


Analysis of the Practice of the Ijon System from the Perspective of Islamic Economic Law for Rice Farmers in Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency

Bagus Setiawan¹, Ria Astina², Cindi Pramita³

Al-Azhaar Islamic University of Nusantara LubukLinggau, Raden Fatah State Islamic University of Palembang, El Fajr Qur'an House Education Foundation of Palembang

Article Info	ABSTRACT
<p>Keywords: Ijon System, Islamic Economics, Rice Farmers</p>	<p>The practice of ijonis a phenomenon is still common in rural areas, including in Sugih Waras Village, Teluk Gelam District. This system is used by rice farmers to obtain quick funds before the harvest by selling unharvested crops to middlemen at prices lower than the market price. This study aims to analyze the mechanism of the bonded debt system in Sugih Waras Village and examine its compliance with the principles of Islamic economic law. The research method used is a qualitative approach. The results indicate that the ijon system is carried out due to limited capital and difficult access for farmers. From the perspective of Islamic economic law, this practice does not fully meet the requirements of a valid sale and purchase agreement because the object of the transaction (the harvest) is still gharar (unclear quantity and quality) and there are elements of price exploitation that are detrimental to farmers. This study recommends alternative sharia financing such as salam, mudharabah, or musyarakah contracts that are fairer and in accordance with sharia principles. It is hoped that the results of this study can be used as a consideration for the community and policymakers in formulating more equitable agricultural financing solutions.</p>
<p>This is an open access article under the CC BY-NC license</p> 	<p>Corresponding Author: Bagus Setiawan Al-Azhaar Islamic University of Nusantara LubukLinggau, Raden Fatah State Islamic University of Palembang, El Fajr Qur'an House Education Foundation of Palembang bagus@uin-al-azhaar.ac.id</p>

INTRODUCTION

In daily life, everyone strives to meet their needs, both basic and non-essential. Humans are inextricably linked to the social interactions that govern human relationships in all their needs, commonly referred to as muamalah in Islamic jurisprudence. One such sector is the agricultural sector. In Indonesia, this sector plays a crucial role in supporting the national economy, particularly in rural areas. (Rahayu 2025)

The agricultural sector is one of the main livelihoods of the Indonesian people as an agrarian nation. Food distribution through the success of the agricultural sector is one of the aspirations of the Indonesian people. Particularly in Sugih Waras Village, agriculture is the most important sector to develop for the continued distribution of food to the community. "

Farming, along with employment, crafts, and trade, is also a source of livelihood for some residents ." (Gandi, Mustofa, and Luthfi 2017)

Essentially, the ijon system is a system of agreement or trade of goods that arises in society where the goods or the results to be obtained are unclear. The ijon system is also quite widespread among the Manggarai community, where people do not yet fully understand the rules and losses that will be incurred if they are involved in the ijon system. This ijon system has occurred systematically and has become a habit in the community's daily life. (Laura Berenika Apriliani Tija et al. 2023)

This system can provide quick liquidity for farmers who need funds before the harvest, helping them meet daily needs or business capital. This system is considered practical because it provides quick access to cash, which is essential for daily needs. The ijon transaction is also known as al-Muhaqalah, which involves selling agricultural produce before it is ready to be harvested or when it is still small. (Fira Audia Kusnadi 2022)

Meanwhile, according to Adinugraha, a sale and purchase that lacks clarity regarding the contract and the object of the transaction, as in the practice of ijon (ijon), can involve Gharar, which is detrimental to one of the parties. In Islam, this practice can be linked to the concept of gharar (uncertainty), which is prohibited in transactions. (Ngawi 2016)

In a hadith, the Prophet Muhammad (peace be upon him) said: "The Prophet forbade buying and selling that contains gharar (uncertainty)." (Narrated by Muslim). Buying and selling that is unclear regarding the contract and the object of the transaction, such as in the practice of ijon, can contain gharar which is detrimental to one of the parties.

According to Fira Audia Kusnandi, the ijon (bond-to-let) trading conducted by local communities has the potential to lead to disputes because it violates Sharia principles, which emphasize fairness and transparency in transactions. This potential for injustice exists if this practice is not managed properly. Meanwhile, according to Muharam (2023), the Islamic economy in the global financial system notes that the practice of ijon, although often viewed negatively, can be adapted within a Sharia economic framework if implemented with sound principles. (Fira Audia Kusnadi 2022)

The practice of ijon (ijon) has become ingrained and part of the agricultural trade tradition in Sugih Waras Village, Teluk Gelam District , Ogan Komering Ilir Regency. Many of these traders are rice farmers and those in the lower-middle class. The farmers (sellers) offering these trades need money for daily needs, their children's school fees, or for agricultural purposes.

Ijon contracts are based on customary law that has been passed down through generations in society, and the process of implementation continues. There is no specific guarantee or guarantee that would benefit the recipient, as these contracts are based solely on trust between the two parties. (Atiko, Zahro, and Abrori 2024)

The practice of the ijon system implemented by farmers, although viewed negatively, remains relevant for study in the context of Islamic economics because it serves as a means of survival for farmers amidst economic challenges. Islam teaches that buying and selling

transactions must be conducted with clarity on price, goods, and contracts in accordance with the pillars and requirements of sharia. (Rahayu 2025)

From the perspective of Islamic Economic Law, the ijon system is controversial. Islam emphasizes the principle of justice, prohibits exploitation (zulm), and encourages transparent transactions free from gharar (uncertainty) and usury (riba). Therefore, it is important to analyze whether the ijon practice that has developed among rice farmers complies with the principles of Islamic Economic Law or whether it contains elements prohibited by Sharia.

This research aims to provide new insights into how the ijon system can be transformed to be more equitable and sustainable by implementing sharia principles. It will explore the Islamic economic perspective on the ijon system and analyze its impact on farmer welfare, taking into account local social and cultural factors in Sugih Waras Village.

RESEARCH METHODS

This research uses a descriptive qualitative approach, a research method used to examine natural object conditions, and qualitative research results emphasize meaning rather than generalization. (Sugiyono 2017). The research location was Sugih Waras Village, Teluk Gelam District, Ogan Komering Ilir Regency, South Sumatra. The research was conducted from May to July and concluded. This timeframe encompassed preparation, field data collection, data analysis, and the preparation of the final report.

According to (Sugiyono 2017) , primary sources are data sources that directly provide data to data collectors, and secondary sources are sources that indirectly provide data to data collectors, for example through other people or through documents. In this study, the data used are primary and secondary.

Primary data was obtained directly from the research subjects through in-depth interviews with farmers, middlemen, religious leaders, banks, and agricultural extension workers in Jombok Village who were involved in the ijon system, as well as middlemen or buyers of their crops. Secondary data was obtained from relevant literature such as books on Islamic economics, scientific journals on ijon practices, and official documents from the village government or local agricultural institutions.

The informants involved in this study consisted of five main groups: farmers, religious leaders, middlemen, banks, and agricultural extension workers. Each group was selected based on their roles, which are highly relevant to the ijon system and its impact on buying and selling transactions among farmers. The data was analyzed using the following stages: Data Reduction, Data Presentation, and Conclusion Drawing.

RESULTS AND DISCUSSION

Conditions for Buying and Selling Rice Products Through the Ijon System

The parties to the ijon system generally consist of two main parties: rice farmers as sellers and middlemen as buyers. Rice farmers are typically adults with extensive experience in agriculture and possess knowledge and experience in managing rice fields. Meanwhile, the middlemen are adults with a thorough understanding of the agricultural commodity market

and the financial capacity to provide upfront payments to farmers. From an Islamic sharia perspective, the parties to the ijon system in Indonesia can be verified as having met the requirements for valid contracting parties: they are mature, sane, and mature. The farmers and middlemen involved are generally adults with the ability to discern and choose the best option for themselves.

The Existence of Shighat Ijab Qabul in Ijon Transactions

In the practice of buying and selling rice using the ijon system in Jombok Village, Jombang Regency, there are indications of Shighat ijab qabul (contract of acceptance) even though it is carried out informally and verbally. This transaction generally begins with an offer from the farmer to the middleman, followed by price negotiations based on the estimated harvest yield. Agreements are usually made verbally, without a written agreement, reflecting the informal nature of the transaction. The implementation of the contract in the ijon system in Jombok Village involves an ijab (offer) from the farmer and a qabul (receiving the Artn) from the middleman. For example, a farmer might state, "I sell my 1 hectare of rice for Rp10 million," to which the middleman then responds with an agreement. Payment is generally made in advance, either in full or in part as a down payment, with the agreed delivery of the rice to be made at harvest time, usually 1-2 months after the contract. However, if payment is made in full, there are different contractual consequences than if the payment were made in advance.

From a fiqh perspective, the ijab and qabul (acceptance) in the ijon (property) transaction in SugihWaras Village fulfill several requirements set by Islamic scholars. First, the transaction is conducted by individuals who have reached puberty and are of sound mind, namely the farmer and the middleman, who are both adults. Second, the qabul is in accordance with the ijab, where the middleman gives his approval to the offer submitted by the farmer. Third, the ijab and qabul are conducted in a single assembly. that is when both parties meet directly in the rice fields or at home to make an agreement.

Financing in the Ijon Practice The ijon system in Sugih Waras Village has become an integral part of the dynamics of the local agricultural economy, reflecting the complexity of the relationship between farmers and middlemen in the context of financing and payments. This practice developed not only as a solution to limited capital, but also as a practical option for some farming communities. Farmers' dependence on the ijon system in Sugih Waras Village is shaped by several interrelated factors. First, limited access to formal financial institutions forces farmers to seek more accessible financing alternatives. Suryani (2023) shows that the ijon system serves as a survival strategy for communities that lack access to formal financial institutions. Second, the need for quick capital to meet daily needs and production costs encourages farmers to choose the ijon system, despite their awareness of the potential losses that may arise. (Suryani 2023)

Based on interviews with farmers and middlemen, namely 50-year-old Mr. Dani, it was discovered that the practice of ijon in Sugih Waras Village has been going on for a long time and is one of the main mechanisms for meeting agricultural capital needs. The ijon scheme is carried out by middlemen providing advances or loans to farmers before the harvest, then the

middlemen will buy the entire rice harvest at a pre-agreed price. The price set in the ijon practice is on average 20–30% lower than the market price at harvest time. For example, when the price of rice in the market reaches IDR 6,000/kg, the agreed ijon price is only around IDR 4,200–4,800/kg. This causes a significant reduction in farmers' income, but they still choose ijon because they do not have access to other quick and easy capital.

Meanwhile, according to Mr. Toni, he explained that we were forced to participate in the ijon system because we had no other choice. To buy fertilizer and pay labor, we needed money quickly. Borrowing from a bank is a long process and has many requirements. So, even though the selling price is cheaper, we are forced to accept it. Sometimes it feels like a loss, because after the harvest, the price of rice rises much higher than the price agreed with the middleman. But if we don't participate in ijon, we won't be able to start planting. Our capital is indeed very limited.

Practice of Buying and Selling Rice Products in the Ijon System

The Ijon System Mechanism The ijon system is a mechanism for buying and selling agricultural products, particularly rice, that begins with the urgent needs of farmers. Farmers who need quick funds to meet daily needs or plant maintenance costs will contact a middleman to borrow capital. In this process, the farmer and the middleman enter into an ijon agreement, where the amount of rice to be ijoned and its price are determined before the harvest. The agreed price is usually well below market prices, and the middleman provides the farmer with a down payment as a form of capital loan. Once the agreement is reached, the rice that will be harvested automatically becomes the property of the middleman. The down payment allows farmers to use the money as capital for cultivating the fields, such as purchasing fertilizer and seeds. Meanwhile, full payment will create uncertainty about the price of rice at harvest compared to the estimate at the beginning of the contract.

During the maintenance period, which typically lasts around 70 days, farmers are fully responsible for caring for the rice plants until they are ready for harvest. Although the rice has become the property of the middleman, farmers still bear the risk of crop failure, such as due to pest attacks or natural disasters. Once the maintenance period is over and the rice is ready for harvest, farmers are required to hand over the entire harvest to the middleman as agreed upon. The middleman then takes possession of the rice and has the right to sell it on the market at a higher price.

Table 1. Reasons for Choosing the Ijon System

No	Reasons for Choosing the Ijon System
1	Farmers' dependence on the ijon system is due to limited capital and practical needs.
2	The ijon system allows farmers to get money up front, even though there is a risk of loss.
3	The informal and practical process of ijon agreement between farmers and middlemen.

Impact of the Ijon System

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From the results of observations and interviews, it was found that several impacts felt by farmers were Capital Dependence , Most farmers returned to ijon in the next planting season because the results received were not enough to finance the needs of the next farming business. Financial Losses , Farmers lost the potential for greater profits due to low selling prices and Declining Welfare , Small net income makes it difficult for farmers to improve their standard of living and family welfare.

Analysis of Islamic Economic Law Perspective

In the review of Islamic Economic Law, the practice of ijon that occurred in Sugih Waras Village contains several problems: Gharar (Ambiguity) , The harvest price is determined long before the harvest, so there is uncertainty about the results and the potential for large losses for farmers. Exploitation Actions (Zulm) , Middlemen gain greater profits by exploiting the urgency of farmers. Islamic principles prohibit all forms of transactions that are detrimental to one party and are not in accordance with the concept of the Salam Agreement: In Islam, the salam agreement is permitted as a form of financing the sale and purchase of harvests in advance, but must meet certain conditions such as a fair price, clear quantity and quality, and without the practice of price pressure.

Sharia-Based Alternative Solutions

This study found that to avoid the detrimental practice of ijon, several solutions can be implemented: Implementation of Salam or Istishna' Contract: Farmers can sell their crops in advance at a fair price through a salam contract that meets sharia requirements. Sharia Financing through Cooperatives or BMT: Sharia microfinance institutions can provide interest-free financing with mudharabah or musyarakah contracts, so that farmers are not trapped in ijon and Partnership with Zakat Amil Institutions: Capital assistance or subsidies from zakat, infaq, and alms funds can be an alternative solution to prevent the practice of ijon

CONCLUSION

The practice of ijon (ijon) in Jombok Village reflects farmers' dependence on informal systems due to limited access to formal financial institutions. Middlemen exploit this gap to dominate rice pricing, creating economic inequality by suppressing prices below market levels and depriving farmers of control over their harvests. Although considered a compromise, this transaction is fraught with contradictions between formal legitimacy and substantial injustice, particularly in the unequal distribution of risks and benefits, thus worsening farmers' socio-economic conditions and hindering agricultural innovation. Limited access to formal financing drives farmers to choose ijon, which offers instant capital, despite the risks of unreasonable interest rates, price losses, and prolonged debt cycles. Legally and ethically, this practice is considered haram (forbidden) due to its exploitation and uncertainty (gharar), placing farmers in a dilemma between survival and the principle of justice. A sustainable solution is offered by the Islamic economy through Islamic banking, which provides inclusive financing based on fair contracts such as mudharabah and musyarakah, as well as salam and muzara'ah contracts to ensure price certainty and balanced risk sharing. This scheme not only reduces dependence on middlemen but also improves financial literacy, encourages productive

collaboration through musaqah and mukhabarah, and strengthens institutions to create a fair, independent, and sustainable agricultural ecosystem.

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