

Commentary on Philanthropy in Indonesia

Jonathan Benthall

University College London

Indonesia has the largest Muslim population in the world: estimated in 2018 at about 231 million, or 86.7% of the total (Republic of Indonesia, n.d.).¹ It has also been hailed as the most generous country in the world, in a survey carried out recently by the British-based Charities Aid Foundation (2021).² So it is eminently appropriate that this journal should devote space to the traditions and practices of Indonesian philanthropy.

In this issue, Hilman Latief, an experienced scholar and administrator, draws attention to the diversity of Islamic authorities in Indonesia, as expressed in the publication of *fatwas* relating to zakat, issued by Islamic civil society organizations of different complexions that never cite one another's rulings. Questions addressed by him include whether automatic deduction for zakat from civil servants' salaries accords with Islamic law and whether zakat funds can be spent on the construction of mosques. From Hilman Latief's article we learn that, whereas the lack of a central religious authority leaves space for individuals to make their own free choices in charitable giving, "fatwa pluralism" inhibits the adaptation of zakat toward coordinated goals such as sustainable development.

In a well-documented article, Indah Pilyanti focuses on two important Indonesian charities to show how the exigencies of the COVID-19 pandemic accelerated the impact on the sector of new communications technologies. Badan Amil Zakat Nasional (BAZNAS) was founded by the government in 2001 as a nationwide organization to collect and disburse zakat and *sedekah* and is bureaucratic in character, tending to follow official policy. Dompot Dhuafa (DD) was launched in 1993 by journalists and as a community-owned organization it is more flexible, able both to tap into the Indonesian diaspora for donations and also to provide services for needy recipients who are far from large centers of population. A class divide has sharpened between cities and rural areas where access to the Internet is limited.

¹ The overwhelming majority of Indonesian Muslims are Sunni (about 99%).

² The survey was conducted by the market research firm Gallup as part of its World Poll Initiative. Three indicators are recorded and aggregated from sampled respondents who were asked whether during the past month they have helped a stranger, donated to a charity, and volunteered time to an organization. From a social science point of view, the findings are dubious in that they record what individuals say they have done, without any checking of actual behavior. However, the results for Indonesia are so high that they cannot be ignored: a score of 69, 11 points ahead of the runner-up, Kenya, at 58.

My assigned task here is more general: to draw attention briefly to the breadth and depth of Islamic philanthropy in Indonesia, while also taking note of some political dangers that may inhibit its future. An indispensable historical reference is Amelia Fauzia's (2013) *Faith and the State: A History of Islamic Philanthropy in Indonesia* (reviewed by Khader, 2013). Written with the encouragement of the late M. C. Ricklefs, the leading historian of Indonesia, its core theme is the shifting relations between the state and civil society, going back to the period under Dutch colonial rule and earlier. Amelia Fauzia has turned her attention to the current challenge of making a reality of "social justice philanthropy" in the Islamic context (Philanthropy for Social Justice and Peace, 2013; Fauzia, 2017; Fauzia et al., 2022), whereby long-term development objectives/goals would be set.

To indicate the strength of Islamic civil society throughout Indonesia, it is only necessary to record that the Muhammadiyah, founded in 1912 by Kyai Hajji Ahmad Dahlan, is now one of the two largest Muslim social welfare and educational organizations in the world. It celebrated its centenary in 2012 with an international research conference at Malang in east Java devoted to its "search for a renewed identity of Muhammadiyah for its post-centennial era" (Hefner, 2013). The conference was especially notable for a spirit of self-reflexivity and proactive debate. An impressive number of highly qualified Indonesian women had achieved leadership roles.

Muhammadiyah was estimated at that time to administer 10,000 schools, 172 institutes of higher education, over 450 hospitals and clinics, and over 11,000 mosques and prayer halls across the archipelago (Hefner, 2013). Its humanitarian activities date back to 1919, when it founded a subsidiary organization to provide emergency services for victims of the eruption of Mount Kelud (Latief, 2012, p. 160). Its disaster relief operations gained prominence after the 2004 tsunami and were brought together in 2007 as the Muhammadiyah Disaster Management Centre. As early as 1917, Ahmad Dahlan had founded an affiliated organization for women titled Aisyiyah, named after the Prophet Muhammad's wife Aishah, which has grown to be a major force for women's education and economic improvement. Muhammadiyah encouraged women to have access to religious training from the early years of the twentieth century, though at times tensions have arisen between Aisyiyah and its parent organization (Hefner, 2016). Recently Muhammadiyah has extended its international activities, including relief aid for Rohingya refugees and reconciliation projects in Mindanao (Philippines) and southern Thailand (Latief & Nashir, 2020).

Muhammadiyah's even larger sister organization, the Nahdlatul Ulama or "Awakening of the Religious Scholars" (NU),³ was founded in 1926 and at times in its history (unlike the Muhammadiyah) became a political party, though since 1984 it returned to its original role focused on education, community welfare, and socioeconomic development (Parry, 2014).

³ Current estimated membership numbers for the two organizations vary: 25 million for Muhammadiyah and 35 million for NU have been suggested.

Muhammadiyah and NU have been called “the stable centre of Indonesian Muslim community” (van Bruinessen, 2004, p. 61). After a history of ideological disagreement between them, they were formally reconciled in the early 1980s in the cause of *ukhuwwah islamiyyah*, brotherhood within the various currents of Islam (van Bruinessen, 1996, p. 187). In retrospect the two mass organizations seem to have performed an intricate pas de deux, complicated by their internal tensions. The explanatory terms “reformist,” “conservative,” “modernist,” and “traditionalist” are all highly equivocal and to be deployed with due circumspection.

The Muhammadiyah was founded partly to provide a counterbalance to Christian missionary activity under Dutch colonial rule (which ended in 1945), but also to purge the worldview and practice of Javanese Muslims from indigenous and Hindu–Buddhist elements. Hence, for example, traditional funerary practices and the use of amulets were condemned as *bid'ah* (innovation). But the movement has also included a strong modernizing and outward-looking tendency (Nakamura, 1996). There is recent evidence of splits between a conservative backlash, especially with regard to women, and projects for revitalization (Shepard, 2014; Burhani, 2013).

As for NU, it has consistently favored what it calls traditionalism, by which is meant a reliance on doctrinal precedent. Originally—while having no problem in accepting accommodation to indigenous customs—NU stated its opposition to the failure of “reformists” to acknowledge the authority of the *ulama*, which it criticized the reformists for replacing with a complete reliance on individual interpretation of the Qur'an and *hadiths* (sayings and actions of the Prophet Muhammad). But van Bruinessen (1996), recalling a famous book published in 1984, *The Invention of Tradition* (Hobsbawm & Ranger), argued in 1996 that “there is no *a priori* reason to presume that a self-consciously traditionalist organisation (such as the Nahdlatul Ulama) is less dynamic or less prone to change than a self-proclaimed anti-traditional one” (p. 164). Recent evidence suggests that NU, under the leadership of the chairman of its executive council, Yahya Cholil Staquf, has taken an important step toward building an Indonesia-based “humanitarian Islam” consistent with universal human rights and independent of theological authorities in the Middle East (Dorsey, 2022). This doctrine is adapted for the contemporary world and provides a potentially compelling alternative both to the ostensible reformism of the Saudi and Emirati autocracies and to the various politicized versions of Islam associated with Turkey, the Muslim Brotherhood, and Iran. As this December issue of the *Journal of Muslim Philanthropy and Civil Society* went to press, the Indonesian government, over which NU currently has considerable influence, was preparing to hold a two-day interfaith conference in Bali, titled “Religion 20 Forum” (R20), two weeks before the G20 summit November on 15–16, 2022. A senior NU official who was spokesperson for R20 explained: “The G20 Religion Forum constitutes a natural outcome of NU’s efforts over the past decade to prevent the political weaponisation of identity, curtail the spread of communal hatred, and promote solidarity and respect among the diverse peoples, cultures and nations of the world” (Das, 2022; see also Mulia, 2022).

In the effort to understand such a large and pluralistic country as Indonesia, generalizations are hazardous. One phenomenon that has caught the attention of social scientists is the growth of religious entrepreneurship, especially as promoted by popular preachers such as Abdullah Gymnastiar (b. 1962), widely known as Aa (elder brother) Gym. In his spectacular though turbulent career, he has combined a self-help business ethic with injunctions to voluntarism and charitable giving, all framed in an Islamic idiom independent of an orthodox education and with Sufi leanings (Kailani & Slama, 2020; Hoesterey, 2016; Watson, 2005). Another important national figure is Yusuf Mansur (b. 1976), whose popular preaching also emphasizes *sedakah*. If we accept the analysis by Kailani and Slama (2019), Yusuf Mansur's injunctions to voluntary giving could be compared to the Prosperity Gospel promoted by some Christian evangelists. Closer ethnographic research would be necessary to evaluate how much the prospect of material recompense for *sedakah*—as opposed to gaining spiritual merit—has contributed to Indonesians' reputation for generosity. Studies carried out in other social contexts, such as Bornstein (2012) and Derbal (2022), suggest that the motivations for charitable giving are often elusive and defy overgeneralization.

The archipelago is not cut off from foreign influences. For instance, the ESQ (Emotional and Spiritual Quotient) training program, which had some currency in Indonesian management circles in the 2000s, is a descendant from the Human Potential Movement that began in the USA in the 1960s. According to ESQ, the institution of zakat is a divine sanction for “strategic collaboration” and “exercising a win-win approach in both business transactions and relations with co-workers.” Participants in ESQ sessions paired up to perform mutual services such as shoeshining, pay each other for the services, and donate the proceeds as zakat. Disparaged in more orthodox circles as “Islam lite,” this was an eccentric case of adapting the principles of Islamic charity to free market ideology (Rudnyckyj, 2010, pp. 8, 91, 112).

Everyday Islamic practices in Indonesia, of the kind well-documented in the Middle East (Atia, 2013; Mittermaier, 2019; Schaeublin, 2020, 2023; Derbal, 2022), also in India (Taylor, 2018) and China (Erie, 2016), have so far had less attention from social scientists. “Charitable giving,” writes Professor C. W. Watson, “is a regular feature of everyday life in Indonesia and takes several forms. Some examples. There is a regular Saturday column in one of the newspapers I read that describes a hardship case and requests help for individuals. In *angkot*—mini-buses, the cheap way to travel—passengers who don't have much themselves give to people requesting alms. Whenever there is a misfortune (*musibah*) in a local context, be it in a neighborhood or in a workplace environment, there will always be a whip-round to collect money for the affected family: two major ones in the last three months in the business school in Bandung with which I am associated. This impulse to give is unrelated to any sense of expectation of a spiritual or material award; the preachers who do suggest there may be a material reward are simply uttering conventional phrases of the kind that

it is better to give than receive” (Personal communication, September 3, 2022).⁴

Given that much of the attention given to Islamic charities by Western scholars and commentators has been focused on the hyperpoliticized Middle East and North Africa, it is tempting to see Indonesia as a country where the charitable impulse is articulated with much less contamination by propaganda. This impression has to be qualified by the realization that, like many other former colonized societies, Indonesia has known episodes of extreme political violence. Simmering tensions related to political Islam have an impact on the charitable sector today.

In April 2022 a report was published by the Jakarta-based Institute for Policy Analysis of Conflict (IPAC) titled “Extremist Charities and Terrorist Fund-Raising in Indonesia” (IPAC, 2022). At first sight this might seem to be of a piece with the reports on Islamic charities regularly published in the USA and Britain by think tanks that rely on the new profession of counterterrorism experts, who gain credibility more by appearance in law courts as expert witnesses than by joining in the cut and thrust of peer-reviewed academic debate (Benthall, 2017). However, the credentials of IPAC are impeccable, and its report contains no slurs against the Islamic charity sector as a whole: it is a reasoned plea for the Indonesian government to redouble its efforts at regulation and monitoring. The report focuses on a few specific organizations committed to violent extremism, including support for ISIS. Indonesia is the only G20 country that is not yet a full member of the Financial Action Task Force (FATF), the intergovernmental body that sets standards for combating terrorist financing and money laundering: “The country has managed its terrorism threat reasonably well over the last two decade. Improving its management of extremist charities would close one of the remaining loopholes” (IPAC, 2022, p. 27).⁵

The cause of Islamic charities worldwide has, in my opinion, been set back by a cloud that has hung over them since the beginning of our century, and the charges against them of supporting terrorism have been much exaggerated (Benthall, 2016, 2021; ACLU, 2009⁶). They have been vulnerable to attack as “low hanging fruit” (FitzGibbon, 2015). Just as Muslim philanthropy is beginning to break free from this cloud in many countries (though it still hangs heavily over the Gulf States and Israel–Palestine), it would be tragic if the general reputation of Islamic civil society institutions in Indonesia were to be damaged by the misguided behavior of a few (cf. Fauzia et al., 2022, pp. 229–231). The organizations censured in the IPAC report referenced above should be seen as injurious aberrations.

⁴ Watson is emeritus professor of anthropology, University of Kent, England. He is now associated with the School of Business and Management, Bandung, West Java.

⁵ The Indonesian government has also been lax in preventing the defalcation of charitable funds for personal gain; see for instance Guild (2022). Abuses have followed from the ease with which funds are raised for plausible causes through social media (Fauzia et al., 2022, pp. 60–61). However, the abuse of the privileges of charities is extremely widespread in other countries. The Hauser Center for Nonprofit Organisations, Harvard University, estimated in a 2006 working paper that the fraud loss to US-based nonprofits was as high as \$40 billion per year (Greenlee et al., 2006).

The Social Trust Fund, based in Jakarta, has published an ambitious and detailed agenda for the future of Islamic social justice philanthropy: questioning the effectiveness of social services that fail to address causes rather than only symptoms, promoting the concept of sustainable development, and embracing the principle of non-discrimination (Fauzia et al., 2022). This brings Amelia Fauzia and her coauthors to call for revisiting strict interpretations of *fiqh* that inhibit giving assistance to ethnic and religious minorities—with special reference to the eight categories of zakat beneficiary set out by the Qur'an in Al-Tawbah (9:60). They recall that the Muhammadiyah's early record during the Dutch colonial period provides a precedent for nondiscrimination and inclusion, anticipating the policy later adopted by aid agencies such as the UK-based Islamic Relief Worldwide. As well as analyzing the rich variety of zakat-based arrangements in the country, Fauzia and her coauthors explore the opportunities for some of the hundreds of thousands of Indonesian land *waqfs* to be transformed into modern charitable organizations, focused, for instance, on reforestation or adaptation to climate change. They also describe the use of funds raised from large Indonesian commercial companies through corporate social responsibility (CSR) programs, though regretting that at present these are mainly targeted to benefit Muslims exclusively and for short-term purposes such as breaking the fast at Ramadan.

The richness of Islamic philanthropic traditions in Indonesia deserves to be much better known in the West. Nahdlatul Ulama and Muhammadiyah in particular have acquired patina over a century but have also shown a flexibility to adapt and evolve. Insofar as they are taking steps to internationalize their activities this will add to their visibility worldwide, showing an audience in other countries what can be achieved by civil society institutions under the auspices of Islam, and encouraging further cooperation across national borders toward humanitarian and environmental goals.

⁶ See also detailed discussion of these issues accessible on the website of the Charity and Security Network: www.charityandsecurity.org.

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