

Reuse of dinar and dirham in the frame of contemporary Muamalah: A study in South Kalimantan, Indonesia

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ABSTRAK

Introduction

The Muslim community is making several efforts to reuse the dinar and dirham for transactions and other purposes in the current era.

Objectives

This research examines the phenomenon of reusing dinar and dirham as alternative financial instruments in the South Kalimantan region. It aims to reveal the reasons behind the reuse of dinar and dirham and the form of activities carried out by the movement carried out by the contemporary Muslim community.

Method

This research method uses a qualitative approach with a case study on Komunitas Muamalah Kalsel, with data collection techniques through interviews, observations, and documentation studies.

Results

The results show that the main reason for using dinar and dirham is theological, namely an effort to restore more authentic economic practices according to Islamic teachings, with legitimacy from local clerical figures. The results also reveal the existence of a unique alms distribution model through Pasar Muamalah, which exchanges fiat money into dirhams to be distributed to underprivileged communities. The results also identified three critical aspects of a faith-based financial system, namely (1) the stability of the intrinsic value of precious metals, (2) criticism of the fiat-based financial system that is prone to inflation, and (3) efforts to uphold the principle of economic justice in transactions.

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Implications

The Muslim community can consider reusing dinar and dirham to maintain the religious and economic aspects of their daily transactions.

Originality/Novelty

This study contributes to better understanding of application of dinar and dirham in modern society.

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INTRODUCTION

Dinar and dirham played a crucial role in the history of Islamic finance. These two metals were widely circulated as mediums of exchange across various Islamic territories (Abdullah, 2016; Sifat & Mohamad, 2018). During his leadership, the Prophet Muhammad did not introduce or mint a new form of currency. Instead, he established standard weight measures for both metals (Islahi, 2013; Wasserstein, 1993; Yaacob et al., 2012). During the era of the *Khulafa ar-Rashidun* and subsequent Islamic dynasties, the use of dinar and dirham was maintained, with modifications made primarily to the coinage design, which reflected the ruling government's authority (Abdullah, 2020; Bacharach, 2010; Nur, 2021).

With the passage of time and the increasing complexity of economic transactions, the use of metallic currency gradually declined. For some, dinar and dirham were deemed impractical and posed security risks, particularly when traveling long distances. Eventually, these coins were considered no longer viable as a *medium of exchange* for transactions. Today, the majority of the global population is more familiar with *fiat currency* and *digital currency* (Butler, 2022; Latimer & Duffy, 2019).

Recently, certain groups within society have continued to use dinar and dirham as a medium of exchange for trade, payments for *zakat*, *infaq*, and *sadaqah*, as well as for dowry in marriage and savings. In Kelantan, Malaysia, in 2006, the company Kelantan Golden Trade Sdn Bhd reintroduced the minting of dinar and dirham for use as currency. However, this initiative did not align with government policies at the time. As a result, the circulation of these metals remained limited to specific uses, such as dowry (*mahar*), savings, *zakat* payments, trade transactions, pawned goods, and charitable giving (*sadaqah*) or gifts (Abd Kodir, 2017; Yaacob, 2012; Yusuf et al., 2013).

Several reasons have been cited for the revival of gold and silver as transactional instruments. Historical texts (*turath*) indicate that the Prophet Muhammad and the Caliphates, including the Ottoman Empire, utilized these metals for various *muamalah* (economic) transactions (Masduqi, 2012). Additionally, the value of these metals has remained relatively stable over time, making them resistant to monetary crises (Harahap, 2014; Surahman, 2016). Proponents also argue that gold and silver serve as

a solution to the volatility of fiat currency, which is prone to fluctuations in value (Shifa et al., 2022).

Following the 1998 monetary crisis, many Indonesians opted to store gold dinars as a form of wealth preservation, particularly for *hajj* savings (Sahrani et al., 2021). The use of these metals is considered part of the practical implementation of *muamalah* (economic transactions) based on authentic Sharia principles (Kulsum, 2022). Additionally, through the Murabitun Sufi movement, led by Zaim Saidi, dinar and dirham have been actively promoted to the public (Ahmadi et al., 2022).

In South Kalimantan, a region at the gateway to Borneo with distinct socio-cultural characteristics and a predominantly Muslim population (Chalmers, 2009; Rahmadi et al., 2012), the movement advocating the reintroduction of dinar and dirham has gained significant traction. Since its introduction by *Wakala* Al Banjari in 2019, the use of these currencies has continued to grow. However, the movement faced legal challenges when its central leader, Zaim Saidi, was temporarily detained on allegations of using foreign currency within Indonesia (Ismail, 2021). Given these developments, this article aims to examine the underlying reasons behind the renewed use of dinar and dirham, as well as the economic activities associated with their implementation in South Kalimantan.

METHOD

This study adopts a qualitative approach with a case study design, focusing on the *Muamalah* community in South Kalimantan. This approach was chosen to gain an in-depth understanding of the phenomenon of reintroducing dinar and dirham as transactional instruments in the economic activities of Muslim communities. Data collection was conducted using a combination of interviews, direct observations, and document analysis from online sources, including social media platforms used by the community. Interviews were carried out with various stakeholders, such as the *Wazir Wakala* Al Banjari, members of the *Muamalah* community, and individuals involved in the use of dinar and dirham. Additionally, in-depth observations were conducted on the community's economic activities, particularly in transactional practices at *Pasar Muamalah* and the distribution of *zakat* in the form of dinar and dirham coins.

During the data collection process, interviews were conducted both in person and through online communication platforms such as *WhatsApp* and other social media channels. The use of digital platforms for interviews was based on the consideration that these mediums facilitate a more relaxed atmosphere, encouraging informants to share information more openly (Kaufmann & Peil, 2020). Furthermore, transactions and community activities were observed directly as well as through an analysis of digital content shared by the community across various online platforms. Relevant documentation was also analyzed to gain a broader understanding of the background, objectives, and challenges associated with the reintroduction of dinar and dirham. The collected data from multiple sources were then analyzed inductively to identify patterns, motivations, and factors driving this phenomenon.

Data analysis in this study was conducted using a thematic approach, in which the collected data were categorized into key themes related to the reasons behind the use of dinar and dirham, transactional practices within the community, and the challenges faced in implementing this system. The analysis process examined the relationship between empirical data, Islamic economic concepts, and relevant literature. Thus, this study aims to provide a holistic, evidence-based understanding of alternative economic practices involving dinar and dirham in South Kalimantan.

RESULTS AND DISCUSSION

What Makes Dinar and Dirham Attractive?

The introduction of *Wazir Wakala* Al Banjari to Zaim Saidi began in 2009 through discussions that gained traction on the social media platform Facebook. In 2019, for the first time, *Amir* Zaim Saidi visited Banjar and directly introduced the concepts of dinar, dirham, and *fulus* to the local community, explaining the rationale behind their adoption. It was stated that the primary objective of reintroducing dinar and dirham through the *Muamalah Amirat Nusantara* community was to restore the practice of *muamalah* in Islam, as taught by the Prophet Muhammad. One of these efforts involved reinstating the fundamental role of gold and silver as instruments for *zakat* payments.

During a *dakwah* session in November 2019 at several mosques in Banjarmasin, Zaim Saidi emphasized that the payment of *zakat mal* must adhere to the requirements of *haul* (a full lunar year) and the *nuqud* (dinar and dirham) standard that was applied during the Prophet's time. This principle was based on the views of *Sheikh* Muhammad Arsyad Al Banjari, a prominent Islamic scholar among the Banjar people, as outlined in his seminal work, *Sabilal Muhtadin*. The following are the prescribed guidelines:

Bermula nishab emas itu 20 mitsqal dan nishab perak itu 200 dirham dengan timbangan Makkah karena sabda Nabi saw: 'Gantang zakat itu gantang Madinah dan timbangan itu timbangan Makkah'. Maka wajib zakat yang 20 mitsqal emas dan 200 dirham perak kemudian daripada sempurna tahunnya rubu' 'usyr. Maka 'usyr yang 20 mitsqal itu dua mitsqal dan rubu' yang 2 mitsqal, setengah mitsqal, itulah zakatnya. Sementara 'usyr yang 200 dirham itu 20 dirham dan rubu' yang 20 itu 5 dirham, itulah zakatnya.

The *nisab* (minimum threshold) for gold is set at 20 *mitsqal*, while for silver, it is 200 dirhams, based on the Makkah standard of measurement. This is derived from the statement of the Prophet Muhammad (peace be upon him): "*The measure for zakat is the measure of Madinah, and the weight is the weight of Makkah.*" Accordingly, *zakat* becomes obligatory on 20 *mitsqal* of gold and 200 dirhams of silver once a full lunar year (*haul*) has passed. The rate is one-fourth of one-tenth (*rubu' 'usyr*), meaning that the *zakat* due on 20 *mitsqal* of gold is two *mitsqal*, and one-fourth of two *mitsqal* is half a *mitsqal*. Similarly, the *zakat* due on 200 dirhams of silver is 20 dirhams, and one-fourth of 20 dirhams is 5 dirhams.

Beyond their function in *zakat* payments, gold and silver also serve as transactional instruments that embody economic justice. This principle is reinforced in *Surah Al-Mutaffifin*, which explicitly condemns fraudulent practices such as misrepresenting weights and measures in trade. Zaim Saidi referenced *Imam Al-Ghazali*, who asserted that dinar and dirham function as just arbiters in economic transactions. He likened currency to a mirror that reflects the true value of the goods it represents, arguing that a medium of exchange must maintain a balanced value equivalent to the items being traded (*mitslan bi mitslin*).

In this context, the traditional barter system practiced by the Banjar people at the Floating Market, known as *bapanduk* or *bahurup* (Johansen & Natsir, 2020; Yuliani & Suryadi, 2017), aligns more closely with Islamic economic principles. This system ensures that exchanged goods hold intrinsic and tangible value (*al-'ain*), reinforcing a just and equitable trade model.

Figure 1

Dinar and Dirham Circulated by Wakala Al Banjari



Source: <https://www.instagram.com/wakala.albanjari>

The use of dinar and dirham, composed of precious metals, is believed to offer inherent stability and resistance to inflation. This stability is reflected in the historical exchange value of dinar and dirham during the time of the Prophet Muhammad (peace be upon him). At that time, a single dinar, weighing 4.25 grams of gold, could purchase one large goat or two smaller goats. Remarkably, the *Amirat Nusantara*-minted 1-dinar coin today retains a comparable purchasing power, being equivalent in value to either one large goat or two smaller goats. Similarly, a 1-dirham coin, composed of pure silver weighing 2.975 grams, historically held a value sufficient to purchase one chicken, a standard that remains consistent today. According to Zaim Saidi, “*this is fitrah*”—the natural order established by Allah remains unchanged over time.

In contrast, fiat currency consistently experiences depreciation over time. This perspective is also echoed by AT, an economics professor and Islamic philanthropy advocate, who argues that the value inherent in dinar and dirham will always be advantageous. Based on this reasoning, AT chose to convert a portion of their fiat currency holdings into dinar and dirham. From an investment standpoint, they believe

that holding gold-based dinar represents a low-risk, long-term asset. Given today's volatile economic conditions, storing gold is seen as a rational financial decision, offering security amid economic uncertainty.

The inherent value of gold and silver, combined with their distinctive engravings on both sides, has made them a popular choice for wedding dowries among certain individuals. For instance, KH presented a dowry of three Amirat Nusantara-minted dinars, with a total weight equivalent to 12.75 grams of gold. This choice was driven by the intrinsic value and artistic engravings on both sides of the coin. Compared to fiat currency, gold dinars maintain a consistently high value and possess aesthetic and artistic appeal, making them a fitting choice for wedding dowries.

Meanwhile, NHD, an economics lecturer at a university in Banjarmasin, stated that their ownership of 20 dinars issued by *Wakala* Al Banjari was driven by a sense of duty to participate in the revival of Islamic economic principles. This commitment aligns with the broader objective of combating the widespread practice of usury (*riba*), which often manifests in various disguised forms. Their understanding of the historical origins of banking and fiat currency—and its eventual decoupling from gold—raises concerns about the true value of paper money.

NHD challenges the notion that fiat currency, merely because it bears a numerical denomination (e.g., one hundred thousand), should be considered an asset with intrinsic value (*'ayn*). From an Islamic economic perspective, transactions should be conducted using an exchange medium that holds equivalent value to the traded goods (*mitslan bi mitslin*), ensuring justice and fairness in economic interactions. When such equivalence is absent, transactions risk leading to usurious practices (*riba*). According to NHD, paper money, which is essentially a debt note, lacks true parity with tangible goods, such as one kilogram of beef. Furthermore, NHD highlights that in today's financial system, the majority of fiat money exists in the form of computerized bytes, controlled by banking institutions. They argue that if the objective were purely material gain, they would have opted for gold bullion or jewelry rather than dinars, reinforcing the ideological basis of their decision.

HTM, on the other hand, chose to exchange fiat currency for dinar and dirham issued by *Wakala* Al Banjari as both an investment strategy and a commitment to upholding *muamalah* practices as exemplified by the Prophet Muhammad and his Companions. Additionally, the circulation of these dinar and dirham coins is supported by a network of individuals known as the *Muamalah Kalsel* community, which shares a common objective of reinstating Sharia-compliant economic transactions. This initiative is further facilitated by the presence of a designated marketplace where these coins can be used for trade, as the majority of *Muamalah Kalsel* community members are merchants and small business (*usaha mikro kecil dan menengah* abbreviated UMKM in Bahasa Indonesia) owners.

In certain cases, the community also serves as a platform for dinar and dirham holders to reconvert their coins into fiat currency. Typically, individuals looking to exchange their coins offer them to members of the *Muamalah* community through WhatsApp groups, often at a slightly lower rate than the official *wakala* price. If no

community members are willing to exchange, they resort to selling the coins on the open market at the prevailing gold price. The necessity of reconverting dinar and dirham arises from the reality that not everyone is willing to accept them as a medium of exchange. However, according to the teachings conveyed by the *amir* and *wazir*, such reconversion into fiat currency is considered impermissible, as the fundamental purpose of reintroducing these coins is to function as a legitimate means of exchange and *zakat* payment in accordance with Islamic teachings.

These conditions illustrate that dinar and dirham are regarded as fundamental financial instruments with both historical significance and a representation of a comprehensive and equitable economic system. Historical records indicate that the use of dinar (gold) and dirham (silver) was well established, with standardized weight and metal purity ensuring the integrity of economic transactions. The unique characteristics of these metals lie in their intrinsic value, which remains stable and unaffected by the economic fluctuations that frequently impact conventional financial systems.

The complexities of the global financial system, where traditional practices confront modern financial structures, have introduced new challenges to the reactivation of dinar and dirham. As observed in Kelantan, Malaysia, the existence of an alternative monetary system based on intrinsic value reflects more than mere historical nostalgia; it also serves as a critical response to the instability of fiat currency, which is highly susceptible to global economic volatility.

The prevalence of economic practices in modern society that are perceived as unjust, laden with usurious elements, and dominated by specific interest groups has led some Muslims to seek a foundation that provides financial security and peace of mind. Jinan describes this phenomenon as a form of searching for "something" that can serve as a stable reference point in fulfilling aspirations for comfort and security. Many individuals have begun to emphasize the importance of "recalling the past, when Islam experienced its golden age." This period, during which the Prophet Muhammad and his Companions established fundamental societal values in a still geographically limited region, is often idealized as a time when Islam was pure, authentic, and uncorrupted (Jinan, 2008, p. 58).

The diminished role of religion in society is highlighted by this group through Saidi's assertion that *zakat*, as an instrument for achieving distributive justice, has undergone a significant shift. He argues that the regulations governing *zakat mal*, particularly for gold and silver, have deviated from the practices exemplified by the Prophet Muhammad (peace be upon him) and his Companions. Saidi further claims that contemporary society has neglected the fundamental role of gold and silver, which were originally intended as instruments for *muamalah* transactions and *zakat* payments. Instead, many people treat gold and silver as mere investment assets, often hoarding them for financial gain. According to this perspective, the reintroduction of dinar and dirham should aim to restore the principles of *muamalah* and the pillars of *zakat* as established by the Prophet and his Companions in the first century of Islam.

With this understanding, proponents of this view argue that dinar and dirham should function exclusively as transactional media, rather than being stored and hoarded for eventual reconversion into fiat currency. Through this awareness, Saidi, in his book *Euforia Emas*, urges Muslims—through the efforts of *wazirs*—to abandon all forms of *bid'ah* (innovations not practiced by the Prophet) that have been sanctioned and propagated by contemporary scholars.

The case of South Kalimantan offers a unique perspective in the study of faith-based economic implementation. With a society that is both deeply religious and receptive to new ideas, the dinar and dirham movement initiated by *Wakala* Al Banjari demonstrates the potential adaptation of traditional financial instruments within a modern context. The primary religious motivation behind this movement is to revive economic practices in their original form, aligning with those exemplified by the Prophet Muhammad. This revival is further legitimized by the teachings of Sheikh Muhammad Arsyad Al Banjari, a revered Islamic scholar from Banjar, who emphasized that *zakat mal* (wealth tax) must adhere to the *haul* (one-year possession period) and the *nuqud* (gold and silver) standard that was applied during the Prophet's time.

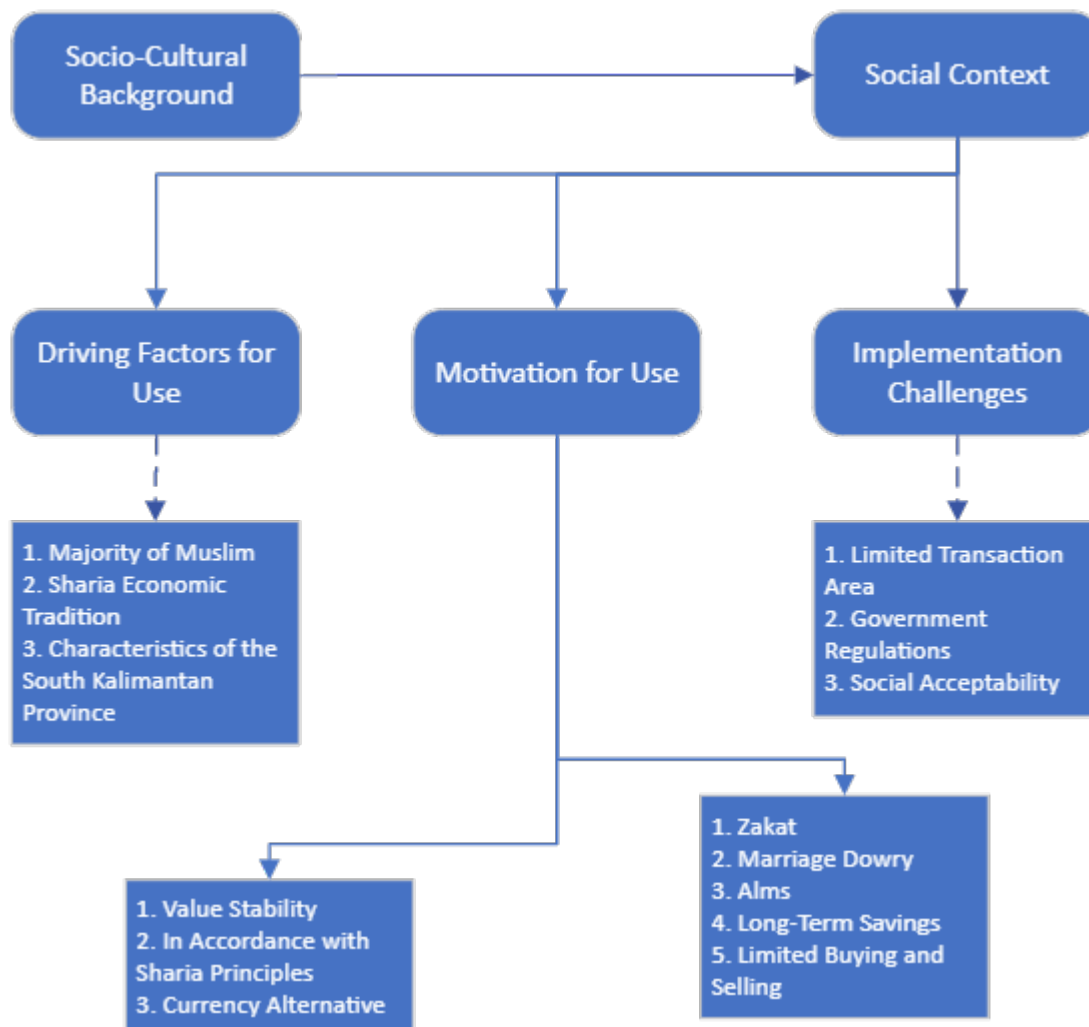
Furthermore, there are also technical characteristics related to the practice of justice in economic transactions. This is evident in the explanation of the value contained in the dinar (gold), which weighs 4.25 grams and is equivalent to the price of one to two goats, and the dirham (silver), which weighs 2.975 grams and is equivalent to the price of one chicken. Such conditions demonstrate a stable exchange value that has remained consistent from the time of the Prophet Muhammad to the present. Unlike fiat currency, which is susceptible to inflation, precious metals (gold and silver) have maintained relatively stable value throughout history (Ahmed, 2010; Ross & Bettenay, 2024; Schenk, 2013).

The reintroduction of dinar and dirham in *muamalah* transactions can also be seen as a critique of the fiat-based financial system, which is prone to inflation (Friedman, 1986; Friedman & Schwartz, 1986), as its value is no longer tied to a specific commodity (such as gold) but instead relies on government regulations and public trust. In interviews conducted for this study, respondents expressed concerns that paper money functions as a “debt note” lacking strong intrinsic value. This results in the continuous depreciation of currency, making it unstable over time due to its lack of a fixed and inherent worth. As one informant, NHD, questioned the logic behind fiat money: “Should we really consider paper money, merely because it is printed with a denomination of one hundred thousand, as an *'ayn* with actual value?”

This critique also touches on the ethical and justice aspects of economic transactions. The concept of *mitslan bi mitslin* (equivalence in exchange) is emphasized as a fundamental principle in Islamic economic transactions (Busni et al., 2024; Dyarini, 2017). Therefore, three key considerations arise: (1) reinstating a currency system based on the handling of precious metals; (2) establishing an accountable and transparent economic system; and (3) preventing *riba* (usury) and economic exploitation.

Figure 2

Summary of Findings Based on the Interview



Source: Primary data. Authors' analysis.

Activities Using Dinar, Dirham, and Fulus

The defense of Zaim Saidi against allegations of using foreign currency within Indonesia was based on an argument that the activities carried out by this community represent an expression of religious beliefs, which are protected as a fundamental human right under Article 29, Paragraph 2 of the 1945 Indonesian Constitution (Kurniawan, 2022; Pangestu & Hermono, 2023). Consequently, for the *Muamalah* community, fulfilling *zakat* obligations in accordance with Islamic law necessitates using *nuqud*—dinar and dirham. Based on this understanding, the introduction, circulation, and use of *nuqud* in the form of dinar and dirham are deemed obligatory. The legal maxim applied in this context is: "An obligatory act that cannot be completed without a means, then the means itself becomes obligatory."

The circulation of these metal coins is also considered compliant with Indonesian regulations. One such regulation is Minister of Religious Affairs Regulation (PMA) No. 52

of 2014, which outlines the conditions and procedures for calculating *zakat mal* and *zakat fitrah* as well as the utilization of *zakat* for productive ventures. This regulation specifies that *zakat* on gold is obligatory for holdings that reach the *nisab* of 85 grams, equivalent to 20 dinars, and *zakat* on silver applies to holdings of 595 grams, equivalent to 200 dirhams (Ismail et al., 2022, pp. 59–60).

To facilitate the circulation and use of *dinar*, *dirham*, and *fulus* in South Kalimantan, several initiatives have been undertaken. One such initiative is *Pasar Muamalah* (Muamalah Market). According to HTM's statement on December 20, 2022, prior to transactions at *Pasar Muamalah*, the *wazir* seeks voluntary contributions from merchants and affluent members of the *Muamalah Kalsel* community, who willingly donate a portion of their wealth in fiat currency in exchange for *dirham* coins. These *dirham* coins are then distributed to underprivileged individuals residing near *Pasar Muamalah*. When the *dirham* coins are distributed, recipients are also instructed on their proper use—namely, spending them at *Pasar Muamalah* to facilitate trade within the community.

The establishment of *Pasar Muamalah* in several areas of Banjarmasin and Banjar Regency, often set up in open fields, narrow alleys, or vacant lots near residential areas, has introduced a unique market experience and received positive responses from local communities. As noted by KDR in an interview conducted in January 2021, he received *sadaqah* amounting to one *dirham*, valued at approximately Rp70,000. KDR expressed deep gratitude for the donation, which he used to purchase basic necessities, including one kilogram of sugar, one liter of cooking oil, half a kilogram of eggs, and one liter of rice. A similar sentiment was shared by AMH, a woman from Gambut, who also benefited from *Pasar Muamalah* and expressed her hope that such initiatives would be held more frequently.

Figure 3

Activities in *Pasar Muamalah* in South Kalimantan



Source: <https://www.instagram.com/wakala.albanjari>

As stated by the *wazir*, *Pasar Muamalah* serves not only as a platform for the distribution of *dinar*, *dirham*, and *fulus* but also as a means of *dakwah* (Islamic preaching) to promote market ethics that align with the teachings of Prophet Muhammad. This initiative is rooted in the teachings of Sheikh Umar Vadillo, which

were conveyed to Zaim Saidi, the *amir* of the *Muamalah Amirat Nusantara* community. These teachings were subsequently disseminated by *wazirs* across various regions, including South Kalimantan. One of the guiding principles is based on a hadith of the Prophet: “My Sunnah in the marketplace is the same as my Sunnah in the mosque” (Suwandi et al., 2018).

Thus, the regulations governing *Pasar Muamalah* are as follows: (a) the market operates as a charitable initiative (*sadaqah*), meaning no rental fees are imposed; (b) the market is open to the public, allowing unrestricted participation in trade; (c) the market is not privately owned, and no individual can claim ownership over a stall—priority is given to those who arrive first; (d) the market stalls cannot be partitioned or enclosed; (e) all transactions must avoid *riba* (usury), monopolistic practices, and fraudulent activities; (f) market participants have the freedom to determine their preferred medium of exchange, whether Rupiah, dinar, dirham, *fulus*, or barter, with transactions conducted on the principle of ‘an taradhin minkum (mutual consent without coercion).

In addition to face-to-face transactions, the *Muamalah Kalsel* community also conducts trade through online platforms. The use of digital transactions became more prevalent during the COVID-19 pandemic and has continued ever since. Several merchants have established virtual storefronts, offering their products through <http://pmkalimantan.blogspot.com> and WhatsApp groups.

Figure 4

Product Sale in WhatApps Group Chats



Source: WhatApps Gropu of Muamalah Banjarmasin 1

Another form of economic activity within the community involves using dinar and dirham as dowries. As previously mentioned, KH provided three Amirat Nusantara-minted dinars, equivalent to 12.75 grams of gold, as a dowry. Additionally, some community members have initiated the use of these coins as wedding gifts or souvenirs. On one occasion, wedding guests received copper coins worth two *fulus*, equivalent to Rp6,600, which could be used immediately at a *Pasar Muamalah* set up near the wedding venue.

The use of dinar and dirham has also extended to charitable giving. A member of the *Muamalah Kalsel* community, during a visit to Ashabul Kahfi Mosque in Jordan, presented a single dirham coin to the mosque's management while engaging in *dakwah* (Islamic preaching). It was explained that the dirham, weighing 2.975 grams, represented the type of currency used during the time of the Prophet Muhammad and his Companions in accordance with Islamic teachings. It was further noted that in the Prophet's era, one dirham was sufficient to purchase a chicken, and during the visit, the price of a chicken in Jordan was still equivalent to one silver dirham. Similarly, a one-dinar coin weighing 4.25 grams was valued at 170 Jordanian dinars (JD), which was enough to buy a goat in Jordan.

The use of alternative currencies such as dinar and dirham by the *Muamalah* community in South Kalimantan represents a compelling phenomenon within the context of Islamic economics and religious expression. Constitutionally, invoking Article 29, Paragraph 2 of the 1945 Indonesian Constitution to defend this practice, reflects an effort to establish legal legitimacy for these economic activities. The use of gold-based currency has a strong theological foundation within classical *fiqh* literature, particularly within the concept of *nuqud*, which advocates for the use of money backed by gold and silver (Lee, 2011).

Figure 5

Activities Using Dinar, Dirham, and Fulus



Source: WhatsApps Gropu of Muamalah Banjarmasin 1 and <https://www.instagram.com/wakala.albanjari>

Global economic developments and technological advancements have facilitated the implementation of dinar, dirham, and *fulus* through a socio-economic innovation known as *Pasar Muamalah*, which employs a unique distribution

mechanism. Based on interviews and documentation, the community has developed a charitable distribution model in which fiat currency is exchanged for dirham, which is then distributed to underprivileged individuals. This approach presents an alternative distribution model with the potential to promote economic inclusion and social justice within Muslim communities.

Another noteworthy aspect lies in the philosophical values and governance structure of *Pasar Muamalah*, which are based on fundamental Sharia principles. Drawing from the teachings of Sheikh Umar Vadillo, the market is conceptualized as a space for *sadaqah* (charitable giving) and operates under six core principles: openness, non-exclusivity, anti-monopoly, transactional freedom, mutual consent, and the avoidance of *riba* (usury) (Achyar et al., 2024; Royani & Athoillah, 2023). This framework underscores the significance of ethics and spirituality in Islamic economic transactions. Furthermore, the presence of the *Muamalah* community in South Kalimantan, along with its various activities, not only offers an alternative model for economic empowerment but also challenges conventional market paradigms through a holistic and value-based approach.

CONCLUSION

This study reveals that the reuse of dinars and dirhams in muamalah practices in South Kalimantan is driven by theological and Sharia economic motivations. The Muamalah community led by Wakala Al Banjari is trying to revive a precious metal-based economic system as an alternative to fiat currencies which are considered unstable and prone to inflation. These practices include transactions in the Muamalah Market, zakat payments, dowry payments, and long-term savings. The results of the study show that the use of dinar and dirham is seen as part of an effort to uphold the principles of a fairer Islamic economy, as well as a form of criticism of the conventional financial system based on debt and usury.

However, this study also identifies several significant challenges, including limitations on the transaction area, government regulations that do not recognize dinar and dirham as legal tender, and a lack of social acceptance of this system. Nevertheless, the Muamalah community remains active in carrying out dinar and dirham-based economic practices with various strategies, such as the distribution of alms through the Muamalah Market. Academically, this research contributes to the understanding of alternative Islamic economic systems in a contemporary context and demonstrates how historical and spiritual values can shape modern economic practices.

The implications of this study show the need for further study on the sustainability of a precious metal-based economic model, from legal, economic, and social aspects. In addition, this study provides insights for policymakers and academics on the potential and challenges of integrating a sharia-based financial system with national economic regulations.

Limitation of the Study

This research has several limitations that need to be considered. First, this research focuses on one specific community in South Kalimantan, so the results cannot necessarily be generalized to other communities in Indonesia or other countries that have different economic and social characteristics. This study highlights the perspectives and experiences of the Muamalah community without making comparisons with other alternative economic systems that may also have similar characteristics. Therefore, the generalization of the findings must be done with caution.

Second, the research method used is more qualitative in nature with a case study approach. Although this approach provides an in-depth understanding of the phenomenon under study, the study does not present quantitative data on the economic impact of the use of dinar and dirham, such as the level of adoption, transaction volume, or price stability compared to fiat currencies. This lack of statistical data limits a comprehensive analysis of the effectiveness and sustainability of a precious metal-based financial system in the long term.

Third, the regulatory and legal aspects related to the use of dinars and dirhams still require further study. This study does not delve deeper into the legal implications of the use of dinars and dirhams in the Indonesian financial system, especially in the context of Bank Indonesia regulations and monetary policy. In addition, this study is also limited in examining the government's response to this phenomenon and the possibility of implementing more flexible regulations on the use of Sharia-based financial systems.

Recommendations for Future Research

Based on the limitations that have been identified, future research can be conducted in several directions. First, further studies can explore the adoption of dinar and dirham in a broader context, covering various communities in Indonesia or even other countries that have a strong Islamic economic background. A comparative approach can provide insights into the factors that support or hinder the implementation of this system in various social and economic conditions.

Second, quantitative research is needed to measure the economic impact of using dinars and dirhams in trading activities and the welfare of the communities that adopt them. Studies using empirical economic analysis, such as comparing price volatility, inflation, and purchasing power between dinars, dirhams, and fiat currencies, can provide more objective data on the effectiveness of this system. In addition, research on public acceptance of the use of dinars and dirhams through surveys or social experiments can help understand the potential growth of this system in the future.

Third, the regulatory and legal aspects need to be studied in more depth to understand how government policy can adapt to a precious metal-based economic model. Legal studies that highlight the possibility of integrating the dinar and dirham into the formal financial system, as well as their impact on national monetary policy,

will provide deeper insights for regulators and policy makers. Thus, further research can contribute to the development of a more inclusive financial system in accordance with the principles of Islamic economics in the modern era.

Author Contributions

Conceptualization	Y.H., E.N., & M.I.A.	Resources	Y.H., E.N., & M.I.A.
Data curation	Y.H., E.N., & M.I.A.	Software	Y.H., E.N., & M.I.A.
Formal analysis	Y.H., E.N., & M.I.A.	Supervision	Y.H., E.N., & M.I.A.
Funding acquisition	Y.H., E.N., & M.I.A.	Validation	Y.H., E.N., & M.I.A.
Investigation	Y.H., E.N., & M.I.A.	Visualization	Y.H., E.N., & M.I.A.
Methodology	Y.H., E.N., & M.I.A.	Writing – original draft	Y.H., E.N., & M.I.A.
Project administration	Y.H., E.N., & M.I.A.	Writing – review & editing	Y.H., E.N., & M.I.A.

All authors have read and agreed to the published version of the manuscript.

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Informed Consent Statement

Informed consent was obtained before the respondents answered the interview for this study.

Data Availability Statement

The data presented in this study are available from the corresponding author upon reasonable request.

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Conflicts of Interest

The authors declare no conflicts of interest.

Declaration of Generative AI and AI-Assisted Technologies in the Writing Process

During the preparation of this work the authors used ChatGPT, DeepL, Grammarly, and PaperPal in order to translate from Bahasa Indonesia into American English, and to improve clarity of the language and readability of the article. After using these tools, the authors reviewed and edited the content as needed and take full responsibility for the content of the published article.

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