

## Land Profit Sharing for Increasing Productivity

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### Abstract

Indonesia is known for its rich agriculture, and rice is the staple food of the Indonesian people. The production of rice comes from rice fields, which are often managed by their owners or tenant farmers. However, not all rice field owners can efficiently manage their resources, which is why they can involve rice cultivators to help them out. The relationship between the owner of the rice fields and the tenant farmers is divided into two types of cooperation: maro and mertelu. Additionally, this type of cooperation can also be carried out in dry land areas, such as coconut plantations, coffee plantations, and more. This study focuses on the actors involved in maro and mertelu agreements in Banyumas Regency, Cilacap Regency, Kebumen Regency, Banjarnegara Regency, and Purbalingga Regency. The population size of this study is unknown, but based on calculations, a minimum sample size of 97 respondents is required. The criterion for selecting respondents is that they have entered into a maro or mertelu agreement and reside in one of the aforementioned regencies. The findings of the study indicate that individuals who have entered into maro or mertelu agreements do so for a variety of reasons. These reasons include supplementing their income to meet basic and other needs, ensuring they have a job and are not unemployed, and following the orders of the landowner. Some individuals also participate in these agreements because they are unable to purchase their own rice fields and want to work in the industry, while others do so to help those in need.

**Keywords** Land Profit Sharing, Maro, Mertelu and Productivity

### INTRODUCTION

In Indonesia, rice is the staple food of the people, and it is produced from rice fields. Not all rice field owners are able to manage their own fields, so they involve rice cultivators to help. The relationship between the field owners and sharecroppers is divided into three forms renting, hiring laborers with compensation, and profit sharing. These production sharing agreements are generally carried out verbally between landowners and cultivators, and transactions are done by the landowner as the first party and sharecroppers as the second party (Abdullah, 2017).

The Panginyongan people have a unique way of sharing agricultural land called "maro" and "mertelu." Maro is a system where the owner of the rice field gets half of the rice, and the cultivator gets the other half after harvest. Mertelu, on the other hand, allows the owner of the rice field to get 25% of the grain, and the cultivator gets 75%. This type of profit-sharing system in Islamic economics is known as muzara'ah and mukhabarah (Wahyuningrum & Darwanto, 2020). It's interesting to know that production sharing for agricultural land is also regulated by law No. 2 of 1960 concerning Production Sharing Agreements (Ali, 2008).

It's interesting to see how the practice of maro and mertelu in the Panginyongan community can have such a positive impact on both the sense of community and the local



economy. I can imagine how rice cultivators and landowners can benefit from this practice, as it provides them with additional income and allows them to earn a living without having to work in their fields all the time. Overall, it seems like the practice of maro and mertelu can really contribute to increasing people's productivity and improving their quality of life.

The research will explore the land profit sharing practices in the Panginyongan community and how they contribute to increasing productivity. Previous studies have shown that half production sharing and one third production sharing are optimal agreement contracts, and the sharing agreement has a positive impact on the community's economy (Omer et al., 2018; Syah, 2020). The anvil system is in accordance with Islamic economics, and it is important to avoid practices such as usury (Abdullah, 2017; Herlangga, 2021; Nasution, 2020). The research will delve into the details of the agreement, including time period, provision of production tools and materials, zakat of the harvest, and risk of crop failure. By understanding these factors, we can better understand how land profit sharing practices can contribute to improving the quality of life in the community.

## **LITERATURE REVIEW**

### **Theoretical of Profit Sharing**

When it comes to agricultural land, a production sharing agreement is an arrangement between the entitled landowner and a cultivator, in which the cultivator is allowed to cultivate the land and the profits are shared between the two parties. This is typically done with a mutually agreed balance, such as each party getting an equal share. In Indonesia, these agreements are often made between the owner of a special right and a party willing to manage or utilize the land, with the profits being shared accordingly. It's important to understand the regulations and legal requirements surrounding these agreements, such as those outlined in Law No. 2 of 1960 concerning Production Sharing Agreements (Agricultural Land).

### ***Maro and Mertelu Contract in Islamic Economics***

In Islamic economics, profit sharing in agriculture is referred to as muzara'ah and mukhabarah. Muzara'ah involves working on someone else's land in exchange for a portion of the yield, typically half, a third, or a quarter. The landowner typically covers the costs of processing and seeds (Abdullah, 2017). Mukhabarah, on the other hand, is a production-sharing agreement between landowners and sharecroppers, with the sharecroppers fully responsible for the capital. This arrangement allows landowners to hand over their land to sharecroppers and share in the profits (Wahyuningrum & Darwanto, 2020). It's important to note that these agreements should adhere to the regulations and legal requirements outlined in Law No. 2 of 1960 concerning Production Sharing Agreements (Agricultural Land), especially in countries like Indonesia where production sharing agreements are common.

According to the hadith of the prophet narrated by Imam Al-Bukhari, it was required for residents of the hijrah house in Medina to farm and obtain a third or a quarter of the produce (Adzim, 2007). Additionally, Imam Ibnul Qayyim argued that muzaaah and mukhabarah were allowed based on the story of Khaibar, where the results obtained were

divided between the owner and the workers in the form of fruits and other plants (Al-Fauzan, 2005).

### **Maro**

The *maro* system is a calculation system between the owner of the capital (agricultural fields) and the cultivator. The owner of the rice fields will ask people to work on his fields until the harvest season arrives. After the harvest, the rice that has become grain is divided 50:50 between the owner of the field and the cultivator (Herlangga, 2021). In areas where land are still large and the workforce is still undernourished, there will be a type of production sharing agreement with a name like " *maro* " (Sutiknjo & Artini, 2020).

### **Mertelu**

The term *mertelu* profit sharing is a form of the proportion of profit sharing using a ratio of 1/3 yield for agricultural landowners and 2/3 yield for sharecroppers. If the agricultural land is narrow and there are more cultivators, then instead of 1: 1 it will apply, but 2 shares for the owner and 1 share for cultivators with the name "*Mertelu*" (Sutiknjo & Artini, 2020).

### **Relevant Research**

There are several previous studies that are relevant to this research, The existing contracts, the rule of half production and one third production sharing is the optimal long-term agricultural contract (Omer et al., 2018). The *maro* system is in accordance with the concept of Islamic economics because it does not rent out rice fields but gives cultivating rights to sharecroppers (Herlangga, 2021). The practice of pawning agricultural land in the Bandar sub-district is not in accordance with sharia principles (Kusuma et al., 2020). Distribution of income in the *Maro* and *Mertelu* systems has low inequality (Sutiknjo & Artini, 2020). Rules for results half and divide results in one-third contract agriculture period optimal length (Kouakou et al., 2018). System agreement for results agriculture can relieve poverty in a manner individually and individually slowly can relieve poverty in a manner public (Syah, 2019).

### **METHOD**

The location of this research is Banyumas Regency, Cilacap Regency, Kebumen Regency and Purbalingga Regency. This study uses a qualitative approach. The population in this study were the *nggade*, *maro* and *mertelu* actors. The number of populations in this study is unknown. Based on the calculation, it is known that the minimum number of samples that must be taken is 97 respondents.

### **Variable Operational Definitions**

#### **a. Maro**

The *maro* system is a calculation system between the owner of the capital (agricultural fields) and the cultivator. After the harvest season arrives, the rice that has become grain is



shared 50:50 between the owner of the rice field and the cultivator (Herlangga, 2021). In study will excavate information in a manner qualitative about practice maro among others about reason, form agreement, term time, provision tools and materials production, time distribution for the result, size for results, zakat results harvest, risk fail harvest and timing ending agreement (Priyadi & Shidiqie, 2015).

#### **b. Mertelu**

The term *mertelu profit* sharing is 25% profit sharing for owners and 75% for cultivators. In study will excavate information in a manner qualitative about reason, form agreement, term time, provision tools and materials production, time distribution for the result, size for results, zakat results harvest, risk fail harvest, and timing ending agreement (Priyadi & Shidiqie, 2015).

#### **Data Analysis**

Qualitative data analysis is used to know more deeply about practice *maro* and *mertelu* in society. Activity in qualitative data analysis is done in a manner interactive and ongoing that keeps going continuously until complete, so the data is already saturated. activity in data analysis, ie reduction, data display, conclusion drawing/verifying (Neuman, 2014).

### **RESULT AND DISCUSSION**

Based on the results of interviews with respondents, it is known that the reasons for the respondents to cooperate with *maro* and *mertelu* from the cultivator's point of view are to supplement income to meet basic needs and other needs. In order to have a job, so as not to be unemployed. There are also those who reason because they were ordered by the landowner, rather than the land being unemployed. The reason for the people who do this is that they want to work on the rice fields but can not buy rice fields. There are also those who think it is to save money and help people in need. One of the reasons for people who mortgage their fields is that they need fast money but don't want to sell their fields. As for one of the reasons people maro or mertelu because they cannot work the rice fields, there is also an excuse because they do not have time to work on it themselves. From these various reasons it is known that the practice of *maro* and *mertelu* really helps the community in meeting their daily needs. Both primary and secondary needs.

#### **Data Discussion**

Based on the results of interviews with the respondent is known that the reason respondents do nggade, maro, or mertelu contracts from corner view cultivator is to add income and fulfill need tree need other. To have a job. There is also a reason Because told the owner land, then land unemployed. As for the reasons people who make up what work fields but don't have so to cultivate rice fields, some argue for saving and helping people in need. As for the reasons for the mortgages, one of them needs money fast but wanted to sell the rice fields. One reason people have landed in need is that can't work in the fields, there is also a reason because no time for working alone. For various reasons the is known that the

practice of nggade, maro, and mertelu was very helpful public in fulfilling the needs of his life. primary and secondary needs.

### **Form Agreement**

Of the 126 respondents who did agreement in a manner written in cooperation only one person only. Whereas the remaining 125 people did agreement in a manner not written. This describes that cooperation is carried out based on trust in each other. This is possible because still there is a connection between party first and second. Besides it is also possible because the party first and second is neighbor so that relatively near place live and easily control each other. Study this in line with the results study (Malem, 2006; Priyadi & Shidiqie, 2015), that agreement for results agriculture done use oral only and not written.

### **Term of Cooperation**

Period time cooperation between respondents is different some are just one harvest, and there is one year however the majority of respondents cooperate for a period time more than one year as much as 64.3%. This shows that between party first and parties second already have each other beliefs because each other benefit. Besides matter, it also describes that the second split party already has each other trust and is comfortable in intertwining cooperation so that it lasts long.

### **Tool and Seed Provider**

The majority of respondents disclose that the owner's land does not provide tools and materials production like fertilizers, seeds, and others as much as 73.8%. Whereas the rest confess that owner land provides tools and materials production like fertilizers, seeds, and others. This is because from different cooperation, in mertelu contract owner land usually will give tools and materials production like fertilizers, seeds, and others. In a maro contract usually no all provided owner land, moreover in a nggade contract, generally owner land does not give tools and materials production like fertilizers, seeds, and others, and all are borne by the pawnshop or fund owner.

### **Agricultural Zakat**

Most respondents do not issue crop zakat as many as 92 people or 73%. However, still some respondents issued plant zakat as much as 27%. This means not all respondents have an issue with agricultural zakat. The possible farmers who don't issue zakat are farmer tillers because they only work on other people's fields or fields and only get part from the results of harvest, so they feel no need to issue zakat. Whereas for party owner land, they issue agricultural zakat by conditions. Apart from zakat, a must paid during the collaboration period is tax. Tax land paid by owner land. In Islamic law, there is discussion in a manner explicitly related to payment of tax land in cooperation for results agriculture. Findings This is The same with (Priyadi & Shidiqie, 2015) that bear payment tax is owner ground. Payment of agricultural zakat is supported by a statement from respondents about why they don't pay zakat. As for the reasons they among others is results agriculture does not reach nisob,



agricultural products direct shared so that result small as well as they confess only pay cost water irrigation. Results harvest no reach nisob. This means no obligation for the farmer's issue zakat.

### **Responsible Party Risk Fail Harvest**

Bearing party risk fail harvest according to confession respondent is party owner land as much as 3.2%. Party capital owner or cultivator as much as 65.9%. And there are 31% who think that risk failure harvest is borne shared by the owner's land and cultivators' land. This means still varied who bears the risk fail fail harvest. For respondents who did the mertelu contract, the risk of failed harvest st borne by the owner's land because the cultivator only accepts a little part which is one-third of part harvest. For respondents who did a maro contract, they will share the risk of failing harvest with the owner's land because the results harvest are also for two. And for respondents who use contract nggade, the cultivator of the rice fields will bear the risk fail harvest because the owner's land does not follow the mix in cultivation land. Study This is in line with the study by (Priyadi & Shidiqie, 2015) stated that if happens to fail harvest becomes the risk borne by the cultivator. In Islamic law, rules from the system for results are bound in the agreement will get part from results obtained and will be participating bear if happen risk.

### **Benefit Implement Contract**

From various, benefits felt by cultivators' land, benefits most felt are adding income and earning fulfill a need, fine primary and secondary needs. It shows that the respondents were very helpful with existing nggade, maro, and mertelu contracts. Their economy increases, as well as their well-being, also increases. There is enhanced well-being public this is a very helpful government in alleviation poverty, so working the same nggade, maro, and mertelu is one solution for alleviation poverty, especially in the area rural.

As for the benefits of cooperation from a corner view owner land among other things no need to invest for working on the fields, only accept result course, no need to emit cost or capital, earn additional income, land utilized with fine, can help a neighbor with work on land and get fast money without lost fields. From various benefits, the benefits are the most felt owner land in cooperation is they can get income without must work and invest. This shows that cooperation between maro and mertelu feels very suitable for the owner's land and does not have time to manage the land alone, however, they still can get additional income from their land trust to the cultivator. Besides reason, they also think that by entrusting the land for worked on by people in need, they feel can help others. This can become a base that the public likes to help in kind so that the poor people can help.

### **Obstacles Faced in Contract**

Of all Lots obstacles encountered, the most complained of the owner's land and cultivators are constrained by many pests and troubles obtaining fertilizer. Drug prices and expensive pests' fertilizer for plants make cost production increase, even sometimes results plant until no close costs incurred when supported weather bad cause plants to fail harvest.

Bad weather including big rain and wind cause the plant to crash and so fail harvest. Another obstacle complained of by the owners of land and cultivators is due to water difficulties in irrigation, not enough adequate. The difficulty is deeply felt when coming the season of drought. Farmers expect irrigation notices repaired Again, especially so that the rice fields are at an altitude got water moment season drought. Besides obstacle technical like fewer seeds nice, an agreement that is not written, and less land nice, there is where are other obstacles to communication between tenants and owners of less land nice, so there is a misunderstanding. Error understands this causes a lack of trust between owner land and cultivators.

Obstacles experienced by the perpetrator's pawn is the price considered mortgage too high by the owners of capital. The price of a paddy pawn is usually customized with the market price, however, sometimes the rice field owners want more price tall because they need lots of money loans. Besides that, sometimes the owner of deep old land repays the loan not by the time that has agreed at the beginning. This can cause trust capital owners to go down. Retreat loan repayments by the owner land too caused because no there is an agreement binding writing. The owner of land also has complaints about difficulty redeeming the rice fields or returning the money borrowed because he borrowed money exchange rate with the price of gold. So that when the price of gold goes up then the amount of money to be will also be returned bigger because follows the increase in the gold price.

### **Solution For Overcome Contract Obstacles**

From the results, the interview is known that to overcome the problem fail harvest because of pests, the usual solution used is to spray pests, give fertilizer by provisions, repeal weeds, and seek good seeds and good care. As for giving solutions, their expensive fertilizer makes card farmer. Because with card farmers the perpetrator's cooperation can obtain more fertilizer cheaply because subsidized. Good communication is the solution to overcoming the wrong understanding between cultivators and landowners. Honesty cultivators are also very necessary in guarding trust, and honesty in every aspect. And when the cultivator suspected no honesty so should be reminded with a fine. Should the cultivator report in a manner written, fine cost operational nor results the harvest for the landowner more believe. And if the harvest fails, harvest should be good communication with the landowner.

Hope to government is making adequate irrigation, especially for leveled land higher. This expected can overcome the lack of water. Lack of water can also be overcome with suck water from paddy wells, however, matter these needs huge expense so that profit will the lesser. Another solution used for facing season drought or water trouble is with plant palawija. Special For cooperation nggade the perpetrators that is owner land and capital owners. Capital owners must more be careful in choosing land with good irrigation. As well as urgent owner land for payment at the appropriate time by agreement beginning if the contract will end. For the owners of capital, good communication with the capital owner if the landowner doesn't have money for return and offer for continued cooperation.



## Expectations of Collaborative Actors in the Future

Expectations of owners of capital and owners land as well as a cultivator is made irrigation, mainly for more paddy fields tall so that still fluent when must plant when season drought. However, most hope exists for good communication between the cultivator and the owner's land so that no suspicion arises from each other's beliefs. Good communication is also highly desirable between the landowner and internal capital owners in a nggade contract, where capital owners expect good communication from landowners ff don't have money to return debt so that can extend cooperation. Major cooperation is only based on each other's beliefs and oral, expected in the future already use contract cooperation in a manner written and stamped so that own more legal power is stronger and clearer. With a clear concept and not harming one party. This can become the best solution so that the contract agreed cooperation poured clear, so the second split party easily for remind respective rights and obligations.

Another hope that is not lost many and important according to the perpetrator's cooperation exists loss borne second split party when contract maro and mertelu. This is because if happen fail the harvest owner's land does not get anything and also does not spend money for operations whereas the cultivator emits for operations. This is in line with Herlangga (2021) stated that in a system anvil If happen huge loss is a cultivator. Cultivators in one season harvest emit at least IDR 700,000 – IDR 1,000,000 for managing the fields. Cultivators emit cost the for-purchase seed rice, fertilizer, and tools agriculture used for managing the fields. Cost already issued if happen fail harvest, so the landowner does not bear costs already issued by the cultivator although the landowner does not get results on his farm because fail harvest. Although cultivators already bear the cost cultivators neither get results from their paddy field to manage. System anvil of course seen No fair, however until with moment this not yet once happened a dispute or wrong understanding between the owner of the field and with cultivator, if this happens to fail harvest cultivator is still willing for cultivating the fields in the next season. Hope the owner of land for cultivators manages to land with goods so that results in more goods and max. Good management among others with gift fertilizer by rules, throwing away weeds, good irrigation, and others. With good management, results harvest will increase.

## CLOSING

### Conclusion

The reasons for the respondents to cooperate with both *Maro* and *Mertelu* from the cultivator's point of view are to supplement income to meet basic needs and other needs. In order to have a job, so as not to be unemployed. There are also those who reason because they were ordered by the landowner, rather than the land being unemployed. The reason for the people who do this is that they want to work on the rice fields but don't have one. There are also those who think it is to save money and help people in need. One of the reasons for people who lease their fields is that they need fast money but don't want to sell their fields.

Bearing party risk fail harvest majority is the capital owner or cultivate the benefit mostly felt by cultivator's land is adding income and earning fulfill need, fine primary and



secondary needs. Benefit the most felt owner land in cooperation This is they can get income without work and invest. Obstacle the most complained of the owner's land and cultivators is constraint many pests and troubles obtaining fertilizer. To overcome the problem, fail harvest because of pests, the usual solution used is spraying pests, giving fertilizer by provisions, repealing weeds, and seeking good seeds and good care. As for giving solutions their expensive fertilizer makes farmer card. Expectations of owners of capital and owners land as well as a cultivator is made irrigation, mainly for more paddy fields tall so that still fluent when must plant when season drought. However, most hope exists for good communication between tenants and owners of land so that no suspicion arises from each other's beliefs.

### Suggestion

1. For the actors of the Contract *Maro* and *Mertelu* should make a written agreement in carrying out the contract to make it safer.
2. For the government, it should support and facilitate its citizens to cultivate land either with the *maro* or *mertelu* contract so that there is no unused land. So that the community's economy can increase. As well as improving irrigation, especially in high altitude areas, so that yields are maximized.

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