

Customary Law and the Blue Economy: Reflections on the Philosophy of Justice in the Teseng (Livestock Profit Sharing) Agreement in Barru Against the Exploitation of Coastal Resources

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Abstract

This study examines the practice of the teseng agreement as a form of profit-sharing system in livestock farming that has developed in Tanete Riaja District, Barru Regency. Teseng is a traditional agreement between capital owners and livestock farmers, generally carried out orally based on mutual trust and prevailing social norms. The research employs an empirical legal research method with a qualitative approach, through field observations and interviews, as well as analysis of civil law provisions and the principles of Islamic economic law. The findings reveal that the implementation of teseng agreements is established through an initial consensus that fulfills the legal requirements of a valid contract as stipulated in Article 1320 of the Indonesian Civil Code, even in the absence of written documentation. The forms of profit-sharing vary, either in percentage of profits or in the distribution of livestock, but they tend to grant a larger portion of profits to the capital owners. Normatively, this practice aligns with the principles of mudharabah in Islamic law, which emphasize justice, cooperation, and mutual benefit. Thus, teseng not only represents a local economic tradition but also reflects the integration of customary law, civil law, and Islamic law within the profit-sharing system.

Keywords : Teseng Agreement; Profit-Sharing System; Contract Law;

Abstrak

Penelitian ini membahas praktik perjanjian teseng sebagai bentuk sistem bagi hasil ternak yang berkembang di Kecamatan Tanete Riaja, Kabupaten Barru. Teseng merupakan perjanjian tradisional antara pemilik modal dan peternak yang umumnya dilaksanakan secara lisan berdasarkan asas kepercayaan dan norma sosial setempat. Penelitian ini menggunakan metode penelitian hukum empiris dengan pendekatan kualitatif, melalui observasi lapangan dan wawancara, serta analisis terhadap ketentuan hukum perdata dan prinsip ekonomi syariah. Hasil penelitian menunjukkan bahwa implementasi perjanjian teseng dilakukan melalui kesepakatan awal yang memenuhi syarat sah perjanjian sebagaimana diatur dalam Pasal 1320 KUH Perdata,

meskipun tanpa dokumen tertulis. Bentuk pembagian hasil bervariasi, baik dalam persentase keuntungan maupun pembagian hasil ternak, namun cenderung memberikan porsi keuntungan lebih besar kepada pemilik modal. Secara normatif, praktik ini sejalan dengan prinsip mudharabah dalam hukum Islam yang menekankan asas keadilan, kerja sama, dan kemaslahatan bersama. Dengan demikian, teseng tidak hanya merepresentasikan tradisi ekonomi lokal, tetapi juga mencerminkan integrasi antara hukum adat, hukum perdata, dan hukum Islam dalam sistem bagi hasil.

Kata Kunci: *Perjanjian Teseng; Sistem Bagi Hasil; Hukum Perjanjian;*

A. INTRODUCTION

In practice, humans constantly engage in cooperative activities with others to achieve the fulfillment of the needs of both parties. Therefore, each person will optimize all available options to profit from such a collaborative venture. Diversity in capital ownership can create different types of cooperation contracts. One well-known agreement is the teseng agreement, or profit-sharing agreement, which is frequently encountered in society.

Profit-sharing between capital owners and those running productive businesses has been practiced since the time of the Prophet Muhammad. In fact, it was practiced by Arab communities even before Islam, with profits being shared between the capital owner and the entrepreneur according to the agreement. Because this pre-Islamic cooperative agreement was free from elements of crime, Islam adopted this practice, and several Islamic jurists agree on the validity of mudharabah, considering its relevance in terms of needs and benefits, as well as its alignment with the teachings and objectives of Sharia.

Experience in implementing a profit-sharing system can encourage livestock farmers to continue implementing it. In most areas of South Sulawesi Province, particularly in Barru Regency, this profit-sharing agreement is commonly referred to as "tesang/teseng." Although the terminology is the same throughout the Bugis ethnic group in Makassar, the implementation and form of these agreements tend to vary. This diversity in the implementation and form of profit-sharing agreements (verbal and written) is certainly not always separate from the understanding of local customs.

The behavior of the Tanete Riaja community in Barru Regency regarding profit-sharing, or teseng, is certainly inseparable from prevailing norms and regulations. In this case, profit-sharing between the capital provider and the capital operator is pre-agreed upon by an agreement and contract.

Profit-sharing agreements (teseng) in Tanete Riaja District, Barru Regency, are often entered into by several parties, most often between the capital provider and the entrepreneur who will manage the business under the mutually agreed-upon capital agreement.

The profit-sharing system in Tanete Riaja District, Barru Regency, typically uses a percentage calculation, where the capital owner receives a greater profit than the entrepreneur who manages the capital.

In the Teseng agreement in Tanete Riaja District, the profit sharing percentage is usually agreed at sixty percent (60%) for the capital buyer and forty percent (40%) for the entrepreneur. It is also common for the figure to be eighty percent (80%) for the capital provider and twenty percent (20%) for the entrepreneur.

A researcher experienced a case related to the Teseng agreement. In the first year, the researcher, as the capital provider, entered into a Teseng agreement with a livestock entrepreneur. At that time, the researcher provided five cows to the farmer for breeding. That year, the cows gave birth to four calves, which were divided equally according to the agreement: two for the capital provider and two for the farmer.

In the second year, the cows also gave birth to four calves, and the distribution remained the same: two for the capital provider and two for the farmer. The following year, an incident occurred, suspected to be a breach of contract.

That year, the capital owner wanted to monitor the progress of the cattle raised by the farmer, but the farmer claimed that the cows had escaped and wandered into the forest. After several months, the owner of the capital wanted to see the cattle raised by the farmer and at this time it turned out that the farmer had sold the cattle.

B. METHOD

The type of research used in this study is the empirical legal research method. Empirical legal research is fieldwork or observation that focuses on collecting empirical data in a given field. It analyzes each problem area identified using qualitative methods, producing descriptive information using written or oral legal materials based on individuals or behavior.

C. DISCUSSION

A. Implementation of the teseng agreement as a livestock profit sharing system in Tanete Riaja District, Barru Regency.

A contract is a legally binding agreement between two or more parties. In the context of Indonesian civil law, contracts are regulated by the Civil Code (KUH Perdata), specifically Article 1313, which states: "A contract is an act by which one or more persons bind themselves to one or more other persons." A profit-sharing system is a system where agreements or joint ventures are enforced in conducting business activities. In this business, an agreement is made by two or more parties to share the resulting income. In the Islamic banking system, profit-sharing is a special service provided to the general public; in business, it must be agreed upon in advance (a contract). The amount of profit-sharing between the two parties is determined by mutual agreement and must be entered into voluntarily without coercion from either party.[1]

Profit-sharing (a profit-sharing agreement) is a system oriented toward the realization of human interests, not merely optimizing individual interests. Therefore, it ignores the resulting social impact. This system prioritizes the principles of justice and cooperation in economic activities, where the primary goal is not solely one-sided profit, but rather the common good. Therefore, the implementation of a profit-sharing system is often considered more ethical and in accordance with Islamic economic principles, which reject exploitation and injustice. Profit-sharing also encompasses the procedures for distributing business profits between the fund provider and the fund manager. In practice, the fund provider hands over capital to the manager, who then manages the capital in a mutually agreed-upon business activity. The profits from the

business are divided according to a predetermined ratio (nisbah) or portion predetermined in the agreement. This distribution is carried out fairly based on realized profits or losses.

The distribution of proceeds from this business can occur between the financial institution and the depositor. The types of products based on this principle are mudharabah and musyarakah. Mudharabah is a form of cooperation in which one party provides capital and another party manages the business, while musyarakah is a business partnership between two or more parties, each contributing funds and participating in the management of the business. Both forms form an essential foundation in a profit-sharing economic system that prioritizes fairness, transparency, and balance in the distribution of business profits. In practice, particularly in Tanete Riaja District, Barru Regency, a traditional form of agreement known as a teseng agreement exists. This agreement generally involves two parties: the first party as the capital provider and the second party as the livestock farmer. The important elements of this agreement can be explained as follows:

1. Initial Agreement

A pre-contract agreement begins with an agreement between the two parties. In practice, this agreement is often made verbally without a written document. Nevertheless, the agreement is legally valid as long as it meets the requirements for a valid agreement as stipulated in Article 1320 of the Civil Code, which include:

1. Their agreement that binds them

This means that the parties entering into an agreement must mutually agree and consent to the terms of the agreement. This agreement must be given freely, without coercion, fraud, or error. If the agreement is made due to duress or deception, the agreement can be voided. Essentially, all parties must consciously and voluntarily agree to the terms of the agreement.

2. Ability to make a contract

Competence here refers to a person's legal capacity to perform legal acts, in this case, enter into an agreement. Generally, a person is considered competent if they are an adult (at least 21 years old or married) and are not in a condition that would render

them legally incapable, such as mental illness. If one party is incompetent, the agreement may be deemed invalid.

3. A certain thing

This requirement requires that the object or content of the agreement be clear and definite. The parties must know precisely what is being agreed upon, such as the goods being sold, the services being provided, or the obligations to be fulfilled. Without specific, determinable terms, an agreement can be deemed vague or invalid due to a lack of legal certainty.

4. A lawful cause

The cause or "causa" of an agreement must be legally valid. This means that the purpose of the agreement must not conflict with law, morality, or public order. For example, an agreement to commit a criminal or unlawful act is not considered valid, even if there is agreement and capacity on the part of the parties.

2. After the first party provides capital to the second party, all activities related to the management of the livestock business become the full responsibility of the farmer. The second party is obliged to run the business in accordance with the agreed agreement. In this case, the principle of *pacta sunt servanda* applies, namely the principle that the agreement that has been made must be implemented by the parties as it should be (Article 1338 of the Civil Code). In this case, it is important to note that the responsibility of the first party, often referred to as the capital provider, lies in providing the capital, meaning that the first party's responsibility lies in the capital that will be provided to the second party or farmer.
3. Profit sharing is based on a pre-agreed agreement. Generally, the profits from a livestock business are shared at the end of the agreement period according to a predetermined proportion. The first party in this case is passive during the agreement period, simply awaiting the results of the business management by the second party. This profit sharing demonstrates a form of business cooperation based on capital and labor, which also reflects the element of a conditional contract in civil law. This distribution model essentially reflects a mutually beneficial form of cooperation between two parties, where the first party contributes capital (money, livestock, or other resources), while the second party plays an active role in managing, maintaining, and caring for the livestock until it generates profits.

The profits from this collaboration are shared according to an agreed-upon percentage, for example, 50:50 or 60:40, depending on the level of contribution of each party. In the context of civil law, this mechanism falls into the category of bilateral contracts that confer mutual rights and obligations. The first party is obligated to provide capital, while the second party is obligated to manage the business and then remit a portion of the profits that are due to the first party. If the farmer does not deliver the promised profits within the specified timeframe, this can lead to legal disputes. The principles of fairness and good faith are crucial in this profit-sharing mechanism. This is in accordance with Article 1338 paragraph (3) of the Civil Code, which states that agreements must be executed in good faith. Therefore, profit-sharing is not solely based on quantitative agreements, but must also take into account the social context, business conditions, and honesty between the parties.

4. The term of the agreement is flexible, depending on the agreement of both parties. If during the term of the agreement one party does not fulfill its obligations properly or harms the other party, then this can be categorized as a breach of contract. According to Article 1243 of the Civil Code, a breach of contract occurs when the debtor (the obligated party) does not fulfill its obligations or is late in fulfilling them, thereby causing losses to the creditor (the party entitled to receive them). In practice, the term of the agreement is often flexible. However, if a condition occurs where one party feels disadvantaged, does not receive their rights, or feels that the other party has not fulfilled their obligations properly, then this can give rise to legal problems. One form of problem that often occurs is a breach of contract, namely a violation of the contents of the agreement. According to Article 1243 of the Civil Code, a breach of contract can occur when a party does not fulfill its obligations, is not timely in fulfilling its obligations, or does something that is contrary to the contents of the agreement. In the context of a teseng agreement, for example, if the farmer fails to deliver results within the agreed timeframe or misuses the capital provided, the financier has the right to demand compensation or even terminate the agreement prematurely. To avoid conflict during the implementation of the agreement, it is highly recommended that the parties enter into a written agreement, detailing the timeframe, the form of performance, and the resolution mechanism in the event of a dispute. This will provide legal certainty and protect the rights of each party.

5. A contract can be terminated within the specified timeframe if all agreements have been properly implemented. However, if a breach or default occurs, either party has the right to terminate the agreement before the end of the term. This termination mechanism aligns with Article 1266 of the Civil Code, which states that a cancellation condition may be included in an agreement if a breach of the agreement's terms occurs. If the agreement proceeds as planned, and each party fulfills its obligations properly, the agreement is terminated naturally after the end of the term. In this case, the agreement is declared complete, and both parties are deemed to have fulfilled their rights and obligations without any legal issues remaining. Typically, this form of termination does not cause conflict and is part of a continuous cycle of cooperation. However, in some cases, an agreement can be terminated early due to default. The aggrieved party has the legal right to terminate the agreement and seek compensation. Termination due to default is regulated in Articles 1266 and 1267 of the Civil Code, which state that an agreement can be canceled if the cancellation conditions have been previously determined, or if the injured party files for cancellation with the court. Furthermore, Article 1338 of the Civil Code emphasizes that an agreement can only be changed or canceled by mutual agreement or through a judge's decision in the event of a dispute. In the context of a *teseng* agreement, a deliberation approach is usually used first to resolve conflicts before legal action is taken. This reflects the character of an agrarian society that upholds family values and customary resolution.

The results of this research, conducted by researchers using empirical methods in Tanete Riaja District, Barru Regency, reveal that the profit-sharing agreements/proposals made by the people of Tanete Riaja District, Barru Regency, are based on data obtained in the field, which are verbal agreements. Regarding livestock businesses that utilize a profit-sharing concept, the people of Tanete Riaja District, Barru Regency, implement a cooperative system involving two main parties. The first party is known as the capital owner, who is the person with the financial capacity or who provides livestock as business assets. Meanwhile, the second party is the manager or farmer, who is responsible for caring for, maintaining, and managing the livestock until they generate profits. This relationship is based on the principles of mutual need and benefit, where the capital owner can develop their assets without having to be directly involved

in management, while the farmer has the opportunity to run the business without having to provide initial capital.

This collaboration is generally forged through verbal agreements based on trust that has been established over generations within the community. The form of profit-sharing applied is usually agreed upon at the outset, such as the distribution of profits when livestock are sold or when the animals reproduce. For example, the offspring produced will be split between the owner and the manager, or the proceeds will be divided by a certain percentage. This type of agreement is flexible and tailored to the circumstances of each party, including the type of livestock, the length of time it will be raised, and the operational costs covered.

An interview with H. Akmal, a livestock farmer specializing in profit-sharing, explained the implementation of the "teseng" agreement in Tanete Riaja District, Barru Regency. According to H. Akmal, the "teseng" agreement begins with an initial discussion between the capital provider and the farmer who will manage the capital. After both parties agree on the initial discussion, the "teseng" agreement is formed, which is only verbal and without any legal documentation to prove (be accountable). (Interview, June 20, 2025, Tanete Riaja District, Barru).

According to Lukman, a capital provider, the existence of the "teseng" agreement in the Tanete Riaja District, Barru Regency community certainly provides significant benefits for the capital owner. This agreement eliminates the need for the capital owner to be directly involved in livestock farming activities. Meanwhile, according to Ahmad Muhacsir, also a financier, he stated that a teseng agreement makes his time more efficient when managing other businesses. In the livestock business, a teseng agreement is entered into with a second party (the farmer), which transfers the burden of managing the livestock to the farmer, thus making the second party (the farmer) fully responsible for the agreement. (Interview, June 20, 2025, Tanete Riaja District, Barru)

In several interviews conducted by the author with residents of Tanete Riaja District, Barru Regency, several respondents stated they had never heard of the term "teseng agreement," while others stated they were familiar with it. One informant, Suriadi, stated that a teseng agreement certainly has its pros and cons. The pros are that it makes it easier for farmers unfamiliar with

technology and legal documents to continue entering into agreements. The cons are that there is no legally binding agreement, making these agreements highly susceptible to default by both the financier and the farmer. (Interview, June 20, 2025, in Tanete Riaja District, Barru)

One of the investors and the farmer interviewed by the researcher regarding the teseng agreement. The investor, Wadirman, and the farmer, Anwar, implemented the teseng agreement by providing capital in the form of cattle to Anwar, the farmer. After the investor provides the capital (cattle) to the farmer, the farmer assumes full responsibility for the agreement. Profits are shared between the two parties, with the first year's calves becoming the property of the capital owner, provided they have finished nursing. Subsequent calves born in the second year become the property of the farmer, as per the initial agreement. In the third year, when the investor wishes to take the mother cow, the investor must pay the farmer maintenance costs, as agreed upon in that year's agreement.:

1. Capital owners cannot directly care for livestock.

Ahmad Effendy explained that he cannot directly care for livestock due to various other activities, including his main job and family responsibilities. In an interview, he stated that by entering into a profit-sharing agreement, he can still run his livestock business without having to be directly involved in the daily care of the animals. For Ahmad, this system is very helpful because he only provides the capital in the form of livestock, while the manager or farmer is fully responsible for caring for and raising the livestock. Ahmad Effendy also explained that this type of collaboration has become a common practice in the local community, especially for those who have capital but lack the time, energy, or expertise in animal husbandry. By entrusting livestock management to local farmers, he feels more secure because it not only lightens his burden but also helps create jobs for local residents. (Interview, June 20, 2025, in Tanete Riaja District, Barru)

2. Capital owners live in urban areas.

H. Mutawalli, a capital owner residing in an urban area, stated that the distance between his residence and the farm is the main reason he cannot manage his livestock himself. According to him, living in the city prevents him from easily accessing land

or livestock pens, which are generally located in rural areas, particularly in Tanete Riaja District. H. Mutawalli also explained that if he insisted on raising livestock without the assistance of others, such as local farmers, it would only create difficulties. In addition to having to travel considerable distances, he would also have to reorganize his already busy schedule and daily routine in the city. Therefore, he believes the most realistic and efficient solution is to collaborate with farmers in the village through a profit-sharing system. (Interview, June 20, 2025, in Tanete Riaja District, Barru)

3. Limited capital for farmers.

Febrianto, a livestock farmer in Tanete Riaja District, admitted that although he has experience and expertise in caring for and raising livestock, these skills will not be fully utilized without capital to purchase livestock, especially cattle. He explained that starting an independent livestock business requires significant capital, both for purchasing animals, feed, and daily care. However, limited economic conditions make this difficult to achieve immediately. (Interview, June 20, 2025, in Tanete Riaja District, Barru)

4. Availability of land and time by livestock farmers.

Availability of land and time are important factors supporting the success of livestock farming, and this is what often gives farmers an advantage in profit-sharing partnerships. Nasruddin, a livestock farmer in Tanete Riaja District, explained that most livestock farmers in villages have ample land and more flexible time to care for livestock. This situation is very different from those who provide capital, who generally live in urban areas and face land and time constraints due to busy work or other activities. According to Nasruddin, this difference in circumstances is the main reason why profit-sharing agreements, or *teseng*, are often formed between the two parties. With sufficient private land and the time to focus on livestock management, farmers like Nasruddin can ensure that their livestock will be well cared for throughout the partnership. (Interview, June 20, 2025, in Tanete Riaja District, Barru)

5. A sense of mutual benefit.

According to Village Head H. Akmal, this type of collaboration provides distinct benefits for both parties. He explained that investors are usually happy and don't hesitate to channel their capital to farmers who are willing and able to manage their livestock well. This trust arises because the profit-sharing system is considered fair and provides opportunities for investors to profit without having to be directly involved in livestock farming activities, which typically require time, effort, and specialized skills. Furthermore, from the farmers' perspective, these teseng agreements are very beneficial because they can run livestock businesses without having to invest large amounts of capital upfront. According to the Village Head, many local farmers actually possess the skills to manage livestock but are hampered by limited funds. (Interview, June 20, 2025 in Tanete Riaja District, Barru).

The implementation concept obtained by researchers regarding the teseng agreement in Tanete Riaja District, Barru Regency, still uses a verbal agreement system. Certainly, several interviews with residents who are familiar with the teseng agreement, stated that agreements made only verbally have a high possibility of default and verbal agreements are also difficult to use as evidence in the event of a dispute in the future unless there are several witnesses who witnessed the agreement made by the capital provider and the farmer.

B. Settlement of Disputes over Livestock Profit Sharing Agreements in Tanete Riaja District, Barru Regency

The lack of written rules governing the implementation of teseng agreements often generates both pros and cons within the community. On the one hand, many residents of Tanete Riaja District, Barru Regency, believe that teseng agreements are a common practice that has been passed down through generations and is part of the local tradition of operating a profit-sharing livestock business. This system is built on trust, social closeness, and strong family values. Therefore, most people find verbal agreements sufficient without the need for written agreements. They believe that as long as both parties understand each other and fulfill their respective responsibilities, the cooperation will run smoothly.

The lack of written evidence, such as a written agreement or memorandum of understanding, often leads to problems when conflicts or disputes arise. In several cases, teseng agreements in Tanete Riaja District have experienced problems in the form of breaches of contract, either by the financier or the farmer. For example, there may be inappropriate profit sharing, livestock not being returned, or one party reneging on agreed commitments. Due to the absence of documents that can be used as legal basis or evidence, problem solving becomes difficult and often only relies on informal mediation from community leaders or village government.

YEAR	INCIDENT	CATTLE OWNERSHIP
2018	2 calves are given as capital to the farmer	Farmer: 2 calves
2019	The mother cow gave birth to 2 calves, given to the investor	Breeder: 2 cows Investor: 2 cows
2020	Mother cow gives birth to 2 calves, given to farmer	Breeders: 4 cows Investors: 2 cows
2021	There is a default	Contract / capital status is disputed

Tabel.1 Event table wanprestasi.

One case of a teseng agreement that occurred in Tanete Riaja District, Barru Regency, involved a breach of contract between the financier, H. Akmal, and the farmer, Haseminuddin. In 2018, a verbal agreement was reached between the financier and the farmer. The initial agreement stated that the financier would provide two breeding cows to be raised by the second party, the farmer. The agreed-upon profit sharing agreement stipulated that the cows born in the first year would belong to the financier, and the cows born in the second year would belong to the farmer. In 2019, the first year, the profit sharing agreement was in line with the previously agreed-upon agreement, and in 2020, it continued as planned. In 2021, the third year, the calves born would belong to the financier or the first party. However, in the third year, the farmer consistently provided unreasonable reasons to the financier, causing the financier to feel disadvantaged. The first party continued to investigate the irregularities and

discovered that the farmer, acting as the second party, had lied. That year, the cow, initially reported missing by the farmer, was actually found in the forest, and the cow was pregnant at the time.

The farmer admitted that he had lied to the financier. The cow, previously reported missing, had in fact been hidden in the forest. This, of course, resulted in significant losses for the financier.

The dispute was resolved solely through mediation between the parties involved, with the participation of local village officials. This was certainly not the first case of breach of contract arising from a teseng agreement.

Interviews conducted by the researcher with the Village Head revealed that in practice, when disputes or breaches in a teseng agreement arise, the resolution is not immediately brought to the formal legal realm. Instead, it is more often done through mediation or consensus-building involving various stakeholders. The Village Head explained that village officials, along with authorities, such as the police or community leaders, usually act as mediators in these discussions. This process aims to find a fair solution and maintain harmonious social relations among villagers, given the importance of family values and mutual cooperation in the community.

During the deliberation, both parties—the capital provider and the farmer—are given the opportunity to openly express their concerns and perspectives. Through discussions conducted in a friendly and respectful manner, efforts are made to reach a mutually acceptable agreement. The Village Head added that this dispute resolution mechanism is considered effective because it prevents prolonged conflict and maintains social stability in the village. Although it does not have the same formal legal force as a court decision, the deliberation holds high social legitimacy in the eyes of local residents.

Several local residents interviewed by researchers stated that disputes like this are common in teseng agreements. The absence of strong regulations, or relying solely on verbal agreements, leaves the farmer vulnerable to fraud. According to local residents, regulations governing teseng or profit-sharing agreements should be in place to ensure that the agreement, profit sharing, and dispute resolution are clearly defined in the eyes of the law. Some cases that have

been successfully resolved through mediation have also failed to deter perpetrators or bad farmers from repeating their crimes.

According to R. Subekti, the legal consequences for debtors who have committed default are sanctions, of which there are four types:[2]

a) Compensation

The debtor must pay compensation as a result of the losses suffered by the creditor, as stated in Article 1243 of the Civil Code. This article states the details of the compensation which include:

- a. Costs are all expenses or costs actually incurred by one party.
- b. Losses are losses incurred due to damage to the creditor's property due to the debtor's negligence.
- c. Interest is the loss of profits already paid or calculated by the creditor.

2. Cancellation of Agreement

This cancellation has the intention that both parties wish to return to the original state before the agreement was made, if one party has fulfilled or received performance from the other party (either goods or money) then it must be returned as before, termination of the agreement due to default by the debtor is regulated in Article 1265 and Article 1267 of the Civil Code, which is in Part V Chapter I Book III of the Civil Code, according to the Law in the case of default must meet the requirements to carry out cancellation of the agreement, namely:

- a) The creditor must be in default
- b) Termination of the agreement through a judge
- c) Must be in a reciprocal agreement

3. Risk Transfer

In Indonesian civil law, the concept of risk transfer is a crucial aspect closely related to the implementation of agreements, particularly those involving agreements involving goods. Risk, in this case, is defined as the potential loss or damage to the contracted goods, which occurs due to an event beyond the control or fault of the parties, such as a natural disaster, fire, or other event that cannot be predicted or prevented.

Article 1237 paragraph (2) of the Civil Code (KUH Perdata) states: "If the goods subject to the agreement are destroyed due to the debtor's negligence, the debtor is responsible for the resulting losses."

However, this article also implicitly implies that if the destruction of the goods is not due to the debtor's negligence, but rather due to force majeure or other causes beyond their control, the risk of such loss can be transferred to the other party in accordance with the terms of the agreement or general principles of civil law.

The concept of risk transfer, as stipulated in Article 1237 paragraph (2) of the KUH Perdata, emphasizes the importance of considering negligence and the time of delivery of the contracted goods in determining who bears the responsibility for damage or loss of goods. Understanding this principle is not only important in the formal context of civil law, but is also highly relevant in the practices of traditional societies that engage in trust-based and oral agreements. Therefore, legal education regarding the principle of risk transfer should be continuously provided to improve the public's understanding of their rights and obligations in every contractual relationship.

4. Payment of Fees

Case In the case of a debtor who is negligent and as the losing party is required to pay court costs, as stipulated in the Criminal Procedure Code or Civil Procedure Code (Article 181 paragraph (1) HIR. The creditor can choose between several possible demands or sanctions against the debtor, the creditor can demand one or more sanctions against the debtor, so in addition to being able to demand fulfillment of the agreement, it can also be accompanied by a demand for compensation. A debtor who is accused of default can put forward several reasons as a means of defending himself, namely:

a) Alleging creditor default.

In civil law, the general principle holds that the debtor is responsible for default, namely the failure to fulfill obligations as agreed. However, there are circumstances in which the debtor can shift the burden of responsibility to the creditor, one of which is by alleging creditor default.

Creditor default is known in civil law doctrine as "mora creditoris" or "creditor in mora," a condition in which the creditor is unwilling or unable to accept performance

from the debtor, even though the debtor is ready to fulfill their obligation. For example, when the debtor intends to deliver goods at the agreed time but the creditor fails to appear or refuses without valid reason.

b) Alleging force majeure.

The debtor can allege force majeure as a defense against allegations of default. Force majeure is defined as an extraordinary event beyond the control and will of the parties, resulting in performance being impossible, either permanently or temporarily.

d) Alleging that the creditor has waived its right to claim compensation.

Under contract law, a creditor, as the injured party, has the right to claim compensation unless he or she has knowingly and voluntarily waived that right. Waiving the right to compensation implies an explicit or implicit granting of forgiveness (remission) to the debtor for any negligence or breach of contract. Berdasarkan uraian di atas, menunjukkan bahwa untuk penyelesaian sengketa yang terjadi antara pemilik modal dan peternak, cara penyelesaian yang diambil untuk menyelesaikan permasalahan yaitu dengan cara musyawarah/mediasi, bantuan kepala desa dalam menyelesaikan permasalahan yang terjadi atau melalui jalur non litigasi.

D. CONCLUSION

1. It is hoped that in the future, the village government, along with relevant agencies, will be more active in providing outreach and legal assistance to the community, particularly investors and livestock farmers. This will help the people of Tanete Riaja District, Barru Regency, who frequently enter into "teseng" agreements, understand the importance of legal aspects within an agreement. This will increase public legal awareness and strengthen a fair, transparent, and sustainable profit-sharing system.
2. It is hoped that in the future, there will be legalization of "teseng" agreements between the two parties in written form, agreed upon by investors, livestock farmers, and village officials assigned to this matter, to provide and guarantee clear legal protection and reduce the potential for future default. This form of legalization not only strengthens the legal

standing of the parties but also serves as valid evidence in the event of a dispute between the parties to the agreement.

E. REFERENCE

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