

## **Halal Cart With Sustainable Philanthropy (A Case Study in Bau-Bau City of Southeast Sulawesi, Indonesia)**

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### **Article Info**

### **Abstract**

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This study aims to examine: a) the existence of *halal* cart in Bau-Bau city of Southeast Sulawesi in which the operations are based on the philanthropic awareness of the employees of the Ministry of Religion in Bau-Bau; b) the business effect using *halal* carts on philanthropic actions of the owners in Bau-Bau; and c) the *halal* cart model with sustainable philanthropy as the best practice of sharia-based microbusinesses in Southeast Sulawesi. This research is designed with the descriptive-qualitative methods, in which the researchers collected the data by observation, in-depth interviews, and focused-group discussions. Also, the data analysis technique used refers to the Miles and Huberman theory, namely data display, reduction, and conclusions. The results indicate that the *halal* cart is one of the microbusiness models developed by doing small businesses such as the food vendors who meet the *halal* (hygienic ingredients and tools) and *thayyibah* (based on the health and hygiene standards) criteria. The *halal* cart significantly affects the business owner philanthropic actions where they spare their income for the charity in form of *infaq*. The *halal* cart model with sustainable philanthropy can be used for all the microbusinesses in Southeast Sulawesi. As far as we know, there is still little research on the halal cart model with a philanthropic perspective as a good practice for sharia-based micro businesses, especially in Muslim communities, this research is an attempt to enrich insights and fill the gap.

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## **1. INTRODUCTION**

Microbusiness, also known as microenterprise, refers to a small, medium, and micro business which is rapidly gaining ground in Indonesia (Wardana & Suhardjanto, 2020), but the philanthropy awareness has been lack in the implementation. Philanthropy is an effort to improve human welfare regardless of people's social status, so they can be more empowered and prosperous. Generally, it is considered common when the wealthy people who have large-scale business or high income do charity showing their philanthropy awareness (Robert, 2018). However, it does not apply in the same way to the small business owners. This new

trend, indeed, is more interesting to discuss, especially when this micro-business owners do charity regularly to develop the sustainable philanthropy actions. This practice has been initiated by the employees of Ministry of Religions to give *zakat*, *infaq*, and alms for developing the microbusiness in Bau-Bau, especially the meatball business owners who continue doing this good practice supervised by the Ministry of Religions.

Research on the discussion of the philanthropy awareness of the high-income family is considerably popular, while the case in the low-income family running microbusiness using *halal* cart is hardly discussed. Amelia Fauziah (2018), however, has investigated the philanthropy across histories. She reports that during the colonial period, Islamic social organizations, such as Nahdlatul Ulama and Muhammadiyah carried out this philanthropic activity. Likewise, the villagers tend to donate the amount of money in the mosque of the village. The farmers for example have good philanthropic awareness by donating some of their farming crops. Till the modern era, philanthropic management has been slowly carried out in a professional and varied way by the philanthropic institutions. Later researchers found that Philanthropy in Islam is more in the predetermined concepts and forms set out in the Qur'an and Hadith, in which the philanthropy in Islam matters Allah's blessing the most, prioritizes the social dimension, and refers to result of human's collaborations. Whether philanthropical awareness and actions could fill the social gap among societies is inseparable from the role of philanthropic institutions. The philanthropy actions such as doing capital distribution to the small-scale business owners may significantly and positively affect the economic activities as producers to increase their income (Linge, 2015).

In 2005, during International Microfinance Day, United Nation (UN) suggested the sustainability of Microfinance Institutions (MFI) (Bakhtiari, 2006). Several studies on MFIs have focused on evaluating MFI performance and sustainability by evaluating financial indicators directly affecting the level of independence, outreach and lending mechanism (Hartarska & Nadolnyak, 2007). Chaves and Vega (1996) reveal that the success of MFIs in Indonesia is a result of the organization's design. They argue that the design of an organization in facilitating the financial services is very important because it will determine the performance of the MFI and ultimately determine the success and its failure.

In the past decade, the most recent and popular MFI model in Indonesia has been the sharia MFI. The operational principle of the Sharia Microfinance Institutions (SMFI) generally assembles the conventional ones, but the contract and transactions are different in terms of the interest. Sharia system relies on a profit-sharing system rather than interest growth (Nugroho, 2014). Sharia microfinance institutions are applying an Islamic-based financial system or known as sharia microfinance system. The addressing sharia microfinance institution in this research is Baitul Mal wat Tamwil (BMT) (Hasbi, H. (2015). This institution is quickly gaining ground because of the high demand for the financial services, but on the other hand access to the more conventional banks is relatively difficult. BMT provides solutions for people to get funds easily and quickly, avoid being caught in moneylenders, and refers to sharia principles. SMFI has the most prominent developments over the past fifteen years, when compared to various other Islamic financial institutions in Indonesia (Wulandari, & Kassim, 2016).

However, this recent research focuses on the capital distribution done by the microbusiness actors to their fellows in Bau-Bau of Southeast Sulawesi which is very intriguing. In this respect, the following questions were addressed through this research; (a) how is the existence of *halal* cart in Bau-Bau? (b) how does *halal* cart influence the

philanthropic actions done by microbusiness owners in Bau-Bau? and (c) how is the use of *halal* cart model in the sustainable philanthropic perspective as the best practice of microbusinesses in Southeast

## 2. METHODS

This study uses a qualitative research paradigm (Patton, 1990). Whereas the argument underlying the selection of research objects aimed at *halal* carts is because the management of *halal* carts in Bau-Bau has its own uniqueness founded on the basis of philanthropic awareness of the employees of the Ministry of Religion in Bau-Bau. The location of this research is in Bau-Bau because the *halal* cart design was first operated in this city. The primary and secondary data were obtained to complete the research. Primary data and information were obtained directly from the Head of the Ministry of Religion in Bau-Bau as the main initiator, *halal* cart businessman, Head of the Islamic Society Guidance Section of the Ministry of Religion, and the Head of the Bau-Bau National Zakat Board. While the secondary data and information were found from customers and the Bau-bau Government as well as other stakeholders. Data and information were collected through participant observation, in-depth interviews, and focused group discussions. Researchers objectively monitored the management of *halal* carts and their employees at a number of points in Bau-Bau, then directly interviewed the initiators, managers, businessmen, and customers of *halal* carts related to the initial motives underlying the establishment of *halal* carts in Bau-Bau. Furthermore, a focused group discussion is conducted to find data and equate perceptions with related parties about *halal* carts as lessons learned from sustainable philanthropic-based microbusiness models.

## 3. RESULT AND DISCUSSION

The idea of *Halal* cart was conceived and initiated for the first time in Southeast Sulawesi by the head of the Ministry of Religion in Bau-bau, Rahman Ngkaali. *Halal* cart is conceptualized as a micro-scale market where management institutions, business management, business actors, culinary ingredients, places of sale, transactions and prices refer to Islamic economic principles. *Halal* cart refers to the *Halal* carts. *Halal* cart is like street vendors that is deliberately held at certain points done by microbusiness owners. In this research, the main menu of the *Halal* cart is meatball because it becomes new trend among society. The meatball served has its own classification with different prices. There are regular meatballs and tennis balls. Meatballs are usually sold at IDR 10.000-15.000 for one serving and tennis balls are priced at IDR 16.000-20.000 per serving. While the profits earned by each *Halal* cart range from IDR100.000-500.000.

*Halal* cart not only sells meatballs, but also other menus like as yellow rice, green bananas, fruit ice, fried foods, and other types of culinary. Thus, the *Halal* cart is not solely about meatball as the main menu, but also provides other menus to meet the customers' needs. This also motivates microentrepreneurs to be more creative in making other culinary menus or to take advantage of services and provide opportunities for other microentrepreneurs to participate in preparing culinary menus needed. This *Halal* cart is designed because it is suspected that there are meatballs made from meat other than beef which becomes the people's concern.

Based on interview result with Rosnaeni (one of the *halal* meatball vendors), she ensures that the meat they are using for the meatball is *halal* because they buy the meat from the legal slaughterhouse in the city. The slaughterhouse has a Standard Operation Procedure (SOP) for preparing cows and how to slaughter them. The criteria need to meet

the health standards, for example animal health workers check and ensure that cows must be healthy and not have disease. The method of slaughtering is also obliged to apply Islamic Sharia, for example recite *basmallah* or pray before slaughtering the animals, the machete must be sharp, cleaned or moistened before being slaughtered, and not mixing beef with unclean animal meat. The activities of the slaughterhouse are considerably controlled and supervised by the local Drug and Food Control Unit. Therefore, the meat is *halal* and it has been through a legal institution (RPH), examined by animal health workers, has a SOP, and has supervision from the local Drug and Food Control Unit.

This *Halal* cart is a form of economic development program for the people launched by the Head of the Bau-Bau Ministry of Religion, H. Rahman Ngkaali, which is run by H. Rustam as the Head of the Islamic Community Guidance Section of the Bau-Bau in collaboration with the Zakat Management Board. *Halal* cart was first operated because of the philanthropic awareness of the employees of Bau-Bau Ministry of Religion by issuing *infaq* and alms collected by the Zakat Management Board. This *Halal* cart was launched for the first time by the Head of the Regional Office of the Southeast Sulawesi Ministry of Religion H. Abdul Kadir on January 3<sup>rd</sup>, 2019 which then coincided with the 73rd Charity Day of the Ministry of Religion of the Republic of Indonesia. Until now, the number of *Halal* Carts operating in Bau-Bau City is 13 units scattered at several points, including in Kamali Beach, in front of the District Religious Affairs Office in Lea-lea, Bau-bau, and some high schools.

Based on the evaluation result, three *halal* carts were not operating as usual, for example in senior high school Bau-Bau because the school already had its own canteen, and another one is *halal* cart in Murhum area which did not operate well due to lack of capital provided by the Bau-bau Ministry of Religion. In addition, many other activities are carried out by this *halal* meatball vendors. In fact, there are also reasons for not having an interest in selling because they already have other side jobs. In connection with these facts, the steps taken by the Bau-bau Ministry of Religion were to merge with a *halal* cart placed at the Sorawolio District in front of the Bau-Bau City Park.

Although only 10 carts are actively operating, but one of the *halal* carts has succeeded in helping one of his businessmen named Rosnaeni to complete her education at the Bachelor level (S1) at one of the universities in Bau-Bau. This indicates that the philanthropic cycle is starting to spin in the *halal* cart business area. Not only 10 carts, but this number has the potential to increase because the Bau-Bau government also provides budget support, where the Bau-Bau City Government encourages its employees to raise funds by giving *infaq* and alms to Bau-bau City based on Mayor Regulation Number 451.2 / 1055 on February 26, 2019 concerning the payment of *zakat*, donation, and alms for all Islamic employees of the government, private sector, publica sector, or local public sector, and the scope of the Bau-bau Government.

The funds raised by the Zakat Management Board from the performance allowances of the Bau-Bau Ministry of Religion employees, then developed by providing capital support to small businesses in Bau-Bau City can be understood as a creative form of providing *zakat*, *infaq*, and the alms. The initial plan, according to Rahman Ngkaali, was that the performance allowance funds would be used to build the mosque, but because the mosque construction had been completed, it was diverted to a productive business, the *halal* cart. Performance allowance cut to raise funds for the microbusiness owner was not refuted since the employees have philanthropical awareness.

The *halal* cart operators are members of the community who do not have permanent jobs. But there are also non-employee of religious counsellors and honorary teachers who are in the lower-income family given the trust by the Head of the Ministry of Religion in Bau-bau. The recruitment management is entrusted to the Head of the Office of Religious Affairs within the Bau-Bau City. This microbusiness is well managed by the Head of the Bau-Bau Ministry of Religion Office as the person in charge, the Chair of the Bau-bau National Police Office as the Chair, and the Head of the Islamic Community Guidance as the Secretary, assisted by the Coordinator of the Office Heads Religious Affairs within the Office of the Ministry of Religion of Bau-bau.

The result of interview with H. Rustam (Head of the Islamic Community Guidance Section of the Ministry of Religion of Bau-bau) indicates that the assistance provided to each businessman per *halal* cart takes up to six millions which was equipped with carts and other culinary ingredients. The total assistance provided was IDR78.000.000 for 13 Halal Carts. The main ingredient used to make meatballs come from beef with the *halal* criteria as the main consideration.

In addition, the consumers are very varied, regardless of social status, profession, age, and gender. All groups ranging from ordinary people to officials are very interested in buying and tasting meatballs promoted through interactive media and sold through the *halal* cart. This *halal* cart is located in some different places, such as in Kamali Beach, in front of the Lea-lea Office of Religious Affairs, in Bau-bau City Park, in Bau-bau high schools, and some are even located on the road in front of rice fields.

For one serving of meatball, it can cost around ten thousand Rupiah. In this price, IDR500 to IDR1000 is the *infaq* for the donation, while the profits for the vendors are around IDR100.000 – 500.000 rupiahs per day. This condition has been run for more than a year. If calculated the amount of donation set aside by *halal* meatball seller per one business unit per day ranges from 50 thousand to 100 thousand per day. And if combined 10 units of halal cart business, the *infaq* will be collected ranging from 500 thousand to a million per day. This result is still in normal calculation, but sometimes their income experiences ups and downs because it is very dependent on the number of customers. Conversely, if the normal income ranges from 100-500 thousand rupiah per day and the amount of *infaq* to be collected ranges from 500 thousand to a million per day, the income of the halal cart businessman is quite large and the *infaq* will be bigger as well. With this calculation, the *halal* microbusiness owners in the City of Bau-bau have been able to cope with their daily necessities and have even been able to send one of their businesses to a bachelor's degree. This indicates that some of them have become *muzakki* (giver of alms, *infaq* or donation) because they have been able to set aside their *infaq* and are no longer *musytahiq* (recipients of *zakat*, *infaq* or alms). They have been able to help others who are unable to meet their needs. Based on this fact, the cycle of philanthropy has revolved because *halal* cart business owners who previously held the position of recipient of assistance (*musytahiq*) turned into people who aid (*muzakki*). Thus, the *halal* cart businessman already has a sustainably philanthropic insight. They can raise philanthropic awareness to their fellows.

Philanthropic awareness raised in such a way that is based on sustainable management of a good *halal* cart which is a micro-business model with a philanthropic perspective. In this context, *halal* carts are seen as a microbusiness model used as the best practice for other microbusiness management. Microbusiness models like this have succeeded in raising people philanthropic awareness leading to the efforts to help other

people in need. The *halal* cart microbusiness with philanthropic awareness aims to make people.

The role as a financial institution serving intermediary function to the microbusiness owners requires BMT to have a good performance so that the institutional objective an institution serving the supporting banking intermediary function will be achieved properly (Mutaqin & bin Mislan Cokrohadisumarto, 2018). However, BMT has so far been seen as not fully able to answer the existing economic problems among the community, due to the problem of unprofessional human resources (HR), capital or assets and low levels of trust from the community, as well as limited infrastructure and the lack of formulation of a platform to develop the SMFI. At present, the BMT community faces several internal and external problems hampering the process towards independence. In addition, BMTs still do not have legality and legislation governing clear operational standards and procedures. There are complex regulations that bind BMTs and these complexities are an obstacle to BMT development due to lack of supervision and reporting procedures (Rusydiana& Devi, 2013).

The term "Philanthropy" comes from Greek; *Philos* (Love), and *Anthropos* (Human), so that philanthropy is literally the conceptualization of the practice of giving, services and associations voluntarily to help the others in need as an expression of love. This term also refers to western people's experience in the seventeenth century when countries and individuals began to feel responsible for caring for the weak. Although different in concept and practice, the philanthropic tradition has been known in every human culture throughout history (Jung, & Harrow, 2016). As an idea, the term 'philanthropy', which in Indonesian means 'generosity' and 'love' for others is not too well known to the general public, although practically philanthropic activities have become an inseparable part of the life of Indonesian Islamic society. In this paper, the term 'philanthropy' is a philosophical concept formulated to interpret human relations and the love of a person or group of people with each other (Fauzia, 2017). The term philanthropy is defined as a sense of love for humans who are engraved in the form of giving charity to others (Latief, 2013).). Philanthropy is also interpreted as a conceptualization of the practice of voluntary giving, voluntary services, and voluntary associations to help others in need as expressions of love (Alawiyah, 2013). Etymologically, the meaning of philanthropy is generosity, or social contribution; something that shows love for humans. This term comes from Greek, namely *philos* (love) and *anthropos* (human), which literally means conceptualization of the practice of giving, service, and association voluntarily to help others who need as an expression of love (Sulek, 2010).

The idea to explore and revitalize the basic concepts of Islamic philanthropy in Indonesia began to emerge and find its momentum at least in the last decade. The economic crisis that hit Indonesia in the late 1990s, encouraged Indonesian Muslims to re-examine the functions and roles of 'Islamic philanthropy', such as *zakat*, alms, and endowments, in encouraging social change in Indonesia (Fauzia, 2017). This is marked by the emergence of Islamic philanthropic institutions whose task is to raise social funds from the community, both individually and collectively, to then be channelled into various forms of activities that benefit the community, especially the low-income family (Latief, 2015). The ubiquitous existence of Islamic philanthropic institutions managing *zakat*, alms, and endowments in the last ten years indicates the high enthusiasm of the community in revitalizing the Islamic philanthropic tradition (Muhtada, 2014). The enthusiasm is seen in three aspects, namely 1) institutional transformation; 2) the dynamics of the distribution of philanthropic funds through social

programs, and 3) innovation on the basic concepts of Islamic philanthropy which legitimizes the raising of social funds from the general public.

First, the 'institutional transformation' in Islamic philanthropic activism in Indonesia is marked by the process of bureaucratization and modernization of Islamic philanthropic institutions, including the management institutions of ZISWAF (*zakat*, *infaq*, alms and endowments) in Indonesia. The bureaucratization process in question is, religious social activities in the community become more structured and managed by an organization with the better management system so that the accountability of social fund management becomes more measured and controlled, both human resource accountability, managerial accountability, and financial management accountability (Khader, 2017).

Secondly, the distribution of social funds by Islamic philanthropic organizations today, such as DompotDhuafa (DD), Rumah Zakat Indonesia (RZI), Dompot Peduli Umat-Daarut Tauhid (DPU-DT), Lazismuh, Al-Azhar Peduli and so on, are very diverse, starting health services for poor families, economic empowerment, scholarships, and practical skills training. Not only that, Islamic philanthropic institutions currently play an active role in humanitarian missions and disaster management in disaster prone areas and participate in relief assistance at conflict locations (Latief, 2010).

Third, innovations on the basic concepts of Islamic philanthropy, such as *zakat* and endowments have been carried out by various Islamic institutions in Indonesia. The implementation of the concept of 'professional zakat' in Indonesia is one of the most tangible indications of the innovation. Most religious organizations in Indonesia adopt this concept, albeit with different interpretations. The Amil Zakat Agency (BAZ), a government-sponsored institution to manage social funds from Muslims, for example, relies more on the idea of professional *zakat* to mobilize funds from civil servants at district, provincial and national levels (Fernandez, (2009).

#### 4. CONCLUSION

*Halal* carts are micro-business models developed by micro-businesses selling certain culinary that meets *halal* criteria (*halal* ingredients) and *thayyibah* (meet health and hygiene standards). Its establishment is based on philanthropic awareness from the Office of the Ministry of Religions of Bau-bau. Most of entrepreneurs have been self-centred who put their business as the priority without thinking about others. Accordingly, the existence of *halal* carts as a microbusiness development model is beneficial for all microbusiness owners because they apply sharing capital from *zakat*, *infaq*, alms or endowment because of their philanthropic awareness from its founder and is obliged to be continued by *halal* micro-business entrepreneurs to help other *halal* cart businesses. Setting aside IDR500-1000 per serving as donation is a fact that philanthropic awareness raised. Likewise, the study assistance to business owners who while continuing their studies and were able to finish it well is concrete evidence that *halal* cart micro-businesses have very good philanthropic insight and awareness. Therefore, this *halal* cart with sustainable philanthropy is recommended and becomes the best practice for all microbusinesses in Southeast Sulawesi.

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