 500 hectares, while District/Municipal Land Offices can issue rights ranging from 5 to 25 hectares. However, this authority is considered a delegation. The maximum size of business use rights that the Minister of ATR/BPN can grant has not been specified in any regulations, making it a subjective decision for the Minister of ATR/BPN.

Furthermore, in identifying legal norms, several conditions of legal rules can be found in the form of conflicts between norms (antinomy normen), norm vacancies (element in het recht) or vague

or unclear norms (vague norm) [1]. Government Regulation No 18 of 2021, which covers aspects such as Management Rights, Land Rights, Flat Units, and Land Registration, contains a vague provision regarding the maximum area allowed for business use rights. This provision leaves the decision on this matter up to the Minister of Agrarian Affairs and the National Land Agency's subjective judgement. However, the Regulation of the Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency No 16 of 2022, which delegates authority for determining land rights and registration activities, does not offer apparent legal certainty on the size limit for business use right concessions. The government has since introduced a new policy in the plantation sector through Government Regulation No 53 of 2023, which amends Government Regulation No 26 of 2021 related to the Agricultural Sector's implementation.

Based on data compiled by the Indonesian National Land Agency until 2023, there are around 1.2 million hectares of abandoned land in all Indonesian provinces. Most abandoned land comes from business use right concessions with an area of 1.19 million hectares, consisting of 1,172 business use proper concession holders. The high rate of agrarian conflicts, especially business use-right concessions that affect the community, is because the National Land Agency is secretive about land information on business use rights. The lack of legal certainty surrounding land data creates uncertainty; legal certainty regarding land rights safeguards landholders by defining ownership and identifying the property's location, boundaries, and size [9].

Government Regulation No 18 of 2021, focused on managing rights to land, flat units, and land registration, is a practical guide that implements the rules outlined in Articles 142 and 185 (b) of Law No 11 of 2020 related to job creation. Despite being deemed conditionally unconstitutional by the Constitutional Court in Decision No 91/PUU-XVIII/2020, a two-year grace period was granted for improvements through the Omnibus Law approach, causing a lack of legal certainty. In reaction, the government introduced Government Regulation instead of Law No 2 of 2022 on Job Creation; this later evolved into Law No 6 of 2023 after being approved by the House of Representatives of Indonesia. However, this new Law was criticised by scholars for its formal flaws, specifically for

not complying with the Constitutional Court's earlier decision in No 91/PUU-XVIII/2020 [10].

This study investigates how land law policy allocates business usage rights in the plantation industry to corporate entities. It also seeks to evaluate the legal consequences if Government Regulation No 18 of 2021 conflicts with the UUPA and to reconsider the cap on the maximum area for business usage rights with an emphasis on public well-being.

METHODS

The methodology utilised is normative legal research (doctrinal research), which focuses on legal norms. This type of research employs various approaches, such as statute and conceptual approaches. Researchers draw legal materials from three main categories: primary, secondary, and tertiary legal materials. Primary legal sources consist of relevant laws and regulations, such as the 1945 Constitution of Indonesia, Law No 5 of 1960 on Basic Agrarian Principles, Government Regulation (Perpu) No 56 of 1960 on Agricultural Land Area Determination, Law No 6 of 2023 on Government Regulation regarding Job Creation, Government Regulation No 40 of 1996 on Business Use Rights, Building Use Rights, and Land Rights, Government Regulation No 18 of 2021 on Management Rights and Land Registration, Government Regulation No 52 of 2023 amending Government Regulation No 26 of 2021 on the Agricultural Sector, Ministerial Regulation No 16 of 2022 on Delegation of Authority for Land Rights and Registration, and Constitutional Court Decision No 91/PUU-XVIII/2020 on the assessment of Law No 11 of 2020 on Job Creation against the Constitution.

Secondary legal materials are documents acquired through research in different libraries like the Law Documentation Centre Library, Faculty of Law, Universitas Brawijaya, and Universitas Brawijaya Head Office Library, along with articles, thesis papers, laws, and other related materials. On the other hand, tertiary legal materials are resources that offer further insight and interpretation of primary and secondary legal materials, such as the Big Indonesian Dictionary (KBBI), Legal Dictionary, Black's Law Dictionary, and various other references like journals, periodicals, mainstream media, and online sources.

Library research involves gathering primary and secondary legal materials from libraries, examining laws, regulations, statistical data, official documents, and previous studies relevant to the research topic. In this research, qualitative analysis is used to provide explanations for the research findings. The author identifies and collects primary and secondary legal materials from laws, regulations, and library resources directly related to the research subject. These legal materials are then condensed and organised to identify patterns that align with the research goals. Next, the researchers present the accurate materials systematically to conclude the studied subject matter.

The extent to which cultivation rights in the plantation sector are granted to legal entities is determined by Indonesia's land law policy. The granting of land use rights (HGU) in the plantation sector to legal entities in Indonesia is an integral part of land law policy that regulates land use for economic activities, especially in the agricultural industry. HGU is a land right granted for agricultural, plantation, and forestry business activities, with a specific validity period that can be extended. This policy encourages investment and effective management of natural resources while ensuring land utilisation by applicable regulations.

Legally, HGU is regulated by Law No 5 of 1960 on Basic Agrarian Principles (UUPA) and its derivative regulations, such as Government Regulation No 40 of 1996 on Cultivation Rights Title, Building Rights Title, and Land Use Rights. UUPA, as the primary legal basis, provides the basis for granting land rights, including HGU, to realise legal certainty and public welfare. HGU can be given to legal entities such as companies or cooperatives, which have the legal capacity to manage land for plantation business for a certain period.

However, stakeholders must consider several issues and challenges in practice. First, supervision and control over the use of land granted for HGU is often suboptimal, which can lead to land conflicts, changes in land use that are not by the licence, and negative environmental impacts. In addition, there are inequities in the distribution and allocation of HGU that can lead to inequalities in access to land resources, especially in areas that are densely populated or have high economic value.

1. Constitutional and UUPA Foundations

a) The 1945 Constitution of the Republic of Indonesia affirms in Article 33 § 3 that 'The land, water and natural resources contained therein shall be controlled by the state and utilised for the greatest prosperity of the people'. This principle is the basis for agricultural resource management, including granting HGU in the plantation sector.

b) Through Law No 5/1960 on the Basic Regulation of Agrarian Principles (UUPA), the government stipulates that land use must align with the interests of the community and the state. UUPA specifies that the state must control land with excessive size for social and economic balance, so the granting of HGU must be strictly regulated.

2. Limitation of HGU Area Based on Perpu No 56 of 1960

Peru, No 56/1960 on the Determination of Agricultural Land Area, limits the maximum size of land ownership for individuals and legal entities. This limit is fundamental for legal entities to avoid a monopoly on land tenure, especially in the plantation sector, where the land area is significant. The government designed this restriction to prevent land tenure inequality and protect small communities' rights.

3. Job Creation Law and Related Regulations

a) Law No 6 of 2023 on the Stipulation of Perpu No 2 of 2022 on Job Creation amends many provisions relating to land management, including HGU. One of the focuses is the ease of granting licences. However, it still requires that the HGU be granted without ignoring the principles of balance between economic and environmental interests.

b) Government Regulation No 40/1996 on Cultivation Rights, Building Rights, and Land Rights regulates granting HGUs in more detail, including the maximum size given to legal entities. This regulation provides a basic framework for land management for plantations. Still, policymakers must link it to other policies, such as Government Regulation No 18 of 2021, which updates the rules related to land rights.

c) Government Regulation No 52 of 2023 strengthens the rules on the administration of agriculture, particularly about limiting and monitoring the size of land owned or used by legal entities.

4. Supervision and Granting Authority of HGU

a) Regulation of the Minister of Agrarian and Spatial Planning/Head of the National Land Agency No 16 of 2022 authorises certain parties to assign land rights and land registration activities. This delegation of authority aims to accelerate the process of granting land rights but remains within the state's framework of supervision and control.

b) Strict supervision is also needed so that the granting of HGU not only prioritises the economic interests of large legal entities but also considers social and environmental impacts, per the principle of people's prosperity mandated by the 1945 Constitution.

5. Constitutional Court Decision No 91/PUU-XVIII/2020

In this decision, the Constitutional Court emphasised the importance of public involvement in the legislative process related to natural resources, including land. Although the Job Creation Law provides convenience in business licensing, the Court reminded that social justice and environmental sustainability principles must remain a priority.

6. Conformity with Land Policy in Indonesia

Various regulations, from the UUPA to derivative rules, regulate the granting of HGUs to legal entities in the plantation sector. In general, the extent of HGU granting has been controlled so as not to create inequality in land tenure. However, the challenge that arises is the implementation of the policy. In some cases, there are irregularities where legal entities or large companies still control vast areas of land, which can ignore the rights of indigenous peoples or small farmers.

The Principle of Balance: Indonesia's Land policy aims to balance commercial, social and environmental interests. Therefore, the government should continuously evaluate the size of HGUs granted to legal entities to ensure they do not conflict with the public interest. The government must strengthen supervision and transparency in the HGU granting process to ensure land policy aligns with the 1945 Constitution and the UUPA mandate.

Normatively, the granting of Cultivation Rights Title in the plantation sector to legal entities is by Indonesia's land law policy, which aims to prevent the monopoly of land control by certain parties and prioritise the prosperity of the people.

However, the main challenge lies in implementing the policy, especially regarding supervision and implementation of existing regulations in the field. Stricter supervision and increased transparency and accountability in the HGU granting process are needed to ensure compliance.

Legal consequences if the Government Regulation of the Republic of Indonesia No 18 of 2021 on Management Rights, Land Rights, Flat Units and Land Registration contradicts the UUPA. Government Regulation of the Republic of Indonesia No 18/2021 on Management Rights, Land Rights, Flat Units, and Land Registration (PP 18/2021) can potentially cause various legal consequences if it contradicts Basic Agrarian Law (UUPA) No 5/1960. In-depth, violating the basic principles of UUPA by GR 18/2021 can significantly impact the agricultural law system in Indonesia.

UUPA, as the primary legal basis for agrarian regulation in Indonesia, emphasises the principles of state sovereignty over land, the unity of the land tenure system, and regulations that ensure legal certainty for land use and control. These principles include the fundamental land rights granted to communities and the importance of land registration to guarantee these rights. If GR 18/2021 amends or regulates land rights in a way that contradicts the provisions of the UUPA, conflicts of Law may arise that can undermine legal certainty and the protection of land rights.

Firstly, GR 18/2021 may ignore the principle of state sovereignty over land if it stipulates provisions that reduce the state's authority in land management and control. For example, provisions that transfer land management rights that the state has held to more private rights without considering the impact on state regulation and control could create legal uncertainty and prolonged land disputes. Second, changes in the provisions on land rights in GR 18/2021 that are inconsistent with the UUPA could lead to conflicts between the rights granted by the GR and those recognised by the UUPA. For example, if GR 18/2021 establishes new rights not regulated by the UUPA or provides different limitations to rights that the UUPA already regulates, this could lead to uncertainty and disputes in land tenure practices.

Third, regarding land registration, GR 18/2021, which is not in line with the principles of the

UUPA, may disrupt the land registration mechanism that aims to ensure legal certainty and protection of land rights. Land registration that is inconsistent with the UUPA could lead to inaccurate data and administrative problems that impact land ownership and tenure rights. Overall, the inconsistency between GR 18/2021 and the UUPA could lead to legal uncertainty, rights conflicts, and ineffective administration in land management. Therefore, all agrarian-related regulations and rules need to be aligned with the principles of the UUPA to keep the rural legal system running fairly and sustainably. Comprehensive regulatory oversight and adjustment are required to ensure that the provisions of GR 18/2021 do not undermine the legal foundation established by the UUPA.

If Government Regulation 18 of 2021 on Management Rights, Land Rights, Flat Units, and Land Registration (PP No 18/2021) contradicts the Basic Agrarian Law (UUPA), several significant legal impacts will exist. First, regarding legal error, lower regulations, such as PPs, must not contradict higher laws. UUPA, as the basis of agricultural Law in Indonesia, holds supremacy in this area. Suppose PP No 18/2021 is declared to conflict with UUPA. In that case, the PP is legally deemed defective and invalid, as it violates the principle of the hierarchy of legislation stipulated in Law No 12/2011 on the Formation of Legislation. Thus, lawmakers cannot enact or apply the regulation because it does not align with a more fundamental legal basis.

Second, in terms of litigation, individuals or groups who feel aggrieved by PP No 18/2021 can file a lawsuit. The case will be processed in an authorised court to assess whether the regulation contradicts the UUPA. If the Court decides that GR 18 of 2021 is indeed contradictory, then the Court can cancel or revoke the regulation. This ruling will strengthen UUPA's position as the fundamental agrarian Law in Indonesia.

Third, if PP Regulation 18 of 2021 is declared invalid, the government must re-regulate the regulation. The government must adjust the new regulation to match the provisions in the UUPA and ensure harmonisation and stability in the agricultural law system in Indonesia. Such revisions are essential to create legal certainty and prevent agrarian conflicts that may arise due to regulatory incoherence.

UUPA is the primary foundation for every policy or regulation related to agricultural Law. In this

context, authorities should review and adjust rules under the UUPA that contradict the Law to avoid legal uncertainty. The incompatibility of lower regulations with the UUPA can create loopholes that result in unclear law enforcement and potential conflicts in the field, especially regarding land ownership and management.

The stability of the agricultural legal system is crucial to ensure the protection of people's rights to land and to avoid farming conflicts that often occur due to overlapping regulations or differences in legal interpretation [11]. Alignment between rules under the Law and higher laws is an effort to maintain legal certainty, prevent ambiguity in implementing regulations, and ensure justice for all interested parties. In practice, this adjustment also reduces the risk of abuse of authority by those with land management authority, enabling social justice to be realised through equitable and transparent distribution and management of agricultural resources.

Maintaining the integrity of the Basic Agrarian Law (UUPA) through revision and synchronisation with lower regulations is a crucial strategic step in creating Indonesia's more just, transparent, and sustainable agricultural system. In this context, revisions are needed to ensure that agriculture regulations remain relevant to the times, society's needs, and environmental challenges. Synchronisation between the UUPA and lower regulations, such as government and regional laws, is essential in eliminating overlapping rules that can lead to conflicts at the implementation level. It also helps to reduce legal uncertainty, which is often a source of agricultural disputes.

Furthermore, this harmonisation shows that agrarian Law in Indonesia is not only a technical instrument that regulates the use of land and natural resources but also a means to protect the rights of the community, especially vulnerable groups such as small farmers, Indigenous peoples, and communities that depend on agricultural resources. With more synchronised laws, implementing agricultural policies can be more inclusive of maintaining social stability, minimising land conflicts, and supporting social justice.

In addition, the revision and synchronisation of agrarian regulations have a strategic role in supporting sustainable national development. Agraria is an essential foundation for Indonesia's economy, especially in the agriculture and plantation sectors, which rely heavily on the wise management of natural resources. With integrat-

ed and sustainable regulations, agrarian management can support climate change mitigation efforts, conserve biodiversity, and promote environmentally friendly land use; this is key to Indonesia's future development, which is oriented towards economic growth, community welfare, and environmental sustainability.

The appropriate form of legal reformulation related to limiting the maximum area of granting business use rights (HGU) in the plantation sector for business entities should prioritise public welfare. Legal reformulation related to limiting the maximum area of granting business use rights (HGU) in the plantation sector for business entities must be carried out by considering the principles of people's welfare, social justice, and environmental sustainability. In this context, limiting the maximum HGU area must be directed to avoid excessive land control by large corporations that can marginalise local communities and smallholders. Therefore, the reformulation should be oriented towards a more equitable distribution of land, strengthening the rights of indigenous peoples and smallholders and encouraging inclusiveness in land ownership. One suitable form of reformulation is to reduce the maximum HGU area granted to one business entity and establish a strict monitoring mechanism to ensure compliance with the regulation.

In addition, strict penalties should be applied to companies that commit violations such as land abuse, including activities that damage the environment or do not have a significant economic impact on the welfare of the surrounding community. The reformulated Law should also include arrangements regarding companies' obligations to contribute to local social and economic development, such as through corporate social responsibility (CSR) programmes focusing on education, health, and community economic empowerment. The reformulation must also integrate environmental sustainability by requiring companies to comply with environmentally friendly plantation management standards, including preserving forests and local ecosystems.

From the perspective of people's welfare, the limitation of the HGU area should consider its impact on people's access to natural resources, especially land and water. With tighter restrictions, policymakers hope to create more space for developing smallholder plantations or partnership schemes between companies and local farmers, ultimately strengthening the local economy and

reducing economic inequality. This legal reformulation must also be accompanied by supporting policies that incentivise business entities prioritising the welfare of local communities and environmental sustainability, such as offering lower taxes or providing more accessible access to business credit.

Legal reformulation related to limiting the maximum area of HGU in the plantation sector for business entities must consider various aspects of community welfare and environmental sustainability. One of the main steps is to limit the maximum size of HGU, as stipulated in Article 28 of the Basic Agrarian Law (UUPA) [12]. While this Law recognises the right to cultivate as a legal form of land use, stricter limits are needed to prevent land monopoly by large companies and ensure local communities access to sufficient land; this can reduce the potential for over-exploitation of land, often at the expense of neighbouring communities' social and environmental rights.

Implementing core plasma partnerships can improve the welfare of neighbouring communities, where companies are obligated to provide 20% of the HGU land area requested by those communities [12]. These partnerships should be built on mutual benefit and create economic opportunities for neighbouring communities, allowing them to participate equitably in plantation activities. This pattern will help reduce the financial gap between large companies and local communities so that communities can join in plantation land management.

In addition, the legal reformulation of HGU must pay attention to sustainable land management principles, including sustainable forestry [13]. The granting of HGU must ensure that it does not damage existing ecosystems and maintains a balance between economic activity and environmental sustainability. Land use for plantations must be planned by considering long-term impacts on ecosystems, including protecting water resources, soil, and biodiversity.

Aspects of transparency and accountability are also crucial in this legal reformulation. HGU must be granted openly, with data disclosure that allows the public to monitor land use [14]. Information disclosure can minimise the potential for abuse of power by certain parties in the HGU granting process while encouraging the community to participate in monitoring land use.

In addition, authorities must optimise mechanisms for monitoring and resolving land disputes. The government and relevant agencies need effective oversight to ensure compliance with legal provisions [15]. When disputes occur, authorities should make fair and transparent settlement procedures available to communities to resolve land conflicts without disadvantaging economically or socially weaker parties.

Lastly, policymakers should design legal reformulation to be sustainable, meet current needs, and consider future needs. This reformulation should ensure that large-scale land use prioritises community welfare, environmental sustainability, and long-term economic gains [16]. By integrating the principles of sustainability, transparency, partnership and effective oversight, limiting the maximum size of HGU can be an instrument that supports economic growth, strengthens social welfare, and maintains the sustainability of natural resources.

In conclusion, policymakers must prioritise social justice, welfare, and environmental sustainability in the legal reformulation related to HGU in the plantation sector. They can achieve this through tighter restrictions on the size of HGU for large companies, protection of the rights of Indigenous peoples and smallholders, and adequate supervision of implementing these regulations.

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CONCLUSION

Based on the results and discussion in this study, we can conclude that land law policy in Indonesia has normatively regulated the granting of business use rights (HGU) for legal entities in the plantation sector. Although the legal framework for the HGU aims to prevent land tenure monopolies, its implementation still faces various challenges, particularly in monitoring and ensuring compliance with existing regulations.

Existing regulations, such as the UUPA and related government regulations, prioritise the principles of social justice and people's welfare. However, implementation in the field shows that there are still irregularities, such as excessive land concentration by large companies, which ultimately ignores the rights of small communities, including farmers and indigenous peoples.

Policymakers must implement a more assertive reformulation regarding limiting the maximum HGU area for legal entities. This reformulation should focus on more equitable land distribution, strengthen supervision, and ensure land utilisation provides significant economic and social benefits to surrounding communities.

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