

How Does the Private Sector Engage Social-Welfare Enterprises? Corporate (Islamic) Philanthropy in Indonesia

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This paper discusses the increasing private sector engagements with social welfare activities, and analyses the way in which zakat (alms) is conceived in the private sector. The notion of sustainable development has for many years been incorporated into the private sector programmes, in which corporations are able to participate in fostering the welfare of society and to materialize the ideas of good corporate governance. The type of sustainable development programmes by private companies in Indonesia also varies, ranging from environmental preservation and community development to healthcare provision and scholarship. The establishment of zakat agencies within private sector enterprises seem to have provided a new face of Islamic social activism, on the one hand, and that of corporate philanthropy, on the other. This is partly indicated by the rise of corporation-based zakat agencies which in fact become a new player in the rapid growth of the 'zakat industries' in Indonesia. This paper will ask what sort of main forces stimulate corporations to set up zakat agencies, how these zakat agencies differ from or may show resemblance to the overall sustainable development projects of the companies, what kinds of religious concepts are applied to mobilize charities from Muslim workers?