

Policy on Termination of New Land Permits: Adverse Impact on Economic Development in Meranti, Riau

Latansa Kunta Nirwana^{1*}, M. Nazir Salim², Asih Retno Dewi³

¹ Land Office, Bekasi Regency

^{2,3} Sekolah Tinggi Pertanahan Nasional, Yogyakarta

* Correspondence: latansak@gmail.com

| ARTICLE INFO | ABSTRACT |
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| <p>Keywords: PIPPIB, KLHK, Meranti economy, peatland</p> <p>Date logs: Received: May 11, 2025 Reviewed: May 17, 2025 Accepted: May 20, 2025 Published: May 22, 2025</p> <p>How To Cite: Nirwana, L.K., Salim, M.N., Dewi, A.R. (2025). Policy on Termination of New Land Permits: Adverse Impact on Economic Development in Meranti, Riau. <i>Marcapada: Jurnal Kebijakan Pertanahan</i>, 4(2), 132–151. https://doi.org/10.31292/mj.v4i2.156</p> | <p>Indonesia is developing by facilitating the investment climate. The Regulation in Lieu of the Job Creation Law No. 2 of 2022 shows the government's seriousness in the Ease of Doing Business. One sector with significant development potential is the land sector, which can utilise the economic value of land certificates to provide access to community capital. However, on the other hand, the policy of stopping the granting of new permits on peatlands has caused a policy conflict that has an impact on community economic access. With a field study and spatial analysis approach, this study traces data by conducting observations and in-depth interviews with various sources who understand the issue of the policy of stopping new permits related to peatlands in the Meranti Islands Regency (Meranti). The purpose of this study was to determine the condition of land and spatial planning in Meranti and its impact on the economic conditions of the community. The results of the study found that the implementation of the PIPPIB policy in Meranti, which is still indicative, is very powerful in stopping new permits. The PIPPIB policy has an impact on community land that has been certified so that derivative services cannot be implemented. This condition has caused a decline in the community's economy and increased the number of poor people in Meranti. In the end, the PIPPIB policy that is not participatory and does not care about the conditions of the Meranti community becomes a non-strategic policy strategy and causes misery to the community.</p> |

A. Introduction

Indonesia is an agricultural country that relies on economic productivity in the fields of agriculture and plantations. Agricultural and plantation productivity depends on productive land, while limited productive land causes expansion on marginal lands. One of the most potentially marginal lands to be utilised is peatland. Peatland in Indonesia is the fourth largest after the United States, Canada, the Soviet Union and Vietnam (Masganti et al., 2017; Salim, 2020; Utami and Salim, 2021). The use of peatland by farmers for plantation locations and food has been going on for a long time (Haryanto and Siregar, 2023). Plantations with commodity crops continue to expand their land to peatlands, which are actually very prone to disasters. Intense human activity on peatlands has caused their quantity and quality to increasingly degrade.

Basically, peatlands do not only function for plantations and agriculture (especially shallow peat) but also to maintain the environment. Some of the benefits of peatlands include storing carbon, maintaining water balance, providing habitat for biodiversity, and, of course, being a source of livelihood for the surrounding community (Glenk and Martin-Ortega, 2018). This requires special protection for peatlands to ensure their sustainability. The total area of peatlands in Indonesia is 14.95 million ha spread across Kalimantan, Papua, Sulawesi, and Sumatra (Masganti & Maulia, 2017). Meanwhile, based on Global Forest Watch data, the province with the largest peatland is Riau Province (3.8 million ha), followed by Central Kalimantan Province (2.8 million ha).

However, Wetland International data states that peatlands in Indonesia are categorised as damaged due to conversion to the agricultural sector and forest fires. On the other hand, the world is paying attention to Indonesia's forests with the Reducing Emissions from Deforestation and Forest Degradation (REDD) agreement to reduce carbon emissions from deforestation of peat forests in Indonesia and biodiversity conservation habitats. Carlson (2010) stated that land use conversion is the most influential factor in the balance of carbon emissions in peat forest areas. However, because Indonesia is a major producer and consumer of palm oil, paper, and wood commodities globally, the conversion of peatlands is difficult to avoid (Yuliani et al., 2017).

In order to maintain the area of peatlands in Indonesia, the Indonesian government must properly manage peat forests. This action is in accordance with the mandate of Law No. 32 of 2009 concerning Environmental Protection and Management and its derivative Government Regulation No. 57 of 2016 concerning Protection and Management of Peat Ecosystems. The government released Presidential Instruction No. 5 of 2019 to stop new permits and improve how primary natural forests and peatlands are managed, building on Presidential Instruction No. 10 of 2011 to help protect peatlands from losing their quality and size. The Ministry of Forestry and Environment (KLHK) followed up on the Presidential Instruction by issuing SK.323/Menhut/II/2011 concerning the Determination of the Indicative Map of the Postponement of the Granting of New Forest Utilisation Permits, Use of Forest Areas, and Changes in the Designation of Forest Areas and Other Use Areas. This does not seem to have a positive impact, due to problems in many regions of Indonesia. This is because together with the Presidential Instruction, the Ministry of ATR/BPN through its Secretary General issued Circular Letter Number TU.01.02/1717-100/X/2019 exactly two months after Presidential Instruction No. 5 of 2019 was issued. The circular includes several directives, one of which instructs all land offices in districts and cities, as well as provincial BPN regional offices across Indonesia, to use the Indicative Map of the Termination of the Granting of New Permits (PIPIB) when providing land services.

Quoted from the official website of the Meranti Islands Regency Government, of the total land area, only 16,072.15 ha, or around 4.42%, can be safely used for purposes apart from forests. This means that around 95.58% of the land in Meranti is categorised as peat and is not safe to be used freely by the community, according to its designation. This shows the inconsistency of policy implementation because in the midst of accelerating the Complete Systematic Land Registration (PTSL) program, which is a follow-up to the mandate of Article 19 of the Basic Agrarian Law (UUPA)

concerning legal certainty and land registration, the Ministry of Environment and Forestry has issued a policy in the form of a decree on the determination of PIPPIB, which resulted in a response from the Ministry of ATR/BPN not to provide land services on lands included in PIPPIB. At the same time, concerns have arisen about how to use lands that have long been controlled by the community, both those that are certified and those that are not, namely in the form of a Compensation Certificate (SKGR). According to Tartib (2021), basically the implementation of PIPPIB in the Meranti Islands still needs to be studied because there are many areas that are included in PIPPIB but do not match the actual conditions. His research also clarified that the community still struggles to fully accommodate the complexity of cross-sectoral licensing.

The community controls land that is expected to have economic value for accessing mortgage rights in banking, but this cannot be done due to the emergence of the PIPPIB policy. Land certificates issued by official state institutions must also deal with policies made by the state. This situation worsens the position of the Meranti Islands Regency, which is the poorest district in Riau. Based on data from the Central Statistics Agency (BPS) in 2024, the percentage of poor people in Meranti was 23.15 per percent. Compared to the previous year's report of 22.98 per cent, this number rose by 0.17 per cent. The existence of overlapping cross-sectoral policies, which impact many parties, complicates this situation. Therefore, the community requires clarity and solutions regarding the lands included in PIPPIB. Therefore, this study will further examine the impacts that arise on the conditions of the Meranti Islands Regency community after the implementation of the PIPPIB policy.

Researchers have conducted several similar studies, such as Pane's study (2022), which examined the PIPPIB policy in Pekanbaru City. His research findings reveal that Presidential Instruction No. 5 of 2019 served as the basis for the issuance of PIPPIB. Pane indicated that it is true that PIPPIB is revised every 6 months, but removing community land from it is not as easy as thought because it has to go through a long process up to the Directorate General of PKTL (Forestry Planning and Environmental Management). Tartib's research (2021) analysed the PIPPIB policy in relation to achieving the welfare of the Meranti Islands community. In his research, he found that PIPPIB is a government effort to eliminate forest fires in the Meranti Islands, but the existence of PIPPIB needs to be reviewed because there are still differences between PIPPIB conditions in the field. The studies of Saputra (2021) and Tobing (2021) are similar to those conducted by the author, namely looking at the inconsistency of peatland utilisation policies and their relationship to the protection of community rights because the community feels disadvantaged by the land they control and own. The four studies mentioned have not examined how land use planning and management on peatlands in the Meranti Islands Regency relate to the effects of the PIPPIB policy on the community's economic and social conditions. This study examines the significant impact this policy has on the Meranti community.

The Indonesian government (2017-2024) is intensively carrying out development to improve the community's economy by facilitating the investment climate. In land, an asset legalisation policy (PTSL programme) has emerged which targets all land areas in Indonesia to be mapped and certified. The birth of Job Creation Law No. 2 of 2022 shows the government's seriousness in building an easy-to-do

business climate (Asmara et al., 2019). However, the Meranti Islands Regency, which is the outermost area directly bordering a neighbouring country, should be the focus for economic growth in Indonesia, but the opposite is true (Salim et al. 2018). The PTSL programme cannot be implemented optimally, investment does not grow, and economic development slows down due to overlapping policies regarding the use of space and land. In that context, this article aims to further analyse the overlapping policies that occur in the Meranti Islands Regency with a spatial approach and its impact on the economic life of the community.

B. Research Methods

This study uses a qualitative method with a descriptive and spatial approach. A descriptive approach means that the results of research and observations are presented in the form of descriptions of field conditions and research data (Creswell and Poth, 2016). The spatial approach emphasises the concept of space as the centre of analysis in studying phenomena that occur in the field, including interactions between places and distribution patterns. This approach is carried out to process a visual analysis of the Spatial Planning Map (RTRW) of Meranti Islands Regency, the PIPPIB Map, and the Land Registration Map. The sampling method uses a purposive sampling technique. In this study, the author uses primary data from interviews and field observations and secondary data in the form of analysis results from regulatory documents, news and scientific journal articles. Data collection techniques in the study include literature studies, namely data collection from writings and written information, including laws and regulations. Observations were carried out by direct observation at the research location in Bina Maju Village, Rangsang Barat District, and Banglas Village, Tebing Tinggi District, Meranti Islands Regency. The author conducted interviews with several residents he met directly in the field, as well as parties involved in the impact of the PIPPIB policy.

Qualitative data is free (open-ended narrative), which is a discussion of the research subject itself; its nature is open. Qualitative data requires gradual analysis according to the author's findings in the field. The author tries to analyse by organising the results of field findings, both observations, interviews, documents, and other data as a form of data triangulation. The author sequentially collects and groups the data obtained in the field based on the categories of data types. The author then refines the data to identify those suitable for article writing. Spatial data is analysed using spatial analysis obtained from the results of the overlay technique, then described according to the data that has been processed by the author. The author verifies the overall results of the study and draws a research conclusion.

Meanwhile, the location of the study can be seen in the following image according to the administrative map of the Meranti Islands Regency per sub-district and the location of the research location, namely Banglas Village and Bina Maju Village on the inset map. Researchers chose Banglas Village and Bina Maju as samples because both villages have sufficient data for analysis, and they also have extensive land mapping and registration.

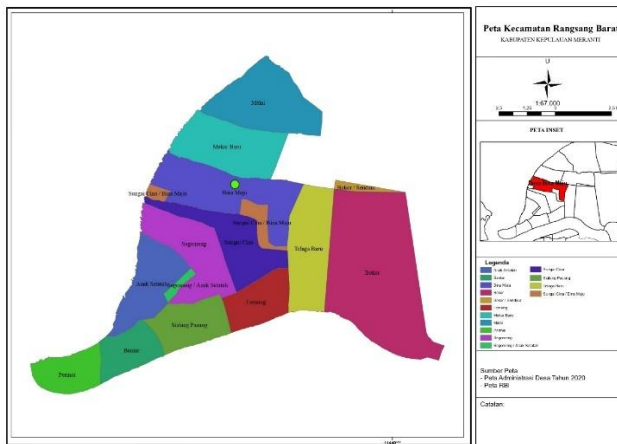


Figure 1. Map of Rangsang Barat District and Location of Bina Maju Village
Source: Processed Research Data 2023

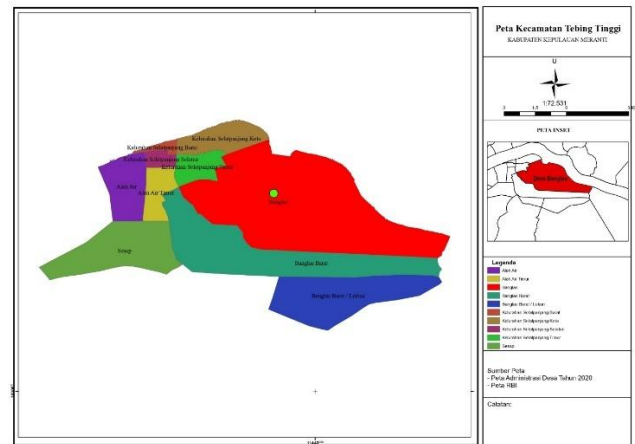


Figure 2. Map of Tebing District and Location of Banglas Village
Source: Processed Research Data 2023

C. Results and Discussion

1. Land Conditions in Kepulauan Meranti Regency Post PIPPIB

a. Spatial Planning Plan for Kepulauan Meranti Regency

Meranti Islands Regency has had an RTRW that was ratified in 2020. The RTRW of Meranti Islands Regency was issued based on Regional Regulation of Meranti Islands Regency No. 8 of 2020, which is valid from 2020 to 2040. On the RTRW map of Meranti Islands Regency, PIPPIB and peat areas have not been or are not included, as well as in the 2018 Riau Province RTRW, PIPPIB and peat areas have not been categorised as special areas. This arrangement is different from the capital city of Riau Province, namely Pekanbaru City, which has included peat areas as a special category in its RTRW. This means that the legal basis for the use of space in Meranti should be very strong and subject to the regional RTRW because it is protected by local regulations. However, the fact is not the case because it must comply with Presidential Instruction No. 5 of 2019 and its derivative regulations from the Ministry of Environment and Forestry and the Ministry of ATR/BPN.

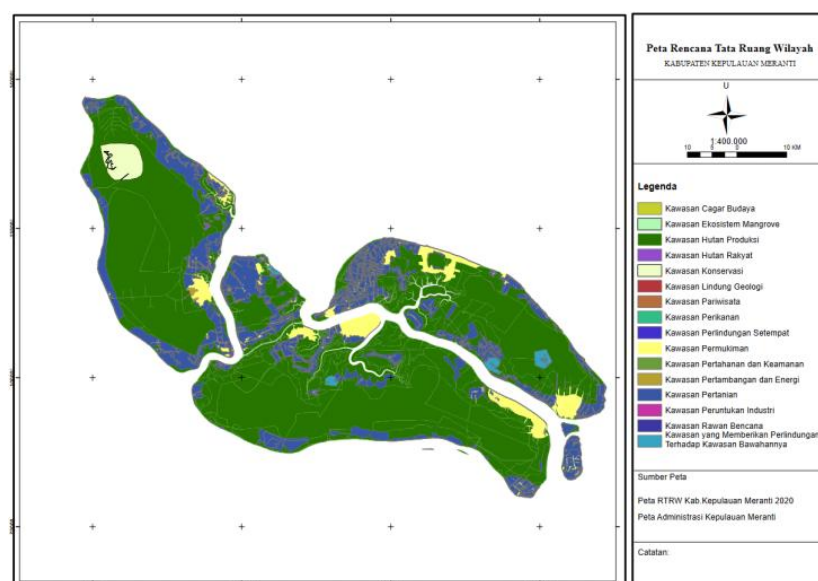


Figure 2. Map of the Meranti Islands Regency RTRW 2020-2040
Source: Researcher Processing in 2023

The production forest area is the largest area in the Meranti Islands Regency RTRW, with an area of 250,959.98 ha. There is a residential area of 20,376.71 ha. If you look at the Meranti Islands Regency RTRW, there is a potential sector to be developed, namely the agricultural sector, because it has an area of 77,295.29 ha.

b. Indicative Map of Termination of New Permits

PIPPIB is determined as a form of protection for peat areas so that use and utilisation in peat areas can be controlled. Following the implementation of Presidential Instruction No. 5 of 2019, the PIPPIB undergoes revisions every 6 months. Based on SK. 7594/MENLHK-PKTL/IPSDH/PLA.1/9/2022, PIPPIB was issued a revision of PIPPIB period II for 2022 and subsequent revisions according to conditions and requests for revisions in the field. Generally, the PIPPIB area releases minimal information with each revision. The area designated as PIPPIB in the Meranti Islands Regency is 210,072.45 ha, with details of Peat PIPPIB 202,147.76 ha, Area PIPPIB 7783.03 ha, and Primary PIPPIB 141.66 ha.

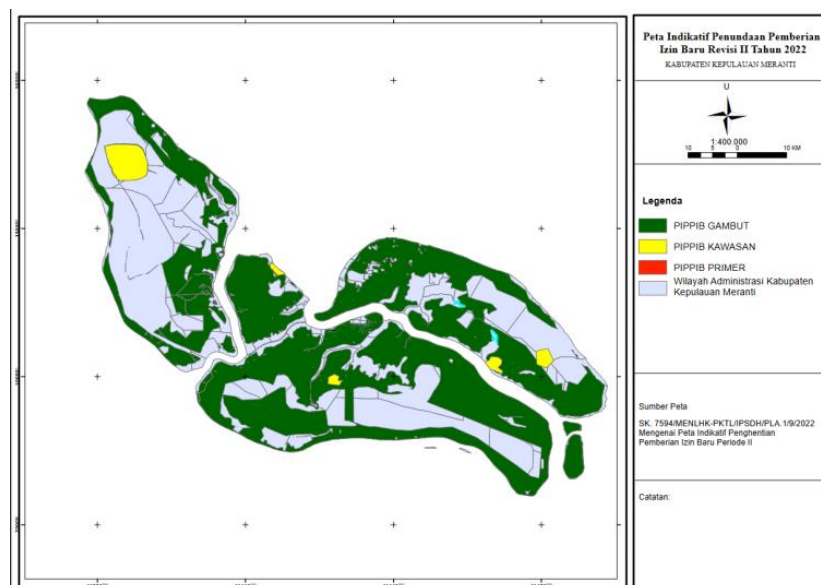


Figure 3. Indicative Map of Termination of New Permit Issuance Period II of 2022

Source: Researcher Processing 2023

c. Forest Area in Meranti Islands Regency

The spatial planning conditions in Meranti Islands Regency are very unique, not only because of the PIPPIB policy. Combining PIPPIB with forest areas complicates spatial planning. The Forest Area in Riau Province was last confirmed in 2021 based on SK. 6612/MENLHK-PKTL/KUH/PLA.2/10/2021. Based on the latest forest area map, Meranti Islands Regency has 2,494.29 ha of protected forest, 42,807.24 ha of production forest, 59,412.40 ha of convertible production forest, 149,753.60 ha of limited production forest, 52,88.74 ha of wildlife sanctuary, and the remaining 99,811.36 ha of other use areas (APL). Of the remaining 99,811.36 ha, it was then affected by the PIPPIB policy, which only left around 4.42%, because the total APL of 95.58% was designated as a peat area and affected by the

PIPPIB policy (see Figure 4). The issue then became a problem and was protested by many parties, both the community and the local government.

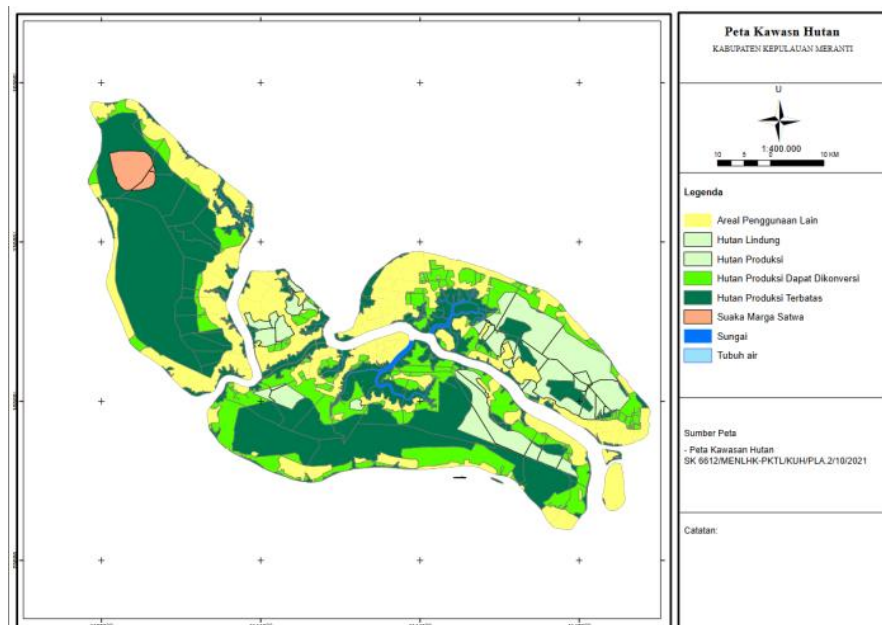


Figure 4. Forest Area
Source: Researcher Processing 2023

d. Spatial Analysis

The author conducted a spatial analysis by overlaying forest area maps and PIPPIB in the Meranti Islands Regency. The total area of the forest area is 268,051 ha, which is 72.29% of the area of the Meranti Islands Regency. Meanwhile, the area of Other Use Areas (APL) is 99,811.36 ha, 26.9% of the area. Under the PIPPIB policy, only 5.03% of the other use areas are truly free, which amounts to 18,654.33 ha.

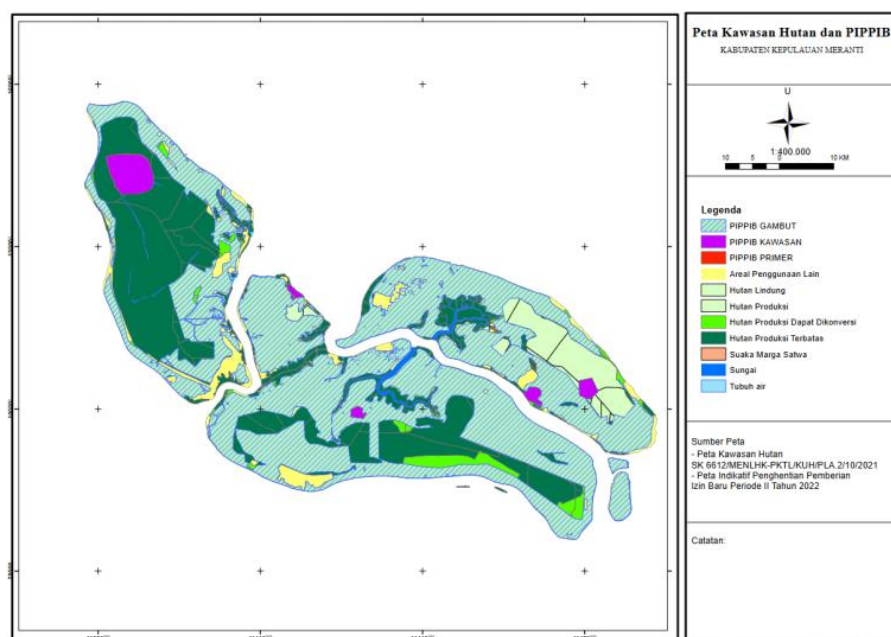


Figure 4. Forest Area and PIPPIB Map
Source: Researcher Processing in 2023

The author tries to review further by overlaying the PIPPIB with the RTRW of the Meranti Islands Regency. The 2020 RTRW map clearly does not include the PIPPIB in a special category. The inconsistency between the RTRW, PIPPIB, and physical conditions is a problem in itself in the Meranti Islands Regency. The problem of spatial planning will be clearer if the maps of these areas are overlaid with land plot data from the Meranti Islands Regency Land Office.

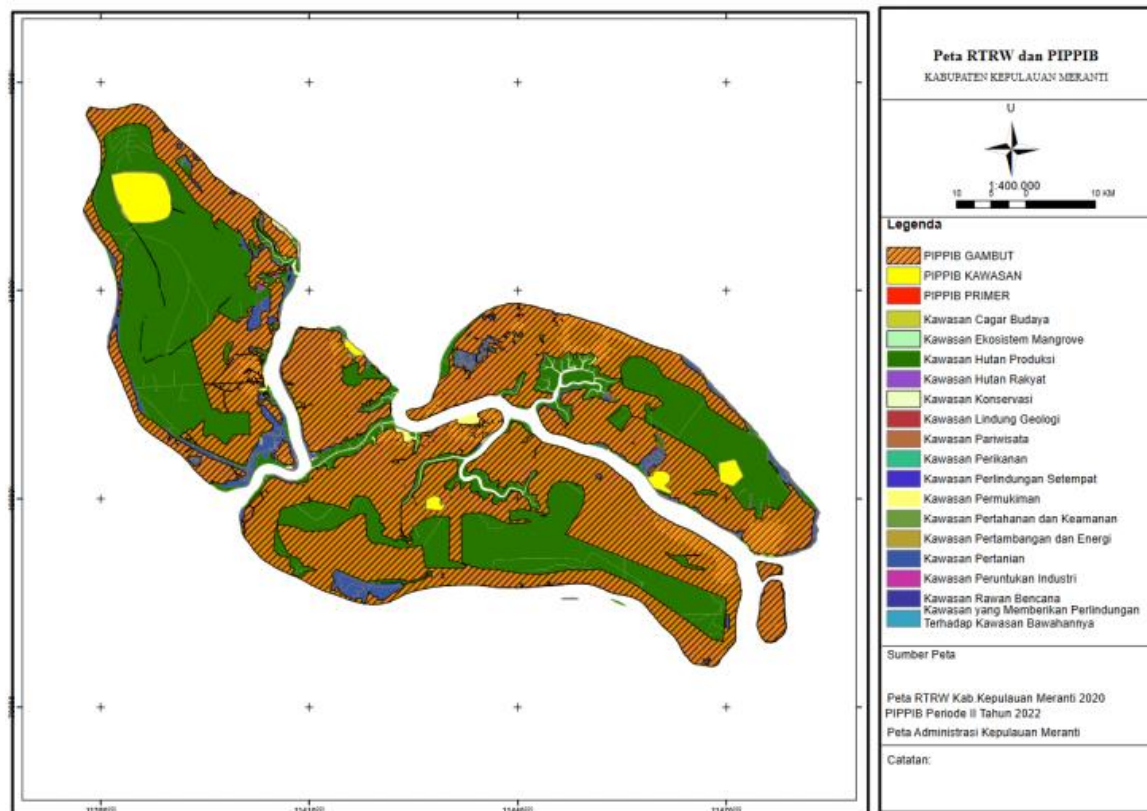


Figure 5. RTRW and PIPPIB Maps of the Meranti Islands Regency
Source: Researcher Processing in 2023

The problem is not only juxtaposing it with the RTRW map to see errors in determining the PIPPIB and the impression of being careless in its publication. The author took two examples of villages to test the emergence of the PIPPIB policy, namely Bina Maju Village and Banglas Village. In Banglas Village, it is clear that physically in the centre of government, there are certified land plots and government office buildings. PIPPIB includes 81.8% of Banglas Village's area. Land plots with certificates are not considered at all in PIPPIB; moreover, Banglas Village is physically and administratively an urban area.

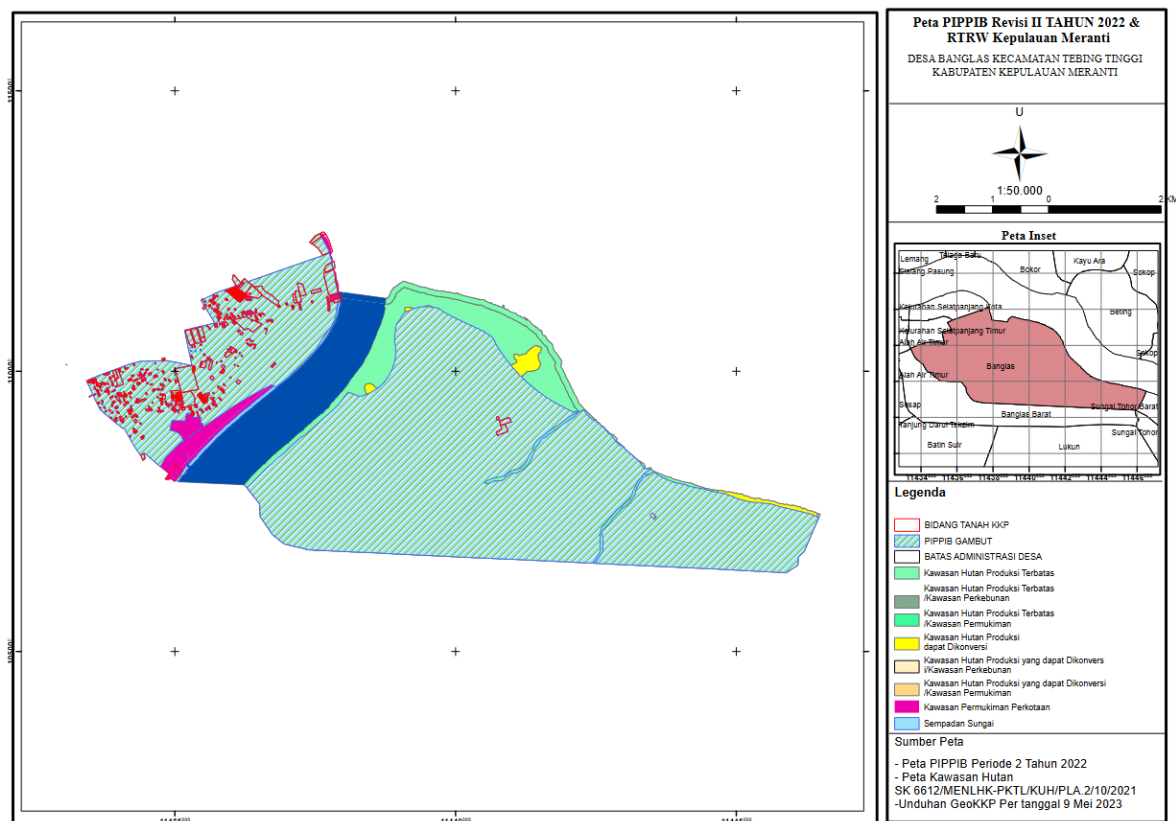


Figure 6. Map of PIPPIB Banglas Village against Certified Land Areas

Source: Researcher Processing 2023

Hal serupa terjadi di Desa Bina Maju Kecamatan Rangsang Barat, meskipun Desa Bina Maju hampir seluruh bidang tanahnya telah terpetakan secara lengkap, karena pada tahun 2020 desa tersebut pernah menjadi objek program PTSL. Namun demikian, sekalipun sudah terpetakan, tidak ada pengecualian untuk kebijakan PIPPIB. Artinya, sebagian Desa Bina Maju yang sudah terbit sertifikat tetap terkena kebijakan PIPPIB. Kondisi ini menunjukkan kebijakan PIPPIB sangat sektoral, tanpa partisipasi sektor lain atau tidak menghimpun data dukung dari kementerian lain dan tidak melakukan *crosscheck* di lapangan (masyarakat) yang sudah memiliki sertifikat hak atas tanah. Meskipun ada upaya dari KLHK untuk melepaskan PIPPIB dari tanah masyarakat, namun pelaksanaannya hanya dilakukan pada masyarakat yang mengajukan permohonan, padahal kebijakan tersebut tidak banyak diketahui oleh masyarakat. Warga masyarakat yang tidak mengusulkan permohonan pelepasan, lahannya tidak dikeluarkan dari area PIPPIB, dan konsekuensi bisa berbuntut panjang termasuk tertolak untuk akses modal ke perbankan.

A similar thing happened in Bina Maju Village, Rangsang Barat District, even though almost all of the land in Bina Maju Village has been completely mapped, because in 2020 the village was once the object of the PTSL programme. Despite the mapping, the PIPPIB policy remains intact. This means that some of Bina Maju Village that has issued certificates is still subject to the PIPPIB policy. This condition shows that the PIPPIB policy is very sectoral, without the participation of other sectors or collecting supporting data from other ministries and not conducting cross-checks in the field (communities) who already have land rights certificates. Although there are efforts by the Ministry of

Environment and Forestry to release PIPPIB from community land, its implementation is only carried out on communities who submit applications, even though the policy is not widely known by the community. Community members who do not submit an application for release will have their land remain within the PIPPIB area, which can lead to long-term consequences, including being denied access to capital from banks.

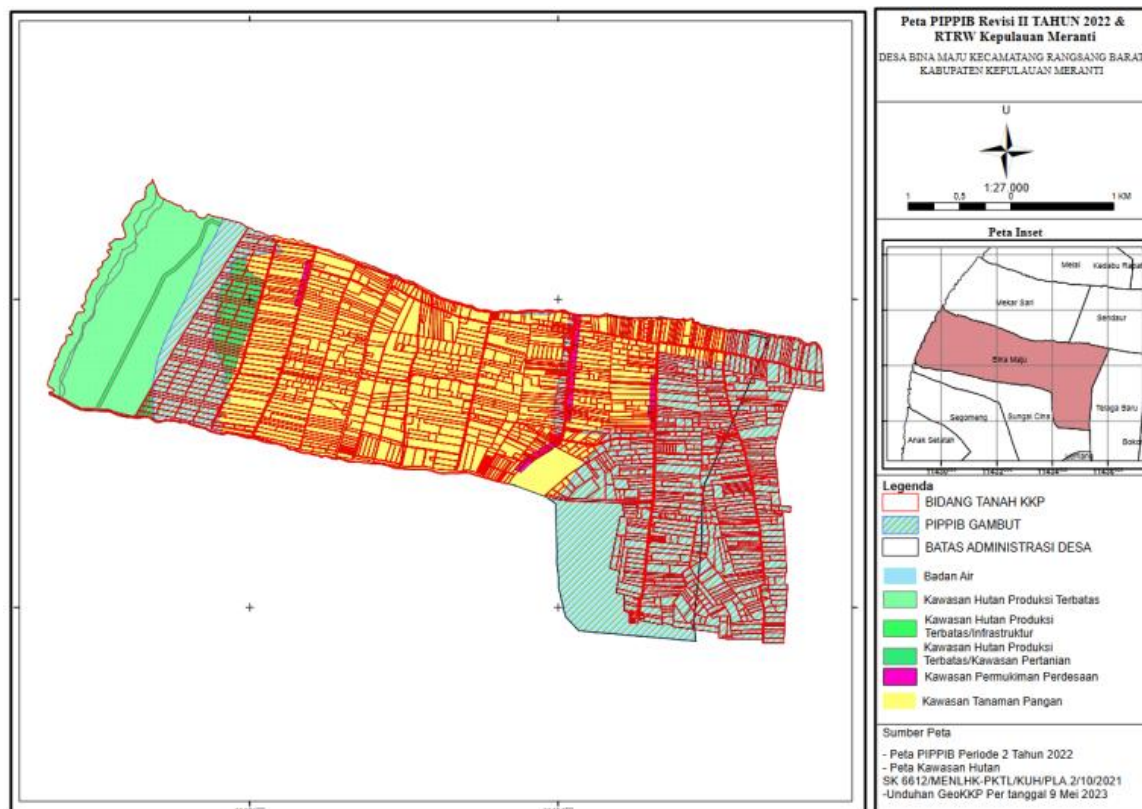


Figure 7. PIPPIB map and land areas in Bina Maju Village, Rangas Barat District.

Source: Researcher Processing 2023

2. Inconsistency of PIPPIB Policy to Land Policy

The PIPPIB policy has been around since 2010, namely in Presidential Instruction No. 11 of 2010, but the firmness and follow-up from other ministries were only seen in Presidential Instruction No. 5 of 2019. The reason is that with the presidential instruction, followed by the policy of the Ministry of Environment and Forestry by issuing a certificate of determination of the PIPPIB area, it caused polemics in the community. Uniquely, the policy was responded to by the Ministry of ATR/BPN by issuing a circular from the Secretary General of ATR/BPN, which ordered all regional offices and land offices in Indonesia to use PIPPIB as a guideline for implementing land services. Indirectly, the message from the circular is that there should be no land services in the PIPPIB area without exception. This decision is clearly not in accordance with what is being implemented massively in Indonesia, namely the PTSL programme. Prona/PTSL is a mandate from the UUPA, which is stated in Article 19 concerning land registration and is a requirement to provide legal guarantees and certainty for community land. At that time, President Jokowi actively monitored the acceleration of PTSL to ensure the complete registration and mapping of all land areas in Indonesia.

The Meranti Islands Regency's PIPPIB policy conflicted with Indonesia's accelerating land registration policy. The PIPPIB policy slowed down land registration in Meranti because almost all of its area was included in the PIPPIB area. Meanwhile, the PIPPIB itself could not issue certificates for land areas included in the PIPPIB area prior to its release. Many lands that had been controlled by the community for a long time were then designated as peat areas but, in actual physical conditions, had become residential areas for the community (Saputra, 2021).

Ironically, the acceleration of PTSL was carried out to improve the community's economy, especially for micro-enterprises, so that PTSL certificates could be used as collateral for community business capital. On several occasions, President Jokowi (2019-2024) delivered his speech about land certificates so that they could be used as access to business capital for the community because they had more value if collateralised with banks. In fact, this policy is one of the drivers of the acceleration of PTSL in various regions of Indonesia. However, in the Meranti Islands Regency, the same thing did not happen because of the PIPPIB policy that targeted more than 90% of the land controlled by the community. Even the PTSL certificates that had been issued from 2016 to 2019 were functionally constrained because they could not be used as access for additional community capital. Land certificates owned by the community seemed to have lost their function. Some in the Meranti Islands Regency wanted to cancel their PTSL certificates because they felt they couldn't access capital.

The PIPPIB policy was also not in line with the regional development plan because basically the Meranti Islands Regency already had Regional Regulation No. 8 of 2020 concerning the Meranti Islands Regency RTRW 2020-2040. The spatial plan is already a summary of the Meranti Islands Regency Government's development plan policies. This development was hampered because the RTRW was designated as a PIPPIB area that was not categorised in the RTRW. PIPPIB has taken almost all of the APL in Meranti, so the Meranti Islands Regency Government has difficulty carrying out development, especially regional development. Development obstacles also occur because the legalisation of government assets is hampered. Government assets that should be arranged as a reference for regional development are hampered because these assets are included in the PIPPIB area (Chandra et al., 2021).

3. Impact of PIPPIB Policy on Community Land

The author found that the impact of the PIPPIB policy was not only on uncertified land but also on certified land. In more detail, the author shows the consequences of the program's slowdown due to the PIPPIB policy.

a. Certified Land

Termination of Derivative Services

Derivatives are land services related to buying and selling, such as the transfer of sales and purchase rights, division, separation, and merger. The Meranti Islands Regency Land Office follows a guideline from the Secretary General of ATR/BPN that is based on a Presidential Instruction from 2019,

which means that people who want to change names for sale, purchase rights, or inheritance must first get approval for the PIPPIB area from the Ministry of Environment and Forestry. If we look at the Split, Separate, and Merge (PPG) applications of the Meranti Islands Regency Land Office, there was a significant decline in 2020.

Slowing Land Services

The Meranti Islands Regency Land Office requires applicants to first release the PIPPIB area for each derivative land service. To prove that the land has been released from the peat area, a letter from the Ministry of Environment and Forestry is required. This causes land services to be slow and seem to be going back and forth. This complexity is exacerbated by the lack of clarity regarding the time of the reply letter from the Ministry of Environment and Forestry, which causes the public to wait without being able to monitor the progress of the release application files.

b. Uncertified Land

First-Time Application

The increasing requirements and the complexity of the land service process have a direct impact on the decline in public applications for land services. Diagrams in Figures 8 and 9 show a decrease in first-time registrations from 2018 to 2022. PIPPIB also disrupts Prona/PTSL services. Based on data from the Land Office of the Meranti Islands Regency, it is very difficult to achieve the PTSL target in the Meranti Islands. The Land Title Certificate (SHAT) target is the most difficult to achieve due to the PIPPIB policy. Therefore, for the PTSL location in the Meranti Islands Regency, the land areas included in the PIPPIB are categorised as K.3.3, which only issues the Field Registration Number (NIB) product without a measurement letter and title number. Meanwhile, there has been a decrease in routine applications, as indicated by the daily income recapitulation from the Meranti Islands Regency Land Office. As for the type of application for granting ownership rights for individuals, in 2019, there were 115 applications, down in 2020 to 25 applications. The implementation of the PIPPIB policy in 2019 began in August, so applications received before that will continue.

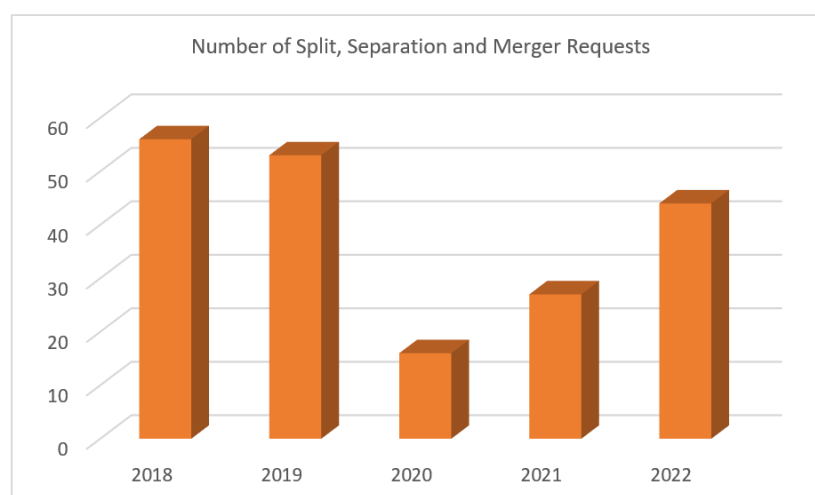


Figure 8. Diagram of PPG Applications at the Meranti Islands Regency Land Office
Source: Data Processed by Researchers in 2023.

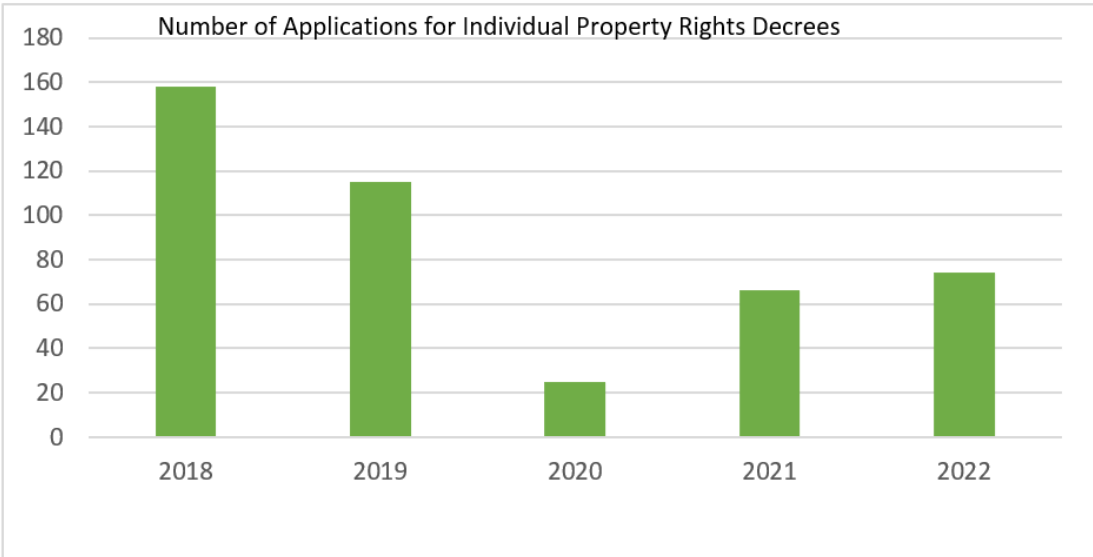


Figure 9. Diagram of the Number of Applications for Granting Individual Property Rights Decrees Annually at the Meranti Islands Regency Land Office
Source: Data Processed by Researchers in 2023.

Obstruction of Legalisation of Government Assets

Based on information from the Meranti Islands Regency Land Office conveyed through the Arrangement and Empowerment Section, the Meranti Islands Regency regional government office complex, including the Meranti Islands Regency Land Office, is a PIPPIB area. This situation raises clear questions. How can the PIPPIB area be determined when there is a discrepancy between the designated area and its actual conditions? Due to the prohibition on certifying land included in the PIPPIB, it has decreased related to applications for granting use rights for government agencies from 2019 to 2020 by 62.5%. Although over time the PIPPIB release mechanism has become more widely understood, the increase from 2021 to 2022 has still not reached the highest point as before the implementation of the PIPPIB policy.

Table 1. Table of Number of Applications for Granting Use Rights for Government Agencies 2018 to 2022

| Number of Applications | Year |
|------------------------|------|
| 27 | 2018 |
| 24 | 2019 |
| 9 | 2020 |
| 12 | 2021 |
| 21 | 2022 |

Source: Researcher Processing in 2023

c. Decrease in PNBP of the Land Office of the Meranti Islands Regency

The decline in Non-Tax State Revenue (PNBP) of the Land Office of the Meranti Islands Regency shows that the number of people who carry out land services is decreasing. The decline in PNBP can also illustrate the decline in the community's economy and the difficulties that the community has had after the PIPPIB policy to utilise their land. From the diagram of Figure 8-9 above, the application for

registration of individual Land Ownership Decrees and applications for division, separation, and merger clearly decreased in 2020. In 2019, precisely in August, it was the time when the PIPPIB policy rules were implemented; these changes caused a significant decrease in land service applications in 2020. The two diagrams above also show that since the PIPPIB rules were set in 2019 and the new regulations that followed, the two services—applications for individual Land Ownership Decrees and applications for division, separation, and merger—have not returned to the high levels they reached in 2018 and 2019. Meanwhile, if the author adds up all the services and also the PNPB, it is found that in 2018 the PNPB of the Meranti Islands Regency Land Office was IDR 493,930,303 with a total of 2,302 applications; in 2019 it was IDR 481,430,676 with a total of 2,395 applications; and in 2020 it dropped significantly by IDR 197,578,160 with 1,552 applications, or down 35.2% from 2019. Then in 2021 it was Rp. 250,590,986 with 1,841 applications, down 23.1% compared to 2019, and in 2022 it was Rp. 201,023,043 with 1,680 applications, down 29.8% compared to 2019. The diagram in Figure 10 below provides further details.

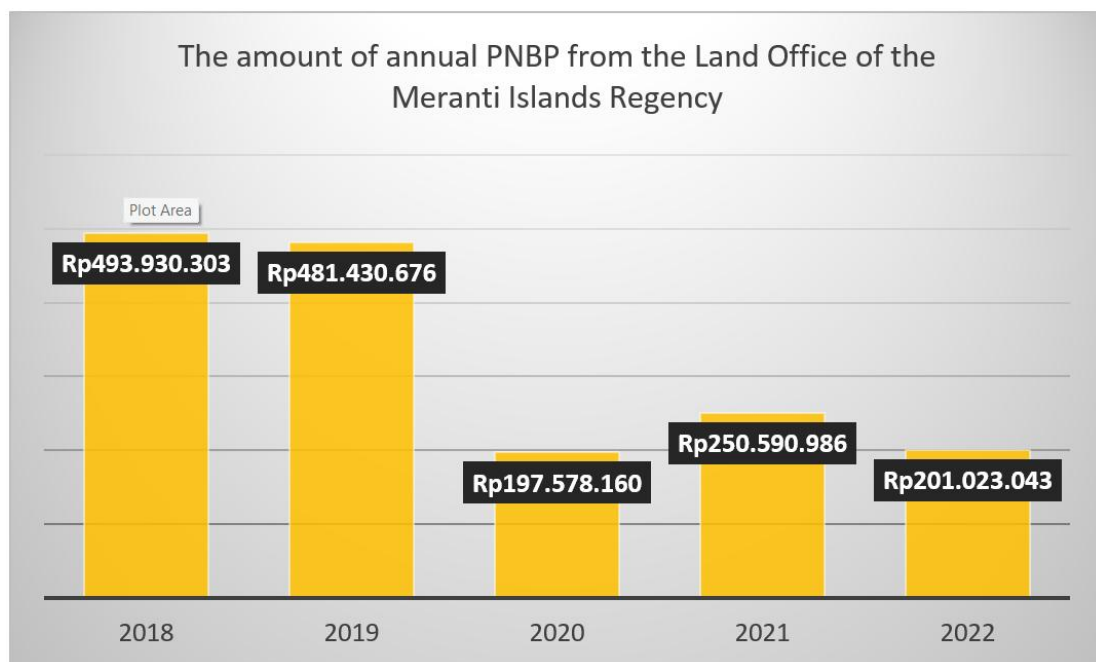


Figure 10. Daily Income Summary Diagram of the Meranti Islands Regency Land Office
Source: Researcher Processing 2023

4. Socio-Economic Impact of PIPPIB Policy

a. General Economic Impact

A resident of the Meranti Islands Regency, whom the author met, stated that many factors contribute to poverty in Meranti. Starting from the condition of the Meranti Islands, which has minimal transportation facilities, making the mobility of goods and services difficult and expensive, there are also not many other potentials that can be developed in the Meranti Islands Regency. If other areas in Riau Province can use their land for oil palm plantations, this is not the case with the Meranti Islands, which require more costs for the mobility of oil palm harvests. Therefore, the Meranti Islands Regency

does not value oil palm plantations as a commodity. The potential that can be developed is sago farming, as many as 20% of Meranti people earn their main income from utilising sago plants.

The government administration, defence, and mandatory social security sectors experienced an extreme decline in 2020 after the PIPPIB was established plus the COVID-19 outbreak, namely from 1.34% to -2.4%. Another sector affected by the PIPPIB policy is the real estate sector, because its main driver is buying, selling, and providing housing. The PIPPIB policy restricts the rate of movement in the real estate sector. When its development peaked in 2019 with a rate of 4.39%, it then dropped drastically in 2020 to 1.86%.

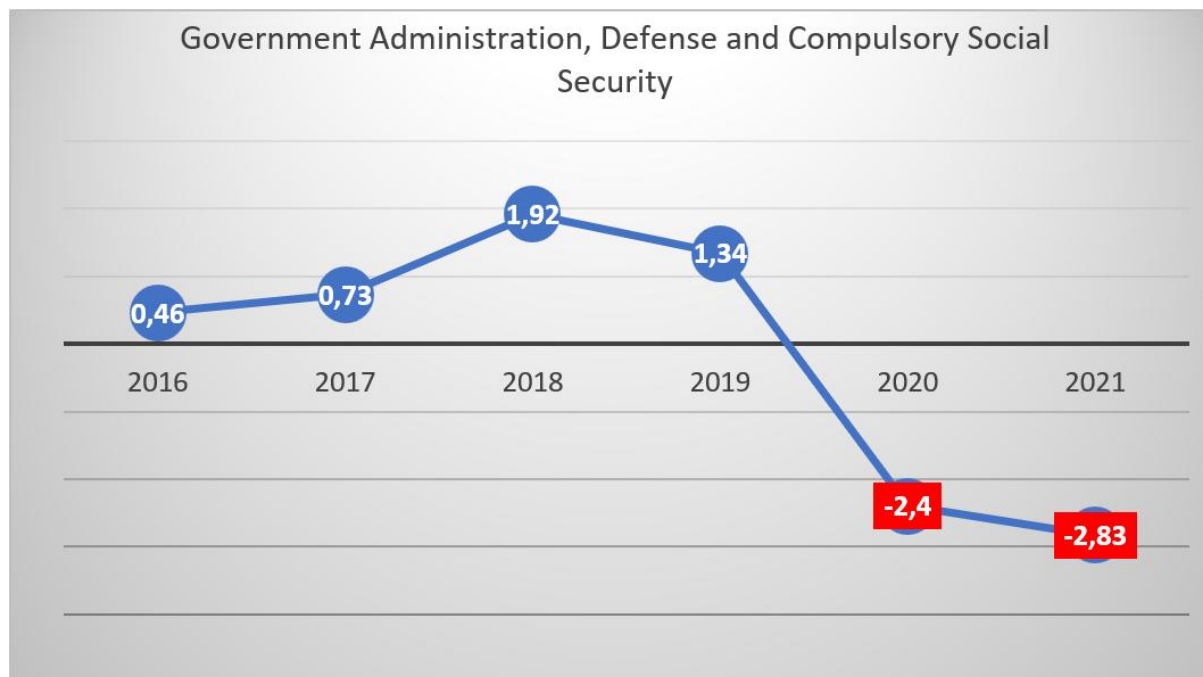


Figure 11. Diagram of the GRDP Rate Against Constant Prices 2010 Government Administration, Defence, and Mandatory Social Security Sectors in the Meranti Islands
Source: BPS Data 2023

b. Disruption of Community Capital Access

The PIPPIB policy states that community-owned certificates cannot be used to access banks until they are released from the PIPPIB area. The government, which should guarantee the prosperity of its people, actually makes it difficult for the community. For the community, an important function of a land certificate is as an asset. Although banks are still willing to provide loans on uncertified land, the loan amounts are not as large as they would be if mortgage rights were used. Evidence that PIPPIB has a real impact on people's access to capital is seen in the decline in applicants who registered for Mortgage Rights at the Meranti Islands Regency Land Office. The number of applications dropped from 416 in 2019 to a mere 243 in 2020. This decline in applications shows the obstacles that arise due to the PIPPIB policy. Additionally, the Meranti Islands community typically uses their land certificates as educational resources for their children to help them access quality education outside of Meranti. However, with the existence of PIPPIB, the ease of land certificates has made access to this capital increasingly complicated and worsened the conditions of the Meranti Islands Regency community.

Table 2. Mortgage Rights Applications at the Meranti Islands Regency Land Office

| Number of Applications | Year |
|------------------------|------|
| 365 | 2018 |
| 416 | 2019 |
| 243 | 2020 |
| 177 | 2021 |
| 190 | 2022 |

Source: Researcher Processing in 2023

a. Increasing Number of Unemployed

The author found a common stigma in the Meranti Islands: "If you want to live decently, you have to leave Meranti." Many young men and women from Meranti work as labourers in Malaysia, and most of them are illegal workers who work in the plantation sector. This is because the only access to work instantly is to go to Malaysia, not to other areas of Riau. Illegal immigrants who leave for Malaysia are often caught at the border because they use tourist passports but work there. Workers from Meranti in Malaysia who use tourist passports by getting around the rules and systems in Malaysia will work in Malaysia for approximately 25 days, then return home to Meranti and then re-enter the following month. This strategy is called open and close: one month in Malaysia as an illegal worker, then one month in Indonesia, and some even less than one month later re-enter Malaysia.

Table 3 shows the percentage of employed and unemployed individuals

| Year | Percentage (%) | |
|------|----------------|------------|
| | Employed | Unemployed |
| 2019 | 93,81 | 6,19 |
| 2020 | 92,06 | 7,94 |
| 2022 | 94,50 | 5,50 |
| 2023 | 94,83 | 5,17 |

Source: BPS Meranti Islands Regency in Figures, 2024

5. Government Efforts in Resolving Post-PIPPIB Problems

In 2020, the Meranti Islands Regency Land Office, which was led by Budi Satria at that time, explained that his office provided a solution in the form of an innovation in the PIPPIB release cycle. This was conveyed by seeing the opportunity in point 12 of the PIPPIB Decree: that individual communities can submit clarifications to PIPPIB by completing several documents, although there are no technical instructions from the Ministry of ATR/BPN specifically handling the release of PIPPIB. The Meranti Islands Regency Land Office conducted an analysis of land use maps for PIPPIB clarification, which will be used as a consideration document for the Ministry of Environment and Forestry to release community land from PIPPIB. This service has been integrated with the KKP service at a rate of IDR 75,000 with the requirement of identity and proof of land ownership certificate under 2011.

The Regional Government of Meranti Islands Regency once held a joint consultation meeting in 2021 by inviting the Deputy Minister of ATR/BPN, attended by the Governor of Riau Province, DPD RI, Chairperson of the Geospatial Information Agency, Head of the Riau ATR/BPN Regional Office, Head of the Forestry Service, and Head of BPKH Region XIX, Pekanbaru, Riau. The meeting attempted to find a solution related to the APL, which was designated as a PIPPIB area in Meranti. The Regent of Meranti Islands at that time said that the PIPPIB policy was carried out without taking into account the actual conditions in the field. Through the regent, the Meranti community hopes that the central government can conduct a comprehensive review of community lands designated as PIPPIB. During the meeting, the Regent of Meranti also proposed releasing community land from PIPPIB, which was submitted directly to the Deputy Minister of ATR/BPN, Surya Tjandra. The proposal is also accompanied by a technical study and participatory mapping, which shows that the peatlands in question can be managed wisely without threatening environmental sustainability. However, in fact, until 2025, the PIPPIB policy is still in effect, and not much has changed in the Meranti Islands Regency.

The current Regent, Asmar, said that the issuance of Presidential Instruction No. 5 of 2019, which regulates the moratorium on land rights in peatlands, has resulted in a narrowing of land that can be used by local governments for development. So far, peatlands owned by the community cannot be certified and used as collateral for bank loans, so entrepreneurs and the community cannot get business capital loans. Officially, Asmar proposed the release of community land from PIPPIB of around 80,509.22 to become APL. In addition, it was also proposed to release 1,612.34 hectares of forest area for various development needs, such as settlements, ports, industrial centres, drinking water supply systems (SPAM), final processing sites (TPA), road networks, and government facilities (Meranti, 2025; Advertorial, 2025).

D. Conclusion

The PIPPIB policy, according to Presidential Instruction No. 5 of 2019, has been implemented in the Meranti Islands Regency with the aim of maintaining peat and forest ecosystems. The indicative PIPPIB is too overpowered to stop new permits, even community rights issued after 2011. The issuance of PIPPIB was not coordinated with other sectors, resulting in a misalignment between the RTRW and PIPPIB. APL, which should be utilised by the community, and permits can be issued because of the PIPPIB. Only 5.03% of the area of the Meranti Islands is truly free of PIPPIB and is included in the APL.

PIPPIB has an impact on community land that has been certified so that derivative services cannot be implemented. As a result of this policy, there has been a decrease in applications in sectors that require land certificates. In the real estate or property sector, with the existence of PIPPIB, the process of transferring rights becomes more complicated. In addition, PIPPIB cannot register its impact on community land that has not been certified. The process of releasing PIPPIB is not easy, and there is no certainty and clarity of time. The release of PIPPIB can only be done by the community individually because there is no scheme provided by the government to carry it out systematically. From the side of the local government and the community, various efforts have been made, including submitting a

request for land release from PIPPIB, but so far they have not been successful. The Ministry of Environment and Forestry maintains a firm stance that does not take into account the community's conditions or the impact on the economic development of the Meranti Islands Regency.

The socio-economic impacts caused by PIPPIB can be felt directly by the community; at the same time, after the issuance of PIPPIB, there was a Covid-19 outbreak, thus worsening the community's economy. The PIPPIB policy is present to further torture the Meranti community, which has been one of the poorest districts in Riau. The difficulty of developing regional potential has also resulted in an increase in unemployment. This situation has caused many Meranti Islands people to work illegally in Malaysia because Meranti's economic conditions continue to slow down. In the end, the PIPPIB policy that does not care about the conditions of the Meranti community has become a non-strategic policy strategy.

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