

Institutionalizing Al-Ma'un: The Historical Development of Muhammadiyah's Amal Usaha in Indonesia

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Abstract

This article examines the historical development of Muhammadiyah's amal usaha, the institutions through which the movement translates Islamic commitments into education, health care, social welfare, philanthropy, and selected economic activities. Rather than treating amal usaha as a static inventory of assets, the study analyzes it as an evolving institutional form. Using qualitative historical-institutional document analysis, it reconstructs five phases from Ahmad Dahlan's early school and the Penolong Kesengsaraan Oemoem to the professionalized networks visible by 2021. The findings show that amal usaha developed through the interaction of al-Ma'un theology, associational discipline, waqf and philanthropy, state regulation, professional expertise, and decentralized replication. Its principal innovation was to convert episodic charity into durable public-service organizations able to outlive charismatic founders and operate across religious and regional boundaries. Expansion, however, generated tensions between service and financial sustainability, voluntarism and professional employment, central ownership and local autonomy, and ideological formation and managerial specialization. Muhammadiyah's institutional durability rests not on scale alone, but on its capacity to reconnect professional administration with the movement's theological and social purposes.

Keywords: Muhammadiyah; amal usaha; al-Ma'un; Islamic philanthropy; institutional development.

INTRODUCTION

Muhammadiyah is commonly described through the visible institutions that it has established: schools, universities, hospitals, clinics, orphan-care facilities, social-service centers, mosques, philanthropic agencies, and a smaller number of commercial or productive enterprises. These institutions are usually grouped under the term amal usaha Muhammadiyah (AUM). The conventional English rendering, "charitable enterprises," captures part of the meaning but can also mislead. Amal refers to morally consequential action, while usaha refers to sustained effort, organized endeavor, and, in some contexts, enterprise. An AUM is therefore neither simply a charity nor necessarily a profit-seeking company. It is an institutionalized form of religious action through which Muhammadiyah pursues its organizational purposes in public life. The movement's statutes accordingly place amal usaha alongside programs and activities as formal means for realizing Muhammadiyah's mission, while its organizational rules treat AUM assets, reporting, and supervision as parts of the association's collective property and governance system (Pimpinan Pusat Muhammadiyah, 2020a, 2020b).

The historical significance of this form is larger than the aggregate number of institutions. In early twentieth-century Java, Muslim giving was already widespread through zakat, almsgiving, waqf, mosque support, and assistance to kin or neighbors. Muhammadiyah's innovation was not the discovery of charity. It was the conversion of religious obligation

into repeatable organizations with buildings, personnel, budgets, curricula, clinical routines, supervisory bodies, and succession mechanisms. The transformation allowed benevolent action to become durable beyond a single donor, preacher, or moment of crisis. It also created a Muslim institutional presence in domains increasingly structured by colonial administration, Christian missions, modern schooling, biomedical services, and later the Indonesian developmental state (Fauzia, 2013; Noer, 1973; Shihab, 1998).

This institutional history was grounded in a distinctive understanding of Islamic reform. Ahmad Dahlan's repeated teaching of Qur'anic chapter al-Ma'un is remembered as a demand that scriptural comprehension be proven through care for orphans, the poor, and those denied basic support. The account is often retold hagiographically, but its organizational consequence is analytically important: ritual piety was judged incomplete when detached from social provision. The later language of "al-Ma'un theology" names this practical orientation, although the term itself was systematized after Dahlan's lifetime. It framed welfare not as an optional supplement to preaching but as evidence of faithful religious life (Baidhawiy, 2009; Nashir, 2015; Gunawan, 2018).

Yet a linear story of continuous growth would be inadequate. The institutions now called AUM emerged under different political economies and did not all develop at the same speed. Education became the earliest and most reproducible sector. Health and orphan care required greater capital, professional labor, and regulatory engagement. Universities expanded substantially after independence, especially under the New Order. Formal zakat management, disaster response, community empowerment, and specialized social services grew more visibly after the democratic transition. Economic enterprises remained less consolidated than schools and hospitals, despite recurring programs intended to strengthen Muhammadiyah's financial independence. Institutional expansion therefore reflected opportunities, constraints, and path dependence rather than the execution of a single master plan (Alfian, 1989; Nakamura, 1983; Peacock, 1978).

The success of AUM also created new problems. An institution may be legally owned by Muhammadiyah but operate with employees who have weak knowledge of the movement's ideals. A school may achieve market prestige while excluding poorer families. A hospital may provide sophisticated medicine but reproduce commercial incentives that conflict with universal access. Local initiative can generate extraordinary innovation, yet decentralization can also produce unequal quality, fragmented data, and weak supervision. Professionalization is indispensable, but managerial autonomy may separate an institution from the association that established it. These tensions were openly acknowledged in Muhammadiyah discussions by 2021, when leaders repeatedly emphasized that AUM were ideological instruments rather than ordinary workplaces or businesses (Nashir, 2019; Pimpinan Pusat Muhammadiyah, 2021a, 2021b).

This article asks three questions. First, how did the institutions retrospectively called amal usaha emerge and change across Muhammadiyah's history? Second, what theological, organizational, financial, and political mechanisms enabled their reproduction? Third, what tensions accompanied the transition from voluntary reform initiatives to large professional service systems? The article does not conduct a systematic literature review and does not claim exhaustive archival coverage. It offers a historical-

conceptual reconstruction based on major scholarly interpretations, organizational documents, institutional histories, and relevant publications available up to 2021.

The central argument is that AUM should be understood as a technology of institutionalized religious action. Its historical strength lay in combining moral motivation with formal organization: al-Ma'un gave service a theological imperative; Muhammadiyah's associational structure supplied rules and succession; philanthropy and waqf provided an asset base; professional knowledge made services credible; and decentralized branches enabled replication. The same combination produced recurrent contradictions between mission and market, volunteer ethos and paid expertise, centralized ownership and local control, and social inclusion and institutional stratification. A history of amal usaha is therefore not merely a history of buildings. It is a history of how a reformist movement attempted to make religious responsibility administratively durable.

METHOD

This study uses qualitative historical-institutional document analysis. Historical analysis is employed to reconstruct sequences, turning points, and changes in the meaning and organizational form of amal usaha. Institutional analysis is used to identify mechanisms through which ideas were converted into durable structures, including rule formation, resource mobilization, professionalization, replication, and adaptation to state policy. The unit of analysis is not every individual school, hospital, or social institution, but the evolving organizational field through which Muhammadiyah produced and governed public services.

The source base consists of four groups. The first includes classic historical and sociological studies of Muhammadiyah and Indonesian Islamic modernism, especially works by Noer (1973), Peacock (1978), Nakamura (1983), Alfian (1989), Shihab (1998), and later scholarship on Muhammadiyah's social, educational, and philanthropic roles. The second includes Muhammadiyah's statutes, congress decisions, ethical guidelines, and institutional statements. The third includes historical accounts of Ahmad Dahlan, early schooling, the Penolong Kesengsaraan Oemoem (PKO), 'Aisyiyah, Islamic philanthropy, and the development of education and health institutions. The fourth includes pre-2022 studies and organizational discussions on AUM governance, professionalization, waqf, social services, and mission integrity.

Documents were read through a common analytical matrix containing five dimensions: theological justification, organizational form, principal service domain, resource base, and governance challenge. Historical observations were then grouped into five periods: formative experimentation, early consolidation, postcolonial reconstruction, developmental expansion, and post-1998 diversification. These periods are heuristic rather than rigid. Institutional change was uneven across regions, and older organizational forms persisted after new ones emerged.

The analysis distinguishes between retrospective terminology and contemporaneous practice. Early Muhammadiyah schools, clinics, poorhouses, and orphan services

preceded the later standardized use of AUM as an umbrella category. Calling them amal usaha is analytically useful because they became part of that institutional genealogy, but it should not imply that actors in the 1910s used the term with its current legal and managerial precision. The analysis also separates official normative claims from demonstrated practice. Organizational documents reveal how Muhammadiyah defines its institutions; they do not by themselves prove that every unit consistently embodies those ideals.

Several limitations must be stated. Institutional statistics have varied between reports because of differences in verification, ownership categories, inactive units, and the distinction between Muhammadiyah and 'Aisyiyah institutions. Exact totals are therefore not treated as the principal evidence of historical success. Local histories remain uneven, and institutions outside Java are underrepresented in much of the historiography. The evidence is strongest for education, health, and organized philanthropy and weaker for ordinary economic enterprises. Finally, the study's reference boundary of 2021 excludes later developments and retrospective publications, even when they offer additional data. These limitations favor a mechanism-centered account rather than a comprehensive institutional census.

RESULTS AND DISCUSSION

The historical findings are organized into five periods and then synthesized through the institutional mechanisms that connected theology, resources, organization, and professional service. Table 1 provides the periodization used in the analysis.

Table 1. Historical phases in the development of Muhammadiyah's amal usaha

Period	Dominant institutional development	Principal enabling mechanism	Recurring tension
1911–1923	Modern school, PKO, clinic/hospital, poor relief, orphan care	Founder initiative, al-Ma'un ethic, donations, early functional sections	Fragility and dependence on committed individuals
1923–1942	Branch replication, school growth, women's and welfare institutions	Associational succession, local waqf, print and cadre networks	Central identity versus local founder influence
1942–1965	Postwar recovery and entry into higher education	Community embeddedness, national regulation, professional demand	Autonomy versus dependence on state frameworks
1966–1998	Large-scale schools, universities, hospitals, clinics and social care	Developmental state, fees, professionalization, urban middle-class demand	Service mission versus commercialization and bureaucracy

Period	Dominant institutional development	Principal enabling mechanism	Recurring tension
1998–2021	Zakat, disaster response, empowerment, network governance and service diversification	Democratic civil society, specialized agencies, digital administration, cross-sector coordination	Institutional scale versus mission integrity and accountability

1. Before the Category: Religious Reform as Organized Action

Muhammadiyah's institutional pattern began before the formal consolidation of the term amal usaha. Ahmad Dahlan's educational experiments were shaped by the encounter between Islamic learning, colonial schools, reformist ideas circulating from the Middle East, and the practical deficiencies he observed in Muslim social life. The small school established in his home in 1911–1912 combined religious instruction with classroom arrangements, timetables, desks, blackboards, and subjects associated with modern schooling. The organization founded in November 1912 helped preserve and reproduce this experiment beyond Dahlan's personal household (Mulkhan, 2010; Noer, 1973; Steenbrink, 1986).

The school's importance was institutional as much as pedagogical. Traditional religious transmission was often attached to a scholar, mosque, or pesantren lineage. Dahlan's school could be regularized, inspected, financed, staffed, and copied by a branch. It offered a model through which Muslim communities could participate in modern education without surrendering religious formation to colonial or missionary institutions. The establishment of an association made the school an organizational responsibility rather than private patronage. This early connection between reform and reproducibility became a defining feature of later AUM (Nakamura, 1983; Peacock, 1978).

The same logic shaped women's organization. 'Aisyiyah, formally established in 1917, developed religious education, literacy, maternal welfare, early childhood education, and women's public leadership. Its kindergarten movement, later known through Bustanul Athfal, widened the temporal reach of Muhammadiyah education into early childhood and made women central actors in institution building. The history of AUM cannot therefore be reduced to male central-board initiatives. Women's collective organization supplied teachers, managers, donors, social workers, and local networks that converted household piety into public welfare (Blackburn, 2004; Suryochondro, 1984).

The formative principle was that a religious teaching became socially meaningful when embodied in a reproducible practice. This was expressed most powerfully in the al-Ma'un narrative. Dahlan's pedagogy required students to move from recitation to intervention: identifying poor people, sharing resources, and organizing care. The point was not only

individual generosity. Repetition demanded a structure. Once assistance required continuity, records, facilities, and responsible personnel, charity began to take institutional form. In this sense, the theological origin of AUM was inseparable from an administrative discovery: recurring social obligations need organizations (Baidhawiy, 2009; Nashir, 2015).

2. Formative Institutionalization, 1912–1923

During Dahlan's leadership, Muhammadiyah gradually differentiated its work into functional sections. Education, preaching, publications, and public assistance required different competencies and routines. By around 1920, the *Penolong Kesengsaraan Oemoem*—literally the Relief of General Suffering—had emerged under the leadership of Haji Sudja'. Its program envisioned medical services, assistance for the poor, and care for orphans. The breadth of that vision mattered: suffering was treated as a public condition requiring organized response, not merely as a private misfortune to be relieved by occasional alms (Syuja', 2009; Nashir, 2021a).

The first generation of welfare institutions materialized in the early 1920s. Muhammadiyah developed a poorhouse, medical services that became associated with PKO/PKU, and organized orphan care. The first Muhammadiyah hospital or clinic in Yogyakarta was inaugurated in 1923, the year of Dahlan's death. These institutions drew on donations, voluntary labor, medical expertise, and the organizational legitimacy of the association. They also responded to a competitive colonial field in which Christian missions operated schools, hospitals, and poor-relief institutions. Muhammadiyah did not merely oppose missionary activity rhetorically; it produced Muslim alternatives with comparable organizational forms while assigning them an Islamic ethical purpose (Shihab, 1998; Syuja', 2009).

This period established four durable properties of AUM. First, service was open in principle to a public wider than registered members. Second, the institutions combined lay and professional knowledge: religious leaders mobilized support, while teachers and medical personnel delivered specialized services. Third, local resources were converted into collective assets. Fourth, organizational continuity was made more important than personal ownership. Dahlan's death did not terminate the school or welfare initiatives because authority and property had been transferred into an association capable of succession (Alfian, 1989; Nakamura, 1983).

However, the formative institutions remained financially fragile and geographically concentrated. They depended heavily on committed individuals, local donations, and reputational trust. The moral language of sacrifice could obscure the practical burden placed on teachers, nurses, and organizers. The later mythology of effortless expansion should therefore be resisted. The early AUM model succeeded because volunteers accepted high costs and because the organization progressively learned to stabilize

facilities and routines. Its institutional achievement was real precisely because failure was possible.

3. Consolidation and Replication under Late Colonial Rule, 1923–1942

After Dahlan's death, Muhammadiyah demonstrated that its institutions were not dependent on a single charismatic founder. Successive leaders consolidated branches, schools, religious councils, women's activities, youth organizations, and welfare services. The movement's expansion beyond Yogyakarta relied on itinerant preaching, print, interregional networks, and the willingness of local Muslims to establish branches with their own facilities. Central leadership supplied identity and rules, but implementation was strongly decentralized (Alfian, 1989; Nakamura, 1983; Noer, 1973).

Education remained the most scalable AUM sector. A school could begin in modest rooms, use standardized schedules and curricula, charge limited fees, mobilize local waqf, and recruit teachers from an expanding Muhammadiyah milieu. Schools also generated organizational reproduction by educating future activists. Their dual function—as public service and cadre-forming environment—made them more than charitable institutions. They were sites where reformist religious practice, discipline, cleanliness, literacy, and associational identity were normalized (Peacock, 1978; Steenbrink, 1986).

Health and welfare services expanded more slowly because they required equipment, trained personnel, and continuing expenditure. Nevertheless, PKO became an enduring symbol of the movement's practical theology. Medical care, orphan support, and poor relief offered visible evidence that Islamic reform could address bodily and economic vulnerability. These activities were especially important in a colonial environment where access to modern health care was stratified and state welfare remained limited. Muhammadiyah's services did not replace the colonial state, but they widened access and demonstrated Muslim capacity for organized provision (Fauzia, 2013; Shihab, 1998).

'Aisyiyah contributed to the consolidation of social services through maternal and child welfare, girls' education, literacy, and women's religious organization. This widened the social base of institution building and challenged assumptions that public service leadership belonged exclusively to men. At the same time, gendered divisions of labor often assigned care, teaching, and welfare to women while formal authority remained male-dominated. The institutional history of AUM thus includes both women's emancipation and continuing asymmetries in organizational power (Blackburn, 2004; Suryochondro, 1984).

By the end of the colonial period, the movement had developed a recognizable institutional repertoire: establish a branch, acquire or receive land through waqf, open a school or service unit, create a managing board, mobilize donations and fees, connect the institution to Muhammadiyah's leadership structure, and reproduce reformist identity

through education and worship. This repertoire allowed local variation while maintaining a shared organizational brand. It also created later governance difficulties, because locally built institutions frequently developed strong attachments to founders, families, or regional elites even though formal ownership belonged to the association.

4. War, Revolution, and Postcolonial Reconstruction, 1942–1965

Japanese occupation, revolution, and early independence disrupted Muhammadiyah institutions through shortages, political mobilization, damaged facilities, and administrative change. Yet the movement's dispersed network also provided resilience. Schools, clinics, mosques, and branches were embedded in communities rather than controlled through a single centralized bureaucracy. This allowed many institutions to survive or reopen under difficult conditions. Muhammadiyah figures participated in national politics and state formation, but the association retained social-service institutions as a relatively autonomous base of public influence (Alfian, 1989; Boland, 1982).

Independence changed the environment of AUM. Education and health were now national-development responsibilities, but the state lacked capacity to provide them evenly. Muhammadiyah institutions could cooperate with public regulation while retaining religious ownership. The movement adjusted curricula, legal forms, professional qualifications, and funding arrangements to national standards. This was not a simple absorption into the state. AUM became hybrid institutions: privately organized, religiously motivated, publicly regulated, and frequently dependent on combinations of fees, donations, subsidies, and community support (Hefner, 2000; Steenbrink, 1986).

Higher education became a major new field. The establishment of Muhammadiyah higher-education institutions in the 1950s responded to demand for teachers, professionals, Muslim intellectuals, and regional access to tertiary study. Universities expanded the meaning of amal usaha from basic welfare provision to knowledge production, professional formation, and elite reproduction. They also increased managerial complexity. Colleges required accreditation, faculties, laboratories, salaried academics, and substantial assets, creating stronger incentives for professional administration and tuition-based finance (Nashir, 2015; Subhan, 2012).

The postcolonial period also exposed political vulnerability. Intense ideological conflict, party competition, and the instability surrounding Guided Democracy complicated associational life. Muhammadiyah maintained proximity to Muslim political networks but was not reducible to a party. Its schools, hospitals, and welfare units provided continuity when formal political influence fluctuated. AUM thus functioned as an alternative form of politics: rather than control the state, the movement accumulated social authority by providing services and forming citizens (Hefner, 2000; Nakamura, 1983).

5. Developmental Expansion and Professionalization, 1966–1998

The New Order created conditions for a dramatic expansion of Muhammadiyah's educational and health institutions. Political restrictions narrowed overt ideological contestation, while economic growth, urbanization, mass schooling, professional education, and state-development programs increased demand for social services. Muhammadiyah's long experience in associational management positioned it to open schools, academies, universities, hospitals, maternity clinics, and social institutions across the archipelago (Nakamura, 1983; Sairin, 1995).

Expansion depended on a productive accommodation with the developmental state. AUM followed national curricula, licensing requirements, medical regulation, and bureaucratic reporting. Some institutions received subsidies, civil-servant teachers, insurance payments, or other forms of public support, while remaining legally and symbolically associated with Muhammadiyah. This relationship complicated the boundary between state and civil society. The movement was neither a contractor executing government policy nor an entirely independent charity. It co-produced public goods within a regulated national system (Hefner, 2000; Syamsuddin, 1995).

Professionalization became unavoidable. Large hospitals could not rely on pious volunteers alone; universities needed qualified lecturers; schools required certified teachers and administrators. Salaries, procurement, accounting, quality assurance, and strategic planning moved AUM toward bureaucratic and managerial forms. Professionalization improved service reliability and public credibility, but it also altered the social composition of institutions. Many employees joined because of occupational opportunities rather than prior Muhammadiyah commitment. The workplace increasingly contained a distinction between the association's cadres and professional staff (Nashir, 2019; Pimpinan Pusat Muhammadiyah, 2021b).

Tuition and service fees became more important as institutions grew. This did not automatically make AUM commercial, because revenue was commonly reinvested rather than distributed to private owners. Nevertheless, dependence on user payments created stratification. Prestigious urban schools and hospitals required capital and could orient themselves toward middle-class demand. Cross-subsidies, scholarships, social funds, and low-cost services mitigated exclusion but did not eliminate it. The original language of serving the poor had to coexist with institutions competing for qualified staff, technology, accreditation, and financially sustainable operations (Latief, 2010; Nashir, 2019).

The New Order also reinforced sectoral path dependence. Education and health received clear regulatory frameworks and growing markets, allowing AUM to scale. Economic enterprises remained comparatively fragmented. Muhammadiyah repeatedly encouraged cooperatives, small business, and productive assets, but it did not develop a business conglomerate equivalent to its school and hospital networks. This difference

suggests that AUM growth was not simply the result of entrepreneurial culture. It was strongest where religious legitimacy, public need, professional standards, and state-recognized service models could be combined.

By the 1990s, the movement's public identity was inseparable from its institutions. This created a paradox. The AUM network protected Muhammadiyah from dependence on political office, but the management of institutions consumed increasing organizational attention. The association risked becoming known more as an owner of schools and hospitals than as a reform movement capable of social criticism. Institutional success therefore generated the need for ideological renewal and stronger governance.

6. Diversification, Network Governance, and Public Crisis, 1998–2021

The democratic transition after 1998 expanded civil-society space and enabled Muhammadiyah to diversify its institutional action. Established schools, universities, hospitals, and social-service facilities continued to grow, while specialized agencies strengthened zakat management, disaster response, community development, legal advocacy, environmental engagement, and humanitarian cooperation. Lazismu, founded in 2002, represented an effort to transform dispersed giving into professionally managed philanthropy. Disaster-management structures similarly translated volunteer mobilization into trained, coordinated humanitarian response (Latief, 2013; Pimpinan Pusat Muhammadiyah, 2015).

This diversification broadened the meaning of amal usaha. Some activities took the form of permanent facilities; others were networked programs, funds, emergency teams, empowerment projects, or knowledge centers. Organizational leaders warned against reducing AUM to tangible assets alone. The underlying category was structured good work, not merely ownership of buildings. Nevertheless, schools, universities, hospitals, clinics, and social-care institutions remained the dominant institutional base because they combined recurrent public demand with relatively stable revenue and regulatory recognition (Pimpinan Pusat Muhammadiyah, 2021a).

Governance became a central concern. Muhammadiyah's statutes established that organizational wealth, including AUM assets, belonged legally to the central association, while management and supervision operated through multiple leadership levels and sectoral councils. This arrangement protected assets from private appropriation and expressed the principle that local founders were trustees rather than owners. In practice, however, information asymmetry, regional autonomy, weak asset documentation, and the managerial power of successful institutions could complicate central oversight (Pimpinan Pusat Muhammadiyah, 2020a, 2020b; Hafni & Harventy, 2013).

The growth of salaried professional work intensified questions of identity. By 2021, Muhammadiyah leaders publicly observed that many employees in AUM had limited

organizational backgrounds and might regard the institution as an ordinary workplace. The problem was not that non-cadres lacked professional legitimacy. Open recruitment could strengthen competence and inclusiveness. The problem arose when institutions no longer transmitted why they existed, whom they were supposed to serve, and how professional decisions related to Muhammadiyah's Islamic mission. Calls to combine sincerity, seriousness, ideological understanding, and professionalism reflected this concern (Pimpinan Pusat Muhammadiyah, 2021b, 2021d).

Social services also underwent conceptual revision. Child-care institutions increasingly moved from the language of "orphanages" toward rights-based social-welfare institutions, family strengthening, and regulated professional care. This transition showed that fidelity to al-Ma'un did not require preserving early twentieth-century organizational forms unchanged. The moral commitment could remain while service models adapted to social-work standards and changing understandings of children's rights (Pimpinan Pusat Muhammadiyah, 2021e).

The COVID-19 crisis in 2020–2021 demonstrated the operational value of the AUM network. Hospitals, universities, schools, philanthropic bodies, disaster-management teams, and local branches could mobilize facilities, personnel, laboratories, public communication, protective equipment, food assistance, and religious guidance. The response also imposed major costs on health institutions and revealed uneven capacity. The episode confirmed that AUM functioned as a distributed welfare infrastructure, not merely a collection of unrelated organizations (Pimpinan Pusat Muhammadiyah, 2021f).

By the end of 2021, AUM had become both Muhammadiyah's greatest institutional strength and a major source of organizational anxiety. The movement possessed a century of accumulated assets, professional expertise, and public trust. Yet scale could not guarantee mission. Leaders repeatedly warned against capitalism without social purpose, institutional ego, weak coordination, and the separation of AUM from the persyarikatan. The historical problem had shifted: the early movement struggled to build durable institutions; the contemporary movement struggled to ensure that durable institutions still enacted reformist religious purposes.

7. Historical Mechanisms of Institutional Development

Across the five periods, the development of amal usaha was driven by six recurring mechanisms. The first was theological authorization. Al-Ma'un, the concept of Islam as *din al-amal*, and the broader obligation of useful action made social provision a religious duty. The second was associational routinization. Rules, leadership succession, councils, and reporting converted founder-led initiatives into organizational responsibilities. The third was asset stabilization through *waqf*, donations, land, buildings, and reinvested income. The fourth was professionalization, which connected moral purpose to modern educational, medical, financial, and administrative expertise. The fifth was decentralized

replication through branches and regional initiative. The sixth was adaptive engagement with state standards, subsidies, accreditation, and welfare policy.

No single mechanism was sufficient. Theology without administration could produce episodic charity. Administration without moral purpose could produce bureaucratic self-preservation. Waqf without professional management could leave underused assets. Expertise without organizational accountability could enable mission drift. Decentralization without common rules could fragment the network, while centralization without local initiative could suppress growth. AUM endured because Muhammadiyah repeatedly recombined these elements rather than relying on one source of authority.

The historical pattern also explains uneven sectoral development. Education aligned most easily with branch replication and cadre formation. Health care required greater professional and capital intensity but acquired strong public legitimacy. Social welfare remained morally central but often financially dependent. Philanthropic agencies provided flexible resource mobilization. Economic enterprises faced a less settled institutional identity because the boundary between revenue generation, member welfare, social business, and ordinary commercial activity was harder to define. The AUM field was therefore a hierarchy of institutional maturity rather than a uniform portfolio.

Discussion

The historical sequence can be interpreted through a framework that treats AUM as a negotiated combination of normative purpose and institutional capacity. Table 2 summarizes the main dimensions, risks, and governance implications.

Table 2. Analytical framework for amal usaha as institutionalized religious action

Dimension	Historical function	Institutional risk	Governance implication
Theological orientation	Defines service as religiously obligatory public action	Symbolic invocation without operational consequences	Translate values into access, integrity and service standards
Associational structure	Provides succession, ownership and common identity	Bureaucratic distance from communities	Clarify authority, reporting and participation
Resource mobilization	Stabilizes donations, waqf, fees and reinvested revenue	Asset accumulation and exclusionary pricing	Audit social benefit, affordability and reinvestment
Professional expertise	Improves quality, safety and public credibility	Technocracy and weak movement identity	Integrate competence with ethical formation
Decentralized replication	Enables local initiative and nationwide expansion	Uneven quality, fragmented data and local capture	Use differentiated oversight and network-wide information
State engagement	Provides recognition, standards, subsidy and public reach	Policy dependence and loss of critical autonomy	Combine compliance with social advocacy

1. Amal Usaha as Institutionalized Theology

The findings support interpreting AUM as institutionalized theology. This does not mean that organizational structures mechanically express doctrine. It means that particular theological judgments create expectations about what an institution should do. Al-Ma'un rejects religious self-satisfaction amid neglect of vulnerability. When translated institutionally, this judgment requires regular access, qualified service, continuity, and accountability. A hospital, school, or welfare center becomes the material form through which a theological claim can be publicly tested (Baidhawiy, 2009; Nashir, 2015).

This perspective corrects two reductions. The first reduces Muhammadiyah modernism to purification of belief and ritual. Purification was important, but the movement's historical distinctiveness also lay in building organizations. The second reduction describes AUM as evidence of managerial modernity detached from theology. Modern administration was crucial, but organizational techniques were selected and legitimized through an Islamic moral project. Muhammadiyah did not simply imitate missionary institutions; it appropriated modern organizational forms to demonstrate that Islamic commitment could sustain public service (Peacock, 1978; Shihab, 1998).

Institutionalization also changed the meaning of charity. Direct giving establishes a relationship between donor and recipient, often temporary and personalized. AUM pools resources, employs intermediaries, creates rules of eligibility, and continues beyond the original donation. This can increase reach and fairness, but it can also distance donors and managers from the people served. The history of AUM therefore represents both the rationalization of compassion and the risk that compassion becomes an administrative abstraction (Fauzia, 2013; Latief, 2010).

2. A Hybrid Welfare Infrastructure

AUM developed as hybrid welfare institutions situated between state, market, and community. They were not state agencies, yet they delivered regulated public goods. They were not conventional firms, although many charged fees and competed for users. They were not informal charities, because they maintained assets, employees, and bureaucratic routines. This hybridity helps explain their resilience. Institutions could combine donations, waqf, tuition, clinical revenue, subsidies, insurance reimbursement, and volunteer labor instead of relying on a single source (Hefner, 2000; Latief, 2013).

Hybridization also created ambiguity. When an AUM charges market-level fees, the absence of private profit distribution does not by itself ensure social justice. Reinvestment may strengthen institutional quality, but it may also prioritize expansion over affordability. Conversely, demanding permanently cheap services without adequate financing can degrade quality and exploit workers. The relevant question is therefore not

whether AUM should earn revenue, but how revenue is governed, cross-subsidized, disclosed, and connected to public benefit.

The public-service role of AUM should not be romanticized as a substitute for the state. Muhammadiyah historically filled gaps in education, health, and welfare, but universal social rights remain governmental responsibilities. Civil-society provision can innovate, reach communities, and discipline state performance; it can also normalize unequal access when public systems remain weak. The most defensible role for AUM is complementary and critical: delivering services while advocating policies that reduce structural deprivation.

3. Professionalization, Ideological Formation, and Mission Drift

The transition from volunteer activism to professional organizations was historically necessary. A surgeon, accountant, lecturer, social worker, or school principal cannot be replaced by ideological enthusiasm. Competence is itself an ethical requirement because poor professional practice harms beneficiaries. The contrast between piety and professionalism is therefore false. The problem is the failure to integrate them in recruitment, orientation, performance standards, and leadership accountability (Nashir, 2019; Pimpinan Pusat Muhammadiyah, 2021d).

Mission drift becomes likely when performance is measured only through enrollment, bed occupancy, revenue, accreditation, or asset growth. These indicators matter, but they do not reveal whether poorer groups gain access, whether employees are treated fairly, whether knowledge serves social needs, or whether institutions strengthen the movement's reformist capacity. Ideological formation should not become compulsory symbolism or doctrinal testing unrelated to work. It should clarify institutional purpose and translate it into measurable obligations: inclusion, integrity, anti-corruption, service quality, non-discrimination, environmental responsibility, and reinvestment for public benefit.

The historical record suggests that AUM identity is strongest when employees can see a credible relationship between institutional discourse and daily decisions. Invoking al-Ma'un while denying necessary care, underpaying workers, tolerating corruption, or commercializing access would convert theology into branding. Conversely, professional employees without prior Muhammadiyah affiliation can become committed institutional actors when the organization demonstrates ethical consistency and provides substantive formation.

4. Central Ownership, Local Initiative, and Uneven Development

Muhammadiyah's legal principle of collective ownership protects AUM from inheritance, sale by local founders, and private capture. Its decentralized organizational culture,

however, gives local communities substantial responsibility for establishing and maintaining institutions. This combination has been a major engine of expansion. Local actors possess knowledge, networks, and motivation that a central office cannot manufacture (Pimpinan Pusat Muhammadiyah, 2020b).

The same combination generates agency problems. Local managers may control information and resources more effectively than supervising councils. Strong institutions may resist organizational direction, while weak institutions may depend on intervention that central structures cannot adequately provide. Asset records, appointments, procurement, and financial reporting can become contested. Uniform rules may be necessary for accountability, but excessive centralization may discourage local giving and initiative because communities no longer perceive meaningful stewardship.

A sustainable model requires differentiated governance. High-risk institutions such as hospitals and universities need strong professional boards, audited finances, conflict-of-interest controls, and clear separation between strategic oversight and daily management. Smaller schools and social services need proportionate requirements and capacity support. Network-wide data should identify quality gaps rather than merely aggregate impressive totals. The historical achievement of replication must now be matched by an equally serious capacity for consolidation, rehabilitation, and, when necessary, responsible closure.

5. Reperiodizing the History of Amal Usaha

The historical development of AUM can be summarized as a shift through five dominant problems. The formative period addressed whether religious teaching could become organized action. The interwar period addressed replication and survival beyond the founder. The early republic addressed integration into a national institutional order. The New Order addressed expansion and professionalization. The post-1998 period addressed diversification, network governance, and mission integrity. Each phase retained unresolved problems from the previous one.

This periodization challenges celebratory narratives in which increasing institutional numbers automatically signify progress. The relevant historical question changes over time. Founding a school in 1912 was a radical intervention because organized Muslim education was limited. Founding another school a century later is not inherently reformist if it duplicates existing provision, excludes disadvantaged students, or lacks educational quality. Institutional fidelity requires responding to contemporary forms of deprivation rather than repeating inherited organizational forms.

The concept of amal usaha remains useful precisely because it joins ethical action with disciplined effort. Yet its future significance depends on retaining both terms. Amal without usaha may remain temporary and ineffective; usaha without amal may become

self-serving organization. Muhammadiyah's history shows repeated attempts to hold them together, not a final resolution of the tension.

CONCLUSION

The history of Muhammadiyah's amal usaha is the history of a religious movement learning to make moral responsibility durable. Beginning with a small modern school and early welfare experiments, Muhammadiyah built an institutional repertoire that connected scriptural interpretation, associational governance, philanthropy, waqf, professional knowledge, and local initiative. Schools, hospitals, social services, universities, and later specialized philanthropic and humanitarian agencies transformed Islamic service from episodic benevolence into a distributed public infrastructure.

The movement's principal innovation was not organizational size by itself. It was the capacity to reproduce institutions beyond charismatic founders and across diverse regions while maintaining a common religious identity. This capacity allowed Muhammadiyah to contribute to Indonesian education, health care, social welfare, and civil society under colonial rule, revolution, authoritarian development, and democracy. AUM also provided Muhammadiyah with social influence that did not depend primarily on electoral or governmental office.

Institutional success nevertheless produced structural tensions. Revenue was needed for sustainability but could encourage exclusion. Professional expertise improved quality but could weaken ideological connection. Decentralization generated initiative but also unequal standards and fragmented accountability. Collective ownership protected assets but did not automatically prevent managerial capture. The lesson is not that professionalization or growth betrayed the original mission. It is that neither possesses inherent moral value. They must be governed through the social purposes that justified the institutions in the first place.

By 2021, the central challenge had changed from creating AUM to renewing them. Renewal requires historically informed governance: clear public-benefit obligations, credible financial accountability, professional boards, staff formation linked to work ethics, cross-subsidized access, network-wide quality data, and stronger connection between service delivery and structural advocacy. The al-Ma'un legacy remains relevant only when it functions as a criterion for institutional decisions rather than a ceremonial origin story. Muhammadiyah's future as a reform movement will depend on whether its accumulated organizations continue to relieve suffering, expand capability, and correct injustice—not merely whether they continue to exist.

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