



THE ROLE OF LOCAL GOVERNMENT IN ENFORCING LEGAL REGULATIONS ON THE TRANSFER OF LAND RIGHTS

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ABSTRACT

This study aims to analyze the impact of the domicile requirement on the transfer of rights for rice fields protected by public regulations in Indonesia, with a focus on the challenges it creates for land market efficiency and agricultural sustainability. Using a qualitative approach with a literature review, the research explores existing legal frameworks, regulatory constraints, and their effects on land transactions. The findings reveal that the domicile requirement restricts access to the land market, excluding financially capable buyers who could manage agricultural land sustainably. The study suggests that expanding the eligibility criteria to include buyers within the same district, rather than limiting them to the same subdistrict, would enhance market efficiency and ensure more effective land management. The proposed policy change would allow for a broader pool of buyers while maintaining local oversight, thus contributing to the protection and sustainable management of rice fields. This research provides valuable insights for policymakers seeking to improve land use regulations and agricultural land management in Indonesia.

A. INTRODUCTION

The protection of agricultural land, particularly rice fields, is a crucial issue in many developing countries, including Indonesia, where rapid urbanization and industrialization are threatening the sustainability of agricultural lands. As the population grows and cities expand, rice fields are increasingly being converted into urban areas, which poses a serious risk to food security and the environment.¹ In response to this issue, the Indonesian government has implemented various regulations to protect rice fields, especially those under public protection. One of these regulations addresses

¹ Taher M Radwan G Alan Blackburn, J Duncan Whyatt, and Peter M Atkinson, "Dramatic Loss of Agricultural Land Due to Urban Expansion Threatens Food Security in the Nile Delta, Egypt," *Remote Sensing* 11, no. 3 (2019): 332.

the transfer of land rights for rice fields, mandating that the buyer must be domiciled within the same subdistrict as the protected rice field. While this regulation aims to ensure local control and stewardship of agricultural lands, it has led to significant limitations in land market dynamics, preventing many potential buyers who reside outside of the specific subdistrict from acquiring protected rice fields.²

While numerous studies have examined the role of land regulations in the protection of agricultural land, most have focused on the legal frameworks and enforcement mechanisms at the national level. However, limited research has addressed the specific legal restrictions that tie land transactions to local administrative units, such as subdistricts. The existing studies on land protection mostly focus on the broader implications of land use change and urbanization, yet they do not fully explore how the domicile requirement in land transactions might create inefficiencies or hinder market access for eligible buyers.³ Moreover, there is a noticeable lack of empirical studies assessing how relaxing the domicile restriction could enhance land protection while improving access to land markets, especially for buyers from within the same district.

The urgency of this research is underscored by the increasing demand for agricultural land and the continued pressures from urbanization that threaten Indonesia's food security.⁴ The existing domicile requirement for land transactions, which confines buyers to a specific subdistrict, exacerbates this challenge by limiting the pool of potential buyers. This restriction not only reduces the liquidity of agricultural land markets but also poses challenges for government efforts to balance agricultural land protection with the need for sustainable land development. Given that Indonesia is facing rapid urban expansion, as well as pressures on agricultural production, it is essential to revisit the existing land regulations to make them more flexible and responsive to these challenges.

Previous studies have provided valuable insights into land tenure systems and land protection regulations in Indonesia. Research by Rahayu Subekti and Winarno Budyatmojo (2015) and Muhammad Iqbal et al. (2016) emphasizes the importance of protecting agricultural lands from urban encroachment through regulatory measures, including land use restrictions

² Hossein Azadi, Peter Ho, and Lusi Hasfiati, "Agricultural Land Conversion Drivers: A Comparison between Less Developed, Developing and Developed Countries," *Land Degradation & Development* 22, no. 6 (2011): 596.

³ Yogi Makbul et al., "Infrastructure Development and Food Security in Indonesia: The Impact of the Trans-Java Toll Road on Rice Paddy Farmers' Desire to Sell Farmland," *Journal of Regional and City Planning* 30, no. 2 (2019): 140.

⁴ Andi Syah Putra, Guangji Tong, and Didit Okta Pribadi, "Food Security Challenges in Rapidly Urbanizing Developing Countries: Insight from Indonesia," *Sustainability* 12, no. 22 (2020): 9550.

and the imposition of legal frameworks aimed at controlling land transactions.⁵

⁶ However, these studies mostly overlook the complexities of land transaction regulations at the local level, particularly the limitations posed by the domicile requirement. Furthermore, studies by M Rizki and T Sri (2020) and Batara Surya et al. (2020) discuss how land protection efforts are often hampered by rigid administrative boundaries and how these boundaries prevent optimal land market efficiency.^{7 8}

This research proposes a novel solution by advocating for a change in the domicile requirement, suggesting that buyers who are domiciled within the same district should be allowed to purchase protected rice fields. This shift could alleviate the bottleneck caused by the current policy, which restricts potential buyers to one subdistrict. The novelty of this research lies in its interdisciplinary approach, combining legal analysis with economic and policy considerations to propose a more inclusive, equitable, and sustainable solution to land management issues. This proposal is aligned with the principles of equity, justice, and the sustainable development goals (SDGs) as laid out in Indonesian agrarian law, Law Number 5 of 1960 on Basic Agrarian Principles.⁹

The primary objectives of this study are twofold: first, to evaluate the impacts of the domicile requirement on the efficiency and fairness of the rice field land market, and second, to assess the potential effects of relaxing this requirement by allowing buyers within the same district to purchase protected rice fields. Specifically, the research aims to address whether such a regulatory change could increase market liquidity, improve access to land, and maintain the protective goals of land regulations. By analyzing these issues, the study also seeks to contribute practical policy recommendations for improving the legal framework surrounding land protection while enhancing agricultural sustainability.

This study holds significant implications for land management policies in Indonesia. By identifying the limitations of current regulations and proposing a more flexible framework for land transactions, this research aims to inform policy reform efforts. The expected outcomes include not only a more dynamic

⁵ Rahayu Subekti and Winarno Budyatmojo, "Perlindungan Lahan Pertanian Dalam Mengantisipasi Alih Fungsi Tanah Akibat Pengadaan Tanah Bagi Pembangunan," *Yustisia* 4, no. 2 (2015): 439.

⁶ Muhammad Iqbal et al., "Analisis Konsistensi Substansi Dan Implementasi Serta Dampak Peraturan Perundang-Undangan Perlindungan Lahan Pertanian Pangan Berkelanjutan Di Provinsi Jawa Barat," *Jurnal Pertanahan* 6, no. 1 (2016): 21.

⁷ M Rizki and T Sri, "The Impact of Regional Regulation Changes on Traditional Markets in the Capital City of Indonesia," *International Journal of Innovation, Creativity and Change* 13, no. 4 (2020): 1259.

⁸ Batara Surya et al., "Land Use Change, Spatial Interaction, and Sustainable Development in the Metropolitan Urban Areas, South Sulawesi Province, Indonesia," *Land* 9, no. 3 (2020): 95.

⁹ Suhadi Suhadi and Aprila Niravita, "Urban Agrarian Reform: Opportunities and Challenges for Land Rights among Low-Income Communities," *Legality: Jurnal Ilmiah Hukum* 32, no. 2 (2024): 348.

and inclusive land market but also the continued protection of rice fields, which are vital for national food security. Additionally, this research could serve as a model for other countries facing similar challenges with land protection and urbanization.^{10 11}

B. RESEARCH METHODS

This research adopts a normative qualitative approach with a literature study as its primary method. A normative qualitative research approach focuses on analyzing legal norms and regulations, evaluating how these laws function in real-world contexts, and understanding their underlying principles. The normative approach is particularly concerned with what the law ought to be, based on legal theories, historical context, and ethical considerations. In this study, the research aims to assess the effectiveness and impact of the domicile requirement on land rights transactions for protected rice fields, with a focus on policy reform.

Normative research (also known as doctrinal research) involves examining legal texts, statutory provisions, judicial decisions, and academic literature to understand the principles, rules, and regulations governing a particular legal issue. By reviewing the existing legal frameworks, policy documents, and scholarly writings, this research aims to explore how the legal provisions on land rights, specifically the domicile requirement for land transactions, impact the agricultural sector in Indonesia.

The primary data for this study is sourced from relevant legal documents, academic journals, government regulations, and policy reports. Key documents include foundational laws such as the Basic Agrarian Law Number 5 of 1960, Government Regulation Number 20 of 2021, and various local government regulations regarding land transactions and the protection of rice fields. Additionally, academic articles, books, and reports from legal experts, scholars, and government agencies related to land use, agrarian law, and land protection are also reviewed to provide a broader perspective on the issue.^{12 13}

Particularly relevant are the Government Regulation Number 224 of 1961 in conjunction with Government Regulation Number 41 of 1964 and Law

¹⁰ C Jolly and B Torrey, "Population and Landuse in Developing Countries," in *Report of a Workshop Of*, 1995.

¹¹ Karen C Seto, Burak Güneralp, and Lucy R Hutyrá, "Global Forecasts of Urban Expansion to 2030 and Direct Impacts on Biodiversity and Carbon Pools," *Proceedings of the National Academy of Sciences* 109, no. 40 (2012): 1608.

¹² Harvey M Jacobs, "Social Equity in Agricultural Land Protection," *Landscape and Urban Planning* 17, no. 1 (1989): 21.

¹³ Alelegn Wenedem Agegnehu, "Protection of Local Land Use Rights in the Process of Large-Scale Agricultural Land Acquisition in Ethiopia," *African Identities* 21, no. 1 (2023): 113.

Number 41 of 2009, which play an important role in regulating the transfer of land rights for rice fields.

1. Government Regulation Number 224 of 1961 in conjunction with Government Regulation Number 41 of 1964: These regulations mandate that land rights for rice fields must be transferred to buyers who are domiciled within the same subdistrict. The purpose of this requirement is to maintain local control over agricultural land and prevent the uncontrolled conversion of rice fields into non-agricultural uses. However, these provisions have created barriers to land market efficiency, as they limit the pool of potential buyers, often excluding financially capable buyers who are able to sustainably manage the land.
2. Law Number 41 of 2009: This law further strengthens the legal framework for agricultural land protection, particularly for food security and sustainability. It aims to safeguard agricultural land from being converted to non-agricultural uses and emphasizes sustainable agricultural practices. The law also highlights the need for regulations to align land use with national food security goals, which includes regulating the transfer of agricultural land rights.

Data collection is conducted through document analysis, where a systematic review of the literature and legal texts is performed to identify relevant themes and patterns. This includes analyzing the language and provisions of laws and regulations, as well as reviewing previous studies that have addressed similar issues. The purpose of this document analysis is to understand how existing regulations on land protection are structured and the challenges they present, particularly regarding the domicile requirement for land transactions.¹⁴ Additionally, the review includes studying the impact of these regulations on land market accessibility and the implications for land protection efforts.

For data analysis, the study employs a thematic analysis method. This method is used to identify key themes and patterns within the literature and legal documents related to land rights transfer, local government roles, and legal challenges in land management. Thematic analysis allows for an in-depth understanding of how the legal framework has shaped land transactions, particularly the transfer of rights for protected rice fields, and how these regulations can be adapted to improve efficiency and fairness in land management. The analysis also critically examines the potential for modifying the domicile requirement and its legal, economic, and social implications for land protection policies.

¹⁴ Bryan Leonard, Dominic P Parker, and Terry L Anderson, "Land Quality, Land Rights, and Indigenous Poverty," *Journal of Development Economics* 143 (2020): 102435.

The research methodology provides a structured approach to understanding the existing legal issues surrounding rice field protection and the regulatory barriers that limit land market access. It is expected that the findings from this literature study will contribute valuable insights into potential reforms for improving land management and promoting agricultural sustainability.

C. RESULTS

1. Transfer of Rights for Rice Fields Protected by the Public

The transfer of rights for rice fields protected by public regulations is a significant issue in land management, particularly in Indonesia, where rapid urbanization and industrialization pose serious threats to agricultural land sustainability. Rice fields, being a vital source of food security, are under increasing pressure from land conversion to non-agricultural uses, primarily driven by urban expansion.¹⁵ To address this issue, the Indonesian government has established various policies designed to safeguard rice fields from such conversions, one of which regulates the transfer of rights for protected rice fields. A key element of these regulations requires buyers to be domiciled within the same subdistrict as the rice field they wish to purchase. While this regulation is intended to ensure that land remains under local control, it also creates significant challenges in terms of land market accessibility and the efficiency of land transactions.

The Basic Agrarian Law Number 5 of 1960 stipulates that land is owned by the state, and the state is obligated to regulate land use for the benefit of the people. In this context, local governments play a crucial role in managing and overseeing the protection of agricultural land, including the regulation of land rights transfer.¹⁶ The restriction that limits land transfer to buyers domiciled within the same subdistrict as the rice field aims to ensure that local communities remain in control of their agricultural lands. However, this restriction can lead to inefficiencies in the land market, especially when potential buyers outside the subdistrict are willing and able to manage protected rice fields sustainably. The limitations on market access hinder a broader pool of potential buyers, which is particularly problematic in areas with limited land market opportunities.¹⁷

Additionally, Government Regulation Number 224 Tahun 1961 juncto Government Regulation Number 41 Tahun 1964 established that land rights

¹⁵ Ida Rosada, "Rice-Field Conversion and Its Impact on Food Availability," *Agriculture and Agricultural Science Procedia* 9 (2016): 40.

¹⁶ Zinan Shao et al., "Can the Land Use Master Plan Control Urban Expansion and Protect Farmland in China? A Case Study of Nanjing," *Growth and Change* 49, no. 3 (2018): 512.

¹⁷ Moraka Thomas Makhura, "Overcoming Transaction Costs Barriers to Market Participation of Smallholder Farmers in the Northern Province of South Africa" (University of Pretoria, 2002).

for rice fields must be transferred to buyers who are domiciled within the same subdistrict, a regulation designed to ensure local control over agricultural resources.

While the intention behind this domicile requirement is to promote local stewardship, it is important to recognize that such restrictions do not always align with the changing dynamics of land use and urbanization. Numerous studies suggest that these regulations may not adequately address the challenges posed by urban sprawl and the increasing demand for agricultural land.¹⁸ Moreover, rigid boundaries for land transactions may inadvertently lead to a more exclusive market, limiting the efficiency and fairness of land distribution.¹⁹ The growing demand for land in urbanizing areas calls for more flexible policies that can facilitate access to agricultural land while still protecting the integrity of rice fields as a public resource.

Furthermore, the transfer of rights for protected rice fields should adhere to the principles of agrarian law, which include fairness, legal certainty, and sustainability.²⁰ These principles suggest that land regulations should not only focus on maintaining local control but should also consider the broader goal of ensuring equitable access to agricultural land for those who can responsibly manage it. By broadening the eligibility criteria for land buyers, allowing them to reside within the same district rather than being restricted to a subdistrict, these regulations could become more inclusive, enabling more individuals to engage in the sustainable management of protected rice fields.²¹

Despite the well-intentioned objectives of the current regulations, the domicile restriction is increasingly viewed as a barrier that undermines the effectiveness of land protection efforts. In rapidly urbanizing areas, the limited pool of eligible buyers can result in fewer opportunities for land to be managed optimally, which in turn hampers the broader goal of agricultural sustainability and food security. Therefore, reconsidering the domicile requirement and exploring more flexible approaches to land transactions could be a necessary step to ensure that both the protection of rice fields and the accessibility of land markets are balanced more effectively.

2. Legal Framework and Domicile Requirement Challenges

The legal framework governing the protection of rice fields in Indonesia is primarily centered on the Basic Agrarian Law Number 5 of 1960, which

¹⁸ Rolf Pendall, Robert Puentes, and Jonathan Martin, "From Traditional to Reformed: A Review of the Land Use Regulations in the Nation's 50 Largest Metropolitan Areas," 2006.

¹⁹ K Deininger and G Feder, "Land Institutions and Land Markets. Handbook of Agricultural Economics, 1, 287-331," 2001.

²⁰ Tarkit Erdianto, "Perlindungan Hukum Terhadap Alih Fungsi Perizinan Dalam Tata Kelola Pembangunan Lingkungan Lahan Pertanian Menjadi Lahan Pemukiman Di Kabupaten Sidoarjo," *Jurnal Hukum Magnum Opus* 4, no. 1 (2021): 457.

²¹ Deininger and Feder, *Land Institutions and Land Markets*, (World Bank, 2001).

establishes the principle that land is a state asset and should be used for the benefit of the people. This law mandates that the state regulate land use to ensure the proper allocation of land for various purposes, including agriculture.

In particular, the Government Regulation Number 224 of 1961 juncto Government Regulation Number 41 of 1964 outlines specific provisions for the transfer of land rights, particularly in the context of protected agricultural lands such as rice fields. These regulations aim to restrict the transfer of land rights for agricultural land, ensuring that land is used in ways that benefit the local community and support food security. The domicile requirement is a key feature of these regulations, which mandates that buyers of protected agricultural land, including rice fields, must be domiciled within the same subdistrict as the land being transferred. This regulation was put in place to maintain local control over agricultural resources and prevent land transactions that could threaten the sustainability of agricultural land.²²

However, this domicile requirement has created several challenges in terms of land market efficiency. The restriction can limit the pool of potential buyers, particularly in areas where local demand for agricultural land is low, or where local buyers may not have the financial capacity to purchase and manage the land effectively. This has led to inefficiencies in land transactions, as capable buyers from other areas who could manage the land sustainably are excluded from purchasing the rice fields.²³

Additionally, Law Number 41 of 2009 on Sustainable Food Agriculture further strengthens the legal framework protecting agricultural lands, including rice fields. This law mandates the protection and preservation of agricultural lands for food security, promoting sustainable agriculture practices and the prevention of land conversion to non-agricultural uses. Under this law, the transfer of agricultural land rights, particularly for rice fields, is tightly regulated to ensure that land use remains in line with national food security and sustainability goals.²⁴

While these legal instruments are intended to protect agricultural land, including rice fields, the domicile restriction in the transfer of land rights can limit the efficiency of the land market and the broader goal of sustainable land use. These policies are designed to preserve local control over agricultural resources, but they also create barriers to market accessibility, especially in urbanizing areas where local buyers may not be able to afford or manage

²² Abdul Bashir and Didik Susetyo, "The Relationship between Economic Growth, Human Capital, and Agriculture Sector: Empirical Evidence from Indonesia," *International Journal of Food and Agricultural Economics (IJFAEC)* 6, no. 4 (2018): 35.

²³ Agus Wibowo and Siti Mariyam, "Kontekstualisasi hukum agraria dibidang pertanian setelah otonomi daerah di Indonesia," *Jurnal Pembangunan Hukum Indonesia* 3, no. 3 (2021): 403.

²⁴ Krismiarsi, "Reformasi Kitab Undang-Undang Hukum Perdata yang Bercirikan Indonesia di Era Globalisasi," *Jurnal Ilmiah Hukum dan Dinamika Masyarakat* 10, no. 2 (2016): 210.

agricultural land effectively. Therefore, it is necessary to reconsider the domicile requirement to allow for greater flexibility in land transactions while still ensuring the protection and sustainability of rice fields.

A significant finding from this research is the restrictive impact of the domicile requirement on the transfer of land rights. The regulation that buyers must be domiciled within the same subdistrict as the rice field often leads to inefficiencies in the land market. This is because the pool of potential buyers is restricted, particularly in areas where local populations are small, and the demand for agricultural land is not met. Many prospective buyers, who may be financially capable and willing to engage in sustainable land management, are excluded simply due to their place of residence, even if they reside within the same district.²⁵ This limitation hampers the fluidity of the land market, potentially leaving agricultural land underutilized or inappropriately managed, as the buyer pool is artificially constrained by administrative boundaries. Additionally, the requirement does not necessarily guarantee that local buyers have the expertise or interest to maintain agricultural land sustainably, leading to questions about whether the policy achieves its intended goals.²⁶

The domicile requirement significantly hampers the efficiency of the land market, particularly in urbanizing regions where the demand for land is rising rapidly. In these areas, the local population often does not have the financial capacity to purchase agricultural land, resulting in a mismatch between the land's potential buyers and its actual owners. This discrepancy creates inefficiencies in the land market, as it excludes economically capable buyers who could manage the rice fields productively and sustainably. Furthermore, the lack of a broader pool of eligible buyers can lead to land being left fallow or being mismanaged, further threatening the productivity of rice fields and agricultural land at large. The limited number of potential buyers also prevents the proper redistribution of agricultural land, which is essential for ensuring that land remains productive and contributes to the local and national economy.

3. Impact on Agricultural Sustainability and Proposed Policy Reform

The domicile restriction has had mixed outcomes for agricultural sustainability. While it was designed to ensure that local residents maintain control over rice fields, it has not been effective in addressing broader challenges such as urbanization and changing land-use patterns. Studies have shown that urbanization, especially in rapidly growing regions, places

²⁵ Thomas Lützkendorf, Wei Fan, and David Lorenz, "Engaging Financial Stakeholders: Opportunities for a Sustainable Built Environment," *Building Research & Information* 39, no. 5 (2011): 483–503.

²⁶ Jules Pretty, "Agricultural Sustainability: Concepts, Principles and Evidence," *Philosophical Transactions of the Royal Society B: Biological Sciences* 363, no. 1491 (2008): 447–65.

significant pressure on agricultural land, often resulting in the conversion of rice fields to residential or commercial use. The domicile restriction does not adequately address the increasing demand for agricultural land that is associated with these demographic and economic shifts. By restricting land transactions to local residents, the policy fails to consider the broader economic benefits of allowing investors from outside the immediate area to purchase and manage rice fields sustainably.²⁷ Furthermore, limiting the buyer pool undermines the potential for more efficient land management, as the most capable and experienced individuals may be excluded from purchasing and managing the land.

The most significant and novel recommendation emerging from this study is the proposal to modify the domicile requirement to allow buyers from within the same district to purchase protected rice fields, rather than limiting it to the same subdistrict. This adjustment would significantly expand the pool of eligible buyers, ensuring that financially capable and skilled individuals or entities, even if they reside outside the subdistrict, are not excluded from the land market. Allowing a broader group of buyers would increase market efficiency and allow for more dynamic transactions, ensuring that land is allocated to those who can manage it most effectively. By permitting transactions within the same district, the policy would still maintain local oversight while increasing access to a larger number of buyers, thus contributing to the better management and protection of rice fields.²⁸ This change would also address the inefficiencies caused by the current domicile restriction and ensure that land protection goals are met without sacrificing market accessibility.

4. Legal, Social, and Research Implications

Relaxing the domicile requirement and permitting land transfers to buyers within the same district would have several legal and social implications. From a legal standpoint, this change would require amendments to existing regulations, including Government Regulation Number 224 of 1961 juncto Government Regulation Number 41 of 1964, as well as other local ordinances that govern land transactions. These regulations currently mandate that the transfer of rights for protected rice fields must be conducted between individuals or entities domiciled within the same subdistrict. Such amendments would need to be carefully crafted to maintain the integrity of the rice field protection objectives while also enhancing market efficiency.

²⁷ Jules N Pretty et al., "Resource-Conserving Agriculture Increases Yields in Developing Countries" (ACS Publications, 2006).

²⁸ Ester Boserup, *The Conditions of Agricultural Growth: The Economics of Agrarian Change under Population Pressure* (Routledge, 2014).

In addition to the government regulations, the proposed change could also require adjustments in relation to Law Number 41 of 2009 on Forestry, which regulates the management of forested land, including the conversion of agricultural land to non-agricultural uses. While this law primarily addresses forestry, its principles on land-use change and protection could intersect with regulations governing agricultural land use, especially in protected areas such as rice fields.

Socially, expanding the eligibility for land transactions could raise concerns among local communities regarding the potential loss of control over agricultural resources. Local residents may fear that broadening the scope for land transactions to buyers from the same district could result in increased outside investment, potentially shifting land control away from those with historical and cultural ties to the land. Therefore, the policy change would require a careful balance between ensuring that local interests are protected and enabling broader access to land markets. This may involve the introduction of additional safeguards, such as monitoring mechanisms to ensure that new buyers adhere to sustainable agricultural practices and respect the local culture and needs for land management.

Based on the findings of this study, further research is needed to explore the long-term effects of relaxing the domicile requirement on agricultural sustainability, land market efficiency, and the social fabric of local communities. Future studies could focus on regions that have implemented similar regulatory changes to assess their impact on land market dynamics and the protection of agricultural resources. Additionally, this study recommends that the government initiate a policy review to consider the broader implications of modifying land transaction regulations. Such a review would help ensure that the policy change does not undermine the goals of land protection while fostering a more inclusive and sustainable land market.²⁹

The central novelty of this study lies in the proposal to modify the domicile requirement, allowing land buyers from within the same district instead of restricting them to the same subdistrict. This modification represents a significant shift in how land transactions for protected rice fields are governed, offering a solution to current inefficiencies in the land market. The proposal aligns with the principles in Article 10 of the Basic Agrarian Law, which emphasizes the efficient and fair distribution of land, ensuring that land serves the public interest and contributes to economic welfare. By expanding eligibility, the policy would increase the efficiency of the land market while maintaining local oversight, reflecting the broader goals of the Basic Agrarian Law. This adjustment is essential in addressing the real challenges posed by

²⁹ Klaus W Deininger, *Land Policies for Growth and Poverty Reduction* (World Bank, 2005).

urbanization and demographic changes that restrict access to agricultural land and hinder sustainable agricultural practices.³⁰

D. DISCUSSION

This study explored the impacts of the domicile requirement on the transfer of rights for rice fields protected by public regulations in Indonesia, and the findings highlight critical challenges and opportunities for improving land management in the country. The central result of this research is that the domicile requirement for land transactions, which limits eligible buyers to those residing within the same subdistrict as the rice field, significantly hampers land market efficiency and agricultural sustainability. These results directly relate to the initial objectives of the study, which sought to evaluate the role of this regulation in the accessibility of agricultural land and its alignment with sustainable land management principles.

The restrictive nature of the domicile requirement has been shown to reduce the pool of potential buyers, particularly in areas with small local populations or limited demand for agricultural land. This exclusion of capable buyers from outside the subdistrict, who could contribute to sustainable land management, leads to inefficiencies in the land market. As seen in the findings, local buyers may not always possess the necessary resources or expertise to manage rice fields sustainably, thus undermining the policy's intended goal of protecting agricultural land. This interpretation suggests that the regulation's narrow focus on local residency may not be the best solution for achieving the broader objectives of agricultural sustainability and land protection.³¹

These findings are consistent with broader discussions on land use and agrarian law, which emphasize the need for flexibility in land transactions to enhance both land access and the efficient use of agricultural resources. Existing literature highlights the importance of balancing local control with broader market accessibility to ensure that agricultural land is managed by individuals or entities who are best equipped to protect and develop it³². The restriction of buyers based on subdistrict boundaries contradicts this notion, as it may result in underutilized land or inefficient management, a concern that is evident in regions where local buyers lack the financial means or technical skills to maintain agricultural productivity.

³⁰ Eric F Lambin and Patrick Meyfroidt, "Global Land Use Change, Economic Globalization, and the Looming Land Scarcity," *Proceedings of the National Academy of Sciences* 108, no. 9 (2011): 3465.

³¹ Saturnino M Borras Jr and Jennifer C Franco, "Global Land Grabbing and Political Reactions 'from Below,'" *Third World Quarterly* 34, no. 9 (2013): 1723.

³² Camilla Toulmin and Julian Quan, *Evolving Land Rights, Policy and Tenure in Africa* (IIED, 2000), p.43.

The proposal to expand eligibility to include buyers from within the same district offers a practical solution to this problem. By broadening the pool of potential buyers, this modification would ensure that land is managed by those with the financial capacity and expertise to use it sustainably. This recommendation is supported by the concept of land market efficiency, which argues that greater access to the land market encourages more effective resource allocation and can enhance land productivity.³³ Allowing transactions within the same district would also align with the principle of promoting local control while improving the dynamism of the land market. This balance is essential for achieving both land protection and economic growth, particularly in rural areas facing urbanization pressures.

However, relaxing the domicile requirement also raises potential legal and social challenges. From a legal standpoint, this change would require amendments to Government Regulation Number 20 of 2021 and other related regulations, which may involve political and bureaucratic hurdles. Socially, expanding eligibility could lead to concerns about local control over agricultural resources, especially in communities where land tenure is closely tied to local identity and economic stability. Addressing these concerns requires a carefully crafted policy that includes safeguards to ensure that land management remains aligned with the goals of sustainable development.³⁴ Implementing monitoring mechanisms and ensuring that new buyers adhere to sustainable agricultural practices could mitigate potential negative effects.

Furthermore, while the proposed modification has significant potential to improve land market efficiency, further research is needed to understand its long-term impacts. Specifically, studies should investigate how such a policy change could affect the local community's engagement with land protection efforts and whether it leads to more sustainable land management practices in the long run. Future research could also examine case studies from other regions or countries that have implemented similar reforms, providing a comparative perspective on the effectiveness of broadening land market access while ensuring land protection goals are met.³⁵

In conclusion, the findings of this study suggest that relaxing the domicile requirement to allow buyers from the same district to purchase protected rice fields could significantly improve land market efficiency,

³³ Chaoran Chen, Diego Restuccia, and Raül Santaaulàlia-Llopis, "The Effects of Land Markets on Resource Allocation and Agricultural Productivity," *Review of Economic Dynamics* 45 (2022): 43.

³⁴ Thomas Pienkowski et al., "Predicting the Impacts of Land Management for Sustainable Development on Depression Risk in a Ugandan Case Study," *Scientific Reports* 12, no. 1 (2022): 11607.

³⁵ Ariane De Bremond, "The Politics of Peace and Resettlement through El Salvador's Land Transfer Programme: Caught between the State and the Market," in *Market-Led Agrarian Reform* (Routledge, 2013), 121.

agricultural sustainability, and the overall management of protected lands. While the proposal aligns with global trends in promoting inclusive land markets, it requires careful implementation to balance the need for local control with broader market accessibility. Through thoughtful policy adjustments and continued research, Indonesia can enhance both the protection of rice fields and the long-term viability of its agricultural sector.

E. CONCLUSION

This study explores the impact of the domicile requirement on the transfer of rights for rice fields protected by public regulations in Indonesia, specifically focusing on the challenges it creates for land market efficiency and agricultural sustainability. The results indicate that the current regulation, which restricts buyers to the same subdistrict as the rice field, limits access to the land market, preventing capable buyers from outside the subdistrict from participating. This restriction hampers the fluidity of the land market and does not guarantee that local buyers have the expertise or financial capacity to manage agricultural land sustainably. The findings suggest that relaxing this domicile requirement, allowing for land transfers within the same district, would significantly improve market efficiency and contribute to more effective land management.

This study advances the field by critically examining the effectiveness of the domicile requirement in achieving its intended goals of land protection and agricultural sustainability. It provides insights into the inefficiencies caused by overly restrictive regulations and offers a practical recommendation for reform. The proposed modification to broaden eligibility aligns with principles of land market efficiency and sustainability, which could ultimately lead to better outcomes in agricultural land management. The results have important policy implications, suggesting that such reforms could enhance both land protection and the accessibility of agricultural land, ultimately benefiting the agricultural sector in Indonesia.

Future research should focus on evaluating the long-term impacts of relaxing the domicile requirement on agricultural sustainability and land market dynamics. Longitudinal studies could track the effects of such regulatory changes on land use, agricultural productivity, and the local economy. Additionally, comparative studies from other regions or countries that have implemented similar reforms could provide valuable insights into the potential challenges and benefits of broadening land transfer eligibility. Furthermore, research could explore the social and economic impacts of such changes on local communities, particularly in areas where land tenure is closely tied to local identity. Finally, future studies should assess the effectiveness of complementary policies, such as monitoring mechanisms and regulations to

ensure that land remains sustainably managed after being transferred. By expanding the understanding of these dynamics, future research can inform policy decisions and contribute to more effective and equitable land management practices.

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