DEVELOPMENT ISSUES AND THE ROLE OF RELIGIOUS ORGANIZATIONS IN INDONESIA

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The forces of economics, religion, and politics weave a tapestry in Indonesia that is similar in complexity to the textiles for which the country is famous. When discussing Indonesia, it is important to understand how these forces influence one another, converge, or come into conflict. Removing just one would be like unraveling the intricate weaving--leaving the picture or design incomplete. In this way, this paper attempts to analyze and understand from a multidimensional perspective some of Indonesia's experiences with development issues.

One will find any discussion on the nexus of economics, religion, and politics in Indonesia complex, difficult, and very much contextual regarding time and place. This is because the relationships between these three areas are frequently hard to define and identify. One such example is the multifaceted relationships between the state and civil society concerning economic development in Indonesia. Uncovering the motivations for and nature of cooperation or conflict is often difficult, as is delineating organizational or systematic characteristics such as who does what and when or how. A few things, however, are clear, though: first, certain segments of civil society such as religious organizations have closer and deeper relationships with the state than others. Second, these organizations interact with the state in different ways than other civil-society organizations--as opposed to all civil-society groups interacting with the state in a more uniform manner. Third, an accurate, detailed account of the nature of these relationships and why they have developed as they has yet to emerge. This paper provides 1) a descriptive account of civil society, religious organizations, and the state in Indonesia, and 2) a preliminary explanation for why the Indonesian government often acts through and with religious organizations. Specifically, the government frequently interacts with religious organizations and in different ways than with secular civil-society organizations in areas such as economic and social development. This paper by no means provides an exhaustive description or explanation of this topic but rather offers a general framework from which to start analyzing this thesis. Although the paper has yet to be empirically tested, there is strong substantive data that provides a compelling, nuanced story. It can therefore be most useful for theory-building and pointing out in particular directions for future research and testing.

Civil Society

The civil-society sector in Indonesia has grown immensely since the collapse of the New Order government in May 1998. Paul McCarthy explains that this vibrant growth is "testimony to both the dynamism of Indonesia's citizenry and the degree of repression exercised by the political and military apparatus of the Soeharto regime."[1] Soeharto's government restricted and controlled most aspects of civil society during a period of about thirty-two years (1966-1998). For example, bureaucratic barriers such as a cumbersome registration process required organizations to pledge allegiance to *Pancasila* (the set of state principles that many consider the state ideology) and only undertake programs that directly supported the *REPELITA* (a series of five-year development plans). There were even laws and regulations limiting unauthorized gatherings of more than three people. Therefore, a mere 600 civil-society organizations (CSOs) were legally registered and established as late as 1995. Professional associations and labor unions were relegated to one government-recognized group.[2] Whether religious

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[1] Paul McCarthy, *A Thousand Flowers Blooming: Indonesian Civil Society in the Post-New Order Era*, (Ottawa/Jakarta, March 2002), 1. (Report prepared for Global Philanthropy; The Synergos Institute: New York; formal date and number unavailable; http://www.synergos.org/).

[2] Ibid., 1.

organizations were required to register as CSOs is unclear, but Soeharto's government kept tabs on all organizations and so religious groups did not escape surveillance, were carefully watched, and even punished if they were perceived to be a threat to Soeharto. The government's relationship with Muslim organizations in particular will be discussed later in this paper.

One possible explanation for the existence of such harsh controls may have been that Soeharto feared the potential political implications of CSOs that might challenge his rule. This fear of CSOs can be seen in a calculated decision to change the use of the term "non-government organization" (NGO) to "self-reliant community development institution" (*Lembaga Pengembangan Swadaya Masyarakat/Lembaga Swadaya Masyarakat* or LPSM/LSM) in development terminology in 1983. It was said that "non-government" could be perceived as "anti-government." "LPSM/LSM," on the other hand, supposedly maintained a sense of "popular self-determination" and carried "a more authentic ring in terms of national history and culture."[3] The term "NGO" is still widely used in Indonesia, however.

Before proceeding further, we need a definition of civil society. It would be an oversimplification to define civil society as anything "not the government." Some have simply said that government is political and civil society is not. Such definitions are too broad. L. Diamond's narrower definition of civil society is a frequently accepted alternative:

> Civil society is the realm of organized social life that is voluntary, self-generating, (largely) self-supporting, autonomous from the state, and bound by a legal order or set of shared rules. It is distinct from "society" in general in that it involves citizens acting collectively in a public sphere to express their interests, passions, preferences, and ideas to exchange information, to achieve collective goals, to make demands of the state, to improve the structure and functioning of the state, and to hold state officials accountable.[4]

Under such a definition, religious organizations may be understood to be a part of civil society and are considered a type of CSO. Their classification is not neat because religious organizations can involve the individual, community, and the state at the same time, overlapping private and public spheres. Charitable, poverty, and educational programs, such as *pesantren* (Islamic schools), demonstrate cases of public goods provided by religious groups and can at times involve the state. In a similar vein, Muslim organizations may be involved in civil society and economic society (as separate from civil society or the state), when there is a public-good component to their behavior, for example, banks operating on the basis of *shariah* (Islamic laws) or *zakat* (religious tax) collection and distribution.

Perhaps the biggest controversy regarding how to define civil society and how religious organizations fit into the picture is whether or not civil society and religious groups have a political dimension and if they do, what does it look like? Aswab Mahasin's opinion is that it is "against the nature of NGOs that they compete with others in winning the voting in general elections, and campaign for certain political parties," and "NGO members may enter politics, but their organizations can never do the same thing."[5] There are others who believe that civil society does participate in the

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[3] Philip Eldridge, "NGOs and the State in Indonesia" in *State and Civil Society in Indonesia*. Edited by Arief Budiman. (Clayton, Victoria, Australia: Centre of Southeast Asian Studies, Monash University, 1990), 506.

[4] L. Diamond. *Developing Democracy: Toward Consolidation*. Baltimore, MD: Johns Hopkins University Press, 1999, 221. Cited in Keiko Hirata, *Civil Society in Japan: The Growing Role of NGOs in Tokyo's Aid and Development Policy*. (New York: Palgrave, Macmillan, 2002), 10.

[5] Aswab Mahasin. "Empowering Civil Society: The NGO Agenda," in *The Indonesian NGO Agenda: Toward the Year 2000*. Edited by Rustam Ibrahim. Indonesia: CESDA-LP3ES, 1996, 9.

political sphere in both direct and indirect ways. Emma Porio asserts, "Civil society, in general, is the political space between the state and society. In particular, it is the space occupied and created by the non-profit sector between the state and the market." Porio continues, "…civil society encompasses masses of citizens engaged in public protest, social movements, and NGOs acting in the public sphere."[6] Some believe that it is a politically active sector, but there are disagreements about the level of autonomy from the state and political parties. While people come out on different sides of the debate, we ought to be careful about what is it that we mean by terms such as "politically active." It can be argued that "politically active" does not necessarily mean "partisan." In this way, there may be more room for CSOs to operate in the political sector without sacrificing their distinct characteristics, functions, and membership.

When discussing Indonesia, a richer, more complex definition of civil society is required because religion permeates society. Religion is intertwined with everyday living, social organizations, economics, political life, and even the state. In this way, it would be misleading to claim that CSOs such as religious organizations do not or should not enter into the political sphere. Given Indonesia's diverse history and experiences (both domestic and international), to discount the social, political, and economic contributions of CSOs would be incorrect.

For the purposes of this paper, categories are useful (although not absolute) when analyzing the nature of civil society and its relationships to the state. Civil society organizations in Indonesia may be grouped into one of two ways. First, Paul McCarthy categorizes CSOs into four groups: non-governmental organizations, the academic community, religious networks, and labor movements. McCarthy adds, however, that the independent media, political parties, and international NGOs are also prominent in Indonesia although they are arguably not a part of civil society (strictly defined).[7] L. Diamond provides an alternative approach to categorizing CSOs. Diamond states that civil society consists of economic associations; cultural groups that promote collective rights, values, faiths, and beliefs; information and educational groups; interest groups designed to advance mutual interests of their members; developmental organizations; issue-oriented movements; civic groups designed to improve in nonpartisan fashion the political system; and organizations and institutions that promote autonomous, cultural, and intellectual activities.[8] Both approaches describe CSOs in quite broad terms, but are still applicable to Indonesia's case. It may also be noted that "cultural groups" in this paper includes religious organizations in the context of Indonesia. In general, both McCarthy and Diamond's categories are flexible enough to accommodate for the diversity of CSOs in Indonesia, but limiting in that some associations such as government programs or political parties are excluded.

However, religion does not fit precisely into a box. The presence and role of religion in Asian or developing countries may mean that a different conceptualization of civil society is needed (as opposed to traditional "Western" conceptions). Civil society in these countries is not always formal, and informal relationships and blurred boundaries do exist. Religious groups can easily blur the boundaries of Diamond and McCarthy's categories, and can also enter into state issues such as government programs, political parties, economic and social development, due to the formal and informal presence of religion in Indonesian society and the state. Examples include local and national religious organizations, the Department of Religion, and individual leaders who balance religious, political, and economic roles. Former President of Indonesia Abdurrahman Wahid is just one example

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[6] Emma Porio, "Civil Society and Democratization in Asia: Prospects and challenges in the new millennium," in *Indonesia: in search of transition*, edited by Henk Schulte Nordholt and Irwarn Abdullah (Yogyakarta, Indonesia: Pustaka Pelajar, 2002), 110-111.

[7] McCarthy, *A Thousand Flowers Blooming*, 5-6.

[8] L. Diamond, "Rethinking Civil Society: Toward Democratic Consolidation," *Journal of Democracy*, 1994, 5(3), 5-17. Cited in Keiko Hirata, *Civil Society in Japan: The Growing Role of NGOs in Tokyo's Aid and Development Policy*. (New York: Palgrave, Macmillan, 2002), 11.

of the latter point. Gus Dur, as he is popularly known, was the chairman of Nahdlatul Ulama (NU), a national Muslim organization in Indonesia, from 1984-1999 and is said to have maintained close ties with the organization even after stepping down from NU to become the country's president.

Whenever civil society is the topic of discussion or debate, especially in Indonesia, the extent to which civil society is really "outside" of governmental control (i.e., autonomy issues) is of major concern. Philip Eldridge illustrates this dilemma in his title of a 1989 working paper: "NGOs in Indonesia: Popular Movement or Arm of Government?" During Soeharto's regime and even today, CSOs find themselves constantly entangled in questions of autonomy. Fear of government cooptation has a legitimate basis since there has been a long pattern of hegemony, but there is also a history of resistance in Indonesia. Although the country is now democratizing, CSOs are still often wary of relations with the state. While government regulation and control of CSOs has varied in intensity and with the times, issues such as legal status, funding sources, types of interactions with the state, efficiency, and effectiveness have been consistent challenges for Indonesian CSOs. Further details about matters related to autonomy and religious organizations' relationships with the state will be touched on in the next sections of this paper.

Religious Organizations

The "official" religions of Indonesia are Buddhism, Catholicism, Christianity, Hinduism, and Islam. Muslims make up the overwhelming majority of the country (between 80-90%), but this is not to say that they practice a homogenous form of the religion. Customs and beliefs within Islam, as with other religions, vary across the region depending on cultural and historical influences.
All of the religious groups have a long history of providing public goods to their followers and larger communities. Education and charity are very much a daily part of their religious traditions. Because more data and research is currently available regarding Muslim organizations, however, this paper specifically focuses on Muslim groups that contribute to economic and social welfare.

Before going further, it is important to present a backdrop for Indonesian Islam. First, the main trends and movements in Indonesian Islam belong to the *Sunni* branch of orthodoxy. This branch originated in the Arab hinterlands. This is different from the splinter branch of *Shi'ism*, which spread to parts of Persia. Indonesian orthodoxy has come together into two major movements: the *kaum muda* ("young group") or *santri moderen* (modernists) and *kaum tua* ("old group") or *santri kolot* (the traditionalists).[9] Two Muslim organizations--Muhammadiyah and Nahdlatul Ulama--represent the two schools of thought and practice.

The status of Muslim organizations, namely Nahdlatul Ulama (NU) and Muhammadiyah, has fluctuated over the years. These are arguably the two largest and most influential mass organizations in Indonesia. They are presently engaged in educational (mostly *pesantren*), social, charitable, and some political endeavors. The following table is meant to provide cursory background and comparative information about the two groups[10]:

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[9] Background information found from Donald J. Porter, *Managing Politics and Islam in Indonesia*. London, U.K.: RouteledgeCurzon, 2002, 40.

[10] Ibid., specific page numbers are provided in parentheses in the table itself.

	Nahdlatul Ulama (NU) – traditionalists	**Muhammadiyah – modernists**
Name	"Awakening of Religious Scholars" or "Revival of the Religious Scholars"	
Membership	- 30 million, rural Java, loosely tied to organization - Heterogeneous in terms of social origins, political affiliation, and religious outlook (107)	- 28-30 million - Urban Java cities, Outer Islands, strong in Sumatra (40)
Founders	*Kiai* Hasjim Asj'ari and *Kiai* Wahab Casbullah, 1926 (40) *Kiai refers to "religious scholar."	K.H. Ahmad Dahlan in Yogyakarta, Central Java, 1912--traditionalist scholar who became inspired by the reformist ideas of Muhammad Abduh (40)
Key Leadership	Abdurrahman Wahid, 1984-1999	Amien Rais
Masyumi **Party**	- Joined at founding in 1945 to represent Muslim interests in competition with newly forming parties, especially the Indonesian National Party (PNI) - Withdrew in 1952 (41)	- Joined at founding in 1945 for similar reason as NU - "formal withdrawal" from politics, *Masyumi* and *Parmusi* (Indonesian Muslim Party) in 1971 (42)
History	- Rivalry with modernist organizations based on political and religious disputes - Founded in order to protect the economic and social-religious interests of *pesantren* and Islamic traditionalism from modernism at home and abroad (40-41)	- Founded at the same time as *Sarekat Islam* (*SI*, United Islam) [Another group, *Persatuan Islam* (*Persis*, Unity of Islam) was founded in 1923 and is also a part of this "school"] (41) - Catered to a socioeconomic class of educated urban elites and merchant traders - Gave priority to education, social welfare programs, and *dakwah* (religious propagation activities) (40)
Structure	Individual *kiai* have authority to run traditional *pesantre n* in rural Java (41)	
Politics	- Merged with other organizations to form *PPP* (United Development Party) in 1973 (43) - Formal withdrawal from *PPP* in 1984 in effort to return to social-religious roots (49) - Backed Pancasila rather than Soeharto in 1990s (110) - "*pesantren* must remain independent" (113)	- Islamic modernism - Supported student demands in favor of political and economic reform (202)

Although both branches began as social organizations with religious foundations, they eventually became involved in the political sphere. Muslim organizations entered politics primarily because of differences of opinion on state ideology, the constitution, and public policy. Their involvement with the *Masyumi* (*Majelis Syuro Mus lim Indonesi a*--Consultative Council of Indonesian

Muslims) did not last long. While *Masyumi* had strong grassroots support, its relationship with the state was marked by disagreement and conflict. Army leaders during the 1960s and 1970s objected to its political-ideological goals for an Islamic state that included the Jakarta Charter, which required all Indonesian Muslims to adhere to Islamic law. The New Order also suspected *Masyumi* of supporting Darul Islam in a revolt for an Islamic state in West Java. The government blamed *Masyumi* for its leaders' support for rebellion in Sumatra as well.

Soeharto was actually less anti-party than others in the military than we might have initially expected. He sympathized with Muslims who wanted to establish their own party and in due course allowed the formation of *Parmusi* (Indonesian Muslim Party) in 1968. Soeharto ensured a weak *Parmusi* through selection and manipulation of its leaders, however. Muhammadiyah leaders were initially appointed as party leaders and Secretary General.

The regime later sought to dismantle *Masyumi*'s political base and re-attach it to *Parmusi*. In the 1971 election, *Masyumi* allied with *Golkar* (*Golongan Karya* --Government Party) and the army against NU and *PNI* (*Partai Nasional Indonesia* --Indonesian National Party). The alliance and opposition effectively split the Muslim political community. Before the election that year, Muhammadiyah formally withdrew from politics, disassociated itself from *Masyumi*, and then withdrew from *Parmusi* as well. As a result, Soeharto succeeded in weakening Islamic modernism as an independent political force.

NU had its own difficulties and issues.[11] At one point, the *Golkar* political party attempted to split NU by winning the allegiances of *pesantren*. This aroused resentment and retaliation by NU members: "Although a dominant, pro-army faction in NU assisted Soeharto's New Order to come to power, it soon became the party in opposition as it vigorously resisted *Golkar*'s campaign and restrictions on the parties which hurt NU's electoral prospects." NU's turnout in the 1971 election convinced Soeharto that the party represented "an Islamic bloc that posed a future threat to the New Order's monopoly on power." As one response, Soeharto introduced the "floating mass" concept in order to restrict organization below the district level where most of NU's constituency lived. The phrase "floating mass" refers to official government policy that treated the Indonesian masses as an apolitical group. No organized grass-roots political action and criticisms from below were allowed.

In 1973, the Muslim groups NU, *Perti* (the Association of Islamic Education), *Parmusi*, and *PSII* merged to form the United Development Party (*PPP*). *PPP* was then a part of the *Golkar* (plus-two-parties) system, but considered an unequal and distrusted partner in development. For a while, *PPP* managed to negotiate opposing tendencies between the modernist and traditionalist camps. Battle-lines were later drawn between the *Muslimin Indonesia* (*MI*--former *Parmusi* under a new name) and NU factions. These tensions and disagreements appear to have been part of a deliberate strategy by Soeharto to foster conflict within the parties in order to fragment them, while at the same time seeking to minimize any conflicts between *Golkar* and other political parties. Soeharto sought to weaken Muslim organizations' capacities for independent political activity through state intervention, electoral manipulations, intimidation, and coercion. He did so because of concern over *PPP*'s growing vote share. NU in particular defied Soeharto through walkouts from the *Majelis Permusyawaratan Rakyat* (*MPR* – People's Consultative Assembly) and by declining to endorse Soeharto for a third presidential term. NU's challenge convinced Soeharto that more interventions were required to push NU to the political margins.

Nahdlatul Ulama and Muhammadiyah eventually found it more advantageous for their organizations to return to their "original causes," although they did not leave politics completely behind. Many economic and social-wfare issues such as education and poverty involve politics, and some interaction with the state was and is necessary. Muhammadiyah, for instance, is involved in civil society through its 100-plus sponsored universities. It is also in the political realm through its

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[11] Ibid., 40-45. All political history about NU and Muhammadiyah are taken and summarized from Porter, *Managing Politics and Islam in Indonesia*, 40.
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representation by political leaders who happen to be members (or former members with close ties) of the religious organization. NU finds itself in a similar position.

This historical-political background shows that Muslim organizations have had both convergences and hardships with the Indonesian government. There were plenty of cases of mutually benefiting partnerships, but also times of outright conflict. In this way, religious organizations and the state appear to have longer and deeper relationships than secular organizations and the state. One potential explanation is that Soeharto feared political challenges to his power. He could have tied religious groups to the government in order to "keep his enemies close." At the same time, however, we see a conscious decision on the part of Muslim organizations to enter the political arena and maintain dual roles as both religious and political actors. Unlike these religious organizations, other CSOs, particularly NGOs, tended to (and still) avoid politics or have limited encounters. These groups may not have had the numbers or resources to take on the state apparatus directly, or they simply wanted to "go about their own business." In this way, other CSOs and NGOs did not seem to develop a deep relationship with the state. In addition, other religious groups like Christians, Catholics, Hindus, and Buddhists may not have had parallel experiences to the Muslim organizations since these groups are first a minority of the population, and second, could have faced similar concerns or experiences as secular CSOs and NGOs.

In Indonesia, religious groups, particularly Islamic ones, then find themselves embedded in the political realm to a greater degree than secular CSOs. This embeddedness can prove to be a comparative advantage for religious organizations when it comes to the distribution of public goods by the government, but participation in the political sphere can also be a hindrance since the advantage depends in part on the state and its perceptions and treatment of religious organizations.

State and Civil-Society Relationship in Indonesia

At times, the relationship between the state and civil society in Indonesia has been less than congenial. This tension is evident in the discussion above. Muhammad Atho'illah Shohibul Hikam helps clarify the state-civil society relationship further:

> The development of state and societies in non-western developing nations has historically become a bottleneck for the development of an autonomous civil society which is a precondition for a genuine democratic polity. The uneven development of the state and society has resulted in a situation where the former has become overdeveloped, to use Alavi's term, at the expense of the latter's relative underdeveloped and rather static condition.[12]

Soeharto stifled much of civil society, which resulted in the problem of overdevelopment by the state and underdevelopment of civil society in Indonesia. Economic and social development was largely left to Soeharto's regime to figure out. Soeharto knew, however, that economic and social development require input and services provided by civil society organizations. Although such groups may have been considered underdeveloped, they were certainly not powerless. The state cannot necessarily "do it all," and so the question for strong states like that of Soeharto's is how to balance the need for cooperation with and the possible opposition from CSOs such as religious organizations.

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[12] Muhammad Atho'illah Shohibul Hikam, *The State, Grass-roots Politics, and Civil Society: A Study of Social Movements Under Indonesia's New Order 1989* (Unpublished dissertation (Ann Arbor, Michigan: University Microfilms International, 1995), 44.

The proper role of government regarding national economic development is regularly contested, but in the neoclassical view, the essential economic functions of government are to[13]:

1. maintain macroeconomic stability
2. provide physical infrastructure, especially that which has high fixed costs in relation to variable costs, such as harbors, railways, irrigation canals, and sewers
3. supply "public goods," including defense and national security, education, basic research, market information, the legal system, and environmental protection
4. contribute to the development of institutions for improving the markets for labor, finance, technology, etc.
5. offset or eliminate price distortions which arise in cases of demonstrable market failure
6. redistribute income to the poorest in sufficient measures for them to meet basic needs

This list of functions is uncontroversial for the most part. The controversy usually comes at the step of recognizing market failures in practice and deciding what to do about them.[14] In the past, Soeharto controlled the course of economic development in the country, as well as many social and political developments. Although CSOs played a part in economic and social development, they were usually relegated to specific sectors and limited in what they could actually accomplish. While CSOs attempted to assist and improve points 3 and 6 above, their progress varied from setting to setting. Since the end of Soeharto's government, things have changed for the better (primarily concerning freedom, autonomy, and agency – both in economic and political spheres), but the relationship between CSOs and the state has yet to be totally elucidated. State-civil society relationships still remain confusing and are often opaque. As stated earlier, certain civil society groups have closer and deeper relationships with the state than others, especially when we look at the economic functions of government, points 3 and 6 in particular, but the relationships are not always positive. They may be antagonistic, but in general, a mutual dependence of some kind seems to be present. This dependency manifests itself because the state and religious organizations depend on one another to some degree for social and political power, legitimacy, and efficacy.

Religious Organizations and Development Issues

In an interview concerning Indonesia's religious bodies and economic development, not too long before the end of Soeharto's regime, the Minister of Religious Affairs, Tarmizi Taher, noted "In the past ten years Indonesia's religious institutions have shown great concern over the economic development of their members." He believed that two examples – banks utilizing *shariah* and the *pesantren* – were indications "that religious institutions do encourage economic development." Tarmizi Taher stated, "Nearly all religious institutions in the country are committed and very highly motivated to raise the level of welfare of their members." He added that Muslims do indeed influence Indonesia's economic growth: "The majority Islamic community clearly has a say in our economic growth, both in macro and in micro terms. This is clearly apparent from the large number of major players in the economy who are Muslims and have a large commitment to develop our community."[15] Although Muslim organizations have had ups and downs with the state in political issues, they have

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[13] Robert Wade, "States, Markets, and Industrial Policy" in *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (Princeton: Princeton University Press, 1990), 11.

[14] Ibid.

[15] *Indonesia's Economy: Entering the Third Millennium* (London, U.K.: International Quality Publications & Ronald Cicurel, 1997) vol. 2, 510.

received more (formal) credit regarding economic and social development. There have been moments of convergence and conflict with the state, but overall, Muslim organizations have gained ground when it comes to social welfare. A few short case studies will provide some detail and evidence of some of the successes and challenges related to religious organizations and economic and social development. Debates on family planning and education policy will be discussed in this paper. There are other cases that involve public goods provisions by religious organizations, but are beyond the scope of this paper.[16]

The role of religion in the lives of Indonesians is quite powerful, especially regarding families. The Indonesian government has struggled with family planning. State efforts to control population growth and improve family health have had mixed results. It is clear that popular slogans alone like "Dua anak cukup" ("Two children is enough.") cannot solve family planning problems. Sufficient cooperation amongst civil society organizations and the state is vital to the success of policy change and public understanding. Taher acknowledged--perhaps reluctantl--that formal approaches used by government officials in introducing family planning during the early seventies largely failed.[17] He explains that the state approaches failed because they did not involve religious leaders. The government took for granted that their plans would succeed. At the time, the state overlooked the fact that the *ulama* (religious scholars/leaders) were not yet convinced about family planning, and underestimated the far-reaching authority of the *ulama*. Many *ulama* had informed Muslims that family planning equipment like IUDs and birth control pills contradicted Islamic teachings. It was therefore *haram* (similar to "unlawful" or "prohibited") for Muslims to cooperate with government programs to practice family planning of this kind. In the early 1980s, the Junior State Minister for the Demographic and Family Planning Program, Dr. Haryono Soeyono, and other ministry researchers, concluded that policy makers had neglected the role of religious community leaders. The state essentially required the backing of the *ulama*. Otherwise, people would not respond positively to any government policy, rules, or regulations that involved religious questions.

After a series of intense discussions, seminars, workshops, and meetings the government and key Muslim leaders came to an agreement on the need and benefits of family planning. Most importantly, the agreement was based on religious grounds.[18] The Department of Religion (at that time the Ministry of Religious Affairs) formed coalitions with religious organizations. In this way, national development and the success of family planning practices depended on participation and leadership from Muslim organizations both at the local and national levels. Because of the intimate relationship of religion to daily Indonesian life, it is unlikely that any secular organization (e.g., the state or secular NGOs) could have been as influential or successful in this case. An alternative explanation for the success of the family planning program might be the active participation of women during the program's implementation. While this certainly helped, women's roles may be understood as an integral part of the combined efforts of several groups to bring population rates down, but not necessarily a sufficient condition for success since debates concerning reproduction had a primarily religious rather than a gendered tone.

Unlike the state, secular organizations, and women's participation broadly speaking, Muslim groups and leaders were far more effective and efficient in reaching a larger audience since religion was a common denominator in the population. Much of the success also came down to the fact that the

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[16] For example, *zakat* collection and distribution and assistance for the *hajj* are two additional cases where the state and Muslim groups work together. Religious groups also provide health care, such as hospitals, clinics, and education. Such groups also donate to charities for various causes. Collectively, they furnish alternative means for dealing with poverty as well.

[17] See: Dr. H. Tarmizi Taher, *Aspiring for the Middle Path: Religious Harmony in Indonesia* (Jakarta, Indonesia: Center for the Study of Islam and Society, IAIN Jakarta, 1997), 27-28.

[18] Ibid.

ulama were deemed legitimate authorities of religious doctrine, especially as it related to personal and family issues. As such, Muslim organizations proved to have a comparative advantage over this social welfare issue compared to both the state and secular groups.

Like family planning, Indonesians have struggled education issues. During the New Order government (1966-1998), few educational interest groups were able to represent their interests at the state level. Muslim leaders were the exception, however. This is of particular interest, given the history of Muslim leaders' political activities and the precarious relationship between religious organizations and the state in competitions for power. Muslim leaders presently continue their efforts in education policy, but they often remain reactive instead of proactive.

Muhammad Sirozi, Director of Graduate Studies at the State Institute for Islamic Studies (IAIN), Raden Fatah Palembang, outlined the evolution of the relationship between modernist Muslims and the New Order government, which has gone through two very different periods. This may help explain the varying degrees of convergence and conflict over policy formation and implementation, particularly on the issue of education. During the first 20 years of the New Order era, 1965-85, the relationship is generally said [to] have been uneasy or tense, but since the mid-1980s until the crisis of early 1998, the relationships were said to have been getting better.[19]

Like Muhammad Sirozi, many writers suggest that the relationship between modernist Muslim leaders and the New Order government became closer while the government's relationship with secularists loosened: "There was a significant change in the attitude of Soeharto and ABRI [the military] towards Islam."[20] Unexpectedly, Soeharto began to show a more positive attitude towards religious leaders and started to incorporate their religious and political interests and even embraced some of their favorite issues. The Minister of Religious Affairs (1983-1993), Sjadzali, wrote: "The New Order government has taken many steps/policies to involve religion in national life and development, and in enhancing service to the religious *ummah* (Muslim community) for the perfection of their *ibadah* or ritual duties."[21] Empirical evidence includes state permission in 1991 for Muslim school girls to wear *jilbab* (head scarves), the national lottery PORKAS was banned, an Islamic banking system was allowed, Soeharto and his family went on a pilgrimage to Mecca, and Soeharto supported the *ICMI* (*Ikaten Cendekiawan Muslim Indonesia* --Muslim Intellectuals Society of Indonesia).[22]

Why was there a shift in government perception and treatment of Muslim leaders and organizations? Prior to these changes, the government appeared to fear an "Islamic state" and now the government was willing to hear and support Muslim interests. Accounts of why this happened vary. Some Muslim leaders saw these changes as the state's good intention towards Islam. Others believed that Soeharto's efforts indicated a move from secularization to Islamization. There were critics who remained skeptical. They wanted more substantial changes and not "small candy."[23] William Liddle suggests four possible explanations: 1) The changes were consistent with Soeharto's realistic appraisal

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[19] Muhammad Sirozi, "Islam and Education Policy Production in Indonesia: Muslim Leaders' Experiences in the New Order Era," 4. Paper presented at an Ohio University conference – *Children and Islam: Faith and Social Change in Africa and Southeast Asia*, Athens, Ohio, April 10-12, 2003.

[20] Ibid., 9. Here Sirozi quotes a writer by the name of Santoso (1995, p. 5), but does not provide bibliographic information for this source.

[21] Ibid., 9. Sirozi, "Islam and Education Policy Production in Indonesia," writes that this source is from 1991, 136.

[22] Ibid., 9.

[23] Ibid., 10-11.

of the growing number of influential (and pious) Indonesian Muslims. 2) The President was attempting to coopt another constituency. 3) Soeharto had become more devout in his old age. 4) He needed to balance declining loyalty from the military.[24] Another possible explanation for the change may be the shift from political to cultural approaches in Muslim efforts to promote Islamic values. Syafi'i Anwar suggests that Nurcholis Madjid's idea of "Islam, yes; Partai Islam, no!" provided rationale to eliminate the "conceptual tension" between Islamic thinking and the social and political ideas of the state.[25] Changing from an orientation of "politics" to one of "cultural issues" may have allowed for Muslim organizations and leaders to be closer to the government and military. It also may have helped Indonesian Muslims to better balance the state ideology of *Pancasila* with their religious beliefs and practices.

However the change actually came about, the dynamism that resulted from the attitudinal shifts by the state allowed for particular interactions between the state and Muslim organizations that were not open to secular organizations. In this way, religious organizations had a comparative advantage over secular groups in supporting economic and social development through education. Although the interactions were not always positive and some resolutions took years, the Muslim organizations showed that they could be a powerful influence on the state, at least in the realm of education. Three major Islamic education policies – *Ramadhan* school holidays, Muslim schoolgirls' right to wear *jilbab*, and the state's five-day school policy proposal – illustrate both the power and limitations of religious organizations in social development. With these initial breakthroughs, there may be future opportunities for religious groups to further influence economic or political policies.

The first education policy debate occurred in the late 1970s. The state declared that the month of Ramadhan was to be a "learning time." Thus, school holidays for religious reasons would be limited to only three days for the beginning of Ramadhan and seven days around the great day of *Idul Fitri*. Many Muslim leaders were critical of the policy, claiming that it was an example of the state developing secular education policies and that it deprived Muslim children of their right to fully practice their religion. Despite arguments between Muslim leaders and state representatives, Muslim groups failed to achieve their preference.[26] A superficial reading of this situation would suggest that f Muslim leaders failed to push their concerns in government effectively. If we look at the problem from a different angle, we can see that it was significant that Muslim groups were in the position to debate the issue at all. The fact they had had the floor is notable since other organizations did and do not have similar opportunities.

The second education issue involved government school uniforms. Controversies arose in the mid-1980s over the rights of Muslim schoolgirls to wear *jilbab*. State law prohibited the use of any clothing or accessories that were not official parts of the school uniform. Some Muslim girls experienced strong restrictions from their teachers and principals. Some were forced to move to private schools, while others were banned from attending school exams. A few Muslims protested and took their cases to court. Some succeeded in the local judicial system, but it would take several more years before the government would acquiesce to Muslim interests. The *jilbab* was legalized as an alternative uniform for Muslim schoolgirls in 1991.[27] Here we find initial antagonism, but eventual concessions by the state.

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[24] Ibid., 12. Sirozi, "Islam and Education Policy Production in Indonesia," takes quotes from Liddle, 1997, 308 (Sirozi does not provide complete bibliographic information for this source).

[25] Ibid., 13.

[26] Ibid., 19.

[27] Ibid., 21.

The third education policy was a 1995 plan for a five-day a week school policy to replace the existing six-day policy. The Minister of Education at the time, Wardiman Djojonegoro, explained that the policy aimed "to develop five efficient and effective school days a week and allow school children to have sufficient weekly holidays and a disciplinary use of their time."[28] Three groups of Muslim leaders who represented *Forum Ukhuwah Islamiyah* (*FUI*--Islamic Brotherhood Forum), Muhammadiyah, and NU immediately criticized the proposal and demanded its cancellation. One major concern was that longer daily school hours would limit Muslim children's opportunities to attend afternoon religious schools that were run by Muslim organizations throughout Indonesia. After widespread controversies, government representatives tried to convince leaders that the five-day school policy would not disturb Islamic activities. The government eventually realized that they could not force the issue, and the policy plan was cancelled. Muslim leaders claimed that this change occurred because of their pressure: "It was good that we reminded [the Minister]. If we did not warn him, the policy would have gone on," said one leader Latief Muchtar.[29] Others contend that the government did not pursue the plan because of its infeasiblity, not pressure from Muslim organizations. On the other hand, the plan's success would have depended to a large extent on Muslim approval.

These debates over education policies demonstrate the close relationship between the state and religious organizations. The close relationship was not always characterized by agreement, but the two were communicating nonetheless. These examples also show how Muslim leaders have traditionally played five types of roles in civil society and the state: representation, participation, education, agenda building, and program monitoring.[30] Over the years, better relationships with the state increased Muslim groups' access to policy processes. They were able to react earlier to government policy plans and intensified their relationships with the state when their interests were at stake. According to Muhammad Sirozi, "Above all, better relationships gave them a competitive advantage over other interest groups who were trying to bring information to the attention of the policy makers."[31] This does not mean that Muslim groups can change government policy overnight or that the government will willingly represent their interests, but the state is paying attention to and at times working with Muslim organizations.

Mutual Benefits

In analyzing the relationship between the government, religious organizations, and economic or social development, it is necessary to inquire what the government gets in return for supporting religious organizations. Likewise, what do religious organizations obtain for supporting the government? While it is as yet empirically difficult to answer these two concerns definitively, we can reason that the state and religious organizations mutually benefit from a close relationship. The state may recognize and appreciate one or more of the following:

> 1. Religious organizations have a long-standing history of providing public goods and are largely successful.

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[28] Ibid. Quote from *Panji Masyarakat*, October 1-10, 1994, 20.

[29] Ibid., 21-23. Last quote taken from an interview, April 12, 1994.

[30] Ibid., 24. Sirozi quotes Berry, 1997, 6-8 (Sirozi does not provide complete bibliographic information for this source).

[31] Ibid., 23.

2. Religious organizations have had a longer and closer relationship with the state *and* various communities.
3. Religious organizations are effective and often efficient. They are organized, have a wide reach, and are perceived as "acceptable" (socially and/or politically) and legitimate by the majority of the population. Paul McCarthy notes, "Arguably, only the faith-based *OrMas* such as the NU have the community-level networks in place to be of potential use in any large scale development effort."[32]
4. Religious organizations are willing to use "constitutional" means for accessing the state. In other words, they use personal connections, bureaucratic agencies, and mass media to get their point across. With the case of educational policy in particular, Muslim organizations did not use "coercive channels" like strikes, obstructions, riots, or political terror to exert their influence.[33]
5. Other CSOs may experience problems of their own, thereby limiting their success if compared to religious organizations. CSOs currently face problems related to governance and accountability, self-regulation, financial sustainability, and professionalism and leadership. This may be due to their size, inexperience or immaturity, and the lack of an enabling legal environment.[34] Religious organizations, on the other hand, often have the advantage of size, locale, experience, and consistent financial resources from members.

Thus, the Indonesian government has incentives to work through and with religious organizations for economic and social development, and not so much with other CSOs. Muslim organizations especially have resources that the government can utilize. In addition, the government may realize that it is necessary to cooperate with religious organizations if the state itself lacks certain resources. Although the state has been fearful of challenges to its power and authority, religious organizations tend to work through more "appropriate channels" (e.g., legal methods) as well. Muslim organizations do not seem to challenge the state in the same manner as secular organizations. One possible explanation might be that their capacity to do so is somewhat hindered since they have such a close relationship with the government, but this does not mean that groups do not have any agency. Finally, cooperation with religious organizations could also result in political support and legitimacy.

Religious organizations can also benefit from a serious relationship with the state. Muslim groups can achieve specific policy aims through cooperation with the government. They can get their voices heard, understood, and supported because they have their foot in the door, have the resources, and/or people sitting at the policy tables along with government officials. Religious groups are not necessarily in a subordinate position, however. Muslim organizations have debated with the state, fought some issues, and win or lose depending on the situation. Finally, these groups can also receive financial and infrastructure support for their own endeavors from cooperation with the government. In this way, Muslims can accomplish their moral, ethical, and even political goals as they relate to

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[32] McCarthy, *A Thousand Flowers Blooming:*, 16.. McCarthy qualifies his statement and explains that anecdotal experience suggests that even more established *OrMas'* delivery mechanisms might be quickly overwhelmed by any national scale initiative.

[33] Muhammad Sirozi, 25. Terms in quotation marks are borrowed from Almond & Powell, 1978, 178, 185 (Sirozi does not provide complete bibliographic information for this source).

[34] McCarthy, *A Thousand Flowers Blooming*, 11-12.

economic and social development. Put another way, Muslim groups can use politics for their religious goals in a similar manner as politicians use religion for political purposes.

Conclusion

I have asserted and hypothesized in this paper that certain segments of civil society such as religious organizations have closer and deeper relationships with the state than other groups. The close relationship is due to religious organizations, namely Muslim groups like NU and Muhammadiyah, entering and actively participating in the political sphere. One can also see a change on the part of the state to work with such groups. Members of religious groups may also be active in government. In this way, civil society and the state overlap. Religious organizations interact with the state in a different manner and have had a different history than other civil society organizations. A mutually beneficial relationship between the state and Muslim groups has developed over the years, and, although there is a degree of dependency between the two because of this, each continues to have its own agency and agenda. Debates and conflict between the state and Muslim groups over issues like family planning and education demonstrate this point.

How generalizable is Indonesia's experience? Although Indonesia has its own contextual history and experiences, we may ask the same questions of other places where religion and the state interact closely. Places like the Philippines, Israel, and other countries in the Middle East may have similar experiences concerning their relationships between CSOs--religious groups specifically--and the state. There may even be policy implications from the Indonesian political story that are applicable to other countries. If we believe that a state will work with and through religious organizations for economic and social development, this may have huge implications for other organizations as well, whether they are domestic or international secular NGOs or minority religious groups.

This paper only touches on some of the numerous economic and social development issues regarding CSOs and the state in Indonesia. Future research is necessary to provide more depth to this topic and to determine if the analysis can be applied elsewhere. For example, religious organizations are connected to the government, but are secular NGOs and those from minority religions entering more prominently into the political picture? Are these groups changing the relationship(s) between the state and religious organizations regarding economic and social development? Another area of possible research lies in international NGOs and their relationships with other CSOs in increasing democracy and ensuring human rights. East Timor would be a good case study.

Overall, religious organizations in Indonesia have managed to reinforce democratic principles and positively contribute to economic and social development. While the state has resisted their efforts at various times through direct opposition or passivity, there is still significant progress. Only time will tell if religious organizations and other CSOs will continue to have different relations with the state and who will be more effective in terms of facilitating national development. We can continue to hope for and work towards an ideal situation, however. Genuine and innovative partnerships between more CSOs and the state are possible. If it can be done in family planning and education issues, why not in other areas where there can be even more far-reaching positive effects?