

Press Release

Cash Crunch: Another Proof of the Fragility of Capitalist Economy

The National Treasury has admitted openly that Kenya is now facing a cash crunch. Treasury Cabinet Minister Henry Rotich outlined that the combination of domestic and international loan repayments falling due caused the financial crises and a slowdown collection of the tax has highly contributed to the situation. Statements from state Treasury indicate the public debt is now standing at 2.8 Trillion (Domestic 1.42 Trillions & Foreign debt 1.42 Trillions)

Islamic Organization **Hizb ut Tahrir / East Africa** wishes to highlight the following:

First, this situation hurts ordinary citizens who even before this financial problem are still languishing in dire poverty. Despite all reforms such as new constitution and newly devolved system of governance, poverty is ever devastating the common man. This clearly shows that such reforms were designed to multiply problems not to solve them.

Second, rampant corruption and greed of the politicians is one of the main causes leading to this situation. In the Annual National Government Budget Implementation Review Report FY 2014/2015, released recently indicated how politicians siphoned the public funds. And in another damning report from the General Auditor revealed that about a quarter of Kenya's \$16 billion state budget was missing! Due to their greed, MPs are now plotting to pass Parliamentary Society of Kenya Bill that shall burden Kenyans with bearing the brunt of the glutton MPs' lavish lifestyles long after their exit in politics!

Third, the intended attempt by the Government to deal with the crises will keep encumbering the already poverty-stricken ordinary citizens instead of bringing relief to them. The Government intends to borrow another Khs 78 billion despite all the current public debts. Here comes another disaster of the capitalist countries based on consumption economy where money supply (liquidity) becomes fundamental and the control mechanism is interest/ usury. Furthermore, it is through these loans where that Western greedy nations consolidate their imperialism upon the third world countries thus making them become economically unstable and unable to run even their own development projects yet they claim to be independent!

Lastly, the economic crunch that Kenya is now facing has exposed the fragility of domination by the capitalist economy carried by the US as a super power nation. The system based on faulty policies such as interest, privatization of the public properties, misuse of public funds which are the real causes of economic crises. Therefore, in order to solve this problem we need to uproot the corrupt capitalism ideology and search for solutions from an alternative ideology which we publicly declare as Islam. Islamic economic system has strong fundamental economic policies that guarantee effectively management of the state's economy. Islam banned the taking and giving of interest based loans, VAT and privatization of the public property. So it is only Islam that is capable for dealing with all economic problems that are not only facing Kenya but the whole world at large.

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