

Contesting Almsgiving in Post-New Order Indonesia

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Abstract

This article explores the origin and development of the ideas and practice of zakat (Islamic tax) on salary and identifies how it affects the nature of zakat practice in contemporary Indonesia. The recent trend suggests that Indonesian Muslims are attempting to translate and reinterpret the Islamic concept of social justice by utilizing zakat on salary (*zakat profesi*) as a discursive center. Despite the fact that this has been the subject of heated debate among Muslim scholars since the 1980s, the Indonesian state has attempted to make its payment mandatory by enacting zakat regulations at both the provincial and district levels. This new phenomenon is stimulating new debates among the country's Islamic scholars over the legality, from a jurisprudential aspect, of imposing zakat regulations on civil servants. Some believe that zakat practice has been precisely prescribed in the Qur'an and Sunnah and thus such an "innovation" is not necessary; others consider zakat to belong to that part of the Islamic ethical and economic system that is open to reinterpretation and innovation. Disagreement among Islamic scholars, competition between civil society organizations and state agencies, and tension between the government (political authorities) as a policymaker and people at the grassroots level are indications of how almsgiving is contested in democratic Indonesia.

Keywords: Zakat, *ijtihad*, Islamic legal thought, welfare

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Introduction

The culture of giving may represent a symbol of solidarity, religious devotion, social cohesion, altruism, a way of constructing patron-client relationships, and reciprocity. It may also represent a means of expressing dignity, power, and domination. Despite the wide-ranging interpretation of the culture of giving in societies, this spiritually inspired practice remains central to Muslim societies in many parts of the world. In Muslim communities, giving practice, whether in the form of zakat (mandatory alms) or *ṣadaqah* (voluntary charity), has become an important resource that benefits the public: the rich and the poor, the government and civil society, the elites and the grassroots. Despite the fact that these good practices have underpinned a variety of social enterprises, the state's involvement in organizing religiously motivated public "giving" has also become increasingly prevalent. Pakistan, Malaysia, Indonesia, and the Gulf states, as well as other Muslim countries, have witnessed a remarkable state devotion to regulating and organizing zakat, as partly indicated in its collection and redistribution by state agencies. Zakat has been under state control in countries such as Pakistan and Malaysia, while in other Muslim countries, including Indonesia, it mainly remains in the hands of civil society despite the fact that the state's engagement in standardizing zakat payment mechanisms continues to increase.

There have been a number of studies on zakat practice in Indonesia. In her historical analysis of Islamic philanthropy in the country, Amelia Fauzia argues that during and after the colonial era and even up until Soeharto's New Order period (1966-98), zakat practice never managed to escape government interference. She further points out that the proliferation of zakat agencies is a result of the state's weakness in providing an adequate welfare system.¹ The multifaceted relationship between the state and civil society has resulted in the emerging discourse on which institution is suitable for zakat administration. Nevertheless, as regards the New Order's zakat policy, observers have noted that the relationship between the state and civil society organizations in the management of zakat has been characterized by the same kind of tension as the New Order's "Islamic policy," which attempted to lessen Islam's influence in the country's political structure. As a result, zakat law could finally be legislated in the aftermath of the regime's collapse.²

While the existing literature has presented valuable findings of the development of zakat law, the amount of attention given to the jurisprudential debates and its consequences on the formation of the giving tradition in Indonesian Muslim societies has been less than adequate. Indonesian historian

Taufik Abdullah suggests that there were two major subjects surrounding zakat during the New Order: (1) the contestation between civil society and the state and questions as to whether the state, instead of civil society organizations, would be suitable for zakat management, and (2) the functions, similarities, and differences between zakat and conventional tax and whether one type of tax could complement the other.³ Unfortunately his work, which was written during the 1990s, obviously could not cover recent developments in Muslim legal thought on zakat, which is, in fact, increasingly varied.

The contribution of this article lies in its detailed analysis of Muslim legal thought. Using zakat on salary as a case study, it seeks the origin and socio-political background of contemporary zakat practice in Indonesia by exploring the perspectives on zakat held by Indonesian academia, ulama (religious scholars), government authorities, and the newly founded community-based zakat agencies. In addition, it analyzes the impact of zakat on salary on the intensified zakat mobilization by both the state and civil society organizations, particularly as regards how the relevant debates have had far-reaching consequences on the development of Muslim legal thought.

The origin of the zakat on salary concept in Indonesia is discussed first by presenting the discourse among Indonesian Muslim scholars during and after the New Order era. Discussion on this topic has been characterized by heated theological debates over zakat's essential meaning and function, the relation between zakat practice and the state's social welfare policy, and the differences and similarities between zakat and conventional tax.⁴ Indonesian Muslims have posed three emerging opinions on zakat practice: (1) Some scholars, mainly the traditional ulama and scholars who emphasize Islam's legal aspect rather than zakat's economic and social impact, consider zakat practice to be merely the fulfillment of a religious duty and a preservation of social stability⁵; (2) Others believe that zakat can be reborn as a sort of fiscal instrument and therefore see it as a legal framework for society's welfare⁶; and (3) Muslim activists who concern themselves with zakat's economic aspect as an Islamic instrument of social welfare and justice.⁷

Zakat as a Religious, Social, Economic, and Political Issue

Policies on zakat practice in Muslim countries vary, and there is no unanimous agreement about zakat administration. The concept of zakat and its early practice have been reformulated in different ways to such an extent that it has been said that there has never been a country "in which zakat functions as it ought to do in an ideal Islamic society."⁸

Islamic states have three basic approaches to collecting zakat: the government is not involved, it provides guidance and regulation for civil society organizations to preserve transparency and accountability, and it considers zakat collection “as if it were a tax” and sees its distribution “as an analog to welfare.”⁹ In Oman, for instance, zakat is entrusted to the community without much state intervention, despite the fact that Oman set up the Ministry of Awqaf and Religious Affairs (previously the Ministry of Awqaf and Islamic Affairs) and entrusted it with, among other responsibilities, providing strategies and ways to facilitate zakat distribution. Meanwhile, in Kuwait zakat is administered by the Zakat House under the Ministry of Awqaf (Endowment) and Islamic Affairs’ supervision. It appears that even though the ministry has started imposing zakat on public and shareholding companies, Kuwaitis can channel their zakat voluntarily to the ministry. Saudi Arabia, which has the oldest “statutory system” on zakat law based on early Islamic jurisprudential concepts, for all practical purposes only addresses and focuses on large businesses, such as investment companies and real estate. The law has not been strictly implemented for crops and livestock.¹⁰ Even countries claiming to be governed according to “Islamic order” (e.g., Iran, Libya, Pakistan, and Sudan) are not fulfilling “the requirements of having established an Islamic economy – not to speak of an Islamic social welfare system.”¹¹

This is not to say, however, that the zakat movement in countries far from the “cradle” of Islam, such as Indonesia and Malaysia, is stagnant. In fact, the past several decades have witnessed a growing enthusiasm to revive Islamic forms of giving (*zakat*, *sadaqah*, and *waqf*) as a sort of “Islamic welfare system.” In Malaysia, where Islam is regarded as a “state religion,” the state supervises and regulates zakat; however, the system is not fully implemented in the same way nationwide.¹² Likewise, Indonesian Muslims who live in a non-Islamic state have witnessed the remarkable development of the state’s role in zakat mobilization over the last two decades, especially after the 1998 collapse of the New Order regime. It should also be noted that in non-Muslim countries, such as the United States, Europe, and Australia, community-run zakat organizing remains very active and largely free of state involvement. In fact, several leading zakat agencies in the form of humanitarian organizations have shown remarkable progress. Yet after the attacks of September 11, many western countries have attempted to increase their control over zakat distribution mechanisms for security reasons.

Above all, the relationship between the state and civil society organizations in governing a faith-motivated giving tradition is always dynamic. James C. Scott’s studies on zakat in Malaysia and tithing in France suggest



that the state apparatus' imposition of zakat and tithing have resulted in the peasants' resistance. The state's installment of a zakat official (*'amil*) seems to have not always necessarily led to the success of zakat mobilization. This is partly because zakat among peasants in Kedah (Malaysia), at least until the mid-1950s, was a "purely local and largely voluntary affair," and its imposition by the state apparatus was resisted at the grassroots level due to the lack of official accountability.¹³ Likewise, in Pakistan the people's resentment of and resistance to making official zakat payments is expressed by "mass withdrawals from private savings accounts when zakat deductions are made, just before Ramadan."¹⁴ This is a way to avoid the state's deduction as people do not fully trust the zakat committees, which have often politicized the use of zakat funds.

People's resentment of such impositions may also relate to the Muslim perception of religious practice that, to some extent, has been mixed with local custom. In eastern Senegal, Ed van Hoven found that zakat is a sort of "gift-exchange" and is "subtracted from the trousseau and divided among the sisters of the groom in return for the services rendered during the marriage ceremony."¹⁵ In Indonesia, especially in the rural areas, paying zakat signifies the relationships between the villagers and the local religious authorities, such as the *kyai* (religious scholars) and *modin* (those in charge of the mosque).¹⁶ Therefore, too much state intervention in religious practice, such as imposing zakat rules in non-Islamic countries, can still be disputed by communities and even religious leaders as they may be uncertain as to whether zakat is considered a public or a private matter.¹⁷

Zakat on Salary: The First Redefinition of Almsgiving

In Indonesia, the concept of zakat on salary (*zakat profesi*) was revived and first popularized during the 1980s by Muhammadiyah activist Muhammad Amien Rais.¹⁸ In 1986, this modernist Muslim delivered a controversial speech about the need to reinterpret the concept of almsgiving and redefine its social impact on Indonesian society. His deep concern about the sharp disparities between the country's haves and have-nots compelled him to utilize the idea of social justice as a discursive center.¹⁹ One of his "controversial" ideas concerns zakat practice among Indonesian Muslims. Rais proposes that the concept of zakat on salary, under which he attempts to reformulate the Islamic belief system, can contribute to social development and the welfare of society.²⁰ He launched this concept under the framework of social justice, while not over-

looking the complex relationship among the state, the market, and society. At that time, he defined zakat on salary as alms that should be paid by those professionals and specialists whose salaries are far above the average. While he believes that giving practice remains imperative within Muslim society, the future of social welfare in Indonesia is still in the hands of the state.

Based on the injunctions of the prophetic narrations (hadiths), the majority of Islamic scholars (ulama) agree that certain types of wealth is subject to zakat,²¹ such as gold, silver, animals, crops, and commerce. Gold and silver represent a person's wealth in terms of savings or deposits, while commerce and agriculture symbolize a person's regular income and revenue. Muslims are obliged to pay a tax of 2.5% on gold or savings and for business profits per year, and 5%-10% on agricultural products immediately after the harvest. For buried treasure (*rikāz*) and spoils of war (*ghanīmah*), the zakat is 20 percent. The above formula of zakat rates seems not to cover the notion of wealth earned from salaries (*al-māl al-mustafād*), in general, as well as regular and irregular incomes. Because of this, Rais raised questions about zakat on salary and posed his own formula for determining the appropriate zakat rate based on his personal *ijtihad* (interpretation).²²

As zakat on salary was not clearly prescribed in the Qur'an and Sunnah, he felt it necessary to publicize this subject as a way to encourage white-collar Muslim professionals to pay zakat.²³ Until the 1980s, "professional incomes" were not subject to zakat rules. Interestingly, Rais began developing his argument by claiming that the traditional zakat rate (2.5 %) was no longer sufficient to grapple with the economic hardships of society and could not finance the prestigious development projects that are expected to have a broader impact on poverty alleviation in the country.²⁴ Therefore he opined that professional Muslims who can easily earn a huge amount of money thanks to their specialized and marketable skills and strategic political positions ought to pay more than the traditional rate.

To Rais, the essence of almsgiving is social justice and thus its normative prescription is open to reinterpretation. He poses the following arguments: First, the idea of zakat on salary can apply to such modern professions as enterprise commissioners, bankers, consultants, analysts, brokers, specialist physicians, constructors, exporters, importers, accountants, notaries, and artists, all of whom are believed to have easily generated high incomes. In the name of justice, he points out that a reexamination of the traditional zakat rate applied to the listed professions above is indispensable. For instance, the rate could be raised to 10% (*'ushur*) or 20% (*khumus*) if necessary.²⁵ He notes that it is certainly beyond the spirit of Islamic justice if farmers in small villages

pay 10% on their crops during the harvest while the political elites, executives, and bankers are obliged to pay only 2.5 percent.

The second argument deals with the prescription of Islamic jurisprudence. From that perspective, Rais' proposed zakat percentage (10%-20%) is actually not new. According to Islamic tradition, farmers should pay 5%-10% of their harvest without waiting for one year to pass. Likewise, the zakat rate for buried treasure and spoils of war is 20 percent. Considering that some professionals can earn a significant amount of money far easier than farmers can, it is quite fair for the former to pay a 10%-20% tax on their income. His third argument emphasizes the Qur'anic injunctions that promote justice. With reference to the practice of zakat payment, he underlines a set of Qur'anic verses that explain the importance of wealth circulation. Redistributing the wealth held by a few elites to the disadvantaged segments of society will, he asserts, lead to social stability in Indonesia.²⁶

Rais also argues that zakat, which literally means "purifying wealth," has little to do with a society's comprehensive welfare. In part, this view is a result of his understanding of the government's role in ensuring the society's welfare. For example, he disagrees with the recent overly "bureaucratic" development-oriented programs provided by zakat agencies, such as micro-credit, micro-finance, and other types of income-generating projects. He notes: "We should remember that what we have so far paid (zakat) belongs entirely to the poor. It is totally their right whether they will use their funds to buy nutritious groceries, to pay for study, to purchase a piece of proper clothing, or to fulfill other urgent needs."²⁷ To him, almsgiving is a mechanism that can narrow, but cannot close, the social gap between the haves and the have-nots. More importantly, he maintains that the function of almsgiving is to "preserve the psychological stability of society"²⁸ as opposed to providing an adequate welfare system. These opinions surfaced during the 1980s, a time when philanthropic institutions and aid organizations were not as developed as they are at present. In fact, the number of professional Islamic philanthropic institutions has increased significantly since the 1990s.²⁹

Rais' concept of the functions of almsgiving in Indonesia was shaped at a time when most Islamic philanthropic institutions were managed "traditionally." He might also believe that almsgiving and other Islamic forms of voluntary giving (e.g., *sadaqah*, *infāq*, and *waqf*) are merely instrumental, not key, impetuses to realizing social welfare in the Indonesian socio-economic-political context. Another case highlighted by Rais at that time was the payment of tax by Muslims who live in a non-Islamic country, such as Indonesia. He acknowledged that the "Islamic tax" (zakat), which signifies religious com-



pulsion, and the “conventional tax” (*pajak*), which represents the citizens’ political contract, are both essential to a Muslim-majority country like Indonesia. Thus Indonesian Muslims should pay both taxes to the appropriate institutions. It should also be noted, however, that he fails to discuss further the 10%-20% zakat rate or compare it to the conventional tax rate of 15% or more.

Occasionally, Indonesian ulama have judged the case of zakat on salary differently. Some respect his idea; however, most disagree with his zakat rate of 10%-20 percent. Rais was even accused of having deviated from Islam due to his position on the zakat rate.³⁰ Jalaluddin Rahmat, a chairperson of the Muthahhari Foundation, is one of the few advocates of the spirit of Rais’ understanding of social justice. A known Shi’i sympathizer, Rahmat personally believes that the zakat rate is open to interpretation, is a matter of Islamic jurisprudence, and has nothing to do with theological doctrines. In support of Rais’ idea of a zakat on salary rate of 20%, Rahmat explains that the existing, conventional zakat rate and rules are only suitable only for the agricultural society of Prophet Muhammad’s era. Animal husbandry, agriculture, commerce, gold and silver, mine workings, and buried treasure were among the major economic sectors in the past. Nowadays, however, people live in an industrial and information era and about 60 percent of economic activities rely upon these sectors – neither of which conventional Islamic jurisprudence addresses.

According to Rahmat, the existing Islamic jurisprudential system tends to prevail over the complexity of contemporary socioeconomic problems. He also argues that the Qur’anic injunction has determined zakat on earnings.³¹ The word *ghanimah* in Q. 8:41 has diverse meanings, among them “the booty acquired in war,” as most ulama have interpreted it, and “merit,” “reward,” or “profit.” He concludes that this term signifies the extra benefits or wealth earned either in war or in other pursuits.³² According to Rahmat, various prophetic traditions ask Muslims to pay 20% of their “extra wealth” beyond conventional zakat. He also asserts that a 20% rate on salary not only resolves the ambiguity of Islamic jurisprudence, but also upholds the spirit of social justice.³³

Zakat Rate and Analogical Reasoning

The ulama had a different opinion of Rais’ concept of zakat on salary, which he launched during the 1980s. There have been some changes in essence and scope in recent discussions on this concept. For example, the inspiration behind his attempt to determine a specific zakat rate on certain professions – he considered it a form of social justice – seems to have been forgotten. In the meantime, the controversy has shifted from social justice, under which the

“fortunate Muslim professionals” are urged to pay 10%-20% of their income, to “alms on [a normal] salary” that is deducted from “ordinary” employees, namely, civil servants, teachers, and similar professional groups.

This development indicates a paradigm shift among Indonesian Muslims on the meaning of zakat on salary from a social justice issue to a jurisprudential issue. As a matter of fact, since the 1990s this ongoing discourse has been characterized predominantly by arguments for deducting zakat from the average income of ordinary employees. Recently, the relevant regulations have also developed in various ways and been made contingent upon the *madhhab* (Islamic legal school of thought) to which Indonesian Muslims adhere. Various terms are used for zakat on salary, such as *zakat profesi* (zakat on earnings), *zakat penghasilan* (zakat on income), *zakat gaji* (zakat on salary), and *infak wajib* (compulsory donation). Nearly a decade after Rais first launched the concept of zakat on salary in 1986, a number of Islamic associations began to reexamine it.

The Muhammadiyah: Compromising the Zakat Rate

The modernist Muslim association known as the Muhammadiyah has associated zakat on salary (*zakat gaji*) with zakat on commerce. Two sources give important insights regarding what its members think about this type of zakat. The first one, *Tanya Jawab Agama (Questions and Answers about Religion, Volume II)*, is a compilation of its views on religious affairs, notably *fiqh* (Islamic legal matters), that regularly appeared in its biweekly magazine *Suara Muhammadiyah (The Voice of the Muhammadiyah)*. This magazine features a section in which readers may pose questions to its Majelis Tarjih (the Council of Religious Affairs) through the editor. When asked about zakat on salary, the association seemed to take a “middle path” by combining the general concept of zakat on wealth and Rais’ argument on zakat on salary, based on its understanding of Q. 2:267: “O you who believe! Spend of the good things which you have (legally) earned, and of that which We have produced from the earth for you....” According to its leadership, the concept of zakat on salary is analogous to zakat on commerce as implied in the above verse, especially the phrase “which you have (legally) earned.” Therefore, a rate of 2.5% is sufficient. Yet it is acceptable, but not compulsory, for those who desire to pay 5%-10% to do so, as that is legitimated by the next phrase “of that which We have produced from the earth for you.”³⁴

In the third volume of this book, when discussing “zakat of employees” (*zakat pegawai*), the Muhammadiyah provides a further explanation: Zakat

on salary can be paid at the end of the year or by monthly installments. The above opinions actually do not represent the association's official view, because at that time the Majelis Tarjih did not officially examine zakat on salary. Therefore, the leadership suggests that if those of its members whose salaries are routinely levied by the institutions to such an extent that they disagree with the above act, they may consider their payment as *infāq* instead of zakat.³⁵ During the 20th National Meeting of the Majelis Tarjih held in Jakarta during 2000, the Muhammadiyah adopted a clearer stance, one that emphasized that paying zakat on salary is mandatory for every Muslim. It also explained that this type of zakat applies only to any outstanding income left after the expenditure of reasonable living expenses.³⁶

The Nahdhatul Ulama: No Automatic Zakat Deduction

The concept of zakat on salary was also examined in the National Meeting of Muslim Scholars (Munas Alim Ulama) held by the Nahdlatul Ulama (NU), representing Indonesian "traditional Islam," in Jakarta on July 22-28, 2002. The meeting's results can be summarized as follows: (1) The NU drew an analogy between zakat on salary and zakat on commerce. According to its fatwa, all lawful incomes earned by an individual, regardless of profession, are subject to zakat. However, a person's profession should meet commercial principles (*mu'āwadah*) and last one year (*hawl*), as well as be intended as a trade (*tijārah*, a continual exchange of commodities). The fatwa also insists that any occupation with principles that, by definition, resemble commerce (exchange of commodities) is very rare. In this respect, it emphasizes the income due to commodity exchange rather than to a profession, and concludes that there is no obligation to pay zakat if those professions do not fulfill the required commercial principles; (2) If certain professions meet the commercial principles, notably an exchange of commodities, they should be classified under the zakat of commerce, the *niṣāb* of which would refer to gold; and (3) Direct deduction of zakat from civil servants' monthly salary is not only inappropriate according to Islamic jurisprudential principles, but also forbidden on the grounds that zakat cannot be deducted from money that has not actually been received. In addition, direct deduction is considered inappropriate because zakat on wealth can only be applied after one's wealth has been calculated at the end of the year.³⁷

The NU's argument seems to have been based on Imam Shafi'i's argument that a Muslim's wealth can be subjected to zakat only if he/she has possessed it for one year. If a person's annual salary is considered sufficient to pay zakat,

this can be included in the general concept of zakat on wealth, not of zakat on salary. However Sahal Mahfudh, one of the NU's respected ulama, argues that incomes from industry are zakatable because industry constitutes commercial principles.³⁸ What is interesting here is that the NU seems to overlook the status of workers employed in – and paid by – factories, and neither state whether such workers are to be regarded as ordinary workers or as traders.

The Majelis Ulama Indonesia (MUI): Regular and Irregular Income

The Majelis Ulama Indonesia (MUI [the Indonesian Ulama Council]) issued an alms on income (*zakat penghasilan*) fatwa during 2002. Although several respected NU ulama became members of its board, this fatwa differs, in some aspects, from that of the NU. The MUI defines zakat on salary as zakat on any kind of regular or irregular income, honorariums, commissions, merits, and the like earned by an individual from any lawful process or profession. Its fatwa states that a zakat rate of 2.5% should be imposed upon all types of income that fall within one lunar year.³⁹ In developing its arguments, the council also draws an analogy between zakat on income and zakat on commerce. However, its fatwa contains no clear opinion on the monthly deduction of zakat and whether or not paying it before one year has passed is acceptable.⁴⁰

Even though its views may become a reference for government-sponsored zakat bodies (BAZ) in practicing zakat on salary,⁴¹ this is not always the case with such new community-based zakat agencies (LAZ) as Dompet Dhuafa (DD [the Wallet of the Poor]) and Rumah Zakat Indonesia (RZI [the Indonesian Zakat House]). This is because LAZs have appointed their own Dewan Syariah (Board of Shari'ah) to guide their members on zakat-related matters. While the MUI and the zakat agencies share a similar opinion, namely, accepting the general concept of zakat on salary, differences between them remain in particular aspects such as *niṣāb*, *hawl*, net income, and gross income.

Persatuan Islam: No Zakat, But Compulsory Infāq on Salary

Another interesting argument regarding zakat on salary is proposed by the Persatuan Islam (PERSIS), a puritanical Islamic association founded in 1926 that prefers not to employ the term *zakat* to denote any portion of giving deducted from one's salary. Rather, it utilizes the term *infak wajib*, which, in essence, differs from zakat. Given that the Qur'anic injunctions and prophetic

narrations never precisely discussed the necessity of paying zakat on salary, this association avoids any analogical reasoning (*qiyās*) in determining its rate. Instead, this association emphasizes that Muslims should donate as much of their salary as they want, for *infāq* means to allocate a portion of one's wealth to support activities in the way of God. This means that unlike zakat, which is compulsory, *infāq* is voluntary and its rate is unspecified.

This term is a new innovation, and through it the association seeks to avoid any violation of zakat's basic principle. But at the same time, it considers that mobilizing certain portions of a Muslim's salary is imperative to financing social welfare activities. According to PERSIS, zakat and prayer (*ṣalāt*) in Islamic jurisprudence are alike; both are regarded as rituals per se (*'ibādah*) and thus cannot be subjected to analogical reasoning. Zakat can be implemented only if it is adequately and precisely prescribed in the Qur'an and Sunnah.⁴²

Muslim scholars have put forward at least two competing arguments surrounding the status of zakat in the Islamic tradition. Some argue that it is *mu'allalah*, meaning that it is much closer to *mu'āmalah* (relations among human beings), *'ādah* (customary act) or *'ibādah māliyah al-ijtimā'iyah* (a religious service related to wealth and social affairs), instead of *ta'budiyyah* (relation between God and human beings). Yusuf al-Qaradawi explains that it is more appropriate to classify zakat as *fiqh al-mālī* (property matters) or *fiqh al-ijtimā'ī* (social matters), so that any innovation in zakat matters made to adjust Islam to a changing modern society is permissible. But other scholars, including those affiliated with PERSIS, suggest that zakat is *ta'budiyyah* (a ritual or theological matter) and therefore not subject to analogical reasoning.⁴³ Thus any innovation is unacceptable. In addition, as zakat on salary is not mentioned in either the Qur'an or the Hadith literature, determining its status is unnecessary⁴⁴ (see table 1).

It is worth briefly explaining that while debates on *zakat profesi* still take place on both the discursive and the practical levels, despite the increasing trend to apply it in society, a new thought on zakat has arisen. This thought was partly stimulated by the fact that the ulama and Islamic organizations seem to use a "conventional" jurisprudential approach in formulating zakat, which includes defining those whose wealth is zakatable. Another interesting idea, but one that has been marginalized, is the proposal to contextualize zakat within Indonesia's socioeconomic context. This approach is related to UMR (Legal Minimum Wages) and KHM (Minimum Subsistent Needs), both of which the government has already defined and calculated; however, the ulama and Islamic organizations have never taken either of them into consideration when dealing

with zakat. The minimum wage for employees residing in certain provinces/districts differs from that in other provinces/districts, and thus the employees' minimum subsistent needs differ.⁴⁵ Using UMR and KHM as a standard to measure one's wealth will at least lead zakat collectors to a more determinative and grounded argument in calculating the amount of zakatable salary as well as in classifying those who pay and receive zakat.

Tax Deduction: The Second Redefinition of Zakat

In contemporary Indonesia, people work for a variety of companies, among them clothing factories, supermarkets, banks, government offices, private schools, cell-phone companies, hotels, and restaurants. They work in positions as varied as designers, teachers, computer operators, bankers, contractors, physicians, and bartenders. Those who work in the formal sector are subject to tax regulations, and all citizens and institutions are obliged to pay either monthly or annual taxes to the government. When deductions for zakat were applied to one's salary or income, Amir Syarifuddin, a lecturer at the Institute of Islamic Studies Sunan Ampel of Surabaya, broached the idea during the mid-1980s of integrating such deductions into the conventional tax system. His point was that Muslim workers do not need to pay both zakat and their conventional taxes separately, as they are not supposed to be burdened by dual taxation. Therefore, integrating the conventional and religious taxes could help them fulfill their duties as citizens and as Muslims.⁴⁶ He based his formula upon the following factors:

1. Zakat rate and value (*kadar zakat*). Muslims whose "saved money" has reached the minimum zakatable amount should allocate some portions of it to be distributed to zakat beneficiaries. If their payment is less than the conventional tax rate, they must add the remaining value in order to fulfill their obligation as citizens. If their zakat payment is far more than the tax rate, the zakat rate can be regarded as the standard rate.
2. Zakat intention (*niyat zakat*). In Islam, one's intention determines the validity of one's religious practice. Therefore the zakat payment must be collected by zakat collectors so that the payers only need to make one intention. This means that one can avoid making a "double intention" (*niyat ganda*), which will spiritually influence the purity and validity of one's zakat practice.
3. The use of zakat funds (*penyaluran dana zakat*). Zakat collectors ought to distribute zakat funds to eligible beneficiaries, while tax collectors

should perform their duties as part of the state apparatus by distributing tax payments according to the government's rules and regulations.⁴⁷

Another leading personality who has attempted to integrate zakat and tax is Masdar F. Mas'udi, an NU activist and director of the P3M (Perhimpunan Pengembangan Pesantren dan Masyarakat), a Muslim NGO specializing in advocacy and community development. He discusses in quite some detail the meaning and function of zakat and its relation to conventional tax. Mas'udi considers zakat and the conventional "secular" tax system (*pajak*) as alike. On this issue, both he and Sharifuddin agree that zakat ought to be integrated into the conventional tax system and administered by the state because the latter is responsible for providing adequate social services. However, they differ on the procedure of deducting the zakat payments. Sharifuddin proposes a binary procedure of zakat collection in order to preserve its "purity" as a religious practice, thereby placing the zakat collector and the tax collector in separate spheres of activity. Mas'udi, on the other hand, says that the spiritualization of zakat is sufficient.

During the pre-Islamic period, according to Mas'udi, people were obliged to pay taxes to the government or the king. Islam changed this tradition by giving such taxes a spiritual dimension. In early Muslim communities, zakat practice was characterized by the "triangular relationship" among the state, society, and religion. The evidence suggests that Muslims were urged to pay zakat, a symbol of religious obedience, to the state, thus making it a symbol of political obedience. Therefore, zakat and taxes are actually alike or at least undistinguishable. Mas'udi further challenges the conventional understanding of zakat by explaining that, historically speaking, it is nothing more than another manifestation of a conventional tax within Muslim societies. The giving of alms therefore signifies – and functions as – both the spiritual and the sociopolitical obligation of every individual Muslim.

He argues that the only thing that distinguishes almsgiving in Muslim societies from the conventional tax before Islam or in non-Muslim societies lies in its spiritual dimension. Yet the functions of both are alike in social, economic, and political terms. To sum up, Mas'udi's concept of alms resembles the early Muslim concept of "fiscal instrument" and "public finance,"⁴⁸ despite the fact that he does not elaborate further on how the classical Muslim concepts of *anfāl*, *khums*, *jizyah*, *fay'*, and *kharaj* are to be applied in Indonesia's sociopolitical context.⁴⁹

He asserts that the Islamic concept of alms has deepened the meaning of conventional taxes by adding a spiritual or ethical dimension, for the latter

are largely paid without this spirituality. Muslims can pay taxes within the framework of their faith if they consider it to be a form of zakat.⁵⁰ In the same way, Christians and other religious groups can attach a transcendental dimension to their taxes in accordance with their own beliefs. As such, on the one hand Mas'udi seeks to reconstruct the meaning of Islamic almsgiving and, on the other hand, to deconstruct the status of the government's wealth by separating political power from the state's assets. Therefore, the government that administers taxes and alms should be accountable in both sociopolitical and spiritual terms – a concept that apparently attempts to juxtapose religious authority (organized religion) and political authority (the state)⁵¹ (see table 2).

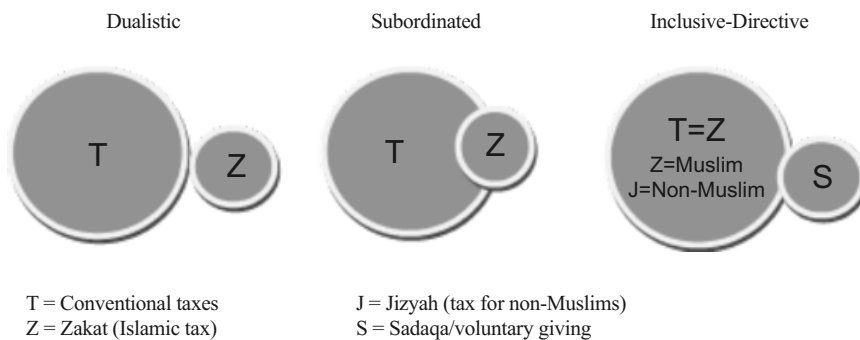
While juxtaposing conventional taxes and almsgiving, Mas'udi classifies *sedekah* (*ṣadaqah*) as another form of giving, but one that is conceptually different from the other two and thus renders state involvement unnecessary. *Sedekah* represents an individual's or a group's altruistic behavior that is unconnected to the collective social welfare. Islam recognizes the term *taṭawwu'* or *nāfilah*, meaning voluntarily giving (charities). While alms and taxes are a matter of public interest and social justice for all citizens, voluntary giving may be used for specific purposes. For example, as such giving is more flexible the resulting funds could be used to finance the building of a mosque, a synagogue, a church, or a temple or to preserve religious identity by establishing institutions of education and charitable health clinics. Charity activism, therefore, can be seen as an effort to complement the government's efforts to promote social justice within society.

As the state cannot overcome all problems that exist within a given society, it ought to allow private and civil society associations to organize charitable giving. Mas'udi believes that charity practice cannot replace the function and essence of alms, especially when only certain communities (i.e., religious groups, tribes, or ethnicities) can benefit from these charities. According to him, giving alms and paying taxes are supposed to benefit a larger segment of society, regardless of the recipients' ethnic and religious backgrounds. Meanwhile, charitable giving may reach certain segments of society to which state agencies have little or no access (see table 3).

In his conception of zakat administration, Mas'udi suggests that it is imperative for the state to utilize its political institutions to force citizens to fulfill their religious, social, and political obligations. The state's instruments have the necessary means and capacity to deliver social welfare and justice in a comprehensive manner. To him, the only realistic strategy for the state to pursue is to centralize the administration of alms and taxes. He is rather pessimistic about

those private voluntary organizations that are entrusted with collecting and redistributing alms and taxes, for they are subject to such factors as sectarianism and patronage.⁵² In addition, their capacities are very limited when compared to those of the state. First, without the state's authority, private voluntary organizations cannot force "wealthy but stingy" people to obey the social and religious compulsion of paying alms. Second, given that their ability is restricted to certain sectors and areas, their activities cannot cover the larger scope of social welfare. Third, with reference to the aspiration for social justice, these organizations have often been characterized by sectarianism, as evidenced by their tendency to shore up their own group. Therefore, they are largely unable to treat all elements or groups of society fairly⁵³ (see figure 1).

Figure 1. The Relationship between (Conventional) Taxes and Zakat (Masdar F. Mas'udi)



Zakat, Conventional Taxes, and Islamic Jurisprudence

Mas'udi's ideas on zakat and alms are by no means free of criticism. Muslim ulama and observers have reacted by arguing that zakat differs from conventional taxes in terms of its objectives, mechanism, and spiritual dimension.⁵⁴ Zakat is mostly paid in God's name, while paying a tax is simply one's responsibility as a citizen living in a certain state. Two seminars concerning zakat and tax were convened in Jakarta to discuss this issue. The first one strengthened the argument that emphasized the differences between zakat and alms, whereas the second seminar, organized by the NU, presented two competing arguments: (1) zakat and alms have certain similarities and therefore cannot be distinguished in essence and (2) zakat and tax are poles apart.

Some scholars who have analyzed Mas'udi thoughts from the perspective of Islamic jurisprudence see his formulation of alms and taxes as weak, especially in determining the portion of wealth that Muslims should pay. For

example M. Abdurrahman, a professor of Islamic studies and head of BAZ in Bandung, points out that the Qur'an and Sunnah have clearly determined the portion for zakat at 2.5% for trade, 5%-10% for agriculture, and 2.5% for wealth (*zakāt māl*). In his view, the percentage of zakat is too small and thus cannot meet the state's expenses. In addition, if we consider the conventional tax as zakat and set the rate at 15% of a person's income, this seems to be too much and inconsistent with the injunctions of the Qur'an or Sunnah.⁵⁵ Given these circumstances, Muslim intellectuals and practitioners are trying to make a "compromise" between the payment of zakat and taxes by reducing the latter.⁵⁶

Spiritualizing Conventional Taxes Is Politically and Religiously Problematic

Ulil Abshar Abdalla, a founder of Indonesia's Liberal Islam Network (JIL), disagrees with Mas'udi's juxtaposition of almsgiving and conventional taxes mainly on the grounds of the interplay between politics and civil society. According to him, Mas'udi has paid no attention to the consequences for civil society if the state takes over its role of mobilizing charity. Abdalla rejects state intervention in the realm of religious affairs, for the resulting centralized management of zakat could cause civil society to deteriorate politically and simultaneously obliterate existing traditions. At the grassroots level, he emphasizes, zakat has increasingly become a financial resource for religious leaders and their institutions. Muslim leaders in small villages utilize it to build *pesantrens* (Islamic boarding schools), mosques, madrasas, and other religious and social facilities. It is common for Javanese *kyai* (Muslim clerics or religious leaders) to receive zakat from their admirers. He also suggests that, at least theoretically, zakat is a source of political power for grassroot civil society organizations. If the state were to take over its administration, civil society would experience a process of gradual weakening.⁵⁷

However, Abdalla realizes that zakat practice among traditionalist Muslims, which benefits the village-based *kyai* and religious leaders, is not immune from criticism. Some may see the *kyai* as monopolizing economic resources at the grassroots level. Nonetheless, according to Abdalla, one should not forget that they do not receive a government salary and are rarely supported financially by the state. As a result, zakat and voluntary giving within society have become their sole sources of income and, therefore, of political power. In other words, these funds can keep local religious leaders independent of any attempted political cooptation by the government.

Also, as the New Order regime showed, giving the state absolute power to manage the country's socioeconomic resources and welfare results in unprecedented official abuse. As mentioned above, Mas'udi argues that private charitable institutions are not free from political interests, patron-client relationships, or sectarianism as regards the mobilization, and especially the redistribution, of charitable funds. Given this reality, ideally they should not be managed by private or voluntary organizations. Yet according to Abdalla, the state (notably government officials) is also, by nature, not a neutral political entity because it also has certain political and economic interests.⁵⁸

Observers would not be incorrect in noting that disagreements and inconsistencies have heavily characterized Islam's welfare and justice systems on both the discursive and practical levels. Timur Kuran, for example, argues that whereas many Muslims believe in the dictum that "Islam is the solution" in promoting justice and equality, and consider zakat to be a way to distribute wealth from the haves to the have-nots, "it is by no means self-evident ... that zakat would achieve this purpose."⁵⁹ In the context of zakat on salary, we may conclude that in spite of Muslims' agreement on zakat's substantive objective, "they disagree as to the procedures needed to reach them."⁶⁰ Ordinary Muslims may also wonder which zakat concept is suitable for Indonesian society and which practice is Islamic.

The Payment of Zakat on Salary

Structural and Standardized Approaches

The state engagement in the administration of zakat under the New Order began with a historic event: a speech delivered by President Soeharto in the Presidential Merdeka Palace of Jakarta on October 26, 1968. In front of a number of Muslim leaders, he showed his support for zakat mobilization by declaring that the practice may contribute to the country's social development process. As a display of how serious he was about this matter, he issued Presidential Order (*Surat Perintah Presiden*) No. 07/PPIN/10/1968 on October 31, 1968, which was subsequently followed by enacting zakat regulations in various regions and establishing BAZs in several provinces and districts, such as DKI Jakarta, West Java, Central Java, DI Yogyakarta, and East Java. Since then, the state's involvement in zakat administration has increasingly evolved and the existing BAZs have targeted government bureaucrats and civil servants.⁶¹

Under these circumstances, zakat practice can no longer be regarded as an exclusively religious affair; it is now also a political matter. This is not to

say that government-regulated zakat affairs caused community-based zakat committees to disappear, however, for their emergence did not automatically eradicate the roles of civil society associations in collecting and redistributing zakat and charity funds. For the majority of Indonesian Muslims, paying their zakat is, in practice, still voluntary. The questions now are what impact the enactment of zakat law has on zakat practice in the country as a whole, and which entities are subject to it.

In the aftermath of the New Order's collapse, Indonesia witnessed two momentous political events. First, the new national political environment allowed Indonesians to express their opinions, regardless of their religious, social, and ideological backgrounds. Second, a significant change in the political dynamics, both at the provincial and district levels, brought about by the Law on Regional Autonomy (*Otonomi Daerah*) allowed local governments to issue and implement what they considered to be suitable zakat policies for particular communities. In relation to zakat practice, the above situation made it possible for the government to make innovations by, for example, enacting Shari'a-by-laws on zakat and charity. At the same time, civil society associations set up community-based zakat agencies (LAZs).⁶²

The progress of implementing zakat regulations varies from one region to another. Some districts impose them effectively and collect a significant amount of zakat funds, whereas in other regions zakat regulations face resistance from civil servants at the grassroots level. More importantly, the main entities that have become subject to zakat regulations are civil servants, and the implementation of direct zakat deduction from civil servants is justified by zakat on salary (*zakat profesi*).

Government officials have used structural approaches and standardized mechanisms that, in certain contexts, are very pragmatic in their attempt to mobilize zakat on salary. The structural approaches of zakat practices imposed by the government at the provincial and district levels mean that it can withhold the zakat on salary from civil servants destined for BAZ. A structural approach means a top-down policy applied by the government to encourage Muslim civil servants to fulfill their religious and political duties. Embodying zakat law in political institutions can also mean that paying zakat through BAZ has a dual function for them: to be a "good citizen" by obeying government rules and regulations, and to be a "good Muslim" by following religious orders/doctrines. A standardized method signifies a simplified zakat practice, one that many Muslims regard as a religious practice, imposed as a way to optimize zakat collection. Supported by this top-down policy, in certain regions BAZs at least have one main source of regular zakat collection: 2.5% of all civil servants'

monthly salary. A similar method was implemented during the new Order Era, when the government sponsored the channeling of levied charitable giving (*sedekah*) from civil servants to the New Order's charitable foundations, such as the Yayasan Amal Bakti Muslim Pancasila (YAMP), which was sponsored – and even owned – by Soeharto.⁶³

It is interesting to analyze how the government's structural approach impacted civil servants during and after the New Order and to compare the roles played by its charitable foundations (e.g., YAMP) and the post-New Order's state-sponsored zakat bodies (e.g., BAZ). Despite the fact that many ulama support BAZ, such observers as Arskal Salim and Nur Ichwan point out that Soeharto's underlying motives as regards its operation were more political. After all, Soeharto had appointed himself head zakat collector. He even opened an account into which zakat agencies were urged to deposit their collected funds, a move that made people less enthusiastic about paying their zakat into that particular account.⁶⁴ Soeharto finally resigned his position.

In subsequent years, he surprisingly managed to formulate politically and economically ambiguous policies. For example, he allowed BAZ to operate and also created new charitable foundations, such as YAMP on February 17, 1982, through which he collected *sedekah* from civil servants. This foundation's main objective was to support the social and religious life of Indonesian Muslims by building mosques in both urban and rural areas.⁶⁵ It is clear that both YAMP and BAZ "burdened" Muslim civil servants with three types of payments: conventional taxes, zakat, and "imposed voluntary *sedekah*." Under the New Order, this type of *sedekah* collected domestic funds and the YAMP-collected *sedekah* outnumbered the payment of zakat by BAZ (See table 4 and table 5).

BAZ are able to deduct 2.5% of civil servants' monthly salaries as zakat payments. The zakat rate is applied similarly to all Muslim civil servants, and thus one is required to pay 2.5% of one's salary, regardless of position or total income. It is worth emphasizing that this deduction policy, following the implementation of regional autonomy during the last decade, continues to be marked by disagreement and inconsistency. BAZs tend to have different policies when it comes to classifying civil servants who are eligible to pay zakat, depending on the province in which they operate. As previously mentioned, zakat applies only to Muslims whose incomes are "zakatable," namely, that their incomes or salaries reach the level of *niṣāb*. In certain regions, such as the city of Bandung (West Java), the government deducts 2.5% of the salary made by middle or higher level employees (*pegawai golongan III & IV*), while in Padang (West Sumatra) zakat on salary is applied to all civil servants re-

ardless of their average income. It is safe to conclude that “pragmatism” has characterized the practice of zakat on salary. In certain regions, civil servants have resisted such structural approaches, especially when they believe that these elite-formulated regulations overlook the actual social and economic realities at the grassroots level (see table 6).

Resistance and Obedience

Despite the fact that most civil servants actually show their religious and political “obedience” by allowing this 2.5% deduction, resistance to the existing policies does occur. For example, in East Lombok (West Nusa Tenggara province) government-paid teachers demonstrated to publicize their political discontent and rejection of direct zakat deductions. This was in response to the local government’s enactment of the regent’s Ordinance No. 4/2004, which levies an approximately 2.5% deduction on all civil servants’ monthly salaries.⁶⁶ Other regencies that enacted regional zakat regulations include Bulukumba, Maros, and Makassar in Celebes; Solok, Bukittinggi and Padang in West Sumatra; Cianjur, Sukabumi, and the City of Bandung in West Java; and the province of Nanggro Aceh Darussalam.⁶⁷ East Lombok is an example of the failure of the government’s structural and bureaucratic approaches: It appears to overlook the civil servants’ actual condition, notably the government-paid teachers who already receive below-average salaries. In short, these new regulations have inconvenienced teachers.

Under these circumstances, the meaning of social justice and the function of alms is contested in both socioeconomic and political terms. The elite’s imagination of welfare is constrained by the people’s actual socioeconomic conditions. For example, the inconsistent implementation of religious and political regulations, contributes heavily to the increased resistance. Zakat regulation applies to all civil servants regardless of their economic condition and religious affiliation.⁶⁸ By 2004, East Lombok’s zakat ordinance had been in place for two years, during which time the voice of discontent circulated quietly at the grassroots level. In December 2005, it became a teacher-based resistance movement when they collectively manifested itself in the form of a strike.⁶⁹ This culminated in the suspension of direct deductions and the annulment of the zakat regulation ordinance in East Lombok. Since then, the regency’s people have channeled their zakat on salary to their preferred institutions: either state or civil society-based zakat agencies. Local Muslim teachers have returned to what can be described as the “nature” of zakat by paying it voluntarily through their preferred institution.



Three main factors have influenced the rise of such teacher resistance movements. First, they felt burdened by three kinds of deduction, namely, conventional taxes, zakat, and social “prosperity” (*infak, sedekah, or sumbangan sosial*), for their salaries were not as high those of the bureaucrats. Second, their rejection of direct deductions neither indicates their rejection of implementing Islamic teachings nor suggests that they seek to evade zakat payments altogether. Instead, it comes down to a matter of trust. Some were reluctant to channel their zakat and charitable donations to BAZ because they did not trust its ability to fulfill its duty. Third, the escalating resistance was also underpinned by the fact that Indonesian ulama and even local Muslim scholars differ on how zakat should be administered in a non-Islamic state.⁷⁰ In a nutshell, structural approaches and bureaucratically standardized methods designed to mobilize zakat practice are not always suitable because the interplay among religion, culture, and the state is very complex.

Resistance to this approach can be expressed in different ways. What happened in East Lombok was, of course, neither a unique nor an isolated event. In fact, James Scott discovered similar cases in both Malaysia and France when he analyzed the resistance among their peasants. During the 1970s, some farmers engaged in what Scott has called “resistance without protest” by openly refusing to declare to the actual acreage being cultivated. Other farmers simply registered a smaller figure, while the rest gave fallacious information regarding their actual paddy fields and harvest results.⁷¹ In Pakistan, the people’s resentment of and resistance to official zakat payments is expressed by “mass withdrawals from private savings accounts when zakat deductions are made, just before Ramadan.”⁷² This is done to avoid zakat deductions made by the state, as people do not fully trust the zakat committees due to the latter’s frequent tendency to politicize the use of the resulting funds. In Egypt under Hosni Mubarak, another form of resistance could be seen in how benefactors changed and channeled their zakat from government-controlled mosques to “privately-run mosques or directly to a beneficiary.”⁷³

This is not to say that the success stories of the structural approaches are absent. Observers of the role of BAZ and Shari’a-by-laws (*perda syariah*) in the era of regional autonomy reveal some interesting findings. Michael Buehler provides many examples how zakat regulations targeting bureaucrats and prospective pilgrims in the Bulukumba district and Makassar City made zakat and even *infak* or *sedekah* payments mandatory. The payment methods employed there are similar to the one used in East Lombok: deducting the payments from the civil servants’ monthly salaries. This



regulation has also reached private sector enterprises ranging from state-owned companies and small vendors to nightclubs and karaoke bars, all of which are forced to pay 2.5% of their revenues. Prospective pilgrims are also expected to pay 1% of the expense of their pilgrimage (ONH [*Ongkos Naik Haji*]) to BAZ.⁷⁴

Seen from this perspective, one can conclude that the state has tried to broaden its authority in order to rule and control not only mandatory giving, but also voluntary giving. The above examples illustrate the inconsistency and ambiguity of Islamic forms of giving now practiced in Indonesia, especially after the state's interference. It seems that there has been a tendency in various regencies, as evidenced by the enactment of regional zakat regulations, to combine New Order policies on imposing voluntary giving and post-New Order policies of mandatory and automatic zakat deductions. Some may wonder whether participating in the practice of giving represents a person's political obedience, spiritual expression, social piety, or all of these.⁷⁵

The most recent example of how zakat issues remain contested can be traced back to the issuance of a zakat law in 2011, which seems to give more authority to government officials, represented by BAZ, than to community-based zakat organizing (LAZ). As soon as the Indonesian People's Representative Council (DPR) passed a new government-sponsored law on zakat, civil society organizations attempted to challenge it by proposing a judicial review on the grounds that it gives the BAZ greater authority in administering zakat while it simultaneously eliminates the roles of civil society organizations in mobilizing zakat.

The increasing development of zakat practice discussed above reflects that the state and civil society associations have engaged – and sometimes competed with one another – in collecting both Islamic forms of voluntary and mandatory giving. The development of zakat mobilization suggests that direct BAZ supervision is an important factor, for it can mean the enactment of a zakat law that bestows upon it a powerful legal authority to impose zakat payments on government bureaucrats and civil servants. However, this authority is not always effective when implemented, and the state's policy on zakat does not always represent the concerns of Islamic scholars. All of this is due to the fact that paying zakat is not simply related to imposing zakat ordinances, rules, and regulations, but to the fact that it also deals with issues of trust and the honesty of zakat collectors entrusted with redistributing the collected funds. The rebuffing of zakat and mandatory *sedekah* payments by Muslim bureaucrats, civil servants, and employees can be regarded as incidents of religious, social, or political resistance.



In the current Indonesian socio-religious and political settings, the boundary between public and private matters is blurred, and thus the question of whether paying zakat is mandatory and voluntary in character is contested. Until now, Indonesians at both the societal and government levels have been struggling with how to conceive of and practice zakat correctly.

Conclusion

This article has shown that the vibrant sociopolitical development and intellectual discourse among Islamic scholars in conceiving zakat practice in Indonesia's social, economic, and political settings has resulted in a very dynamic development of Muslim legal thought. The ulama's remarkable debate about zakat on incomes clearly indicates the plurality of Indonesian Islam. The wide-ranging spectrum of opinion on zakat matters among Indonesia's Muslims, be they modernists or traditionalists, has, in fact, been instrumental in shaping the plurality of the country's jurisprudential system and legal thought.

At the same time, it provides alternative ways for Muslim communities to perform their religious orthodoxies. Along with those living in many non-Islamic states, Muslims in Indonesia have been faced with several challenging social, economic, and political currents: how to reconcile zakat and taxes, build a synergy between the government and civil society to foster public welfare, and implement the concept of zakat in their country's pluralistic society.

It should also be noted that serious attempts made by Islamic scholars, who used legal perspectives to understand zakat matters, were to some extent overlooked by practitioners and the state apparatus alike. The bureaucratization of zakat collection, which involves state-sponsored zakat collectors, and the standardization of zakat regulations under the MUI's supervision have led to very active zakat mobilization through the government bureaucracy. As in other Muslim countries, the state's imposition of zakat and bureaucratization of its collection does not always succeed. The very liberal process of decentralization has provided local governments with more opportunities to issue local laws and capitalize on Islam-based policies for political purposes. This is partly evidenced by the rise of resistance movements. As one observer has pointed out, the objective of the state apparatus is probably simply to increase "local government revenues" as a way to consolidate capital for political purposes.⁷⁶

Finally, the gap between theories and practice of zakat on the incomes of Indonesian Muslims can be seen as an example of how zakat matters are contested in contemporary Indonesia. It seems likely that disagreements among Islamic scholars over zakat rates, zakat functions, zakat collection methods,



net and gross income, as well as whether zakat payments should be made before or after taxes, have become circumstantial evidence as regards the current three-decade-long contestation of zakat practice within the country.

Implementing zakat on salary has had two consequences: First, this very concept can become a means to make zakat payments far easier than the payment of zakat on wealth in general. This is because such a policy allows the authorities and zakat collectors to easily calculate, control, and mobilize as well as impose zakat payments on those who are “zakatable.” In other words, imposing a 2.5% levy on monthly salaries may gradually replace the practice of zakat on wealth (agriculture, commerce, etc.). Second, and from another perspective, I speculate that institutionally imposing zakat on incomes is simply an initial step taken by Muslim communities to reshape zakat into a kind of fiscal instrument, one that will eventually change the nature and culture of giving practice in general, and practicing zakat in particular. This is in line with findings that suggest that following the New Order’s collapse, zakat practice in Indonesia “has gradually shifted from merely being an act of religious piety to being a means for establishing an Islamic socio-political and economic system in Indonesia.”⁷⁷

Appendix 1: Tables

Table 1. The Nomenclature and Rule of Zakat on Salary in Indonesia

Islamic Assoc.	Nomenclature	Jurisprudential Matters	Percentage
Amien Rais	<i>Zakat Profesi</i> (Professional Zakat)	<ul style="list-style-type: none"> • <i>Qiyās</i> (analogical reasoning) The idea of social justice • Analogizing particular incomes to agriculture or <i>rikāz</i> in terms of easiness • This concept (extra benefits or wealth) is applied only to particular professions • <i>Niṣāb</i> is not determined 	5% to 20%, depending upon the type of incomes. <i>Hawl</i> is not determined.
MUI	<i>Zakat Penghasilan</i> (Zakat on Incomes) Gross income	<ul style="list-style-type: none"> • <i>Qiyās</i> (analogical reasoning) • Analogous to zakat of commerce • Applied to both regular or irregular incomes • <i>Niṣāb</i>: 85 grams of gold 	2.5%. Payment can be deducted directly from the salary. <i>Hawl</i> is not required.
Muhammadiyah	<i>Zakat Profesi</i> Gross income	<ul style="list-style-type: none"> • <i>Qiyās</i> (analogical reasoning) • Analogous to zakat of commerce • Applied to all kind of incomes • <i>Niṣāb</i>: 85 grams of gold or 552 kg rise (in another source) 	2.5%. The more, the better (in another source).

Nahdlatul Ulama	<i>Zakat Gaji</i> (Zakat on Salary) Gross income	<ul style="list-style-type: none"> Applied only to professions resembling commerce (exchange of commodities) <i>Niṣāb</i>: 85 grams of gold 	2.5%. <i>Hawl</i> (one lunar year) is required. No direct salary deduction. Annual payment.
Persatuan Islam	<i>Infak Wajib</i> (Mandatory Giving). Can be net and gross salary	<ul style="list-style-type: none"> <i>Lā Qiyās</i> (No analogical reasoning for <i>'ibādāt</i>, including zakat) 	Not determined. The more, the better.
BAZNAS	<i>Zakat Profesi</i> Gross income	<ul style="list-style-type: none"> <i>Qiyās</i> (analogical reasoning) Analogous to zakat of commerce Applied to both regular or irregular incomes <i>Niṣāb</i>: 85 grams of gold 	2.5%. Payment can be directly deducted from salary. <i>Hawl</i> is not required.
Dompot Dhu'afa	<i>Zakat Profesi</i> Net income	<ul style="list-style-type: none"> <i>Qiyās</i> (analogical reasoning) Applied to all types of income Uncertain Analogy Uncertain <i>Niṣāb</i> 	2.5%. <i>Hawl</i> is not determined. Can be paid monthly or annually.
Rumah Zakat Indonesia	<i>Zakat Profesi</i> Net income or gross income (depending on the his/her willingness the zakat payer)	<ul style="list-style-type: none"> <i>Qiyās</i> (analogical reasoning) Applied to all types of income Analogous to zakat of agriculture <i>Niṣāb</i>: 5 <i>wasaq</i>/520 kg rice 	2.5%. <i>Hawl</i> is not required.

Table 2. Zakat, Conventional Tax, Zakat-intended Tax Payments

Consideration	Zakat	Conventional Tax	Tax=Zakat
Basic Law	The Qur'an and Hadith	Government ordinance	An Islamic and just ordinance
Subject	Only Muslims	All citizens	Muslim citizens
Characteristic	Religious obligation	Sociopolitical obligation	Religious obligation with state authorization
Object	Specific wealth/ Net income	Fixed income/ Gross revenues	Particular wealth according to the principles of justice
Function/ Beneficiaries	Eight types of legitimate Muslim beneficiaries	In accordance with the state's national (APBN) or regional (APBD) expenditures	Eight types of legitimate beneficiaries (notably the needy) and determined by the state
Reward/ Compensation	Reward from God	Availability of public facilities and services	The apportionment of welfare and blessed by God

Table 3. Mas'udi's Reinterpretation of Eight Zakat Beneficiaries (*Ashnaf*)

Types of <i>Ashnaf</i>	Basic Concept	Conventional Meaning	Contextual Meaning
<i>Fuqara</i>	The poor	Consumptive aid for the poor and needy	Any means to alleviate poverty through charity or structural programs
<i>Masakin</i>	The needy	Consumptive aid for the poor and needy	Any means to alleviate poverty through charity or structural programs
<i>'Amilin</i>	Zakat committees	Honorarium for zakat committees	Salary for public servants
<i>Muallaf Qulubuhum</i>	Those whose hearts are inclined to Islam	Those who are expected to convert or are newly converted to Islam	Isolated community/ prisoners
<i>Riqab</i>	The oppressed	Freeing servants/ slaves	Facilitation for oppressed communities
<i>Gharimin</i>	The debtor/the bankrupt	Assisting the bankrupt	Assistance for overcoming the debt of people/institution/state
<i>Sabilillah</i>	Beneficence way	Financing war against disbelievers	Expenditure for defence and security, law enforcement, and public facilities and services
<i>Ibn Sabil</i>	Street Children	Wayfarers	To assist those who have been thrown out of their dwelling places: (1) wayfarers with a shortage of food and shelter and (2) refugees

Table 4. Zakat Collection by State-sponsored Zakat Bodies District Offices of Jakarta (January 1-September 30, 2008)

BAZ	MZS			GAR		TOTAL (IDR)
	Zakat	<i>infāq</i> & Sedekah	Coupon	Zakat	Infak & Sedekah	
District Office West Jakarta						
Employees	333,410,000,-	317,798,000,-	13,294,000,-	-	59,558,000,-	724,060,000,-
Entrepreneurs	4,000,000,-	-	20,000,000,-	-	-	24,000,000,-
Bureaucrats	-	-	-	-	-	-
District Office Central Jakarta						
Employees	772,746,000,-	63,425,000,-	-	9,215,000,-	18,471,600	86,857,600,-
Entrepreneurs	-	-	-	-	-	-
Bureaucrats	222,250,000,-	-	-	-	-	222,250,000,-

District Office South Jakarta						
Employees	4,875,001,-	745,099,875,-	-	-	-	788,974,876,-
Entrepreneurs	-	-	-	-	-	-
Bureaucrats	-	-	-	-	-	-
District Office East Jakarta						
Employees	481,282,500,-	60,490,000,-	-	-	-	541,772,500
Entrepreneurs	-	-	-	-	-	-
Bureaucrats	-	-	-	-	-	-
District Office North Jakarta						
Employees	265,777,000,-	14,867,000,-	-	-	-	304,940,000,-
Entrepreneurs	85,000,000,-	-	-	-	-	85,000,000,-
Bureaucrats	38,140,000,-	1,170,000,-	-	-	-	39,310,000,-
District Office Kepulauan Seribu						
Employees	-	8,784,000,-	-	-	-	8,784,000,-
Entrepreneurs	-	-	-	-	-	-
Bureaucrats	-	-	-	-	-	-
TOTAL						

Table 5. Total Zakat & Sadaqa Collection by BAZ of DKI Jakarta
Under the support of sub-district zakat collectors (January 1-September 30, 2008)

BAZ	The Number of Subdistrict Zakat Collectors	Total Collection
Regent Office West Jakarta	8 Sub-districts with 56 <i>kelurahan</i> (villages)	2,791,693,500,-
Regent Office Central Jakarta	8 Sub-districts with 44 <i>kelurahan</i>	2,685,853,433,-
Regent Office South Jakarta	10 Sub-districts with 66 <i>kelurahan</i>	4,671,516,351,-
Regent Office East Jakarta	10 Sub-districts with 70 <i>kelurahan</i>	1,703,138,000
Regent Office North Jakarta	6 Sub-districts with 33 <i>kelurahan</i>	1,729,365,400,-
Regent Office Kepulauan Seribu	2 Sub-districts with 6 <i>kelurahan</i>	17,199,000, -
TOTAL	6 District offices, 44 sub-district offices and 273 <i>kelurahan</i>	13,598,765,684

Table 6. The Collection of zakat/*infāq*/sadaqa in the City of Bandung 2005-2008

	2005	2006	2007	2008	Total (IDR)
Collection	860,792,660.00	1,204,281,214.21	1,454,484,988.00	1,693,470,397.00	
Redistribution	480,521,765.86	856,574,570.40	1,233,661,302.38	1,717,495,295.00	4,288,252,933.64
Balance	380,270,894.14	347,706,643.81	220,823,685.62	4,024,898.00	924,776,325.57

Endnotes

1. Amelia Fauzia, *Faith and the State: The History of Islamic Philanthropy in Indonesia* (Leiden: Brill, 2013).
2. Asep Saepuddin Jahar, "The Clash between Muslim and the State: Waqf and Zakat in Post Independence Indonesia," *Studia Islamika* 13, no. 3, (2006): 353-96; Arskal Salim, "Zakat Administration in Politics of Indonesia," in *Shari'a and Politics in Modern Indonesia*, ed. Arskal Salim and Azyumardi Azra (Singapore: ISEAS, 2003).
3. Taufik Abdullah, "Zakat Collection and Redistribution in Indonesia," in *The Islamic Voluntary Sector in Southeast Asia*, ed. Mohammed Ariff (Singapore: ISEAS, 1991), 52-53; Arskal Salim, *The Shift in Zakat Practice in Indonesia: From Piety to an Islamic Socio-Political-Economic System* (Chiang Mai, Thailand: Asian Muslim Action Network and Silkworm Books, 2008).
4. Debates surrounding the relationship between zakat and conventional tax have been ongoing since the mid-1980s, especially after two Muslim scholars, Syarifuddin and Masdar F. Mas'udi, attempted to juxtapose and reconcile zakat (Islamic tax) and conventional tax. For further discussion, see Amir Syarifuddin, "Zakat and Pajak: Alternatif Memadukannya," *Pesantren* 3, no. 2 (1986): 21-28; Masdar F. Mas'udi, *Agama Keadilan: Risalah Zakat (Pajak) dalam Islam* (Jakarta: P3M, 1993).
5. Literature on zakat written in the 1960s-70s by Indonesian ulama and scholars such as A. Hassan and Tengku Hasby Ash Shiddiqy were very much characterized by Islamic legal issues instead of social concerns.
6. See, for example, Sjechul Hadi Utomo, *Pemerintah Republik Indonesia sebagai Pengelola Zakat* (Jakarta: Firdaus, 1993); Nuruddin Muhammad Ali, *Zakat sebagai Instrumen dalam Kebijakan Fiskal* (Jakarta: Rajawali, 2006), 127-83; Ahmad Sutarmadi, *Menggagas Pengelolaan Zakat oleh Negara* (Jakarta: Nuansa Madani, 2001).
7. See M. Dawam Rahardjo, "Zakat dalam Perspektif Sosial Ekonomi," *Pesantren* 3, no. 2 (1986): 35-50. Murasa Sarkaniputra, "Mekanisme Zakat dan Al-Qiradl dalam Pembangunan Berkeadilan Sosial: Sebuah Pandangan Teoretis Tenaga Keseimbangan Yang Ajeg (Steady State Equilibrium)," (paper presented at Pertemuan Cendekiawan Muslim, Jakarta, December 26-28, 1984. Sahri Muhammad, *Pengembangan Zakat dan Infak dalam Usaha Meningkatkan Kesejahteraan Masyarakat* (Malang: Yayasan Pusat Studi Avicena, 1982).
8. Jonathan Benthall, "Palestinian Zakat Committees 1993-2007 and Their Contested Interpretation," *PSIO International Paper* (Geneva: Graduate Institute of International and Development Studies, 2008); see also his "Financial Worship: The Qur'anic Injunction to Almsgiving," *Journal of the Royal Anthropological Institute* 5, no.1 (March 1999): 27-42.
9. Concerning the state's involvement in – and approach to – zakat organizing in the Muslim world, see Russell Powell, "Zakat: Drawing Insights for Legal The-

- ory and Economic Policy from Islamic Jurisprudence,” *University of Pittsburgh Tax Review* 7, no. 43 (2009): 24-101.
10. *Ibid.*, 62.
 11. Holger Weiss, “Zakat and the Question of Social Welfare: An Introductory Essay on Islamic Economics and Its Implication for Social Welfare,” in *Social Welfare in Muslim Societies in Africa*, ed. Holger Weiss (Stockholm: Nordiska Afrika-institutet, 2002), 7.
 12. Malaysia has thirteen federal states, five of which (Pulau Penang, Selangor, Negeri Sembilan, Pahang, and Malacca) have set up zakat centers; the rest (Kedah, Perlis, Kelantan, Terengganu, Perak, Johor, Sabah, and Sarawak) have preferred a “conventional approach.” According to Syawal Kasam, the “conventional approach” means that zakat is managed by a zakat body supervised by the sultan. Meanwhile, the “modern approach” gives more authority to the Baitul Mal of the State Islamic Religious Council. See Syawal Kasam, “Governing Zakat as a Social Institution: The Malaysian Perspective,” in *Southeast Asia Zakat Movement*, ed. Arifin Purwakananta and Noor Aflah (Jakarta: Forum Zakat, Dompot Dhuafa, and Pemkot Padang, 2008), 111-12. For a more comprehensive account of the social history of the zakat movement in Malaysia, see Abdul Aziz bin Muhammad, *Zakat and Rural Development in Malaysia* (Kuala Lumpur: Berita Publishing, 1993); also Mujaini Tamirin, “Zakat Penggajian: Satu penilaian Terbaru di Malaysia” (doctoral thesis, Universiti Malaya, 1995).
 13. James Scott, “Resistance without Protest: Peasant Opposition to the Zakat in Malaysia and the Tithe in France” (The Fourth James C. Jackson Memorial Lecture, Asian Studies Association of Australia, 1986), 425.
 14. Christopher Candland, “Faith as Social Capital: Religion and Community Development in Southeast Asia,” *Policy Sciences* 33 (2000): 359.
 15. Ed van Hoven, “Local Tradition or Islamic Precept: The Notion of Zakat in Wuli (Eastern Senegal),” *Cahiers d’Études Africaines* 36, no. 144, *Mélanges maliens* (1996), 703-22.
 16. See Mitsuo Nakamura, *The Crescent Arises over the Banyan Tree: A Study of the Muhammadiyah Movement in a Central Javanese Town* (Yogyakarta: Gadjah Mada University Press, 1993), 90; E. Gobee and C. Adriaance, *Nasihat-nasihat C. Snouck Hurgronje Semasa Kepegawainnya Kepada Pemerintah Hindia-Belanda* (Jakarta: INIS, 1992), especially chap. 28, “Zakat and Fitrah,” 1324-34. Traditionally, people also preferred to channel their zakat and charity to “traditional midwives” (*dukun bayi*), “circumcisers” (*tukang khitan*), and “caretakers of the graveyards” (*penjaga kuburan*). Muhammad Hisyam, “Caught between Three Fires: The Javanese Penghulu under the Dutch Colonial Administration 1882-1942” (doctoral thesis, Leiden University, 2001), 118.
 17. Holger Weiss, *Obligatory Almsgiving: An Inquiry into Zakat in the Pre-Colonial Bilad al-Sudan* (Helsinki: The Finnish Oriental Society, 2003), 23-27.
 18. See *Majalah Tempo* (May 1998); Muhammad Amien Rais, *Tauhid Sosial: Formula Menggempur Kesenjangan* (Bandung: Mizan, 1998). Abdul Rashid Dail



(professor of Islamic studies at the Universiti Malaya) first launched and popularized this concept in Malaysia, and subsequently in Indonesia, in the late 1970s Abdul Rashid Dail, "Zakat Gaji dan Pendapatan Bebas," *Islamiyyat* (1979): 1-20; see also Mujaini Tamirin, *Zakat Pendapatan: Hukum dan Persoalannya* (Kuala Lumpur: Khaisa Services Sdn. Bhd., 1999); and Mujaini Tamirin, *Zakat: Menuju Pengurusan Professional* (Kuala Lumpur: Utusan Publication and Distributor Bhd., 2005), 30. Prior to the 1980s, even though many publications on zakat had been circulating in Indonesia, only a few scholars discussed *al-māl al-mustafād* (zakat on earnings). Among them were T. M. Hasbi Ash Shiddiqy (professor at the Syariah Faculty, IAIN Sunan Kalijaga Yogyakarta) and Ahmad Hassan (the leading personality of Persatuan Islam [Persis-Islamic Union]). Their works, however, were limited to the idea of *hawl*: whether or not zakat on *al-māl al-mustafād* can be paid before the passage of one year. Ash Shiddiqy wrote some articles and books on zakat, but while discussing *al-māl al-mustafād* he offered no new thoughts besides his account of the classical ulama's viewpoints on this term. One of his conclusions was that this particular type of zakat should be paid only after the passage of one year. See, for example, his *Pedoman Zakat*, 17. A. Hassan also came up with this same idea in his *Wajibkah Zakat sebelum Setahun?* (Bangil: Persatuan, 1959), 2:19.

19. In particular, Amien Rais raised concern over the New Order's unjust social, economic, and political system. He criticized the regime by publishing his opinions throughout the Indonesian media. His attitude toward the New Order's corruption can be seen in part in Habib Basyaib and Ibrahim Ali-Fauzi, *Ada Undang di Balik Busang: Dokumentasi Pers Kasus Amien Rais* (Bandung: Mizan, 1997).
20. See Muhammad Amien Rais, *Tauhid Sosial*, for his deep concern about welfare issues, social and economic justice, and the transferral of religion into the social and political domains.
21. Ali al-Surbagi, *Fariḍat al-Zakāt wa al-Ṣadaqah al-Mandūbah* (Beirut: Dar al-Bashair al-Islamiyyah, 1993), 7; Muhammad Ibrahim al-Hifnawi, *Fiqh al-Zakāt* (Cairo: Dar al-Hadith, 1996), 18.
22. *Ijithād* is defined as the use of personal or collective effort to find something not clearly prescribed in the Islamic sources, notably the Qur'an and Sunnah.
23. A. M. Saefuddin, "Resep yang Terbaikan," *Pesantren* 3, no. 2 (1986): 53-56.
24. This notion has recently been revived by Arie Sudewo, who argues that 2.5% is no longer sufficient to afford the current expenditures of zakat-financed social projects. Therefore, he suggests that Southeast Asia's Muslim scholars should determine a new accepted standard of the zakat percentage.
25. M. Amien Rais, *Cakrawala Islam antara Cita dan Fakta* (Bandung: Mizan, 1987), 59.
26. *Ibid.*, 60.
27. *Ibid.*, 61.
28. *Ibid.*, 62.



29. This does not mean that zakat agencies were absent from the public sphere before the 1990s. On the societal level, such Islamic civil society associations as the Muhammadiyah, the Nahdlatul Ulama, Persatuan Islam, and al-Irshad al-Islamiyyah have operated zakat agencies since the early twentieth century. As we shall see in the following sections, quasi-state zakat agencies have been functioning at the government level since the 1970s. Yet as a national movement, professionally managed community-based zakat agencies only emerged during the 1990s.
30. *Gala Daily*, April 19, 1990; see also <http://kajianislam.wordpress.com/2008/04/23/zakat-profesi-dua-puluh-persen-dan-kerancuan-ushul-fiqih/>.
31. “And know that out of all the booty that ye may acquire (in war), a fifth share is assigned to Allah, and to the Messenger, and to near relatives, orphans, the needy, and the wayfarer, if ye do believe in Allah and in the revelation We sent down to Our servant on the Day of Testing, the Day of the meeting of the two forces. For Allah hath power over all things” (Q. 8:41).
32. He supports his conclusion by quoting from several Arabic dictionaries, among them al-Raghib’s *Al-Mufradāt*, Ibnu Faris’ *Muqāyīs*, al-Jawhari’s *Al-Ṣihāh fi al-Lughah*, and Ibn al-Atsir’s *Lisān al-‘Arab*.
33. Jalaluddin Rahmat, *Islam Aktual*, 152-53. For further discussion about Rahmat’s view on poverty and the poor, the relation between the haves (*al-aghniyā’*) and the have-nots (*al-fuqarā’*), and between the strong (*al-malā’*) and the weak (*al-dhu‘afā’*), see Jalaluddin Rahmat, *Islam Alternatif: Ceramah-ceramah di Kampus* (Bandung: Mizan, 1986), 59.
34. See *Suara Muhammadiyah*, no. 4 (1986); also reprinted in P. P. Muhammadiyah, *Tanya Jawab Agama* (Yogyakarta: Suara Muhammadiyah, 1992), 2:132-33.
35. Muhammadiyah, *Tanya Jawab Agama*, 3:132-33; see also P. P. Muhammadiyah, *Tanfidz Keputusan Tarjih Muhammadiyah XXII Malang* (Yogyakarta: P. P. Muhammadiyah, 1990), 24.
36. Muhammadiyah, *Tanya Jawab Agama*, 5:132-33.
37. A. Aziz Masyhuri, ed., *Masalah Keagamaan: Hasil Mukhtamar dan Munas Ulama Nahdlatul Ulama* (Jakarta: Pimpinan Pusat Rabithat Maahid Islamiyyah, 2000), 2:184-85.
38. M. A. Sahal Mahfudh, *Nuansa Fiqih Sosial*, 2 ed. (Yogyakarta: LKIS, 2003).
39. Majelis Ulama Indonesia, *Himpunan Fatwa Majelis Ulama Indonesia* (Jakarta: Direktorat Proyek Sarana dan Prasarana Produk Halal, Direktorat Jenderal Bimas Islam dan Penyelenggaraan Haji, Departemen Agama RI, 2003), 87-91.
40. The MUI’s explanation overlooks a discussion on Rais and Rahmat’s analogy between zakat on salary and zakat on treasure.
41. Didin Hafifuddin, *Anda Bertanya tentang Zakat, Infak dan Sedekah, Kami Menjawab* (Jakarta: BAZNAS, 2006), 149-53.
42. Persatuan Islam, *Kumpulan Keputusan Sidang Dewan Hisbah Persatuan Islam* (Bandung: Persis, 2008), 168; see also M. Abdurrahman, *Dinamika Masyarakat Islam dalam Wawasan Fiqih* (Bandung: Rosdakarya, 2002), 115.

43. Persatuan Islam, *Kumpulan Keputusan*, 172 and 183.
44. The Hizbut Tahrir Indonesia (HTI) holds a similar opinion. Interview with Ismail Yusanto, spokesperson of HTI, Jakarta, October 22, 2008.
45. For further reading, see Adi Satria Tanjung, *Penetapan Wajib Zakat berdasarkan Upah Minimum Regional (UMR) dan Kebutuhan Hidup Minimum (KHM)* (Tangerang, Indonesia: Alfabeta Press, 2005).
46. A number of respected ulama, such as Yusuf al-Qaradawi, Ibn Hajar al-Haytami, Sheikh Muhammad Shalhuth, and Sheikh Abu Zahrah, reject integrating zakat with conventional tax on the grounds that doing so would eliminate zakat as one of Islam's fundamental principles.
47. Amir Syarifuddin, "Zakat and Pajak: Alternatif Memadukannya," *Pesantren* 3, no. 2 (1986): 26-27.
48. For further discussion, see Timur Kuran, "Islamic Redistribution through Zakat: Historical Record and Modern Realities," in *Charity and Poverty in Middle Eastern Contexts*, ed. Michael Bonner, Mine Ener, and Emy Singer (Albany: State University of New York Press, 2003), 275-94.
49. For further discussion of various classical works, see, for example, Ugi Suharto, *Keuangan Publik Islam: Reinterpretasi Zakat dan Pajak*, tr. Tim Penerjemah STIS Jogja (Yogyakarta: Pusat Studi Zakat, Islamic Business School-STIS, 2004).
50. Interview with Masdar F. Mas'udi, director of P3M, Jakarta, October 24, 2008.
51. Therefore, when President Megawati Sukarnoputri (2001-04) promoted national zakat management in 2001, Mas'udi was unenthusiastic on the grounds that her administration had subordinated alms to conventional tax. According to him, the recent situation reflects the fact that the state controls religion. *islamlib.com*, December 9, 2001, <http://islamlib.com/id/artikel/zakat-bukan-money-laundering/Interview>.
52. Masdar F. Mas'udi, *Agama Keadilan: Risalah Zakat (Pajak) dalam Islam* (Bandung: Mizan, 2005), 56-69.
53. *Ibid.*, 132.
54. *Republika*, February 29, 1996 and *Republika* April 12, 1996; "Zakat dan Pajak: Jawaban Masdar F. Mas'udi kepada Kyai Cholil Bisri Rembang," *Aula* (August 1992): 69-75 and "Pajak Diniati Zakat," *Republika*, March 15, 1996.
55. Interview with M. Abdurrahman, acting director of BAZ of Bandung and head of the Central Board of Persatuan Islam, September 29, 2008, in Bandung.
56. Arskal Salim, *The Shift in Zakat Practice*, 38-39.
57. *Kompas*, December 23, 2000.
58. Ulil Abshar Abdalla, "Sedikit Gagasan tentang Zakat," *ibid.* December 23, 2000.
59. Timur Kuran, "Islam and Mammon," 111-12.
60. *Ibid.*, 112.
61. See Nur Ichwan, *Official Reform of Islam: State Islam and the Ministry of Religious Affairs in Contemporary Indonesia, 1966-2004* (doctoral thesis, Tilburg University, 2006), 190-91.

62. See, for example, Hilman Latief, "Developing Cross-Sector Coherence: Islamic Philanthropy, Agenda of Third Sector Organizations, and Civil Society in Indonesia," *Zakat and Empowering* (August 2008), 1:48-61; Amelia Fauzia, "Bazis DKI Jakarta: Opportunities and Challenges for the Religious Alms Collection Agency in Local Government," in *Islamic Philanthropy and Social Development*, ed. Chaider S. Bamulaim et al. (Jakarta: CSRC, 2006), 30-59.
63. President Soeharto set up many foundations, such as the Supersemar Foundation, the Dana Sejahtera Mandiri Foundation (Damandiri), the Darma Bhakti Sosial Foundation (Darmais), and the Dana Abadi Karya Bakti Foundation (DAKAB). See, for example, George Junus Aditjondro, "Yayasan-Yayasan Soeharto," *Tempo*, May 14, 2004.
64. Arskal Salim, *The Shift in Zakat Practice*, 31.
65. Interview with Sulastomo, acting director of YAMP, on February 24, 2009 in Jakarta.
66. For the profile of East Lombok's BAZ, see Tim Institute Majemen Zakat, *Profil 7 Badan Amil Zakat: Daerah Provinsi & Kabupaten Potensial di Indonesia* (Jakarta: IMZ, 2006).
67. Ahmad Fathan Aniq, "Zakat Discourse in Indonesia: A Study of Teachers' Resistance to Zakat Regional Regulation in East Lombok" (master's thesis, Leiden University, 2008), 32. A similar case can also be found in Tulungagung (Central Java), where the local people reacted to this zakat rule's imposition. Muhammad Hadi, *Problematika Zakat Profesi & Solusinya: Sebuah Tinjauan Sosiologi Hukum Islam* (Yogyakarta: Pustaka Pelajar, 2010), 120.
68. The Padang Municipality in West Sumatra has implemented a similar policy.
69. Aniq, *Zakat Discourse in Indonesia*, 50.
70. See Mubyarto, "Zakat di Negara Pancasila," *Pesantren* 3, no. 2 (1986): 29-35.
71. Scott, *Resistance without Protest*, 426.
72. Candland, "Faith as Social Capital," 359; Latief, "Developing Cross-Sector Coherence," 53-55.
73. See Samantha May, "Political Piety: The Politicization of Zakat," *Middle East Critique* (2013), 9-10, <http://dx.doi.org/10.1080/19436149.2013.783536>.
74. Michael Buehler, "Shari'a By-Laws in Indonesian Districts: An Indication for Changing Patterns of Power Accumulation and Political Corruption," *Southeast Asia Research* 16, no. 2 (2008): 171.
75. For details on the practice of zakat on salary in Malaysia, see, for example, Mohd Ali Mohd Nor, Hairunnizam Wahid, and Nor Ghani Md Nor, "Kesedaran Membayar Zakat Pendapatan di Kalangan Kakitangan Profesional Universiti Kebangsaan Malaysia," *Islamiyyat* 26 no. 2 (2004): 59-67. The authors conclude that a person's quality of faith and knowledge of religion strongly influence the practice of zakat, including the payment of zakat on salary. While this work shares interesting findings, it seems to have overlooked the sociopolitical dynamics at the grassroots level, for it only explores the discourse behind the



unwillingness of these people to pay zakat on salary through government zakat bodies. For a comparison, see Aidit bin Ghazali, "Zakat Administration in Malaysia," in *The Islamic Voluntary Sector*, ed. Mohamed Ariff, 106. Aidit points out three factors that have encouraged people to channel their zakat to unofficial agencies: (1) the "political factor," that is, the opposition of political parties such as PAS; (2) "individual inclination"; and (3) "lack of confidence in the council's efforts to distribute the zakat proceeds."

76. Buehler, "Shari'a By-Laws in Indonesian Districts," 173-76.
77. Arskal Salim, "The Influential Legacy of Dutch Islamic Policy on the Formation of Zakat (Alms) Law in Modern Indonesia," *Pacific Rim Law & Policy Journal* 15, no. 23 (2006): 701.

