DEMOCRATIC GOVERNANCE

LOCAL POLITICS AND PUBLIC MANAGEMENT ISSUES IN INDONESIA

Editors:
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Queeny Pearl Tomaro

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Contents

HOW DO ISLAM AND GOOD GOVERNANCE ADDRESS PUBLIC ISSUES? A COMPARATIVE VIEW IN THE CASE OF POVERTY AND CORRUPTION

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Abstract

This study attempts to analyse the compatibility between Islam and good governance in addressing two main public issues namely poverty and corruption. To explain the compatibility both of them, the study explores the policy, agenda and strategy each of them. Employing literature review and a deep analysis, the main finding is that Islam and western perspective have a similar concept, policies, agendas and strategies in coping with poverty and corruption issues among society. This study believes that poverty and corruption is the root of backwardness and foolishness. Therefore, these should be minimized, even diminished from societal life in order to gain better prosperity in life.

Keywords: *Islam, good governance, poverty alleviation, corruption eradication*

INTRODUCTION

It cannot be denied that ten of the Muslim countries around the world have similar problems related to poverty and corruption. These two problems are still rampant within Muslim states whether in the national and local levels. As a matter of fact, the problems are the root of backwardness and foolishness for all human being. Due to these two problems also, a state has no ability to move forward in achieving a consolidated democracy and a people-centered welfare. Therefore, this study aims to analyse whether Islamic tenets are compatible with

poverty alleviation and corruption eradication or not? If it's compatible, how does Islam deals with these two public issues? As a comparative view, the study will present western's good governance perspective. It will demonstrate the compatibility between Islam and good governance. Utilising a literature review, the study is going to analyse comparatively on the policy, agenda and strategy of Islam and good governance in coping with poverty and corruption issues.

For technical definitions, the policy is a set of interrelated decisions regarding the selection of goals and the ways of obtaining them within a specified situation (Jenkins, 1978: 15; Dye, 1984: 1). The agenda denotes to a set of public issues as the application of the policy to be pursued. It is typically more specific and operational statements than policy. In other words, the agenda consists of programs and activities. In the meantime, the strategy is the way it operates the agenda by interrelated-ways. Therefore, four main sections will be provided in this study. First is depicting the relationship between Islam and democracy in scholarly approaches. Second is explaining the concept on Islam and good governance. Third is analysing how Islam and good governance tackle poverty issues. Fourth is examining how Islam and good governance address corruption issues.

ISLAM AND DEMOCRACY: UNFINISHED DEBATE

Since the nineteenth century, Islam and democracy has been at the heart of intellectual discourses in both the Muslim world and the West. A number of previous studies demonstrate that there are, at least, two main distinctive kinds of school of thought concerning Islam and democracy. The view that Islam is incompatible with democracy can be reflected in works by Huntington (1984, 1991), Kedourie (1992), Fukuyama (1992, 2001), and Lewis (2002). These scholars believe that Islam is inimical to democracy, because the two are different creatures. Meanwhile, the opposite perspective that Islam definitely has a positive culture with democracy can be represented by Rubenstein (1994), Anderson (1995), Halliday (1996), Entelis (1997), Gerges (1999), Rose (2002), Said (2002), Fish (2002), Tessler (2002), Al-Braizat (2002), and Norris and Inglehart (2003) who theorise that the absence of democracy in Muslim countries is not associated with Islam, but with

non-Islamic factors such as social and political economy, geopolitics, and international factors. The last view is also reinforced by Esposito and Voll (1996), Hefner (2000; 2009), Mousalli (2001), Mujani (2003), Abulbaki (2008), Akyol (2009) and Achilov (2010) who postulate that Islam as a political culture has positive values for democracy even with the capitalism.

Huntington (1984: 216) argues that the Islamic resurgence and the rise of fundamentalist movements would seem to diminish democratic development particularly since democracy is frequently identified with the extremely Western. In addition, many Muslim states are very poor. One serious impediment to democratisation in Muslim countries, refers to Huntington (1991: 297-298), is the weakness of real commitment among its political leaders to democratic values, such as Adnan Menderes in Turkey and Soekarno in Indonesia. These leaders won power through the electoral system, but they used their power to undermine that system. It is hard to identify any Muslim leaders who made a reputation as an advocate of democracy. Afterward, Kedourie (1992: 1) posits that Islamic beliefs, norms, attitudes, and experience have shaped a distinctive view of politics. Muslims are proud of their heritage and closed to the outside world. This civilisation is a constraint for Muslims to learn about and to appreciate the social and political progress achieved by others.

Furthermore, Fukuyama (1992: 347) is sure that although there have been pressures for greater democracy in the Middle East, Islam in these countries is a major barrier to democratisation because it brings power tothe Islamic fundamentalists hoping to establish some forms of popular theocracy. A month after the 9/11 tragedy, Fukuyama (October 11, 2001) forcefully claims that the fundamentalist versions of Islam which have been dominant in recent years, make Muslim societies particularly resistant to modernity. In Fukuyama's view, modernity can be characterised by liberal democracy and capitalism. Similarly, Lewis (2002: 100) assumes that the exclusivity of Islam lies in the fact that religion regulates all aspects of Muslim life by a single divine law named *sharia*. There is no distinction between the law of religion and the law of the state.

On the other hand, Norris and Inglehart (2003) discover that there is no significant difference in reinforcement for democratic values among Muslims and non-Muslims. Muslims in fact support positively democratic institutions. Moreover, Fish (2002: 4-37) urges that despite being poorer than the West, the interpersonal trust in Muslim countries is higher than in Catholic countries. The only problem in Muslim countries is that Muslims are likely not to support gender equality. However, the case of Megawati Sukarnoputri in Indonesia show that democracy's prospect in Muslim countries is more favourable. Afterward, Mousalli (2001) reveals that the concepts of *shura* and *ikhtilaf* are substantively democratic norms and values. Esposito and Voll (1996) refer to *ijtihad* and *ijma'* as Islamic norms which substantively reflect democratic culture. The political participation as a core concept in democracy is not an alien concept to Muslims. Employing *World Values Survey* data from Egypt, Jordan, Morocco, and Algeria, Tessler (2002: 229, 245) attempts to assess the influence of Islamic orientations on the attitudes toward democracy. The result shows that strong Islamic attachments is not incompatible with democracy and does not discourage the emergence of attitudes favorable to democracy to any significant degree. He also found that Islam as a set of personal religious practices and political values does not have a significant impact on the support for democratic values.

Furthermore, Al-Braizat (2002: 269, 292) rejects Fukuyama's claim. He argues that Islam is largely irrelevant as an explanatory variable for democracy or authoritarianism. Concentrating on religion as the sole independent variable or a yardstick could be seriously misleading and spurious. For Al-Braizat, Islam neither explains democracy nor authoritarianism. Support to Nazih Ayubi's theory (1991), he believes that Islam is not a political religion. Also, through his cross-national analysis in Kazakhstan and Turkey, Achilov (2010: 217-224) reveals the fact that Islamic institutions which represented by Islamic educational, financial, and political institutions can coexist with basic elements of democracy, civil liberties and political rights and vice versa. Thus, Islam will continue to shape the democratisation process in Muslim politics for years to come. Even Akyol (2009: 41) is sure that Islam is very compatible with the Western's capitalist economy supplemented

by a set of moral values which stress the care of the poor and the needy, because Islam actually is a religion founded by a businessman where the Prophet Mohammad SAW was a successful merchant for the greater part of his live and one that has cherished trade since its beginning.

ISLAM AND GOOD GOVERNANCE: UNIFYING THE CONCEPT

In the contemporary world, there has been a common consensus that good governance is an essential for human resource development in any society or state. Numerous international institutions such World Bank, the United Nations of Development Program (UNDP) and the International Monetary Fund (IMF) play vital roles to reach democratic governance. The impact of this phenomenal notion is that Islam by and at large is abandoned or deemed as alien from the reality. Thus, Khatab and Bouma (2007: 7) attempt to classify two different views among Muslim society and scholars concerning Islam and polity encompassing democracy and governance. Some argue that Islam as simply a religion without the right to govern or to order the daily affairs of human life. Others view that Islam as not merely a religion, but also a system and social order in all aspects of human life including the state and the law. Nonetheless, the fact that the failure of Muslim countries particularly in the Middle East and North Africa (MENA) regions in installing the democratic system revealed that political Islam embracing Islam as a religion is unable to maintain power and to create a new society. Therefore, this section attempts to provide a set of theoretical framework on the relationship between Islam and good governance.

In spite of the reference to two primary sources of Muslim teachings namely Al-Qur'an and As-Sunnah to define good governance, it cannot be stated precisely that the two Muslims' sources left a definite method of electing a leader or successor. Yet, according to Adebayo (2010: 1), democracy, as a matter of fact, is a concept which have been borrowed from Islam. Muslims has bequeathed a set of scientific knowledge and civilisation to the world which were later de-Islamised and westernised, then a system of government which allows for the rule of law, sovereignty, equity and justice, human rights and mutual consultation should not have escaped the knowledge of the western world. The west grasped every good thing from the Muslims, secularised it before

representing it to the rest of the world. Moreover, good governance, as was explained by Hashem (2007: 63),isa bridge to strive in achieving justice in society, maintaining the dignity of individuals and protect group freedom, steering individuals towards achieving a means of sustainable livelihood before aspiring for other luxuries in social life.

In Islam, the model of good governance has been explaining in a set of stories on the leadership of God's apostles as mentioned in Al-Qur'an chapters. More obviously, Naqvi et al (2011: 10986-10988) demonstrates that the story of Zulqarnain can be found in the Chapter 18 verse 83 to 101, the story of Moses and Haroon is in the Chapter 2 verse 40 and onwards, the story of Taloot is in the Chapter 2 verse 246 to 252, the story of Dawood is in the Chapter 38 verse 18 to 26 and in the Chapter 29 verse 15 to 45, the story of Solomon is in the Chapter 38 and in the Chapter 29 verse 31 to 40, the story of Joseph is in the Chapter 12 verse 55 and onwards as well as the story of Muhammad can be traced in the Chapter 47 and in the various chapters in the Qur'an. Additionally, Adebayo (2010: 4-10) inserts that the Islamic model of governance was also depicted by *Khularaur Rasyidin*.

Therefore, Naqvi et al (2011: 10990-10991) believe that the principal determinants of good governance in Islam are the leader's personality and his leadership skills which can dominate over and optimise the required institutional infrastructures. The leader has to be responsible to ensure all parameters and essentials required for maintaining good governance. Thus, we need the right leader who has a personal charisma and a sophisticated leadership skill to run the routine government affairs. Consequently, a state has to be ruled by leaders who have these criteria: having a commitment to earn God's happiness and having a concern to people's welfare, an intellectual and fair commander, an effective planner, a rational policy maker, a thrifty financial manager, a distributor of justified taxation, a firm advocate of human rights, an astute defense planner, and an effective change manager causing revolution or evolution as applicable in societies. These requirements, indeed, demonstrate the importance of a mechanism on how to identify and elect the right leader of the government. Besides, Hashem (2007: 71) is also sure that the peace and stability in Muslim countries are dependent on the collective ability to go beyond the repudiation

authoritarian regimes and incompetent rulers. However, it depends on the approval of the majority of the society including non-religious individuals who accept Islam only as a civilisation, not identity.

In the western world, the concept on good governance was developed primarily by a number of multilateral development institutions, i.e. World Bank, UNDP, and IMF. In accordance with this, World Bank (1992: 1) attempts to set up good governance, synonymous with sound development management, as the manner in which power is exercised in the management of a country's economic and social resources for development. Good governance is central to create and sustain an environment which fosters strong and equitable development, and it is an essential complement to sound economic policies. Thus, the government plays a vital role in the provision of public goods and establishes the rules which make markets work efficiently and correctly to avoid market failure. In order to play this role, the government needs revenues and agents to collect revenues and produce the public goods.

Likewise, UNDP (1997b) words good governance as the exercise of economic, political, and administrative authority to manage a country's affairs at all levels. The economic governance encompasses the decision-making process which affects the country's economic activities and its relationships with other economies. The political governance is the process of decision-making to formulate policy. The administrative governance is the system of policy implementation. There are three actors of good governance: the state, the private sector, and civil society. These institutions should be designed to contribute to the sustainable human development. As the result, UNDP (2010: 5) assumes that democratic governance should embrace mechanisms, processes, and institutions which determine how power is exercised, how decisions are made on public issues, and how citizens articulate their interests, exercise their legal rights, meet their obligations, and mediate their differences.

Meanwhile, IMF (2014: 1) argues that good governance is a broad concept covering all aspects of the way a country is governed, embracing its economic policies and regulatory framework as well as adherence to the rule of law. IMF places a great stress on promoting good governance when providing policy advice, financial support, and technical assistance to its member countries. IMF also has strong

measures in place to ensure integrity, impartiality, and honesty in the discharge of its own professional obligations. However, IMF (1997: 3) has primary concerns merely related with macroeconomic stability, external viability, and orderly economic growth in member countries. Its involvement in governance should be restricted to economic aspects of governance. Moreover, World Bank (1994: 1-36) provides four major components of good governance: public-sector management, accountability, legal framework for development, and transparency and information. Meanwhile, according to UNDP (1997b), good governance has nine fundamental characteristics. They are participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision.

Based on both Islam and the west perspective which was explored above, this study defines good governance as the manner, strategy, and bridge to strive human standard basic needs, social justice and stability as well as individual and group freedom by utilising local revenues and resources before aspiring further high needs. It can be reached only through the legal and elected government and other official democratic institutions which they are incorporating with private sectors and civil society. With respect to the features of good governance, it can be implied that it consists of participatory, law enforcement, accountable, effective and efficient, transparent, responsive, predictable, equitable, and leadership. Meanwhile, regarding the agenda of good governance, Islam focuses on the role and responsibility of leadership in ruling the state's resources. Word Bank concerns with the type of state regime in which power is exercised in the management of the economic and social resources, and the capacity of the government to formulate policies. UNDP dedicates itself to human development and political institution reform. IMF prefers to choose the reform of economic and social resource control. Nevertheless, they have same goals that the power has to be controlled by the right government to maintain the state's resources.

HOW TO DEAL WITH POVERTY ISSUES?

Literally, the term of "poverty" in Islam has, at least, eight similar words as cited in the Holy Qur'an: *miskin* (mentioned twenty-five times)*, faqir* (thirteen times)*, imlaq* (twice)*, sail* (four times)*, mahrum*

(twice), *qooni'* (once),*mu'tar* (once), and *bais* (once). It reveals that Islam pays in-depth attention to poverty. According to Sabra (2000: 8-10) *Miskin* refers to a person worthy of pity, who may not actually be impoverished. It can be applied to any person who suffers misfortune of some kind and is worthy of one's pity or deserving of sympathy. The term of *miskin* is always paired with *faqir* which has two meanings: poverty and need. Both refer to a person suffering from material deprivation which differs by degree. If *miskin* is who possessed some property, while *faqir* who was totally have no anything. However, both terms refer to those sufficiently poor to receive *zakat*. In doing so, poverty can be attributed to a person who is lacking material possessions or wealth and related to the stark reality of deprivation. Moreover, poverty can be explained in different ways correlated with income, material possessions, the community to which one belongs, etc. In fact, Güner (2005: 1, 9-10) argues that there is a fundamental misunderstanding amongst Muslims that they believe poverty is a part of a blessing from God and prosperity is likely moving people far from the wishes of Allah. This thought affects Muslims living in the deprivation and dependent on developed countries. Thus, Muslims should turn to basic Islamic teachings that Islam forcefully cares with poverty and encourages its believers to be a prosperous Muslim.

In the same way, UNDP (1997a: 16-17) states that poverty can be seen from three different perspectives. First is *income perspective*. A poor person is who has income level under the defined poverty line. The cut-off poverty line frequently is defined in terms of having enough income for a particular amount of food. Second is *basic needs perspective*. Poverty is deprivation in fulfilling minimum requirements of human needs embracing the lack of food, basic health and education, essential services, employment, and participation. Three is *capability perspective*. Poverty represents the absence of some basic capabilities of people whether mentally or physically to achieve the smallest number of human necessary. Moreover, UNDP (1997a: 18) portrays that the deprivation is affected by three essential elements of human life. First, deprivation correlates to survival (the vulnerability of death at a relatively early age). Second, it relates to knowledge (being excluded from the world of reading and communication). Third, it links up to a

decent standard of living. This is represented by a composite of three variables: the percentage of people with access to health services and to safe water, and the proportion of malnourished children under five. Thus, World Bank (2001: 1) puts forward that poor people are who live without fundamental freedoms of action and choice that the better-off take for granted. They also face extreme vulnerability to ill health, economic dislocation, and natural disasters and are often exposed to ill treatment by institutions of the state and society as well as are powerless to influence key decisions affecting their lives.

Policy. Islamic teachings, as said by Hamka (*Tafsir Al-Azhar,* the Chapter 107), believe that the essence of religion for human is not only conducting ritual worship and fasting but also giving charitable activities or feeding to the orphans and the poor people. Thus, Latief (2012: 1, 36) defines charity as a deed related to giving, receiving, helping, grantingand the redistribution of wealth. People tend to associate the charity with the practice of assisting the poor, the way the wealthy share their fortunes, and other such good deeds. In general, a charitable deed is considered as religiously meritorious and remains central to religiously-inspired social activism. Meanwhile, Islamic charity is the return of wealth which the rich should return or give their possessions to the poor. This is a mechanism to circulate wealth which underpins the fiscal theory of early Muslim society. The main idea of almsgiving is the purification of property,and the idea of the redistribution of property is a sociological and economic aspect of Islamic charity. Charitable activities in Indonesian current life are increasingly becoming modern trends among society and providing assistance to implement people welfare.

However, World Bank (2014: 2) assumes that the world should not alleviate extreme poverty, but it must only meet with the MDGs target of halving world poverty. Current trends show a good progress that around 40 percent of developing countries have already achieved the first MDGs, and only 17 percent are seriously off track. It means that they would be unable, at current rates of progress, to have extreme poverty rates by 2030. Coping with this global poverty and inequality, the international community has set several goals for the opening years of the century: reducing by half the proportion of people living in extreme

income poverty, ensuring universal primary education, eliminating gender disparity in education, reducing infant and child mortality by two-thirds, reducing maternal mortality by three-quarters, ensuring universal access to reproductive health services, and implementing national strategies for sustainable development in each country. Thus, UNDP (1997a: 89-90) offers some policies. For the national policy, it consists of managing trade and capital flows more carefully, investing in poor people, fostering small enterprise, managing new technology, reducing poverty and providing safety nets, improving governance. Meanwhile, for the international policy, it contains a more supportive macro-economic policy environment for poverty eradication, a fairer institutional environment for global trade, a partnership with multinational corporations to promote growth for poverty reduction, action to stop the race to the bottom, selective support for global technology priorities, action on global debt, and better access to finance for poor countries.

Agenda. From various studies on Islamic charitables, this study decides to select some agendas. Distributing *zakat* (mandatory almsgiving), *infaq* and *shadaqah* (voluntary giving) is a major agenda for Muslim society to alleviate poverty and deprivation. According to Richardson (2004: 156), *zakat* denotes to the compulsory transfer of a prescribed proportion of property by a Muslim who owns more wealth than the limit dictated under *sharia*. It is a pillar of faith and a deed of worship which involves monetary and fiscal action. Practically, *zakat* is a 2.5 percent tax levied on certain assets, including savings accounts, gold, and silver. The funds collected are used for charitable activities to improve the living standards of poor people embracing health care and education provision. Thus, Bhuiyan et al (2012: 1388) believes that the concept of *zakat* based on Islamic mode of financing is the best strategy to alleviate poverty and guarantee sustainable livelihood.

A number of evidences in Muslim countries demonstrate that Islamic economics practically could assist to alleviate poverty and could grow rapidly in current life as a tool to diminish poverty problems. Farooq (2008: 55-58) presents an instance that if *zakat* is properly instituted and *riba* is eliminated, the poverty has a tendency to reductionism. In Selangor Malaysia, Ibrahim (2006: iv) proves that

the circulation of *zakat* has positive contributions in reducing income inequality and lessening the severity of poverty. In Pakistan, Malik et al (1994: 947) as well as Akram and Afzal (2014: 1, 36) display that the disbursement of *zakat* an *infaq* among the poor, needy, destitute, orphans, and widows has play a significant role in fulfilling their basic needs and alleviating chronic poverty in the short run as well as in the long run. Likewise, in Pasuruan Indonesia, Effendi (2013: i-ii) depicts that the Islamic microfinance is the best means to combat poverty and allows the poor to empower both themselves and their communities through the creation and sustainment of their own businesses. People can maintain financial performances and increase client bases within a regional context. Its primary objective is self-sustainability. Thus, the programmes of the Islamic microfinance institutions in three different areas (upland, lowland, and coastal) positively contribute to alleviate poverty where microfinance clients and are able to develop their businesses after receiving financing or loans. Likewise, Riwajanti (2014: 60-61) attempts to draw the successful role of BMT in East Java in reducing poverty as well as improving sales, business expenditure, net income, household expenditure, and employment.

It is also important to note that to reduce poverty, Latief (2012: 129-167) proposes another agenda namely provisioning health assistance for disadvantaged segments of society as a trend of the rise of *zakat* agencies in Indonesia. The growth of charitable clinics is influenced by the increase of Islamic aid and various social funds collected by *zakat* agencies. There has been a new tendency within national and multinational corporations in Indonesia to channel social funds to *zakat* agencies. The health assistance more specifically is also well-known as Islamic charitable clinics which set up by *zakat* agencies. There are two mains *zakat* agencies in Indonesia which established this agenda: *Dompet Dhuafa* and *Rumah Zakat Indonesia*. They have functioned as a mechanism to redistribute almsgiving to deserved beneficiaries, as an approach to interpret religious notions of welfare into social and economic domains, and implicitly, as a strategy to evaluate the feebleness of state welfare provision in the arena of healthcare. In addition, Muhammadiyah and 'Aisyiyah clinics also have conducted similar deeds in providing health assistances.

In the western scholarship, World Bank (2001: 8-11) has three national agendas. First is *opportunity*, which embraces the encouragement of effective private investment, expanding into international markets, building the assets of poor people, addressing asset inequalities across gender, ethnic, racial, and social divides, and getting infrastructure and knowledge to poor areas–rural and urban. Second is *empowerment*, consists of laying the political and legal basis for inclusive development, creating public administrations that foster growth and equity, promoting inclusive decentralization and community development, promoting gender equity, tackling social barriers, and supporting poor people's social capital. Third is *security*; encompasses formulating a modular approach to helping poor people manage risk, developing national programs to prevent, prepare for, and respond to macro shocks—financial and natural, designing national systems of social risk management that are also pro-growth, addressing civil conflicts, and tackling the HIV/AIDS epidemic.

Meanwhile, UNDP (1997a: 80-81) has its own agendas for poverty alleviation. First is restoring and accelerating economic growth. Second is promoting pro-poor growth to improve incomes and productivity in smallholder agriculture. Third is reversing environmental degradation. Fourth is stemming the spread of HN/AIDS among poor people through multisectoral, people-centred programmes. Fifth is accelerating the demographic transition in countries where fertility rates are still high. Sixth is developing instruments to improve the processes for peace building, conflict resolution and prevention as well as to help displaced persons. Afterward, strengthening poors' abilities to fight poverty and build their assets should underpin the strategy for poverty alleviation. Besides, we require a policy to ensure the access of the poor to the critical economic asset of land, credit and housing; to ensure the access of the poor to health service and educational opportunities that can build their capabilities; and to create a policy environment which promotes pro-poor growth.

Strategy. As stated by Latief (2012: 305-310), Islamic charitable clinics are not only manifested as Islamic giving, but also as social aid from 'secular' institutions. Additionally, the emergence of Islamic aid associations such as *zakat* agencies which specifically cater to

disadvantaged communities in society may signify their rational responses to insufficient provision of crucial services (health, education, welfare and security). It is certainly correct that charitable action is closely related to the concept of *muslaha* which associated with 'imagined Islamic welfare societies'. Islamic teachings should fulfill the needs of the society not only in terms of their physical well-being, but also their spiritual health and religious identity.

World Bank (2000: i) underlines that to confront the challenge of reducing poverty, it must address the root causes of poverty and focus on necessary conditions for sustainable development. Poorly functioning public sector institutions and weak governance are major constraints to growth and equitable development in many developing countries. Thus, World Bank (2001: 6-7) proposes three strategies to alleviate poverty. First is *promoting opportunity*. It should be conducted to provide and expand large chances for poor people to reach their basic needs. Economic growth is vital for generating opportunity and greater equity is important for rapid progress in reducing poverty. Second is *facilitating empowerment*. The government and social institutions should collaborate to strengthen the participation of poor people in political processes and local decision-making. It is also important to remove social and institutional barriers which is a result of distinctions of gender, ethnicity, and social status because responsive institutions are a part of the overall growth process. Third is *enhancing security*. Diminishing vulnerability is a part of enhancing well-being. It requires the national action in managing the risk of economy wide shocks and effective mechanisms to reduce the risks faced by poor people, building of assets for them, diversifying household activities, and providing a range of insurance mechanisms to cope with adverse shocks.

HOW TO COPE WITH CORRUPTION ISSUES?

Islam has a number of accounts concerning corruption with various analogies. The term of "corruption" can refers to the word of *ghasab* which means a robbery crime or embezzlement of state's treasury illegally (the Chapter 18 verse 79). It can also be part of *hirabah* (the Chapter 5 verse 33) which denotes to doing chaos and bloodshed. Most Muslim scholars define *hirabah* as a violence deed which carried

out by a person or groups of people to others in order to take over their treasury (Sabiq, 1998: 195). Afterward, corruption also can be defined as *risywah* which means a bribery act which carried out by minimally two people or more. One person, on one hand, is a briber (*al-rasyi*) and the rest, on the other hand, is bribed (*al-murtasyi*). Its explanation can be seen in the Chapter 2 verse 188. In addition, corruption can be called as *al-ghulul* (the Chapter 3 verse 161) which, as indicated by Katsir (1999: 78), means a treason deed to stealing from the war booty before its distribution. Distinguished from *risywah*, *al-ghulul* is merely conducted by a person and not embracing other sides as an actor. The Prophet Muhammad obviously stresses to keep away from *al-ghulul* deeds.

Therefore, 'Arafa (2012: 196-200) believes that corruption is a broad range of behavioral digressions which threaten the social, economic, and ecological balance. More specifically, corruption covers the matters of governance, decision making, rules through reproaching the abuse of trust placed in officials by the state through acts such as accepting gifts, outright theft of public funds, and undermining rules in exchange for bribes, on recommendation or due to family and tribal considerations. Individuals in general are prohibited from making recommendations in exchange for gifts as such behavior falls under *risywah*. Regarding bribery, some concepts are in close connection with this deed, namely illegal earnings or *al-soht*, gifts or *al-hadiya*, charity or *al-sadaqah*, and salaries or *al-ga'al*.

Meanwhile, IMF (2014: 1) and World Bank (1997: 8-9) defines corruption as an abuse of public office or authority or trust for private benefit, and is closely linked to a poor governance environment which offers bigger incentives and more opportunities for bribery. The public office is abused for private gain when an official accepts, solicits, or extorts a bribe. It is also abused when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for personal benefit even if no bribery occurs, through patronage and nepotism, the theft of state assets, or the diversion of state revenues. Thus, corruption, in fact, undermines the public's trust in its government. It also threatens market integrity, distorts competition, and endangers economic development.

Moreover, UNDP (2011: 1) argues that corruption really undermines human development by diverting public resources to private gain and reducing access to public services. UNDP views corruption as a governance deficit, a result of malfunctioning state institutions due to poor governance. Democratic governance helps to battle corruption by creating inclusive, responsive, and accountable political processes to efficiently and effectively deliver social services to everyone comprising the poor and marginalised. World Bank (1997: 9) believes that one of the main ways in corruption is bribes. They can be used by private sectors to "buy" many things provided by central or local governments, or officials may seek bribes in supplying those things.

Furthermore, UNDP (2011: 1-2) also agrees with the message of the UN Secretary-General Ban Ki-Moon on the International Anti-Corruption Day 2009 that when public money is stolen for private gain, it means fewer resources to build schools, hospitals, roads, and water treatment facilities. When foreign aid is diverted into private bank accounts, major infrastructure projects come to a halt. Corruption enables fake or substandard medicines to be dumped on the market, and hazardous waste to be dumped in landfill sites and in oceans. The vulnerable suffer first and worst. Indeed that the corruption derails a country's progress and development embracing MDGs' achievement. Thus, the major focus is strengthening preventive capacities to stop leakages of public resources and working together with partners such as the United Nations Office for Drug Control, United Nations Economic Commission for Africa, WHO, OECD, World Bank, GTZ, Noraid and civil society organisations.

Policy. Most Muslim scholars are in favor of the prohibition of corruption in all its shapes including nepotism, extortion, and bribery ('Arafa, 2012: 202).In as much as a corruptor conducted an awful deed, he can be categorised as a traitor not only from his country embracing people within but also from his religion. Therefore, Islam obviously prohibits and resists to the corruption deed individually and collectively (the Chapter 9 verse 12; the Chapter 4 verse 29). More clearly, Islam punishes the corruptor to be slayed as the Chapter 5 verse 33 stated: "The recompense of those who wage war against Allah and His Messenger and do mischief in the land is only that they shall be killed or crucified

or their hands and their feet be cut off from opposite sides, or be exiled from the land. That is their disgrace in this world, and a great torment is theirs in the Hereafter". Other explanations concerning corruption in the Holy Qur'an can be read in the Chapter 2 verse 42, the Chapter 4 verse 58, the Chapter 5 verse 38, and the Chapter 8 verse 27.

World Bank (1992: 41, 43-44) obviously highlights that the main weapon against corruption is to reduce the opportunities for it to a minimum, to eliminate economic distortions and administrative controls, and thus to reduce the scope for illicit arbitrage and bribery, "dash", "speed money", and the like. Transparency in government business has a vital ancillary role. World Bank is involved with transparency through its work on public expenditure e.g., transparency of budgets, elimination of "caisse noires" and through its assistance to governments in establishing transparent procurement procedures and in conducting environmental assessments. Some countries try to correct the mismanagement of their customs service by contracting it out to a wholly independent private enterprise such as Indonesia.

Agenda. Based on the policy above, it can be explained that Islam has some agendas to cope with the corruption. First is *underpinning the law enforcement for all kinds of corruptor*. Indeed that the verdict for corruptors should affects for the change of their behavior. According to the Chapter 5 verse 38, a corruptor is also a thief which thieves the state treasury. The source of the state treasury is people funds and taxes. It can be simplified that the corruptor is a person who thieves people funds. Therefore, Islam supposes to decide *qishash* for a thief. According to M. Cherif Bassiouni (in 'Arafa, 2012: 189), *qishash* denotes to a person who has committed a given violation will be punished in the same way and by the same means which he used in harming the other person. Second is *embedding the worldview or ideology on anti-corruption*. It is a continuous and sustainable agenda and can be started in the formal education from the elementary school to the college/university. Indeed, the content of the course does not only provide the knowledge on the corruption but also transferring the impact of the corruption as a hazardous act for society, state and religion. Various methods can be used to provide best understanding for the young generation.

Meanwhile, World Bank (1994: 16) has some agendas which could be broadened to embrace a research program aimed at better understanding of a) the framework of economic incentives for corrupt behavior, b) whether some sorts of corruption are more dysfunctional than others; c) the relationship between corruption and political system; and d) measures that industrialised countries could take to discourage corrupt practices by exporters. Besides, World Bank should maintain a dialogue with various watchdog organisations established to fight corruption and with governments seeking practical ways to reduce the moral and economic costs of corruption.

Strategy. In Islam, the corruption and bribery are considered as *Ta'azir* offenses. *Ta'azir* itself means all acts which infringe private or community interests of the public social order. The corruption and bribery can be categorised as *Ta'azir*. Thus, it can be punished by imprisonment. However, Islam does not prescribe a specific penalty ('Arafa, 2012: 192, 202). More broadly, as what was explained by Iqbal and Lewis (2002: 11-15) and 'Arafa (2012: 234-237), that the vast Islamic intellectual heritage suggests three key pillars as strategy to eradicate corruption. First is *moral education*. The starting point for curing corruption lies in reforming social values, grounding them in appropriate concepts of social justice, and linking them with a broader worldview. This is the basis of the Islamic moral education programfor society. Second is *law and incentives*. Islam teaches the equality of people, irrespective of race or tribe, as the only criterion of merit is goodness and piety. Conversely, there is a complementary and powerful spiritual incentive structure that focuses on risks and rewards both in life and in the hereafter. Third is *administration and managerial government*. Separation of powers into trias politica (legislature, executiveand judiciary) is a better way to diminish corruption acts.

World Bank (1994: 16) has its strategy to reduce corruption acts. First is *reforming trade regime*, which restricts the scope for discretionary treatment by customs officials and replace administrative actions with price mechanisms in the allocation of import licenses and foreign exchange. Second is *reforming tax*, based on lower, uniform rates, simpler rules, the strengthening of tax administration and record-keeping. Third is *reforming regulation*, such as the abolition of

price controls; the simplification of license requirements, and similar deregulation measures. Fourth is *privatisation*, to reduce the size of the state enterprise sector under bureaucratic control. Moreover, World Bank provides three actions as instances of institutional strengthening to improve controls and reduce incentives for corrupt behavior. First is reforming civil service to restore a professional, accountable, realistically paid, and well-motivated bureaucracy. Second is strengthening public procurement systems through the reform of laws, more transparent procedures, adoption of improved bidding documentation, competitive bidding, and staff training. Third is modernisation of public sector accounting, upgrading internal auditing capacity, and strengthening the audit institution.

Thus, diminishing corruption requires the engagement of those outside government such as parliamentarians, civil society, households, the private sector, and the media. World Bank (1997: 26) assumes that tackling corruption in a certain country will depend on the country's circumstances. In particular countries, economic policy reform will be the priority. In others, the targets may be interventions in tax or customs agencies or procurement reform. Circumstances will also determine whether the strategy should be comprehensive or incremental. Comprehensive strategies can be developed where national leadership is committed to change and the political will exists to undertake in-depth economic and institutional reforms. Opportunities for in-depth reform may exist at the local level or in particular agencies or departments even if those opportunities are missing at the national level. In some cases there may be more political will for economic policy reform than for in-depth work at the institutional level. Meanwhile, IMF (1997: 3) provides two strategies to avoid corrupt practices. First, *improving the management of public resources* through reforms covering public sector institutions for instance the treasury, central bank, public enterprises, civil service, and the official statistics function, including administrative procedures e.g., expenditure control, budget management, and revenue collection. Second, *reinforcing the development and maintenance of a transparent and stable economic and regulatory environment conducive to efficient private sector activities* e.g., price systems, exchange and trade regimes, and banking systems and their related regulations.

Nonetheless, Rashidi and Babaei (2014: 22-23) explain that Islam and the West have different ways to tackle the corruption although both solutions are good and can complete each other. In Islam, the role of individual ethics to eradicate corruption is extremely significant. Whereas, the western strategy goes beyond ethical approaches, it solves the problems with changing procedures, providing individual reward and punishment, influencing special people, and deporting them. Thus, the internal dimension is belonging to Islam while the external strategy is West's.

CONCLUDING REMARKS

Generally speaking, there are no significant distinctions between Islam and good governance; in fact they have a lot of similarities. The tangible evidences were provided here. The first question is how do Islam and good governance deal with poverty issues? The answer is there are three main policies: Religion is not onlya ritual worship but also social acts, making policy which has best impacts to poor people, is required to be involved in managing trade and capital flows more carefully, investing in poor people, and fostering small enterprise. For the agenda are conducting charitable activities and supporting the distribution of *Zakat Infaq* and *Shadaqah* (ZIS), supporting microfinance systems among poor people, building assets for poor people and provisioning health care (charitable clinics). Meanwhile, the strategies are activating *mushola* (prayer rooms) for ZIS activities, providing large chances for poor people to reach their basic needs, strengthening the participation of poor people in political processes and reinforcing gender equality and empowering women's role.

The second question is how do Islam and good governance address corruption issues? The answer is there are four main policies: prohibiting corruption in all shapes (nepotism, extortion and bribery), a corruptor is a traitor not only from his country but also from his religion, reducing any opportunities and pathways for conducting corruption and applying transparency systems in all sectors of bureaucracy. The agendas are underpinning the law enforcement to corruptors and the like, supporting to state institutions in dealing with corruption deeds and cooperating with watchdog organisations for seeking practical

ways to reduce costs of corruption. In the meantime, the strategies are moral education for society, separating powers into trias-politica, reforming and modernising government institutions for civil services and strengthening civil society, private sectors, and media to control the government.

All in all, Islam, democracy and good governance have compatibility in the policy, agenda and strategy in addressing public issues such as poverty and corruption. They are not different creatures, but similar in distinctive ways. Therefore, this study recommends for further researches that there are some suggestions particularly in Indonesia and other Muslim countries around the world. First is the importance to examine the role and engagement of Muslim organisations and communities in alleviating poverty and eradicating corruptions acts. Second is the importance to analyse the performance of Muslim elites in the government whether in the national and local levels to address these two public issues. Third is the significance to study the role of Islam-based political parties in coping with those issues. However, a lot of perspectives can be analysed in distinctive disciplines.

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DEMOCRATIC GOVERNANCE
LOCAL POLITICS AND PUBLIC MANAGEMENT ISSUES IN INDONESIA

Most scholars concur that the development of democratization in Indonesia today is going to move slowly toward consolidation. It is deduced that it has a lot of progresses, but it is still fraught with many weaknesses (Hefner, 2000; Abuza, 2007; Abdulbaki, 2008; Bünte and Ufen, 2009; Ufen, 2009; Hefner, 2009a, 2009b; Mujani and Liddle, 2009; Hilmy,2010; Aspinall,2010; Liddle, 2013; Aspinall, 2013; Liddle and Mujani, 2013; Winters, 2013; Suseno, 2013; Mietzner; 2014). Other scholars gave different labels to Indonesia: "a normal country" (Ragame, 2007), "oscillating between a defective and an embedded democracy" (Hadiwinata and Schuck, 2007), "domain democracy" (Merkel, 2007), "low-quality democracy" (Mietzner, 2009) and "democratic state" in 2010 and "semi-democratic" in 2014 (Freedom House).

These distinctive epithets denote to the fact that democracy in Indonesia is in the scenario of stability (Merkel and Croissant, 2004: 207-211) where it is unlikely to suffer a regression or rollback, but its developments have slow paces towardan embedded democracy for years to come. Nevertheless, Freedom House in 2010 already called Indonesia as the most consolidated democracy in Southeast Asia. In 2014, Indonesia is still a leading state for political rights category in Southeast Asia. In accordance with this, the political system within the country and its public management play a vital responsibility in underpinning governance processes.

This book attempts to explain the development and dynamics of democratic governance in contemporary Indonesia whether in the national or local levels. In the national context, some articles elaborate on distinctive issues related with election, political parties, comparative democracy, disaster management and religious perspective in addressing public issues. Meanwhile, public management issues such as health, licensing, forest management, mayoral leadership, investment and e-procurement are also provided in this book and, of course, they are really appealing to be read and criticized further.

To sum up, the executive summary of ten articles are presented above. These articles share a common thead which shows that the ripeness of democracy and governance in Indonesia are moving toward a positive path. It should therefore be appreciated. Nevertheless, an extra-ordinary effort from all stakeholders is extremely needed because Indonesia does not belong to a tiny group of people, or a certain tribe, or a certain religionor just a few elites. Indonesia needs togetherness and involvement from various stakeholdersin inventing an ideal democracy that is clean, employs good governance, and commited in reforming the bureaucracy and so on and so forth.

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BUKU LITERA

JKSG — Jusuf Kalla School of Government — towards better governance

UMY — UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

MIP — MAGISTER ILMU PEMERINTAHAN