

Fuel Subsidy and the Islamic Solution

In his inaugural speech on the 29th of May 2023, Nigerian president Bola Ahmed Tinubu ended the fuel subsidy per the provision of former Nigerian president Muhammadu Buhari's administration. With a deteriorating economy and worsening debt profile, the idea that the subsidy hindered progress, among other myths, was finally sold widely. The masses did not have to wait for after effects as fuel stations closed nationwide. Naturally, long lines formed at the few stations that opened selling fuel at exorbitant prices.

Tinubu claimed that subsidy has always been a scheme that "...favoured the rich more than the poor. Subsidy can no longer justify its ever-increasing costs in the wake of drying resources" (*Daily Post*). It is true that the rich benefit the most because they own the fuel companies. But the perception Tinubu wanted to gain from the masses is misplaced, which is that removing subsidies prioritizes the poor over the rich in the long term.

On the contrary, the rich were effectively paid by the government not to charge the public the full price. The removal of the subsidy does not change the fact that the rich are still going to get full payment and get richer, only this time it comes from the impoverished people rather than the government. This simply continues to enrich the wealthy as usual. There is no evidence or plausible projection that can show how the poor gain from this.

Insisting that the funds used in subsidizing fuel will be 'rechanneled' to bereaved sectors is an empty promise with no hope of realization. This is because past governments retained subsidy percentages that were cut off over the years but were never effectively used in funding these sectors.

In fact, this is obviously a move to reduce government expenditure that will probably reduce the percentage of debt acquisition. If so, why not significantly reduce the outrageous amounts politicians pay themselves and the hidden charges they extort from government coffers? Why does the public always have to be at the receiving end of the failure of democratic policies and inherent corruption?

Mischievous policies and decisions like this are not primarily caused by political parties and their members. They are called "policy decisions" because they are systemic. The economic system of capitalism, which is applied all over the world, is infamous for its disregard for the satisfaction of the poor. The chasm of inequality it created is not a secret, where the top 1% "...grabbed nearly two-thirds of all new wealth worth \$42 trillion created since 2020" (*The Daily Star*).

Nigeria and the world at large need the Islamic system more than ever. The Islamic economic system prioritizes distributive mechanisms, unlike capitalism, which focuses solely on growth and accumulation through privatizations. In Islam, production is only important because of the need for distribution. Hence, the Gross Domestic Product (GDP) index does not determine the health of the economy. Rather, the access of the public to the production does. To achieve this, Islam divides properties into three: state, private, and public. Let's take a brief look at each.

Private Property – anything that can be owned by an individual. It is usually indicated by its limitedness. Anything that falls under this category can be owned and sold by an individual.

State Property – any property the masses have a right to but is managed by and belonged to the government, e.g. *Kharaji* lands. Such a property cannot be privatized.

Public Property – this is a property that individuals are not allowed to possess. Although, it is managed by the government like state property, the difference between them is that the state property is dispensed according to government needs in running the administration. Whereas the public property belongs to the people and the government is in charge of it to ensure its dispensation to the public. Therefore, this cannot be privatized or nationalized. Moreover, public property is categorized into three:

1. Anything that is considered a public utility, so that a town or a community would disperse in search of it if it were not available – like water.
2. The uncountable mineral reservoirs – like fuel.
3. Things that are inherently meant for the public, not individual possession – like forests.

Hence, commodities like crude oil cannot be privatized (or commercialized, as the Nigerian government euphemizes) or even made state property through nationalization. This is in accordance with the hadith of Muhammad (saw), as Ibn ‘Abbas narrated the Rasool (saw) saying: «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ فِي الْمَاءِ وَالْكَلْبِ وَالنَّارِ» **“Muslims are partners (associates) in three things: in water, pastures and fire,”** reported by Abu Dawud. Anas also narrated from Ibn ‘Abbas adding, «وَتَمَنُّهُ حَرَامٌ» **“And its price is Haram (forbidden).”**

Additionally, fuel subsidy is unnecessary under Islam because fuel is a public property that the people do not have to pay commercial prices for. Islam has already made the matter naturally subsidized because it considers anything that is uncountable and vast in amount to be public property and cannot be used by strong, rich men to further enrich themselves. This is evident in a narration from Abyadh Ibn Hammal, «أَنَّهُ وَقَدَّ إِلَى رَسُولِ اللَّهِ ﷺ فَاسْتَفْطَعَهُ الْمِلْحَ فَفَطَعَ لَهُ، فَلَمَّا أَنْ وَلى قَالَ رَجُلٌ مِنَ الْمَجْلِسِ: أَتَدْرِي مَا قَطَعْتَ، فَانْتَزَعَهُ مِنْهُ» **“That he came to the Prophet (saw) and asked him to grant him a salt-laden land, and he granted it to him. And when he left, one person in attendance with the Prophet (saw) said, “Do you know what you granted him? You granted him the uncountable water (Al-‘udd).” He (saw) then took it away from him.”** (Reported by at-Tirmidhi)

Just like the Rasool (saw) prevented Abyadh from possessing the salt mine because it reaches the quantity of public property, the fuel is also forbidden for individuals at the expense of the many.

Islam prioritizes the masses over the vain desires of a few elites. This is the system Muslims must call for that when implemented, justice will spread and the weak will be given rights accorded to them. The change of presidential faces and parties has not solved any ailing country’s problems and it evidently never will. This is because the problem was never the party or the president but the system implemented by the parties and presidents.

**Written for the Central Media Office of Hizb ut Tahrir by
Umar Abu Ammar Bin Ahmad**