

Press Release

Mini-Budget Ties Pakistan's Economy Down, Before More Slaughter with the Knives of the IMF

The mini-budget released on 18 September 2018 revealed huge increases in taxation through the widespread withdrawal of tax and duty exemptions, before the scheduled visit of the International Monetary Fund (IMF) team, which is to demand even more privatization. As such Pakistan's new rulers have confirmed that there is no change and it is more of the same. There is no change because the current economy in Pakistan is according to Capitalism and not Islam. Capitalism ensures the private ownership of the huge sources of revenue, depriving the state treasury, and then chases the masses for taxation, irrespective of their poverty and hardship. Such indiscriminate taxation cripples agricultural and industrial production, as well as increasing the costs of basic needs. Even back-breaking taxation is not enough to cover shortfalls and so the rulers then seek loans from colonialist financial institutions that can never be repaid because of interest. Indeed, Pakistan has paid the principles of loans many times over, yet is now borrowing to pay off previous debts. And the colonialist loans come with the knives of interest, privatization and taxation, which repeats the cycle of destruction.

There will be no poverty alleviation, breaking of the begging bowl or economic uplift as long as we live without Islam's economic system, as implemented by the Khilafah (Caliphate) on the Method of Prophethood. It is our Deen that has a unique economic viewpoint which ensures maximum revenue for the state without overburdening the citizens. Islam uniquely divides property into private, state and public property. Energy and mineral resources like oil, gas, electricity, copper and iron are considered public property and represent wealth to the order of billions of dollars. Public property can neither be privatized nor nationalized. So, its immense revenues must be spent on the people's affairs, under close supervision of the state. Islam's unique company laws prohibit the joint stock share company and so limits the financial ability of private companies to dominate capital intensive sectors of the economy, such as large scale transport, telecommunication and construction. So, the Islamic State will naturally play a dominate role in these sectors, granting substantial revenues to look after the affairs of its citizens. In addition, Islam has its unique system of revenues, including Zakah on trading merchandise and Kharaaj on agricultural land, whilst emergency taxation is only allowed upon the wealthiest of the society. And Islam has forbidden interest as well as the dominance of the Kuffar over our affairs, closing the doors to the destructive cycle of loans from colonialist institutions. Clearly to end the economic misery, the Muslims must abandon the hopeless search for change within the current system and work to ensure ruling by all that Allah (swt) has revealed. Allah (swt) warned, ﴿وَمَنْ أَعْرَضَ عَن ذِكْرِي فَإِنَّ لَهُ مَعِيشَةً ضَنْكًا وَنَحْشُرُهُ يَوْمَ الْقِيَامَةِ أَعْمَى﴾

“Whosoever turns away from My Reminder, verily, for him is a life of hardship, and We shall raise him blind on the Day of Resurrection.” [Surah Ta-Ha: 124].

Media Office of Hizb ut Tahrir
in Wilayah Pakistan