



From Agrarian Reform to Capital Land: Rethinking the Role of Indonesia's Land Bank after the Job Creation Law

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ABSTRACT:

*Indonesia's Land Bank, instituted through Law No. 11/2020 on Job Creation and reinforced by Government Regulation No. 64/2021, aims to address deep-rooted agrarian inequalities by facilitating equitable land distribution and supporting national development. While its legal foundation is grounded in Article 33(3) of the 1945 Constitution and the Basic Agrarian Law (UUPA) of 1960, which emphasize social justice and state control for public welfare, the Bank's operational trajectory signals an ideological shift. This shift transitions from land redistribution to land capitalization, prioritizing strategic investments and infrastructure projects over empowering smallholders, indigenous peoples, and rural communities. This article adopts a normative legal research approach, incorporating statutory, conceptual, comparative, and analytical frameworks to examine the Land Bank's institutional design, authority, and alignment with agrarian justice. Findings suggest that the Land Bank's quasi-corporate structure, broad authority, and centralization risk reviving colonial-era doctrines like **domein verklaring**, marginalizing customary land rights, and facilitating elite land accumulation. International comparisons with the Netherlands, the United States, and China reveal alternative governance models: the Dutch decentralization model aligns best with Indonesia's agrarian reform ideals. Without participatory mechanisms and legal safeguards, the Land Bank may deviate from its redistributive mission, becoming a technocratic instrument of capital rather than a transformative vehicle for agrarian equity. This article concludes by urging regulatory reform and a return to UUPA's redistributive spirit to ensure that land governance in Indonesia serves the people, not the market.*

1. Introduction

Land in Indonesia is understood not merely as an economic asset but as a multidimensional entity with profound social, cultural, political, and religious-magical significance. This multifaceted view of land is deeply rooted in the principles of *hukum adat* (customary law), wherein land is intimately tied to the identity, history, and continuity of indigenous communities (Van Dijk, 1993; Ter Haar, 1950). In the Indonesian agrarian worldview, land is regarded as an extension of communal life an ancestral heritage to be preserved and passed down, not simply a commodity to be bought and sold. Consequently, land serves as the foundation for social relationships, cultural rites, economic subsistence, and even spiritual practice.

The constitutional vision of land in Indonesia is encapsulated in Article 33, paragraph (3) of the 1945 Constitution, which states that “the earth, water, and the natural resources therein shall be controlled by the State

and utilized for the greatest prosperity of the people.” This article underscores a foundational principle: land should be governed in a manner that supports collective welfare, not merely individual gain. This normative directive is further operationalized through the enactment of Law No. 5 of 1960 concerning the Basic Agrarian Law (UUPA), which aims to dismantle colonial-era land tenure systems and replace them with a national agrarian framework oriented toward justice, equity, and productivity (Haq et al., 2023; Limbong, 2020). The UUPA recognizes land's social function, mandates equitable distribution, and safeguards customary rights (*hak ulayat*)—laying a legal and moral foundation for agrarian reform as a mechanism for social transformation.

However, despite these lofty constitutional and legal commitments, inequality in land ownership in Indonesia remains stark and persistent. According to data from the Agrarian Reform Consortium (Konsorsium Pembaruan Agraria/KPA), the Gini coefficient for land ownership lies between 0.54 and 0.67 signifying high levels of inequality



(KPA, 2022). Alarmingly, just 1% of the population controls more than 60% of the nation's agrarian assets, while vast segments of the rural populace including smallholder farmers, landless agricultural laborers, and indigenous groups are systematically marginalized from access to productive land (Haq et al., 2023; Winoto, 2021). These structural imbalances have led to widespread agrarian conflicts across Indonesia, cutting across sectors such as plantations, forestry, infrastructure development, and mining. In 2022 alone, KPA recorded over 240 cases of land-related disputes, often involving forced evictions, criminalization of farmers, and violations of customary land claims.

These conflicts reflect a broader governance failure to resolve land tenure insecurity and implement a genuinely redistributive agrarian reform. In many cases, land has become a target for speculative investment, both by state-linked enterprises and private corporations, intensifying the pressure on vulnerable communities. Rather than functioning as a catalyst for rural empowerment, the prevailing land regime appears to reproduce colonial logics of accumulation and control, often excluding those most dependent on land for their livelihoods. Thus, the Indonesian land question remains one of the most pressing and politically charged dimensions of development and justice in the post-reformasi era.

The government conceived the Land Bank initiative under Law Number 11 of 2020, pertaining to the Job Creation Law, to address this issue while confronting the challenges of national development; subsequently, Government Regulation Number 64 of 2021 refined this concept. The Land Bank is empowered to plan, acquire, manage, utilize, and distribute land for various reasons, including infrastructural development, economic equity, land consolidation, and agricultural reform (Haq et al., 2023). This concept is presented as an institutional innovation to expedite land acquisition in a more systematically organized manner. The establishment of the Land Bank raises inquiries about a shift in the paradigm of agrarian reform towards a land capitalization focus, which effectively enhances state control over land for the purposes of national strategic investments and projects. The derivative rules of the Job Creation Law cannot be enacted unless substantial modifications are made to their formulation process, particularly concerning the Land Bank, which is deemed constitutionally problematic (Hidyanti &

Listiyani, 2021). The Constitutional Court acknowledges this in Decision No. 91/PUU-XVIII/2020. Thus, examining the context of agricultural justice aids in understanding the orientation and aim of the Land Bank. Does this institution genuinely aim to promote fair land transfer, or is it merely a novel instrument within a capitalist governance model that prioritizes efficiency and the rapid acceleration of investment? The Indonesian land bank model typically adopts a corporate management strategy (*sui generis*), obscuring the distinction between public interest and market logic, rendering this worry relevant (Haq et al., 2023; Upik Hamidah, 2021). This article aims to evaluate the position, institutional framework, and substantive goals of the Land Bank in the post-Omnibus Law context, while also critiquing the extent to which this concept aligns with or diverges from the principles of agrarian reform as stipulated by the 1960 UUPA and the state constitution.

2. Methods

This study utilizes a normative legal technique, relying on literature and legal documents as main sources, which is based on relevant norms, rules, and regulations. This approach was chosen since the analysis of legal regulations governing the establishment and operation of the Land Bank, subsequent to the enactment of Law Number 11 of 2020 about Job Creation, primarily emphasizes this facet. In-depth examination of positive laws, doctrines, and practices in nations that have established land banks employs methodologies such as the statutory, conceptual, analytical, comparative, and case approaches. This study employs tertiary legal materials, such as legal dictionaries and encyclopedias; secondary legal materials, including books, journals, and expert opinions; and primary legal documents, comprising laws and court rulings. The strategy to gathering legal materials involves literary study and a systematic inventory of relevant legal resources, including supplements obtained through interviews with related agencies. Articulated the significance of legal norms, organized their structure and interrelations, and elucidated the connection between these norms and the legal issues addressed, thereby achieving a thorough, systematic, and coherent comprehension of the legal phenomena under examination (Marzuki, 2010; Soekanto, 1986; Hadjong, 1994; Wignyoosebrotto, 2002).



3. Results

Clinically: the speech and eating difficulties was evident in the fixed twin block group for only one week,

Legal underpinnings and evolution of agricultural reform in Indonesia

The legal and intellectual foundation of agricultural reform in Indonesia is deeply rooted in the principle of social justice, as articulated in Article 33, paragraph (3) of the 1945 Constitution, which asserts that the state governs the land, water, and natural resources therein, utilizing them primarily for the welfare of the populace. This constitutional clause subsequently evolved via Law Number 5 of 1960 regarding Basic Agriculture Principles (UUPA), which became the foundation of national agriculture legislation. The 1960 UUPA seeks to achieve fair land distribution, establish legal certainty regarding ownership rights, and provide the community with equal access to land resources, embodying the principles of agricultural justice. The UUPA aims to supplant the colonial system while adopting a holistic view that regards land as a vehicle for social, cultural, and ecological well-being for the populace, rather than solely as an economic asset. The Constitutional Court Decision Number 001-021-222/PUU-I/2003 delineates "controlled by the state" as the state's authority to regulate, manage, and oversee its utilization for public welfare, thereby executing the State's Right to Control (HMN) in a substantive manner rather than suggesting absolute ownership of the land by the state. However, the pronounced inequality in land ownership poses considerable challenges to the implementation of agricultural reform in Indonesia. The Agrarian Reform Consortium (KPA) asserts that nearly 1% of the population possesses 67% of agricultural resources, resulting in a land ownership inequality ratio in Indonesia with a Gini coefficient ranging from 0.54 to 0.67. This inequality not only engenders agricultural disputes across various regions but also complicates the equitable implementation of national development policies. In response to this complexity, the Indonesian government formed a Land Bank as a specialized entity with the capacity to plan, procure, manage, utilize, and distribute land, as stipulated by Law Number 11 of 2020 concerning Job Creation, notably Articles 125–135 (Haq et al., 2023). The establishment of this body represents an institutional innovation designed to ensure

the strategic and systematic availability of land for various national development needs, including agricultural reform, economic equity, and regulation of land price speculation. The concept of a Land Bank is fundamentally incompatible with comprehensive philosophical and legal principles. The existence of a Land Bank reflects the state's efforts to embody the principles of social justice as articulated in the Pancasila and the Preamble to the 1945 Constitution (Limjong, 2020). Legally, it functions as a distinct mechanism for actualizing the State's Right to Regulate land designated for the benefit of the populace. PP Number 64 of 2021, subsequently reinforced by PERPU No. 2 of 2022 and Law No. 6 of 2023, establishes the Land Bank as a public legal entity endowed with the specific authority to guarantee equitable, transparent, and sustainable land distribution. Global experience demonstrates that many countries have implemented the Land Bank concept through distinct techniques. Land banking, regulated by the Municipalities Preferential Rights Act, is employed in the Netherlands to facilitate agrarian structural reform and manage the land market from a local government standpoint. In South Korea, this concept is formalized in the Land Banking Act, overseen by the Korea Land and Housing Corporation (KLHC) for new town development projects. Institutions such as Landcom in New South Wales engage in land banking activities within a semi-commercial and market-oriented framework in Australia, while maintaining social and environmental objectives (Hidayanti & Listiyani, 2021; Winoto, 2021). In contrast to other countries, the Land Bank of Indonesia is comparatively nascent and operates within a legislative framework that only perceives it as a manifestation of the state. While it aims to promote agricultural reform, concerns exist that its involvement may expedite land capitalization and enhance the state's role as an investment facilitator rather than as a protector of property rights. Critics of the Land Bank's legal structure under the Job Creation Law assert that it prioritizes the acceleration of national strategic projects (PSN) and infrastructure development above allocating land to marginalized groups such as small farmers and indigenous peoples (Hamidah, 2021).

Legal framework established by the Land Bank and the Job Creation Law

The legal foundation for the establishment of the Land Bank (Badan Bank Tanah) is set forth in Law Number 11 of 2020 concerning Job Creation—commonly referred to as the Omnibus Law—which represents a significant



overhaul of Indonesia's regulatory landscape aimed at boosting investment and simplifying bureaucratic procedures. Specifically, Articles 125 to 135 of the Job Creation Law formally create the Land Bank as a sui generis institution, meaning it is a unique legal entity that does not fall under the conventional classification of either a ministerial department or a commercial body (Haq et al., 2023; Hamidah, 2021). Instead, it straddles the line between public administration and quasi-corporate governance, granting it expansive powers to control, acquire, manage, and redistribute land for public purposes and national priorities.

The authority and scope of the Land Bank were further clarified in Government Regulation (Peraturan Pemerintah) Number 64 of 2021, which outlines its operational mandates and institutional structure. Under this regulation, the Land Bank is granted a broad portfolio of responsibilities, including but not limited to: (1) land acquisition for national strategic projects (Proyek Strategis Nasional or PSN), (2) land consolidation and redistribution, (3) provision of land for public facilities, social infrastructure, and housing, (4) stabilization of land prices, and (5) support for agrarian reform and spatial planning initiatives. This regulation places the Land Bank in a central role in resolving land availability issues that have long hindered infrastructure development and equitable access to land resources.

One of the most distinctive aspects of the Land Bank is its status as a public legal entity (*badan hukum publik*) with corporate-like flexibility. It is not a ministry nor does it operate under one; instead, it enjoys independent administrative authority. It is governed by a three-tiered structure consisting of a Steering Committee (*Komite*), Supervisory Board (*Dewan Pengawas*), and an Implementing Agency (*Badan Pelaksana*). This structure grants it substantial institutional autonomy in executing its mandate, including the ability to enter into contractual agreements with third parties, initiate procurement, and collaborate with both state-owned enterprises (*BUMN*) and private sector actors.

This hybrid nature is both a strength and a source of legal and administrative tension. On the one hand, the quasi-corporate status allows the Land Bank to operate with greater speed, financial autonomy, and flexibility compared to traditional bureaucracies essential features given Indonesia's historically sluggish land reform processes. On the other hand, the Land Bank's broad

mandate overlaps with existing institutions, especially the National Land Agency (*Badan Pertanahan Nasional/BPN*) and regional land offices, creating potential for jurisdictional disputes, fragmentation of land governance, and inconsistent policy implementation (Haq et al., 2023; Hidayanti & Listiyani, 2021).

Furthermore, the Land Bank's power to manage "abandoned lands," "unutilized state assets," or "land without legal ownership titles" raises significant legal and human rights concerns, especially regarding customary land (*tanah ulayat*) and indigenous land rights, which may not be formally registered in the national land registry (*ATR/BPN*). In such cases, the state's interpretation of "state-controlled land" (*tanah yang dikuasai oleh negara*) becomes central. Critics argue that without clear safeguards and participatory mechanisms, the Land Bank could become a modern extension of colonial doctrines such as the *domein verklaring*—a legal fiction under Dutch rule that categorized unregistered land as state-owned, effectively dispossessing indigenous populations (Winoto, 2021; Sumardjono, 2020).

Moreover, the legal design of the Land Bank prioritizes facilitation of investment and strategic infrastructure as seen in its inclusion under the broader framework of the Job Creation Law, which has been criticized for subordinating environmental and agrarian justice concerns to pro-business agendas. This raises normative questions about the alignment of the Land Bank's mandate with the constitutional vision of agrarian justice, particularly Article 33(3) of the 1945 Constitution and the social function of land as emphasized in the Basic Agrarian Law (*UUPA*) of 1960 (Limbong, 2020; Haq et al., 2023). Another critical aspect is that while Presidential Regulation No. 113/2021 on Land Bank Financing provides a framework for its funding, including through the State Budget (*APBN*), grants, or other legal sources, the financing mechanisms remain vague in terms of transparency and accountability. This ambiguity opens the door to risks such as elite capture, speculative land accumulation, and reduced public oversight—particularly if land is treated as an asset portfolio rather than a social good with public utility.

Transition from Redistribution to Capitalization

The establishment of the Land Bank in Indonesia, as mandated by Law Number 11 of 2020 on Job Creation and operationalized through Government Regulation Number 64 of 2021, was initially presented as a progressive



instrument to support agrarian reform, promote land access equity, and resolve land-related development bottlenecks. The normative basis for its creation traces back to Article 33, paragraph (3) of the 1945 Constitution, which stipulates that land, water, and other natural resources are to be controlled by the state and utilized to maximize the prosperity of the people. This clause affirms the fundamental principle that the state holds a mandate to manage land not as a commodity for speculative accumulation, but as a collective resource to be distributed fairly and used productively.

However, in the practical design and policy orientation of the Land Bank, an ideological departure is evident. While the legal rhetoric remains anchored in agrarian justice, the operational priorities reflect a shift from redistribution to capitalization. Instead of focusing primarily on the redistribution of land to marginalized groups—such as smallholder farmers, agricultural laborers, and indigenous communities—the Land Bank now functions predominantly as a facilitator of land provision for National Strategic Projects (Proyek Strategis Nasional/PSN), industrial estates, urban infrastructure, special economic zones, and other investment-driven development agendas.

This realignment reflects the state's growing tendency to prioritize economic acceleration, investment attractiveness, and spatial optimization over social equity. Land is increasingly framed within policy discourse not as a social or communal right deeply intertwined with identity, heritage, and sustainability, but as a productive asset to be "activated," "monetized," and "optimized" in accordance with global market logic. Such framing echoes a broader trend of neoliberal land governance, where land is treated as an instrument of growth rather than a basis for human dignity and cultural continuity.

The ideological tension between economic technocracy and social justice is not merely rhetorical; it is materially expressed through the institutional power and discretionary authority granted to the Land Bank. With its mandate to acquire, manage, and distribute land based on development targets, rather than redistribution needs, the institution may inadvertently undermine the foundational goals of *reforma agraria*, which envisioned land as a means of socio-political transformation and empowerment of the poor. Moreover, agrarian justice, as conceived in the 1960 Basic Agrarian Law (UUPA), emphasized land's social function, communal

stewardship, and recognition of indigenous tenure systems—principles that appear diluted in the Land Bank's implementation.

A significant concern lies in the resurgence of the *domen verklaring* doctrine, a colonial legal legacy under Dutch rule which allowed the state to claim ownership over lands that lacked official certification or titles. Although this doctrine was fiercely contested and repudiated by post-independence agrarian movements, its spirit is subtly reincarnated through the Land Bank's regulatory reach. By authorizing the state to categorize vast tracts of land as "abandoned," "unutilized," or "state-controlled" simply due to the absence of formal documentation, the legal framework risks dispossessing customary landholders, especially indigenous groups whose land rights have traditionally been transmitted orally or communally.

This shift raises critical questions: Who benefits from the Land Bank? If it predominantly serves the needs of investors, developers, and state-led megaprojects, it may entrench existing inequalities rather than ameliorate them. Land accumulation under the guise of national development may further distance agrarian reform from its emancipatory roots, replacing it with a technocratic apparatus oriented toward land commodification. In this context, land ceases to be a source of community resilience and cultural continuity; instead, it becomes a vehicle for capital accumulation, speculative trading, and collateralization.

Additionally, the flexible *sui generis* structure of the Land Bank—while useful for expediting decision-making—could exacerbate the risks of elite capture and lack of public accountability. By consolidating authority in a non-ministerial, quasi-corporate institution, the state may sidestep participatory land governance frameworks and weaken democratic checks. This institutional opacity reduces the transparency of land allocation decisions, making it difficult for civil society, local communities, and watchdog agencies to monitor whether land is truly being used for the public good.

The implications of this shift are profound. Instead of fostering inclusive rural development and agrarian justice, the Land Bank may institutionalize a dual-track land policy—one where capital-intensive projects receive prioritized access to land, while marginalized communities continue to face precarious tenure, legal exclusion, and structural disempowerment. Rather than addressing the historical legacy of unequal land



distribution, the institution risks perpetuating it under a new technocratic guise.

In conclusion, the transition from redistribution to capitalization in Indonesia's land policy—epitomized by the role of the Land Bank signals a deeper ideological transformation in the state's approach to land. It challenges the philosophical underpinnings of the UUPA 1960, which sought to dismantle colonial hierarchies and promote rural justice. Unless recalibrated through strong regulatory safeguards, participatory mechanisms, and prioritization of social objectives, the Land Bank may become less of a tool for reformation and more of an apparatus of state-capital convergence, ultimately eroding the vision of agrarian justice enshrined in the Constitution and the spirit of Indonesia's agrarian movement.

Risks and Socio-Political Consequences

The socio-political implications of establishing and operating the Land Bank are complex, especially with the recognition and protection of the rights of indigenous peoples and other marginalized groups. Despite being touted as a strategic tool for fostering development and equitable land distribution, the Land Bank's top-down governance and execution may inadvertently marginalize customary land claims and rights that lack formal acknowledgment within the national legal framework (Haq et al., 2023; Hamidah, 2021). In the absence of adequate public engagement and mechanisms for recognizing traditional rights, extensive land consolidation executed through the Land Bank may result in systemic evictions or dispossession. In Indonesia, particularly in areas with communal cultural systems, land claims frequently lack certification or legal documentation. Consequently, the Land Bank policy may facilitate the transfer of agricultural rights from historically land-controlling groups to the state or private sector, which then utilizes them for investment purposes. In addition to the rights issue, the acquisition of extensive property areas facilitates precarious land speculating operations. When consolidated and retained by the state in a "bank," land is transformed into a financial asset available for trade or collateral, so converting it from a means of sustenance into an investment commodity. In rural and suburban regions vulnerable to land conversion and capital expansion, this exacerbates land commercialization and exacerbates economic inequality (Winoto, 2021). Another criticism is the reduction of

agricultural reform's essence to merely a bureaucratic procedure lacking substantial social transformation. Agrarian reform a political initiative aimed at rectifying the inequitable distribution of land ownership may be diminished to mere administrative transfers inside a technocratic framework lacking the essence of resistance and transformation. In other words, in the absence of participatory procedures, strong accountability, and legal safeguards for indigenous populations, the Land Bank will just serve as a new tool for the government to enhance land control rather than to ensure fair distribution. Furthermore, the diminishment of agricultural reform to a mere technical and financial framework obscures the importance of land as a social right and cultural emblem within society, so weakening the negotiating strength of farmers and local communities in developmental dialogues. From this viewpoint, the Land Bank may be regarded as an emblem of the neoliberalization of agricultural government, as the state operates as a market facilitator rather than a protector of the rights of the populace.

Comparative Analysis of Land Banking Models

Acquiring insights from international methodologies is essential to ensure the coherence among institutional frameworks, principles of social justice, and sustainable land utilization in the development of a land bank model in Indonesia. Comparative analyses of land bank models in the Netherlands, the United States, and China provide valuable insights into the operation of a land bank system that is public-oriented, adaptive, and efficient. In a civil law context such as Indonesia, land banks in the Netherlands prioritize spatial management and agricultural consolidation. The Dutch government regulates agricultural land through public bodies such as Domeinen and the Bureau Beheer Landbouwgronden (BBL) to bolster the national agrarian framework and rural development. Dutch land banks primarily function as exchange land banks, financial instruments, and developer land banks, thereby integrating land governance, environmental protection, and long-term development planning (Ruilverkavelingswet 1954; Wet Inrichting Landelijk Gebied 2006). Moreover, empowering local governments to engage in regional development and thus reduce land speculation (DLG, 2006) constitutes the decentralization of authority to the provincial level. The Dutch model is relevant in the Indonesian context as a framework for agricultural land consolidation measures aimed at assisting small farmers and improving national



food security.

Table 1.1 Comparison of the Concept of Indonesian and Dutch Land Banks

Indicator	Indonesia	Dutch
Regulation	Law Number 6 of 2023 concerning the Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 to Become Law; Government Regulation Number 64 of 2021 concerning the Land Bank Agency; Presidential Regulation Number 113 of 2021 concerning the Structure and Implementation of the Land Bank Agency.	Dutch Land Consolidation Act 1954 (Ruilverkavelingswet 1954); Law on Dutch Rural Area Planning 2006 (Wet Inrichting Landelijk Gebied 2006); Dutch Agricultural Land Transactions Act 1981 (Wet Grarisch Grondverkeer 1981); Law on Spatial Planning of Rural Areas of the Netherlands 2005 (Wet Ruimtelijke Ordening 2005).
Type	Public land bank	Public land bank
Organizational structure	Committee; Supervisory Board; Implementing Body	Committee; Director; Sub-committee
Function	Planning; Land acquisition; Land acquisition; Land management; Land use. Land distribution.	Exchange land banking; Financial instruments; and Land bank as developer.
Implementation Mechanism	Management and maturation of raw land; Land that is in	Land collection; Land management; and Land distribution

Indicator	Indonesia	Dutch
	the process of maturation; Ready to build area.	

Source: Research Analysis (2025)

In contrast, the United States has established a diverse and decentralized land banking system tailored to the jurisdiction of each state. Established in St. Louis in 1971, US land banks focus on the management of abandoned sites, tax property acquisition, community rehabilitation, and the provision of affordable housing. Utilizing a hybrid public-private model (HERA 2008; The Ohio Land Banking Legislation 2008/2010), land banking authorities such as the Richmond Land Bank and the Cleveland Land Bank operate through collaborations between governmental entities and non-profit organizations, including Community Development Corporations (CDCs). This technique encourages local economic development and offers significant flexibility; yet, it necessitates stringent oversight to prevent excessive commercialization and the exploitation of disadvantaged regions.

Table 1.2. Comparison of the Dutch Land Bank with the United States

Indicator	Dutch	United States of America
Bank Regulation	Land Consolidation Act 1954 The rural area development Act , 1985 Act on Spacial Structuring of The Rural Areas	Central Regulations, among others: Housing Economic Recovery Act (HERA), 2008 The American Recovery and Reinvestment Act (ARRA), 2009, changed some of the substance regulated in HERA. State



Indicator	Dutch	United States of America
		regulations include: The Michigan Land Bank Fast Track Authority Statute The Ohio Land Banking Legislation
Types of Land Banks	Consists of only one type, namely the Public Land Bank	Consisting of 2 (two) types, namely (1) Public Land Bank and (2) Mixed Land Bank
Parties in the Land Bank	The Public Land Bank in the Netherlands consists of: Domeinen/State Domain Service, which is under the auspices of the Ministry of Finance and; Bureau for Land Management which is under the auspices of the Ministry of Agriculture and Fisheries	Public Land Banks can be: (1). Independent Land Bank Institutions established by Law, (2). Institutions resulting from cooperation between departments within the government, (3). Land Bank activities as part of the national government land program. Mixed Land Bank, can be the result of cooperation between (1) the

Indicator	Dutch	United States of America
		government and investors (private sector), (2) the government and non-profit institutions such as CDC's (Community Development Corporation).
Land Bank Implementation Mechanism	The Land Bank implementation mechanism consists of 3 (three) stages, namely: (1) Land collection stage, (2) Land management stage, (3) Land distribution stage.	The mechanism for implementing a land bank consists of 3 (three) stages, namely: (1) Land collection or takeover stage, (2) Land management stage, (3) Land reuse stage.

Source: Research Analysis (2025)

In contrast, China has employed a land bank system as a mechanism for socio-spatial reorganization and land management from the early 1990s. Local governments establish land banking authorities to facilitate urban planning, regulate land prices, and enhance local fiscal revenue. Through institutions such as the Guangzhou Land Development Center, China monopolizes the allocation of Land Use Rights (LUR) and utilizes land reserves to stabilize the real estate market and regulate land use patterns (MLR Policy, 2022). This strategy, while theoretically emphasizing efficiency and comprehensive planning, is sometimes criticized in practice for neglecting impoverished urban neighborhoods due to its top-down development approach and significant displacement. In contrast, Indonesia's current land bank is centralized, established by the central government pursuant to Law No. 11 of 2020 about Job Creation and amended by Law No. 6 of 2023. Its objectives encompass strategic initiatives, national development land, and agricultural reform. The institutional



framework, consisting of a Committee, Supervisory Board, and Implementing Agency, holds comprehensive responsibility for land planning, acquisition, management, utilization, and distribution (PP No. 64 of 2021). Despite being intended as a public body, the Indonesian Land Bank possesses operating authority like to that of a corporation, hence facilitating prospects for private sector involvement in the implementation of development initiatives. This model illustrates a duality of functions between public services and potential commercialization, which must be monitored closely to avoid deviating from the principles of agricultural justice. Of the three nations, the Netherlands offers the most relevant agricultural model for Indonesia. The Dutch methodology for agricultural land consolidation and rural infrastructure development can serve as a model for restructuring the Indonesian land bank policy, particularly in supporting small farmers and village advancement. While China and the United States provide important insights into institutional adaptability and regional fiscal capacity, the primary challenge is in ensuring that land banking practices adhere to the principles of social justice and the empowerment of local populations.

Conclusion

The Indonesian Land Bank, created by Law No. 11 of 2020 on Job Creation and supported by subsequent laws like Government Regulation No. 64 of 2021, signifies a substantial transformation in the nation's institutional framework for land governance. The establishment was announced as a strategic reform tool designed to tackle persistent agricultural issues, such as fragmented land ownership, speculative property accumulation, and bureaucratic delays in land acquisition for public purposes. Normatively, the Land Bank seems to conform to the provisions of Article 33(3) of the 1945 Constitution and the 1960 Basic Agrarian Law (UUPA), both emphasizing that land, water, and other natural resources should be administered by the state for the maximum benefit of the populace. It is also designated as an instrument to advance economic fairness, enable agricultural transformation, and improve social welfare through optimized land use planning and access. In actuality, the Land Bank's implementation trajectory demonstrates a significant ideological divergence from its original objectives. The institution is increasingly positioned as a facilitator of investment-driven development, rather than primarily addressing structural

inequality in land allocation or empowering smallholder farmers and marginalized rural populations. The current focus on acquiring land for National Strategic Projects (PSN), industrial zones, and extensive infrastructure signifies a transition from land redistribution aimed at social equity to land capitalization intended for economic advancement. This paradigm change jeopardizes traditional agrarian interests and diminishes indigenous and communal land claims in favor of development priorities. A significant issue regarding this trend is the possible resurgence of colonial legal frameworks, specifically the *domein verklaring* doctrine, which allows the state to claim ownership of land that lacks formal documentation, typically customary or communally held land. Despite the UUPA's intention to abolish this theory following independence, its resurgence in contemporary land policy under an altered form signifies a perilous relapse. This situation renders informal or customary land rights, especially those of indigenous populations, invisible inside formal legal frameworks, leading to eviction and conflict. Furthermore, the institutional structure of the Land Bank, although designed to provide flexibility and efficiency, poses a risk of establishing a technocratic organization with quasi-corporate authority and constrained public accountability. This unique entity, functioning independently of traditional ministerial

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