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# Legal Aspects of Joint Venture Business in The Development of Sustainable Environmental Commercial Property Areas

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**Abstract**—Property investment in Indonesia continues to experience significant growth each year, especially through joint venture schemes between domestic and foreign investors. This investment model is considered promising due to high market demand and stable land value appreciation. However, the development of commercial property areas often has an impact on the environment, such as land conversion, social changes in local communities, and potential pollution. Therefore, environmental sustainability aspects have become an important concern in business law, particularly in the regulation of joint venture-based investments. This research aims to examine the legal regulations regarding joint ventures in the development of commercial property areas, as well as the obligation to prepare an Environmental Impact Assessment (AMDAL) as stipulated in national legislation and international principles such as the Rio Declaration 1992, using normative research methods and a case approach. The study results show that although joint ventures are not explicitly regulated in the Limited Liability Company Law, this form of business entity is widely used and subject to environmental legal obligations, including the precautionary principle, polluter pays principle, and sustainable development. This study emphasizes the need for synergy between developers, the government, and the community to ensure that property development is not only economically beneficial but also responsible towards environmental sustainability.

**Keywords:** joint venture; property investment; the environment

## Introduction

The Indonesian public currently favors investment. In addition, investment is one of the components of GDP (Gross Domestic Product) that changes most frequently. There are three forms of investment expenditure, namely business fixed investment, residential fixed investment, and inventory investment. Business fixed investment is the purchase of new factories and equipment by companies, and residential fixed investment is the purchase of new homes by households and landlords. Inventory investment is the increase in a company's inventory of goods. Every year, the growth of property investment in Indonesia increases, because property investment is very promising and different from other investments. This condition is supported by low interest rates and high domestic market demand for various products. Many investors are shifting from deposits to land investments. Moreover, land prices in Indonesia have increased

by 15-20 percent per year. This growth is driven by several factors, including the increasing number of middle-class individuals in Indonesia, which has led to a rise in demand for residential housing. Here is the data on property investment growth in Indonesia:

**Table 1.** Data on Property Investment Growth in Indonesia 2022-2024

Period	Total Property	Investment Notes
2022 (Full year)	± Rp 1.207 trillion (total investment); property ranks in the top 5	The government encourages zero percent down payment & VAT incentives;
2023 di Triwulan I	2023 in the First Quarter	Up 14.6% yoy, property ranks 4th
	Rp 58.3 trillion (First Semester 2023)	Ranked 4th, FDI 1.3 billion USD (~Rp 20.4 trillion), DDI Rp 37.9 trillion
	Contribution to GDP from industry & real estate 12.83% combined	The real estate sector fell by 12.3% year-on-year, but large houses and commer-
2024 in the First Quarter	Rp 29.4 trillion	Increased by 6% YoY from Q1 2023 (27.9 trillion → 29.4 trillion)
	Rp 62.9 trillion (First Semester 2024)	Ranked 4th, showing a significant surge
	Rp 122.9–123 trillion (Full year 2024)	Both 7.2%–7.3% of total national investment (~Rp 1,714 trillion, +20.8% yoy)

Source: Processed from various sources by the Researcher

Property business development thru a joint venture ("JV") scheme not only faces corporate or capital issues but also brings increasing legal complexities with the demand for integrating sustainability principles into project realization. Normatively, JV regulations are not explicitly regulated in Law No. 40 of 2007 on Limited Liability Companies. The JV is subject to the UUPJ because its company structure is required to be a limited company and the involvement of foreign investors means this business is also subject to the Foreign Investment Law and its derivatives, including the obligation to pay attention to business sectors that are open or restricted to foreign investment in accordance with the provisions of the Positive Investment List. From an agrarian perspective regarding land ownership status, it must of course comply with the 1960 Basic Agrarian Law (UUPA), which restricts ownership rights to Indonesian citizens only and mandates the use of derivative rights such as HGB (Right to Build), HGU (Right to Cultivate), or Hak Pakai (Right to Use).

Complexity increases with the effort to apply the concept of sustainability in the property business thru a joint venture (JV). Environmental Impact Assessment (EIA) requirements are regulated in Articles 22 and 23 regarding environmental feasibility studies. Especially Indonesia has signed the 1992 Rio Declaration, which demands integration of the 27 important principles within this declaration, particularly the precautionary principle, polluter pays, public participation, and sustainable development in business practices. The challenges are not only normative but also implementational.

Property investment is often conducted using a joint venture ("JV") model. Its definition is regulated in Article 1 number 3 of Law No. 25 of 2007 (Investment Law), which stipulates that a joint venture is a form of investment activity, either by wholly foreign investors or a partnership between foreign and domestic capital. The regulation of joint ventures in Law Number 40 of 2007 concerning Limited Liability Companies (LLC Law) is not explicitly mentioned with the term "joint venture," but the LLC Law serves as the main legal basis for the establishment of legal entities in the form of LLCs, which are the common form of joint venture companies in Indonesia. This investment model is one of the investment models that directly interacts with the environment because its activities often lead to land use changes. Land conversion for new housing development also triggers surface runoff, leading to various impacts on the environment. The development of housing will change the activities of the local community within it. This condition seems to demand that the original community or local residents adapt to environmental changes, namely the changes that are currently happening and will happen, both in terms of physical and socio-economic

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environments.

Housing development related to the environment must receive attention from the government and developers. Roufechaei stated that "for both government and construction companies to increase their participation in sustainable housing development progress, particularly in energy-efficient design, in the country". This means that both the government and housing developers must pay attention to environmental sustainability in developing housing projects. Development activities usually have an impact, not only on the landscape but also on the social structure of the communities in the area. Housing development due to population growth impacts the structure of land ownership. This is supported by the fact that housing developers strive to change the land ownership status held by a group of people, so that land procurement for regional development into housing can be carried out.

The diverse ownership status complicates land control and ownership for land developers. Environmental impact analysis (AMDAL) has become an absolute requirement in the development of this property business. The goal is to ensure the continuity of the environment so that it can continue to be enjoyed by future generations. The regulation of mandatory AMDAL requirements is governed by Article 22 Paragraph 1 of Law Number 32 of 2009 concerning Environmental Protection and Management (UUPPLH), which states that "every business that has a significant impact is required to prepare an AMDAL." Furthermore, Article 23 of UUPPLH also stipulates the criteria for significant impacts, such as changes in land use, pollution potential, and cultural and social influences.

The mandatory regulation of AMDAL is also found in Articles 4 and 5 of Government Regulation (PP) No. 22 of 2021 concerning the Implementation of PPLH for businesses with significant impacts requiring AMDAL, which have moderate impacts sufficient for UKL-UPL or SPPL. It is also regulated in Article 24 of Law Number 11 of 2020 concerning Job Creation (UU Ciptaker), making AMDAL the basis for environmental feasibility tests, which then determines the decision on whether a business can continue or not. The Rio Declaration on Environment and Development, adopted at the Earth Summit in Rio de Janeiro in 1992, contains 27 key principles that form the foundation of sustainable development. Here are the 27 key principles in the declaration, particularly those relevant to environmental protection.

Indonesia's responsibility as an international legal subject (ILC) towards the Rio Declaration 1992 reflects the country's commitment to the principles of sustainable development and global environmental protection. Although the Rio Declaration is not a legally binding agreement (non-binding soft law), as a participating and signing country, Indonesia has moral, political, and indirect legal responsibilities. The principle of *Pacta Sunt Servanda* in the capacity of the state as a subject of international law imposes an international moral and political responsibility. Moreover, Indonesia has signed and declared its commitment in international forums, meaning that Indonesia bears a moral responsibility to adhere to and implement the spirit of the Rio Declaration. Therefore, it is Indonesia's obligation to actively voice issues of climate justice, green development, and the role of developing countries in various UN forums. This important principle of international law is regulated in Article 26 of the 1969 Vienna Convention on the Law of Treaties (Vienna Convention on the Law of Treaties) "Every treaty in force is binding upon the parties to it and must be performed by them in good faith." Ini bermakna bahwa menurut customary international law. This principle falls under the norm of *Jus Cogens*, meaning a general principle that cannot be disregarded.

The environment and sustainability are one of the aspects in the property business. Based on the description, the researcher is interested in conducting a study with two issues, namely related to the regulation of joint ventures in the development of commercial property areas in Indonesia and the factors influencing the regulation of joint ventures in the development of commercial property areas with an environmental sustainability perspective.

**Table 2.** Environmental Principles in the Rio Declaration

No	Prinsip	Makna
1	Human Rights & Environment	Humans have the right to live a healthy and productive life in harmony with nature.
2	State Sovereignty	Countries have the right to manage their own resources without harming the environment of other countries.
3	Right to Development	Development must consider the needs of the environment and future generations.
4	Integration of Environment & Development	Environmental protection must be part of development.
5	Poverty Alleviation	The country must address poverty as a prerequisite for sustainable development.
6	Priorities of Developing Countries	Special attention to the needs of developing countries, especially the most vulnerable ones.
7	Shared Responsibility but Different	Countries are jointly responsible for protecting the environment, with different contributions.
8	Sustainable Consumption	Countries must promote sustainable consumption and production patterns" in English
9	Transfer of Science & Technology	The transfer of environmentally friendly science and technology must be improved.
10	Public Participation	The community has the right to information, involvement, and environmental justice.
11	National Environmental Legislation	The state must create effective environmental laws.
12	Trade and Environment	Environmental policies should not become obstacles to international trade.
13	Responsibilities and Compensation	Countries must develop laws on transboundary environmental damage.
14	Cooperation at the Border	The country must prevent the transfer of hazardous activities to other countries.
15	Precautionary Principle	Scientific uncertainty is not a reason to delay environmental protection measures.
16	Polluter Pays Principle	The polluter must bear the cost of environmental damage.
17	Environmental Impact Assessment (EIA)	AMDAL is mandatory for activities with significant impact.
18	Environmental Emergency Information	Countries must inform other countries about environmental disasters immediately.
19	Notification & Consultation	Countries must consult before cross-border activities that could have an impact.
20	The Role of Women	Empowerment of women is important in sustainable development.
21	The Role of Youth	Youth need to be actively involved in sustainable development.
22	Indigenous Peoples' Rights	Recognition of the knowledge and traditional practices of indigenous communities.
23	The Environment in the Oppressed Country	The environment in colonized and oppressed countries must be protected.
24	Peace & Environment	Peace and sustainable development support each other.
25	Population Balance	Population policies must align with sustainability.
26	Environmental Dispute Resolution	Environmental disputes must be resolved peacefully.
27	Global Responsibility	Countries must cooperate in strengthening and implementing the Rio Declaration.

Source: Processed by the Researcher

## Methods

The legal research method used is the normative juridical research method, which conceptualizes law in this legal research as what is written in legislation (law in books) or as rules or norms that serve as guidelines for human behavior deemed appropriate. The main characteristic of this legal research is that its primary source is legal materials, not social data or facts, because in normative legal research, the focus is on legal materials that contain normative rules. The data analysis technique used is descriptive-analytical, conducted to determine the content or meaning of the object in the legal product, which will later serve as a reference in answering and analyzing the legal issues being studied. Then, for the data collection technique, the Author uses the library research method by inventorying readings related to the research, including

books, journal articles, and so on.

In this study, empirical data were deliberately not included as supporting evidence because the primary objective is to examine the consistency and adequacy of the existing legal framework, rather than to measure its implementation or effectiveness in society. The exclusion of empirical data also aims to maintain doctrinal purity and avoid potential bias that could arise from case-specific social variables. Moreover, the focus of this research is on systematic interpretation, comparison, and critical analysis of statutory provisions and international principles, so the inclusion of field data or stakeholder perceptions would shift the research paradigm toward empirical socio-legal studies, which is beyond the scope and design of this paper.

## Result and Discussion

### Joint Venture Regulations in the Development of Commercial Property Areas in Indonesia and the Concept of Environmental Sustainability

Joint Venture (JV) in the property business is a form of cooperation between two or more parties (whether individuals, companies, or institutions) who agree to combine resources, expertise, and capital to develop a specific property project, such as residential housing, apartments, office buildings, shopping centers, or industrial areas. The characteristics of a JV in the property business are that it is project-specific. JVs are usually formed for a particular property project and are temporary until the project is completed or sold. Regarding the combination of Assets and Expertise, for example, Party A: Landowner and Party B: Experienced Developer who provides capital, permits, and project management. JV also offers a risk and profit-sharing system. Business risks, development costs, and sales results are shared based on a proportional agreement. The JV agreement is regulated in a legal document that outlines rights and obligations, ownership shares, financing structure, management control, and exit strategy.

**Table 3.** JV Structure in the Property Business

No	Party	Contribution	Role
1	Landowner	Land	Providing the project location
2	Developer	Capital, project management	Development, marketing, and sales
3	Investor	capital investment	Providing additional financing

Source: Processed by Researchers from various literature

The legal basis in Indonesia is not only found in the UUPT. Joint Ventures (JV) are generally conducted through the establishment of a new PT. The Agrarian Law Number 5 of 1960 concerning Basic Agrarian Principles (UUPA) and the Investment Law Number 25 of 2007 concerning Investment (UUPMA) also regulate JVs related to land ownership, especially if the JV involves foreign parties. Zoning and Spatial Planning Regulations must be adhered to in property development projects Law Number 40 of 2007 (UUPT) mengatur secara eksplisit terkait bentuk perusahaan JV, yaitu sebagai berikut:

#### 1. Legal Form of JV:

JV is generally in the form of a Limited Liability Company (LLC) as a legal entity.

Provisions regarding the establishment, management, and dissolution of the JV follow the regulations in the Company Law.

#### 2. Relevant Provisions in the Company Law:

Article 7-8: Regulating the establishment of a limited liability company (PT) by at least two founders, who can be either local or foreign parties..

Article 9-12: Regarding the articles of association that include the capital structure, shareholder composition, and decision-making, which are highly relevant for the joint venture agreement..

Article 29-31: Organizing the general meeting of shareholders (GMS) as the highest organ of the company is important in agreeing on the strategy and direction of the joint venture..

Article 92-108: Regulating the Board of Directors and the Board of Commissioners, who are responsible for running the company in accordance with the agreement of the capital owners..

### 3. JV Agreement:

Although not explicitly regulated in the Company Law, joint venture agreements are made separately and are contractual between the parties (shareholders). This agreement can regulate:

Composition of share ownership

Capital contributed by each party

Hak suara

Distribusi keuntungan

Manajemen dan kontrol operasional

Penyelesaian sengketa dan *exit strategy*

The Basic Agrarian Law (UUPA) does not explicitly regulate the concept of a 'Joint Venture' (JV). However, the regulations related to land use cooperation in a JV can be analyzed through the fundamental provisions in the UUPA, particularly regarding land rights and ownership limitations, especially if the JV involves foreign investors. Relevant Provisions in the Basic Agrarian Law (UUPA):

Principle of State Control Over Land: According to Article 2 of the UUPA, land is controlled by the state and used for the greatest prosperity of the people. Any form of control or cooperation over land must adhere to this principle

Subjects of Land Rights: Article 9 paragraph (1) states: "Only Indonesian citizens can have ownership rights over land." In the context of a JV with foreign parties, foreign investors cannot own land rights but can obtain Rights to Cultivate (HGU), Rights to Build (HGB), or Rights to Use, through specific schemes (e.g., through the establishment of a Foreign Investment Company (PT PMA)).

Rights to Build (HGB) and Rights to Use: For JVs involved in property, HGB is usually used on state land or land owned by other parties (e.g., local landowners), in accordance with Article 35 of the UUPA.

Business Cooperation with Landowners: JVs in property often involve:

Local parties (landowners) who retain ownership rights

Investors (domestic or foreign) who invest through the establishment of a PT or a Build-Operate-Transfer (BOT) scheme.

Restrictions on Foreign Parties are stipulated in the UUPA, which prohibits foreign nationals or foreign legal entities from owning land ownership rights. Therefore, a JV with foreign parties must be established through a Foreign Investment Company (PT PMA) as required by:

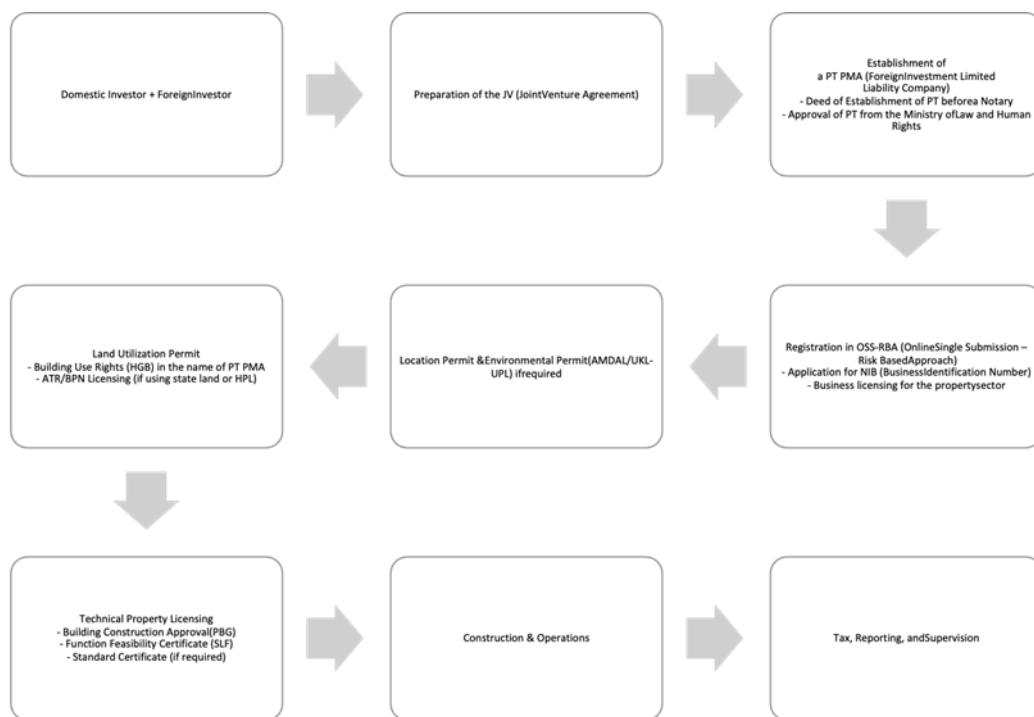
Law No. 25/2007 on Investment

Government Regulation No. 18/2021 on Risk-Based Business Licensing

A joint venture (JV) is a form of cooperation between two or more parties to conduct business

activities together, often involving both foreign and domestic parties. In the Indonesian context, the regulation of JVs, especially those involving foreign investors, is governed by the Investment Law (UUPMA). This law serves as the primary legal basis for investment, both domestic and foreign, including the establishment of JVs. The legal form for foreign investment is regulated in Article 5 paragraph (2) of the Investment Law, which states: "Foreign investment shall be conducted in the form of a limited liability company (PT) established under Indonesian law and domiciled in Indonesia." This means that foreign investors are required to establish a Foreign Investment Company (PT PMA), either independently (100%) or in the form of a JV with local partners.

The regulation of joint ventures (JVs) as Foreign Investment Companies (PT PMA) in practice typically involves shareholding cooperation between foreign investors and local investors (Indonesian citizens or Indonesian legal entities). For example, a foreign investor may hold 49% of shares while a local investor holds 51% (in business sectors with ownership restrictions). The types of business fields and foreign ownership are regulated in Article 12 paragraph (1) of the Investment Law (UUPMA), which states: "Investment must comply with provisions on open and closed business fields." Business fields that are open with requirements or are limited for foreign ownership are regulated in Presidential Regulation No. 10 of 2021 (priority investment sectors), as amended by Presidential Regulation No. 49 of 2021, referring to the Positive Investment List (DPI). Legal protection for JV investors is also provided in the UUPMA, especially in Article 6 and 7: the rights and obligations of investors; Article 14: guarantees against nationalization without compensation; Article 33: dispute resolution can be carried out through international arbitration. The following is the mechanism for obtaining JV permits in property business management:



**Figure 1.** Mechanism for Obtaining JV Permits in the Property Business

Source: Processed by Researchers from various literature

Environmental protection is regulated under Law Number 32 of 2009 concerning Environmental Protection and Management (UUPPLH). Article 1, point 1 of Law No. 32 of 2009 states:

“The environment is the unity of space with all objects, power, conditions, and living creatures, including humans and their behavior, which affect nature itself, the continuity of life, and the welfare of humans and other living beings.”

The presence of this regulation demonstrates the country's commitment to the Rio Declaration, which has been followed up nationally through the enactment of the UUPPLH. Although there is no specific definition of the environment, the principles of its preservation can be found in the substance of the declaration, which consists of 27 principles, several of which specifically address the concept of environmental conservation. Relevant Principles in the Rio Declaration (1992):

Principle 1:

“Humans... have the right to live in a healthy and productive environment in harmony with human dignity and have the obligation to protect the environment for present and future generations.”

Principle 2:

“States have the sovereign right to exploit their own resources according to their own environmental and development policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other states or areas beyond the limits of national jurisdiction.”

Principle 4:

“To achieve sustainable development, environmental protection must constitute an integral part of the development process and cannot be considered in isolation from it.”

Principle 15 (Precautionary Principle):

“In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.”

The protection and management of the environment have a strong legal basis, both in national and international law. Nationally, the primary legal foundation is Article 28H paragraph (1) and Article 33 paragraph (3) of the 1945 Constitution, which guarantee every citizen's right to a prosperous life physically and spiritually, as well as the management of natural resources for the people's welfare. This also applies to the property business, particularly joint ventures (JVs), as part of their Corporate Social Responsibility (CSR). This obligation for JV actors is regulated under the Company Law and the Investment Law.

In addition to the normative regulations regarding legal form, land ownership, and environmental permitting obligations, it is important to explicitly integrate the principle of environmental sustainability into the joint venture agreement clauses. The precautionary principle and the polluter pays principle, as outlined in the 1992 Rio Declaration and adopted in Law No. 32 of 2009, can serve as the basis for contract clauses that regulate:

**Environmental Compliance Obligations:** The JV parties are obligated to comply with all environmental regulations, including the preparation of an Environmental Impact Assessment (EIA), the implementation of Environmental Management Plans (EMPs), and the application of green building standards. This clause may include periodic environmental audit obligations as well as transparent reporting mechanisms to regulators and the public.

**Responsibility for Damage:** Adopting the polluter pays principle, the contract can stipulate that the party causing environmental damage bears the cost of restoration or compensation to the affected parties, including the surrounding community.

**Sustainable CSR Clause:** The JV contract may mandate social responsibility programs (CSR) aimed at environmental conservation, such as green space rehabilitation, waste management, or community empowerment in green economy programs.

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Additionally, dispute resolution mechanisms also need to be designed to support environmental protection. A joint venture agreement can:

Establish specific dispute resolution forums, such as arbitration or mediation, with environmental expertise, so that disputes related to pollution or EIA violations can be resolved quickly and effectively.

Regulating the stages of tiered dispute resolution, starting from negotiation, mediation, and arbitration, with a priority on environmental restoration rather than mere financial compensation.

Including a governing law clause that affirms that dispute resolution must consider the principles of sustainable development and the protection of public interests.

Thus, the JV contract is not only a commercial instrument but also a means of enforcing the principle of sustainability. Integrating this clause strengthens environmental governance, increases stakeholder accountability, and ensures that the resulting commercial property projects truly align with the triple bottom line (people, planet, profit).

## Factors Influencing the Regulation of Joint Ventures in the Development of Commercial Property Areas with Environmental Sustainability Awareness"

The analysis of factors influencing the regulation of joint ventures in the development of sustainable commercial property areas will be examined through the perspective of the Welfare State and Environmental Sustainability Theory. In this context, the state bears the responsibility to ensure the social and environmental welfare of its citizens. Therefore, the regulation of joint ventures is not seen merely as a matter of business between private entities, but also as part of the state's function to promote public welfare through the management and conservation of the environment. Factors Influenced by the Welfare State Perspective include:

### The Role of Government as Regulator and Facilitator

The government is responsible for regulation through spatial planning policies, environmental regulations, and oversight of joint ventures (JVs) to ensure that profit is not the sole pursuit. For example: the implementation of fiscal incentives for JVs that construct green buildings.

### Accessibility and Social Justice"

JVs must consider public access to green open spaces, public facilities, and sustainable mobility".

The government can require inclusive components in projects such as public transportation or pedestrian areas".

### Redistribution of Economic Benefits"

The government can require JVs to empower local labor or contribute to improving the quality of the surrounding environment.

The concept of shared value: development does not harm the surrounding community, but rather contributes to their well-being.

### Environmental Protection as Collective Well-being

A clean, healthy, and sustainable environment is part of the state's responsibility to ensure the welfare of current and future generations.

The Theory of Environmental Sustainability emphasizes the balance between economic, social, and environmental preservation needs. In the context of JVs, sustainability is not just a slogan, but must be manifested in policies, planning, and project implementation. Factors Influenced by the Theory of

Sustainability:

The Triple Bottom Line Principle (People, Planet, Profit)

JVs must consider the impact on people (workers, communities), the planet (ecosystems, resources), and economic profit.

Commercial projects are expected to create added value without harming the environment.

Life Cycle Assessment (LCA)

JV must consider the environmental impact from the design, construction, operational, and demolition phases.

For example: use of local and renewable materials, waste management, energy efficiency.

Environmental Resilience

JV must design areas that are resilient to climate change, such as floods, droughts, or pollution.

The integration of green technology and adaptive infrastructure has become a necessity

*Environmental Governance*

The JV structure must allow for transparency, accountability, and stakeholder involvement in decision-making.

Sustainable JV management requires monitoring, environmental audits, and accountability mechanisms.

Based on both perspectives, here is a synthesis table analyzing the two legal theories in the context of commercial property development:

**Table 4.** Synthesis of Welfare State Analysis and Sustainability Theory

Factor	Welfare State Perspective	Sustainability Perspective
Role of the State	Regulator and protector of collective welfare	Driving the transformation towards environmentally friendly development
Policy Direction	Pro-people and inclusive	Pro-environment and long-term
The purpose of the JV	Redistribution of benefits for welfare	Development that does not damage future resources
Regulation	Focus on social protection	Focus on reducing the ecological footprint
Balance	Public interest vs investor interest	Profit vs planet and people

Source: Processed from Takdir Rahmadi and Various Literature by the Researcher

## Conclusion

A joint venture (JV) in the property business is a form of strategic cooperation between two or more parties, whether domestic or foreign, aimed at combining resources such as land, capital, technical expertise, and managerial skills to carry out a specific property project. JVs are temporary in nature, formed for specific projects such as apartment construction, industrial estates, or shopping centers. The contributions of each party in the JV are proportionally regulated through a legal agreement that includes the financing structure, ownership shares, risk and profit distribution, dispute resolution mechanisms, and exit strategies. In Indonesia, JV commonly takes the form of a Limited Liability Company (PT), including a Foreign Investment Limited Liability Company (PT PMA) if it involves foreign investors, and is subject to various regulations such as the Company Law, the Land Law, and the Investment Law. In addition to corporate and

land law aspects, the implementation of JV in the property business must also comply with licensing, zoning, and environmental protection regulations. Law No. 32 of 2009 stipulates that development, including property projects through JVs, must adhere to the principles of precaution and sustainable development to protect future generations. This provision is in line with international commitments such as the Rio Declaration 1992 and is reinforced by constitutional principles in the 1945 Constitution. Therefore, a joint venture in the property business is not just an economic instrument but must also reflect social and environmental responsibility in its implementation.

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