

Fuel: Economics and Politics

News:

The cost of fuel in Kenya hit a record high on Friday (Sep. 15) after the energy regulator revised pump prices, adding to the economic hardship facing millions of people.

The announcement by the Energy and Petroleum Regulatory Authority has brought the retail price of a litre of petrol to an unprecedented more than 200 Kenyan shillings (\$1.36).

Kenyans already face a harsh cost of living crisis with rising prices for many staple goods, a raft of new taxes and a plunging shilling.

A series of opposition protests against the government of President William Ruto and his economic policies were staged this year, some descending into deadly violence.

Comment:

From fossil fuel emissions and impact on environment and the so called “agenda” to clean environment and making or breaking down a government, fuel is in the center of contemporary global politics. The hands of colonial influence on the third world countries via colonial institutions like IMF and World Bank to manipulate economies of weaker nations has always been based on oil and gas the most important resource of 21st century. The dollar hegemony today is tagged to oil and gas hence the name petrodollar. Now for more than 150 years, oil and gas has played a critical role in enabling unprecedented economic growth in the so called first world at the expense of weaker nations.

Kenya has fallen victim to this global trend and was forced by IMF to discontinue subsidies in May of 2023 on fuel and instead rise tax revenue. The tax hikes in general and in particular in fuel have impacted livelihood of citizenry turning for the worse. This has further weakened local currency against the US dollar impacting ordinary citizens digging deeper on their earnings to just afford basic needs.

Currently the fuel prices have more than doubled in comparison to 4years ago i.e., Logistical cost have doubled which impacts prices of goods and services across the whole economy. Anyone with unbiased mind can't stop to observe flaws in the capitalist economic system and policies. The so-called subsidies make no sense as from the beginning tax cuts can lower the prices to the desired amount without subsidies.

Tax system as designed by the capitalist system as the major source of revenue for a State remains the most oppressive and inhumane tool ever employed to manage the affairs of the people. Fuel stands as the only easy and manageable product to be taxed and to maximize collection of the same. As mentioned earlier capitalism is a flawed system where the State borrows on interest base for infrastructure and other developmental purposes and only to tax the nation to pay the same while in beginning could tax for the same.

In addition, one of the major flaws to further elaborate, oil is viewed as private property, owned by private cooperates whose sole aim is to make profit not to facilitate honorable livelihood. Making annual profits in trillions of US dollars. In conclusion taxation, national debt and privatizing of oil industries has created current economic blackhole concentrating wealth in the hands of the few.

Islam based economy views taxation as extortion of citizens of their right of ownership and disposal of property as came in the hadith «لَا يَدْخُلُ الْجَنَّةَ صَاحِبُ مَكْسٍ» **“The collector of taxes will not enter heaven.”** (Ahmad). Also forbade private corporates from ownership public utilities like water, energy and land for grazing of animals as in the hadith «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثٍ: الْمَاءِ وَالْكَلْبِ وَالنَّارِ» Under these policies Islam secures livelihood of all its citizens, both Muslims and dhimmis, and keep this under as Islam also forbade the *sufaha* (incompetent) took take responsibility of the affairs the people as mentioned the Quran: «وَلَا تُؤْتُوا السُّفَهَاءَ أَمْوَالَكُمُ الَّتِي جَعَلَ اللَّهُ لَكُمْ قِيَامًا وَارْزُقُوهُمْ فِيهَا وَاكْسُوهُمْ وَقُولُوا لَهُمْ قَوْلًا مَعْرُوفًا» **“Do not entrust your properties - which Allah has made a means of support for you - to the weak of understanding, but maintain and clothe them out of it, and say to them a kind word of admonition.”** [4:05]

Written for the Central Media Office of Hizb ut Tahrir by

Ali Omar

Member of the Media Office of Hizb ut Tahrir in Kenya