

Predatory Capitalism

News:

The government's 'lopsided' surveillance mechanism, the alleged sugar cartel and above all hoarding have caused around Rs20 per kilo increase in the price of the sweetener in the last 15 days alone, leaving the inflation-stricken people with no option but to buy the commodity at higher rates. (Dawn News)

Comment:

Many people are still spending a lot of time stuck in nostalgia, daydreaming about that short stint of prosperity that capitalism brought. But the so called Golden Age has now been gone longer than it lasted, and the world it sprung from doesn't exist anymore.

Capitalism promises people better lives in perpetuity, and always dangles a new carrot before them. It promises to make middle classes rich and respected and fortunate but capitalism itself makes it impossible for most of the middle class to achieve this, because its goal is to enrich capitalists, not anyone else. The result is a kind of gap between people's hopeful aspirations, and their grim realities, as capitalism eats through their incomes, savings, jobs, cities, towns, communities, values, norms, in order to enrich capitalists.

The period between 2008 and 2020 marks more than a decade of difficulties for the global economy. In 2008, the Great Recession struck, leaving a destructive trail of losses worth trillions of dollars and anaemic economic growths. In 2020, Covid-19 delivered another powerful jolt to the global economic order. Some statistics, however, paint a perplexing picture. In 2009, the wealth of Jeff Bezos (founder of Amazon) was \$6.8 billion. In 2020, his wealth stands at \$184bn! In 2009, the wealth of Mark Zuckerberg (founder of Facebook) was \$2bn. In 2020, his wealth stands at \$103bn! In the same period, the wealth of the 400 richest Americans increased from \$1.27 trillion in 2009 to \$3.2tr in 2020.

Swiss bank UBS reported that at the height of Covid-19, from April to July 2020, the world's richest saw their wealth climb by 27 per cent to \$10.2tr. At the same time, the World Bank's estimates show that for the first time since 1998, extreme poverty is set to rise with 115 million more people falling into that category. Additionally, the share of labour in global income has been falling since at least the 1970s.

The 20th century saw the rise of 'financial capitalism' with financial firms at its core. The products and their trade are based on complex computations and formulas underlying assets valuation. The main issue, however, with this particular evolution of capitalism is that not many understand its working. While commerce and trade have always been in the grasp of even the poorest, financial capitalism can be hard to grasp for even the brightest.

Even more disconcerting is the fact that major gains accrue to only a very small minority. To put things in perspective, consider that it took the fall of empires like Rome to set off wide-scale economic repercussions. In the 21st century, it took the fall of only two firms (Bear Stearns and Lehman Brothers) in a corner of New York to set off a cataclysmic event that not only shaved off trillions of dollars from global wealth and GDP, but also led to widespread joblessness.

The truest believers in Capitalism's dream that they, too, one day, will become Capitalists — are left downwardly mobile. But when people who have expected to be upwardly mobile suddenly become downwardly mobile, they can't usually believe it, process it, understand it. Their reality has been shattered. We all are the victim of Capitalism, Capitalism itself has caused the crisis which has left us in the predicament of expecting a better life — but only ever getting a worse one.

For everyone in general, and particularly for Muslims, the time has come to not only question the suitability of the secular ideology and its corrupt economic model rather work to establish Khilafah (Caliphate) whose economic system prioritizes the needs of all the people living under its shade, and unlike Capitalism not paving the way for wealthier elite to make huge gains through legalize corruption through man made laws. An economic system based upon gold and silver and zero interest, which does not crumble due to a virus, and that provides confidence to the consumers in society. Ensuring the circulation of wealth is a basic goal of the Islamic economy, unlike Capitalism. The goal is not to amass the most wealth, nor to grow perpetually. The basic needs of the people must be met before all else.

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