

## Summation of Hizb ut-Tahrir's ECONOMIC SYSTEM

By Bo Perrin

The Economy is the largest section in HuT's Constitution. In fact, it might even be the most important section. HuT, like other groups, spends a lot of time and energy in trying to convince people that their form of the Caliphate is the proper system. Many of the people whom HuT is trying to convert will probably determine the viability of HuT's political system by the nature of the economic system the Caliph will impose.

Economics addresses the satisfaction of human need. (Article 119) HuT believes the fundamental problem in economic theory is distribution. (Article 120) HuT's economic theory is thoroughly Marxist. The state is the sole entity to provide the individual all his basic needs. (Article 121) In addition, the state must guarantee the individual the opportunity to procure nonbasic needs.

HuT argues that Allah is the true owner of all property. (Article 122) Humans are stewards of what belongs to Allah. Therefore, the Caliph permits a person to own property as an actual possession. The three types of property are private, public and State. (Article 123)

Private property provides the owner with a benefit from it or a return for it (Article 124) Public property is community property which benefits the community not merely an individual. (Article 125) State property is property from which Caliph and his ijtihaad determine the expenditure. (Article 126) The ijtihaad compromises the land (kharaaj) and head (jizya) tax.

The Caliph will restrict private property ownership. (Article 127) If the property consists of liquid and fixed assets then ownership is restricted by work, inheritance, survival, a State donation to a citizen or funds obtained by individuals neither by effort nor through purchase.

Property cannot be freely disposed of. (Article 128) Allah has restricted the purposes for which property might be disposed. There are different types of land. (Article 129) Tithed land is land within the Arabian peninsula whose owners embraced Islam while possessing the land before jihad. Individuals can own it. Tax land is all land, other than the Arabian Peninsula, which was conquered by jihad. The State owns this land but for the benefit of the individual.

Land is that is not cultivated can be possessed by working the land. (Article 130) This land can only be acquired by inheritance, purchasing or a State donation. Land cannot be leased for agricultural reasons. (Article 131) Sharecropping is permitted on land populated with trees but forbidden on all other lands. A landlord must use his land. (Article 132) The landowner can get a State loan to do so. If the land is not used for three years, the State will give it to another who will use it.

Three types of public property exist. (Article 133) The three categories public utilities (town parks), mineral resources (oil fields) and things that, by their nature, preclude ownership by individuals, such as rivers. Factories are private or public property based on what the factory produces. (Article 134) The State cannot change private property into public. (Article 135) The reason is that its nature not the State's view determines the status of property. If so, this requirement protects the individual owner against the State overstepping its bounds and crushing the individual business owner. The State does not have the authority to let an individual own public property. (Article 136). Public property must be open to the public. The State is authorized to protect any land for the good of the citizen. (Article 137)

Hoarding funds is forbidden. (Article 138) Zakaah is a tax based on property which Shari'ah has specifically determined. (Article 139) The tax is collected from every owner whether they are legally

responsible or not. The Qur'an provides only eight categories on which this tax can be spent. Jizyah tax is a tax taken from dhimmis. (Article 140) A dhimmi is of the people of the book which has accepted the six principles of Islam. HuT decrees the tax is to be collected only from mature men if they are financially capable. Women and children are exempt. Kharaaj is a land-tax. (Article 141) The amount of the tax collected is determined by the land's potential production. The amount of land tax collected is determined by the actual production. The tax required of Muslims within the Caliphate is to be levied only on surplus but it must be enough to cover the State's demands. (Article 142) This leaves open the possibility of abuse by the Caliphate. If the funds already collected do not cover the State's expenses, the State can collect what it needs as long as Shari'ah permits. (Article 143)

The Ahkaam shar'iyyah is divine rules the Caliph creates to guide the Ummah which do not conflict with Shari'ah. (Article 144) Therefore, the Caliph determines the State's permanent sources of income. These are spoils (of war), jizyah (from dhimmis), Kharaaj, a fifth of a buried treasure and zakaah. These funds are continually collected whether needed or not. (Article 145) If the permanent sources do not provide enough money then the Caliph can tax individual Muslims. (146) There are four obligations that must be sourced. The first obligation is to the needs of the poor, the needy, the wayfarers, and to perform the obligation of jihad. The second obligation is the remuneration of the salaries of the employees, the rulers and the provisions for the soldiers. The third obligation is providing benefits and public utilities due on bait ul-maal, such as constructing roads, extracting water, erecting mosques, schools and hospitals. Finally, the fourth obligation is meeting natural emergencies. All State income derived from public and State property, people who die without heirs to pass their wealth on to, apostates' property and customs are publically recorded. (Article 147) The expenditure of bait ul-maal is to the following eight categories.

- 1) The eight categories of people entitled to zakaah funds.
- 2) The poor, the needy, the wayfarers, the debtors and jihad if permanent sources of revenues are insufficient. These funds are loans only.
- 3) People who perform certain duties for the State, such as employees, rulers and soldiers.
- 4) The taxes are to be used to fund the essential services and utilities such as the roads, mosques, hospitals and schools.
- 5) The taxes will fund nonessential services and utilities.
- 6) The taxes will help people to recover from natural disasters.

In addition, if the State taxes are not enough to fund these categories then either more taxes are to be immediately raised or loans made to ensure corruption does not set in.

The State provides employment for all citizens. (Article 149) An employee works for a wage. (Article 150) There is no difference between a company and State employee. If a dispute arises between employee and employer concerning wages, the market determines the salary level. Shari'ah governs all other disagreements. The work's benefit determines salaries. (Article 151)

The Caliphate is a nanny state. (Article 152) The State is responsible for everything if a person is out of work and for housing if the person is disabled. The State is responsible for redistributing the wealth. (Article 153) The State redistributes its wealth in the following three ways (Article 154):

- 1) Liquid and fixed assets from bait ul-maal and war booty is distributed to citizens.
- 2) The State donates its cultivated land to those who have insufficient or no land.
- 3) Those in deep debt are given funds from zakaah and other sources to pay it off.

The State supervises agricultural affairs. (Article 155) The purpose is to achieve the greatest possible use of the land. The State also supervises the entire industry including public industry. (Article 156)

The trader's citizenship determines foreign trade. (Article 157) If a trader is from a nation the Caliph is at war with that person may not trade without special permission. If a trader is from a country that has a treaty with the Caliph he may trade according to the treaty. A citizen cannot trade any goods with the Caliph's enemies. Nevertheless, a citizen cannot import any personal property to a nation with whom the Caliph is in actual war with like Israel.

Every citizen, and the State, can establish research and development laboratories. (Article 158) No citizen can possess a laboratory which produces materials that can harm the Ummah. (Article 159)

The Caliph must provide free health care. (Article 160) Every citizen can purchase private healthcare.

Foreign capital cannot be invested in the Caliphate. (Article 161) No franchises can be given to foreigners. The State has its own currency independent of foreign currencies. (Article 162) The currency is gold or silver only. (Article 163) the State can issue Fiat money provided it is back by an equal amount of gold or silver. Citizens can exchange the Caliphate's currency for the currency of another state. (Article 164) The exchange can differ if the two currencies differ. However, the transaction must be hand-to-hand with no delay. Every citizen can purchase whatever currency they desire without previous State permission.