

## Headlines:

- **The Muslims of Pakistan will give Islamic Taxes Happily**
- **Economic Issues Demand the Comprehensive Implementation of Islam**
- **Decision to Privatize Power Plants is Colonialist Slavery**

## Details:

### **The Muslims of Pakistan will give Islamic Taxes Happily**

On 14 May 2019, newspapers reported that the new chairman of the Federal Board of Revenue (FBR), Mr. Shabbar Zaidi, said, “achieving tax targets is a challenge, this is an aggressive match, inshaaAllah we will win it. Our tax base is very small, about 2 million, which we have to increase, will provide facilities to current tax payers as much as possible, we will collect data of those who don't pay tax, we will reach the homes of those who don't pay tax and will try to take it, we will try to change the environment of not paying tax.” The statement of the FBR comes at a time when the sacred month of Ramadhan is in full swing. The entire society in Pakistan is busy collecting and distributing Zakah and charity and arranging Seher and Iftar for poor people. Taking care of poor people is a significant aspect of Pakistan's society.

In March 2018, the Tribune newspaper, published a report which states that according to a survey by the Pakistan Centre for Philanthropy every year, Muslims of Pakistan spend more than 240 billion Rupees from their wealth as Zakah or charity. Another report from Individualland, a research based and advocacy consultant group, stated that people of Pakistan annually spend 554 billion Rupees as charity, as reported by the Tribune of 28 June 2017. This rate of charity is almost at par with the wealthiest and developed countries. So whilst the chairman of FBR is saying that he will go door to door to collect taxes, hundreds of thousands of people happily giving charity directly to the poor people, without state involvement. Why is it that despite of inflation and hard economic times, the Muslims of Pakistan spend on poor, build Masajid, take care of orphans but never come forward on government appeals? The Muslims of Pakistan know that whatever they are spending as charity is being utilized in the right place. However, when rulers collect money it is used to cover the inefficiencies and bad economic decisions of the rulers or to pay back interest based foreign loans to colonialist institutions. Moreover, it is untrue to say that the tax base in Pakistan is very small, because people pay tax on every item including medicine, calling cards, food stuff, travel, electricity, gas and petrol. The people of Pakistan do not consider the current state as their guardian or supporter, rather they see it as a burden. The state has lost its credibility in its right to exercise authority, because it does not take guidance from those concepts which emanate from their beloved Aqeedah of Islam. The distance which has been created between the people and the state can never be ended, unless the state adopts the ideology of Islam.

### **Economic Issues Demand the Comprehensive Implementation of Islam**

Prime Minister Imran Khan on 11 May 2019 held the ‘wrong economic policies’ of the past governments as responsible for the abysmal state of the economy now. Mr. Khan assured the nation that tough times would be over soon, as the government fixed the entire system. A Prime Minister who came to power in the name of Change is speaking the same language of the previous rulers. When previous rulers came into power they also placed the responsibility of the bad economic situation on rulers who came before them. However, the economic situation is not due to policies, alone. They are because of bad economic system, i.e. the capitalist system. It is this capitalist system which ensures the concentration of wealth that we see that even in developed countries. The gap between rich and poor is reaching new dangerous levels. People demonstrate against this situation under the banner of the “Occupy Wall Street” or “Yellow Vest” movements. It is this capitalist system that uses the power of legislation to put almost the entire

burden of taxes on the common people to cover state expenses, whilst giving concessions and tax breaks to the large capitalists, rulers and their cronies. As an example, the White House revealed on 13 April 2012 that the then President Obama has a lower effective tax rate than his secretary.

It is a false reassurance that the prime minister is working to fix this system and things will get better soon. If in developed countries, people are faced an increasing number of problems with the passage of each day because of this capitalist system, then how can Imran Khan fix this system? Why does the regime claim to make Pakistan a state like Madinah, but implements the capitalist economic system, instead of the economic system of Islam? The results of the nine months of working by this regime are no to that of previous rulers because they are also implementing the same failed capitalist system. They are also taking IMF bailout packages as previous rulers used to take. Change will only come when the economic system of Islam will be implemented as Islam declares interest, general sales tax and income tax Haram, electricity, oil, gas and minerals as public property, gold and silver as the basis of currency, collects Zakah on trading goods and Kharaj from agriculture land, and rejects IMF completely. Allah (swt) said, ﴿وَأَنَّ هَذَا صِرَاطِي مُسْتَقِيمًا فَاتَّبِعُوهُ وَلَا تَتَّبِعُوا السَّبِيلَ فَتَفْرَقَ بَكُمْ عَنْ سَبِيلِهِ﴾ **“This is My way -that which is straight: follow it, then, and do not follow other paths lest they scatter you from His path.”** [Surah Al-Anaam 6:153].

### Decision to Privatize Power Plants is Colonialist Slavery

On 12 May 2019, *Dawn* Newspaper reported that the government from the new fiscal year, which starts from July, will gather 100 billion rupees from electricity consumers and privatize at least two power plants that run on LNG. Pakistan's current power sector is clear proof that its rulers have no planning and vision. The current and previous regimes favor the production of electricity by the private sector. In the name of privatization and foreign direct investment, the number of private power plants has increased in the private sector. The bulk of power production is in the private sector. However, all too often, they do not produce electricity, despite having the capacity, to increase their profitability. The people are forced to face hardships due to load shedding. Furthermore, the private sector was allowed to mint huge profits.

In order to secure these profits capacity charges were made part of their agreement. Capacity charges are a large part of Pakistan's current circular debt, which according to one recent report this has reached 642 billion rupees. When power plants are not producing electricity, their private producers are entitled to some payments. The demand of electricity does not remain the same throughout the year. When its demand is less, say in the winter, Pakistan has an excess of electricity. It becomes imperative to close down some power plants. However, according to an act governing Independent Power Producers (IPPs), the government has to pay capacity charges to these closed power plants. This increases the cost of electricity and it is the people that have to incur this cost. In the last three decades not one government has sought to repeal this act. All of them have the firm belief in the capitalist ideology, which in the name of freedom of ownership, allows the transfer of assets which are essential for the public needs to private ownership. Despite the devastation caused by privatization of the power sector so far, the government still wants to further privatize power plants. Not only will this increase the price of electricity, the state will also be deprived of revenues and so will impose more taxes on people to compensate.

In contrast to capitalism, Islam declares energy resources as public property. RasulAllah (saaw) said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثِ الْمَاءِ وَالْكَلْبِ وَالنَّارِ» **“The Muslims are partners in three things: water, pastures and fire (energy)”** (Abu Dawood). The coming Khilafah (Caliphate) will abolish the capitalist economic system and implement the economic system of Islam. Along with electricity power plants, coal, oil and gas will also be declared public property. These assets can neither be transferred to private ownership nor to state ownership. The state takes care of the affairs of public assets and ensures that the public benefit of its wealth collectively.