Effective Altruism, Islamic Philanthropy, and Public Welfare: A Critique

Altruisme Efektif, Filantropi Islam, dan Kesejahteraan Publik: Sebuah Kritik

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ABSTRACT

Islamic philanthropy is often seen as a major articulation of Islamic principles of wealth redistribution and social justice, especially in rural and peripheral areas. In this mainstream narrative, the economic mandate of Islam is seen from a prism of noblesse oblige and/or reformism, turning the Islamic notion of solidarity into an individualized obligation for charity and almsgiving. This embourgeoisement of Islamic economic ethics overlaps with and embodies the idea of Effective Altruism (EA), a utilitarian practical philosophy of philanthropy for the most pressing social causes which has grown into a gigantic industry-cum-fad of the global capitalist elites. This article presents a critique of EA, EA-adjacent practices of Islamic philanthropy, and alternative economic proposals for rural welfare. To do so, this article uses insights from critical studies of political thought, critical political economy, and solidarity economy literature as an analytical lens in analyzing EA and Islamic philanthropy and formulating a synthesis of Islamic economic ethics and alter-capitalist rural welfare practices and institutions. This paper concludes that Islamic philanthropy and EA have serious limitations in improving rural welfare, especially in Global South countries such as Indonesia, and shows alternative pathways for agrarian justice.

Keywords: effective altruism, Islamic philanthropy, rural welfare, alternative economy, agrarian justice
“In the end, my goal is to do as much good as I can for the world. I’m part of the Effective Altruism community. Basically, it’s a group of people looking to try and figure out if you want to maximize the amount of good you do, maximize the positive impact that you can have on the world.” (Samuel Bankman-Fried, former CEO of FTX and accused fraudster)

“The answer is very simple: just stop talking about philanthropy and start talking about taxes! Taxes, taxes… I mean, this is not rocket science… we can talk for a very long time about all these stupid philanthropy schemes. But, come on, we’ve got to be talking about taxes!” (Rutger Bregman, Dutch popular historian, at the 2019 World Economic Forum)

INTRODUCTION

Intensifying precariousness that stems from recent crises – the long wave of neoliberalism and dispossession, rising exploitation across fields from Big Tech to agrarian sectors, and the Covid-19 pandemic – has been a feature of the everyday life of different strata of the working class. One of the most immediate forms of public response to this growing precariousness, other than the ever-decreasing state budget and subsidies for social safety net, has been a caritative act of solidarity: philanthropy.

Such initiatives are indeed popular in rural areas, especially in a Muslim context. In rural Indonesia, mutual aid societies and cooperative ethos continue to serve as major, though not always reliable, options for economic safety valves (Henley, 2007). In Islam, financially sound Muslims are obliged to donate a portion of their income for almsgiving (zakat) and ritual sacrifice (qurban) for the poor and needy. This Islamic ethics of solidarity and social justice is manifested in a wide range of institutions and practices, most notably the Islamic charity and philanthropic organizations and foundations across the globe including in Indonesia, where they are known locally as Laziswaf (Lembaga Amil Zakat, Infak, Sedekah, dan Wakaf). The economic potential and social impacts of these collective philanthropic activities are enormous. In Indonesia alone, the National Board of Zakat (Badan Amil Zakat Nasional, Baznas) recorded that the amount of collected zakat in the country reached IDR 17 trillion in 2021 and estimated that the country’s zakat collection potential might reach IDR 327 trillion per annum in 2022 (Rosana, 2022). Globally, the UN Refugee Agency (UNHCR) noted that the zakat collection reached USD 75.8 billion in 2018, which could potentially reach up to USD 355.8 billion if proper zakat collection mechanisms were instituted (UNHCR, 2019).

In the more secular, broader global circuit of capital, philanthropy and charitable activities have become something of a favorite solution among policymakers, oligarchs, and liberal apparatchiks. Bill Gates’s philanthropic “activism” is a good case in point. In 2022, the IT magnate topped the annual list of the 10 largest charitable gifts of The Chronicle of Philanthropy, a magazine covering the philanthropy industry, by giving a USD 5 billion donation to the Bill and Melinda Gates Foundation (Di Mento, 2022). Like other so-called enlightened billionaires, Bill Gates has also pointed out his favorite charitable causes, most recently climate change (Gates, 2021) and pandemic preparedness (Gates, 2022). The size of the global philanthropy industry is also massive. A recent study from Indiana University estimates that 47 countries “contributed USD 70 billion in philanthropic outflows in 2020” with the majority of it coming from high-income countries (IU Lilly Family School of Philanthropy, 2023).

The thriving global philanthropy industry finds its intellectual justification in a trendy philosophical current called Effective Altruism (EA). As defined by William MacAskill and his co-founded charity, the Centre for Effective Altruism (CEA), EA is “the project of using evidence and reason to figure out how to benefit others as much as possible and taking action on that basis” (MacAskill, 2017, p. 2; 2019). A major inspiration for EA is the philosopher Peter Singer’s utilitarian defense of charity in his famous essay, “Famine, Affluence, and Morality (Singer, Famine, Affluence, and Morality, 1972), which details the application of utilitarian principles in policies and community actions. For Singer, citizens in rich countries, especially the middle and upper classes, have a moral responsibility to help those in need. Notice that Singer emphasizes the necessity of societal collective effort through charity rather than mass

1 This statement can be heard in this video starting from minute 6:11 https://www.youtube.com/watch?v=tXDH46iNC64
2 Hear this statement in the first two minutes of this video https://www.youtube.com/watch?v=paen3b44XY&t=114s
pressure to enforce state-based progressive taxation or decommodification, something about which he remains silent.

However, recent scandals have marred the reputation of the philanthropy enterprise. Executives of Aksi Cepat Tanggap (ACT), one of the biggest Islamic philanthropic organizations in Indonesia, were found guilty of their mismanagement and corruption of the collected donations (Ranggasari, 2022). More spectacularly, the disgraced cryptocurrency baron and poster boy of EA, Samuel Bankman-Fried (famously known as SBF), was exposed as a fraudster who mishandled billions of customer funds to maintain the operation of his failing cryptocurrency exchange, FTX (Miller, 2023).

Nevertheless, these scandals have not eroded public trust in the philanthropic enterprise, whether Islamic or secular. One can argue that philanthropy and related charitable activities, despite their problems, have delivered relatively successful results in ameliorating the plight of the poor and improving their lot. The bigger question, however, is this: is this enough?

This article pursues that inquiry by examining the current state of the philanthropy industry and the convergence between Islamic and EA charities. Then, it discusses alternative pathways to build a more democratic management of public funds. In the first section, the article problematizes the philosophical assumptions behind EA and the embourgeoisement of Islamic philanthropy. The second section follows by discussing the socio-economic potentials of a more progressive model of Islamic philanthropy with a particular reference to Indonesia. This includes a more transparent and accountable process of public fund collection and the use of charitable funds to initiate and maintain solidarity economy institutions for rural welfare such as worker cooperatives and credit unions.

FRAMEWORKS AND METHODS

To examine recent dynamics of EA and Islamic philanthropy and outline alternative proposals for rural welfare, this article draws inspiration from critical studies of political thought, critical political economy, and solidarity economy research. Insights from these bodies of literature are used as an analytical lens to show the contradictions and limitations of EA and Islamic philanthropic practices echoing Effective Altruism’s assumptions and chart possible pathways for agrarian justice. As an analysis of philosophical currents and their practices, this article mainly relies on existing data and studies.

The first framework, critical studies of political thought, looks at how the intersection between intellectual and social contexts shapes the analytical development of thinkers and their ideas (Simon, 2020). Following Quentin Skinner (2002), attention to the intellectual contexts of certain ideas requires one to look at the inter-textual language game enveloping the said ideas, their genealogy, and their impacts. This approach, in other words, attempts to excavate the internal logic of a body of thought, contextualize it within the relevant problematics, and infer the range of actions enabled by that set of ideas. To complement the Skinnerian approach, an investigation on the social contexts of political theories – in other words, their class background and positions – is needed to find out the influence of class contexts on any political ideas and their thinkers and popularizers (Wood N., 1978; Wood E., 2008). This framework allows me to explain the problems of utilitarianism in EA and the embourgeoisement of Islamic philanthropy.

Secondly, critical political economy probes into the issues of class tensions and contentions of development in peripheral capitalist societies, including Southeast Asia (Hameiri & Jones, 2020, pp. 14-18). Using this lens, this article shows the appropriation of EA by the global capitalist class and philanthropy industry, and its problematic implementation at the community level, and the limitations of EA-adjacent, bourgeois Islamic charity practices.

Lastly, this article highlights alternative economic proposals raised in the solidarity economy literature. Solidarity economy can be defined as a collection of economic ideas and practices based on collective interests over profit motive and the democratization of the labor process and its value (Jossa, 2018, pp. 45-61; Kawano, 2021). Examples of solidarity economy institutions range from producer cooperatives, credit unions, to community-run schools. By discussing this concept and its possible applications in the Indonesian context, this article offers alternative schemes for rural welfare beyond the conventional EA and Islamic philanthropy models.
EFFECTIVE ALTRUISM AND GLOBAL PHILANTHROPY: PROBLEMATIC TWINS

Despite its relatively young age, EA has taken the global philanthropy world by storm. Its perceived feasibility for ordinary individuals (saving lives by donating money) and confluence with elite interests (solving problems through private charities) make it highly appealing to the world of humanitarianism and international development. This new philosophical current has generated extensive studies, but for the purpose of this essay, I focus on its key thinkers namely Peter Singer, William MacAskill, Toby Ord, Hilary Greaves, Theron Pummer, and Yew-Kwang Ng.

As mentioned above, the roots of EA can be traced back to Peter Singer’s (1972) famous essay. Singer starts his argument by presenting a harrowing picture: the suffering of the civilians during the Bangladesh Liberation War. Moved by their plight, Singer then argues that the economically sufficient and the rich, especially those residing in prosperous nations, have a moral responsibility to lessen the amount of suffering in the world by using their wealth. Applying this utilitarian framework, Singer makes a case for his thesis by presenting a scenario: if we feel compelled to save a child drowning in a lake though we might get wet, then should we not be moved to save hungry and wounded civilians in wartime?

Singer presents more elaborate exposition of his public philosophy in his later book, The Life You Can Save (Singer, 2009). In it, Singer points out a major implementation strategy of EA: making donations to highly professional philanthropic agencies dedicated to the marginalized. Furthermore, Singer sings the praises of elite humanitarian figures, ranging from humanist professionals in the corporate sector, virtuous oligarchs such as Bill Gates, and global political and intellectual figures promoting philanthropy and aid for countries in the Global South. He echoes this prescription in his latest book on Effective Altruism, The Most Good You Can Do (Singer, 2015)

Inspired by Singer’s utilitarian political ethics and echoing his message, William MacAskill, an applied philosopher, developed EA into a more coherent philosophy. MacAskill’s first book, Doing Good Better (MacAskill, 2015), is a primer on the philosophy, which asks one simple, Singerian question: how can one do the most good? Starting with an exposition on the worrying state of inequality and poverty, MacAskill covers a range of pressing issues – war, genocide public health and education, disaster relief, you name it – and shows how collective individual actions and donations can be better channeled in causes that matter using rational – that is, utility-maximizing and evidence-based – consideration to achieve immediate impacts. Combining moral appeal with reason, MacAskill devises a number of practical considerations for his liberal praxis – finding and donating to causes with the most impact.

This “praxis” becomes questionable when MacAskill describes its details. Based on the notion of “earning to give,” MacAskill encourages his readers to pursue careers in high-earning or high-impact sectors, meaning lucrative or powerful careers such as working in finance, becoming influential entrepreneurs or politicians, or doing research with tangible impacts. The next step, then, is predictable: once we have the money or the power to control it, we can start donating to the “right” causes.

The works of other thinkers, in my view, can be seen as derivatives of the general principles outlined by Singer and MacAskill. Hilary Greaves and Theron Pummer, for example, have discussed several considerations that Effective Altruists need to consider prior to conducting their actions, such as issue preferences and rules for cost-effectiveness for altruistic endeavors (Greaves & Pummer, 2019; Pummer, 2023). Toby Ord, an ethics scholar, has written on cost-effectiveness in health interventions and longtermism – the importance of tackling humanity’s future and enduring problems from a long-term perspective – as part of the EA agenda (Ord, 2019; 2020). Lastly, the economist Yew-Kwang Ng provides an economic analysis of the optimization of policy outcomes in EA (Ng, 2020).

In a nutshell, according to Effective Altruists, charity is a politico-ethic mission, with donors as its vanguards and humanitarian and philanthropic organizations as its political vehicles. This argument sounds familiar because it does. It is precisely the argument that capitalist moguls such as Warren Buffett, Bill Gates, and SBF use to justify their charity pet projects. As expected, many of these charity projects take place in countries in the Global South, especially in rural, underdeveloped, and peripheral areas.

At first glance, this “new” philosophy of philanthropy sounds like a better, more responsible deal, especially for the poor and needy. However, despite its massive campaign, EA does have several problems. Applying insights from critical political theory, I discuss four issues with EA, namely its internal contradictions, views of political economy, policy prescriptions, and connections with the philanthropy industry.
First of all, the contractual, individualist and dyadic model of social interactions imagined in EA under its utilitarian-consequentialist underpinnings is problematic. This model assumes and even reduces human interactions and society as a cluster of dyadic interactions between philanthropic donors and potential grantees (Snow, 2015). To put it in neoclassical economics terms, Effective Altruists basically imagine society as an imperfect market. This skewed view overlooks the complexity of social interactions, even if society is imagined as a contract between donors and grantees. Furthermore, it essentially imposes the transactional market logic on our reading of social realities. Small wonder that some free-market libertarians, such as Tyler Cowen (2015), find EA attractive and can complement the workings of the market.

Secondly, EA has a simplistic, unrealistic reading of the global political economy. Again, as Snow (2015) points out, EA is silent on the question of capital. Its version of political economy neglects the processes of primitive accumulation (or accumulation by dispossession), extraction of surplus value, crisis of care, and increasing precariousness.3 There is no class struggle, since, save for repeated cries of inequality, there is no class conflict. In fact, inequality might be tolerable as long as the poor have successfully escaped abject poverty, which can be alleviated by EA interventions. In Singer’s (2015, pp. 49-50) view capitalism, while engendering rising inequality and poverty, seems to bring a larger share of the economic pie for the poor and opportunities for the rich to help the world. Equally important, EA’s universal notions of “goodness,” “impact,” and “effectiveness” might end up as false universals, since “its insistence on an abstract approach to evaluation” neglects the “demands for justice” common in universal liberation theories (Crary, Against "Effective Altruism", 2021, p. 39), not to mention its “uncritical attitude toward existing political and economic institutions” (Crary, 2023, p. 49).

In other words, the drowning child analogy-cum-appeal is only partly right. It is right to point out the misery experienced by the child, the poor, and the marginalized, but it does not inquire why the child is drowning – why the poor remains poor and miserable. This sentimental concern, to paraphrase Oscar Wilde (1891), is a false remedy that aggravates the misery.

The next problem with EA is its policy prescriptions. As explained above, the ultimate form of praxis according to EA is charity. This translates into three possible life choices: becoming generous individuals, billionaires, or high-paying professionals. Snow (2015) also highlights two additional possibilities, namely working in the philanthropy industry or the pro-capital research-advocacy-policy nexus. This is, to put it mildly, absurd. With the exception of culturally liberal or progressive causes such as animal welfare and the rights of sexual and gender minorities, EA mentions very little about major impactful social movements in recent centuries: contentious and class-based social movements.

Even in the case of alternative lifestyle advocacy, such as vegan activism, EA has failed to integrate the rich values of and experience of on-the-ground activism in communities such as low-income Black Americans (Sanders, 2023). Moreover, EA ignores other workable policy instruments that might bring “the most good” such as taxes, welfare regimes, and social democratic institutions.

Lastly, one has to take into account how the social contexts in which EA philosophers and practitioners formulate and propagate their ideas contribute to EA’s problematic trajectory. Leading EA philosophers such as Peter Singer, William MacAskill, and Toby Ord can be classified as left-liberals. Singer is even active in the Australian Green Party and has a record of supporting progressive causes such as anti-Vietnam War campaign and criticism of Israel’s apartheid policies toward the Palestinians (Goldberg, 2012; Singer, 2009, pp. 7; 58-59). Another prominent EA thinker, Yew-Kwang Ng, was enamored by communism in his youth (Wiblin & Harris, 2018). But their intellectual and social milieu made them, effectively, shills for corporate philanthropy. Recall Singer’s praise for the virtuous oligarchs. While Singer indeed argues that charity is not a voluntary choice, but rather a moral duty, he has no problem and in fact supports the dominance of capitalist donors in charity activities. Before SBF’s fall, he also had a supportive dialogue with the FTX CEO, essentially endorsing his enterprise and EA initiatives (Hakki, 2022).

MacAskill occupies a more problematic position. For over a decade, he acted as an intellectual mentor for SBF and both have worked together in FTX-funded (later turned out to be FTX customers-funded) charities, which were overseen by MacAskill. MacAskill is not in finance not because he eschews it, but rather because he encourages – or should we say entice? – bleeding-heart utilitarian whiz kids, including SBF, to enter a career in finance. How this seemingly visionary praxis went awry, crashed, and burned was not a mystery – FTX’s poor corporate governance, lack of transparency in the EA community,

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3 For elaborations on these contradictions of capitalist development, see Fraser (2016) and Harvey (2007).
questionable charity management, blind faith in the utilitarian maximization of social utility via private-funded services, and overreliance on the public persona of the duo SBF-MacAskill, are all well-documented in leading news outlets (Alter, 2023; Lewis-Kraus, 2022; Torres, 2022). In short, this social-institutional context perpetuates a production of EA ideas that potentially triggers and perpetuates corporate moral hazard and murky shortcuts for long-termist concerns.

We can also raise several familiar objections to EA and the broader philanthropy endeavor, such as the undemocratic structure of the global philanthropy industry, the complicity of the philanthropy-industrial complex in privatization and austerity agendas, and EA’s commodification of basic citizenship rights through utilitarian reasoning. Moreover, for all its enthusiasm for financial speculation, EA is mysteriously silent on the role of High Finance in fueling (neo)colonial expansion, plunder, and exploitation in the Global South, EA’s favorite region.4

On the ground, EA’s implementation, which often takes place in rural and deindustrialized areas, is no less problematic than its underlying axioms. Let us recall the issue of class tensions in developmental processes raised by Hameiri and Jones (2020, pp. 14-18). This contradiction in capitalist development has never been resolved by EA-style charities. In fact, the charities perpetuate this very contradiction; for example, the development initiatives in rural Africa funded by Howard Buffett, Warren Buffett’s son. Buffer’s projects have led to a range of problems, such as the dominance of corporate seeds in his farming projects in Eastern Congo and Rwanda and the dispossession of original inhabitants and indigenous people in his conversation project in the Virunga National Park, to name a few (Moloo, 2018). Another example is Bill Gates’s intervention in the global agro-business, which turned him into the biggest landowner in the United States and a seed oligarch in Africa (Belay & Mugambe, 2021; Orf, 2023). Obviously, all these projects do not – and will not – tackle the problems of class exploitations, the commodification of agricultural products and rural resources, and the ownership of the means of production by the rural ruling classes.5

Unfortunately, the narratives raised by the twin problems of EA and philanthropy resonate with the general sentiments of the Indonesian middle-class and mainstream approaches in Islamic philanthropy. This strange convergence of values manifests into a basic assumption: that Islamic charities and almsgiving – zakat, infaq, waqf, and shadaqah – are reduced into individual acts of charities for one’s preferred causes, such as donation for the orphans, welfare for the poor, or land donation for educational activities. It is then imperative to evaluate the Islamic philanthropy sector in Indonesia, which is the subject of the next section.

THE EMBOURGEOISEMENT OF ISLAMIC PHILANTHROPY IN INDONESIA

Despite its emancipatory aspirations, the actual practice of Islamic philanthropy can degenerate into just another bourgeois charity. Here, I use the Indonesian case as a point of reference to show the embourgeoisement of Islamic philanthropy and its limits.

Historically, the Islamic injunction for almsgiving has revolutionary origins. The First Caliph and a dear companion of Prophet Muhammad, Abu Bakar, fought a war against false prophets, apostate rebels, and zakat evaders in the Ridda Wars (Dompet Dhuafa, 2020). During his reign, Abu Bakar not only fought against these unjust opponents, but also for “the cause of the poor and…their right to benefit from Zakat that was made compulsory by God on the wealth of the rich” (Al-Ghamdy, 2012). Clearly, it is safe to say that zakat and other forms of Islamic charity and almsgiving have, at least theoretically, a redistributionist orientation and an emancipatory goal.

Quite similarly, Indonesia’s Islamic economy movement has some progressive roots and tendencies. Historically, due to the horrors of colonialism, imperialism, and capitalism, Islamic movements and parties were inspired by Marxist and anti-capitalist literature or at least paid lip service to various eclectic populist discourses for the oppressed masses or ummah (Fogg, 2019; Shiraiishi, 1990; Vu, 2010, pp. 208-233). The more recent Islamic economy movement, which started in the 1980s, also aims, at least in its initial stage, to provide correctives and alternatives for the injustice of untamed capitalism and oligarchy in Indonesia through modern economic institutions, including rural entrepreneurship and usury or riba-free banking (Choiruzzad, 2013).

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4 On the role of the banking and financial sectors in global colonialism, see Sen (1983) and Sylla (2021).
5 For a critical elaboration of rural political economy, see Bernstein (2010).
However, these ideals and practices have to be reconciled with actual political conjunctures and situated in the broader processes of capitalist development and evolving class relations in Indonesia. In addition, these (quasi)experiments of Islamic philanthropy-cum-economy unfolded under a rather specific ideological space: Cold War Indonesia, where even center-left ideas were considered to be subversive. Concretely, this means that a number of specific material and ideational factors led to the embourgeoisement of Islamic philanthropy in Indonesia. First of all, the main promoters and organizers of Islamic philanthropy practices have been the Muslim middle-class or petty bourgeoisie (Latief, 2010). The fact regarding this social basis should not lead us to interpret Islamic philanthropy as a project that is doomed to fail, but like many other instances of middle-class activism in Indonesia and other peripheral countries (Mudhoffir, 2022), it is ultimately a reformist project. These well-intentioned but often naïve reformers want to rebuild the world in their own image. Their ideas might look innovative, but in reality, they are merely caritative.

Secondly, the triumph of neoliberal ideas and institutional apparatus as the latest phase of capitalist consolidation by the global and national ruling classes has, inevitably, influenced the religious expressions of Indonesian Muslims across classes. The convergence of dual processes of the neoliberal rearrangement of state, capital, and society in the service of market expansion and the agential passion of self, family, and community for a new form of religiosity led to a curious contradiction across religious traditions in East and Southeast Asia:

“For some citizens, and not just the well-heeled or progressive minded, these changes opened up new horizons of mobility and opportunity, including for women. But for others, even some among the socially privileged, the new landscape was still blighted by large expanses of social and ethical formlessness” (Hefner, 2010, p. 1043).

This contradiction manifests into an ambivalent mixture of prosperity religion with a penchant for capitalist ethos and proto-populist, religious sentiments against social dislocations. These religious expressions are otherworldly yet mundane, spiritual yet consumerist, and cross-class yet elite-centric—all in one swirl. In contemporary Southeast Asia, these expressions are profoundly shaped by neoliberalism, which in turn gave birth into a new set of principles for religious charities: the elevation of wealth generation (but not redistribution) as a religious virtue and the disciplining of the poor in the name of individual responsibility (Retsikas, 2017).

Some concrete examples from Indonesia can illuminate this point further. Ethnographic works by Hoesterey (2015) and Rudnyckyj (2010) on the public appeal of the charismatic preacher Abdullah Gymnastiar, famously known as Aa Gym, and the popularity of Islamic Emotional and Spiritual Quotient (ESQ) training in the corporate world demonstrate that a stylized reading of Islamic ethics, centered on the notions of pop psychology and self-help, reverberates with the lifestyle preferences of the aspiring Muslim middle-class and the mission of corporate management practices. A more striking example is shown by Latief (2017), who carefully elaborates that Dompet Peduli Umat-Daarut Tauhid (DPU-DT), Aa Gym’s Laziswaf organization, relies on three pillars for its operation: a market-oriented version of Islamic spirituality that equates piety with (capitalist) entrepreneurship, the enlistment of young rural women who received training in Qur’anic recitation, childcare, and domestic chores as domestic workers, and middle-class donors who sustain the charity and simultaneously demand the (disciplined) labor of the women workers, all under the name of religious duty to the poor.

This brings us to our third point: the strange parallels between EA and the bourgeoisieified Islamic philanthropy. Singer conceptualized EA out of a left-liberal humanitarian sensibility after watching the human cost of the Bangladesh Liberation War, while Islamic philanthropy has revolutionary origins in the early days of the Rashidun Caliphate. In EA, charity is bastardized from caritas, love for one’s neighbor and work as our brother’s and sister’s keepers, into an individualized, dyadic, cost-efficient funding for trendy causes peppered with feel-good morality of starry-eyed utilitarians. See, for instance, how MacAskill lists a wide range of charities of choice, from clean water facilities to immunization, to choose from based on their impact-to-cost-effectiveness ratio in Doing Good Better. But at the same time, MacAskill defends the existence of sweatshops (pp. 209-220),7 arguing that jobs at sweatshops provide better working environment for the poor, overlooking the terrible realities of sweatshops and the many attempts by workers and unions, especially in the Global South, to improve their working

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6 On neoliberalism as the latest phase of capitalism, see Pontoh (2014).
7 These pages are based on the ePUB version of the book.
conditions. Further, in EA philanthropy, a serious discussion on the role of the state in implementing basic democratic rights is missing, as if the only legitimate social actions for citizens are doing charity and lobbying big donors to fund their favorite causes. Why not combine charity with society-driven state interventions?

Similarly, the collectivist orientation of Islamic philanthropy has been tamed into a venue for the Indonesian bourgeoisie and middle classes to fulfill their religious duty without pushing for redistribution or even reformist economic policies, as I have shown in the earlier paragraph. While EA initiatives focus on favorite causes of First World oligarchs such as disease prevention, climate change, and animal rights, contemporary Islamic charities in Indonesia prefer to channel their funds dear to the hearts of the local elites and middle-class citizens, such as children’s rights, access to education, and sanitation facilities. These parallels in values and organizational forms in both charities also mean that the current practices of Islamic philanthropy are not immune from the risk of elite capture. The ACT corruption scandal is the latest example of such captures. In electoral politics, politicians from mainstream nationalist and Islamic parties have appropriated Islamic philanthropy through party-based charities for their own benefit (Latief, 2013).

Nevertheless, despite this individualization of social piety, Islamic philanthropy in Indonesia has a lot of potential for socio-economic empowerment of the marginalized ummah, including the rural lower-classes and smallholders. As mentioned above, Indonesia collected around IDR 17 trillion zakat in 2021 alone. More importantly, some examples have shown the possibilities of a more creative implementation of Islamic charities, by channeling funds for migrant workers and building clinics for the poor in major cities and far-flung areas, to name a few (Latief, 2010; 2017). The economic potentials of the Laziswaf endeavors and the possibility of their institutional reorganization and creativity should not be ignored. To envision a different, more progressive arrangement of Islamic philanthropy for rural welfare, insights from studies on solidarity economy will be helpful.

A NEW ISLAMIC PHILANTHROPY FOR RURAL WELFARE

The old models of secular and Islamic philanthropy have reached a cul-de-sac. The next question is, how should we deal with the intellectual involution of EA and EA-adjacent Islamic charities? What are the alternative practical models beyond the conventional models? These are the pressing questions that those who are concerned with the future of Islamic philanthropy, especially in Indonesia, have to reflect and answer. We can consider several proposals for a more progressive, rural welfare-oriented Islamic philanthropy.

Structurally, Islamic philanthropy should be integrated into the broader effort to build an economic democracy for the working class. This means Islamic philanthropy practices should adroitly appropriate the productive force of corporate and political forces—a modern equivalent of the Qur’anic concept of mustakbirin (the arrogant and powerful) — and tame them. Instead of serving as the handmaiden of capital, Islamic philanthropy practitioners should use the public fund trusted to them as part of the larger economic redistribution and decommodification project, rather than in service of the neoliberal agenda of austerity and dedemocratization.

On an agential level, Islamic philanthropy should do away with EA’s methodological individualism and utility-maximizing utilitarianism. These philosophical assumptions are not only problematic in terms of their actual implementation, but also diametrically opposed to the collectivist origins and spirit of zakat and other forms of Islamic almsgiving and charity. The best way to tackle poverty and other forms of miseries in the world, to quote the labor journalist Liza Featherstone (2022), “is be less of an individual.” Practically, this requires the centering of egalitarian collaboration between those who donate their wealth and those who receive their rightful share. To conceive Islamic philanthropy from a caritative lens as a way to excuse one’s (petty)bourgeois guilt is nothing but a new version of noblesse oblige.

In terms of its vision, Islamic philanthropy should be oriented in the context of social transformation toward a post-capitalist society. In other words, Islamic philanthropy should serve as an element of the interstitial information, that is, the construction of alternative societal institutions with a pro-worker perspective as a counterbalance to the conventional capitalist institutions such as banks, financial

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8 On the interrelated nature of the neoliberal projects of austerity and authoritarian restructuring, see Sommers (2022).
services, and education system (Wright, 2010, pp. 228-239). This concept has been applied successfully by several people’s organizations in Indonesia. In North Sumatra, the Muara Baimbai cooperative founded by fishers in Sei Nagalawan has been able to maintain a profitable economic enterprise while maintaining economic democracy principles (Anugrah, 2019). In East Java, farmers in Blitar have been able to establish and run the Pawartaku Credit Union, which provides a viable for agricultural funding compared to conventional banks (Hasani, 2019). In the realm of social reproduction, the Sundanese Peasant Union (Seriak Petani Pasundan, SPP) in Ciamis operates a community-run vocational high school for children of its members which integrates formal curriculum with farming and community organizing skills.9 It is hoped that these interstitial institutions can serve as viable alternatives for the public.

Put in another way, Islamic philanthropy should be supplemented by solidarity economy institutions. A number of heterodox economists and scholars have formulated and promoted policies for economic democratization and welfare for the working class, including those who in rural areas. This includes measures such as state and public control over the financial sector and large investments, the promotion of worker and farmer cooperatives, and the transformation of capitalist firms into worker-run enterprises (Jossa, 2018; Malleson, 2014; Wolff, 2012). Islamic philanthropy should also learn and integrate positive lessons from the historical experience of social democracy and socialist states, such as state control over capital, an extensive social security system, subsidized cultural and knowledge facilities especially public libraries and theaters, and workers’ representation in corporate board and ownership via stockholding. The transformation from below promoted by Islamic philanthropy should also be supported by a transformation from above supported by state-led, gradual, and contextual industrialization.10 All in all, integrating these lessons and proposals will allow us to conceptualize a more progressive model of Islamic philanthropy.

Lastly, in light of the ACT and FTX scandals, Islamic philanthropy organizers and promoters should promote a greater transparency in the current practices of the endeavor. This self-criticism should lead into a collective organizational mechanism to combat corruption in this industry. One possible solution is to limit the allocation for operational fund and facilities for the Laziswaf operators in accordance to the public norms.

CONCLUSION

Using critical perspectives in studies on political thought and political economy, this article has shown and discussed the theoretical and practical limitations of EA and EA-style charities. To sum up, EA and its philanthropic praxis have four major problems, namely their simplistic model of social interactions, liberal-alarmist reading of global political economy, pro-capital policy prescriptions, and connections with the undemocratic philanthropy sector and oligarchic enterprises. This elaboration allows us to get a more sober assessment of EA beyond its rosy marketing. EA does have some immediate positive impacts in the absence of state provision of basic social services and rights, such as education, healthcare, and public transportation. However, the expansion of EA, as I have discussed extensively, facilitates the expansion of capital, the rolling back of state protection for social services, and the management of such services by undemocratic corporate entities.

Interestingly, contemporary practices of Islamic philanthropy in Indonesia also share some of EA’s basic assumptions, such as its utilitarian thinking and individualization of social obligations. This strange parallel is manifested in the bourgeoisified version of zakat, infaq, shadaqah, and waqf, where individual charities as an ad hoc social policy and elitist noblesse oblige as a virtue reign supreme.

The FTX and ACT scandals led to not only widespread public condemnation of the lack of transparency in the philanthropy industry, corruption, and moral hazard, but also a moment of reflection for the public and other stakeholders involved in the philanthropy world, a moment to think about the possibility of reforming and transforming the current versions of mutual aid and Islamic call for solidarity. In this context, learning from the historical examples of solidarity economy and its theoretical underpinnings can help Islamic philanthropy practitioners to formulate a more progressive version of charity.

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9 Interviews with SPP members and observation of the school activities, June 25-27, 2019.
10 On socialist market pathway for gradual (re)industrialization, see Weber (2021).
This preliminary elaboration also suggests the need to study ideas and ideational dimensions in the study of rural political economy. This is an area that is currently understudied in many sections of critical agrarian and development studies. This article is a small attempt to provoke discussions on the intersecting dynamics between rural realities and the power of ideas (6,065 words).

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