

THE FUNCTION AND ROLE OF MONEY: ANALYSIS IN ISLAMIC ECONOMIC STUDIES AS A UNIT OF VALUE AND AS A MEDIUM OF EXCHANGE

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Abstract

In Islamic economic studies, there are only 2 functions of money, namely money as a unit of value and money as a medium of exchange. There are 4 functions of money in the conventional economic system, namely money as a unit of calculation, money as a unit of exchange but in conventional principles, money not only functions as a legal medium of exchange but also as goods that can be traded or to get profits, money as a unit of store of value, money as a standard unit of payment in the future. This study aims to find out how the perception of the people of Bandar Lampung regarding the function of money from an Islamic economic perspective. The type of research used is qualitative descriptive research. The research informant was the Muslim community of Bandar Lampung City. In collecting data is done by documentation, observation and interviews. The data analysis techniques used are data reduction, data presentation, and conclusions. From the results of research conducted by researchers, it was found that most people's perceptions about the function of money are in line with Islamic economics, but a small number have perceptions that are not in line with Islamic economics because they think that money can be used as a tool to take personal advantage. This is contrary to the concept and function of money in Islam

Keywords: *Unit of Value, Medium of Exchange, Public Perception, Function and Role of Money*

Abstrak

Dalam kajian ekonomi Islam, fungsi uang hanya ada 2, yaitu uang sebagai satuan nilai dan uang sebagai alat tukar. Fungsi uang dalam sistem perekonomian konvensional ada 4 yaitu uang sebagai satuan kalkulasi, uang sebagai satuan pertukaran namun pada prinsip konvensional uang tidak hanya berfungsi sebagai alat tukar yang sah namun juga sebagai barang yang dapat diperdagangkan atau diperdagangkan. Untuk mendapatkan keuntungan, uang sebagai satuan penyimpan nilai, uang sebagai standar satuan pembayaran di masa depan. Penelitian ini bertujuan untuk mengetahui bagaimana persepsi masyarakat Bandar Lampung mengenai fungsi

uang dalam perspektif ekonomi Islam. Jenis penelitian yang digunakan adalah penelitian deskriptif kualitatif. Informan penelitian adalah masyarakat muslim Kota Bandar Lampung. Dalam pengumpulan data dilakukan dengan cara dokumentasi, observasi dan wawancara. Teknik analisis data yang digunakan adalah reduksi data, penyajian data, dan penarikan kesimpulan. Dari hasil penelitian yang dilakukan peneliti ditemukan bahwa persepsi sebagian besar masyarakat mengenai fungsi uang sejalan dengan ekonomi Islam, namun sebagian kecil mempunyai persepsi yang tidak sejalan dengan ekonomi Islam karena beranggapan bahwa uang dapat digunakan sebagai alat untuk mengambil keuntungan pribadi. Hal ini bertentangan dengan konsep dan fungsi uang dalam Islam

Kata Kunci: *Satuan Nilai, Alat Tukar, Persepsi Masyarakat, Fungsi dan Peran Uang*

Introduction

Today the function of money is misinterpreted by some or some people and besides, the world has been influenced for centuries by conventional principles that do not recognize the importance of *Halal* and *Haram*. Even the money sometimes works in things that are haram, in Indonesia where most *Muslim* communities interpret money based on conventional concepts that have wrong concepts. Islam has a better understanding of the concept of money. Conventional economists even debate the notion of money based on the conventional itself. That is, conventional concepts are not as complete as Islamic concepts. In addition, they consider that capital is often equated with money, while in the Islamic concept money equals money and capital equals capital. Since the past, money was needed by people to ease their burden both in Transactions and Exchanges to make it easier for them. By using money, they replaced the difficult and complicated exchange system as in ancient times known as barter. Throughout civilization, money is one of human innovation (Porwani et al., 2023). History proves that money has an important role in people's lives, especially in the economics department. Money is a less difficult alternative transaction to the inefficient and complicated barter exchange system, which is not suitable for use in modern economic systems.

Nasution, (2006) Islamic economics has a clear concept of the problem of wealth in general and the problem of money in particular. Economically, Islam has its own opinion on money matters. It describes the types of money and the function of money to work and regulates all what can and should not be done as a guide to problems and to give direction to the people. In other words, the Islamic concept states that money is a

flow concept in which money must be circulated and rotated all the time in order to bring greater profits. Islam does not allow speculative motives when using money. Money is a public good that society owns. Therefore, the accumulation of unproductive money, such as through hoarding, results in a reduction in the money supply. Like blood in the body, the economy will lack like blood, or there will be a recession or economic stagnation. That is why collecting and piling up money is strictly forbidden in Islam.

Money is a very interesting topic in terms of discussion in various topics in Islamic economics. The money is central to the economy which means that without money there is no economy working dynamically. Almost every economic activity is highly dependent on money for production, consumption, distribution and reflection of wealth and income. Money is also defined as one (object) that is accepted by the wider community used when carrying out exchange activities related to trade or business. The perception of the people of Bandar Lampung towards the function of money is very diverse. Which in the use of money there are some who still know money conventionally compared to money in Islamic studies. They consider money as the main purpose to seek personal gain, whereas in Islam a Muslim is not allowed to get excess from money lent to others.

Research Methods

The scope of this study is to analyze people's perception of the function of money from an Islamic economic perspective. According to Arikunto (2010), the population is the subject of the whole in the study. The population of this study is the Muslim community of Bandar Lampung city. According to Kesumawati & Aridanu (2017), the sample is part of the number and characteristics of the population. Therefore, researchers in this study are unlikely to take into account the population of the entire Muslim community in Bandar Lampung city which amounts to 1,166,066 people, where about 96.03% of the population of Bandar Lampung city is Muslim. 10% of the population will be used as a research sample. At this time, the data sources used by researchers include two data sources, namely the data sources used include primary data and secondary data.

Primary data sources are data sources that contain information directly from the source processed by researchers and used as information in decision making. For more detailed information, it can also be concluded that the primary data source is the data obtained from the research subject (Gulo, 2002; Hamid, 2014). Secondary sources of information are information from internal or external sources such as books, magazines, newspapers, etc., (Agustin et al., 2023; Purwanto, 2023) as well as information from other sources as supplementary information to the study.

Data collection techniques used by researchers are useful for collecting and summarizing the data obtained. Data acquisition techniques were also used in this study. namely: 1) Observation, Observation is the activity of observing and recording data or information in accordance with the context of research (Nasar et al., 2023). 2) Interview, interview is information obtained directly from the researcher through questions to related parties (Afini et al., 2023). 3) Documentation, documentation is a method of collecting information collected at a specific time and place so that the researcher can refer directly to it to facilitate his research (Hidayad et al., 2023).

Discussion

1. Public Perception of the function of money

Of the 100 respondents gave the same answer and not much different from the function of money in Islam, such as money as a medium of exchange (transacting) or buying and selling can buy something, as business capital to trade, exchange it and as a tool to buy the material needs, they need later to work. Money can also be used for alms and tools for foraging as a means of payment as well as to meet the needs of life that can produce a living and also as a means of storing wealth.

2. Public perception of the ability to get more profit when lending money to others

It can be seen from 100 respondents who answered There should be as many as 93 people answered not because it is included in the type of riba whose law is haram in Islam. While three respondents who work as traders and boarding house owners answered Depending on the initial agreement, one person answered that it could be as

long as it was not excessive, three people said it could be legitimate because our services have lent or as a form of gratitude.

It can be concluded that the majority of respondents' perceptions who work as traders, employees, farmers in Bandar Lampung City agreed that they should not. While some respondents who graduated from high school still perceive allowing this, it proves that the function of money in it is not in line with the function of money in Islam. Money is used to enrich oneself. On the contrary, lending money helps those who are in need, because the principle of lending is to help each other, when there is an increase or profit, it does not ease their burden, but instead increases suffering (Nasution, 2017; Ariza, 2016). "The Muslims have agreed that debts or loans are likened to the form of muamalah (Susanti, 2018; Fadilah, 2019; Fahlefi, 2016; Mujib, 2017). Because in loans there is an element of intention only to ease their burden without having to expect anything in return". Allah has sent sustenance into the world to be used by his servants in a manner that is lawful by Allah and clean from all prohibited deeds.

3. Public perception of the ability to make money as a commodity such as buying and selling dollars

A total of 53 respondents answered that they should not buy and sell money. A total of 22 respondents answered that they could be on the grounds that they were profitable and allowed to take advantage of the sale of different currencies. As many as 25 people they could not answer or did not know. It can be concluded that the majority of the perception of respondents who work as traders, employees and farmers in Bandar Lampung City choose not to. And some respondents who graduated from high school or junior high school perceive answering may and may not know the perception that has been written above. Islam forbids buying and selling money with different or unequal denominations, currency exchange must be of equal value (Kusumastuti & Syamsuri, 2020; Mansur, 2016; Syabir, 1992; Ulya, 2021; Yani & Widjajanto, 2023). If not, it can be said to be haram because the function of money in it is to obtain personal gain.

4. Public perception of the ability to keep money in the house privately in large quantities and for a long period of time

A total of 51 respondents answered No, not to agree because later money will be less in the market. Money can also be damaged if stored for too long it will harm the community because of the lack of money supply, and other reasons are the risk of saving too much money for example fire and theft. While 46 respondents answered that it is okay for the reason that it is allowed to be saved and as savings. It can be because of the rights of the owner of money and can be because it can be for capital expenditure and trading. 3 respondents did not answer or did not know (Kusumastuti & Syamsuri, 2020; Mansur, 2016).

It can be concluded that the majority of respondents' perceptions who work as traders, employees and farmers in Bandar Lampung City choose not to. But almost half of respondents who graduated from high school / junior high school perceive saying they can. If the respondent's perception says it is permissible, it is certainly not in line with the concept of money in Islam. Even though it is clear the difference between money in Islamic concepts and conventional concepts where in Islam money is still money is public goods and in conventional money is private goods (Ilyas, 2016; Khatimah & Halim, 2013; Kusrini, 2019).

5. Public perception of what happens if money stored privately for a long period of time is not circulated in society

A total of 53 respondents answered that they did not know. One person answered that it can be exchanged into a bank, and 7 respondents answered that it is okay because money is printed every year. And also, nothing happens to oneself or society. While 49 respondents answered with various answers such as lack of money supply/spinning, money runs out and people do not have money and causes the economy to stall and not run smoothly.

It can be concluded that the majority of respondents' perceptions who work as traders, employees and farmers in Bandar Lampung City answered that they did not know. Because it has been previously explained that in Islam, money is a flow concept and capital is a stock concept. The faster the money spins, the better. Money is like water. When water (money) flows, then water (money) is healthy and clean

(economical) (Affandi, 2021; Ariza, 2016). When water (money) stays in one place (money accumulates) (Faridha, 2014; Hasan, 2004), it becomes dirty/cloudy.

6. Public perception of steps that the government can take so that people do not save money privately

A total of 54 respondents answered providing education or understanding, creating programs so that people want to save in banks, giving knowledge, laws / reprimands, and the government can increase banking for the community. While the other 46 respondents did not answer / did not know. It can be concluded that the majority of respondents' perceptions who work as traders, employees and farmers in Bandar Lampung City have the perception that the government must provide education to the community.

7. People's perception of which is better to save money for its own sake or rotate it for invention

60 respondents chose to rotate for investment but the interest for savers should not be too large. Another reason is because investment can provide benefits. The other 24 respondents answered for personal interest because if there is anything we can immediately spend money. 5 respondents answered not knowing and 1 person answered that they could be both. It can be concluded that the majority of respondents' perceptions who work as traders, employees and farmers in Bandar Lampung City choose to invest rather than save large amounts of their own money without being rotated. Like the concept of money in Islamic economics, namely money as a Flow Concept where the faster the money rotates, the better it will be (Bhandari & Adams, 2017; Nakamura & Csikszentmihalyi, 2002).

8. People's perception of whether we can enrich ourselves with money generated from a game / gambling

90 respondents answered that it is not allowed because according to Islamic religious teachings it is forbidden because it is haram, 11 respondents answered that gambling is not allowed but games are okay because they are just a game and can play it occasionally. The advantage of a game can be to buy cigarettes / gasoline etc. but not to

buy consumption. It can be concluded that the majority of respondents' perceptions who work as traders, employees and farmers in Bandar Lampung City answered no. And some respondents who graduated from high school / junior high school perceive it is okay. The perception that it is permissible to enrich oneself from a game / gambling is not in line with the function of money in Islam (Mawar Jannati Al Fasiri & Abdul Aziz, 2021; Nasution, 2017; Nurdin & Tabaruddin, 2023).

In Islam enriching ourselves by gambling is forbidden because we do not know whether we will experience losses or gains. Everything that exaggerates and gives rise to the rot in Islam must be abandoned. A game can also make money which means we bet to win. Though betting money also includes gambling that is forbidden by Islam (Saidy, 2018).

Conclusion

From the results of research on the analysis of the perception of the Muslim community of Bandar Lampung City regarding the function of money in the perspective of Islamic economics, it was concluded that most people's perceptions of the function of money are in line with the Islamic economy, but a small number have perceptions that are not in line with Islamic economics because they think that money can be used as a tool to take personal advantage by lending money and can play games / gambling to earn money in it. This is contrary to the concept and function of money in Islam where in Islamic economics money functions and can only be a medium of exchange and a unit of value / standard price. Money should not be used as a tool to enrich oneself or earn money from usury.

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