

The Currency According to Quran

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Abstract: *This study aims to analyze the concept of currency in the Qur'an. It is descriptive research with a qualitative approach. The method used is Maudhu'i, by collecting verses based on similar kitab. Regarding currency, The Qur'an focuses on the nomenclature of the dinar (made of gold) and dirham (made of silver). Throughout the development of Islamic economics and finance, Ulama looked into the concept of currency mainly in its functions as (1) payment instruments, (2) asset measurement value, and (3) economic flow. Due to the characteristics of the dinar and dirham mediums that cannot be applied in the modern monetary system, the currency currently in use is the currency with a medium that is seen as practically viable by the government. The dinar and dirham cannot be used because of (1) the high exchange rate of gold and silver against various goods, (2) the availability of gold and silver declines over time and cannot meet the demand for currency, and (3) gold and silver are not easily portable. Therefore, the characteristics of any agreed medium for issuing currency will remain relevant from the point of view of Islamic economics and finance. The Qur'an only provides dinar or dirham as an example of currency, the main essence of which is that the Qur'an provides provisions on how to manage currency in terms of rights and obligations as well as its relation to religious goals.*

Keyword: Currency, Dinar, Dirham

INTRODUCTION

Human civilization that is increasingly advanced it cannot be forced to do barter-type economic anymore. Each individual needs a product that meets their desired criteria, on the other hand the product to be bartered does not match their needs. This incident ultimately pushed the need for an agreement on the existence of a currency. Currency is something that is mutually agreed upon by a group of people in a certain area to be used as a standard value for a product.

At first the function of currency was anything that was used to sell a product or service. However, in the development of an increasingly established economy, many human transactions have shifted the function of currency to fulfil other needs such as debt payments, insurance payments, and so on. Is the change of currency function justified by the Quran? How is currency discussed in the Quran?

RESEARCH METHODS

The method used in this paper is descriptive research method with qualitative approach. It is a library study using *maudhu'i* method. This *maudhu'i* method is a method that seeks to looking for the answer of the Quran by collecting verse of the Quran that have same goal, which together, those verse discuss a particular topic/title and publish it in accordance with the time of their descent in accordance with the causes of those descent, then pay attention to the verse's explanation, description and relationship with other verse.

RESULT AND DISCUSSION

Result

After an investigation of the Quran it was found that the words dinar and dirham in their literal forms were each used only once. While in terms of meaning, they were used only five times; three times for the dinar and twice for the dirham.

Dinar

1. As a debt payment medium, QS. Ali Imran 75 (translation)

﴿ وَمِنْ أَهْلِ الْكِتَابِ مَنْ إِنْ تَأْمَنَهُ بِقِنطَارٍ يُؤَدُّ إِلَيْكَ وَمِنْهُمْ مَنْ إِنْ تَأْمَنَهُ بِدِينَارٍ لَا يُؤَدُّ إِلَيْكَ إِلَّا مَا دُمَّتْ عَلَيْهِ قَائِمًا ذَلِكَ بِأَنَّهُمْ قَالُوا لَيْسَ عَلَيْنَا فِي الْأُمُورِ سَبِيلٌ وَيَقُولُونَ عَلَى اللَّهِ الْكَذِبَ وَهُمْ يَعْلَمُونَ ﴾ (آل عمران/75:3)

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75. And among the People of the Scripture is he who, if you entrust him with a great amount [of wealth], he will return it to you. And among them is he who, if you entrust him with a [single] gold coin, he will not return it to you unless you are constantly standing over him [demanding it]. That is because they say, "There is no blame upon us concerning the unlearned." And they speak untruth about Allah while they know [it]. (Ali 'Imran/3:75)

2. As value of wealth, QS. Al Maidah 38 (interpretation)

﴿ وَالسَّارِقُ وَالسَّارِقَةُ فَاقْطَعُوا أَيْدِيَهُمَا جِزَاءً بِمَا كَسَبَا نَكَالًا مِّنَ اللَّهِ بِوَالِهِ عَزِيزٌ حَكِيمٌ ۝ ٣٨ ﴾ (المائدة/5:38)

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38. [As for] the thief, the male and the female, amputate their hands in recompense for what they committed as a deterrent [punishment] from Allah. And Allah is Exalted in Might and Wise. (Al-Ma'idah/5:38)

(The stolen wealth must worth at least a quarter of a Dinar).

3. As payment for services, QS. Al Maidah 38 (interpretation)

﴿ فَرَدَدْنَاهُ إِلَىٰ أُمِّهِ كَيْ تَقَرَّ عَيْنُهَا وَلَا تَحْزَنَ ۚ وَلِتَعْلَمَ أَنَّ وَعْدَ اللَّهِ حَقٌّ وَلَكِنَّ أَكْثَرَهُمْ لَا يَعْلَمُونَ ۝ ١٣٤ ﴾ (الفصص/28:13)

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13. So We restored him to his mother that she might be content and not grieve and that she would know that the promise of Allah is true. But most of the people do not know. (Al-Qasas/28:13)

(Restoring him to his mother means he was still breastfed by his mother with 1 Dinar compensation for each day).

4. QS. Nisa 92 (interpretation)

﴿ وَمَا كَانَ لِمُؤْمِنٍ أَنْ يَفْتُلَ مُؤْمِيًا إِلَّا خَطَا ۚ وَمَنْ قَتَلَ مُؤْمِيًا خَطَاً فَتَحْرِيرُ رَقَبَةٍ مُؤْمِنَةٍ وَدِيَةٌ مُّسَلَّمَةٌ إِلَىٰ أَهْلِهَا إِلَّا أَنْ يَصَدَّقُوا ۚ فَإِنْ كَانَ مِنْ قَوْمٍ عَدُوٍّ لَّكُمْ وَهُوَ مُؤْمِنٌ فَتَحْرِيرُ رَقَبَةٍ مُؤْمِنَةٍ ۚ وَإِنْ

كَانَ مِنْ قَوْمٍ بَيْنَكُمْ وَبَيْنَهُمْ مِيثَاقٌ قَدِيهٌ مُسَلَّمَةٌ إِلَىٰ أَهْلِهِ وَتَحْرِيرُ رَقَبَةٍ مُؤْمِنَةٍ ۚ فَمَنْ لَمْ يَجِدْ
فَصِيَامُ شَهْرَيْنِ مُتَتَابِعَيْنِ تَوْبَةً مِّنَ اللَّهِ ۚ وَكَانَ اللَّهُ عَلِيمًا حَكِيمًا ۙ ﴿٩٢﴾ (النساء/4:92)

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92. And never is it for a believer to kill a believer except by mistake. And whoever kills a believer by mistake - then the freeing of a believing slave and a **compensation payment** presented to the deceased's family [is required] unless they give [up their right as] charity. But if the deceased was from a people at war with you and he was a believer - then [only] the freeing of a believing slave; and if he was from a people with whom you have a treaty - then a compensation payment presented to his family and the freeing of a believing slave. And whoever does not find [one or cannot afford to buy one] - then [instead], a fast for two months consecutively, [seeking] acceptance of repentance from Allah. And Allah is ever Knowing and Wise. (An-Nisa'/4:92)

(The fine/compensation payment is 100 camels or 10000 dinars)

Dirham

1. Medium of trade, QS. Yusuf 20 (translation)

﴿ وَشَرَوْهُ بِثَمَنٍ بَخْسٍ دَرَاهِمَ مَعْدُودَةٍ وَكَانُوا فِيهِ مِنَ الزَّاهِدِينَ ۚ ﴿٢٠﴾ ﴾ (يوسف/12:20)

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20. And they sold him for a reduced price - a few dirhams - and they were, concerning him, of those content with little. (Yusuf/12:20)

2. Corruption, QS. Naml 48 (interpretation)

﴿ وَكَانَ فِي الْمَدِينَةِ تِسْعَةُ رَهْطٍ يُفْسِدُونَ فِي الْأَرْضِ وَلَا يُصْلِحُونَ ۚ ﴿٤٨﴾ ﴾ (النمل/27:48)

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48. And there were in the city nine family heads causing corruption in the land and not amending [its affairs]. (An-Naml/27:48)

3. Taxes, QS Taubah 29 (interpretation quraish s)

﴿ قَاتِلُوا الَّذِينَ لَا يُؤْمِنُونَ بِاللَّهِ وَلَا بِالْيَوْمِ الْآخِرِ وَلَا يُحَرِّمُونَ مَا حَرَّمَ اللَّهُ وَرَسُولُهُ وَلَا يَدِينُونَ دِينَ الْحَقِّ مِنَ الَّذِينَ أُوتُوا الْكِتَابَ حَتَّى يُعْطُوا الْجِزْيَةَ عَنْ يَدٍ وَهُمْ ذَاكِرُونَ ﴾ (التوبة/9:29)

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29. Fight those who do not believe in Allah or in the Last Day and who do not consider unlawful what Allah and His Messenger have made unlawful and who do not adopt the religion of truth from those who were given the Scripture - [fight] until they give the jizyah willingly while they are humbled. (At-Taubah/9:29)

(paying 12 to 48 dirham taxes)

Discussion

Based on the findings of the verses above, it can be said that the intensity of the Quran mentions the dinar and dirham currencies only once each. First, the dinar is called when there is a debt transaction. Explicitly explains that currency can be used as a medium for debts. Second, the dirham is called when there is a sale transaction. It also explicitly explains that currency can be used as legal payment medium. In addition to these two verses, the Quran discusses more about the general provisions, then the hadith explains them in more detail regarding the currency.

Dinar

1. Surat QS. Al Maidah 38 describes the punishment of cutting off hands for those who steal. Then it is explained in the interpretation that the minimum limit for the stolen value that can be subject to a hand cut off is a quarter of a dinar. This explains that currency can serve as a measure of wealth.
2. Surat QS. Al Maidah 38 explains that Prophet Isa was returned to his mother, then in the interpretation it is explained that it means the Prophet

Isa is still being breastfed by his mother in exchange for one dinar per day.

This explains that currency can serve as a medium of paying for services.

3. Surat QS. Nisa 92 explained about the obligation to pay compensation to families who were accidentally killed. The compensation value as described in the interpretation is 100 camels or 1000 dinars. This explains that currency can serve as paying for sanctions.

Dirham

1. QS. Naml 48 explains that there are nine men who do mischief on earth. The interpretation explains that one of the damages is in the form of giving a debt of a few dirhams to someone with a certain percentage of interest to be paid. This verse teaches that currency can be good or bad, depending on the person who manages it.
2. QS Taubah 29 explains the obligation to pay taxes for non-Muslims. The interpretation explains that the amount of tax to be paid ranges from 12 to 48 dirhams. This verse explains the rights and obligations of something that must be fulfilled, in this case taxes can also be paid in dirhams.

Some of the verses above reveal the urgency of the existence of currency. The function performed by the currency is very important to smooth the economic cycle. The explanation of the function of currency is more elaborated, rather than the discussion of specific types of currency, such as the dinar and dirham. This clearly indicates that the materials used to make currency do not have to be specific to one thing, such as gold and silver.

In reality, gold and silver can no longer be accommodated. Gold and silver are precious metals that have high value. Therefore, it is not easy to use it as a

means of payment for buying and selling low-value products. In addition, the availability of gold is dwindling day by day. Many gold craftsmen are out of business due to the difficulty of finding raw materials. It is definitely not able to meet the demand for currency creation in the future. If gold and silver were still used as currency, then this currency would be difficult to carry around in large quantities. Due to the relatively large dimensions of gold and silver if stored in a pocket or in a wallet.

Final Notes

There are only two fathers in the Quranic verse that specifically mentions currency. First, the verse that mentions the word *dinar* in QS. Ali Imron 75. Second, the verse that mentions the word *dirham* in QS. Yusuf 20. In addition to these two verses, there are several verses that contain interpretations related to currency such as QS. Al Maidah 38 concerning the minimum value limit for stolen property to get a hand cut off as punishment, QS. Nisa 92 regarding compensation payments, and QS. Taubah 92 concerning the payment of taxes.

By analyzing those verses be concluded that the Qur'an provides a description of the *dinar* and *dirham* as an example of the existence of currency. The Quran does not go into further detail regarding the instruments used to make currency. The Quran talks more about the use of currency in economic transactions. The function of the currency is much more urgent to be explored and applied in today's modern transactions. First, as a means of payment for sales transactions. Second, as a means of payment of debt. Third, as standard to measure value of wealth. Fourth, as a the driving force of economic cycle.

The character of the *dinar* and *dirham* currencies is no longer possible to use. The high value of gold and silver makes it incompatible with so many low value goods traded in everyday life. Then, the availability of gold and silver is running low, so it cannot meet the demand for raw materials for making currency.

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