

What are the disadvantages of concentration of wealth? What economic measures has Islam introduced to prevent this?

• Introduction

• Disadvantages of conc. of wealth:-

1. Increased Poverty and Inequality:-
When wealth is held by a small group, most people struggle to meet basic needs.

So that it (wealth) may not merely circulate among the rich among you. (59:7)

2. Reduced Economic Growth:-

If most people have little money they cannot buy goods and services slowing down businesses and the overall economy.

3. Social unrest and Instability:-

When people see unfair wealth distribution, they may protest, demand justice, or even revolt. This leads to instability and disorder in society.

4. Political corruption:-

5. Lack of Social Mobility:-

The wealthy have better opportunities while poor remain stuck in poverty.

6. Monopolization of Markets:-

Large cooperation with immense wealth dominate industries, making it difficult for small businesses to compete.

7. Increased Crime Rates:-

When people cannot earn an honest living, some may turn to crime out of desperation. Poverty often leads to theft, fraud and other lawful acts.

8. Moral and Ethical Decline:-

When wealth becomes the main goal, people may ignore values like honesty, fairness and charity.

"A time will come when nothing will be of value except money"
Trimidhi

Economic Measures in Islam to Prevent Wealth Concentration:

1. Zakat

Zakat is an obligatory charity where Muslims must give a fixed portion (2.5%) of ^{annual} wealth to the poor and needy. It redistributes

wealth and prevents its concentration among the rich.

Take from their wealth a charity by which you purify them and cause them increase. 9:103

2- Ushr (Agricultural Tax)

Ushr is a tax on agricultural produce, ensuring that farmers share their wealth with society.

If crops ~~grow~~ grow naturally (rain fed) 10% is given, while artificially irrigated crops are taxed at 5%.

And give is due (Zakat) on the day of its harvest. 6:141

3- Jizya (Tax on non muslims)

Jizya is a tax taken from non-Muslims living in an Islamic state in exchange for protection and exemption from military service. It ensures economic contribution without oppression.

'Fight those who do not believe in Allah - until they give the Jizya willingly while they are humbled (9:29)

4. Kharaj (Land Tax)

Kharaj is a tax imposed on landowners based on land fertility. It ensures Land is used

productively and benefits society rather than being hoarded.

And do not consume one another's wealth unjustly or send it (in bribery) to the rulers. (2:188)

5. Fay (State-owned Wealth)

Fay is wealth acquired without direct battle, such as through peace treaties, and is used for public welfare, including supporting the poor, orphans and social services.

And what Allah restored to his messenger from the people of the town - it is for Allah and for the messenger and for near relatives, the orphans, the needy, and the traveler. (59:7)

6. Prohibition of Riba (Interest)

Islam strictly forbids interest based transactions as they exploit the poor and concentrate wealth among the rich, leading to economic inequality.

"Allah has permitted trade and has forbidden interest". (2:275)

7. Khums (one fifth Tax on War Booty and Profits)

Khums refers to 20% of war spoils and certain income sources

that must be given to the state and religious leaders to ensure fair distribution.

And know that anything you obtain of war booty - then indeed for Allah is one fifth of it (8:41)

8. Inheritance Laws:-

Islamic inheritance laws prevent wealth accumulation in one hand ensuring fair distribution among heirs, including women and children. For men is a share of what the parents and close relatives leave, and for women is a ^{share} of what the parents and close relatives leave (4:7)

Conclusion:-