

Press Release

The Saada Agricultural Cooperative Association in Yemen

A Violation of the Rulings of Islam and a Revival of the Idea of Cooperatives

(Translated)

Although nearly two months have passed since the inauguration of the multi-purpose Fruits of Saada Agricultural Cooperative Association, registration is still open to this day at the rate of ten thousand per share. Therefore, we must clarify the reality of those associations that are in violation of the rulings of the noble Sharia, and in order to ensure that the people of Yemen do not fall into their dangerous slips.

Cooperative Associations (co-ops) are a type of capitalist company, even if it is called a cooperative. It is a joint-stock company between a group of persons, who have agreed among themselves to jointly act according to their own activity. A cooperative arises in the usual commercial form with the aim of assisting its members, or ensuring their specific economic interests, and the cooperative acquires the legal personality of the company. Thus, it differs from other associations in that these associations are originally abstract from economic purposes. The cooperative works to develop the profit of its members, and not the interests of others, which calls for creating a strong link between its economic activity and the economies of the members. A cooperative association is composed of more or less a number of members, but it is not composed of two people only. They are of two types:

One type: a company with constituent shares, in which any individual can assume the capacity of a partner, by owning these shares.

A second type: a company without constituent shares, to which affiliation is by paying an annual subscription fee, to be determined by the general association for it in each annual session.

The cooperative must meet five conditions:

One: the freedom to participate in the cooperative; the door for affiliation remains open to any person under the same conditions applicable to the previous members, and that the cooperative's regulations, restrictions and reservations apply to the member, whether these restrictions are of a local nature, such as the people of the village, or of a professional nature, such as carpenters, for example.

Second: the co-operatives have equal rights; the most important of these rights is voting, whereby each partner is given one vote.

Third: determining a specific interest for the shares; some co-operatives pay perpetual shareholders limited interest, if their profits permit.

Fourth: the return of surplus investment profits; the net profits shall be returned to the members, in proportion to the operations they conducted with the cooperative, from purchases or use of the cooperative services and its devices.

Fifth: the necessity of forming a cooperative wealth by transferring the reserve.

This is the reality of the cooperative associations, which are false associations that contradict the rulings of Islam due to the following:

1- The cooperative society is a company, so it must fulfill the conditions of the company stipulated by Sharia in order for it to be valid. And the company in Islam is a contract between two or more, in which they agree to carry out a financial act with the intention of profit, and accordingly the company must have a body, i.e. the association or the company must be managed by at least one of the partners, a person who owns and disposes of, and thus there must be the body so that it is even called a company according to Sharia law. Cooperative associations were not legitimate companies, because they are companies based on funds alone, and they do not have a partner body, and an agreement was reached between their members to put certain funds and then they search for a management to do the work. The company is a contract on the disposal of money and the disposal can only come from the body, and if it is devoid of the body, it is a void company.

2- Dividing profit in proportion to purchases, or according to production, not in proportion to capital or work, is not permissible, as it is a corrupt condition.

The return to these associations today in Yemen is a resurrection of cooperative societies whose idea was introduced by the West to Yemen during the days of President Al-Hamdi in the 1970s, and continued until the eighties, and whose origins contradicted Islam on the one hand, and on the other hand worked to distort people's thinking about working to establish a state that takes care of their affairs and should be taken care of comprehensively and obligatory upon them, instead of chasing after a deceptive mirage that they think is water neither nourishing nor satisfying hunger. for you, O people of Yemen, have nothing but the Khilafah (Caliphate) State upon the method of the Prophethood that takes care of your affairs, spares your blood and pleases your Lord through it. So roll up your sleeves and work with Hizb ut Tahrir to establish it so that you may win the great reward, for you are worthy of that.

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