Digital Transformation in Indonesia Land Services

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SUMMARY

Indonesian Government strategic goals mandated that by 2025 the Ministry of Agrarian and Spatial Planning/ National Land Agency of Indonesia (ATR/BPN) should become a world class institution that applies digital services at all levels. It is believed that changing from paper based documentation into digital requires radical yet complicated disruption. Digitalisation commonly known as the switch from hand-written process to computerisation, including how the data produced and stored and presentation.

Currently, the ATR/BPN has more than 500 offices that implement dual systems in their land services: manual and digital. Land administration in Indonesia has a long history of manual-based processes.The manual system works as the Ministry maintains historical records of land titles in hard copy. Implementing manual transactions has several challenges as this hard-copy document is vulnerable, requires physical storage and demands on human resources to maintain the archive. To overcome this situation, the Government had allocated an annual budget to transform the archives into digital format.

The digital transaction began in 2019 by implementing three digital information services. This service has changed the previous assumption that land services can only be held in land offices, as manual archives should be marked and manually signed by the authority. Digital transactions through this digital information system produce digital data that is signed digitally. This internet-based service was continued by digital mortgage services in late 2019. To date, these four (4) digital services cover more than 50% annual income from total services in 2022 by 782 Billion Rupiahs.

Massive land certification program was launched in 2017 to accelerate land titling over 126 Million

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land parcels in Indonesia. In the last 5 years of its implementation, the number of registered parcels reached 80 million. Various impacts need to be anticipated to maintain good services in land administration. Derivative services such as land transfer, mortgage, and land splitting are estimated to increase in the future. As a sollution, the Government mandated digital transformation in land administration.

Based on Government regulation number 1 year 2021, the ministry will implement digital land certificates as part of the digital transformation program. This e-certification program requires modernisation in technology applied to produce land title as well as reformation in its business processes. This reformation is needed as the existing system is the digital format of manual workflow. The complete change in business processes also requires data input standardisation as well as improving digital literacy in all levels of employment.

This paper aimed to capture the big picture of the digital transformation process in the Ministry of Agrarian and Spatial Planning/ National Land Agency of Indonesia. Digital transformation is a big task that needs an advancement in technological equipment, business processes and improving capability of Human Resources. By implementing digital services, the Government has targeted to achieve increasing revenue from ATR/BPN. Transforming people's assumptions on land title from manual form into a digital environment is also another task to be put into the spotlight.

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