

Capitalism Economic Growth Means Nothing to People

News:

Recently World Bank classified Tanzania as among seven countries that moved to the status of lower middle-income category, while three others went down in their economic status for 2019.

Comment:

According to the World Bank, a country regarded to be qualified for the status of lower middle-income after its income (GNI) per capita increased from U.S. \$1,020 in 2018 to U.S. \$1,080 in 2019.

The World Bank assigns the world's economies to four income groups --low, lower-middle, upper-middle, and high-income countries. The classifications are updated each year on July 1, and are based on gross national income (GNI) per capita - the total amount of money earned by a nation's people and businesses divided by its population.

The GNI which is used by the World Bank to determine economic growth is unrealistic because it includes the total earnings when divided to the population and this misleads by generalising the income of every person, while the reality is different, individual citizens do not see any significant changes in their lives.

The said economic growth is a nightmare, how does a growing economy increases dependency? The Tanzanian national debt was TSh49.86 trillion in April 2018, Sh51.03 trillion in April, 2019, and it reached Sh55.43 trillion in 2020. This reflects its illusion.

Furthermore, inspite of Tanzania having massive arable land, high human resources nearly 60 million with massive sources of water such as Lake Victoria, which is among the largest lakes in the world covering 65,583 sq mi, where Tanzania alone has a share of 49% of 33,700 square kilometers, being also surrounded by the Indian Ocean with a bulk of sea products both for foods and earnings, having a massive reserve of natural gases.

Not to mention hosting a number of mines with a huge potential in gold of third place in gold production in Africa, after Ghana and South Africa. Yet over half a century since independence still Tanzania suffers from plight of poverty while 75% Tanzanians depends on agriculture for survival, a sector that has fallen from 3.2% in 2015 to 1.3% in 2017.

The Islamic economic system is different from capitalist economic system. While economic growth in capitalism reflects very few businessmen due to privatization policy of capitalism where resources are meant for few, in Islam, it reflects many due to its inclusive nature where allocation is practiced instead of privatization and nationalization.

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