

The Disease of Capitalism

“Heroin is to drug addicts what foreign exchange (read dollars) is to Pakistan’s economy right now. When a drug addict enters a rehabilitation clinic, he often perceives the doctor as the enemy, stripping away the addict’s ability to experience joy in life. Asad Umar is in a similar position with the Pakistani people, as he weans us off debt and expensive imports. In this case, like the addict, it’s easier for us to fight the doctor instead of the disease. The irony is that the doctor only has one goal at heart: to make the patient feel better and live life to its fullest.” (The Express Tribune, 28/9/2018)

Using the analogy of necessary pain for recovery is a feature of much of the comments made by the Finance Minister of Pakistan, the media and other commentators. Everyone knows Pakistan’s economy needs dire attention and so this line of argument is being accepted to a large extent. Sacrifice in the form of higher prices, more taxes and so on is made to appear acceptable as the necessary pain to revive the economy and hence ‘fix’ Pakistan.

The masses need to be convinced, as they will inevitably feel the costs of higher prices and have already suffered in years gone by due to the loan repayments of the IMF and World Bank. Avoidance of more loans and foreign dependency is of course an appealing idea. But when prices go up and people cannot afford basic staples, things can always get out of hand, so, the public needs to be coaxed and made to believe that the policies, like a bitter pill, are the only cure.

In actuality, Pakistan’s problems, including the economy are part of its colonial past. Any recovery needs to take into account the political realities, or how the world works. This in fact is the same problem that occurs the world over and especially in less developed nations. The problems are not due to lack of resources or man power but rather how these are utilized and distributed and who controls policies. It must be clear that the problems are also intended and not by accident or simple mismanagement. The leading Capitalist nations see the less developed world as place to get resources and also markets for commodities and their development is allowed only to serve these interests. This system itself is the real problem.

An average person will want to feed their family, have opportunities to work, get a decent education, have access to healthcare and live a life that is secure. Without even taking a detailed study, one can see that the economic model of Capitalism is not actually able to provide this for every individual and in many cases many groups also face lack of economic opportunities. This is both in the nations that champion Capitalism, such as the USA, and more so in the less developed world that is affected by globalization and policies by outside players. There is poverty and inequality in the West as well as in the less developed world. It is not only in Pakistan that there is a huge crisis caused by Capitalism. Yet we are asked to blindly put our trust in this system.

For the aware Muslim, we should be clear that the dominant world order, namely Capitalism, has been resuscitated many times but it is an incurable disease. As long as the basis of our economies is set up on this idea, which sees economic recovery in more and more production, yet ignores distribution of resources, we will not get better at all.

Capitalism looks at the overall wealth produced and fails to see if everyone has been fed; hunger is still rising while food is wasted. Capitalism also promotes the privatization of natural resources and encourages monopolies, therefore allowing companies and

individuals to amass huge amounts of wealth while others have nothing. We all know how the CEO's of big corporations can add zeros to their pay packet every year, while workers may be doing overtime and still not making ends meet. Capitalism tells us there will be a natural trickle-down, yet year after year we see that the percentage of wealthy people is less with more and the percentage of poor is more with less! Taxation is used to raise revenues and pay back interest based loans, that it is known, can never be returned. So, why do we think this is the solution!? Why are we told, to tighten our belts and hold on for economic recovery, when this system is failing!?

Pakistan is a Muslim nation and it has the potential to live out the dream of its creation as an Islamic State. Pakistan's current Prime Minister uses the 'Madinah Model' in his speeches to motivate the masses, yet fails to allow this to translate into any policy making.

In the Madinah State, established by RasulAllah (saw) we saw how a state raised revenue. All the categories of Zakat were fulfilled and distributed as a state duty, not just an individual obligation as it is today. The collection of Kharaj tax on agricultural land was put in place and people were still able to feed their families. Extra taxation was not a norm and was never a burden on the poor, only used to raise revenue when the Bait ul-Mal (State Treasury) was unable to manage for a limited time span. The Prophet (saw) never allowed individuals to own vast resources so they could manipulate this or withhold from others. It is narrated from Abyad bin Hammal (ra) that he went to the Prophet (saw) and asked him to allocate the salt reserve in Ma'rib to him so he (saw) did so. When he left a man from the gathering said, "Do you know what you just allocated to him? You allocated to him an unending (replenishable) ['idd] reserve." So he (saw) took it back from him." (Abu Dawud, 3046; Tirmidhi, 1380).

Finally, the domination of the Kuffar was not allowed and their dictation on the policies of the state was inconceivable. This led to that state having stability, and the means to feed its population and the ability to become an international player and then ultimately a world power that was feared and revered.

The Madinah Model, in fact is the correct source, if one were to study this and compare it as an ideological alternative to Capitalism, not simply as a nostalgic anecdote. It was the basis for the vast Khilafah State that lasted up till the Kuffar conspired with their agents to remove it and its revival is the key to Pakistan's economic crisis as well as the overall future of this land and all Muslim lands.

In conclusion, Pakistan's current financial solutions are a continuation of the same tried and failed solutions. Deflections on past-government policies will only serve to divert the masses for some time. Pretending things can get better is also not going to last forever. It was the policies of the past governments that *did* cause problems, but we should be clear that these were Capitalist solutions no matter how they are presented. And to continue on the same path will not remove the disease and give new life, but just mask some issues for a short time.

The path for change is recognized as difficult, as needing sacrifice and effort, the acceptance of this reality is very good, but the short sightedness of the type of change and what model change should take is a weakness that Pakistan must overcome first before its successful recovery.

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