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Islamic Capitalism: The Muslim Approach to Economic Activities in Indonesia

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As far as property is concerned, in principle “all property belongs to God,” but God has given human beings the right to possess their own property, although a limit is set on the right to private property when it comes to what is meant for everyone and should remain public such as mountains, forests, and rivers.¹

Introduction

The fall of the Berlin Wall and dissolution of the Soviet Union in the early 1990s symbolized the collapse of the Communist Bloc. Since then, the world appeared to be moving along the path of mainstream capitalism, which is based on the idea of “wage labor and private ownership of the means of production.”² The trend of consumerism, founded on the notions of income generation and property ownership, has resulted in the definition of social relations in terms of extreme competition, and has been powerful in normalizing human behaviors towards competitive ends. This mode of society has contributed to the so-called growth of the economy that has lifted the standard of living to some extent. Healthy competitions in the market based on a capitalist mindset have been able to provide consumers with better quality services.

Nevertheless, we have to admit that modern capitalism is distinguishable by its shortcomings. Emmanuel Todd, for one, points out that capitalism could “hurt everyone,” although he believes capitalism to be a rational economic system.³ For him, even affluent members of society are no longer able to enjoy their profits, as an enormous sum of expenditure is required to sustain their property.⁴ Tugrul Keskin also argues that capitalism is far from perfect and exhibits social predicaments. These include “standardization of our daily life and destruction of diversity,”⁵ which would elevate the economy as a supreme value and would diminish the influence of religions in our society. He states that,

We have departed from the social space, or a more mechanical form of solidarity where religion used to be a dominant institution, and are moving more towards an emphasis on an economically driven society. In this new society, mass

¹ S.H. Nasr, *The Heart of Islam* (New York: HarperCollins, 2004) p.145

² C. Rohmann, *The Dictionary of Important Ideas and Thinkers* (London: Arrow Books, 2001) p.52

³ E. Todd, *After the Empire* (New York: Columbia University Press, 2002) p. 94.

⁴ Ibid.

⁵ T. Keskin, “The Sociology of Islam”, in T. Keskin (ed.), *The Sociology of Islam* (Reading, UK: Ithaca Press, 2012) p. 2.

consumption dominated every aspect of human life, including relations between people.⁶

Islam, which is frequently at variance with Western values, also faces the challenges of Keskin's "economically driven society" today. Hence the question arises as to the responses of Islam towards the extremely powerful normalizing tendencies of capitalist economies, which have been shaping most of the world with little resistance in the post-Cold War era. Would Islam offer a solution for the dwindling of influence of religion in a society? S.P. Huntington suggests that Muslims are inclined to emphasize Islam-ness in the time of economic development as they regard their faith as "a source of identity, meaning, stability, legitimacy, development, power, and hope."⁷ Huntington explains that "Islamic Resurgence" is Islam's maneuver to survive in this modern world, and yet it shows another source of the "clash" between the West and Islam. He states,

This Islamic Resurgence in its extent and profundity is the latest phase in the adjustment of Islamic civilization to the West, an effort to find the "solution" not in Western ideologies but in Islam. It embodies acceptance of modernity, rejection of Western culture, and recommitment to Islam as the guide to life in the modern world.⁸

It would be of interest to observe how Muslims may deal with the current powerful capitalist economy that prevails all over the world, even in Communist China. Would the Islamic and Western attitude towards the capitalist economy differ from one another? Indonesia, one of the fastest growing economic powers and the most populous Muslim nation in the world, provides useful examples to answer the questions outlined.

Islam and Capitalism

Some scholars insist that Islam is no stranger to the capitalist economy. Maxime Rodinson explains that the birth place of Islam, Mecca, was a "center of capitalistic trade."⁹ According to Rodinson, the economy in the Islamic world thrived after the Abbasid Revolution until the fourteenth century. Muslims at that time showed their capitalist attitudes in that "they seized any and every opportunity for profit, and calculated their outlays, their encashments and their profits in money terms."¹⁰ Even the forbidden practice of imposing *riba* or interest in Islam was practiced among Muslims in the Middle Ages.¹¹ Rodinson's argument leads us to the idea that Islam is by no means antagonistic

⁶ Ibid.

⁷ S.P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996) p.109.

⁸ Ibid. pp. 109-110.

⁹ M. Rodinson, *Islam and Capitalism* (Austin: University of Texas Press, 1981) p. 28.

¹⁰ Ibid. p. 30.

¹¹ Ibid. p. 35.

to capitalism, which encourages profit-seeking activities. There is in fact support for this in *al-Qur'an*:

Believers, when you are summoned to your Friday prayers hasten to the remembrance of God and cease your trading. That would be best for you, if you but knew it. Then, when the prayers are ended, disperse and go your ways in quest of God's bounty. Remember God always, so that you may prosper (al-Jum'ah: 62-9~10)

It is also true that Prophet Muhammad himself was a merchant and met his first wife Khadijah through trading activities.¹² All of these would be sufficient to make us believe that Islam is not inherently hostile to commercial profit-making businesses.

The capitalist-friendly orientation of Islam is expressed by the term “merchant Muhammad,” which was coined by Keskin.¹³ Does it really mean that Islam totally accepts capitalist economic activities that are practiced in the West today? In fact, some Muslims believe that Islam should not follow capitalist neo-liberalism, and this side of Islam is represented by the words of “Meccan Muhammad.”¹⁴ We see the divergence between more conservative fundamentalist Muslims and progressive moderate Muslims in relation to economic affairs, as we see in the debate over *jihad*.

In either case, however, Islam is the “manifestation” of a capitalist economy, regardless of some Muslims' approval or rejection of capitalism.¹⁵ The Islam that exists in capitalist-driven society today can never escape from the reality that the global market economy is showing no sign of contraction. In other words, Islam is able to play a certain role either in promoting or in diminishing capitalist activities. However, as the influence of capitalism is so enormous, Islam has become a pretext for fostering capitalist thought and enhancing the foundation of capitalism.

In Indonesia, for example, Islam has been employed to nurture the business motivation and ethics of the workers in some enterprises. Daromir Rudnycky has conducted anthropological research on a series of popular seminars held across Indonesia. These are organized under the auspices of Emotional and Spiritual Quotient (ESQ) training, which is the creation of a businessman named Ary Ginanjar Agustian. In these seminars, Islam is used as the basis of education. Krakatau Steel, which is one of the largest enterprises in the country, conducted ESQ training in 2004, and Rudnycky described its details as follows.

¹² B. Rogerson, *The Prophet Muhammad* (London: Little Brown, 2003) pp.71-72.

¹³ T. Keskin, op.cit., p.9.

¹⁴ Ibid.

¹⁵ Ibid. p. 10.

In dramatic tones he (Ginanjar) told us that ESQ enhances Islamic practice and was indispensable to productivity and prosperity in the global economy. Equating Muslim virtues with corporate values, Ginanjar represented globalization as a divine challenge that could be met through the intensification of Islamic faith...The hall, darkened and cool, was filled with music conveying buoyant optimism as Ginanjar deployed metaphorically rich language to assert that globalization required employees to become different kinds of workers.¹⁶

It should be noted that ESQ is meant not only for increasing productivity but also for eradicating immoral practices in businesses, such as corruption.¹⁷ Productivity can never increase when fraudulent practices are pervasive. The two issues are deeply interconnected. The necessity of “spiritual reform” is urged in the ESQ program, and Islam is seen as an essential means in realizing it.¹⁸

One of the core creeds in Islam is that ‘good Muslims’ are able to obtain an assurance of entry to *akhirat* or the hereafter. Spiritual purity is an important criterion for Muslims to receive this ‘gift’ from *Allah*. The probability of acquiring this reward depends on the conduct of individual Muslims. Therefore, Muslims discipline themselves in order to assure their entry to *akhirat*, and the ESQ program emphasizes that profit is consistent with spiritual purity.

ESQ training, in fact, is an opportunity to remind Muslims of their “ultimate goal,” that is, “otherworldly salvation,”¹⁹ and simultaneously Muslims reaffirm that only the ones who are spiritually wholesome will be able to receive it. In other words, any religious notion with promise or fear can exercise tremendous influence over the behaviors of humans, including economical ones.

As has been seen before, Muslims encounter virtually no theological obstacles to engage in commercial activities for *al-Qur’an* clearly encourages them to exercise capitalist profit-making business. Although some Muslims are unwilling to be part of the Western capitalist circle, Islam can be a useful tool to enhance it by bringing about the spiritual purity of Muslims, which is linked with the degree of their belief in *Allah*. Muslims need to maintain Islamic virtues when involved in economic activities. This prerequisite may be a crucial factor in distinguishing ‘Islamic capitalism’ from Western capitalism.

Rising Young ‘Capitalist’ Muslim Clerics in Indonesia

Indonesia, which is the world’s most populous Muslim nation, is also Southeast Asia’s economic superpower. Its GDP growth was at the rate of at least six percent or higher

¹⁶ D. Rudnykyj, *Spiritual Economies* (New York: Cornell University Press, 2010) pp.1-2.

¹⁷ Ibid. p .6.

¹⁸ Ibid.

¹⁹ Ibid. p .81.

between 2010 and 2012.²⁰ The GDP growth in Indonesia in 2013 was 5.8 percent, and the Asian Development Bank predicts that its growth will rise again to six percent in two years.²¹ ADB's report also states that Indonesia's "private consumption is expected to remain reasonably robust" in the first half of 2014.²² In addition, according to the recent World Bank report, Indonesia became the tenth largest economy in the world in 2011.²³ Modern shopping malls in urban cities such as Jakarta have been mushrooming in the last decade, and consumerism is widespread throughout the archipelago.

Despite its great proportion of Muslim population, Indonesia remains a secular republic without the implementation of Islamic law or syaria. The political as well as the economic systems are similar to the ones in the West. Popular voting and a market economy are features of Indonesian society. Nonetheless, Indonesians are proud of their religions including Islam, diverse cultures, and long history. As the majority's religion, Islam seems to be a chief moralizing force for the social life in Indonesia. Birthday celebrations and funerals are conducted in accordance with Islamic creed, and Arabic greetings are common in the country. Regardless of the depth of one's faith, Islam is constantly appealed to for guidance in relation to social behaviors and customary interchanges among fellow Indonesians.

In the field of economy, we find several syaria-based banks in Indonesia, such as Bank Syariah Mandiri and Bank Muamalat Indonesia, and they have increased their total assets after the collapse of Suharto's government, though the total assets of syaria banks remain relatively low.²⁴ In the economic boom in post-Suharto Indonesian society, several Muslim clerics gained popularity through mass media and attracted a considerable and dedicated following. Followers can be seen to be animated as if they are present at a popular music concert. The clerics include Zainuddin, Abdullah Gymnastiar, Arifin Ilham, Jefri al Buchori and Yusuf Mansur, et cetera. Many of them have their own TV shows and present themselves as 'conveyors' of the true message of Islam. Their appearance has successfully instilled an Islamic 'flavor' in Indonesia, the secular republic. These personages tend to be friendly, energetic, smart, modern, and economically conscious. In fact, several of them have established their own investment institutions and have encouraged their followers to invest in it.

²⁰ *Asian Development Bank Outlook 2014*, p. 1. Available at <http://www.adb.org/sites/default/files/ado2014-indonesia.pdf>

²¹ *Ibid.* p. 3.

²² *Ibid.* p. 4.

²³ *The Jakarta Post*, 5th May 2014.

²⁴ In 2001, the total assets of Islamic banks in Indonesia are 0.25% M.E. Siregar and N. Ilyas, "Recent Developments in Islamic Banking in Indonesia", in *Proceedings of the Fifth Harvard University Forum on Islamic Finance*. Available at:

http://ifp.law.harvard.edu/login/view_pdf/?file=Recent+Developments+in+Islamic+Banking+in+Indonesia.pdf&type=Project_Publication

One of the well-received young Muslim clerics among these is Yusuf Mansur, who is only in his late thirties. His success as an Islamic preacher and entrepreneur is second to none in modern Indonesia. His publications are widely available, and he is always the target of photo sessions for his followers. His activities are twofold: a religiously-oriented charity arm on the one hand, and secular profit-seeking businesses on the other. The former is represented by an Islamic boarding school and charitable organization called *Program Penbibitan Penghafal al-Qur'an* (Program for Seeding al-Qur'an Learning) which is known as PPPA. The latter consist of various private enterprises; *PT Veritra Sentosa Internasional*, known as VSI, is one of the largest. Multi-level marketing or MLM is VSI's business strategy; it sells software programs that enable electronic payment for utilities such as electricity and telephone, and for prepaid telephone cards, et cetera.

However, it would be a mistake to understand these two different domains of Yusuf Mansur's activities as operating independently. Rather, they exert influence one upon another, and Mansur is never hesitant to promote his MLM business by emphasizing both Islamic spirituality and his charisma as a preacher. His popularity and the degree of his business success seem to be mutually reinforcing. By early 2014, Mansur had already purchased several hotels near Jakarta International Airport and was ready to offer commercial accommodation for Muslim pilgrims.²⁵ It is said that Mansur also has a plan to purchase Merpati Nusantara Airline.²⁶ The acquisition of the hotel, for example, is for the benefit of *umat* or the Islamic community, and Mansur is disinclined to associate his activities with capitalistic profit-making business.²⁷ He explains that there are three important elements in Islam and economy. First is *niat* or intention. His first priority is not money. Rather his intention is to give benefits to other people. This is only possible through worshipping *Allah*, he emphasizes. Next is *cara* or method. Western business is conducted in accordance with written regulations and rules, but he states that Muslims do not need to be formal; they do business through their hearts. Last is *tujuan* or purpose. Mansur states that Muslims should do business in order to enter *surga* (heaven). To summarize, the Islamic economy can be described by three phrases; it is done because of *Allah*, with *Allah* and for *Allah*.²⁸

Islamic idea of alms or *sedekah*

Yusuf Mansur emphasizes a specific Islamic tenet called *sedekah* (or *sedeqoh*) in his preaching, which literarily means alms, or alms-giving. This might be confused with well-known *zakat*, which also means alms and is one of the five duties of Muslims. *Zakat*

²⁵ Kompas online, 18 April 2013. Available at:

<http://bisniskeuangan.kompas.com/read/2013/04/19/13563666/Simak.Cara.Investasi.ala.Ustad.Yusuf.Mansur.1>.

²⁶ Ibid.

²⁷ Interview conducted by the author in Tangerang, December 28, 2013.

²⁸ Interview conducted by the author in Tangerang, December 28, 2013.

is an obligatory donation to support the disadvantaged in the community. In zakat practice, Muslims are supposed to contribute 2.5 percent of their income, and it is usually collected systematically by the government in Islamic states. *Sedekah*, on the other hand, is based on the free will of donors. There is no strict enforcement or fixed portion in *sedekah*.

Mansur believes that it is absolutely permissible and even encouraged in Islam that all Muslims be involved in secular commercial activities, pursuing monetary benefits. However, he preaches to his followers not to monopolize their benefits and to offer them to *Allah*. *Sedekah* is a practical and concrete means to ‘offer’ their benefits to *Allah*. This conduct is tantamount to supporting the underprivileged, and one can receive *keberkahan* or blessing through it, and it strengthens Muslim brotherhood.²⁹ For Mansur, businesses and *sedekah* mould the “philosophy of business in Islam,” and it would be wrong to separate these two concepts.³⁰ He points out several verses from al-Qur’an to prove his explanations.³¹ For example, we read the following statements in the holy book:

But seek, by means of that which God has given you, to attain the abode of the hereafter. Do not forget your share in this world. Be good to others as God has been good to you, and do not strive for evil in the land for God does not love the evil-doers.(*al-Qasas:28-77*)

There are some who say: ‘Lord, give us abundance in this world,’ They shall have no share in the world to come. But there are others who say: ‘Lord give us what is good both in this world and in the hereafter and keep us from torment of the Fire.’ These shall have a share according to what they did.
(*al Baqarah:2-201*)

There are two important messages found in these verses. First is the importance of maintaining social solidarity among Muslims, which we might call Islamic spirituality. It is plausible that material gain might be over-cherished in a country like Indonesia, given its rapid economic growth. In this regard, Mansur’s idea and explanation can be understood as a reaction to pervasive self-centeredness and materialism that could fracture the sense of togetherness of Muslims. Charles Tripp is right to say that “... the danger for specifically Islamic society was capitalism’s elevation of materialism (identified with both capitalism and communism) over spirituality (identified as the defining feature of the Islamic system).³²

Another significant purport in above-mentioned al-Qur’an is the reminder of the existence of the life after this world known as *akhirat*. In the practice of *sedekah*, as we have seen,

²⁹ Interview conducted by the author in Tangerang, December 28, 2013.

³⁰ Interview conducted by the author in Tangerang, December 28, 2013.

³¹ Interview conducted by the author in Tangerang, December 28, 2013.

³² C. Tripp, *Islam and Moral Economy* (New York: Cambridge University Press, 2006) p. 53.

mutual support among Muslims is crucially treasured. The ‘good heart’ of people can be the motivation of conducting charity or *sedekah*. However, we see another factor that promotes *sedekah*, namely the hope for and, with greater proportion, the fear of *akhirat*. Mansur is well aware of the psychology of the people and is eager to remind them of two distinctive words, *suraga* (heaven) and *neraka* (hell) to which they could proceed, depending on their behaviors in this world. The same method was employed in the ESQ training program in order to bring about professionalism and morality in private enterprise. The actual scene of the training session was well described by Rudyckyj.

The room was pitch black, the sound system was elevated to a thunderous volume, and the air conditioning appeared to be turned to its coldest setting, creating an almost refrigerator-like chill. Two films were juxtaposed with a voice-cover by the lead trainer in which he narrated the agony of death and the horrors of hell. The first film clip was from one of the climactic scenes in the Hollywood blockbuster *Titanic* in which hundreds of near lifeless bodies surround the sinking vessel, freezing to death in the icy waters of the North Atlantic. ...another one from a Harun Yahya film called *Kehidupan Alam Barzakh* (Life in Purgatory). The clip depicted a visual representation of a corpse being called to account for worldly sins in the afterlife as hellacious fires burn the corpse’s body.³³

It is indeed effective to refer to a cause of severe punishment when one intends to bring about concrete social behavioral patterns, either being more professional or conducting *sedekah*.

Practice and rationale of *sedekah*

Mansur collects *sedekah* through bank transfer and direct donation during his preaching session. For example, he appeared in the event held at his *pesantren* or Islamic boarding school on December 28, 2013, and gave a brief sermon.³⁴ However, it was a social interaction rather than a religious gathering. Mansur maintained his amicability towards the participants, and a sense of humor seemed to be a core feature of the session. In fact, a relaxing atmosphere prevailed in the venue. In the middle of the session, after explaining the importance of solidarity and mutual help among fellow Muslims, Mansur invited a late-teen male participant to the front and asked about his personal background and his understanding of Islam. Needless to say, the young Muslim, who seemed to feel great honor to have a personal discussion with a popular cleric, was eager to be a ‘good Muslim’ who can proceed to *surga* (heaven). He showed no hesitation to practice *sedekah* in front of his fellow Muslims, taking out a fifty-thousand rupiah bill, which is equivalent to US \$5, from his pocket and handed it over to Mansur. He received great applause from the

³³ D.Rudnyckyj, op.cit., p. 88.

³⁴ This was observed by the author at Pesantren Daarul Qur’an in Tangerang on December 28, 2013.

audience and Mansur. That teenage Muslim must have been convinced that his prospect for entry into *akhirat* was bright and full of joy.

At the end of session, Mansur encouraged all participants to follow the way of *Allah*, which was shown by a young role model who had just practiced *sedekah*. In fact, quite a few people donated a great sum of money after the session: the equivalent of approximately US \$1,000 in cash, together with some jewelry, was collected after about a half-hour session on that day. Stunningly, some even donated an ATM card and the slip that contained its PIN number.

The religious rationale of *sedekah* is elaborated by Mansur in his book, *The Miracle of Giving*, to which he interestingly gave an English-language title. First, he clearly states that there is a miraculous way of becoming rich (*kaya*), and to realize it is not a dream (*mimpi*).³⁵ Not only is material success emphasized but also worldly wishes of people are listed as the possible target of the miracle, such as the issues of education of children, relationships, work, family, health, and business, etc.³⁶ Mansur also tells readers to devote themselves to *Allah* and to remember that *Allah* will show the way of receiving fortunes (*rezeki*).³⁷ The way of *Allah* is the way of *sedekah*.³⁸

A specific way of calculation, which differs from normal mathematics, is shown in the book to elucidate the process of realization of a miracle if one practices *sedekah*. In normal calculation, ten minus one equals nine. However, the answer of this simple calculation will be nineteen in *sedekah* calculation. Ten minus two will be twenty-eight and ten minus three will be thirty-seven.³⁹ ‘Minus’ here means the action of ‘giving.’ If one gives out ‘one’ to others from what you possess as *sedekah*, unlike normal calculation, it will become tenfold by *Allah*’s blessing. Consequently, ten minus ‘one’ whose answer is nine becomes nineteen as ‘one’ has already become ten times more than the original value. This suggests that the larger *sedekah* one practices, the more reward one could receive. This calculation in fact is based on one of the verses in *al-Qur’an*.⁴⁰

He that does a good deed shall be repaid tenfold; but he does evil shall be rewarded only with evil. None shall be wronged.(al-An’am: 6-160)

Mansur also introduces another verse which states there is a reward bringing seven hundred times the original value to the faithful ones in *al-Qur’an*.⁴¹

³⁵ Y. Mansur, *The Miracle of Giving* (Jakarta: Zikful, 2013) p.XIV.

³⁶ Ibid.

³⁷ Ibid., p. XV.

³⁸ Ibid., p. 4.

³⁹ Ibid., p. 26.

⁴⁰ Ibid., p. 23.

⁴¹ Ibid.

Those that give their wealth for the cause of God can be compared to a grain of corn which brings forth seven ears, each bearing a hundred grains. (*al-Baqarah*: 2-261)

In most religions, the act of charity is encouraged, and compassion is regarded as one of the highest virtues. *Sedekah*, which is one of the forms of charity in Islam, is much encouraged by Mansur, and an enormous number of people have practiced it. The sense of Islamic solidarity, a fear for *akhirat*, and the expectation of multiplying rewards seem to be a great motivation for *sedekah*. However, there is another notion of Islam that potentially promotes this Islamic charity.

Ozarl points out that the act of redistribution of individual wealth is much encouraged in Islam.⁴² In addition to the sense of social solidarity, Islam also values “the mutual social responsibility” or *al-takaful al-ijtima’i*.⁴³ To “employ their accumulated capital for the service of mankind” is the correct path for faithful Muslims.⁴⁴ Theologically speaking, *sedekah* is an expression of the faithfulness of Muslims. However, at the same time, *sedekah* is a social system to facilitate the circulation of wealth that could foster social work that is beyond the reach of authorities. *Sedekah*, therefore, is a useful way for ordinary people to bring about social welfare.

Activities of PPPA

Yusuf Mansur has in fact collected a vast sum of capital as the result of his encouragement to practice *sedekah* to his followers through his religious sermons. As has been mentioned before, he has established an organization called *Program Pembibitan Penghafal AlQuran*, known as PPPA, and this charitable Islamic body is an instrument to “redistribute” capital to society. Mansur started a simple training course for “memorizing *al-Qur’an*,” which later turned to be the more organized PPPA in the city of Tangerang, just outside of Jakarta in 2003.⁴⁵ PPPA’s main goal is to “establish Qur’an-based civilization for Indonesia” and was officially inaugurated in May 2007. Its activities cover the areas of education, including *Rumah Tahfidz* (*al-Qur’an* learning school), national as well as international humanitarian aid, health care, social welfare for the poor, etc.⁴⁶

As one of its mission statements shows, PPPA emphasizes the “value of *sedekah*,” and its operational funding is based on the principle of *sedekah*.⁴⁷ PPPA runs 3,000 *Rumah*

⁴² B. Ozarl, “Islam and Moral Economy”, in T. Keskin (ed.), *The Sociology of Islam* (Reading, UK: Ithaca Press, 2012) p. 29.

⁴³ C. Tripp, op. cit., p. 55.

⁴⁴ B. Ozarl, op. cit., p. 29.

⁴⁵ *Programe Pembibitan Penghafal AlQur’an* means *al-Qur’an* Reciter Training Program.

⁴⁶ PPPA: *Daarul Quran*, p.11.

⁴⁷ Interview with executive members of PPPA by the author in Tangerang, December 28, 2013.

Tahdz with 100,000 pupils throughout the country, and this extracurricular school does not require students to pay fees.⁴⁸ Each pupil is supposed to memorize at least one verse from *al-Qur'an* each day. Apart from this informal education, there are five *pesantrén* or boarding schools nation-wide run by PPPA. They also offer scholarships to those who need financial support, including orphans. PPPA's religious network even includes travel agencies and television and radio stations.⁴⁹

PPPA also implements post natural disaster programs. One of the most significant of these was conducted in the village called Glagh Harjo in central Java between August 2011 and November 2011. After Mt. Merapi erupted fiercely in 2010, Glagh Harjo, which is located at the foot of this active volcano, was devastated and most of the houses were destroyed. PPPA together with local Islamic organizations conducted a village restoration program, re-building 180 houses, which amounts to more than sixty-six percent of destroyed houses, without any charge to villagers.⁵⁰ Most of the villagers were by no means affluent, and their financial situation became aggravated after the disaster. The major industry in the village is stone-collecting from Mt. Merapi, for which villagers can earn about US \$5 to US \$10 a day. A sixty-year old male village resident stated that "it was such a great help from PPPA."⁵¹ According to the coordinator of the program, it costs approximately US \$1,000 to build a 45-square-meter house.⁵² PPPA also has set up a small Islamic school or *madrasa* in the village in order to spread the spirit of *al-Qur'an*.⁵³

Another one of PPPA's significant contributions to society is the provision of reliable and affordable medical services. Two medical clinics named *Daarul Quran Nusantara Clinic* known as DAQU clinic was established in the Central Javanese towns of Magelang and Malang. The clinic in Magelang was opened in July 2013 with four medical doctors and two Islamic counselors. Dr Finah Yulia, head of the clinic, explains that patients whose monthly income is less than US \$50 will be treated free of charge.⁵⁴ In every room, some verses from *al-Qur'an* are displayed. Both patients and the family have access to counseling with Islamic teachers in the clinic. One of the patients of the clinic explains that they like to be treated in the clinic as the standard of medical treatment there is higher than at public ones; the staff are professional; it is economical; and they find the atmosphere warm and Islamic.⁵⁵

The operational fee of PPPA depends on the donation from the *umat* or Islamic community, consisting of both individual and private companies. The sum of US

⁴⁸ Interview with Sunaryo Principal/Executive PPPA by the author in Tangerang, December 28, 2013.

⁴⁹ *PPPA: Daarul Quran*, pp.18-39.

⁵⁰ Interview with Kabul, former volunteer who joined the program, by the author in Glagh Harjo, January 2, 2014.

⁵¹ Interview conducted by the author in Glagh Harjo, on January 2, 2014.

⁵² Interview with Sunaryo Executive PPPA by the author in Glagh Harjo, January 2, 2014.

⁵³ A twenty-three year old graduate of Indonesia's leading university is stationed as full-time instructor.

⁵⁴ Interview conducted by the author in Magelan, January 2, 2014.

⁵⁵ Interview conducted by the author in Magelan, January 2, 2014.

\$403,000,000-worth of individual *sedekah* was contributed between 2007 and 2013, while several private companies run by Yusuf Mansur have also donated US \$87,000 as *sedekah*.⁵⁶ It seems that the enthusiasm of *umat* for offering *sedekah* never ceases. PPPA received approximately US \$600,000 as *sedekah* in August 2013 alone.⁵⁷

Business of Yusuf Mansur and Controversy

While Yusuf Mansur heads a charitable non-profit organization such as PPPA, he also owns several profit-making private companies. A multi-level marketing or pyramid selling company, PT *Veritra Sentosa Internasional* or VSI, established in July 2013, has been growing rapidly; its membership jumped from one thousand to fifteen thousand in six months.⁵⁸ The company sells no actual manufactured products but offers a service for electronic payment for utilities. Each member is supposed to expand his/her lineage by adding ‘offspring’, and about one US dollar is obtained by a ‘parent’ when a new member joins the network. Apart from finding a new member, each ‘parent’ can receive twenty US cents when the ‘offspring’ conducts an electronic transaction. It is possible for a member to receive various *hadiah* or prizes when successful.

A gathering to introduce VSI was held at a restaurant in the suburb of Jakarta at the end of December 2013, and approximately thirty people attended. The seminar started with the introduction of Yusuf Mansur with a large portrait on the front screen. Iman Jaya, who presided over the meeting, listed the characteristics of VSI networking business as easiest, cheapest, fastest and most effective (to gain benefits). He also emphasized that each member will become an “owner” of the online-shop, which is, according to Jaya, a new world. The participants of the seminar were much encouraged to find their ‘offspring’, and Jaya reiterated that it was an easy task for anyone to find a few friends who could join the scheme. On the front screen, the photos of various prizes were ostentatiously shown, such as those of a smart phone, a free trip to Singapore and Mecca, luxurious European-made automobiles, and a villa.

Jaya also explained that Yusuf Mansur could be the best PR figure when searching ‘offspring’. In fact, members of VSI are allowed to use the photo of Mansur for advertisement. One of the participants of the seminar, a forty-five-year-old trader, likes the business of VSI as he trusts Mansur. He stated that it was good to have connection with other people in society, it was easy to do, and he felt happy that he could contribute to economic development.⁵⁹

⁵⁶ Interview with Tarmizi Asshidiq, Executive Director of PPPA by the author in Tangerang, December 28, 2013.

⁵⁷ *DAQU* January 2014, p. 82.

⁵⁸ Interview with Imam Jaya, Sales executive conducted by the author in Tangerang, December 29, 2014.

⁵⁹ Interview conducted by the author in Tangerang, December 29, 2013.

The participants seem to have interests in VSI as it is less complicated as they buy a voucher first and invite their friends to join them. However, it also seems that they have much trust in Yusuf Mansur and his activities, such as *sedekah*. They seem to be willing to be a part of Yusuf Mansur's network. A thirty-five-year old computer programmer named Faud, who is one of the members of VSI, acknowledges his motivation of joining VSI is Yusuf Mansur. He states:

I joined VIS because Yusuf Mansur's image is very good. Although I do not know him personally, he appears on TV and we know he is a good Muslim. If the leader of VSI were not Yusuf Mansur, I would not join VSI.⁶⁰

Although VSI is a commercial activity, Faud feels that he practices *sedekah* by joining VSI.⁶¹ It seems that he pays little heed to the difference between capitalist benefit seeking business and Islamic charity, believing that he will have a bright *akhirat*.⁶² VSI would appeal to people as it is simple, finding a few friends who like to join the scheme, and it is 'cool', using information technology. However, apart from these reasons, we can assume that a great majority of the members of VSI join the scheme because of its 'Islamic charm,' the feeling of being blessed by *Allah* brought by Yusuf Mansur.

Multi-level marketing or MLM is based on the social association of members. The essence of MLM lies in the idea that the independent owner or 'parent' expands his or her network by obtaining as many 'offspring' as possible. It is certainly handy as the members engage in no physical labor but 'persuade' possible offspring, whoever that might be, to join them. Should that take place in society, there is a concern that the members of MLM will consider their associates or friends as potential sources of their income, namely as mere objects--not fellow humans. There are also concerns that such relationships are based on self-centered greed and materialism devoid of humanity. Some even call attention to the inherently false logic of the MLM system, according to which the dynamics between supply and demand are simply ignored.⁶³

We see a clear contradiction here between Islamic solidarity and the exploitative relationships of MLM. The former requires a true sense of compassion for others, while the latter's major concern is material self-benefit. Some might think that the members of VSI disguise their intent with religious masquerade and their priority is mere individual material benefits. As long as VSI emphasizes Mansur's religious virtue, VSI cannot escape this criticism.

⁶⁰ Interview conducted by the author in Jakarta, December 27, 2013.

⁶¹ Interview conducted by the author in Jakarta, December 27, 2013.

⁶² Interview conducted by the author in Jakarta, December 27, 2013.

⁶³ R. L. Fitzpatrick and J.K. Reynolds, *False Profits* (Charlotte: FitzPatrick Management Inc., 2013) p. 134-135

In fact, some Islamic scholars object to businesses such as MLM. Yazid argues that the commercial activities in Islam should involve active, not passive, physical work. One of the *hadiths* clearly states that “it is much better for the one who searches for wood to find and carry it on his own shoulders than to ask someone or merely be given it by someone else.”⁶⁴ It seems that more conventional business, such as retail, is preferred in Islamic tradition to those activities featuring MLM, which encourages ‘passive-income’ of the members.

However, Indonesia’s highest Islamic authority, *Majelis Ulama Indonesia* (MUI) or Indonesian *Ulama* Council, has not forbidden MLM business. MUI in Bandung, West Java, has issued a *fatwa* or Islamic ruling on MLM that business activities that involve no actual product are regarded as a “money game” and thus are *haram* or forbidden. Yet, if the business contains activities that “sell” any product, it is *halal* or allowed.⁶⁵

With regard to Yusuf Mansur’s VSI business, it seems permissible from the MUI’s point of view. However, it is still controversial as VSI is rather an unconventional business that does require almost no ‘physical work,’ and the main work of the members is to ‘ask’ others to join them. This action might clash with the essence of Islamic teaching.

We can also see controversy about Yusuf Mansur’s other activities. For example, Yusuf Mansur was questioned by the Financial Service Authority (OJK) regarding his investment business called *Patungan Usaha* (PU) or Joint Venture in July 2013. The members of PU are supposed to invest twelve million rupiah, which is equivalent to US \$1,200, to receive an eight percent return annually. However, the authority pointed out that this investment scheme is illegal as PU had no license to conduct investment business.⁶⁶ Yusuf Mansur chose to end PU and commenced a co-op type institution called *Koperasi Mera Puti* which would allow investors to obtain twenty percent of annual return from their investment. However, that twenty percent benefit will be divided into twelve percent of *sedekah*, which will be used for charity, and the other eight percent will be investors’ actual income.⁶⁷

Conclusion

It is obvious that capitalist economy is no stranger to Islam as its theology encourages Muslims to engage in business activities. In this regard, Islam has much resonance with capitalist Western counterparts. Islam *qua* religion also shows its distinctive social function, that is, to facilitate profit-making activities. Unlike compulsory tax-like zakat,

⁶⁴ Yazid, “Anjuran mencari nafkah & seorang da’i tidak boleh bergantung kepada mad’u(murid)nya.” This hadith is HR Bukhari 147.

available at: www.almanhaj.or.id

⁶⁵ *Keputusan Fatwa, Musyawarah Kimisi Fatuwa MUI Kota Bandung*, No. 291/MUI-KE/E.1/VII.

⁶⁶ *The Jakarta Post*, July 23, 2013

⁶⁷ Interview with Yusuf Mansur conducted by the author in Tangerang, December 28, 2014.

sedekah that is based on Muslims' free will plays a role in stimulating the economy. More importantly, *sedekah* has become an essential source of funding for philanthropic activities in a given society. The concept of social solidarity and social responsibility of Muslims have been employed to facilitate Islamic orientation in a capitalist society. We should remember that this phenomenon observed in Islamic society corresponds with Western Christian society. Huntington is right that Muslims lean to Islam in a capitalist society where severe competitions and the discrepancy between the haves and have-nots are entrenched.

However, such Muslims' enthusiasm towards their faith as practicing *sedekah* is by no means indicative of "Islamic resurgence" or "the rejection of Western culture." It originates in their psychological state of mind, namely fear and hope regarding the life after this or *akhirat*, rather than ideological antagonistic conviction against the non-Islamic world.

The popularity of Yusuf Mansur in Indonesia exemplifies the Islamic modern economic model by which Islam is distinguished from the West, emphasizing the importance of *Allah* together with spirituality that calls for attention to the less fortunate. Both *sedekah* and MLM are assimilated into the process of 'making a genuine Islamic society,' which Yusuf Mansur himself publicly stated that he intends to realize. After observing Yusuf Mansur's activities, Islam seems to function to actualize philanthropic attitudes of Muslims in a so-called money driven society. At the same time, Islam facilitates business activities such as MLM in spite of the controversy over its legitimacy in theology. If the members of VSI and other commercial businesses of Yusuf Mansur merely concentrate on pursuing the target of their "supply," treating these people solely as a source of income, the humanitarian feature of Islamic economy will be totally lost.

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