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## What is money?

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### Abstract

This study seeks to reexamine the nature and essence of money beyond its conventional economic functions as a medium of exchange, a measure of value, and a store of wealth. It argues that money, in its contemporary capitalist form, cannot be understood merely through its material substance or functional utility, but rather through its political-legal constitution. Money derives its power from the sovereign authority that defines, issues, and legitimizes it as a socially-recognized representation of value. By tracing the historical evolution of money from primitive shells and metals to modern fiat and digital currencies, the research demonstrates that money is, above all, a product of organized labor sanctioned by political power. The study concludes that money's essence is juridico-political before it is economic: it embodies a specific quantum of social labor through a form imposed by the ruling authority, which exclusively possesses the power to endow it with the status of legal tender.

### Keywords

Money; Value; Exchange; Digital Currency; Political Economy.

### Problem Statement

Modern economic theory often defines money through its functions, medium of exchange, unit of account, and store of value, without addressing the ontological foundation that grants these functions. Such reductionism obscures the political and social mechanisms through which money acquires legitimacy and power. If money today no longer derives its value from intrinsic material properties (as in gold or silver), what is the true source of its capacity to mediate exchange and represent social labor? And how does political authority, through legislation, sovereignty, and control of issuance, constitute money as a social relation rather than a mere economic instrument?

### Objectives of the Study

1. To investigate the ontological and political foundations of money as distinct from its economic functions.
2. To trace the historical evolution of money from material commodities to fiat and digital forms.
3. To clarify the conditions under which an object becomes "money" in the proper terminological sense.
4. To demonstrate the role of state authority and class dominance in the creation, circulation, and control of money.
5. To distinguish between money, wealth, and credit, thereby defining money as a unique form of social labor representation.

### Methodology

The study employs a theoretical-critical methodology combining:

- Conceptual Analysis: Distinguishing between key notions such as money, wealth, exchange, value, and capital, to prevent conflating essence with function.
- Historical Analysis: Examining the emergence of money across civilizations, from tribal and metallic forms to modern fiat and digital currencies, revealing its dependence on organized labor and political sanction.
- Dialectical Reasoning: Unfolding the interrelation between political authority, social labor, and monetary form to expose the underlying class and power relations that constitute money's existence.
- Comparative Examination: Juxtaposing monetary forms (commodity money, fiat money, and digital money) to delineate the constant conditions that make an object socially and legally "money."

### Introduction

Few institutions are as omnipresent, and yet misunderstood, as money. It accompanies every act of exchange, every economic transaction, and every articulation of value, while concealing within its apparent simplicity, the most profound relations of power, law, and social labor. To most, money is the tool that facilitates the circulation of goods and services. But beneath this practical appearance lies a complex historical and political reality.

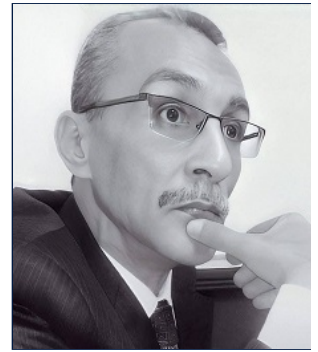
In earlier ages, gold, silver, shells, or cattle served as money because their material substance embodied human labor and possessed intrinsic social acceptance. In the contemporary capitalist world, however, paper notes and digital codes, lacking intrinsic value, perform the same functions, solely because the state decrees them to be legal tender. This transformation compels us to ask: What is money? What enables a worthless piece of paper or an immaterial digital entry to command real goods, labor, and lives?

This research approaches money, not as a natural or economic phenomenon, but as a social and political creation. It argues that money's essence resides not in its material form nor in its functions, but in the sovereign authority that defines and guarantees it as a valid representation of social labor. By situating money within the broader dynamics of power and production, the study aims to restore to monetary theory its forgotten political dimension.

### (1)

When we hand the grocer a banknote and get, in return, half a kilogram of cheese, or when we pay a doctor in exchange for a medical consultation, it may at first glance seem that money is merely something that enables its holder to obtain a certain amount of the products of other peoples' labor, whether they belong to the realm of material production or to that of services and utilities, through the act of exchange, by giving up a specific quantity of this thing in return for a specific quantity of those products.

However, I may also give up a portion of my time or a certain amount of effort, or perhaps issue a check, or even hand over my coat, in order to obtain the grocer's cheese or the doctor's consultation. Yet, neither time nor effort, as is the case with the check or the coat, thereby becomes money. In other words, for this "object" to serve as a medium of exchange, it must assume a specific form, regardless of the material from which it was made.



It also means, on the other hand, that this thing does not derive its capacity to confront the world of commodities from its own material substance or its objective qualities as a socially-useful object; rather, it must be endowed with an external power that grants it this capacity. For in our contemporary capitalist world, which no longer employs cattle, salt, or metals such as gold, silver, and copper for exchange, all of which once possessed in themselves under certain objective conditions, a power that made them adequate for exchange, no one would accept a metal piece lacking real value, or a colored piece of paper worth no more than the material it is made of, unless the state, through its legislative authority, decreed that this metallic piece or that scrap of colored paper carries a specific value[2] and is endowed with unlimited legal tender power.

Thus, a particular medium of exchange acquires its legal status through the sovereignty of the state[3], which possesses control over the issuance of such means of exchange, the determination of its value, and its legal form. Formal recognition, therefore, plays a fundamental role, as it is tied, one way or another, to what the political system decrees. Hence, the mere social consensus of using one thing or another for exchange does not make it money, even enjoys the ultimate level of public trust, unless this acceptance is accompanied by an official sanction from the politically-dominant system. In this way the essence of money, in its current concept, is determined, without confusing that essence with the functions of money. Money is that “object” whose tangible form appears in a legally-defined shape, regardless of the material from which it is made. This form, sanctioned by political authority, represents a specific (legally imposed) quantity of social labor, and enables its holder, through exchange, to obtain the products of others’ labor to the extent of that presumed value. This, precisely, is what distinguishes money as a medium of exchange from other means of exchange. All such means allow their holders to command a certain quantity of social labor; yet, unlike money, they lack the formal recognition of the political system that enforces them as a dominant means by virtue of law.

## (2)

Although the word “*money*” originally and linguistically referred to coins made of gold, silver, and similar metals, as in Arabic[4] and English, according to the etymology of the term[5], or to cattle in Latin, likewise following its linguistic root[6], it has, at the level of terminology, come to first denote the metallic coin, and later the paper notes issued by the state, or under its supervision, and circulated as a medium of exchange.

Accordingly, the term *money* should also be applied to the means of exchange that prevailed during certain historical periods among the tribes of West Africa and the islands of the Pacific Ocean, extending as far as India and China in particular, means that were produced by labor within the tribe under supervision of a specific group possessing legal authority. These means, therefore, just like our modern money, were surrounded, both in their creation and circulation as media of exchange, by conventional constraints imposed by the highest authority.

This is the case, for example, as we shall see in the next chapter, with the production of the *diwara* shell[7], a product that became money precisely because it was produced for the purpose of exchange; or with the stones used as a medium of exchange in the Pacific Islands, whose emergence and circulation was based on binding collective conventions[8].

The same applies to the various objects that, for thousands of years, served as means of exchange throughout the Pacific Islands, the Caribbean, and in Eastern, Western, and Central Africa, such as bird feathers, boar tusks, marble bracelets, and crystal beads, among others[9]. All of these were products of labor, just like the money we use today; for they were not used in exchange in their natural state, but had to undergo a specific process of production, whether that involved hunting the targeted bird and plucking the required feathers according to precise standards that determined their exchange value, then arranging and ornamenting them; or extracting, trimming, and shaping the boar’s tusks, sometimes even intervening in their growth to achieve a particular form; or cutting and carving marble, joining its parts with twisted cords, and shaping it into bracelets.

And just as we have applied the term *money* to the medium of exchange in the contemporary world, as in ancient times, we may also apply it to the medium of exchange presumed to prevail in the world of the future: the so-called *digital currency*. This form of money is produced by productive forces consisting of human effort, immense electrical energy, and the use of highly advanced software and computers. It qualifies as such due to the existence, albeit implicit recognition by certain countries of this commodity as a socially-accepted medium of exchange.[10]

## (3)

Two essential conditions must therefore be met for an object used in exchange to be regarded as *money* in the proper terminological sense:

**First:** The object must be issued by, or under the supervision of, the political authority in society, or at least not be opposed by it. Consequently, it becomes the socially dominant medium of exchange.

**Second:** The raw material used in producing this medium of exchange must undergo an organized productive process involving a certain degree of effort and difficulty, through which that raw material (such as shell, ivory, metal, cotton, polymer, electricity, etc.) is transformed into a politically-sanctioned and therefore, socially-accepted means of exchange.

The following methodological implications follow from these two fundamental conditions[11]:

**(a)** The issuance and control of money, as a medium of exchange, are contingent upon the dominance of a specific social class or group, for only such a group can possess the authority to issue and control the medium of exchange.[12] This dominant class or group imposes its own monetary and financial ideas in a way that serves its interests, by virtue of its control over the social order.

**(b)** Money flows into society, as a result of some form of expenditure, by this ruling class. Without such expenditure, money cannot reach society, and the subsequent expenditures of society’s members, who bear the cost of printing money, depend on an initial expenditure, of whatever kind, by those who hold power over money.

**(c)** The mere use, by a certain group within society, of something as a medium of exchange does not make it *money* unless the political system has formally recognized it as such. Thus, the use of cigarettes, for instance, in prisons[13], or the use of so-called “digital currencies” in a country that does not recognize them as a legal medium of exchange[14], does not make either of them money. They merely perform, under exceptional circumstances, some of the *functions* of money without acquiring its *essence*; they remain mere products.

**(d)** An object that is abundant in nature and easily obtainable by anyone cannot serve as money. It must, to some degree, be associated with the difficult human labor that endows it with its monetary essence.[15] Even if, assuming all other conditions are met, the medium of exchange is used in its natural form, such as cocoa beans or grains of wheat, it must still involve human labor: preparing the land, selecting seeds, irrigating, caring, fertilizing, harvesting, cleaning, and sorting, among other processes.

**(e)** At the same time, an object that is excessively rare or exceptional in nature cannot serve as money either. It must belong to the category of objects that can be created and controlled both quantitatively and qualitatively, through human labor.

(f) Money also differs from other means of payment such as bonds, checks, bills of exchange[16], and electronic cards, which may appear to perform the same functions as money in social life, but are, in fact, merely instruments for the circulation of money itself.[17]

(g) Money also differs from *wealth*[18]. Linguistically, *wealth* is a broader term than *money*, for it includes money among its forms; it encompasses everything that a person may possess real estate, clothing, metals, bonds, shares, and so on.[19] In terminology, it refers to what human nature is inclined towards, what can be stored for times of need, and what may be given or withheld. Thus, *wealth*, even in its technical sense, is broader than *money*.

(h) Since money is essentially a medium of exchange, there is no necessary correlation between an increase in the quantity of money and an increase in wealth. The amount of money may rise while wealth does not, or the quantity of money may fall while wealth increases. All of this depends on the value of money itself. The quantity of money may increase while its value declines, owing to the decreased value of the labor expended in its production; conversely, the quantity of money may decrease while its value rises if its production requires a greater amount of labor than before.[20]

(i) *Credit* is not a means of exchange; it is merely a method of payment in transactions a deferred payment of money.

(j) All products of human labor are *potential money* that merely lack the full set of conditions required to become so. Likewise, money itself is *potential capital* rather than permanent capital, for it must be employed within specific social conditions in order to acquire the quality of (M) that is, monetary capital, which constitutes the starting point of the process of production.

(k) The materials from which money is made, and the instruments used in its production, are now surrounded by the highest degrees of technological secrecy.[21] Consequently, the field of its production has become one of extreme sensitivity, danger, and complexity, and a site of intense global monopolistic practices.[22]

## Conclusion

It becomes evident from the foregoing analysis that money is not merely an economic phenomenon but, above all, a political and social institution. Its origin arises neither from its material substance nor solely from the trust people place in it, but from the sovereign authority that issues it and grants it legal validity, thereby transforming a mere object or symbol into a binding representation of social labor. What endows money with its essence is neither gold nor paper, nor digital code, but the sovereign act that links it to law and defines its value and legitimacy in exchange. Political authority thus creates money as it creates laws; and, in this sense, money becomes a precise mirror of the prevailing structure of power - a tangible embodiment of relations of production and domination within society. Consequently, money is not the product of the market or of free exchange, but the result of a complex relation among law, authority, and law, wherein its value is determined by the amount of social labor it represents within a legally imposed form. Each form of money - metallic, paper, or digital - therefore expresses a specific historical stage in the development of political power and productive forces. Just as metallic money once embodied the material sovereignty of the state, and paper money its legal sovereignty, digital money today reflects the transfer of that sovereignty to a higher and more abstract level, where power manifests itself in the control of information, energy, and symbols. In this light, money is not merely an instrument of circulation but an instrument of governance; not only a means of exchanging wealth, but also a mechanism for reproducing the very social order itself. To understand money is, at the same time, to understand the state and the network of relations through which society is governed - for there is no money without authority, just as there is no authority without some form of money.

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[1] "The monetary tokens whose names are purely symbolic are the oldest coin forms among every nation; formerly, however, all coins were of a real kind." See: Karl Marx, *Capital: A Critique of Political Economy*, Vol. I, trans. Ben Fowkes (London: Penguin Classics, 1990), p. 159. "The metallic coins unearthed by these archaeologists from beneath the ruins of bygone ages reflect the transition from barter to the use of currencies whose value derived from the value of the metal from which they were minted." See: Michael North, *Discovering the Seas of the World: From the Phoenician Age to the Present Time*, trans. Adnan Abbas Ali, 'Alam al-Maʿrifa, Series, no. 475 (Kuwait: National Council for Culture, Arts, and Letters, 2019), p. 56. The same was true of gold among the Arabs. The markets of Mecca received gold *dinars* from Byzantium and silver *dirhams* from Persia, yet transactions were made only on the basis that they were *bullion*—their value being determined not by their number but by their weight as raw material. These were weighed against natural objects familiar to them, such as mustard seeds, barley, and wheat— [which had, in fact, been historically used as media of exchange]. See: Al-Baladhuri, *Futuʾ al-Buldan* (Cairo: Sharikat ʿabʿ al-Kutub al-ʿArabiyya, 1901), p. 472. They preferred the standard of mustard seeds because it involved the least variation. See: Ibn al-Rifʿah, *Al-Iʿaʿ wa al-Tibyan fi Maʿrifat al-Mikyal wa al-Mizan*, ed. Muhammad Ahmad Ismail (Damascus: Dar al-Fikr, 1980), p. 34. For instance, the assay of a *dinar* from the reign of al-Rashid dated 193 AH / 809 CE and another from the reign of al-Muʿtʿid dated 361 / 972 CE both showed a fineness of 97.9%, i.e., 23.5 grains. See: Nasser al-Naqshbandi, *Al-Dinar al-Islami fi al-Matʾaf al-ʿIraqi* (Baghdad: Maʿtʾ al-Rabiʿa, 1953), vol. 1, p. 14. "A grain of wheat equals a grain of barley." See: Al-ʿArabulsi, *Risala fi Taʿrīr al-Maqadīr al-Sharʿiyya ʿala Madh al-Aʿimma al-Arbaʿa al-Mujtahidin* (Cairo: Al-Maʿbaʿa al-Amiriyya bi-Bulaq, 1895), p. 3. And it was said: "It is lighter." See: Al-Dhahabi, *Taʿrīr Dirham wa al-Mithqal wa al-Raʿl wa al-Mikyal* (Beirut: Dar al-Bashaʿir al-Islamiyya, 2011), p. 19. And it was also said: "It equals two grains of barley, and one grain of barley equals six mustard seeds." See: Ali Mubarak, *Al-Mizan fi al-Aqisat wa al-Awzan* (Cairo: Al-Maʿbaʿa al-Amiriyya bi-Bulaq, 1892), p. 33. For a critical discussion of these differences, their implications, and an expanded explanation of their causes, see: Mahmoud Fakhoury and Salah al-Din Khawam, *Encyclopedia of Arab and Islamic Units of Measurement and Their Modern Equivalents* (Beirut: Librairie du Liban Publishers, 2002), pp. 41–45.

[2] This is precisely what Nicholas Barbon (1640–1698) realized as a general rule: "It is not absolutely necessary that money be made of gold or silver; the value of money is only derived from the law..." See: Nicholas Barbon, *A Discourse of Trade*, ed. Jacob H. Hollander (Baltimore: The Johns Hopkins Press, 1905), p. 16.

[3] According to Article 58 of the **Central Bank of Egypt Law No. 194 of 2020**, the exclusive right to issue and withdraw currency belongs to the Central Bank. The Board of Directors determines the denominations, specifications, and the procedures for issuance and withdrawal. Article 59 of the same law prohibits any person other than the Central Bank from issuing any notes or coins of any kind that have the appearance of currency or resemble it in any

[4] In **Lisan al-ʿArab**, “*al-naqd* means the examination of dirhams and the separation of the counterfeit from the genuine... *naqadtu al-darahim* (I examined the dirhams) means that I removed the false ones from them.” See: Ibn Manzur, **Lisan al-ʿArab**, vol. 3 (Beirut: Dar ʿadīr, 1992), 425. Similarly, **al-Qamus al-Muʿiʿ** defines “*naqʿ*” as the opposite of deferred payment, and as the act of distinguishing between genuine and false dirhams and the giving of cash.” See: Al-Firuzabadi, **al-Qamus al-Muʿiʿ**, vol. 1 (Beirut: Dar al-Kutub al-ʿIlmiyah, 2007), 354. Thus, the term was historically associated with the necessity of examining coins, those that, as previously noted, reached the Arabs from Byzantium and Persia, to distinguish the sound ones from the counterfeit.

[5] The English word *money* has its historical origin in the Latin word *Moneta*, named after the goddess *Moneta*, in whose temple coins were minted in ancient Rome. See the original study by Theo Vennemann, “**Münze, Mint, and Money: An Etymology for Latin Moneta, with Appendix on Carthaginian Tanit and the Indo-European ‘Month’ Word,**” *Studies in Slavic and General Linguistics*, January 2008, pp. 569–591. See also: **Merriam-Webster’s Collegiate Dictionary**, p. 345. Another, similar account is given by Saint Isidore in the seventh century. He relates *money* (*Moneta*) was so named because it carries a warning from *Moneta* herself against falsifying the coinage or manipulating its weight. See: **The Etymologies of Isidore of Seville**, trans. with introduction and notes by Stephen A. Barney, W. J. Lewis, J. A. Beach, and Oliver Berghof (Cambridge: Cambridge University Press, 2006), p. 326. In French, the word for money, *argent*, derives from the term for the metal silver (*argent*), denoting the precious, white, shining, malleable, and non-corrosive metal: “*Métal précieux, blanc, brillant et très ductile inoxydable.*” See: **Grand Larousse Universel**, Tome 1, (Paris: Larousse, 1982), p. 652. Aristotle, meanwhile, draws our attention to another important meaning related to money itself. He notes that *money* (*nomisma*) is so called because it exists not by nature but by law (*nomos*), and that it is within our power to alter or even render it useless. For Aristotle, therefore, money is a conventional entity—people may agree to use it, or equally, to abandon it. See: **The Nicomachean Ethics of Aristotle**, trans. F. H. Peters, M.A., 5th ed. (London: Kegan Paul, Trench, Trübner & Co., 1893), Book V, pp. 112–116. For a concise and insightful summary of the concept *monnaie* (“money”) in primitive societies, see: P. Bonte and M. Izard, **Dictionnaire de l’ethnologie et de l’anthropologie** (Paris: Presses Universitaires de France, 2000), pp. 482–484.

[6] Father Anastas al-Karmali (1866–1947) informs us that: “The root (n-q-d) is of Semitic origin, beyond any doubt. In the Aramaic language, it means *strike, to thin, or to refine*. From it comes *naqad*, denoting a sheep of slender and delicate body. The ancients would depict its head on coins, and the coin came to be known by this image. The same development occurred in Latin, for the Romans called money *pecunia* for this very reason; later, the term was extended to include all forms of wealth.” See: Anastas Marie al-Karmali, **al-Nuqūd al-ʿArabiyya wa ʿIlm al-Nimyāt** [*Arab Coins and the Science of Numismatics*] (Cairo: al-Matbaʿa al-ʿAsriyya, 1939), p. 169. Similarly, H. G. Wells writes: “The Roman word for money, *pecunia*, is derived from the word *pecus*, meaning cattle.” See: H. G. Wells, **The Outline of History**, trans. ʿAbd al-ʿAziz Tawfiq Jawid (Cairo: The Committee for Authorship, Translation and Publication, 1967), vol. 1, p. 189. Al-Mazandarani (1906–1979) also cites from **al-Muqtataf** magazine: “Pliny, writing in the first century A.D., states that *pecunia* was derived from the word *pecus*, meaning sheep or domestic livestock.” See: **al-Muqtataf** 9/822, cited in Musa al-Mazandarani, **Tarikh Nuqūd al-Islamiyya** [*History of Islamic Coins*] (Beirut: Dar al-ʿUlum li-l-Tahqiq wa-l-Tibāʿa, 1988), p. 13.

[7] “In Melanesia, along the shores of the Pacific Ocean, the Nassa currency known as *Diwara* was made from certain shells. The local inhabitants collected these shells from the seabed. The production of *Diwara* required great skill and craftsmanship and, at the same time, was considered a privilege of the chief and forbidden to all others. The gravest and most heinous crime was the theft of *Diwara*, deemed worse than adultery or even murder. The penalty for this crime was severe, and only a specific authorized body was permitted to produce the currency.” See: Julius Lips, **The Origin of Things: A Cultural History of Humanity**, trans. Kamel Ismail (Damascus: Al-Mada for Culture and Publishing, 2006), p. 161.

[8] As Keynes also noted, these shells did not acquire their monetary status from their intrinsic nature, but rather by the power of law. See: John M. Keynes, **A Treatise on Money**, Vol. I: *The Pure Theory of Money* (London: Macmillan and Co., Limited, 1930), p. 13.

[9] The inhabitants of the Pacific Islands have every right to be astonished at our use of this object made of cotton and linen which we call “money,” just as we are astonished by their use of shells as money. Therefore, money made of ivory, stones, or boar tusks, etc., must also be regarded as “money” in the terminological sense, since the subjection of its raw material to a process of production, its social circulation, and the control of its issuance by a supreme authority together confer upon it the character of true currency.

[10] For example, the European Court of Justice placed this new medium of exchange on an equal footing with conventional money, ruling that it should not be subject to value-added tax (VAT), since it is not to be treated as a commodity. The Court thus exempted transactions in virtual currencies from VAT on the grounds that dealing in such a medium of exchange does not differ from dealing in recognized currencies. See: S. Bodoni and A. Thomson, “EU’s Court Rules That Bitcoin Exchange Is Tax-Free,” *Bloomberg*, October 22, 2015. In the United States, the judiciary has treated digital or crypto currencies such as Bitcoin, as financial assets, explicitly declaring that such digital currency constitutes a means of payment for obtaining goods and services. See: *v. Murgio et al.*, U.S. District Court, Southern District of New York, No. 15-cr-00769. The European Central Bank defined this medium of exchange as “a type of unregulated digital money, issued and usually controlled by its developers, and used and accepted among the members of a specific virtual community.” See: European Central Bank, *Virtual Currency Schemes* (Frankfurt: ECB, October 2012), p. 7. Because of this implicit recognition—at least in part—by the political system of such a medium of exchange, the term “money” can rightfully be applied to it. For technical details related to digital currencies, see: Saifedean Ammous, **The Bitcoin Standard: The Decentralized Alternative to Central Banking** (New Jersey: John Wiley & Sons, Inc., 2018). A good Arabic translation of this book has recently been published: Saifedean Ammous, **Miʿyar al-Bitkun**, trans. Ahmad Muhammad Hamdan (Cairo: Hindawi Foundation, 2023).

[11] According to Samuel Bailey (1791–1870), a *physical equality* between equal quantities of monetary units is also required—a seemingly fundamental condition regarding the metals used in coinage. See: S. Bailey, **Money and Its Vicissitudes in Value; as They Affect National Industry and Pecuniary Contracts: with a Postscript on Joint-Stock Banks** (London: Effingham Wilson, 1837), p. 5. The same meaning is clearly expressed by William Petty: See: W. Petty, **Quantulumcunque Concerning Money to the Lord Marquess of Halifax, in The Economic Writings of Sir William Petty, together with the Observations upon Bills of Mortality, More Probably by Captain John Graunt**, ed. C. H. Hull (Cambridge: Cambridge University Press, 1899), p. 105.

[12] Muslim jurists established a clear principle in this regard: individuals were prohibited from minting coins without the ruler’s authorization. Abu Yūsuf al-Anʿarī (731–798) said, “No one should do this, for it is reserved for the rulers.” See: **Al-Sanʿami, Niʿab al-ʾIṭisab**, ed. Marizīn ʿAsīrī (Mecca: Maktabat al-ʾalib, 1985), p. 231. Al-Farraʾ stated, “It is not permissible to strike dirhams except in the mint house with the ruler’s permission.” See: Al-

Farra?, *Al-A?kam al-Sul?aniyya*, 116 (Beirut: Dar al-Kutub al-?Ilmiyya, 1996). p. 116. A?mad ibn ?anbal (780–855) said: “It is disliked for anyone than the ruler.” See: Ibn Muflī?, *Al-Mubdi?i Shar? al-Muqni* (Beirut: Dar al-Kutub al- ?Ilmiyya, 1997), Vol. 2, p. 359. The same ruling is found in A Nawawi’s *Raw?at al-?alibin*: See: Al-Nawawi, *Raw?at al-?alibin wa-?Umdat al-Muftin*, ed. Zuhayr al-Shawish (Beirut: Al-Maktab al-Islami, 1991 Vol. 2, p. 258.

[13] On the extent to which cigarettes in prisons perform the functions of money, see: Paul Heyne, Peter Boettke, and David Prychitko, *The Economic Way of Thinking* (London: Pearson, 2014), Ch. 13, pp. 321–325.

[14] Digital currencies, meanwhile, are not officially recognized but rather criminalized under several national legislations—such as those of Morocco a Algeria—and are likewise prohibited under Egyptian law, which, in a rather paradoxical formulation, forbids dealing in such currencies while simultaneously (in Article 206 of the Central Bank Law) requiring prior authorization from the Central Bank itself.

[15] For this reason, the chief of a Micronesian tribe in the Western Pacific rejected the “O’Keefe stones.” It is said that a captain named O’Keefe was shipwrecked in the late nineteenth century on the shores of Micronesia and was rescued by the islanders. Seeing an opportunity for profit, he employed them to collect and sell coconuts to oil mills. When he observed that the islanders used giant *rai stones* as money, he sailed to Hong Kong to procure dynamite and modern tools to quarry the stones, as well as a large boat to transport them. Upon his return, however, the tribal chief forbade the people using these stones or working for O’Keefe to obtain them, declaring that they were worthless because they had been acquired with little effort. The only stones recognized as money were those obtained through the hard labor of the tribe’s own members. See: Saifedean Ammous, *The Bitcoin Standard: The Decentralized Alternative to Central Banking*, p. 176.

[16] If money is required to initiate the economic activity of an enterprise, its physical appearance need not necessarily manifest. The capitalist may purchase the means of production and tools of labor through negotiable commercial papers, which are themselves transferable and exchangeable instruments. What truly matters is their *circulation*, for money may remain quantitatively and spatially stationary—locked in the vault of a bank or in the drawer of a merchant—while its *value* is transferred from one account to another and from one hand to the next. Thus, a textile manufacturer may enter the market for raw materials and obtain yarn worth £1,000 in exchange for a cheque issued to the yarn producer. Instead of cashing the cheque, the yarn producer may endorse it - by signing on its back - or hand it over, if it is made to bearer, to the manufacturer of spinning machines. The latter, in turn, may also endorse the cheque to his landlord to pay his rent. In this manner, the same £1,000 remains immobile, while a total of £4,000 worth of transaction is being circulated. What has been said about the cheque applies equally to another commercial instrument, the *bill of exchange*. By virtue of this paper transaction, an amount of money greater than that involved in the initial transaction can circulate. The essential difference, *inter alia*, lies in the fact that the bill is not drawn on a bank but on another capitalist; hence, the existence of a third party in the transaction is not required.

[17] By contrast, the *Encyclopedia Americana*, inaccurately, considers the cheque to be a form of money! See: *Encyclopedia Americana* (International Edition), vol. 19, (Danbury, CT: Grolier, 2005). p.349.

[18] Ibn Man?ur defined *mal* (property or wealth) as “that which one possesses of all things.” Ibn al-Athir stated that “in origin, *mal* referred to what is owned of gold and silver, then it was extended to everything that can be acquired and possessed of tangible things; yet among the Arabs, the term was not often applied to camels, as they constituted the bulk of their wealth.” See: Ibn Man?ur, *Lisan al-?Arab*, op. cit., Vol. 11, p. 635. Al-Fayruzabadi similarly defined it as “whatever one possesses of anything.” See: Al-Fayruzabadi, *Al-Qamus al-Mu?i?*, op. cit., Vol. 11, p. 333. As jurists explained, *financial value* (*maliyya*) exists when people, wholly or partly, regard something as valuable property; and *marketability* (*taqawwum*) requires both *maliyya* and legal permissibility of use. Thus, what is lawful but not deemed valuable - like a grain of wheat—is not property; and what is valuable but unlawful to use—like wine—is not marketable. When both are absent, neither applies. See: Ibn ?Abidin, *?ashiyat Ibn ?Abidin*, op. cit., Vol. 5, pp. 4–7; Al-Sarakhsi, *Al-Mal* vol. 11 (Beirut: Dar al-Kutub al-?Ilmiyah, 1999). p. 79; Al-Tahanawi, *Kashshaf al-?ila?at al-Funun*, vol. 3 (Beirut: Dar al-Kutub al-?Ilmiyah, 1997). p. 1351. Abu al-?usayn A?mad ibn Faris, *?ilyat al-Fuqaha*, ed. ?Abd Allah al-Turki (Beirut: Al-Sharika al-Mutta?ida lil-Tawzi?, 1983), p. 123; ?Ali ?ayda *Durar al-?ukkam: Shar? Majallat al-A?kam* (Beirut: Maktabat al-Nah?a, n.d.), p. 100. Based on this prevalent ?anafi definition, *usufructs* and certain *rights*, such as the right of pre-emption (*shuf’a*), right of passage, or the option clause (*khiyar al-shar?*), are excluded from property, and thus are not inheritable. The majority of jurists, however, held that *mal* includes everything lawfully valuable and beneficial for permitted use, even in small amounts. See: Al-Suyuti, *Al-Ashbah wa-l-Na?a’ir* (Beirut: Dar al-Kutub al- ?Ilmiyya, 1983), p. 327; Ibn Qudama, *Al-Muqni’ fi Fiqh al-Imam A?mad ibn ?anbal*, ed. Ma?mud al-?rna’u? and Yasin al-Kha?ib (Jeddah: Maktabat al-Sawadi, 2000), p.151. Whatever the juristic disagreement, it remains certain in both linguistic and technical usage, *mal* encompasses monetary units as well as other things that may lawfully be possessed and enjoyed under conditions of freedom and choice. Thus, *mal* is broader and more inclusive than money itself.

[19] When this financial instrument - namely, the *share* - sets in motion within the sphere of economic activity a monetary mass greater than its own nominal value, and even greater than the productive capital it once represented at a specific moment, this necessarily presupposes the existence of a prior and larger quantity of money to enable its circulation. Such a phenomenon deserves our attention, at least insofar as it provides a preliminary understanding that allows us to proceed, in the third part of this work, to analyze the reproduction of social capital. In essence, this instrument tends to emerge when a project lacks sufficient liquidity—that is, the capital necessary to initiate its productive activity. Its founders thus turn to the market to raise such liquidity by inviting individuals to contribute to the capital through equal-value shares, each representing a portion of ownership in the enterprise. A *share*, therefore, is a certificate attesting to a shareholder’s ownership of a certain fraction of the company’s capital. Yet the ownership of such a title does not create mutual rights among shareholders themselves; rather, they possess rights only in relation to the corporation as a legal entity, and in some cases obligations toward it—such as the duty to pay the full nominal value of their subscribed shares. See: Goujet et Merger, *Dictionnaire de droit commercial*, Tome IV (Paris: Joubert Libraire de la Cour de Cassation, 1846), pp. 622–625; Jean Van Ryn, *Principes de droit commercial*, Tome I (Bruxelles: Établissements Émile Bruylant, 1954), pp. 347–351. The shareholder thus pays in money (*M*) and receives, in exchange, a certificate representing the amount contributed. Consequently, he becomes a participant in the enterprise’s capital in proportion to the value of his shares. For instance, a shareholder owning 1,000 shares in a company of 100,000 shares owns 1% of its capital and, accordingly, receives profits in the same proportion. The creation of this financial instrument was driven by the need for large-scale capital accumulation, even before the onset of colonial expansion beginning in the fifteenth century—a history deeply intertwined with the rise of joint-stock companies and European colonial ventures. See: Goujet et Merger, *Dictionnaire de droit commercial*, op. cit., pp. 622–625; Hervé Joly, “La direction des sociétés anonymes depuis la fin du XIXe siècle: le entretenant la confusion des pratiques,” *Entreprises et histoire* 2009/4 (No. 57), pp. 111–125. The price of a share thus represents the cost of risk that yields a socially determined profit rate. A share is not money, and its trading is permitted only through financial markets and stock exchanges, under the legal frameworks specific to each country—frameworks which, in practice, differ little and tend increasingly toward standardization, especially after transnational corporations came to dominate global economic activity. This trend was further reinforced by technological developments that made stock trading possible.

with a mere keystroke. Most of these corporations are joint-stock companies whose shares are publicly traded within the global business networks' financial hubs. Once the capital is collected, the enterprise's economic activity begins. Suppose it operates in the textile industry; it would then follow the law of movement of industrial capital:

$(M - [LP + MP] - C - M + ?M)$  where  $M$  represented by the share is transformed into the productive forces—labor power and means of production—the aim of producing the commodity ( $C$ ) for sale, to recover the initial  $M$  plus a surplus  $?M$  (profit). Yet, a shareholder need not wait for the completion of this cycle; he may sell the share in the stock market to obtain  $M + ?M$  directly. This is the general rule in stock-market economies, fundamentally based on buying at the lowest, and selling at the highest price, according to certain market indicators. Consequently, the circulation of shares becomes detached from actual profit; it is not determined by the enterprise's real rate of profit, but by data, reputation, and expectations regarding its future. This may lead to seemingly paradoxical outcomes: a share's price may fall to zero even while the company remains profitable, or rise sharply while the firm is in decline. Such paradoxes appear natural once one recognizes the autonomy of stock-market economies—essentially speculative in nature from the actual economic production. There are numerous firms, such as Tesla, that distribute no dividends, while shareholders still gain profits solely through speculative trading. These movements depend not on real profitability, but on information about the firm's perceived strength and future prospects much as the spins of a roulette wheel in the casinos of Las Vegas, rather than the tangible outcomes of production. Hence, the share, while representing ownership of part of a company's capital and the price of risk yielding a socially determined profit, simultaneously performs a broader function by setting in motion a monetary mass that allows its circulation. This, in turn, activates several markets—especially the financial market (involving brokers, clerks, printers, etc.)—all of which operate as an economy independent of actual production. Suppose an enterprise begins its operations with £500,000 raised from the market through shares. At the end of the production year, it earns a profit of £300,000 according to the law of value but does not distribute dividends. During the year, the shareholders sell their entire holdings—£250,000 worth of shares—and, with favorable information about the company, these shares are traded ten times, each time increasing in value by 10%. Their total value, by year's end, would reach approximately £648,435.6, while those who waited until year-end would gain only £150,000. The separation between the enterprise's profit and the speculative profit of shares means that the latter possesses its own autonomous logic, governed by economies that defy rationalization. Keynes was entirely candid when he stated: "The greatest economic evils of our time are the fruits of risk, uncertainty, and ignorance. For certain individuals, fortunate in position or ability, are able to profit from uncertainty and ignorance; for the same reason, the great enterprises of our day are often like lotteries which weaken production and efficiency, while creating enormous inequalities of wealth." See: John M. Keynes, *The End of Laissez-Faire, The Collected Writings of John Maynard Keynes*, Vol. IX (New York: Macmillan, 1972), p. 291.

**[20]** "If the quantity of a country's currency increases and is retained for domestic circulation, no additional wealth will be acquired; for any given proportion of the increased currency will be exchanged for a value of produce not greater than a corresponding proportion of the currency previously in circulation. Hence, there is no foundation for supposing that any increase of currency constitutes an increase of wealth." See: John Wheatley, *Essay on the Theory of Money and Principle of Commerce* (London: Printed for T. Cadell and W. Davies, Strand, by W. Bulmer and Co. Cleveland-row, 1807) 41.

**[21]** Unlike the relative scarcity of available information today, in earlier times it was possible to know almost everything about currency — its minting, material, value, price, production tools, the workers involved, and the nature of their labor and wages at various levels — simply by consulting, for instance, al-Maqrizi's al-Suluk. See: Taqi al-Din al-Maqrizi, *al-Suluk li-Ma'rifat Duwal al-Muluk*, vol. 3, (Cairo: Dar al-Kutub al-Mi'riyah, 2002). pp. 199, 279, 417–418. Or: Taqi al-Din al-Maqrizi, *al-Mawa'iz wa-l-I'tibar bi-Dhikr al-Khi'ra wa-l-Athar*, Vol. 1 (Cairo: Dar al-Kutub al-Mi'riyah, 2003). p. 206. Or: Kashshaf al-Qina'. See: Man'ur ibn Yunus al-Buhuti, *Kashshaf al-Qina' ?an Matn al-Iqna'*, rev. and annotated by Hilal Mi'ail (Riyadh: al-Na'ir al-Aditha Library, n.d.), Vol. 2, p. 232. Or: *?ub? al-A'sha fi ?ina?at al-Insha'*. See: Abu al-?Abbas *al-Qalqashandi, ?ub? al-sha'*, vol. 3, 535 (Cairo: Dar al-Kutub al-Mi'riyah, 2001). p. 535. Or: Kashf al-Asrar al-?Ilmiyya. See: Mansur ibn Ba'rah al-Dhahabi, *Kashf al-Asrar al-Ilmiyya bi-Dar al-?arb al-Mi'riyya*, ed. ?Abd al-Ra?man Fahmi (Cairo: Supreme Council for Islamic Affairs, Committee for the Revival of Islamic Heritage, 1966), 145–152. Or: Qawanin al-Dawawin. See: Abu al-Makarim al-As'ad ibn Mammati, *Kitab Qawanin al-Dawawin*, ed. ?Aziz Suryal ?ilmiyya (Cairo: Maktabat Madbuli, 1991), pp. 331–333.

**[22]** The printing presses are monopolized by KBA Giori–Koenig & Bauer, rivaled by Komori Corporation; inks are dominated by Albert Amon (SICPA) rivaled by Gleitsmann Security Inks; and security papers are monopolized by De La Rue, which supplies its secured banknote paper to at least 150 countries. Although many nations have begun producing their own banknotes, at least one hundred countries still depend on foreign printing houses. The three largest banknote printers in the world are De La Rue, Giesecke & Devrient, and François-Charles Oberthur. For more on the secretive world of banknote production and its internal rivalries, see: Klaus Bender, *Money-makers: The Secret World of Banknote Printing* (Weinheim: Wiley-VCH, 2006).

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