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Accounting Practices for Harvest Payment Systems Among Farmers in Ulubalang Village, Salomekko District, Bone Regency

Alya[1*], Waode Rayyani[2]

Faculty of Economics and Business, Muhammadiyah University of Makassar[1,2]

liaalya869@gmail.com[1*], waode.rayyani@unismuh.ac.id[2]

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Corresponding author:
Alya
Faculty of Economics and Business, Muhammadiyah University of Makassar
E-mail: liaalya869@gmail.com

ABSTRACT

Purpose: This study aims to analyze accounting practices in the harvest payment system implemented by farmers in Ulubalang Village, Salomekko District, Bone Regency, focusing on its economic impacts, farmer welfare, and the role of Bugis local wisdom in legitimizing the practice.
Methodology: This study employed a qualitative phenomenological approach. Data were collected through in-depth interviews, participatory observation, and documentation. Informants were selected using purposive sampling, involving farmers, financiers (*punggawa*), and agricultural input shop owners in Ulubalang Village.
Results: The findings reveal that farmers record harvest payment transactions informally through simple notes, memory, and oral trust. The system is rooted in the traditional patron-client relationship (*punggawa-sawi*) and provides access to capital but also creates economic inequality due to unilateral price determination by financiers.
Conclusions: The harvest payment system represents a socio-economic practice embedded in local wisdom and social capital. Although it provides alternative financing, the system may increase dependency and weaken farmers' bargaining power. Financial literacy and simple accounting assistance are needed to support more independent farm management.
Limitations: This study is limited to Ulubalang Village, Salomekko District; therefore, the findings cannot be directly generalized to other agricultural contexts.
Contribution: This study contributes to the literature on informal accounting practices in agriculture and local wisdom-based financing systems in Indonesia.

Keywords: Farmers, Harvest Payment, Informal Accounting, Informal Financing, Local Wisdom, Yarnen

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1. Introduction

The agricultural sector serves as a primary pillar for food provision and a source of livelihood for most rural communities, including those in Ulubalalang Village. However, farmers often face limited working capital availability at the beginning of the planting season. The need for seeds, fertilizers, pesticides, and labor costs requires a substantial amount of cash (Arifin & Saleh, 2022). On the other hand, farmers' income is seasonal and is only received when the harvest period arrives. Although the government has provided formal credit schemes such as the People's Business Credit (*Kredit Usaha Rakyat/KUR*), many farmers still experience difficulties accessing these facilities due to administrative constraints, collateral requirements, and complex bureaucratic procedures (Thalib, Paputungan, & Kuntuamas, 2023).

The limited access to formal financial institutions has created opportunities for more flexible informal financing systems, namely the pay-after-harvest system or Yarnen. This system emerges as an alternative financing mechanism based on trust and local wisdom by postponing the repayment of working capital until the harvest period (Idrus, 2019). This phenomenon represents an adaptive response to high production costs at the beginning of the planting season amid limited cash availability. In practice, farmers can obtain agricultural inputs such as seeds, fertilizers, and pesticides from agricultural shops or collectors without upfront payments, with an agreement that all costs will be settled after the harvested products are sold.

From the perspective of the philosophy of science, the primary source of knowledge underlying the harvest payment system is not formal economic theory or written regulations, but rather practical experiences and oral traditions passed down through generations (Fitriyana, 2022). The foundation of truth within this system is subjective and based on interpersonal relationships, where the validation of transactions does not depend on written legal contracts but on trust and personal integrity. The harvest payment system relies on situational knowledge, which recognizes that the harvest period is the only time when farmers' financial availability reaches its highest point (Karlan, Dean, Mobius, Rosenblat, & Szeidl, 2009). Therefore, post-harvest payment schemes are considered logically appropriate within rural contexts because they adapt to natural cycles and crop biology rather than rigid banking interest mechanisms or monthly accounting cycles (Nearti, Zuliansyah, & Jayanti, 2024). This characteristic reflects a practical way of thinking that evaluates truth based on its usefulness in overcoming limited access to formal financial institutions.

Although economic theories often consider this system disadvantageous due to significant price differences, farmers perceive it as a reasonable cost associated with risk and convenience (Pattenden & Wastuti, 2023). This understanding shapes a social reality in which debt is not merely a financial burden but also a form of social attachment that ensures all actors within the agricultural ecosystem maintain interconnected roles and responsibilities. Unlike formal financial institutions that require complex administration and physical collateral, this system relies only on verbal commitments and long-established social relationships (Bustamin, Wardhani, & Yanto, 2026). Consequently, the harvest payment system functions as a safety mechanism for small farmers, enabling them to continue cultivating their land and maintaining productivity despite limited access to cash capital (Fukofuka, Scobie, & Finau, 2023).

However, behind these conveniences, the system also creates considerable economic consequences and financial risks for farmers. Since financiers bear the uncertainty of repayment over several months, they usually set the prices of goods purchased through the harvest payment system considerably higher than cash market prices (Fanani & Zahidi, 2026). Furthermore, farmers are often indirectly bound to sell their harvests to lenders at prices determined unilaterally. This condition places farmers in a weak bargaining position. As a result, a significant portion of their agricultural income is used merely to repay accumulated debts, particularly when harvest yields decline due to weather conditions or pest attacks (Deng, Jiang, Li, & Liao, 2019).

This dilemma is evident in Ulubalang Village, Salomekko District, Bone Regency, an agricultural area whose farming sustainability is supported by the Salomekko Dam as the main source of technical irrigation. The existence of this dam ensures a stable water supply, dividing the village into irrigated agricultural areas (wetlands) and dryland farming areas, which structurally support the livelihoods of approximately 400–600 farming households. The consistent water availability throughout the year has encouraged intensive agricultural activities, where rice cultivation can be conducted two to three times annually through planting patterns such as Rice–Rice–Rice or Rice–Rice–Secondary Crops. The increasing production costs, ranging from IDR 7,000,000 to IDR 10,000,000 per hectare per planting season due to dependence on non-subsidized fertilizers, harvesting machinery costs, and labor expenses, have caused many small-scale farmers to become involved in the harvest payment system. This system creates an unequal relationship between farmers as workers (*sawi*) and local financiers as patrons (*punggawa*).

Considering these dynamics, the harvest payment system is not merely a financing solution but also a moral accounting phenomenon with significant implications for financial management and farming sustainability. From an accounting perspective, this practice is important to examine because it involves debt recording, expense recognition, and transaction settlement processes that are conducted simply, often without formal documentation (Prasetyo & Sayekti, 2023). The absence of official written records creates risks of misunderstanding regarding debt amounts, repayment periods, and agreed prices. Therefore, this study aims to identify and analyze accounting practices in harvest payment transactions, explore how local wisdom influences transaction recognition, and examine the impact of the harvest payment system on farmers' economic conditions and welfare in Ulubalang Village, Salomekko District, Bone Regency.

The phenomenon of farmers' dependence on informal financing systems is not limited to Ulubalang Village but is also commonly found in other agricultural regions across Indonesia. Kasim and Ramli (2021) noted that in Bone Regency, social capital and local trust networks remain the primary sources of credit access for small farmers, surpassing the role of formal financial institutions. This situation is further intensified by low financial literacy among farmers, as identified by Irawati and Nurhayati (2020), who found that limited understanding of formal financial products and procedures encourages farmers to remain dependent on informal financing schemes despite their potential risks. Therefore, examining the harvest payment practice in Ulubalang Village is not only locally relevant but also reflects broader structural challenges in agricultural financial inclusion in Indonesia, emphasizing the need for policy interventions that consider local socio-cultural contexts.

2. Literature Review and Hypothesis/es Development

2.1 Traditional Accounting Practices and Agricultural Household Accounting

Accounting practices essentially represent a system of identifying, recognizing, measuring, recording, and reporting financial information that functions as a tool for economic decision-making (Suryantari & Astari, 2026). However, within the context of agrarian communities and rural farming enterprises, accounting practices cannot simply be imposed to comply with formal regulations such as the Indonesian Financial Accounting Standards (PSAK) or SAK EMKM, which tend to be rigid. At the farmer level, accounting practices have evolved into traditional accounting or agricultural household accounting, characterized by mental calculations, oral records, or very simple forms of documentation.

Research by Nasution and Hadi (2020) confirms this reality by finding that most farmers have not adopted systematic transaction recording practices. Farmers tend to rely on memory or informal pocket notes to track production cost components, such as seeds, fertilizers, and pesticides, as well as their working capital debts. The lack of standardized written documentation is further emphasized by Firmansyah and Putri (2021), who stated that the absence of formal bookkeeping may trigger information asymmetry between farmers and external parties. From this theoretical perspective, accounting practices in Ulubalang Village can be recognized as a form of needs-based accounting. Debt recognition, production cost allocation, and net profit calculations are conducted based on seasonal calculation logic rather than monthly accounting cycles or accrual principles commonly applied in corporate accounting.

2.2 Informal Financing and Patron-Client Relationships (Punggawa-Sawi)

Informal financing refers to mechanisms for providing financial capital or goods that operate outside the scope of formal financial institution regulations, such as banking systems. In the agricultural sector, the harvest payment system (Yarnen) emerges as one of the most dominant forms of informal financing. This system functions as a safety mechanism for farmers experiencing cash liquidity constraints at the beginning of the planting season. As identified by Hidayat and Suryani (2020), farmers intentionally choose this informal financing scheme because it provides immediate access to capital without requiring physical collateral or complicated administrative procedures.

However, behind its flexibility, informal financing operates within an asymmetric social structure. In Bone Regency, including Ulubalang Village, the harvest payment system is strongly embedded in the traditional patron-client structure, locally known as the relationship between *Punggawa* (financiers or agricultural input suppliers) and *Sawi* (farmers as clients). According to Hakim, Suryana, and Wahyudi (2023), patron-client relationships within agricultural ecosystems create strong patterns of long-term economic dependency. Through this theoretical perspective, farmers' bargaining positions (*sawi*) are placed in a vulnerable position. This occurs because financiers (*punggawa*) compensate for the risks of uncertain harvest outcomes by setting higher prices for agricultural inputs at the beginning of the planting season and requiring farmers to sell their harvests back to them at prices unilaterally determined below market prices.

2.3 Social Capital Theory and Local Wisdom

Social capital theory emphasizes that economic interactions and transactions within society are not solely driven by material profit calculations but are also strongly influenced by non-economic elements, such as trust, social networks, and norms embedded within communities. In rural agrarian societies, social capital interacts with local wisdom to create transactional compliance that may be even stronger than formal positive law. In the implementation of the harvest payment system in Ulubalang Village, the validation of debt agreements does not depend on written contracts or formal legal documents but relies on personal integrity and verbal commitments. Rahman and Yusuf (2021) support this argument by finding that partnerships within the harvest payment system are fundamentally established through trust, proven social agreements, and collective commitments. Mulyadi and Hasanah (2021) further explain that the values of mutual cooperation (*gotong royong*) and long-standing social relationships across generations in rural communities function as social collateral that minimizes the risk of default. Within the cultural environment of Bone, this social capital is closely intertwined with Bugis local wisdom principles, such as *Siri*' (self-respect/shame) and *Sipakatau* (mutual humanization), which ensure that verbal commitments to repay debts after the harvested crops are weighed are fulfilled with responsibility.

2.4 Phenomenological Approach in Behavioral Accounting

Phenomenology is a theoretical and methodological approach that seeks to explore and understand the deeper meanings of human lived experiences regarding particular phenomena. Within the framework of behavioral accounting, the phenomenological approach views accounting not merely as a technical and mathematical instrument that produces rigid profit and loss figures. Instead, accounting is perceived as a social reality dynamically constructed by the values, culture, and unique perspectives of the actors who practice it (Thalib, Suaib, & Edis, 2024).

Through a phenomenological lens, this study positions the harvest payment system not as a mistake or a sign of poor financial management among farmers, but as a form of logical and rational truth for the Ulubalang community in dealing with capital limitations. Consistent with the findings of Nugraha and Permatasari (2022), the phenomenological approach demonstrates that actual financial and accounting practices at the farmer level are more strongly controlled by cultural values and survival instincts than by formal accounting standards. Therefore, this theory is applied to explore how farmers independently interpret the concepts of expenses, the meaning of accumulated debt, and the value of welfare derived from their agricultural efforts while adopting the harvest payment system under the agricultural environment supported by the Salomekko Dam.

Hidayat and Suryani (2020), in their study of informal rural financing, found that farmers consistently choose the harvest payment system (Yarnen) because it provides immediate access to capital without complicated administrative procedures, although it involves relatively high implicit costs. This finding is supported by Rahman and Yusuf (2021), who, through a case study approach, explained that informal financial partnerships between farmers and local financiers are fundamentally built on trust, historical relationships, and collective social agreements rather than formal written legal contracts. From the perspective of economic sociology, Hakim, Suryana, and Wahyudi (2023) further explained that dependence on informal financing systems gradually forms deeply rooted patron-client relationships in rural communities, ultimately placing farmers in an asymmetric bargaining position that limits their economic independence.

On the other hand, agricultural accounting studies reveal significant administrative limitations among farmer groups. Nasution and Hadi (2020) found that most traditional farmers have not been able to implement systematic and structured financial recording practices due to limited exposure to formal accounting education. The negative consequences of inadequate bookkeeping were empirically explained by Firmansyah and Putri (2021), who stated that the absence of proper documentation regarding actual production costs and harvest revenues increases the risk of information asymmetry, leaving farmers vulnerable to financial losses during debt settlement with financiers.

However, Mulyadi and Hasanah (2021) provide a more humanistic perspective by arguing that local wisdom, mutual cooperation values, and strong rural social relationships function effectively as social collateral, replacing the physical collateral requirements of banking institutions. This perspective is methodologically supported by Nugraha and Permatasari (2022) through a phenomenological study, demonstrating that real financial practices and behaviors among small-scale farmers are more strongly influenced by local cultural values and survival instincts than by compliance with formal accounting standards. Although previous studies have mapped the characteristics of informal financing and weaknesses in farmer accounting practices, several fundamental research gaps remain that justify the importance of this study.

The first gap is the contextual gap. Most previous studies have focused on agricultural areas characterized by rain-fed systems or seasonal dryland conditions with high production uncertainty. Limited research has specifically examined harvest payment practices within agricultural ecosystems experiencing intensive farming development due to artificial technical irrigation infrastructure, such as the Salomekko Dam in Ulubalang Village. The availability of water throughout the year encourages farmers to increase planting frequency up to three times annually, which simultaneously creates an unusual condition in the form of increasing production cost pressures (high-cost production). The phenomenon in which farmers with stable irrigation access become increasingly trapped in informal debt dilemmas represents a unique contextual issue requiring deeper investigation.

The second gap is the conceptual gap, where previous accounting studies tend to be rigid and Western-oriented by focusing primarily on administrative weaknesses and quantitative failures in farmers' financial records. Conversely, sociological studies mainly emphasize exploitation within patron-client relationships. This study attempts to bridge this gap by integrating informal accounting practices, including debt recognition and expense recording, with the Bugis cultural structure of Bone, particularly the relationship between *Punggawa* (financiers) and *Sawi* (farmers), as well as moral values such as *Siri*' (self-respect/shame) and *Sipakatau*. Through this integration, accounting is no longer viewed merely as a mechanical calculation tool but as a morally embedded practice constructed through cultural values.

The third gap concerns the methodological gap. Quantitative approaches that dominate previous studies on the economic impacts of harvest payment systems often fail to capture the emotional dimensions and subjective meanings of farmers' experiences. By applying a phenomenological approach, this study moves beyond mathematical calculations of profit and loss to reveal how farmers in Ulubalang Village psychologically interpret the security provided by capital assistance while simultaneously experiencing pressure caused by unilateral harvest price determination. The novelty of this study lies in its comprehensive synthesis of informal accounting practices, Punggawa-Sawi cultural relationships, and the characteristics of an irrigated agricultural ecosystem supported by the Salomekko Dam, which are examined in depth through a phenomenological perspective.

2.5 Regulations and Agricultural Financial Inclusion in Indonesia

From a policy perspective, unequal access to formal credit among rice farmers has long been a concern for both the government and academics. Wahyuni and Pratama (2023) found that although various subsidized credit schemes have been introduced, disparities in access remain due to farmers' adaptive strategies of choosing informal financing channels that are perceived as faster and more flexible. This finding is consistent with Rasyid and Mansyur (2022), who demonstrated that rice price dynamics in technically irrigated areas influence farmers' financing decisions because uncertainty in selling prices makes formal credit schemes with fixed repayment schedules less attractive compared to harvest payment systems that adjust to production cycles.

Meanwhile, a systematic literature review by Simbolon and Wibowo (2022) on informal accounting practices in agricultural micro-enterprises emphasized that the lack of structured financial recording is a widespread phenomenon rather than an issue limited to a particular region. Safi (2020) further explained that the transformation toward formal financial inclusion in the informal agricultural sector faces structural challenges, particularly the trust gap between farmers and formal financial institutions. Yusuf and Nurjannah (2021) provide an alternative perspective by highlighting the potential role of Islamic microfinance institutions as a bridge between the flexibility of informal financing and the legal certainty of formal financing, representing a relevant direction for further exploration within the context of Ulubalang Village.

3. Methodology

This study employed a qualitative research method with a phenomenological approach. Qualitative research aims to understand social phenomena based on the in-depth experiences and perspectives of informants (Creswell, 2014). In this study, the phenomenological approach was applied to explore the accounting practices of the harvest payment system implemented by agricultural communities and to understand the meanings constructed within the relationship between farmers and financiers. The research was conducted in Ulubalang Village, Salomekko District, Bone Regency, South Sulawesi Province. The research location was selected purposively by considering the high level of agricultural activity and the continued implementation of the harvest payment system within the community. The data sources consisted of primary and secondary data. Primary data were obtained directly through in-depth interviews and observations, while secondary data were collected from village profile documents and other supporting records.

The informants in this study included small-scale rice farmers who utilized the harvest payment system, financiers or agricultural input shop owners (*punggawa*), and community leaders or village officials who had knowledge of the practice. Informants were selected using purposive sampling techniques. Data analysis was conducted using a descriptive phenomenological approach through three stages, such as noema, epoche, and noesis. Noema involved identifying and categorizing significant statements related to harvest payment accounting practices, debt relationships, and transaction processes. Epoche (Bracketing) required the researcher to set aside prior assumptions and knowledge to objectively understand the experiences of informants. Noesis involved interpreting how informants perceived the harvest payment system as a form of economic and social relationship within agricultural communities. To ensure data validity, this study applied source and technique triangulation by comparing findings from interviews, observations, and documentation (Strauss & Corbin, 1998).

4. Results and Discussion

4.1 General Description of the Research Location

Ulubalang Village is located in Salomekko District, Bone Regency, South Sulawesi Province. Geographically, the village is situated in a lowland area supported by a technical irrigation system sourced from the Salomekko Dam. The existence of this dam has become a determining factor shaping local agricultural patterns, as the stable water supply throughout the year enables farmers to cultivate rice two to three times annually through planting patterns such as Rice–Rice–Rice or Rice–Rice–Secondary Crops. Based on the village profile, approximately 400–600 households depend on the agricultural sector as their primary source of livelihood.

The demographic condition of Ulubalang Village is dominated by small-scale farmers with average land ownership ranging from 0.25 to 1 hectare per household. The established irrigation infrastructure creates a paradox, where reliable water availability encourages high production intensity but simultaneously increases production costs to approximately IDR 7,000,000–10,000,000 per hectare per planting season due to dependence on non-subsidized fertilizers, rice harvesting machine costs (combine harvester), and daily labor expenses. This condition encourages the majority of farmers to access financing through the harvest payment system as the only available and accessible financing option.

4.2 Harvest Payment Accounting Practices in Ulubalang Village

To obtain a deeper understanding of how farmers and financiers conduct transaction recording practices within the harvest payment system, the following interview excerpts present the perspectives of both farmers (*sawi*) and financiers (*punggawa*).

" There are no records like that here. Everything is just calculated in our heads. The amount of fertilizer and seeds taken will only be calculated after harvest by Mr. Rudi (punggawa). If he says the amount is like this, then that is the amount. We trust him because we have worked together for a long time."

(Andi Umar, Farmer, 42 years old, interview on 20 June 2026)

A similar statement was expressed by Ilham, who acknowledged that his recording practices were simple and did not follow standardized bookkeeping procedures.

" I only write it in a small notebook, but it is not organized. Sometimes I also forget how much the result is. The important thing is that payment is made immediately after harvest. The fertilizer seller already understands our habits here, so there is no need for signatures or written agreements."

(Ilham, Farmer, 45 years old, interview on 20 June 2026)

From the financier's perspective, Hawati, as a *punggawa*, explained that the recording of farmers' debts was entirely managed by the financier, while farmers did not keep any copies of the records.

" I (punggawa) record everything. I write down the farmer's name, what they take, and the price. They do not ask for copies because they already trust me. When the harvest period arrives, I show them the records, and they simply accept the calculation."

(Hawati, Financier/*Punggawa*, 41 years old, interview on 20 June 2026)

Based on in-depth interviews with informants, the accounting recording practices carried out by farmers in Ulubalang Village differ significantly from formal accounting standards applied in modern business contexts. Farmers are unfamiliar with accounting concepts such as journals, ledgers, or financial statements in managing their agricultural activities. Instead, transaction recording is conducted in a very simple manner, with most farmers relying on memory and verbal trust between transacting parties. Based on observations and interviews, the harvest payment mechanism in Ulubalang Village consists of three main stages.

First, the capital acquisition stage (pre-planting period). Farmers visit agricultural input shops owned by financiers (*punggawa*) to obtain production necessities, including seeds, fertilizers, and pesticides, with prices increased by approximately 15–30% above cash market prices. At this stage, no written documents are signed. Debt records are maintained unilaterally by *punggawa* through simple notebooks, while farmers do not receive copies of the records. Second, the production stage (from planting to pre-harvest period). During this phase, the economic relationship between *sawi* and *punggawa* remains passive but binding. The debt value is considered fixed and does not increase because no explicit interest is applied. However, farmers' obligation to sell their harvested rice to the punggawa is implicitly embedded in the initial verbal agreement. Third, the debt settlement stage (post-harvest period). After the rice is harvested and weighed, the punggawa determines the purchasing price of the rice unilaterally. The difference between the total production debt, which has already increased due to higher input prices, and the harvest value calculated below market prices becomes a mechanism generating additional profit for the punggawa. Farmers receive the remaining value after deducting all debts, which is often minimal and insufficient to support their living expenses until the next planting season.

These findings are consistent with Nasution and Hadi (2020), who stated that most traditional farmers have not been able to implement systematic financial recording practices. Furthermore, the information asymmetry observed in the field confirms the findings of Firmansyah and Putri (2021), who argued that the absence of structured production cost documentation places farmers in a vulnerable position and increases the risk of financial losses during debt settlement. The fact that only *punggawa* possess debt records indicates the existence of structural and systemic information inequality within the harvest payment system.

4.3 The Role of Local Wisdom and Punggawa-Sawi Relationships in the Harvest Payment System

The strong influence of Bugis local wisdom values within the harvest payment system is clearly reflected in the direct statements of informants, illustrating how the values of shame (*Siri'*) and kinship relationships serve as moral bonds between farmers and financiers.

" If I do not repay my debt, it is not only me who feels ashamed, but also my family. People here know each other, so it is impossible not to repay the debt. That is why I always try to pay everything in full, even though my harvest income is sometimes barely enough."

(A. Umar, Farmer, 42 years old, interview on 20 June 2026)

This close relationship is also acknowledged by financiers. Hawati explained that her relationship with farmers has been established across generations and is not merely transactional.

" My relationship with farmers here has existed for a long time. Their parents also used to take agricultural inputs from me. So, it is not only about business; it feels more like family. I do not want them to suffer significant losses because if they cannot continue planting in the next season, I will also be affected."

(Hawati, Financier/*Punggawa*, 41 years old, interview on 20 June 2026)

Meanwhile, Ilham revealed that his dependence on *punggawa* is accepted as a logical consequence of limited access to formal financing alternatives.

" Nowadays, the price of rice is determined by the punggawa, and sometimes they buy it below the market price. But what can we do? We need capital from them. Without the punggawa, where would we get fertilizers and seeds when the planting season begins? Even banks are no longer willing to provide loans to us."

(Ilham, Farmer, 45 years old, interview on 20 June 2026)

One of the most significant findings of this study is the strong influence of Bugis local wisdom values in shaping and maintaining the harvest payment system. Based on interviews with farmer informants, the system is not perceived merely as an economic transaction but as part of a social and moral network that has been maintained across generations. Two dominant Bugis cultural values identified as influencing this practice are *Siri'* (shame and self-respect) and *Sipakatau* (mutual respect and humanization).

The value of *Siri*' functions as a verbal guarantee that can be stronger than any written contract. A farmer who fails to repay debts to the punggawa does not only experience personal shame but also brings social embarrassment to their family within the village community. This social mechanism effectively creates strong repayment compliance without requiring formal legal instruments. On the other hand, the value of *Sipakatau* influences *punggawa* to avoid completely exploiting farmers to the point of bankruptcy, as the sustainability of the patron-client relationship depends on farmers' ability to continue agricultural production in the following planting season. Thus, a paradoxical social balance exists, farmers are controlled by the moral pressure of *Siri*', while punggawa are influenced by considerations of long-term economic sustainability through *Sipakatau*.

This finding strengthens the argument of Mulyadi and Hasanah (2021) that local wisdom and rural social relationships function as social collateral, effectively replacing the physical collateral required by banking institutions. However, this study reveals a more complex dimension: social capital and local wisdom, which should ideally create egalitarian relationships, have gradually transformed into binding mechanisms that structurally benefit the *punggawa*. As emphasized by Hakim, Suryana, and Wahyudi (2023), dependence on informal financing systems gradually forms patron-client relationships that constrain farmers' bargaining positions and place them in a disadvantaged condition.

4.4 Comparison with Informal Financing Contexts in Other Regions

The findings from Ulubalang Village demonstrate patterns consistent with informal financing conditions among rice farmers in other technically irrigated agricultural areas in South Sulawesi. Wahyuni and Pratama (2023) noted that unequal access to formal credit in Bone Regency generally encourages farmers to develop adaptive strategies through informal financing mechanisms adjusted to planting cycles rather than rigid banking repayment schedules. A similar pattern was identified in this study, where harvest payment debt settlement is always linked to the harvest period rather than specific calendar dates.

Furthermore, fluctuations in rice prices, as explained by Rasyid and Mansyur (2022), reinforce the argument that the harvest payment system represents a rational response by farmers to seasonal income uncertainty. When rice prices cannot be accurately predicted during the planting period, farmers tend to avoid formal credit schemes requiring fixed installment payments and instead choose informal systems that implicitly distribute price risks with financiers.

This comparison confirms that the harvest payment practice in Ulubalang Village is not merely an isolated local phenomenon but part of a broader economic adaptation pattern among rice farmers in technically irrigated areas of South Sulawesi. It also highlights the importance of developing agricultural financing policies that are more contextual and flexible. In other words, the effectiveness of agricultural financing interventions depends on the extent to which policies can accommodate seasonal production cycles and local trust-based values that have historically supported the sustainability of the harvest payment system.

4.5 Phenomenological Interpretation: The Meaning of the Harvest Payment System for Farmers in Ulubalang Village

Through three stages of phenomenological analysis (epoche, noema, and noesis), this study successfully reveals the deeper meanings of the harvest payment system as experienced by farmer informants in Ulubalang Village. At the epoche (bracketing) stage, the researcher set aside initial assumptions that the harvest payment system was merely an exploitative practice, allowing the experiences of informants to be understood comprehensively without prejudice.

At the noema stage, three main phenomenological themes repeatedly emerged from the narratives of all farmer informants. First, the meaning of purchasing a sense of security, farmers perceive the harvest payment system not simply as a debt burden but as a means of obtaining peace of mind and production certainty. Second, the meaning of trust as the primary capital, from the farmers' perspective, reputation and a proven record of honesty represent their most valuable assets because without good credibility, they would not receive production capital from punggawa. Third, the meaning of surrender interpreted as acceptance, farmers' inability to negotiate rice prices is not entirely perceived as oppression but rather as a logical consequence of the financial assistance and convenience they receive at the beginning of the planting season.

At the noesis stage, the interpretation of these three themes reveals that the harvest payment system in Ulubalang Village represents a socio-economic construction that simultaneously functions as both a survival mechanism and a structural trap. For farmers, this system represents the only economic reality they have known and understood for generations. This interpretation reinforces the findings of Nugraha and Permatasari (2022), which demonstrate that actual financial practices at the farmer level are more strongly influenced by local cultural values and survival instincts than by formal accounting standards.

5. Conclusions

5.1 Conclusion

Based on the findings and discussion, this study generates three main conclusions. First, the accounting practices implemented within the harvest payment system in Ulubalang Village, Salomekko District, Bone Regency, are informal, oral-based, and grounded in trust. Farmers do not conduct systematic financial recording; instead, all debt and transaction arrangements rely on collective memory and verbal agreements reinforced by Bugis cultural moral values. This system represents a form of needs-based accounting that operates according to seasonal and trust-based logic rather than formal accounting standards such as PSAK or SAK EMKM.

Second, Bugis local wisdom, particularly the values of *Siri*' (self-respect/shame) and *Sipakatau* (mutual humanization), plays a central role in shaping, legitimizing, and sustaining the harvest payment system. These values function as social collateral, ensuring farmers' compliance in repaying debts without requiring formal legal instruments. However, structurally, these local values have been transformed into mechanisms that indirectly benefit punggawa and weaken farmers' bargaining positions in the long term. The patron-client relationship (*punggawa-sawi*) rooted in cultural traditions has created economic dependency that is difficult to overcome because it is reinforced by deeply embedded social and moral norms within the community.

Third, the harvest payment system produces dual economic impacts on farmers' welfare in Ulubalang Village. In the short term, the system provides benefits through immediate access to production capital without complex administrative requirements, allowing farmers to continue agricultural activities despite limited cash availability. However, in the long term, the system creates a cyclical poverty trap due to double value transfer mechanisms (higher input prices and lower output prices), limited capital accumulation among farmers, and weak bargaining power in determining rice prices. Through a phenomenological perspective, this study reveals that farmers perceive the system as the only economic reality they know, where security of production capital availability is valued more highly than the potential material benefits they could obtain through stronger bargaining positions.

This study provides several important theoretical and practical implications. Theoretically, it contributes to the development of literature on behavioral accounting and indigenous accounting. The finding that informal accounting practices at the farmer level are strongly influenced by local cultural values and social structures demonstrates that conventional accounting approaches cannot be universally applied without considering the socio-cultural context in which they operate. Furthermore, this study strengthens the relevance of the phenomenological approach as an effective analytical perspective for revealing the complexity and deeper meanings of informal economic practices that cannot be fully captured through conventional quantitative methods.

Practically, this study offers three important policy implications. First, the local government of Bone Regency should develop financial literacy programs and simple accounting assistance tailored to the cultural context and cognitive capabilities of rural farmers. Such programs should not impose rigid formal accounting systems but instead adopt adaptive approaches based on local wisdom.

Second, farmers' access to formal microfinance institutions or agricultural cooperatives should be strengthened to provide transparent and fair financing alternatives to the harvest payment system. Third, farmer organizations should be strengthened as collective platforms to improve farmers' bargaining power in negotiating agricultural input prices and rice selling prices with punggawa.

Furthermore, the findings of this study are relevant to the national financial inclusion agenda. Collaboration among local governments, microfinance institutions, and farmer groups should be designed adaptively by considering planting cycles rather than imposing rigid credit schemes that are incompatible with farmers' income patterns. A local wisdom-based approach, as suggested in studies regarding the potential role of Islamic microfinance institutions in informal agricultural sectors, can serve as a bridge between the flexibility of harvest payment systems and the legal certainty offered by formal financial institutions. Through such an approach, farmers may obtain stronger legal protection for their transactions while maintaining the flexibility that has been the primary reason for their continued reliance on informal financing systems.

5.2 Research Limitations

This study has several limitations that should be acknowledged. First, the geographical scope of the research was limited to Ulubalang Village, Salomekko District; therefore, the findings cannot be directly generalized to other agricultural contexts with different ecological, cultural, and economic characteristics. Second, the number of informants interviewed was constrained by time considerations and accessibility, creating the possibility that some perspectives from farmers or *punggawa* may not have been fully represented in this study. Third, due to the qualitative and phenomenological nature of the research, the findings cannot be statistically measured and remain highly contextual.

Furthermore, the researcher acknowledges that the position of the researcher as an external party may have influenced the openness of informants in sharing their experiences, despite continuous efforts to apply bracketing during the Epoche stage throughout the interview process. In addition, changes in agricultural policies and commodity prices over time may affect the interpretation of the findings, considering that the harvest payment system is strongly influenced by dynamic economic and social conditions.

5.3 Suggestions and Directions for Future Research

Based on these limitations, future research is recommended to expand the research scope to other villages in Bone Regency or other agricultural regions in South Sulawesi with similar technical irrigation systems to obtain a broader and more comprehensive understanding of harvest payment practices. Future studies may also adopt a mixed-methods approach by integrating phenomenological analysis with quantitative methods to measure more precisely the economic impacts of the harvest payment system on farmers' income, financial conditions, and welfare.

Furthermore, future research should examine the perspectives of punggawa more deeply to understand their economic considerations, social motivations, and moral rationality in maintaining the harvest payment system. Studies may also explore the development of alternative financing models based on local wisdom that can preserve the flexibility of informal financing while providing fairer mechanisms and stronger protection for farmers. Future researchers with closer socio-cultural backgrounds to local farming communities may also contribute to obtaining richer and deeper insights into farmers' lived experiences. Despite its limitations, this study provides an important foundation for the development of informal accounting research and local wisdom-based agricultural financing studies in Indonesia.

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