

ANALYSIS OF THE VALIDITY OF THE DEBT SYSTEM IN THE MONTASIK COMMUNITY, ACEH BESAR, BASED ON FIQH MUAMALAH DOCTRINE

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Abstract

This article examines the legitimacy of debt and receivables in the context of harvest agreements from the perspective of *fiqh muamalah*. It concentrates on debt agreements that involve rice harvests, in which the lander provides farmers with funds in exchange for a guarantee upon harvest. It is the objective of this investigation to ascertain the system of debt and receivables through harvest agreements in Islamic jurisprudence and to investigate the practice of debt and receivables through harvest agreements in Montasik Subdistrict, Aceh Besar Regency. The research design is legal-empirical. Data was acquired through observations and interviews. However, the study's findings suggest that the implementation of these agreements has been advantageous for the lander and detrimental to producers. Benefits from the pledged products are realized during the debt repayment process, which is characterized by a distinct pricing mechanism. One of the valid conditions for a debt agreement is the fulfillment of the elements of debt, which means that the pledged products must not generate profit. If any of these components are not met, the debt agreement is rendered null and void.

Keywords: Debt Agreement, Fiqh Muamalah, Islamic Economic Law, and Montasik sub-district,



Abstrak

Artikel ini mengkaji validitas utang dan piutang dalam konteks perjanjian panen dari perspektif *fiqh muamalah*, dengan fokus pada perjanjian utang yang melibatkan panen padi, di mana pihak pemberi utang (*lander*) menyediakan dana kepada petani dengan jaminan panen. Penelitian ini bertujuan untuk menentukan sistem utang dan piutang melalui perjanjian panen dalam *fiqh muamalah* serta mengkaji praktik utang dan piutang melalui perjanjian panen di Kecamatan Montasik, Kabupaten Aceh Besar. Desain penelitian bersifat hukum-empiris. Data dikumpulkan melalui wawancara dan observasi. Hasil penelitian menunjukkan bahwa implementasi perjanjian tersebut merugikan petani dan menguntungkan pemilik tanah. Selama proses pelunasan utang, mekanisme penetapan harga yang berbeda diterapkan, yang menghasilkan manfaat dari barang yang dijaminkan. Salah satu syarat sah perjanjian utang adalah terpenuhinya unsur-unsur utang, yaitu barang yang dijaminkan tidak boleh menghasilkan keuntungan. Jika salah satu unsur tersebut tidak terpenuhi, perjanjian utang menjadi batal dan tidak berlaku.

Kata kunci: Fiqh Muamalah, Hukum Ekonomi Islam, Perjanjian Utang, dan Montasik

INTRODUCTION

In an agricultural context, a debt agreement secured by a rice harvest is frequently encountered, as producers require capital to acquire seeds, fertilizers, pesticides, and other essential resources necessary for rice cultivation.¹ In certain instances, farmers are unable to finance their own farming operations due to a lack of access to sufficient capital. Consequently, they choose to acquire loans by pledging their rice harvest as collateral. On the condition that the rice harvest is utilized as collateral, lenders consent to advance funds to producers.² This implies that lenders have the authority to seize the rice harvest as compensation if producers are unable to repay the debt as agreed. Both parties experience advantages and risks when engaging in debt agreements that utilize rice harvest collateral. This allows farmers to access the capital necessary to finance their agricultural operations without

¹ Akhyar Tarfi dkk., "Agricultural Land Redistribution for Sustainable Peacebuilding in Aceh, Indonesia," *International Journal of Sustainable Development and Planning* 18, no. 9 (2023): 2923–31, <https://doi.org/10.18280/ijsdp.180930>.

² Chairul Fahmi dan Wira Afrina, "ANALYSIS OF LEGAL ASPECTS ON DEBT TRANSFER FROM CONVENTIONAL BANK TO SHARIA BANK POST THE APPLICATION OF QANUN ACEH NO. 11 OF 2018," *Al-Mudharabah: Jurnal Ekonomi Dan Keuangan Syariah* 4, no. 1 (2023): 1.



incurring cash expenditures.³ Nevertheless, they are also at risk of being unable to repay the debt if the rice harvest is unsuccessful due to factors such as adverse weather conditions or pest attacks.

This agreement guarantees that financiers will receive repayment of their funds in the form of rice harvests, unless there is a crop failure.⁴ Conversely, lenders may experience losses if the rice harvest is inadequate to satisfy the debt or if the cultivators are unable to fulfill their obligations. Loan agreements that include rice harvest guarantees can help producers secure the necessary capital and provide lenders with protection against the risk of default.⁵ Nevertheless, both lenders and farmers must understand the risks and responsibilities associated with this type of agreement before entering into it.

Loans, transactions, and other arrangements are frequently executed between individuals. We are aware that the circumstances of each individual are unique; some individuals have their requirements met, while others do not.⁶ However, wealth is a profoundly cherished possession by every human being, as it is a means of sustaining life. Assets are essential for maintaining life; however, individuals occasionally encounter pressing needs that require fulfilling their fundamental needs and continuing their lives. Many of them resort to borrowing or taking loans from more financially stable individuals, which results in them approaching these individuals to purchase essential items through a mutually agreed-upon loan arrangement. A necessity driven by urgent requirements, borrowing money is not a choice for some individuals. In such situations, borrowing is often unavoidable and essential for survival. Borrowing can assist individuals in overcoming financial obstacles and provide a plan for future payments, as many individuals face limited time.

³ Muhammad Munir, "The Effect of Return On Assets (ROA) on The Expenditure of Zakat Funds in Islamic Banks in Indonesia," *LAN TABUR : Jurnal Ekonomi Syariah* 3, no. 2 (2022), <https://doi.org/10.53515/lantabur.2022.3.2.109-123>.

⁴ Jarmanisa dkk., "ANALYSIS OF RISK COVERAGE AGREEMENT BETWEEN PT. J&T AND AN INSURANCE COMPANY FOR DELIVERY OF CONSUMER GOODS IN THE CONTEXT OF KAFALAH CONTRACT," *JURISTA: Jurnal Hukum Dan Keadilan* 5, no. 2 (2021): 2, <https://doi.org/10.22373/jurista.v5i2.11>.

⁵ Chairul Fahmi dkk., "MODEL OF LEGAL DISPUTE RESOLUTION FOR BUSINESS CONTRACT DEFAULT," *JURISTA: Jurnal Hukum dan Keadilan* 7, no. 2 (2023): 242–63, <https://doi.org/10.22373/JURISTA.V7I2.228>.

⁶ "GOLD LOANS AT ISLAMIC BANK AMANAH SYARIAH BASED ON THE PERSPECTIVE OF ISLAMIC ECONOMIC LAW | JURISTA: Jurnal Hukum dan Keadilan," diakses 20 Desember 2023, <https://jurista-journal.org/index.php/jurista/article/view/64>.

Farmers' utilization of land for their daily requirements and as a source of basic materials for industrial applications is one form of agricultural activity that contributes to the community's livelihood. Agricultural activities or crop cultivation are the terms used to describe this activity. Not only in the cultivation of crops, but also in the production of domestic foods like tempeh, tofu, and cheese, the advancements in agriculture are highly regarded today. Many sectors, including tourism and office labor, were unable to operate as usual, particularly during the early stages of the pandemic. Nevertheless, the agricultural sector continued to operate efficiently and expand.

Capital is the most critical factor in the agricultural industry, and producers frequently require additional capital to expand their farming potential.⁷ The capital necessary increases as the cultivated land area increases. The primary alternative is to take out loans, as obtaining substantial capital is a difficult task. Regrettably, lenders often exploit this circumstance by requiring consumers to submit collateral. Consequently, debtors typically accept these offers due to their pressing financial needs. Farmers constitute the majority of the populace in Montasik Aceh Besar, which comprises 39 communities, including Meunasah Tutong, Empee Tanong, and Reudep. The land in these villages is well-suited for rice cultivation, resulting in a significant number of residents becoming rice farmers.

On the other hand, there are instances in which farmers who wish to plant rice are confronted with economic challenges; however, they must persist until the rice harvest occurs. As a result, numerous producers have secured their living expenses by entering into Debt Agreements with Rice Harvest as Collateral.⁸ The purpose of these transactions is to enhance the economy and meet the community's basic needs, as humans are unable to rely solely on themselves and must rely on others to fulfill their requirements. Consequently, numerous debt agreements are established between the farmer and the lender.⁹ Conversely, the majority of the local population possesses

⁷ Pandu Dewanata dkk., "THE EFFECT OF INTELLECTUAL CAPITAL AND ISLAMICITY PERFORMANCE INDEX TO THE PERFORMANCE OF ISLAMIC BANK IN INDONESIA 2010-2014 PERIODS," *JRMSI - Jurnal Riset Manajemen Sains Indonesia* 7, no. 2 (2016), <https://doi.org/10.21009/jrmsi.007.2.04>.

⁸ Ejaz Aslam dkk., "Impact of corporate image on customer loyalty of Islamic banks: the role of religiosity, collectivism, sight cues and CSR," *Journal of Islamic Marketing* 14, no. 5 (2023), <https://doi.org/10.1108/JIMA-09-2021-0314>.

⁹ 180102180 Azza Nabila, *Praktik Penetapan Royalti pada Perjanjian Penerbitan Buku Ditinjau dari Perspektif Fiqh Muamalah (Suatu Penelitian pada Penerbit PeNA Banda Aceh)*, 11 Januari 2023.



assets (land) for rice cultivation. In the villages of Meunasah Tutong, Empee Tanong, and Reudep, a debt system is implemented, in which the lander provides the farmers with money and the rice harvest as collateral for the payment system that the farmers have agreed upon.

Debt is a contract between two parties, where the main terms of the agreement typically involve a specific amount of money to be paid by a certain date.¹⁰ According to Article 613 of the Civil Code, "the transfer of debt and credit in the name of and for other intangible assets is carried out by means of an authentic deed or a private agreement that transfers the rights to such assets to another person.¹¹ In the village of *Meunasah Tutong, Empee Tanong, Reudep Aceh Besar*, landers often help farmers by providing loans in the form of money to purchase farming equipment such as rice seeds, fertilisers, pesticides, and money to pay workers to plant rice, thereby enabling the *lander* to reap significant profits from the farmers.

Farmers are also compelled to offer their harvest to the lander as a result of receiving loans in the form of money from the lander.¹² The lander generates substantial revenue from farmers by exploiting the price disparity between rice sold by those in debt and those who are not. The lander, conversely, offers loans twice if the first harvest is unsuccessful, provided that the second harvest fully settles all outstanding obligations with the lander. The price of rice is determined by intermediaries, who have the authority to establish the price. Consequently, the price has fluctuated from the market rate of 6,700 to 6,500 per kilogram. The price agreement is not determinable at the outset of the loan agreement because of the unpredictable nature of rice prices. The creditor receives the loan amount upon repayment, with the rice harvest serving as collateral. The loan agreement is executed in writing, witnessed by a third party, and signed by both parties.

Consequently, the local community has adapted the practice of relying on debt to sustain the livelihoods of farmers. Survival necessitates this discipline. Despite the exceedingly disadvantageous terms, borrowing from the lander remains a viable option for survival. For example, if the farmer is

¹⁰ Gatot Supramono, *Debt Agreements*, (Jakarta, Kencana, 2013), p. 8

¹¹ Republic of Indonesia, Civil Code Article 613

¹² Muhammad Azrial Aksar dan Muhammad Iqbal, "REWARD SYSTEM FOR ACHIEVING MARKETING TARGETS ACCORDING TO ISLAMIC ECONOMIC LAW: A STUDY ON PT FIF BANDA ACEH INDONESIA," *JURISTA: Jurnal Hukum Dan Keadilan* 8, no. 2 (2024): 2, Indonesia, Malaysia, United Kingdom, <https://doi.org/10.22373/jurista.v8i2.171>.

unable to meet their basic requirements due to a lack of funds, they will continue to survive by borrowing from the lender to repay the debt owed. This ensures that the farmer's needs are met. The rice harvest is only one to two months away. The debt, the farmer, and the intermediary are all secured by the rice harvest of both parties. The farmer is obligated to sell their entire rice harvest to the intermediary to satisfy their debt. This practice of securing debt through the rice harvest has been in place for an extended period.¹³

The researcher conducted a study with "Mr. Nurdin, a farmer from Meunasah Tutong, who explained that he prefers to borrow from rice traders because it is easier than borrowing from other parties, including banks," in light of the issues above. The repayment process is straightforward, with the harvest serving as the primary source of payment, which simplifies the process and alleviates the burden on him. And "Mrs. Rohaya, a farmer from Redeup, elucidated the same point, stating that the reason is also because borrowing from the rice trader is easier than borrowing from other parties.¹⁴ Nevertheless, she was compelled to do so to meet her family's needs, including daily living expenses, even though the price of her rice harvest is lower than its original price." And "Mr. Bakhtiar, a farmer from Empee Tanong, stated that he prefers to borrow from the rice trader because the repayment period offered by the trader is longer and more efficient than that of a bank, which has a shorter repayment period."

The researcher concluded from the interviews above that the system affects a significant number of individuals because it is a more straightforward and efficient process than borrowing from other parties, which have more extended payment deadlines. Rice harvests are used to satisfy the debt owed to the rice intermediaries, rather than currency. The researcher also interviewed Mr. Armia, a rice cultivator in Meunasah Tutong, regarding the establishment of a debt payment system that utilizes rice as collateral. Nevertheless, farmers occasionally postpone repaying their obligations to the lander for a variety of reasons, despite having promised to settle them upon the harvest's arrival. The lander does not promptly confiscate valuable items

¹³ Panji Adam, "LEGISLASI HUKUM EKONOMI SYARIAH: STUDI TENTANG PRODUK REGULASI HUKUM EKONOMI SYARIAH DI INDONESIA," *Tahkim (Jurnal Peradaban dan Hukum Islam)* 1, no. 2 (2018), <https://doi.org/10.29313/tahkim.v1i2.4105>.

¹⁴ Muhammad Achyar dkk., "ISLAMIC LAW REVIEW OF MONOPOLY PRACTICES IN MODERN ECONOMICS," *Al-Mudharabah: Jurnal Ekonomi dan Keuangan Syariah* 5, no. 2 (2024): 288-308.



belonging to the farmers, such as their fields or vehicles, when farmers delay debt payments.

RESEARCH METHOD

This study employs descriptive analysis as its research approach, which entails the systematic, factual, and precise depiction of the subject under investigation.¹⁵ This study adopts a case study methodology, employing a yiridis-empirical research framework. This study utilizes both primary and secondary data sources, obtained through interviews and a literature analysis. Data analysis involves the methodical examination and organization of data collected through interviews, field notes, and various other sources. This enhances comprehension and allows the findings to be conveyed to others.

RESULTS AND DISCUSSION

A. Definition and Legal Basis of *Qardh*

Al-Qardh (debt) comes from the word *qarada*, *yuqridhu*, *qardhan*. According to its original meaning, it is *Al-Qath'u* (cut) or severed.¹⁶ Meanwhile, according to the term, it is property given by one person to another, to be returned when they can do so. Another definition of debt is property provided by *the muqriddh* (lender) to *the muqtaridh* (borrower) to be returned to him in the same condition as when *the muqtaridh* can repay it. *Al-Qardh* is essentially a loan from one person to another to help them. Therefore, the *Al-Qardh* agreement is not a commercial agreement, but a social agreement designed to promote kindness among people, encourage mutual assistance, and facilitate all aspects of their lives.¹⁷

Debt in Arabic is referred to as "*Dainun*," which means "giving property or cash to another person with an agreement that they will pay and return it in the same amount, whether the repayment date is specified or not." The terms "*qardh*" and "*dainun*" essentially have the same meaning, indicating that in a debt agreement, the debtor will repay the amount borrowed in full.¹⁸

¹⁵ Muhammad Siddiq Armia, *PENENTUAN METODE & PENDEKATAN PENELITIAN HUKUM*, ed. oleh Chairul Fahmi (Lembaga Kajian Konstitusi Indonesia, 2022).

¹⁶ Afandi Yazid, , *Fiqh Muamalah Dan Implementasinya Dalam Lembaga Keuangan Syari'ah* (logung pustaka, 2009).

¹⁷ Fahmi dkk., "MODEL OF LEGAL DISPUTE RESOLUTION FOR BUSINESS CONTRACT DEFAULT."

¹⁸ Moh. Rifa', *Comprehensive Islamic Jurisprudence*, (Semarang: Toha Putra, 1994), p. 414.

According to the *fuqaha*, *qardh* is an agreement between two parties who mutually assume responsibility, where one party hands over their property to the other party for trade with a predetermined share of the profit. The *Hanafi* scholars state that *qardh* is an opportunity for both parties to enter into a cooperative agreement for mutual benefit, as the property is handed over to one party, and the other party has the obligation to obtain that property.¹⁹

According to the fatwa of the DSN MUI, *qardh* is a loan agreement between a customer and a financial institution, with the condition that the customer is obligated to repay the funds received to the financial institution at the agreed-upon time. According to Law No. 21 of 2008 on Islamic Banking, *qardh* is a loan agreement in the form of funds provided to a customer, with the condition that the customer is obligated to return the funds received at the agreed-upon time.²⁰

According to *Wahbah Zuhayli*, a debt is the transfer of property to another person without any compensation or additional payment upon its receipt.²¹ Meanwhile, according to *Islamic jurists*, a debt is a transaction between two parties, where one party voluntarily transfers money to the other party with the expectation that it will be returned by the second party similarly.²² From the definitions presented above, *qardh* is a type of transaction considered *ta'awun* (mutual assistance) provided to those in need of help. The purpose of permitting debt is to provide ease for humanity in their interactions, as there are those among humanity who are sufficient and those who are in need. Thus, those who are adequate can utilise their money for those who are in need.²³ The basis for *qardh* is found in the Qur'an and Hadith. Allah SWT states in Q.S. Al-Baqarah verse 245, which reads: Meaning: Whoever lends to Allah a good loan, Allah will multiply it for him many times over. Allah restricts and expands (provision), and to Him you will be returned.

¹⁹ Alif Cahya Setiyadi dkk., "ANALYSIS OF THE PERMISSIBILITY OF BAI' AL-'INAH TRANSACTIONS ACCORDING TO THE SHAFI'I SCHOOL OF THOUGHT AND ITS IMPLEMENTATION IN MALAYSIA," *JURISTA: Jurnal Hukum dan Keadilan* 7, no. 2 (2023): 144-64, <https://doi.org/10.21111/tsaqafah.v8i2.27>.

²⁰ Mardani, *Islamic Economic System Law*, 1st Edition, (Jakarta: PT Raja Grafindo Persada, 2015), p. 232.

²¹ Wahbah Alzyhyliy, *Islamic Jurisprudence According to Its Evidence, Volume IV*, (Beirut: Dar Al-Fikr, 1998), p. 2915.

²² Abu Sura'i Abdul Hadi, *Bank Interest in Islam*, (Surabaya: Al-Ikhlas, 1993), p. 125.

²³ Amir Syarifuddin, *Garis-Garis Besar Fikih (Outline of Fiqh)*, (Jakarta: Prenada Media, First Edition, Second Printing, 2005), p. 223.

The meaning of the above verse is that whoever lends his wealth in the way of Allah with a good loan in the form of lawful wealth, then Allah will multiply its reward abundantly, so that you may continue to give in charity. Allah, with all His wisdom, will withhold or restrict and expand the provision of whomever He wills. To Him you will return on the Day of Resurrection to receive a reward commensurate with what you intended.²⁴ In the hadith, it is also explained that: "Narrated by Abu Hurairah, a man came to the Prophet Muhammad to demand repayment of a debt in a harsh manner. The companions wanted to take action against him". The Prophet said, "Leave him alone, for the one who has a right is entitled to demand his property back." The Prophet then said, "Give him a star equal to his animal." The companions said, "There is nothing equal to it except something better than his star." Upon hearing this, the Prophet said, "Give him whatever he asks for, for the best of you is the one who is the best in paying his debts." (Al-Bukhari 40:6; Muslim 22:22; Al-Lu'lu-u wal Marjan 2:179).²⁵

Therefore, borrowing and lending have become an integral part of life. Based on the above explanation, which forms the basis of the law of debt and credit, both from the words of Allah SWT and the Hadith of the Prophet Muhammad SAW, debt and credit are a contract prescribed in Islamic law, which is a praiseworthy act for those who perform it and will receive reward from Allah SWT.

B. Practice of Debt Agreements with Rice Harvest as Collateral in Montasik District, Aceh Besar

In the villages of Meunasah Tutong, Empee Tanong, and Reudep, farmers borrow money from the landowner with their own capital. Debt agreements with the lander are common among the community there. Farmers choose to borrow from the lander because they have more financial resources and can provide loans to those in need. In addition to being easier to obtain, the money can be used to purchase essential farming supplies.

According to Mr. Nurdin, the practice is carried out by farmers requesting loans in the form of money from the lander for their farming needs. The lander provides loans in the form of cash to the farmers to use as capital

²⁴ Concise Exegesis of the Ministry of Religious Affairs of the Republic of Indonesia, accessed on Wednesday, January 29, 2024.

²⁵ Tengku Muhammad Hasbi Ash Shiddiqie, *Pearls of Hadith 5*, (Semarang: Rizki Putra Publishing House, 2003), p. 281.

for their farming activities. At the beginning of the agreement, the middleman draws up a contract stipulating that after the harvest, the farmers must give all the rice harvest to the intermediary to repay the debt. Hence, the farmers provide the rice harvest to the intermediary after the harvest, even though the harvest price is lower than the market price.²⁶ Mrs. Fatimah then explained that the debt system with rice harvest as collateral greatly helps farmers who need capital to plant rice but lack sufficient funds. By using the harvest as collateral, farmers can more easily carry out their farming operations.²⁷ Mr. Anwar further explained that borrowing from the lander is easier than borrowing from other institutions such as banks, as the lander has a closer relationship with the farmers, making the borrowing process simpler, faster, and more convenient. On the other hand, the price of the rice harvest is lower than the market price.²⁸

According to Mrs. Salma, this practice in Empee Tanong has been a long-standing tradition. When farmers need capital for farming equipment and borrow from the bank, the harvest must be sold to the bank that lent the money. The price is not based on the standard rice price, but is somewhat lower than the market price, shifting from 6,700 to 6,500 per kilogram.²⁹

According to Mr. Ahmad, this practice of conditional debt between farmers and landers has been ongoing for a long time. Since most of the community still relies on landers for assistance in managing their land, the farmers have become dependent on them. The government has actually provided a solution to this problem, allowing low-income residents to apply for loans from banks. However, according to the farmers, borrowing from banks requires collateral, and the disbursement process takes a considerable amount of time. Hence, the farmers still rely on borrowing from the intermediaries, which they consider faster and easier.³⁰ Furthermore, Mr. Baharuddin explained that when the harvest season arrives, the debt must be paid immediately. The payment must be in the form of the harvest, as stipulated in the loan agreement.³¹

Through field research, the researcher obtained information from rice traders who employ a debt system with collateral after the rice harvest.

²⁶ Nurdin, Rice Farmer from Meunasah Tutong Village, Interview, on 25 May 2025.

²⁷ Fatimah, Rice Farmer from Meunasah Tutong Village, Interview, on 25 May 2025

²⁸ Anwar, Rice Farmer from Reudep Village, Interview, on 28 May 2025.

²⁹ Salma, Rice Farmer from Empee Tanong Village, Interview, 28 May 2025.

³⁰ Ahmad, Rice Farmer from Empee Tanong Village, Interview, on 28 May 2025.

³¹ Baharuddin, Rice Farmer from Empee Tanong Village, Interview, on 28 May 2025.

According to Mr. Armia, a rice trader in Meunasah Tutong, there is a price difference between farmers who have debts and those who do not. For farmers without debts, the price is set according to the market price, while for those with debts, the price is set lower than the market price. Additionally, some farmers were unable to pay their debts on time due to various factors, including poor weather conditions and crop failures. Most farmers attempted to fulfil their obligations by handing over their rice harvest, but this practice was rare in the debt agreement system secured by rice harvests.³²

According to Mr. Syarboini, farmers who wish to take out a loan go directly to the moneylender's house and explain that they want to borrow money for farming purposes. *The moneylender* then provides the loan on the condition that the farmer must sell their harvest to the moneylender as repayment for the loan. The price of the harvest cannot be determined at the beginning of the agreement because the cost of rice is unpredictable. The repayment period given by *the lender* is usually after the harvest is completed. However, the lender also considers the borrower's circumstances; if the borrower meets the conditions and the lender trusts the farmer, then the lender will provide the loan.³³

According to Mr. Nazar, he said that in addition to helping the residents of Empeee Tanong village, he also has a business buying and selling rice harvests from farmers. He also lends money to farmers according to their requests, as he views lending as a profitable action, given that the harvest will eventually be sold to him.³⁴

Based on interviews with several landers, the researcher concluded that this system benefits the lander by reducing the risk of default. By using the harvest as collateral, *the lander* has assurance that the farmers have a strong incentive to ensure the harvest's success to repay their loans. This creates a mutually beneficial relationship between the lander and the farmers.

C. Practice of Debt Agreements with Rice Harvest Collateral in Montasik, Aceh Besar, based on Fiqh Muamalah

Based on the research findings obtained by the researcher through interviews and observations, the community in the villages of Meunasah Tutong, Empeee Tanong, and Reudep in Montasik District, Aceh Besar, meets

³² Armia, Rice Trader from Meunasah Tutong, Interview, on 22 May 2025.

³³ Syarboini, Rice Trader from Reudep, Interview, on 22 May 2025.

³⁴ Nazar, Rice Merchant from Empeee Tanong, Interview, on 22 May 2025.

its basic needs by working and helping one another. When they face financial difficulties or emergencies, they borrow money from moneylenders to meet their basic needs. This is considered an easy solution, as there are no other alternatives available to obtain money quickly. Therefore, when rice farmers need money urgently, they can seek assistance from moneylenders.

The borrower is permitted to return the borrowed property in kind and is also allowed to return it in a different form. Whether the property is *mitsliyat* (property that can be replaced with something of equal value) or not, as long as the property has not undergone any changes, whether in terms of decrease or increase, if the borrowed item is *qimiy* (property valued based on its value), it must be returned with an equivalent item in the same form, as the Prophet Muhammad borrowed a camel and returned it with a camel of the same age.³⁵

According to the opinion of the Hanbali scholars, the return of similar property when lent is property that is measured and weighed, as agreed upon by the scholars of fiqh. If the object of the loan is not property that is measured and weighed, it must be returned at its value on the day of the agreement or returned with similar characteristics that are possible.³⁶

The debt between farmers and rice traders in the village of Meunasah Tutong, Empee Tanong, Reudep, Montasik District, Aceh Besar, is not uncommon, as it has become a customary practice among the community. The agreement they make is done directly without intermediaries at *the trader's place* where they buy the harvest, and it is made both orally and in writing.

The debts incurred by the villagers of Meunasah Tutong, Empee Tanong, and Reudep in the district of Montasik, Aceh Besar, do not comply with Islamic law, as the entire rice harvest of the farmers must be sold to *the intermediaries* who provided the loans, and the price paid to the farmers at harvest time is reduced. This practice has been ongoing for a long time and has become a customary tradition. Therefore, such debt transactions fall under the category of usury, which is prohibited in Islam.

The debt transactions between farmers and intermediaries are not for mutual assistance, but rather to exploit the debt. In the debt agreement between farmers and rice traders, there is an additional condition: if farmers wish to borrow from the rice trader, they must sell their entire harvest to the lender, and the price is reduced compared to those who only sell their harvest

³⁵ Hasan, M. Ali, *Various Types of Transactions in Islam*, (Jakarta: Raja Grafindo Persada, 2002), p. 226.

³⁶ Syafei, Rahmat, *Fiqh Muamalah*, (Bandung: CV Pustaka Setia, 2011), p. 255



on credit. Such practices are clearly contrary to Islamic law, as the addition of such conditions constitutes usury. *Riba* is a prohibited act in Islamic law, defined as the demand for an additional benefit from something that has been lent or borrowed. The *riba* referred to here is *riba qardh*, which means lending with the condition that the lender derives a benefit from the borrower.

The legal basis for debt (*qardh*) in the principles of Islamic transactions is as follows: "The default ruling in all forms of transactions is permissibility unless there is evidence to prohibit it".

As for the lender, they receive a recommended reward. From the borrower's perspective, it is permissible because there is no objection to it. Therefore, it can be said that lending a loan is recommended and even obligatory, such as lending to someone in need or to someone destitute.³⁷

Based on the above discussion, the researcher concludes that the practice of debt and credit in the village of Meunasah Tutong, Empee Tanong, Redeup, Montasik District, Aceh Besar, with its system of payment in kind, is a practice that does not align with the provisions of Islamic law. In the debt repayment process, a different price determination method is used, which can yield benefits from the borrowed goods. One of the valid conditions for a debt is the fulfilment of the elements of debt, namely that the borrowed goods must not bring benefits or profits. If any of the aspects of the debt are not fulfilled, the debt becomes invalid. Therefore, the practice of debt in the village of Meunasah Tutong, Empee Tanong, Redeup, Montasik District, Aceh Besar, does not meet the conditions of debt. Similarly, the principle of *tabarru'* in debt is also invalid. According to the opinions of Hanafi and Maliki scholars, any *loan* that provides a benefit falls under the category of usury, especially when it involves certain conditions and renders the loan agreement invalid.

Therefore, the practice of debt and credit in the village of Meunasah Tutong, Empee Tanong, Reudep, Montasik District, Aceh Besar Regency, does not meet the conditions of debt and credit. Similarly, the principle of *tabarru'* in debt and credit is also invalid. According to the opinions of Hanafi and Maliki scholars, any *qardh* that brings about a benefit is considered usury when it involves conditions and can render the *qardh* contract invalid.

CONCLUSION

³⁷ Munir and Sudarsono, *Fundamentals of Islam*, (Jakarta: PT Asdi Mahasatya, 1992), p. 252.

The practice of debt with a guarantee of rice harvest between farmers and rice *traders*, where the condition is that farmers must sell their harvest to the traders, is still imperfect. The implementation of the agreement, particularly when utilizing the debt system with collateral, where the rice merchant and the farmer enter into a contract, remains imperfect. This is because the collateral in the debt agreement is the rice harvest, which is of an uncertain nature. In contrast, Islamic law requires that the validity of an agreement using an item as collateral for a debt be established, meeting specific conditions.

According to Islamic jurisprudence on debt agreements secured by rice harvests, if the farmer delays payment to the intermediary, the agreement remains valid, but the conditions are void. If there is a crop failure, the contract's conditions become void. However, the farmer is still obligated to repay the debt to the rice merchant, even though the conditions under which it was incurred have become void. Nevertheless, the community in the village of Meunasah Tutong, Empee Tanong, Redeup, Montasik District, Aceh Besar, still enforces debt repayment using rice harvest as collateral, even though the conditions of the agreement have become void or no longer applicable.

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