特別寄稿

Transforming the Culture of Giving in Indonesia: The Muslim Middle Class, Crisis and Philanthropy*

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Abstract

The culture of giving among Indonesian Muslims has witnessed considerable change in the aftermath of economic crisis that took place in the last 1990s, marked partly by the growing engagement of the middle-class Muslims in charitable activities. The financial crisis that hit Southeast Asian countries in 1997, including Indonesia, and put a large percentage of low income families in severe hardship, has fuelled middle-class Muslims to revive the religiously-motivated culture of giving. They have raised funds, established charitable organisations and consecutively operated a wide-range of relief programs for the poor. By observing the rise of Islamic philanthropic organisations in post New Order era, this paper argues that there has been a transformation of the culture of giving among the middle-class, as part of a continuum of vibrant Muslim intellectual discourse that took place in the 1980s and 1990s, and that in reaction to the economic crisis that devastated the Indonesian social economic landscape, this intellectual discourse has transformed into Islamic social activism.

Introduction

This paper is about the culture of giving, the way Indonesian Muslims perceive, translate, express, and organize their religious practices in public life. The culture of giving, like elsewhere, has become embedded in Muslim commu-

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nities. There are a lot of Quranic verses and hadith (prophetic narration) urging believers (Muslims) to perform good deeds and benevolent actions by helping the poor and the needy. *Zakat* (almsgiving) and other forms of giving in Islam, including *sadaqah* (voluntary giving) and *waqf* (endowment) haven been practiced for centuries. The objective of these practices of giving is to provide relief to the poor and to foster social welfare. In contemporary Muslim societies, both *zakat* and *sedekah* are fundamental concepts which are central to the growth and the work of philanthropic organisations.

Indonesia is a major Muslim country which has witnessed the proliferation of Islamic philanthropy. The presence of Islamic philanthropic associations, with their widespread engagement in Indonesia's social and political landscape, has been supported by strong enthusiasm of Indonesian Muslims, especially the middle class, for revitalising Islamic forms of giving. Thanks to considerable support from the public, and due to the process of Islamisation in Indonesia over the past two decades, Islamic philanthropic organisations have grown rapidly and have been present in major cities especially after the economic crisis hit in 1997. This crisis caused the government and society to become very vulnerable to instability, insecurity, disintegration, and communal conflicts. Many companies and banks closed down and the government lost control of the domestic monetary system, resulting in the dramatic fall of the Indonesian Rupiah against the US dollar. At the grassroots level, people suffered more economic hardship than ever, and the number of unemployed, as estimated in some reports, increased considerably.

The crisis had a profound impact, not only on the unemployment rate, but also on the labour market, school enrolment, healthcare, and social conflict.[1] The crisis also had an overwhelming impact on the social and political landscape of Indonesia and led to the fall of the New Order regime in 1998. Within this context, this paper specifically pays attention to a new development and the shift in character of the culture of giving among Indonesian Muslim mid-

[1] For further discussion of Indonesia's social and economic landscape before and after the crisis through both monetary and social variables, see Aris Ananta (ed.), *The Indonesian Crisis: A Human Development Perspective* (Singapore: ISEAS, 2003).

dle-class. It investigates how the Muslim middle-class, particularly "mid-middle class" and "upper-middle class", represented partly by entrepreneurs, intellectuals, and activists, reacted to the crisis and employed religiously-inspired giving practice as a way to resolve some of the social and economic problems.

Indonesian Islam and the Modernisation of the Culture of Giving

Indonesia is the largest Muslim country in the world. Muslims in Indonesia (and perhaps in other parts of the world) have been known to pay *zakat* and *sedekah* sporadically. Some prefer to channel social funds directly to the poor and the needy without necessarily engaging zakat organisations. For the majority of Indonesian Muslims, the payment of *zakat* is simply regarded as a form of 'financial worship',[2] and less as a source of economic development for the community as at large. The absence of adequate, well-organised and professional *zakat* collectors, at least until the mid-1990s, indicates that in the past, Islamic forms of giving were managed in an unprofessional way. In the collection of social funds, small, informal *zakat* committees predominated. Consequently, the role of *zakat* agencies in long-term development projects was very limited, and their social enterprises were restricted to the villages where *zakat* agencies existed. As a result, the impact of social funds on the social development process was far from satisfactory.

In response to this situation, efforts have been made by Muslim activists, government officials, and civil society organisations to reframe Muslim perceptions of *zakat* and to explore how Islamic forms of giving can make a greater contribution to poverty eradication and social welfare. Recently, Islamic philanthropic organisations have undergone a tremendous institutional transformation, a shift in orientation, and an expansion of Muslim social enterprises both in terms of the geographical area covered and the operational strategy pursued. Islamic charitable associations in Indonesia can deal with humanitarian issues both nationally and internationally, and operate in areas facing disasters or

[2] Jonathan Benthall, "Financial Worship: The Quranic Injunction to Almsgiving, *Journal of the Royal Anthropological Institute* 5:1 (March, 1999), 27-42.

conflict. Emergency aid, the creation of field hospitals, temporary shelters, and post-disaster reconstruction and rehabilitation projects are all areas with which Islamic charitable associations have become increasingly familiar.[3] Some factors, such as 'bureaucratisation' and 'professionalization', have stimulated this shift to new forms of giving.

The 'bureaucratisation' of traditional forms of giving (charity) in Indonesia can be traced to certain trends. There has been a clear shift in *zakat* practice in line with the process of Islamisation, at the state and societal level, where almsgiving has been seen as a socio-economic/political system rather than as the fulfilment of an individual's religious duties.[4] The pervasive involvement of the government apparatus in organising Islamic social funds is the most noticeable example of how 'bureaucratisation' happens. The enactment of the Zakat Law in 1999 and 2011, and the issuance of regulations on *zakat* administrations in certain provinces through the implementation of '*shari`a* by-laws', whose objective is to forge compulsory—instead of voluntary—*zakat* payments (i.e. *zakat* on people's salaries), illustrates how the issue of *zakat* has enjoyed political support from the government and how it has been bureaucratised in Indonesia's current social and political setting.[5] The government apparatus has

[3] See Hilman Latief, "Islam and Humanitarian Affairs: the Middle Class and New Patterns of Social Activism," in Kees van Dijk and Jajat Burhanuddin (eds.), *Islam in Indonesia: Contrasting Images and Interpretations* (Amsterdam: Amsterdam University Press, 2013), pp. 173-194.

[4] In his study, Arskal Salim depicts a clear shift in *zakat* practice among Indonesian Muslims, from merely 'a [form of] financial worship' representing religious piety to becoming part of the Indonesian socio-political-economic system. The efforts of *zakat* agencies to incorporate the state's role in the optimising of *zakat* collection by, for example, issuing *zakat* laws and urging Muslims to channel their *zakat* funds to officially recognised *zakat* agencies, have characterised this structural shift. Arskal Salim, *The Shift in Zakat* Practice *in Indonesia: From Piety to an Islamic Socio-Political-Economic System* (Chiang Mai: Asian Muslim Action Network and Silkworm Books, 2008). 1-5.

[5] Asep Saepuddin Jahar, "The Clash between Muslims and the State: Waqf and *Zakat* in Post Independence Indonesia," *Studia Islamika, Vol. 13, No. 3,* (*2006*), 353-396; Arskal Salim, "*Zakat* Administration in Politics of Indonesia," in Arskal Salim and Azyumardi Azra, Shari`a *and Politics in Modern Indonesia* (Singapore: ISEAS, 2003); Michael Buehler, "Shari`a by-Laws in Indonesian Districts: An Indication for Changing Patterns of Power Accumulation and Political Corruption," *Southeast Asia Research*, Vol. 16, No. 2 (2008), 165-195; and Sirojudin Abbas, "The Struggle for Recognition: Embracing the Islamic Welfare Effort in the Indonesian Welfare System," *Studia Islamika*, Vol. 12, No. 1 (2005), 33-72.

thus become involved in charitable services, whether at a discursive or practical level. Government-sponsored *zakat* agencies at the national and regional levels, namely BAZNAS (the National *Zakat* Board), [6] are instrumental in the process of the bureaucratisation of *zakat* on the government side.

There has also been a transformation of religious charitable enterprises. These enterprises have adopted a more corporate culture, which has considerably improved transparency in the collecting and redistributing of social funds, and efficiency in carrying out sustained programmes. This means that the governance of *zakat* in Indonesia has increasingly been characterised by 'professionalization', as indicated by the spawning of well-organised Islamic charitable associations and community-based *zakat* agencies with the support of professional workers. The transformation of the culture of giving has, in turn, provided an opportunity for the middle class and educated people to act as professional workers and social activists. As a matter of course, Islamic charitable associations have strengthened their institutional capacity by recruiting dedicated and skilled workers, including well-trained accountants, researchers, social analysts, surveyors, managers, teachers, trainers, nurses and physicians.

The processes of bureaucratisation and professionalization have had a substantial impact on the way in which Islamic charitable associations formulate their strategies and on the types of social welfare activities that are carried out in the field. In the past, as mentioned previously, Islamic forms of giving and charitable associations dealt only with the relief of the poor without rigorous efforts to carry out development-oriented projects that addressed the 'roots' rather than the 'symptoms' of problems. Now, however, the attitudes of Islamic charitable organisations towards 'social change' and poverty issues have shifted and even moved into 'empowerment', marked in part by endeavours to encourage development by providing scholarships, free or cheap healthcare services, micro-finance and income-generating projects, and skills training.

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[6] BAZNAS is a government-sponsored national *zakat* agency. It has acted as a sort of national coordinator of regional government-sponsored *zakat* agencies (BAZDA) operating in many provinces and districts.

The Culture of Giving and State Policies

It is widely acknowledged that modern Muslim social, religious, and educational institutions started to grow and become increasingly visible in the early twentieth century.[7] The Muhammadiyah is a leading Muslim association which actively embraces social enterprises by, among other things, operating schools, orphanages, and clinics. Established in 1912 in Yogyakarta and influenced by modernist Muslim thinkers and theologians like Muhammad Abduh (d. 1905) and Muhammad Rashid Rida (d. 1935), from its early years, Muhammadiyah was at the forefront of the campaign to promote Islamic modernism in Indonesia, focussing on two aspects: modernisation of Islamic institutions by adopting a Western-style education system, and reform in *zakat* practice by setting up *zakat* committees responsible for the collection and redistribution of *zakat* funds.[8] The Muhammadiyah's widespread social welfare-oriented and philanthropic activities in the early twentieth century indicated that welfare had become a concern for Muslims, and that they acted in a rather organised manner. It should be noted that the Muhammadiyah's autonomous association, the Aisyiyah, which was founded in 1917, also focuses on social welfare activities. Representing the women's wing of the modernist movement, the Aisyiyah pays a lot of attention to issues such as the well-being of women, healthcare, children, and family life.

Zakat (almsgiving), *sedekah* (voluntary giving), and *waqf* (pious endowment) have underpinned Muslim social institutions, not only among modernists,

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[7] One of the most striking phenomena is the emergence of Islamic associations such as the Muhammadiyah (1912), PGAI (Persatuan Guru Agama Islam-Association of the Teachers of Islamic Religion, 1913), Al-Irshad al-Islamiyyah (1914), PERTI (Persatuan Tarbiyah Islamiyah, Society for Islamic Education, in 1922), PERSIS (Persatuan Islam-the Islamic Union, 1923), and the Nahdlatul Ulama (1926) whose main activities relate to education and other social enterprises.

[8] Ahmad Dahlan, the founder of the Muhammadiyah, is renowned for his deep concern about social issues, as can be seen in his sermons, which place great emphasis on poverty relief. For further discussion of the Muhammadiyah's philanthropic and social activism, see Hilman Latief, *Melayani Umat: Filantropi Islam dan Ideologi Kesejahteraan Kaum Modernis* (Jakarta: Gramedia, 2010) and Mitsuo Nakamura, *The Crescent Arises over the Banyan Tree: A Study of the Muhammadiyah Movement in a Central Javanese Town* (Singapore: ISEAS, 2012).

but also among those who we can call 'traditionalists'. In the early twentieth century, traditionalist '*ulama* attempted to organise themselves, founding Nahdlatul Ulama (NU; literally, 'the awakening of religious scholars') in 1926, partly as a reaction to the progressive and aggressive modernist movement. A respected '*ulama* from East Java, Kyai Hasyim 'Asy'ari, who also at that time was the principal of *Pesantren* Tebuireng,[9] played a major role in the establishment of the NU, which is now the largest Islamic organisation in Indonesia. Islamic forms of giving such as *sedekah* and *waqf,* practised among traditionalist Muslims, have become major resources underpinning the spread of *pesantren* as Islamic education institutions, notably in rural areas. *Pesantren* are led by a *kyai* (religious scholar) to whom people living near the *pesantren* may channel their *zakat*, *sedekah* and *waqf*. Among Muslim traditionalists, the custom of channelling *zakat* to the *kyai* continues to be practised today, especially in rural areas.[10]

Zakat practice has been in the hands of civil society since the early twentieth century, however, this does not signify the absence of state engagement in administering *zakat* and *sedekah*. State policy on *zakat* matters in modern Indonesia can be traced back to the colonial era. The Dutch colonial government issued regulations by which they aimed, as Arskal Salim argues, to reduce the misuse of *zakat* funds by local officials, as well as preserve 'the liberty of any

[9] *Pesantren* Tebuireng was founded in 1899, and is located in Jombang District, East Java. For the characteristics of *pesantren* in Indonesia, see Zamakhsyari Dhofier, *The Pesantren Tradition: the Role of the Kyai in the Maintenance of Traditional Islam in* Java (Tempe: Arizona State University, 1999); Martin van Bruinessen, "Kitab Kuning: Books in Arabic Script used in the *Pesantren* Milieu, *Bijdragen tot de Taal-, Land- en Volkenkunde,* vol. 146 (1990), p. 226-269; and M. Dawam Rahardjo, "The Kyai, the *Pesantren* and the Village: A Preliminary Sketch," in Ahmad Ibrahim, Sharon Siddique, and Yasmin Hussain (compilers), *Readings on Islam*, 240-246.

[10] It is worth emphasising that unlike modernist groups, where educational institutions formally belong to organisations, traditionalist *pesantren* are mainly and exclusively owned by *kyai* and their families. Therefore, even though the existence of the NU cannot be disassociated from the *pesantren*, there are not many *pesantren* officially owned by the NU, and the NU simply fulfils the role of an umbrella organisation with which *pesantren* can become affiliated.

Muslim' to perform religious obligations.[11] It is evident that the rise of colonial power in the Muslim world from the late eighteenth century up to the early twentieth century had a profound impact on the administration of Muslim philanthropy. This impact can be seen in the influences of the French in Morocco, Jordan, and Egypt,[12] the British in India, Pakistan[13] and Malaysia,[14] and the Dutch in Indonesia.[15] The main concern of colonial Islamic policy was objects of *waqf*, notably immovable assets (land and buildings), that benefited the public. The Dutch colonial government, for example, decided to avoid too much intervention in *zakat* administration as *zakat* was considered to be practised voluntarily and an individual religious obligation,[16] which made it different to *waqf*.[17] Yet, the Dutch government issued a 'circular' (*Surat Edaran*) on 'Supervising

[11] See Arskal Salim, "The Influential Legacy of Dutch Islamic Policy on the Formation of Zakat (tax) law in Modern Indonesia," *Pacific Rim Law and Policy Journal*, Vol. 15. No. 3 (2006), 689. Yet, Aqib Suminto in his study of Dutch Islamic policy, concludes that it is through the establishment of religious courts, in which administration of religious practice is governed, that the Dutch colonial powers endeavoured to de-Islamise Indonesians politically. For further discussion see Aqib Suminto, *Politik Islam Hindia Belanda* (Jakarta: LP3ES, 1985); Muhammad Hisyam, "Caught between Three Fires: The Javanese Pangulu under the Dutch Colonial Administration 1882-1942," *PhD Dissertation*, Leiden University, 2001.

[12] Janine A. Clark, *Islam, Charity and Activism: Middle Class Networks and Social Welfare in Egypt, Jordan and Yemen* (Bloomington: Indiana University Press, 2004).

[13] See for example Gregory C. Kozlowski, *Muslim Endowment and Society in India* (Cambridge: Cambridge University Press, 1985).

[14] Siti Mashitoh Mahamood, *Waqf in Malaysia: Legal and Administrative Perspectives* (Kuala Lumpur: University of Malaya Press, 2006); compare with Abdul Azis bin Muhammad, *Zakat and Rural Development in Malaysia* (Kuala Lumpur: Berita Publishing, 1993).

[15] Arskal Salim, "The Influential Legacy of Dutch Islamic Policy on the Formation of Zakat (Alms) Law in Modern Indonesia," *Pacific Rim Law & Policy Journal Association*, Vol. 15, No. 3 (2006), 683-70.

[16] See further Amelia Fauzia, *Faith and the State: The History of Islamic Philanthropy in Indonesia* (Leiden: Brill 2014).

[17] In practice, the endowment of land is often characterised by disputes between the endowers (*waqif*) and their heirs or offspring who may disagree with the endowers' decision, between the *waqif* and *nazir* (*waqf* administrator), and even between *waqif* and beneficiaries. Hence, *waqf* cancellation frequently occurred, and in order to keep endowment practice free of any legal disputes, rulers required the registering of property endowments, lands and buildings (such as mosques). For further discussion, see Rakhmat Djatnika, "Les wakaf ou 'bien de mainmorte' à Java-est: étude Diachronique," *Archipel* (1985), 121-136.

the Building of Houses of Muslim Worship' (*Toezicht op den bouw van Muhammedaansche bedehuizen*), consisting of an order to register all kinds of buildings, notably mosques whose land had originated from endowment. This mechanism and regulation was applied in order to clarify the status of the land and building, and to investigate whether the endowment process violated local customary law (*adatrecht*).[18]

The political context in Indonesia changed rapidly after the arrival of Japanese military authority. One of the most significant policies for Islam in the political sphere during the Japanese Occupation was the establishment of *Shumubu*, a special office dealing primarily with religious affairs, whose tasks and duties resembled the *Kantoor vor Inlandche Zaken* in the Dutch colonial administration. To a certain degree, the current Ministry of Religious Affairs of the Republic of Indonesia (MoRA) is a continuation (although following a new pattern) of the Dutch *Kantoor voor Inlandche Zaken* and the Japanese *Shumubu*. Yet, the first President of the Republic of Indonesia, Soekarno, emphasised that MoRA was completely 'disengaged from the colonial past.'[19] MoRA, which played a pivotal role in voicing state interests during the New Order era, was not a completely new office within the Indonesian governmental structure.

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[18] This can be found in Bijblaad 1905 No.6169; Bijblaad 1931 No.125/3; Bijblaad 1934 No.13390; Bijblaad 1935 No.13480. See Abdurrahman, *Masalah Perwakafan Tanah Milik dan Kedudukan tanah Wakaf di Negara Kita* (Jakarta: PT Citra Aditya Bakti, 1990, 18-20. After independence, endowments were regulated by—and incorporated within—Law Number 5 Year 1960 on Agrarian Essential Regulation (*Undang-undang Pokok Agraria*), which preserved the everlasting status of endowed immovable asset.[18] Soon after, the Government Decree (*Peraturan Pemerintah*) Number 28 Year 1977 on Land Endowment (*Perwakafan Tanah Milik*) strengthened the legal umbrella of the land endowment system in Indonesia.

[19] For further discussion of the development and roles of the Ministry of Religious Affairs in Indonesia see Daniel S. Lev, *Islamic Courts in Indonesia: A Study in the Political Bases of Legal Institutions* (Berkeley: University of California Press, 1972); Azyumardi Azra, "H. M. Rasjidi, BA: Pembentukan Kementrian Agama dalam Revolusi, in Azyumardi Azra and Saiful Umam (eds), *Menteri-menteri Agama RI: Biografi Sosial dan Politik* (Jakarta: INIS, PPIM, Badan Litbang Agama Departemen Agama RI, 1998); Karel Steenbrink, *Pesantren, Madrasah dan Sekolah* (LP3ES, 1986); and Moch. Nur Ichwan, "Official Reform of Islam: State Islam and the Ministry of Religious Affairs in Contemporary Indonesia, 1966-2004," *Ph.D. Dissertation*, Universiteit van Tilburg, the Netherland (2006).

More importantly, it was through this office, especially in the mid-1970s, that state discourse and policy on *zakat* affairs was formulated.[20]

In the New Order era, especially at the end of the 1970s and the early 1980s, President Soeharto, apparently with reluctance, implemented a new government policy on *zakat*. After Soeharto's unsuccessful effort to mobilise public funds through his 'Presidential *Zakat* Board' (*Lembaga Zakat Kepresidenan*) from 1968 until 1974, Soeharto's New Order then attempted to set up government-sponsored foundations in the 1980s. For example, Soeharto founded *Yayasan Amal Bakti Muslim Pancasila* (YAMP-the Pancasila Muslim Charitable Foundation) on 17 February 1982. This foundation acted as if it facilitated Muslim civil servants' 'voluntary' (*zakat*) contributions. Even though Muslim contributions were called *dana sukarela* (voluntarily donated), the New Order set up a rule by which the amounts were automatically deducted from civil servants' salaries. This policy of withdrawing or deducting 'charity' from civil servants' monthly wages was terminated with the downfall of the New Order regime.

During the transitional period from the New Order to the Reformasi era, social and political events prompted the emergence and resurfacing of civil society organisations. A more open political environment, which allowed mobilisation and administration of public funds and the operation of charitable work, led to unprecedented growth in charitable institutions that financially relied on *zakat* and *sedekah*. Alongside this, government policies regarding *zakat* changed due to the moves towards decentralisation and regional autonomy, which brought a whole range of associated new policies. In 1999, when President Habibie was in office, the government issued the Zakat Law, consisting of rules and regulations on *zakat* collection and *zakat* organisations.

According to this law, there are two types of *zakat* collectors: government-sponsored *zakat* collectors (BAZ), and community-based *zakat* agencies

[20] The state introduced government-sponsored *zakat* collectors, namely BAZIS, which were set up in some provinces and municipalities. For a brief but useful overview of the development and roles of BAZIS in the 1970s and 1980s, see Taufik Abdullah, "Zakat Collection and Redistribution in Indonesia", in Mohammed Ariff (ed.), *The Islamic Voluntary Sector*, 52-53; M. Dawam Rahardjo, "Zakat dalam Perspektif Sosial Ekonomi," *Pesantren* No. 2/Vol. III/1986, 35-50.

(LAZ). Local governments at the provincial and district levels began issuing local policies on *zakat*, under which they were given the authority to deduct *zakat* from civil servants' salaries. This local government imposition of *zakat* practice can be seen in many regions, including West Java, West Sumatra, West Nusa Tenggara, Celebes, and Nanggroe Aceh Darussalam.[21] Local governments have continued to set up and supervise BAZ. After local government became directly involved in organising *zakat*, which had previously been voluntary in Indonesia, *zakat* began to conflict with local government policies that made Muslim civil servants pay *zakat* in addition to conventional tax, through BAZ.

Interestingly, some high-level bureaucrats, politicians and Muslim leaders, including those involved in the government-sponsored *zakat* board, appealed for an amendment to the Zakat Law. In 2010, eleven years after the passage of the 1999 Zakat Law, MoRA proposed a draft bill on *zakat*. Some of the main issues in this bill draft caused controversy. First of all, this draft bill seems to give the government-sponsored *zakat* bodies (BAZ) greater authority and the exclusive duty of administering *zakat*, while at the same time it has eliminates the roles of civil society organisations in organising *zakat*. Second, the bill asserts every Muslim's obligation to pay *zakat*, and stipulates punishment for those who do not pay. Third, the draft bill promotes the centralisation of *zakat* administration. Fourth, it endorses the punishment of those who operate *zakat* agencies, but are incapable of collecting *zakat*. Fifth, the draft bill tried to make *zakat* an instrument for tax deduction. It appears that most Islamic civil society organisations, notably community-based *zakat* agencies, publically objected to the government-sponsored draft bill on *zakat* because it would officially eliminate the role of community-based philanthropic associations in administering

[21] Michael Buehler, "Shari'a By-Laws in Indonesian Districts: An Indication for Changing Patterns of Power Accumulation and Political Corruption," *Southeast Asia Research*, Vol. 16, No. 2 (2008), 255-285; Ahmad Fathan Aniq, *Zakat Discourse in Indonesia: A Study of Teachers' Resistance to Zakat Regional Regulation in East Lombok*, Master Thesis, Leiden University, 2008; see also Robin Bush, "Regional Shari'a Regulations in Indonesia, Anomaly or Symptoms?" in Greg Fealy and Sally White (eds.), *Expressing Islam: Religious Life and Politics in Indonesia* (Singapore: ISEAS, 2008), pp. 174-191; Hilman Latief, "Contesting Almsgiving in Post New Order Indonesia," *American Journal of Islamic Social Sciences,* Vol. 31, No. 1, pp. 16-50.

zakat. The draft bill was put into effect as the Zakat Law on 27 October 2011.[22]

Islamic Intellectualism and the Rise of Islamic Philanthropy

The increasing visibility of Indonesian Islam in the social, economic and political realm can partly be viewed through the lens of the development of the non-governmental organisation (NGO) sector. In Indonesia's New Order, the NGO sector as a whole grew rapidly, and social activism supported by Muslim intellectuals and social activists proliferated. Since the 1970s and 1980s, a number of leading Muslim personalities have attempted to formulate Islamic faith as means of expressing their dissatisfaction with the New Order's political and economic policies, which have caused wide disparities between the rich and the poor; as a means of overcoming the hardships faced by the lower sections of society; and as a means of answering the question of to what extent can Islam contribute to social development in an era in which the interplay between the state, the market, society and religion is becoming increasingly complex.[23] This has led to Muslim intellectuals addressing the relationships between Islam and social change, and the role of Islam in fostering public welfare and in promoting Islamic economic system. Muslim intellectuals from both modernist and traditionalist circles, such as Muhammad Dawam Rahardjo (b. 1942-), Adi Sasono (b. 1943-), Ahmad Muflih Saifuddin (b. 1940-), Ahmad Sadali (d. 1987), Muhammad Amin Aziz (b. 1936-), Muhammad Amien Rais (b. 1944-), Mansour Fakih (d. 2004), and Masdar F. Mas`udi (b. 1954-) have provided the intellectual grounds for the development of the NGO sector in general, and for the dynamics of wel-

[22] It seems that MoRA made great efforts to have the amended bill draft passed into law, and at the same time, civil society organisations, represented by community-based *zakat* agencies (LAZ), were not very involved in the formulation of the draft bill. Unsurprisingly, certain small and medium-size *zakat* agencies are about to initiate a judicial review of the newly legalised *Zakat* Law.

[23] For an overview of the NGO sector in Muslim societies in Indonesia, see Martin van Bruinessen, "Post-Soeharto Muslim Engagement with Civil Society and Democratization," in Hanneman Samual & Henk Schulte Nordholt (ed.) *Rethinking 'Civil Society', 'Region', and 'Crisis'* (Yogyakarta: Pustaka Pelajar, 2004), 37-66; also Martin van Bruinessen and and Farid Wajidi, "*Syu'un ijtima'iyah* and the *kiai rakyat:* Traditionalist Islam, Civil Society and Social Concern," in Henk Schulte Nordholt (ed.), *Indonesian Transitions* (Yogyakarta: Pustaka Pelajar, 2006), 205-248.

fare-oriented activism through Islamic philanthropic and economic activities in particular.

The aforementioned figures have sought a new form of Islamic welfare system and to formulate a distinct Islamic society by utilising Islam as a discursive axis. They also came to believe that it is the state's responsibility to ensure an adequate legal framework and to provide an appropriate economic and political system. For this reason, a major part of the agenda pursued by Muslim intellectuals has been building social awareness by organising series of workshops and various forms of training to strengthen communities. Apart from this, there was a vibrant discourse among the Muslim middle class on the promotion of an Islamic welfare system through the operation of Islamic economic institutions, especially in the 1980s and 1990s. With ideas on promoting justice and reducing inequality of access to economic resources, as well as realising the principles of 'Islamic economy', Islamic economic institutions such as Islamic cooperative loans (BMT) and Islamic banks have been founded and now operate in many regions.

It should be noted that the way in which Muslim communities translate *shari'a* or carry out the objectives of Islamic law in reality is often, if not always, varied. The vivid intellectual discourse on welfare among Muslim intellectuals has been instrumental in strengthening the Muslim vision of welfare and justice. The types of activism that Indonesian Muslims have engaged in are as varied as their religious, social and cultural backgrounds. If we look at the activities of the above-mentioned personalities, we see that they used their role as intellectuals as a tool to promote social change and transformation. What is interesting is that intellectual discourses on justice and welfare seem to have had a large impact on Muslim conceptions of *zakat* and *sedekah* in Indonesian Islam as a whole. Innovation in legal thought on *zakat*, for example, is one of the most observable facts. Intellectual discourse has also led to the development of a distinct Muslim perspective, defining and categorising the poor and the oppressed segments of society that Muslims desire to help.

This paper argues that there has been a new trend, especially among the Muslim middle class, to revive the Islamic culture of giving by establishing phil-

anthropic and humanitarian organisations to face hardship within society. This new trend emerged as an active response to the crisis and can be described as a continuum of Muslim intellectual discourse on welfare issues. Although some Islamic philanthropic organisations were established in New Order era, they become increasingly visible in public life mainly after the economic crisis. In fact, a range of Islamic charitable associations in Indonesia emerged, mainly during the New Order era. A major breakthrough in the governance of Islamic social funds (*zakat* and *sedekah*) began when Dompet Dhuafa (DD), a leading community-based *zakat* agency, was established in 1993 by Muslim journalists working for a national newspaper, *Republika*. A government-sponsored association, namely *Ikatan Cendekiawan Muslim Indonesia* (ICMI-Indonesian Muslim Intellectual Association), was instrumental in the inception of *Republika*. Since 1993, this newspaper has increasingly caught the attention of Muslim readers in the countryside, and was the first 'quality newspaper' to challenge the monopoly of *Kompas* and *Suara Pembaharuan*, which were seen as representing 'secular' and Christian groups. Led by the senior journalist Ery Sudewo (b. 1957-), DD is an Islamic charitable association that functions as a *zakat* collector, with a modern management system. Equipped with a knowledgeable staff, dutiful volunteers and professionals, and supported by an effective media campaign, DD began to catch the public eye, developed rapidly and drew the attention of benefactors.

Other charitable associations originate from religious gathering/study groups and *dakwah* (religious proselytising) organisations. One example of such a religious gathering group is the Daarut Tauhid Foundation (DT), led by a popular young preacher, Abdullah Gymnastiar (b. 1962-) in Bandung-West Java. In 1999, he set up a *zakat* agency, known as Dompet Peduli Umat—Daarut Tauhid (DPU-DT-Wallet for the Care of Community-Daarut Tauhid). Aa Gym's popularity, and his calm and charming personality, inspired people to donate and resulted in DPU-DT obtaining considerable support from Islamic communities.

Another community-based *zakat* agency based in Bandung, *Dompet Sosial Ummul Qura*' (DSUQ-the Ummul Qura' Social Wallet) was established in 1998. DSUQ originated from a religious gathering group, the Ummul Qura'

Foundation, led by Dedi Trisnandi (b. 1968-), who is known as 'Abu Syauqi'. While the Ummul Qura' Foundation continues to be active in organising the study of Islam, the founder has engaged in a flurry of activity through social outreach programmes. These, among other things, support disadvantaged segments of society, such as orphans and the needy. In 2003, DSUQ changed its organisational brand and became the more eye-catching *Rumah Zakat Indonesia* (RZI-Indonesia's *Zakat* House). RZI undertakes relief and development projects, providing goods and healthcare for the poor, as well as engaging in economic empowerment activities. RZI has recently set up branch offices in several regions.

A similar type of organisation is Al-Azhar Peduli (AAP), an autonomous institution within the complex of the Al-Azhar Mosque in Jakarta. AAP was established in 2004 by the board members of the Al-Azhar Islamic Educational Foundation. This foundation represents a *dakwah* movement of ex-political activists who were involved in Masyumi, the largest Islamic party in the 1950s. Al-Azhar was the centre of the reformist Muslim middle class and was associated with the leadership of a leading Muslim magazine in the 1980s, *Panjimas* (*Panji Masyarakat*-'the Banner of Society). As a *zakat* agency, AAP targeted the urban Muslim middle and upper classes, notably families of students studying at Al-Azhar educational institutions, from kindergarten to university. The agency has also focused on the participants of regular religious gatherings in the al-Azhar mosque, the alumni of Al-Azhar schools, and on fellow Muslims in general.

Within a few years, Islamic charitable associations like those mentioned above were able to attract admiration of the public, obtain benefactors, and undertook a remarkable transformation into leading *zakat* agencies that pursue development-oriented programmes as their core activities, such as supporting micro-finance and conducting income-generating projects in addition to charitable services and *dakwah*.

In tandem with this development, Islamic solidarity groups that promote certain political ideologies and focus on national political affairs (e.g. the communal conflicts in Ambon-Moluccas, Poso-Celebes, and Sampit-Borneo) and interna-

tional political affairs (e.g. the conflicts and wars in Palestine, Iraq, Bosnia and Afghanistan) have been involved in charitable activities, sending funds and volunteers to war zones, and providing financial and medical assistance in conflict areas. This suggests that the increasing interplay between religion and politics, between nationalism and globalisation, between domestic political dynamics and the international geo-political context, as well as between locally-grounded social organisations and transnational movements, seems to have shaped the features of Islamic charities in Indonesia in many ways. Mohammad Natsir (d. 1993), the most prominent figure in the Islamic *dakwah* movement in Indonesia and the founder of *Dewan Dakwah Islamiyah Indonesia* (DDII-the Indonesian Council for Islamic Predication), has been instrumental in building awareness among Indonesian Muslims of political issues in the Muslim world. Natsir's legacy and international exposure, including his commitment to supporting Palestinian independence from Israel, have been adopted, preserved and repeated by Islamic *dakwah* movements and Islamic solidarity groups in recent times.

Although concern among Indonesian Muslims about the political crisis in Palestine began as early as the 1930s, a major breakthrough in concrete humanitarian action for Palestine—with very limited capacity—occurred for the first time in 1973. Recently, the response of Indonesian Muslims to the issue has become increasingly enthusiastic, and perhaps more multifaceted at the same time, due to social and political complexities in the domestic and international arenas. New associations have emerged in public life and various social and relief missions have been conducted for those in need, both domestically and internationally. Some associations originating from Islamic solidarity groups have a firm political discourse. In their political rhetoric, they have preserved and utilised the notions of the unity of Islam and solidarity, such as fighting the 'others', seen as oppressors, and helping Muslim brothers, seen as the oppressed. In this respect, relief action is not simply for the sake of humanitarianism, but a religiously and politically motivated action. These associations are created as a means of promoting humanitarian and political campaigns in order to gain more popular support from Indonesian Muslims. The roles of Islamic solidarity groups, such as *Komite Indonesia untuk Solidaritas Dunia Islam* (KISDI-Indone-

sian Committee for Muslim World's Solidarity), *Komite Indonesia untuk Solidaritas Palestina* (KISPA-Indonesian Committee for Palestine Solidarity), and the *Komite Nasional untuk Rakyat Palestina* (KNRP-National Committee for Palestinian People) in reproducing the political discourse of humanitarianism and political struggle in contemporary Indonesia, are worth exploring.

It should be emphasised that the pattern of social services organised by Islamic charitable associations is no longer restricted to the relief of the poor in densely populated urban neighbourhoods, but that such services are also focused on disaster-affected areas. Notably at the end of the 1990s, Islamic charitable associations first made their presence publicly felt in relief projects in response to deadly natural crises (floods, tsunami, earthquakes, and food shortages) and manmade crises (horizontal and communal conflicts). In this respect, one should be aware that the '*tarbiyah* movement' in Indonesia, which established the *Partai Keadilan Sejahtera* (PKS-Prosperous Justice Party) after the fall of Soeharto regime, and represents the Indonesian 'branch' of Egypt's Muslim Brotherhood, has been one of the most important players in running relief organisations that operate specifically in disaster-affected areas, both nationally and internationally. *Pos Keadilan Peduli Ummat* (PKPU-Centre for Justice and the Care of Society), *Bulan Sabit Merah Indonesia* (BSMI-Indonesian Red Crescent Societies) and the Medical Rescue Committee (Mer-C) are among the institutions with a very visible public profile. These Islamic relief organisations have significant international exposure, as they have operated medical relief projects in Muslim countries such as Iraq, Bosnia, and Afghanistan. For this reason, they have close relations with other international relief organisations, notably from the Muslim world.

While Islamic charitable associations undoubtedly share some characteristics, there are also substantive distinctions which need to be recognised. The aforementioned religious associations above carried out similar outreach programmes, using the issue of social welfare to achieve their goals. However, their activities also conceal differing religious, social, ideological, and political views. More importantly, cooperation and contestation, both discursively and practically, between state agencies and civil society organisations, between do-

mestic voluntary organisations and international aid agencies, as well among Islamic charitable organisations themselves, have characterised recent social activism and transformation of the culture of giving in Indonesia.

Conclusion

This paper has discussed the transformation of the culture of giving and the rise of Islamic philanthropic organisations in Indonesia and their encounters with social and political currents. What makes Islamic form of giving particularly unique, especially in the post-New Order era, is that giving practices have increasingly become popular as a way to express Muslims' concerns about social, economic and political issues on the one hand, and have represented 'Islamic renewal' on the other hand. During the New Order era, social activism was mainly characterised by top-down policies and mobilisation. Since then, endeavours to strengthen civil society through the rejuvenation of local initiatives and charities have become increasingly pervasive. Islam is no longer seen as merely a set of teachings enshrined in the archives, but also as a spirit by which Muslim communities, voluntary organisations, can reassert the relevance of Islam to the empowerment of society. The post-Soeharto era, in particular, can be regarded as a period in which long-established discourse among Muslim intellectuals on the transformation of Islam in the social, economic and political domains was realised. Muslim engagement in welfare-oriented activism, in fact, is more visible in the public sphere than ever before. Therefore, welfare and development issues in the *Reformasi* era can no longer be exclusively associated with 'Western style' development NGOs, but also with voluntary organisations, whose philosophy and principles are based on traditional, but modified, concepts of Islamic forms of giving.

In fostering the public good, Islamic philanthropic organisations, seem to have been able to combine religious discourses (i.e. the notion of benevolent acts) and social welfare issues. At the same time, they utilise modest language, which can be understood by lay people, and thus win the support of the masses, but also including wealthy and educated individuals. Hence, charity practice and

poor relief activism have become increasingly popular among both the wealthy and the needy, while charitable organisations, notably *zakat* agencies, survive thanks to the tradition of giving that is embedded in cultural and religious traditions. Islamic philanthropic associations have also had an impact on the transformation of Muslim perspectives and attitudes toward poverty and welfare issues, including basic nutrition, education, and healthcare. In some ways, Muslim NGOs' social roles have enriched the current perspectives of '*ulama,* who often deal with legal approaches by simply issuing *fatwa* (legal opinion). This legal approach is mainly characterised by a 'black and white' perspective, as well as by passing judgement on what is lawful and illicit. It is, therefore, safe to hypothesise that Islamic activism, through social practices and philanthropy, has increasingly become a new means to translate and actualise Islam into reality. The main players who are able to do so are largely the Muslim middle class, with their extensive horizontal and vertical networks.

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