

## Capitalist Economics is to Blame for the UK's Shocking Levels of Poverty

### News:

On the 4<sup>th</sup> of December, the Joseph Rowntree Foundation, a British social policy research and development charity, published a report that revealed the shocking levels of poverty affecting the UK. It stated that more than 1 in 5 people (14 million) are now in poverty amid the worst decline for children and pensioners in decades. According to the report, nearly 400,000 more children and 300,000 more pensioners were living in poverty last year compared to 4 years ago, and that 4 million children, equivalent to 30% of all youngsters now live in poverty across the UK. Many lack basic necessities including food. Nearly half (46%) of single parent families are also in poverty. (Source: [The Independent](#))

The report came in the wake of the resignation of the government's entire Social Mobility Commission earlier this month which was entrusted with the duty of addressing the huge inequality in wealth in the country. Its members quit their post due to what they stated was a lack of progress and attention from the government towards creating a "fairer Britain." A recent survey conducted by YouGov on behalf of the company Kelloggs also found that 1 in 4 parents in London worry about being able to afford to feed their children and that 1 in 5 had to choose between heating their homes or feeding their family, with 14% of parents having to rely on charities and foodbanks to feed their children. In addition, The Trussell Trust, a charity that has the largest network of foodbanks in the UK, stated that it provided around 1.2 million emergency food packages to those in need between 2016-2017. This is only a partial picture of the scale of those in the UK who depend on foodbanks to survive.

### Comment:

It is scandalous that in one of the world's richest countries which has the 5<sup>th</sup> largest economy globally that there are such soaring levels of financial hardship amongst the population, millions of whom cannot even afford to feed themselves and their families. Many have attributed this atrocious scale of poverty and deprivation to brutal austerity cuts, changes in the welfare system, low wages and high energy, food, housing and other essential costs. However, what is not given due attention by most politicians or the media is the fact that it is the capitalist system and model of economics which the UK and majority of states today are based upon which is to blame for the gross scale of financial inequality and crippling levels of poverty that plagues the lives of so many within their nations. Capitalism's debt-fueled model of growth built on greed and credit has led to volatile economies as well as having caused the global financial crisis, the effects of which continues to afflict many states today. Its unjust interest-based system has funneled wealth from the poor to the rich and plunged many individuals into crippling debt. Its reckless casino based stock-market and financial services system have caused much economic instability. Its high

taxation system has been an impediment to businesses and impoverished many. And its privatization of basic necessities, such as water, gas, and electricity under its principle of freedom of ownership has subjected the people to extortionate unaffordable prices for utilities, such that many are unable to heat their houses, even in the biting cold temperatures of winter. In addition, capitalist governments run their states like businesses, giving attention and weight to the generation of revenue for businesses and the state's coffers rather than ensuring that the poor and vulnerable are looked after and provided for adequately so that they can enjoy financial security and a dignified standard of life. In summary, the capitalist system has been an utter failure in looking after the needs of the people and governing justly. One should also understand that socialism or communism is no antidote to the financial chaos, injustice and impoverishment caused by capitalism. We only have to look at the huge scale of poverty affecting countries such as Venezuela, Cuba, Vietnam and China.

And despite all this, we see the intellectually bankrupt rulers and leaderships of the Muslim world continuing to embrace these broken and failed systems to run their states which have only sown economic devastation upon their people. As a Muslim Ummah, we should take lessons from the abject failure of the capitalist, socialist and all other man-made systems in managing the economies of nations in a manner that ensures that the fruits of prosperity are enjoyed by all rather than a select few. We should understand that it is ONLY the Islamic economic laws and system prescribed by the Creator of the Worlds, Allah (swt), the All-Knowing, the All-Wise, which can organize the wealth of a state in a just and effective way to generate a healthy and fair economy and solve the problem of poverty. Islam's focus on the distribution of wealth rather than just its production, its rejection of the interest-based system and casino financial products and services, its prohibition of the hoarding of wealth and the privatization of essential resources such as water, gas and electricity so that all share in their benefits, its productive agricultural policies that ensure land is used effectively, and its host of policies and laws that help individuals into employment and provide the basic needs and a good standard of living for the poor – are the path to fighting poverty and generating prosperity in our Muslim lands. It is ONLY through the establishment of the Khilafah (Caliphate) based upon the method of the Prophethood that this Islamic economic system can be implemented comprehensively, transforming a vision for a bright economic future in the Muslim world into a reality Biithnillah.

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