

State Authority in Land Execution for Public Interest by State-Owned Enterprises (Case Study of Pt Pertamina)

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Abstract. *Land acquisition for public interest is one of the important instruments in national infrastructure development. In its implementation, State-Owned Enterprises (BUMN) often become user agencies that submit land needs, especially in national strategic projects. However, problems arise when the role of BUMN exceeds the limits of authority that should be possessed, thus causing conflicts of interest, legal ambiguity, and violations of community rights. This study aims to determine, review, and analyze state authority, obstacles and solutions in land acquisition for public interest by BUMN, a case study of PT Pertamina, as well as the concept of state authority in land acquisition for public interest by BUMN in the future. The approach method used in this study is Normative juridical. The specifications of this study are descriptive analytical. The data sources used are secondary data obtained from literature study research consisting of primary legal materials, secondary legal materials, and testier legal materials. Based on the research results, it can be concluded that the state's authority in land acquisition for public interest by BUMN (Case Study of PT Pertamina) is: determining land acquisition policies, implementing land acquisition processes, representing public interests, implementing good governance principles, granting permits to user agencies, supervising and controlling the acquisition process, providing legal protection to citizens.*

Keywords: Acquisition; Authority; Interest; Public.

1. Introduction

Indonesia is a country based on law as stated in Article 1 paragraph (3) of the 1945 Constitution of the Republic of Indonesia (UUD 1945), which states that "Indonesia is a country based on law."¹This principle affirms that all forms of

¹The 1945 Constitution of the Republic of Indonesia, Article 1 paragraph (3).

state power and authority must be exercised within the legal corridor that upholds justice, certainty, and protection of human rights. In this context, the state cannot act arbitrarily, including in taking rights to land owned by citizens.

One form of state authority that is strategic but also complex is land acquisition for public interest. This authority allows the state to take over individual land rights for the implementation of strategic development that concerns the interests of the wider community, such as the development of transportation infrastructure, energy, and other public facilities.² However, in its implementation, land acquisition often gives rise to conflict between the state and the community, especially in terms of compensation, deliberation processes, and clarity of the objectives of the development being carried out.

The problem that then arises is how to acquire land from community ownership for development purposes. Community ownership rights are guaranteed by the Constitution of the Republic of Indonesia as stated in Article 28 H paragraph (4) which states that everyone has the right to have private property rights and these property rights may not be taken over arbitrarily by anyone.

Land acquisition is an important instrument in the implementation of national development, including for strategic projects such as the development of energy infrastructure, roads, ports, and so on. In this context, the state is given the authority to conduct land acquisition for the public interest as regulated in Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest, along with its implementing regulations.

Land acquisition for public interest is a form of state intervention in individual ownership rights that is justified for the implementation of development for the benefit of the wider community. In Indonesian agrarian law, land is seen as having a social function as regulated in Article 6 of the Basic Agrarian Law (UUPA), which emphasizes that land rights are not absolute, but must pay attention to the common good.³

The term "public interest" in this context refers to various development projects that aim to serve the public's needs as a whole, such as the construction of road infrastructure, ports, airports, energy facilities, etc.⁴ However, land acquisition practices often face challenges, especially from landowners who feel they are not

²Budi Harsono, *Indonesian Agrarian Law: History of the Formation of the Basic Agrarian Law, Content and Implementation*, Djambatan, Jakarta, 2007, p. 254.

³Adrian Sutedi "Legal Aspects of Land Acquisition for Public Interest." *Jurnal Rechts Vinding*, Vol. 4, No. 2, 2015, p. 213.

⁴Dedi Darusman "Public Interest as a Reason for Land Acquisition in the Perspective of Human Rights." *Ius Quia Iustum Law Journal*, Vol. 24, No. 2, 2017, p. 278.

involved enough, do not receive adequate information, or feel that the compensation provided is not comparable.⁵

This case raises the issue of the extent to which state authority in land acquisition can be delegated to state-owned enterprises, and how legal accountability is when procedures are violated. State-owned enterprises such as PT Pertamina, although carrying out public functions, are still bound by state administrative law and must comply with the principle of due process of law. The Supreme Court's decision in this case is an important precedent that shows that national strategic projects must still be implemented within a legal framework that guarantees the rights of citizens.

2. Research Methods

The approach method used in this research is normative legal research (doctrinal legal research), namely research that aims to study law as a written norm that applies, and how this norm is applied in practice,⁶ especially in relation to the authority of the state through BUMN in land acquisition for public interest. This normative legal research is strengthened by a limited empirical approach, in terms of examining the implementation of land acquisition by PT Pertamina through case studies, as well as its impact on the community as holders of land rights.

3. Results and Discussion

3.1. State Authority in Land Acquisition for Public Interest by BUMN (Case Study of PT Pertamina)

One form of state authority that is strategic but also complex is land acquisition for public interest. This authority allows the state to take over individual land rights for the implementation of strategic development that concerns the interests of the wider community, such as the development of transportation infrastructure, energy, and other public facilities.⁷ However, in its implementation, land acquisition often gives rise to conflict between the state and the community, especially in terms of compensation, deliberation processes, and clarity of the objectives of the development being carried out.

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⁵ Ratna Lestari, "Land Acquisition Problems for Public Interest: Case Study on National Infrastructure Projects." *Journal of Law and Development*, Vol. 49, No. 3, 2019, p. 405.

⁶ Soerjono Soekanto and Sri Mamudji, *Normative Legal Research: A Brief Review*, (Jakarta: Rajawali Pers, 2014), p. 13.

⁷ Budi Harsono, *Indonesian Agrarian Law: History of the Formation of the Basic Agrarian Law, Content and Implementation*, Djambatan, Jakarta, 2007, p. 254.

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The implementation of land acquisition cannot be fully handed over to market mechanisms or delegated to private entities such as State-Owned Enterprises (BUMN). This is because BUMN, although owned by the state, still has a corporate legal form (Persero) which is subject to private law and has its own economic interests. Thus, granting land acquisition authority to BUMN will create a conflict of interest between public and corporate interests.

The state, as the holder of public authority, is given full authority by law to carry out land acquisition for development related to the public interest. This authority is attributive, as regulated in Article 2 paragraph (1) of Law Number 2 of 2012, which states that "Land acquisition for development in the public interest is carried out by the Government."¹¹ This confirms that the implementation of land acquisition is the exclusive authority of the state, and not an authority that can be freely delegated to user agencies or state-owned enterprises.

⁸Adrian Sutedi "Legal Aspects of Land Acquisition for Public Interest." *Jurnal Rechts Vinding*, Vol. 4, No. 2, 2015, p. 213.

⁹Dedi Darusman "Public Interest as a Reason for Land Acquisition in the Perspective of Human Rights." *Ius Quia Iustum Law Journal*, Vol. 24, No. 2, 2017, p. 278.

¹⁰Ratna Lestari, "Land Acquisition Problems for Public Interest: Case Study on National Infrastructure Projects." *Journal of Law and Development*, Vol. 49, No. 3, 2019, p. 405.

¹¹Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest, Article 2 paragraph (1).

Land acquisition or release for public interest is one form of implementation of state authority that has major implications for individual property rights. Based on Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest, this activity can be carried out by the government or by certain legal entities, including State-Owned Enterprises (BUMN).¹²

BUMN is mandated to carry out national strategic projects that are designated as public interest, such as the development of transportation infrastructure, energy, and other public facilities. In this case, BUMN can act as an executor of land procurement or an agency that benefits from the project.¹³ However, because SOEs operate in the form of limited liability companies and pursue efficiency and profit, legal issues arise regarding whether SOEs act as an extension of the state or as a pure business entity.¹⁴

PT Pertamina (Persero) as a State-Owned Enterprise engaged in the energy sector, often receives a mandate from the government to carry out national strategic projects. In carrying out these projects, such as the construction of oil refineries, pipelines, and other energy infrastructure, PT Pertamina carries out land acquisition which is categorized as for public interest. However, in practice, the land acquisition process by this BUMN often raises legal problems, especially related to procedures, compensation, and protection of citizens' rights.

Land acquisition for public interest is an important aspect in the implementation of national development that involves direct intervention from the state. This activity is not merely intended to facilitate infrastructure development, but also reflects the implementation of the state's obligations in ensuring the prosperity of the people as mandated in Article 33 paragraph (3) of the 1945 Constitution: "The land and water and the natural resources contained therein are controlled by the state and used for the greatest prosperity of the people." Therefore, land acquisition for public interest projects, including those run by State-Owned Enterprises (BUMN), remains the exclusive domain of the state through legitimate administrative legal mechanisms. Even though as the project is a BUMN, the authority to release land remains in the hands of the state, through government agencies that have public legitimacy. The following are the forms of state authority:

1) Establishing Land Acquisition Policy

¹²Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest, Article 1 number 6.

¹³Sri Rahayu "BUMN in Land Acquisition for Public Interest: Legal and Practical Perspectives." *Pro Justitia Law Journal*, Vol. 35, No. 1, 2017, pp. 45–46.

¹⁴I Nyoman Nurjaya "Regulation of Authority of State-Owned Enterprises in the Perspective of the Rule of Law." *Constitutional Journal*, Vol. 12, No. 3, 2015, p. 634.

The state, in its capacity as the holder of power over agrarian resources, has the authority to determine strategic policies related to land acquisition. This authority includes determining which projects can be categorized as projects for the public interest. These projects include the construction of toll roads, ports, energy facilities, and oil refineries by state-owned enterprises such as PT Pertamina. This determination is made through legal instruments such as Presidential Regulations and decisions of state officials, in accordance with the provisions of Article 3 of Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest.¹⁵

In addition, the state also determines the location of land acquisition through a Decree of the Governor or the authorized Minister. Determination of this location can only be done after going through a public consultation stage involving affected residents. This is emphasized in Articles 19 and 20 of Presidential Regulation Number 71 of 2012.¹⁶ Without such procedures, the determination of the location is considered legally flawed and can be revoked as stated in Supreme Court Decision No. 350 K/TUN/2019.¹⁷

2) Implementing the Land Acquisition Process

The state, through implementing agencies such as the National Land Agency (BPN), has the authority to carry out the land acquisition process. This process consists of four main stages: planning, preparation, implementation, and handover of results.¹⁸ At the implementation stage, the state is responsible for conducting an inventory and identification of procurement subjects, determining the form and value of compensation through appraisal, and distributing compensation to the legitimate land owners.

BUMN does not have the authority to carry out this stage directly. As a user agency, BUMN only proposes land needs, provides funds, and coordinates with implementing agencies. The authority of the state is public and cannot be transferred, because it concerns the protection of citizens' property rights which are protected by the constitution. This is in line with the theory of attributive

¹⁵Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest, State Gazette of the Republic of Indonesia 2012 Number 22, Article 3.

¹⁶Presidential Regulation Number 71 of 2012 concerning the Implementation of Land Acquisition for Development in the Public Interest, Articles 19 and 20.

¹⁷Supreme Court of the Republic of Indonesia, Decision No. 350 K/TUN/2019 concerning the Cancellation of the Decree of the Governor of East Java in the PT Pertamina oil refinery project in Jenu, Tuban

¹⁸Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest, Articles 4 to 10.

authority conveyed by Hadjon, that the authority given directly by law to a government agency cannot be delegated to non-public entities.¹⁹

3) Representing Public Interests

The state, as the holder of power over land as stated in Article 33 paragraph (3) of the 1945 Constitution, not only acts as an administrator but also as a representative of the will of the people in the management of agrarian resources. In carrying out this role, the state has two main responsibilities:

First, ensuring that any use of land carried out in the context of development for the public interest is truly intended for the greatest prosperity of the people. This means that the state may not use the authority to acquire land for the benefit of corporations alone, including state-owned enterprises, if the direct benefits to the community cannot be proven concretely.²⁰

Second, the state is obliged to provide legal protection for the rights of the community who are the legal owners of the land that is being released. This protection includes the provision of fair and appropriate compensation, non-discriminatory treatment in the legal process, and access to objection or lawsuit mechanisms if the community feels disadvantaged. This responsibility is in line with the principle of the rule of law (*rechtstaat*) which prioritizes the supremacy of law, human rights, and substantive justice.²¹

By representing the public interest, the state acts not as a neutral entity, but as a guarantor of balance between the development agenda and respect for citizens' rights. In this case, state intervention must be directed at the formation of policies and implementation of inclusive, participatory, and equitable land acquisition.

4) Implementation of Good Governance Principles (ABBB)

Land acquisition must be subject to the general principles of good governance (*algemene beginselen van behoorlijk bestuur*), which include the principles of legal certainty, openness, participation, proportionality, and accountability. In this context, the state is obliged to ensure that every administrative decision-making related to land acquisition is carried out transparently and provides adequate space for participation to affected communities.

Failure to meet these principles causes formal defects in the land acquisition process. In the case of GRR Tuban by PT Pertamina, the Supreme Court

¹⁹ Philipus M. Hadjon, *Introduction to Indonesian Administrative Law*, Revised Edition, (Yogyakarta: Gadjah Mada University Press, 2017), pp. 122–125.

²⁰ National Human Rights Commission, *2020 Annual Report: Violations of Ecosoc Rights in Land Acquisition*, Jakarta: National Human Rights Commission, 2021, pp. 81–82.

²¹ Jimly Asshiddiqie, *Op.Cit.*, pp. 129–131.

considered that the failure to carry out legitimate public consultation had violated the principle of participation, so that the Governor's Decree regarding the determination of the location was declared null and void. This shows that even though the project is part of the National Strategic Project, the state must not ignore the principles of good governance.

5) Granting Permission to User Agencies (BUMN)

In the legal framework of land acquisition for public interest, State-Owned Enterprises (BUMN) do not have direct authority to carry out land acquisition. BUMN only acts as a user agency, namely a party that needs land for development purposes, but does not have the administrative or executive authority to carry out the legal process of acquisition itself.

The role of BUMN as a user agency is emphasized in Article 1 numbers 4 and 5 of Law Number 2 of 2012 concerning Land Acquisition for Development in the Public Interest. The provisions explain:

- a) Agencies that require land are ministries, institutions, regional governments, or BUMN/BUMD that require land for the implementation of development for the public interest.
- b) The agency that carries out land acquisition is the Land Agency (in this case the National Land Agency/BPN) or an official appointed by the state to carry out the procurement stages.

Thus, the state remains the only party with attributive authority to carry out land acquisition. BUMN can only propose land needs by preparing a land needs plan document which is then submitted to the government to be assessed for its feasibility.

The legal fact is that the construction of the GRR (Grass Root Refinery) oil refinery project in Jenu, Tuban Regency, East Java, was carried out by PT Pertamina through its subsidiary. This project was designated as a national strategic project. However, a number of residents sued the Decree of the Governor of East Java regarding the determination of the land acquisition location because they considered that the public consultation process was not carried out according to procedure. Residents stated that they had never signed the minutes of the agreement, but the project continued. In the Decision of the Supreme Court of the Republic of Indonesia No. 350 K/TUN/2019, the Supreme Court granted the residents' lawsuit and annulled the Decree of the Governor of East Java. The panel of judges considered that the determination of the land

acquisition location was invalid because it did not meet the requirements for public consultation as stipulated in Presidential Regulation No. 71 of 2012.²²

The construction of the Grass Root Refinery (GRR) project in Jenu District, Tuban Regency, East Java, is part of the National Strategic Project (PSN) implemented by PT Pertamina (Persero) through its subsidiary, PT Pertamina Rosneft Processing and Petrochemical. This project aims to strengthen national energy security and become a vital infrastructure in the downstream oil and gas sector. In accordance with the provisions of Presidential Regulation Number 3 of 2016 concerning the Acceleration of the Implementation of National Strategic Projects, GRR Tuban is included in the PSN list and therefore meets the requirements to obtain land acquisition facilities with an accelerated scheme.

However, in its implementation, the GRR project faced legal resistance from affected residents. A number of residents sued the Decree of the Governor of East Java Number 188/246/KPTS/013/2018 concerning the determination of the land acquisition location, on the grounds that there was no legitimate public consultation process. In Supreme Court Decision Number 350 K/TUN/2019, the residents' lawsuit was granted and the Governor's Decree was canceled. The Court considered that the determination of the land acquisition location was invalid because it violated the principle of participation and did not fulfill the provisions of Article 20 paragraph (2) of Presidential Regulation Number 71 of 2012 concerning the Implementation of Land Acquisition for Development in the Public Interest.²³

This case raises the issue of the extent to which state authority in land acquisition can be delegated to state-owned enterprises, and how legal accountability is when procedures are violated. State-owned enterprises such as PT Pertamina, although carrying out public functions, are still bound by state administrative law and must comply with the principle of due process of law. The Supreme Court's decision in this case is an important precedent that shows that national strategic projects must still be implemented within a legal framework that guarantees the rights of citizens.

Based on the above case, it can be analyzed that land acquisition by the state is a form of attributive authority, cannot be delegated to BUMN. PT Pertamina, as a user agency, only has the function of requesting land needs and financing, not as an implementer of procurement. The state remains the only party authorized to carry out the legal process of land acquisition through official institutions such as the BPN and local governments.

²² Decision of the Supreme Court of the Republic of Indonesia Number 350 K/TUN/2019.

²³ Supreme Court Decision of the Republic of Indonesia Number 350 K/TUN/2019, in the Supreme Court Decision Directory, accessed via verdict3.mahkamahagung.go.id, pp. 14–20.

The implementation of land acquisition in the GRR Tuban case violates the principles of participation and transparency. This is contrary to the principles of good governance (AUPB), such as:

- a) Principle of legal certainty: every administrative action must be based on applicable law,
- b) Principle of participation: affected communities must be given space to express their opinions,
- c) Principle of accountability: administrative decisions must be accountable.

The failure of the Governor of East Java to fulfill the public consultation requirements shows that even though the project has gained legitimacy as a PSN, the land acquisition process cannot ignore the basic principle of protecting citizens' rights. Projects carried out by BUMN such as PT Pertamina still require legal land acquisition procedures. In this position:

- a) The state must ensure that state-owned enterprises do not act beyond public authority,
- b) The central and regional governments are obliged to carry out strict supervision of the process,
- c) Administrative judicial institutions (PTUN and MA) act as guardians of procedural justice, as seen in the MA Decision.

Associated with the theory of authority, it can be analyzed that the state's authority in land acquisition for public interest by BUMN with the case study of PT Pertamina as land acquisition by the state is a form of attributive authority, cannot be delegated to BUMN. PT Pertamina, as a user agency, only has the function of requesting land needs and financing, not as an implementer of procurement. The state remains the only party authorized to carry out the legal process of land acquisition through official institutions such as the BPN and local governments. The case study of GRR Tuban shows that violations of participatory procedures in land acquisition cause state decisions to be null and void, and this emphasizes that state authority must be carried out legally, fairly, and accountably.

Land acquisition for public interest is regulated in Law Number 2 of 2012 as an attributive authority given directly by law to the state (government agencies). This authority cannot be delegated to BUMN or private parties because it is public in nature and concerns the constitutional rights of citizens to land.

The theory of legal protection states that every government action that is regulatory (*regeling*) or stipulating (*beschikking*) must provide guarantees for the

protection of citizens' rights against potential abuse of power. According to Gustav Radbruch and Utrecht, legal protection has two important aspects:

- 1) Preventive legal protection, namely a guarantee that citizens can participate, submit objections, or be given space for consultation before their rights are impacted.
- 2) Repressive legal protection, namely a guarantee for citizens to obtain redress if their rights have been violated, through judicial institutions or administrative supervision.

In the context of land acquisition, these two forms of protection are guaranteed by Law No. 2 of 2012 and Presidential Regulation No. 71 of 2012. The state is obliged to:

- 1) Providing open information to citizens,
- 2) Involving citizens in public consultation,
- 3) Provide fair and equitable compensation,
- 4) Providing legal access to objections or lawsuits.

The construction of the GRR Tuban oil refinery by PT Pertamina is a concrete example of how ignoring the principle of legal protection can invalidate the legality of a state administrative action. In Supreme Court Decision No. 350 K/TUN/2019, the Supreme Court annulled the Decree of the Governor of East Java concerning the determination of the location because:

- a) Public consultation was not carried out properly,
- b) Residents never signed the minutes,
- c) Failure to fulfill the requirements in Article 20 paragraph (2) of Presidential Decree 71/2012.

This decision shows that the state through public officials has violated the principle of preventive legal protection, namely not providing a legitimate participatory space for citizens before decision making. In a repressive context, citizens then use their right to sue the PTUN, and the Court grants it as a form of restoration of rights.

Theoretically, the theory of legal protection reinforces that state authority is not absolute, but is limited by the obligation to respect and protect individual rights. In practice, the GRR Tuban case study shows the importance of legal procedures, not just the substance of the project. No matter how big and important a project is, if legal procedures are violated, it can still be canceled.

In land acquisition by state-owned enterprises such as PT Pertamina, the state still holds the main authority that cannot be delegated. This authority must be carried out within the framework of the theory of legal protection, both preventively and repressively. The GRR Tuban case is clear evidence that violations of citizens' rights through ignoring participatory procedures not only harm state administrative law, but also weaken the legitimacy of the state as a protector of its people.

3.2. Obstacles and Solutions to State Authority in Land Acquisition for Public Interest by BUMN (Case Study of PT Pertamina)

Based on Analysis the author, as The Tuban Grass Root Refinery (GRR) project carried out by PT Pertamina through its subsidiary is included in the National Strategic Project (PSN) as regulated in Presidential Decree No. 3 of 2016. Although included in the PSN and a state priority, the implementation of land acquisition in this case shows several problems in the implementation of state authority. East Java Governor's Decree No. 188/246/KPTS/013/2018 concerning the determination of land acquisition locations was issued without carrying out a legitimate public consultation, as required by Article 20 paragraph (2) of Presidential Decree No. 71 of 2012.

Supreme Court Decision No. 350 K/TUN/2019 stated that the determination of the location was legally flawed because it was not based on the participation of the affected community. This proves that the state has failed to carry out its administrative and participatory control functions, even though the state as the authority holder is obliged to guarantee the accountability of the process.

Although the GRR project aims to strengthen national energy security, the state has not maximally guaranteed the protection of land rights for affected residents. The community claims that they were not involved fairly and did not receive transparent information. This is contrary to the principles of good governance (AUPB) and the principle of the rule of law (*rechtstaat*). Formally, BUMN does not have the authority to carry out land acquisition. However, in practice, residents see the role of PT Pertamina as very dominant, including in approaching the community and making technical decisions. This gives the impression that the state is not actively present as a protector of community rights, but only as a facilitator for corporations.

However, in practice, this strategic status often results in project interests dominating over citizens' rights, which should actually be protected within the framework of the rule of law. Using the pretext of "public interest" and "national energy security," the implementation of the GRR Tuban project shows indications of ignoring the principle of caution in legal procedures. Several findings indicate that:

- a) The location determination process was carried out in a rush, without legitimate public consultation.
- b) The information provided to affected residents was minimal, not comprehensive, and not actively disseminated.
- c) Citizens were not given sufficient time and space to convey objections, as mandated in Articles 22–23 of Presidential Decree No. 71 of 2012.

The above solutions are an integral part of strengthening the democratic and just authority of the state in land acquisition for public interest. The state should not only be a facilitator of development, but must play an active role as a guarantor of social justice, protector of citizens' rights, and enforcer of administrative law. With comprehensive reform from participation to supervision, land acquisition for BUMN projects such as GRR Tuban can be carried out with strong legitimacy and broad public support.

3.3. The Concept of State Authority in Land Acquisition for Public Interest by BUMN in the Future

The need for national infrastructure development involving State-Owned Enterprises (BUMN) will continue to increase in line with the direction of state policy in strengthening energy security, connectivity, and economic growth. In this context, land acquisition for public interest will be an important strategic instrument. Therefore, in the future the state needs to build a concept of authority that is more assertive, fair, and pro-community.

In the context of national development, the need for land for strategic infrastructure projects will continue to increase. Therefore, the concept of state authority in land acquisition in the future must be directed at a model that balances development efficiency with the protection of community rights. Especially in projects involving State-Owned Enterprises (BUMN), there needs to be a strengthening of the role of the state as an irreplaceable holder of public power in agrarian affairs. Several main elements in the concept of future authority can be explained as follows:

1) Affirmation of State Attributive Authority

Land acquisition for public interest is an attributive authority given directly by law to the state through certain institutions, such as the National Land Agency (BPN) and local governments. This authority is public in nature and cannot be delegated to other parties, including BUMN. As explained in Hadjon's theory, attributive authority is a form of legal legitimacy that can only be exercised by authorized state organs according to statutory regulations.²⁴ Therefore, the role

²⁴ PM Hadjon, *Introduction to Indonesian Administrative Law*, (Yogyakarta: Gadjah Mada University Press, 2017), p. 88.

of BUMN is limited to being a user agency, namely proposing land needs and providing a budget, not as an implementer of land procurement.

2) Participatory Governance Reform

Experience in the GRR Tuban case shows that minimal public involvement can harm the legal legitimacy of determining the location of land acquisition. Therefore, in the future, the concept of state authority must place public participation as the main element in every stage. This participation must be substantive, not just an administrative formality. The public consultation process must be carried out openly, documented, and inclusive of vulnerable groups. This is in line with the principles of the General Principles of Good Governance (AUPB), especially the principles of participation and openness.²⁵

3) Progressive Legal Protection

The concept of state authority must also emphasize the function of the state as a protector of the constitutional rights of citizens. The state is obliged to provide a proactive legal protection mechanism, including supervision by institutions such as the National Human Rights Commission, the Ombudsman, and the state administrative court. In practice, legal protection should not wait for the emergence of conflict, but must be built from the beginning through legal education, transparency of information, and the existence of a fast complaint channel.²⁶

4) Arrangement of Relations between the State and State-Owned Enterprises

Going forward, it is important to establish clear boundaries between the roles of the state and SOEs. The status of SOEs as business entities does not give them public authority, so they cannot conduct consultations, appraisals, or direct releases. Therefore, a national SOP is needed that regulates the involvement of SOEs only as administrative supporters, not technical implementers of land acquisition. This affirmation is important to maintain objectivity, prevent conflicts of interest, and avoid corporate domination of the legal process.²⁷

5) Utilization of Technology and Data Transparency

The concept of future authority must also integrate information technology to support transparency and accountability. Digital platforms can be used to

²⁵Jimly Asshiddiqie, *Introduction to Constitutional Law*, (Jakarta: Rajawali Pers, 2019), p. 274.

²⁶Ni'matul Huda, *Development of Constitutional Law*, (Jakarta: Kencana, 2016), p. 157.

²⁷Maria Farida Indrati, *Legal Science: Types, Functions, and Content Material*, (Yogyakarta: Kanisius, 2007), p. 139.

present land acquisition data in real time, including location information, compensation value, and stages of the legal process. This will strengthen the right to information and support citizen involvement in public supervision in accordance with the principle of openness of information.

By progressively strengthening the concept of state authority, the state will be able to balance the needs of development and respect for the rights of citizens. The state must remain the sole authority holder in land acquisition and exercise this authority with the principles of justice, openness, and strong legal protection. Overall, the concept of state authority in land acquisition for the public interest by BUMN in the future must be restructuring, progressive, and just. The state is not merely a facilitator of development projects, but a protector of people's rights and a guarantor of the creation of social justice. In this case, strengthening state institutions, limiting the role of corporations, and increasing community participation are the three main pillars towards democratic and constitutional land acquisition governance.

4. Conclusion

The state's authority in land acquisition for public interest by BUMN (Case Study of PT Pertamina) is: establish land acquisition policies, implement land acquisition processes, represent public interests, implement good governance principles, grant permits to user agencies, supervise and control the procurement process, provide legal protection to citizens. state authority in land acquisition for public interest by BUMN with the case study of PT Pertamina as land acquisition by the state is a form of attributive authority, cannot be delegated to BUMN. PT Pertamina, as a user agency, only has the function of requesting land needs and financing, not as an implementer of procurement. The state remains the only party authorized to carry out the legal process of land acquisition through official institutions such as the BPN and local governments. The case study of GRR Tuban shows that violations of participatory procedures in land acquisition cause state decisions to be null and void, and this emphasizes that state authority must be carried out legally, fairly, and accountably.

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