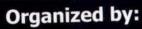
# Proceding International Joint Seminar

**Muslim Countries and Development:** 

**Achievements, Constraints and Alternative Solutions** (Multi-Discipline Approach)

Yogyakarta, 2<sup>nd</sup> December 2006









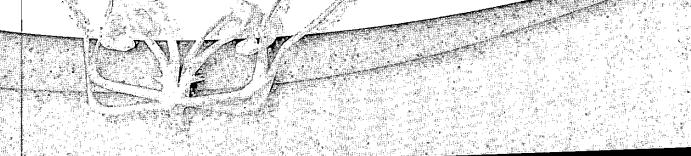
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# Proceeding International Joint Seminar

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# Organized by:



Universitas Muhammadiyah



International Islamic University



Education and Cultural Attache Embassy of The Republi Indonesia in Malaysia

# MESSAGE FROM THE RECTOR OF UNIVERSITAS MUHAMMADIYAH YOGYAKARTA (UMY)

Assalamu'alaikum warahmatullahi wabarakatuh

All praise be to Allah SWT, Lord of the world. Peace and blessings on Muhammad SAW, His Servants and Messenger.

First of all, as the rector of Universitas Muhammadivah Yogyakarta (UMY), I would like to welcome to the honourable guests, Rector, Dean of Postgraduate Studies (CPS), Dean of ISTAC, Dean of IRKHS, Deputy Deans and Head Departments from various Kulliyah, lecturers, postgraduate students of International Islamic University Malaysia (IIUM), and all participants in this joint seminar.

Academic cooperation between UMY and IIUM started several years ago. The cooperation between us is based on a solid foundation; both us are Islamic universities having same missions to develop Islamic society, to prepare future generations of Islamic intellectuals, and to cultivate Islamic civilization. In fact, improving academic quality and strengthening our position as the producers of knowledge and wisdom will offer a meaningful contribution to the development of Islamic civilization. This responsibility is particularly significant especially with the emergence of the information and knowledge society where value adding is mainly generated by the production and the dissemination of knowledge.

Today's joint seminar signifies our attempts to shoulder this responsibility. I am confident to say that this joint program will be a giant step for both of us to open other pathways of cooperation. I am also convinced that through strengthening our collaboration we can learn from each other and continue learning, as far as I am concerned, is a valuable ingredient to develop our universities.

I sincerely wish you good luck and success in joining this program

Wassalamu'alaikum Wr, Wb.

Dr. Khoiruddin Bashori

Rector, UMY

# MESSAGE FROM THE RECTOR OF INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA (IIUM)

Assalamu'alaikum warahmatullahi wabarakatuh

In the name of Allah, the most Gracious and the most Merciful. Peace and blessings be upon our Prophet Muhammad (S.A.W).

First and foremost, I felt honoured, on behalf of the university to be warmly welcomed and to be given the opportunity to work hand in hand, organizing a respectable conference. Indeed, this is a great achievement towards a warmers bilateral tie between the International Islamic University Malaysia (IIUM) and Universitas Muhammadiyah Yogyakarta (UMY) after the MoU Phase.

I would also like to express my heartfelt thanks to Centre for Postgraduate Studies (CPS), Postgraduate Students Society (PGSS), contributors, paper presenters, participants and our Indonesian counterpart for making this program a prestigious event of the year.

This educational and cultural visit is not only an avenue to foster good relationship between organizations and individuals and to learn as much from one another but a step forward in promoting quality graduates who practices their ability outdoor and master his or her studies through first hand experience. The Islamic platform inculcated throughout the educational system namely the Islamization of knowledge, both theoretical and practical, will add value to our graduates. This comprehensive excellent we strived for must always be encouraged through conferences, seminars and intellectual-based activities in line with our lullaby: The journey of a thousand miles begin by a single step, the vision of centuries ahead must start from now.

My utmost support is with you always. Looking forward to a fruitful meeting.

Ma'assalamah Wassalamu'alaikum Wr, Wb.

Prof. Dato' Dr. Syed Arabi Idid Rector, IIUM

# MESSAGE FROM EDUCATION AND CULTURAL ATTACHE EMBASSY OF THE REPUBLIC OF INDONESIA KUALA LUMPUR

Assalamu'alaikum warahmatullahi wabarakatuh

All praise be to Allah SWT. This is the moment where implementation of MoU between Universitas Muhammadiyah Yogyakarta (UMY) and International Islamic University Malaysia (IIUM) comes in the form of action by organizing this Joint Seminar. The efforts of both sides to implement the MoU are highly appreciated, especially, in the context of which both universities effort to enhance the quality of education.

Substantially, I believe that this Joint Seminar will bring many benefits. In term of the development of knowledge, it is a means for developing academic quality, for exchanging of information on academic development, as well as for constructing intellectual atmosphere at both universities. In term of international relations, both universities have taken part in increasing close relationship between Malaysia and Indonesia. RUM and UNIY as well are using 'soft power' to increase bilateral relations among citizens which brings a lot of benefits for both nations.

Therefore, I hope that both RUM and UMY can make use of this program as a 'kick-off' for other programs in the future, especially in using UMY's vast networks with other Muhammadivah Universities in various cities in Indonesia as well as IIUM's network. The support of IIUM for UMY also means a progress for IIUM and UMY. I hope such joint program will continue in future for betterment of both Indonesia and Malaysia. Embassy of the Republic of Indonesia in Kuala Lumpur will always support these efforts.

To our honorable guests, Rector, Dean of Postgraduate Studies (CPS), Dean of ISTAC, Dean of IRKHS, Deputy Deans and Head Departments from various Kulliyah, lecturers and students of IIUM, I warmly welcome you to Yogyakarta. I hope you enjoy your stay in the cultural city of Yogyakarta.

Finally, as the Attache of Education and Cultural, Embassy of the Republic of Indonesia, Kuala Lumpur, I sincerely wish you good luck and a successful program with unforgettable memories.

Wabillahit Taufiq Wal Hidayah Wassalamu'alaikum warahmatullahi wabarakatuh.

### M.Imran Hanafi

# MESSAGE FROM DEAN CENTRE FOR POSTGRADUATE STUDIES

Assalamu'alaikum warahmatullahi wabarakatuh

Praise be to Allah. May the peace and blessings of Allah be on the last prophet and messenger, our master Muhammad and on his household and companions. It is a great privilege for me to foreword this message to this wonderful event that is jointly organized by the Universitas Muhammadiyah Yogyakarta (UMY) and International Islamic University (IIUM).

First and foremost I would like to record my special gratitude to management of Universitas Muhammadiyah Yogyakarta for their co-operation.

In order to obtain comprehensive excellence, the Centre for Postgraduate studies has always facilitates postgraduate students of the university to achieve the highest quality in their academic work. This seminar is one of the many programs that Centre for postgraduate studies has to ensure quality graduates.

I would therefore like to thank all the participants and programme coordinators who have worked hard to realize this event.

May Allah SWT shower His blessing upon us.

Wassalamu'alaikum Wr, Wb.

Prof. Dato' Dr. Wan Rafaei Abdul Rahman

Dean, Centre For Postgraduate Studies

# MESSAGE FROM THE ACTIN PRESIDENT OF POSTGRADUATE STUDE

# Assalamu'alaikum warahmatullahi wabarakatuh

On behalf of Postgraduate Students' Society (PGSS), my gratitude and appreciation to our beloved Dean of Studies, the Embassy of Indonesia in Kuala Muhammadiyah Yogyakarta and the organizing com IIUM and the Universitas Muhammadiyah Yogyakarta huge success. Postgraduate Students' Society (PGSS) u supervision of the Center for Postgraduate Studies (CPS this event.

As I strongly believe that the initial stages of unity ar and building the new generation, who will represent the more, such programs, not only achieve the mission universities but to achieve the global mission and Therefore, I believe today, we have to have understart and then only we can appreciate our diverse cultuacknowledge the different strengths posses in us an weaknesses through knowledge in this age of informations sure this joint seminar will initiate unity among the futualong with integrating them.

Thank you,

# Mohd Nabi Habibi

Action Duran dout Destaura durate Studental Society (DCS)

### MESSAGE FROM PROGRAM DIRECTOR

Assalamu'alaikum warahmatullahi wabarakatuh.

Praise be to Allah. May the peace and blessings of Allah be on the last Prophet and Messenger, our master Muhammad and on his household and companions.

Honestly speaking, we are pleased to be trusted by Postgraduate Students' Society (PGSS) and Centre for Postgraduate Studies (CPS) to organize the programme named Educational and Cultural Visit to Yogyakarta, Indonesia. For this, We express our gratitude to the management of both PGSS and CPS. This programme is of immense value. It has the potentials to promote intellectual endeavor, develop leadership capabilities and enrich cross-cultural understandings. We sincerely believe and hope that program of this kind will be organized in a regular fashion in future.

It is a great privilege for us to play twofold role in organizing this event: as a host and as guest. In fact, this is a fascinating experience to manage this event. Since our inception here, we have found meaningful interaction of students in an interweaving of cultures into complicated, yet beautiful, embroidery of social fabric. We are proud to say that this dearly loved university has produced graduates of high quality, who are distinct from those of the local universities.

Finally, we wish to express our special thanks to Bapak M.Imran Hanafi, Education and Cultural Attache of Indonesian Embassy, Bapak Herdaus, S.H., Assistant of Immigration Attache of Indonesian Embassy, Bapak Tharian Taharuddin for their immensely valuable assistance and co-operation in making this program a success. I sincerely appreciate all local committees at Yogyakarta, the colleagues and program coordinators and committee members who worked diligently to materialize this event. We wish to pass on good wishes to the PGSS for their valuable efforts it expended for this event.

May Allah s.w.t shower His blessing upon us.

Wassalam,

### Nasrullah

Programme Director

### Todi Kurniawan

Co-Programme Director

# **Contents**

# SCIENCES, TECHNOLOGY AND EDUCATION HUMAN RESOURCES DEVELOPMENT ISSUES

Surface Waves Technology in Civil Engineering Applications Sri Atmaja P. Rosyidi	1-13
Development of Earthquake Disaster Management System in Bantul: Study on Housing and Infrastructures Damages for Their Reconstruction	
Sri Atmaja P. Rosyidi, Surya Budi Lesmana, Chu-Chieh Jay Lin	14-25
Cardiovascular Reactivity in Normotensive Young Adults with Family History of Hyoertension.	
Noriah M. Noor, Ikhlas M. Jenie, Tariq A. Razak	26-37
Prevention of Hiv/Aids in Malaysia in The Light of Qur'énic Solutions: The Role of Irk Students of	
International Islamic University Malaysia Asmawati Muhamad, Israr Ahmad Khan	38-54
Fluorescence Detection of Human Premalignant and Malignant Lesions	
Torla Hasan	55-70
The Roles of Urban Architectural Landscape on Shallow Groundwater, Case Study Jakarta Indonesia	
Muhammad Koeswadi	71-83
The Islamicization of Architecture and Environmental Design Education: Case Study of Kulliyyah of Architecture and Environmental Design (Kaed),	
International Islamic University Malaysia Mansor Ibrahim, Maheran Yaman	84-97
Moringa Oleifera Seeds for Use in Water Treatment Eman N. Ali, Suleyman A. Muyibi, Hamzah M. Salleh	98-103

# ECONOMICS AND DEVELOPMENT ISSUES

The Role and Pitfalls of E-Government in Indonesia Punang Amaripuja	115-126
Market Integration and Dynamic Linkages Between Shariah-Compliance Stocks and Interest Rate: Empirical Evidence on The Kuala Lumpur Syariah Index (Klsi) Malaysia Muchamad Imam Bintoro	127-134
The Emerging Issues on The Objectives and Characteristics if Islamic Accounting for Islamic Business Organizations and Its Impact in Indonesia Islamic Accounting Development Rizal Yaya	
Relationship Between Organizational Justice in Performance Appraisal Context and Outcomes; Study on Islamic University in Yogyakarta	135-150
Heru Kurnianto Tjahjono	151-164
Making The Development More Sustainable and The Role of Women in Islam	
Masyhudi Muqorobin	165-185
The Analysis of Exchange Rate Fluctuations and Its Implications on Indonesian Economy Empirical Evidence and Islamic Economic Perspective	
Imamudin Yuliadi	186-202
Value for Money: For The Nigerian Construction Clients Olanrewaju Abdul Lateef, Kharuddin Bdul Rashid	203-215
Environment Related Trade Barriers (Etbs): The Impact on Muslim Countries	
Noor Aini Bt. Zakaria, Rokiah Alavi	216-225
Toward An Ideal Balance of Islamic Banking Products Portfolio The Case of Sharia Bank Industry in Indonesia Muhammad Akhyar Adnan	226 226
миниттии Акпуит Липип	226-236
On The Unique Mindset of A Muslim Business Entrepreneur: A Micro Developmental View Sahri Orman, Aby Saim Md. Shahabyddia	127 1EE
Same a regard and same and suguanianu	7 4 7 7 KK

Inter-Regional Economic Cooperation Among The Oic Member States: Iternative Solution Towards Poverty Alleviation Muhammad Ghali Ahmed	256-263
The Impact of Rising Oil Prices on The Malaysian and Indonesian Economy Mohd Edil Abd. Sukor	264-277
Ways to Improve Economic Growth in The Third World Nation: Nigeria Sherif Abdul Raheem Ajiteru, El-Fatih Abdel Salam	278-292
Synthesising A Corporate Paradox, Profit Maximisation Versus Social Responsibility: Based on The Quran Siti Maimon Haji Kamso	293-305
POLITICS AND LEGAL ENFORCEMENT ISSUES	
Legal Analysis on The Concept and The Practice of Impeachment A Comparative Study Between Abdurrahman Wahid Case and William Jefferson Clinton Case Iwan Satriawan	307-339
Perda Syariah' V.S. Constitution: The Study of The Implementation of Perda Syariah (Sharia Byelaw) in Indonesia M. Endriyo Susila, Yordan Gunawan	340-349
State and Islamic Human Development (A Political Perspective) Tulus Warsito	350-365
The Perplexed Issues of Morality and Law: The Case of Ooi Kean Thong Mohd Iqbal Bin Abdul Wahab, Ahmad Ibrahim	366-375
The Ruling on Refusal to Take An Oath in Islamic Jurisprudence and Its Application in The Shart'Ah Courts in Malaysia and Philippines Badruddin Paguimanan Ahmad, Arif Ali Arif Fiqh, Usul Al-Fiqu	h 376-396
Constraints and Political Developments in Afghanistan, 2001-2 A Critical Appraisal Mohd Nabi Habibi, El-Fateh Abdul Salam	397-406
Why Does Islamization of Political Science Matter?  Ali Muhammad, Wahabuddin Ra'ees	407-413

The Struggle for Regional Dominance in The Horn of Africa; Its Historical Roots and Future Scenarios  Ahmed Omar Abdalleh@fahad, N.M. Yassin Ahmed Ibrahim	414-421
The New Roles The Muslim Plays in Competitive and Relatively Repressive International Relations.  Dr. Bambang Cipto	422-427
SOCIAL, RELIGIOUS AND CULTURAL ISSUES	
An Instrument to Measure Work Values Among Malaysian Workers	
Wan Rafaei Abdul Rahman, Che Su Binti Mustaffa	429-434
Islamic Education for All: An Overview of Approaches Taken Towards Systematizing Inclusive Islamic Education in Singapore	
Sharifah Thuraiya Su'ad Ahmad Alhabshi, Mohyani Razikin	435-442
Muslim Education in The Autonomous Region in Southern Philippines: Problems and Solutions  Jeehan Daisy Jane C. Orcullo, Ismaiel Hassanein Ahmed	443-448
The Role of Concordance in Education: A Case Study of The Meaning of If and Whether Suryanto	449-480
Poverty, Muslim Activism, and Social Welfare The Philanthropic Vision of Charitable Institutions in Indonesian Islam (The Case Study of Muhammadiyah)	404 402
Hilman Latief	481-492
Persuasive Communication in Preaching (Case Study Abdullah Gymnastiar and Ja'far Umar Thalib) Twediana Budi Hapsari, M.Si	493-505
School Cost Escalation: Critical Ideas for Financial Reform in Indonesia Nurwanto	506-515
Empowering The Ummah Through Non Governmental Organization: The Role of Muslim Intellectuals Ariff Bin Osman	516-522
Muslim Countries and Development "Barriers to Development: How to Address Illiteracy and Poverty in Comoro Islands"	

# Poverty, Muslim Activism, and Social Welfare The Philanthropic Vision of Charitable Institutions in Indonesian Islam (The Case Study of Muhammadiyah)

Hilman Latief
University of Muhammadiyah Yogyakarta

## **Abstract**

This paper observes the social and economic roles played by an Islamic organization, with special reference to the Muhammadiyah, the Indonesian second largest Muslim association. A closer attention is paid to the development of welfare ideology and social responsibility as articulated by the Muhammadiyah's charitable institutions. Various types of institutions, such as orphanage, house of the poor, and the Muhammadiyah's council of alms, which represent its social and economic vision, have been highlighted. This paper points out that since the Muhammadiyah has recently been more bureaucratized and dealing with various profit and cost centers; it likely faces organizational and cultural predicaments in presenting the ideology of welfare-ism.

In order to get a more elaborative assessment, the writer takes modern philanthropic definition into discussion as well as analyzes organizational policies and problems that the Muhammadiyah might have faced. The study reveals that to achieve a more actual meaning of social responsibility, with which the Muhammadiyah has been concerned, reinterpretation of religious doctrines is needed. Yet, according to the writer, this idea should also be supported by—and revitalized through—a more progressive vision, expansive program, and well-organized management of every charitable institution.

"Starting from this morning, you are obliged to walk around, finding the needy. Then, bring them to your own house. Let them take shower and give them a hygienic soap and nice clothing, present them pleasant groceries and nice beverages, and allow them to stay at your house. Right now, our religious gathering is dismissed. Just accomplish what I have instructed...!" (Ahmad Dahlan).

### Introduction

Poverty and charity are two inseparable conceptual terms within religious communities. In the case of Indonesia, welfare-ism and educations have so far become a major agenda of many religion-based organizations. A brief observation of the emergence of Islamic reforms in this world largest Muslim populous country reveals that the early 20<sup>th</sup> century can be seen as a period in which a number of Islamic associations, such as the Muhammadiyah (1912), Al-Irshad al-Islâmiyah (1914), Persatuan Islam (1923), and Nahdlatul Ulama (1926) were established. They came into existence due to their interactions with the ideas of Islamic reforms in Middle Eastern countries in the late 19<sup>th</sup> century, and their reactions to the penetration of religions other than Islam that appeared along with the agendas of Dutch colonialism.

Since poverty has become a major problem of many developing countries, charity efforts, economic developments, and social activism give the impression of being imperative preference for various Islamic organizations to be involved intensely with the

developing country like Indonesia are generally initiated and erected by NGOs and religion-based social organizations. Meanwhile, in line with the regulation of Islamic charity and endowment issued by the Ministry of Religious Affairs, a number of charitable institutions come into existent over the regions; some of which have affiliated to Islamic organizations, while others have existed independently.

It is the fact that most of charitable institutions in a developing country like Indonesia are substantially initiated by society through NGO's and religion-based social organizations. Therefore, a profound investigation to why such an initiative arose among Muslims in the 20<sup>th</sup> century of Indonesia is interesting to observe. Corresponding to this subject, Muhammadiyah, one of the earliest social organizations in Indonesia, played a pivotal rule in the early 20<sup>th</sup> century to the establishment of social institutions. It was established by Kyai Ahmad Dahlan (1868-1923) on 18 November 1912 in Yogyakarta, and has long been known among scholars as a modern Muslim reformist organization that focuses primarily on modernizing Islam through education and social welfare.

Other than being associated to a social organization, Muhammadiyah is often classified as a representation of urban and Indonesian middle-class Muslims. This assumption appears in line with the involvement of the activists of this organization within the governmental bureaucracy and the vocational types of its activists or sympathizers. The task of this paper is to highlight the charity efforts of Muhammadiyah and observe how those activities are objectified in the context of social movements. To contribute to the larger framework of Muslims' social activism in Indonesia, a closer attention will also be paid to the roles of the recent social and charitable institutions affiliating to Muhammadiyah, as well as the problems they might have faced in modern time.

Islam without a doubt has its own insight in defining poverty and elevating it from society. Various information found in the Qur'an and Hadith and even in Islamic intellectual and social history demonstrate that social themes have been a great issue through which Muslim intellectuals develop the meaning social responsibility. At least various institutions were established since the period of Muhammad and his predecessors up to the precent times. Adam A. Sabra's study, Poverty and Charity in Medieval Islam: Mamluk Egypt, 1250-1517 gives us an idea about how endowment, alms and charity activism had been administered steadily during the Mamluk era, within which the poor and the needy were classified based on their professional background and income.2 Sabra's findings of course will give a foundation in the study of modern charity since this book also is rightly regarded as the most comprehensive study of in medieval Islam, especially in the Mamluk's era. In the same way, Yaa cov Lev in Charity, Endowments, and Charitable Institutions in Medieval Islam presents a broader discussion about this issue through which he elaborated the dynamics of Islamic charity in the era of Fatimid, 'Abbasid, Ayubid, and early Othman empire. In this book, he observes the roles of statecraft, political authorities, and urban society in undertaking the issue of poverty and

<sup>1</sup> See for example, Mitsuo Nakamura, "Indonesia's Muhammadiyah as an Urban Phenomena: An Observation of Rural-Urban Contrast in Islamic Movement," in *Urbanism in Islam*, supplement, The Proceeding of the International Conference on Urbanisation in Islam, Oct 22-28 1989, (Tokyo: The Middle Eastern Culture Center, 1989) pp. 195-218.

charity. He also analyzes at least three major issues: first, the meaning of charity and alms giving for individual and community, as well as the impact of the institutionalized forms of charity to both rural and urban society. Second, he observes the attitudes of the donors and the recipients. Third, he elaborates charitable institutions including their services to the conveyances such as clinics, madrasah, orphanages, etc.<sup>3</sup> Meawhile, modern study on charity activism has been conducted by Janine A. Clark. In her recent work, Islam, Charity and Activism: Middle Class Networks and Social Welfare in Egypt, Jordan and Yemen, she demonstrates that social institutions that belong to Muslim organizations have come to be part of middle class Muslim networks. Some educational institutions and health centers, which firstly aimed to serve the needy, somehow ironically do not give enough space for those the needy.4

In line with the above discussion, attempts have been made by scholars and observers to study charity activism in Indonesia. Through the perspective of philanthropy and social justice, a research team from The Center of Languages and Cultures in Jakarta presents Filantropi untuk Keadilan Sosial: Menurut al-Qur'an dan Hadits (Philanthropy for Social Justice: A Quranic and Hadith Perspective) in which some basic information on Islamic discourse of charity has deeply been discussed. Idris Taha's, Berderma untuk Semua: Wacana dan Praktik Filantropi Islam also moderately presents some valuable writings presented by such respective scholars as Azyumardi Azra, Dawam Rahardjo, Rahmat Djatnika, and practitioners Adiwarman A. Karim and Zaim Saidi. Moreover, Chaider S. Bamualim's and Irfan Abu Bakar's Revitalisasi Filantropi Islam: Studi Kasus dan Lembaga Zakat di Indonesia gives important report about the implementation of the concept and practice of charity among Indonesian Muslims. Even though those works present various aspect of charity and philanthropy activism in Indonesia, a comprehensive of Muhammadiyah's charity activism remains rare. Therefore, this research is expected to fill the empty space leave by previous researchers especially in discovering Muhammdiyah's charity activism.

# Muhammadiyah and Welfare-ism: Defining Social Responsibility

The Muhammadiyah vision of social welfare cannot fully be disconnected from the figure of its founder, Ahmad Dahlan. He was very much concerned with the poor and orphans and had a strong social commitment. Although Dahlan grew up within a middleclass society and dedicated his entire life to become the Chatib (official) of the Sultan Mosque of Yogyakarta, his social vision emphasizing on social responsibility and the necessity of giving sympathetic care for the needy and orphans has always been reproduced by the Muhammadiyah members.<sup>6</sup> It is not too surprising when hundreds of orphanages, schools, and clinics have recently been established across the country. Four decades ago, James L. Peacock, related to this matter, illustrated:

<sup>3</sup> Yaa cov Lev, Charity, Endowments, and Charitable Institutions in Medieval Islam (Florida: University Press of

<sup>4</sup> Janine A. Clark, Islam, Charity and Activism: Middle Class Networks and Social Welfare uin Egypt, Jordan and Yemen, (Blomington, Indiana: Indiana University Press, 2004)

<sup>5</sup> Tim Peneliti UIN, Filantropi untuk Keadilan Sosial: Menurut al-Qur'an dan Hadits (Jakarta: PBB UIN, 2003)

<sup>6</sup> As to the biography of Dahlan and his thought, see, M. Yusron Asrofie, Kyai Haji Ahmad Dahlan: Pemikiran dan Kepemimpinannya (Yogyakarta: Yogyakarta Offset, 1983), pp. 46-51.

Among the indigenous movements of Indonesia, whether nationalist, Communist, or Muslim, only Muhammadiyah has built an extensive system of schools, hospitals, and social-welfare facilities. Throughout its efforts, spanning more than a half century, Muhammadiyah has a record of balanced budgets, efficient organization, and uncorrupted and dedicated leadership than cannot be matched by any of the other major movements of Indonesia or, for that matter, by many modernizing movements elsewhere.<sup>7</sup>

Albeit the religious reforms of Muhammadiyah were "genetically" rooted to the modernist puritan Muslims such as Muhammad Abduh (d. 1905), Jalaluddin al-Afghani (d. 1897), Ibn Taymiyah (d. 1328), and Ibnu Abdul Wahab (d. 1205), Muhammadiyah's main agenda on social welfare has distinguished itself from other religious organizations existing in many Muslim countries. Achmad Jainuri, for example, in his, "The Formation of Muhammadiyah's Ideology, 1912-1942," mentions, "the Muhammadiyah's reformist mission always placed a greater emphasis on social welfare..." and this organization believes that "the fundamental sources of Islam can be translated into the concrete realities of the religious, social, economic, and political life of Indonesian Muslims."

The concept of charity and the establishment of charitable institutions within Muhammadiyah in the last four decades seem to be in line with the outlook of the founding fathers of this organization. Some Islamic doctrines have affirmed that reducing poverty and delighting alms are obligatory for every Muslim. Nevertheless, the efforts of Indonesian Muslims in implementing such a social vision organizationally and collectively began by the late of 19th and early 20th centuries along with the Dutch colonialism and Christian missions in the Indonesian Archipelago. Corresponding to this, Alwi Shihab, illustrates that the role of social institutions belonging to Christian missionaries in the country triggered the rise of Muhammadiyah social activism. "By adapting the same modern modes employed by the Christians in establishing various institutions, the Muhammadiyah asserted its determination to face the Christian penetration head on," Shihab points out. At this situation, therefore, "Dahlan felt an urgency to vie with the Christians for the lead in the erection of schools, orphanages, clinics and other social institutions throughout the country." In short, the establishment of social institutions in Muhammadiyah was inspired by two essential factors: firstly, the normative teachings of Islamic texts, which emphasize on social responsibility; and secondly, other religious organizations, which gave emphasis to social activism.

<sup>7</sup> James L Peacock, Purifying the Faith: The Muhammaddijah Movement in Indonesian Islam (Menlo Park, California: University of North Carolina, 1978), p.

<sup>8</sup> See Kemal Pasha and Adabi Darban, Muhammadiyah Sebagai Gerakan Islam: Suatu Tinjaun Historis dan Ideologis (Yogyakarta: LPPI UMY, 2003); also Arbiyah Lubis, Pemikiran Muhammadiyah dan Muhammad Abduh: Suatu Studi Perbandingan (Jakarta: Bulan Bintang. 1993).

<sup>9</sup> Achmad Jainuri, "The Formation of Muhammadiyah's Ideology 1912-1942," Ph.D. Dissertation, The Institute of Islamic Studies, McGill University, Montreal, 1997, pp. 5-6.

<sup>10</sup> Alwi Shihab, "The Muhammadiyah Movement and Its Controversy With Christian Mission in Indonesia, Dissertation, Temple University, Philadelphia, Pennsylvania, 1995, pp. 249-50. Theologically speaking, Sukidi sees the similarities between Muhammadiyah theological point of view in the context of its social vision and Calvinism in the context of Protestant ethics, see Sukidi, "Max Weber's on Islam: The Protestant Ethic among Muslim Puritants, in Islam and Christian-Muslim Relations, Vol. 17, No. 2, April 2005, pp. 195-205.

Since poverty becomes the major social problem of many developing countries, attempts have been made by religious organizations to be involved in social services. In the context of Indonesian Islam, Muhammadiyah has its own definition of poverty that can further be discovered in its organizational policies or the statements of its activists. The first exertion of the Muhammadiyah by the end of the 20<sup>th</sup> century in developing social activism is the reforms in the collection and distribution of alms implemented in the Sultanate Mosque of Yogyakarta. According to Mitsuo Nakamura, the alms were usually distributed to the *Modin* (village religious functionary), *Kaum* (religious official who is in charge of the mosque), and *Penghulu* (Muslim leader) as a gift for their services. According to Muhammadiyah, the alms should appropriately be entrusted and managed by a group of people as a representation of community, and, based on the Quranic teachings, distributed to the right persons (*mustahik*), especially the poor and the needy. 11

From that case, we may further see that Muhammadiyah has begun to define normative meaning of poverty and its relation to the spirit of alms and other Islamic endowments. In many sources, we may find Muhammadiyah policies and perspectives of poverty and charity. By presenting and endorsing the "spirit of al-Mâ'ûn," social groups that Muhammadiyah has been concerned with are the poor, orphans, and "disadvantaged children." Therefore, the implementation of the organizational program within this organization typically takes a form in the establishment of orphanages and educational institutions. By such a definition of poverty, Muhammadiyah emphasizes the significant of improving the enthusiasm of its members in donating their wealth through social activism. As mentioned before, Ahmad Dahlan, at this point, was a progressive figure whose ideas strongly triggered his colleagues and students to engage charity efforts in their life. Once Dahlan said:

You do not need to shout and prove that you are ready to preserve your religion by sacrificing your soul. Your soul would be taken out from your body albeit you do not offer it. Getting sick or not, you would die naturally. The important one is, can you offer your wealth and properties for your religion? That is what we really need presently.<sup>12</sup>

# Philanthropy, Reducing Poverty and the Prospects of Muhammadiyah

According to the principle of modern Islamic philanthropy, the wealth of charity should appropriately be distributed to a more productive program instead of a consumptive one. There is a system of justice carried out within modern philanthropic system distinguishing it from traditional charity. Togetherness and empathy held by the wealthy are manifested in the form of consistent, boundless, and empowering social and economic advocacies so that the needy will surely be independent economically and socially in the future. Therefore social change, democracy, and justice have always been targeted in the philanthropic activism. An article issued by NCRP (National Committee for Responsive Philanthropy), "Understanding Social Justice Philanthropy," mentions that the concept of justice within philanthropy is "the practice of making contributions to non-profit organization that work for structural change and increase the opportunity of

<sup>11</sup> 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), p. 90.

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those who are less well of politically, economically, and socially."<sup>13</sup> It also means, "the process through which society attains a more equitable distribution of power in the political, economic and social realms."<sup>14</sup>

In line with the above discussion, Islamic concept of charity seems to be similar to philanthropy in a way that the fund is taken and collected from and by society or a group of people who have a strong social commitment. However, both modern philanthropy and traditional charity are different in nature, especially in the model of distributing donation. Philanthropy in practice can surely be accomplished by a person or institution. It main task is to reduce poverty structurally and diminish backwardness within society through educational, social and economic activities. Making a close relation between the givers and recipients is another expected result from this generous activism. Philosophically speaking, philanthropic activism is also inspired by two motives; "to serve others" and "to fulfill a moral need." Traditional charity, on the other hand, does not offer definite mechanism by which charitable institutions can preserve the sustainability of their social programs or extend the scope of the recipients. Since Islam has determined the groups of people having the right to receive alms, the extensive program that may be able to handle recent social problems such as the prevention of HIV/AIDS, the supply of clean water in the waterless regions, and the endorsement of art and cultural activities are somehow failed to see.

Poverty has been approached by Muhammadiyah from various sides. First, the collective interpretation of Muhammadiyah concerning poverty and the necessity of protecting the needy can further be seen in the establishment of orphanages. The 2005 survey, for example, declares that Muhammadiyah has 330 orphanages across the regions. Second, Muhammadiyah has also been concerned with the reduction of the social and cultural impacts of poverty, which is lack of education, by establishing schools. Recently according to the above survey, Muhammadiyah has 1132 Elementary School, 1769 Islamic Elementary School, 1184 Junior High School, 534 Islamic Junior High School, 511 Senior High School (SMA), 263 Senior Vocational School (SMK), 172 Islamic Senior High School, 67 Islamic Boarding School, 55 Academies, 4 Polytechnics, 70 Higher Educations, 36 Universities. Third, Muhammadiyah's commitment in assisting the needy is also manifested in health service. About 345 clinics and hospital survive in many regions. The last, in supporting its social programs, Muhammadiyah erects Finance Corporation and Bank as a part of its economic development programs. About 19 Banks (BPR), 190 finance companies (Baitul Tamwil Muhammadiyah, BTM), and 808 Cooperation (Koperasi Warga Muhammadiyah)<sup>16</sup> have still been running their business.

Therefore, by handling such various institutions, Muhammadiyah has turned out to be a huge organization that might have faced social and structural obstacles in developing its programs. Some criticisms are often addressed to this organization for the

<sup>13</sup> NCRP (National Committee for Responsive Philanthropy), "Understanding Social Justice Philanthropy," April 2, 2003.

<sup>14</sup> Ibid.

<sup>15</sup> For further discussion of the affectivity and weakness of philanthropy, see Gertrude Himmelfard, "The Age of Philanthropy," *The Wilson Quarterly,* Vol. 21, Spring 1997, pp. 48-55.

<sup>16</sup> To observe the development of Muhammadiyah Social Institutions in the last 5 years, see Pimpinan Pusat Muhammadiyah, Profil Muhammadiyah 2005, p.viii.

weakness and clumsy in responding many social problems faced by this nation. As a comparison, a study accomplished by Janine A. Clark in her Islam Charity and Activism, on the roles of Muslim social organizations in Egypt, Jordan and Yemen reveals that such institutions have changed their orientation, from serving the needy to becoming a new social network that bind the middle-class professionals, volunteers, and clients. She, in that case, explains,

"I argue that Islamic social institutions are run by and for the middle-classspecifically members of educated middle-class whose carrier ambition rest on their secular, largely professional educations. Because of the operational and instrumental needs of Islamic social institutions and of the Islamist movement of which they are part, we consistently find that the needs of the

Similarly, Muhammadiyah's social institution cannot fully avoid the fulfillment of the instrumental needs of its social institutions in line with demand of professionalism. Let see the existence of Muhammadiyah's Clinics and hospitals for our consideration. Those Health Centers were originally rooted from the Rumah Miskin ("the house of the poor") and Penolong Kesengsaraan Oemoem/PKO ("The Help for the Misery") belonging to Muhammadiyah in its "formative period" by the early 20th century. Presently, it is hard to distinguish between the Health Centers belonging to Muhammadiyah from other private and profit-oriented Health Centers in terms of their service and cost. In the same way, Muhammadiyah's educational institutions such as universities and schools cannot easily make a distinction from other similar private institutions.

For the difficulties that Muhammadiyah faced in preserving their social service, a normative Islamic concept of charity remains necessary to implement. Most of Muhammadiyah hospitals have internally set up charitable institutions in order to revitalize their social service. The fund is taken directly from the employees and doctors of each hospital as their alms, as well as from the costly VIP rooms and employed to subsidy the "third class" patients. Interesting enough to mention that although some criticisms indicates that the present Muhammadiyah movement is less social sensibility, its social institutions, especially the establishment of orphanages, remains growing

The future of Muhammadiyah social service certainly will face many significantly. organizational and financial obstacles in assisting the needy since Muhammadiyah has become to be bureaucratized and should carefully pay attention to its thousand institutions. This matter also causes Muhammadiyah less effort in looking at the fund resources within society. In fact, many organizations such as Dompet Dhuafa Republika, DSUQ, and PKPU are getting involved and taking over the Muhammadiya's part in the excavation of fund resources of Indonesian society.

<sup>17</sup> Janine A. Clark, Islam, Charity and Activism: Middle Class Networks and Social Welfare in Egypt, Jordan and Yemen, (Bloomington, Indiana: Indiana University Press, 2004), p. 33.

# Poverty and the Problem of Collecting Donation

While the new organizations mentioned above are growing rapidly and collecting a large amount of money from society, Muhammadiyah seems to get difficulties in revitalizing its financial resources. Financial support from society for the accomplishment of Muhammadiyah's social service is of course needed. However, since Muhammadiyah's businesses are running in many places, people think that Muhammadiyah economically remains sufficient, and therefore, not need any donation any longer. Organizationally speaking, Muhammadiyah has paid great attention to the important of charity efforts of Indonesian society by establishing Majelis Wakaf dan ZIS ("Board of Endowment, Charity, and Alms"). However, its policies are not sufficient to resolve the problem. Also, since Muhammadiyah has distributed its authority into many levels of leadership; from the Central Board (National) to Regional Board (Province), Sub-Regional Board (District), and finally to the Branch Offices (Sub-District), its responses are seen unenergetic due to its complicated bureaucratic and organizational

There is an important issue with regard to why Muhammadiyah, compare with other organizations, is less productive in the collection of donation. My provisional observation shows that the Muhammadiyah's policies on the important of charitable institutions as another organizational financial resource seem to be overlapped by the roles of Muhammadiyah's business centers. It also can further be seen in the difficulties or correlate between the profit-oriented institutions and social ones. Let us take the orphanages and hospitals or universities as our case. Since the orphanages financially are dependent on charity efforts and donation from outside organizations, most of the profit-cases, the orphanages must fund themselves, based upon the financial resource they have from the outsiders without necessarily relying on other Muhammadiyah's profit-oriented institutions. Consequently, the relationship between the profit and non-profit institutions within Muhammadiyah are somehow not in a synergetic function and difficult to

Charity efforts within Muhammadiyah are administered in a semi-decentralized management. Although Muhammadiyah officially has a central board for charity, which is Lazis Muhammadiyah, a Jakarta-based office, there is no clear connection between the Lazis Muhammadiyah and similar institutions existing over the regions. Therefore, it is entire charitable institutions. In terms of assisting the needy, this situation has made charitable institutions such as Lazis Muhammadiyah, or to other charitable institutions such as Lazis Muhammadiyah, or to other charitable institutions ideology of welfare-ism, Muhammadiyah's policy in managing charity and preserving its institution and collecting donation, Muhammadiyah vision of social welfare can be observed in its social activism through the establishment of social institutions such as this organization (Ranting and Cabang).

The advantages of such organizational policies of social service and charity efforts implemented in Muhammadiyah are; first, the implementation of the ideology of social welfare started from grassroots of society (bottom up) through the establishment of Branch of Muhammadiyah (Sub-District) followed by the establishment of social institutions such as orphanages, schools, and health centers. These social institutions in fact played a pivotal role in preserving the sustainability of organizational activism. Second, there is a competitive process in the grassroots level to develop social institutions. Third, Muhammadiyah's professional and social institution can also be a fine medium for the empowerment and development of the career of its activists and sympathizers, as well as people surrounding such social institutions. If we look further at the process of the development of most of Muhammadiyah social institutions, we may discover that all begin with the collection of donation engaging various groups of people, including its members or sympathizers.

The weaknesses of such decentralized policies in implementing the ideology of social welfare are: first, first, charity efforts within Muhammadiyah are atomized and not well organized so that is its social and organizational benefits cannot be prioritized. Second, the quantitative number of Muhammadiyah social institutions resulting from the participation of society is increasing rapidly. However, a well-management system is required. Many cases show that many social institutions are leave unattended because of the limits of the managements system. The usage of charity is focused on instant and popular sectors, lacking innovation in engaging productive sectors.

# Social Welfare and the Source of Donation

As an organization with a long historical record in social activism, Muhammadiyah remains trustworthy and is able to expand its potential source of funds. Since many profit-oriented institutions that collect charity directly from their employees, fundraising system in Muhammadiyah is less expansive. This situation also can be seen within other independent charitable institutions affiliating to Muhammadiyah. Even so, some other social institutions such as orphanages give the impression of being more productive in collecting donation since they need to fulfill their regular expense.

This means that charity remains the very important sources for the Muhammadiyah's social activism. Based on the 2005 report, for instance, donations for regular expense of a Yogyakarta-based orphanage (Panti Asuhan Putra Muhammadiyah), are obtained from outsiders, such as The Foundation of Darmais (5%), Local Governmental Agency of Social Service of Yogyakarta (12%), the Government of the Republic of Indonesia (11%), Self-Supporting Business (12%), and Donation from Society (60%), 18 instead of Muhammadiyah profit-centered institutions. A similar phenomenon can be discovered in the Yayasan Rumah Singgah and Pesantren Ahmad Dahlan. The largest part of donation is benefited from charity efforts. These two social institutions have financially relied on the donation. PAY Putra Muhammadiyah, sets up the members of the jamaah of its weekly religious gathering to become its main financial sources. Both PAY Putra Muhammadiyah and Yayasan Rumah Singgah Ahmad Dahlan send letters to the Jamaah,

asking for donation. The Yayasan Rumah Singgah even involves the disadvantaged children to repair used electronic equipments (refrigerators, computers, printers, etc.).

# Closing Remarks

Muhammadiyah's work from its establishment up to the present time is a good example of how the process of Islamic revitalization has taken place through collective action. Muhammadiyah has set up several organizational divisions that run various programs dealing with religious and social welfare. As regards the Muhammadiyah work model, Prof. Amin Abdullah called it "faith in action." However, times are changing. The needs of the Indonesian *ummah* (Muslim community) are also changing and becoming more complicated. At the same time, it is clear that the early idealism of Muhammadiyah has in recent years become institutionalized and even, perhaps, bureaucratized.

While scholars often see and categorize Muhammadiyah as representing middle-class or urban Indonesian Muslims, this does not mean that the issue of poverty in this country is not relevant to the organization as Dahlan himself, as well as the other founders of Muhammadiyah, paid great attention to the problem. Professionalism in the management of all institutions belonging to Muhammadiyah, such as schools, universities, hospitals, clinics, orphanages and other charitable institutions is an essential issue if Muhammadiyah wants to serve as an example to other organizations in terms of preventing its social activism. For example, as the cost of education and healthcare increase, Muhammadiyah will need to prove its commitment to the needy by offering cheaper education, health services and a more expansive charity and philanthropic activism.

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