

Protecting the Right to Village Existence in Indonesia's National Strategic Projects: Normative Gaps in Village Dissolution, Land Acquisition, and Administrative Safeguards

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ABSTRACT

This article examines the legal implications of village dissolution arising from Indonesia's National Strategic Projects (Proyek Strategis Nasional, PSN) and assesses whether existing legal instruments adequately protect the right to village existence. The analysis is motivated by the tension between accelerated infrastructure development and constitutional commitments to village autonomy, legal certainty, public participation, and protection of collective community rights. Using normative legal research, the article applies statutory, conceptual, historical, and case-based approaches to the Village Law, the Government Administration Law, the Land Acquisition Law, Government Regulation No. 42 of 2021, Presidential Regulation No. 109 of 2020, and Minister of Home Affairs Regulation No. 1 of 2017. The article argues that PSN regulations facilitate project acceleration, land acquisition, and spatial reclassification, but do not create a clear, rights-sensitive mechanism for altering or extinguishing village legal status. This produces a normative gap: land may be acquired for public interest projects while the subsequent status of village territory, assets, governance participation, customary identity, and collective administrative rights remains legally underprotected. The article further shows that merger, subdivision, and dissolution procedures can be used administratively to neutralize village resistance, especially where customary communities lack formal recognition. It concludes that village dissolution caused by PSN should not be treated as a mere bureaucratic consequence of land acquisition, but as a constitutional event affecting legal identity, social memory, and local self-government. The article recommends mandatory village deliberation, meaningful public consultation, free, prior, and informed consent for customary communities, independent legality review, and explicit statutory safeguards for village existence in the PSN regime.

Keywords: village existence rights; administrative legality; land acquisition; National Strategic Projects; legal pluralism; free, prior, and informed consent

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INTRODUCTION

Infrastructure development has occupied a central position in Indonesia's national development agenda. During the administration of President Joko Widodo, infrastructure was framed not only as a technical solution for transportation, energy, telecommunications, and water provision, but also as a strategic instrument for economic growth, territorial integration, and national competitiveness. This policy direction was institutionalized through National Strategic Projects (Proyek Strategis Nasional, PSN), a category of projects and programs receiving accelerated licensing, facilitation, financing, procurement, and administrative support. The acceleration logic is visible in Presidential

Regulation No. 3 of 2016 and its later amendments, including Presidential Regulation No. 109 of 2020, as well as Government Regulation No. 42 of 2021 concerning the Facilitation of National Strategic Projects (Government of Indonesia, 2020, 2021).

The developmental rationale of PSN is not in itself legally problematic. Infrastructure may advance the public interest when it improves mobility, energy security, public services, and regional connectivity. However, the legal problem arises when acceleration is translated into exceptional administrative procedures that compress participation, weaken local consultation, or allow spatial reclassification without adequate safeguards for communities whose territorial, cultural, and governmental identity is embedded in the affected area. In rural Indonesia, this problem is particularly significant because the village is not merely an administrative unit. The 2014 Village Law recognizes villages as legal community units possessing rights of origin, local-scale authority, self-government, assets, and community deliberation mechanisms (Government of Indonesia, 2014a; Antlöv et al., 2016).

The dissolution of a village because of PSN therefore raises questions that are deeper than the ordinary law of land acquisition. Land acquisition law principally regulates the taking of land for public-interest development and the payment of compensation. It does not comprehensively regulate what happens to the legal identity of a village after most or all of its territory has been acquired, inundated, converted into infrastructure land, or merged into another administrative unit. Consequently, affected residents may receive compensation yet lose their village status, governance forum, communal assets, cultural landscape, ancestral attachment, and administrative participation without a legal procedure specifically designed to protect those interests (Cernea, 1997; Aji & Khudi, 2021).

The normative difficulty is sharpened by the hierarchy of laws. A presidential regulation or government regulation designed to accelerate PSN cannot independently create a legal basis for village dissolution if the Village Law provides a specific and limitative mechanism. The principle of legality in administrative law requires every governmental action to rest upon a clear, hierarchical, and competence-conferring norm. If a regional government dissolves or merges a village primarily because PSN land acquisition has eliminated its territory, the legal question is whether the action derives from the Village Law's safeguards or merely follows the practical effects of PSN implementation. The latter situation risks *ultra vires* action, maladministration, and legal uncertainty (Craig, 2016; Tamanaha, 2004).

Cases such as the Jatigede Dam in West Java and the Bener Dam area in Central Java illustrate the social and juridical complexity of development-induced territorial transformation. In the Jatigede case, the disappearance of multiple villages and relocation of residents did not merely involve monetary compensation; it also involved the loss of agricultural land, ancestral ties, and social identity. In the Bener Dam project, communities reported material and non-material harms related to mining access roads, irrigation disruption, and damage to houses. These examples are not treated in this article as empirical field findings, but as case illustrations demonstrating why village dissolution cannot be reduced to administrative tidiness after infrastructure development.

Existing scholarship on PSN and land acquisition in Indonesia has largely focused on compensation, displacement, social conflict, human rights, land certification, and the balance between investment and justice (Aji & Khudi, 2021; Pattrra et al., 2025). Scholarship on the Village Law has examined decentralization, village funds, village governance, and local autonomy (Antlöv et al., 2016; Eko, 2014). This article contributes to that literature by formulating the right to village existence as a distinct legal object. The right to village existence refers to the continuity of a village as a public legal community, including its territory, governance institutions, local authority, assets, social identity, and collective participation rights. This conceptualization enables a more precise assessment of the normative gap between the PSN acceleration regime and the Village Law regime.

This article addresses three research questions. First, how do existing Indonesian legal instruments regulate village dissolution in the context of PSN implementation? Second, what normative gaps emerge between PSN acceleration, land acquisition, spatial planning, and the protection of village existence rights? Third, what legal reforms are required to ensure that national development objectives remain consistent with constitutional principles, administrative legality, public participation, and human rights protection?

Conceptual and Normative Framework

1. Village as a Constitutional Legal Community

The Village Law constructs the village as a legal community unit that has territorial boundaries, authority to regulate and administer governmental affairs, community interests based on local initiatives, rights of origin, and traditional rights recognized in the constitutional system of the Republic of Indonesia. This statutory construction is consistent with Article 18B(2) of the 1945 Constitution, which recognizes customary law communities and their traditional rights insofar as they remain alive and conform to societal development and the principles of the unitary state (Government of Indonesia, 1945, 2014a).

The legal meaning of village autonomy is therefore not identical to regional autonomy. Village autonomy is grounded in rights of origin, local authority, and community deliberation. It is not merely delegated administrative competence. Scholars of Indonesian village governance emphasize that Law No. 6 of 2014 represented a departure from earlier administrative models by repositioning villages as legal communities with enhanced authority, funds, and governance arrangements (Antlöv et al., 2016; Eko, 2014). Dissolution of a village consequently affects a public legal subject and not only a governmental office or service-delivery unit.

From this perspective, the right to village existence should be understood as a composite right. It includes the right of the village community to maintain recognized territorial identity, participate in village governance, protect village assets, preserve social and cultural continuity, and access public services through an institutional form that reflects local history. This composite nature explains why monetary compensation cannot exhaust legal protection when PSN implementation results in the disappearance of village territory. Compensation may address certain proprietary losses, but it does not automatically restore local self-government, collective identity, or social memory.

2. PSN Acceleration and the Logic of Exceptional Development

The PSN framework is designed to remove bottlenecks in the planning, financing, licensing, land acquisition, procurement, construction, and operation of strategic projects. Government Regulation No. 42 of 2021 strengthens facilitation and coordination mechanisms for PSN, while Presidential Regulation No. 109 of 2020 confirms the special position of such projects within national development planning (Government of Indonesia, 2020, 2021). The regulatory architecture therefore gives PSN a *lex specialis* character in the practical governance of infrastructure development.

The difficulty is that special facilitation may become an exceptional legality that subordinates ordinary safeguards. In administrative law, efficiency is not an independent source of authority. Accelerated procedures must remain bounded by legality, due process, proportionality, transparency, and accountability. When acceleration bypasses meaningful consultation with village governments or residents, it can produce a conflict between national development imperatives and the local constitutional status of villages (Craig, 2016; Hadjon, 1987; Ridwan, 2018).

This article does not argue that PSN is unconstitutional *per se*. Rather, it argues that the PSN regime becomes constitutionally vulnerable when its implementation causes village dissolution or *de facto* territorial extinction without a specific rights-sensitive mechanism. A project may be nationally strategic, but strategic status cannot eliminate statutory safeguards protecting villages as legal communities.

3. Land Acquisition, Displacement, and Collective Rights

Law No. 2 of 2012 provides the primary framework for land acquisition for development in the public interest. The law recognizes planning, preparation, implementation, and delivery stages, and it places compensation at the center of the remedial framework (Government of Indonesia, 2012). In practice, however, large-scale development may generate multidimensional losses not captured by compensation alone. Development-induced displacement literature identifies risks of landlessness, joblessness, homelessness, marginalization, food insecurity, loss of access to common property resources, and community disarticulation (Cernea, 1997; Vanclay, 2017).

These risks are directly relevant to villages affected by PSN. The loss of village territory may simultaneously produce loss of livelihood, loss of administrative belonging, loss of collective decision-making forums, and loss of locally embedded cultural landscapes. Indonesian studies on PSN and land acquisition show that displacement is not merely physical relocation; it can generate new poverty, social deprivation, and contested justice in compensation processes (Aji & Khudi, 2021; Pattra et al., 2025).

International standards such as the FAO Voluntary Guidelines on the Responsible Governance of Tenure and IFC Performance Standard 5 stress the importance of tenure recognition, consultation, livelihood restoration, and safeguards for physically or economically displaced communities (FAO, 2012; IFC, 2012). Although these instruments are not direct substitutes for Indonesian statutory law, they provide persuasive standards for interpreting domestic obligations concerning proportionality, participation, and protection of vulnerable communities.

4. Customary Communities and Free, Prior, and Informed Consent

The vulnerability of customary villages and customary law communities deserves special attention. Article 18B(2) of the 1945 Constitution and Chapter XIII of the Village Law recognize customary villages, but formal recognition has often been slow, uneven, and administratively burdensome. Bedner and Arizona (2019) show that the promise of adat protection in Indonesian land law remains institutionally fragile, especially when customary claims encounter state development priorities and formal land administration systems.

The principle of free, prior, and informed consent (FPIC) is relevant where PSN affects customary territories, communal land, or traditional livelihoods. FPIC appears in international Indigenous rights instruments, especially the United Nations Declaration on the Rights of Indigenous Peoples, and has increasingly informed Indonesian legal scholarship on community consent and customary land protection (Kusniati, 2024; United Nations General Assembly, 2007). In the context of PSN, FPIC should not be understood as a procedural obstacle to development, but as a legal safeguard ensuring that development decisions affecting communities are made through transparent information, absence of coercion, adequate time, and genuine community deliberation.

METHOD

This article uses normative legal research. The object of analysis is not statistical behavior but the coherence, hierarchy, content, and normative implications of legal rules governing village dissolution and PSN implementation. Normative legal research is appropriate because the central issue concerns whether existing legal instruments provide a sufficient legal basis and adequate safeguards for altering or extinguishing village status.

The study applies four approaches. The statutory approach examines the 1945 Constitution, Law No. 6 of 2014 on Villages as amended, Law No. 30 of 2014 on Government Administration, Law No. 2 of 2012 on Land Acquisition for Development in the Public Interest, Government Regulation No. 42 of 2021 on the Facilitation of National Strategic Projects, Presidential Regulation No. 109 of 2020, and Minister of Home Affairs Regulation No. 1 of 2017 on Village Structuring. The conceptual approach examines legality, legal certainty, proportionality, public participation, village autonomy, collective rights, and FPIC. The historical approach traces the position of villages as legal communities and the shift from ordinary land acquisition to accelerated PSN governance. The case-based approach uses Jatigede and Bener as illustrative cases to clarify the legal consequences of village territorial transformation.

The legal materials consist of primary legal materials, including statutes and regulations; secondary legal materials, including books, peer-reviewed journal articles, and policy studies; and supporting materials, including credible public reports and news references used only to illustrate social consequences. The analysis is conducted through legal interpretation, systematization of norms, hierarchy analysis, and evaluation of normative gaps. The article does not claim to provide empirical measurement of all PSN impacts; its contribution lies in reconstructing the legal architecture and identifying the safeguards required to protect village existence.

RESULT AND DISCUSSION

1. PSN Facilitation Without a Village-Existence Safeguard

Government Regulation No. 42 of 2021 expands central-government facilitation for PSN across planning, preparation, transaction, construction, and operation stages. Article 4 authorizes ministries and heads of institutions to facilitate PSN implementation. Although this regulatory design may improve coordination and reduce project delays, it does not establish a specific mechanism requiring substantive coordination with village governments whose territories may be affected. The absence of a village-specific safeguard structurally weakens the position of villages in the early stage of project designation.

This gap is significant because the earliest stage of PSN designation often determines the later legal options available to communities. Once an area is designated as a strategic project location, subsequent decisions concerning land acquisition, spatial adjustment, licensing, and relocation tend to follow a path-dependent administrative sequence. If village participation is not legally guaranteed at the designation stage, the village enters later procedures as an object of implementation rather than as a subject of territorial governance. This is inconsistent with the Village Law's recognition of village deliberation and local authority.

2. Legal Hierarchy and the Basis for Village Dissolution

The Village Law provides the principal legal basis for village formation, merger, subdivision, status change, and dissolution. Article 9 permits village dissolution only on limited grounds, including natural disaster and/or the interest of a strategic national program. Article 14 requires dissolution to be stipulated by a regency/city regional regulation, while Article 15 requires the governor to evaluate the draft regional regulation based on urgency, national interest, regional interest, village-community interest, and statutory requirements (Government of Indonesia, 2014a).

These provisions establish a layered safeguard. Village dissolution is not supposed to occur through an informal consequence of land acquisition or unilateral regional administrative action. It must pass through a formal regional regulation, evaluation by the governor, and consideration of village-community interests. The legal problem emerges when PSN implementation eliminates village territory *de facto* and regional governments subsequently dissolve or merge the village as an administrative adjustment. In such circumstances, the practical force of PSN may overshadow the formal safeguards of the Village Law.

A regulation on PSN acceleration cannot displace statutory requirements for village dissolution unless the statute itself clearly authorizes such displacement. The principle of *lex specialis* does not allow a lower-ranking regulation to override a higher-ranking law. Where the Village Law provides a specific mechanism, presidential or government regulations concerning PSN should be interpreted harmoniously with it, not as a shortcut around it. Dissolution based solely on PSN implementation without compliance with Village Law procedures risks violating legality, hierarchy, and legal certainty.

3. Land Acquisition Law Does Not Resolve Village Administrative Status

Law No. 2 of 2012 addresses the acquisition of land for public-interest development and provides compensation mechanisms for entitled parties. It is therefore an essential

instrument for infrastructure development. However, it is not designed to regulate the continuation or dissolution of village status after acquisition has transformed the village's territorial base. This produces a mismatch between the land-acquisition regime and the village-governance regime.

The mismatch creates a legal vacuum. Residents may be compensated for land, buildings, plants, or other compensable objects, yet the legal status of the village, village assets, local governance rights, public-service arrangements, social identity, and communal memory may remain unresolved. In development-induced displacement theory, compensation alone is insufficient when development causes community disarticulation and loss of common-property resources (Cernea, 1997). In Indonesian village law, the equivalent risk is the disarticulation of the village as a legal and social community.

This gap also affects residents without formal land certificates. Land acquisition procedures tend to privilege documented rights, while customary, communal, or socially recognized land relations may be under-documented. Where PSN affects village communal assets, customary land, agricultural irrigation systems, forests, or riverbank buffer zones, the compensation-centered framework may fail to capture the full range of collective losses (Bedner & Arizona, 2019; Sumardjono, 2008).

4. Spatial Planning Override and the Risk of Territorial Erasure

A critical dimension of Government Regulation No. 42 of 2021 concerns the relationship between PSN and spatial planning. Provisions allowing PSN implementation to proceed through facilitation and adjustment of spatial plans may enable strategic-project designation to override or accelerate revision of existing regional spatial plans. This is problematic where village territories include productive agricultural land, village forests, settlements, water sources, or customary areas that have been socially recognized but insufficiently protected in formal spatial documents.

Spatial planning is not merely a technical mapping exercise. It determines the legal possibility of maintaining livelihoods, protecting ecological buffers, and preserving village territory. If PSN designation effectively reclassifies village land without participatory revision of regional spatial plans, village communities may lose territorial control before they have had a meaningful opportunity to contest the legal basis, environmental consequences, or proportionality of the project. Such an outcome undermines both village autonomy and the principle of community participation in administrative decision-making.

5. Merger and Subdivision as Administrative Instruments

Articles 8 and 10 of the Village Law regulate village subdivision and merger. These mechanisms appear neutral: subdivision may improve public services by creating new villages, while merger may enhance administrative effectiveness where villages agree to combine. Yet in the PSN context, both mechanisms can become instruments for altering village territory in ways that weaken community protection.

Merger may be used to absorb an affected village into a neighboring village after most of its territory has been acquired. This can effectively eliminate the legal identity of the affected village without openly framing the action as dissolution. Conversely, subdivision may fragment a historically unified community into smaller administrative units, weakening collective resistance and reducing the political visibility of opposition. Such

use of administrative restructuring is especially concerning when deliberation is formally conducted but substantively shaped by unequal power, limited information, or pressure from project timelines.

For this reason, village merger or subdivision in PSN areas should be subject to heightened scrutiny. Administrative efficiency should not be accepted as a sufficient justification where restructuring affects the continuity of legal identity, communal assets, ancestral land, and village participation rights. A rights-based approach requires proof that the affected village community has received complete information, adequate deliberation time, independent legal assistance, and genuine opportunity to reject or modify the proposed restructuring.

6. Customary Villages and the Recognition Vacuum

Article 116(2) of the Village Law obliges regional governments to inventory, verify, and validate customary villages during the transitional period. The normative purpose is to ensure that customary communities can receive formal recognition and protection under the Village Law. In practice, however, recognition of customary villages has progressed unevenly. Communities whose social identity, territory, and legal order are customary may remain without formal status when PSN enters their territory.

This recognition vacuum is legally dangerous. Without formal recognition, customary communities may be treated as ordinary land users rather than holders of communal or traditional rights. They may be unable to invoke special protections applicable to customary villages, including the right to maintain customary governance and territorial designations. The state's failure to complete recognition processes can therefore magnify the vulnerability of customary communities to displacement under the PSN regime.

From a constitutional perspective, delayed recognition should not be used against the community. Article 18B(2) and Article 28I(3) of the 1945 Constitution recognize traditional communities and cultural identities. If administrative recognition lags behind constitutional recognition, state institutions should apply precautionary safeguards. This means that when a PSN affects a territory claimed and used by a customary community, the government should suspend irreversible actions until participatory mapping, rights verification, and FPIC-based consultation have been completed.

7. Regents/Mayors, Delegated Authority, and the Risk of Conflict of Interest

The authority of regents and mayors in village structuring derives from the Village Law and the Regional Government Law. They function as regional heads responsible for village guidance and supervision, while also operating within a national development framework that may pressure them to facilitate PSN implementation. This layered authority creates an inherent risk of conflict of interest: a regent or mayor may be expected to protect village communities while simultaneously being incentivized to accelerate investment, infrastructure, and project completion.

Under the Government Administration Law, every government decision and action must comply with the general principles of good governance, including legal certainty, public interest, impartiality, accuracy, non-abuse of authority, openness, proportionality, professionalism, and accountability (Government of Indonesia, 2014b). These principles must be applied substantively, not only procedurally. A village dissolution decision may appear formally valid because meetings, documents, and regional regulations exist, yet

still violate proportionality and participation if community consent was engineered, information was incomplete, or alternatives were not seriously considered.

The administrative decision to dissolve, merge, or alter village status should therefore be reviewable not only by checking whether documents exist, but also by assessing whether the decision-maker acted within authority, considered relevant rights, avoided conflict of interest, and balanced development objectives against the village community's constitutional position. This is essential to prevent procedural legality from becoming a cover for substantive injustice.

8. Minister of Home Affairs Regulation No. 1 of 2017 and Procedural Uniformity

Minister of Home Affairs Regulation No. 1 of 2017 operationalizes village structuring through procedures for formation, dissolution, merger, status change, and boundary determination. Its stated objectives include improving governance effectiveness, public services, welfare, governance quality, and village competitiveness. These objectives are legitimate, but they are dominated by administrative-efficiency logic. The regulation gives relatively less explicit attention to protection of social identity, community rights, and village existence as constitutional values.

Articles 13 to 19 regulate village dissolution and merger procedures, including documentary requirements and bureaucratic workflow. Article 14 requires a village deliberation decision attended by at least two-thirds of village government officials, the Village Consultative Body, and community figures. This quorum requirement is important, but it leaves ambiguity. The term community figures is not operationally defined, which allows selective inclusion of supportive actors while excluding dissenting residents, women, farmers, customary leaders, or vulnerable groups. Moreover, attendance does not automatically equal informed consent.

The most serious weakness is procedural uniformity. The regulation applies essentially the same dissolution procedure to villages that voluntarily restructure for internal reasons and villages threatened by external pressure from PSN. These situations are not comparable. A village that autonomously seeks merger for improved services differs from a village facing dissolution because its territory has been designated for a dam, road, airport, mining access, or energy project. The latter situation requires special safeguards, including independent facilitation, legal assistance, social-impact assessment, participatory asset inventory, and review of less harmful alternatives.

9. Case Illustrations: Jatigede and Bener Dam

The Jatigede Dam illustrates how infrastructure development can affect the continuity of village identity. The inundation and relocation process involved the disappearance of multiple villages and the relocation of a large number of residents. The legal issue is not limited to compensation. The affected communities also experienced loss of agricultural land, social networks, ancestral attachment, and territorial memory. From the perspective of village existence rights, the critical question is whether the law recognized the loss of the village as a collective legal and cultural entity, or treated the event merely as a land-acquisition and relocation matter.

The Bener Dam area illustrates another dimension: PSN-related supporting activities such as quarrying and access-road construction may affect villages even where the main infrastructure is not located in the settlement center. Reports of irrigation obstruction,

cracked houses, and material and non-material losses show how the surrounding village economy and social life may be disrupted by auxiliary project components. This demonstrates that legal safeguards should apply not only to the project footprint but also to supporting infrastructure and associated facilities that transform village territory.

These cases reinforce the article's central claim. Village dissolution or de facto territorial extinction is not simply a secondary administrative consequence of development. It is a legal event that affects constitutional recognition, local self-government, collective memory, and public participation. Legal reform should therefore address the village as a rights-bearing community, not merely as a map unit to be adjusted after land acquisition.

10. Toward a Rights-Based PSN Governance Model

A rights-based PSN governance model should begin from harmonization between the PSN regime and the Village Law. The designation of a PSN should trigger an early screening mechanism identifying whether the project may affect village territorial integrity, village assets, customary land, communal resources, or the administrative continuity of a village. If the answer is affirmative, the project should be subject to heightened procedural safeguards before location determination and land acquisition proceed.

Second, village deliberation must be meaningful. Meaningful deliberation requires accessible information, adequate time, neutral facilitation, representation of vulnerable groups, disclosure of alternatives, and protection from intimidation. Formal attendance lists are insufficient. The deliberation record should show the substance of objections, alternatives considered, mitigation plans, asset inventory, and the community's position regarding dissolution, merger, relocation, or territorial adjustment.

Third, customary communities require an FPIC-based mechanism. Where customary territory is implicated, the state should conduct participatory mapping and rights verification before issuing irreversible project decisions. Consent must be free from coercion, obtained before project approval, based on complete information, and expressed through the community's own decision-making institutions. This approach is consistent with international standards and with Indonesia's constitutional recognition of customary communities.

Fourth, dissolution decisions should be subject to independent legality review. Review should examine whether the decision complies with the Village Law, the Government Administration Law, the Land Acquisition Law, spatial planning rules, environmental obligations, and human rights principles. The review should also assess proportionality: whether less harmful alternatives existed and whether the public interest pursued by PSN justifies the degree of interference with village existence.

Fifth, the law should explicitly recognize post-acquisition village protection. Where land acquisition makes continuation of a village difficult, the law should regulate the management of village assets, transfer or preservation of administrative identity, restoration of public services, cultural heritage documentation, livelihood rehabilitation, compensation for communal losses, and representation of displaced residents in subsequent governance arrangements. Without these rules, legal protection remains fragmented and reactive.

Table 1. Normative gaps and reform directions in PSN-related village dissolution

Legal regime	Protective function	Normative gap	Reform direction
Village Law	Recognizes villages, rights of origin, local authority, and procedures for dissolution, merger, and subdivision.	Does not provide a detailed PSN-specific safeguard when village territory is eliminated by strategic projects.	Insert explicit rules on PSN-related village-existence protection and heightened deliberation requirements.
Land Acquisition Law	Provides mechanism for acquiring land and compensating entitled parties.	Does not regulate village legal status, village assets, administrative identity, or communal losses after acquisition.	Create post-acquisition rules for village continuity, relocation governance, and communal compensation.
PSN facilitation regime	Accelerates project planning, licensing, procurement, land acquisition, and spatial adjustment.	May marginalize village participation and prioritize administrative speed over local legality.	Require village-impact screening before PSN designation and location determination.
Village structuring regulation	Operationalizes village formation, dissolution, merger, status change, and boundaries.	Uses a uniform procedure that does not distinguish voluntary restructuring from externally pressured PSN-related dissolution.	Add special safeguards, independent facilitation, legal assistance, and substantive consent standards.
Customary village recognition	Provides constitutional and statutory basis for customary community protection.	Recognition delays leave customary communities vulnerable when PSN enters their territory.	Apply precautionary recognition, participatory mapping, and FPIC before irreversible project decisions.

CONCLUSION

This article concludes that Indonesia’s current legal framework does not adequately protect the right to village existence when village dissolution or territorial extinction occurs as a consequence of National Strategic Projects. The Village Law recognizes villages as legal community units and regulates dissolution through a layered procedure, but PSN regulations and land acquisition law do not provide a comprehensive mechanism for protecting village identity, assets, participation, customary territory, and collective rights when development transforms or eliminates the village’s territorial base.

The normative gap lies in the fragmentation of legal regimes. The PSN regime accelerates project implementation; the land acquisition regime regulates compensation; the village structuring regime regulates administrative changes; and administrative law provides general principles of good governance. Yet no single instrument integrates these regimes into a rights-sensitive procedure for village dissolution caused by PSN. As a result, village dissolution may be treated as a secondary administrative adjustment after land acquisition, rather than as a constitutional event affecting a legal community.

Village dissolution should therefore not be understood merely as the disappearance of an administrative area. It is the possible extinction of a public legal subject, a local governance forum, a cultural landscape, and a collective identity. Legal reforms are needed to ensure that national development remains consistent with legality, legal

certainty, proportionality, public participation, and constitutional protection of village and customary communities.

Policy Recommendations

- a. Amend the PSN facilitation framework to require village-impact screening before PSN designation and location determination.
- b. Insert a specific chapter or provisions on PSN-related village dissolution into the Village Law implementing regulations and Minister of Home Affairs Regulation No. 1 of 2017.
- c. Require meaningful village deliberation with complete information, independent facilitation, legal assistance, and clear documentation of objections and alternatives.
- d. Adopt FPIC-based safeguards for customary villages and customary law communities, including participatory mapping and precautionary protection where formal recognition is incomplete.
- e. Regulate post-acquisition protection for village assets, public services, administrative identity, cultural heritage, livelihood restoration, and representation of displaced residents.
- f. Create an independent legality and proportionality review mechanism before any regional regulation dissolving or merging a village affected by PSN is enacted.

Limitations and Future Research

This article is limited to normative legal analysis and uses selected case illustrations only to clarify legal consequences. Future research should conduct empirical fieldwork in villages affected by PSN to examine how deliberation, compensation, relocation, village asset management, and administrative restructuring occur in practice. Comparative research across different types of PSN, including dams, roads, airports, industrial estates, energy projects, and mining-related infrastructure, would also strengthen the evidentiary basis for reform.

Future studies should also examine judicial review, administrative court decisions, ombudsman findings, and constitutional litigation related to PSN-induced displacement and village restructuring. Such research would clarify how Indonesian courts operationalize legality, proportionality, public participation, and protection of customary communities in strategic infrastructure disputes.

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