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CONTEMPORARY SCHOLARS' CONTRIBUTIONS TO THE CHANGE IN THE VALUE OF MONEY IN ISLAMIC ECONOMIC THOUGHT

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ABSTRACT

The inherent instability of contemporary fiat currencies generates a fundamental conflict with the classical Islamic mandate for money to serve as a stable measure of value. This work addresses the dilemma of debt repayment and economic justice by examining how modern-day Islamic jurists and economists navigate the prohibition of interest, the need for inflation compensation, and the introduction of stable monetary institutional arrangements. This study applied a Systematic Literature Review along with a Qualitative Content Analysis. The information consisted of influential academic journals, the critical works of scholars, including Chapra and Usmani, and major Fiqh Academy resolutions published after 1970. Analysis was coded using deductive-inductive categories, which allowed for categorizing arguments according to juristic viewpoint on debt, macroeconomic causality, and proposed policies. The results affirm a movement towards a Majority Synthesis that leaves the nominal rule unchanged but allows Real Value Compensation to be an exception needed to avoid gross injustice. Economically, inflation is widely attributed to institutional failure, most prominently uncontrolled endogenous credit creation and fiscal deficits, not external factors. It outlines a Value-Oriented Islamic Monetary System that is devoted to asset-backed credit and an ethical Islamic Central Bank. Contemporary Islamic scholarship offers a unified, purposeful (Maqāṣid) framework that accomplishes monetary justice by structurally preventing value erosion through institutional reform, thereby fulfilling the Islamic law mandate of preserving wealth.

KEYWORDS: Money Value, Mithl vs Qīmah, Maqāṣid al-Sharīʻah, Islamic Monetary Thought, Islamic Central Bank.

1. INTRODUCTION

Islamic economic thought places a fundamental requirement on money (al-nuqūd): it must function as a stable measure of value (thamaniyyah) and a just medium of exchange (Chapra, 1985; Usmani, 2002). This mandate is essential for preserving contractual integrity and upholding the broader objectives of Sharīʿah (Maqāṣid al-Sharīʿah), particularly the preservation of wealth (Ḥifẓ al-Māl) (Hattab, 2005). Historically, this stability was anchored in metallic currencies, but the global transition to fiat money systems has introduced inherent instability and persistent inflation (Al-Wali, 1997). This instability creates a critical dilemma: when inflation erodes purchasing power, the traditional nominalist rule for debt repayment (repaying the exact amount, mithl) directly conflicts with the Sharīʿah demand for justice (ʿadl), resulting in institutional injustice (ẓulm) against the creditor (Siddiqi, 1983). This research addresses this pivotal conflict by systematically analyzing the intellectual contributions of contemporary Islamic jurists and economists. The main purpose of this study is to map, analyze, and synthesize the key arguments and policy proposals advanced in contemporary Islamic scholarship regarding the treatment and prevention of the change in the value of money. The study moves beyond merely documenting the classical debate on nominal versus real repayment, seeking to identify the emerging consensus on juristic rulings and the prescribed macroeconomic and institutional reforms necessary to enforce monetary justice within the modern financial structure.

The significance of this study lies in its contribution to integrating Sharīʿah jurisprudence with modern economic reality. By detailing how contemporary scholars reconcile the textual prohibition of Ribā with the ethical imperative of compensating for value erosion (Al-Qaradaghi, 2009), the research provides a sophisticated and practical framework for financial institutions and policymakers. The findings are vital for designing an Islamic monetary policy that is not only Sharīʿah-compliant but also structurally capable of promoting price stability and achieving distributive justice (Chapra, 2000).

The principal conclusions derived from this systematic review demonstrate a decisive shift toward an integrated, Maqāṣid-driven solution. First, the study confirms the emergence of a Majority Synthesis that permits real value compensation (Qīmah) as a necessary exception to the nominal rule (Mithl) only when inflation results in gross injustice (ẓulm fāḥish) (Al-Qaradaghi, 2009; Kahf, 1998). Second, the analysis establishes a scholarly consensus that instability is primarily driven by institutional failures, specifically uncontrolled endogenous credit creation (Ayub & Khan, 2021) and government fiscal deficits (Basheer & Babikr, 2001), confirming that inflation is institutional ẓulm. Finally, these findings culminate in the advocacy for structural reform toward a Value-Oriented Islamic Monetary System (VOIMS), which mandates the ethical discipline of the money supply through an asset-backed approach led by a dedicated Islamic Central Bank (ICB) (Chapra, 2000; Al-Zahrani, 1995).

2. LITERATURE REVIEW

Contemporary Islamic scholarship has shown an increasing engagement with the issue of money value fluctuation and its implications for Islamic economic thought. Numerous studies have explored theoretical, jurisprudential, and practical dimensions of currency depreciation, inflation, and monetary justice. Research has explored the concepts of transactions and compensation for a changing monetary value in light of the principles of maqasid al-shariah, the purpose of Islamic law, and the protection of wealth. The trajectory of this intellectual path is evident in a wide range of recent publications that have dealt with classical jurisprudential debates and current applications of fiqh al-muʿāmalāt. Scholars (Abdallah Qahman et al., 2025; Al-Momani, 2024; Aloqaily et al., 2024; Al-Qasmi, 2024; Alshehadeh et al., 2025; Alsmadi et al., 2025; Al-Taani et al., 2025; AlZakwani et al., 2025; Al-Zaqeba et al., 2024; Al-Zaqeba, 2024; Azqiba, 2024; Falaha, 2024) have highlighted the interaction of the purchasing power of money with the ethical groundwork of economic stability. These studies collectively argue that Islamic economics cannot treat money merely as a neutral means of exchanging objects, but rather as a moral instrument requiring stability to preserve distributive equity and contractual rights. Policy and institutional approaches have also received increasing academic attention to mitigate the harmful aspects of value fluctuation while adhering to Shariah principles. Newer authors who revisit the jurisprudential views of the classical jurists have also been concerned with contemporary inflationary economies, and the critiques have been based on textual fidelity and practical necessity. Based on contributions from (Hazaimeh, 2025; Ibrahim & Ali, 2025; Ibrahim et al., 2025; Issaa, 2024; Jango & Mohamed, 2024; Lootah, 2024; Othman et al., 2024; Qahman & Abdu, 2024; Qahman et al., 2025; Sharadgah et al., 2025; Shboul, 2024; Shehab, 2025; Shubailat et al., 2025; Wongi, 2025; Zagibah, 2025;

Zaqeeba, 2024), show ongoing attempts to reconcile jurisprudential reasoning with lived economic experience. This work embodies a shared academic dedication to reimagining monetary law in Islamic economics, an effort that integrates moral responsibility, legal responsiveness, and broader economic caution to protect the real worth of money in a Muslim society in modern times.

2.1. Conceptual Foundations of Money in Islamic Thought

At the basic level, and in both theory and practice, between Islamic scholarship and economic theory, money is considered an end in itself, and a means of exchange to promote justice, facilitate trade, and preserve wealth. Classical jurists, such as Ibn Taymiyyah and Ibn al-Qayyim, emphasized money's necessity as a stable measure of value (thamaniyyah) and a fair instrument within all contractual dealings. This role was historically tied to the metallic currencies, the gold Dinar and silver Dirham, which were denoted by the term al-nuqūd, derived from naqd (referring to distinguishing genuine coins) (Ibn Manẓūr, n.d.). Modern scholars extend this foundational role to include contemporary paper and electronic currencies, arguing that money today derives its thamaniyyah from legal convention and collective trust, rather than intrinsic metallic worth (Al-Qaradaghi, 2009). Therefore, the critical transition from commodity to fiat money fundamentally transformed the notion of thamaniyyah from a natural property into a social and legal construct, making its stability dependent on state authority, governance, and public confidence (Chapra, 1985; Usmani, 2002).

2.2. Juristic Debates on Value: Mithl versus Qīmah

A central theoretical issue in contemporary Islamic monetary jurisprudence is determining whether debts and financial obligations should be repaid in nominal equivalence (mithl) or real equivalence (qīmah) when currency value undergoes significant change. Contemporary jurists have re-examined this dilemma in light of widespread inflation and currency depreciation. Scholars advocating for the preservation of real value, such as al-Qaradaghi (2009), contend that paper money possesses thamaniyyah by customary practice, and its real purchasing power represents its true legal value. Ignoring significant changes in purchasing power, he argues, undermines contractual justice and violates the Sharīʿah principle of no harm (lā ḍarar wa lā ḍirār). Similarly, Al-Nashmi (1999) provided a systematic early definition of "currency value change" within comparative jurisprudence, distinguishing clearly between the nominal and real approaches. Conversely, conservative voices, exemplified by al-Subḥānī (1995), maintain the traditional stance that monetary obligations must be settled in identical nominal terms, asserting that the "number" rather than the "value" is the basis of repayment to strictly avoid any resemblance to Ribā. Critics of this conservative position strongly argue that it neglects the economic reality of inflation, which systematically erodes purchasing power and results in undeniable inequity between contracting parties (Siddiqi, 1983; Kahf, 1998).

2.3. Macroeconomic Determinants of Value in Islamic Discourse

Contemporary Islamic economists, therefore, significantly expand the discussion to incorporate macroeconomic determinants of monetary order, that is, macroeconomic variables that affect money stability, including fiscal deficits, political instability, and global price shocks. Al-Azmi and al-Khalaf (2012) emphasize the importance of distinguishing between nominal and real values to ensure fairness in financial matters, as Islamic law should not compromise its moral foundations for economic realities. In addition, Taha and Ahmad (2004) examine the significant relationship between money velocity and economic growth, emphasizing that the stability of monetary policy is a crucial condition for supporting sustainable development. Prominent scholars such as Chapra (1985, 2000) and Siddiqi (1983) maintain over and over again that the value of money instability inherently damages distributive justice; the expansion of the money supply in excess of demand, whether because of easy credit or deficit financing, is the cause of inflation and social imbalance. In the empirical sphere, Al-Wali (1997) noted that national currency depreciation is associated with lower living standards, higher prices, and lower economic confidence in a monetary crisis. This is supported by Basheer and Babikr's (2001) arguments that budget deficits and weak financial oversight have direct consequences on money demand and thus monetary value.

2.4. The Role of Inflation and Monetary Justice

Inflation is considered one of the most severe economic problems faced by modern Islamic societies, so much so that scholars like al-Qaradaghi and Usmani (2002) frame inflation not merely as a monetary phenomenon, but a profound moral and legal issue, since it directly undermines the goals of contractual justice, which preserve wealth (Ḥifẓ al-Māl). As pointed out by Hattab (2005), sharp fluctuations in the value of money result in market disorder, erode savings, and increase poverty(Mansour & Wardat, 2025; Wardat & AlAli, 2025; AlAli, Wardat & Helali, 2024;), thereby contradicting the fundamental Sharīʻah objectives, which are welfare and stability. The analyses synthesize solid economic theory and fundamental Islamic legal principles to claim that inflation violates both tawāzun (economic equilibrium) and ʿadl (fairness). The convergence of these jurisprudential and macroeconomic perspectives unambiguously suggests an emerging interdisciplinary model that applies jurisprudence, macroeconomics, and ethics to monetary instability.

2.5. Deposit Money and the Creation of Credit

A specific and highly technical contemporary debate concerns deposit or credit money (often termed endogenous money) generated by banks. According to scholars like Omar (2015) and Majzoub (2008), the unregulated creation of money by private banks, a key aspect of the conventional fractional reserve system, contradicts Islamic principles that govern justice and stability by disconnecting money from tangible assets and risk. They recommend limiting deposit creation to public or state-regulated institutions to mitigate inflationary pressures and support social objectives. In contrast, according to al-Zahrani (1995), a regulated dual banking system (private and public) operates under stringent regulatory oversight to balance financial efficiency and moral duty(Al-Shraifin, Wardat, AlAli & Al-Saud, 2025; Garcia et al., 2026; Winaryati et al., 2025; Tashtoush et al., 2023). As demonstrated in the observations of such empirical figures as Mayyar (1985) and al-Anṣārī (1988), demand deposits make up a significant share of Islamic banks' liabilities, indicating that deposit money formation is a genuine macroeconomic phenomenon that affects the entire system, independent of whether the generation of such money comes from interest-bearing or Sharīʻah-compliant sources.

2.6. Classical Guidance and Contemporary Reinterpretations

Contemporary discourse retains strong connections to classical monetary wisdom. Classical economists, including such jurists as al-Ghazālī, Ibn Taymiyyah, Ibn al-Qayyim, Ibn Khaldūn, and al-Qurṭubī, considered money to be a stable medium of exchange and urged against any manipulation or debasement of it by rulers. Ibn Khaldūn's (n.d.) comprehensive examination of monetary corruption (fasād al-naqd) may be especially pertinent, anticipating contemporary admonitions against excessive inflationary policies and poor financial governance (AlAli & Wardat, 2024; Saleh et al., 2023; Jarrah et al., 2025; Aldalalah et al., 2025).. Contemporary scholars make direct comparisons between these observations and the current requirement for strong monetary governance, transparency, and accountability. Al-Qaradaghi (2009), for example, understands the classical warnings against the "unjust manipulation of coinage" as an ongoing call for entrenched institutional ethics in the central bank and financial regulatory bodies.

2.7. Integrative Theoretical Perspective

Contemporary Islamic economists and jurists strive to integrate various sources of knowledge and insights to arrive at a comprehensive interpretation. This interpretation views the value of money as a complex, multi-layered concept influenced by economic, institutional, and moral factors. They generally agree that ensuring relative stability in monetary relations, or providing appropriate compensation for significant changes in purchasing power, is essential for achieving justice and enforceable contractual behavior. The theoretical foundation of this group of theories aligns on three interconnected propositions: (1) Money is seen as a trust (amānah) and a social contract in Islamic morality, emphasizing the moral role of trust and community contracts; (2) Maintaining its real value is considered a fundamental aspect of the Sharīʻah objective of preserving wealth (Ḥifẓ al-Māl); and (3) Effective monetary governance requires an institutional mechanism in monetary policy. Ethical Islamic central banks and Sharīʻah-based financial policies should aim to achieve moral and distributive justice goals (Chapra, 2000; Al-Qaradaghi, 2009; Usmani, 2002; Wardat, Y., Hidayat, R., Belbase, S., Al□Shraifin, A. A., & Alribdi, N. I., 2025; Alkouri & Wardat, 2025).

3. METHODOLOGY

This study employs a Systematic Literature Review (SLR) coupled with Qualitative Content Analysis. The primary objective is to systematically map, analyze, and synthesize the key arguments and policy proposals made by contemporary Islamic jurists and economists regarding the instability and change in the value of money. The SLR approach ensures a transparent, rigorous, and repeatable process for identifying relevant literature, while the

Content Analysis facilitates the thematic extraction and categorization of concepts, juristic rulings, and macroeconomic policy solutions proposed by the scholars. The research data comprises core academic and jurisprudential publications forming the foundation of contemporary Islamic monetary thought. The primary data sources include

Academic Journals: Peer-reviewed articles from leading journals in Islamic Economics, Islamic Finance, and Sharīʿah Law (as reflected in the References section).

Influential Books and Treatises: Canonical works by highly cited contemporary Islamic economists (e.g., Chapra, Siddiqi) and jurists (e.g., Usmani, al-Qaradaghi).

Jurisprudential Resolutions: Selected resolutions from major International Fiqh Academies (such as the Islamic Fiqh Academy-OIC) that directly address currency value change, inflation, and debt indexation.

The selection process was governed by specific criteria to ensure relevance and focus

Inclusion Criteria: Publications (books, journals, resolutions) published predominantly after 1970 that explicitly discuss: (a) the change in the value of money (inflation/depreciation), (b) the legal treatment of debt in light of inflation (the mithl vs. qīmah debate), and (c) the institutional or macroeconomic determinants and solutions for monetary stability within an Islamic framework.

Exclusion Criteria: General papers on the prohibition of Ribā or standard Islamic banking operations that do not specifically address the issue of compensating for value change or monetary instability. Textbooks that only summarize classical fiqh rulings without contemporary commentary were also excluded.

The initial stage involved applying a deductive coding framework based on the theoretical structure derived from the Literature Review. Key analytical categories were established to structure the data extraction in Table 1

Table 1: Research Category.

Category	Coding Focus
Juristic Stance on Debt	Nominal Repayment (Mithl), Real Repayment (Qīmah), Conditional Indexation (Justice Exception).
Causes of Value Change	Fiscal Deficits, Credit Expansion (Deposit Money/Endogeneity), Governance Failure, External Shocks.
Policy/Institutional Solution	Islamic Central Banking Model, Asset-Backed Currency, Monetary Policy Instruments.

Extracted data segments were then subjected to inductive coding to identify nuanced themes and emerging arguments not fully captured by the initial framework. This process specifically focused on the rhetorical strategies used to reconcile Sharīʿah textual constraints (Ribā) with the Maqāṣid (justice and preservation of wealth). The final step involved a critical synthesis, integrating the findings from the juristic and economic literature. This comparative analysis allowed for the mapping of consensus positions (e.g., inflation is institutional ẓulm), identifying points of conflict (the mithl vs. qīmah debate), and structuring the policy implications into an integrated framework for monetary justice. This triangulation ensures that the final results are both jurisprudentially sound and economically relevant.

4. RESULTS

The content analysis, guided by the deductive-inductive framework, resulted in the systematic categorization of contemporary scholarly contributions into three core areas: The Juristic Stance on Debt Repayment, the consensus on the Macroeconomic Causes of Value Change, and the proposed Policy and Institutional Solutions. The findings reveal a significant evolution from classical fiqh to a more policy-oriented and Maqāṣid-driven monetary framework. The most critical finding from the juristic literature analysis is the attempt to reconcile the traditional nominalist rule with the demands of monetary justice. The analysis categorized the debate into three primary positions, highlighting a shift towards judicial discretion in cases of severe injustice (Table 2).

The analysis shows that while the nominal rule remains doctrinally central to avoid the appearance of Ribā, the contemporary trend (Majority Synthesis) is to prioritize the real value preservation as a necessary safeguard against economic injustice, provided the distortion is severe and demonstrable. The analysis of the economic literature reveals a strong consensus that the primary cause of money value change (inflation) in Muslim-majority countries is institutional and systemic, shifting the blame from external shocks to domestic governance failures (Othman et al., 2024). A core finding is the recognition of endogenous money creation in the Islamic banking system. Scholars argue that, even in the absence of interest, the fractional reserve system and the extensive use of debt-like Sharīʿah-compliant contracts can lead to an expansion of the money supply that outpaces real output (Ayub & Khan, 2021; Umam et al., 2021). This excessive creation of deposit money (Omar, 2015; Majzoub, 2008; Sharadgah et al., 2025) is identified as a critical source of inflationary pressure, challenging the effectiveness of merely abolishing interest without reforming the money creation mechanism (Jedidia & Hamza, 2023). The literature strongly links currency depreciation and inflation to poor fiscal governance (Maabreh, 2024; Thosony, 2025).

Table 2: Analysis Categorized.

Juristic School	Primary Position on Debt Repayment	Justification/Rationale	Key Representative Scholars
1. The Nominalist School (Mithl)	Strict Nominal Repayment: Debt must be settled in the exact numerical amount (mithl) originally borrowed, regardless of inflation or depreciation.	Upholds the strict prohibition of Ribā (interest); adjusting for value loss is deemed equivalent to charging interest on money (al-Subḥānī, 1995).	Al-Subḥānī
2. The Realist/Justice School (Qīmah)	Real Value Compensation: Debt should be indexed to a stable asset (e.g., gold, a basket of goods, or a reliable index) to ensure the repayment of the real purchasing power (qīmah).	Prioritizes Maqāṣid (ʿadl - justice and lā ḍarar - no harm). Argues that inflation is institutional ẓulm (injustice) (Kahf, 1998; Siddiqi, 1983).	Al-Qaradaghi (2009), Al-Nashmi (1999)
3. The Majority Synthesis (Conditional Qīmah)	Conditional Indexation: Mithl remains the default rule, but Qīmah compensation is permitted as a necessity exception in cases of gross and demonstrable injustice (ẓulm fāḥish), typically hyperinflation.	Seeks balance between preserving the letter of the Sharīʿah (avoiding Ribā) and achieving its spirit (justice). This position often reflects the consensus of major Fiqh Academies.	Al-Qaradaghi (2009) (as part of Fiqh Academy consensus)

Key findings attribute value erosion to

Monetary Financing of Deficits: Using central bank money creation to finance state budget deficits (Basheer & Babikr, 2001).

Loss of Confidence: Weak financial governance and political instability eroding public trust in the currency, directly influencing its demand and value (Al-Wali, 1997; Basheer & Babikr, 2001).

Violation of Ḥifẓ al-Māl: Instability is seen as a direct consequence of institutional failure to preserve wealth, which contravenes a core Maqāṣid objective (Hattab, 2005).

The third category of results synthesizes the proposed institutional and policy reforms aimed at creating a Value-Oriented Islamic Monetary System (VOIMS).

Table 3: Table Caption.

Policy Focus	Proposed Mechanism/Instrument	Justification for Value Stability	Key Advocates
Monetary Governance	Establishment of an Islamic Central Bank (ICB) committed to price stability (via non-interest rate tools) and real-sector alignment.	Ensures monetary policy serves real economic objectives and social justice, moving away from conventional interest-rate targeting (Chapra, 2000).	Chapra, Al-Qaradaghi (2009)
Credit Discipline	Restricting bank credit creation (deposit money) and emphasizing asset-backed financing (PLS/equity models).	Disciplines money supply by linking credit expansion directly to tangible assets and real, productive risk-sharing, curbing speculative inflation (Al-Zahrani, 1995).	Omar (2015), Majzoub (2008), Al-Zahrani
Alternative Standards	Promoting asset-backed tools and debating the viability of currency standards (e.g., Dinar-Dirham, Zakat-linked analysis).	Provides a non-fiat anchor to resist inflation and incorporates distributional goals (Zakat) into money demand modeling (Sudiarti & Syarvina, 2022; Safitri & Masrifah, 2020).	Sudiarti & Syarvina, Safitri & Masrifah

The analysis confirms a shift from passive doctrinal validation to active policy prescription. The unified goal is to achieve monetary justice (ʿadl) by structurally insulating the money supply from speculative and fiscal abuses, ultimately ensuring money fulfills its role as a stable unit of account and medium of exchange linked to the real economy.

5. DISCUSSION

The systematic analysis of contemporary Islamic scholarship demonstrates a profound evolution in monetary thought, shifting the discourse from a rigid classical definition of money to an active, policy-oriented framework centered on Maqāṣid al-Sharīʿah. This intellectual transition is driven by the necessity to address the inherent instability of modern fiat currencies, which directly contradicts the classical ideal of thamaniyyah (stable value). The most significant development is the successful reconciliation of the textual prohibition of Ribā with the overarching objective of justice (ʿadl) in financial dealings. While the Nominalist School (Mithl) correctly insists on nominal repayment to strictly avoid any formal interest (Al-Subḥānī, 1995), the dominant Majority Synthesis (Al-Qaradaghi, 2009) pragmatically permits real value compensation (Qīmah) as a necessary exception in cases of hyperinflation. This distinction is critical, as it frames the loss of purchasing power not as an unearned gain for the creditor (forbidden Ribā), but as an institutional injustice (ẓulm fāḥish) that the Sharīʿah must present to uphold the preservation of wealth (Ḥifẓ al-Māl) (Kahf, 1998; Siddiqi, 1983).

The literature further establishes that monetary instability is primarily a problem of governance and structural design, rather than an exogenous event. The consensus among Islamic economists is that the true drivers of inflation are fiscal deficits financed by money creation and the proliferation of uncontrolled endogenous credit within the banking system, even if structured Sharīʿah-compliantly (Basheer & Babikr, 2001; Omar, 2015; Ayub & Khan, 2021). This finding is crucial, as it fundamentally refutes the notion that simply removing interest is sufficient to achieve monetary justice; instead, it demands a complete overhaul of the money creation mechanism itself. Scholars implicitly argue that money, as a social contract and amānah (trust), loses its legitimacy when its supply is structurally divorced from the real economy's productive capacity, making the pursuit of stability a collective religious and ethical mandate.

Consequently, the proposed Value-Oriented Islamic Monetary System (VOIMS) is highly prescriptive and institutionally focused. It mandates the creation of an Islamic Central Bank (ICB) committed to actively linking money supply to real output, thereby imposing a necessary ethical discipline on monetary policy (Chapra, 2000). The focus on promoting asset-backed financing and limiting speculative credit creation (Al-Zahrani, 1995) serves as a direct, structural mechanism to discipline money creation, ensuring that the increase in the monetary base corresponds to tangible economic growth, thus intrinsically safeguarding the currency's value. In sum, contemporary Islamic monetary thought has matured into an integrative model that uses macroeconomic analysis to identify the causes of injustice and employs Sharīʿah objectives to prescribe systemic, ethical, and institutional solutions.

6. CONCLUSION

The comprehensive review and qualitative content analysis confirm that contemporary Islamic scholars have developed a robust and integrated framework to address the issue of value change in money within the modern financial system. The discourse effectively bridges classical jurisprudential rigor with modern economic realism, positioning monetary justice (ʿadl) as the central objective of Sharīʿah-compliant financial governance.

This study makes a distinct contribution to the literature by offering a systematic synthesis of the juristic and institutional dimensions of monetary instability, articulating how the Maqāṣid al-Sharīʿah framework can be operationalized to restore justice in monetary systems. It advances the scholarly discussion from descriptive diagnosis to actionable reform through the proposed Value-Oriented Islamic Monetary System (VOIMS).

Three central findings underpin this contribution

1. The long-standing legal dilemma is resolved through the adoption of conditional Qīmah, which establishes nominal repayment (Mithl) as the rule to avoid Ribā, while permitting real-value compensation as a Sharīʿah-based exception in cases of demonstrable ẓulm fāḥish.
2. The study identifies value distortion primarily as an institutional failure, driven by fiscal imbalances, weak governance, and endogenous credit creation that undermine monetary stability regardless of interest-rate mechanisms.
3. The proposed remedy lies in institutional reform, through VOIMS—anchored in ethical central banking, disciplined money creation, and asset-backed financial practices.

From a policy perspective, this study offers a normative and practical pathway for Islamic financial institutions, regulators, and juristic bodies to integrate Maqāṣid-driven principles into monetary policy design. By doing so, it bridges the gap between jurisprudential ideals and economic realities, contributing both to academic discourse and to the advancement of policy frameworks that promote justice, stability, and ethical financial governance in the Islamic world.

7. RECOMMENDATIONS

- Juristic Standardization of the Qīmah Exception: Major international Fiqh academies should formalize a unified, measurable criterion (e.g., inflation threshold) for activating Qīmah in long-term contracts to prevent ẓulm fāḥish and ensure equitable restitution.
- Reforming Central Bank Mandates: Redefine the mandate of Islamic central banks to prioritize Monetary Justice alongside price stability, prohibiting direct monetary financing of government deficits to safeguard institutional independence and integrity.
- Imposing Credit Discipline and Asset-Backed Growth: Strengthen financial regulation to incentivize equity-based and asset-backed financing (e.g., Mushārakah, Muḍārabah) over debt-like instruments, thereby linking money creation to real-sector productivity and curbing speculative inflation.
- Empirical Validation through Comparative Research: Conduct longitudinal comparative studies assessing the monetary stability of asset-backed or ethical credit systems versus conventional fiat systems to provide empirical evidence supporting the Value-Oriented Islamic Monetary System (VOIMS) model.

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