

Enter your search terms here

Advanced search

[Home](#) / [Journals](#) / [Humanomics](#) / [Volume 22 Issue 2](#)/ [Seigniorage of fiat money and the Maqasid al-Shari'ah: The compatibility of the gold dinar with the Maqasid](#)

To read this content please select one of the options below:

Add to cart

32.00€ (excl. tax)  
30 days to view and  
download

Access through your institution



Access and purchase options ▾

# Seigniorage of fiat money and the Maqasid al-Shari'ah: The compatibility of the gold dinar with the Maqasid

[Ahamed Kameel, Mydin Meera, Moussa Larbani](#)[Humanomics](#)

DOWNLOADS

ALTMETRICS

ISSN: 0828-8666

2517



Article publication date: 1 April 2006

Standard

Serial

Number.)

## Abstract

### Purpose

Having argued in the part I paper that the interest-based fiat monetary system is not compatible with the objectives of the Islamic law or the Shariah, this paper seeks to argue why commodity moneys, like the gold dinar and silver dirham, are compatible with the maqasid.

### Design/methodology/approach

This is a theoretical paper that integrates information from the Qur'an, the traditions of the Prophet, the writings of early Islamic scholars and historical observations vis-à-vis the objectives or the maqasid al-Shariah and makes logical deductions therefrom.

### Findings

The theoretical conclusion is that while fiat money is counterproductive to the maqasid al-Shariah, commodity moneys like the gold dinar and silver dirham, are indeed compatible with the maqasid. The Islamic economic system is, therefore, fundamentally a "barter" system, i.e. an exchange economy where goods and services are exchanged value for value, but avoids the problems associated with barter by taking some of the commodities exchanged in the economy, that have the characteristics of money, as money. Gold is argued to be the best Shari'ah money.

## Related articles

We are using cookies to give you the best experience on our website, but you are free to manage these at any time. To continue with our standard settings click "Accept". To find out more and manage your cookies, click "Manage cookies".

Accept

[Manage cookies](#)

If the theoretical deductions and contentions of the paper are correct, then their practical implications cannot simply be understated. For the Islamic economic system to emerge in reality, or for that matter any process of Islamization of knowledge/disciplines to succeed, it is foremost crucial that commodity moneys gradually replace fiat money.

## Originality/value

The paper establishes that commodity moneys like gold and silver are Shariah-compatible moneys, whereas the current fiat money is not.

## Keywords

Interest

Economics

Islam

## Citation

Kameel, A., Meera, M. and Larbani, M. (2006), "Seigniorage of fiat money and the Maqasid al-Shari'ah: The compatibility of the gold dinar with the Maqasid", [Humanomics](#), Vol. 22 No. 2, pp. 84-97.

<https://doi.org/10.1108/08288660610669383>


[Download as .RIS](#)

Publisher: Emerald Group Publishing Limited

Copyright © 2006, Emerald Group Publishing Limited

[Support & Feedback](#)

[Manage cookies](#)

 Emerald  
logo

© 2023 Emerald Publishing  
Limited

## Services

[Authors](#)

[Editors](#)

[Librarians](#)

[Researchers](#)

[Reviewers](#)

## About

[About Emerald](#)

[Working for Emerald](#)

[Contact us](#)

[Publication sitemap](#)

## Policies and information

[Privacy notice](#)

[Site policies](#)

[Modern Slavery Act](#)

[Chair of Trustees governance  
statement](#)

[COVID-19 policy](#)

[Accessibility](#)