

Study of Political Configuration in Law No. 39/2014 on Plantations and Its Implications for Indigenous Peoples and the Environment

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ABSTRACT: This research aims to analyze the political configuration underlying Law No. 39/2014 on Plantations and its implications for indigenous peoples, smallholders, and the environment. This law was passed as part of the government's strategy to regulate the plantation sector to support national economic growth, particularly through increased investment and exports of leading commodities such as palm oil, rubber and coffee. However, analysis shows that a number of articles in this law are considered contrary to the principles of social justice, community welfare, and environmental sustainability as mandated by the 1945 Constitution. These articles tend to benefit large corporations and the economic elite, while the rights of indigenous peoples and the protection of smallholders and the environment are neglected. This research uses a qualitative approach with a normative research method through a statute approach to identify actors, interests, and legal political dynamics that influence the formation and implementation of this law. The results show that the political configuration in Law No. 39/2014 has an authoritarian character, as seen from the dominance of economic and political elites in controlling plantation resources. The implication is an increase in agrarian conflicts, marginalization of indigenous peoples and smallholders, and environmental damage due to uncontrolled plantation expansion. These findings confirm the importance of revising regulations to create more inclusive, equitable and sustainable policies. The revision must involve the active participation of indigenous peoples, smallholders, and environmental organizations, as well as strengthen supervision mechanisms for plantation business actors. Thus, the regulation of the plantation sector can be more in line with the national ideals as mandated by the 1945 Constitution, namely social justice, people's welfare, and environmental preservation.

KEYWORDS: Plantation Law, Legal Politics, Political Configuration

I. INTRODUCTION

Law No. 39/2014 on Plantations was passed as part of the Indonesian government's efforts to regulate natural resource management. However, there are several articles in this law that are considered contrary to the ideals of the state and national goals as mandated by the 1945 Constitution, especially in terms of social welfare, justice, and environmental sustainability.¹ This law is a legal product born in a political configuration that reflects the dynamics of interests between the state, corporations, and society. As a legal instrument that regulates the management of the plantation sector, this law has broad implications, both in terms of economic, social and environmental aspects. In the context of legal politics, the passage of this law cannot be separated from the pressure and influence of stakeholders, including large economic actors who have dominance in the plantation sector, as well as the state's interest in increasing national income through the export of strategic commodities such as palm oil, rubber and coffee.²

One of the problems faced is the conflict between economic and social interests, especially in relation to the rights of indigenous peoples and smallholders. Articles in Law No. 39/2014 are often considered to favor large companies and investors, while the protection of the rights of local communities living around plantation areas is neglected. This is not in line with the 1945 Constitution, which emphasizes social justice and welfare for all Indonesians. In addition, unequal land distribution exacerbates economic and social inequality, which should be addressed through policies that favor the small people.³ Furthermore, the Plantation Law also raises various environmental issues, especially related to deforestation and ecosystem damage. Articles regulating the expansion of plantations often do not take into account the overall environmental impact, even though the 1945

¹ S. A. Harahap, "Application of the Plantation Law to Perpetrators of Palm Oil Theft in Plantation Areas (Analysis of Decision Number: 211/Pid. B/2015/Pn. Stb)," *SOSEK: Journal of Social and Economic* 1(2) (2020): 88–99.

² D. Santoso, *Legal Politics and the Dynamics of Plantation Regulation in Indonesia* (Jakarta: Pustaka Nasional, 2021).

³ T. Anindyajati, "The Politics of Law Regarding the Role of the Constitutional Court in Protecting the Existence of Customary Law Communities in Indonesia," *Journal of Society and Culture* 19(1) (2017): 1–14.

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Constitution mandates the protection of natural resources and the sustainable management of natural resources. This raises the question of how far existing plantation policies are aligned with the principles of sustainable development that are part of the country's goals.

In the context of legal politics, the articles in Law No. 39/2014 also reflect the strong influence of economic and political elites who control the plantation sector. Existing regulations tend to favor the interests of large corporations, while local communities often lose access to land and natural resources that should be part of their rights. This creates social injustice, which contradicts the spirit of the 1945 Constitution to create general welfare and social justice for all Indonesians.

The political configuration underlying the formation of Law No. 39 of 2014 is often considered to reflect a lack of alignment with the interests of small communities, especially farmers and indigenous communities. The strong influence of political and economic elites in the legislative process often results in regulations that are more oriented towards economic growth than social justice and environmental sustainability.⁴ This has the potential to create inequality in the distribution of benefits from plantations and lead to prolonged agrarian conflicts.

Therefore, understanding the political configuration behind the formation of this law is important to evaluate the extent to which the policy is able to reflect the values of social justice as mandated by the 1945 Constitution. A political-legal approach is needed to identify the actors, interests and power dynamics that influence the content and implementation of this law. Thus, a study of the political configuration of Law No. 39/2014 will not only help explain the existing problems but also provide directions for improvement in realizing fairer and more sustainable regulations.⁵

II. PROBLEM

A. Problem Formulation

From the introduction that the author has described above, the problem formulations that will be studied in this study are:

1. What are the implications of the articles in the Plantation Law that potentially contradict the principles of social justice and public welfare as mandated in the 1945 Constitution?
2. What are the political and legal impacts of the implementation of Law No. 39/2014 on indigenous peoples, smallholders, and the environment?
3. How is the study of political configuration in Law No. 39/2014 on Plantations?

B. Research Objectives

Examining the formulation of the problems that have been described, the objectives of this study are:

1. To find out about which articles in the Plantation Law potentially conflict with the principles of social justice and public welfare as mandated in the 1945 Constitution
2. To find out about the legal political impact of the implementation of Law No. 39 of 2014 on indigenous peoples, small farmers, and the environment.
3. To identify the political configuration of the Plantation Law.

III. RESEARCH METHOD

The research method used in this research is a qualitative approach with a normative research method through a *statue* approach to analyze the political configuration of the Plantation Law.

IV. DISCUSSION

A. Articles in the Plantation Law that Potentially Contradict the Principles of Social Justice and Community Welfare as Mandated in the 1945 Constitution

The incompatibility of the articles in Law No. 39/2014 on Plantations with the national goals and ideals of the nation mandated by the 1945 Constitution can be seen from several aspects, especially those related to social justice, public welfare, and environmental protection. One of the main objectives of the establishment of the Indonesian state as stated in the Preamble of the 1945 Constitution is to promote general welfare and create social justice for all Indonesian people. However, several articles in the Plantation Law prioritize the interests of large investors and corporations over those of local communities, which is contrary to the spirit of social justice.⁶ For example, Article 11 of Law No. 39/2014 regulates the Plantation Business License (IUP) which is granted to businesses to manage large-scale plantations. In practice, the application of this license often leads to agrarian conflicts,

⁴ R. Harahap, "Conflict of Interest in the Management of Plantation Resources in Indonesia," *Journal of Legal Politics* 12(3) (2020): 45–60.

⁵ F. Anindyajati, "A Critique of Agrarian Policy Inequality in the Plantation Law," *Journal of Social and Legal Affairs* 9(2) (2017): 101–15.

⁶ A. Herbi, "Law Enforcement Against Perpetrators of Criminal Acts of Theft of Palm Oil Plantation Products by Overriding Law Number 39 of 2014 concerning Plantations in the Kuantan Singingi Police Area" (Riau Islamic University, 2022).

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where lands that have been managed by indigenous communities or smallholders are taken over by large plantation companies. This overrides the principle of Article 33 of the 1945 Constitution which mandates that the earth, water and natural resources must be used to the greatest extent for the prosperity of the people. This inequality of land tenure results in indigenous peoples and smallholders losing access to the resources that are their livelihood, contrary to the spirit of social justice.⁷

In addition, discrepancies are also evident in environmental management. Article 29 of Law No. 39/2014, which regulates the obligations of plantation business actors in preserving the environment, is often ignored or loosely applied. Many cases of plantation expansion, especially oil palm, have contributed to deforestation, forest fires, and ecosystem destruction. This is contrary to the mandate of Article 28H paragraph 1 of the 1945 Constitution, which affirms the right of everyone to a good and healthy environment. This non-compliance with the principle of sustainability shows that the Plantation Law is not fully in line with national goals that include sustainable development and environmental protection.⁸ Furthermore, from a legal political perspective, Law No. 39 of 2014 tends to reflect the economic power of the elite and capitalist interests. This can be seen from a number of articles that facilitate land tenure by large companies, while efforts to provide protection to indigenous peoples and small farmers are relatively minimal. This is contrary to Article 27 paragraph 2 of the 1945 Constitution, which guarantees the right of every citizen to earn a decent living. The gap between the elite and small communities is widening as a result of this policy, and the nation's aspirations to realize shared prosperity and social justice are increasingly difficult to achieve.⁹

B. Political and Legal Impacts of the Implementation of Law No. 39 of 2014 on Indigenous Peoples, Smallholders, and the Environment

The implementation of Law No. 39/2014 on Plantations has had significant impacts on indigenous peoples, smallholders, and the environment, both from the perspective of legal politics and implementation in the field. In terms of indigenous peoples, the impact is mainly felt through increasing agrarian conflicts. Articles that privilege large plantation companies in obtaining land licenses often trump the rights of indigenous peoples who have long managed and lived in the area for generations. As a result, indigenous peoples are often forced off their ancestral lands, which is not only economically detrimental, but also violates their cultural and social rights. These impacts create injustices that clearly contradict the principle of social justice in the 1945 Constitution.¹⁰ For smallholders, this law tends to exacerbate inequalities in land tenure and access to resources. Smallholders often do not have the capital or access to formal licenses as stipulated in the law, putting them in a weak position against large companies. The absence of adequate legal protection for smallholders leaves them vulnerable to eviction, and often forced to become laborers on land they once managed themselves. This poses a serious economic problem, as farmers lose a sustainable source of livelihood, while large plantation companies increasingly dominate natural resource management.¹¹

In the context of the environment, the political legal impact of Law No. 39/2014 is also very significant. The massive expansion of plantations, especially oil palm, has caused widespread environmental damage. Although this law regulates the obligation of plantation business actors to preserve the environment, in reality it does not have a strong enough monitoring mechanism and sanctions to prevent environmental damage. Massive land clearing is often done by burning forests, which causes air pollution and ecosystem damage. This negative impact on the environment is contrary to the mandate of the 1945 Constitution, which guarantees the right of every citizen to a healthy environment.

Politically, Law No. 39/2014 also strengthens the power of economic elites who have great access to plantation resources. The imbalance of power between large corporations and indigenous peoples or smallholders shows that the law in the plantation sector favors the interests of corporations rather than small people. This condition shows the existence of legal politics that accommodate the interests of big capital, while the distributional justice mandated by Article 33 of the 1945 Constitution is neglected. It also

The political configuration underlying the formation of Law No. 39/2014 on Plantations can be categorized as an authoritarian configuration. This can be seen from several articles that explicitly prioritize the interests of large corporations, especially

⁷ N. W. Adiwiyono, "The Institutional Position of the Pancasila Ideology Development Agency in the Indonesian Government System (Juridical Analysis of Law Number 39 of 2008 and Presidential Regulation Number 7 of 2018)" (UIN Syarif Hidayatullah Jakarta, 2018).

⁸ Harahap, "The Application of the Plantation Law Against Perpetrators of Palm Oil Theft in Plantation Areas (Analysis of Decision Number: 211/Pid. B/2015/Pn. Stb)."

⁹ D. Seta, "RECONSTRUCTION OF PUNISHMENTAL SANCTIONS IN THE LAW NO 39 YEAR 2014 ON CUSTOMS BASED ON THE VALUE OF JUSTICE" (Sultan Agung Islamic University Semarang, 2020).

¹⁰ Anindyajati, "Political Law on the Role of the Constitutional Court in Protecting the Existence of Customary Law Communities in Indonesia."

¹¹ Herbi, "Law Enforcement Against Perpetrators of Criminal Acts of Theft of Palm Oil Plantation Products by Overriding Law Number 39 of 2014 concerning Plantations in the Kuantan Singingi Police District."

¹² Adiwiyono, "The Institutional Position of the Pancasila Ideology Development Agency in the Indonesian Government System (Juridical Analysis of Law Number 39 of 2008 and Presidential Regulation Number 7 of 2018)."

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reflects the state's weak alignment with groups that are more vulnerable and struggling to defend their land rights.¹² The political-legal impact of the implementation of Law No. 39/2014 creates greater inequality in access to land and natural resources, worsens the economic conditions of indigenous peoples and smallholders, and causes widespread environmental damage. Without significant revisions to the articles in this law and strengthened protections for vulnerable communities, these negative impacts will continue to exacerbate social and ecological injustices in Indonesia.

C. Political Configuration of Law No. 39 Year 2014 on Plantations

investors in the plantation sector, compared to the interests of indigenous peoples, smallholders, and environmental conservation. This authoritarian characteristic reflects a pattern of decision-making that is dominated by political and economic elite actors, where the legislative process often does not involve active participation from directly affected communities. This condition reflects the strong influence of oligarchs in determining the direction of natural resource policies in Indonesia.¹³

One of the main indications of this authoritarian tendency is the inequality in the distribution of land and economic benefits in the plantation sector. In practice, Law No. 39/2014 provides ample room for the expansion of large companies through simpler licensing mechanisms, but does not provide adequate protection for the rights of local communities. For example, indigenous communities living around plantation areas often lose access to land and natural resources that are part of their tradition and culture. This is exacerbated by the weak recognition of customary rights in the law's provisions, even though these rights are clearly recognized by customary law and agrarian justice principles.¹⁴

Furthermore, the regulations in this law also show a bias towards the country's economic interests over environmental sustainability. One example is the provision that encourages increased exports of commodities such as palm oil without regard to the ecological impacts that result from the massive expansion of plantations. Deforestation, land degradation and biodiversity loss are direct consequences of this policy. In the context of legal politics, this bias reflects an authoritarian configuration where decision-making is emphasized on short-term interests that benefit a handful of elites rather than long-term interests that prioritize sustainability.¹⁵

Not only that, this law has also become a legitimizing tool for land tenure by large corporations, which in turn strengthens the dominance of the economic oligarchy in the plantation sector. This domination puts indigenous peoples and smallholders in an increasingly vulnerable position, both economically and socially. In many cases, local communities lose access to the land that is the main source of their livelihoods, thus increasing poverty and inequality. This phenomenon contradicts the spirit of Article 33 of the 1945 Constitution, which mandates that natural resource management should be carried out for the greatest prosperity of the people. On the contrary, the authoritarian configuration of Law No. 39/2014 shows that the state is more inclined to become a facilitator of corporate interests rather than a protector of small people's rights.¹⁶

Another criticism is the lack of accountability and transparency mechanisms in the implementation of policies regulated by this law. In the context of authoritarian political configurations, the legislative process and its implementation are often carried out without involving civil society or non-governmental organizations that are critical of the social and environmental impacts of these policies. As a result, regulations that should function as a tool to create social justice and environmental sustainability instead become an instrument for certain groups to strengthen their power and increase their profits. This condition further exacerbates existing social injustices, especially in rural areas which are the main locations of Plantation activities.

Therefore, serious efforts are needed to revise Law No. 39 of 2014 to better reflect the principles of social justice, environmental sustainability, and respect for the rights of indigenous peoples. This revision process must involve the active participation of all stakeholders, including indigenous peoples, smallholders, and environmental organizations, to ensure that the resulting policies are truly in line with the ideals of the 1945 Constitution. In addition, the government also needs to strengthen monitoring and law enforcement mechanisms to prevent policy abuse by actors with purely economic interests. With a more inclusive and democratic approach to legal politics, it is hoped that plantation sector regulations can create a balance between economic growth, social justice, and environmental sustainability.

V. CLOSING

A. Conclusion

The political configuration in Law No. 39/2014 on Plantations shows an authoritarian style, where the influence of political and

¹³ Harahap, "Conflict of Interest in Plantation Resource Management in Indonesia."

¹⁴ Santoso, *Legal Politics and the Dynamics of Plantation Regulation in Indonesia*.

¹⁵ Anindyajati, "A Critique of Agrarian Policy Inequality in the Plantation Law."

¹⁶ N. F. Rachman, *Oligarchy and Marginalization of Community Rights in Natural Resource Management* (Jakarta: Gramedia Pustaka Utama, 2019).

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economic elites is very dominant in the process of forming regulations. The articles in this law favor the interests of large corporations without providing adequate protection for indigenous peoples and smallholders. This condition not only shows inequality in the control of resources, but also overrides the principle of social justice as mandated by the 1945 Constitution. In addition, this law exacerbates social and economic inequality. Many indigenous communities have lost their rights to their ancestral lands, while small farmers are increasingly marginalized due to the difficulty of accessing natural resources that are now dominated by large corporations.

The environmental impact of the implementation of Law No. 39 of 2014 is also a major issue. Massive plantation expansion has caused deforestation, ecosystem damage and environmental pollution. This is contrary to the right to a healthy environment as guaranteed by the 1945 Constitution. This policy, while formally regulating the obligation to preserve the environment, lacks adequate monitoring mechanisms and sanctions to prevent environmental damage. On the other hand, this regulation shows the weakness of the state's partiality towards vulnerable groups of society, such as small farmers and indigenous peoples. This law is used more as a legitimization tool for oligarchic groups to strengthen their control over land and resources, thus further distancing the ideals of social justice and people's welfare.

B. Advice

The government needs to immediately revise Law No. 39/2014 to create regulations that are more equitable, inclusive and sustainable. This revision must pay attention to the rights of indigenous peoples, smallholders, and environmental protection by integrating policies that support sustainability. In addition, the active participation of indigenous peoples, smallholders, and environmental organizations needs to be involved in every legislative process and policy implementation related to the plantation sector. This process will create more democratic and equitable decisions.

Monitoring mechanisms for plantation businesses must be strengthened, including the application of strict sanctions for violations that damage the environment and ignore the rights of local communities. The government also needs to provide stronger protection for the customary rights of indigenous peoples and ensure that smallholders have fair access to natural resources. Finally, plantation policies must be directed towards sustainable development that balances economic interests, social justice and environmental conservation. This will ensure that natural resource management is in line with national goals as mandated by the 1945 Constitution.

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