

# The Islamic Economic System and the Danger of Its Integration with the Capitalist Economy

(Translated)

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By: Mustafa Atiq

Islam brought forth a sophisticated, complete, and comprehensive economic system governing how wealth is managed, how it is owned, and how it is disposed of. It detailed the issue of ownership acquisition. It clarified the types of ownership: private ownership, state ownership, and public ownership, and protected the ownership of each party from infringement by any other side, specifying the Shariah rulings concerning encroachment upon the possessions of others.

By studying the Shariah texts, we find the limits of the ownership of individuals and the State, and that which falls under public assets, as in communal public ownership.

## To clarify ownership in Islam and its types:

### First: Public Ownership

This is defined as «إذن الشارع للجماعة بالاشتراك في الانتفاع بالعين» “the legislator’s permission for the community to jointly benefit from the asset,” and it is categorized as follows:

#### 1. Utilities for the community

The Prophet (saw) said, «النَّاسُ شُرَكَاءُ فِي ثَلَاثٍ، فِي الْمَاءِ وَالْكَلَالِ وَالنَّارِ» **People are partners in three things: water, pasture, and fire,**” such as water springs, grazing lands, and energy sources, which are utilities the community seeks collectively.

#### 2. Subterranean Wealth, Minerals

On the authority of Abyad bin Hammal, who said, وفدت على رسول الله صلى الله عليه وسلم، فاستقطعت له الملح فقطعه لي، فلما وليت، قال رجل، يا رسول الله أتدري ما أقطعت؟ إنما أقطعت الماء العذب، فرجع فيه **came to the Messenger of Allah (saw) and asked him to grant me the salt mine, and he granted it to me. When I turned away, a man said, "O Messenger of Allah do you know what you have granted him? You have granted him that which is like the replenishable flowing water (الماء العذب), so he took it back."**

Therefore, all subterranean wealth described as العذب (replenishable) is considered public ownership, such as petroleum, gas, phosphates, gold, iron, and the rest of the subterranean resources. The state undertakes the extraction of these minerals on behalf of the Ummah and for the benefit of the Ummah, making their benefit available to the Ummah.

#### 3. Assets that are Public by Nature.

Their nature prevents them from being individually owned, such as roads, public squares, rivers, beaches, and bays. The Prophet (saw) said, «لَا حِمَى إِلَّا لِلَّهِ وَرَسُولِهِ» **“There is no protected reserve (Hima) except for Allah and His Messenger.”**

Every individual of the Ummah has the right to utilize public ownership. The state is not permitted to authorize an individual, whilst excluding the rest of the people, to own public assets or exploit them in a manner that prevents others from doing so.

### **Second: State Ownership**

This includes every asset whose expenditure is dependent upon the opinion and juristic reasoning (Ijtihad) of the Khaleefah (Caliph), such as Fay (spoils acquired without fighting), Kharaj, Jizyah, other taxes, Khums al-Rikaz (one-fifth of buried treasures), customs duties imposed on non-citizens of the state, the wealth of apostates, the wealth of those without heirs, and the revenue of companies owned by the state.

The state is entitled to what individuals are entitled to, such as owning workshops, factories, and lands, and establishing institutions and companies in order to generate profit and revenue to support the Baytul Maal (state treasury).

### **Third: Private Ownership**

This is the legislator's permission for individuals to utilize the asset for consumption, benefit, and exchange. Allah (swt) has made man His vicegerent on earth and subjected its wealth to him, and man has the right to own. Allah (swt) says, ﴿وَسَخَّرَ لَكُم مَّا فِي السَّمٰوٰتِ وَمَا فِي الْاَرْضِ جَمِيعًا مِنْهُ﴾ **“And He subjected to you whatever is in the heavens and whatever is on the earth—all from Him”** [TMQ Surah Al-Jaathiyah: 13].

Islam has specified how individuals acquire wealth, through work in commerce, agriculture, industry, sharecropping, profit-sharing partnership, hunting, reclaiming barren land, leasing, and found treasure. Ownership is also acquired through inheritance, gifts, grants, charities, bequests, dowry, blood money, and funds granted to him by the state.

From the foregoing, it becomes clear to us that when Islam distributed ownership types, it protected people's wealth and did not deprive anyone of it. When Islam defines what you are permitted to own, it prevents you from encroaching upon the wealth of others, and it preserves public wealth for the benefit of the Ummah without allowing a specific group of people to monopolize it, as happens in capitalist countries.

### **Privatization and Foreign Investment**

We now address a highly critical issue: that foreign investment encompasses in its scope of operation public ownership, public utilities, and everything the community needs and collectively seeks. This foreign investment may seize public assets like petroleum, gas, phosphates, and all matters related to subterranean wealth. Such investment comes from greedy capitalist companies whose sole concern is plunder and looting, and which are notorious for corruption, avarice, and bribing governments and officials to become partners in pillaging the country.

The worst type of investment system is the Build-Own-Operate (BOO) system, without the commitment to transfer to the government as in the Build-Operate-Transfer (BOT) system. This leads to the violation of sovereignty within the country and prevents the state from controlling its vital assets, in addition to its economic impact on the populace. This grants investors permanent ownership of projects, guaranteeing long-term profits. This economic policy leads to the state being held hostage to the private sector, especially if the companies are foreign, and threatens the state's sovereignty over its vital resources. Opening the door to privatization and

foreign investment turns the country into a breeding ground for the entry and control of foreigners, ultimately leading to the impoverishment of the people.

The major and most grievous calamity occurs when the state privatizes public utilities such as airports, ports, roads, electricity, and water. The greatest catastrophe is the privatization of subterranean wealth, such as petroleum, gas, phosphates, and other minerals, under the pretext of an inability to invest in and develop them. This leads to the loss of control over the assets and facilities subjected to privatization, resulting in an increased rate of project monopolies, rising inflation rates, widening gaps between the rich and the poor, and increasing unemployment.

Among the negative effects of privatization at the political level is the violation of State sovereignty at the hands of foreign capitals or external entities such as the International Monetary Fund (IMF) and the World Bank. We have evidence of the failure of privatization and its disastrous effects following the Latin American experience in the nineties, one of the most significant failed economic experiments. Among the famous events in the nineties was when Bolivia privatized the water sector. Even European Union countries suffer from privatization.

The privatization of public utilities and public ownership leads to the control of governance by financial and business magnates. At that point, authority will be in the hands of a group of the greedy and the profiteers.

## **Conclusion**

What is being plotted in the corridors of capitalist states, led by America, against Muslim countries, at both the political and economic levels, is due to the vast wealth, resources, and massive investment opportunities they possess, aiming to turn them into a mine for wealth and a consumer market for the Western capitalist nations. These nations seek to control the destinies and capabilities of these Muslim countries by integrating them into the filthy, *riba* (interest) based, greedy capitalist economy, in order to execute Western projects under the pretext of investment, privatization, and developing the country. Western companies are being introduced to seize control of the means of production, wealth, and public utilities, relying in this endeavor on foreign businessmen and the ruling political class in Muslim countries. This serves to open the countries up to these investors under pressure from the International Monetary Fund (IMF), which provides plans and recommendations leading to the destruction and sabotage of the economy and its inability to provide sufficiently for the populace. Subsequently, the World Bank enters with its conditional loans and interest (*riba*), turning the countries into a plaything in the hands of the World Bank, which dictates its malicious plans concerning privatization and investment, thereby entangling these nations, and ensuring the entry of capitalist companies to dominate them economically and politically.

This is what is happening in most Muslim countries, and this is the plunder of resources and wealth that we observe. The fundamental reason for this is the absence of Islam from governance and the failure of Muslims to strive for the implementation of the Shairah Law of Allah (swt).

Diagnosing the illness is the prerequisite for prescribing the cure based on Islam and its solutions, so that our money, properties, and wealth are not mortgaged to the colonialist kafir, and thereby preventing the resultant violation of the country's sovereignty and control over its wealth, decisions, and trajectory.