

Muzara'ah Contract of Farmer Perspective

Khalishah Ulfah¹, Muryani Arsal²
kulfa@outlook.com¹, muryani@unismuh.ac.id²

Magister Ekonomi Syariah, Universitas Islam Negeri Alauddin, Makassar, Indonesia¹
Universitas Muhammadiyah Makassar, Indonesia²

Abstract

Muzara'ah profit-sharing is a system that involves an agreement between the landowner and the workers. This study aims to determine the implementation of the agreement between the landowner and the cultivator in the village of Bottopadang, District of Kahu. The research method used is a qualitative descriptive approach, with unstructured interview data collection techniques. The selection of respondents using purposive sampling with the number of respondents is 6 people as workers (farmers). The results showed that the sharing of muzara'ah profits that had occurred so far was carried out verbally, and generally the profit-sharing was carried out based on the agreement between the landowner and the workers with a proportion of 1/3 for the landowner and 2/3 for the workers, and even sometimes all the harvest was given to workers if the amount of crop was small. The application of muzara'ah has created trust, attitude of helping each other between the landowners and workers and helping the community's economy in the Bottopadang village

Keywords: muzara'ah; profit sharing; landowner; land worker; farmer

1. Introduction

The Indonesian economy is generally still dominated by the agricultural sector [1]. This is based on the extent of vast rice fields or lands owned by Indonesia, similarly in South Sulawesi, which has an area of about 7.99 - 9.02 percent of the total rice fields or lands in Indonesia, as shown in table 1.

Table 1. Rice fields area (Ha)

Location	Year			
	2016	2017	2018	2019
Indonesia	8.187.734	8.164.045	7.105.145	7.463.948
South Sulawesi	649.190	646.611	641.457	654.818

Source: Central Bureau of Statistics (2021)

The percentage of workers in the informal sector on agricultural land from 2019-2021 in Indonesia is still quite large as well, this is supported by the large number of rice fields or lands owned by Indonesia. The data from Central Bureau of Statistics (BPS) shows that the percentage of workers in the informal sector on agricultural land from 2019-2021 in South Sulawesi is still higher than the average percentage in Indonesia, despite there is a decline from 2019 to 2021, however it is not significant since it does not reach 0.5 percent, both at the national and provincial levels, as shown in table 2.

Table 2. The percentage of workers in the informal sector on agricultural land

Location	Year		
	2019	2020	2021
Indonesia	88,59	88,57	88,43

Sulawesi Selatan	92.48	91.73	91.61
------------------	-------	-------	-------

Source: Central Bureau of Statistics (2021).

Furthermore, the information submitted by the head of BPS stated that the second quarter of 2021 in the agricultural sector absorbed the largest workforce compared to other sectors, which is 29.59%. On the other hand, the large absorption of the workforce causes interactions between the landowners and the people who do not own land [2].

The interaction between fellow Muslims can be seen in the Qur'an Surah Al-Maidah verse 2 [3], which teaches all Muslims to help fellow Muslims who in need of help, especially to those who are weak and need help:

"And help one another in acts of righteousness and piety, and do not help one another in sin and aggression. And fear Allah, indeed, Allah is severe in retribution."

The culture of helping one another is very dominant in all aspects, including the Islamic economy [4], which does not harm and repress others in all activities, does not oppress others, and does not violate the moral norms. In Islam, all activities carried out must be intended for the sake of Allah [5], where activities related to humans are based on the belief and trust that everything done must be accounted for in the hereafter [6]. Including social and economic activities which involve two parties, such as the landowners and workers (farmers).

The relationship between the landowners and farmers in principle is based on mutual need, however there are no stipulations that explain in detail regarding the distribution of profit-sharing between the landowners and workers in the Islamic economy [7], such as howto divide and how much each party (landowners and farmers) shares. The distribution of profit-sharing for people who cultivate the rice fields, such as half or one third, or more than that, or lower, or according to the agreement of both parties (landowner and farmers). Thus, no general stipulation that binds the landowners and farmers to always stick to these provisions since in principle both parties need each other. Arif (2018) stated that profit-sharing system which is (or in the form of) *muzara'ah* showed the result of empowerment production from the uncultivated land, increment of human resources by reducing unemployment and help to expedite the public and national economy. The akad *muzara'ah* can bring prosperity for small farmers (rural farmers) to cultivate the land [9]. *Muzara'ah* system is beneficial to the farmers and landowners [10] where *muzara'ah* are condition where the landowners let the farmers (land cultivator) be in charge of their land and give out seeds to be cultivated [11]. Also, the *muzara'ah* model is a contract that can assist both parties, be it the government and the local [12], [13].

This study took place in South Sulawesi since South Sulawesi include as the 10 highest rice-producing provinces in Indonesia in 2019 based on the results of the Central Bureau of Statistics calculation. Meanwhile, Bone Regency is one of the rice-producing centers in South Sulawesi. The magnitude of the absorption of the informal workers in the agricultural sector and the results of previous research become the basis of this research to find out how the implementation of profit-sharing between the landowners and farmers in Bone Regency, whether to use *muzara'ah* profit-sharing and how is the profit-sharing system. This research is divided into five parts, the first is the introduction, the second is the literature review, the third is the methodology, the fourth is the results and discussion, and the fifth is the conclusion.

2. Literature Review

Islam teaches that the relationships with others as part of *muamalah* and as social beings,one must try to be kind and fair to others [14], [15], not showing greed and conceited as stated in the Qur'an Surah Al Hujurat (10):

"The believers are but brothers, so make a settlement between your brothers (who hasdispute). And fear Allah that you may receive mercy."

The *muamalah* relationship must be maintained both as someone who has advantages such as the landowner or someone in need such as workers [16]. In the agricultural sector, the relationship between

rice field owners and rice field workers (farmers) has existed for a long time with the principle of mutual need, however there is no standard regarding profit-sharing between the two parties [17]. Generally, researchers find that the profit-sharing by both parties between the landowners and workers such as 1/2:2/3, 1:4, without standard. The profit- sharing between rice field owners and workers (farmers) is called *muzara'ah* [18].

Muzara'ah is a cooperation agreement for agricultural land processing and rental between the landowner and the worker, where the landowner gives his land to be planted by the worker in exchange for a certain share of the harvest [19], but in the event of a loss or crop failure, then the worker does not bear anything, though he has lost for the effort and time that has been expended.

The legal basis used by the *ulama* in establishing the law of *mukhabarah* and *muzara'ah* is a hadith narrated by Bukhari and Muslim from Ibn Abbas r.a

"The Prophet SAW did not forbid muzara'ah. Indeed he ordered it, so that some love one another, with the saying, whoever owns the land, let him plant it or give the benefits to his brother, if he does not want it, he may just hold that land."

The research related to the implementation of *muzara'ah* conducted by Arif (2018) explained that the profit-sharing system which is (or in the form of) *muzara'ah* showed the result of empowerment production from the uncultivated land, increase of human resources by reducing budgeting (unemployment) and help to expedite the public economy and even the national economy. In line with Asnawi (2005) statements that good cooperation between the landowner and the people working on the land are the key for this system. Both parties must respect each other's rights, not harm the other party, and avoid any behavior against the rule by the owner's area to his partner, as stated in the feudal system.

Implementing the *muzara'ah* system is beneficial to the farmers and landowners, especially when there are people who have the skill but do not own the land while others have the land without the capital and labor. Another impact that is felt is the establishment of comradeship and mutual help attitude as well as opens opportunities of employment which eventually increasing both parties' income that leads to the prosperity. On the other hand, based on the research conducted by Furqan (2016), *Muzara'ah* and *Mukhabarah* principles application in Semadam district divided between the landowners let the farmers (land cultivator) to be in charge of their land and give out seeds to be cultivated which called as *Muzara'ah* whereas if the seeds from the farmers themselves are called *Mukhabarah*. The influence of *Muzara'ah* and *Mukhabarah* on people's incomes is not so significant when presented with high profits, but according to local people, they can meet their basic needs, namely rice, because rice is a staple food in the life of the Bugis people [20].

The principles to be met in akad *muzara'ah* to make the contract valid are *ijab qabul (aqad)*, worker (farmer) and landowner (*aqid*), objects (*ma'qud ilaih*), there must be a provision for the profit-sharing. The requirements to be met are [21]; the person doing the akad must be *baligh* and reasonable [22]–[24]; the seeds to be planted must be clear and can give yield, so that the sharecropper could know and do what the landowner wants [25]; The cultivated land [26]; the boundaries of the cultivated land are clear [27]; the land is completely handed over to the farmers to be processed and the landowner is not allowed to intervene to cultivate it; the results to be harvested are related to the profit-sharing system; and the time period must be clear in the contract so that the sharecropper will not be at a loss, such as canceling the contract at any time, and the object of the contract must be clear such as the use of seeds, fertilizers and chemical cost, as applicable in the local area. On the other hand, [28] state crop share is an agreement between landowner and tenant from crops pre-established ratio or percentage, common share agreement will be 25% for the landowner and 75% for the tenant if the land owner does not pay the cost of production. In some cases 1/3 for the land owner and 2/3 for the tenant agreement is used but in this case the land owner is expected to pay 1/3 of the cost of seeds, fertilizers and chemicals for produce crop. There are some factors as stated by Lubis and Indrawati (2017) that have a significant influence on the results of *muzara'ah* profit-sharing, such as the length of education, length of farming experience, number of working capital credits and land area.

3. Methodology

This study used qualitative descriptive approach with focus on the profit-sharing system (*muzara'ah*) of rice field owners and rice field workers (farmers). The interview technique was used to determine the application of *muzaraah* according to Islamic principles. The questions asked were unstructured using Bugis language because respondents were more familiar with Bugis language and

flexible in asking questions. The respondents were 6 people who came from the Bottopadang village, Kahu District. The selection of respondents was based on purposive sampling. Table 3 shows the names of respondents and the time of cultivating rice fields that have been carried out.

Table 3. The Name of Respondents

No	Name	Age	Respondent	Length time working as worker (farmer)
1	H. Ida	50 Years	R1	10 Years
2	H. Sina	45 Years	R2	5 Years
3	H. Tuwo	39 Years	R3	4 Years
4	Ibrahim	65 Years	R4	15 Years
5	Hame	53 Years	R5	10 Years
6	Daud	34 Years	R6	3 Years

4. Result

The renting or cultivating agricultural land is still carried out by most people in Indonesia, including the people in Bottopadang Village, Kahu District, Bone Regency. Generally, respondents who become workers (farmers) of rice fields are because the landowners who cannot work on their own land for reasons such as they do not have the expertise, live in the city and still have family relationships. Most respondents also have agricultural land adjacent to the rice fields they cultivate.

The profit-sharing from the renting is based on an agreement between the landowner and the worker (farmer) without harming both parties involved in the activity. In general, the profit-sharing system is profit sharing with a ratio of one-half to one-half or might be one-third to two-thirds depending on the condition of agricultural land, vacant land, or land already filled.

Respondents (R1, R2, R3, and R4) stated that the profit-sharing they received was based on an unwritten agreement between the landowners, namely 1/3 for landowners and 2/3 for workers because the condition of the rice fields was empty and the workers bore all costs from providing the seeds, fertilizers, irrigation to labor. Meanwhile, Respondents R5 and R6 stated that the agreed profit sharing is 1/2 for the landowner and 1/2 for the workers because the landowner provides the seeds and fertilizers while the workers bear the costs of irrigation and labor.

The distribution of the crop depends on the agreement between two parties by following the agricultural production sharing system as expressed by the respondents (R1, R2, R3, R4, R5 and R6) that the approval and discretion are given by the landowner and leave the best action to the workers after all costs incurred by the worker. There are times when the results are divided by two and sometimes by three, namely 1/3 landowners and 2/3 workers. If the crop result is little, all the crop will be given to the worker. However, according to respondents, the profit-sharing between the landowners and workers is 1/3 and 2/3.

The respondent's explanation shows that the distribution of profit-sharing does not conflict with the existing rules because everything is based on a mutual agreement, even though sometimes the landowner gives all the crop to the worker if the yield is small. In fact, respondents (R4 and R5) stated that they cooperated based on kinship and a sense of brotherhood because the landowner still had family relations with the workers.

The results of this study indicate that the profit-sharing carried out in Bottopadang Village, Kahu District, fulfills the principles of justice and the agreement of both parties even though the agreements are made orally. The application of muzara'ah profit-sharing carried out by the community of Bottopadang village, Kahu District is formed in *ukhuwah Islamiyah* and there has never been a dispute in the profit-sharing due to the awareness that is created between landowners and workers who always based on Islamic values, including the practice of managing the land with the profit-sharing system.

Islam teaches to help and provide relief to fellow human beings, especially for those who have excess assets to those who cannot meet their daily needs, for example, if the landowner has land that is not utilized and can be useful and utilized by others. As contained in the Qur'an Surah Al-Imran (92).

"Never will you attain the good [reward] until you spend [in the way of Allah] from that which you love. And whatever you spend - indeed, Allah is Knowing of it."

5. Discussion

This study shows that the muzara'ah was implemented in Bottopadang based on an agreement unwritten between landowner and worker, with ijab qabul [21]–[24]. These findings are

consistent with the studies such as Nur (2017), Susanti (2021), Mukhison & Rachmawati (2021), and Asnawi (2005). Where, the *muzara'ah* model is a contract that can assist both parties [12], [13], and trusts of others towards a person [31]. The profit-sharing crop share between the landowners and worker is 1/3 for landowners and 2/3 for workers, consistent with [11], [20], [27], [28]. Also, any crop share is 1/2 for the landowner and 1/2 for the workers because the landowner provides the seeds, fertilizers and chemical costs [28]. All the crop will be given to the worker if the result is small [9], [27], These formed in *ukhuwah Islamiyah* because prosperity for small farmers [7], [9], [10].

6. Conclusion

This study concludes that the practice of the profit-sharing of *muzara'ah* carried out by the community in Bottopadang Village, Kahu District, Bone Regency is based on a mutual agreement between the landowners and workers. The profit-sharing carried out is 1/3 for the landowner and 2/3 for the workers because the workers bear the cost of fertilizer, irrigation and labor and if the crop is very small, the landowner will voluntarily give everything to the worker without asking for profit-sharing. This is in accordance with what is taught in Islam to help each other, especially those in need. In the implementation of *muzara'ah* profit-sharing, it was found that there were no written rules or standards regarding the distribution of profit-sharing. Likewise, the profit-sharing of *muzara'ah* which applied between the landowners of rice fields and the workers in the Bottopadang village, Kahu District, even though it is still in unwritten form, however the agreement is based on mutual trust and justice between them. This research is expected to solve the problem of limited land through the synergy of all parties in the paddy sector.

References

- [1] T. T. H. Tambunan, "Journal of Enterprising Communities : People and Places in the Global Economy Article information ;," *J. Enterprising Communities People Places Glob. Econ.*, vol. 5, no. 1, pp. 68–82, 2011, doi: 10.1108/1750620111119626.
- [2] E. Ante, N. M. Benu, and V. R. . Moniaga, "Dampak Ekonomi dan Sosial Alih Fungsi Lahan Pertanian Hortikultura Menjadi Kawasan Wisata Bukit Rurukan di Kecamatan Tomohon Timur, Kota Tomohon," *Agri-SosioEkonomi Unsrat*, vol. 12, no. 3, pp. 113–124, 2016.
- [3] N. Syamsiyah, A. M. Syahrir, and I. Susanto, "Peran Koperasi Syariah Baitul Tamwil Muhammadiyah Terhadap Pemberdayaan Usaha Kecil Dan Menengah Di Bandar Lampung," *Al Amin J. Kaji. Ilmu dan Budaya Islam*, vol. 2, no. 1, pp. 63–73, 2019, doi: 10.36670/alamin.v2i1.17.
- [4] A. F. Yani, "Kebijakan Pemerintah Indonesia tentang Ekonomi Syariah," *TAZKIYA J. Keislaman, Kemasyarakatan Kebud.*, vol. 18, no. 1, pp. 50–66, 2017.
- [5] A. Zaini, "Implementasi Etika Bisnis Sales Person Untuk Mempertahankan Loyalitas Konsumen Pada Perspektif Etika Bisnis Islam (Studi Kasis pada Butik Kickers Plaza Tunjungan (TP) 3 Surabaya)," UIN Sunan Ampel Surabaya, 2020.
- [6] B. H. Gunadi, M. A. Prayudi, and P. S. Kurniawan, "Penerapan Prinsip Habluminallah Dan Habluminannas Sebagai Konsep Pengendalian Internal Pada Pengelolaan Keuangan Masjid," *JIMAT (Jurnal Ilm. Mhs. Akuntansi) Undiksha*, vol. 11, no. 1, pp. 89–100, 2020.
- [7] L. K. Khotimah, "Praktik Paron untuk meningkatkan kesejahteraan petani di Desa Plososetro Kecamatan Pucuk Kabupaten Lamongan perspektif Ekonomi Syariah," UIN Sunan Ampel Surabaya, 2021.
- [8] F. M. Arif, "Muzara'ah dan Pengembangan Ekonomi Umat di Pedesaan," *Al-Amwal J. Islam. Econ. Law*, vol. 3, no. 2, pp. 108–136, 2018, doi: 10.24256/alw.v3i2.475.
- [9] M. Ngasifudin, "Aplikasi Muzara'ah Dalam Perbankan Syariah," *JESI (Jurnal Ekon. Syariah Indones.)*, vol. VI, no. 1, pp. 38–44, 2016, doi: 10.21927/jesi.2016.6(1).%25p.
- [10] H. F. Asnawi, "Sistem Muzara'ah dalam Ekonomi Islam," *Millah J. Stud. Agama*, vol.4, no. 2, pp. 97–114, 2005, doi: 10.20885/millah.vol4.iss2.art7.
- [11] M. Furqan, "Pengaruh Prinsip Al-Muzara'ah dan Al-Mukhabarah terhadap Perjanjian Bagi Hasil Pertanian (Studi di Kecamatan Semadam Kabupaten Aceh Tenggara)," *Premise Law J.*, vol. 1, pp. 1–17, 2016.
- [12] H. Yaacob, "Commercialising Muzara'a Model Contract Through Islamic Finance To Help Malaysian Aborigines," *Int. J. Business, Econ. Law*, vol. 2, no. 3, pp. 69–77, 2013.
- [13] B. S. Yahuza, "Viability of Muzara'ah Contract on Agro-financing in Alleviating Rural Poverty in

[14] Kano State, Nigeria,” *Al-Muzara’ah*, vol. 6, no. 2, pp. 91–102, 2018, doi: 10.29244/jam.6.2.91-102.

[15] A. Munib, “Hukum Islam dan Muamalah (Asas-asas hukum Islam dalam bidang muamalah),” *J. al-Ulum J. Pemikir. dan Penelit. ke-Islaman*, vol. 5, no. 1, pp. 72–80, 2018, doi: 10.31102/alulum.5.1.2018.72-80.

[16] B. Husin, S. Supriyatın, Zaimudin, and I. Zabidi, “The Meaning And Characteristics Of Islam In The Qur'an,” *Int. J. Psychosoc. Rehabil.*, vol. 24, no. 01, 2020.

[17] A. Aminulloh, S. Z. H. In, and N. Suyatna, “Muzāraah , SDGs , and the Welfare of Indonesian Farmers,” *JIEI (Jurnal Ilm. Ekon. Islam.)*, vol. 7, no. 03, 2021.

[18] A. Rohmana, “Sistem Nengah Sawah Di Desa Cikitu Kabupaten Bandung Dalam Pandangan Hukum Islam,” *Asy-Syari’ah*, vol. 19, no. 2, pp. 207–226, 2017.

[19] D. O. Susanti, “The Profit-Sharing System Between Landowners and Cultivators of Tobacco : Islamic Economic Law Perspective,” *Kertha Patrika*, vol. 43, no. 2, p. 110, 2021, doi: 10.24843/kp.2021.v43.i02.p01.

[20] N. Ichsan, “Muzara'ah Dalam Sistem Pertanian Islam,” *Mu'amalat J. Kaji. Huk. Ekon. Syariah*, vol. 10, no. 1, pp. 79–96, 2020, [Online]. Available: <https://journal.uinmataram.ac.id/index.php/muamalat/article/view/2783>.

[21] Hasanuddin, “Sistem Muzzara'ah dan Mukhabarah,” *J. Huk. Ekon. Syariah*, vol. 1, no. 1, pp. 20–29, 2017, doi: 10.26618/j-hes.v1i1.1633.

[22] A. Syaickhu, N. Haryanti, and A. Y. Dianto, “Analisis Aqad Muzara'ah dan Musaqah,” *J. Din. Ekon. Syariah*, vol. 7, no. 2, pp. 149–168, 2020, doi: 10.53429/jdes.v7i2.85.

[23] D. Permana, “Praktik Muzara'ah di Pandeglang,” *Muamalatuna (Jurnal Huk. Ekon. Syariah)*, vol. 10, no. 1, pp. 31–51, 2018.

[24] M. Andani, “Implementasi Kerjasama Dalam Bidang Pertanian (Padi) Berdasarkan Prinsip Muzara'ah Dan Mukhabarah Di Desa Pulau Ingu Kecamatan Benai,” *JUHANPERAK*, vol. 2, no. 2, pp. 750–764, 2021.

[25] Hermiati and A. Pasigai, “Penerapan Prinsip Muzara'ah dalam Meningkatkan Pendapatan Petani Jagung di Kabupaten Pinrang Sulawesi Selatan,” *Ar-Ribh J. Ekon. Islam*, vol. 2, no. 2, pp. 44–55, 2019, doi: 10.26618/jei.v2i2.2573.

[26] A. Mukhlison and L. Rachmawati, “Dampak Besaran Muzara'ah Di Desa Glinggang Terhadap Kesejahteraan Petani Penggarap,” *J. Ekon. dan Bisnis Islam*, vol. 4, no. 1, pp. 12–23, 2021.

[27] Darmawita and R. Muin, “Penerapan Bagi Hasil Pada Sistim Tesang (Akad Muzara'Ah) Bagi Masyarakat Petani Padi Di Desa Datara Kecamatan Tompobulu Kabupaten Gowa,” *Iqtisaduna*, vol. 2, no. 1, 2016.

[28] N. Zulhanif and A. Raus, “Pelaksanaan Perjanjian Bagi Hasil Muzara'ah Di Jorong Sawah Karez Nagari Balimbing Menurut Fikih Muamalah,” *JISRAH (Jurnal Integr. Ilmu Syariah)*, vol. 2, no. 2, pp. 25–40, 2021, doi: 10.31958/jisrah.v2i2.4332.

[29] J. Laporte, B. MacKellar, and D. Penington, “Farmland Rent Considerations - Part 3: Farmland Rental Agreements and Arrangements Cash rent,” *Michigan State Univ.*, 2020.

[30] D. Lubis and I. R. Indrawati, “Analisis Pendapatan Petani Penggarap Dengan Akad Muzara'Ah Dan Faktor Yang Mempengaruhinya,” *Maqdis J. Kaji. Ekon. Islam*, vol. 2, no. 1, pp. 1–19, 2017, doi: 10.15548/maqdis.v2i1.75.

[31] M. Nafik, H. Ryandono, And A. S. Nanda, “The Transformation of Mustahiq as Productive Zakat Recipients in Surabaya,” *J. Econ. Coop. Dev.*, vol. 41, no. 3, pp.1-13, 2020.