Beginnings of Coin:

In the early stages of culture things were obtained in return of other things, but at a later stage this system was replaced by another instrument of exchange; required things were now bought in exchange of coins comprising of definite values. Before and during the early Islamic period the things used in place of money were eggs, bread loaves, silver, tree-balk, coral etc.¹

Coin - Definition:

Initially, the Arabic term for coin, 'Sakkah' meant the seal made up mainly of iron joined together with some pieces of gold and silver, but later on the engraving of Alphabets and pictures on the seal were referred to as Sikkah or Coin.²

Ibn Khaldun describes how in ancient times the coin was made. Dirham and Dinar (silver and gold) in rounded form and of standard weight and quality were pressed with the seal already engraved with invested words and pictures, to get them printed in the right shape.³

¹ Al-Maqrizi, Al-Nuqud al-Islamiyyah, p. 18.
² Ibn Khaldun Muqaddamah; also al-Mawardi, Al-Ahkam al Sultaniyyah, Chap. XIII. p.149.
³ Ibid.
Antiquity of the Coin:

The Holy Quran tells us that several thousand years ago the coin was in vogue. The story of the people of cave states very clearly about its use.

Such (being their state), We raised them up (from sleep), That they might question each other. Said one of them, "How long have stayed (here)? They said, "We have stayed (perhaps) a day, or part of a day". (at length) They (all) said, "God (alone) knows best how long ye have stayed here... Now send ye then one of you with this money of yours to the town: let him find out which is the best food (to be had) and bring some Satisfy your hunger therewith: And let him behave with care and courtesy, And let him not inform any one about you.

(Quran, XVIII: 19)

Even in the story of Yusuf there is a mention of coin:

The (brethren) sold him for a miserable price, - for a few dirhams counted out: In such low estimation did they hold him!

(Quran, XII: 20)

Al-Tabari writes that the people of Prophet Shueb designed coins.  

Islam and the Coin:

From many instructions and suggestion made by the Prophet (S.A.W.) it is evident that he wanted the barter system to be replaced with the coin system through which the sale and purchase could be carried out. It is the coin representing money value used in almost all kinds of Islamic transactions like Zakat, dower, blood-money, penalty payment, Kharaj, Jizya, wages, etc. Fuqaha view the coin as a

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4 Al-Tabari, Tafseer, vol. XII, Ayat 7:85
necessary item of exchange in various contracts like *Shirkat* and *Mudharibah*.

**Beginning of Islamic Coinage:**

In pre-Islamic Arabia Roman Dinar (Gold Coin), Iranian Dirham (Silver Coin) and Yemenite Coin (Copper) were accepted in Taif, Makkkan and Madinan markets. The copper-coin, which the people usually nibbled from its corner causing its value and weight plummeting, were accepted by the traders not by number but by weight.\(^5\)

In the beginning of the Islamic period the same coins were in use. During the Prophet's and the first Caliph's time there was no change in the coinage-policy. 'Umar also did not interfere into this matter even after the victory over Egypt, Syria and Iraq. In 18 A.H. when faced with famine, the second Caliph decided to distribute certain weight of food grains, which were like Roman and Persian coins in shape and form, with the difference, that the Islamic coins were engraved with either 'Al-Hamdulillah', 'Muhammad Rasulullah' or 'La Ilaha Illallah'.\(^6\)

In Iran there were three denominations of the coin: (1) Baghli comprising eight Dangs (an Iranian standard weight), (2) Tabari weight

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\(^5\) Al-Baladhuri, *Futuhul al-Buldan*.  
four Dangs, (3) Maghrabi of three Dangs, and (4) Yamani made up of only one Dang. 'Umar ordered the most popular coins of both highest and the lowest denominations to be collected and weighed together. Baghli and Tabari were the coins high in demand. They were of twelve Dangs together. The Caliph approved the Islamic Dirham to be minted in half of their weight i.e. six Dangs.\footnote{Al-Mawardi, Al-Ahkam al-Sultaniyyah Chap XII p 147}

The third Caliph, Uthman minted another coin engraved with ‘Allah Akbar.’\footnote{Al-Maqrizi, op cit , p. 5}

Islamic coins were not minted in large numbers because the coins of the previous governments had not been done away with, they were maintained having the same value. It is also on record that the second and the third Caliph's changed the Bait al-Mal's mixed coins into pure silver ones.\footnote{Al-Baladhuri, op cit, p 469}

Khalid b. al-Walid, in his capacity as commander in chief of the army had minted copper coins for military purposes. Mu'awiyah had also introduced gold coins on which he got engraved his picture with a sword hanging from his neck.\footnote{Al-Maqrizi, op cit, p 5}

**Coins of Abdullah b. al-Zubayr:**

After the period of Mu'awiyah Muslims got involved in a civil war
over the issue of leadership. Abdullah b. al-Zubayr laid his claim over Makka as the leader of Muslims and made a successful Iraq with his territory. In 70 A.H. he asked Mus'ab b. al-Zubayr to mint new coins on which were engraved 'Allah' or other phrases of blessings. These coins were both of gold (Dinar) and silver (Dirham).

Coins of Abdul Malik:

The most prominent figure in the history of Islamic coins is Abdul Malik b. Marwan. In 74 A.H. he got minted gold and silver coins on a large scale, and abolished the other non-Islamic coins. Musa'b b. al-Zubayr says that the Dinar of Abdul Malik's period was engraved with 'Qul, Hu Allah Ahad' on one side and 'La Ilaha Illallah' on the other, and it was hedged with silver on which was written the name of the city where it was minted and 'Muhammad Rasulullah' and 'Arsalahu Bil Huda Wa Dinil Haqq.'

It is said that Abdul Malik was the first to introduce engraved Islamic coins called as Dirham and Dinar; but Wahb b. Kaisan says that he had seen Dirham and Dinar of Islamic orientation before those of the Umayyad period.

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11 Al-Baladhuri, op.cit., pp. 469.
14 Al-Baladhuri, op.cit., p. 467.
Introduction to Islamic Coinage:

A very interesting episode is the introduction of Islamic coins during the time of Abdul Malik b. Marwan. The Romans imported Egyptian papers in exchange of which they paid gold coins to the Umayyad ruler. Later on the Caliph introduced the writing of 'Qul Hu Allah Ahad' and other Quranic Ayat on the letter-heads for correspondence between him and the Roman king who expressed his disliking and wrote back to his Muslim counterpart that he give up these words or he (The Roman King) would start printing, on Roman Dinar to be sent to him, something unworthy of the Prophet, Abdul Malik got shocked and outraged and called Khalid b. Yazid b. Mu'awiyah and narrated the whole episode to him, asking him to suggest some viable way to solve the matter. Khalid assuredly suggested to the Caliph to stop the dealing with the Roman Kingdom and mint his own Islamic coins. The Umayyad ruler felt very happy with this advice.\(^\text{15}\)

Abdul Malik wrote a message regarding minting of coins to Hajjaj b. Yusuf, the then governor of Iraq, who minted coins and sent them to Madina where several Sahabah were still alive. They did not say anything about the coins but expressed their disliking for the

picture printed on them. Sa'eed b. al-Musayyib found no problem and also started use of those Islamic coins. These coins were first minted in 74 A.H.

**Minting Arrangement:**

Upon getting the Caliph's order, Hajjaj b. Yusuf enquired the people about how the Iranians minted their coins; and, then set up a mint where he invited experts in minting, printing and engraving skills and know-how. He used this centre not only for official coins but also allowed traders and other interested persons to get their coins minted in exchange of a service charge which was used by the governor in wages and salaries of employees of the mint. Hajjaj had, out of extra care, stamped the hands of the minters.

Yusuf b. Umar, the successor of Hajjaj b. Yusuf as the governor of Iraq, treated harshly the printers, designers and engravers. He chopped the hands of some of them and tattooed their skin. Three coins called as Hubairi, Khalidi and Yusufi were considered the most excellent. Abu Ja'far al-Mansur, the second Abbasid Caliph, did not accept land-tax (Kharaj) through the coins of the Umayyad period except the above three. Abbasid and the later periods witnessed many other remarkable changes in coin-designs and shapes. During

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17 Al-Baladhuri, *op.cit.*, p. 469.
18 *Ibid.*.
the Muwahidun period silver coins were minted and circulated in the market. They were quadrangular in shape.\(^{19}\)

**Custom and Introduction to Coins:**

Money has been is a part of human social life. Both influence each other; money has its impact on social attitude and behaviour, and social norms and customs do shape and orient the pattern, of wealth. Introduction to coins is no exception. Historically, whenever the ruler attempted to introduce new coins to replace the old ones, customs, habits and sensitivity of the public proved stronger than the law and penal codes.\(^{20}\)

In this light one could understand the reason why the shape and picture of 'Umar's coin were similar to that of Khusro of Iran. Likewise their pictures too; it was in an imitation of Ceasur's coins. People, particularly the ignorant and illiterate, accepted the coin with known shapes, designs and engravings, hence the continuation of old pictures and forms become a necessity. Australian Dollar, for example, still has the same picture and design which was used in 1780 A.D.\(^{21}\)

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\(^{19}\) Al-Baladhuri, *op.cit.*, p. 469.


\(^{21}\) Ibid., p. 79.
Currency:

Al-Baladhuri says: 'Umar planned to introduce a coin made of Camel-skin, but he abandoned this idea when he was advised that no camel then will remain alive.\(^{22}\) Another scholar and historian furnishes a totally different information. He says that 'Umar introduced leather coin, or rather leather notes.\(^{23}\) It shows that like minting of coins currency notes were also introduced by the government. The value of the currency is stipulated by the government. So, that may it be in operation so long as the government remains strong.

Currency Note - Substitute:

In early centuries of the Islamic era currency note was substituted by gems. A traveler intending to travel a longer distance intending to travel for about a month used to exchange his huge amount of Dinars with gems which he could carry easily and also safely to the destination where he would sell the gems off in exchange for local money for his expenses.\(^{24}\)

International Currency:

International currency occupies another significant place in Islamic economy. On the eve or the Prophet's bi'thah the markets in

\(^{22}\) Al-Baladhuri, *op cit*, p 470

\(^{23}\) Al-Ketani, *Kitab al-Taratib al-Idaryah* vol-I p 422

Makka and Madina accepted Persian, Roman and Yemenite coins which were required particularly by the traders planning to go outside Arabia. Money changers always took a service charge. Bukhari has quoted *Ahadith* referring to such kinds of service charges as Riba.\textsuperscript{25} Uthman reports: "The Prophet said: "Do not sell out one Dinar for two Dinars, and one Dirham for two Dirhams."\textsuperscript{26}

Abu Huraira reports: "The Prophet (S.A.W.) said: "Exchange Dinar with Dinar and make sure that none of them is less or more the other in value."\textsuperscript{27} The only way to avoid this problem is the standardization of the coins of all countries in accordance with their value and weight, and abolition of exchange system which often triggers many problems in the business world, particularly in the developing countries who are exploited by the developed ones.

A modern economist Jewenz opines that this matter seems to be closer to the Islamic concept and his description of his own idea appears to be practical commentary of the Prophet's ruling given above.\textsuperscript{28}

**Elimination of Duplication:**

With a view to putting a stop to any kind of corruption in the

\textsuperscript{25} Al-Bukhari, *Kitab al-Buyu*, also *Kitab al-Sarf*.
\textsuperscript{26} Ibid.
\textsuperscript{27} Malik b. Anas, *Al-Muatta*, Kitab al-Buyu.
coinage of Islamic governments, in the past, had made elaborate arrangements to safeguard the mint from any possible intrusion from outside. Dirhams and Dinars were engraved with the official seal, which left no chance for any alteration or duplication, which the Fuqaha have declared a cognizable offence.

A person, who was caught minting coins, was brought to 'Umar b. Abdul Aziz, the Umayyad ruler, who ordered him to be imprisoned, and for his minting machine to be confiscated and destroyed in fire.

Alteration in and nibbling of coins have been very old practice, which scholars have prohibited and suggested for such persons to be brought to book. They base this ruling on a Quranic Ayat concerning Prophet Shueb and his people who were criticized by the former for their unjust and unfair method in their business. Ibn Zaid, a well known Mufassir and Faqih, says that Prophet Shueb had prevented his people from nibbling silver and gold coins, but the latter adopted a very adamant attitude and said that the coins belonged to them, they were fully authorized to do anything to their wealth, either nibble, cut, burn, melt or throw away; upon which Prophet Shueb said:

29 Al-Mawardi, Al-Ahkam al-Sultaniyyah, Chapter XIII, pp. 148-49.
30 Ibid.
31 Al-Baladhuri, op.cit., p. 471.
He said: "O my people! See ye whether I have a clear (sign) from my Lord, And He hath given me sustenance (pure and) good as from Himself? I wish not, In opposition to you, to do I only desire (your) betterment And my success (in my task) in Him I trust, And unto Him I look".

(Quran, XI 88)

The Prophet (S.A.W.) too prohibited the nibbling and cutting of coins.\textsuperscript{33} A Qazi or jurist of Basra Muhammad b. Abdullah was of the view that the Prophet's directive was against the cutting of coins to shape it differently; and another group of scholars opined that the prohibition was of nibbling the coins from their sides, as it caused the coin to loose its weight whereas the practice was to determine the value of the coins according to numbers.\textsuperscript{34} The nibbled coins were in no way of the same weight and value as the original ones.\textsuperscript{35}

Adulteration is to be checked and the offender punished. The government has the responsibility to eliminate such an evil practice in the market. The Prophet (S.A.W.) has ruled that the adulterator looses his identity as Muslim.\textsuperscript{36}

\textsuperscript{33} Abu Daud, \textit{op cit.}, Kitab al-Buyu
\textsuperscript{34} Al-Mawardi, \textit{op cit.}, p 149
\textsuperscript{35} Ibid
\textsuperscript{36} Ibid, p 240