

**Series of Questions Addressed to Scholar Sheikh Ata Bin Khalil Abu Al-Rashtah,
Ameer of Hizb ut Tahrir through his Facebook “Economic” Page**

The Answer to the Question:

The Budget in the Khilafah State

To: Tahsin Hasan Hadyah

(Translated)

Question:

Bismillah Ar-Rahman Ar-Raheem... As-Salaam Alaikum Wa Rahmatullah Wa Barakaatuhu

Please explain the meaning of what is mentioned below:

In the book *The Economic System in Islam*, it mentions the following statement regarding the State budget:

“As for the Islamic State, she does not draw up an annual budget because the matter does not require a specific law for the budget each year. The budget does not get proposed to the Ummah’s Council, nor is the Council’s opinion sought. This is because the budget with all its articles and sections, and the funds included in each of them, is law in the democratic system. It is a law for one single year. The law in the democratic system is enacted by Parliament, and that is why the matter is required to be proposed to Parliament for ratification. The Islamic State does not need this, because the Treasury’s revenues are levied according to the Shari’ah rules stipulated by text and they are paid out according to the Shari’ah rules stipulated by text. All of these are permanent Shari’ah rules; hence, there is absolutely no room for opinion seeking with regard to the revenues and with regard to the expenditures. The sections in the budget are formed of permanent sections that have been determined by permanent Shari’ah rules. This is as far as the Budget sections are concerned; as for the appropriations of the budget and the amounts included in each appropriation as well as the matters for which these amounts are allocated in each appropriation, all of this is down to the opinion and the Ijtihad of the Khalifah. This is because it is part of looking after people’s affairs, which Shari’ah had conferred upon the Khalifah to decide based on what he deems fit; and his order is binding and must be executed.”

In the book *Funds in the Khilafah State*, it mentions the Diwan of the general budget as follows: The Diwan of the general budget, the Diwan of general accounting, and Diwan of supervision. As for the Diwan of the general budget;

“The Diwan of the General Budgets, General Accounts and Control: The Diwan of the general (budget is responsible for the preparation of the future budget of the State, according to the Khalifah’s opinion, in terms of estimating the State’s revenues and expenditure, comparing the overall and real revenues and expenses with that budget, and monitoring the total revenues of the State and its real expenditure. This Diwan would be affiliated to the Dar ul- Khilafah.”

This Diwan is part of Dar Al Khilafah; therefore I see a contradiction between the two books, the first is negating the existence of a state budget and the second is agreeing to the existing of a state budget, please explain the matter. Thanking you immensely ... Abu Hassan

Answer:

Wa Alaikum us Salaam Wa Rahmatullah Wa Barakaatuhu

First: In order for the answer to be clear, we mention the following:

1- The budget in general includes the revenue and expenditure, each has chapters and sections.

2- The chapters on the revenues are related to sources of revenue, and the sections are related to the revenues specified for the expenditure on the state departments and looking after the affairs of the people. The chapters of expenditure are related to how to spend it internally, and the sections are related to specifying the type of departments to spend on and to control the expenditure according to what it is required for.

3- In the democratic capitalist states and their likes, the Parliament convenes and agrees on the chapters of the budget and its sections in the revenue and expenditure, i.e. it decides the yearly sources of revenue, such as saying they come from such taxes, and from such loans, and from such aids, and from such general sectors... and so on. Then they allocate from the sources specific cost for example to build roads with a certain sum, and to give a sum for some factories and so on. It decides how to spend it and allocates the expenditure and control it according to their requirements, this is what takes place in current states.

4- In Islam, the chapters of the budget, its revenue and expenditures are fixed and permanent, it is not permissible to take funds from other than these sources, and it is not permissible to spend in other than a Shariah way:

a- As for the chapters of revenue, they are specific sources of the public ownership and state ownership, like Kharaj and Fai'... also Zakat. These sources are permanent and are not decided upon by the Khaleefah nor Majlis Al-Ummah. As for its sections like to estimate the revenue in a year, like the expected oil or expected Kharaj in this year, this is permissible. Or to allocate the specific revenue to some of the sectors, this is permissible. This is why the chapters of the budget have no set yearly budget because it does not change neither by increase or decrease. As for its sections, like estimating what it produces or distributed over the state affairs and looking after the affairs of the people, this is permissible.

b- As for the chapters of expenditure, it is also specified in Islam by Shariah rules, and they are related to how to spend the sources of income of the public ownership, and state ownership and from Zakat, and the Khaleefah or Majlis Al-Ummah cannot violate this. As for its sections in terms of which sectors to spend on and the control of expenditure so as to not go beyond its allocation, the Khaleefah can specify it with his opinion and Ijtihad and he can consult Majlis Al-Ummah so that it can decide on the amount of expenditure over the project, and on the amount to be allocated to other projects and so on.

I.e. that there is a section in the budget that neither Majlis Al-Ummah nor the Khaleefah can decide on which is the chapters of the budget, and there is a section whereby the Khaleefah can decide on and can consult Majlis al-Ummah in and it is in the sections of the budget.

Second: this is clarified by what was mentioned in *The Draft Constitution* Article 36, point (F), this is the text:

“He [Khaleefah] is the one who adopts the Shari’ah laws according to which the budget of the State is decided, beside the sections of the budget and the amounts allocated to each aspect, irrespective to whether it was related to revenue or expenditure.” End of quote.

This is detailed in article 148, and this is its text: *“Article 148: The budget of the State has permanent chapters determined by Shari’ah rules. As for the sections of the budget, the amounts allocated for each section, and the issues of each section covered by these amounts are left to the opinion of the Khalifah and his Ijtihad.”*

And in its explanation it mentions: *“As for the preparation of this budget in terms of its chapters, sections and amounts which are drafted, these have been decided by the Shari’ah laws. So the Shari’ah laws introduced and decided income such as land taxes and booty, and expenditures were introduced and decided how it should be spent, and it was confirmed what must be spent upon and what needs to be spent upon if the money is found to do so. The income and expenditure were introduced and decided by the Shari’ah rules, and therefore the chapters of the budget are permanently based upon that, since the Shari’ah decided them and the Shari’ah rule is permanent and does not change.*

As for the sections, which are the branches which branch off from them such as the land tax upon the land with a natural water supply, and the land tax upon irrigated land, or anything similar, the Khalifah can draft them, since they are part of the management of the affairs which have been left to his opinion and Ijtihad. In the same manner, the amounts which are drafted are done so according to his opinion and Ijtihad, such as how much the Jizya and land tax would be, and anything similar, since it is part of what he is responsible for. Accordingly, the evidences for the Shari’ah rules are regarding the income and expenditure of the Bayt Al-Mal, and the control over whatever is in the Bayt Al-Mal that the Shari’ah did not specify is left to the opinion and Ijtihad of the Khalifah.”

“These three evidences: the evidences regarding the income, those regarding the expenditures, and the evidence that the Imam is responsible for governing the affairs, are the evidences for this article. As

long as the Khalifah has the right to draft the sections of the incomes and amounts which are drafted in each section according to his opinion and Ijtihad, then there is nothing to prevent the drafting of an annual budget for the State including its sections and the amounts for each section, whether that is for the income or expenditure. What would be prohibited is drafting an annual budget for the sake of new chapters, and not its income and expenditure, since these chapters have been decided by the Shari'ah rules and so they are permanent." **End of quote.**

Hence it is permissible for the state to draft a budget set by the Khaleefah in its sections and branches, according to his opinion and Ijtihad, and it is permissible for it to be annually, and this is what is appropriate because many of the funds in Islam are collected once in the year, like Zakat, Jizya. It is best that the budget is annual with the emphasis here that what is meant by a year here is the Hijri year and not the Christian year, i.e. that it is best that the Khilafah set its budget every Hijri year and this is what is meant by the above.

Third: hence based on this it is understood the negation of the budget mentioned in the book, *The Economic System*, it is a negation of the budget as is in the democratic states, where it is produced by a law annually by the Parliament and it determines the chapters, sections, terms, costs needed by the terms and chapters. And this is not acceptable in Islam because Shariah explained the chapters of the budget and they are permanent, so it does not draft it annually in a budget, as for the chapters, terms, costs needed by the terms and chapters as mentioned in the book:

"...they are all subject to the opinion of the Khaleefah and Ijtihad, because it comes under looking after the affairs, which the Shariah has authorized the Khalifah to decide on according to his opinion and his opinion must be implemented."

Here the negation is for making the budget a law in its chapters, sections and branches, and that the parliament is the one that issues this law, as is the case of drafting and preparing the budget in the democratic states.

Fourth: Therefore it is understood from the drafting of the budget in the book, *Funds in the Khilafah State*, "budget is responsible for the preparation of the future budget of the State, according to the Khalifah's opinion, in terms of estimating the State's revenues and expenditure, comparing the overall and real revenues and expenses with that budget, and monitoring the total revenues of the State and its real expenditure." What is meant by the budget here is its chapters, branches, costs that are needed by those terms or the chapters according to the opinion of the Khaleefah and Ijtihad. And the presence of a budget with this reality is not negated in the book, *The Economic System In Islam*, where it mentions at the end of the chapter on "State Budget" the following: "...The Khalifah reserves the right to determine the appropriations and their items, whenever it is required..."

This is the role of the mentioned Diwan in the book, *Funds in the Islamic State*, in terms of the existence of a "budget" that is drafted by the Khaleefah according to his opinion and Ijtihad when the interest requires, but not in the chapters of the budget but in its sections." **End of quote.**

In summary: it is not permissible to set an annual budget for the chapters of the budget because they are permanent in Islam and are explained in the Shariah rules, it is prohibited to add to them or to remove from them. It is permissible to set a yearly budget for its sections, expected costs from the sections of revenue during the year, in addition to the costs specified for the sections of revenue during the year.

I pray that the answer is clear. And in any case, if we find that there is a need for more clarity in our books, we will study the matter insha'Allah

Your brother,

Ata Bin Khalil Abu Al-Rashtah

28 Ramadhan 1436 AH

15/07/2015 CE

The link to the answer from the Ameer's Facebook page:

<https://www.facebook.com/Ata.abualrashtah/photos/a.154439224724163.1073741827.154433208058098/471363329698416/?type=1&theater>