

# Major Differences Among The Systems

Major Differences among the Systems		Capitalism	Socialism / Communism	Islamic Economic
1	<b>Liberty to Earn</b>	<ul style="list-style-type: none"> <li>*Free Market</li> <li>*Unbridled liberty leads to so many immoral activities</li> </ul>	<ul style="list-style-type: none"> <li>*The product of peoples labor is confiscated by the state to distribute it equally among the public</li> <li>*People have to lose their earning in a coercive environment</li> </ul>	<ul style="list-style-type: none"> <li>*Allows individuals to operate in a free market but all the activities should be Sharia Compliant</li> <li>*Shariah Ruling Regarding Profit Distribution</li> </ul>
2	<b>Liberty to Own</b>	<ul style="list-style-type: none"> <li>*Allows the people to own as much they can</li> <li>*Lust to accumulate more and more wealth leads towards unfair means of earning and an imbalance is the distribution of wealth</li> </ul>	<ul style="list-style-type: none"> <li>*Restrict the right of ownership</li> <li>*In communism no individual has the right to own property</li> </ul>	<ul style="list-style-type: none"> <li>*Allows the people to own property as much they want</li> <li>*but with the unique concept that Allah is the owner of everything</li> <li>*Must be earned through Shariah Compliant activities</li> <li>*Application of obligatory taxes like Zakat and encourages Sadaqat</li> </ul>
3	<b>Distribution of Wealth</b>	<ul style="list-style-type: none"> <li>*Leads to unfair distribution of wealth (as discussed in the previous lecture 0.1% hold 81% 99.9% hold only 19%) which creates many Classes which leads to many social problems</li> </ul>	<ul style="list-style-type: none"> <li>*Claim equal distribution of wealth which is against the laws of nature, as it will limit the desire to work</li> </ul>	<ul style="list-style-type: none"> <li>*Allows the people to earn using Halal means and get rich</li> <li>*Islam allows the people to be poor and rich but not to the extent that it create classes in the society</li> </ul>
4	<b>Reward for Labor</b>	<ul style="list-style-type: none"> <li>*Recognizes the hard work of the laborers by paying them accordingly</li> </ul>	<ul style="list-style-type: none"> <li>*Socialism recognizes the hard work of the laborers by paying them accordingly</li> <li>*Communism doesn't recognize it</li> <li>*Recognition and sense of achievement makes people more productive and innovative.</li> </ul>	<ul style="list-style-type: none"> <li>*Recognizes the hard work of the laborers by paying them accordingly</li> </ul>
5	<b>Innovativeness of System</b>	<ul style="list-style-type: none"> <li>*Freedom of production and marketing, sense of achievement and recognition result in more sophisticated, innovative and useful products in the economy</li> </ul>	<ul style="list-style-type: none"> <li>*Being controlled form of economies where state determines what to produce, how much to produce and for whom to produce, leads to stagnation and low growth in the economy</li> </ul>	<ul style="list-style-type: none"> <li>*Freedom of production and marketing, sense of achievement and recognition result in more sophisticated, innovative and useful products in the economy</li> </ul>
6	<b>Social Structure</b>	<ul style="list-style-type: none"> <li>*has created classes in the societies based on the level of wealth people possess</li> </ul>	<ul style="list-style-type: none"> <li>*Diminishes and eliminate the class distinctions</li> </ul>	<ul style="list-style-type: none"> <li>*Does not believe in class system rather sets the piety as the standard of being respectable</li> </ul>
7	<b>Ways of Change</b>	<ul style="list-style-type: none"> <li>*Free market would determine the change in production, while government only regulates the business practices</li> </ul>	<ul style="list-style-type: none"> <li>*Governments (Communism) and Workers (Socialism) are the agents of change and they even control the ideologies and desires of the people</li> </ul>	<ul style="list-style-type: none"> <li>*Allows change through the forces of the market provided that it doesn't go against the religious and moral values of the society</li> </ul>
8	<b>Religion</b>	<ul style="list-style-type: none"> <li>*Give the people right to follow the religion</li> </ul>	<ul style="list-style-type: none"> <li>*Socialism: Give the people right to follow the religion</li> <li>*Communism bans the religion, which is against the human nature. Majority of the people in the world do have a religion or want to follow the religion</li> </ul>	<ul style="list-style-type: none"> <li>*Give the people right to follow the religion</li> </ul>