



*INSS Insight* No. 639, December 7, 2014

**The Currency of the Islamic State:  
The Political and Symbolic Significance of an Economic Move**  
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On November 13, 2014 the Treasury of the Islamic State organization (IS) announced its intention to mint a first series of coins to be used in the territory under its control. This is a direct order from the group's leader, Abu Bakr al-Baghdadi. The first issue includes seven coins of differing values, with the respective metals and weights chosen in accordance with Islamic religious law: the dinar (4.25 grams of gold), the dirham (2.975 grams of silver), and the fils (0.496 grams of copper).

For the leaders of IS, this move has both symbolic and economic meaning. Not only does the minting of coins reflect the group's ambition to signal to its domestic public and its audience abroad that it is a sovereign state, not an organization, and to give this message iconographic expression. It also constitutes another stage in realizing the radical revolutionary vision of IS, which includes establishing an Islamic religious monetary regime, free from dependence on the international financial system, and taking the lead in a global wave of repudiation of the US dollar.

**Political and Symbolic Significance**

IS is a political entity that is not recognized by sovereign countries and is struggling to establish its authority among those who are supposed to see themselves as its subjects. An independent currency will support its claim to sovereignty, while continued use of the currencies of states it aspires to dissolve weakens this claim. Furthermore, the symbols on the coins provide an additional layer for IS propaganda. They are intended to assist in inculcating among target audiences at home and abroad messages relating to IS identity, aspirations, borders, and guiding policy ethos.

These symbols are divided into two main groups, and reflect the tension between the ambitious global objectives of IS and its inevitable need for cooperation on the part of the local population.

*Symbols Expressing the Long Term Strategic Vision*

The five-dinar gold coin showing the five continents and the copper ten-fils coin showing the Muslim crescent reflect the extreme messages that are the basis of IS ideology. The first image, as explained in official publications, symbolizes the promise that according to tradition God gave to the Prophet Muhammad, namely, that his nation would rule over territory from the eastern to the western ends of the earth. The Muslim crescent, which represents the Hijri calendar and is displayed on the flags of Muslim countries in the Middle East, North Africa, and Southeast Asia, is a Muslim symbol that speaks to the hearts of the global target audience that IS purports to represent.

A spear and shield appear on the silver one-dirham coin, while the ten-dirham coin shows the al-Aqsa mosque. According to official publications, the weapons symbolize jihad for God, that is, the violent struggle through which IS will realize its territorial ambitions. The choice of the mosque in Jerusalem that is the third holiest site in Islam shows that it is a future target for conquest by IS. This choice bespeaks the vitality of the ethos of the struggle to liberate Jerusalem as a source of national religious legitimacy. It also implies that the propaganda appeal of the struggle to liberate al-Aqsa exceeds even that of the struggle to liberate Mecca and Medina, sites that according to Islamic dogma are holier.

*Symbols with an Iraqi-Syrian Local Character*

The three other coins have symbols with a particularist hue, which on the face of it contradicts the global message of IS. They were designed with the current borders in mind and inspired by characteristically Iraqi and Syrian symbols in order to market the new regime's revolutionary doctrine to the public in Iraq and Syria through a recognizable and accepted symbolic prism. For example, the twenty-fils copper coin has an engraving with three palm trees. This tree is considered the national symbol of Iraq and has appeared over the years on many of its coins. The five-dirham silver coin shows a white lighthouse in Damascus, through which, according to a prophetic tradition glorifying the Islamic mission of Syria, at the end of days, Issa ibn Mariam (Jesus) will return to earth in order to defeat the *dajjal* (the false messiah). A one-dinar gold coin bears an illustration of wheat stalks, a traditional symbol of economic growth, which was also used by the regimes in Iraq and Syria.

**Economic Significance**

IS has also explained its minting of coins as an economic step with strategic pretensions. Its spokesmen have noted three main advantages of the move.

*Conversion of Forbidden Coins into Permitted Coins*

In accordance with the Salafist doctrine of IS, for the first time since the end of the Ottoman caliphate, the issuing of Islamic coins will create a monetary system that is in keeping with the dictates of Islamic law, which rejects the use of bills, money changing, bond trading, and usury. According to IS ideology, the modern global economy relies on

“worthless” paper currency and is responsible for periods of inflation, depression, and crisis. On the other hand, the use of gold, silver, and copper coins, which have an intrinsic value, will provide the IS economy with stability, immunity, and credibility and give the citizens confidence that their money will not lose its value because of a possible drop in exchange rates.

#### *Repudiation of Economic Dependence on the West*

According to the official announcement by IS, the new currency will enable it to break away from the “tyrannical financial system imposed on the Muslims, which has been a factor in enslaving and impoverishing them, in wasting the resources of the Islamic *ummah*, and in making it easy prey for the Jews and Crusaders.” Minting of the coins has been described as a step to escape the economic hegemony imposed by the United States and the “despicable band of Jews” in the World Bank and the International Monetary Fund, who “control the global financial markets.” According to this conspiracy theory, the United States currently enjoys a monopoly over production of oil, “with which God graced the Muslim *ummah*.” It is imposing use of the dollar as the sole currency for determining the oil rate in order to steal the Muslims’ money and resources and to finance its economy at their expense. Pure metal coins will liberate the Islamic caliphate from subordination to the dollar economy because it will not need recognition from the World Bank or the International Monetary Fund and will be difficult to impose sanctions on it.

#### *Renewing Islam’s Glorious Days*

IS believes that issuing its own coins will hasten the collapse of the US economy and lead to the decline of the United States as a global power and the rise of the Islamic caliphate. It feels that the move will encourage other oppressed countries to follow in its footsteps, i.e., to liberate their currencies from the humiliating Western hegemony and achieve financial independence. IS leaders believe that this chain reaction will cause the rapid collapse of “the economy of colored bills” and the creation of “a true economy of production,” which will change the existing hierarchy among the countries of the world and grant the Muslims superiority over the infidels.

#### **Conclusion and Recommendations**

The IS monetary initiative combines wishful thinking with reality and is unlikely to be an economic threat to the West. Nevertheless, by issuing an independent currency, it is taking a symbolic step that could improve its prestige in the eyes of Muslim target audiences, strengthen the sense of governance it projects at home and abroad, and consolidate its hold on the territory under its control. The plan indicates that for IS, conquering the old countries and destroying their institutions and frameworks is not enough, and that it will dedicate a portion of its resources to long term processes of state building and the establishment of new symbols and mechanisms of government. Various

reports show that IS has purchased gold, silver, and copper with the idea of implementing the minting project.

IS has internalized that its political revolutionary enterprise, which began in the mosques and has continued in the battlefield, must also focus on mobilizing the loyalty of residents of the conquered territories, inter alia, through their purses. Those fighting against its ambition to realize its vision must internalize this, and the international community would do well to intensify economic pressure on IS. To this end, it should first and foremost continue attacks against the oil trade, which provides IS with liquid capital for its activities, including acquisition of the metals needed for minting coins. At the same time, the international community must begin to formulate a plan to reconstruct Iraq and Syria with the goals of ensuring a positive economic outlook for their impoverished populations and preventing them from being led astray by radical Islam.

