

Petroleum Reaches Record Breaking and Back Breaking Prices in Pakistan

Record high prices of oil commodities were reported in Pakistan, with Petroleum at Rs. 137.79 per liter and High Speed Diesel at Rs. 134.48 per liter. [The News]. Pakistan is greatly affected by the high prices of petroleum because every industry in Pakistan is dependent upon petroleum in one way or the other. Increase in the price of petrol means increase in the prices of other commodities, causing price hikes throughout the market. The common man is plunged into misery as his purchasing power decreases, whilst he works just as hard as he was working before.

The government claims that there is nothing it can do to tackle these back breaking petroleum prices, as it is a result of the worldwide increase in prices of oil commodities. The officials compare the price of petrol in Pakistan to the prices of petrol in other countries in the region which are comparatively higher than Pakistan; Bangladesh at PKR 180.12/ liter [globalpetrolprices], India at PKR 247.08/ liter [globalpetrolprices] and Sri Lanka at PKR 159.05/ liter [globalpetrolprices]. They demand that the public be satisfied with these prices as we are doing “much better” than the other countries.

It is true that the prices are high in the international market. However, it is the rulers of Pakistan that have tied Pakistan to this international market, where the prices are manipulated by the Western powers. The prices of oil commodities in the international market do not increase or decrease based on supply and demand. Instead they are under the influence of the major colonialist powers of the world who use the OPEC Plus cartel to manipulate the prices of oil internationally. Instead of rejecting this model and unifying the resources of the Ummah to bring them out of the influence of the colonialist powers, the rulers of Pakistan are claiming that this reality cannot be changed. However, the ability to have the authority to change the situation.

The countries that we are comparing our petrol prices to are all part of the current capitalist system. Petrol is a privately owned commodity, sold at high prices by the private owners, with additional taxes and levies imposed by the government. What else can we then expect the prices of petroleum to be under this current model? Should we be satisfied when the petroleum prices in our country are just a few rupees less than the other countries? How, when the common man in Pakistan is struggling to bring home food to his wife and children?

Islam provides a clear and workable solution in the form of Islamic rulings related to energy and taxation. An Islamic government can implement these rulings today to ease the burden of high petrol prices.

Firstly, Islam prohibits the privatization of oil commodities based on the following Ahadith of the Messenger of Allah (saw). It was narrated from Abu Hurairah that the Messenger of Allah (saw) said, «ثَلَاثٌ لَا يُمْنَعَنَّ الْمَاءُ وَالْكَلْبُ وَالنَّارُ» **“Three things cannot be denied to anyone: water, pasture and fire.”** (Ibn Majah). It was narrated from Ibn 'Abbas that the Messenger of Allah (saw) said: «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ فِي الْمَاءِ وَالْكَلْبِ وَالنَّارِ وَثَمَنُهُ حَرَامٌ» **“The Muslims are partners in three things: water, pasture and fire, and their price is unlawful.”** (Ibn Majah)

The explanation of the Ahadith is that any utility that is the need of public. is considered public property. Its owner is the general public, not an individual or a company or a state. This matter is not restricted to the three assets mentioned in the Ahadith. It rather includes everything that can be described as being from the public utilities. Islam does not allow companies to own the extracted petroleum and sell it at a price of their choice for the sake of gaining profit as it is considered the property of the public.

Secondly, the additional taxes and levies that the government applies on the cost of petroleum are also prohibited by Islam. The government charges 10.54pc GST on petroleum

[brecorder] and on top of this is the additional petroleum levy that the government charges. Islam does not allow the government to apply the GST and petroleum levies, which allow the government to squeeze wealth out of the poor and rich alike. The evidence for the prohibition of regressive taxation, applied universally, is the clear Hadith of the Messenger of Allah (saw): «لَا يَدْخُلُ الْجَنَّةَ صَاحِبُ مَكْسٍ» **“The wrongful tax collector will not enter paradise.”** (Abu Dawood)

Apart from the taxes obliged by the Shari’ah, such as Kharaj, Ushr, Jizya from non-Muslims and Zakat from Muslims, Islam only allows additional emergency taxation when there is not enough revenue in the Bait ul-Mal (State Treasury). It is only matters which would cause harm upon the Ummah or are obligations. It is raised only from Muslims who have excess wealth after their basic needs and luxuries are fulfilled. It is not a uniform taxation in Islam which are taken from the rich and poor, regardless of whether they will be able to fulfill their basic needs, after paying these taxes. In Islam, taxes vary for each individual according to their ability. The taxes are taken from the surplus wealth of the citizen of the State and not from his income. Those who can only fulfill their basic needs and luxuries with their income and are left with no excess (al-’afu) wealth are not obliged to pay any taxes. The State cannot impose taxes on them even when there is no revenue in the Bait ul-Mal. Allah (swt) says: «وَيَسْأَلُونَكَ مَاذَا يُنْفِقُونَ قُلِ الْغَفْوُ» **“They ask you of what they should spend. Say: The excess (al-’afu)”** [Al-Baqarah: 219].

Lastly, the dollar backed fiat currency that is being used in our country also plays a role in the high prices of petroleum. The fall in the price of rupee against the dollar means that the petrol imported will be much more expensive than before. Pakistan imports a significant amount of its petroleum from other Muslim countries. Islam necessitates that the currency of the State be based on gold and silver and not be fiat currency. The evidence for this is that whenever anything in the text of Quran or Hadith related to money was specified, it was specified from a specific amount of gold or silver.

For example, when blood money was specified, it was specified from a specific amount of gold, and when the cutting of the hand of the thief was obligated, the minimum amount that the punishment would be applied for was specified from gold. The Messenger of Allah (saw) said in his message to the people of Yemen: «وَأَنَّ فِي النَّفْسِ الْمُؤْمِنَةِ مِائَةً مِنَ الْإِبِلِ، وَعَلَى أَهْلِ الْوَرَقِ» **“and for the believing soul (if killed) it is one hundred camels, and for the people of silver one thousand Dinars”** (mentioned by Ibn Qudamah in Al-Mughni from what was reported from ‘Amru b. Hazim from the letter of the Messenger of Allah to the people of Yemen). And in the report in Al-Nisa’i regarding the letter of RasulAllah (saw) to the people of Yemen: **“and upon the people of gold it is one thousand Dinars”** in place of: “people of silver”. And he (saw) said: «لَا تُقَطَّعُ يَدُ السَّارِقِ إِلَّا فِي رُبْعِ دِينَارٍ فَصَاعِدًا» **“Do not cut (the hand) except for a quarter of a Dinar and more”** [Reported by Muslim from Aisha (ra)].

The fact that the Shari’ah textually connected gold and silver to the Shari’ah rules when these rules were related to currency is evidence that the currency can only be from gold and silver alone. If the currency of the state is backed by gold and silver instead of dollar, it stabilize the prices of imports.

These are Islamic rulings which will surely end the current petrol price crisis that the Muslims in Pakistan are suffering from. Surely, these rulings will only be implemented by a sincere, pious Khaleefah (caliph) who will unify the Ummah and its resources under a single Khilafah Rashidah state (rightly-guided Caliphate) upon the method of the Prophethood. The oil that has become a major import for most Muslim countries today, who are importing it from other Muslim countries, will become a local resource and the Ummah alone will be its owner.

**Written for the Central Media Office of Hizb ut Tahrir by
Qasim Abdullah – Wilayah Pakistan**