

A Core-Plasma Agreement Model For Palm Oil Plantations With A Profit-Sharing Pattern Based on The Muzaara'ah/Mukhabaroh Agreement And Musaqoh Agreement

Nurdin Iraj Nugraha,¹ Achmad Jaka Santos Adiwijaya,² Ani Yumarni^{3*}

Master of Laws, Djuanda University, Bogor

nurdinirajnugraha@gmail.com; jaka.santos@unida.ac.id; ani.yumarni@unida.ac.id

*Corresponding Author

Article info

Received: 19 May 2026

Revised: 5 Aug 2026

Accepted: 10 Aug 2026

DOI: <https://doi.org/10.31599/krtha.v20i2.5485>

Abstract : *Until now, palm oil plantations remain the largest contributor to the Indonesian economy, accounting for 75% of exports of plantation products. The area of oil palm plantations has now reached 16.01 million hectares, with 53.57% of it controlled by large private companies. To support the economic growth of Indonesian society as a whole, the government, through the Minister of Agriculture Regulation No. 26 of 2007, has made it mandatory for Palm Oil Plantations to allocate 20% of the total land they manage for the community (Inti-Plasma). Unfortunately, this goal cannot be realized optimally due to unbalanced cooperation. The community must bear the debt for the costs of building the garden along with the interest. This research aims to provide an alternative agreement model other than the existing agreement so that the community or oil palm plantation business actors have a choice of agreement model. The research method used is normative legal research, namely research whose sources come from documents in the form of statutory regulations, court decisions, contracts/agreements, legal theory, and scholars' opinions. The results of this research conclude that the Muzaara'ah/Mukhabaroh Agreement and Musaqoh Agreement models are more profitable for the community because they do not use a debt and interest system in their cooperation patterns and provide more certainty and benefits. After all, profit sharing is calculated based on their respective roles and burdens. This research will influence the choice of agreement model used by Plasma farmers in establishing Inti-Plasma partnerships, shifting from a debt-and-interest-based model to one based on profit-and-loss sharing.*

Keywords : *Agreement, Palm Oil Plantation Core-Plasma, Muzaara'ah / Mukhabaroh Agreement and Musaqoh Agreement*

Abstrak : *Sampai saat ini, perkebunan kelapa sawit masih menjadi penyumbang terbesar bagi perekonomian Indonesia dengan menyumbang 75% dari ekspor produk perkebunan. Luas lahan perkebunan kelapa sawit saat ini telah mencapai 16,01 juta hektare, dengan 53,57% di antaranya*



dikuasai oleh perusahaan swasta besar. Agar berdampak bagi pertumbuhan ekonomi masyarakat Indonesia secara menyeluruh, pemerintah melalui Permentan No. 26 Tahun 2007 telah mewajibkan perkebunan kelapa sawit untuk mengalokasikan 20% dari total lahan yang dikelolanya bagi masyarakat (Inti-Plasma). Sayangnya, tujuan tersebut tidak dapat direalisasikan secara optimal karena kerja sama yang tidak seimbang. Masyarakat harus menanggung utang biaya pembangunan kebun beserta bunganya. Penelitian ini bertujuan untuk memberikan alternatif model perjanjian selain perjanjian yang sudah sehingga masyarakat atau pelaku usaha Perkebunan Kelapa Sawit mempunyai pilihan model perjanjian. Metode penelitian yang digunakan adalah *normative legal research*, yaitu penelitian yang sumbernya berasal dari dokumen berupa peraturan perundang-undangan, putusan/ketetapan pengadilan, kontrak/perjanjian, teori hukum, dan pendapat para sarjana. Hasil penelitian ini menyimpulkan bahwa model Akad Muzaara'ah/Mukhabaroh dan Akad Musaqoh lebih menguntungkan bagi masyarakat karena tidak menggunakan sistem utang dan bunga dalam pola kerja samanya serta memberikan kepastian dan kemanfaatan karena bagi hasil dihitung berdasarkan peran dan beban masing-masing. Penelitian ini akan berdampak pada pemilihan model perjanjian yang digunakan oleh Petani Plasma dalam menjalin kerja sama kemitraan Inti-Plasma, yang sebelumnya menggunakan model berbasis utang dan bunga, menjadi model berbasis profit and loss sharing.

Kata kunci : Perjanjian, Inti-Plasma Perkebunan Kelapa Sawit, Akad Muzaara'ah/Mukhabaroh dan Akad Musaqoh.

Introduction

Since 2007, the Government through the Regulation of the Minister of Agriculture (Permentan) No. 26 of 2007, Permentan No. 98 of 2013, Permentan No. 29 of 2016 and Permentan No. 21 of 2017 requires Plantation Companies, including Oil Palm Plantations that have a Plantation Business Permit (IUP) or Cultivation Plantation Business Permit (IUP-B) to build community gardens around at least 20% of the area of the cultivated plantation. This obligation is emphasized by the enactment of Law No. 39 of 2014 concerning Plantations, which revokes Law No. 18 of 2004. Currently, the implementation of this obligation is emphasized by the issuance of Permentan No. 18 of 2021 concerning Facilities for the Development of Community Gardens in the Surrounding Area, Article 2 of which stipulates that the pattern for developing community gardens uses a credit pattern, profit-sharing pattern, other forms of funding agreed upon by the parties, and/or other forms of partnership.

In general, the pattern frequently used by Palm Oil Plantation Companies is a profit-sharing pattern with a loan scheme for development costs, part or all of which is normatively regulated in Article 5 of the Minister of Agriculture Regulation No. 18 of 2021. From the farmer's perspective, partnerships with loan schemes are very disadvantageous because they trap farmers in debt amid income uncertainty, especially during the New Plantation Not Yet Producing (TBBM) phase for 1-3 years. This problem can at least be seen in several legal cases involving plasma farmers and Palm Oil Plantation

Companies, including the dispute between the *Anak Dalam* Tribe in Sumatera,¹ the dispute over the Mujur Jaya Molino Cooperative in North Morowali,² and the dispute between Teluk Bekung residents and PT Palmdale Agroasia Lestari.³

From the results of research conducted by Dwicahyani et. al., problems occur in the Core-Plasma system in Central Sulawesi. Several problems are that the operator scheme used by the Company causes a lack of participation by plasma farmers in garden management; the Company's position is too dominant in business decisions; farmers are bound by debt to the Company, and there is no transparency about the form of debt agreements; and the land status owned by plasma farmers is not clear because many have not been certified.⁴

Therefore, hopefully there are alternative agreement models that do not use debt instruments, such as model agreements based on contract *Muzaara'ah* / *Mukhabaroh* and contract *Musaqoh*. This model is far more profitable for farmers because it does not use debt instruments. Still, rather than a cooperative land management model, farmers deliver the land for oil palm planting. At the same time, the Company provides the source of human and capital power to build the garden. On the income side, the principle used is profit and loss sharing.

The problem is: What is the Core-Plasma Agreement Model for Palm Oil Plantations? Can the *Muzaara'ah*/*Mukhabaroh* contract and the *Musaqoh* contract be implemented in Indonesia? Is there an umbrella law that can directly support the use of the model, and what are the opportunities and challenges in its implementation?

The purpose of this research is to provide an alternative agreement model for plasma farmers that does not use debt instruments, so that farmers are avoided from a trap. A connection will be established to help between Plasma Farmers and Palm Oil Plantation Companies, as well as to ensure balanced rights and obligations between Plasma farmers and companies.

Methods

In this study, the writer uses a *normative legal research approach*, which is also known as doctrinal legal research. Namely, research based on documents in the form of regulatory legislation, decisions/determinations court, contract/agreement, theory law and the opinions of scholars.⁵ The Author's

¹ BBC News Indonesia, 'Palm Oil Plasma Investigation: 'We've Been Lied to Many Times'', 2022.

² Civil Case Between Mujur Jaya Molino Cooperative and PT ANA Decided NO', Chanel Sulawesi, 2024 <<https://channelsulawesi.id/2024/10/24/kasus-perdata-antara-koperasi-mujur-jaya-malino-dan-pt-ana-diputus-no/>> [accessed 4 August 2026].

³ Astudestra Irham, Muhamad & Ajengrasti, 'Palm Oil: The Dayak People's Victory Against Palm Oil Companies, "Learning Capital from Prison"', BBC NEWS Indonesia, 2022 <<https://www.bbc.com/indonesia/indonesia-61507747>> [accessed 4 August 2026].

⁴ Ambarsari Dwi Cahyani and others, *Inequality in the Relationship between Core-Plasma Farmers and Palm Oil Companies in Central Sulawesi*, 2021. Pp. 59-60.

⁵ Sanne Taekema, 'Theoretical and Normative Frameworks for Legal Research: Putting Theory into Practice', *Law and Method*, 2018.

data use consists of primary data in the form of other related laws and regulations with the Plasma Core; and secondary data in the form of books or related journals with the object of ongoing research conducted by the Author. The data collection technique is *library research*, with data analysis in the form of inventory, identification, classification, and systematization.

Result And Discussion

Foundation: Philosophical, Sociological, and Legal Core-Plasma of Oil Palm Plantations in Indonesia

Regulatory legislation can, it is said, contain a philosophical (*philosophische grondslag*) if the formulation is justified philosophically. According to Muhamad Junaedi, the function of philosophical regulation legislation is to realize objective law that is justice,⁶ which, in Gustav Radbruch's *theory*, explains that justice (*Gerechtigkeit*) is one of the *three basic ideas of law* (*dee das Recht*). Justice occupies the highest position before expediency (*Zweckmassigkeit*) and certainty of law (*Rechtsicherheit*).⁷ In a way, the philosophical policy of the Core-Plasma Partnership for Oil Palm Plantations can be released from the principle of objective independence as intended in the preamble to the 1945 Constitution, namely: " ... advancing welfare in general ..." which is a deep matter. This is interpreted as a welfare society (welfare social).

The sociological basis is the considerations or reasons that describe the regulations formed to fulfill public needs in various aspects, as well as empirical facts about development problems and the needs of society and the state. In this matter, a regulation will be assessed from a sociological perspective as a symptom of social problems.⁸ Law is reviewed from the perspective of sociological knowledge functioning as: *first, as a controller of society (social control), to limit society so as not to deviate; and if deviation occurs, sanctions will be imposed.*^{9,10} This means the existence of law aims to control actions or behavior in society. *Second, for engineering society (social engineering)*, namely according to Satjipto Rahardjo, law is not just used to confirm patterns of habits and behavior; law is also used to direct society to the desired goals, eliminate habits that are seen as unnecessary, and create new patterns of habit.¹¹

In this matter, to balance Indonesian society as a whole, regulations were made requiring palm oil plantation companies to form partnerships with the public around the garden through the Core-Plasma system. This is intended to

⁶ Muhammad Junaedi, *Legal Design Theory: Practical & Theoretical Review of the Preparation of Legislation* (Depok: Rajawali Pers, 2024).

⁷ Junaedi.

⁸ Munawir, *Sociology of Law* (Ponorogo: Institute for Publishing and Scientific Development of the State Islamic College of Ponorogo, 2010).

⁹ Donald Black, *The Behavior of Law* (New York: Academic Press, 1976), 2–5

¹⁰ Ahmad Qiram As-Suvi and Moh. Zainullah, "Sociology of Law in the Perspective of Roscoe Pound and Donald Black and Its Relevance in the Indonesian Context," *Peradaban Journal of Law and Society* 1, no. 2 (2022): 82–95.

¹¹ Muhammad Ridwan Lubis and Cut Nurita, *Sociology of Law* (Solok: Mafy Media Literasi Indonesia, 2023).

encourage the community around the garden also to feel economic growth directly. In addition, the public can optimize the land they own by planting oil palm and get certainty in distributing harvest results so that they get a reasonable price.

Jimly Asshiddiqie, in a book entitled *Introduction to the Science of Constitutional Law*, conveys that Indonesian society views Pancasila as the philosophy of life of the state based on the 1945 Constitution. Therefore, Pancasila is a source of law material that must be implemented and reflected in every law regulation in Indonesia, which is based on the One Almighty God, just and civilized humanity, uniting all elements of the nation, oriented towards the people, and capable of ensuring social justice for all Indonesian people.¹² In a way, the Juridical regulation of the Nucleus-Plasma System for Oil Palm Plantations is a manifestation of Article 33 of the 1945 Constitution, embodied through Article 57 of Law Number 39 of 2014 concerning Plantations.

Understanding the Core-Plasma Agreement Model for Palm Oil Plantations in Indonesia

The core-plasma system of oil palm plantations is regulated by Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises. Partnerships are a system of cooperation related to good principles, whether direct or indirect, with each other, based on need, mutual trust, strengthening each other, and mutual profitability.¹³ While the Plasma Core is an implementation partnership that makes business big as the core that does coaching and development of Micro, Small and Medium Enterprises with method do provision and preparation land; provision means production; guidance technical production and management business; acquisition, mastery and improvement technology; financing; marketing; guarantee; provision information and provision other necessary assistance For increase efficiency, productivity and insight business.¹⁴ Principle: The Nucleus-Plasma pattern is equality,¹⁵ which means both parties use an approach to respect each other, are mutually beneficial, and mutually believe in it, not mastery over each other; transparency between the two parties so that no suspicion happens between them; and mutually profitable for the two parties.

In the system, the public as Plasma farmers hand over the land for planting oil palm to the Oil Palm Plantation Company (*Inti*).¹⁶ Costs for development, such as opening land, costs planting, costs for New Plants Not Yet Producing (TBBM), costs after Plant Produce (TM), Company staff costs, survey costs, and other costs financed by the Company. Later costs will become a debt of Plasma Farmers. System loan cost development oil palm plantation. This is, in a way, a firm arranged in Article 5 Paragraph (1) of the Regulation of the Minister of

¹² Jimly Asshiddiqie, *Introduction to Constitutional Law* (Depok: Raja Grafindo Persada, 2022).

¹³ Article 1 number 13 of the Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises .

¹⁴ Article 27 of the Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises

¹⁵ M. Fikri Himmawan, Ninglasari Sri Yayu, and Husnul Mirzal, 'A Systematic Literature Review on Waqf Governance: Stakeholder Analysis', *International Journal of Ethics and Systems*, 2025.

¹⁶ Cahyani and others.

Agriculture Number 18 of 2021 Concerning Community Garden Development Facilities.

To make it easier, all plasma farmers are collected in one receptacle in the form of a cooperative, which will function and have duties to represent Plasma farmers in tying up with Palm Oil Plantation Companies as the Core. The choice of a cooperative legal entity as a receptacle is in accordance with characteristics and needs; remember, control of the cooperative is conceptually understood as an organization of the economy owned and controlled by its members in a democratic way to fulfill economic, social, and cultural needs collectively. A cooperative places its members as owners and users (*member-owner* and *member-user*), whose success is determined by the level of participation of its members. This is different from a business entity, which positions capital owners as controllers and profit maximization as the main goal.¹⁷ Based on the theory of democratic economy, cooperatives are possible institutions for distributing power in the economy through mechanisms of participation, equality of voice (one member, one vote), and proportional distribution of benefits.¹⁸

Cooperatives are business entities and legal entities with characteristics distinctly based on principles of democratic economy, the role of members, and family values. In Indonesian law, cooperatives are recognized as a national economic pillar, as set out in Article 33 of the 1945 Constitution, which specifically expects them to be the main instrument in realizing an equitable economy, strengthening people's economy, as well as equitable social justice.

Reality: In the field, the Core-Plasma system for Oil Palm Plantations is not easy. This is because oil palm plants are new and can produce only after 3 years. During the period when the plant is not yet able to produce (TBBM), this usually requires high costs. So, to respond to this, there is an agreement model that can provide certainty, justice, and expediency. The system uses loans and interest, which will naturally be burdensome. Plasma farmers remember that during the TBBM phase, of course, they cannot yet pay installments because oil palm plantations have not yet produced anything.

Regulations and Implementation of Profit Sharing in the Core-Plasma System of Oil Palm Plantations, Especially Interpretation of Minister of Agriculture Regulation Number 18 of 2021

For understand system Core-plasma Partnership for Oil Palm Plantations, especially formerly need explained phase growth of oil palm, which consists of from: phase vegetative, namely consists of from phase nursery (Pre-nursery & Main-nursery) and New Plants Not Yet Producing (TBBM) (age 0-3 years); phase Plant Produce (TM) consists of from Early TM (ages 4-7 years), Prima/optimal TM (ages 9-14 years), Advanced TM (ages 15-25 years), and the phase decline and rejuvenation (*replanting*) (age > 25 years).

¹⁷ Deolinda Meira and Maria Elisabete Ramos, "Democratic Governance and Modernity in 21st Century Co-operatives: Frontiers and Balances," *Journal of Co-operative Organization and Management* 11, no. 2 (2023): 100215.

¹⁸ Veri Antony and Azka Farrell Razaga, 'Legal Issues in Savings and Loan Cooperative Activities in Indonesia', *Veritas et Justitia*, 10 (2024), 179–201.

The TBBM phase is a phase of struggle for Palm Oil Plantation Companies as the Core and society as Plasma farmers. This is because, in this phase, the cost is operational, while the second party has not yet received results because Palm Oil has not yet been able to produce. Generally, the cost during this TBBM phase is financed by the Palm Oil Plantation Company and will later be accumulated as a debt of Plasma farmers that must be paid along with the flowers at the time of the Plant Produce (TM) phase.

In the TM phase, both parties start to get profit from Palm Oil Fruit. Palm Oil Plantation Companies and Plasma Farmers receive results every time they harvest, after deducting debt costs, development costs, and maintenance costs. So the Palm Oil Plantation Company gets two benefits, namely profit from results and profits from interest on debt costs and development.

The existing Core-Plasma system for Oil Palm Plantations is not profitable at the moment. This is because the public position is unbalanced, and society is burdened with debt costs for development along with the flowers. Besides that, in the existing Core-Plasma system for Oil Palm Plantations, this is still a capitalist model, so that Palm Oil Plantation Companies still enjoy the biggest profit.

Definition and Model of Core-Plasma Agreement for Oil Palm Plantations Based on Contract Muzaara'ah / Mukhabaroh and Akad Musaqoh

Contract *Muzaara'ah/Mukhabaroh* and contract *Musaqoh* are two of the types of known agreements (transactions) in Islamic thought. In the context of conventional economics, contracts *Muzaara'ah/Mukhabaroh* and contracts *Musaqoh* Are Not Far different from cooperative transactions in other business fields.¹⁹ What makes it different from the conventional system is the objectives (*maqasid*), namely that, besides doing economic transactions, contracts *Muzaara'ah/Mukhabaroh* and contracts *Musaqoh* are for operating guidance from the Prophet Muhammad SAW as the carrier of the Message of Allah SWT.

If referring to Islamic economics principles according to Rahman in Mu'min, then the Core-Plasma system model for oil palm plantations based on the contract *Muzaara'ah/Mukhabaroh* and contracts *Musaqoh* must fulfill 10 principles, namely: monotheism, welfare, justice, leadership, brotherhood, work and productivity, ownership, freedom and responsibility, guarantee of social and prophecy.

Firstly, the concept of monotheism. This concept emphasizes that all human actions must be based on values of faith and piety. Then, the Core-Plasma system must emphasize values. Help between Plasma farmers as owners of land who have limited capital and Palm Oil Plantation Companies that have strong capital.²⁰

Secondly, draft benefits. Concept: This emphasizes that the Core-Plasma system must be good and functioning for the public around. With the Core-

¹⁹ Ilias Bantekas et al., *Islamic Contract Law* (Oxford: Oxford University Press, 2024), 1–35.

²⁰ Alief Anshari, 'Islamic Economic Philosophy (A Theoretical Review)', *EKALAYA Journal of Accounting Economics*, 2024.

Plasma system, the Palm Oil Plantation Company will be able to contribute to economic growth for the public without needing to release land, which becomes the main power source for his life.²¹

Thirdly, draft justice. Although the position of the Palm Oil Plantation Company with the public is different, the Core-Plasma system must be carried out by putting forward principles of justice, namely to eliminate the gap. Therefore, the Core-Plasma agreement must be made transparently and in good faith.²²

Fourthly, draft leadership (*al- Khilafah*). Concept: This emphasizes the related role of man in organizing and managing the world. In the economic context, humans must be able to manage the power source created by God to worship Allah SWT and for kindness to all creatures.²³

Fifth draft: brotherhood (*al- Ukhuwah*). Islam teaches the value of brotherhood with each other, sharing, and not being greedy. The power that God created must be managed for the good of humanity. The concept of brotherhood emphasizes the principle of help and cooperation, as reflected in the contract syirkah (union).²⁴

Sixth: work and productivity. In A Hadith, the Messenger of Allah said: “Who works hard for the living of his family, then He is mujahid fi Sabilillah (HR Imam Ahmad). This Hadith means that productivity in Islam is the main thing. Islam does not like a mentally healthy person to be a requester.²⁵

Seventh: draft ownership. Islam does not want ownership of existence as a source of absolute power. Islam does not want existence to be competition-free like capitalism, and Islam is not the same as wanting existence to be a centralized economy like socialism. In the Islamic draft, ownership of sources of power belongs to Allah, whereas man only accepts trust. Islam requires personal ownership; it must be non-exploitative, and Islam requires communal ownership for interest.²⁶

Eighth draft: freedom and responsibility. Principle: This means that with principle, freedom is contract and good faith. Freedom means every human is entitled to himself Alone to transact or cooperate with whom he chooses, including determining what becomes the object of cooperation. Meanwhile, responsibility means that everyone who has committed, by tying himself up with other people, must operate the agreement in good faith.

The principle of freedom of contract is one of the most important principles in contract law. This principle means that everyone is free to enter into or not enter into an agreement, with lawful conditions, provided the agreement is

²¹ Anshari.

²² Anshari.

²³ Anshari.

²⁴ Anshari.

²⁵ Anshari.

²⁶ Anshari.

made legitimately and based on good faith. Freedom of contract embodies free will and basic human rights.²⁷

The principle of good faith (good faith) is a fundamental principle in a functioning agreement to realize justice and growing trust between the parties. This principle is applied not only in contract implementation, but also in the pre-contract stage and in dispute settlement, so that a conducive relationship is created based on trust.²⁸

Ninth draft guarantee social. Principles: This reflects real life that not all men have the same ability. Moreover, as this source of power is rarer, it results in men competing with each other to fight over this source of power.²⁹

Tenth draft prophecy. Concept: This requires men to own the character of the Prophet Muhammad, who has Characteristics: Sidiq (honest and true), Amanah (trustworthy), deep tabligh draft economy can be interpreted as communicative and transparent, and meaningful pathonah smart.³⁰

In principle, in Islamic economics, economic transactions must avoid the 3 (three) elements mentioned by Yumarni, namely "Maghrib" (*Maysir*, *Gharar*, and *Riba*).³¹ *Gharar* is used as a term in Islamic law to refer to something unclear or uncertain in a transaction, which can create the possibility of an injured party. Transactions containing *Gharar* are forbidden because they can cause hostility towards the person who is harmed; to prevent greater losses; and to guard the sustainability of ownership treasure. In a Hadith narrated by Imam Muslim, Prophet Muhammad SAW said: "Rasulallah SAW forbade selling, buying, and selling by *gharar*."³²

Maesir is a system of gambling, which, according to Azzam Abdul, depends on luck, not ability. In terms of language, *maesir* is getting something very easily without working hard. *Maesir* in the Qur'an is also called the word *azlam*, which means gambling.³³

Apart from *Gharar* and *Maesir*, Islamic economics also identifies one system that must be avoided: *riba*. According to Wahbah al-Juhaili, *riba* is taking something besides what was lent and adding a mark-up to the transaction.³⁴ Usury is prohibited because the money is obtained from wrong and unjust ways from other

²⁷ Muhammad Syaifuddin, *Contract Law: Understanding Contracts from the Perspective of Philosophy, Theory, Dogmatics and Legal Practice* (Bandung: Mandar Maju, 2012).

²⁸ Dwi Atmoko, 'Legal Certainty in Online Transactions: The Role of the Principle of Good Faith Based on Civil Law', *Binamulia Hukum*, 13.2 (2024), 422.

²⁹ Anshari.

³⁰ Anshari.

³¹ Ani Yumarni, 'Application of the Principle of Prohibition of "Maghrib: Maysir, Gharar, and Usury in Financing Activities in the Non-Halal Business Sector,' *Karimah Tauhid*, 3.4 (2024), 4310–30.

³² Nurinayah, 'Gharar Practices in Islamic Economic Transactions: A Study of Fiqhiyah Principles', *Tadayun Journal of Islamic Economic Law*, 4.1 (2023), 63.

³³ Rudiansyah, 'A Study of Gharar, Riba, and Maesir in the Perspective of Islamic Economic Transactions', *Al Huquq: Journal of Indonesian Islamic Economic Law*, 2.1 (2020), 98–113.

³⁴ Rahmania, Afifah Dwy Rezky Razak, and Ahmad Fauzan Jamal, 'Application of the Principles of Prohibition of Maysir, Gharar and Riba in Islamic Banking', *Jurnal Al-Muqaranah: Journal of Islamic Law and Thought*, 3.2 (2025), 9–19 <<https://doi.org/10.33477/am.v3i2.9202>>.

people.³⁵ Generally, *riba* problems frequently happen in debt cases, as presented by Abu Bakar Jabir Al Jazaairi in the book *Minhaj Al Muslim*. Lessons from the prohibition of usury are to guard the treasure of fellow Muslims so as not to be taken with unjust (false) methods; encouraging them to do productive work and avoid deception and power; preventing hostility between fellow Muslims; preventing damage to oneself because the act of usury will cause social chaos; and opening a road to kindness for fellow Muslims.³⁶

1. *Contract Muzaara'ah / Mukhabaroh*

In principle, contract *Muzaara'ah / Mukhabaroh* is a contract about the management of agricultural land. This contract aims to maximize the potential of land to be economically valuable. Through this contract, the landowner, who does not have farming skills, can maximize the land by delivering it to the party that has farming skills (farmers), with the provision that the agricultural results become the right of the landowner and the farmer/cultivator. In the contract *Muzaara'ah / Mukhabaroh*, there are 4 mutual elements contributing, namely: owner of the land, land, farmers/cultivators, and plants.

Contract Law *Muzaara'ah / Mukhabaroh* is permissible, as practiced before by Rasulullah Saw with the people of Khaibar, and was also carried out by Abu Bakar Al Shidiq, Umar bin Khatab, Uthman bin Afan, and Ali bin Abi Talib. Besides that, there are several Hadith that became arguments for *Muzaara'ah / Mukhabaroh*, like a Hadith from Rafi bin Khadij who said that his family once managed land with a system of rent for results of up to one third, one quarter, or a portion of the harvest that has been agreed together.³⁷

The word *Muzaara'ah* is taken from the word *al Jar'u*, which means plants. In general, *Muzaara'ah*, according to Sheik Wahbah Al Juhaili in the book *al fiqh al islam waadillathu*, is *عقد على الزرع ببعض ام* (contract on something plant-based on harvest results).³⁸ According to Hanafiah scholars, *Muzaara'ah / Mukhabaroh* is a transaction between the land owner and the farmer cultivator, with the provision that the farmer cultivator accepts wages from the results of the earth or accepts a share of the harvest.³⁹ According to Hanabilah clerics, *Muzaara'ah* is when the landowner delivers the land to the farmer cultivator along with the seeds, so that the land is planted and the farmer cultivator gets a part that has been determined from the results of the harvest, such as half or one third.⁴⁰ According to Malikiyah scholars, *Muzaara'ah* is the same as the contract *Musyarakah*.⁴¹ While the Shafi'iah scholars have an opinion that *Muzaara'ah* is a farmer-cultivator who cultivates land owned by the landowner, with an agreement to get a share of the harvest results, as well as seeds for planting the

³⁵ Yumarni, 'Implementation of the Principle of Prohibition of "Maghrib: Maysir, Gharar, and Usury in Financing Activities in the Non-Halal Business Sector'.

³⁶ Abu Bakar Jabir Al Jazaairi, *Minhaj Al Muslim* (Saudi Arabia: Maktab Al Ulum wa Al Hikmah, 2006).

³⁷ Al Jazaairi.

³⁸ Wahbah Azzuhaili, *Alfiqh Al Islamu Waadillatuhu* (Damascus: Dar Al Fiqr, 1985).

³⁹ Abdurahman Al Jaziri, *Al Fiqh `Ala Al Madzaahib Al Arbaat* (Cairo: Dar Al Hadis, 2004).

⁴⁰ Al Jaziri.

⁴¹ Al Jaziri.

land, which is the responsibility of the farmer-cultivator; meanwhile, if the seed originates from the owner's land, it is called *Mukhabaroh*.⁴²

Contract *Muzaara'ah* / *Mukhabaroh* can become an alternative cooperation between palm oil plantation companies and the public because it offers far-reaching results that are fairer and less burdensome for one party. With this system, the Palm Oil Plantation Company, as the manager of the land, and plasma farmers, as the owners of the land, can feel equal benefits in accordance with the contributions they make.⁴³ Especially plasma farmers, they will not be burdened with debt and interest because the *Muzaara'ah* / *Mukhabaroh* system does not allow debt and interest.

2. Contract *Musaqoh*

Unlike the *Muzaara'ah* / *Mukhabaroh* contract, the *Musaqoh* contract is cooperation in nursing or managing plants (gardens) between owners and farmers. In the *Musaqoh* contract, land and seeds are not sufficient for the owner (investor). The farmer is only responsible for maintenance so that the plants grow well and yield optimal harvest results. The origin of the *Musaqoh* contract is the same as the Contract *Muzaara'ah* / *Mukhabaroh*, namely cooperation carried out by the Prophet Muhammad SAW with the public of Khaibar, which Abu Bakar Al Shidiq, Umar bin Khatab, Uthman bin Afan, and Ali bin Abi Talib also carried out.⁴⁴

Musaqoh is taken from the word Al Saqyu, which the people of Medina also call al Mu'amalah. In a way, the terminology *Musaqoh* is two people who mutually tie themselves up: one delivers land and plants (gardens) for treatment, and the other again nurses the plants, with the harvest shared by both of them. Some say that *Musaqoh* is delivering a tree to the person who will nurse it, with the part that has been determined.⁴⁵ Whereas *Musaqoh*, according to Imam Syafi'i, is a contract for nursing a tree, or for growing wine, with the provision that the harvest results are shared between the owner and the farmer.⁴⁶

The Hanafi school of thought forbids the contract *Musaqoh* for harvest results because the contract contains *Gharar* (ambiguity) and *Juhalah* (uncertainty), so it resembles the sale and purchase of items that have not yet been determined. This is contradictory to the Hadith (Whoever owns land, let him cooperate with it; do not rent it out for 1/3, 1/4, or with a specified amount of food). The Shafi'i, Maliki, and Hanbali schools permit the *Musaqoh* contract because it is a general need. Sometimes landowners cannot farm, while farmers sometimes do not have land for farming.

⁴² Al Jaziri.

⁴³ Panji Lukito and others, 'Muzaroah Contract as an Alternative for Islamic Economic-Based Agricultural Financing', *FALAH: Journal of Islamic Economic Law*, 7.2 (2024), 59–66.

⁴⁴ Al Jazaairi.

⁴⁵ Azzuhaili.

⁴⁶ Azzuhaili.

Implementation of the Core-Plasma Agreement Model for Coconut Plantations Palm oil Based Contract *Muzaara'ah / Mukhabaroh* and *Akad Musaqoh*

As a state based on the rule of law (*rechstaat*), Indonesia, through its constitution, is committed to upholding the legal system, ensuring legal certainty, and protecting human rights. Every action and behavior of its citizens, whether as rulers or as citizens, must be based on the law and the constitution. Rulers cannot act arbitrarily against citizens, nor can citizens act as they please without any established boundaries. Based on the principle of *equality before the law*, all are equal before the law, including the right to practice their respective beliefs and religions.⁴⁷

The *Muzaara'ah/Mukhabaroh* and *Musaqoh* contracts are very likely to be implemented in Indonesia, considering Indonesia's legal system, which accommodates religious values and beliefs. According to Hazairin, as quoted by Yumarni, religious values can be interpreted from Article 29 Paragraph (1) of the 1945 Constitution. Prof. Hazairin assesses that what is meant by the Almighty God in Article 29 Paragraph (1) of the 1945 Constitution is religion.⁴⁸ This includes the Islamic religion, which has lived and developed in society. The principles of Islamic teachings, or in other terms known as Sharia, are basically based on the values of justice, benefit, balance, and universality.⁴⁹⁵⁰ These principles can be seen from the views of scholars who prohibit *Gharar* and *Riba* in the *Muzaara'ah/Mukhabaroh* and *Musaqoh* contracts. Imam Syafi'i, in principle, forbids the *Muzaara'ah contract* if it is not combined with the *Musaqoh contract* because it can give rise to *Gharar*. The Hanafi school forbids the *Musaqoh contract* with profit sharing from the harvest because the contract contains *Gharar* (uncertainty) and *Juhalah* (uncertainty of results), so that it resembles the sale of goods that do not yet exist or are not yet clear.⁵¹

In the principle of justice, the Core-Plasma system of Palm Oil Plantation based on *Muzaara'ah/Mukhabaroh* and *Musaqoh contracts* is far fairer than the current Core-Plasma system because, in the *Muzaara'ah/Mukhabaroh* and *Musaqoh contracts*, it does not use a loan system with or without interest, but rather the principle of division of tasks and the principle of profit sharing from the harvest, with a profit sharing that has been determined (agreed) before the cooperation is implemented. The landowner is responsible for providing land and seeds, while the farmer is responsible for managing the land so that the harvest yields are optimal.

⁴⁷ Ahmad Jaka Santos Adiwijaya, 'Welcoming the Implementation of Halal Certification Obligation in Indonesia', *Jurnal Living Law*, 11 (2019), 1–12.

⁴⁸ Ani Yumarni, 'A Historical Review of Islamic and Customary Law in Indonesia: After the Constitutional Court's Decision on the Emptying of the Religion Column in KTP and KK', *Jurnal Hukum De`rechtsstaat*, 5 (2019), 1.

⁴⁹ Adiwijaya.

⁵⁰ Ani Yumarni and others, 'The Implementation of Waqf as'Urfin Indonesia', *Sriwijaya Law Review*, 2021, 287–99.

⁵¹ Azzuhaili.

Legal Analysis of Implementation Contract *Muzaara'ah* / *Mukhabaroh* and *Akad Musaqoh* on the Core-Plasma of Oil Palm Plantations in the Indonesian Legal System

Contract *Muzaara'ah* / *Mukhabaroh* and contracts *Musaqoh* have similarities with the Nucleus-Plasma system for oil palm plantations in Indonesia. *Muzaara'ah* / *Mukhabaroh* and *Musaqoh* contracts have similarities with the Core-Plasma system for oil palm plantations in Indonesia. In the Core-Plasma system, society is domiciled as the landowner, while the Palm Oil Plantation Company is the farmer-cultivator. What makes it different is that in the contract *Muzaara'ah* / *Mukhabaroh* and the contract *Musaqoh*, no debt instruments are used in cooperation.

To understand the implementation of the contract *Muzaara'ah* / *Mukhabaroh* and the contract *Musaqoh* in the Indonesian legal system, it is necessary to understand the theory of the hierarchy of regulations (*Stufenbautheorie*), which Hans Kelsen and Hans Nawiasky initiated. According to Notonagoro in Muhammad Junaidi, Indonesia has a very close relationship with the theory of *Stufenbautheorie*, placing Pancasila as *staatsfundamentalnorn*; the 1945 Body, MPR Decree, and Convention State administration as *staatsgrundgesetz*; the Constitution as *formell gasetz*; and Government regulations up to the decision of the regent or mayor as *verification en autonomous satzung*.⁵²

Contract *Muzaara'ah* / *Mukhabaroh* and contracts *Musaqoh* grow in Islamic economics. Islamic values in general grow and develop in Indonesian society. This fact cannot be denied; remember that in the opening of the 1945 Constitution, the phrase "By the grace of God the mercy of Almighty God" is emphasized in Article 29 Paragraph (1) of the 1945 Constitution. According to Hazairin in Yumarni, religious values can be interpreted from Article 29 Paragraph (1) of the 1945 Constitution. Hazairin assesses that what is meant by Belief in the One Almighty God in Article 29 Paragraph (1) of the 1945 Constitution is religion.⁵³ This includes the Islamic religion, which has lived and developed in society. The principles of Islamic teachings, or in other terms known as Sharia, are in principle based on the values of justice, benefit, balance, and universality.⁵⁴ In addition, Article 5 Paragraph (1) of Law Number 48 of 2009 concerning Judicial Power orders judges and constitutional judges to explore the legal values that exist in society. This means that Indonesia does not recognize only written law. The legal system in Indonesia also recognizes the existence of unwritten law that exists in society.

In the implementation stage of the Core-Plasma system for Oil Palm Plantations with the contract model *Muzaara'ah* / *Mukhabaroh* and *Musaqoh* contracts, it can refer to Article 2 of the Regulation of the Minister of Agriculture Number 18 of 2021 and to Article 1320 and Article 1338 of the Civil Code. Article 2 of the Minister of Agriculture Regulation No. 18 of 2021 regulates that facility garden public can use pattern credit with involving banking; pattern for results with use scheme loan part or all over cost development garden physical; form other agreed funding, can in the form of

⁵² Junaedi.

⁵³ Yumarni, 'A Historical Review of Islamic and Customary Law in Indonesia: After the Constitutional Court's Decision on Emptying the Religion Column in KTP and KK'.

⁵⁴ Adiwijaya.

Corporate grants; and forms partnership other like subsystem upstream, subsystem activity good power, subsystem downstream, facilities activity rejuvenation Plantation Crops of the Surrounding Community and/ or form activity others. In contrast, for *Muzaara'ah / Mukhabaroh* and contracts, the most appropriate *Musaqoh* is a use pattern for results or other financing patterns through grant funds from the company. Which becomes notes is pattern for results No permitted use debt instruments and interest as arranged in Article 5 of the Minister of Agriculture Regulation No. 18 of 2021, but with business capital scheme, where cost development garden and maintenance garden in phase New Plants Not Yet Producing (TBBM) are taken into account as business capital that is returned agreed cut from Palm oil yields during the period Plant Produce (TM).

In addition, in the environment of the Religious Court of the Supreme Court, Regulation of the Supreme Court Number 2 of 2008 concerning Compilation of Sharia Economic Law has accommodated enforcement of the contract *Muzaara'ah / Mukhabaroh* and the arranged *musaqah contracts* in Articles 255 to 270 of the KHES (*Kompilasi Hukum Ekonomi Syariah*).⁵⁵

The opportunity for the implementation of Core-Plasma Palm Oil Plantations based on the *Muzaara'ah / Mukhabaroh* contract and the *Musaqoh* contract in Indonesia is very big. This is can seen from several facts and data including: Indonesia as Palm Oil Producers largest in the world, population Indonesian people who are Muslim is second most, regulations economy sharia that has been there are, including regulations contract *Muzaara'ah / Mukhabaroh* and contract *Musaqoh* which in a way explicit arranged in Regulation Supreme Court Number 2 of 2008 Concerning Compilation of Sharia Economic Law and supported existence Religious Courts as arranged in Constitution Number 7 of 1989 Concerning The last Religious Court changed with Constitution Number 50 of 2009 Concerning Change Second Constitution Number 7 of 1989 Concerning Religious Courts. In addition, there is also the Sharia National Arbitration Board (Basyarnas), which is regulated in Constitution Number 30 of 1999 Concerning Arbitration and Alternative Dispute Settlement.

Conclusion

From this research, the Author found that the Inti-Plasma system for oil palm plantations does not have to use a debt-based profit-sharing model. It can also use other models, such as the contract model. *Muzaara'ah / Mukhabaroh* and *Musaqoh contracts*.

The Core-Plasma System for Palm Oil Plantations is very possible to be implemented in Indonesia from several aspects: *first*, from the legal aspect, it refers to Article 29 Paragraph (1) of the 1945 Constitution, Article 1338 of the Civil Code, Article 49 letter f of Law No. 3 of 2006, Article 255 – Article 270 of Supreme Court Regulation No. 2 of 2008 and Article 2 of the Minister of Agriculture Regulation No. 18 of 2021; *second*, from the sociological aspect, it

⁵⁵ Indonesia, Mahkamah Agung Republik Indonesia, Peraturan Mahkamah Agung Republik Indonesia Nomor 2 Tahun 2008 tentang Kompilasi Hukum Ekonomi Syariah (Jakarta: Mahkamah Agung Republik Indonesia, 2008), arts. 255–270.

can refer to the reality that Indonesia is the country with the second largest Muslim population.

Recommendation

From this research, this writer finds that the Nucleus-Plasma System for Oil Palm Plantations with debt-based financing, as intended in Article 2 and Article 5 of the Minister of Agriculture Regulation No. 18 of 2021, resulted in Plasma farmers being trapped in debt. Therefore, there is a need to evaluate the Core-Plasma cooperation agreement that has been in place, and the Government needs to formulate a debt-free and interest-free Core-Plasma policy for society. In addition, the role of the Plasma Farmers organization needs more intensive support for the cooperation that has been going on; this exists and socializes the Core-Plasma model based on contract Muzaara'ah / Mukhabaroh and contracts Musaqoh.

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