Money In Islamic Civilisation: From The Prophet Muhammad (Pbuh) Until The Ottoman Caliphate

Muhammad Ishak Razak, Researcher,Center of Reform on Economics (CORE) Indonesia.
E-mail: ishak@coreindonesia.org
Asmak Ab Rahman Associate Professo,Department of Shariah and Economics, Academy of Islamic StudiesUniversiti Malaya.
E-mail: asmak@um.edu.my

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Abstract:
This paper aims to examine the development of the use of money in the history of Islamic civilization and the factors that influenced it, from the time of the Prophet Muhammad to the Ottoman caliphate in Turkey. The study uses a historical method, which compiles and presents each period and interprets them. This study demonstrates the development of money during Islamic rule—which later became integral to the discussion of Islamic laws related to the medium of exchange—and the factors that influence its development, both external and internal in each period of Islamic civilization. This study is useful as a basis for formulating an Islamic-based monetary policy in the context of the development of various types of currencies today. Studies examining the factors that have influenced the development of currencies used in Islamic history are still relatively limited, so this study tries to make a unique contribution to investigating the factors underlying changes in the monetary systems of Islamic civilizations .

Keyword: coins, currency, dinar, dirham, mints, money.**JEL classification code : XN1, XN2**

Corresponding author: Asmak Ab Rahman,
E-mail: asmak@um.edu.my

1- Introduction

Arabs in Mecca were known as traders before the arrival of Islam had no unique form of money in their culture. They generally obtained their money from around the Arabian Peninsula where they did business, especially from Sham during the winter and from Yaman during the summer. They obtained gold dinars from Sham, controlled by the Romans, and silver dirhams from Iraq and Yaman, controlled by the Persians (Muhammad 1963: p. 22). The Persians were the primary producers of the dirham, while the Romans were the leading producer of the dinar. In various cities in its territory, the Persian empire, which was rich in silver, decentralized its mints; in contrast, the Roman empire centralized its dinar mints, mostly in Constantinople (al-Qasrī 2016: p. 6: Al-Baladhurī 1936: p. 16). Said bin Musayyab confirmed that dinars emanated initially from Rome and dirhams originated from Kisra, with some from Hamiriyyah in Yaman (al-Mawardī 1987: p. 147) .

There are at least two arguments as to why the early Arabs did not produce their own money. Firstly, they had a deficient economy arising from their unproductive land and lack of a metal extraction industry. They thus had a low yield of agricultural products and were unable to mine raw metals to mint into money. Secondly, their political structure, which comprised various tribes and autonomous clans lacking central authority, could not create an economic system capable of generating revenue (al-Qasrī 2016: p.6) .

According to al-Qasrī (2016), quoting the Quranic interpreter al-Suyuṭī, the Arabic words for dinar and dirham are derived from Persian. However, Husainī affirms that both words originated from the Greek language since the Romans had minted dinars and dirhams long before the birth of al-Masīh. The Persians were not civilized and thus did not manufacture money until the Sasanid empire emerged about two centuries after al-Masīh. The term **“dinar” originated from the Greek** words denacara or denarion and was afterward translated into Latin as denarius; “dirham” was derived from draxme. Both words were then absorbed into Arabic as “dinar” and “dirham” (al-Mazandarani, 1988: p. 6) .

In their transactions, the Arabians appraised the value of the dinar and dirham by their gold and silver seed weight (tibr) rather than by their physical quantity. It is thus plausible that, given the diversity of coins at that time, they had to rely on their weight in order to prevent fraud (ghabn) (Zallum, 2004: p.198). The weight of dinars and dirhams in pre-Islamic Arabia was called miṣqāl, although this term was popularly associated with a dinar. The weight of a dinar miṣqāl, according to Imam al-Nawawī, is equivalent to 72 unpeeled wheat grains with their two edges slashed (al-Maqrīzī, 1939: p. 27) .

Zallūm (2004: p. 201) has elucidated the weight of each type of dirham circulating at that time: firstly, the large dirham was called dirham baghliyah or al-sāwād al-wāfiyah, the weight of which was one mithqal, or 20 qīrāṯ, or eight dāniq, each of which is equal to 2.5 qīrāṯ. The small dirham was called al-ṭabriyyah since it was printed in the Tabaristan area; its weight is ½ mithqal, equivalent to ten qīrāṯ or four dāniq. The third type was the medium dirham, which was called al-jawāraqiyyah, since it was struck in the Jawāraq region; it weighed ten mithqal, or 12 qīrāṯ, or 4.8 dāniq. Dāniq, which is a Persian word meaning “seed”, is equal to 81/5 medium-sized unpeeled wheat seeds whose two edges are slashed horizontally (al-Maqrīzī, 1939: p.27) .

This study divides the history of money evolution during the Islamic civilization into several periods, following the major phases of Islamic political civilization: the period of the Prophet Muhammad SAW, the Khulafaurrasyidin period, the Umayyad period, the Abbasid period, and the Ottoman period.

.1.1Money During the Era of Prophet Muhammad's (PBUH) (607–632 CE)

During the Prophet's era, Muslims adopted the currency that was in use at the time without modifying it or creating a new one. According to al-Maqrizī, when Prophet Muhammad was sent as a messenger, he acknowledged the use of the dinar and dirham as money and as the standard of scale for Mecca’s inhabitants. As narrated by Abu Dawud, the Prophet (PBUH) said:" (The standard) weight is the weight of the people of Mecca, and the (standard) measure is the measure of the people of Medina..." (Al-'Asqalānī, 1995, p. 337, vol. 2) .

Prophet Muhammad's remarks and his permission of transactions with dinars and dirhams were repeated (mutawātir). Bukharī reported Urwah al-Baqiry as saying: "The Messenger (PBUH) gave me a dinar to purchase a sheep. I bought two sheep instead, selling one of them with a dinar, then passing a sheep and a dinar to the Prophet." Urwah then tells the Prophet what he undertook, and he replied, "May Allah bless your business" (al-Islāmiyyah, 2012: 174). Some verses in the Quran indicate a terminology of gold and silver as currency. For example, Allah SWT says in surah at-Taubah :

And those who hoard gold and silver and spend it not in the way of Allah—give them tidings of a painful punishment. (al-Taubah [9]: 34)

The Prophet also ordered that zakah be allotted in the form of dinars and dirhams: the zakat of every five uqiyahs or 200 dirhams is five dirhams and half of a dinar for every 20 dinars (al-Maqrīzī, p.30). Al-Rāfi'ī claims that all scholars in the early generations agreed that one dirham is equal to seven dāniq, and every ten dirhams are equivalent to seven mithqals. There was no distinction between the pre-Islam Arabian period and the next one in this regard. Al-Munawī also quoted al-Nawāwī's assessment that the dirham in the Prophet's (PBUH) time ought to be the standard since the size of zakah and other sharia laws are associated (ta'alaq) with it. He affirmed that this measure had been permitted since the time of the Prophet (SAW) and the Rashidun Caliphates; therefore, the dirham's size should not deviate from it (al-Munāwī, 1981:p. 69). In order to simplify zakah during the time of the Prophet (PBUH), the dirham's weight was divided into smaller units. Thus, 20 qīrāṭs, 12 qīrāṭs, **and ten qīrāṭs were added, resulting in 42 qīrāṭs, which is further divided by three, so its weight is 14 qīrāṭs. Hence, the weight of ten dirhams is 140 qīrāṭs, which equals seven mithqāls of gold (al-Munawi (1981: p. 15). Thus, every mithqāl of gold is equal to 20 qīrāṭs .**

Since several Islamic laws like zakah, hudūd and marriage are associated with the dinar and dirham, it is essential to recognize the importance of both currencies. Ibn Khaldūn argues that there had been a consensus since the beginning of Islam, the Companions' era and that of their followers' (tābi'īn) that the dirham's weight was 7/10 of gold mithqāl. Moreover, the weight of a gold mithqāl was 72 grains of barley (Khaldun, 2004: p. 448). It means that the value of one mithqal of a dinar was equivalent to 10 silver dirhams (1/10). Therefore, since the minimum quantity (niṣāb) of gold zakah was 20 mithqāls of dinars, the niṣāb of dirham is 200 dirhams, in which five must be disbursed (Zallum, 2004: p. 203). Zallum (2004) argues that the ratio, however, had changed during the period of Abdul Malik bin Marwan, with the ratio of dinars and dirhams being 1:12 and then 1:14. The ratio continued to deteriorate, principally because the increase in dirhams exceeded the gold supply, as well as other factors such as deliberate policies by the authorities that diminished the value of the dirham in order to gain profit .

To understand their actual weight, these standards may be converted into a modern weight equivalent. The accepted weight of a mithqal or a dinar is 2.45 grams: since a mithqal is equivalent to 20 qīrāṯ, each qīrāṯ is equal to 0.2125 grams. As the weight of a dirham is 14 qīrāṯ, a dirham is, therefore, equivalent to 2.975 grams. The other accepted standard at the beginning of Islam was ūqiyah, which equals 40 dirhams, and riṭl, which equals 480 dirhams (Zallum, 2004: p. 203; al-Baladhūrī, 1939: p. 10) .

During that period, money became subject to Islamic jurisprudence. Several items of jurisprudences explicitly determine the standards of the dinar and dirham thus :

(1) the minimum quantity (nishāb) of gold zakah is 2.5% in every 20 dinars, and silver zakah is 2.5% in every 200 dirhams, and nishāb gold zakah is equivalent to the price of gold zakah;

(2) the cost of a dowry (al-mahr), according to Imam Hanāfi, is at least ten dirhams and, according to Māliki, **three. However, the Shāfii and Hanbali schools do not set the minimum price for a dowry ;**

(3) the expiation (kaffārah) for a husband who has sexualintercourse with his spouse during menstruation, according to Hanbali, is at least one dinar, whereas the other schools recommend (mustahab) one dinar or less ;

(4) the total of a robbery to cut off a thief's hands, according to most scholars, is ¼ dinar, three dirhams or equivalent (al-Islāmiyyah, 2012: p. 177).

Muslim s cholars also mention several other currency-related laws, such as the prohibition on usury, which also extends to gold and silver. For example, several verses regarding usury refer to gold and silver wealth (al-Rum, 39; an-Nisa, 161; Ali-Imran, 130-132; al-Baqarah, 275-281). As narrated by Muslim (1998: p. 647), the Prophet (PBUH) said from Ubadah bin Samit:

Gold is exchanged for gold, silver with silver, red wheat with red wheat, wheat with wheat, dates with dates, and salt with salt, and they must be the same weight and must be handed over directly. Whoever adds or asks for additions has made usury, who takes or gives it has the same law.

Another law related to gold and silver as a currency is a ban on hoarding these commodities. Allah SWT says :

Moreover, those who store gold and silver and spend it not in the way of Allah, then inform them of a grievous torment. (al-Taubah [9]: 34)

Kanz means to take some property from others and hold it under the ground or above it. Therefore, money hoarding (kanz) collects any cash for no reason and keeps it without delivering it to the market. It imperils the economy because it restricts the flow of capital; this varies from saving money, which does not disturb the market and does not influence the rate of income. Rather, it does not hold back capital but merely raises money to spend subsequently, such as on building a house, getting married, establishing a factory or trading (al-Nabhānī, 2004: p.250).

According to al-Nabhānī (2004: p. 251), the gold and silver referred to in the verse, when it came down, was used as a medium of exchange, a standard of value for goods and **services, minted as money. Accordingly, he argued that the** prohibition applied to gold and silver, which were mediums of exchange. The gold and silver referred to in the verse were thus used as exchange mediums, a standard for determining the value of goods and services regardless of whether it was minted as dinars and dirhams or not. Thus, commodities that function as currencies should not be collected without a future spending purpose .

Another Islamic law of money is money exchange. According to Hanafi, Shafii and Hanbali jurisprudence, money exchange (ṣarf) is buying and selling gold with gold, silver with silver, gold with silver or silver with gold. Another definition of it is selling money with money either from its type or not from its kind (al-Bāz, 1999: p.16). Hence, a ṣarf, which is buying and selling money or money from one another, means buying and selling gold and silver because thaman or money (naqd) in the ṣarf just means gold and silver.

It concludes that, at first, the dinar and dirham were currencies that developed before Islamic civilization and were later adopted by the Prophet Muhammad and his companions. In line with the period of the formation of Islamic law, the dinar and dirham later became the currency mentioned in Islamic legal sources, especially in the Koran and the Prophet's Hadith. The next consequence is that Islamic laws related to the use of currency, such as usury, sharf, mudaraba, diyat, ultimately refer to the dinar and dirham. This then led to the interpretation by some Muslim scholars that the legal currency of Islam is the dinar and dirham because it has been exemplified and adopted by the Prophet Muhammad as a source of law, even though some others think that these currencies are a mere historical consequence and therefore the law can be applied to other commodities that fulfill the functions of money.

1.1.2Money During the Era of Rashidun Caliphates (632–661 CE)

The Rashidun Caliphates, following the Prophet (PBUH), coined no money and deliberately deployed existing currency in their territory. After the death of Prophet Muhammad (PBUH), Abu Bakar ascended to the Prophet's position as a head of state from 632–634 CE. During his brief reign, he continued all the Prophet's activities, making no modifications to his policies, including his monetary policy (al-Maqrizī, 1939: p. 30). He strictly obliged withdrawing zakah, including that of gold and silver. He also punished people for refusing to pay zakah according to the Prophet’s (PBUH) rules. In his message to Anas bin Malik, who was sent to Bahrain—as reported by Imam Bukhari—Abu Bakar wrote, “(the zakah) in riqqah (the stricken dirhams) is 4/10. If they only reach 190 (dirham), there is no sadaqah on them except that Allah desires it." (Qal’ahjī, 1983: p. 126).

Early in his dispensation, Umar bin Khattab made no adjustments to the circulating currency. However, he later made some modifications to the existing currency by stamping them with Islamic texts. When the Islamic state's territory reached Syria, Iraq, and Egypt, he originally changed nothing of its state. Even up to 636, when the Muslims conquered Persia, his government used Sasanian coins, which were engraved with Pahlavi letters and used non-Islamic symbols for its place and mint year. Mordtmann suggests that the coin mints of the Arabs at the time were in approximately 100 locations, following the Sasanian pattern. When Umar bin Khattab was minting a new dirham, he continued to use the Kisra's mold; hence his dirham had an identical shape and image with the latter but embossed on its surface the following texts ,(محمد رسول الله) ,(الحمد لله) ( ) :and (لاإله إلا الله وحده)

)Muhammād, 1963: p. 25). Thereafter, before Abdul Malik bin Marwan's government, his successors followed Umar's minting policy but embossed slightly different texts on their surface (Floor et. al., 1992.(

During the rule of Uthman bin Affān, the surface of the Sasanid coins in Pahlavi script were embossed with several Kufic Arabic calligraphic inscriptions (محمد) ,(بسم الله ربي), (بركه), (بسم الله), (الله أكبر): (Muhammād, 1963: p. 26). In order to finance the conquest of the rest of the Sasanid kingdom from its last king, Yazdegerd III (632–651), Uthman minted dirhams following the coin style that existed before. Al-Qaṣry (2016: p. 19) suggests that wartime had hampered him in changing the existing currencies and that, after his territory was under control, he added several Arabic texts to existing coins .

After becoming caliph, Ali continued Uthman bin Affan's policy by embossing some Arabic words on the coins in circulation (بسم) ,(بسم الله) : .(ربي الله) ,(الله ربي)Another source states that currency containing the Kufic word (ولي الله) circulated during his reign in 38H. Once Abdullah bin Zubair became the leader of Mecca, he first minted a more rounded dirham which had already been authorized thick and short in size, and wrote on its one surfaces the phrase (محمد رسول الله) and, on the reverse, the phrase .(أمر الله بالوفاء والعدل) His brother, Muṣ’āb bin Zubair, similarly reproduced dirhams in Iraq with ten dirhams being equivalent to seven mithqāls. However, when Hajjāj bin Yusuf was Mu’āwiyah's governor in Iraq, he withdrew these currencies (al-Mazandaranī, 1988: p. 44).

1.1.3Money During the Umayyad Era (661–750 CE)

Before Abdul Malik, the Umayyad Caliphs merely followed their predecessors' monetary system, not changing their coins except in their ornamentation. They merely increased the number of coins and made some adjustments to their surfaces. Throughout the Mu’āwiyah period, the quantity of circulated currency increased, mainly because of the expansion of mints producing Sassanid Arabic coins. (al-Mazandarani, 1988: p. 209). Abdul Malik then minted black dirhams of less than six dāniq or 15 qīrāṭs which weighed less than one or two grains. Similarly, according to Al-Maqrīzī, 1939: p. 33), Mu’āwiyah's brother, Ziyad bin Abi Sufyan, minted dirhams in which every ten corresponded to seven mithqāls, and he coined a dinar which had on its face a person carrying a sword.

In contrast, there was during Abdul Malik bin Marwan's rule a substantial restoration of real money. He changed all money styles, including its surface and weight. Al-Maqrīzī affirms that the probable reason that Abdul Malik bin Marwan minted currency was the insulting reply of a Roman emperor to his letter, which contained surah al-Ikhlaṣ and an explanation about the Prophet Muhammad (PBUH). That matter made the emperor angry, and he threateningly said, "You have said about your Prophet like this and that. You should leave it, or I would strike a text about your Prophet on our dinar surface that would make you disapprove it." That statement then enraged the caliph, and he then ordered, "Proscribe all of their dinars and produce a currency comprised of the name of Allah!" (al-Mazandaranī, 1988: p. 53).

He rigorously checked all coin sizes and dimensions. In AH 76/77, after the complete elimination of Byzantine Arabic dinars, he began to create his own dinar style, the weight of which was 22 qirāth less than one Syrian wheat grain and five qīrās. In addition, the Ummayyad dirham was coined in 78H and its weight reached 2.975 grams, lighter by about four grams than the Sassanid dirham. On its reverse was written (لاإله إلاالله وحده, محمد رسول الله) and on its edge was written the place and time of coinage. On its opposite side was written (قل هو الله أحد) and the text (محمد رسول الله أرسله بالهدى ودين الحق ليظهره على الدين كله ولو كره المشركين) : written in the circular pattern (Al-Qasrī, 2016: p. 210) .

Abdul Mālik bin Marwān used decentralization to distribute his new coins. He ordered Hajjāj bin Yusuf to establish ne**w coin** mints, including one in Medina, where many companions of the Prophet (PBUH) lived and had not repudiated the new coins. He then delivered the new coin molds to each city in Islamic territory (al-Maqrīzī, 1988: p. 162). The dinar mints were established predominantly in Damascus and the rest set up in other territories such as Africa, Andalusia and Hijaz. The officers of the mints regularly collected old coins and re-struck them in the new style. The mints also cleaned up counterfeit coins and repaired those that had excessive or deficient ornamentation (al-Baladhūrī, 1939: p. 14).

After the new currency was issued, it became easier for Muslims to adopt the Prophet's rule in calculating zakah, in which for every twenty dirhams, five dirhams were issued. Previously, zakah payers had to use two types of dirham coins, large and small ones, whose weight was eight dāniqs and four dāniqs respectively. The new dirham's weight resolved the problem by adding the weight of the large dirham and the small one and dividing that by two, equaling six dāniqs. Furthermore, the weight of the dinar (mithqāl) was also adjusted by making the weight of every ten **dirhams equivalent to seven mithqals.** The dirham's weight was equivalent to 501/5 of wheat seeds which were unpeeled with both tips cut (al-Maqrīzī, 1988: p. 162).

The distinguishing feature of the coins of the Umayyad Caliphate from their successor was that the name of the caliph was not written on the coin, meaning that someone could not recognize that the caliph minted it except by the year of minting. Moreover, the reference year is often unclear when a coin was minted in the year of a caliph's succession, so it was not certain which of them had minted it. During the Umayyad era, the method of minting was strictly controlled, so that anyone who breached the state coinage standard was punished harshly. At the time of Umar bin Abdul Aziz, for example, a man who minted a coin that differed from the state standard was fined and imprisoned, and his mold seized and melted (al-Baladhūrī, 1939: p.16) .

1.1.4Money During the Abbasid Era (750–1258 and 1261–1517 CE)

The characteristics of money during the Abbasid era did not differ considerably from those of Mu'awiyah’s coins. After the Abbasids took over from the Umayyads, their coins initially followed the style of the Umayyad coins; however, they later added their names to the coin’s surface along with the coin’s mint and the coinage year. This tradition emerged when al-Mahdi became the regent of al-Rai province and embossed on his dirham, "in al-Rai 141H," whereas, on its opposite surface, he stamped "commanded by al-Mahdī Muhammad ibn Amīr al-Mu'minīn." After becoming Caliph, he sustained the tradition of marking his name on the coin: "al-Khalīfah al-Mahdī." His successors in the Abbasid caliphate followed his tradition, although several caliphs—al-Thaī', al-Qadīr, al-Qāim, al-Muqtadī, al-Mustazhar, al-Mustarsyid, al-Rashīd, al-Muftaqī and al-Mustanjid—did not seem to have minted coins since their names have not been identified on Abbasid period coins (al-Mazandarānī, 1988: p. 58).

Muhammād (1963: p. 49) argues that, even though its capital was in Iraq, the Abbasid currency was originally minted in Damascus and Egypt. After that, from 198 H, the mints flourished in the large cities, especially during al-Ma' mūn's reign after 212H. He continued the practice from the time of al-Rashīd (170–193H) that his name was embossed along with his son's, al-Amin, on the face of the dinar. He diverged from his predecessors, who had centralized coin minting, by decentralising his authority to mint coins to his ministers, governors and treasurers. The Egyptian governor, Ali ibn Sulaiman bin 'Ali al-‘Abbasī (169-171H), was the first government official besides the caliph to mint his coin, followed by other governors and amils (Muhammād, 1963: p. 50). Accordingly, during the Abbasid period, dinars in Egypt were diverse. Nonetheless, the Caliph al-Ma'mūn restored the authority of dinar minting to the caliphate and completely repatriated the revenue from al-kharāj and other sources to the central government (Muhammād, 1963: p. 51).

The decentralization of mints also occurred in other territories, such as Andalusia when Abdurrahman al-Umawī assumed power in 138 H/756M and stamped his own coins. Other Muslim rulers who had conquered other areas also implemented a similar policy, such as the rulers of Bani Idris, Bani Aghlab, Bani Ṭūlun, Ikhshidiyūn, Ṭāhirūn, Khanāt of Afghanistan, Khawarizm and the governors in Sijistan, Salājiqah, Saladiqah, Bani Artaq and Bani Zankī (al-Mazandarānī, 1988: p. 59. Muhammad (1963: p. 51) suggests that the reason they produced their own coins was that their influence had become stronger as the caliphs' influence deteriorated because of the increasing control of Turkish leaders .

During the Abbasid era, many caliphs debased their coinage: according to al-Maqrīzī, Abdullah bin Muhammad al-Saffāh reduced his dirham's weight in Anbar by one-grain seed and afterward by two. Subsequently, when Abu Ja'far al-Manṣur assumed power, the weight of his coins was reduced by three seeds, becoming ¾ qīrāṭ. During Harun al-Rashid's reign, one dirham was debased by one qīrāṭ, with less than one seed (one qīrāṭ was matched to four seeds) (al-Maqrīzī, 1998: p. 166).

During the Abbasid period, some caliphs and sultans legitimized the enormous production of the fulūs, a coin made of copper, and this led to a sudden surge in inflation. In 993H in Egypt, for example, one naqrah was initially equivalent to one uqiyah, but in 994H its value dropped to 1/6 uqiyyah (al-Maqrīzī (1939: p.172). Al-Maqrīzī (1939: p.173) criticized the circulation of the fulūs since it contradicted the approved practice of Allah (sunnatu-Allāh), and argued that only gold and silver were legitimate currency in Islam. Moreover, in his opinion, fulūs, like any other commodity, had no value in itself. He argued that other nations and Islamic rulers in different periods and places—such as the Umayyads, the Abbasids in Iraq, the Alawite dynasty, the state of Turkey in Egypt, and Shām—only used gold and silver in their transactions. He concluded, therefore, that the use of fulūs in Egypt since 806H was an accident and a trial (al-Maqrīzī, 1939: p. 173.(

After ascending to power in Egypt, the Faṭimid dynasty cancelled the Abbasid currency and adopted one symbolizing the Shiite school. Besides embossing the text with the name of God and the name of the Holy Prophet on their coins, they also incorporated praise of Ali bin Abu Ṭalib on them. Furthermore, they debased the weight of the currency, which, as Muhammad suspected, had been taking place since Bani Ṭulūn's period. Furthermore, during the Ayyubid period, the supply of the gold dinar, known as the ahmār dinar, decreased significantly. This was because the gold mines were no longer being managed by the government since the later years of the Fatimid dynasty; instead, it was run by private business which preferred to sell their product abroad. For example, Egypt's gold exports to Baghdad had fallen since the Fatimid dynasty. Along with the battles between the Ayyubids and the Fatimids, European Crusaders invaded Tunisia several times, exhausted its gold, and exported it to Venice (Italy), Marseille (France), and Barcelona (al-Maqrīzī, 1939: p. 72) .

1.1.5Money During the Ottoman Era (1517–1924 CE)

Initially, the Ottoman caliphate (1517–1924 CE) continued to use the money that was commonly used before it became a caliphate. According to Akkaya, the initial Ottoman silver coin, called the akçe, was struck in the Hegira in 727H (1326–27) during the rule of Orhan Gazi (1324–62). It became the basic Ottoman currency until the qurush coin replaced it at the end of the seventeenth century (Akkaya, 1999: p. 19). Pamuk suggests that, until then, Ottoman coinage followed the Tebriz dirham of the Persian Mongols, the weight of which was 3.072 grams—lighter than the classic Islamic dirham of 3.207 grams (Pamuk, 2000: p. 38). When their territory expanded to the Balkans and the center of Anatolia during the fifteenth century, the Ottomans followed both the Seljuks and the Ilkhanid currencies and established numerous mints in large commercial regions and urban centers. Throughout the 30-year reign of Mehmed II (1444 and 1451–81), the akçe was struck in at least 12 locations (Pamuk, 2000: p. 34). The basic denomination of the akçe was one, which occasionally accompanied other denominations such as five and ten. Moreover, to facilitate small daily transactions, the provincial mints struck a limited quantity of copper coinage (fulūs) called mangir and pul (Akkaya, 1999: p. 22). The Ottomans also produced silver coins called kuruş, which popularly circulated until about the mid-17th century. Meanwhile, the Venetian ducat, called yaldit altunu, was the most famous gold coin during the Ottoman period (Gerber, 1982) .

Ottoman mint production fluctuated according the supply of currencies brought in by private entities or gathered by the state. Additionally, when a new sultan came to power, he would renew the coinage by restriking the old ones to incorporate his name (Pamuk, 2000: p. 34). Even though mints were abundant in Ottoman territory, the central government managed them all. The larger state-operated mints established in the foremost urban centers were supervised by a system called emanet. The smaller ones, however, operated under the tax-farming (iltizam) system, in which the multezim or amil used an officer called sahib-iayar to supervise a mint; he was responsible to the government for its technical operation, warranting that its coin production was under the government standard. The local judge also regularly supervised the technical and financial activities of the mints. The government also controlled the cost of silver bullion purchased by the mints and that of coinage for private demand (Pamuk, 2000: p. 35) .

The centralization of Ottoman mints can be observed in Egypt, which was under Ottoman authority. Al-Shawi affirms that, during Ottoman administration, the mints (dār al-ḍarb) of Egypt followed the central administration, from which they received guidelines for minting various coins, such as their shape, weight and value ('iyar). The rules included an instruction that, upon the succession of a new al-Sharif, his name should be struck on coins (Ṣawī, 2001: p. 227). The local authorities, however, did not always follow the rules. For example, both Sultan Salim al-Awwal and then Sulaiman al-Qanūnī had warned the Egypt leader, Khair Beik, to supervise business affairs and protect against the manipulation of gold and silver coins, which were produced by the former leader who was impeached for manipulating the purity of the dirham by blending 30 copper coins into every 100 dirhams (Ṣawī, 2001: p. 231).

While the akçe became the dominant currency, copper coinage called mangır, mankur, or pul was used for low-value daily transactions in the local markets (Pamuk, 2000: p.38). In contrast to silver coins, whose nominal value represented their intrinsic value, the government supervised the value of copper coins. The difference between its intrinsic and nominal value provided the state with a seigniorage opportunity to generate income. Therefore, to prevent its oversupply, the government not only disallowed copper coin as a payment to the state but strictly controlled its production and distribution (Pamuk, 2000: p. 39). The Ottoman government auctioned the right to strike and circulate copper coins in each area to private entrepreneurs, which usually continued for three years. The mangırs or pul were minted and sold at local markets in return for payments in akçe. Once a new coinage was declared, old coins were considered illegal and removed from circulation (Pamuk, 2000: p. 39) .

The silver content of the akçe in the reign of Mehmed II had a mild change from the 1320s–1440s. However, between 1444 and 1481, debasement became a regular policy to finance the central government's spending, reducing the silver content of Ottoman coin by up to 30% in ten years (Pamuk, 2000: p. 40). Whenever the Ottoman government minted new akçes, they profitted from the difference between its nominal and intrinsic value. Since they bought the old akces at the market price of silver and returned them as currency, only part of the silver's nominal value corresponded to the market value. Due to the shortages of silver, insufficient funds to cover government deficits and the growing amount of money demand as the consequence of economic development, the government reduced the silver content of the akçe (Akkaya, 1999: p. 25; Inalcik and Quataert, 1997, v.1 p.100).

Gerber (1982) suggests that debasement, which became a regular policy in the Ottoman monetary system during the I7th century, was also a common practice for all European governments in the early modern era.

The first Ottoman gold coins, called altun, sultani, or haseni, were struck in Hegira, Istanbul in 882 H/1477–78 during the second reign of Sultan Mehmed II the Conqueror (1444-46, 1451-81). The Sultani did not have face value until the nineteenth century and it was determined by the markets in terms of the silver akçe. The official rates of the Sultani declared by the government were identical to market rates until the second half of the sixteenth century (Akkaya, 1999: p. 29; Pamuk, 2000: p. 61). Until the beginning of the eighteenth century, however, its weight had been modified by the government, despite its fineness being kept unchanged at nearly 97.9% gold (Akkaya, 1999: p. 30). In addition, foreign gold coins such as Venetian ducats, Florentine florins, Genoese genovinos, Egyptian asharfis (eshrefiyye) and Hungarian engurusiyye were allowed to circulate in most parts of the empire and were accepted as a medium of exchange by the government. Their gold content defined their purchasing power and their exchange rate to other gold coins (Akkaya, 1999: p. 27) .

In the first quarter of the sixteenth century, the Ottoman monetary system had three different currencies. The highest value was the gold coinage used by middle-income inhabitants, such as merchants who dealt with large transactions, financiers, money changers, high-level government officials, and medium and large-scale manufacturers (Pamuk, 2000: p. 66). It was also used for significant political and administrative payments, including honour and ransom payments for government officials and soldiers. Furthermore, the silver akçe, a small coin minted from approximately 0.7 grams of pure silver which was occasionally changed following its debasement by the government, was the primary currency of the Ottoman state and the essential means of payment, especially for medium-value goods, since its purchasing power was low enough for small daily transactions but high enough for medium-sized transactions (Pamuk, 2000: p. 67). The least valued currency was the mangir, a copper coin which was fixed to the akçe and had an intrinsic value lower than its nominal one. However, its value against the akçe varied across regions, ranging from ¼ to ⅛ of an akçe. The government minted the mangir in large quantities until the second half of the sixteenth century (Pamuk, 2000: p. 68).

In 1687, to resolve the shortage of the akçe and mangir in line with the growing populations' demand for more money and increasing government spending, the government issued a new silver standard called the Ottoman qurush, which was equal to 120 akçe. The value remained largely stable until the 1760s and then declined around 50% at the end of that century. Its fineness remained at 83.3% silver until the 1690s then deteriorated until it was merely 46% in the late seventeenth and into the eighteenth century (Akkaya, 1999: p. 55). The sultani or sherifi had circulated on the Ottoman market until the late seventeenth century, along with several new gold coins, such as the findik and zer-i mahbub with their denominations. The last two coins were minted until the early nineteenth century, consistently following the Istanbul standard. The value of coins struck in Egypt, Tunisia, and Tripoli, however, diminished as their gold content dropped steadily compared to those of Istanbul (Akkaya, 1999: p. 56).

After decades of continual debasement and instability, the Ottoman government reformed its coinage operation in 1844 by establishing a new bimetallic system based on the silver kuruş and the gold lira, in which one gold lira was equivalent to 100 silver kuruş (Akkaya, 1999:p. 68). In addition, the government terminated the debasement of coinage as its source of fiscal revenue. In the post-1844 era, only the kuruş, the mecidiyye (20 kuruşes), the lira with its denominations, and the Egyptian coin supplements persisted in circulation. Until the end of the empire, the government continued to mint these coins. For small daily purchases, the government minted a copper coinage in denominations of five, ten, and twenty. It also minted nickel coins in 1910 to back up the copper ones (Akkaya, 1999:p. 68: Pamuk, 2000: p. 208).

Although the Ottoman government experienced monetary stability throughout the early nineteenth century, it had to fight increasingly chronic budget deficits as a result of increased military spending arising from wars, armed rebellions, independence movements, political and social modernization—which include physical construction—and financing economic reform, especially on large-scale industrial development. To overcome this problem, the government eventually resorted to unfamiliar strategies by creating paper money, as well as relying on foreign debt (Kilinçoğlu, 2015: p. 21). In 1840, the government issued an interest-bearing treasure note called the kaime (Pamuk, 2000: p.209). This was a handwritten document in denominations of 500 kurus with an annual interest rate of 12.5% between 1840 and 1844 with a maturity of eight years.

Thereafter, in 1852, the kaime was transformed into a paper currency, with the government issuing a smaller kaime denomination that had no interest and had no backing of specie. In addition to meeting the increased need for a daily transaction currency, the government issued a new one, which became a new source of revenue to finance government spending, particularly during the Crimean War (Birdal, 2010: p. 23; Pamuk, 2000: p. 210) .

The government's policy to increase the supply of kaime reduced its value against the gold lira. For example, one gold lira began to exchange for 200–220 kuruş in kaime, but after the supply of kaime increased to 1,250 million kurus in 1861, its exchange rate increased to 400 kuruş (Pamuk, 2000: p.210). Following widespread protests and dissatisfaction over high inflation, the government finally abolished the kaime in 1862 and withdrew short-term loans from the Imperial Ottoman Bank, which was controlled by both British and the French financial interests and the Ottoman government (Pamuk, 2000: p.211).

The bank granted short-term loans to the state and hence had the privilege of dealing with the massive government transactions and issuing gold-backed notes until 1914, when the government ceased issuing any paper currency (Pamuk, 2000: 212; Akkaya, 1999: p. 70).

During that time, the economy continued to rely heavily on silver for most of its daily transactions (Pamuk, 2000: p. 218).

Nevertheless, after World War I, besides continuing to supply gold coins, the government began to produce a large volume of gold-backed paper money, including a limited size unconvertible to gold, which caused silver coinage to vanish from circulation (Pamuk, 2000: p. 223). Finally, when disintegration escalated in its last period, the

Ottoman authorities in Istanbul lost control of foreign-controlled regions, including their monetary system**.**

Conclusion

The historical dynamics of currency use offer several conclusions. Muslims in the early generations did not deny the Byzantine and Sassanid monetary systems, which were ideologically different from Islam; they even used the two currencies simultaneously, known as the bimetal system. This was their territory; there was therefore no compelling reason to make changes to the forms of currency in circulation. However, Muslims built their own monetary system, producing and determining its shape, size, and weigh, during the time of Abdul Malik bin Marwan, only 60 years into the Caliphate.

The main reason for this change, apart from the political reasons described above, was to make it easier for Muslims to observe Islamic law, such as the payment of zakat. Political and economic conditions at that time were more stable, supporting fundamental changes to currency, which did not cause economic problems. Even though the bimetallic system was officially used, there have been several attempts by Muslim governments to try to make modificationsof the empire, prompting several pragmatic policies from the government to change the monetary system. The most radical change was at the end of the Ottoman dynasty, when foreign banks became involved in its monetary policies by introducing paper currency not backed by gold and by using interest as a monetary instrument. The monetary system in this final period was consequently more influenced by political pragmatism. The use of gold and silver-based currency, which limited the role of the state in currency creation because its supply was more stable, became irrelevant for the late Ottoman government, such as adding other types of currency in addition to gold and silver, such as copper, or by debasement, decreasing the value of money for advantage, although the dinar and dirham were used as the main currencies .

Finally, towards the end of the Ottoman period, dynamics of the development of the bimetallic monetary system led to a series of changes, in line with the economic and political dynamics of the dynasty. The highly developed Ottoman economic system interacted with foreign countries, especially European countries, also influencing its monetary system, including gold-based paper currency. The economic crisis which was the result of the political and military crisisprincipally because Muslims were accustomed to using currency so that they did not experience problems resulting from losses for them and did not face economic problems when adopting the system. From the perspective of the codification of its law, Islam did not react to the previous systems but adapted them to Islamic law so that Islamic laws, associating it with the two currencies. In fact, during the period of the Prophet and his companions, there were no significant changes in the currency produced during the rule of Islam, although there were some adaptations, such as the addition of Islamic symbols on coins. This is understandable considering that, at that time, there were no problems facing Muslims, either economically or theologically, to adopting the foreign money circulating in

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