

THE IJON SYSTEM IN LIVESTOCK TRADING AS AN ECONOMIC DRIVER FOR THE SASAK COMMUNITY: A SOCIO-LEGAL STUDY IN GELANGGANG VILLAGE, EAST SAKRA DISTRICT, EAST LOMBOK REGENCY

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ABSTRACT

This research aims to find out the implementation of ijon (pawn-sale) trading in Sasak Lombok indigenous community and to determine legal protection for ijon (pawn-sale) trading. This research uses normative empirical method with statute approach, conceptual approach and case approach. The result of this study finds that: first, ijon system in Lombok is a traditional pawn system which involves an asset exchange with a promise of a higher repayment in the future. This system arises as an alternative for society members who have limited access to formal financial institutions. In addition to fulfill urgent financial needs, ijon also has a business dimension in which the lender derives profit from the price difference. Second, ijon system practice is contrary to the universal legal principles. Even though, this system has already become Sasak community customary in Gelanggang Village, East Lombok, under the law, ijon transaction may be declared invalid and may potentially cause harm to one of the parties involved. This is due to the system does not satisfy the requirement of a valid agreement.

Keywords: *Ijon Trade; legal protection; Lombok, Sasak Indigenous people.*

INTRODUCTION

As social beings, humans cannot fulfill all of their economic needs alone. Mutual dependence encourages various forms of relations, ranging from a simple transaction to the complex business network. This interaction is not only limited to goods and service exchange, but also encompasses dimensions of trust, negotiation, and mutually beneficial cooperation. Almost all legal obligations arise from agreements which are made consciously and voluntarily by the parties. This shows that agreement is an important part of daily life, specifically to satisfy needs and develop social relations¹.

Generally, article 1338 of Civil Law Code determines that a valid agreement is binding upon both parties. This agreement cannot be canceled unless both parties agree or due to urgent legal reasons. Moreover, that agreement shall be made with good faith. Sale and purchase is a basic economic activity in society which involves goods and services exchange. Every sale and purchase transaction is influenced by prevailing principles and ethics, whether under Islamic law, private law and customary law². Civil law code, Book III, Chapter 5, specifically regulates contracts. One type of agreement which is included within contract is sale and purchase agreement. Sale and purchase agreement, which is named as *koop en verkoop* in Dutch language, is regulated comprehensively in Article 1457 to Article 1540 Civil Code³.

¹Moch. Isnaeni. *Perjanjian Jual Beli*. Bandung : PT Revka Petra Media, 2015.

²*ibid*

³Subekti, R, dan R. Tjitrosudibio, *Kitab Undang-undang Hukum Perdata (KUH Perdata)*, Pradnya Paramita, Jakarta, 2003.

As regulated in Article 1457 Civil Code, sale and purchase agreement is an agreement that binding upon seller and buyer. Seller have an obligation to deliver the goods sold to the buyer, and the buyer is obligated to pay the agreed price. Object of this agreement is very broad, encompassing all form of object and rights that may constitute object of ownership. Therefore, sale and purchase is an exchange process which involved two parties, namely seller as party who offering goods and buyer as a party who interested to own that goods with the agreed payment term.

Although sale and purchase are comprehensively regulated under the Civil Code, their implementation, particularly within indigenous communities, is often governed by local customary law. One of an interesting example is sale and purchase which originating from customary law is *ijon* in livestock transaction that generally practice among Sasak indiginous community in Lombok. *Ijon* sytem which enable individual to buy livestock through deffered payment, is a unique and complex practice. Eventhough this practice is often considered detrimental to livestock farmers, this system continues to be an avoidable choice, especially when they facing an urgent need.

Relationship between farmer and middleman (*tengkulak*) is not merely based on economic gain, but also on long-established social ties. Middlemen not only act as providers of capital but also become figures whom farmers trust and rely upon in urgent situations, particularly in rural areas with limited access to formal financial institutions. This condition makes farmers reluctant to shift to more modern and profitable systems, thereby rendering them vulnerable to exploitation.⁴

Gelanggang village, that located in East Lombok Regency, has their own unique characteristic. Majority of the population relies on livestock as their source of livelihood, especially as cattle farmers. This cattle farmers community live closely with nature, they not only raising livestock but also cultivating crops for their daily need. Unique profit sharing system has been practiced between cattle farmers and cattle owners. Under a 10:3 profit-sharing arrangement, the livestock farmers obtain a substantial portion of the proceeds from the livestock harvest. Considering that each farmer herds a quite number of cattle, ranging between 20 to 40 cattle for each farmer, and that cattle generally reproduce at least once a year, the cattle farmers can expect an additional 3 to 5 head of livestock annually.

Selling pregnant cattle ia common practice among farmers. The price ranging from one to two million rupiah per animal. However, this transaction frequently affected by the relations between the farmers and the buyer. If the buyer willing to help, they often propose a huge amount of money to meet daily needs of the farmer. Unfortunately, many parties exploit this situations by purchasing livestock far bellow the market prices. At times, farmers even request advance payments from the owners, resulting in the profits from the sale of the calves going to the owners, consequently, farmers oftentimes can not fully enjoy the result of their hard work, manytimes they can only breed three to five cattles. The pressures of daily life trap many livestock farmers in the *ijon* system, an unfavorable financing practice commonly used in their community for livestock transactions

According to Wijaya, *ijon* system is a method for farmers to get loan by pawning their unharvested crops⁵. Farmers who lack capital often chose this method to meet their daily needs. Eventhough there are other option, *ijon* sytem continues widely use by farmers. Why? Because this sytem less complicated and enable farmers to receive cash immediately. Nonetheless, the advantages of this sytem lies in its high interest rates, which may range from 10 to 40

⁴Sekar Arumandani, M. Aris Safi'i, Hendri Hermawan Adinugraha, 'IJON YANG TAK LEKANG OLEH WAKTU" ALASAN SISTEM INI MASIH MENJADI TRADISI PETANI PADI', *Agricore: Jurnal Agribisnis dan Sosial Ekonomi Pertanian Unpad*, Volume 9 Nomor 2, Desember 2024, p. 118.

⁵Wijaya, F. 1991. *Kredit & Bank dan Lembaga Keuangan Kita* . Penerbit : BPFE Yogyakarta

percentage. However, the lender oftentimes also act as buyer of the harvest, making farmers have limited options for selling their harvest.

Various studies have examined the ijon system. Most of these studies focus on the implementation of the ijon system in the agricultural sector. For instance, studies conducted by Sekar Arumandani, M. Aris Safi'i, and Hendri Hermawan Adinugraha examined the ijon system among rice farmers;⁶ Laura Berenika Apriliani Tija, et.al. studied the ijon system among coffee farmers in Colo Village, East Manggarai Regency;⁷ while Raheni⁸ analyzed the implementation of the ijon system by farmers in Sukamulya District, East Lombok Regency. This distinguishes the present study, which specifically examines the practice of ijon among cattle farmers. Studies concerning the ijon system among livestock farmers still appear to be limited. There is, however, a study conducted by Siti Suryani,⁹ which specifically analysed the practice of ijon among herding communities in the savanna region of East Sumba. In contrast, the present study specifically examines the implementation of the ijon system among cattle farmers in Gelanggang Village, East Lombok. Although the ijon system is a practice commonly found within indigenous communities in Indonesia, each indigenous community possesses its own distinctive characteristics. Therefore, the novelty of this research lies in its specific analysis of the ijon system within the Sasak indigenous community."

Base on that background, researcher interested to conduct reseach with title '**Implementation of Ijon System in Livestock Trading in Sasak Lombok Indiginous Community**'(Case Study in Gelanggang Village, East Sakra District, East Lombok Regency). There are two legal issue that will become focus of this reseach, namely (1) how the implementation of ijon in livestock trading in Sasak Lombok Indiginous Community? (2) how the legal protection in ijon trading?

METHOD

This research employs a normative-empirical approach, the implementation of which involves a case study of the issues being examined in relation to both normative and empirical aspects. The study begins with the provisions of positive law and is subsequently combined with events and practices occurring within society. This research applies the statutory approach, the conceptual approach, and the case study approach. The types and sources of data consist primary and secondary data. Data collection was conducted through literature review and interviews with key informants in Menceh Village, East Sakra District, East Lombok Regency.

DISCUSSION

The Implementation of Ijon Livestock Trading in Lombok Sasak Traditional Community.

⁶Sekar Arumandani, M. Aris Safi'i, Hendri Hermawan Adinugraha, *op.cit.*

⁷Laura Berenika Apriliani Tija, *et.all*, Sistem IJON Sebagai Bentuk Kearifan Lokal Dalam Sistem Perikatan Di Desa Colol, Kec. Lambaleda Kab. Manggarai Timur. (2023). *Perkara : Jurnal Ilmu Hukum Dan Politik*, 2(1), 157-171. <https://doi.org/10.51903/perkara.v2i1.1630>

⁸Raheni, PELAKSANAAN PERJANJIAN JUAL BELI SECARA IJON DI KECAMATAN SUKAMULIA KABUPATEN LOMBOK TIMUR DITINJAU DARI PERSPEKTIF KUHPERDATA, *jurnal Ilmiah*, Fakultas Hukum, Universitas Mataram, 2020, <https://fh.unram.ac.id/wp-content/uploads/2020/08/RAHENI-D1A116221.pdf>.

⁹Siti Suryani, *Ijon: Sebuah Strategi Bertahan Hidup Komunitas Gembala*, Transformatif, Vol. XII (2), November 2023: hal 77-85.

Ijon system, particularly among Sasak Lombok Traditional community, is a form of a unique debt agreement and strongly influenced by local wisdom. Access to formal financial authority frequently limited to local community, pressure the public to create their own mechanism to meet their financial need. Data from Statistics Indonesia through the 2018 and 2023 Intercensal Agricultural Surveys (SUTAS) indicate that many farmers still rely on middlemen for farming capital. They face difficulties in accessing formal financial institutions due to complicated administrative requirements and collateral provisions. A 2019 report by Bank Indonesia on the People's Business Credit (KUR) program confirms the same issue. According to BPS data in 2022, around 70% of farming households still did not have access to formal financial institutions.¹⁰

Simply put, ijon can be understood as a transaction in which a person (for example, Mr/Mrs A) who have an urgent need borrow certain amount of money (Mr/Mrs B) using asset like land or livestock as collateral. Uniquely, this debt do not pay in cash, but instead replace with a higher value, according to prior agreement. Another example, Mr/Mrs A borrow a cow from Mr/Mrs B with agreement to repay with higher price six month latter. This price difference can be considered as interest or benefit for Mr/Mrs B. This showed that ijon system contain business element.

Ijon is not only practiced by farmers but also by livestock breeders. This practice is also commonly found among cattle breeders in East Lombok. West Nusa Tenggara (NTB) is one of the main suppliers for the qurban market and meat demand in the Greater Jakarta area (JABODETABEK). Overall, provincial data from NTB indicate that regencies on Sumbawa Island (Sumbawa, Bima, and Dompu) dominate in terms of livestock population, both cattle and goats, compared to regions on Lombok Island.¹¹ Meanwhile, on Lombok Island, the cattle breeder population is particularly concentrated in Central Lombok and East Lombok. One of the areas in East Lombok where many residents work as cattle breeders is Gelanggang Village, East Lombok District. The practice of ijon is commonly carried out by livestock breeders in this area.

Legal protection of Ijon Livestock Transaction

Before further discussion about legal protection of ijon transaction, this sub chapter will discuss about the sale and purchase regulation, including the principle of sale and purchase under civil code, rights and obligation of seller and buyer, form of sale and purchase agreement and risk of sale and purchase.

Sale and Purchase Definition.

Sale and purchase agreement is one the basic form of agreement has been a profound object regulation within Indonesian legal system, both in civil law frame work and in commercial law framework. Article 1457 Civil Code, explain that sale and purchase is an agreement between seller and buyer. Seller have an obligation to deliver goods, while buyer have an obligation to pay the price¹².

According to Salim HS, sale and purchase agreement is a civil contract in which an agreement was reached by the seller and buyer regarding object and selling price¹³. Seller have an obligation to hand over ownership of object to buyer, while buyer have an obligation to fulfill the obligation by paying the agreed price¹⁴.

¹⁰<https://human-initiative.org/ijon-dalam-pertanian-solusi-untuk-petani/>.

¹¹<https://data.ntbprov.go.id/infographic/jumlah-sapi-potong-di-ntb-mencapai-13-juta-ekor>.

¹²Subekti, R, dan R. Tjitrosudibio, *Kitab Undang-undang Hukum Perdata (KUH Perdata)*, Pradnya Paramita, Jakarta, 2003.

¹³Salim HS 2003. *Hukum Kontrak: Teori dan Teknik Penyusunan Kontrak*. Jakarta: Sinar Grafika

¹⁴*Ibid*

This definition indicate legal requirement which consist of: (1) identification of the parties: determination of seller and buyer as subject of law, (2) sale and purchase agreement: to reach agreemeent regarding good and the price, (3) legal relation creation: the establishment of legally binding rights and obligation.

Main element of sale and purchase is a sale object (goods) and price that previously agreed between seller and buyer. This agreement consider valid and legally binding since the agreement concerning both element have been reach. The Consensual principle, as regulated in article 1458, stated that agreement making is not depend on the deliver of goods or price payment, instead of the reach of agreement between parties¹⁵.

Sale and Purchase Principles and Regulations

There are five main principles serve as the basis of agreement for all form of agreement, including sale and purchase agreement, namely:

(1) Freedom of Contract Principles

Freedom of contract principle regulated in Article 1338 pharagraph (1) Civil Code entitle parties with full authority to freely decide whether they will make an agreement, whom the parties, and the requirements needed. This freedom also encompass the determination of agreement form, whether written or unwritten. However this freedom is nevertheless restrictid by laws.

(2) Consensualism Principle.

The principle of consensualism clearly stated in Article 1320 pharagraph (1) Civil Code, positioned agreement as the fundament of all agreement. This principle undermine the significance of freedom of contract, however both parties exempt to determine substance of the agreement without restrictid to certain form. A contract is considered valid and legally binding merely upon the existence of conformity between intention and declaration.

(3) The principle of Enforceability

Based on this principles, if one of the parties have violated valid agreement, that parties can be sued based on Article 1338 pharagraph (1) of Indonesian Civil Code.

(4) Good Faith Principle

Good faith is a super-eminent principle. This principle first emerged and developed in the Roman legal tradition and was later absorbed by Civil Law.¹⁶ In Indonesia, good faith in contract implementation has become an essential principle and is regulated in Article 1338 of Indonesian Civil Code.¹⁷ Pursuant to article 1338 Civil Code, all valid agreement shall binding to all parties and shall implemented with good faith. The principle of good faith encompasses both subjective and objective meanings. The subjective meaning refers to the fact of honesty on the part of an individual, while the objective meaning is assessed based on standards of fair dealing that exist independently of the individual's personal perspective.¹⁸

5) Personal Principle

Generally, a person shall make an agrement for their own interest, unless with regard to a promise made to a third party, as regulated in Article 1317 of Indonesia Civil Code¹⁹.

¹⁵Subekti, R, dan R. Tjitrosudibio, *Loc.Cit*.

¹⁶Meydora Cahya Nugrahenti1, Ari Hernawan, Good faith principle in Indonesian contract law: How to set the definition and its benchmarks, *Journal of Infrastructure, Policy and Development* 2024, 8(10), 7358. <https://doi.org/10.24294/jipd.v8i10.7358> p.2.

¹⁷*Ibid*.

¹⁸Auliah Ambarwati, Litya Surisdani Anggraeniko, Good Faith Principle dalam Hukum Perjanjian: Perspektif Hukum Islam, *JULIA, Jurnal Litidasi Amsir, Special Issue*, 2025, p. 43.

¹⁹Subekti, R, dan R. Tjitrosudibio, *op.cit*

Article 1320 of Civil Code determine basic requirement which must satisfy by all form of agreement, including sale and purchase agreement, to be legally binding. This means that for sale and purchase agreement to be valid, these four requirement must be fulfilled.²⁰ Those requirement compriese of;

- (1) Binding agreement, this means that A valid contract must be based on mutual consent between the parties, showing that they agree to the terms and obligations stated in the agreement.
- (2) Legal competence, the parties who make the agreement must have legal capacity to act under the law. They are considered have ability to perform legal act and capable to bear legal implication arising from those act. In civil law, a person is considered to have legal capacity if they are legally an adult, mentally sound, and not under guardianship. If a person lacks legal capacity, the agreement may be declared voidable.
- (3) Certain subject matter, refers to a clearly identifiable object or obligation in an agreement. the subject matter may include goods, services, property, or specific actions that form the basis of the agreement. If the object of the agreement is unclear or cannot be determined, the contract may be considered invalid.
- (4) Lawfull cause refers to a legal and permissible purpose of an agreement. This means that the substance of an agreement must not violated the law, public interest, and morality. If a contract contain unlawfull substance or involved activities contraries law, public order or public interest and morality, that agreement can be declared null and void.

Agreement concerning sale and purchase entitle both seller and buyer certain rights and obligations. This part will describe those rights and obligation

Rights and Obligation of the Seller

Indonesian civil code entitled seller certain rights, namely rights to receive full payment from buyer as enumerated in article 1457 Civil Code. Terms and condition of the payment can be agreed by seller adn buyer and written in the contract. Additionally, seller have a retention rights based on Article 1458 Civil Code. This means that seller may retain possession of goods or property until buyyer give full payment as already mutually agreed by both parties. This rights function as a legal protection for seller from losses causing by the buyer who do not fulfill their obligation to pay.

Seller have number of obligation as regulated in Civil Cove. Under article 1459 Civil Code, Seller have an obligation to deliver the goods covered under the agreement to the buyer in accordance with the mutual agreement stated in the terms and conditions. In addition, based on article 1457 Civil Code, seller have an obligation to provide warranty for the quality of the goods sold. This warranty covers the physical condition of the goods, their functionality, and their conformity with the agreed specifications. The last one is the seller obligation to provide proff as evidence of sale and purchase transaction. Article 1467 of the Civil Code requires the seller to provide proof or a receipt to the buyer. Such proof may include an invoice, agreement letter, or other valid legal documents.

Rights and Obligation of the Buyer

Indonesia civil code arrange certain rights of the buyer, particularly stated in Article 1473 and Article 1484. Under Article 1473 Indonesian Civil Code buyer is entitle to the goods as agreed in the contract. More over, buyer is entitled to compensation if the goods is deffect or not compatible with the agreement as govern inder Article 1484 Indonesian Civil Code. The buyer also has the right to withdraw payment or to request price reduction if the goods are not compatible with the agreement as stated in Aricle 1503 Indonesian Civil Code. Obligation

²⁰*Ibid.*

of the buyer arranged in Article 1513 of Indonesian Civil Code which stated that buyer have obligation to make full payment, at the time and place as stipulated in the agreement.

Sale and Purchase Format

Generally, agreement does not require a specific format. Agreement can be made in written form or in oral form, those form accepted as an evidence if a dispute occurs. However, for some form of agreement, law determine certain written form. If the agreement does not meet the requirement, it consider invalid. Therefore, written form not only have function as eviendence but also as the requirement for a validation of an agreement.

Sale and purchase agreement can be arranged in two forms, namely, oral and written. Sale and purchase agreement can be made in oral form, however this oral agreement may constitute a weak evidence if a dispute arise. Written form of agreement can be arranged in authentic deed or formal agreement and non authentic deed or non formal agreement. Formal agreement is a form of agreement that made comply with formal legal requirement, follow official procedure and made before a notary, while non formal agreement is an agreement that made in written form but it is not follow official procedure and it is not made before a notary. These two form of agreement have eveidentiry force, however, a formal agreement has stronger evidentiary force.

Risk in Sale and Purchase Agreement

In civil law, there is a principle of risk of annulment or principle of risk allocation that arranged the distribution of losses arrising from event beyond control of the parties. This principle state that the party responsible for the object of the agreement shall bear any losses incurred to such object, even though the losses were not caused by their fault or negligence²¹.

Risk in sale and purchase agreement allocated between parties largely determined by the type of goods that become object of the transaction, namely:

(1) Specific Goods.

Specific goods may defined as goods that already exist and have been clearly identified at the time the agreement is concluded. An example would be a used car that has been specifically selected by the buyer. Article 1460 of Indonesian Civil Code intially stated that the risk of specific goods would pass to the buyer since the formation of the agreement, eventhough the goods had not yet been delivered. However, hence the issuance of Circular Letter of the Suppreme Court Number 3 of 1963 that declare Article 1460 of Indonesian Civil Code no longer have legal effect. This imply that the risk of specific goods is now generally considered to transfer to the buyer only after the goods have been physically delivered. This approach is regarded as fairer because ownership is effectively completed upon delivery of the goods.

(2) Separated Goods

Separated goods refer to goods that have been set apart from other goods belong to seller, and it ready for delivery. For example is book collection that already packed to cardboard boxes. Hence the goods had been separated, the risk of that separated goods pass immediately to the buyer. Therefore, even before the buyer accept goods physically, the buyer bear full responsibility for any loss or damage occurs to the goods after it through separation process.

(3) Goods sold by Weight, Measurement, or Quality

This type of goods does not have a definite identity until it has been measured or weighed. Article 1461 of Indonesian Civil Code determine that the risk will pass to the buyer after the

²¹Triyana dan Wandi. 2018. "Tinjauan Hukum Jual Beli Menurut Hukum Perdata ", *Jurnal Hukum Das Sollen* . Jilid 2, hal. 11. DOI: <https://doi.org/10.32520/das-sollen.v3i1>

goods has been measured or weighed. Before the process complete, the risk remains with the seller. Consequently, every loss or damage of the goods prior to the complete process of measured and weighed borne to the seller. Once the process has been completed, the risk passed to the buyer.

Legal Protection in *Ijon* System Based on Legal Principles and the Provisions of the Civil Code

Ijon is a unique form of sale and purchase agreement in which the object of the agreement is the livestock that do not have certain quality. Within this system, one party (the livestock farmer) usually hand over their future live stock to other party (pembeli or tengkulak) as a down payment compensation. Eventhough this practice is a common habbit among livestock farmers, the *ijon* system is fraught with legal uncertainty. This is caused by the imbalance of information between the parties, where farmers often do not fully understand the legal implications of the agreement, particularly the risk of losing potential profits due to fluctuations in market prices.

Eventhough this form of transaction do not explicitly stated in Indonesian Civil Code, *ijon* is depply rotted in society, particularly among Sasak Indiginous community in Lombok island, including among livestock farmer in Gelanggang Village, East Sakra District, East Lombok Regency. However, it is important to highlight legal ambiguity of *ijon* that may cause numerous problem, including exploitation toward livestock farmers, unfair price determination, and potential for disputes. Therefore, it is important for the livestock farmers to comprehend the risk of *ijon* and need to consider other alternative that give more benefit, for example to sale the livestock immediatlately to the livestock market or to the cooperation (koperasi).

Article 1338 paragraph (1) of Indonesian Civil Code determine that a valid agreement shall be legally binding upon the parties who make it. It means that everyone free to make an agreement under any terms, as long as it does not violate the laws.²² This freedom of contract enable the emergence of various types of agreement, including *ijon*, that can be adjusted to the changing need of society. However, in the practice, *ijon* oftentimes causing problems. Livestock farmer as the most vulnerable party oftentimes suffer signifikan material loss.

Under Article 8 Pharagraph (3) of Law Number 2 of 1960 Regarding Sharing-Profit Agreement, stated that Any payment made by any person, including the owner or cultivator, to either the cultivator or the owner in any form containing elements of *ijon* is prohibited²³. Moreover, under Article 1320 of Indonesian Civil Code an agreement is valid if the agreement meet four requirement, namely, free consent to make an agreement, the competent of parties, a clear object, and a lawfull objective. Those requirement can devided into subjective and objective requirement. If an agreement do not satisfy the Subjective requirement namely the free consent and the competence of the parties, the disadvantage parties can file a law suit to annul the agreement. The objective requirement that comprise of the celar object and lawfull aims. If an agreement does not meet these requirement, the agreement is null and void, as if the agreement never existed since the begining. For example, an agreement that contradicts the law or moral norms shall be declared null and void.

Based on the analysis above, eventhough *ijon* is basically contrary to the numerous appicale regulations, this practice has become a hereditary tradition within the Sasak customary community of Lombok, particularly in Gelanggang Village, East Sakra District, East Lombok

²²Subekti, R, dan R. Tjitrosudibio, Kitab Undang-undang Hukum Perdata (KUH Perdata), Pradnya Paramita, Jakarta, 2003.

²³Indonesia. (1960). *Undang-Undang Nomor 2 Tahun 1960 tentang Perjanjian Bagi Hasil Produksi*. Lembaran Negara Republik Indonesia 1960 Nomor 2. Sekretariat Negara. Jakarta.

Regency, under the Indonesian civil code this agreement is null and void due to it contradict with the applicable law, one of which is Law Number 2 of 1960 Regarding Sharing-Profit Agreement. Moreover, *ijon* also contradict with general principles as the foundation of making an agreement, namely fairness and good faith.

Ijon contradict the fairness principle hence this system place the farmer in a weaker bargaining position and unequal economic relations between the farmer and the middle man (*tengkulak*). Under fairness principle, parties in an agreement shall have equal economic positions to create balance rights and obligations. However, oftentimes middleman (*tengkulak*) have a greater economic power while the farmers have a weaker positions due to urgent financial need and their limited access to other formal financial mechanism. This enable the middleman (*tengkulak*) to determine price under the market price or the price that can give disproportionate benefit for them, but resulting loss for the farmer. *Ijon* also contradict with the good faith principle. Exploitation towards farmer's vulnerable condition, no transparency concerning market prices, and unfair contractual terms can be seen as inconsistent with the good faith principle.

Although, under positive law, *ijon* is considered an invalid form of agreement, the practice is still widely carried out within society and is regarded as a legitimate financing mechanism, particularly among the Sasak customary community. Therefore, legal protection is necessary for farmers as the weaker party. This legal protection may provide in two forms, namely the preventive protection and the repressive protection.

The preventive protection aimed to prevent or to reduce the suffer or losses of the farmer because of *ijon* transaction, before the damage or loss occur. There are some measurements that can be carried out to prevent or reduce the vulnerability of the farmer that can create unfair loss for farmer in *ijon* transaction. The first important action that can performed by government is to provide greater and easier access to the formal financial institution, such as bank credit, cooperative and government credit programme. This action may reduce or even eliminating farmer's dependence to *ijon* system. The second action is to provide legal awareness and legal education to give comprehend understanding for farmer concerning their legal rights, contractual risks, market prices, and the consequences of entering into unfair agreements. With adequate legal knowledge, farmers may be in a stronger bargaining position when conducting transactions. This including guidance to farmers in drafting fair contractual terms, including prices, payment methods, and the rights and obligations of the parties.

Repressive protection defines as legal protection give after violation or loss has occurred or after a dispute arise. Aim of this protection is to restore the rights of the injured party and ensure accountability for unlawful or unfair act. Regarding *ijon* transaction, repressive protection may provide through legal remedies and dispute resolution mechanism.

Repressive protection refers to legal protection provided after a dispute, violation, or loss has occurred. Its purpose is to restore the rights of the injured party and ensure accountability for unlawful or unfair conduct. In the context of *ijon* transactions, repressive protection may be provided through legal remedies and dispute resolution mechanisms. Farmers who suffer losses due to fraud, coercion, unfair pricing, or bad faith conduct may file claims before the court or seek settlement through alternative dispute resolution mechanisms. In addition, repressive legal protection is also given through the imposition of criminal sanction against *ijon* transaction. Pursuant to Article 5 of Law Number 5 of 1960 Regarding Sharing-Profit Agreement, *ijon* transaction may be subject of criminal sanction in the form of fine.

CONCLUSION

Ijon system within indigenous Sasak Society is a practice of an agreement concerning asset exchange with a promise of future payment with a higher value. Ijon still widely practice among livestock farmer in Gelanggang Village, East Sakra District, East Lombok Regency due to limited acces of the indiginuous community to the formal financial institution. This system seen as traditional solution for live stock farmer to meet their urgent financial need without pawn their assets. This mechanism may seem have social aspect by providing quick solution for livestock farmer upon their urgent need, but this practice actually contain business aspects, in which the midlle man (tengkulak) take profit from the agrred price difference. The business aspect of ijon tend to be detrimental to the livestock farmers. Therefore, under indonesian positive law and pursuant to the general principles of law applacable in contract law, ijon is an unlawfull contract.

Eventhough ijon is contrary to the law, hence this sytem still practice among the indiginous society, there shall be legal protection for the farmer as the most vulnerable party in ijon. The legal protection may provide in preventive and represive form. The preventive form of legal protection aim to prevent the farmer from losses causing by ijon system. This prevention may conduct by provide greater and easier access to the formal financial institution, and by provide legal awareness and legal education to give comprehend understanding for farmer concerning a valid agreement that benefits the parties fairly. Meanwhile, the represive legal protection may be provided through legal remedies and dispute resolution mechanisms.

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