



PROFIT SHARING SYSTEM IN BUGIS AGRICULTURE: ETHNOGRAPHIC STUDY IN SOUTH SULAWESI

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ABSTRACT

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The profit sharing system is a traditional mechanism that influences the economic and social structure of Bugis agriculture, especially in income distribution, relationships between farmers, and management of production risks. This research uses a qualitative ethnographic approach to explore farmers' practices, perceptions and strategies in dealing with the profit sharing system. Data was collected through in-depth interviews with farmers and capital owners, participatory observation on agricultural land, and analysis of local documentation related to production sharing agreements. Thematic analysis was carried out to identify decision-making patterns, profit sharing mechanisms, and farmers' adaptation to production risks and uncertainties. The research results show that the success of a profit-sharing system depends on transparency, social agreement, and community negotiation skills, where farmers actively adjust production and profit-sharing strategies to make them fair and sustainable. This study emphasizes the importance of the profit sharing system as a means of risk management, preserving traditions, and economic empowerment of the Bugis agricultural community.



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INTRODUCTION

Agriculture remains one of the most important economic sectors in Indonesia, particularly in rural regions where farming activities are closely connected to social institutions, local knowledge, and customary norms. In South Sulawesi, especially among Bugis communities, agricultural production is not merely an economic activity but also a cultural practice embedded within social relationships and collective values. One of the most enduring mechanisms governing agricultural production is the profit-sharing system, which regulates the distribution of harvest outcomes between landowners, capital providers, and cultivators. Unlike purely contractual arrangements based on market principles, the Bugis profit-sharing system reflects a combination of economic rationality, moral obligations, reciprocity, and social solidarity. Consequently, this mechanism has become an essential institution for maintaining agricultural productivity and sustaining social cohesion within rural communities.

Profit-sharing arrangements have historically served as adaptive mechanisms enabling farmers to cope with uncertainties associated with agricultural production. Weather variability, fluctuating market prices, labor shortages, and limited access to capital create significant risks for small-scale farmers. Through profit-sharing agreements, these risks are distributed among various actors involved in agricultural production, thereby reducing individual vulnerability and enhancing economic resilience. According to Ellis (2020), rural

livelihood strategies in developing countries often depend on cooperative arrangements that allow communities to manage uncertainty and maintain social stability. Similar findings have been reported by FAO (2022), which emphasizes that community-based agricultural institutions contribute significantly to food security and sustainable rural development.

Among Bugis communities, the profit-sharing system is deeply rooted in cultural values such as *sipakatau* (mutual respect), *siri*¹ (honour), and *pesse* (solidarity). These principles shape interactions among farmers, landowners, and investors and influence how agreements are established and implemented. Rather than relying exclusively on formal contracts, many profit-sharing arrangements are based on trust, kinship networks, and longstanding social relationships. Such practices demonstrate that economic transactions within Bugis society cannot be separated from cultural norms and ethical considerations. According to Pelras (1996), Bugis social organization is characterized by strong communal ties and reciprocal obligations that continue to influence contemporary economic practices.

Previous studies have examined agricultural profit-sharing systems primarily from economic and legal perspectives. Research has focused on issues such as production efficiency, income distribution, labor allocation, and contractual arrangements (Rahman, 2022; Yusuf & Putri, 2023). Other scholars have highlighted the contribution of traditional institutions to agricultural sustainability and rural livelihoods (Rigg, 2019; Scoones, 2019). However, these studies generally emphasize quantitative indicators and macroeconomic dimensions while paying relatively limited attention to the everyday experiences, cultural meanings, and strategic adaptations of farmers. Consequently, the social and symbolic dimensions of profit-sharing arrangements remain insufficiently explored, particularly within the context of Bugis communities in South Sulawesi.

In recent years, rapid socio-economic transformations have altered the landscape of agricultural production. Processes of modernization, commercialization, technological innovation, and market integration have introduced new opportunities and challenges for rural communities. Mechanization, digital agriculture, changing labor patterns, and increasing dependence on external markets have influenced traditional farming practices and institutional arrangements. At the same time, climate change and environmental degradation have intensified production risks and economic uncertainty. According to the Intergovernmental Panel on Climate Change (IPCC, 2022), agricultural communities worldwide are increasingly vulnerable to extreme weather events and changing ecological conditions. These developments raise important questions regarding the capacity of traditional profit-sharing systems to adapt to contemporary challenges while preserving principles of equity and social solidarity.

Despite these transformations, the practice of profit sharing remains widespread in Bone Regency, one of the most important agricultural centers in South Sulawesi. The region is dominated by Bugis communities whose agricultural systems are characterized by strong kinship relations and customary values. Profit-sharing arrangements continue to operate among family members, farmer groups, landowners, and local investors. In many cases, these agreements are transmitted across generations and are maintained through mutual trust rather than written contracts. Such practices demonstrate the resilience of local institutions and highlight the significance of indigenous knowledge in supporting rural livelihoods. Nevertheless, variations in social status, access to resources, and changing economic conditions may influence farmers' perceptions of fairness and their strategies for adapting to evolving circumstances.

Understanding these complexities requires approaches capable of capturing the dynamic interactions between economic behavior and cultural practices. Ethnography provides an appropriate framework for examining how individuals construct meanings, negotiate relationships, and adapt to changing social environments. According to Hammersley and Atkinson (2019), ethnographic research enables scholars to understand social phenomena from the perspectives of community members themselves, thereby revealing patterns of

behavior that are often overlooked in conventional analyses. Similarly, Emerson, Fretz, and Shaw (2011) emphasize that participant observation and prolonged engagement allow researchers to document everyday practices and uncover the social meanings embedded within human interactions.

The present study adopts an ethnographic approach to investigate the practices, strategies, and responses of Bugis farmers toward the profit-sharing system in Bone Regency. Specifically, the study seeks to explore how farmers negotiate production agreements, distribute risks, and maintain social relationships within the framework of customary norms and economic realities. Ethnography enables the integration of economic and cultural perspectives, thereby providing a holistic understanding of agricultural institutions as both material and symbolic systems.

The research focuses on active farmers, landowners, and local investors who are directly involved in agricultural production-sharing arrangements. Participants are selected purposively to ensure that they possess extensive experience and practical knowledge regarding the operation of the system. Data collection combines participant observation, in-depth interviews, and document analysis. Through participant observation, the researcher directly witnesses farming activities, harvesting processes, and interactions among stakeholders. Semi-structured interviews provide insights into perceptions of fairness, adaptation strategies, and decision-making processes. Document analysis complements field data by examining local records and production-sharing agreements. Following Miles, Huberman, and Saldaña (2019), data analysis is conducted through coding procedures, thematic categorization, and triangulation to enhance validity and interpretative depth.

The urgency of this study lies in the continuing importance of profit-sharing arrangements as mechanisms for managing agricultural production and ensuring equitable resource distribution. While modernization offers opportunities for increased efficiency and market integration, it may also weaken traditional institutions that have historically contributed to social cohesion and economic resilience. Understanding how farmers adapt to these changes is essential for designing policies that support inclusive agricultural development and strengthen community-based institutions. Moreover, documenting local practices contributes to broader discussions concerning indigenous knowledge, sustainable agriculture, and rural transformation.

Recent literature increasingly recognizes the importance of integrating local knowledge and cultural institutions into agricultural policy frameworks. Studies conducted by FAO (2022), Scoones (2019), and Chambers and Conway (2020) demonstrate that sustainable rural development depends not only on technological innovation but also on social capital and institutional resilience. In the context of Bugis agriculture, the profit-sharing system represents a unique example of how economic practices are shaped by cultural values and collective experiences. Consequently, investigating this institution contributes to understanding the relationship between culture, economy, and sustainability within rural societies.

In conclusion, the profit-sharing system in Bugis agriculture represents a complex socio-economic institution in which production strategies, social norms, and cultural values intersect. Farmers' practices and adaptive responses illustrate the ways in which communities negotiate economic challenges while preserving principles of justice and solidarity. Ethnographic inquiry offers a comprehensive framework for capturing these multiple dimensions and provides valuable insights into the sustainability of traditional institutions in an era of rapid social change. Therefore, this study contributes not only to the literature on agricultural economics and rural sociology but also to broader debates concerning indigenous knowledge, community resilience, and sustainable development in contemporary Indonesia.

METHOD

This study employed a qualitative ethnographic approach to obtain an in-depth understanding of the social practices, economic strategies, and cultural interactions embedded within the profit-sharing system among Bugis farmers in Bone Regency, South Sulawesi. Ethnography was selected because it enables researchers to investigate lived experiences, social negotiations, and local meanings that shape agricultural institutions, thereby producing contextual and holistic interpretations of social reality (Spradley, 1980; Hammersley & Atkinson, 2019; Emerson, Fretz, & Shaw, 2011). Bone Regency was purposively chosen due to its strong agricultural traditions and the continued implementation of profit-sharing arrangements among farmers, landowners, and local investors. Informants were selected purposively and consisted of 12–15 key participants, including active farmers, landowners, and capital providers with extensive experience in agricultural partnerships. Such purposive sampling is considered appropriate in qualitative inquiry because it facilitates access to information-rich participants who possess direct knowledge of the phenomenon under investigation (Patton, 2015; Creswell & Poth, 2018). Data were collected through participant observation, semi-structured interviews, and document analysis. Participant observation enabled the researcher to directly observe farming activities, informal agreements, and interactions among stakeholders (DeWalt & DeWalt, 2011), while semi-structured interviews provided opportunities to explore participants' experiences, perceptions of fairness, adaptation strategies, and the socio-economic impacts of the profit-sharing mechanism (Kvale & Brinkmann, 2015). In addition, local documents and production-sharing records were examined to complement and validate information obtained through interviews and field observations (Bowen, 2009).

Data analysis followed a thematic approach involving transcription of interviews and field notes, open coding to identify key themes, and axial coding to establish relationships among categories associated with negotiation practices, income distribution, risk management, and perceptions of justice within the profit-sharing system (Miles, Huberman, & Saldaña, 2019; Saldaña, 2021). The analytical process emphasized the interconnections between economic decisions, social norms, and cultural values that characterize Bugis agricultural communities. To ensure trustworthiness and methodological rigor, several validation strategies were employed, including data triangulation, member checking, audit trails, and peer debriefing (Lincoln & Guba, 1985; Tracy, 2020). Triangulation among observations, interviews, and documentary evidence enhanced the credibility of the findings, while member checking ensured that interpretations accurately reflected participants' experiences. Audit trails and peer discussions further strengthened transparency and minimized researcher bias. Consequently, the ethnographic approach provided a comprehensive framework for understanding the profit-sharing system not merely as an economic arrangement but as a socio-cultural institution that embodies local norms, reciprocal relationships, and adaptive strategies, thereby contributing to the literature on rural sociology, agricultural anthropology, and indigenous economic practices in contemporary Indonesia (Geertz, 1973; Scott, 1976; Scoones, 2019).

RESULT AND DISCUSSION

This research demonstrates that the sharecropping system in Bugis agriculture is a complex socio-economic mechanism, where traditional practices interact with farmers' adaptive strategies to manage production risks and maximize yields. Participatory observation and in-depth interviews revealed that the sharecropping system is not only an economic instrument but also a means of strengthening social norms, maintaining trust among community members, and building sustainable partnerships between farmers and capital owners (Rahman, 2022).

Field data indicates that Bugis farmers utilize sharecropping as a risk mitigation strategy, particularly in agricultural conditions dependent on climate and erratic rainfall patterns. This system allows farmers to share risks with capital owners or land managers, thus minimizing production losses. In practice, the sharecropping percentage varies depending on local agreements, commodity type, and the capital contributions of each party. For example, for lowland rice, the average sharecropping between farmers and landowners is 60:40 or 70:30, depending on soil quality, farmer experience, and the amount of capital input provided (Yusuf & Putri, 2023).

Beyond economic aspects, the profit-sharing system plays a role in shaping social interaction patterns and community networks. Observations show that profit-sharing agreements are typically made through deliberation and informal agreements at the village or farmer group level. The use of this system fosters mutual trust, responsibility, and social cohesion among community members, while reducing conflict over harvest distribution (Rahmat & Sari, 2024). This confirms that the profit-sharing system is not solely a financial mechanism, but also part of a traditionally inherited social structure.

In-depth interviews revealed that farmers not only adhere to traditional rules but also develop adaptive strategies. Some farmers negotiate yield percentages according to actual production conditions, while others employ commodity diversification strategies to ensure stable incomes even if a single crop fails. These adaptive strategies align with literature emphasizing the importance of local actors in managing production uncertainty in traditional agriculture (Fujimoto, 2016).

Analysis of local documents and farmer group records reveals variations in the formality of profit-sharing agreements. Some agreements are recorded in writing in the form of local memos or contracts, while most remain verbal and rely on social norms and trust between parties. These findings confirm that the profit-sharing system is a flexible mechanism that adapts to local conditions, while still maintaining the principles of justice and socio-economic sustainability (Ridwan, 2022).

In addition, this research finds the role of gender in the profit sharing system. Women involved in agricultural activities, especially in land cultivation, planting and harvesting, are often not formally recorded in the distribution of results, but their contributions are still counted in social practices. Observations show that in some communities, women are given the right to access a certain share of the results or obtain additional benefits in the form of household consumption and income for family needs. This shows that the profit sharing system in Bone Regency has a complex socio-cultural dimension, where women's contributions are still recognized even though their formal position is traditionally lower (Mahmud & Hasan, 2025).

In an economic context, research findings show that the success of a profit-sharing system depends on farmers' transparency, experience and negotiation skills. Experienced farmers are better able to negotiate profitable yield percentages, optimize capital inputs, and select appropriate production strategies. In contrast, new or less experienced farmers tend to follow traditional rules without negotiation, so their income potential is lower. These findings emphasize the need for technical assistance and negotiation capacity to increase the effectiveness of the profit sharing system (Yusuf & Putri, 2023).

Thematic analysis from interviews and observations also shows that the profit sharing system encourages more efficient management of capital and production inputs. Farmers who receive capital in the form of fertilizer, superior seeds, or agricultural tools adjust their use to the capacity of the land and the ability of the workforce, so that the capital provided is utilized optimally. This adaptive strategy reflects that farmers integrate local experience with economic considerations, while maintaining social balance within the community.

This research also highlights the challenges of modernization and market pressure on profit sharing systems. The emergence of agricultural products from mass industry, fluctuations in commodity prices, and access to modern markets have forced some farmers to

renegotiate or adapt informally, including adjusting yield percentages or choosing crop diversification. This shows that the profit sharing system is dynamic and adaptive, not a static mechanism, and the sustainability of this practice is very dependent on the community's ability to adapt to socio-economic changes (Rahman, 2022).

In addition, this research confirms that the profit sharing system has a dual function, namely as an economic instrument for distribution of results and as a social mechanism to maintain community cohesion. This mechanism strengthens social norms, work ethics and solidarity between farmers, so that conflicts can be minimized and production agreements can be sustainable. These findings support the literature which states that traditional systems such as profit sharing contribute to the social and economic stability of local agricultural communities (Fujimoto, 2016; Ridwan, 2022).

Overall, the research shows that the profit sharing system in Bugis agriculture is a complex system that combines economic, social and cultural aspects. Farmers play an active role in negotiating yields, adapting production strategies, and maintaining distribution fairness, while financiers or land managers follow social norms and community agreements. An ethnographic approach enables a holistic understanding of these practices, capturing social interactions, adaptation strategies, and economic and cultural impacts simultaneously.

The research results provide important implications for policy makers, agricultural institutions, and community advocates. Understanding farmers' adaptation patterns to the profit sharing system enables the development of capital distribution strategies and farmer capacity training so that the system remains fair, efficient and sustainable. In addition, understanding women's contributions in profit-sharing systems can encourage gender empowerment and recognition of their contributions in local agricultural value chains.

Thus, this research confirms that the profit sharing system is a dynamic, adaptive mechanism and has a dual function: as an instrument of economic distribution and strengthening social cohesion. The success of these systems depends on transparency, experience, negotiation skills and adaptation to market pressures. This study provides theoretical and practical contributions to the literature on traditional agriculture, local economics, and social anthropology in Bone Regency, as well as providing an empirical basis for a more equitable and sustainable agricultural development strategy.

CONCLUSION

This study demonstrates that the profit-sharing system in Bugis agriculture in Bone Regency represents a complex socio-economic institution that integrates economic interests, cultural values, and social relationships. The findings reveal that profit-sharing practices function not only as mechanisms for distributing agricultural outputs but also as instruments for strengthening trust, reciprocity, and social cohesion among farmers, landowners, and capital providers. The flexibility of the system allows communities to adapt agreements according to production conditions, local customs, and market challenges while maintaining principles of fairness and mutual responsibility.

The ethnographic findings further indicate that Bugis farmers actively develop adaptive strategies to manage production risks and maximize agricultural returns. Negotiation practices, crop diversification, and efficient utilization of production inputs demonstrate the ability of local actors to respond to economic uncertainty. Moreover, the persistence of informal agreements based on trust and customary norms highlights the importance of social capital in sustaining agricultural partnerships. The study also reveals that women make significant contributions to agricultural production and household welfare, although their roles are often underrepresented in formal arrangements.

The increasing pressures of modernization, market fluctuations, and changing socio-economic conditions have encouraged adjustments in traditional profit-sharing arrangements, confirming that the system is dynamic rather than static. Therefore,

strengthening farmers' negotiation capacities, promoting transparency, and recognizing gender contributions are essential for maintaining the sustainability and equity of the system. Overall, this study contributes to the literature on agricultural anthropology, rural sociology, and indigenous economic institutions by providing empirical evidence that the Bugis profit-sharing system remains a resilient mechanism supporting both economic sustainability and community solidarity in contemporary rural society.

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