

Gold Currency Model in Aceh

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Abstract. *Complementary currency has been a trending issue. This is because the complementary currency can reduce people's dependency on the government in serving the currency as a medium of exchange. However, many studies neglected the role of idle gold. Aceh is one province of Indonesia that reserves the right of special autonomy to implement Sharia. Aceh, being renowned for its fertility in the cultivation of some agricultural products such as coffee, tobacco, and palm oil, has become a strategic trade center. Aceh is also equally rich in gold mines, with the approximate result of five tons a year. This research attempts to design a model of complementary currency based on physical gold in Aceh. This study uses unstructured interviews with scholars, leaders, business people, and the government. The result reveals that stakeholders agree with the gold complementary currency, support and willing to recommend it. Besides, this model is believed to be beneficial. However, the most challenging factor is the support from the government which is essential to develop this gold currency model.*

Keywords: *Complementary Currency, Aceh Economy, Gold-Based Money, Islamic Currency.*

Abstrak. *Mata uang komplementer (complementary currency) menjadi isu yang masih terus menjadi pembahasan. Hal ini karena mata uang komplementer dapat mengurangi ketergantungan terhadap pemerintah dalam melayani kebutuhan mata uang sebagai media pertukaran. Mata uang komplementer, termasuk yang berbasis emas, dapat meningkatkan ketahanan masyarakat terhadap krisis moneter. Namun demikian, kajian tentang hal ini masih jarang, terutama tentang peranan emas yang menganggur (idle gold). Aceh merupakan satu provinsi di Indonesia yang memiliki hak otonomi khusus untuk menerapkan syariat Islam. Penelitian ini mencoba merekomendasikan model mata uang komplementer berdasarkan emas, untuk diimplementasikan di Aceh. Penelitian dilakukan dengan wawancara tidak terstruktur dengan stakeholders dari ulama, pemimpin masyarakat, pelaku bisnis, dan pemerintah. Hasilnya menunjukkan bahwa stakeholders setuju, mendukung, dan merekomendasikan penggunaan mata uang komplementer di Aceh. Selain itu, model ini dipercaya*

dapat bermanfaat bagi perekonomian, kehidupan sosial, dan penerapan nilai Islam serta persaidaraan. Namun demikian, tantangan yang paling utama adalah dukungan pemerintah dan keterlibatannya dalam pengembangan dan implementasi model ini.

Kata kunci: *Complementary Currency, Aceh Economy, Gold-Based Money, Islamic Currency*

Introduction

There are various models of gold currencies. One of them is a complementary currency. This research will focus on gold as a complementary currency since it has more values. This complementary currency is built upon brotherhood in the community, and it is anti-crisis. Furthermore, it can decrease the dependence on fiat money produced by the government.

Complementary currency systems (CCS) is a specific system of account that complements the official currency/money. It has been developed on the initiative of a group of agents (individuals, enterprises, NGOs, associations, foundations) that have formed a network or operate in a defined territory, to account for and regulate exchanges of goods and services. The main objective of the using currency is freedom and welfare (Marie and Ahmed, 2014).

However, Marco (2020) postulated that to adopt local currency in the current monetary system is not easy. It needs a comprehensive approach involving social, cultural, economic, and political aspects. The community and its people should be aware of these activities. If people support the complementary currency effort, it may promo the welfare of the society.

Meanwhile, Pezhwak (2020) stated that complementary currency serves people the freedom of using money in the society. It can also facilitate a stable price and avoid the fluctuation of the economy. The form of complementary currency could be everything. However, gold is the best complementary currency due to its stable value.

Moreover, Garry (2019) mentioned that local currency is a currency that can be spent in a particular geographical locality at participating organizations. A regional currency is a form of local currency encompassing a larger geographical area. A local currency acts as a complementary currency to a national currency, rather than replacing it, and aims to encourage spending within a local community, especially with locally owned businesses. The currency may not

be backed by a national government or by a legal tender. In terms of the superiority of complementary currency, Garry (2019) stated that complementary currency is able to facilitate society by strengthening cooperation in the region and community, and boosting local economy and culture in a way that it enhances the local products and services. Besides, complementary currency can serve as the local multiplier effect with economic benefit accrued from an area where the money being spent in the local economy. It is also suitable for the environment as people are buying products from regional producers.

Commodities that can serve as complementary currency include gold, silver, metal, agriculture goods, mining commodities, animals, etc. However, Meera and Mubaaseera (2015) postulated that the best commodities serving as currency are gold and silver due to its stable nature in term of price, values and quantity.

Related to Gold Dinar, which is suitable for complementary currency, Ruzanifah and Safri (2016) stated that people are aware of the gold dinar as a complementary currency. It is due to its value and role as money and wealth protection. Besides that, the society's perceived knowledge and conducive circumstances might have significant influence on the acceptance of gold dinar as complementary money.

The implementation of complementary currency needs support from all stake holders, particularly society/community and government. Therefore it needs a specific region that meets the requirements. In this research, Aceh is selected as an appropriate area as a pilot project for some reasons. The reasons why Aceh can meet the requirements is due to some factors including people support, approach, gold resource/supplier, gold and society relation, cooperation principle among Aceh people/community, the objective of complementary establishment, and the initiator involved. The explanation of all term will be elaborated in more detail in the body of the literature review.

Aceh is one of the Indonesian provinces that is granted special autonomy to implement Islamic *Sharia* and Islamic finance based on Mu'amalat principles. Based on Indonesian Act No. 11/2007 and government regulation No. 78/2007, this province has several characteristics that distinguish it from the others. Aceh is one of the areas in Indonesia, which has a long history related to the use of gold and silver currency. History has shown that the use of gold coins in Aceh was held actively until the early 20th century. Therefore, the idea of using gold as a complementary currency in this area is very natural (Alfian, 1986).

Aceh is the 7th of the poorest provinces in Indonesia (Indonesian Census 2010). On the other hand, Aceh is renowned for its land fertility and well known for large scale cultivation of some agricultural products such as coffee, tobacco and palm oil. In contrast, the villagers in Aceh are historically and culturally known for storing wealth in the form of gold. Aceh is rich in gold mines, and it has a close connection with issues related to gold (Rusydi, 2011). For example, West Aceh has gold production of five tons per year (Aceh Mine Department, 2018). Indeed, untapped gold has vast potential to generate more income for the people and transforming the regional economy. This thus can revive dead lands. As such, the need for a complementary currency based on idle physical gold to effectively utilize the abundant gold deposit is essential.

In fact, after the economic and financial crisis of 2008, at least 4,000 complementary currencies are now estimated to be in circulation worldwide, as compared to only about 100 in 1990 (Lietaer, 2011). Because of the present recession, people have been creative in devising ways for ensuring survival in this era (Bennett, 2010). The increase in complementary currency experiments in crisis periods indicates that many communities are becoming increasingly aware of many systemic deep-rooted problems with conventional money architecture.

Based on the combined three issues; the importance of complementary currency, secondly, the speciality of Aceh as special province, and the capacity of gold or idle gold in the society, this paper tries to develop a model of complementary currency based on idle physical gold in Aceh.

Literature Review

In this section, some crucial issues will be discussed such as economic crisis, the shortcoming of the current monetary system, complementary currency roles, types of complementary/community currency, gold and silver as a complementary currency, the implementation of gold coin as complementary currency in several countries, and the implementation of gold coin as complementary currency in worldwide. It will then discuss a research gap discussing the differences of proposing the model of complementary currency based on gold in Aceh with the other models.

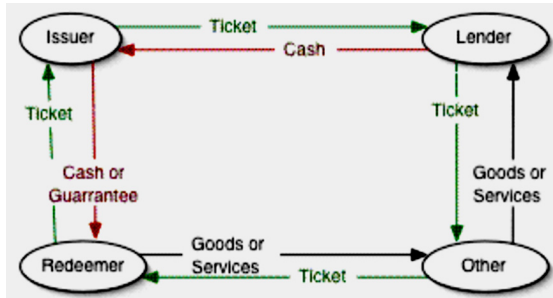
Economic Crisis, The Shortcoming of Current Monetary System, and Complementary Currency Roles.

According to Lietaer (2004), the complementary currency is an agreement within a community to accept something for legal tender as a mean of payment. Complementary currencies, in most cases, are intended to provide a mean for local economic sustainability. Thus, the most important feature is that, they ensure that the wealth stays within a community. Another feature is the stability of the currency and ideological reason. In addition, the proponents of complementary currency argue that, as part of the anti-globalization movement, community currency systems empower the economically marginalized group of people, foster social relationships, revitalize local economies by keeping money circulating locally rather than flowing out, and promote ecological sustainability (Collom, 2005).

Quintilian J. (2008) mentioned that, the earliest complementary currency in modern history could be traced back to the early 1920s, in a small coal-town in Germany. The currency was called “Wara” at that time, backed by coal inventory (Schroeder, 2010). “Wara” was popular due to its role in the devaluation of the national currency. However, in 1931, Germany’s Ministry of Finance banned “Wara” from circulation. Another well-documented story occurred in the small town of “Worgl”, Austria. The Mayor initiated a project to help the economic growth despite the cash problem. The project was successful in enhancing the development in the village and decrease the unemployment rate. However, eventually, the central authority intervenes to terminate the work. Recent developments of complementary currency have been proven more successful. The Time Dollars in the U.S. that uses labour-hour for service as a base of the price is a clear example. Another similar currency is Ithaca HOURS in New York. Other success stories of community oriented complementary currencies can be found in Curitiba Brazil, and Bia in Kud Chumin Thailand.

Lietaer, a co-founder of the Euro and now a local currency proponent, indicated that, in the last decade, the growth of complementary currencies worldwide is highly significant. The currencies take on various forms. Many functions are similar to the traditional currency, but they are distributed at a discounted rate to encourage cooperation among people (Lietaer and Ulanowicz, 2009). Moreover, Lietaer (2010) proposed a model of complementary currency based on tickets. The WAT system used in Japan allows for a business to issue their tickets which can circulate as a complementary currency within a community. The model is described in Fig. 1 as follow:

Fig.1: Complementary Currency Based on Ticket



Adopted from: MitraArdon and Bernard Lietair (www.mita.biz/blog, www.accessfoundation.org).

Beside, there is a growing demand for the re-introduction of gold currency, because, under the conventional current monetary system, the situation of the global economy is more complicated than before. Several evidences link the weakness of the current monetary system to the global economic crisis. Kameel (2010) (in his paper of Conference on *Riba*) stated that almost every country around the world have to face the situation. First, the 2007 monetary meltdown still has its effect on the world economy. Second, the high unemployment rate in the US still persists. Third, the widening disparity in wealth and income distribution has continued its dominance. Fourth, liquidity traps facing major economies are getting larger and significantly contribute to more enormous in most countries. Fifth, the double digit possibility of the occurrence of recession remains high. Sixth, the domino effect of Dubai, Iceland, Greece, Portugal, Spain crisis remains contagious. Seventh, the dollar crisis versus gold is quite apparent. Eighth, currency wars among countries are emerging. All these indicate a positive prospect for the complementary currency implementation that might play a pivotal role to stabilize the economy.

Some countries, particularly countries with a high number of Muslims such as Malaysia and Indonesia, are inclined to re-introduce gold dinar alongside the fiat money as an alternative means to stabilize the monetary system. This stability is partly attributed to the fact that, gold can be ‘printed out of nothing’ and gold possess actual intrinsic value (Meera, 2009). Hence, a detailed study is required to ensure the effectiveness of the model of gold as currency as well as the appropriate method to implement it in society.

Historically, the growth of complementary currency commonly comes as a response to the crisis that hit many countries around the globe. This then

aroused hot debate among economist on the issue. Krohn and Snyder (2008) argue that, local currencies have a history of spontaneously facilitating enormous benefit for local populations in circumstances of inadequate banking services, shortages of money, and high unemployment. For example in the US, during the financial turmoil 2007-2008, the increasing credit restrictions and sharp increases in the prices of oil and food that resulted in severe economic recession has contributed to the emergence of many local paper currencies to provide more significant economic benefits (Krohn and Snyder, 2008).

Complementary currency has an indirect role in strengthening society resistances, such as independency attitude toward creating better society (Collom, 2007), strengthen the social coherence (in Brazil) in the society (Lietaer, 2010), and in the case of Eco Pesa, it is indicated that complementary currencies are a valuable tool to promote development, through increase participating in business and development funding and increasing overall accountability (Ruddick William, 2011). Moreover, Chandra (2008) revealed that local currency has inherent positive characteristics among which are: mutually assistance, justice, fairness and equity, focus on small is beautiful and encouraging interpersonal skills.

The compilation of 42 types of medium exchange system is demonstrated in table 1 (see Appendix A). Interestingly, there have been applications of local currency based on gold and silver, which accounted for 14 local currencies and community based – silver which made up one local currency. Moreover, looking at complementary currency database, for three years after the global financial crisis, the complementary currency has been chosen as the alternative means to prevent dire consequences of the global financial crisis. There has been increasing demand for its application, reaching 60% compared to October 2008 (which constituted only 166 local currencies) of which most of them are unregistered. In other words, during the post financial crisis, the application of complementary currency tends to dramatically rise due to its resilience to prevent a crisis that originated from other countries. The increase of complementary currency in the crisis period indicates that, the community is aware of some problems associated with the conventional monetary system. In sum, complementary currency offers an alternative to the conventional money referred to as fiat money.

Gold and Silver as Complementary Currency

Since the global financial crisis in 2008, people worldwide are more exposed and more familiar with the concept of monetary instability and realize

the weaknesses of the current monetary system based on fiat money. The rise of complementary currency is partly due to the recurrent financial crisis. The use of local complementary currency when necessary is also one of the possible solutions to overcome the financial crisis (Litaer and Goerner, 2009). Moreover, Litaer (2009) stated that, the complementary currency is the most effective way for governments to perform diverse strategy to maintain a sustainable and stable monetary policy.

Like Liberty Dollar model, gold as a complementary currency has been established in Kelantan and Perak, states in Malaysia, and Jakarta, Bogor, Bandung, the capital city and the major cities in Indonesia of which more detail summary is available below. Currently, Islamic Gold coin, e-Gold coin and Gold net have been the subject of establishment as this will be discussed later.

Types of Community Currency

During the last decade, the community currency systems in the form of complementary currency have been increasing sharply all over the world. According to the Complementary Currency Resource Centre, there have been 232 local community exchange systems, registered in the complementary currency database.¹ Looking into the application of worldwide complementary currency, the most common types of medium exchange system-mainly used are summarized in the table below. As at November 2011, there are several local complementary currencies among which are (1) Local Exchange Trading System consisting of 39 local currency, (2) Mutual Credit System comprising of 19 local currencies, (3) LETS system comprising of 15 local currencies, (4) Voucher Currency System comprising of 14 local currencies and (5) Liberty Dollar comprising of 14 local currencies.

The Implementation of Gold Coin as Complementary Currency in Worldwide

Since 1992 the implementation of gold complementary currency has been started in Dubai by the Morabeteen International Organization. In Indonesia gold complementary currency, well-known as Islamic Silver Dirham (ISD), has been produced since 2000 by Wakalah Induk Nusantara. Then the adoption of gold complementary currency has been developed in 2006 in Kelantan Malaysia.

¹ (http://www.complementarycurrency.org/ccDatabase/les_public.html).

Recently the state of Perak also issued the gold dinar in 2006. The development of the implementation of gold complementary currency can be seen as follows:

Table 1. The implementation of gold coin adoption in several contries

No	Country/State	Year	Details
1.	United Arab Emirates (UAE)	1992	Islamic Gold Dinar (IGD) & Islamic Silver Dirham (ISD)
2.	Indonesia	2000	Islamic Gold Dinar (IGD) and Islamic Silver Dirham (ISD)
3.	Malaysia (Kelantan)	2006	Gold Dinar Kelantan (GDK) and Silver Dirham Kelantan (SDK)
4	Malaysia (State of Perak)	2010	Gold Dinar Coin And Silver Dirham

Sources: Some Website Mentioned above

The Implemetation of Gold Coin as Complementary Currency

Gold as currency as well as complementary currency model in the worldwide has been implemented already in several countries such table 1 as bellow:

Table 2. Gold Complementary System Base on the Main Objectives, Community Base, Initiator, and Gold Resource/Supplier

No.	Gold Currency System/Digital Gold Currency	Main Objective	Gold Resource/Supplier
1	Gold Traded Exchange http://www.exchangetradedgold.com . London, Paris, New York, 2010	Gold trading, Medium Exchange	Market
2	Public Gold http://www.publicgold.com.my . Malaysia, 2009	Gold coin investment	Market
3	Gbullion www.Goldmoney.com , Dubai-UAE, 2007	Gold trading	Market
4	Gerai Dinar www.geraidinar.com . Indonesia, 2007	Islamic Gold Dinar as Investment, Gift, Dowry, Zakat and Qirad.	Market

No.	Gold Currency System/Digital Gold Currency	Main Objective	Gold Resource/ Supplier
5	iGolder (Digital Gold Currency/DGS). https://www.igolder.com . USA 2005	Gold Investment Digital gold currency	Market
6	The Malaysian Kijang Emas http://www.bnm.gov.my . Malaysia, 2001	Gold coin for investment, Rahn	Market
7	Wakalah Induk Nusantara http://www.wakalahnusantara.com Indonesia, 2002.	Islamic Gold Dinar as medium of exchange, Investment, Gift, Dowry and, Zakat, Dowry/Gift,	Market
8	Liberty Dollar http://www.complementarycurrency.org/ ccDatabase/les_public.html . USA, 1999	Gold coin currency	Market

Sources: The Mentioned Webside.

On the above Table there were six implemented complementary currency based on Gold; gold investment, gold trading, medium exchange currency, gift/dowry/zakat, *qirad*, and *ar-rahnu*.

Complementary currency in some countries that have been implemented has six characteristics: based on community, people support, the initiator is prominent person, gold supplier/gold resources from government, role of informal leader is crucial, and objective of complementary currency movement is not purely profit motif.

The Differences of Proposed Model of Complementary Currency Based on Gold in Aceh With Other Model.

The proposed gold complementary currency model in Aceh has several differences compared to the existing models. It can be summarized as follows:

1. People Support: In this model state government and people are supporting the project. The most model is initiated by the community. To gauge people support this research using qualitative method, employ interviewed respondents in Aceh (6 Areas).
2. Approach: The proposed model uses the combination top down and Bottom-up approach, it is the difference with the existing model in several countries or

state just bottom-up or just top-down. To measure the approach, this research employs unstructured Interview to the government (state government) and public leaders (community).

3. Gold Resources/Supplier: The model gold resources come from society (Idle gold or Unemployed gold). The existing model, the source of gold, come from the market or the circulation. To convince the statement, it will be Interviewed some scholars, public leaders, and prominent people.
4. Gold and society relation: Gold and society in Aceh are very closed, especially the woman, there is no woman without gold. To collect the points, some public leaders, business person, and Scholars will be asked to express their opinion.
5. Cooperation in the community: In Aceh cooperation is robust the relation between *Ulama (Islamic scholars)* and society (public leaders and *Gampong, Peauk, Tuhapeut, Lemabaga adat*. The most model neglect the role of cooperation and brotherhood. The research will Interview some scholars, academicians, and public leaders.
6. Objectives: The objective of the design is to empowerment economic in the village based on the idle gold in the society. The research will collect opinion government and public leader.
7. Initiator's: Public leader, Scholars and State government. The existing model is just a public leader and society only and neglects the role of government. It needs to observe and Interview the leader of the government.

Methods

This study employs in-depth interview to gauge the response and views of three salient civil societal groups, namely, scholars (*ulama, kiyai*), community leaders and business people. Besides that, an unstructured interview is also employed for assessing the views of the heads of Aceh communities and important government officials such as heads of shariah Islamic offices and departments (*Dinas Syariat Islam*), Scholars Consultative Assembly (*Majelis Permusyawaratan Ulama*) and the Council of Education (*Majelis Pendidikan*).

This research attempts to design a model of gold currency as a complementary currency based on physical gold in Aceh. This model is expected to be able to revive the rural economy, particularly in the agricultural and micro small and medium enterprises (MSMEs) sectors. As such, it can help in reducing unemployment and increase the value of the local and provincial economy. This

model leverages on rural communitarian and traditional institutions (*Lembaga adat*) such as “*Gampong, Mukim and Tuhapeut*” which is rooted in the ethos of mutual assistance at the village level. This model also involves mass organization-based, Islamic Scholars (*Ulama*) networks such as Muhammadiyah and Al-Wasliyah, NGO and Community Leaders, Islamic Micro Finance Activists, Governments and Politicians.

Socio-religious leadership could play a significant role because people in Aceh are deeply influenced by these community-rooted scholars whom they respect very much in their decision making process. This model is also meant to strengthen the rural economy, especially during the period of the financial crisis. Specifically, this paper tries to design a model of complementary currency based on physical gold in Aceh.

This study used ‘*area-stratified-purposive*’ sampling, which is a non-probability sample that conforms to specific criteria (Cooper and Schindler, 2001). This method was appropriate to this study since it met some criteria needed to become a sample. The sample interviewed used in this study were: Scholars – academicians, Business includes cooperatives, and public figure or society leaders. From the five areas then distributed in Table 2 below:

Table 3. Area Sample Distribution

Area	Number of Respondents		
	Scholar-Academicians	NGO and Community Leaders	Islamic Micro Finance Activists, Governments and Politicians
Area 1	20	10	10
Area 2	10	3	2
Area 3	5	5	5
Area 4	5	8	2
Area 5	4	5	6

From the Table 3 above, it has shown that the allocation of samples according to the type of respondents, namely 1) scholar-academics, 2) NGO and Community Leaders, and 3) Islamic Micro Finance Activists, Governments and Politicians. The highest sample is in area 1. It is due to area 1 is the center of development, where the asset of the bank, the population, educational institution,

and institution of economics are more than others in quantities. Furthermore, from 100 respondents will be selected ten leaders to be interviewed.

Discussion

Proposed Model of Complementary Currency Based on Idle Physical Gold in Aceh

a. Speciality of Aceh

Aceh is one of the most religious provinces in Indonesia which has specific characteristics than the other area of Indonesia. One of the most essential attributes of Aceh is the use of gold in daily social-economics activities. Based on our research, Aceh people are familiar with the usage of gold for the measurement of goods and services. This indicates that in Aceh, people have familiarity with using gold for transaction purpose. For example, when people buy a cow, they will use gold as the standard of pricing. It is also used in term of debt-loan settlement (Damanhuri, 2012).

The gold coin is well known with "*Mayam*", terms that are used as a measurement of good and service which is based on gold. In addition, Aceh is also a very rich area with gold mineral. For getting gold to be used as a "*Mayam*" some people go to the mountain to search for gold. Energy and Mining Department reported that new mountain was founded in West Aceh, and it has the potential to produce gold five tons per year (Aceh Mine Department, 2012).

In Aceh, gold is also commonly used as a store of value where many Acehnese people have gold in their saving. This is because many people are more confident to save their wealth in gold rather than paper money such as Rupiah, USD etc. Moreover, most women in Aceh have gold accessories as their symbol of pride. (Ali R, 2011).

Although in Aceh "*Mayam*" is very popular as a measurement of value, there is still the presence of some problems related to the standardization of "*Mayam*". In *Mayam*, there is no standard value of weight and quality. Therefore, this causes many problems and difficulties for society when it is used widely in society.

Aceh also has a very fertile land that produces primary commodities such as coconut, coffee and tobacco. The availability of land in Aceh is abundant, which means that people can use this to increase their economic prosperity. Muslim (2011) said that in Aceh, some people also use gold as a down payment to buy these commodities.

In addition, the religiosity of Aceh is also supported with the existence of Islamic organizations. There are two leading organizations in Aceh, namely *Al-Wasliyyah and Muhammadiyah*. These two Islamic organizations by the *Ulama* authority can be used as symbols of Islamic solidarity among Islamic society in Aceh (Adan, 2006). Moreover, with Islamic organizations, Muslim people can be united and make a social movement. Moreover, the government of Aceh can also be a provider of standardized gold coin. Besides that, they can maintain and monitor the operation of gold coin in society. The Acehese government can empower cooperatives and Baitul Maal wat Tanwil (BMT) for distributing and managing the coin.

In contrary to the facts that Aceh has rich natural resource and land as well as the gold is an exchange instrument in Acehese society, Aceh is also categorized as the impoverished province. Aceh is one of the top ten with the highest number of poverty in Indonesia. It is contradictory with the fact that gold is the symbol of prosperity and richness. Therefore, proposing a model of complementary currency in Aceh, which is based on the gold coin is urgently needed.

b. People's Perception of Complementary Currency Movement

People perception involved 100 respondents described their opinion on two variables; the support and the recommendation to others to involve in a complementary currency based on gold in Aceh.

Descriptive statistical analysis uses simple statistical analysis. Respondents, as many as 100 people, were asked to fill out a list of questions (questionnaire) on the People Support and People Recommendation variables. For people support, this means how far the people support the movement for implementing the complementary currency. This variable is an indicator: empathy, positive encouragement, direct support material, and suggestion. This means that people support is measured by an indicator of the attitude of people support the movement for the implementation of complementary currency.

Moreover, the recommend variable which means how much people want to give recommendations to other people to join this activity. This variable has indicators such as perceived value and frequency. Perceived value means the benefit or value that someone feels by joining this activity, while frequency is in giving recommendations to other.

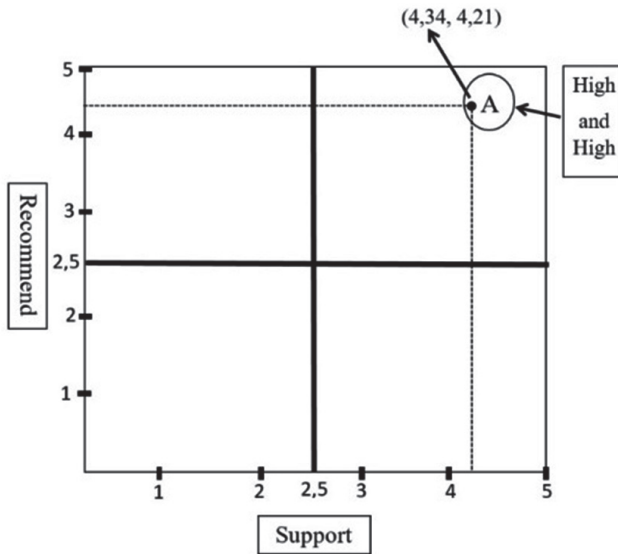
Table 4. Descriptive Statistics Analysis

VARIABLES	N	Minimum	Maximum	Sum	Statistic Result		Average Std. Deviation
		Statistic	Statistic	Statistic	Average Median	Average Mean (Result)	
Support :						4,34	
Indicator		1	5				
<i>Empathy Support</i>		1	5				
<i>Positive Encourage</i>	100	1	5	1.784	2,5		0,522
<i>Material Direct Support</i>		1	5				
<i>Suggestion</i>		1	5				
Recommend:							
Indicator		1	5				
<i>Perceived value</i>	100	1	5	868	2,5	4,21	0,624
<i>Frequency</i>		1	5				
Valid N	100						

From table 4 above, it can be explained that people support high because it has a mean average of 4.34 (meaning high on a scale of 1 to 5). Meanwhile, people recommend is also high, which has a mean average of 4.21 (meaning high on a scale of 1 to 5). Thus, it can be concluded that the movement to implement complementary currency based on gold in Aceh has high people’s support and people awareness in inviting other people to join this movement is also high. It means that the people in Aceh agree to support a complementary currency implementation based on gold.

In addition, from the results in Table 1 it can be described that the position of complementary currency based on gold in Aceh is in area 4 that people’s support is high and so is people’s awareness to give recommend depicted as follows:

Figure 2. People’s Support and People’s Recommendation



c. Respondent Perception of Gold Complementary Currency Adoption in Aceh

In this section the selected respondents have been interviewed (the leaders represented from 100 respondents). The list of selected respondents (interviewed) described as follows.

Table 5. The List of the selected respondents (interviewed).

No	Institution	Education	Qualification	Code
A Scholars and Academicians				
1	The Chairman of Muhammadiyah Aceh Region	Ph.D (Prof. Dr.)	Four years as Chairman and 25 years as Activist	SA1
2	The Chairman of the Board of Islamic Scholars Council Aceh.	Ph.D	Four years as Chairman and 25 years as Activist	SA2
3	The Chairman Sub-District Al-Wasliyah Aceh	Master	Six years as Chairman	SA3
4	InsyafuddinDayah	Master	20 years experience as Ulama at Aceh	SA4
5	Chief of DewanDakwahIslamiyyah Aceh (Islamic Propagation Council) of Aceh	Ph D (Prof. Dr.)	Ten years experience	SA5

No	Institution	Education	Qualification	Code
B NGO and Community Leaders				
6	The Association of Indonesian Muslim Scholars (ICMI)	Master	Four years experience as Chairman	C1
7	Indonesian Association For Islamic Economic Development	Ph.D	Two years experience as Chairman	C2
8	The Chairman of Aceh NGO's	Bachelor	Ten Years experience as Chairman	C3
C Islamic Micro Finance Activists				
1	The Chairman of Indonesian BMT (Baitul Mal wa at Tamwil) Association	Bachelor	Eleven Years experience as Micro Finance Activist	BMT1
D The Head of Aceh Parliament		Master	Three years experience as Chairman of Politician	POL1

The findings of the interviewed are classified into: the possibility of complementary currency based on gold being implemented in Aceh, the advantages, Islamic issues and politics associated with the implementation of this system.

(1) The possibility to be implemented in Aceh

In this case, ten selected respondents are examined SA1 to SA5 as Muslim scholars, C1 to C3 as NGO's leaders, BMT1 as Islamic finance activist, and POL1 as Politician. The elements of questioned variables on the possibility of this system to be implemented in Aceh; benefit to economy; helpfulness against Islamic values; helpfulness to social welfare; benefits to politics; and well- functioning as money. They agreed upon this matter. They are SA1, SA2, and SA3 stated:

"I think paper money cannot be used as money because it is worthless. Gold currency has been used in Aceh since long ago, but the difference in today's time is used only in a minor subject. Moreover, SA4 sated that, in Aceh, various transactions are still involving with gold in the form of mayam measurement. Additionally, the network of dayah (Islamic boarding school) Inshafuddin is willing to be a facilitator. I believe people of Aceh could accept this system despite starting on the environment based on certain boarding schools or communities."

In addition, SA5 supports previous ideas involving cooperatives and postulated that:

“In the early stages, it can be applied in the community TuhaPeut village in the form of cooperatives. As the number of idle gold in Aceh is very much, almost all women in Aceh holding gold but they let it idle in their house. This gold is derived from the government and people gold mines.”

(2) The Benefits for the Economy

Related to the benefit to the economy, SA1, and SA2, and SA3 agreed that gold currency benefits the economy. SA2 stated:

“The system is expected to diversify the payment system in Indonesia based on the local communities. Moreover, the dependency on Rupiah can be reduced when its value decreased any time. Besides that, it can trigger the volume of transactions (Velocity) to increase GDP without increasing the money supply (M). As a result, this system is expected to be able to curb inflation which weakened the value of Rupiah. Since the gold model is used in any state or country, the prices and inflation will be controlled. Thus economic stability can be attained.”

(3) The Benefits of Islamic Value

Related to this issue, SA1, SA3, BMT1 and BMT2 agreed that gold system beneficial to Islamic value. SA1 underlined that:

“The gold currency has some advantages, such as having a better ensuring on the validity of the transaction in terms of Shari’ah view. Moreover, the gold as the complementary currency has intrinsic value compared to paper money. The various transactions involving paper money may contain the element of gharar (uncertainty), riba (usury) and maysir (gambling or speculation).” Moreover, C1 and C2 stated: “If gold money system has been applied in the country, it will encourage people to get out of the trap of usury and gharar in the transaction.”

(4) Benefits for Social Welfare

Concerning social welfare, NGO’s leader agreed that gold currency contributes to improving the welfare of society. C1 explained:

“It (gold money) would evoke a sense of brotherhood among Muslims as an example. To date, the people of Aceh still help each other in the case of loans in the measurement of mayam (gold coins), as well as mutual assistance, is based on gold. If the gold coin is used officially by the government, I am sure it will strengthen the sense of family in Aceh.”

Such a statement is also delivered by C2 added:

“If the system is successfully applied in a community, hence it will cause the effect of cooperation and brotherhood among them, all grounded on aqidah (faith) and akhlaq (morality).”

(5) Benefits for Politics

In regards to political issues, POL1 as the head of Aceh parliaments said:

“I was very supportive of the idea of returning to the gold system because I believed that the system was able to evoke the spirit of independence and the triumph of politics over Aceh on the reason that the people of Aceh use mayam (gold coins) as a medium of the transaction since the golden era of Aceh (Iskandar Muda) until 1964. If only gold is returned as money, I believe that a very rich source nature of Aceh will prosper. Furthermore, the union will be stronger, and it creates a stronger feeling of confidence as the people of Aceh.” He added: in Aceh will get a big challenge from the aspect of legal tender or law, because the use of the money is the right of state authority, while Aceh is not a state, it is part of Indonesia where it is to be submissive and obedient to the law of the central government.”

(6) Government and Political Support

Related this issue SA3, SA2, C1, C2 and POL1 postulated:

“The big obstacles are Acts, infrastructure and lack of government and political support. Therefore, a sharp strategy is required to overcome it. One probably way is to start over with specific communities. Furthermore, the market presence in the community is essential. The role of community leaders such as *Dayah, Gampong and Tuhapeuet* is urgent.”

From the above discussion, it is clear that there is a good possibility of gold as currency to be implemented in Aceh for the following reasons:

- a. Aceh has great potential for the implementation of complementary gold currency. The gold is abundant and is owned by every woman in Aceh. However, its existence is still idle. In addition, a gold mine was recently discovered in Western Aceh with a capacity of 5 tons per year (Aceh Mining Department, 2018).
- b. Currently, gold is still used in the Muamalat(transactions) and Jinayah (a capital offence) in Aceh, even though this use is limited.
- c. Dealing with the absence of acts and regulation from the central government, the most appropriate and probable approach to implementing this currency is in the form of cooperatives and specific communities (Dayah, TuhaPeut/ Gampong).
- d. Most scholars and Activists in Aceh agreed on the benefits of using gold as money as It can benefit the ummah in terms of realizing Islamic values. Besides, It can facilitate the implementation of Islamic law perfectly, and encourage the legitimacy of business in Islam due to its ability to avoid the usury, gharar, and gambling. Finally, gold as money enables attaining the maqasid shari'ah.
- e. The most serious challenges to the implementation of the gold currency such as Acts, the central bank, legal tender law, government, and political support where the global system is fiat money system and not in line with the gold model

d. The Design Model of Complementary Currency Based on Idle Physical Gold

Model complementary currency in Aceh has two main objectives; first, to introduce gold coin as a complementary currency in Aceh. This objective will be realized by replacing “Mayam” with a gold coin which is more standardized in weight and its quality. Second, a gold coin will be used as complementary currency in a specific community, that the gold coin owner will certify their gold coin to be used as currency. In this step, gold coin owners will use a certificate backed by gold as a medium of exchange.

The Fig. 2 below shows the model of the introduction of standardized gold coin in society. In this model, the leading players involve *Al-wasliyah and Muhammadiyah*, as well the Government. These organizations will make a policy to replace a *Mayam* with gold coin. There are three main steps; *first*, the people can order a gold coin to the dealer that provided by the providers

in its every branch (Province, Regencies, Sub-districts, or Villages). *Secondly*, in the agreed day, people can redeem new gold coin by paying some additional fee as minting cost, and they deliver ‘Mayam’ or gold. *Thirdly*, a gold coin will be circulated in the society. Thus it will increase the understanding of Aceh people to the gold coin as a replacement of *Mayam*. The providers of the gold coin can cooperate with *PT Aneka Tambang (PT ANTAM)* which is the official gold mint of Indonesia.

Fig. 3: Replacement Process “Mayam by Standardized Gold Coin”

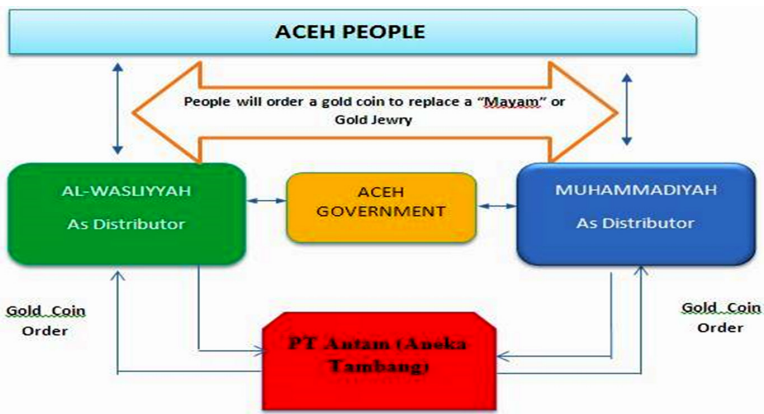


Table 5. Government, *Muhammadiyah* & *Al-Washliyyah* as Gold Coin Provider

Level	Organizations		
	Government	Muhammadiyah	Al-Washliyyah
Province	Cooperative Province Head Office (Kepala Dinas Koperasi Provinsi)	Province Council (Pengurus Wilayah)	Province council (Pengurus Wilayah)
Regency	Cooperative Regency Head Office (Kepala Dinas Koperasi Kabupaten)	Regency council (Pengurus Daerah)	Regency council (Pengurus Daerah)
Sub-district	Village Cooperative (Koperasi Unit Desa Baitul Maal wa Tanwil)	Sub-District council (Pengurus Cabang)	Sub-District council (Pengurus Cabang)
Village	Primer Cooperative (Koperasi Primer Baitul Maal wa Tanwil)	Village council (Pengurus Ranting)	Village council (Pengurus Ranting)

Table 5 shows that government, *Muhammadiyah* and *Al-Washliyyah* as gold coin provider. They operate as a distributor of gold coin reach the village. Besides that, they maintain the circulation of gold coin in the society.

In the next stage, the use of complementary currency would be directed to the use of gold coin as the complementary currency in Aceh (as depicted in

Fig. 3). Based on interesting facts of Aceh which indicated that many people of Aceh have a gold coin, while on the other hand there are still many poor people. So at this stage, a gold coin will be used as a tool to boost economic growth, increase money velocity and reduce the poverty.

This model is expected to be able to revive the rural economy, particularly in the agricultural and handicrafts sectors, diminish unemployment and increase the value of the local and provincial economy in gold terms. This model leverages on rural communitarian and traditional institutions (*Lembaga Adat*) such as “*Gampong, Mukim and Tuhapeut*” which is rooted in the ethos of mutual assistance at the village level. This model also involves mass organization-based Islamic Scholars (*Ulama*) networks such as *Muhammadiyah and Al-Wasliyah*, because people in Aceh depend on the socio-religious leadership of these community-rooted scholars whom they respect very much. Moreover, unemployed gold is expected to generate people’s economy. For example, it can revive dead lands or increase land productivity.

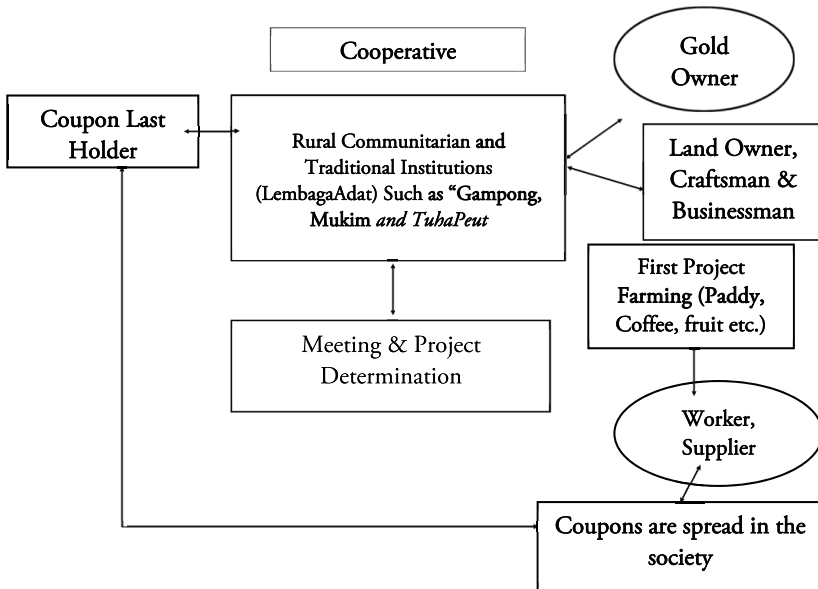
After the first stage which the gold coin has replaced “*mayam*” as a means of exchange and measure of value. At this stage, the gold coin will increase the speed of its circulation. The diagram below describes the model of gold coin as a complementary currency. This model can be described as follows:

1. There is a common agreement in the socio-religious leadership of the community-rooted, *such as scholars and Lembaga adat*, involve: “*Gampong, Mukim and Tuhapeut based on mutual assistance*”
2. Meeting for project determination; to find out the profitable project
3. Gold sharing from the gold owner should deliver to the community
4. Land owner, entrepreneur, and craftsman should be involved in the projects
5. The deposited gold will be replaced by coupon (the initial gold still in the community deposit) based on the community appointment
6. The published coupon as a means of payment and its function as economically driven in community
7. This coupon/certificate will be used to pay for all agricultural activities, including paying the salaries of workers, lease land and others. Will accept this certificat, and they must use this certificate maximum of four months (assume a period of paddy crop or depend on certain crop period).
8. To increase the economic activity, people who get this coupon/certificate must use it to pay another economic activity. If they don’t use it for one

- month, the demurrage charge will be conducted (such as for 10% the reduction of the first value)
- 9. When crop (paddy, coffee, fruit, etc.), it will be shared to the stakeholders based on agreed profit sharing
- 10. The last coupon holder has the right to redeem
- 11. In the end, the gold owner will get their shared gold.

The model can be depicted as follow:

Fig. 4: Model Complementary Currency Based on Physical Gold in Aceh



Based on this model as above, it is hoped that the complementary gold currency can revive the village economic sector, especially in term of employment absorbing and income improvement. According to Kholil (2011), the rural economic sector will circulate when the ticket/coupon holders spend it on society. For example, they buy chicken, and then the farmer of chicken will obtain the benefit. Moreover, they buy some vegetables for making Noodles Chicken mini Café. They have additional income; some of them go to tailor for some cloth, while others go to a barber to cut their hair. Finally, most business in the village will arise. These can be said that ‘unemployed gold in the rich in the beginning

can now be a stimulant for the rural economy. Ultimately it will produce a good outcome that will make Aceh people happy which is in line with what Allah said in the Quran (QS: Al Hasyr, 7) “*So that it may not (merely) make a circuit Between the wealthy among you*” (Fakhruddin, 2011).

Conclusion

Based on the above discussion, the conclusion can be seen as follows:

Aceh has a great potential for the implementation of complementary gold currency for supporting Muamalat (transactions). Most scholars and Activists in Aceh agreed on the benefits of using gold as money for It can benefit the ummah in terms of realizing Islamic values perfectly, and encourage the legitimacy of business in Islam due to its ability to avoid the usury, gharar, and gambling. Finally, gold as money enables attaining the maqasid shari’ah.

People’s awareness of gold in Aceh society is relatively high. Gold is either used as currency or jewellery and recognized as the best commodity for storing value. Moreover, people support for physical gold implementation as a complementary currency is relatively high, especially, among the scholars in Aceh. Besides that, it requires the model that will enhance the Aceh economy through the tapping of unemployed gold in Aceh. This model is highly beneficial to the economy, social welfare, Islamic values and brotherhood.

This model leverages on rural communitarian and traditional institutions (*Lembaga Adat*) such as “*Gampong, Mukim and Tuhapeut*” which is rooted in the ethos of mutual assistance at the village level. This model also involves mass organization-based Islamic scholars (*Ulama*) networks such as *Muhammadiyah and Al-Wasliyah*. The reason is that, people in Aceh respect the socio-religious leadership of these community-rooted scholars whom they respect very much.

Dealing with the absence of acts and regulation from the central government, the most appropriate and probable approach to implementing this currency is in the form of cooperatives and specific communities (Dayah, TuhaPeut/Gampong).

The most serious challenges to the implementation of the gold currency such as Acts, the central bank, legal tender law, government, and political support where the global system is fiat money system and not in line with the gold model. Besides that, the government also can take part in this work, whether as gold coin provider, maintain the system or monitor the daily operational activities. Moreover, untapped gold is expected to generate people’s economy.

This model can be expected to revive dead lands. Eventually, idle wealth (Gold Deposit) are able to revive rural economies and ensure the proper circulation wealth. Therefore, a complementary currency based on gold is a strong point to strengthen Aceh economy.

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