

## Islam's Perspective on the Overt Debate

For several centuries, the Muslim world remained as the global economic super power and the Islamic state stood as a beacon of progression and the peak of civilisation in a world steeped in chaos and turmoil. The city of Yathrib came to be known as the illuminated city - Madina, upon the arrival of the Messenger Muhammad (saw). The emergence of a new way of life followed, a new revived ideology to lead the world forward which would shift the global balance of powers and take an otherwise looked down upon nation of Arabs to the very peak of civilisation.

The laws of Islam were implemented and this new way of life would spread far beyond the Arabian Peninsula all the way into Africa, Europe and Asia. The Muslims would refer to the Islamic legislative principles to seek solutions for all the issues that would arise for the management of all state and societal functions. The Muslims became a nation of extremely strong resolve and conviction; they had a way of life revealed by the creator of all that exists and they referred to a "Shariah" that did not neglect even the smallest of issues. Indeed, through the fourteen centuries of Islam, the Muslims treated the Shariah as the non-exhaustive supply of water and they did not feel the need to refer to other man made ideologies to manage their state affairs.

Over time, several factors would lead this powerhouse nation to crumble to its knees until it would fragment into several nation states to be coveted by the greedy. The confidence in Islam as a reference point would severely weaken in the hearts and minds of the Muslims – the non-exhaustive supply of water was seen to be exhausted. All of a sudden, the ideologies of Western secular powers became appeasing to the Muslims. The enlightenment era would give way for the industrial revolution as Western powers would start to progress rapidly while the Muslim world would continue on its trajectory towards absolute decline. The lowest point was the abolition of what was left of the symbolic Khilafah in 1924.

After that, the world witnessed the rise of Capitalism, the fall of Islam and domination at the hands of the colonial powers. History was written by the victors and a new Muslim world was broken into several nation states known only for war, instability and poverty. It is no understatement that the imperialists and the colonialists would occupy lands and oppress the people, enslave them and rob their natural resources. Africa was not known as the poverty hub of the globe during the Khilafah of Umar ibn Abdul Aziz (rh) and the emancipation from poverty and mass unequal distribution of wealth was not achieved from anything other than the Deen of Islam.

*It has been narrated by Yahya bin Said, who was governor at the time during the reign of Caliph Umar bin Abdul Aziz(rh), that he said:*

*"I was sent by Umar bin Abdul Aziz to collect zakat from Africa. After collecting it, I intended to give it to the poor people. However, I did not find one. Umar bin Abdul Aziz has made all the people rich during that time. Finally, I decided to use the zakat fund to buy and emancipate slaves" IbnAbdHakam, Abdullah (1994) Al-Khalifat al- Adil Umar IbnAbd Aziz: Khamis al-Khulafa al-Rasyidin. Dar al-Fadilat, Kaherah 78*

It is Islam that produced men of strength and justice and it is the implementation of the ahkam of Islam that lead to true liberation from the clutches of oppressive systems that originate from the minds of men. It is not a surprise that great scholars, like Imam Abu Hanifa (rh), would document responses to thousands of queries concerning issues of economic and fiscal significance in the light of Quran and Sunnah. The extremely famous student of Imam Abu Hanifa (rh) - Imam Abu Yusuf (rh), would later also contribute great additions to the works on the subject of Islamic Economics and his monumental, Kitab Al Kharaj, on laws relating to land revenue, public finance and fiscal policy remains as one of the greatest works in this area. This was all achieved under the capacity of Islam and under the implementation of the institutions of Islam.

Time has proven that the sophistication and formalisation of ideas from the minds of Western philosophers have done nothing apart from burying the world into further debt and poverty.

*“In Germany, the bottom 60 percent of the population possess just 6.5 percent of wealth in the country, the lowest figure in Europe. In the U.S., the bottom 60 percent possess just 2.4 percent – the lowest figure of any reporting country” – Geopolitical Futures*

These are countries that are seen as the beacon of hopes and dreams with some of the highest measures in GDP, yet it remains clear that there is gross inequality where a small minority possess the majority of wealth. Most of the people are forced to continue the cycle or the so called “dream”, working to fulfil their basic needs having little to no savings, serving a system designed to continuously pump wealth upwards. It is the system propagated by the rich and designed for them.

The economic problem as defined by the so-called father of Capitalism, Adam Smith, is that human beings have unlimited needs but there are only limited resources available in the world to fulfil these needs. Therefore, the solution for this perceived problem is to increase production as much as possible.

It is a Darwinian mind-set that promotes greed and unfair distribution to exploit the people, their wealth and resources from a global perspective. Classifying material obsession as “needs” only promotes greed, unfair competition, exploitation and an economic structure that is no different than beasts competing against each other in the animal kingdom.

*“Less than one per cent of what the world spent every year on weapons was needed to put every child into school by the year 2000 and yet it didn’t happen” - The State of the World’s Children, 1999, UNICEF*

In truth, there is no such economic problem. The needs of human beings are limited and the resources available are such that the basic needs of human beings can be met without scarcity. The real economic problem is a system that promotes and justifies greed and a system that pursues capital relentlessly without any grounded moral compass – it is for this reason that the lives of human beings have no value over land, oil, natural resources and all that which is material.

This Ummah did not need Adam Smith or Karl Marx, yet the Ahkam of Allah (swt) supersede all the systems that man invented which have caused nothing but turmoil and chaos throughout the globe.

The Prophet Muhammad (saw) had said the following about the basic needs of the human being:

« ليس لابن آدم حق في سوى هذه الخصال: بيت يسكنه، وثوب يُواري عورته، وجلف الخبز، والماء»

***“The Son of Adam has no better right than that he would have a house wherein he may live, a piece of clothing whereby he may hide his nakedness and a piece of bread and some water.” [Tirmidhi]***

These are the rights that Islam honours the human being with and these are the rights that Capitalism will never offer its victims. The laws of Islam ensure that the human being is provided a place to live, that he is clothed and he has food and drink, so he can satisfy his organic needs. Islam defined the basic necessities of the human being while the Capitalist way of thinking continues to define everything as a “need” turning a blind eye to the mass disparity in global wealth, while 1.3 billion continue to live in extreme poverty struggling to survive on less than \$1.25 a day. In Islam, mismanagement of resources is not left to the free market, the price mechanism, the trickle-down effect or Adam Smith’s invisible hand to resolve. It is the right of the people that the Khalifah fulfils the needs of the people as far as the borders of Islam extend.

What we are witnessing today is not “Capitalism misapplied”, rather, this failure and large scale global poverty are built into the very model itself. Essentially, Capitalism is a highly

sophisticated, well thought out, complex, fraudulent system that has convinced the masses of the very opposite – that it is the saviour of mankind. It is within the remit of Capitalism to maintain the huge disparity in wealth between the rich and the poor, while selling false dreams of distant glories.

The current situation in the world, where the majority of wealth is in the hands of a few, while half of the world's population struggle to fulfil their basic needs is not a mere coincidence. This is a systematic failure. Islam is a system from Allah (swt) for the management of human problems. Islam has many mechanisms to ensure that wealth does not accumulate in the hands of a few burdening the rest of society in hardship and struggle.

Fiat currency and the licence for private institutions and banks to create credit out of thin air effectively allow the rich to steal wealth from the working class. For every unit of currency produced, the value for this unit is stolen from the existing currency in circulation. This is a system that normalises mass inflation under the pretext of numerous Quantitative Easing projects that are supposedly benefiting the public for every recession that is ultimately built into the model. This is nothing but a hidden tax upon the people, for every instance of credit creation is really the theft of wealth from the average worker.

There is no fiat currency in Islam but rather a gold standard which eliminates the ability for governments and private institutions to produce currency in an attempt to exploit and steal wealth from the working man. This offers stability in prices and the strength of the currency maintains its resilience. This results in a constant cycle of minimal inflation and deflation, which in the long run is equal to zero.

With the non-existence of conventional banking and a lack of an interest based economy, investors are given incentive to form partnerships to initiate business through profit and loss sharing contracts instead of hoarding wealth and assets. The Capitalist banking model is one that rewards individuals with interest for keeping their savings stagnant and economically redundant in bank accounts. The Keynesian techniques of adjusting interest rates and inflation in an attempt to stimulate the economy in times of stagnation have largely resulted in failure.

The slavery of income tax that exists in Capitalism, does not exist in Islam. Any percentage in tax on income is slavery, for it takes a portion of the fruits of labour without payment. In Islam, Income tax does not exist, rather, it is wealth that is subject to taxation. The opposite formula is applied in Capitalism where income is subject to taxation before considering the living costs and basic necessities of an individual and his dependants.

There are five main sources of revenue for the state in Islam and these are through the administration of public resources. They include: zakaat, head tax (Jizya), land tax (Kharaj) and the spoils of war. In the existing model, there are a hidden variety of taxes that are essentially a stealth robbery programme to ensure that wealth of the working citizen is in truth taxed at a cumulative of about 50%-60% when considering VAT, Income tax, National Insurance and the many other hidden taxes.

Much of the costs of living, which much of the time are artificially engineered that exist as part of the package of Capitalism, are simply minimised or non-existent in the economic model of Islam:

*Rasul Allah (sal Allahu alaihi wa sallam) said: «النَّاسُ شُرَكَاءُ فِي ثَلَاثٍ: الْمَاءِ وَالْكَلْبِ وَالنَّارِ» “The people are partners in three things: water, pastures and fire.” [Abu Dawud]*

The people being partners in water, pastures and fire insists that these are public resources in which private companies cannot take ownership. The privatisation of these resources will lead to exploitation as these are resources that the people are in need of. The hadith is subject to Qiyas Istinbataan (analogical deduction in consideration of other complementing evidences) and fire is representative of other energy resources like gas, fuel or coal. These are all classed as public resources in Islam and these cannot be used to

exploit the needs and vulnerabilities of the people in an attempt to charge the public extortionate prices.

This allows more disposable income for the masses, which they are able to expend to fulfil their basic needs, as well as purchase and utilise the goods and services that Allah (swt) has made halal. The fulfilling of organic needs and instincts is only so that the individual can continue with that which pleases Allah (swt). The major costs of living in a Western society are from housing, fuel/travel costs, energy costs and a variety of taxes that the citizen is obliged to pay.

The Capitalist system is one that exploits even the basic instincts and organic needs of human beings to oppress, subjugate and exploit the people; in exchange for profit and the transfer of wealth from the rich to the poor. Beyond this, it has deceived the people into believing that the sole purpose of life is the fulfilment of basic instincts and organic needs through materialism, pop culture and the so-called “American Dream” that was sold to oppose Socialist propaganda.

This is the very reason why it has become normal and an issue of little contention for a person to be tied to a lifetime mortgage and a work cycle that dominates more than half of a person’s life. As for the procreation instinct that is present in the human being in order to maintain the continuation of the human race, Capitalism will even utilise this to maximise profits in exchange for the dignity and honour of the future generations. Essentially, it is a lens that views absolutely everything as mere commodities in which its price mechanism is the arbitrator.

Today, we live in a world that is rampant with poverty, greed and materialism. A global culture has been let loose to dominate and exploit all that it touches and the pursuance of Capital has become the only priority beyond the rights, honour and dignity of human beings. This system has one main global objective – to ensure that wealth and the so-called “limited resources” of the globe remain in the hands of a few all the while justifying a false economic problem that did not exist in the fourteen centuries of Islam. It is only the Shariah of Allah (swt) that can protect the honour and dignity of the people and no other system is fit to address the ills and diseases of Capitalism.

It is inevitable that soon the slumber and veils of endless theoretical discussions and restrictive academic perspectives will be removed. It will become clear that the entire Quran and the Sunnah of our beloved Prophet (saw) were never mere theories and endless philosophical discussions for the sake of intellectual entertainment. The Muslims will finally see that only a very few of the Quranic injunctions were ever abrogated and the entire Shariah is relevant and as non-exhaustive as it ever was, that it is to be implemented completely and fully. Islam is the only way of life that will save mankind in this world and the hereafter from all other oppressive man-made cults and ideologies.

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