

## How the Khilafah Solves Poverty – PART 2

### Practical Examples from the Sunnah and Islamic History

• Only to start with as a short reminder of what Islam's main pillars in prevention of poverty are:

- Islam has regulated the issue of ownership in a very clear and efficient way. Every individual is permitted to gain and to possess private property on everything that is not public or not state property, through the ways that Islam has made permissible (work, trade, inheritance, gifts, etc.), i.e. except stealing, fraud, bribery, gambling and interest, hoarding...

- Islam has prohibited hoarding, which is called *kenz* (the hoarding of gold and silver, even though Zakat is paid on it), and the hoarding of food Monopoly, which is called *ihtikar*. This is the withholding, hoarding of goods, and commodities in expectation of price increase. The Islamic texts and jurisprudence clearly define this act as forbidden, *Haraam*. There are various narrations from Rasulallah (saw) that clearly express that *ihtikar* is haram... S'aid ibn Al-Musayyab narrated from Mu'ammār ibn Abdullah Al-'Adawī in Bukhari that the Prophet (saw) said: «لَا يَحْتَكِرُ إِلَّا خَاطِئٌ» “**No one monopolises except the wrongdoer (sinner).**” Al-Athram narrated from Abu Umamah, he said: «نَهَى رَسُولُ اللَّهِ ﷺ أَنْ يُحْتَكَرَ الطَّعَامُ» “**The Messenger of Allah (saw) forbade that a foodstuff be monopolised**”. And Muslim narrated through his chain of narrators from S'aid ibn Al-Musayyab that Mu'ammār said: "The Messenger of Allah (saw) said: «مَنْ احْتَكَرَ فَهُوَ خَاطِئٌ»” “**Whoever monopolised is a wrongdoer.**” Monopoly is prohibited (Haram) in all things without a difference between human foodstuff or animal foodstuff, a foodstuff or not a foodstuff, and of the people's necessities or luxuries. Thus the monopoliser in fact wants to increase the price for the Muslims, a matter which is Haram, due to what was narrated from Ma'akal Ibn Yasar, that he said that the Messenger of Allah (saw) said: «مَنْ دَخَلَ فِي شَيْءٍ مِنْ أَسْعَارِ الْمُسْلِمِينَ، لِيُغْلِبَهُ عَلَيْهِمْ، كَانَ حَقًّا عَلَى اللَّهِ أَنْ يُعِدَّهُ بِعَظْمٍ مِنَ النَّارِ يَوْمَ الْقِيَامَةِ» “**Whosoever was involved in any of the prices of the Muslims, so as to increase it for them it would be a foe on Allah to place him in a great fire at the Day of Judgement**”

- Islam prohibited stock based companies and trade. Partnerships and trade must be based on real cooperation between individuals on the basis of money + labour and/or knowhow, while the commodity of the cooperation or trade must be a real product with real value.

- And Islam has made gold and silver the only currency of the state and has made it independent from any other currency or state or international agreement.

- There is no interest in any of part of the economy whether by individuals nor the State. The bank is only a state bank, which gives loans without any interest. And the State is not allowed to take loans from others on the basis of interests.

- There are no taxes in Islam. The Khilafah will not and must not take taxes from the people...

The poverty that exists in our lands and across the world is caused due to the absence of these rules! So if all these rules are implemented there is no reason left that could possibly lead to the occurrence or increase of poverty within the State. Additionally the Khilafah has certain mechanisms to distribute the wealth among the people, regardless of their religion, race or sex. We must be aware that it is not possible, or simply impossible, to implement these Islamic politics under today's existing non-Islamic systems.

• First of all, Islam produces work, facilitates employment and does not regard the reduction of jobs/redundancies as an economic tool as it is the case in capitalism. Capitalism regards job reduction and thus a certain level of unemployment as a means to protect the capital of the capital owners. So, the state will encourage every male, who is capable of work, to find a work or to find ways of earning in order to provide for his needs, and the needs of the persons under his responsibility, like his wife, children, sisters and parents. Financial maintenance is imposed on the husband to his wife, to the children on their father,

to the two parents on their sons, and on the heir to his relative. All of this is established through explicit Shar'i texts. Islam secured the mentioned basic needs to all of the State's citizens through financial maintenance, except in two cases: firstly if a person has no heir, secondly if the person obliged of maintenance was unable to give it. In this case the maintenance is obliged upon the Bayt ul-Mal of the State (State Treasury), as the Prophet (saw) said: «مَنْ تَرَكَ كَلًّا فَأَيْنَانَا وَمَنْ تَرَكَ مَالًا فَلِوَرَثَتِهِ» **“Whoever left behind kalla he will be in our responsibility, and whoever left wealth it will be for his heirs”** (The kalla is the weak person that has neither a son and nor a father).

- The State in Islam also secures the basic needs of all its citizens, which are: security, health care and education, in accordance with the relevant Shar'i texts, and according to the former manner. It should be noted that the revenues of the Bait ul-mal are mostly sufficient to meet these needs without imposing taxes on the wealthy Muslims for their sake. If however the constant revenues of the Bayt ul-Mal were insufficient for such needs, taxes are levied from the wealthy Muslims to meet that required. (Sheikh Ata' bin Khalil Abu Al-Rashtah, *Economic Crises: Their Reality and Solutions from the Viewpoint of Islam*)

Consequently, if we remember our example from Part 1 of this Article, which described that during Omar (ra) the state could not find anyone to distribute the Zakat to in “Africa!”, than this is the explanation to why this Zakat could not be distributed!... Alhamdulillah...

- Islamic economics can only function within the comprehensive implementation of every Islamic rule and system. Thus the very basic requirement was and will be the existence of the Khilafah, and its god-fearing leader, the Khalifah. History is full of countless personalities, who ruled their people upon Taqwa, but Khalifah Omar bin al-Khattab (ra) has left the most numerous and shining examples of which qualities this ruler should possess. **Islam provides goals and laws for the implementation of a caring political and economic system.**

- Khalifah Omar ibn Khattab (ra) was the first Khalifah who set up an institutionalised and structured social policy infrastructure in accordance with the obligations and requirements from Qur'an and Sunnah, which made it easier for the following Khalifas to fulfil their duties as the guardians and patrons of the people within the Islamic Khilafah State. He systemized public services and the system of Welfare for the poor and needy. He was the first to institutionalise **Benefits for children, orphans, widows and disabled**, as well as pensions for the elderly, jobless allowances and even public healthcare services... And even the poor among the Jews and Christians in the conquered lands, whom Islam regards as full citizens of the State, received stipends from the Bait al-Mal. Those who practiced monopoly, or held back basic aliments, with the aim of rising prices were punished in various ways, including exile to different lands.

- Throughout the rule of the four Khulafah-u Rashideen, EVERY child, especially those in need of support, received benefits from the Bayt al-Mal. Special attention was given in particular to the maintenance of the legal, educational, and financial rights of orphaned children. Khalifah Omar (ra) for example, ordered the guardians and patrons of fatherless children to increase their property through commerce in order to avoid its reduction through the payment of Zakat. He said: “Trade with the property of orphans and then it will not be eaten away by zakat.” And when a man came to him with a child he found abandoned, he said to the man: “*He is free, his guardianship is upon you and his maintenance is in our responsibility and will be provided from the Bayt al-Mal.*” Khalifah Ali (ra) stipulated 10 Dirham to a new-born and abandoned child.

- When Omar (ra) received a gift of sweets from his governor in Azerbaijan, he inquired if all the people there ate the sweet. The answer was that it was reserved for the elite of the society. Omar (ra) then made the following order to the governor: “*Do not satisfy yourself from any kind of food until all the Muslims eat their fill from it before you.*”

- Rasulallah (saw) gave special attention to the needs of widowed women. This responsibility was taken on by the Khalifahs with the same attention and care. Abu Bakr (ra) bought dresses and distributed them to the poor widows during winter months. Omar (ra)

paid regular amounts to women, who emigrated from Mecca to Medina. Ali (ra) continued to fulfil this responsibility to all poor persons, widows, and other persons in need. – **Welfare Payments!**

- Khalifah Omar (ra) frequently visited and attended to the needs of a blind woman in Madina, who had no one to attend to her needs. – **Disability Benefits!** He also passed orders that stipends would be allowed for weaned children and later expended that to every child from the date of its birth. The amount was 100 Dirham at the date of birth, 200 Dirhams when older and even higher after reaching puberty. He also stipulated additional 6 Dirhams to every child, whether girl or boy, in addition to that what he granted the father on support. These payments continued under the successive Khalifas – **Child Benefit!** (<http://dergipark.gov.tr/download/article-file/399406>)

A **special institution** was established in order to take care of the psychological, social and financial affairs of **soldier families**, especially in their absence, or disability due to their duty, or case of their martyrdom, according the example of Rasulallah (saw).

- Khalifah Omar (ra) called his own wife to aid as a midwife for a Bedouin woman in labour, while he himself prepared the meal for the family during their vulnerable time. He sat the entire time outside the tent awaiting the birth of the child. The next day he stipulated a regular payment from the Bayt al-Mal to the family – **Maternity Benefit and Maintenance Support!**

And he did not distinguish between Muslim and non-Muslim. He served each of his citizens: He stipulated daily payments from the Bayt al-Mal to an old and poor Jew by stating: *“By Allah, it is against the norm of justice that we take Jizyah (a tax on Non-Muslims) from them when they are young and healthy, and leave them uncared for when they are old?”* – **Elderly Support / Pension!** He saw a group of Christians suffering from Leprosy, and thus spent from the Bayt al-Mal to cure them. – **Healthcare services!** And those, who could not be cured, were provided a regular allowance until their last day. – **Sickness Benefit!**

- The Ottoman Khilafah inspected and monitored every food before granting permission for sale on the market. In order to regulate prices during times of supply shortages in certain areas, the Khalifah would encourage competition through imports from other parts of the Khilafah. One example is during the reign of **Khalifah Abdul Hamid I** (1774-1789). During a time of shortage in meat supply in Istanbul, where the butchers started to increase prices for meat, and even abstained of selling it, he ordered butchers from Thrace to come and open butcheries in Istanbul. Thus through the increased competition, the prices fell again to an affordable level. The Khilafah would also implement fines for immoral sales. Those who weighed less had to pay a fine: 1 Silver Coin (Akçe) for 5 grams of wrongly sold meat. The legal provisions for butchers also stipulated the arrest of butchers, who were reluctant to sell meat. (<http://dergipark.gov.tr/download/article-file/185222> and various other history articles)

These are only a few examples of how the Khilafah takes care of the affairs of its people and actively takes effective steps in the fight against poverty. May Allah (swt) grant us these days of blessings with the return of the Khilafah Rashidah (rightly guided Caliphate) upon the Method of Prophethood very very soon bi'ithnillah!

﴿لَا تَقْنَطُوا مِنْ رَحْمَةِ اللَّهِ﴾

“...do not despair of the mercy of Allah”

**Written for the Central Media Office of Hizb ut Tahrir by  
Zehra Malik  
Member of the Central Media Office of Hizb ut Tahrir**

**Further detailed reading regarding the Principles of Islamic Economics:**

- *The Economic System of Islam*; Taqiuddin an-Nabhani, Hizb ut Tahrir
- *Economic Crises: Their Reality and Solutions from the Viewpoint of Islam* Sheikh Ata' Bin Khalil Abu Al-Rashtah