ABSTRACT

The central issue of this research is the regulation of granting rights over land for investment by the state as a holder of controlling power of the land.

Based on the central issue, this research utilizes both statute and historical approaches. Statute approach is taken at the beginning of this research for analyzing laws and regulations concerning the state’s authority of granting rights over land. From the research on laws and regulations, it is found that there is no conformity in regulating both vertically and horizontally the rights over land for investment. Consequently, there is no legal certainty for investors to invest their capital in Indonesia.

Historical approach is carried out observe the background of the enactment of Agrarian Law and other laws and regulations concerning land and those of investment. From this approach, it can be concluded that the political situation when the preparation of Agrarian Law bill was made did not fit that of Indonesia today. Currently, Indonesia has ratified Marrakesh Agreement. As a result, laws and regulations over land should be revised to comply with the Marrakesh Agreement.

Key words:
- rights over land
- investment
- state’s authority
- Marrakesh Agreement