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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

ENDING EXPLOITATIVE TAXATION; A Zakat-Based System for Justice Economic Growth and Welfare for All

INTRODUCTION:

SYSTEM OF ZAKAT:

Zakat is a pillar of Islam. It is the most friendly and vital system of an Islamic order. The nature of Zakat can be better understood in the broader perspective of an Islamic system of life. It plays a crucial role in the spiritual and social life of Muslim society. Zakat is not only obligatory but also an important source of stability. Zakat ensures the proper distribution of wealth and has wider impact on the entire setup of the society. If Zakat is established as an institution, it can create a social scheme for mutual sympathy and its resources can be further utilized for social development. The meaning of Zakat itself is purification and growth. As Allah Pak says in the Qur'an.

“Take from their Wealth so that you might Purify and Sanctify them (2)”

Every religion whether man made or heavenly all emphasizes, teaching peace and how to live with respect. However, Islam provides a full code of life from spiritual guidance to moral values and from economic growth to social well being. Man itself cannot do anything as “Man is a social animal” and he is dependent on society for better living. Zakat is the most cordial system which ensures the flow of money from the rich to the needy. As everyone has right to live a better life with respect.

As Prophet Muhammad (S.A.W) said:

“Allah has made it Compulsory for Zakat on their Properties collected from the Rich and to be given to the Poor among them.” (Al Bukhari)

TAXATION SYSTEM:

While on the other hand, the **Taxation System** of Pakistan, hinders the sustainable growth of the economy. The narrow tax base system forces the government to rely heavily on indirect taxes such as sales tax, fuel tax and utility surcharge. The complexity of tax regulations further adds to the problem as businesses face high compliance cost, inconsistent policy changes and frequent audits. This uncertainty also discourages long term investments especially in manufacturing and agribusiness. The tax driven increases in fuel, electricity and essential commodities are placing further strain on households already coping with inflation and reducing purchasing power. The other major problem is the mismatch between taxes collected and the quality of public services provided. Citizens and businesses often perceive taxation as unfair because the impact on health, education, infrastructure and social welfare remains limited. Moreover, the exporters and industrial units experience delays in tax refund leading to a shortage of cash flow that undermines productivity and export performance. Overall, the tax system not only restricts the economic efficiency but also increases inequality and restricts the economic efficiency.

WEALTH AND ECONOMIC STABILITY IS ROOTED IN ZAKAT:

This is the system given by Allah and it is the only solution for a stable and successful life in both this world and afterlife. As a weak economy leads to many problems. The major sector in Pakistan needs to be strengthened for sustainable economic growth and the wealth of society by the implementation of Zakat in a centralized system. For the implementation of Zakat both the government and the people should be aware, and the biggest thread is unawareness and lack of education, the root cause for all the problems.

Uneducated State: When poor families can not afford education, it creates a chain of serious social problems that affects the whole society. An uneducated State lacks awareness about their basic rights, laws and civic responsibilities. Low and limited education leads to unemployment and under such economic pressure an individual may contribute to higher crime rates and social disorder. Moreover, the weak tax governance and misallocation of public revenue hinders the delivery of free and affordable education. This **taxation** based system traps communities into a continuous cycle of poverty and education deprivation. While on the other hand, by implementing **Zakat** people can be lifted above the poverty line. As Zakat does not promote hoarding it is a continuous system of wealth and prosperity. Take from rich and spend on poor and for the betterment of society. Not only does the education sector need improvement. However,

Agriculture Sector: The backbone of Pakistan. The Agriculture Zakat accounting should be according to the Qur'an and sayings of Prophet S.A.W. Amongst them is the commandment of Allah that means:

“He is the one who has created gardens, trellised and untrellised and dates date palms and crops with a variety of edibles, and the olive and the pomegranate, (some) similar to one another, and (some) dissimilar. Eat of it's fruit when it bears fruits, and pay it's due on the day of harvest and do not be extravagant. Surely, Allah does not like the extravagant.”

(Surah Al'Anaam)

“O you who believe, spend of the good things you have earned, and of what we have brought forth for you from the earth, and do not opt for a bad thing, spending only from it, while you are not going to accept it (if such a thing is

offered you), unless you close your eyes to it, and know well that Allah is All Independent, Ever Praised.”

(Surah Al Baqarah)

The rates for Agriculture Zakat are described by Prophet (S.A.W) in the hadith:

“Narrated by Ibn’Attab bin Usaid R.A who reported that the prophet S.A.W ordered that the rate for the wet grapes is estimated when it is dry just as wet dates rates are estimated when they become dried dates and Zakat is taken in the form of dried dates (Zabib_raisins) just as Zakat is taken in the for of dried dates.”

(Abu Dawood)

“Crops irrigated by the rain, rivers and springs or get water from the drain (or by the roots) must pay (Zakat) one tenth (1/10). Crops irrigated with water using camels as carriers or a water carriers (such as pails), must pay (1/20).”

(Al Bukhari)

Both of these Hadith not only clarify the obligation of Agriculture Zakat, but also describes the rate of Zakat that must be imposed on agricultural products.

It is clear that both these traditions serve to interpret verses of Surah Al-Anaam and Surah Al Baqrah.

According to the views of Imam Abu Hanifa :

“Zakat is compulsory on every plant that grows on earth and there’s no difference between vegetables and other fruits. The only condition is that harvesting of the crop is with the intention of getting produces from the earth, but firewood, grass and trees that do not bear fruits are excluded.”

It is clear that Zakat is compulsory not only on wheat and rice. But, on other crops such as banana, pineapple, rubber, sugar, black pepper, cocoa, palm oil and others. All must pay Zakat of they meet the prescribed conditions.

In conclusion, these two sectors are crucial and if Zakat will implement in a Centralized system. It will enhance and contribute to the sustainable growth of this sector, the wealth of the population and also strengthen the economy.

TRANSFORMATIVE ROLE OF ZAKAT:

Circulation of Wealth: Zakat bridges the gap between the poor and the rich. As in many capitalist systems, wealth tends to concentrate in the hands of limited segments of society. Zakat prevents such economic imbalance by promoting fair circulation of wealth within society. The Holy Qur'an says:

“This wealth may not circulate solely among the rich from among you.” (13)

Prophet (S.A.W) advised Mu'az Bin Jabal when he was proceeding to Yemen:

“To teach them that Allah is made it obligatory for them to pay the Zakat from their property and it is to be taken from the wealthy among them and given to the Poor.” (16)

Discourage Beggary: Unfortunately, begging is becoming the most common thread to society. This issue can easily be solved if financially stable Muslims pay their Zakat as obligatory. The misfortune and poverty would be greatly reduced and no one would be forced to beg for survival. Narrated by Abu Hurayra (R.A) that the Holy Prophet (S.A.W) said:

“Whoever begs from people so as to accumulate more riches, he's asking for a live coal (fire) from hell, so let him ask for a lot or little.” (21)

Foster Self Respect: If Muslims will pay Zakat, which is obligatory for wealthy people. Then, they are not just fulfilling their duty given by Allah Almighty and they are not doing a favor to the poor one. Rather, they are doing the rightful share of the needy. If they fail to pay Zakat. They will be held accountable on the day of judgment and may face the wrath of Allah. The Zakat givers should be thankful to the receivers as they are helping them to fulfill their duties.

Holy Qur'an Says:

“O you who believe! Render not vain your almsgiving by reproach and injury.” (20)

The Holy Prophet (S.A.W) Said:

“No owner of the treasure who doesn't pay Zakat (would be spared) but (this hoards) would be heated in the fire of hell and this would be made in to plates

and with these his sides and his forehead would be cauterized till Allah would pronounce judgment .”(19)

CONCLUSION: Zakat has countless benefits. As, it is not the man made system. It is the system of Allah for Muslims Wealth and Prosperity not only in Duniya (World) but also in Akhirat (Afterlife). Our country is lacking in institutional and Centralized System of Zakat. Muslims organizations should come forward to play their roles. Civil societies can also contribute in raising awareness among the masses for this system. Social media, print media, electronic media and Muslims scholars may join hands to make Muslims aware about the benefits of this system and how this system can reduce poverty. In addition, when wealth is transferred from the wealthy to the less fortunate the entire economy grows. Economic becomes more active and it will generate employment. This redistribution of wealth increases spent by the poor. Demand may increase, companies may invest more and employment may boost. Thereby, improving the overall economic situation. It must be clear that Zakat is a portion of a charity system of Islam. There is a good range of “Sadaqat” i.e those alms which are not compulsory. They can play miracles if properly institutionalized by the state. The Holy Prophet and other four caliphs after him managed the institution of Zakat, collected and distributed “Sadaqat” through out their caliphate. The Holy Qur’an has mentioned the people who are eligible to receive Zakat. The Qur’an says:

“The sadaqat (Alms) are only for the poor, the needy, those who collect them those whose hearts are to be reconciled, to free the captives and the debtors for the cause of Allah and for the travelers, a duty imposed by Allah, Allah is full of knowledge and wisdom.” (7)