

"This trajectory book elaborates the role of different political background of Indonesia, Malaysia and Thailand in escalating their growth. Comparing the three countries, all of them are flourishing on their own pace, although Indonesia is fortunate to have Reformation Order that opens up new opportunities for this group to grow faster, whereby Malaysia is look like to have advantages from government policies, however Thailand is less fortunate of being a minority force in the market, but still growing. The book is worth reading".

Assoc. Prof. Ahmad Tarmizi Talib, Ph.D – Department of Government and Civilization Studies, Universiti Putra Malaysia

"Although the middle class Muslims are not the largest group, but they are very influential in shaping the colors and faces of the Muslims themselves. This book is the result of a study on this issue. I am very confident it is able to offer another platform of knowledge about the development of middle class Muslims in Southeast Asia and the current rise of Islam itself".

Dr. Abdulroya Panaemalae – Department of ASEAN Studies, School of Liberal Arts, Walailak University Thailand

"The study of the role and function of the middle class demands regular updates and explorations of new themes, attached to its development and expansion, including its challenges. This book provides a good general survey on Muslim middle class in Indonesia, Malaysia and Thailand. Like in other societies, the role of this group is instrumental in forging greater consciousness or functioning as an agent of change. In a milieu of a dependent middle class, we could not expect much enlightenment in the public sphere. Raising some pertinent questions as explored in this book warrants further detailed study in the future. Surely this book is a good start".

Azhar Ibrahim Alwee, Ph.D – Department of Malay Studies, National University of Singapore

"Similar but different style in Indonesia, Malaysia, and Thailand Muslim middle class societies development. State, market driven, and soft power approaches are the recipe of their success, while religious expression becomes one part of it. Different perspective and interesting to read".

Dr. Abd. Hakim Mohad – Department of Leadership and Management, Universiti Sains Islam Malaysia

The Trajectory of Middle Class Muslim In Southeast Asia

THE TRAJECTORY of Middle Class Muslim in Southeast Asia



Abdur Rozaki • Suhadi • Bayu Mitra A. Kusuma • Abd. Aziz Faiz
Wiwin S. Aminah Rohmawati • M. Ali Usman • Wening Fikriyati

THE TRAJECTORY OF MIDDLE CLASS MUSLIM IN SOUTHEAST ASIA

*Religious Expression in the Public Sphere of
Indonesia, Malaysia, and Thailand*



STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA



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PREFACE

The portrayal of Muslim middle class in the three Southeast Asian countries, Indonesia, Malaysia, and Thailand, provides a topical issue to address in the last decade. The three countries come up with their own distinct political context which gives way to diverse dynamics for the growth of the middle class. It is always interesting to take a closer look at the dynamics of the rising Muslim middle class in the three countries amidst the crisis-crossing politics of the regime and the development of market economy. What does the religious expression in the public sphere look like? This is the primary focus of our research entitled “Trajectory of Middle Class Muslim in Southeast Asia: Religious Expression in the Public Sphere of Indonesia, Malaysia and Thailand”.

The first-hand field research and literary analysis have given way to countless noteworthy findings in the research, be it about the dynamics of the Muslim middle class in Indonesia, Malaysia, or Thailand. Following the national reform movement in 1998, there were innumerable Indonesian Muslims who decided to plunge into politics which marked a new era of democratization giving rise to a widely more opened window for political and economic opportunities than that of the previous era. Reform politics unlocked the political arena for the new middle class of Muslims, both at the regional and national levels which are significantly marked by two patterns. The first, common pattern is to have the businessman entering the political field, engaging in electoral democracy and establishing political affiliation with religious organizations, before

being elected as public officials. The social capital attached to them as a businessman is combined with the political capital leading to the business rapid growth. The second pattern is there are some businessmen who build up their business from the bottom, whether they are of purely business background or a religious preacher who then build a business line as a new entrepreneur.

Commonly the second group is not dependent on the state as they manage themselves to come to the fore by exploiting the growing urban middle class who have modern lifestyle demands and adaptive with the development of information technology like smartphones. With regard to these two patterns, the religious expression of middle class Muslim is also characterized by the dynamics of electoral politics that always drag the Muslim identity politics in the political process, as in the case of the Jakarta elections. In addition, it is also characterized by a glamorous modern lifestyle, sharia lifestyle and the like.

Unlike that of Indonesia, in Malaysia the middle class Muslims thrive and prosper in line with state policy. Starting from the socioeconomic gap between the Malay and the Malay Chinese leading to the outbreak of ethnic riots on May 13, 1969, the Malaysian government made political reforms by issuing an affirmative policy in favor of the Malays. Such affirmative policies are New Economic Policy (NEP) and Second Malaysia Plan (1971-1975) which was realized by establishing The Bumiputera Investment Foundation (BIF), primarily aims to strengthen national capital among the Malays. The industrial policy also strengthens Bumiputera's access in the state industry by establishing the Industrial co-ordination act (ICA) and the establishment of the Bumiputera commercial and Industry community (BCIC). Meanwhile, to prepare the Malay human resources in state industrial policy, the government formed MARA Institute Technology which later developed into University of Technology MARA (UiTM). Another affirmative policy is

providing the Malay with the privilege to access jobs, housing and land in the country's new industrial land area.

The enormous impact of the affirmative policy led to the thriving educated professionals among the Malays. They generally occupy the positions in the state bureaucracy and other state business institutions. The process of strengthening the political policy of the state in accommodating the political aspirations of the Malays created an equal stake between the state and the Malay's political vision. A clear example is evident from the fact that there were, new policies made such as the first industrial master plan 1 and 2 to the policy of the National Development Plan (NDP) and Malaysia Multimedia Super Corridor and Vision 2020 (MSC). However, the current challenge to face is how to thrive the economy of the country amidst the dynamics of the global economy which has a direct impact and puts much pressure on the Malay's economy. The various subsidized reductions and other economic accessibility limitation has led to economic pressures for the Malay middle-class Muslims who previously depended themselves on the state support. The state policies that are increasingly adapt to market mechanisms, especially by way of subsidy reduction has made the middle class Malay Muslims now suffer and struggle.

In regard to religious expression in the public sphere, the state's policy of shaping a shar'i modern lifestyle is also highly influenced by state political policy, such as the establishment of JAKIM although the desire to consume Islamic ideas is has been growing in the community, both in the fashion world and other modern lifestyle accessories. Similarly, the middle class Muslim play a significant role in developing Islamic philanthropy to help other disadvantaged Muslim brothers, as did Syed Mokhtar al Buchori through the Al-Bukhary Foundation that helps so many Mosques and Schools.

On the other hand, when it comes to Muslims in Thailand, it is apparent that they have been encountering vulnerable situation that restrict them from growing independently despite the supporting market growth and other digital economic developments. Why did it happen? It is primarily because Muslims in this country are in minority position under unstable political configuration. The military still dominated civilian politics. Such conditions impede Muslim political positions such as in the Pattani, Yala, and Narathiwat Provinces which are suffering from critical situation. The government prefers to use security approach than the welfare approach. Under military political pressure, it is difficult for the economy to grow and flourish in these three predominantly Muslim provinces. The emergence of the Muslim middle class is also constrained by tight political control, which automatically limits the economic opportunities that bring prosperity.

However, in the case of Muslims in Nakhon Si Thammarat province, Bangkok's soft power politics policy can provide wider access for Muslims in access to education, banking, employment and other economic opportunities. This condition is very promising for the growth of middle class Muslims in this province. Halal food products are increasingly widespread in modern markets. Multicultural atmosphere makes the city more alive. This condition can certainly draw the dynamics of the economy and pave way for the prosperity which ultimately leads to the growth of the Muslim middle class.

We would like to express our gratitude for the supports during the implementation of this research, especially to the Rector of Sunan Kalijaga State Islamic University (UIN) Yogyakarta, Prof. KH. Yudian Wahyudi, Ph.D; Head of the Center for Research and Community Engagement (LP2M), Prof. Dr.phil. Al Makin. A great appreciation is also shared with our research partners in three countries: Prof. Ahmad Tarmizi Talib, Ph.D - Department of

Government and Civilization, Faculty of Human Ecology, University Putra Malaysia (UPM); Dr. Abdul Razak Panaemalae - Islamic Studies and Muslim Society for Peaceful Social Integration Project (ISWU), School of Liberal Arts, Walailak University, Thailand; Prof. Okamoto Masaaki, Ph.D - Center for Southeast Asian Studies (CSEAS), Kyoto University, Japan. We are also deeply grateful to all the research informants in the three countries during the field research, and also to those unmentioned parties who have been so helpful to us. It is obvious that the research is still far from perfect since there are countless things to develop further from the research findings. However, it is expected that the research will bring many benefits for the dear readers.

Yogyakarta, January 2019
Research Principal

Dr. Abdur Rozaki

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA



LIST OF ABBREVIATION

ACCIM	: Malaysian Associated Chinese Chamber of Commerce and Industry
APRINDO	: Association of Indonesian Retail Companies
BCIC	: Bumiputra Comercial and Industry Community
BIF	: The Bumiputra Invesment Foundation
BSMI	: Indonesian Red Crescent
DI/TII	: Darul Islam/Indonesian Islamic Military
DPD	: Regional Representative Council
FDI	: Foreign Direct Investments
FUI	: Forum Umat Islam
HIMPUH	: Association of Umrah and Hajj Entrepreneurs
I Bank	: Islamic Bank of Thailand
ICA	: Industrial Co-Ordination Act
ICMI	: The Association of Indonesian Muslim Intellectuals
IKIM	: Institute of Islamic Understanding Malaysia
ISMA	: Muslim Association of Malaysia
JAKIM	: Islamic Progress Position
JSM	: Saudagar Muhammadiyah Network
KIMMA	: Muslim Congress of India Malaysia
KUR	: People's Business Credit
Lazis-MU	: Institute of Amil Zakat and Shodaqah Muhammadiyah
LazizNU	: Institute of Amil Zakat Infaq and Shodaqah Nahdatul Ulama
LPSE	: Electronic Procurement Service in Malaysia
MARA	: Council of Trust for the Indigenous People

MES	: Sharia Economic Community
MICCI	: Malaysian Indian Chamber of Commerce and Industry
MMI	: Indonesian Mujahidin Council
MSC	: Malaysia's Multimedia Super Corridor
MUI	: Indonesian Ulama Council
NEP	: New Economic Policy
NII	: Indonesian Islamic State
NMBC	: Nakhon Si Thammarat Muslim Business Club
NU	: Nahdlatul Ulama
OTOP	: One Tambon One Product
PAN	: National Amanah Party
PERSIS	: Islamic Unity
PERTI	: Tarbiyah Islamic Unity
PKB	: National Awakening Party
PPPA	: The Program for Seeding Quran Memorizing
SDI	: Islamic Trade Union
SI	: Society of Islam
SME	: Medium Scale Enterprises
SPG	: Sales Promotion Girl
UiTM	: Universiti Teknologi MARA
UMNO	: United Malays National Organization

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CHAPTER I

STATE ISLAMIC UNIVERSITY
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INTRODUCTION



A. Background

Throughout the past decade Islam has been perceived in contradictory two-sided religious expressions. The first one is the intolerant or on uncivilized Islam as those represented by acts of terrorism, violence, and sectarian communal conflicts in many parts of the world. The second expression is the tolerant, the moderate, and the adaptable one to the demand of the time, globalization, modernization, and is even being well commodified.¹ The various different religious expressions are highly correlated to structural and social class background. In this light, Anthony Giddens proposed that structure underpins mindset, rules, sources of knowledge, expertise, and people's behavior through process of socialization.²

¹ See Abdur Rozaki, "Komodifikasi Islam: Kesalehan dan Pergulatan Identitas di Ruang Publik", *Jurnal Dakwah: Media Dakwah dan Komunikasi Islam* Vo. 14 No. 2 (2013), 200.

² See Christopher Bryant and David Jary, *Giddens's Theory of Structuration: A Critical Appreciation*, (London: Routledge Revival, 2012).

The differing classes in the social structures lead to various religious expressions to be projected as a symbol of existence in the public sphere. In the light of this, the low social class society tends to have different religious expressions with that of the middle class. In addition to class disparity, the expression is also greatly influenced by social condition of the community in many different areas. More widely varied behaviors, perspectives, and communal cultural practices in the areas where Islam becomes the dominant group than other areas where Islam becomes the less dominant.³ As seen through a wider context of Southeast Asia, it is prevalent that each country in this region has its own unique character of middle class muslim society with its own social condition resulting in different religious expressions in the public sphere. So that's why the study of the middle class has always been the topical issue among academics and social activists.

It is primarily attributed to the fact that as a middle group, the middle class comes up with very strategic role and function of connectivity and other intermediary in diverse political, economic and cultural arena. In this context, the middle class plays a significant role as the driving force of social transformation owing to its ability to represent the interests of the elite class (the upper class), while influencing the interests of the lower social class (the grass-root).

With the benefit of hindsight, it is apparent that the last decade has been witnessing the fascinating dynamics of the middle class, principally the middle class Muslim in three Southeast Asian countries, namely Indonesia, Malaysia and Thailand, especially in related to the change of political regime and economic growth in Southeast Asia market. The dynamics of middle class Muslim in those three countries is seen through the perspective of government

³ Muhammad Hisyam (ed.), *Budaya Kewargaan Komunitas Islam di Daerah Aman dan Rentan Konflik*, (Jakarta: Lembaga Ilmu Pengetahuan Indonesia, 2006), 124-125.

role and its relation to the life of civil society. It is apparent that the government plays a significant role in the encouragement of development policies, opening market access, and modernizing living systems within the community. To generate a more rounded picture, the researcher will also take into account the public response in the research analysis by observing how well the public adapt to social changes, and how they negotiate and resist against them. In addition, the researchers also address the relation pattern between the middle class muslim with the market to gain better insight of the ever-growing religious expression in the public sphere.

Indonesia has a continuously growing number of middle class Muslim society year by year. The Association of Muslim Intellectuals (ICMI) took notes that at least the number of middle class Muslim society in Indonesia rose by 6,3 percent in 2016. The growth potentially leads to widely varied religious expressions. Taking a harder look, it came to light that there has been a rapid shift of Islamic expression in Indonesia throughout the course of the past four decades. This shift occurs not only in the form of movement identity threatening the unity of the nation such as Darul Islam/Tentara Islam Indonesia (DI/TII) or Negara Islam Indonesia/ Indonesian Islamic State (NII) but also in the form of many aspects of social life as seen from the more noticeable Islamic symbols in the public sphere.⁴ In fact, the old middle class society is striving for its existence by building political oligarchy. However, their attempt is contested by the new middle class society which utilizes a widely open stage of democracy since the fall of Soeharto regime and the strengthening wave of market globalization. In other words, the formation of the middle class Muslim in Indonesia is addressed through the ever-crisscrossing force that is between the state-driven, in the form of pro-market policies, and market-

⁴ See Abd. Aziz Faiz, *Muslimah Perkotaan: Globalizing Lifestyle, Religion, and Identity*, (Yogyakarta: Suka Press, 2016), xxi.

driven mechanisms, the development of information technology that creates the demands of modern lifestyles.

In terms of Malaysian context, it came to light that state has an extremely powerful role towards the existence of the middle class Muslim society which is well responded by the market. The contribution of the middle class Muslim society to the market is apparent from their engagement in the business and industry throughout the country. Their involvement in many professional aspects has aided the country particularly in terms of raising employment and reducing joblessness. In addition, the middle class Muslim society in this country also has a generally high purchasing power attributing to consumerism culture in the society. This indirectly speeds up the development and advancement of the country through the increasing demand for products and services. They also have pivotal contribution to the political aspect. It is proven through their participation in the political parties such as through United Malays National Organization (UMNO) and Muslim Congress of India Malaysia (KIMMA). In general, it is possible to say that the middle class Muslim society in Malaysia hegemonies all walks of life. The hegemony is particularly even stronger for the middle class Muslim society of Malay ethnic since the Malay ruling class attributes to the supremacy of the indigenous group controlling the whole country.⁵ In shortly, the process of middle class Muslim formation is closely linked to state driven policy in the form of ethnicity based policy (EBP), an affirmative policy to strengthen the Malays which is identical with Islamic identity.

As for the case of middle class Muslim in Thailand, the formation is largely determined by the central government's political policy from Bangkok. A clear example will be apparent

⁵ See Ahmad Suaedy, "Islam and Minorities: Managing Identity in Malaysia", *Al-Jami'ah: Journal of Islamic Studies* Vol. 48 No. 1 (2010), 5.

from how the central government deals with the Muslim society in Nakhon Si Thammarat Province through the soft power approach which consequently allows large room for the emergence of middle class Muslim. In contrast, the strong-arm policy that the central government resorted to Muslim societies in Pattani Province has put a limit and restriction for the middle class Muslim society to develop and thrive as security approaches are more prevalent, leaving the Muslim community with constraints in market access and business expansion. Indeed, mostly Islam in Southern Thailand – especially in three hot provinces namely Pattani, Yala, and Narathiwat - is well known for its resistance against the government. This is primarily owing to social discrimination against the Muslim which is worsened by the economic disparity making them live poorly far below the standard welfare of other citizens.⁶ Given such condition, it is hard for the middle class Muslim society in Southern Thailand to thrive owing to the strained situation and disparity with the central government. The biggest problem for the Thailand Muslim is how to enable them to take part in the political process of the country solely built on Buddhist cosmology. This leads to the fact that the country's bureaucracy does not allow a room for Muslim aspiration either in its form or its content. The most pivotal issue is that the bureaucracy has the power to change the values and social cultural institutions as well as religious expressions to suit the interest of the government.

Those widely varied Islamic religious expressions are certainly portrayed demonstratively in the public sphere to grab the attention of the public. Moreover, the Muslims worldwide are billions in number or are constituted of 20% of worldwide population. This population comprised of 18% of Muslim in the Arabic countries, 10-15 million living in Western Europe, and the remaining mostly

⁶ See Bayu Mitra A. Kusuma and Theresia Octastefani, "Pattani United Liberation Organization: From Jihad to Local Politics Movement", *The Indonesian Journal of Public Administration* Vol. 2 No. 1 (2016), 35.

living in Asia, including in the Southeast Asia.⁷ Such huge Muslim potentials must have attracted the market and industry. This is mostly negligible from the high contestation over social piety such as shown through the flourishing facilities with Muslim symbols such as Sharia Banks, halal food, halal tourism, religious shops, and plethora of other products related to Islamic marketing. Given such phenomenon, it is presumable that in Southeast Asia Islam is not merely treated as a set of normative religious teachings but is also highly correlated to economic patterns and social life style prevalent in the public sphere. Islam in the Southeast Asia is also appropriated with the need for modern life style and is immune from social and political intervention. The middle class Muslim society is not restricted and has the capacity to construct their Islamic expressions in the public sphere.

In their diverse religious expressions as formerly stated, it is essential that we have deeper insight on the role of the middle class Muslim society to construct their religious expressions in the public sphere of the Southeast Asian countries. In other words, the crisscrossing linkage between Islam and the middle class society intertwining one to another is really worth studying owing to the existence of the pattern of class consciousness for access ownership, capital ownership, and power ownership to construct the social trajectory. Within their grip, Islam is not merely a set of values but also a set of principles legitimating the way to socialize, image branding, self-performance, and self-marketing either for personal needs, familial needs, or the needs of communities in projecting religious identities in the public sphere. In the light of such background, it is possible to formulate the following research questions: what is the social phenomenon that signifies the emergence of Muslim middle-class in these three countries? How

⁷ See Andrew T. Kearney, *Addressing the Muslim Market: Can You Afford Not to?*, (Chicago: Global Management Consultant, 2009).

is the religious expression of the middle class Muslim in the public sphere? These questions are certainly contextualized in accordance to different political contexts of each country, thus generating a diverse response in the use of political access and other economic opportunities.

B. Literature Review

There are only handful comprehensive studies on middle class Muslim Society in the Southeast Asia. These studies are mostly written as anthology. In other words, it is possible to say that there are merely few studies on the middle class Muslim society in the Southeast Asia in a fully written research. The existing full research solely concerns on a more general aspect of middle class society without taking the heed on the religious aspect in the analysis. One of relevant references with the middle class Muslim society is *Religious Commodification in Asia: Marketing Gods*. One of the chapters of the book is entitled *Islam as a Symbolic Commodity, Transmitting, and Consuming Islam Trough Public Sermon* written by Akh. Muzaki.⁸ In this research Muzaki considers the presence of intelligent youths and the ever widening access towards the public sphere in particular to the commercial media allows a stage for them to perform and take part in the social sphere significantly. They actively engage themselves in the public Islamic discourses through religious talks. They raise their social status and turn themselves to be the middle class society who commodified Islam since it is the only way through which they become the new middle class society and maintain their existence in it.

Another book to concern on the middle class Muslim society is the one written by Johan Fischer entitled *Proper Islamic*

⁸ Akh. Muzaki, "Islam as a Symbolic Commodity, Transmitting and Consuming Islam Trough Public Sermon in Indonesia", in Pattana Katiarsa (ed.), *Religious Commodification in Asia: Marketing Gods*, (USA and Canada: Routledge, 2007).

Consumption: Shopping Among the Malays in Modern Malaysia. This book explores the middle class Muslim society in Malaysia through their lavish consumption and extravagant spending.⁹ It is in this book that Fischer describes the excessive consumption of the middle class society for the commodity closely related to halal-labeled products. It includes the consumption of Shariah labeled housing. The thriving trend of *halalization* towards many commodities leads to bigger expenditure for the middle class Muslim society in Malaysia. This research pays higher concern merely on the aspect of consumption and the economic pattern. Meanwhile, unlike the former research, the current research will highlight the formation process of this middle class and the process of their enrolment to the middle class Muslim society and the way they express their identities in the class patterns.

Other interesting book to note is a research by Noorhaidi Hasan entitled *The Making of Public Islam Piety, Democracy, and Youth in Indonesian Politics*.¹⁰ This research observes the middle class Muslim youth movement after the event of reformation taking place in Indonesia. After reformation era, it is noted that the youth movement campaigned for Shariatization and Islamic Caliphate that intruded into the country and contested with other political Islamic movements in Indonesia. However, they are restricted from taking further step towards the front stage due to a better practice of democracy in Indonesia which embraces wider scope of political participation. Hence, it is possible to say that this group made unsuccessful attempt to dominate the public discourse. On the other hand, it is the kind of Islam appropriated and in line with the globalization and modernization proposed by the middle class Muslim society which thrives and flourishes in Indonesia.

⁹ Johan Fischer, *Proper Islamic Consumption: Shopping among the Malays in Modern Malaysia*, (Copenhagen: NIAS Press, 2008).

¹⁰ Noorhaidi Hasan, *The Making of Public Islam Piety, Democracy and Youth in Indonesian Politics*, (Yogyakarta: Suka Press, 2013).

Other no least essential book drawing attention to the middle class Muslim society is the work of Robert W Hefner entitled *Islam, State, and Civil Society: ICMI and The Struggle of Middle Class*.¹¹ This book portrays the political development in Indonesia towards the end of the New Order during which the government tried to embrace the Islamic group to be the part of state power by establishing ICMI (Association of Indonesian Muslim Intellectuals) which recruited many Muslim intellectuals to be a strategic part of the government. This group proposed new Islamic political and cultural reform. However, this book are more concerned on the relation between middle class Muslim society with political aspect of Post New order.

In addition, other work to highlight the thriving middle class society in Southeast Asia is the one written by Richard Robinson entitled *The Emerging of Middle Class in Southeast Asia*.¹² This book renders the picture of Southeast Asia in 1960 which was full of agricultural areas and rural areas compared with the current rapid growth of modernization which brings up the birth of many cities with severe traffic congestion problems. Other factor to boost the existence of middle class Muslim society is the fast paced growth of political system. However, this book has a very general focal point and does not focus solely on the middle class Muslim society in particular. This book also pays no concern on details of the identity structure of the middle class Muslim society as will be projected in the current research.

Other researcher interested in comprehending the middle class society in Southeast Asia is Takashi Shiraishi. His research is entitled *The Rise of New Urban Middle Classes in Southeast Asia: What*

¹¹ See Robert W. Hefner, *Islam, State, and Civil Society: ICMI and The Struggle of Middle Class*, (Cornell: Southeast Asia Program Publications at Cornell University, 1993), 1-35.

¹² Richard Robinson, *The Emerging of Middle Class in Southeast Asia*, (Western Australia: Asian Research Center Murdoch University, 1995).

*is Its National and Regional Significance?*¹³ In his work, Shirashi delves into the escalation of middle class society in Southeast Asia as a result of country development and advancement, including the products of the growth of economic system. His work also scrutinizes the enormously complex changing life style as part of appropriation of the life style thriving in America, Japan, China, as well as the Islamic discourse growing from the inside of themselves. However, it is noted that there are some key different underlying characteristics of some middle class societies in some Southeast Asian countries. Take for instance Thailand whose middle class society dominantly overpowers the country both in terms of politics, economics, and cultural and intellectual hegemonies. On the other hand, things are different with the middle class society in Malaysia and Indonesia in which they are independent from the nation and have no power to significantly influence political context. Indeed, this research bears some resemblances with the current research theme dealing with the growing process of the middle class society. However, what makes them different is that it is not closely related to the life of the middle class Muslim society.

C. Theoretical Framework

The basic notion proposed by Bryan S. Tunner articulates that in the modern world, religion and nationalism play a role as both individual and collective modes in the context of global politics.¹⁴ This basic notion is in line with the presence of globalization attributing to the existence of the flow of capital uniformity. Nonetheless, it is interesting to note that both the individual and collective modes respond globalization in a creative way by

¹³ Takashi Shiraishi, *The Rise of New Urban Middle Classes in Southeast Asia: What Is Its National and Regional Significance?* (Tokyo: Research Institute of Economy, Trade and Industry, 2011).

¹⁴ Brian S. Tunner, *Religion and Modern Society: Citizenship, Secularisation, and the State*, (New York: Cambridge University Press, 2011), 228.

experiencing diversified expressions. Such creative responses from both individual and collective modes are referred to as “The Middle Class”.

The middle class society are mostly described as the social class level embracing those positioning themselves as Government officials, practitioners, company managers, the highly educated or intellectuals taking part in the middle level of social structure.¹⁵ It is negligible that the early formation of this middle class society is primarily based on the old social bases in which the government basis overpowers market policy and begets the middle class society. However, the growth of the recent middle class society is attributed to the social basis of the educated class collaborated with the market. It is through the unlimited stream of globalization that this new middle class society brings about the new formation of the middle class with substantial power over the country, even in terms of social life style. This is mostly identified through the following five things. First are those with high literacy and good education background. Second are those with capital ownership and economic patterns. The assumption on economic patterns is mostly related with the ability of oneself to capitalize his or her capital as self-branding as the ruling class and so on. Third are daily performances as differing practices, lifestyle, and consumption. Fourth is having active power to construct and produce. Fifth is having wide access and power to influence.¹⁶

Takhashi Shirashi highlights the growth of the urban middle class society in Southeast Asia as a result of development and advancement of the country, including the product of market economy.¹⁷ Nonetheless, the new emerging middle class society

¹⁵ Arie Hariyanto and Ari Wahyu Prananta, *Kelas Menengah Perubah: Sebuah Kontestasi Stratifikasi Dominasi dalam Kapitalisme dan Konsumerisme*, (Bangkalan: Universitas Trunojoyo), 2.

¹⁶ Abd. Aziz Faiz, *Muslimah Perkotaan...*, 288

¹⁷ Takashi Shiraishi, *The Rise of New Urban Middle Classes...*, 1

intrudes with high participation and unlimited access to each social level. In this context, they may have good education, good capital ownership, and ability to develop networks through high creativity. The creativity of the middle class society in responding the wave of globalization resulted in diversified religious expressions of the middle class in the public sphere. The public sphere is significant for its two elements. First is physical sphere where people meet and interact one to another. Second is non-physical sphere in which people build their discourses on plethora of things, particularly in this context something to influence the country and the market.

Middle class society is vital component in the social, cultural, and economical formation.¹⁸ It is their existence which brings about the growth of consumption attributed to the birth of wider regional market in every country. This is mostly negligible in the production and consumption of fashion products, lifestyle, music, and other industries. Therefore, it is presumable that they have fostered the expansion of the market. The middle class society sets the market as an arena of contestation enabling them to both classify and be classified. The market is the right place to learn new strategies for the middle class society to inhibit certain social class formation. In this light, the creativity of the middle class society finds its momentum by presenting religious identities both as part of consciousness and part of market strategies. Religion and market are thus walking hand in hand and providing values on each other to determine and establish social class formation.

It is in the foregoing sphere that religion finds its formula as part of middle class society's lifestyle which legitimates identities of certain class. The existence of religious identities for the presence of middle class formation results in diversified expressions with new and elitist packaging. Mobility of religious symbol utilization by the middle class for their class expressions are increasing significantly

¹⁸ *Ibid.*, 2.

in the public sphere. Hence, it enables them to present distinctions or differentiations highlighting high and low level of each social class formation. An insight of such aforementioned theoretical conception can be operated through the way we perceive the construction of middle class society by putting forth on the aspect of Muslim identity. Therefore, it is highlight likely that we will come up with diversified religious expressions in the public sphere of Southeast Asia, particularly Indonesia, Malaysia, and Thailand.

In Indonesia, the rise of middle class Muslim was engendered by the state driven and market driven. The state driven factor pinpoints an observable fact the state has always had interests and partisanship towards a particular group. Meanwhile, the market driven indicates that the Muslim community was aptly apt in capturing market opportunities, eventhough they had to strive on their own without having direct support from the state. Worse still, some policies that the government issued also have an adverse impact on the development of middleclass Muslim business because they are deemed to provide more benefit to large corporations than the middle class entrepreneurs. In addition, it seems that the government is unprepared to welcome the diversity of business sectors that the middle class Muslim has brought up.

While in Malaysia, the rise of middle class Muslim in Malaysia is driven by the state through the provision of supporting policy with the primary aim to strengthen the national capital among the Malay Bumiputera. This affirmative policy is proven to possess mighty power since it generates the growth of educated professionals of Malays. They generally manage to occupy the positions in government bureaucracy and other state business institutions. The greatest challenge to face today is when the national economy is dominated by the dynamics of the global economy, which brings a direct adverse impact on the Malay economy.

For the case of Thailand, we will see two very opposite conditions about the rise of middle class Muslim through a comparison of two provinces. In Nakhon Si Thammarat, the government implemented a soft power policy by opening access for Muslim communities towards worship, education, politics and capital. The ease of access is actively embraced with a high entrepreneurial spirit of the Muslim community to open new jobs, reduce unemployment, increase revenues, and accelerate economic growth. The economic transformation further accelerates the emergence of a new middle class Muslim from the business sector. On the other hand, in the Pattani, the government implements hard policies by limiting access of Muslim communities towards education and politics through excessive military surveillance. Consequently, instead of creating a sense of safety the excessive military presence brings up insecurity and slackens the economy in Pattani.

D. Research Method

1. Research Type

This is a field research conducted through comparative method. It takes the form of qualitative research since the occurring events need interpretation and insight. Hence, qualitative method is much more relevant here to have an insight on the in-depth meaning of actions by social actors and communities in the society.¹⁹ The qualitative method provides the researchers with a framework to comprehend the meaning of motive dimension in the series of events forming the trajectory of middle class Muslim society in Southeast Asia represented through religious expressions in the public sphere. The research is targeted towards the middle class society as seen from some aspects such as literacy level and education background, capital ownership and economic patterns, self-performance, active power to construct and produce, wide

¹⁹ Malcom Water, *Modern Sociological Theory*, (London: Sage Publication, 1994).

access and networks, and the power to influence. The research takes descriptive approach to portray highly complex social reality in details so as to provide an in-depth insight on its sociological and political relevance.²⁰

2. Research Location

This research was conducted in three different countries in the Southeast Asia namely Indonesia, Malaysia, and Thailand. The three different locations are selected out of other Southeast Asian countries based on several considerations. *First*, Indonesia is a country with the largest Muslim population not only in the Southeast Asia but also in the worldwide. However, Indonesia is highly multicultural country fully enriched with cultural diversity of various tribes with various religions and beliefs, various ethnics, and various traditions crisscrossing from one to another, thus creating an up and down social dynamic in the society. In addition, there has been a contestation between the old middle class Muslim society who builds up political oligarchy with the new middle class Muslim society who actualize themselves in the era of democracy and globalization. This makes Indonesia as a highly potential country to represent more diverse religious expressions in the public sphere. In addition, the team of researchers is familiar with the research location so as to ease them with ease of access during the field research for this particular theme. *Second*, Malaysia is a Muslim majority country which sets Islam as the official religion of the country. The national support for the middle class Muslim is well adjusted with the market, thus the middle class Muslim society is deemed to hegemonize all walks of life of the society. *Third* in contrast to that in Malaysia, the Muslim condition in the Southern Thailand is very miserable. Unlike Malaysia which makes Islam as the official religion of the country, in Thailand Islam tends to have

²⁰ See Derek Layder, *Sociological Practice: Linking Theory and Social Research*, (London: Sage Publication, 1998), 30.

huge gap with the government. As a result, Muslims in Thailand are deprived from the social, political, and economic means. This portrayal brings up a considerably contradictory trajectory of middle class Muslim with that of Malaysia. But uniquely in another area not far from Pattani, namely Nakhon Si Thammarat, conditions are very different where they are remarkably adaptable to cope with the demands of times and can compromise with the global influence. It is important to rethinking and review the relevant literature to come out of the established concept about Islam in Thailand.

3. Data Collecting Process

To answer the two primary research questions, the researchers were collected data through participatory observation. The researchers were stay and mingle with the targeted community within a certain time in order to observe their daily life and the expression of the middle class Muslim in the three Southeast Asian countries. In addition, the researchers also attend some formal and informal discussion forums concerning on and embracing the middle class Muslim society. Throughout the observation, the researchers make the best use of field notes to record and take note of important events during the observation. Furthermore, the researchers also take heed of the informant's explanation to be probed further through in-depth interview based on interview guidelines. In-depth interview involve some parties such as: academicians, social figures, religious leaders, entrepreneurs/capital owners, as well as the front man or leaders of various Muslim communities in the targeted Southeast Asian countries.

In Indonesia interviews were conducted with several resource persons, namely: Hafidz Asrom (Member of Regional Representative Council (DPD) Republic of Indonesia, Member of Nahdlatul Ulama, and Businessman), Hery Zudianto (Former Mayor of

Yogyakarta, Member of Muhammadiyah, and Businessman), Pamela Sunardi (Retail Businesswomen at Yogyakarta), and Nurhayati Subakat (National cosmetics Businesswomen). And then Malaysia, interviews were conducted on several people including: Jay Jay Denis (Policy Analyst and Consultant at ASEAN Parliamentarians for Human Rights), Tarmizi Anuwar (Research Manager in Institute for Leadership and Development Studies), Nur Ayuni Isa (Lecturer of Politics and Government at Universiti Putra Malaysia), Mohd Faizul Azmi (Jabatan Kemajuan Islam Malaysia), Ika Farina binti Md Sharif (Researcher), Zulkhairi bin Zainal (Government Apparatus), Hasna Toran (Director of Pusat Pernata Kurnia), and Andry Sophian Adris (Member of Jama'ah Tabligh Malaysia). While in Thailand the sources in the interview are: Imtiyaz Yusuf (Lecturer of Religious Studies at Mahidol University), Abdulroya Panaemalae (Lecturer of ASEAN Studies at Walailak University), Adison Tahraham (Islamic Bank of Thailand Branch Manager at Nakhon Si Thammarat), Haji Shugur (Founder of Nakhon Si Thammarat Muslim Business Club), Usuf (Manager of Al-Muslimoon Muslim Cooperation), Arafat (Local Businessman at Nakhon Si Thammarat), Jameelah Shugur (Local Businesswoman at Nakhon Si Thammarat), Syaqirin Sumali (Educational Figure at Nakhon Si Thammarat), Abdullah Salaeh (Activist of Pattani), Husein Weadure (Local Businessman at Pattani), Ibrahim (Local Businessman at Pattani), Saudi Tayeh (Lecturer at Darul Ma'arif College Pattani), and Sahudi Bueraheng (Teacher and Activist of Pattani).

Other supporting elements for the process of research observation were networks in the targeted research location. In this research, the researchers were assisted by some partner institutions including Universiti Putra Malaysia in Malaysia and Walailak University in Thailand. Besides working hand in hand with the field research, those partnering institutions are also willing to

actively correspond with the researchers through emails, whatsapp, and other means of social media communications regarding the issue of the dynamics of middle class Muslim society trajectory in the public sphere. To fulfill the primary data, the researcher also collected secondary data from literary studies and news browsing of both some print media and electronic media. The integrated primary and secondary data is expected to provide the researchers with more rounded perspective to ease the process of analysis.

E. Data Analysis Method

The data are then analyzed through interactive method of Miles and Huberman comprising of four stages: data collection, data reduction, data display, and conclusions.²¹ The interactive data analysis of Miles and Huberman can be rendered as follows:

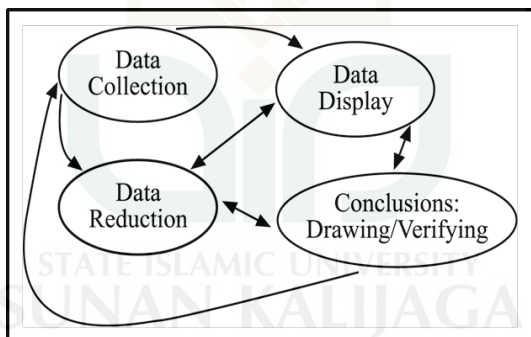


Figure 1. Data Analysis Method of Miles and Huberman

It is through the aforesaid scheme that the process of data collection is carried out through observation, interviews, literature review and information access through news media related to the research topic. The next step is data reduction, aimed at taking the intention of the series of field data collection, formulating essential

²¹ Matthew B. Miles and A. Michael Huberman, *Qualitative Data Analysis: A Source Book of New Methods*, (London: Sage Publication, 1998), 12.

things to see the pattern of the data set of the three countries. The process of finding content or strategic issues begins to emerge in the stages.

The next step is to display the data by sorting and categorizing the data and connecting each other between the series of categories or types of data available. The last step is to verify, cross check data to systematize them in a structured writing process, so as to generate strong consistency in the process of drawing conclusions.





CHAPTER II

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

MIDDLE CLASS MUSLIM IN INDONESIA



A. The Formation of Middle Class Muslim in Indonesia

It is hard to map out the formation of a middle class Muslim in Indonesia without taking into account the political upheaval and capitalist patterns instilled in the Indonesian economy. Such context has been obviously seen at least since the colonial time, when the establishment of Islamic Trade Union (SDI) by Muslim middle class traders was engendered by predominant Dutch colonial capitalism. SDI which later turned into the Society of Islam (SI) in 1921 is a socio-political organization founded with the main objective to struggle against colonialism that prioritizes a privilege for the Europeans, wong tjina and local aristocracy.¹

SI seeks to muster all the forces of Islam to take part and fight for the just economy through class approach and spirit of Islamism movement. In addition, SI seeks to strive for political economic

¹ Wasisto Raharjo Jati, *Politik Kelas Menengah Muslim Indonesia*, (Jakarta: LP3ES, 2017), 54.

fairness in the midst of overwhelming grip of colonial capitalisms that gives privileges to *wong tjina* in trade, while eliminating the marginal Muslim traders. The class political attempt made by SI did not seem to result in much success, primarily due to the internal split and the well established supremacy of the *wong tjina* class by the economic capitals of Dutch colonial capitalism. Nevertheless, the birth of SDI / SI marked the new chapter of Islam, as it shifted from the cultural movement into the political movement.

However, it is in its development that SI experienced a brewing internal conflict that seriously weakened the organization and marking its end. The downfall of SI subsequently leads to the mushroom of other Islamic social movements, such as Muhammadiyah, Nahdhatul Ulama '(NU), Persatuan Tarbiyah Islam (Perti), Persatuan Islam (Persis) and others. The post-SI Islamic Organizations continue to develop a pattern of commercial networks, distanced from the class approach by seeding a softer political-religious approach than the previous SI. It is apparent that the pattern of the Islamic movement they developed is deeply rooted from nationalism which turns out to be the ideal spirit of the movement to go against colonialism.

It is in this context that the notion of national politics becomes an inseparable part of the dynamics within Islamic societies, as when the foundations of Indonesian nationhood were formulated prior to the Independence Day. At that time, there were various Islamic groups within the realm of Indonesian Islam which tried to build political argumentation to win their political expression and ultimately ended up with the common consensus of Pancasila as the national foundation and inclusive national understanding that embraces the entire element of the nation, especially but not exclusively the Indonesian Muslims. The new nationalist political direction is also clearly implied to promote the nation's economy, in particular to curb the dominant networking grip of colonial

political policy in Indonesia.

In order to build up the competitiveness of indigenous trade businesses against the non-indigenous and foreign traders, President Soekarno made the Benteng (fortress) Economic Program policy in 1950. This policy provided the entrepreneurs involved in the program with various privileges ranging from import licenses, venture capital, to business training. It was fully expected that the policy would breed some prominent businessmen who would put the transformation of the colonial economic structure on the right track towards the national economic structure. This policy was concurrently also set up as a strategy to put the dominant seizure of the Chinese businessmen who took control of the market into restriction. It was noticeable that despite the fact that the Dutch had politically handed over the nations' sovereignty to the Indonesian government, the Dutch companies still had an overwhelming control over the Indonesian economy. The Dutch economic dominance was regarded as a symbol of colonialism and capitalism that must be curbed or even limited. However, this strategy was deemed to be a complete failure because many of the recipients of the bank capitals did not make use of the loan to finance businesses or productive activities, instead they preferred to use it for more of consumptive needs. In addition, the nepotistic behavior had also made an adverse impact in banking credit since more credit was allocated to the associate person or groups.²

After a long heightened debate, President Soekarno finally decided to end Benteng Program and replaced it with the policy of "guided economy".³ The term was introduced by Mohammad Hatta, who was then vice-president. Coming up with guided economic

² Richard Robison, *Soeharto dan Bangkitnya Kapitalisme Indonesia*, translation by. Harsutejo, (Jakarta: Komunitas Bambu, 2012), 38.

³ The term "Guided Economy" was closely associated with "Guided Democracy" after Sukarno released the Presidential Decree on July 5th 1959.

policy, in fact, Hatta wanted to bring Indonesia out of the liberal economic system that was more inclined to be capitalistic and was proven failed to prosper the Indonesians. The liberal economic system refuting state intervention in the economic sphere is in contradictory to the guided economy, where the state is authorized with the control over the economy management or in other terms the state has the economic monopoly. With this system, the state is believed to be an effective tool in managing the economy fairly so as to create welfare for the people.⁴

The new program was designated with three main strategies to eliminate foreign capitalists by nationalizing foreign companies (especially those owned by the Dutch), establish state enterprises (State Owned Enterprises/SOEs) to manage nationalized enterprises, and change the economy of imports / exports with self-sufficient economy. After the establishment of state-owned company, this business entity ultimately got the import monopoly license enabling it to control 70 percent of imported commodities. The nationalization of all foreign companies began in 1960, which primarily targeted plantation, transportation, trade and banking sectors. Once the state-owned enterprises were established, they finally received the import monopoly license, enabling them to control 70% of imported commodities.⁵

Following the doomed fate of program Benteng, the practice of the guided economy program to build the national economy ended up with complete failure. Companies under SOEs are unprofessionally managed by some leaders and people who were of close proximity to the military and political parties.⁶ No wonder, such proximity was prone to the practice of corruption which began

⁴ See the book written by Mohammad Hatta, *Ekonomi Terpimpin*, (Jakarta: Djambatan, 1959).

⁵ Richard Robison, *Soeharto dan Bangkitnya Kapitalisme Indonesia...*, 59.

⁶ *Ibid.*, 61.

to flourish in these companies. In addition to the nepotism factor, corruption practices also began to burgeon in the companies. This unprofessional management system impeded the SOE companies from making healthy growth and development towards the big companies and prevented them from competing with well-managed private companies.

After the 1965 crisis, Sukarno's government was overthrown by the military under the control of General Suharto who took over the command. The change of ruling power consequently led to the change of economic direction policy. Suharto made a stark different economic policy to that of Soekarno. The New Order revitalized the government relation with the West which was previously put in halt by the previous Order. The new policy opened the door for foreign investment, at the same time claiming that Indonesia shall enter into the network of international capitalism. This new policy engendered the growth of several groups of capitalist classes from the military, bureaucrats, technocrats, politicians, relatives and key business partners of the regime such as Indonesians of Chinese descent.

Throughout the course of its journey, the new policy led to several groups of capitalist classes, which are from military groups, bureaucrats, technocrats, politicians, relatives, and business networks close to the rulers, like Chinese businessmen. The New Order regime built up the middle class as part of a program to develop a new bourgeoisie to build and strengthen the country's economic development process. The pattern bears something in common with the general trend of state initiation to raise new rich people in Asian countries. Malaysia with Bumi Putera policy and Thailand with the local bourgeoisie are some examples of such development of the middle class as agents of economic development. It is in line with Robison's inference deeming the Indonesian middle

class during the New Order era as a class of state dependence.⁷

In the New Order period, the indigenous capitalist class is classified into three different groups. The first group is comprised of entrepreneurs who were born and bred by the Soekarno government policy, among whom were Soedarmo Sastrosatomo and Sultan Hamengku Buwono Group IX. The second group embraces the bureaucrat entrepreneurs who build up business with family-dominated private group, such as Suharto's family, Probosutejo, Bambang Trihatmojo, etc. Third is the newly emerging capitalist groups raised by political and bureaucratic protection, such as the Kosgoro Group and the Sahid Group. In addition, the New Order also established business networks with the Chinese capitalist class. This group is well known for exploiting the military that bears special closeness with Suharto as a business partner. Among the Chinese business corporations known to be close to the political bureaucrats and Soeharto⁸ are the Astra Group run by William Soerjadjaya and Salim Group of Liem Sioe Liong.⁹

The pro-international capitalist economic policy and the economic policies of the pro-growth and pro-conglomerate New Order economic technocrats have inevitably ruined the business of santri. Most santri entrepreneurs who primarily run small and medium enterprises were only able to dominate and control the local market owing to limited capital factor and the fact that they did not get any "privilege" from the government. Such disconcerting policy finally led to some examples of business collapse including that occurring in clove cigarette industry in Kudus, garment industry in Majalaya and Majalengka, and batik business in Pekalongan.¹⁰

⁷ See Richard Robison and Goodman (ed.), *Rich in Asia: Mobile Phones, McDonald's and Middle Class Revolution*, (London: Routledge, 2006).

⁸ Richard Robison, *Soeharto dan Bangkitnya Kapitalisme Indonesia...*, 221.

⁹ Read Richard Borsuk and Nacncy Chng, *Liem Sioe Liong dan Salim Grup: Pilar Bisnis Suharto*, Jakarta: Kompas)

¹⁰ Yudi Latif, *Intelegensia Muslim dan Kuasa: Genealogi Intelegensia Muslim*

The New Order went on with endless endeavour to set up the class in the early 1990s by working hand in hand with Islamic groups through the establishment of Association of Indonesian Muslim Intellectuals (ICMI). The association was designated for intellectuals and Muslim bureaucrats to allow them for making invaluable contribution and ideas for the sake of the development of the country. The establishment of this new institution is inseparable from the role of middle class Muslim groups who were actively involved in approaching the government for decision making. Therefore, it is completely justified to deem the birth of ICMI as a momentum of unity between state interests and that of the Islamic groups.

It is in the contention of Robert W. Hefner, an American anthropologist, that the relationship between Soeharto and ICMI is a mutually beneficial relationship, since Suharto was in need of bureaucracy reinforcement whilst Muslims were in need of political positions in the government at that time. The government's accommodative attitude toward Muslims was attributed to the interaction between the state-society as well as social change occurring since the 1980s, where the middle class Muslim mainly constituted of intellectuals and entrepreneurs began to come to the fore.¹¹ The establishment of ICMI can be seen as the New Order's political strategy to embrace the power of Islam that was starting to gain its resurrection momentum while the New Order government was suffering from downturn.¹² In addition, there was an assumption that the military loyalty towards the government at that time had begun to wane which was no wonder that Suharto no longer deemed the military as his sole strongest supporters.

Indonesia Abad Ke-20, (Bandung: Mizan, 2005), 619.

¹¹ See Robert W. Hefner, *Islam, State, and Civil Society: ICMI and The Struggle for The Indonesian Middle Class*, *Indonesia* 56 (Oktober 1993), 1-36.

¹² Yudi Latif, *Intelegensia Muslim dan Kuasa: Genealogi Intelegensia Muslim Indonesia Abad Ke-20*, (Bandung: Mizan, 2005), 579.

The good relationship between the New Order government and the Muslims was proven as Suharto appointed some Muslim intellectuals to occupy some prominent positions in the government. The mobilization of the middle class Muslim into the government then gave rise to the idiom of “bureaucratic santrization.” Soeharto then began to express his Islamic principles by making hajj pilgrimage. In addition, Golkar as the government ruling party also initiated the mosque construction program throughout various regions. The positive impact between the state-Islamic group relations had inundated the Muslim entrepreneurs with pieces of good fortunes. Many of them reaped endless benefit from the New Order’s economic development program including the Bakrie group, Kodel group (owned by Fahmi Idris, Sugeng Sarjadi et al.), Bukaka group (owned by Yusuf Kalla and Fadel Muhammad), Pasaraya group (owned by Abdul Latif), and PKBI group (Batik Muslim Cooperative Society).¹³

The rise of the middle class Muslim was becoming increasingly apparent in public campuses in major cities, pinpointing the considerable ever-growing strength of the Islamic intellectual Muslim movement.¹⁴ It is precise to deem such phenomenon as the birth of middle class Muslim enthusiasm, especially in various public campuses, such as Salman ITB which Hefner termed as “Salman movement”. These facts, according to Hefner, foregrounded the formation of ICMI by the Soeharto government.¹⁵ Hefner saw the rise of religious study groups in a number of urban areas (city) as an inevitable impact of the religious proselytizing attempt to spread new Islamic ideas in innumerable campuses. In the 1990s there

¹³ Yudi Latif, *Intelegensia Muslim dan Kuasa...*, 619.

¹⁴ The escalating rise of Islamic movement in many campuses was greatly attributed to the Iran Islamic Revolution led by Ayatollah Khomaeni. The influence of Iran Islamic Revolution was also seen in the aspect of fashion, in which after the 1979 there were many Muslim females who wore *hijab* both in the private and public sphere.

¹⁵ Robert W. Hefner, *Islam, State, and Civil Society...*, 13.

had been many young middle class Muslim intellectuals of public university graduates who played a major part in the bureaucratic or private sector. It is this middle class santri who dynamically took part in shaping the relations between the state and Muslims. Therefore, the rise of the middle class Muslim as pinpointed by the birth of ICMI is a major historical event in the relationship between the New Order and the Muslims.

Nonetheless, the harmony between the New Order and Middle Class Muslim was fiercely countered by the military and democratic activist groups, as represented by Abdurrahman Wahid (Gus Dur). Both groups were driven by dissimilar rationale in the rejection of ICMI establishment by the government. The military's refutation of ICMI is largely underpinned by their endless efforts to defend the status quo of their political economy interests that they had been enjoying for so long. On the contrary, Gus Dur's negative response against the birth of ICMI was mainly due to the fact that the organization was primarily supported by the government which was deemed as posing a serious threat to the well-being of Indonesian democracy, since it might bring about the rise of sectarianism led by Islamic groups whose elites were involved in the ICMI leadership. Gus Dur also regarded the birth of ICMI as a form of political exploitation against religion which prioritizes the interests of exclusive groups, which might lead to intolerance and discrimination against minority groups.¹⁶ Gus Dur's resistance against ICMI was clearly demonstrated by the establishment of Fordem (Forum Demokrasi), which he founded along with a number of prominent figures and activists of diverse religious and social backgrounds. Some circles considered the counter-attitude of Gus Dur, who was the chairman of PBNU at that time, against ICMI as a form of protest since the government did not embrace the traditional Muslims in the new organization.¹⁷

¹⁶ Yudi Latif, *Intelegensia Muslim dan Kuasa...*, 738.

¹⁷ Robert W. Hefner, *Islam, State, and Civil Society...*, 21.

The intellectuals and pro-democracy activists' resistance and opposition against ICMI can be seen as a battle between the intellectual middle classes in Indonesia. In this case, the government played an instrumental role in "dealing with" the middle class by allowing much room for manoeuvre and accommodating the middle class Muslim intellectuals who are pro-government policy while at the same time getting rid of middle class Muslim intellectuals who were of conflicting views.

B. The Emergence of the Middle Class Muslim: State Driven and Market Driven

The eventful *Reformasi* marked the new political direction which led to drastic measurement, particularly in politics and economics. Unlike the Muslim-middle Class of the New Order which thrived and flourished by the state driven role, the middle class Muslim during the *Reformasi* prospered and proliferated by reason of the democratization process and market driven mechanism, especially the Muslim market phenomenon. The middle class Muslim who came to the fore during the *Reformasi* were often termed as the new middle class Muslim. Both the state driven and market driven jointly made a room for the formation of middle class Muslim in Indonesia during the *Reformasi*. The state driven factor was evident in the fact that there were some still-standing old entrepreneurs of the New Order backup and the new burgeoning entrepreneurs who made use of electoral political democracy to occupy the government's political position.

1. The New Middle Class Muslim and State Driven Factor

It is an observable fact that the new middle class Muslim in Indonesia had begun to proliferate shortly after the outbreak of *Reformasi*. The decentralization of power and regional autonomy

in Indonesia marks a compelling political contestation between more than a handful entrepreneurs who engaged themselves in politics. An obvious example from Yogyakarta is Harry Zudianto, a businessman who is closely related to the social base of Muhammadiyah. He joined the National Amanah Party (PAN) and was elected as the Mayor of Yogyakarta for two periods through electoral democracy. In a similar vein, there was Hafidz Asram, a businessman who was greatly supported by NU and had an established position within the organization structure of NU. Asram decided to plunge in politics by running for the election of Sleman Regent. Despite his defeat in two regent elections, he ran for the position of a DPD RI senator and finally managed to secure the position for two periods. In terms of business, both entrepreneurs had their own business specialization. Initially known for his line of batik stores, Harry Zudianto is now increasingly famous for his Muslim lines of fashion and education. Likewise, Hafidz Asram was previously renowned for his furniture company, but now he is famous for his education brand, the Al-Azhar School which is growing rapidly in three districts in Yogyakarta, Sleman, Bantul and Gunungkidul. The school provides a comfortable place of study for no less than 1,000 middle class Muslim students ranging from elementary, junior and senior high school level.¹⁸

Harry Zudianto and Hafidz Asram provide a noticeable example of a social phenomenon which is in line with the finding of Alvara Research Center -ARC Survey (2017) in relation to the middle class Muslim in the *Reformasi*. According to the ARC Survey, 59.7 % of middle class Muslim are closely related to Nahdlatul Ulama (NU) Mass Organization, followed by 11.0 % who admitted their relation to Muhammadiyah. Meanwhile, the remaining 26% respondents

¹⁸ An interview with Hafidz Asram in Al-Azhar School Complex at Sleman on September 18th 2017 and an interview with Herry Zudianto in Graha Dyah Suminar (Margaria Grup) Yogyakarta on September 19th 2017.

claimed to have no proximity to any Islamic organizations.¹⁹ The middle class Muslim closeness to NU is primarily underpinned by several factors, including family affiliation with the Nahdliyyin, a common understanding of Islamic religion with that of NU, and an interest in NU's moderate teachings.

The high number of middle class Muslim among traditionalist Muslims is an interesting new fact owing to the fact that previously the Nahdliyyins have always been identified with the stigma as the lower-class, of low-education, and rural communities. The survey also pinpoints the social class mobilization of Indonesians from the lower-class to the middle class.

Table 1

Indonesian Middle Class Muslim & Their Religious Affiliation

Mass Organization	Male (%)	Female (%)
<i>Total Respondents</i>	<i>586</i>	<i>613</i>
Nahdlatul Ulama (NU)	58,5	60,8
Muhammadiyah	11,9	11,6
Al-Washliyah	1,9	2,0
Front Pembela Islam (FPI)	0,5	0,2
LDII	0,5	-
Have no affiliation	26,6	25,4

Source: Alvara Research Centre, 2017.

The survey is in substantiation of the data suggesting that since the 1980s there had been an occurrence of santrization taking place at the level of the New Order government bureaucracy. It is noteworthy that there are many highly educated members of NU and Muhammadiyah who manage to occupy the positions in government bureaucracy, work in state enterprises, and become professional workers. In addition, there are countless middle class

¹⁹ Hasanuddin Ali and Lilik Purwandi, *Indonesia Middle Class Muslim: Religious and Consumerism*, (Jakarta: Alvara Research Center, 2017), 13.

Muslim of higher education who plunge into business domain.²⁰

In the aforesaid example, it is reasonable to say that Hafidz Asrom took advantage of his proximity to NU as the organization board member and as a member of DPD RI D.I. Yogyakarta. It is noteworthy that following the *Reformasi*, NU is known to have close ties with the government, which began with the rise of Gus Dur as the 4th President of RI in 1999. With this principal status, he gained access to policy makers and enabled him to have bargaining power in running his business.

In addition, at the local level, Hafidz is also known to bear close linkage with the *Keraton* (Javanese Palace) circle. As it is widely known, the palace retains an extremely overwhelming authority in policy making since Sultan HB IX occupies two central positions as both the ruler of the palace and the Governor D.I.Y. Such closeness, be it directly or indirectly, will inevitably have a positive effect on Hafidz in building his business network and political activities. It has been a common knowledge that Al-Azhar Yogyakarta School that Hafidz Asrom owns currently makes use of the village's cash lands, whose status belongs to the palace. It is for certain that it is never easy to get the palace's permission to use the village cash land covering a large area of 19,300 meters. His status as a state official also has granted him with easier access to licensing of education,

²⁰ The data on the 2010 population census held by the Central Bureau of Statistics (BPS) reveals that the number of Indonesian Muslim population at that time amounted to 87.13 percent or 207.176 million people in the real number. The largest pool of Indonesian Muslims, which is 87.12%, live in the island of Sumatra, whilst the lowest percentage is seen in Maluku-Papua with 37.13%. An interesting question to answer is the exact number of Indonesian middle class Muslim. With an Indonesian Muslim population of 87 %, it is estimated that by 2020 the number will increase to 233 million. In other words, based on BCG's middle class proportion data (Boston Consulting Group), in 2020 the percentage of Indonesian middle class Muslim will amount to 62.8%, and is predicted to reach 147 million; with details of the Muslim upper middle class of 27 million, the middle class Muslim of 37.5 million, and the lower middle class Muslims of 27.7 million.

banking credit, and educational marketing. Although Hafidz has benefited from his proximity to the government, it does not mean he has no gut to criticize the government. One of his notable critics is the one dealing with the policy of the Financial Ministry to enact the LPSE (Electronic Procurement Service) policy.²¹

LPSE is primarily developed in order to respond to the challenges of healthy competition and the procurement of goods and services based on effective and efficient economic principles. The currently used method of electronically supplying goods/services providers is e-regular tendering. It is expected that the procurement of goods/services electronically through e-procurement will improve transparency, so as to swiftly encourage the healthy competition among business actors. Such measurement is taken to fit in with the framework of optimizing and efficiency of state expenditure. There are several basic principles of e-procurement namely efficiency, effectiveness, accountability, transparency, fair and non-discrimination, open and fair competition, interoperability,

²¹ In addition to e-purchasing and e-catalog policies, the government has also begun implementing an e-budgeting system. The term e-budgeting was popularized by Jakarta Governor Basuki Tjahaya Purnama (Ahok) in 2015 after he was involved in a heightened polemic with the DPRD DKI Jakarta dealing with RAPBD. Once Jakarta applied the system, several other regional heads copied the implementation of this policy, one of which is the Mayor of Bandung Ridwan Kamil. However, the first region to implement this system is the city of Surabaya who is governed by the Mayor of Trirismani. Risma implemented this system two years earlier than DKI Jakarta Province. E-budgeting is an online financial system with transparent goals for each party. This system is applied as a documentation of budgeting in an area. Everyone can access budget data compiled by a local government, so it is expected that it will prevent any fraud attempts or deceit from the local bureaucracy. The system is considered to be highly advantageous because it is considered to reduce corruption commonly done by way of manipulation of financial data. In a certain period of time, the recording of funds can be easily tricked because it still uses conventional systems, such as excel applications. Therefore, this conventional system facilitates the sudden embezzlement or inflation of funds that occur in a financial data of the local government. By using e-budgeting system, it is possible to prevent every effort of fraud because it is impossible to mark up the data which has been inputted.

and data security assurance.²²

According to Hafidz Asrom, in real practice, LPSE's policy have removed the chance of the lower middle class entrepreneurs who have been actively participating in procurement tender projects. Hafidz Asrom who represents middle class furniture entrepreneurs has the saying as follows:

*"Indeed, the various transparency policies do make sense. However, as an entrepreneur and also a representative of the community, I get a lot of complaints. 'What do you think sir, they said that we are already independent?' Sadly, at present, the entire furniture entrepreneurs go bankrupt since they have no job."*²³

The enactment of LPSE policy also leads to disastrous impact on the middle class businessmen, especially the Muslim businessmen who commonly run small and medium scale enterprises (SME's). Many of them are hoping that the nation budget funds will flow into their business. However, it turns out that when it comes to tender, their small companies are unable to compete with big enterprises. The huge enterprises are equipped with very strong capital and production branches in various places, so that they are better well-prepared to win the battle against the middle class entrepreneurs who merely have mediocre capital and production capacity.

"A good example occurs in the DPD for the procurement of car rental for DPD representatives in the region, with the specification of the year of manufacture of 2016. Countless entrepreneurs who participate in the tender find them unable to win, since the winner is the big company, ASTRA. Such thing happens all over Indonesia. Then, what is to be done if the DPD Office itself had already chosen such a conglomerate it would be worse if later the village budget funds of 120

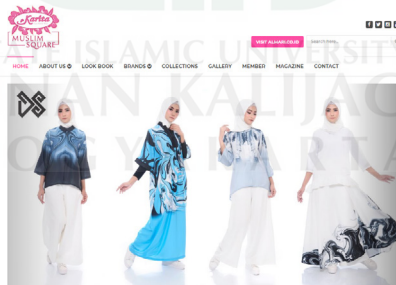
²² www.kemenperin.go.id/profil/436/Layanan-Pengadaan-Barang/Jasa-Secara-Elektronik. Retrieved on November 2nd 2017 on 06.15.

²³ An interview with Hafidz Asrom in the School Complex of Al-Azhar Mlati Sleman on September 18th 2017.

Triliyun in total will use e-catalog.²⁴ The middle to lower class entrepreneurs will be completely washed away. As a member of the DPD, I am mandated to guard the policy to prevent the policy from totally eliminating the middle class Muslim”

In Hafidz’s belief, there’s no denying that economic activity in Indonesia is mainly sourced from the state budget. According to him, although this e-budgeting policy is considered as a form of budget management transparency, in practice it displaces the middle class entrepreneurs. Therefore, the government should have a clear preference for small and medium entrepreneurs.

In a similar fashion to that of Hafidz Asrom, Herry Zudianto also enjoys a close linkage with the state. While sitting as Mayor of Yogyakarta, Herry claimed to hand over the management control of the Margaria company to his wife, Dyah Suminar. Nevertheless, Herry’s status as mayor still provides some undeniable advantages for the Margaria company. This is observable from the rapid growth of the Margaria Group business. Today Margaria Group has many business branches, including Margaria batik shop, Al-Fath Muslim fashion shop, Karita, Ar-Rahman, beauty salon and Lillidewi spa, and Kado Kita store.



Source: www.karita-indonesia.com

²⁴ Electronic catalogue (*E-Catalogue*) is an electronic information system which contains the list, types, technical specification, and price of certain Item/Service from several Item/Service Suppliers for the government. For more details, please read the Head of Government Regulation on Procurement of Goods / Services Government Regulation No. 14 of 2015.

As a Muslim businessman, Herry is concerned about the insignificant role of Muslim entrepreneurs in the development process in Indonesia. An example that he throws is the fact that the ranking of the richest people in Indonesia in majority is occupied by non-Muslim businessmen. Therefore, together with Muhammadiyah, he incorporates the economy as the third pillar of the ummah's development, which is comprised of education, health and economy.

*"If we want to master politics, indeed we have to master the economy. It is impossible to master politics without the economy. Therefore, I believe that the prime content of Islamic preaching should be about how to develop entrepreneurship. We should never shrink the meaning of life in the world. It's the jihad of life. Yet life itself is indeed about jihad as well, thus, we should seriously address the muamalah ... without taking heed on the economy it is impossible to talk about da'wah and muamalah on a large scale. We cannot talk about social justice without us being independent."*²⁵

Grounded on the spirit of developing the people's economy, Muhammadiyah actively accesses various government programs related to economic development. In fact, together with PBNU, PP Muhammadiyah was appointed by the Ministry of Finance as a partner institution in the distribution of the People's Business Credit (KUR) program.

2. Middle Class Muslim and Market Driven Factor

The Muslim entrepreneurs who build up their businesses through independence, innovation, and creativity made the best use of the market driven phenomenon and the formation of Muslim markets. Among the prominent middle class Muslim entrepreneurs who fall into this category are Yusuf Mansur, Pamella Sunardi, and Nurhayati Subakat. They provide an interesting case to study

²⁵ An interview with Herry Zudianto in the office of Margaria Group Yogyakarta on September 19th 2017.

to shed light on the market driven aspect. What they share as something in common is the fact that these people are born with self-reliant character and stand on their own feet of initiative to grow given the fact that they do not have access or take advantage of government programs in economic development. Their survival skill and endurance to develop business networks generally lies in their accurate foresight in reading market trends.

Yusuf Mansur's proficiency in foreseeing the current demand for easy access of money of sharia-based drives him to build up PayTren Payment Gateway business in 2013, which is a payment service and Paytren Asset Management. In his view, there is an attractive prospect for such business to thrive given the fact that the Muslim community is demanding for efficient sharia payment services. This is evident from the number of PayTren Paymen application users who have amounted to 1.6 million with electricity transactions of 800,000 each month. In addition, other major transactions are the purchase of credit as well as train and plane tickets.²⁶ However, it is unfortunate that PayTren Payment Gateway service is no longer in operation since the government put the service in halt due to permit problems despite the fact that this business has run for such a long time.

It is through the ever-nurtured network of middle class Muslim that Yusuf Mansur grows his business. His unquestioned aptitude in the da'wah rhetoric and his sharp business instincts draws people's trust for him to provide them with Islamic religious teachings as well as business training of spirituality-based. Yusuf Mansur's jamaah (congregation) who mostly are of middle class urban Muslims welcome his concept and business logic very well. In various Muslim forums and business training that he held, he always

²⁶ <https://finance.detik.com/wawancara/3696722/wawancara-lengkap-yusuf-mansur-soal-paytren-dan-mimpi-membeli-indonesia>. Retrieved on October 25th 2017.

brings the concept of alms mathematics to light, in that the amount of alms given to the needy will multiply someone's wealth instead of cutting it down. In addition to the concept of alms mathematics, he also carefully calculates the potential of funds circulating among Muslims. A good example is his calculation related to the potential funds collected from charity on every Friday prayer.

"Given the fact that Indonesia is constituted of 1 million mosques, and about 600-800 thousand of which are for use on every. Let us assume that each mosque comes up with an ability to generate about a million cash easily, it means that on each Friday there will be 1 trillion rupiahs for each mosque. Within a year there are 52 Fridays or in other words, the charity will amount to 52 trillion rupiahs a year. Well, it does not take into account that in one year there are 4 special Fridays that generally hold supersale in Ramadan. Yes, it is possible to assume that the money circulating in the mosque is amounted to about 100 trillion rupiahs."²⁷

The large economic potential of Muslim community which is still poorly managed has instilled an initiative in him to build up a professional company and provide the young and middle class Muslims with business motivation lecture. It is apparent that as compared to many other Islamic economy experts, Yusuf Mansur is known to be very precise in reading the potential details of Muslim market.

In addition to Yusuf Mansur, another entrepreneur who grew up with an independent initiative of Islamic spirituality is Pamela Sunardi who is a renowned successful Muslim entrepreneur based in Yogyakarta. Together with her husband, Sunardi Syahuri, she managed to compete in the retail business by setting up Pamela Supermarket which currently runs 9 branches throughout Yogyakarta, Sleman, Bantul and Gunungkidul.

²⁷ An interview of Yusuf Mansur with an online media Detik.com. <https://finance.detik.com/wawancara/3696722/wawancara-lengkap-yusuf-mansur-soal-paytren-dan-mimpi-membeli-indonesia>. Retrieved on October 25th 2017.

It is evident that the retail business in Indonesia has been witnessing a substantial growth trend. According to the Association of Indonesian Retail Companies (Aprindo), it is revealed that Indonesian retail business is experiencing a rapid rise between 10 percent and 15 percent per year. As an example, the retail sales in 2006 are merely at Rp. 49 trillion, but in 2011 the number rose sharply to Rp.120. The largest revenue is still generated by hypermarket, followed by minimarket and supermarket. With a population of about 250 million and total consumption of about Rp. 3,600 trillion, it is clear that Indonesia is a potential market for modern retail business. This is also supported by the shifting trend of shopping in the community from traditional markets to modern retailing.²⁸

In the midst of the heightened competition of mushrooming modern retail stores in Yogyakarta, it is true to presume that Pamella Supermarket has applied an apt strategy and business management to go against the dominance of giant modern retails providing its successful achievement. In Yogyakarta alone, Pamella has managed to survive the rivalry against national and international retail chain, such as Carrefour, Transmart, Hypermart, Indo Grosir, as well as hundreds of chain minimarkets run by Indomaret and Alfamart standing in every corner of the city. The burning question to answer is whether Pamella Supermarket survival only based on the quality of management (marketing) or other factors.

Sunardi Syahuri and Pamella as the owner of Pamella Supermarket have started to implement Islamic Branding and Spiritual Company for their employees. Islamic Branding is incorporated into religious social programs, mass circumcision, financial support for orphanages and orphans, and financial support for the holding of religious events. In addition, Sunardi Syahuri also

²⁸ <http://www.topbrand-award.com/article/brand-switching-analysis-dalamindustri-ritel-modern.html>. Retrieved on October 25th 2017.

plays an important role as a da'i (proselytizer) who actively provides religious sermons throughout the area of Yogyakarta. As far as the Spiritual Company is concerned, Pamela Supermarket has made some policies, among others are prioritizing employees with Islamic background, who are of poor lower class, widow, and orphan in the recruitment. It is also a widely held regulation that all female employees and all Sales Promotion Girl (SPG) assigned by product suppliers in every branch of Pamela Supermarket wear *hijab*. The supermarket employees are also restricted from smoking.²⁹

The Islamic branding strategy is proven to be fruitful as it widely attracts Yogyakarta citizens who are familiar with this Islamic supermarket whose name is derived from the owner's name. The people living nearby Pamela are normally well aware of the supermarket's existence and the activity of the owner who is known to have a close bond to the Muslims.

"To create the nuance of an Islamic atmosphere, each female employee is required to wear Muslim clothes. Such provision also applies to SPGs assigned by suppliers to promote the product in our supermarkets."³⁰

On the account of the aforesaid pronouncement, Pamela came to realize that her biggest customer is Muslim, which makes her no longer hesitate to accentuate Islamic identity in the management and marketing of her business. It is proven that Pamela has managed to build customer's loyalty by utilizing Islamic Branding and Spiritual Company she has been implementing for several years. The business strategy contributes positively to the development and survival of this retail store in the midst of heightened competition in retail business.

²⁹ An interview with Pamela Sunardi at Pamela I Supermarket Jalan Kusuma Negara Yogyakarta on October 11th 2017.

³⁰ Eko Widiyanto, *Membangun Bisnis Barokah dengan Keluarga Sakinah: Biografi Pamela Sunardi Owner Pamela Supermarket*, (Yogyakarta: MATAN, 2013), 181.



Source: www.wardahbeauty.com

Another entrepreneur who is now shining star is Nurhayati Subakat, a flourishing cosmetic entrepreneur who successfully builds up Wardah's cosmetic brand, not only in the nationwide, but also at the international level. Nurhayati has meticulously foreseen the promising market potential of cosmetics in Indonesia along with the escalating cosmetic consumption. Survey Result of Panel Service Nielsen Indonesia unveils that the high use of cosmetics is mainly attributed to the fact that more and more people realize the importance of retaining the look of beauty, despite the rise in prices of cosmetic products. The make-up awareness trend is not only flourishing in urban areas, but also thriving in the remote areas in Indonesia. The make-up trend has also turned out to be very multifaceted. Whereas long decades ago dressing up is simply defined as powdering our face, currently dressing up represents a skilful attempt to make up using a wide array of cosmetic products ranging from foundation, concealer, powder, eye shadow, eyebrow pencil, lipstick palette and so on.

Nurhayati's sharp-eyed business instincts in noticing the market enabled her to foresee the upcoming trend by building up a cosmetic brand of Islamic impressive names with an assurance of halalness. Wardah leads the way in halal-labeled cosmetics. It ensures rapid rise along with the growth of consumptive middle class Muslim who normally are very concerned with the halalness

of a product. It is no wonder that the sale rocketed to 100 percent in 2016 which ushered it to the first ranked local cosmetic brand surpassing its many predecessors. It is noteworthy that Wardah's consumer escalates considerably with an increase of more than 50% per year.³¹



Its affordable price, its wide variant with attractive colours, its elegant packaging, and its soothing substance moisturizing the skin leads Wardah to perch at the nation's number one product with die-hard consumers who are extremely loyal to the product. It is no surprise that the product of green and white dominating color is commonplace not only in malls and department stores, but also in small grocery stores in remote villages. In addition, numerous positive testimonies of its users in innumerable beauty blogs also become a powerful viral marketing strategy. The review and testimony of Wardah's products ranked the number one's quest in the search engine.

The magnitude of halal cosmetics market opportunity also draws the interest of other senior cosmetics brands, for example Sariayu Martha Tilaar and Mustika Ratu who once dominated the cosmetics business. Both brands also create halal label on its products. It's just that the general market of halal cosmetics has been

³¹ An interview with Nurhayati Subakat at her house in the South Jakarta on October 18th 2017.

widely captivated by and has deeply ingrained belief in Wardah so that it seems that there is no more room for other products to thrive. Some novices of halal-labeled cosmetics, Zoya and Mazaya, have proven Wardah's supreme dominance. The only invincible brand by Wardah is an international brand such as Loreal Paris.

Behind Nurhayati's accomplishment in developing business, there lies powerful family contribution and involvement. Nurhayati manages his business by purely relying on the endeavour and innovation of her sons and daughters. Wardah's elegant Brand image is attributed to the idea of her offsprings. The marketing line, production, and Human Resources and Development is the responsibility of Nurhayati's descendants. Careful reading of Muslim middle-class market trends has become a major factor underpinning the success of Wardah to conquer the market.³²

C. Religious Expression and Commodification of Islamic among The Indonesian Middle Class Muslim

In recent years, it is fair to say that Indonesia has been witnessing the shari'a economic trend. It is obviously seen that shariah lifestyle has penetrated into almost all areas, ranging from finance, fashion, cosmetics and pharmaceuticals, food, media and entertainment, property, travel, and tourism. There is no denying that the massiveness of this shari'ah trend is inseparable from the rapid growth of the middle class Muslim and their aptitude in combining modern trends with Islamic principles.

Looking back, the economic shari'ah trend was initially triggered by the founding of Bank Mu'amalat in 1991, shortly after the formation of ICMI. The establishment of this sharia bank was

³² An interview with Nurhayati Subakat at her house in the South Jakarta on October 18th 2017.

initiated by MUI (Majelis Ulama Indonesia), ICMI, government, and also Muslim businessmen as it is motivated by the demand of middle class Muslim to transact finances comfortably by avoiding the element of usury.

1. Branding Fashion and Cosmetics of Middle Class Muslim

The middle class Muslim has been struggling to remain a virtuous Muslim, without losing the modernity and lifestyle. As a consequence, what they have been trying to do is combining between modernity and Islam by Islamizing all symbols of modernity, for example by creating a modern fashion that covers the aurat, without leaving the trendy aspect. They endeavor to adapt Islamic values to the social world and their activities. Although the *hijab* is generally a common identity for middle class Muslim women, in practice, it becomes more flexible, liquid, and inclusive.

One cosmetic product that clearly builds its cosmetic branding for middle class Muslim women is Wardah. The “Wardah goes to Paris” advertisement marks such intention as it portrays the middle class Muslim women who love to travel abroad. The cast was played by Dewi Sandra, a top-notch star model, singer and presenter Indonesia. In the ad, it is shown that Sandra was wearing a casual outfit with fashionable headscarf. Throughout her strolling activities in Paris, a small, branded camera almost never escaped her. It is obvious that photography is a hobby closely linked to the middle class image. In addition, this ad also imaging middle class Muslim women as a bookworm and keen reader which represents intellectuality of the middle class Muslim. The upscaling image of the upper middle class Muslim was also presented by one of the scenes where Sandra wearing a headscarf drove a classic Corvett car.

In addition to being trendy, intellectual, and fancy, Wardah also portrays the middle class Muslim as a healthy and sporty

figure. Perhaps there has been a widely commonplace impression about the contradiction between devout Muslim women and sporty style. Therefore, presenting the “Wardah Brand Ambassador and Pilates Instructor” ad, Wardah try to break such common sense. Lisa Namuri, the ad’s cast, started the scene with a pilates warm-up movement on a tour boat, followed by the scene where she ran by the beach, and made some pilates moves on the boardwalk. After that she smeared two Wardah cosmetic products, sunscreen gel and olive body butter, into her hands. Towards its ending scene by one of pilates movements, she was shown diving. This is an obvious illustration of how Wardah build its cosmetic branding for the middle class Muslim women. Wardah does not half-heartedly hire a well representing ad stars as it hires Lisa Namuri, a very famous pilates and yoga instructor figure among the top artists who is a daughter and wife of officials in Jakarta. The instructor who has a certificate of pilates and other body work from Norway, Canada, America and Australia sets an hourly rate of US \$ 100-250 (at customer house) and a minimum of US \$ 65 per hour (in her studio) for private courses. She constantly wears *hijab* both in pilates classes and in her everyday life (www.swa.co.id). In addition to being a private instructor of pilates and yoga, she is also a prominent model of Muslim fashion.

Firmly branding its products as cosmetics solely provided for Muslim women and affirming its “halalness”, interestingly, Wardah builds up an inclusive identity. It is interesting to address the observable fact that Wardah uses “halal” concept – instead of Shariah – in the commodification of religion in the industrial world. Suhadi, in his research on the halal industry in Japan and Southeast Asia, considers that the use of “halal” rather than “Shariah” is to avoid the aspect of the political identity embedded in Sharia.³³ It is easy to

³³ Suhadi, *The Development of Halal Food in Japan: Tourism and Muslim's Identity Construction in Japan (Case Study in Tokyo and Osaka)*, Research Report for Sumitomo Research Grant, 2014.

spot on Wardah's inclusiveness in many of its advertisements where Wardah not only brands itself to *hijab* women, but also embraces those who do not wear *hijab*. Here on the one hand Wardah seeks to establish and maintain the image of Islamic identity, but on the other hand it also tries to accommodate diverse cultures among the middle class Muslim women, or even non-Muslim women.

Such attempts to showcase or accommodate women who do not wear *hijab* are presumably well-grounded on marketing aspect such as the ads of "Wardah Shampoo Anti Dandruff". In advertising shampoo products, Wardah is seen to intentionally try to represent women without *hijab*. An attention-grabbing example of an advertisement simultaneously featuring women with *hijab* and without *hijab* is the ad entitled "Wardah Halal dari Awal". As the title suggests, this ad builds Wardah's opinion as a halal-labeled cosmetics. The tagline marks the primary purpose of the ads which address the female viewers by telling them to "start the day with the purity of the lawful (halal-labeled) Wardah ...". The ads showcase three famous casts, two of whom, Dewi Sandra and Inneke Koesherawati, are wearing *hijab*, whilst only one cast is shown without any *hijab*, Tatjana Saphira.

The flourishing middle class Muslim lifestyle not only takes place in large cities, but also penetrates into small towns, such as Pekalongan, Solo, Kebumen, and Martapura. It as unveiled by Noorhaidi's research conducted in Kebumen and Martapura pinpointing that the cosmopolitan lifestyle (global) is well received in provincial and local cities.³⁴

It is also obvious from the observable facts that in Indonesia there are countless Muslim fashion outlets commonly found

³⁴ See Noorhaidi Hasan, *Between The Global and The Local: Negotiating Islam and Democracy in Provincial Indonesia* in Gerry van Klinken and Ward Berenschot (ed.), *In Search of Middle Indonesia: Middle Classes in Provincial Towns*, (Leiden: BRILL, 2014).

in cities and towns. This fashion trend is also supported by the emergence of Muslim fashion magazines featuring female models wearing *hijab*. The *hijabs* worn by the models in those magazines are mostly of various types and diverse styles. Such trendy *hijab* are widely known as beautiful *hijab* defining the *hijab* that offers beautiful style and appearance without leaving the religious aspect. Indeed, the massive production of this type of clothing is clearly targeted towards the urban middle class of sufficient income for consuming such life style.

The process of Islamic commodification is commonplace in the fashion business centers ranging from small to large scale, among them are the Tanah Abang Market in Jakarta, Beringharjo Market in Yogyakarta, and Pasar Klewer in Solo. They not only try hard to meet the market demand, but also set up the market trend or taste. The “Islamic industry” has been flourishing as the shifts of consumer’s class to a new style adjusting to their new social status. The growth of Muslim clothing is also supported by changes in consumer’s religious understanding.³⁵

The middle class Muslim plays a very important role not only as a consumer, but also as a “marketing agent” who promotes various Islamic products of the latest updated fashion trends. It is the middle class Muslim themselves who distribute the product extensively into small towns. Therefore, it is noteworthy that the emergence of Islamic symbols in provincial cities in Indonesia is in line with the success of the middle class in expanding their business. A significant example is what is apparent in Kebumen City, in which the middle class Muslim has many lines of businesses and fashion stores on the main streets, including Sutoyo Street, Kolopaking Street, and Jalan Kusuma. Interestingly, the market competition in Kebumen is enlivened by the inclusion of new players among the santri who are closely affiliated with the largest Islamic organization

³⁵ Noorhaidi Hasan, *Between The Global and The Local...*, 185.

in Kebumen, namely Nahdlatul Ulama (NU) and Muhammadiyah, among them Cholidi Ibhar, a kiai and former member of Kebumen DPRD from PKB (National Awakening Party).³⁶ Aside from being the Dean of Faculty of Tarbiyah of Nahdlatul Ulama University (UNU) Kebumen, Chalidi currently also manages the Reboan taklim assemblies.³⁷ On Jalan Kusuma, Chalidi runs a fashion shop “Amanah Griya Clothing Muslim & Batik” which specializes in selling Muslim fashion. In addition to local brands, Amanah also sells several popular Muslim fashion brands, such as Rabbani and Zoya.³⁸ In addition to several private stores displaying the showroom on the main streets, currently in Kebumen there is a complex of shopping centers of Muslim Economy (SEM) on Jalan Sutoyo.

The wide acceptance of the cosmopolitan lifestyle by Muslims in small and medium-sized cities is closely attributed to the role of local agents, who extensively bring up the global culture to the region. Local agents have proven to play an important role in negotiating between cosmopolitan culture and local values.

According to Noorhaidi, economic development in the provincial cities of Indonesia will also lead to a more pragmatic and consumerist lifestyle, as well oriented towards the Islamic lifestyle. The rise of Islamic symbols in public spaces in Indonesia's post-*Reformasi* in the medium-sized cities is best understood as a process of democratization and social mobility generated by the country's economic growth. The escalating appearance of Islamic symbols in public spaces in small towns, such as Kebumen, can not be seen as an interpretation of textual or rigid religious teachings.³⁹ Despite the fact that many case studies concluded that the anxiety triggered by

³⁶ *Ibid.*

³⁷ *Reboan* taken from Rabu, indicate the activity hold every Rabu (Wednesday).

³⁸ Visit to Amanah Griya Busana Muslim & Batik Kebumen on 20 September 2017.

³⁹ Noorhaidi Hasan, *Between The Global and The Local...*, 196.

globalization makes people search for comfort in the interpretation of textual religious texts, it does not apply for this case. In other words, social obedience as represented by various uses of religious symbols such as *hijab*, *niqab*, *kaftan*, *gamis*, and robes are not always synonymous with extreme and radical religious understanding.

2. The Islamic Education of Middle Class Muslim

In addition to fashion, the presence of a middle class Muslim is well sighted by the existence of various world-renowned Islamic education schools destined for middle class Muslims. In other words, it is just to presume that there has been a growing trend that the education of Indonesia is currently rushing towards the realm of industry. This is evident from various competing Islamic educational institutions offering the best quality and facilities. Such is commonplace trend in big cities, such as Jakarta, Surabaya, and Yogyakarta. Among the educational institutions that target the upper middle class is the Islamic Pesantren Foundation (YPI) Al-Azhar, Insan Cendekia Jakarta, Budi Mulia Yogyakarta, BIAS (Bina Anak Sholeh) Yogyakarta, and others.

The rapid trend of Islamic education for the middle class attracts some Islamic schools for the middle class Muslim to offer a franchise or partnership system, such as done by YPI Al-Azhar. Currently, the educational franchise offers occupies the second highest position after food and beverage franchise offers, ranging from pre-kindergarten education to college. It is primarily grounded on the fact that today the Indonesian middle class Muslim prefers expensive, of high quality schools, which provide Islamic spirituality to build up a generation not only skillfully adept at many worldly skills, but also well acknowledged with the teaching of Islamic faith. Such golden opportunity is captured by entrepreneurs who establish or partner with Islamic institutions of high quality and of excellent popularity, usually with a well received label as “international” school.

Is such phenomenon primarily grounded on social demand on the quality of education? Apparently, the right answer is no. There are many parents who send their children to costly international religious education institutions simply because all they want is that their children get a both the general curriculum and the religion curriculum of high quality in addition to following the growing trend. Furthermore, the middle class Muslim also prioritize the internationally labeled expensive schools merely because they want to maintain their social status and prestige.

There is an escalating trend in which the middle class Muslim today prefer the Integrated Islamic School owing to the fact that they want to keep up with the demand of time without abandoning Islamic principles. It is interesting to note that in Jakarta, it is Al-Azhar School which became a pioneer of modern Islamic schools. Al-Azhar School, initially founded in 1963, now has more than 100 branches and 26 thousand students throughout Indonesia. Surprisingly, the costly entrance fee seems to be a crowd-puller for the middle class Muslim. The middle class Muslim parents are no longer reluctant to spend costly entrance fee in the first year of school which amounted to millions rupiahs as long as their children are provided with excellent education.

The screenshot shows the official website of Al-Azhar Yogyakarta. At the top, the logo of Al-Azhar is displayed alongside the text 'KBT-TC-KD-SMP-SMA-BOARDING SCHOOL' and 'AL-AZHAR YOGYAKARTA'. A tagline 'Shaleh :: Cordas :: Terampil :: Kreatif' is visible. The header includes a navigation menu with links: HOME, PMO ONLINE, ASIA, PENDAFTARAN, SEKOLAH, BOARDING SCHOOL, LAZ DIY, BERTA, and KONTAK. The main content area features a large banner for 'AL AZHAR 55 Islamic Primary School Yogyakarta' with an image of students. To the right, a 'SCHOOL ADMISSION' section lists two sessions: Session 1 (Oct 16 - Dec 16, 2017) and Session 2 (Dec 17, 2017 - Mar 3, 2018). The bottom of the page includes contact information: phone number 085726388233, WhatsApp @sdia55jogja, and another phone number 0274 8722 366. Logos for Cambridge International Education and other affiliations are also present.

Source: www.alazhar-yogyakarta.com

Since 2017, Al-Azhar Sleman School has developed a pesantren or boarding school system for students of Al-Azhar Sleman Junior High School. Hafidz Asrom is aptly apt at foreseeing the needs of middle class Muslim who want their children to remain in the religious education environment. For YPI Al-Azhar, this pesantren concept is of a novice.

“Previously there was a suggestion to build a hotel. However, what occurred to me was the thought that building a hotel will certainly generate sins. Then an idea of having a professional activity that simultaneously earn rewards popped up to my mind. I finally decided to build a hotel, particularly a boarding school for junior high school students of Al-Azhar. The rooms are of 3 star hotel standard. Each bathroom is equipped with hot water, with the closet of Toto brand, and with a swimming pool. Now the whole room is full. “

It is apparent that the Al-Azhar School Boarding School program is warmly responded by the middle class, especially those from outside Yogyakarta. So how much does the program cost? It is 70 million rupiahs in total. For the middle class, the fantastic amount of money is not a problem as they deem it is reasonable given the various educational facilities and luxury dormitories provided.

In addition to formal education, in the near future Hafidz will also establish Husnul Khatimah Pondok Pesantren, which is devoted to elderly people. This pesantren will be conceptualized like a resort, which put forward the element of natural beauty. Facilities provided for the students are of a star hotel facilities, so it assures comfort for students and visiting family members. This idea came up after Hafidz saw the great interest of the elderly among the middle class Muslim to meet the needs of religious learning as well as spirituality.

In a similar fashion, the magnitude of international labeled-education business opportunities also interest Herry Zudianto.

He currently established a Pre-Kindergarten and kindergarten education institute, Fawwaz Global Islamic School (GIS), which stands nearby the town hall building on Jalan Timoho. Fawwaz GIS was established in 2015 under the auspices of Yayasan Fawwaz Yogyakarta. The idea of establishing a school departs from Herry's concerns over the many schools of international label that rule out moral, or religious aspects. Just like Al-Azhar School, the community warmly welcome the school establishment. In fact, schools often have to reject new students owing to the full capacity.

In addition to Fawwaz GIS, Herry also owns a share in the Mutiara Persada School, which runs from kindergarten, elementary, to junior high school in Yogyakarta. It turns out that he bought the school from a Chinese. The previously almost failing school now starts to thrive again as he makes some developments, ranging from facility repair to the curriculum improvement. At present, Mutiara Persada is starting to make cooperation with Cambridge for the opening of an international class.

Herry's involvement in Mutiara Persada brought about a lot of changes, especially in the aspect of religious tolerance. Presently, the school has been established a musholla as a place of worship for teachers and students. Female teachers are also given a room to express their identity as a Muslim women by wearing *hijab*. Such freedom is taken to affirm that he had no intention to Islamize the school institution, as feared by many when he first took over the school. Herry also asserted that he will keep Mutiara Persada as a multicultural school by emphasizing the ethical and moral education aspects based on the religious teachings of each student.

"There used to be an issue that I would start to Islamize this school. I said no, Mutiara Persada is a multicultural school, in which the Muslim should be a true Muslim and so should others. I suggested that the religious teachings be improved, while there should also an improvement on the problem of interfaith communication in children."

3. Philanthropy and Social-Religious Activities

Indonesia has experienced a noteworthy Islamic philanthropy movement of its own. As seen further, the emergence of philanthropy movements initiated by non-government institutions is attributed to the fact that there is a large pool of Muslims who are below the poverty line (*fakir*, poor, and *dhu'afa*). Until now there are dozens of major Islamic philanthropic modern institutions which manage their funds professionally, among which is Dompot Dhu'afa Republika; House of Zakat; LazizNU (Institute of Amil Zakat Infaq and Shodaqah Nahdatul Ulama); Lazis-MU (Institute of Amil Zakat and Shodaqah Muhammadiyah); Da'wah Infaq Club Board; BSMI (Indonesian Red Crescent); PKPU (Post Keadilan Peduli Umat); ACT (Aksi Cepat Tanggap), and Rumah Zakat. In addition, there are many individuals who also organize philanthropic activities.

This philanthropic movement thrives among the urban middle class Muslim as can be seen from the passion of various philanthropic activities, ranging from *majelis taklim* to *tablig akbar* that assembles thousands of people. The large number of philanthropic institutions also indicates the amount of potential funds to manage.

Among the middle class Muslim leaders, Yusuf Mansur is one of the preachers actively encouraging the philanthropic movement, especially through the concept of the miracle of alms. Yusuf Mansur's concept of alms is a combination between aspects of spirituality and the success of world life, including success in work and business. His concept is then often referred to as the economic theology of Yusuf Mansur.

In his alms concept, Yusuf Mansur believes that by giving alms, a person's wealth will not decrease, instead it will increase significantly and even it will multiply. He undoubtedly guarantee those who apply such concept. The economic theology of Yusuf

Mansur has received an overwhelming response from the urban middle class. It is an evident that each of his seminars and Muslim forums is always attended by hundreds to thousands of participants from various social backgrounds.

Currently Yusuf Mansur is the founder and manager of PPPA (Program Pembibitan Penghafal Al-Qur'an/ The Program for Seeding Quran Memorizing) Darul Qur'an. As it is mentioned in the official website, PPPA Daarul Qur'an is a charity management institution dedicated to the development of community based on *tahfidzul Qur'an* which is managed professionally and accountably.⁴⁰ To this day at least there are hundreds of *tahfidz* homes of PPPA Daarul Qur'an in various regions in Indonesia with thousands of santri.

As a philanthropic institution, PPPA Darul Qur'an also actively distributes aid to the needy. To manage the philanthropy fund, PPPA Daarul Qur'an uses the principle of "productive alms." That is, PPPA will manage public charity funds for long-term interests, one of which is for scholarship for students memorizing al-Qur'an. In addition to actively channeling assistance at the local level in Indonesia, the PPPA Daarul Qur'an also distributes relief and humanitarian teams to Rohingya refugees who live in the refugee camps on the Myanmar-Bangladesh border.

Likewise, at present, Jody Brotosuseno, a culinary entrepreneur of Waroeng Group brand, also distributed his philanthropic funds to several *tahfidz* educational institutions that he founded. The idea of the establishment and concept of Rumah Tahfidz-Qu is derived from Yusuf Mansur. The concept of *Rumah Tahfidz-Qu* initiated by Yusuf Mansur is a mini boarding school with no dormitory, no mosque, and no school. In this concept, the santri do not reside in the dorm, but at a house provided by someone for wakaf. It

⁴⁰ www.pppa.or.id

is suggested that such house is located adjacent to the mosque. The void of *madrasah* or school in this concept is due to the fact that normally the school or madrasah can cooperate with the surrounding environment. Meanwhile, the absence of the mosque is primarily because it is expected that the students can use the mosque nearby the house.

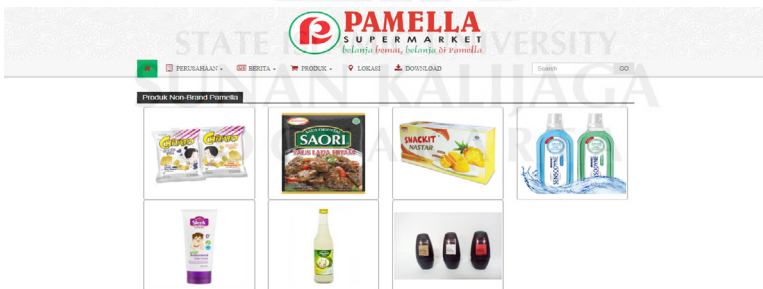
The first *Rumah Tahfidz-Qu* run by Jody is located in the Deresan area of Yogyakarta. Tahfidz house was initially founded in 2009. The first establishment was entailed by the second establishment of *Rumah Tahfidz-Qu* in February 2010 provided for female santri in the area of Deresan. Now *Rumah Tahfidz-Qu* has managed 7 Tahfidz Houses in 3 complexes in Yogyakarta area, that is in Deresan, Timoho, and Pogung area.⁴¹

The awareness of setting aside the corporate zakat is also carried out by the research informants, as is done by Pamella. Since starting the business, Pamella Supermarket has regularly set aside zakat funds and alms. During its initial establishment, zakat from the collected Pamella Supermarket is distributed directly to the needy families surrounding the Pamella Supermarket. However, upon the expansion of the supermarket, Pamella initiated to cooperate with

⁴¹ At this time Rumah Tahfidz-Qu has three complexes, namely Deresan Complex, Pogung Complex, and Timoho Complex. Rumah Tahfidz-Qu Komplek of Deresan is located in the Housing of UNY Deresan Santren Caturtunggal Depok Sleman and is divided into 4 houses that are used for dormitory of santri. First, Rumah TahfidzQu of Deresan for Male (Jl. Deresan 3 No. 24); second, Rumah TahfidzQu Deresan for Females (Jalan Nusa Indah CTX VII / 136 H), third, Rumah TahfidzQu for Male Adults (Deresan 3 No. 22), and fourth, Rumah TahfidzQu for Female Adults (Deresan 2 No. 5). Rumah Tahfidz-Qu of Pogung Complex: This complex is located in the village of Pogung Lor Sleman Yogyakarta. In this complex there is 1 house which is used as dormitory and named Rumah TahfidzQu Aduhai Qur'an. Meanwhile, Rumah Tahfidz-Qu Timoho is located in Timoho area of Yogyakarta, south of UIN Sunan Kalijaga campus. In this complex there are 2 houses used for dormitories and daily activities of santri. First, Rumah Tahfidz-Qu WaroengGroup (Jl. Balirejo 1). Second, Rumah Tahfidz-Qu Badminton (Jl. Ganesha II No. 54b Timoho Yogyakarta). <http://tahfidzqu.com/profil/>. Retrieved on October 26, 2017 at 12.00.

established philanthropic institutions, such as the Rumah Zakat, Dompot Dhu'afa, PKPU, and DPU DT.⁴²

Sunardi Sahuri is the Chairman of I PDHI DIY who also manages the Multazam pilgrimage agency. He allocates all benefits of the pilgrimage institution to finance the activities of Pondok Pesantren Ibnul Qayyim belonging to PDHI DIY.⁴³ In addition to being the vice chairman of PDHI DIY, Sunardi also serves as Chairman of Dakwah Islamiyyah (DDI) DIY Council, founding committee of UII hospital (JIH), one of the founders of RSI PDHI Kalasan Yogyakarta, and adviser to the establishment of several kindergartens IT, SD-IT, -IT, and SMA-IT in Yogyakarta. In 2005, Sunardi also established BPIHU Hasuna Tour which serves pilgrims plus and umroh.⁴⁴ If all the advantages of Multazam are given entirely to Ibnul Qayyim Pesantren, the benefits of the Hasuna Tour are channeled to other charitable activities. In addition, in 2005 Pamela also established a gas station in Yogyakarta. To set up this gas station, he applied a credit to Bank BRI Syari'ah, which he repaid within the course of 5 years. However, as he greatly devoted himself managing Pamela Supermarket, eventually he had to hand the management of gas stations to his son-in-law.⁴⁵



Source: www.pamellagroup.com/produk

⁴²Eko Widiyanto, *Membangun Bisnis Barokah...*, 187.

⁴³ *Ibid.*, 165.

⁴⁴ *Ibid.*

⁴⁵ Eko Widiyanto, *Membangun Bisnis Barokah...*, 174

Pamella presently has established an orphanage and educational institution. The orphanage that he runs is centered in his parents' former house in Yogyakarta. Meanwhile, the school stands in the City of Gedung Kuning Yogyakarta. In addition to having an orphanage and school, Pamella also has several foster children who live together with his family at home. He has started the child foster program since he started to have a family. This family internal program has helped dozens of needy children. These children are treated like family to Pamella. All the foster children are allowed to eat, drink, and live with the Pamella family. In fact, to this day there are many foster children who have become scholars, work, and live well in various regions.

On March 1, 2006, Pamella Supermarket enacted a new policy by asking the consumers to donate their change money with nominal value below Rp. 100. Every donation given by the consumer will be written in the receipt. All the 8 supermarkets can generate at least million rupiahs each month. The funds raised will be used as a scholarship for the poor families. As a form of accountability and transparency, in every Pamella Supermarket, there is a special baner informing the amount of funds donated by consumers every month.⁴⁶

D. Political Expression of the Middle Class Muslim in Indonesia

Throughout the history of Indonesian politics, it is apparent that the relationship between Islam and the government has been through the ups and downs. It was started with the debates of the establishment of an Islamic state, the ideology of Pancasila, to the formalization of Islamic shari'ah. The dynamics of Islamic political relations and the country was attributed to the government's treatment of Muslims. The fall of the New Order regime leading to

⁴⁶ Eko Widiyanto, *Membangun Bisnis Barokah...*, 188.

the loosening repressive attitude of the government towards Islam made the intellectuals and activists of Islam change their thoughts and political actions from the formalistic and confrontational attitude against the government to be more accommodative and flexible. The struggle for the politics of ideological Islamic was eventually abandoned. Such movement is directed to revive the stagnated potential of Muslims due to a three-decade restraint and to improve relations between Islam and the previously less harmonious government. The new generation of Islam, especially intellectuals, pursues a cultural strategy by producing an inclusive Islamic political discourse.⁴⁷

The efforts to seed harmony between Islam and the state were also carried out by way of contextualizing Islamic values, including the acceptance of the democratic system. Islamic intellectuals use the cultural path in the struggle for Islamic values. A notable example is that done by Abdurrahman Wahid and Nurcholis Madjid.

In line with the renewal of thought and movement, the Islamic organizations also changed their orientation from political struggle to a more concrete struggle, especially the efforts to alleviate poverty and improve the education of the ummah. This changing of orientation has had a huge impact on the social mobility of Muslims, leading the middle class Muslim of intellectual and professional groups to come to the fore, even there were many of whom who later went into government bureaucracy.

After the *Reformasi*, the political and economic opportunities were wide open for the Muslim intellectuals and middle class activists to seize by occupying various political structures. Entrepreneurs were also emerging in the regions, both by the government support and by using their own resources.

⁴⁷ M. Imdadun Rahmat, *Ideologi PKS: Dari Masjid Kampus ke Gedung Parlemen*, (Yogyakarta: LKIS, 2008), 296.

Many local politicians from the middle class Muslim are taking advantage of their political position to carry out “Islamization” through various policies. There are at least ten regions that issue local regulations and Regent instructions related to the Muslim clothing, among which are Solok, Padang, Cianjur, Garut, Indramayu, and Bulukumba. These areas impose veiling obligations for female civil servants and female school students or even private bank employees and state-owned enterprises. In addition, in DKI Jakarta for example, Vice Governor Sandiaga Salahudin Uno asked the provincial government officials to play the call to prayer throughout the city hall building. When the sound of the call to prayer is played, all formal activities in the building, such as meetings, will have to pause.

In Yogyakarta, for example, Herry Zudianto was among those who managed to take advantage of this political opportunity by joining the National Mandate Party (PAN) of D.I. Yogyakarta. Three years after the *Reformasi*, Herry Zudianto managed to win the position of Mayor of Yogyakarta. It is through PAN that he run for office with the Chairman of DPC PPP Kota Yogyakarta, Syukri Fadholi. The two supporting parties have the same social base, both of which are Muhammadiyah cadres and representatives of the middle class Muslim. On this social capital Herry won the mayor position for two periods since 2001-2006 and 2006-2011.

Herry defines politics and power no more as a form of self-endowment to serve and help the community. It was then referred to as “political wakaf.” The idea turned out to be his reference when he served as mayor of Yogyakarta for two periods. His capacity as a tenacious and creative businessman was turned into a capital to lead government bureaucracy.⁴⁸

“Before entering into politics, a person has to possess a strong

⁴⁸ Herry Zudianto, *Kekuasaan Sebagai Wakaf Politik: Manajemen Yogyakarta Kota Multikultur*, (Yogyakarta: Kanisius, 2008)

economic base as he is done with himself. I think a person will be fit to run a political profession if he is no longer craving for wealth, but is only willing to serve. It is basically a kind of social work. Thus, I wrote the book "Power as a Political Endowment". The book presents that the concept of a wakaf is more about giving, instead of asking."

Herry Zudianto is classified as a Major with clean record. He passed the ten-year of service as a mayor impeccably. It is this clean record which earned him the Bung Hatta Anti Corruption Award in 2010. In addition, he also managed many program innovations not only in urban development, government politics, and social, but also in education. No wonder that during his two periods of leadership, the city of Yogyakarta can reach more than 600 awards ranging from provincial to national level. Among these are the landscaping program and Segosegawe (cycling for school and work), which is the campaign program of bicycle use for the people of Yogyakarta.

Upon his retirement from practical politics, Herry then chose to devote his time for the development of Margaria Group's business together with his wife, Dyah Suminar, and actively took part in several social activities. In addition to being an active member of the Muhammadiyah Central Executive in the field of Economic and Entrepreneurship Council, member of Saudagar Muhammadiyah Network (JSM), he is also a member of Sharia Economic Community (MES), Board of Trustees (MWA) UGM, Daily Development Board (BPH) Ahmad Dahlan University, and The Commissioner of RS Jogja International Hospital (JIH) represents Waqaf UII Board. In addition, Herry also served as Chairman of the Association of Indonesian Muslim Intellectuals (ICMI) Yogyakarta Province Period 2016-2021. As it is known, ICMI is a Muslim intellectual organization formed by the Soeharto government. Herry's election as Chairman of ICMI seems to be based on his work so far, in which he successfully become both a politician and a successful Muslim

businessman in Yogyakarta.⁴⁹

The same is applied by Hafidz Asrom, a middle class Muslim entrepreneur with a Nahdlatul Ulama (NU) background. In 2000 Hafidz tried to seize political opportunities by running for the Regent of Sleman, but his efforts came up with no success. In 2005 and 2010, again he run for the same position, still with no satisfying result.

However, in 2004 Hafidz finally made it to become one of DPD RI members representing D.I Yogyakarta Province. He retained the position for three periods since 2004-2009, 2009-2014, and 2014-2019. What was Hafidz's strategy to obtain and maintain voter support? This is an important question to closely look at the actions of middle class muslim politicians.

In the pursuit of voter support, Hafidz greatly benefited from his status as a cadre and the Nahdlatul Ulama (PWNU) D.I. Yogyakarta. The support of Nahdliyyin is a very important political capital. In addition, Hafidz also runs an Al-Azhar school institution which currently has three branches, in Sleman, Bantul, and Gunungkidul which targets the middle and upper class Muslims. The school enables him to have closeness to the community.

Sunardi Syahuri (husband of Pamela Sunardi) was also active in the socio-political activity. Sunardi Syahuri is the Chairman of the Council of Dakwah Islamiyah Indonesia (DDII) DIY and Chairman of PDHI DIY. In addition to having a supermarket, Sunardi also runs KBIH Multazam and BPIHU Hasuna Tour that serve pilgrims plus and umroh. Sunardi foresees that Hajj and Umrah businesses has the potential for huge turnover of money, given the high demand of the Indonesian market.

⁴⁹ The direct inauguration of ICMI Board of Management of the area of Daerah Istimewa Yogyakarta (DIY) for periode of 2016-2021 by The Chairman of Central Board of Management of ICMI, Prof. Dr. Jimly Asshiddiqie, SH in the Convention Hall of AMC Yogyakarta, Thursday (20/10/2016) evening.

Ministry of Religious Affairs noted that the number of Umrah pilgrims who departed in 2016 were as many as 818,000 people which showed a significant increase from that of the previous year's number of 717,000. In 2017, the number even multiplied. According to Baluki from HIMPUGH (Association of Umrah and Hajj Entrepreneurs), given that the average of each umrah pilgrims spend US \$ 1,800, the total amount of funds may amount to millions of US dollars. It is estimated that the fund for Indonesian pilgrimage reaches Rp. 18 trillion per year.⁵⁰ According to the data from the Ministry of Religious Affairs, there are currently 650 PPIU or umrah religious travel organizers.

Sunardi is closely linked to the local politicians of Yogyakarta, especially the Muslims, among them is DPD RI member Cholid Mahmud of Prosperous Justice Party (PKS). Sunardi and Cholid shared the same activities since both of them are sitting in the management of DDII DIY, Pembina Konsorsium Yayasan MULIA that covers the management of Islamic schools Integrated from TKIT to SMAIT level in Yogyakarta City. It is also noted that Hajj Supervisor of KBIH Multazam Yogyakarta and Sunardi Syahuri himself are also known to be one of the donors of the construction of Cholid Mahmud's SMAIT Abu Bakar School. Cholid Mahmud is currently also a caretaker at Islamic Student Center Al-Muhtadin Boarding School, Seturan.

As the chairman of DDII, Sunardi also maintains proximity to Forum Umat Islam (FUI) Yogyakarta. One version of data reveals that the formation of FUI DIY was initiated by DDII DIY primarily due to the proximity factor between Sunardi Syahuri and some DDII leaders in Jakarta, namely Yuna Nasution, Husain Umar, and

⁵⁰ <http://www.republika.co.id/berita/dunia-islam/umroh-haji/14/02/03/jurnal-haji/berita-jurnal-haji/17/10/09/oxjzvi385-potensi-bisnis-umrah-mencapai-rp-18-triliun-per-tahun>. Retrieved on October 24 2017.

Anwar Harjono.⁵¹

FUI Yogyakarta is known to actively encourage the implementation of Shari'ah in the public sphere of Yogyakarta, one of which is related to the obligation to wear *hijab* in Yogyakarta.⁵² FUI also actively responds to socio-religious issues, ranging from apostasy, heresy, to the establishment of houses of worship. In fact, FUI also rampaged the college to go against the discussion activities organized by the Faculty of Ushuluddin and Islamic Thought of Sunan Kalijaga by reason of inviting a speaker with Shia background.⁵³ Sunardi Syahuri's newest involvement is in the rejection of the National Service of *Reformasi* 500 led by Pdt. Dr. Stephen Tong on October 20, 2017. On behalf of the Presidium Forum Ukhuwah Islamiyyah (FUI) D.I. Yogyakarta, Sunardi Syahuri along with Syukri Fadholi and Ahmad Mursyidi made a letter of denial of such worship services to Polda D.I. Yogyakarta.

In addition, Sunardi Syahuri is also known to be close to several groups of political Islam organizations. He is known to be sharing stage with the Chairman of the Lajnah Tanfidziyah of the Indonesian Mujahidin Council (MMI) Irfan S. Awwas and Amir AM FUI Umar Said. In the 212 protest movement, Sunardi called on the Muslim community of Yogyakarta to go to Jakarta. In fact, when supporters of the 212 movement boycotted Sariroti's products, Pamella Supermarket's business network issued a policy of no longer selling Sariroti's products despite the fact that such policy is deemed to be very counter productive in the business perspective. This policy is more based on ideological interests, than

⁵¹ Imam Subkan, *Hiruk Pikuk Wacana Pluralisme di Jogja*, (Yogyakarta: Kanisius, 2007), 109.

⁵² Ahmad Shidqi, *Grey Area: Sepotong Kebenaran Milik Alifa*, (Yogyakarta: Kanisius, 2008), 70

⁵³ <http://uin-suka.ac.id/id/berita/detail/1144/pertemuan-forum-umat-islam-fui-diy-dan-pimpinan-uin-sunan-kalijaga-yogyakarta>. Retrieved on October 25th 2017.

the product quality or small market demand. In addition, he actively takes part in various donation activities for Muslim solidarity in the world, such as Rohingya.

In addition through the channels of formal political institutions, the middle class Muslims also express their political ideas through the extra political movement of parliament. For example, Yusuf Mansur is known to be involved in the 212 movement. Despite not taking a leading role with other leaders, he significantly comes to participate and shows his support to the action. Yusuf Mansur's detachment from the board of GNPf MUI was simply because he was not involved since the beginning of the formation of the group. It is apparent that there are different ways of thinking between Yusuf Mansur and the leaders of GNPf MUI, such as Rizieq Shihab and Bachtiar Natsir. The last two names are known to be more ideological than Yusuf Mansur. The sole reason for his involvement in the action was merely "as an action to defend Al-Quran" because he himself is the leader of al-Qur'an boarding school.

What made Yusuf Mansur get himself involved in the movement? There are at least two underpinning reasons for this. First, it is apparent that Yusuf Mansur shares the same ideas and thought with the mission of the action, which is to demand Ahok's detention of alleged blasphemy that he has done. The second reason lies in the relationships and business networks that he has with the middle class Muslim who were mostly involved in the action.

In fact, as seen further, the 212 movement which is strongly supported by the businessmen-local politicians is underpinned by a stark element of business competition between Ahok that attracts global capitalism with the support of the capital's middle class. The movement is also triggered by the exclusion of the local businessmen (bourgeois), such as Lulung Lunggana (one of the politicians from PPP) and local religious leaders who previously benefited from the establishment of relations with Jakarta's political

rulers. It is this feeling of exclusion that then raises the conservative aspects of religion.

When it comes to the local political upheaval of DKI Jakarta Governor's election, it is observable that Ahok is supported by a group of modern militant middle class, consisting mostly of intellectuals and activists of strongly grounded ideology. What they primarily have in mind is to have the political changes in Jakarta through the innumerable bureaucratic reforms that Ahok has carried out. On the other hand, it is undeniable that there has been fierce opposition from the force of the established middle class locals who are being pushed aside by the flow of change carried by the modern middle class. One of the victims of this group was Lulung, who began losing his monopoly to several economic centers in Jakarta.

E. Critical Notes

The Indonesian middle class Muslim portrays a interesting topical nature, given the fact that they were engendered by two driving forces, namely the state driven and market driven. The state driven factor pinpoints an observable fact the state has always had interests and partisanship towards a particular group. Meanwhile, the market driven indicates that the Muslim community were aptly apt in capturing market opportunities, eventhough they had to strive on their own without having direct support from the state.

Worse still, some policies that the government issued also have an adverse impact on the development of middle class Muslim business because they are deemed to provide more benefit to large corporations than the middle class entrepreneurs. In addition, it seems that the government is unprepared to welcome the diversity of business sectors that the middle class Muslim has brought up. This is noticeable from the temporary discontinuation of financial

business line brought about by Yusuf Mansur, PayTren, on a well grounded reason that the business do not come up with an operating permit of public fund management.





CHAPTER III

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

MIDDLE CLASS MUSLIM IN MALAYSIA



A. Context of Formation of Middle Class Muslim in Malaysia

Initially, the government classified the Malaysian on ethnicity based. On this account, data on poverty and job structure, and data on distribution of income are interpreted to correspond with the basis of ethnicity.¹ This is primarily attributed to the history of Malaysia since the colonial period. Malaysia is preoccupied by three dominant ethnic groups, namely Malay, Indian and Chinese. Unfortunately all these three ethnics have always been competing in getting a grip on the economic control. As noted in history, especially in the 60s and 70s, it appeared that the Malaysian Chinese were superior to Malays since the latter were far behind in terms of economic control and economic competitiveness.²

¹ Guan, Lee Hock. "Malay Dominance and Opposition Politics in Malaysia," *Southeast Asian Affairs*. (ISEAS: Yusof Ishak Institute, 2002), 179.

² It is almost certain that Malays in this context are those who deem the country as belonging to them, but they feel as being "impoverished in their own country." The Malays are also fully identical to Islam, since their history is inseparable from

As seen through sociological perspective, the supremacy of the Malaysian Chinese in Malaysian economic practices inevitably fosters social segregation. Even worse, there was an ever escalating intensity of sentiments and envy on the Malaysian Chinese that raised the alarm and eventually brought about a racial or ethnic friction in the Malay Peninsula on May 31, 1969. The rupture was engendered by electoral political debate addressing the issue of economic inequality experienced by the Malays. The debate raised their in-depth awareness of “their fate in their own country.” The heightening debate addressing political interests at that time churned the Malays’ emotional stances which inevitably incurred a political upheaval. The entire social elements, ranging from ordinary people, state apparatus, to a number of political elites furiously took part in the clash. Some of the elite emphasized that such movement was the culmination of deep resentment of the Malay for years of injustice.

The bloodbath that victimized hundreds of civilians became the most important “intermediary space” to allow major changes in Malaysia. In its aftermath, the country took measurement and had a fairly comprehensive internal consolidation by restructuring the economy and social aspect. The 69 incident, as it is popularly recalled, prompted the Malaysian government to create a “new social contract” for ethnic groups to jointly achieve the vision and interests of national unity. The new social contract was then institutionalized in the policy of the New Economic Policy (NEP) containing the economic affirmative policy,³ during the formation of The Second Malaysia Plan 1971-1975. The Malays were embraced

Islam. In other words, talking about Malays is also talking about Islam, and vice versa. It is true that they did not immediately suffer from economic imbalance, since it has been part of the repercussion of the British colonialism that was entrenched in the country for a long time.

³ Rokiah Talib, “Malaysia: Power Shift and the Matrix of Consumption,” in *Consumption in Asia; Lifestyle and Identity*, ed. Chua Beng-Huat, London: Routledge, 2000, 35.

as an integral part of the later state policies as an affirmative step toward their voices.

1. Affirmative Policy on Malay Muslims

The new policy is underpinned by the spirit to enhance or improve the economic gap among different ethnics.⁴ The Government seeks to restructure the economic gap by setting up economic growth and fairly redistributing the economy between the Malays and Non-Malays. Its standing point is to achieve economic equality in the next 10 to 20 years, thereby eradicating one ethnic control over another, and reducing race and ethnic poverty in Malaysia.⁵ NEP also formed the business class of *Bumiputera*, therefore in 1978 the government established BIF (The *Bumiputera* Investment Foundation) aimed at forming Permodalan Nasional Berhad (PNB) to expand the business line of *Bumiputera*.

To encourage the participation of Malay Muslims in the economy, the government established the Industrial Co-Ordination Act (ICA). It is through ICA that the state organizes the industry, while at the same time encouraging *Bumiputera's* participation in the development of the country's industry. Whereas the OPP 1 policy (Outline Perspective Plan 1) allows the state to promote fair economic distribution, restructuring priorities, and the distribution of employment, share ownership in the corporate sector, and the establishment of *Bumiputera Commercial and Industry Community* (BCIC).⁶

NEP's major policy is oriented towards two essential things:

⁴ Please read Government of Malaysia (1971): Second Malaysia Plan 1971-1976. Chapter I "The Next Development Strategy", http://www.epu.gov.my/sites/default/files/rmk2_bm_chapter_01.pdf, retrieved on October 19th 2017.

⁵ Please see *ibid*.

⁶ Yuniarti, "Peran Negara dalam Pembangunan Industri Malaysia," *Jurnal Sosial Politik*, Vol. 15. No. 2, December 2008, 6.

First is to reduce poverty by increasing the level of income or revenues of the community by creating more job opportunities. Second is to accelerate or fasten the process of social restructuring of Malaysian in establishing an economic balance to eliminate ethnic stereotyping based on the economy. This policy begins with modernizing rural life - because it is where the poor Malay grows then, and improves economic disparities in urban areas. It is in this context that industrialization in Malaysia begins on a large scale.⁷

This affirmative policy successfully reclassifies Malaysian society especially for the Malays. The data from the Malaysian Ministry of Science, Technology and Environment (1991) revealed that poverty in Malay Peninsula in 1970 was 49% and was reduced to 15% in 1999, exceeding the original target of 16.7%. In terms of the urban-rural sector, rural poverty was 58% in the 70's, and was reduced to 21% in 1990. Even in urban areas, the poverty rate of 1970 was in the range of 21.3% which was reduced to 7.5% in 1990. On the account of ethnicity, the restructuring program is proven to be highly successful in that the Malays experienced a poverty decline from that of 65% in the 1970s to 20.8% in the 1990s according to NEP targets. The Malaysian Chinese had witnessed a significant drop of poverty line from 26% to 5.7% in 1990. The Malaysian Indians also had a substantial decline of poverty line from 39% to 18% by the end of 1990. Meanwhile, the distribution of employment in the affirmative policy is as can be seen in the table below;

⁷ In the early stages of the reconstruction by NEP, the state seeks to create inter-ethnic economic justice (ethnicity-based policy). Whether it is recognized or not, this preliminary policy is "positively discriminatory", since it prioritizes the Malays and encourage them to engage in various economic sectors designed by the state. While at the same time, they curb the development of the Malaysian Chinese economy because the government assumes that the economic downturn of the Malays is triggered by the predominant role of the private sector that since the beginning led by the Malaysian Chinese. This is a policy that uses the full state intervention towards the process of economic disparity that occurred in Malaysia.

Table 2
Restructuring of NEP Employment Fields 1970-1990

No.	Sector	1970	1990	1990
		Initial Condition	Target	Reduced to
1.	Agriculture	66,2%	37,4%	29%
2.	Mining, manufacturing, construction, equipment, transportation	12,1 %	26, 8%	30,5%
3.	Services	21,7 %	35 %	40 %

Source: *Ministry of Science, Technology, and Environment Malaysia, in Masuyama (1997) and Yuniarti (2008).*

To accelerate the process of affirmation, the state provides the Malay Muslims with functional facilities such as housing, education, and ease of work. In terms of education, the state opens a plethora of technical and vocational educations to rapidly facilitate Malay Muslims to penetrate the formal and industrial sectors. Some academic institutions such as SBP (Full Boarding School) are also built to provide education with good facilities free of charge. In the context of higher education, the state also built some universities such as UiTM or universities engaged in science specialized for *Bumiputera*.

All those efforts were proven to work successfully. It is in line with what is conveyed by one informant saying that, “the comparison is that if in the 70s and 80s the number of doctors from the Malaysian Chinese say amounted to 50 as compared to 1 Malay doctor, currently the number of doctors of Malays are slightly the same with that of Malaysian Chinese as seen from its rapid growth.”⁸ In terms of housing, the Malays are provided with a low

⁸ An interview with Faizul, on October 7th 2017 in Selangor. He is an Islamic preacher, an entrepreneur, and a doctoral candidate for Aqeedah and Philosophy of Universiti Kebangsaan Malaysia.

cost home policy. The Malay Muslims also had better privilege to enter the workforce than other ethnic groups.⁹ An FGD participant that we once held revealed that 90% of state employees are of Malay Muslims which in turn are able to accelerate the growth of middle class Malay Muslims in Malaysia to sit in the positions in the state bureaucracy.¹⁰

This affirmative policy is well sustained to keep up with the ever growing industrial demands. The Malays (*Bumiputera*) continue to be inseparable part of the industrial policy, both through NEP as well as through its derivative policies. These policies include: The First and the Second Outline Perspective Plan (1971-1990 and 1991-2000), Look East Policy (1980), The Industrial Master Plan 1 and 2 (1986-1995 and 1996-2005), National Development Plans - NDP- (1990s), to the 2020 government's policy of Malaysia's Multimedia Super Corridor and Vision 2020 (MSC). Note that in the National Development Plan policy the government opens up private market opportunities and slightly reduces the privilege of *Bumiputera*.

2. The State Capitalism

The state plays an essential role in business industry by inviting foreign investors and facilitates them for ease of investment in the country. One way to attract foreign investors is to charge them with low taxes and even apply tax-free policy for about 10 years. Corporations willing to enter the business industry in Malaysia are provided with easy permits and facilities provided that they employ the Malays. Incoming investment is dominated by direct investment (FDI / Foreign Direct Investments). Foreign capital in the form of industrial investment plays an important role in

⁹ An interview with Tarmizi Anwar, Research Manager at Institute for Leadership and Development Studies (LEAD), on October 7th 2017.

¹⁰ FGD was held in Faculty of Human Ecology, Universiti Putra Malaysia on October 3rd 2017.

export-oriented economies, either through joint ventures with local companies or through entirely foreign-owned developments. The main advantages of this foreign investment for Malaysia are job creation, and technology transfer.¹¹

In addition, the state also opens countless industrial zones such that in Penang, Selangor, opens many electricity clanges, and opens up new agricultural land for oil palm plantation and other new zones consolidated in GLC (Goverment Link Company). All these conveniences effectively attract investors to flock into Malaysia, especially in the 80s that inevitably led to the skyrocketing growth of Gross Domestic Product (GDP). Consequently, the world had to admit their recognition on Malaysia as a country which aptly apt at positioning itself as a new industrialized country (NICs / New Industrializing Countries). For example, areas such as Penang and Kinabalu Sabah are two successfully developed export-oriented industrial zones by the state. As a result, Malaysia is able to turn into a major producer and exporter of electronic equipment, wood and wood products, oil and natural gas liquids, rubber, coconut oil, textiles and chemical products.

State businesses very much rely on state priority policy phases. At the time of the NEP, state business relied on the manufacturing sector, because it encouraged the growth of employment in order to restructure the distribution of jobs. At the 1980 Look East Policy, the state businesses rely heavily on heavy industry and electronics. At this phase, there has been a growing industry of automobile, cement, steel, motor and other industries. To facilitate this business, the state then established a wide ranging of companies such as Kedah Cement, Perak Hanjoong, Perwaja and Proton which are all held by *Bumiputera*. The peak policy in the industrial sector was on the blueprint of The First Industrial Master Plan in 1986-1995. Industrial acceleration was taking place at this policy phase.

¹¹ Yuniarti, "Peran Negara dalam Pembangunan, 2.

Meanwhile, the electronics industry escalated along with widespread exports, while the heavy industry had greatly improved through steel, cement, automobile metals, machinery, transportation equipment, plastics and basic metals.

Industrial policy had become increasingly in line with the release of the Second Industrial Master Plan policy 1996-2005 which aimed at improving the policy management. In this phase, the state established an integrated industrial policy. There had been a grouping of industrial sectors, consisting of industrial sectors, providers, and business support services, which are classified into 8 groups, namely electronics, transportation, chemicals, textiles and clothing, heavy equipment, machinery and equipment of agricultural and food products, and based on natural resources. Within this industry group, it appears that the electronics and electrical sectors are the largest sub sectors in Malaysia which highly absorb employment.¹²

Almost all of the state business vision policy is directed to support Malaysia 2020's vision to become an advanced industrial economy, towards large and medium scale industries. Therefore, Malaysia enacted the policy of Malaysia's Multimedia Super Corridor (MCS) and Vision of 2020 which not only dwells in multi media, but is also addressed at evolving the way of life in the global era.¹³ In other words, this means that information technology turns out to be the prime mover of the manufacturing and service sectors. The MCS project includes KLCC (Kuala Lumpur City Center), Petronas, and Kuala Lumpur International Airport, national sports industry and sport complex development. Oil palm plantations are also greatly developed under the coordination of FELDA (Land and

¹² *Ibid.*, 11

¹³ Please read the speech by Mahathir bin mohammad entitled *Malaysia: The Way Forward (Vision 2020)*, retrieved on February 28th 1991, on <http://www.epu.jpm.my/>

Development Authority). In addition, it is Putra Jaya's construction that serves as a new administrative center, and Cyber Jaya which is the center of the company associated with commercial activities and new technology.

In addition to foreign investors and Mahathir's cronies, such as Vencent Tan, some names such as Mirza Mahathir, the son of Mahathir's own prime minister had a lead as the state business actor by engaging in the transport sector, especially before the 1998 crisis. He served as an Executive Chairman and President of the Consortium Logistics Berhad (1992-2007), Executive Chairman of Sabit Sdn Bhd (1990-1992), Associate of Salomon Brothers in New York, USA (1986-1990) and Systems Engineer at IBM World Trade Corporation (1982-1985). In 1992, Mirza Mahathir bought a small transport company, and soon the company controlled almost half of the Malaysian market in truck transport. Similarly, in 1994 and 1996 he bought two shipping lines of 80 billion US dollars each and 230 million US dollars. After the devaluation of Malaysia, he found it difficult to repay the loan, but fortunately one of the national oil companies, Petronas, bought his cruise line for 200 million US dollars. The former prime minister admitted that he was not involved in the sale and purchase of the company.¹⁴

B. The Emergence of the Professional Middle Class Group

The middle class Muslim in Malaysia had experienced a substantially accelerated escalation along with the growth of industry and economy of the country. The constantly developing middle class groups are those involved in the process of industrialization and economic transformation in Malaysia. Consequently, they succeeded in turning the country from relying solely on primary

¹⁴ Please read News Paper Singapore January 4th 1999. Please also see Rokiah Talib, "Malaysia: Power Shift and the Matrix, 57.

commodities with limited markets to an industrialized country. If prior to the 70's the Malays inertly witnessed the rampant development of private sector by allowing the Malaysian Chinese to take the stage as the main actors, the Malays started to share stage and play equal role in various sectors with the Malaysian Chinese as the Malays gradually infiltrated the middle class formation. The Malays continues to thrive, despite the gradual decline of state intervention in supporting the Malays, especially after the NDP policy enactment, during which the state began to take into account the private sector as a partner in building the country's economic sustainability.

An interesting question to raise is who is the new, rising middle class in Malaysia? On the basis of Abdurahman Embong and Crouch theoretical framework, the two eminent Malaysian middle class researcher and expert, the middle class may be divided into the following table. However, it is worthy to note that this table has been modified by the researchers to provide us with clarity of classification process.

Table 3
Malay Middle Class

No	Class Classification	Class Specification
1.	Old middle class	The entrepreneurial middle class
2.	New middle class	Profesional, tehcnical, manajerial, and administratif
3.	Marginal middle class	Clerical, sales, services
4.	Working class	Production, transport and others
5	Agricultural	Agricultural workers, Fishermen

Source: *This table has been modified by the researchers from different sources.*

The rapid growth of the new middle class from this professional group is obviously dominated by the Malay Muslims because they

are the target of the welfare restructuring and distribution policy in Malaysia from the 1970s to the present. It is apparent that the state consolidation with the capital through industrialization has attracted rural people living in the countryside to move to big cities. Initially they infiltrated in the education sector, especially the scientific vocational education, afterwards they massively flooded the various economic and industrial sector designed by the state. The Malay ethnic factions lifted them into middle-class formations making them take an important part in various fields such as in the services, managerial, and professional sectors.

Faizul, one of the informants in the research had an interesting saying:

“There are countless Malay Muslims who managed themselves to enter the professional sector, especially by becoming architects, doctors, engineers and so forth. They also engaged themselves in the technical field. If in the past the Malay doctors used to be very few, then now there are innumerable Malay doctors. Previously our industry highly depended on foreign companies as we merely supply workers. At that time there were only few skilled workers. These proficient workers were professional workers who had diploma degree and above. Thus, when the factories needed engineers, the kingdom helped set up vocational schools and technical schools. It is this school that helps the supply of workers in the factories.”¹⁵

The foregoing statement of Faizul is confirmed by the Review of the Second Outline Perspective Plan which specifically looked at the achievement indicators in restructuring the Malaysian society from the 1970s to the 2000s as seen in the table below;

¹⁵ An interview with Faizul, on October 8th 2017

Table 4
Professional *Bumiputera* Growth in Various Sectors

No.	Bumiputera Employment in High Occupational Categories		
	(% of total employment)	1990	2000
1.	Professional & Technical	60.5	63.8
2.	Administrative & Managerial	28.7	36.9
No.	Bumiputera Registered Professional		
	(% of each profession)	1990	2000
1.	Accountant	11.2	15.9
2.	Architect	27.6	28.9
3.	Doctor	27.8	36.7
4.	Dentist	24.3	34.8
5.	Veterinary Surgeon	35.9	42.6
6.	Engineer	13.1	26.5
7.	Surveyor	44.7	47.8
8.	Lawyer	22.3	31.3

Source: *Review of the Second Outline Perspective Plan*.

Table 2-8, p. 53.

The emergence of professionals was triggered by an amalgam of three essential things in Malaysia. First is affirmative policy to encourage the Malays to enter into various industrial sectors of the country. The Malays had a great deal of back up from the kingdom to restructure and encourage them to engage in the acceleration of state industry. Second is the success of modern education that continues to grow and side with the Malays in Malaysia. Third, it is revealed that the growth of this professional is also part of the meeting between supply and demands for industrial markets in Malaysia.

First, the affirmative policy starts on with the birth of the NEP, which is a direct state intervention to help the Malays or *Bumiputera*

with a back up. Such policy was then translated by establishing institutional rules and encouragement for *Bumiputera* to gain access to the urban sector, particularly the trade and finance industries, including the ownership and management of the company. In a policy designed for 20 years, the concept of development is not largely designated as primary sector such as agriculture, but more to reduce regional disparities among different ethnics and to develop The Malays' incomes, education and well-being.¹⁶

Bumiputera is set to achieve 30% equality before 1990 in the manufacturing sector which is deemed as the driving force for rapid growth. Thus it appears that state intervention is inevitable. State regulations greatly control the agricultural and service sectors, especially in the fields of plantation and bank. As a result, the Malay Muslim ethnic groups began to be in command of several companies and began to run plantation and to penetrate the media.¹⁷ Slowly but sure, the *Bumiputera* started to overtake plantations from the foreign agents.¹⁸

The second factor to take into account is the education sector. The Malay Muslims who were left behind were given privileges in education. The state consider education sector as the main driving force to push them forward. In this educational context, the state established some technical and vocational institutions to prepare a highly skilled worker to directly plunge in the work field. In regard to the education process, Faizul, the research informant recalled:

"At first, in terms of education, the government established science schools, that is MARA's Low Science Maktab (MRSM). In addition, it also built full boarding school, SBP.

¹⁶ Niles Hansen, Benjamin Higgins and Donald J. Savoie, *Regional Policy in Changing World*. (New York: Plenum Press, 1990), 207. Please also see Yuniarti, "Peran Negara dalam Pembangunan, 6.

¹⁷ Yuniarti, "Peran Negara dalam Pembangunan, 6.

¹⁸ Garry Rodan, Kevin Hewison, and Richard Robenson, *The Political Economy of Southeast Asia: an Introduction* (New York: Oxford University Press, 1997), 126.

These. Schools are highly proficient. They collected brilliant Bumiputera children in the countryside. Those intelligent students were accepted at MRSM, the science school which received the full support of the kingdom. Once they finish the study, they can become a doctor and other professional fields. So, it is presumable that these schools are greatly beneficial. In addition, the government also established the SBP which accommodates all students to live in the dorm, with free food provision, and great education, which is perfect. This school is only provided for Bumiputera. Moreover, the kingdom also built UiTM, or Universiti Teknologi MARA or formerly the MARA Institute of Technology. They also greatly help the brilliant students who study in MRSM. Thus, we can see in comparison that if previously there were 50 Malaysian Chinese doctors and only 1 Malay doctor, the situation changed since the 70-80s. The Malays are more equal in competition”¹⁹

To accelerate the process in this educational context, the country first established the RIDA Training Center (RIDA) which was developed into the MARA College (Majlis Amanat Rakyat / MARA / Council of Trust for the Indigenous People) in 1967. The establishment of RIDA and its changes facilitated and trained the rural community to become skilled worker to immediately be absorbed by the industry. In its development MARA College was later changed to MARA Institute of Technology to accommodate the greater demands of the domestic industrial market.

MARA Institute of Technology also developed its infrastructure and staffs, to be eventually altered into Universiti Teknologi MARA (UiTM). Situated in Shah Alam, later it becomes a large campus that encourages the birth of professionals in various fields. UiTM is constituted of a major campus, 13 state autonomous campuses, and 21 satellite campuses. The campus employs 17,000 academic and non-academic staffs. It is comprised of 500 study programs of various levels. UiTM is home to more than 168,000 students with

¹⁹ An interview with Faizul, on October 8th 2017.

English as the main language. UiTM is situated throughout the countries from Selangor, Johor, Kedah, Malacca, Kelantan, Negeri Sembilan, Pahang, Perak, Perlis, Sabah, Sarawak, to Terengganu.

Universiti Teknologi MARA prioritizes *Bumiputera* or Malay Muslims in its admission. This university became the spearhead of *Bumiputera* to initiate the birth to a group of professionals with entrepreneurship skills, high education, and share ownership. Datuk Ibrahim Ahmad, the director of MARA, revealed that UiTM is designated as *Bumiputera* campus in the enforcement of people's mandate. He articulated that:

*"To this day, we have been greatly contributing to Malaysia's economic development as the country is trying to become an entrepreneurial country. It is our mandate to ensure sustainable socio-economic growth in this country, especially through development, and empowerment of the Malays and Bumiputera."*²⁰

UiTM is just one of the education supports established by the state to facilitate *Bumiputera* to gain access to the industrial sector and generate many professionals. Not to mention is the role of other campuses such as UPM, UKM, UM which are very prominent in Malaysia. It is in the education sector that the kingdom highly facilitated *Bumiputera* to enjoy the privilege of having higher degree of education primarily by providing the *Bumiputera* with better priority and larger quota for university admission with full financial support of the state.

Third, it is noticeable that the birth of professional group as middle class in Malaysia is also attributed to market demand. The formation of the thriving Malaysian middle class, especially among the professionals, with regard to market demand is led by at least three things. First are changes in the economic structure of the

²⁰ Please see <https://www.nst.com.my/news/2016/03/134548/mara-spearhead-malay-bumiputera-aspirations>, retrieved on October 19th 2017

country. The economic changes of the country previously based on primary sectors such as agriculture and raw materials have turned to industry. In the 1970s, agricultural sector contributed 31.4% to the state economy which constantly dropped to 18.7% in the 1990s and to only 12.8% in the 2000s. It is in contrast to the industrial sector which remains to be on the rise until today. Second is changes in work patterns. Statistics revealed that workers in agriculture were 54.0% in the 1970s, and constantly witnessed a decline leaving only 16.1% in the 2000s. Those newly booming workers successfully infiltrated professional sectors and created new professional groups in urban areas. Third is the process of urbanization (rural people flocking the city) that transformed the agricultural society into industrial society. Such is proven by the fact that in the 1970s, the population living in the city was only of 10.4 million inhabitants or comprised of 26.7% of total population. The number, however steadily increased in the 1991 to 19.0 million inhabitants or 50.7% of the total population and eventually skyrocketed to 60.0% in the 2000s.²¹

As seen from the perspective of business, the growth of the new middle class in emerging industrial countries such as Malaysia demonstrates a highly pragmatic and complex interrelation.²² In the Malaysian context in particular, the middle class Muslim pragmatic goal is as characterized by the current various economic associations with the Malaysian Chinese that used to be highly confrontational in the previous time, especially before the 1970s. This inter-ethnic economic cooperation is very beneficial especially for the Malay Muslims. This is engendered by several things: First, the Malays are able to penetrate the middle class level owing to

²¹ Please see Abdul Wahab Khalili, *Kelas Menengah Melayu: Kaya dalam Kepapaan* (Selangor: Ultimate Print, 2015), 46-47.

²² Katina Kuhn, "Consumerist Lifestyles in the Context of Globalization: Investigating Scenarios of Homogenization, Diversification and Hybridization," in *The New Middle Classes*, eds. Meier L., Lange H, (Springer: Dordrech, 2009), 49.

the country's political policy and to their ability to build network with the economically predominant class since the beginning independently. Secondly, these associations enabled them to enter the higher level class, thrive and flourish in it, and third, they are aptly able at keeping up their economic level processes more broadly and more strongly.

Pragmatic cooperation in business allowed the Malay Muslims in Malaysia to take off into a well-established class structure. In addition, they also learned from the experiences of their well-off business partners. It is noteworthy that the association between Malay Muslims and Malaysian Chinese middle class were dated back to the 1970s. The establishment of the Council for Promotion of Genuine Joint Ventures in 1995, the Malaysian Associated Chinese Chamber of Commerce and Industry (ACCIM), and also the Malaysian Associated Indian Chamber of Commerce and Industry (MICCI) are clear evidences of this good relationship. Furthermore, the government also highly supported the formation of such association. The 1998 annual report says that the Ministry of Entrepreneurship had a cooperative consortium with 20 banks.²³ The report notes that the cooperation has succeeded in establishing fifty-three (53) joint ventures mostly between the Malays and Malaysian Chinese from small to medium manufacturing industries. Of course there are still innumerable associations of entrepreneurs and joint ventures established by entrepreneurs of both Malays and Malaysian Chinese ethnic out of government's support. As seen from the formation of the middle class, especially the growth of professionals and businesses, it is apparent the Malay Muslims witness a rapid growth and even managed themselves to become the ruling class in terms of their numbers. Nonetheless, in terms of assets, the Malaysian Chinese are still on the lead by the comparison

²³ Abdul Rahman Embong, "Budaya dan Praktik Pluralisme di Malaysia Pasca Kolonial," in *Politik Multikulturalisme* (Yogyakarta: Impulse-Kanisius, 2007), 115.

of 8 (Malaysian Chinese) to 1 (Malays).²⁴

The infiltration of Malay Muslims into middle class formation is highly driven by the state, and is dependent on the state. However, throughout the course of time, they gradually manage to break away from their dependence towards the government, especially in the business sector. Thus, the class formation of the Malays and Malaysian Chinese are poles apart in that the latter has been suffering from ongoing political pressure which compels them to struggle in reaching for their economic betterment and class domination independently. In terms of macro economy, the asset accumulation of the Chinese is still beyond that of the state and thus they still become a major economic holding in various economic sectors.

C. Religious Expression of Malay Middle Class Muslim

In order to survive economically, the Malay middle class Muslim has habituated themselves to least amount of expenditure for personal needs and consumption and utmost profit of production.²⁵ Thus, they are pretty well accustomed with an economic patter of consumption, saving, production, and investment. However, it is noticeable that the pattern for consumption is predominantly increasing among the Malaysian middle class. It is indicated

²⁴ This comparison is based on the rank of the richest man in Malaysia. Based on a recent release by Forbes, it is revealed that eight the Malaysian Chinese entrepreneurs perched the top rank of the richest man in Malaysia, leaving only one position for an Indian and a Malay in the last position of the 10 richest people in Malaysia. See <https://economy.okezone.com/read/2017/03/02/320/1632197/nih-daftar-10-orang-terkaya-di-malaysia>. This comparison may not represent the whole case because those 10 people are of the upper class society. However, it can be a fundamental description of asset ownership.

²⁵ Helen Hughes and Berhanu Woldekidan, "The Emergence of the Middle Class in ASEAN Countries," *Asean Economic Bulletin*, Vol. 11. No. 2 (November 1994), 140.

through the fact that those with high incomes tend to have greater expenditure on furniture, leisure and transportation.²⁶ Most of them expended their income for luxurious furniture, home appliances and furnishings, clothing, medical care, transport and communication, leisure, entertainment and education, miscellaneous goods and services.

This means that they had better spend a great deal of their income on luxurious things than on their basic needs. Such situation is most observable in the capital cities such as Kuala Lumpur, Petaling Jaya, and Kelang, mostly due to the fact that the economic wheel of these cities rapidly spins towards development. In other words, the improving pattern of economics in these cities is pinpointed by the display of welfare and lifestyle. The Malay middle class Muslim have an ownership of luxury homes and modes of transportation, and they throw large parties such as weddings and festivals in star hotels. In addition, they belong to exclusive clubs, enroll their children in expensive private schools at every level of education, and inevitably they conduct a lot of shopping.

However, it is interesting to note that the current political tendency, which seems to better address the low level class, has left the Malay middle class Muslim to suffer and struggle on their own to keep up with the demand of their class formation and the current political change:

“As seen from an economic point of view, the middle class Muslim is extremely struggling and suffering because the government prioritize the support for the subordinate group, such as BR support (Baru Rakyat) of 1 M in amount which is not targeted towards the middle class Muslim. They suffer a lot because they have to strive on their own. The lower classes are indeed living in economic hardship, but instead they receive a lot of help. For example the government provided the low level class with a loan for study which must be returned. Such loan

²⁶ Rokiah Talib, “Malaysia: Power Shift and the Matrix, 37.

*enables the low level class to start a new life, buy a house, car, and others. On the other hand, the middle class are the most indebted group. Indeed, they are young, but they have a lot of debt. Upon finishing school, the middle class have to pay the debt. Thus the best key word of the middle class Muslim in Malaysia is suffering and struggling in the economy.*²⁷

The middle class are economically struggling in terms of meeting the ends meet of the economic life in their rising middle class formation sphere without any help from the state. Hence, the middle class is seen to suffer from self-struggle to survive in their middle class level and meet their own needs as the government policy is merely directed on the lower classes. Therefore, some middle class favor to lead a life of simplicity in terms of life style. This is as pinpointed by some FGD informants that although the middle class today frequently love to check the latest items displayed in a retail outlet, they prefer to buy goods that are on “sale” to buying costly and branded goods. Even though they are frequently seen at malls, the only thing that they do is window shopping. The same also applies for the destination country to choose for vacation. Rather than opting for United States or European countries, the middle class would love to bring their family for vacation at the neighboring countries such as Indonesia, Thailand or Singapore for more reasonable cost.

The professed suffering and struggling middle class is best classified as the household group which according to the Malaysian economic report of 2015/2016 has an income of 40% and above or what is referred to as M-40. The so-called M-40 are financially independent urban settlers who earn between RM 3,860 to RM 8,319 without any help from the state. It is primarily because at present, the country’s policy is more directed at the lower class

²⁷ It corresponds to what was conveyed by what an FGD participant said on October 3rd, 2017 at UPM Faculty of Human Ecology, Nur Ayuni Isa, a researcher and doctoral candidate in the field of politics and governance of UPM.

referred to as the B-40 or the households who earn below RM 3.855 every month predominantly living in the rural areas. Meanwhile, the upper class are those whose income amounted to above M-40 whose existence constituted at only about 20% of the total population.

1. Consumptive Islam and the Middle Class Lifestyle

The new middle class Muslim movement not only plays significant role in the economic process, but also in the processes associated with religious identity. The mobility of the middle class Muslim in Malaysia, aside from being economically driven by political policies of the government, is increasingly commonplace through the rise of Islamic symbols in the public sphere. This is not surprising considering that they also find their momentum and cultural sphere to thrive as a new middle class Muslim that brings Islam as a class identity along with the imagining of Malaysia as an Islamic state.

The escalation of Islamic symbols in the Malaysian public sphere cannot merely be deemed as a common symbol. In fact, the symbol acts as a melting point between the middle class expression and their Muslim identity. On the one hand, they have an accumulation of capital that gives them the power of independence to construct their own lifestyles, but on the other hand, they undoubtedly yearn for presenting Islam as their identity. Thus, it is presumable that in addition to considering Islam as their closest identity, they also utilize it as class preferences to make distinctions. It is such space that they construct as a result of the hybridization of global values and of modernism on the one hand, with Islam and economics on the other.

The sharia-based banks are established not only for the sake of the economy, but also for the sake of an instrumentation to cater the need for middle class Muslims to save their money and provide them with other financial services which are considered to be safe



and comforting because they highly take into account the Islamic principles. The Islamic discourse emerged during the political upheaval as part of the process of economic recovery which is mainly addressed by the professionals. Eventually, the government through the policy of economic stability attempted to accommodate the middle class' unrest about Islamic principles in economy by making "Islamic windows"

policy taking the shape of Islamic banking. The government became conscious of the potential threat of middle class' unrest against the country which might significantly reduce their optimism towards the country amidst the crisis.

There are innumerable banks such as Bank Rakyat, Agrobank, Bank Islam Malaysia Berhad, Bank Muamalat Malaysia Berhad, Maybank Islamic Berhad and CIMB ISLAMIC that attempt to accommodate the middle class Muslim' restlessness and cater their needs. Within this sphere, banks act as capitalist apparatus that step in to seize opportunities and provide a way to cater the increasing awareness of Islamic middle class. In fact, it is commonplace to spot some ATMs in Malaysia which fully quote verses of al-Quran on the machine. The quotation of Quranic verses is obviously aimed at providing normative meaning and assuring a feeling of composure so as to engender consent to transact.

The rise of Islamic symbols in public sphere in Malaysia is nothing new. It is primarily prompted by the declaration of Malaysia as an Islamic state, and that there are various state institutions such

as JAKIM (Islamic Progress Position), IKIM (Institute of Islamic Understanding Malaysia) and others which specifically deal with and cast light on Islamic comprehension. In fact, the Islamic symbol and sphere within the context of economy and lifestyle are mainly consumed by the middle class Muslim since it is this class which has gained access and possibility to be thriving in this sphere. No wonder, it is commonplace to see the middle class Muslim to buy extravagant houses in a luxurious complex in the Malay region. In their belief, setting up a house in the Malay region not only insinuating an expression of ethnicity, but also implying an articulation for an Islamic region. The other way is that they manage to develop Islamic awareness in the surrounding complex through an agency of some Islamic prayer houses (*surau*).

Another distinguishing feature of middle class Muslim in Malaysia is their consumption of halal food and halal products. Those halal branding inundates the market due to the relations between consumption and religious consciousness during capital accumulation. Many products brought halalness to the center stage primarily because it assures composure and confidence of consumers, which turns it to be an effective packaging and promotion. Such halal branding is obviously targeted towards the middle class Muslim who come up with sufficient income and greatly take heed on their identity, value and self confidence as a consumer.

No wonder, it is customary to spot on some salons and beauty products made by both Muslim or non-Muslim entrepreneurs conspicuously labeled as halal product which are proven to catch the attention of middle class Muslim consumers. Some products such as Sendayu Tinggi products, Atika Beauty, Nouvelles Visages, De 'face, Treatment Anis' beauty, Large Wave, Jelita Ayu, Biodex, Herb World, D'Navechee and Yusmira Cosmetics are popularly hunted

by the middle class Muslim in Malaysia.²⁸ It is undoubtedly true that the demand for halal cosmetics products is constantly on the rise. A clear evidence is the product known as “Mesra Wudlu.” The products made by this beauty company comes up with the tagline “*Penyedia produk kecantikan dan kesehatan yang mesra (ramah) pengguna, mesra wuduk, mesra solat, bersih, selamat tanpa bahan kimia, diyakini dan terbukti berkesan*” (Provider of beauty and health products which is user friendly, wudlu’comfort, prayer comfort, clean, safe without chemicals, well-trusted, and proven to be impressive).” In addition to being sold online, these product advertisements are mostly found on major roadside in Kuala Lumpur, and the surrounding area.



It is possible to examine the aforementioned phenomenon from the following three perspectives. First, it is apparent that such commonplace phenomenon is born out of the country policy that designates Islam as the ideal value to be internalized as a national cultural consciousness or as a belief inherent in the various aspects of social lifestyles. It is in this context that the state stipulates its regulation through JAKIM and / or other institutions. Secondly, as seen from the middle class Muslim consumer’s consciousness, the halalization of countless consumable products and cultures is part of the narrative of Islamic and class awareness and embedded

²⁸ Yazilmiwati binti Yaacob & Ilhaamie Binti Abdul Ghani Azmi, “To What Extent Do The Entrepreneur’s Key Success Factor Influence The Muslim Entrepreneur From The Islamic Perspective? A Study on Muslim Beauty Entrepreneur’s in Selangor”, *unpublished paper*, 6.

in their everyday identities.²⁹ It turns out to be a moral code in the form of a halal assurance in terms of the product, the transaction, or from its use. Third, as seen from the side of capital and corporation, it is apparent that halal branding has become a new market for the benefit of capital accumulation. In such a way, the corporation skillfully reads the current market demand and produces highly demanded products by touching the fundamental and deepest emotions of the middle class Muslim consumers.

The above three components, culturally perform the so-called “pseudo cooperation” that stirs within the sphere of Islamic public awareness in Malaysia. Finally, the Islamic public manifests itself as a stream-landscape and dispersion of religious commodities. In this case, Islam corresponds to the norms of the state, the Malaysian middle class Muslim lifestyle, and the compilation of economic and capital modes. Consequently, it is no longer extraordinary to see the consumption of a wide array of Islamic products ranging from ideas such as Islamic teaching, Islamic Quranic study, and Islamic TV programs that broadcast Islam, such as talk shows, Islamic magazines, Islamic films and so on to the consumption of Islamic symbols such as hijab or hood with all its accessories, cosmetics and or other halal products.

To cater the yearning for consuming Islamic ideas, there are highly popular Islamic preachers in Malaysia whose ideas and thought are in great demand. They are among others is *ustadz* Mohd Fadzillah Kamsah, a well-known preacher and motivator. The man who started his career as a lecturer in UPM has written more than 40 books. Another well-liked Islamic preacher is Mohammad Kazim Elias, whom many people of various levels love because of his casual and entertaining preaching style. Generally he will have live preaching in radio, TV and live streaming on youtube. The *wakaf*

²⁹ Johan Fischer, *Proper Islamic Consumption: Shopping among the Malay in Modern Malaysia*. (Copenhagen: Nias Press, 2008), 63.

that he generates from various parties enables him to establish and chair Al Barakah Education Center which organizes Islamic study forums for adult, youth and Quran memorizing.

Another aspect of middle class Muslim religious consumption in Malaysia is their cultural habit to send their children to private schools such as Islamic schools or *tahfidz* schools. Such Islamic education has also become a commonplace trend among the middle class Muslim in Malaysia. The Straits Times on Wednesday (28/6/2007) wrote that there have been more than 900 new private Islamic schools



scattered throughout Malaysia over the past six years. One of them is influenced by the fact that many parents consider public school as unable to build the children's character, strengthen their religious basis, and instill moral values. Some famous schools include Raudah Islamic School in Kajang, Darul Huffaz International Tahfiz and Science Academy which has many branches in Malaysia such as in Kajang, Johor and Putra Jaya.

The escalating Islamic education awareness in Malaysia is in accordance to what Dr. Hasna articulates below:

“Religious education is left to the school while at home is handed over to madrasah. On every Saturday and Sunday there will be diniyyah, which teaches how to read Quran and conduct prayers. In the past, there was a short of religious practices, because during the independence of Malaysia in 1957, the Islamic practices were extremely decreasing. In

the 60's, 70's, still it was very rare to see women wearing veils. Hijab is only commonplace in the late seventies when awareness about Islam starts to rise. Even my uncle said that as he grew in the 50s and 60s the mosque was only filled with the elderly who thought that they are about to die. The youngs prefer not going to the mosque. However, now we see the children of Abdullah age, at about 11 and 12 years old, have been sent to the boarding school to be hafiz (memorize Quran), and so on. Now Islamic awareness is on the rise.”³⁰

Currently, there are countless Private schools with Islamic labels in Malaysia with very luxurious and fancy facilities. However, it seems that the Malay middle class Muslim find such prohibitive cost as extremely reasonable to get the best education for their children. What they are more worried about is to have their children study at a school environment with bad influences.³¹ Such phenomenon appears to correspond to the increasing tendency of the “Islamization” movement in Malaysia. Middle class Muslim intellectualism and economic power in Malaysia leads them to the so-called “self-sufficiency” embodied in the choice of products, lifestyle, to the selection of education in the private sector labeled as Islamic.

Consumption of products are based on religion, and even in these patterns they interpret leisure as not merely “leisure-based consumption and market of class membership,” but that is part of the argument to understand, define and to valorize for their growth as the “Malay Muslim, social and economical class.” This is primarily because leisure in the foregoing context is shaped by the awareness of an Islamic perspective, which makes it part of broadening knowledge, and increasing the capacity of individuals. Thus they are engaged and are “fully engage of the world.” The

³⁰ An interview with Dr. Hasnah Toran, General Director of Permata Kurnia, October 4th 2017.

³¹ Please see <http://www.straitstimes.com/asia/se-asia/private-islamic-schools-mushrooming-in-malaysia>

enjoyment of leisure is seen as a form of education, progress, and improvement. In addition, it is also functional in a spiritual context.³²

2. Malaysian Muslim Intellectualism and Philanthropy

The thriving and flourishing educated people in Malaysia leads them to increasing access and literacy forces that enable them to translate their own expressions of Islam in the public sphere independently. Intellectualism plays an important role for the infiltration of middle class Muslim in various sectors, including by becoming religious agencies in the public sphere. The middle class is highly supported by the government during the economic industrialization policy. Thus, technical schools are also built on a large scale to meet the demands of the industrial market.

Intellectualism plays an active role in process of Islamization in Malaysia.³³ It is this intellectual network that has been interpreting religious doctrine in the Malaysian context. In terms of the development of Islam in Malaysia, they are engaged in various sectors. Some had a service in the state (kingdom) and proactively develop Islam on the one hand, while protecting themselves on the other hand. Some of highly practical Islamic institutions under the authority of the kingdom are JAKIM, and IKIM. It is in these two institutions that the Muslim intellectuals play their role under the basic rules of application of Islamic values issued by the state. Related to Muslim intellectualism, one of the FGD participants, recalled:

³² Patricia Sloane-White, "Why Malays Travel: Middle Class Tourism and the Creation of Social Difference and Global Belonging", *Journal Crossroads*, Vol 18, No 2, (2007), 5.

³³ Please see Syarifah Salehah Sayyid Hasan, "Islamization and Urban Religious Identity: the Middle Class of Bandar Baru Bangi," Paper presented in *International Seminar and Workshop on "Beyond the Crisis; Southeast Asian Middle Classes in 21 st Century, Prospect for Social Change and Democratization"*, UKM, 25-28 April 2000.

“If it is associated with expression of middle class Muslims, after 98 there was a noticeable change, because the situation since 69 to 98 is highly vague and uncertain. If we see how Anwar Ibrahim entered the ABIM (the Malaysian Islamic Youth Force), and later into the kingdom, it is apparent that he brought the ideas / values of Islam in the form of a royal base / public policy. After independence, Muslim societies in Malaysia were initially having more of secular views, but later on they returned to a more Islamic perspective. There occurred the process of Islamization through some institutions such as JAKIM. It is interesting to observe the Islamic flow after 98-2008 and the existing mainstream thought today. Such Islamic expressions are evidence in the two type of Islamic institutions in Malaysia such as ISMA (Muslim Association of Malaysia). This institution expresses their ideas and thoughts more conservatively. In my view, they are of more closed type, compared to some other more opened NGOs that are also an expression of middle class Muslim, eg ABIM, and IKRAM (NGO). The only interesting point to highlight is their applicable contestation of ideas the public sphere as professional group. Indeed they are conservative, but they become doctors, engineers, lecturer, and so on. In ABIM most of them are also lecturers. So indeed their mainstream thought will ultimately be related to politics.”³⁴

The middle class Muslim professional such as doctors, engineer and lecturers, especially those incorporated in ISMA (Muslim Association of Malaysia) has been conducting the process of Islamization which is oriented towards a more conservative direction.

The process of Islamization in the cities are mostly held by university intellectuals. At the beginning of the opening of Bandar Baru Bangi as an industrial area, for example, the intellectuals from some campuses such as UKM, UPM, and ABIM growing at UM took a role in the religious process of urban people coming from the states. They founded some Islamic places of prayers including *Surau*

³⁴ The statement of an FGD participant, on October 3rd 2017, at Faculty of Human Ecology UPM.

Annur, and Al Umm as the basis of Islamization in the region. Some activities such as *usroh* activities, congregational prayers, Islamic teachings and learning, and even *hajjat* congregational prayers are coordinated through the *surau* at Bandar. Such Islamic activities are clearly targeted towards the professionals and technicians working in the region's industry.³⁵

These intellectuals and Muslim scholars managed to consolidate the *umma* in urban areas. For instance, Bandar Baru Bangi is managed by Ustad Harun Din, a lecturer of Theology at the Faculty of Islamic Studies in UKM. He became an Islamization agent through some of the *surau* there, and he even opted to move from Pataling Jaya to Bandar Baru Bangi to intensify his attempt in guiding people in Islamic study. He, together with his companions and followers, established a philanthropic institution coordinated through his *surau*, named An-Nur Welfare Assosiation (Persatuan Kebajikan Islam an-Nur / PKIAN).³⁶ This shows that in the context of Islam in Malaysia, intellectualism became the main agent in building religious awareness and philanthropy among the middle class of Bandar.



In terms of philanthropic movement, the Malay Muslim community mostly contribute their money to the *surau* and to the

³⁵ Please read Syarifah Salehah Sayyid Hasan, "Islamization and Urban Religious Identity, 8.

³⁶ *Ibid.*

mosque. It is mainly because the mosque or surau still occupies a central position in everyday life. Going to the big mosques in Kuala Lumpur on Friday or Selangor will encounter us with a lot of people who had a *waqf* in various forms. In the UPM mosque for example, on every Friday, there will be a lot of people who conduct *shodaqoh* and drop food to the mosque for the pilgrims for free.

*"The middle class philanthropy is mostly apparent from their contribution to the mosques. On every Friday, the money jar in Selangor are fully loaded. The mosque will distribute the donation to the Muslims at large and to the orphans. Now there is even a paycheck for zakat. Zakat is highly essential in Malaysia. Within 100 or 200 ringgit a month, there will be a contribution for zakat officials to be distributed to the poor. Selangor is among the highest region in terms of zakat rate."*³⁷

The state also plays an important role in the philanthropic aspect for the middle class. Moreover, the Malaysian government imposed a monthly salary deduction for all employees, both for public and private employees, for the sake of *zakat* by 2.5 percent. The deduction so-called *Skim Thohir*³⁸ is imposed by the Malaysian government whose management is handled by the Tax Collection Center (PPZ) which was inaugurated by Majlis Agama Islam Wilayah Persekutuan (MAIWP). In distributing charity funds, Muslims in Malaysia generally prefer to distribute them to organizations rather than individual direct donation. One of the organizations authorized to manage their donations are the IKRAM Malaysia (IKRAM)³⁹ and the Malaysian Muslim Association (ISMA).⁴⁰

Jay Jay Denis,⁴¹ a Policy Analyst on social-economic issues in

³⁷ The statement of an FGD participant on October 3rd 2017, at Faculty of Human Ecology UPM.

³⁸ Please see <https://www.zakat.com.my/?s=Skim+Thohir&submit=>, retrieved on September 14th 2017

³⁹ See <http://www.ikram.org.my/>, retrieved on October 14th 2017.

⁴⁰ See <https://isma.org.my/v2/profil-isma/>, retrieved on October 14th 2017.

⁴¹ Presented in an FGD on October 3rd 2017, di Faculty of Human Ecology UPM

Malaysia and Southeast Asia related to Monitoring Sustainability of Globalization, an FGD participant of this research said that in the last four years the donations were mostly channeled to the homeless people, food aid and to schools - including scholarships. In addition to donations of money, middle class Muslims also provide assistance in the form of “skill” donations, by providing training such as training for building micro business for Rohingya female refugee or training for “chow kid” (children out of wedlock). It is expected that such expertise will provide better and more sustainable impact for the beneficiaries.⁴²

In addition to some philanthropic organizations, there are some emerging philanthropic figures in terms of individual level. Syed Mokhtar al Bukhari, an entrepreneur and founder of the Albukhary Foundation, an international charity organization by establishing mosques, schools and helping those who struggle is among individuals who have gained popularity for philanthropy. Albukhary International University and Museum of Islamic Art Museum are two institutions founded by the Albukhary Foundation.

Another inspiring figure is Dr. Hasnah Toran, the Director of Permata Kurnia Center focusing on handling autistic children.⁴³

⁴² In the FGD we held at UPM it was revealed that religious sentiments were recognized as a consideration in the philanthropic movement in Malaysia “ We were not courageous enough to ask for help from people of different religions for fear of assault,” Ika said, a master’s candidate in religion and history at UPM, one of the FGD participants. According to her, there are still many prejudices and suspicions that the Malaysian people have towards different religions.

⁴³ Dr. Hasna believes that one of the triggers why children with disabilities are difficult to be well nurtured and well developed is the lack of knowledge and awareness about autism, one of which is caused by the lack of reading on books related to autism. Therefore, she and her husband founded a publishing company “Ryadh” which has just published a book written by her entitled “Autism: Guide for Mother Father.” This book is her 13th book, of which 12 books were previously published by the university. In addition to writing a book on autism and publishing it on its own to facilitate and accelerate its dissemination to the public, Hasna has also planned to establish a cooperative consisting of parents who have children with autism. This cooperative will provide schools

The institute which is home to 380 autistic children was founded on the initiative of Rosmah Mansor, the wife of Prime Minister of Malaysia, Najib Razak. In other words, this institution is funded by the government. Prior to her appointment as a director, the doctor in the field of autism opened an autism lab at the Universiti Kebangsaan Malaysia (UKM), where she teaches. She and several colleagues in UKM developed research and created modules about autism, both for children and for parents. She said that during the 9 year of her service at the laboratory, only two years had the government provided financial assistance for the university. For the remaining 7 years, she had to struggle to find her own funds to support, sustain, and develop the laboratory.⁴⁴

The philanthropic aspect in Malaysia does not rely much on individual culture as the prime mover. Philanthropy in Malaysia is organized in such a way, either by NGOs and or by state-established philanthropic institutions. This means that the aspect of modernization of philanthropy becomes the main and dominant

and workshops for adults with autism, providing them with practical / vocational skills so that adult autistic children can work. According to her, what she is doing is part of the "da'wah" which she interpretes as not only about lecturing but also about living a good life well to inspire people with what we do.

⁴⁴ Every Saturday and Sunday Hasna has never been off, since she always actively conducts training and campaigns on autism to the public so that the previously unknown autism in the 1990s is now getting familiar in Malaysia, even though she admitted that there are still many people who misunderstand about autism. Her awareness and social activities are triggered by her own experience as she has two autistic boys, one of whom is in the category of severe autism. In addition, she does so in the name of religion to fulfill her *fardu kifayah* duty, where there must be people who care and work to address autism problem in Malaysia. She admitted that her mother, an elementary school teacher who graduated from high school, has become her main inspiration and her husband has been a major supporter of her social work. Her husband, Sufyan, willingly took off his career as a lecturer to become a full time father. It is primarily because some institutions to concern and provide assistance to the disability issue during this time is only the church, of both Catholic and Protestant. However, since the current two years there have been some Muslim figures who take heed on people with disability as the party who is entitled to receive *zakat*.

element in Malaysia, because it highly supports good distribution which assist the country in alleviating poverty. Philanthropy in this neighboring country is institutionally driven and does not rely on a particular figure, but rather relies on the credibility of the institution with various aspects of assessment. In addition, the lively philanthropies in the big cities are also organized through many *surau*.







CHAPTER IV

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

MIDDLE CLASS MUSLIM IN THAILAND



The kingdom of Thailand or what is referred to as *Muangthai* in the local language is known as a country that predominantly professes Buddhist, especially the Theravada Buddhism flow. Nonetheless, despite the fact that the government officially establishes Buddhism as the state religion, other religions are still given a room to thrive and flourish. One of the fastest growing religions in Thailand is Islam which is concentrated in the southern part of the country that is historically free from western colonialism. Although Muslim adherents are less than five percent of the total population, they are the fast-growing minority and constitute as the largest minority after Confucianism.¹ The existence of Muslims in Thailand has always been associated to an endless discourse on contentious issues such as terrorism, separatism or countless forms of fierce conflict and violence especially in the three hottest

¹ See Thanet Aphornsuvan, *History and Politics of the Muslim in Thailand*, (Bangkok: Thammasat University, 2003), 3.

conflict-prone provinces that is Pattani, Yala and Narathiwat. Therefore, those three provinces, especially Pattani as the largest Muslim base in Thailand, has always been the centered stage to closely examine the reality of Muslim life in Thailand that constatly suffer marginalization, discrimination, and are left with no other option but survival through theological and prosperity base of social resistance.

Nevertheless, seeing Islam in Thailand only through the three provinces would be too narrow to describe the reality of Muslims in Thailand who have scattered and become diasporic in countless regions. They are remarkably adaptable to cope with the demands of times, compromise with global influence, and cleverly establish new identities without giving up their original beliefs and identities. One of such provinces displaying such characteristics is Nakhon Si Thammarat, a province geographically located nearby Pattani as they are slightly separated by Songkhla Province and Patthalung Province. In this case it is noteworthy that the provincial level administrative area in Thailand is almost comparable to the area of administrative regency in Indonesia. A closer look at Muslim life in Nakhon Si Thammarat provides a shocking blow to the researchers or observers of Islam in Thailand who merely focus on Pattani, Yala or Narathiwat to generally represent the Muslim life in Thailand in a wider sense. Hence, it is necessary to reopen and review the relevant literature to come out of the established concept that the three hot provinces are the sole representation of the Thai Islamic study.

It is interesting to examine the characteristic differences between Muslims in Pattani and Nakhon Si Thammarat more deeply because the stark gap in each province is highly visible from the dynamics of everyday life ranging from small to medium-sized local economies, large businesses, to hierarchical configuration political career of government which then naturally forms the classes in Muslim society. Therefore, an in-depth study to uncover

the dimensions of Muslim life in Thailand within the framework of the growth of the middle class is essential to diagnose the process of formation as well as to identify the trajectory of religious expression toward an existence in the public sphere.

A. History, State Policy, and Political Configuration of Muslim in Thailand

The emerging characteristic differences of the Muslim community in Thailand, especially in Pattani and Nakhon Si Thammarat are closely linked to the historical factors of the two provinces. Before further discussing and addressing the current phenomenon, it is essential to comprehend the underlying roots leading to the current state by tracking the past occurrences. Historically Patani was once a sovereign Islamic Malay sultanate.² However, in the mid-18th century or around 1785, Patani was conquered by the Kingdom of Siam and annexed to be part of the kingdom until today when Siam was transformed into Thailand.

To curb the pervasive power of France which took control of Cambodia, Laos and Vietnam during its heyday, in 1909 Siam and Britain agreed to sign a treaty known as the Anglo-Siam Agreement or the Bangkok Agreement. On the basis of the agreement, Britain recognized Patani as part of the Siamese colony, while Britain took a grip on several other countries in the North Malaya region. The agreement was approved without taking into account the presence of indigenous Malay Muslims in Patani.³ Consequently, the enactment

² Patani - with a single letter "t" - is a sovereign Sultanate. Its territory when viewed in the context of modern Thailand includes five provinces of Pattani, Yala, Narathiwat, Songkhla, and Satun, plus Kelantan, Kedah, Perlis and Terengganu which are now within the territory of the Federation of Malaysia. The Pattani - with two letters "t" - refers to the name of a province that entered the territory of the Kingdom of Thailand after the Anglo-Siam Agreement of 1909.

³ See Yew-Foong Hui (Ed.), *Encountering Islam: The Politics of Religious Identities in Southeast Asia*, (Singapore: Institute of Southeast Asian Studies, 2013), 272.

of the agreement drastically transformed Muslim life there. The legal reform of the political aspect changed the applicable law from Sharia Law to Civil Law. Such extreme changes make the Muslim community suffer culture shock which led to social resistance and tremendous feelable effect until today.⁴

During World War II, Siam as represented by General Phibulsongkhram sided with Japan in a treaty signed in 1941. Therefore the Emperor of Japan authorized Phibulsongkhram to control four northern Malay Peninsula states including Kelantan, Kedah, Perlis and Terengganu. Under such conditions Malay Muslims living in southern Thailand got the back up of the British and Thai Liberation movements to fight against the Japanese occupation. Hence, it was no surprise that by the end of the war, Malay Muslim Patanis had expected to be part of the British-controlled territory. Unfortunately, their expectation to become English colony remained unfulfilled when the four annexed provinces were returned to Britain's Malaya which is now a Malaysian Federation which excludes Patani.

There is a stark difference between the history of Pattani and Nakhon Si Thammarat in that Pattani was previously part of *Patani Darussalam* or *Greater Patani*, whilst Nakhon Si Thammarat was once controlled by the Sriwijaya Kingdom since the 16th century and had been recorded to be an inseparable part of the embryo of Thailand. It is noteworthy that even in the late nineteenth century, Nakhon Si Thammarat had been fully incorporated in the power of the Siam Kingdom and since 1932 has been designated a province to this day. These historical differences attributed to great impact on the life of the Muslim community. The striking impact is noticeable in the way the Muslims in Pattani and Muslims in Nakhon Si Thammarat deal with the kingdom and central

⁴ See Bayu Mitra A. Kusuma and Theresia Octastefani, "Patani United Liberation Organization: From Jihad to Local Politics Movement", *The Indonesian Journal of Public Administration* Vol. 2 No. 1 (2016), 40.

government in Bangkok. To Muslims in Nakhon Si Thammarat, Bangkok is a government that oversees and fulfills their rights as citizens. As for the Muslims in Pattani, Bangkok is an aggressor who colonized them and thus had to be fought against. The differences in perspective and attitude subsequently influenced government's approaches or treatments to the Muslim community in the two provinces. These different approaches are evidence in contradictory policies for the two provinces.

In Nakhon Si Thammarat, the government keeps its presence by providing the Muslim communities with various accesses and social justice just like the way the government treat other religions, including the nationally predominant Buddhists. As a result, the various religions' adherents are living in tolerance and harmony. Hence, in this province it is easy to spot the existence of mosques adjacent, or face to face with *wat* (Buddhist temple). Both places of worship stand adjacently together without inflicting friction that may lead to conflict between religious people. Unlike Pattani which once experienced a brutal military shooting of a very legendary Krisic mosque owing to its existence almost in a half millennium as a heritage of Patani Darussalam Sultanate, and a symbol of the entry of Islam into the region, in Nakhon Si Thammarat there are 128 mosques which are magnificently built and can stand still peacefully without any threats. Even recently, the kingdom has built a new mosque called the Central Mosque of Nakhon Si Thammarat to provide access to local Muslim worship and activities. During the research observation, this mosque is even still in the final preparation stage before it is launched.

In term of social life, Muslims are not subject to different treatment or special privilege. Thus, access to Muslims is equal to that of other citizens so there is no the what-so-called discrimination against Muslims in Nakhon Si Thammarat. Indeed, it is obvious that in daily life, local people deem Muslims as good and of "high ranked

class” citizens. The author witnessed and proved to himself how Muslims have been well respected in this province. Shortly after arriving at Nakhon Si Thammarat, the research team was picked up by a local partner, Abdulroya Panaemalae, an academic from Walailak University who is also a Muslim. On the way from the pick-up location to the lodge at around 22:00, a group of police stopped all vehicles passing on the main road including the car driven by the researchers. Apparently the police were holding a drink raid. By the time our car got a turn for inspection, the local partner opened the driver’s window and said “we’re Muslims.” Without more ado, the policemen let us continue the journey without any further examination. As we were still amazed at what just happened, the local partners smiled contentiously and explained to the research team:⁵

“Here people believe that Muslims are unlikely to drink alcohol. They know that Islamic teachings forbid alcohol. Therefore, as soon as I said that I am a Muslim, the police immediately let us go.”

Such explanation instantly gave a new insight to the research team as well as providing new challenges to expose other sides of Muslim life in Thailand that are rarely exposed by the mass media of both print and electronic. So far the media are keener on feeding the public with bombastically negative and fear-provoking news about Muslim life in Thailand which ranges from clashes with the military, suicide bombings, and so on.

It is to admit that the news is not exactly incorrect if it refers to the recurring situation in Pattani, Yala, and Narathiwat. In these three provinces, the state presents its intimidating face in the form of military operations and its consequences. Here, the police and military always cast a suspicious look at the predominant Muslim citizens. Such stigma is proven to be true as that experienced by the

⁵ An explanation from Abdulroya Panaemalae, on October 9th 2017.

research team. Similar to the early arrival at Nakhon Si Thammarat in which the researchers were greeted with alcoholic raids for a positive context, the arrival of the research team in Pattani at around 21:30 of local time was also greeted with raids. However, at that time it was for more of a negative context. On the way to the lodge, the car occupied by the research team was stopped by a group of police who required that all the passengers go down to get identity check. Upon careful examination, the police believed that the researchers were foreigners from Indonesia, and thus they allowed the researchers to continue the journey as they greeted at us more warmly. Abdullah Salaeh, one of our guides while in Pattani who is also a graduate of Psychology Study Program of UIN Sunan Kalijaga explained the reason for such examination as follows:⁶

“Our car is stopped because it is suspected of carrying a bomb. Indeed, there is a prevailing presumption of the police and the military that non luxurious cars are potentially used for bomb attacks. Only after they know that there are lecturers from Indonesia, they try to smile and greet us jovially.”

Despite the surprising psychological effect, we were actually pretty well-prepared for such possibility knowing to the fact that Pattani area contains many military check points to inspect all vehicles entering Pattani area. The car was driven in zigzag to avoid military fence wire. Such fence was built for no other purpose than slowing down the passing vehicles for easier examination process. The following day when the research team continued exploring and observing Pattani, the team were alarmed with the startling view that all corners of the city and the crossroads had indeed turned into a military check point. All along the journey, the research team had to witness the local people who were asked to get in and out of their vehicle, either a motorcycle or a car, since it did not qualify the label of “luxurious vehicle” at each check point which was located

⁶ An explanation from Abdullah Salaeh, on October 13rd, 2017.

pretty close from one to another. Such circumstance was certainly bothersome for the local people. Daily activities were disrupted by the countless check points that must be passed. To legalize their presence in Pattani, the military enacted three laws as legal basis, including the Martial Act Law of 1914, the Emergency Decree of 2005, and the Domestic Security Act of 2008. Under those prevailing three laws, a soldier or police officer is in charge of supervising 100 civilians. With such a legal structure, the military is fully authorized to carry out such actions as unauthorized arrest, shooting suspicious or dangerous persons, by having legal immunity.

Such disconcerting situation is in a stark contrast to that in Nakhon Si Thammarat where Muslims can travel anywhere easily. In addition to receiving a good respect from the community, Muslims in Nakhon Si Thammarat are also provided with access of education, both of religious education in boarding schools and formal school education. An interesting example is Pondok Padang China which is the oldest *pesantren* in Nakhon Si Thammarat with the number of *santri* amounting to 2,500 people. This *pesantren* was founded over 70 years ago by Tuan Haji Yaqub Sumali, before being passed on to his son Haji Husein Sumali, and is now in the care of the third generation heir Syaquirin Sumali. It was named Padang China because it is a *pesantren* standing in the village or *thambon* Padang China. It is almost similar to the *pesantren* in Indonesia which is better known by the name of the village where the *pesantren* is situated than its official name. Pondok Padang China not only provides informal religious education, but also provides formal school education which ranges from *tadika* (kindergarten) to high school. In this *pesantren* and school, students are provided with access towards a decent education for free of charge because the government provides educational subsidies, as that stated by Syaquirin Sumali below:⁷

⁷ An interview with Syaquirin Sumali, on October 10th 2017.

“This pesantren is always fully loaded with students because the government provided the students with academic allowance which amounted to 10,000 baht Thai for each student. That is enough to charge them free of educational cost. No wonder, the students are not only from Nakhon Si Thammarat, but also from other provinces.”

The education subsidy of 10,000 baht or about 4,500,000 rupiah per semester is deemed as an ease for education access and apparently attracts Muslims in other regions to send their daughters to study in *Pondok Padang Cina*. Hence, until now it is worthy to note that there are countless male or female students from Pattani, Yala, Narathiwat and other Muslim-populated regions. Given such promising potentials, *Pondok Padang Cina* refuses to stay silent as they continue to grow and build networks not only at national but also at international level by having students from neighboring countries such as Malaysia, Singapore and Indonesia. It is interesting to talk about the academic output, since there are many graduates of the *Pondok Padang Cina* who are admitted in some prestigious campuses in southern Thailand such as Prince Songkhla University, Rajabhat University, Walailak University, Thaksin University, and so on.

As explained by the caretaker of *Pondok Padang Cina*, there are many Muslims from Pattani who send their children to study outside Pattani. They must disperse themselves owing to strict education restriction in Pattani. This is closely attributed to the policy of linguistic and cultural assimilation imposed by the central government demanding that schools use the Thai language. It is in contrast to Pattani Muslims aspiration to use Malay language in education. They are also looking forward to making Malay as the official language for official forums in their province. To make matters worse, the situation in Pattani is no longer conducive for learning primarily owing to the lack of infrastructure and psychological pressure from the military. Consequently, it is pretty

hard to create favorable academic climate because the military always keeps an eye on their every move and that the people can be arrested at any time for unexplainable reasons. Limited access to education is an intricate problem attributing to the degrading human resources quality and competitiveness of Pattani youth in the long run, particularly since they are unable to penetrate the formal employment sector. It is in line with what is proposed by Saudi Tayeh, a lecturer of Philosophy at Darul Ma'arif College as follows:

“The Darul Ma'arif school complex constitutes of some school levels ranging from tadika to college. Apart from this fact, many Muslims prefer to send their children outside Pattani. It is primarily underpinned by the fact that the situation outside Pattani is much safer, without military surveillance. In particular, the Pattani college students prefer to study abroad in countries such as Malaysia and Indonesia, especially in Yogyakarta, primarily because it offers an affordable living cost.”

Unfortunately, although many young Pattani are continuing their study in Malaysia and Indonesia, they are incapable of making much contribution towards the improvement of their standard of living after graduation. It is primarily because the government prioritizes domestic university graduates than the international graduates which hinder their access to become an apparatus in government institutions. It corresponds to what is argued by Sahudi Bueraheng, a teacher in Pattani who once studied in Indonesia as follows:⁸

“The Pattani youths’ access to education is highly restricted. In their region, the condition is less supportive. Therefore, they manage to go abroad to ensure better condition. However, upon the completion of their education, they will be busy looking for work because the government prioritizes the employment of state college graduates than the international

⁸ An interview with Sahudi Bueraheng, on October 12th, 2017.

graduates. The only room left for them is to become a religious teacher like me.”

In addition, international university graduates with non-religious majors may still find it hard to find a job because the only promising employment for them is teaching position in religious schools. As a result, young Pattani Muslims find it hard to compete in other jobs. The only open door to thrive themselves is by moving to other areas that are politically more secure and are not conflict-prone.

In terms of local politics, Muslims in Nakhon Si Thammarat are given relatively wide access through three representatives in provincial councils selected through electoral democracy. This is in line with the Decentralization Act of 1997 which provides a constitutional mandate in local elections. During the election period, each candidate is given the opportunity to campaign and compete to become a representative for the Muslim community. In addition, Muslims in Nakhon Si Thammarat also have access and opportunities to occupy strategic public positions such as heads of departments or heads of departments in local government offices. It corresponds to what is stated by Arafat, a graduate of Srinakharinwinrot University who is now a culinary and home stay entrepreneur as follows:⁹

“Here many Muslims are serving in the government sector. About ten per cent of Muslims in Nakhon Si Thammarat work as state civil apparatuses and Muslims have three representatives in the provincial parliament .”

Electoral democracy provides an opportunity for Muslims to become public figures. This is attributed to the modern political transformation of Thailand which began to develop 70 years ago which enabled the bureaucracy to fight against the monarchy to

⁹ An interview with Arafat, on October 10th 2017.

limit its power in the name of democracy. At present, it is no longer strange to hear the name of Apichat Pana in Nakhon si Thammarat, because he acts as a representative of the people who sit in the local parliament. Likewise with the opening door of opportunities to occupy strategic positions in local government, Monat Pongyila emerged as one of the leading Muslims in City Hall of Nakhon Si Thammarat. Political access is not only able to bring Muslim politics at the local level, but also able to bring Muslim politics at national and even international level. In a similar vein, we can mention Surin Pitsuwan (Surin Abdul Halim bin Ismail Pitsuwan)¹⁰, a senior politician and academician of Thammasat University from the *pesantren* in Nakhon Si Thammarat. As a minority Muslim Malay, Dr. Surin is incredibly inspiring. He was elected to a local Nakhon Si Thammarat parliament for the first time in 1986 and became Secretary of the Speaker of the House of Representatives of the country in the same year. In 1988 his political career skyrocketed where he was appointed Assistant Secretary of the Interior Minister. From 1992 to 1995 he served as Deputy Minister of Foreign Affairs before becoming Foreign Minister in 1997. His international career peak was when he was elected as the secretary-general of ASEAN since 2006. He is an evidence of the monumental achievement of Malay Muslim of Nakhon Si Thammarat which raise's the pride of the community.

It is in contrast to Pattani which in fact comes up with larger Muslim population. Pattani only has one representative in the provincial council and they are not provided with access to electoral democracy since a representative is directly appointed by the central government through direct mechanism. This appointment is based on three laws enacted as the cornerstone of martial law. In terms of quantity, it is pretty unfair and not proportional in that the most predominant Muslim area with a population of about 3.5 million

¹⁰ An interview with Imtiyaz Yusuf, on August 9th 2017.

is not given access to the choice of representation. It is primarily due to the fact that unstable political and security conditions makes the government require representatives to represent the interests of the kingdom. The absence of an electoral democracy system also limits the chance of Muslims to become politicians or public officials in their own land. This condition is inseparable from the political constraints in Pattani which is awash with tension between the government, especially the military and the local population. Such friction is primarily attributed to the fact the government refuse to fulfill the aspiration of the society related to the status of autonomy. It is as described by Saudi Tayeh as follows:¹¹

“Rarely do we see Pattani people to be classified as upper middle class. In terms of politics, the Patani Muslims are only represented by one person in the provincial council who is appointed directly by the government without general election mechanism by the people, whereas Muslims are the majority here.”

By looking at the amalgam of historical, social, ease of access to education, and local political representation, it is proven that the government has adopted an extremely different approach to deal with the Muslim regions. In Nakhon Si Thammarat, the government uses soft power by opening various accesses for the Muslim community to ensure normal life as that in other areas. In other words, the region is void of conflict, upheaval, or social resistance which allows stable political and security conditions. On the other hand, in Pattani, the government shows its vigorous power through military controls and puts the access of Muslim communities into restriction triggering social resistance that results in political instability and security. The failure to create political and security inevitably curbs the mandatory requirement for the growth and development of economic drive in the region. In other

¹¹ An interview with Saudi Tayeh, on 14 October 2017.

words, it is impossible to achieve economic stability without having political stability. This is equivalent to Huntington's theory which upholds that economic development can only thrive in the event of political stability.¹² The clear evidence is visible through the rapidly progressing economies of some countries that apply Huntington's notion, such as Singapore and China. In addition to attributing to the economic slowdown, the restricted access towards electoral democracy in Pattani ultimately also restricts the chances for the emergence of the middle class Muslim from the political path.

B. Capital Access, Economic Transformation, and The Emergence of New Middle Class Muslims

To sustain business activities, it is important to take into account political risks, as changes in government policy of a country attributes to a major impact on the financial sector and the economy. Such factors are greatly influential especially when it comes to security. In addition, every measurement taken in a business transaction is never utterly devoid of political elements, except charity or social organization. Therefore, the economy will only flourish and thrive upon the support of government policies. In terms of stock and investment markets, government policy and access openness attribute to skyrocketing stock prices. Conversely, government policy limitation or even blocked market access will inevitably lead to uncertainty in the economy. According to the World Bank, Thailand is generally experiencing rapid economic growth in the last four decades with an average of 7.5% in 1960 to 1996 and 5% during the Asian financial crisis of 1999-2005.¹³ The fruitful consequence of such economic advancement is the

¹² See Samuel P. Huntington, *Political Order in Changing Societies*, (New Haven and London: Yale University Press, 1973), 41.

¹³ The World Bank, *The World Bank in Thailand: Last Update September 2017*, retrieved through the link <http://www.wotdbank.org/en/country/thailand/overview> on October 31st 2017.

wider opportunities for children to achieve higher education, higher possibility for employment, and better social security such as health insurance.

As is explained in the previous section, the government's applies dissimilar approach through social, educational, and political access policies for the Muslim community in Nakhon Si Thammarat and Pattani. Nakhon Si Thammarat is nicely treated by the soft power approach, whilst Pattani is adversely treated by the vigorous power approach. The differences in policy and the level of access disclosure further lead to different economic growth in both provinces. The peaceful condition in Nakhon Si Thammarat allows the Muslim community to run the economy without any constrains. It is obviously evidenced through the rapid growth of Muslim business in the past 20, especially in the culinary, hospitality, marine, automotive and property sectors. According to Haji Shugur, a culinary entrepreneur and activist of Non-Governmental Organization (NGO) As-Salam who is constantly working to improve the living standards of Muslims through education and commerce, the wide open access for Muslims in Nakhon Si Thammarat indeed highly contributes to establishing a business-oriented company. There is not a single slight effort from the government to hinder or restrain the Muslims from expanding their business. Therefore, the most essential thing for Muslims in such supportive condition is to possess the spirit of entrepreneurship and endless struggle to raise their business.¹⁴ It is such a great luck that the research team had a chance to visit some state-of-the-art culinary business of Muslim community that seems to meet the current demand, such that found in the Bang Baw's traditional classic style restaurant and the restaurant of Arafat which provides various dishes of local and western tastes.

¹⁴ An interview with Haji Shugur, on October 11th 2017.



One of the restaurants owned by muslim in Nakhon Si Thammarat

In line with Haji Shugur's explanation that the government has never had even the slightest attempt to restrain Muslims from developing economically, in the regime of prime minister Thaksin Shinawatra, the government increasingly opens economic access for the Muslim community and plays a major role in boosting the economic growth, particularly by facilitating the establishment of Islamic Bank of Thailand or which is more popularly referred to as I-Bank. According to Adison Tahraham or Abdul Rosyid, Branch Manager of I-Bank Nakhon Si Thammarat, I-Bank is established based on the demand of the Muslim community which is then facilitated by Thaksin. It is well depicted in what Adison conveyed to the researchers as follows:¹⁵

"I-Bank was built based on Muslim's demand which was then realized by Prime Minister Thaksin Shinawatra's policy. It is possible to say that without Thaksin's involvement the I-Bank may never come for real."

¹⁵ An interview with Adison Tahraham a.k.a Abdul Rosyid, on October 10th 2017.

Furthermore, Adison added that for the initial capital of I-Bank, the government provided a sum of 18,000,000,000 baht Thai or about 7.740 billion rupiahs and its graphs continue to increase from year to year. The establishment of I-Bank also serves as a medium for the government to distribute capital assistance for small and medium enterprises developed by the Muslim community. If previously Muslim business capital was only sourced from hereditary savings, loan from shark loans, pension fund, and property selling, now I-Bank is there to ensure the Muslims is well provided with capital loan more easily for more productive orientation.

Interestingly, it turns out that I-Bank customers are not only limited to Muslim community. To corresponds to the Islamic concept of *rahmatan lil 'alamin*, Islamic Bank of Thailand or I-Bank also provides services for the non Muslim communities. Adison specifies that of the total customers and accessors of the bank's capital, 80% of whom are Muslim and 20% are of other religion adherents. However, when viewed from the amount of deposits, the situation is reversed, as Muslims's deposit only amounts to 20% while the remaining 80% belongs to deposits from other religious adherents. In terms of employee recruitment, I-Bank not only provides opportunities for Muslims, but also provides opportunity for the non Muslims. It is primarily because in fact 30% of its employees of the total 1,800 branches of I-Bank throughout Thailand is Non-Muslim. Some underpinning reasons for Non-Muslim communities to be interested in I-Bank's service is because they feel more at ease saving their money at I-Bank than conventional banks and that they also earn greater profit through the Shariah-sharing system.

In terms of capital access, I-Bank is not the sole source for the Muslim community of Nakhon Si Thammarat as there has been a cooperative which was established 16 years ago to improve the living standards of Muslims. Al-Muslimoon, the name of



the cooperative, initially only raise funds from the Muslim community in the township which then grows larger time after time and embrace larger number of members. The underlying reason for its initial establishment in the kampong is because the rural area is the center for Malay Muslims living below the poverty line. With mandatory savings of only 100 baht or 43,000 rupiah, currently an active member

of Al-Muslimoon reaches 2,000 people with collected funds of 50,000,000 baht of Thailand or about 21.500.000.000 rupiah. According to some of its members, the cooperative ensure some benefits for its members. First, Al-Muslimoon provides them with ease of the application for car and home loans with a maximum credit of 500,000 baht. Second, it also compensates the members with ailment or death compensation. Usuf, the Manager of Al-Muslimoon Cooperative, explained that the requirement to obtain capital loan is far from difficult, as follows:¹⁶

“The requirement to get a capital loan from Al-Muslimoon is fairly easy: first, the person has been a member of the cooperative for at least six months; second, he is to have a minimum deposit of 10% of the loan size; third, it is required that the person has a job, because otherwise the person will be unlikely to repay the loan; fourth, he is to posses assets that can be a guarantee.”

In terms of networking, the Al-Muslimoon Cooperative has networked with 30 other cooperatives in the region of Southern

¹⁶ An interview with Usuf, on 10th of October 2017.

Thailand. In addition they also took college as an organizational development partner of Fathoni University based in Yala Province. To ensure the growing number of its members, the Al-Muslimoon Cooperative periodically conducts training and mentoring. It is expected that Muslims, in particular the members of cooperatives, can improve their living standards, economic level, and prosperity.



The opening of access to capital in Nakhon the Thammarat carries a positive impact as marked by widening opportunities for job vacancies of the entrepreneur sector, the declining poverty rate, and the increasing income of the Muslim community. It turns out that access greatly contributes towards the restructuring of Nakhon Si Thammarat Muslims in establishing economic balance and eliminating the justification of prosperity based on ethnicity

and religion. It inevitably leads to accelerated growth of a new middle class Muslim. In terms of the business sector, some aspiring names such as Jet Alieair come to the fore with his Ja'room brand of instant curry food ingredients. However, along with the substantial growth of his business, Jet Alieair moved out of Nakhon Si Thammarat to open factories in various cities. In general the production of instant curry spices in Thailand is dominated by Muslims from Nakhon Si Thammarat. However, the majority of these business people have scattered throughout all parts of Thailand to expand their business.¹⁷ Next to mention is Abdul Malik who is currently known as the richest Muslim in Nakhon Si Thammarat.

¹⁷ An interview with Arafat, on 10th of October 2017.

His business encompasses the areas of hospitality, property, and transportation logistics. However, in running the business, Malik does not walk alone as he built a joint venture with Thai Chinese entrepreneurs, especially in the sector of property. According to Haji Shugur, it is common knowledge that land tenure in Nakhon Si Thammarat is widely owned by Thai Chinese.¹⁸ Therefore, the sole survival strategy of Muslim entrepreneurs including Malik is avoiding frontal competition and having an economic sharing to gain access, strength and greater profit. This means that to counter the Thai Chinese ethnic hegemony in land tenure, the only possible way for Muslims is to position them as business partner instead of competitors, because otherwise Muslims will certainly lose out of the financial and networking forces. Malik's strategy is apparently replicated by many other Muslim businessmen as the number of middle class Muslims emerging from the business sector in Nakhon Si Thammarat is constantly escalating. On the basis of this explanation, it is possible to conclude that the constantly thriving business in Nakhon Si Thammarat is greatly influenced not only by the easy access of capital, but also by partnering strategy with competitors.

This is in contrast to Pattani, in which the grip of access restriction in various fields has slackened the local economic growth. Instead of creating a sense of safety, the state through their vigorous control as represented by the police and military pressure of surveillance in the city corners lead to the feeling of insecurity. It is primarily because unprecedented situation may arise at any time unexpectedly. Such vulnerable situation inevitably leads to economic loss since the local people are no longer at ease to run their business. The only economic heartbeat is most visibly detected in the heart of Pattani city, the Charoenpradit Road with its boisterous economic activities. However, as we drove further

¹⁸ An interview with Haji Shugur, on 11th of October 2017.

from the main road, a sense of economic deprivation had a grip on us as it is obviously marked by the closed stores' windows and the relatively desolated shops waiting for uneager customers. Husein Weadure, a local businessman who is a graduate of Muhammadiyah University of Yogyakarta stated that:¹⁹

"The only surviving business activities in Pattani is those centered in Charoenpradit Street. The street is slightly comparable to Jogja's Malioboro Street as the center of legendary economic activity. However, it is hard to find other growing business center out of this street because the situation all over the city is very quiet since the curfew is imposed. It is no longer safe for people to conduct activities out of Charoenpradit at nine o'clock."



Indeed, throughout the observation in Pattani, it is noticeable that the center of the business crowd is only on Charoenpradit Road. It is because the atmosphere will be

increasingly tense as it enters 21:00 o'clock of the local time. After 21.00, it is impossible for the local communities to conduct their activities outside the house since violation of the curfew will only lead to military interrogation and even unexpected capture. What is surprising is that the military surveillance is concentrated not only on the main streets, but also in the village streets and the rubber plantation. Military emergency situations have forced farmers to continuously ramp up rubber production, which is the main agricultural commodity of Pattani in order that they can survive. However, the adverse impact is the destructed rubber trees and the crashing rubber prices in the market. In addition

¹⁹ An interview with Husein Weadure, on 13th of October 2017.

to overproduction, the crashing rubber prices are attributed by farmers' panic selling leading to uncontrolled rubber price. The Thai rubber does not come to the market to sell their commodity; instead a direct buyer, one of the world's largest buyers from China, purchased their rubber with a much cheaper price. Consequently, the price of latex rubber has decreased dramatically from 2015 to 20 bath (about 8,600 rupiah) per kilo gram. It is highly incomparable with the price of the previous year reaching about 80-90 bath per kilogram.²⁰ The Thai government argues that the price reduction is not only happening in Thailand, but also in some other rubber producing countries including Indonesia.

The sluggish economy in Pattani automatically deters the investors from entering the business activities in Pattani as they feel that Pattani is not promising for business development. Amidst the situation, the government offered help by trying to open access through a skill training program called *klummaeban*, which is training aid as part of One Tambon One Product (OTOP) program to raise the products of micro, small and medium enterprises throughout Thailand. At first the Muslim community welcomed the training program, but gradually most of the people decided to leave the program. Saudi Tayeh provided a clear explanation as why many people abandoned the training as follows:²¹

"Initially the community welcomed the program warmly. However, over time they no longer wanted to participate because klummaeban activities were often not compatible with the culture of Malays, especially Muslims. For example the event is often held at the time of maghrib prayer and that there were many other binding rules. You know, there is no free lunch."

²⁰ Frans L. Kobun, *Harga Getah Karet Di Thailand Turun Drastis*, Retrieved through the link <http://tabloidjubi.com/16/2015/09/09/harga-getah-karet-di-thailand-turun-drastis/> on October 29th 2017.

²¹ An interview with Saudi Tayeh, on October 14th 2017.

The decision of the community to abandon the *klummaeban* program certainly affects their income. They had better stop participating the program and left with no income from the government, but from other sources, than exchanging their traditional principle on government rules. However, it appears that lack of capital and lack of skills make it difficult for them to earn other sources of income.

In terms of capital, in fact the Pattani Muslim community has wider options than Muslims in Nakhon Si Thammarat. If in Nakhon Si Thammarat the



Muslim community relies solely on I-Bank and Al-Muslimoon Cooperative, in Pattani besides I-Bank there are two cooperatives bigger than Al-Muslimoon, the Cooperative of Ibnu Affan and Pattani Muslim Cooperative. However, many Muslims in Pattani are uneager to access the opportunity. Indeed both Ibnu Affan and Pattani Muslim Cooperative are well received by the Muslims who keenly come to propose for capital. Unluckily, there are various obstacles hindering the growth of the two cooperatives, such as: first, lack of knowledge or social understanding. It is highly attributed to restricted access towards education in the community since they were childhood. The local people are only acknowledged with limited Islamic background which impeded the Cooperative management from explaining their products since most of them use Islamic terms. Given such conditions, it is possible to assume that it is the social mental factor which highly put the cooperative development into a halt. Another problem is unclear legal basis for

cooperatives establishment. Until 2017, the government has never issued any policy that regulates Islamic cooperatives. Regulation is becoming increasingly essential because the system of Islamic Cooperative is far different from that of general cooperatives in that the former is operated with non-usury based system which adheres to Islamic principles. The absence of such regulation prevents the Islamic Cooperative from expanding their branches in other locations. The only possible way to develop themselves is by using the new cooperative name and registration number.

In addition to the cooperative problem, Pattani Muslims are also reluctant to access capital from I-Bank. They deem I-Bank as a representation of the central government formerly driven by Thaksin Shinawatra. In this case I-Bank is actually a subsidiary of Krung Thai Bank (KTB), the largest government bank in Thailand. While for Pattani Thaksin people is seen as guilty as sin for having started the military emergency while ruling in power leading to countless deaths. Such phenomenon highlights the stark view differences between Pattani Muslims and Nakhon Si Thammarat. In Nakhon Si Thammarat, Muslims are accustomed to using modern financial systems which inevitably engenders better economic conditions. On the other hand, Muslims in Pattani are not well accustomed to use modern banking financial system which slackens the local economic growth. No wonder that they suffer from economic stagnancy.

However, in the midst of restrictive government policies that block access for the Muslim community, there is still a little room left for the middle class Muslim to prosper in Pattani. A handful of Muslims may come to the fore through professional sector such as Doctor Abdul Qodir, a well-known doctor who successfully manages to build a hospital of his own, the Sirorot Hospital operating in Pattani Province and Yala Province. In this case it is likely to assume that Doctor Qodir can successfully stand

still amidst the intricacy of rigorous life in Pattani by relying on his expertise as a medic. His expertise enables him to save money for the establishment of hospital business. Interestingly, Doctor Qodir's sharp business instinct not only leads him to conquer the health sector, but also brings him further to invest in hospitality resort business and public fueling station. In addition to Doctor Qodir's success story, there are also other middle class Muslim manages to thrive from the business sector, with a clear segmentation. One of them is Ibrahim, a middle class Muslim who engages himself in a formal sector as an elementary school teacher who also runs a reputable *kopyah* and *songkok* company in Pattani named Al-Hikmah and Al-Iman. Ibrahim has fruitfully penetrated the international market by sending his products to Muslim countries such as Saudi Arabia and Malaysia. The brand is specially designed with a special logo on each of the produced items and is very easy to find in Pattani. Upon entering every mosque, our eyes will easily spot on the logo of Al-Hikmah and Al-Iman scattered all around. This is evident as revealed by Abraham as follows:²²

"Provided that we have clear segment, we will surely end up with business survival and growth. Say, some Muslim products such as the songkok and peci. The Pattani people are very keen on wearing them, even at some school levels ranging from tadika to college. That's why my business never seem to subside, since a great deal of people are constantly in need of it. Not only in Pattani have I seen other opportunities in Saudi and Malaysia where people also always want to dress in Islamic apparels."

The aforementioned Ibrahim's opinion seems to capture his strategic way of thinking in appropriately catching the golden opportunity in business development. He is naturally gifted at foreseeing opportunities not only in his region, but also in other regions or countries where the demand for his products is so high.

²² An interview with Ibrahim, on October 14th 2017.

Unfortunately, however the number of inspiring people like Doctor Qodir and Ibrahim in Pattani are only a few. In other words, more often than not, the ongoing constraints in Pattani has almost put the economic development into a halt and thus leaving the middle class Muslim with almost no room to thrive.

Apart from the lack of access, Muslims in Pattani may end up with a tight competition with the Thai Chinese who are more established in terms of capital. It is common knowledge that Thai Chinese dominate Thailand's economy and asset ownership. The Thai Chinese not only get a grip on Pattani, but also are in command in Nakhon Si Thammarat or any other region predominantly through the control of land and other assets. It is just that in Nakhon Si Thammarat local Muslim entrepreneurs prefer to share with them rather than having to compete directly. Whereas in the context of Pattani's condition, besides being superior in asset and capital, Thai Chinese is also safer from various forms of miter examination. In other words, to simply put, suppose there is a Malay Muslim and Thai Chinese who are about to go to market to trade at the same time, it is for certain that the Thai Chinese will arrive at the market in the first place enabling them to open their store and make transactions more quickly. This is primarily because the Malay Muslims still have to go through many check points and military checks before getting to the market. Given such conditions, it is highly apparent that the economic access is more favorable to Thai Chinese than the Muslims which is attributed to the domination of the former.

C. Middle Class Muslim Religious Expression in Public Sphere of Thailand

As seen from the class formation, Muslims in Nakhon Si Thammarat are pretty apt at aligning themselves socially with other ethnicities. However, economically it is true that they are

still incomparable with the Thai Chinese in terms of amount of deposit in I- Bank. The rise of Muslim life is primarily influenced by the supportive government policies that provide them with access and facilities towards education, capital, which is welcomed by the entrepreneurial spirit of Muslim in Nakhon Si Thammarat. Thus, it is possible to assume that the growth of the middle class Muslim in Nakhon Si Thammarat is underpinned by the meeting between state driven and market driven factors in a productive spirit. In contrast, the middle class of Pattani predominantly come from the Thai Chinese leaving the Muslim Malay middle class with no room to thrive. This is principally engendered by government policies that restrict access for Muslims and are aggravated by the low entrepreneurship spirit of the Muslims themselves. This is evidenced at first hand by their reluctance to access capital from institutions using modern banking systems and their exit from the cluster programs. In other words it is justified to say that the middle class Muslim in Pattani suffer from economic sluggishness owing to a mixture between a chronic state driven and market driven factors in terms of negative or counter-productive connotation. The next question to answer is what does the Thai middle class Muslim trajectory of diverse religious expression in the public sphere look like?

So far, the level of prosperity is always deemed to be closely related to one's lifestyle. As Hughes and Woldekans point out that in terms of economy, the middle class are accustomed to maximizing their personal needs in consumption and maximizing profit in production.²³ The middle class Muslim is not only concerned about the quality of the products and the excellent service, they are also very concerned about the aspect of spirituality in every product and service they use. A good example can be seen through cosmetic

²³ Helen Hughes and Berhanu Woldekidan, "The Emergence of the Middle Class in ASEAN Countries", *ISEAS: ASEAN Economics Bulletin* Vol. 11 No. 2, November (1994), 140.

products. In addition to take heed on the quality of cosmetics they use, the middle class Muslim are also beginning to pay attention to the *halalness* aspect of the cosmetics. Not to mention is the way they prefer to dress. The middle class Muslim is identified with Islamic clothing brand which still retain the expression of their class. Thailand is no exception. Some literatures suggest that the Thai middle class is synonymous with consumptive lifestyles and the craving for enjoying market economic access. They are close to the ownership of luxury goods such as information technology devices and other imported goods.²⁴ In short, the middle class Muslim is closely associated with the stigma that they are high incomes, have a high consumptive culture, and are thirst for religious identity in the public sphere. Does the theory really apply to middle class Muslim in Thailand?

It appears that in Nakhon Si Thammarat, the middle class Muslim is thriving because it is supported by wide access that spurs the acceleration of economic growth. However, the middle class Muslim in this province do not necessarily use up their income for pleasure or lifestyle. They also do not hunger for the display of Islamic identity in the public sphere. It is true they also still retain their Muslim identity through some apparels such as hat for men and hijab for women, but interestingly they do not really care about the brand or price of the clothes they wear. According to Jameelah Shugur, a local female entrepreneur engaged in culinary business, such modest lifestyle cannot be separated from the education of Muslim parents in Nakhon Si Thammarat who hold the principle of simplicity in life. In more detail Jameelah added her explanation as follows:²⁵

²⁴ See Surichai Wun'Gaeo, *Thai Middle Classes and Political Reform*, presented at International Seminar and Workshop Beyond the Crisis: Southeast Asian Middle Classes in the 21st Century Prospect for Social Change and Democratisation, Universiti Kebangsaan Malaysia (April 25-28, 2000), 12.

²⁵ An interview with Jameelah Shugur, on October 12th 2017.

“The Muslim parents in Nakhon Si Thammarat emphasized that their children do not waste their money unnecessarily. No matter how rich a person is, it is better to spend money for raising a business or helping relatives. If we use too much money for consumptive things, it is impossible that we can grow our business.”

The explanation illustrates that the middle class Muslim in Nakhon Si Thammarat is reluctant to spend their money on consumptive and tertiary things. They prefer to use income or business profits to raise and expand their business. In fact some of their income is allocated to help other fellow Muslims’ business.

At about five months ago, several Muslim businessmen such as Thanit Keatnakhon and Haji Shugur initiated the establishment of Nakhon Si Thammarat Muslim Business Club (NMBC). The establishment of NMBC aims to bridge and unite Muslim businesses ranging from small scale to large scale in an association in order to strengthen the business. They realize that to be stronger and bigger, they are required to unite. The NMBC initiators were moved as they see how Muslims run their businesses on each own without any cooperation that actually may enable them to establish a larger scale business. Although NMBC’s work has not been clearly measured considering its immature age of less than half a year, the existence of NMBC is a proof that Nakhon Si Thammarat Muslim are well aware to help their Muslim fellows to develop their business and to continue to expand their network. Moreover, NMBC may also transform into a philanthropic institution upon need, such that in the face of natural disasters or accidents. It is perfectly portrayed in Haji Shugur explanation as follows:²⁶

“NMBC is one facet of religious expressions of Muslim in Nakhon Si Thammarat in helping others. So here, having a high income does not necessarily correspond to wasting money on spending spree, such as buying luxurious goods,

²⁶ An interview with Haji Shugur, on October 11th 2017.

expensive cars, and others. Our parents never teach us that way to use our wealth. It would be more beneficial if we use it to open a new business branch or help other Muslims to strengthen their business. Suppose that all Muslims have the same thoughts in mind, it is for sure that Muslims will get better grip on business sector.”

What is conveyed by Jameelah and Haji Shugur is clearly visible from their daily life. Although their businesses are on thrive, they kept on expanding by opening new branches without leaving their modest lifestyle. Moreover, it is apt to apply the principle of not excessively showing religious identity in Nakhon Si Thammarat considering the already established tolerance and the existence of Muslims as good citizens. With such an attitude, Muslims may live in harmony with the general society while preventing the emergence of social barriers that may harm the building of tolerance. On this account, the Muslims in Nakhon Si Thammarat highly hold up a local wisdom for not spending money in waste which is passed on from generation to generation. Ultimately, it appears that it is this local wisdom that has made middle class Muslim mobility in Nakhon Si Thammarat to play more significant role in the economic process without exaggerating religious identity in the public sphere.

It is quite the reverse with Pattani. Despite the economic hardship they suffer from, The Muslims in Pattani are always craving for excessive Islamic identity and prosperity. Muslims constantly display their religious expression through various objects, such as fashion. Though it would be unfair to say that the fashion in Pattani is of the state-of-the art, the stores displaying Muslim clothes sell well in the market. One of the standing still fashion stores amidst the sluggish economic condition in Pattani is the *Cultural Store*. This shop provides the best reference for Muslim Pattani to express their religious identity through fashion. During some interviews in Pattani, the researcher raised a question about the most popular shop which sells the latest fashion. Interestingly, all respondents

ended up referring the Budaya Store. It was a great luck that the respondents keenly brought us directly to the *Cultural Store*. It appeared that the store building was far from large, but it sells wide array of Muslims' fashion collection to suit the tastes of Muslims in Pattani. The current trends for Pattani Muslim men are long-sleeved Muslim shirt of glossy or shiny fabrics. They say that this type of clothing is mixture between modernity and Patani traditionality. Wearing such clothes makes them feel elated. In the first place they feel a sense of pride as Malay Muslims. In addition, the clothes also raise their self-confidence as a Muslim who keeps up with the latest trend or contemporary fashion. In Pattani, it is deemed important to display religious expression in everyday life. It is primarily because the Muslim Pattani would like others to get an impression that they are of wealthy people through their looks and outfits, despite the fact that they are economically impoverished. It is as if the only way to express their resistance against the government that no matter hard the repressive measures, no matter how restricted their access towards many things, Muslims in Pattani will remain strong, stand still, and fight. Such is well expressed by Abdullah Salaeh, an activist of Patani movement and a graduate of UIN Sunan Kalijaga as follows:²⁷

"The Pattani people should look prosperous, so the Thai government sees that no matter how bad they treated us, we will survive and prosper, although more often than not, our income is actually very insufficient to make ends meet. However, if we look poor, the Thai government's grip will get stronger as they will provide us with binding aids."

The explanation highlights an interesting fact that whatever happens, Muslim should not look poor. Despite the fact that their income may actually does not make ends meet, they should always strive to look prosperous to avoid the assumption of being economically deprived. It is important that the Malay Muslims hold

²⁷An explanation from Abdullah Salaeh, on October 14th 2017.

their chin up high for the sake of their self esteem in front of the military and government.

Thus, it further clarifies the trajectory and mobility of middle class Muslims in Thailand. In Nakhon Si Thammarat, the government implemented a soft power policy by opening access for Muslim communities towards worship, education, politics and capital. The ease of access is actively embraced with a high entrepreneurial spirit of the Muslim community to open new jobs, reduce unemployment, increase revenues, and accelerate economic growth. The economic transformation further accelerates the emergence of a new middle class Muslim from the business sector. The description generally applies to nearby provinces such as Songkhla and Phuket. However, the most interesting fact is that the growth of a new middle class Muslim in Nakhon Si Thammarat does not necessarily correspond with a luxurious and extravagant lifestyle; instead they make the best use of their income to expand their business activities and to help their fellow Muslims in accordance to the local wisdom that they hold as their parents' legacy. They also do not hunger for excessive religious expression because they prefer to sustain the well-built tolerance and integration with the community. On the other hand, in Pattani, the government implements vigorous policies by limiting access of Muslim communities towards education and politics through excessive military surveillance. Consequently, instead of creating a sense of safety the excessive military presence brings up insecurity and slackens the economy in Pattani. The condition is exacerbated by the reluctance of the public to access capital from financial institutions with modern banking systems so that they are divided into the sub-systems in the national economy. Although there are a handful of Muslims who come to fore as a middle class Muslim through professional channels, in general it is not easy for the middle class Muslim in Pattani to grow and develop. Such condition generally also applies in Yala and Narathiwat provinces.

However, amidst the grip of economic hardship and restricted access, the Muslims try to maintain their dignity by forcing themselves to live prosperously despite the fact that they are living under the poverty line. In other words, to put it in brief, in Pattani, religious expression is visible through the way the people dress in luxury which sets as a symbol of resistance in the public sphere.





CHAPTER V

STATE ISLAMIC UNIVERSITY
SUNAN KALIJAGA
YOGYAKARTA

CONCLUSION



The development paradigm and political policy of a country greatly shapes the dynamics of the middle class Muslim development in the three aforementioned countries. Taking heed on Indonesia, the state once made a policy in favor of the growth of the middle class Muslim through *Benteng* economic program. However, it turned out that the program failed to thrive the Muslim economy. During the New Order period, the state developed a pattern of capitalism that further encouraged the middle class growth in Soeharto's crony circle, be it among the bureaucracy, technocrats, bureaucracy, politicians and their own kin. Nevertheless, at the end of the New Order's rule, the urban middle classes started to flourish which became the reason why the New Order tried to embrace them by establishing ICMI. However, it turned out that the New Order failed to embrace the power of Islam, while the urban Muslims continued to blossom and boom in the process of Muslim market reinforcement.

As seen from the context of political reform, it is clear that

electoral democracy and regional autonomy policies have thrived the middle class Muslim in many cities. Some people have managed themselves to come to the fore by way of running for a public official position in the government through the electoral democracy. Some others may find themselves independently struggle for success by way of grabbing the chance in the Muslim market through the development of Islamic lifestyle in public space, such as the escalation of *halal* products ranging from beauty products, food, tourism, *halal*-labeled fashion.

The rise of middle class Muslim in Malaysia is driven by the state through the provision of supporting policy such as the New Economic Policy (NEP) policy revolution, translated into The Bumiputera Investment Foundation (BIF) program, with the primary aim to strengthen the national capital among the Malay Bumiputera. The industrial policy to strengthen Bumiputera's access in the state industry is the establishment of the Industrial co-ordination act (ICA), and the Bumiputera commercial and Industry community (BCIC). Meanwhile an essential policy to prepare the Malay human resources in state industrial policy is the establishment of MARA Institute Technology which later developed into University Technology MARA (UITM). Another affirmative policy for the Malays is the ease in accessing jobs, housing and land in the country's new industrial land area.

This affirmative policy is proven to possess mighty power since it generates the growth of educated professionals of Malays. They generally manage to occupy the positions in government bureaucracy and other state business institutions. In the midst of increasingly strong political policies in accommodating the Malay political aspirations, the government made the second policy revolution known as the National Development Plan (NDP) and Malaysia Multimedia Super Corridor and Vision 2020 (MSC).

However, the greatest challenge to face today is when the

national economy is dominated by the dynamics of the global economy, which brings a direct adverse impact on the Malay economy. The innumerable reductions in subsidies and other economic accessibility have led to a pressure point for the economy of the Malay middle class Muslim who have previously been accustomed to government support. No wonder, they have to suffer and struggle on their own in the midst of state policies directed towards market mechanism adjustment.

The rise of middle class Muslim in Malaysia is driven by the state as is indicated by the first and second policy revolutions, which makes them less independent. The rapid growth of Malay middle class Muslim is attributed to several interconnected factors namely the ethnicity based policies, the intellectual mobility and the global market. The religious expression of middle class Muslim in public sphere has been articulated by syariah policies (state), consuming Islamic product, and Islamic philanthropy.

The middle class Muslim in Thailand has been suffering from vulnerability in that they are not allowed to grow independently despite the support of market growth and other digital economic advancement. The Muslims in this country are of minority group with marginal position amid the unstable political upheavals in Bangkok. The military regains their control over civilian politics. Such conditions exacerbate the political conditions of Muslims in the conflicting provinces such that in Patani, Yala and Narathiwat which are treated by security approach instead of welfare approach. Under the military political pressure, it is hard to thrive and develop the economy in these three predominantly Muslim provinces. The rise of the Middle class Muslim is also constrained by the tight political control which inevitably limits the economic opportunities that bring prosperity.

Nevertheless, in the case of Muslims in Nakhon Si Thammarat Province, the soft political power that the central government

applied has provided Muslims with wider access to education, banking, employment and other economic opportunities which accordingly assures a very promising atmosphere for the growth of the middle class Muslim. It is noticeable from the fact that Halal food products are increasingly commonplace in modern markets and that multicultural atmosphere is on the rise. Such favorable condition certainly encourages the dynamics of the economy and paves the way for prosperity which ultimately leads to the growth of the middle class Muslim.





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