

Moral Values and the Enlightenment Philosophy: An Islamic Critique

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Friedrich Nietzsche led an attack on morality—more precisely Judeo-Christian morality. Nietzsche attacked the authority of the Ten Commandments: in fact, he declared that “God is dead,” thus leaving God’s morality devoid of its divine justification, source, and sanctions.

He called the members of Western future society *Übermenschen*, or “supermen.” But to clear the way for superior civilization it would first be necessary to remove the false justifications of the reigning morality, Judeo-Christian morality.

Nietzsche’s moral theory, therefore, is an attempt to undermine morality, to get rid of it, to show it to be fraudulent. One part of this attempt is his rejection of God as dead, by which Nietzsche meant, essentially, that people no longer really believe in God; they go to church and say a few prayers, but they don’t believe in God’s ability or willingness actually to enforce morality. Morality, according to Nietzsche, is a kind of trick; it is a trick to gain power, a trick not needed by strong, creative souls (for they already have power), but rather a trick perpetuated by the weak, as a way of protecting themselves against the strong. If we consider once again the various rules of morality—for example, “Don’t kill,” “Don’t steal,” “Don’t cheat”—we might notice that a significant proportion of such rules are prohibitions—that is, rules forbidding us to do something. Why is this? Suppose we change our approach to these questions and ask, “Who benefits from these prohibitions?” The answer is not, “Everyone,” but rather, “Those who cannot protect themselves”—in other words, the weak. Nietzsche says that now we can see why so many of the rules are prohibitions rather than positive virtues: the rules benefit the weaker members of society by preventing the stronger members from taking advantage of their strength. The strong can take care of themselves; morality is the protection of the weak ⁽¹⁾.

Values are the standards people have about what is good and bad, which vary from culture to culture. They are prescriptive: statements about what ought to exist in a language of ethical and moral terms which are the broad principles that underlie beliefs, specific statements that people hold to be true. While values are abstract standards of goodness, beliefs are particular matters that individuals consider to be true or false.

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While the amount allocated for pro poor expenditures is Rs.597.5 billion but the amount allocated for expenditures on provision of safety nets is only Rs. 12.2 billion. This amount is too little to show any change in the situation of poverty in Pakistan. The other pro poor expenditures except on education, health, social security and irrigation may have a very little impact on the condition of the poor in the country.

Section-6

Suggestion and Recommendations:

Islam directs to safeguard the interest of the citizens of the Islamic state and in particular that of the poor members of the society. Imam Shatbi names these interests as:(⁶³).

1. *Din* (Religion)
2. *Nafs* (Life)
3. *'Aql* (Intellect)
4. *Nasl* (Family) and
5. *Mal* (Propety)

For safeguarding these interests of the people it responsibility of the state to relieve all types of hardships from the people. This relief from hardship includes the relief from extra financial burden in the form of taxes or others and to give the relief protection in the form saftynets and expenditures on provision of social security to every one. In this context it is recommended that the state should take care of the principles given by Islam. Every citizen of the Islamic state should be given the guarantee of the minimum level of living. The social security system implemented by Umar-e-Farooq (R.A) and Umar bin Abdul Aziz (R.A) should be taken as example. This will lead towards a prosperous welfare state. \

Conclusion:

Islam being the God given *deen* addresses the genuine problems of the humanity. Poverty is the one of the most serious problems. Poverty is a curse. This is one of the most important problems faced by humanity today. Billions of the people in the world are facing this problem. Islam has given a great importance to the solution of this problem. Zakat, Ushr, sadaqaat, charity of surplus, institution of *waqf* (Trust) and many prohibitive measures have been implemented by Islam on its followers to avoid the problem of unequal and unjust ~~dis~~ distribution of wealth and poverty at micro level

If the resources are not enough to meet the requirements the masses than it is permitted to levy additional taxes on the affluent people with the condition that resources should be used with honesty and should not be wasted. The tax revenue should be used in general welfare of the masses. If this system is implemented in letter and spirit we can save the society from disasters.

As for expenditures out of the tax revenue in Pakistan is concerned, a very little amount is directly spent on the public and especially on the poor. This situation is shown in the following table.

Table 5: Consolidated Revenue & Expenditure of the Government (Rs. Billion)

	Prov. Actual July-June 2005-06	Prov. Actual July-June 2006-07	Budget Estimate 2007-08	Revised Projections 2007-08*
Total Expenditure	1402	1675	1875	2228.9
Current Expenditure	1121	1375	1378	1832.5
i) - Federal	788	973	962	1416.5
- Interest	237	369	375	503.2
- Defense	242	250	275	277.3
- Others	309	354	312	636
ii) Provincial	333	402	426	416

The above table shows that a sum of Rs. 375 billion was budgeted for interest payments in 2007-08. The year is likely to end with interest payments of Rs.503.2 billion--- surpassing the targeted level by Rs 128.2 billion⁽⁶²⁾. The budget for defense was targeted Rs.277.3 billion. The current expenditure stood at Rs 1378 billion during the fiscal year2007-08. While the amount allocated for development expenditure Rs. 561 billion for Fiscal Year 2007-08.

Table-6: Social Sector and Poverty Related Expenditures (Rs. in Billion)

	2001-02 Actual	2002-03 Actual	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2007-08 Projected
Community Services	11.0	16.6	28.5	41.7	63.6	76.6	82.5
i. Roads, Highways & Buildings	6.3	13.2	22.8	35.2	53.3	60.0	69.1
ii. Water Supply and Sanitation	4.6	3.4	5.8	6.5	10.3	16.6	13.4
Human Development	90.7	105.8	134.1	155.8	217.9	231.8	316.3
i. Education	66.3	78.6	97.7	116.9	141.7	162.1	224.7
ii. Health	19.2	22.4	27.0	31.4	39.2	53.2	62.3
iii. Population Planning	1.3	3.1	4.7	4.6	10.2	7.0	13.3
iv. Social Security & welfare	3.7	1.3	4.1	2.0	7.6	4.5	9.8
v. Natural Calamities	0.2	0.4	0.5	0.9	19.2	5.0	6.2
Rural Development	24.3	34.2	44.5	59.7	78.5	101.8	101.9
i. Irrigation	10.1	15.5	22.5	37.9	59.8	74.8	77.6
ii. Land Reclamation	1.8	1.8	2.0	2.1	2.7	2.3	3.5
iii. Rural Development	12.3	16.9	18.6	15.4	15.0	22.2	19.5
iv. Rural Electrification			1.4	4.4	1.0	2.5	1.3
Safety Nets	8.3	13.8	12.3	8.4	9.4	9.2	12.2
i. Food Subsidies	5.5	10.9	8.5	5.4	6.0	5.5	7.8
ii. Food Support Program	2.0	2.2	2.8	2.7	3.1	3.5	4.0
iii. Tawwana Pakistan	0.8	0.6	0.6	0.1	0.0	0.0	0.0
iv. Low Cost Housing		0.1	0.4	0.3	0.3	0.3	0.4
Governance	33.0	38.5	41.8	50.5	65.2	78.1	84.6
i. Administration of Justice	2.0	2.3	2.4	3.1	5.6	5.1	7.3
ii. Law and order	31.0	36.3	39.4	47.4	59.6	73.0	77.3
Total	167.3	208.8	261.3	316.2	434.6	497.5	597.5
As % of GDP	3.8	4.32	4.6	4.8	5.6	5.7	6.0

The official document of the government of Pakistan confesses this situation in the following words. "There is over dependence on indirect taxes, which until recently, accounted for nearly 60 percent share in revenues. This has increased the regressivity of the tax system and imposed a higher burden of taxation"⁽⁶⁰⁾.

The following table shows the trends in tax collection in Pakistan in different years.

Table 4: Structure of Federal Tax Revenue (Rs. Billion)⁽⁶¹⁾.

Year	Total (FBR)	Tax Rev as % of GDP	Direct Taxes	Indirect Taxes			
				Customs	Sales	Excise	Total
1990-91	111.0	11.0	20.0 [18.0]*	50 (54.9)^	16.0 (17.6)^	25.0 (27.5)^	91.0 [82.0]*
1996-97	282.0	12.0	85.0 [30.1]	86 (43.7)	56.0 (28.4)	55.0 (27.9)	197.0 [69.9]
1997-98	293.7	11.0	103.3 [35.0]	74.5 (39.1)	53.9 (28.3)	62.0 (32.6)	190.4 [65.0]
1998-99	308.5	10.0	110.4 [35.8]	65.0 (33.0)	72.0 (36.3)	60.8 (30.7)	198.1 [64.2]
1999-00	346.6	9.1	112.6 [32.5]	61.6 (26.4)	116.7 (49.9)	55.6 (23.7)	234.0 [67.5]
2000-01	392.3	9.4	124.6 [31.8]	65.0 (24.3)	153.6 (57.4)	49.1 (18.3)	267.7 [68.2]
2001-02	403.9	9.2	142.5 [35.3]	47.8 (18.3)	166.6 (63.7)	47.2 (18.0)	261.6 [64.7]
2002-03	460.6	9.6	148.5 [32.2]	59.0 (18.9)	205.7 (65.9)	47.5 (15.2)	312.2 [67.8]
2003-04	518.8	9.2	165.3 [31.9]	89.9 (25.4)	219.1 (62.0)	44.6 (12.6)	353.6 [68.1]
2004-05	588.4	8.9	176.9 [30.1]	117 (28.5)	235.5 (57.2)	58.7 (14.3)	411.4 [68.9]
2005-06	713.4	9.4	224.6 [31.5]	138 (28.3)	294.6 (60.4)	55.0 (11.3)	487.9 [68.5]
2006-07	847.2	9.7	333.7 [39.4]	132.3 (25.8)	309.4 (60.3)	71.8 (13.9)	513.5 [60.6]
2007-08 (B.E)	1025.0	10.3	408.2 [39.6]	154 (24.7)	375 (60.3)	91.0 (14.6)	622.3 [60.4]

*as % of total taxes

^ as % of indirect taxes

Source: Federal Board of Revenue

It is obvious from the above table that major portion of taxes in Pakistan is coming from indirect taxes. It was 82 percent in 1990-91, 68 percent in 2000-01 and 60.4 percent in 2007-08. The burden of indirect taxes is on the poor and the middle income group. As indicated above Islamic emphasis is on the direct taxes because these taxes are near to justice and ability to pay of the people. So there is need to reverse the situation so that the poor may get the relief and the responsibility of the state pertaining public maintenance is fulfilled.

The figures shown in the table-1 and table-2 are from the government sources⁽⁵⁵⁾. The poverty trend shown in the table the year 2004-2005 and 2004-2006 seems to be different from the ground reality because poverty is continuously increasing in Pakistan. The situation in the current years (2007 to 2009) has become worsened. At present about half of the population is living under poverty line in Pakistan.

The following table shows the consumption inequality in the country. Consumption inequality is measured by the Gini Coefficient and ratio of highest to the lowest quintile. The Gini Coefficient takes on a value between 0 and 1. The higher the value of Gini Coefficient, the higher will be the inequality. Inequalities among the different income groups are increasing day by day in Pakistan. It shows that the gap between haves and have nots is increasing. It makes the situation of the poor people worsened. This situation is shown in the table3.

Table-3 Gini Coefficient and Consumption Shares by quintiles⁽⁵⁶⁾.

	PIHS 2000-01			HIES 2004-05			PSLM 2005-06		
	Urban	Rural	Pakistan	Urban	Rural	Pakistan	Urban	Rural	Pakistan
Gini Coefficient	0.3227	0.2367	0.2752	0.3388	0.2519	0.2976	0.349	0.2462	0.3018
Consumption share by Quintile									
Quintile 1	5.3	12.8	10.1	4.8	12.6	9.5	4.5	13.5	9.6
Quintile 2	8.1	16.9	13.7	7.6	17.1	13.2	8.2	16.8	13.1
Quintile 3	12.1	19.5	16.8	11.6	19.7	16.4	11.1	20.1	16.2
Quintile 4	19.4	22.4	21.3	18.3	23	21.4	17.8	23	20.8
Quintile 5	55.1	28.4	38	57.7	27.6	39.4	58.4	26.6	40.3
Ratio of Highest to lowest	10.4	2.22	3.76	12.02	2.19	4.15	12.98	1.97	4.2

The above shows the value of Gini for Pakistan and rural-urban divide obtained from the three Surveys, i.e., PIHS 2001, HIES 2004-05 and PSLM 2005-06. Starting from the beginning of the decade, the secular rise in Gini values continues at the national level and urban areas, indicating that consumption inequality continues to increase during the period, particularly for the middle quintiles 3 & 4 in urban areas. Between 2004-05 and 2005-06, consumption inequalities further increased from 0.2976 to 0.3018. The estimates indicate that consumption inequality in urban Pakistan is higher than in rural Pakistan⁽⁵⁷⁾. These trends show that poverty and income inequalities are serious problem in Pakistan.

On the other side the tax collection has been doubled in last five years. The tax base has been broadened. Indirect taxes have been imposed on the most of the goods of daily use. These are indirect taxes⁽⁵⁸⁾. The tax burden of the indirect taxes is on the poor and middle income⁽⁵⁹⁾. That is the reason of increasing poverty and gap in income distribution.

Section 5

Need for implementation of Islamic Concept of Taxation in Pakistan:

Pakistan is a gift of God. It is full of natural resources. Its climate, its strategic situation, its mountains, its meadows, its agricultural fields, its sea and the other blessing are exemplary in the world. Its human resources are very precious. But the dark side of the picture is that a major portion of the population is living under poverty line. There is a big gap in distribution of income and wealth. The following table shows the poverty trends in Pakistan in different years.

Table-1: Poverty Trends (Headcount Ratios) (⁵³).

	1986-87	1987-88	1990-91	1992-93	1993-94	1996-97	1998-99	2000-2001	2004-05	2005-06
Pakistan	29.1	29.2	26.1	26.8	28.7	29.8	30.6	34.5	23.9	22.3
Urban	29.8	30.3	26.6	28.3	26.9	22.6	20.9	22.7	14.9	13.1
Rural	28.2	29.3	25.2	24.6	25.4	33.1	34.7	39.3	28.1	27.0

Table-1 shows that Headcount ratio in different years. It is showing that the percentage of population below the poverty line has fallen marginally from 23.94 percent in 2004-05 to 22.32 percent in 2005-06, an improvement of 1.62 percentage points. Poverty in rural areas declined from 28.13 percent to 27.0 percent, showing an improvement of 1.13 percentage points between 2004-05 and 2005-06. Poverty in Urban areas also registered a decline from 14.94 percent to 13.1 percent during 2004-05 and 2005-06, thereby, depicting an improvement of 1.84 percentage points in the period. The improvement in poverty headcount in percentage points terms at 1.9 percent in urban areas was nearly twice that of rural areas. Following table also depicts the current situation in Pakistan regarding poverty.

Table-2: Trends in Poverty Indicators(⁵⁴).

Year	Headcount			Poverty Gap			Severity of Poverty		
	Urban Pakistan	Rural		Urban Pakistan	Rural		Urban Pakistan	Rural	
1998-99	20.9	34.7	30.6	4.3	7.6	6.4	1.3	2.4	2.0
2000-01	22.7	39.3	34.5	4.6	8.0	7.0	1.4	2.4	2.1
2004-05	14.9	28.1	23.9	2.9	5.6	4.8	0.8	1.8	1.5
2005-06	13.1	27.0	22.3	2.1	5.0	4.0	0.5	1.4	1.1

available resources. This includes objectives of economic stability, equality, increasing of employment, social and economic development, etc. as the objectives of Islamic State (⁵²).

In the light of above discussion it reveals that the Islamic state should take the following steps:

I. The system of Zakat ad Ushr should be implemented in its letter and spirit. If it is implemented the state can get much resources which will be enough for the needs of the people who are living below poverty line. The wheat production in Pakistan this year is about 23million tons and that of rice is about 6 million tons. If the rich farmers pay the Ushr for this year that will be billions of rupees. In this way can fulfill the basic needs of the poor people.

II. There are the heads of expenditure where Zakat can not be spent besides the other expenditures. The state can demand volunteer funds for different project which are necessary for the development and progress of the country.

III. Even after getting the volunteer funds from the people state can levy taxes on the affluent members of the society. In levying of the taxes following points should be taken into consideration:

- The ability to pay of the taxpayers.
- Emphasis should on the direct taxes. It means indirect taxes may be avoided as much as possible. Because the tax burden of the indirect taxes is on the poor and middle class. This leads toward poverty in the masses. This phenomenon can be seen in Pakistan economy because one of the reasons of increase in poverty is tax burden on the poor and middle income groups of the society.
- Tax evasion is a big problem in the societies like Pakistan. The reasons behind this are known to every one. Steps should be taken to avoid it.
- People should be making sure that the tax collected from them will be used for their welfare against the present situation where fifty percent of the tax revenue is spent on debt servicing.

IV. The expenditure out of the tax revenue should be development targeted.

According to Yusuf-al-Qardawi the following points should be kept in view in the assessment of personal tax:

1. Exemption to the minimum possible limit.
2. Due consideration for the source of income.
3. Tax on real income after deduction of expenses and dues.
4. Allowance for family responsibilities.
5. Allowance for obligations.

In this matter the Hanafi jurists hold the view that if a man's debt equals his whole assets and in addition there are prompt or deferred demands on him such as Zakat, debt, damages for loss, wife's dower, he is exempt from Zakat⁽⁵⁰⁾.

7. The Principle of Certainty:

According to Yusuf al-Qardawi justice demands that the taxpayer should know with certainty the amount payable by him and the mode in which he has to pay it.

8. The Principle of Convenience:

This principle implies that all sorts of facilities should be provided to the taxpayer in the matter of tax assessment. Similarly, leniency should also be shown in the collection of tax.

9. The Principle of Economy:

Economy should be observed in defraying the cost of administration *i.e.*, salaries of the staff and other expenses.

Administration should be so streamlined that time and money of the taxpayer should not be wasted in appeals for re-assessment, lodging of complaints and petitions for the removal of excesses.

Section 4

Uses of Tax Income:

Allah Almighty likes prosperous people. The Apostle of Allah (SAW) has enjoined the Muslims to seek Allah's refuge against poverty, deprivation and want and ask Him for prosperity and well-being⁽⁵¹⁾. It is, therefore, the first and foremost duty of the Islamic State to relieve its citizens of poverty and hunger and to make them prosperous. It is ultimate responsibility of the Islamic State to provide the basic necessities of life to every person.

Muslim jurists and scholars are of the view that the provision of the basic necessities of life and equitable distribution of wealth and resources is the responsibility of the Islamic state. Monzer Kahf describes guaranteeing minimum level of living for all those whose own earnings fall shorter than satisfying their basic needs and working towards improving material welfare of the society and its individuals as much as possible within the limits of

period of taxation should coincide with the period of need. The Islamic State should never allow a tax to become permanent and unchangeable⁽⁴⁴⁾.

3. Taxation should fulfil the objectives of the Islamic Government:

Fareedi, Salama and other experts of Islamic Economics hold the view that the objectives of the Islamic State include equitable distribution of wealth, resource allocation, economic stability and welfare. The state is authorised to levy taxes for the welfare of the people.

4. Taxation should correspond to the capacity of the Tax-payer (Ability to Pay):

Taxation should correspond with the capacity of the taxpayer. This means that the poor shall be exempt from taxation and only the rich shall be liable to pay taxes. This is a just and equitable policy.

The policy adopted by the illustrious Caliphs to impose Jazia should serve as a beacon light for us. They levied Jazia on the Dhimmis according to their capacity to pay.

According to Sahih Bukhari Ibn Abi Najih enquired from Mujahid: "Why is it that the people of Syria are subject to a rate of Jazia at four dinar per person and the people of Yemen only one dinar per person." Mujahid replied: "This is because the people of Syria are more prosperous"⁽⁴⁵⁾. Khalid bin Valeed also exempted those non muslims who were not able to pay *jiziz*⁽⁴⁶⁾.

5. The Principle of Equity:

Equity is an important principle in imposing the tax burden.

Imam Ghazali (RA) and Ibn-i-Timya, Al-mawardi and other jurists pay great emphasis on this principle. Mutzaid (Progressive) taxes are more consistent with the principle of equity. Yusuf-al-Qardawi writes:

"It is unjust to put unequal people on a footing of equality (in the imposition of taxes)⁽⁴⁷⁾.

The indirect taxes put an equal burden on the rich and the poor⁽⁴⁸⁾. Indirect taxes affect the poor and make it difficult to realise the Islamic economy's objective of redistribution, so direct taxation appears to more just than indirect taxation. However, indirect taxes may be imposed on luxury goods.

The nature of taxation (*i.e.*, direct or indirect) should be determined by the Islamic State. Imam Ghazali (R.A.) holds the same view. He states that the decision about the amount of taxable wealth and income should be left to the Islamic State⁽⁴⁹⁾.

The people who earn with greater toil should be liable to a low rate of tax, as is the case of Ushr.

1. To fill the resources gap created by shortfall in Zakat and Sadaqat.
2. To fill the objective gap but again it is essential that first the Islamic State should demand voluntary contributions to meet these needs. If these are not forthcoming or fall short of the need, the Government should resort to taxation.

The gist of the whole discussion is that the Islamic State is authorised to impose taxes in addition to Zakat as a supplementary or complementary policy, so that run the state affairs satisfactorily⁽⁴⁰⁾. The concept of *Daraib* is discussed by the Muslim Scholars in this context. So the taxes, apart from Zakat and Sadqat, which the Islamic State is constrained to levy on the rich to meet emergencies are called *Daraib* in Islamic terminology. Emergencies include war, drought, carrying out of urgent public welfare works and alleviation of unemployment.

Discussing the question of assisting the destitute, Imam Ibn-i-Hazm writes:

“If the Bait-al-Mal funds and revenues of faie fall short of meeting the economic needs of the suppliants, the Caliph can impose additional taxes on the rich. If they resist, the Caliph can use force to make them pay.

Ghiffari describes that the basic objective of revenue income of the Islamic state is to help the poor. If poverty decreases the taxes will also decrease and vice versa till the poor and affluent become equal in attaining the basic necessities of life⁽⁴¹⁾. He is of the view that Islam encourages the direct taxation because it affects the affluent persons in the society. Direct taxes including wealth tax and taxes on savings leads towards the equitable distribution and circulation of wealth. This leads the wealth of the rich towards the poor. Marginal propensity of the poor is higher as compared to the rich which results in increase in consumption, leading towards the increase in employment level, hence poverty decreases⁽⁴²⁾.

Section 3

Principles of taxation in the light of practices of Umar-e-Farooq (R.A) and views of companions of the Prophet of Allah Almighty:

In the formulation of its tax policy the Islamic State shall be guided by the following principles:⁽⁴³⁾.

1. Taxes should be imposed under dire necessity:

In Islam Zakat alone is a compulsory levy; all other taxes are imposed only under exceptional circumstances. The state should resort to taxation only when its resources fall short of meeting its essential needs.

2. The period of Taxation should coincide with the period of need:

The rate of tax should correspond with the inevitable need. Tax should be collected only as long as the need lasts. As Imam Malik (R.A.) says the