

Only under the shade of Economic System of Islam the huge disparity between rich and poor will be eliminated

News:

According to the Oxfam report published in 18th January 2016, only 62 people own as much as the poorest half of the world's population. This number was 388 in 2010 and 80 last year. Although the world leaders have increasingly talked about the need to tackle economic inequality, the gap between the richest and the rest has widened dramatically within last five years. Oxfam is calling world leaders to take urgent actions to tackle inequality by adopting three-pronged approach – cracking down on tax dodging, increased investment in public services and action to boost the income of the lowest paid. Mark Goldring, Oxfam GB Chief Executive, said: "It is simply unacceptable that the poorest half of the world population owns no more than a small group of the global super-rich - so few, you could fit them all on a single coach." "In a world where one in nine people go to bed hungry every night we cannot afford to carry on giving the richest an ever bigger slice of the cake," he continues. According to the report, one of the key reasons behind this inequality is the falling share of national income going to the workers in almost all developed and most developed countries and a widening gap between pay at the top and the bottom of the income scale. On the other side, the wealthy class have benefited from the return on capital via interest payments, dividends etc. These advantages have been compounded by the use of tax havens. Goldring added: "It is no longer good enough for the richest to pretend that their wealth benefits the rest of us when the facts show that the recent explosion in the wealth of the super-rich has come at the expense of the poorest." (Source: oxfam.org.uk)

Comment:

After the demise of Communism, the world had put great hope on Capitalism and its lucrative slogans. However, Oxfam's recent heart breaking report proved once again that the Capitalist economy and its redundant theories have utterly failed to bring any solution for mankind. The goal of the Capitalist economy is to increase production to maintain economic growth, which is often represented by GNP or GDP. But in reality this image is false and misleading. The reality is that there is an abnormal inequality of wealth distribution among the people. Can we really say that the Capitalist economy is a healthy economy when the gap between the rich and the poor increases dramatically each year? Can we really say that this is for the well-being of the people when an unbelievable amount of wealth is accumulated in the hands of only a few? It is true that Capitalism has created immense amount of wealth, but simultaneously it has failed to bring any solution regarding how wealth should be fairly distributed within society. The report also proved that the "trickle-down effect" theory which often chanted by the western economic pundits, is an absolute lie and has failed to trickle down wealth to the rest of the population. Instead of distributing

wealth to the lower level it only helps the already rich class become richer and the poor become poorer. The current economy that had gone through serious recession in last few years and as a result and tens of thousands of people have lost their jobs around the world, only the richest people have been abnormally benefitted from the system. The solutions of the western thinkers always skewed around tackling tax avoidance, changing tax regimes or increasing the income of the poorest. But they often miss that the problem lies in the dogmatic principal of the Capitalist free market economy, which relies on the invisible hands (idea which was presented by Adam Smith, the godfather of Capitalism) for the distribution of wealth. In reality, the invisible hands became the visible hands of the few super-rich people of the world, who control everything from policy making to politics and 99% of the world population is still waiting to see the fruit of it.

In contrast to Capitalism, the Islamic economic system concerns with the distribution of wealth rather than increasing wealth in society. Instead of giving a misleading picture through GDP, it deals with each and every individual of the society and ensures the basic needs of every member of the state. Moreover, Islam does not allow the concentration of wealth in the hands of a few. According to the rules of Shariah by implementing the Zakat system, rules of distribution of lands, distinguishing between properties (i.e. what can be owned and what cannot be owned) by prohibiting hoarding and interests (riba), Islam will break the monopoly of business in society and close the door of unjust accumulation of wealth forever. Moreover, like the Capitalist economy Islam will not rely on the fictitious invisible hand, rather it will ensure fair distribution of wealth through strict Shariah principal so that the fruit of economic development will be enjoyed by the society as a whole. When the Khilafah (Caliphate) upon the method of the Prophethood will be re-established, natural resources like oil or gas will be sold to other countries and a portion of the money will be come back to the general people - not to the hands of a few capitalists. History bears witness how the system of Khilafah freed people from the never-ending misery of manmade economy in the past and led them to the life of honor, prosperity and affluence. When Islam reached Eastern Europe, it freed the masses from the oppressive feudal system and, by implementing Islam's land distribution law overnight the poor peasants of that area became landowners and received the right to sell their hard earning produce to the market.

To rescue the whole world from this desperate situation and eliminate the huge disparity between rich and poor, we do not need the patch work solutions from the failed Capitalist system; rather we must implement the Shariah rulings regarding economics under the righteous Khilafah (Caliphate) upon the method of the Prophethood, which will again lead the whole mankind towards a tranquil and safe world under the shade of the Economic System of Islam.

**Written for the Central Media Office of Hizb ut Tahrir by
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