Land Bank in Indonesia: Disoriented Authority, Overlapping Regulations and Injustice

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Abstract

The Indonesian Land Bank Agency ("Land Bank") is a sui generis institution that has broad authority including providing convenience for investors and implementing agrarian reform based on the value of justice and legal certainty. This paper aims to analyze the disorientation of authority and overlapping regulations of the Land Bank, examine the Land Bank’s authority based on the cybernetic concept of Talcott Parsons and deconstruct the Land Bank’s authority in terms of the value of justice. This research is a normative study that uses secondary data collected through literature research and analyzed the data through content analysis. Based on the analysis, it is found that there is a disorientation of the Land Bank’s authority as its authority to implement the agrarian reform aimed at creating equitable land ownership is contradictory to its authority to facilitate investments that use large areas of land. The implementation of agrarian reform by the Land Bank also faces overlapping regulations and authority. Based on Talcott Parsons' cybernetic concept, the Indonesian government prioritizes investment facilitation authority (economic subsystem) which has the highest energy and therefore ignore agrarian reform (social subsystem) which has lower energy. This is not in line with the principle of justice, namely partiality to the disadvantaged party since it prioritizes the interests of business entities as the more economically advantaged party and overrides the interests of people who do not own land or control land less than the minimum limit.

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1. Introduction

The independence of the Republic of Indonesia on August 17, 1945 has two meanings for the development of its agrarian law, namely the end of colonial agrarian law and the starting point of national agrarian law. The purpose of national agrarian law is to create justice, determine beneficiary and ensure legal certainty in controlling agrarian resources to realize the greatest prosperity of the people, including the peasants. Based on these objectives, Law no. 5 of 1960 concerning Basic Agrarian Law (hereinafter referred to as “BAL”) was issued as an umbrella act in the agrarian sector. BAL is contextual and pro to the interests and welfare of the community, making this regulation categorized as a populist and responsive regulation.\(^1\) However, the politics of national agrarian law changed during the New Order era with the creation of various capitalism-oriented sectoral regulations to accommodate the heavy flow of investment in natural resources at the time, marking the beginning of capitalism waves that had a significant influence in agrarian sector.\(^2\)

The politics of agrarian law that emphasized liberalism and capitalism during the New Order era brought negative consequences for the development of national agrarian law, namely the widening inequality of land tenure in society and the increasing poverty rate among farmers. The will to change this condition emerged during the fall of the New Order and the birth of the reformation period through People's Consultative Assembly Decree No. XVI/MPR/1998 concerning Economic Politics in the Framework of Economic Democracy. This regulation explicitly states that the management and utilization of land as well as natural resources must be based on justice.

The substance of the decree’s provisions has not been fully achieved because due to the absence of changes in the perspective of state administrators who continuously prioritize investment and sacrifice the interests of weak parties such as farmers.\(^3\) Such

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policies have undoubtedly led to an increase in the land Gini ratio, poverty in the agrarian sector and an increase in agrarian conflicts. Problems in the agrarian sector became even more complex when Law Number 11 of 2020 concerning Job Creation as last amended by Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, commonly known as the Omnibus Law, was issued. One of the clusters in this regulation is the land sector (Chapter VIII), which includes the land bank agency as contained in Article 135 of Job Creation Law and elaborated under Government Regulation no. 64 of 2021 concerning Land Bank (hereinafter referred to as “LBGR”).

The presence of the Indonesian Land Bank Agency (hereinafter referred to as the “Land Bank”) as a new institution in the agrarian sector raises various controversies since the regulations on the Land Bank are based on the Job Creation Law which prioritizes ease of investment and protection of business entities’ rights as stated in the consideration of this law and clearly illustrated in the Academic Paper of the Job Creation Law. When the choice is to prioritize investment, there is a potential to view land as capital that can be exploited to encourage business activities and land control on a very large scale by investors. This represents a significant expansion of the country's social justice ideals, which are now firmly rooted in the values of collective responsibility and shared prosperity. In contrast, the prevailing capitalist values are characterized by exploitation and the pursuit of self-interest.

Moreover, the Land Bank, as stated in the Job Creation Law and the LBGR, is conceptualized as a sui generis institution with very broad authority and a significant yet disoriented influence, namely to encourage investment utilizing large-scale land, while also carrying out agrarian reform and redistributing land to realize equitable land ownership. This shows that the Land Bank’s authority and roles contradict each other. If the Land Bank’s operation emphasizes the ease of investment, it then becomes an institution that is not populist and not responsive to the inequality of land ownership and many agrarian conflicts in Indonesia. On the other hand, if it merely focuses on the implementation of agrarian reform, it faces a conflict of authority with the Acceleration Team of Agrarian Reform, which is also authorized to implement

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agrarian reform. The implementation of agrarian reform by the Land Bank clearly does not increase revenue for the institution. On the contrary, if it focuses on investment aspects, economic benefits will be generated.

A common thread can be identified in the aforementioned views regarding the disorientation of the Land Bank’s authority and overlapping regulations. These irregularities have the potential to escalate injustice in law enforcement for the community, especially vulnerable communities such as farmers. Therefore, an in-depth review of the authority and regulations of the Land Bank is necessary to create a fair and good policy. In light of the aforementioned considerations, it is evident that justice represents the *prima facie* value of any social institution. Consequently, the mere presence of injustice renders any policy or legal product, regardless of its intrinsic merits, subject to review. This encompasses an examination and description of the implementation of the Land Bank in Indonesia.

This article differs from other articles on the authority in the management of land banks that ensures the implementation of more prosperous, fair and sustainable land management, the ineffectiveness of the institution’s authority to control land prices, the importance of public participation in a land bank’s management and administration, as well as the relationship between the land bank and spatial planning and sustainable development in China. The difference between those articles and this study lies in the focus of the discussion, namely the authority of the land bank agency in Indonesia, which has a conflicting orientation. Another difference is the use of the

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cybernetic concept proposed by Talcott Parsons in describing the problem of the Land Bank’s authority.

2. Problem Statement

The previous description highlights problems regarding the duties and authority of the Land Bank, which are not only conflicting but also increasingly complex with overlapping regulations. This article, therefore, provides a comprehensive analysis of the disoriented authority and overlapping regulations of the Land Bank. In this article, the authors first outline various issues related to the Land Bank’s authority. The problems are subsequently analyzed based on the cybernetic concept proposed by Talcott Parsons, *stufenbeautheorie* by Hans Kelsen, and *Theory of Justice* by John Rawls. They are utilized to provide a theoretical review and predictions regarding the priorities of the Land Bank in the exercise of its authority between prioritizing investment or implementing agrarian reform. In the final part, an analysis is conducted on the suitability of the Land Bank’s authority with the value of justice as the main value in law and its suitability with the objectives of national agrarian law, namely the greatest prosperity of the people.

3. Methods

This research is a normative study that conceptualizes law as legislation. This article uses secondary data collected through literature research. The collected data were analyzed using content analysis, which included coding, interpreting data, and drawing conclusions.10

4. Discussion

4.1. Land Bank’s Authority Disorientation and Overlapping Regulations

The Land Bank is a special entity (*sui generis*) that has special authority to carry out land management in Indonesia. The question that arises then is what is meant by the special agency (*sui generis*) itself. The Job Creation Law and the LBGR do not explain the meaning of the word “*sui generis*”. The unclear definition of the Land Bank is further complicated by its disoriented authority, which on the one hand is promoting large-

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scale land to investment interest for the benefit of business entities, but on the other hand emphasizes the distribution of land for the benefit of community as outlined in agrarian reform.

Among the two types of authority, the one that most strongly colors the Land Bank is the authority to promote large-scale investment or business based on the understanding of capitalism which means market-based economy. This view holds that economic development and growth can only be achieved through capital investment.11 The main characteristic of capitalism is the economization of life or seeing everything as an object for economic gain. Capitalism emphasizes the freedom to own objects so that a person (human/legal entity) can own resources (including land) on a very wide scale to support his/her production activities.12

This view of capitalism is elaborated in the Land Bank’s authority in providing ease of business license especially in acquiring land as well as cooperating with business entities in the context of economic development. In fact, the Land Bank can receive entrusted land and make the land as an object of business cooperation, enabling the Land Bank as the holder of management right. In such right, there are three types of authority, namely cooperating land with other parties for business interest, imposing tariffs and/or annual compulsory payment for the utilization of land, as well as enforcing the land planning. The cooperation will therefore bring economic benefits in the form of revenue or income to the region/state. This is in line with the substance of Article 27 and Article 43 of the LBGR. The Land Bank’s assets include state assets that are separated and must be accounted for. Good accountability is created when the Land Bank, as an entity that organizes activities in the economic field, is able to maintain or even increase the value of its assets from Rp2,500,000,000,000.00 as initial capital. The increase occurs if the Land Bank carries out economical activities especially by supporting investment. Another authority of the Land Bank is the authority to form a business entity in supporting its operation, conduct investment activities and even

formulate rules regarding these investment activities, as well as receiving temporary capital participation in the form of shares.

The capitalist ideology that underlies the various powers of the Land Bank and its profit-seeking objectives clearly contrasts with its other powers, namely implementing agrarian reform, which will not provide economic benefits and is based on socialist ideology. This agrarian reform is divided into two categories, namely land redistribution and asset legalization. Land redistribution is carried out by distributing land to landless parties and farmers who control a minimum amount of land and several communities with certain classifications.

The Land Bank’s authority in carrying out agrarian reform remains a problem since Article 22 of the LBGR explicitly states that 30% of the land owned by the Land Bank is the object of agrarian reform. However, in other laws and regulations, namely Article 28 paragraph 2 letter k of Presidential Regulation No.113 of 2021 on the Structure and Implementation of the Land Bank Agency states that one of authorities of the Land Bank is to determine the form of agrarian reform area and social interests. With this authority, the Land Bank can determine a smaller area to be allocated as the object of agrarian reform. Accordingly, it will cause losses to the people who are supposed to receive land redistribution.

The lack of clarity regarding these arrangements is at odds with the views of Hans Kelsen, who advocates for the law to be arranged hierarchically, systematically, and harmoniously in order to create legal certainty. According to Kelsen, the law is a system of norms based on a necessity-by-necessity (das sollen) principle. The norm itself is seen as a product of deliberative human thought on morality and meta-ethical values through human will. This norm is then regarded as law when it is formalized in writing by the authorized institution, containing orders. Furthermore, Kelsen's Stufenbeauthorie delves deeper into the genesis, emergence, and evolution of law into a positive legal regulation. Accordingly, it can be posited that Kelsen's assertion that legal norms must be arranged in tiers and layers from lower sources to higher ones is

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intended to ensure synchronization and non-contradiction between the upper legal regulations and the legal regulations below, and vice versa.\textsuperscript{14}

The lack of clarity of substance is in clear violation of the provisions regarding the hierarchy of laws and regulations as stipulated in Law Number 11/2012 concerning the Establishment of Legislation (hereinafter referred to as the “Establishment of Legislation Law”). This regulation explains that in tiered and layered legal norms, the understanding applies if the lower norm applies, is sourced and is based on a higher norm continuously until it meets a hypothetical and fictitious basic norm.\textsuperscript{15} This leads to the conclusion that Presidential Regulation No.113 of 2021 on the Structure and Implementation of the Land Bank Agency is in contradiction with the LBGR, which has a higher hierarchy as stated in Article 7, paragraph (1) of the Establishment of Legislation Law.

Legal certainty is achieved if three elements are met, namely knowability, reliability and predictability. In the context of predictability, the aspect of clarity in law has an important role as a reference in acting both for the community and the parties related to the implementation of authority related to the land bank agency. This is also reinforced by the view of Lon L. Fuller who places clarity as one of the eight principles that must be met to formulate a good law.

Organizing agrarian reform will also put the Land Bank in a dilemmatic position due to overlapping authority with Acceleration Team of Agrarian Reform whose mandate is stated in Article 20 of Presidential Regulation No.62 of 2023 on Acceleration of Agrarian Reform Implementation. The duty of this task force is coordinating the provision of land for agrarian reform and coordinating the implementation of land redistribution. The Agrarian Reform Task Force can be established at the central level, provincial level and district/city level. The overlapping authority potentially causes


institutional conflicts, overlapping policies, and confusion among officers at the operational level. This condition also leads to the absence of legal certainty.

Another issue is the recipient of land distribution, namely:

1. Ministries/agencies;
2. Local governments;
3. Social and religious organizations; and/or
4. Communities appointed by the central government.

The simultaneous use of the terms “land distribution” and “agrarian reform” in the LBGR and Presidential Regulation on the Structure and Implementation of the Land Bank creates confusion because the essence of agrarian reform is land redistribution. The confusion increases when analyzing the subjects of the land distribution, which are different from the subjects of agrarian reform stipulated under Presidential Regulation on Agrarian Reform. The placement of ministries/institutions, local governments, social and religious organizations; and/or communities determined by the central government as recipients of land distribution clearly contradicts the purpose of agrarian reform to provide equal distribution of land ownership for people whose land below the minimum limit.

The inclusion of subjects other than the community is not only inaccurate but can also eliminate the rights of people who actually deserve and meet the criteria as the recipients of land of agrarian reform objects. Moreover, currently the inequality of land ownership in Indonesia reaches 0.79, suggesting that 1% of Indonesians control 79% of the land so that the remaining 21% of land area is contested by 99% of Indonesians.16 The lack of clarity regarding the concept of agrarian reform and land distribution in the regulation on the Land Bank and the inaccurate subject of land distribution which also differs from the provisions contained in Presidential Regulation No. 62 of 2023 on Acceleration of Agrarian Reform Implementation further dissolves the concept of agrarian reform in the regulation on the Land Bank.

The above descriptions show the Land Bank’s disorientation of authority and overlapping regulations which ultimately lead to legal uncertainty in the implementation of the Land Bank’s authority. This legal uncertainty has two consequences, namely the absence of definite guidelines for law enforcement or administrative officials in carrying out their duties and the absence of stability in the legal system itself.

The analysis in this article is not only limited to aspects of legal certainty but also further discusses about justice as a prime value in law (the primacy of justice) or what Dworkin calls the best political morality. Dworkin asserts that interpretations involving principles and morality must be taken into account, particularly in the pursuit of justice in the legal realm. Dworkin provides his view on justice that is relevant in the agrarian context. That justice is needed in the face of social facts regarding the existing inequalities. Examined from the perspective of justice, the LBGR emphasizes more on promoting investment rather than conducting agrarian reform and it tends to cause injustice. Injustice arises because the Land Bank focuses more on protecting the investment of business entities who are strong parties and overrides agrarian reform which is the interest of weak communities. The Land Bank is a body whose main function is to facilitate business licenses and even becomes direct actors through the formation of business entities and various other authorities that tend to favor the economic aspect. On the other hand, the authority regarding agrarian reform is only briefly mentioned and not well elaborated. The focus is clearly more oriented toward a profitable land bank agency than organizing activities in the field of agrarian reform which are social in nature and do not increase asset value.

The aforementioned description shows that there are several factors that cause the Land Bank to demonstrate a tendency to act as an institution that supports economic growth rather than a social institution that implements agrarian reform, namely:

1. The regulations regarding the Land Bank, both the LBGR and Presidential Regulation on the Structure and Implementation of the Land Bank, are derivatives of the Job Creation Law, which is oriented to increase investment and economic growth as stated under Consideration of Basic Agrarian Law.

2. The regulations on the Land Bank neither remember nor cite the BAL as an umbrella act in the agrarian sector. They do not recall or cite the UUPA as the legal umbrella in the agrarian sector. This shows the disharmony of regulations and norms as Hans Kelsen pointed out in *Stufenbeautheorie*, although the BAL is a populist-responsive law that calls for justice through equitable distribution of land ownership and prohibits monopoly of land tenure.

3. The regulations on the Land Bank prioritize the aspects of investment and economic growth rather than agrarian reform. This can be seen from the many roles of the Land Bank in the field of economic growth such as (1) developing land for industrial estates, special economic zones and other economic zones; (2) establishing business entities to support the implementation of the Land Bank; (3) facilitating investment management and (4) making capital participation.19

4. The concept and subject of agrarian reform are unclear in the regulation on the Land Bank because the recipient of land distribution is not stated;

5. There is an overlap of authority in the implementation of agrarian reform between the Land Bank and the Acceleration Team of Agrarian Reform. This overlapping authority can have an impact on the implementation of agrarian reform at the central and regional levels because the Land Bank can also establish representatives in the regions while the Acceleration Team of Agrarian Reform also consists of the Acceleration Team of Agrarian Reform at the Central Level, the Provincial Level and the Regency/City Level.

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These five factors make it difficult for the Land Bank to carry out agrarian reform and encourage it to focus more on activities that support economic growth and investment, which can actually lead to inequality in land ownership.

4.2. Examination of Land Bank’s Authority Based on Talcott Parsons' Cybernetic Concept

The government through the Land Bank is faced with two choices: supporting the accumulation of land control and ownership by business entities for investment purposes or redistributing land to the community. Examining the government’s choice can be based on a theoretical analysis as one of the functions of a theory is to explain reality. The theory that can be used to examine this issue is the cybernetic theory proposed by Talcott Parsons. The word cybernetics itself is an absorption of the word cybernetics which means automatic control. This word was first introduced by Norbert Weird in 1948.20

Talcott Parsons states that life is composed of various subsystems, namely economic, political, social and cultural subsystems, whose functions are as follows:21

1. The economic subsystem has an adaptation function, namely adjusting to the organic physical environment through control of resources;
2. The political subsystem determines the goals to be achieved;
3. The social subsystem serves to integrate; and
4. The cultural subsystem maintain patterns.

The question is where the law is located in the series of subsystems that make up system in this theory. Parsons places law as part of the social subsystem. In fact, in his book, the explanation of the social subsystem is closely related to law because of its coercive nature and it provides guidelines regarding actions that should be taken. Legal norms have an important role, especially in regulating the allocation of rights and

obligations.

After identifying the position of law in the life system, the next step is to examine the relationship between law and various other life subsystems. This is in line with the definition of the system itself, which is a combination of various subsystems that are interrelated with each other to carry out certain functions. The word “system” indicates the interaction space between the various subsystems so that there is a relationship of mutual influence between the various subsystems where the output of one subsystem becomes an input for other subsystems. The interaction occurs because the output of one subsystem will be an input or input for other subsystems so that the relationship between subsystems is not only close but can even be said to be very close.22 A more complete picture of the relationship between these subsystems is as follows:

Figure 1. Talcott Parsons Subsystem

In general, the world’s subsystems are polarized in two environments, namely the organic physical environment (related to fulfilling necessity) and the ultimate reality (related to values). The closer subsystem to the organic physical environment, the higher energy, but the less of value because it is distant from the ultimate reality. In contrast, the closer the ultimate reality, the more value but the less energy.

Based on the above scheme, the economy, as the closest subsystem to the organic physical environment, has the highest energy and therefore the power to control and influence various other subsystems with lower energy. Under such conditions, economic interests represented by groups of business entities with large capital-based investments can control various other subsystems in life.

In relation to the Land Bank in which there is a contestation between economic interests to support investment and agrarian reform with a social dimension, the economic subsystem based on the concept of Talcott Parsons will override the agrarian reform aspect because the economic subsystem has greater energy than the energy of the social aspect because economy has a closer position to the physical organic environment.

When the economic aspect that upholds investment and economic growth overrides the social aspect (agrarian reform), legislations tend to accommodate the interests of business entities and override land redistribution to homeless people and people who own small patches of land. Based on such perspective, the Land Bank potentially creates injustice for these communities. This injustice occurs because there is no partiality to the weak, whereas one of the fundamental elements in creating justice is partiality to the weak.

At this point, the article of Kautsky and Engels shows how industrial interests override or take over farmers’ lands, giving rise to a land monopoly by industry and putting

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farmers in a weaker position. Farmers’ welfare is only possible if there are policies that are pro-small farmers and have strong bargaining power in a country. In relation to the concept of a land bank agency, it is important to reflect on Engels’ statement that without the state’s alignment for farmers, farmers’ survival and win against the interests of capitalism or industrialization is merely an illusion. This can also be linked to Eric Hoddy’s view that agrarian crises are caused by neoliberalism. This is certainly very detrimental to farmers, especially when there are agrarian crises and conflicts in presenting inequality and powerlessness of the peasantry in the social and economic dimensions. Agrarian crises also cause inequality and powerlessness of the peasants in the face of neoliberalism. This phenomenon can be attributed to the inability of numerous farmers to effectively utilize resources in an optimal manner. This subsequently renders them susceptible to the influence of hegemonic power structures and capitalist agendas, which perpetuate agrarian crises.

4.3. Deconstruction of Land Bank’s Authority Based on Justice

The aforementioned explanation indicates a weakness in the Land Bank, and therefore a deconstruction is necessary. The initial deconstruction is the deconstruction of liberalistic concept underlying the Land Bank. Changes are not possible without a change in the Job Creation Law as the LBGR and Presidential Regulation on the Structure and Implementation of the Land Bank are merely elaboration of the Job Creation Law.

The change of perspective that underlies the Land Bank from liberal perspective to social justice-based perspective causes the Land Bank not to lean towards the convenience of investors in its operation but carry out functions that emphasize the

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welfare of whole people as mandated in the precepts of social justice and the objectives of national agrarian law, namely the greatest prosperity of the people. Social justice has several dimensions, namely provision of opportunities for all parties to develop their lives and attention to weak parties so that they can have access to basic necessities. In Maity’s view, the partiality of government to the market as in the land bank agency concept tends to cause injustice and reduce the poor’s power and economic capacity. The majority of Indonesian farmers should receive more attention in agrarian management instead of favoring the authority that potentially marginalizes the rights of poor farmers.

There are at least four legal instruments that require the creation of social justice in the agrarian sector, namely Pancasila, the 1945 Constitution of Indonesia, People’s Consultative Assembly Decree No. IX/MPR/2001 on Agrarian Reform and Natural Resource Management, People’s Consultative Assembly Decree No. XVI/MPR/1998 on Political Economy in the Framework of Economic Democracy and Basic Agrarian Law.

To provide a brief description of the aspects of social justice in the various laws and regulations above, the authors present their substance in the following table:

Table 1. Description of Social Justice in the Various Laws and Regulations

<table>
<thead>
<tr>
<th>LEGAL INSTRUMENT</th>
<th>RELATED PRECEPT OR ARTICLE</th>
</tr>
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<tbody>
<tr>
<td>Pancasila (Ideology and Source of All Sources of Law)</td>
<td>The Fifth Precept states Social Justice for All Indonesian People</td>
</tr>
<tr>
<td>1945 Constitution of Indonesia</td>
<td>Article 33 paragraph (3) emphasizes that the earth, water and natural resources contained therein are utilized for the greatest prosperity of the people.</td>
</tr>
<tr>
<td></td>
<td>Article 28 D paragraph (1) regulates the</td>
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</tbody>
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right for everyone to obtain recognition, guarantees, protection and fair legal certainty.

**Article 28 H paragraph (2)** regulates the right for everyone to receive facilities and special treatment to obtain equal opportunities and benefits to realize equality and justice.

<table>
<thead>
<tr>
<th>People’s Consultative Assembly</th>
<th><strong>Article 7</strong> stipulates that the management and utilization of land and other natural resources must be carried out fairly by eliminating all forms of concentration of control and ownership of land.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decree No. IX/MPR/2001 on Political Economy in the Framework of Economic Democracy</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>People’s Consultative Assembly</th>
<th><strong>Article 3</strong> stipulates that natural resource management must be carried out in an optimal, fair, sustainable and environmentally friendly manner.</th>
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</thead>
<tbody>
<tr>
<td>Decree No. IX/MPR/2001 on Agrarian Reform and Natural Resource Management</td>
<td></td>
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</table>

**Article 5 paragraph 1 letter b** stipulates that the rearrangement of control, ownership, use and utilization of land (land reform) must be carried out based on the value of justice by paying attention to land ownership for the people.

<table>
<thead>
<tr>
<th>Basic Agrarian Law</th>
<th><strong>Article 11 paragraph 2</strong> stipulates that agrarian management must guarantee the protection of the interests of the economically weaker groups.</th>
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*Source: processed from various sources*
The discourse on social justice is invariably associated with welfare, as evidenced by Soepomo’s statement that social justice is a consequence of an integralistic state for all Indonesian people so that they can fulfill their needs or achieve prosperity. The purpose of social justice is to create a balanced and orderly society where all people have the same opportunity to build a decent life. This statement leads the authors to the understanding that the concept of justice has a relationship with the concept of a welfare state, and that social justice is essentially the core value of a welfare state.

The concept of welfare state is relevant to be adopted in Indonesia since it is in accordance with the state’s goal of promoting general welfare. In the agrarian sector, this welfare state concept can be linked to Article 33 paragraph 3 of the 1945 Constitution of Indonesia which authorizes the state to exercise control over the earth, water and natural resources aimed at creating the greatest prosperity of the Indonesian people. In relation to the phrase “the greatest prosperity of the people”, it is appropriate to refer to the Constitutional Court Decree that one of the indicators of the greatest prosperity of the people is the level of equitable distribution of resources for the community.

The importance of land equality for the community is also stated in People’s Consultative Assembly Decree No. XVI/MPR/1998 which emphasizes fair agrarian management that eliminates various forms of monopoly or concentration of control over agrarian resources. In addition, this regulation also emphasizes the importance of land as instrument to attain prosperity for all Indonesians, especially poor farmers. In this regard, the focus of the Land Bank, which prioritizes the promotion of investment, is potentially not in line with the concept of justice.

For agrarian resources to provide benefits for everyone, especially the peasants, equitable land ownership through various programs must be prioritized ahead of land redistribution. Equitable land ownership can only occur if the government understands the different social and economic conditions of the people. At that point, the economically disadvantaged should be provided facilities as stated in the BAL.

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which is in line with John Rawls’s view.\textsuperscript{31}

A society constructed based on John Rawls’ concept of justice is a well-ordered society that works together to create justice. This is also why John Rawls, in his book \textit{Justice as Fairness}, defines society as a cooperative venture of mutual advantage. There are three characteristics of a well-ordered society, namely:\textsuperscript{32}

1. A common will of the society to create justice;
2. Individuals in the society working together to realize justice;
3. Institutions in society supporting people in understanding and applying the principles of justice, both rights and obligations.

The focus of John Rawls’ concept of justice is the establishment of institutions in a fair and just society as justice is related to the basic structure of society or the way social institutions distribute rights and obligations in society. John Rawls introduced the idea of reflective equilibrium, which means that humans have the ability to think and prioritize the value of justice. These two aspects are inseparable because in order to achieve justice, clear logic is necessary.\textsuperscript{33} The Land Bank’s authority clearly does not demonstrate clear logic as there is disorientation and even overlapping authority. It is disorienting because the Land Bank prioritizes corporate and investment interests over land distribution for the community to achieve equitable distribution of land ownership. The Presidential Regulation No. 62 of 2023 on Agrarian Reform also states that the Land Bank can only allocate 30\% of its land for agrarian reform purposes. Moreover, agrarian reform will also be hampered by the overlapping authority between the Land Bank and the Agrarian Reform Acceleration Team in its implementation.

John Rawls, whose ideas are influenced by Rosseanu, argues that to create equality, it


is necessary to understand the social structure, namely the different needs that exist in society. In this context, siding with the weak and disadvantaged becomes important because a well-ordered society is a society that collectively creates justice. The attention to the disadvantaged is also expressed by various experts including Amartya Sen and Ronald Dworkin. Ronald Dworkin introduced the concept of equality of resources, including political preference which also emphasizes on protection of the disadvantaged.\textsuperscript{34} In this case, the vulnerable society refers to civil society and peasants, not business entities that have stronger economic powers in a well-ordered society.

The well-ordered society proposed by Rawls can be linked to the views of John Finnis. According to Finnis, all decisions taken by the government should pay attention to basic goods and practical reasonableness to ultimately create justice. Justice in Finnis' view consists of three aspects. First, it relates to two or more people. Second, it consists of obligations (duties) related to the rights of others. Third, it is related to equality. This equality aims to create a common good, namely the common good of a community, not oriented towards certain individuals but all individuals in the community.

Justice in John Rawls' view is mainly aimed at fulfilling primary goods, namely the basic needs of humans to live their lives, which then become a measure to categorize the least advantaged or disadvantaged, which in this case are people who need land (agrarian reform subjects). Land ownership for disadvantaged communities should be prioritized by the Land Bank instead of corporate interests because the need for land is a primary need for these communities.

The concept of justice in the above national legal instruments is clearly incompatible with the concept of the Land Bank. This is because the concept of justice requires that all people can gain access to land to realize equitable distribution of land ownership. On the other hand, the Land Bank has a primary orientation to facilitate investments that require land control on a large scale, resulting in greater inequality of land ownership. Although the Land Bank has an obligation to carry out agrarian reform, an analysis from the perspective of Talcott Parsons shows that agrarian reform will be

difficult and even sidelined. Under these conditions, the land bank concept is not in accordance with the value of social justice that requires equal distribution of land ownership.

The land bank concept is also not according to partiality for disadvantaged person as stipulated in Article 28 H paragraph (2) and Article 11 paragraph (2) of BAL. The Land Bank, more oriented towards promoting investment by stronger parties (business entities) and certainly require land on a large scale, can narrow the land controlled by the peasants and communities in a weaker position. The less land controlled by farmers, the less their income. The lack of community land tenure due to the transfer to business entities is certainly not in line with the value of justice which requires protection and alignment with the disadvantaged. Social justice can be understood as equality of opportunity or access on the one hand and equality of results on the other.

In connection with the overlap between the authority of the Land Bank and the Acceleration Team of Agrarian Reform, the Land Bank’s role should be directed to control, mapping, maturation in the utilization, and the use of land to assist the implementation of agrarian reform carried out by the Acceleration Team of Agrarian Reform. This is to ensure that the Land Bank does not carry out agrarian reform but only serves as an institution that assists in the maturation of land to be distributed by the Acceleration Team of Agrarian Reform. Thus, agrarian reform is not the authority of the Land Bank but the Acceleration Team of Agrarian Reform to avoid overlapping policies.

5. Conclusion
The Land Bank has a disoriented authority because it has conflicting authority, namely the authority to facilitate and support investments that require land on a large scale, which is based on capitalism, and the authority to carry out agrarian reform, which tends to be socialist in nature and emphasizes the redistribution of land to the community to realize equitable land ownership. There are also several overlapping regulations regarding the authority in determining the land of agrarian reform objects and the recipients of land redistribution. There is also an overlap in the authority to implement agrarian reform between the Land Bank and the Acceleration Team of
Agrarian Reform. Based on Talcott Parsons's cybernetic concept, such conditions encourage the Land Bank to prioritize its authority to support investment and put agrarian reform aside. The resulting impact is injustice because the Land Bank prioritizes the interests of business entities who are economically superior to the people who are subject to agrarian reform who do not own land or control land smaller than the minimum limit.

References


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