

Press Release

**To the Participants of the World Islamic Finance Forum (WIFF):
The Khilafah will Implement Islam Comprehensively as an
Alternative to the Failed Capitalism**

Assalamu Alaykum wa Rahmatullah wa Barakaatahu

We address you as participants of the World Islamic Finance Forum (WIFF) of 19 March and 20 March 2018, organized by Karachi's Centre for Excellence in Islamic Finance at the Institute of Business Administration (CEIF-IBA), in collaboration with LUMS and INCEIF. Indeed, this forum of yours itself is an evidence of the rapid growth in Islamic finance, which has now become a multi-billion dollar industry.

We begin by cautioning you that the growth of Islamic finance has attracted the disbelieving Capitalists who now seek to exploit it as a market. In their marketing, the misguided Capitalists are mindful that the Muslims entered the field of Islamic finance through fear of violating the commands and prohibitions of Allah (swt). So, the Capitalists hide corrupt capitalist solutions behind Arabic and Islamic terms. Thus, they attempt to fool the Muslims by marketing usury as "profit", insurance as "takaful" and the public share company as "mudarabah." They do so in order to perpetuate Capitalism, despite its evident failures, and prevent its rejection by Muslims. It is a similar ploy to their marketing for Democracy, through claiming it is merely elections and consultation, which Islam permits, even though Democracy's fundamental premise is assigning human reasoning as the source of legislation, rather than the Quran and Sunnah.

Moreover, we further wish to impress upon you the need to move beyond the limited scope of Islamic finance and present Islam as the practical alternative to Capitalism. This is at a time when Capitalism's failings are evident to the world, through its solutions that ensure immense concentration of wealth in the hands of the few.

Dear participants,

Please consider that Capitalism's solution for energy and minerals has ensured private ownership over these immense sources of revenue by a few, depriving society of their riches. This is in contradiction to Islam, which has uniquely determined that energy and minerals are public property, which can neither be owned by the state or privately, rendering its benefit for all the citizens of the Khilafah. Energy and minerals in the Khilafah state are not owned by the state as was the case in the communist system, where the state exercised its will over such resources as it wished. Also they are not owned by individuals, as is the case in Capitalism, which allows large capitalists to own such enormous resources, granting them personal wealth that exceeds those of countries!

RasulAllah (saw) said, «الْمُسْلِمُونَ شُرَكَاءُ فِي ثَلَاثِ الْمَاءِ وَالْكَلْبِ وَالنَّارِ» **“The Muslims are partners in three things, waters, feeding pastures and fire.”** (Ahmad). The term ‘fire’ here includes all forms of energy used as fuel in industry, machines and plants, as well as the plants which use gas as fuel or coal. Moreover, in the Hadith of the Prophet (saaw), Abyadh ibn Hammal was refused ownership of a salt-laden land on the grounds that this land contained immense quantities. Thus, public property includes all minerals, whether they are solids like coal, copper,

iron or gold, or liquid, like petrol, or gaseous, like natural gas. These all fall under public property and the Khilafah state alone manages and supervises their extraction, sale and distribution to ensure that every citizen gets a rightful share in public property. The public property's revenues are to be distributed to the citizens and they have rights over it as a birthright, such that it has to be spent on looking after their affairs. In Pakistan, it is not difficult to imagine the huge amounts that will be generated from energy and minerals and how they would be spent on the elimination of poverty as well as strengthening our industrial and agricultural capabilities, when the Khilafah state disburses these revenues and services to its citizens.

Dear participants,

Please also consider that Capitalism's solution for company formation further deprived the state of immense revenues that could have been used to look after the affairs of the citizens. The public share company has allowed the private ownership of capital intensive sectors, such as large scale heavy industry, construction, transport and telecommunications. Islam has forbidden the public share company because it contradicts the reality of the company in Islam. The Shari' definition of a company in Islam is **عقد بين اثنين فأكثر، يتفقان فيه على القيام بعمل مالي، بقصد الربح** "A contract between two or more parties, who agree to undertake a financial venture with the aim of making a profit." It is therefore a contract between two or more parties, thus it could not be unilateral, as occurs in the public share company, where the contract is based on the mere payment of money for a share and shareholder has no role in running the day to day affairs of the company. Moreover, whilst the financial payment in the public share company is for the sake of partnership alone, in the Islamic company contract, wealth is bound to a financial venture where the partner has the right to run day to day affairs of the company or to decide about operational management for the sake of a profit.

The elimination of the Capitalist public share company will inevitably result in private companies engaging in capital intensive sectors at a smaller scale than now, as in origin private parties do not have immense resources at their disposal, such as those of a state. So, naturally the state will come to dominate ownership of these huge sources of revenue, enabling it to better look after the affairs of the people. The state property may be spent by the Khaleefah as per his discretion and Ijtihad in matters of state and citizens. For instance, he may spend to create balance in the society so that the money transactions are not confined to the rich alone, Allah (swt) said, **﴿كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ﴾** "In order that it may not become a fortune used by the rich among you." [Surah al-Hashr 59: 07] Therefore, the Khaleefah may grant these to the poor and destitute as the Prophet (saaw) did with Fai from the Banu Nadheer tribe, which he (saaw) distributed only amongst the immigrants from Makkah and not amongst the Ansar of Madeenah, except for two of the poor Ansar who were as destitute as the immigrants, they were: Abu Dujanah and Sahl ibn Hunaif. This was in compliance with the Ayah so that the money circulation does not remain confined among the rich.

Dear participants,

Thus, in our time, those who love Islam cannot stop at thinking about finance alone, but must think about Islam in its entirety, which requires establishment of Khilafah. The Khilafah upon the Method of the Prophethood will implement all of Islam, preventing the destructive concentration of wealth in the hands of a few.

Wasalamu alaykum wa Rahmatullah wa Barakaatahu

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