

The Global Wealth Inequality will only End through the Economic Order the Khilafah Will Establish

The immense concentration of wealth under the current capitalist world order has now reached intolerable levels. The [World Inequality Report 2022](#) from the Paris-based World Inequality Lab stated that, “The share of the bottom 50% of the world in total global wealth is 2%... while the share of the top 10% is 76%.” The report added, “between 1995 and 2021, the top 1% captured 38% of the global increment in wealth, while the bottom 50% captured a frightening 2%. The share of wealth owned by the global top 0.1% rose from 7% to 11% over that period and global billionaire wealth soared.” Moreover, 2020 saw the steepest increase in billionaires’ wealth on record, whilst 100 million people sank into extreme poverty.

Concentration of wealth under Capitalism is not by accident, but by design. The laws of Capitalism itself ensure the concentration of wealth. Interest ensures the concentration of wealth in the hands of creditors, whilst adding additional burden upon those in debt. Fractional reserve banking multiplied the wealth concentrating effects of interest manifold. Stock share company structures ensure concentration of wealth in the board of directors, as they take control of capital intensive industry, such as telecommunications, vehicle manufacture and transport. Privatization of energy and minerals ensures concentration of wealth in its private owners, whilst depriving the masses of affordable utilities. Regressive taxation is a greater proportional burden on the poor than the wealthy, as it is applied universally without consideration of financial capability, poverty or debt. Fiat currency allows the creation of money to finance government debt, incurred for providing bail-outs to the rich, at the cost of reducing the value of currency within the pockets of the poor.

Islam alone can end the burdensome concentration of wealth. Islam alone prohibits interest absolutely, whilst the Bayt ul Maal (State Treasury) is not allowed to loan that which it does not hold in reserve. The Islamic company structures natural limit the amount of capital that individuals can gather, allowing state dominance of massive revenue-generating, capital intensive sectors of the economy. Islam prevents both private and state ownership of energy and minerals, ensuring that their revenues are spent on the needs of the public, under supervision of the state. Islam forbids any taxation upon the poor and indebted, granting them their right from Zakah and other revenues, whilst taxing the financially capable, such as Kharaaj from the owners of agricultural land and Zakah on trading merchandise from traders and producers. And Islam establishes its currency on the firm foundation of gold and silver, which imposes responsible revenue collection and government expenditure, whilst ensuring stable value to currency, ending the scourge of generalized inflation.

Capitalism will continue to limp on, in near collapse, without actual collapse, unless the Ummah arises and knocks it down through its Khilafah. Indeed, the Khilafah (Caliphate) on the Method of Prophethood alone will ensure the distribution of wealth, as Allah (swt), al-Ghani, al-Wahaab, ar-Razaaq, demands. Allah (swt) said, ﴿كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ﴾ **“So that wealth may not merely circulate among your rich.”** [TMQ Surah al-Hashr 59:7].

Written for the Central Media Office of Hizb ut Tahrir by

Musab Umair – Wilayah Pakistan