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ABU YUSUF'S THOUGHTS ON MONETARY POLICY: A CRITICAL ANALYSIS OF INFLATION, INTEREST RATES, AND INDONESIA'S FISCAL-MONETARY COHERENCE IN 2025



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Abstract

The phenomenon of global monetary instability in the aftermath of the COVID – 19 pandemic, compounded by the energy and food crises, has driven countries to strengthen the credibility of their monetary policies. Indonesia is no exception, facing inflationary dynamics, exchange rate fluctuations, and the urgent need for fiscal – monetary coordination to sustain economic growth. In this context, the thought of Abu Yusuf, the foremost disciple of Abu Hanifah and the author of *Kitab al – Kharj*, becomes increasingly relevant. Abu Yusuf emphasized three fundamental pillars underpinning monetary stability: the integrity of the standard of value, market supervision, and fiscal justice aligned with monetary objectives. The purpose of this study is to describe the intellectual profile of Abu Yusuf, examine monetary policies during his era, and explore their relevance to contemporary monetary policy, particularly in Indonesia. This research employs a qualitative approach with a descriptive – exploratory design, grounded in library research of classical texts and modern literature, complemented by an analysis of the latest empirical data from Statistics Indonesia (BPS), Bank Indonesia, and international institutions. The findings demonstrate that Abu Yusuf's principles remain embedded in Indonesia's current monetary practice. Price stability within the target range, cautious interest rate easing, and coherent fiscal – monetary coordination in the 2025 state budget (APBN) represent the actualization of his classical message regarding honesty in value, market oversight, and fairness in economic burdens. Thus, Abu Yusuf's thought carries not only historical significance but also provides a normative and ethical framework for future monetary policy strategies.

Abstrak

*Fenomena ketidakstabilan moneter global pasca pandemi COVID-19, ditambah krisis energi dan pangan, mendorong negara-negara untuk memperkuat kredibilitas kebijakan moneter mereka. Indonesia tidak terkecuali, menghadapi dinamika inflasi, fluktuasi nilai tukar, serta kebutuhan koordinasi fiskal-moneter agar pertumbuhan ekonomi tetap berlanjut. Dalam konteks ini, pemikiran Abu Yusuf, murid utama Abu Hanifah dan penulis *Kitab al-Kharj*, menjadi relevan untuk dibaca kembali. Abu Yusuf menekankan tiga pilar utama yang menopang moneter: integritas standar nilai, pengawasan pasar, serta keadilan fiskal yang selaras dengan moneter. Tujuan penelitian ini adalah mendeskripsikan profil pemikiran Abu Yusuf, menelaah kebijakan moneter pada zamannya, serta mengeksplorasi relevansinya dengan kebijakan moneter kontemporer, khususnya di Indonesia. Penelitian menggunakan pendekatan kualitatif dengan desain deskriptif-eksploratif, berbasis studi pustaka terhadap teks klasik dan literatur modern, serta analisis data empiris terbaru dari BPS, Bank Indonesia, dan lembaga internasional. Hasil penelitian menunjukkan bahwa prinsip Abu Yusuf tetap hidup dalam praktik moneter Indonesia saat ini. Stabilitas inflasi di kisaran sasaran, pelonggaran suku bunga yang hati-hati, serta koordinasi fiskal-moneter dalam APBN 2025 merupakan bentuk aktualisasi dari pesan klasik tentang kejuran nilai, pengawasan pasar, dan keadilan beban ekonomi. Dengan demikian, pemikiran Abu Yusuf bukan hanya memiliki nilai historis, tetapi juga memberi kerangka normatif dan etis bagi strategi kebijakan moneter ke depan.*



INTRODUCTION

In the history of Islamic economic thought, the name Abu Monetary is one of the fundamental instruments in maintaining the stability of a country's economy¹. Price changes, exchange rate fluctuations, and the credibility of the central bank are issues that cannot be separated from the monetary discourse. In recent years, the world has faced major turbulence due to the 2022–2023 global inflation crisis triggered by a combination of the COVID–19 pandemic, supply chain disruptions, and geopolitical tensions that have impacted energy and food prices (International Monetary Fund [IMF], 2023)². The Bank for International Settlements' annual report (2024) confirms that this surge in inflation poses serious challenges for central banks around the world. However, the credibility of policy has proven to be an anchor for long–term inflation expectations³. This means that even though actual inflation is rising, economic actors remain confident that central banks are capable of restoring price stability. It is this credibility that keeps the cost of reducing inflation from weighing too heavily on growth⁴.

This global context shows that monetary policy is not just a matter of interest rates or inflation, but also a matter of public trust in the authorities⁵. If monetary authorities lose credibility, public expectations can deviate, making inflation more difficult to control. This principle of trust has long been emphasized in classical Islamic tradition, especially by Abu Yusuf, who emphasized the importance of honesty in measurement standards and the prohibition of currency manipulation⁶.

In the domestic landscape, Indonesia is an interesting example of how monetary policy is used as an instrument of stabilization and growth stimulus. The Central Statistics Agency (BPS) recorded inflation in August 2025 at 2.31% (year–on–year), with calendar year inflation at 1.60%, remaining within the inflation target range of $2.5 \pm 1\%$ ⁷. This price stability is an important achievement given the ongoing global pressures. In line with these conditions, Bank Indonesia (BI) has taken steps to gradually ease monetary policy. In August 2025, the BI Rate was lowered by 25 basis points to 5.00%, then further lowered to 4.75% in September 2025⁸. This step was intended to encourage domestic consumption and investment, while maintaining the stability of the rupiah exchange rate.

Additionally, fiscal–monetary coordination is also evident in the macroeconomic assumptions of the 2025 State Budget, where inflation is set at 2.5%⁹. This coherence between fiscal and monetary policies demonstrates an awareness that price stability cannot

¹ Idris Parakkasi, "INFLATION FROM AN ISLAMIC PERSPECTIVE," *LAA MAISYIR* 3, no. 1 (2016): 41 – 58.

² IMF, "IMF ANNUAL REPORT 2023," 2023, <https://www.imf.org/external/pubs/ft/ar/2023/>.

³ Mashudi Hariyanto, "The Perspective of Inflation in Islamic Economics," *Al-Mizan: Journal of Sharia Economics* 2, no. 2 (2019): 79 – 95.

⁴ Nurul Inayah, "The Theory of Inflation: A Comparative Study of the Thoughts of Al–Maqrizi (766–845 H/ 1364–1442M) and Keynes (1883–1946)," *Mumtaz: Journal of Islamic Economics and Business* 2, no. 1 (2022): 1 – 11, <https://doi.org/10.55537/mumtaz.v2i01.534>.

⁵ Faisal Hidayat et al., *Fiscal and Monetary Policy* (Kita Menulis Foundation, 2025).

⁶ Martina Nofra Tilopa, "Abu Yusuf's Economic Thought in the Book Al–Kharaj," *Al-Intaj: Journal of Islamic Economics and Banking* 3, no. 1 (2017).

⁷ BPS, "Year–on–Year (y–on–y) Inflation in July 2025 was 2.37 Percent." (Jakarta, 2025).

⁸ BI, "BI Rate Down 25 Bps to 5.00%: Maintaining Stability, Driving Economic Growth," 2025, https://www.bi.go.id/publikasi/ruang–media/news–release/Pages/sp_2719425.aspx.

⁹ Ministry of Finance, "Commission XI of the Indonesian House of Representatives and the Government Agree on Macroeconomic Assumptions for the 2026 Draft State Budget" (Jakarta, 2025).

be separated from fiscal health. This view resonates strongly with what Abu Yusuf emphasized: that currency stability can only be achieved if the tax burden is not excessive and the community's production structure is not under pressure¹⁰.

Profile of Abu Yusuf

In the tradition of classical Islamic thought, Abu Yusuf (d. 182 AH/798 AD) occupies a unique position. He is known as the main student of Imam Abu Hanifah and the first figure to hold the position of *qādī al-qudāt* (chief judge) during the reign of Caliph Harun al-Rashid¹¹. This position gave him direct access to government policy, including fiscal and monetary aspects¹². His monumental work, *Kitāb al-Kharāj*, was a treatise written at the request of Harun al-Rashid to serve as a guide in managing state finances¹³. In it, Abu Yusuf discusses in detail land tax (*kharāj*), zakat, distribution of agricultural produce, and market supervision. Although his main focus was fiscal, *Kitāb al-Kharāj* also touched on monetary aspects¹⁴, such as the importance of the integrity of gold and silver coins, the honesty of scales, and the prohibition of manipulative practices that undermine public confidence in the value of money¹⁵. Abu Yusuf can be considered one of the pioneers of proto-monetary thought in Islam. The principles he emphasized—integrity of value standards, fairness in the market, and fiscal-monetary interdependence—form a relevant basis for examining current monetary policy.

Many researchers have conducted studies on Abu Yusuf with different focuses. Islahi (2005/2019) highlights Abu Yusuf's contribution in developing an Islamic fiscal framework, particularly in linking fiqh with public policy. Akbar (2022) emphasizes that Abu Yusuf stressed the importance of the relationship between fiscal and monetary policy, with fair taxation as the foundation of stability. Rosana (2023) emphasizes the ethical aspect of distributive justice in Abu Yusuf's thinking, especially in the context of protecting society from oppressive practices in the market¹⁶. Another study by Abdullah (2020) shows that the gold–silver standard (dinar–dirham) in classical thinking can be understood as an early form of monetary stabilization mechanism¹⁷. This study confirms that the integrity of precious metals plays a role in maintaining the intrinsic value of money, similar to the credibility function of modern central banks¹⁸.

¹⁰ Qurratul Aini and Zainal Abidin, "Comparative Analysis of Islamic Economic Thought Between Abu Yusuf, Ibn Taymiyyah, and Ibn Khaldun," *Islamadina: Journal of Islamic Thought* 23, no. 2 (2022): 185–205.

¹¹ Muhammad Riza, "Maqashid Syariah in the Application of Kharaj Tax during the Time of Umar Bin Khattab Ra," *Journal of Islamic Economics and Business* 2, no. 2 (2017): 1–14, <https://doi.org/10.32505/jebis.v2i2.181>.

¹² Reni Mulyani, "Inflation and How to Overcome It in Islam," *Lisyabab: Journal of Islamic and Social Studies* 1, no. 2 (2020): 267–

¹³ Aziz Akbar, Ahmad Misbah, and Yusuf Arisandi, "Economic and Fiscal Systems During the Khulafau Rasyidin Period," *DIES: Dalwa Islamic Economic Studies* 1, no. 1 (2022): 29–42, <https://doi.org/10.38073/dies.v1i1.598>.

¹⁴ Based on Islamic Principles, "Monetary Policy Based on Islamic Principles," n.d.

¹⁵ Tilopa, "Abu Yusuf's Economic Thought in the Book of Al-Kharaj."

¹⁶ Mayang Rosana, "ABU YUSUF'S THOUGHTS ON ISLAMIC ECONOMICS," *Archipelago Journal of Southeast Asia Islamic Studies* 1, no. 2 (2023): 74–84.

¹⁷ Ali Abdallah Alalwan et al., "Examining the Impact of Mobile Interactivity on Customer Engagement in the Context of Mobile Shopping," *Journal of Enterprise Information Management* 33, no. 3 (2020): 627–53.

¹⁸ Celfin Gun Pernanda et al., "Comparative Analysis of Fiscal Policy During the Time of the Prophet Muhammad and Fiscal Policy in Indonesia," *UANG: Journal of Fiscal and Monetary Studies* 1, no. 1 (2025): 55–73.

However, previous research tends to focus on historical reconstruction and normative studies, without explicitly linking them to contemporary empirical data. For example, there are still few studies that compare Abu Yusuf's principles with data on inflation, interest rates, and fiscal – monetary coordination in Indonesia. In other words, the existing literature mostly describes Abu Yusuf's thinking theoretically, rather than testing it in the context of modern monetary policy.

This study uses a qualitative approach with a descriptive – exploratory design¹⁹ , as its main focus is to understand Abu Yusuf's thoughts in *Kitāb al-Kharāj* and explore its relevance to contemporary monetary policy. Primary data was obtained from classical texts, particularly the works of Abu Yusuf, which were studied alongside the literature of other scholars such as al – Ghazali and al – Maqrizi, while secondary data was obtained from official reports and recent academic sources, including Statistics Indonesia (BPS) and Bank Indonesia. Data collection techniques were carried out through literature studies with the stages of identification, selection, and thematic coding, while analysis was conducted using content analysis with a focus on three themes: integrity of value standards, market supervision, and fiscal – monetary coherence²⁰ .

Indonesian Monetary Policy in the Perspective of Abu Yusuf

Indonesia's monetary policy in 2024 – 2025 can be viewed as one of the contemporary practices that is interesting to read through the lens of Abu Yusuf's thinking. As a country with a modern monetary system managed by an independent central bank, Indonesia faces global challenges in the form of rising energy prices, food volatility, and financial market uncertainty²¹ . However, in general, Indonesia's monetary achievements are relatively stable, with controlled inflation and adaptive interest rate policies. When viewed from Abu Yusuf's perspective, these measures are in line with the classical principles he formulated more than a thousand years ago.

Abu Yusuf emphasized the importance of monetary integrity. For him, the value of the dinar and dirham should not be manipulated, as this would undermine public confidence and lead to unnatural inflation²² . In modern terms, this principle is equivalent to the credibility of the central bank in keeping inflation on target.

In Indonesia, this is evident in the 2025 inflation rate. The Central Statistics Agency recorded that inflation in August 2025 was at 2.31% year – on – year, while calendar year inflation was 1.60%²³ . This figure is within the inflation target range of $2.5 \pm 1\%$ set by Bank Indonesia (BI). This stability shows that the public trusts BI's ability to maintain the value of the rupiah, so that inflation expectations remain anchored²⁴ .

¹⁹ Ni Putu Sinta Dewi et al., "Research Methodology Basics" (PT MAFY MEDIA LITERASI INDONESIA, 2023).

²⁰ Hesi Eka Putri, *Determining the Population and Sample for Puteri 2020*, 2020, <https://doi.org/10.13140/RG.2.2.28776.01285>.

²¹ Setkab, "The Dynamics of Indonesia's Economic Growth in 2023 and Projected Challenges for 2024 Read More: [Https://Setkab.Go.Id/Dinamika – Pertumbuhan – ekonomi – indonesia – 2023 – dan – proyeksi – tantangan – 2024/](https://Setkab.Go.Id/Dinamika – Pertumbuhan – Ekonomi – Indonesia – 2023 – Dan – Proyeksi – Tantangan – 2024/)," 2024, <https://setkab.go.id/dinamika – pertumbuhan – ekonomi – indonesia – 2023 – dan – proyeksi – tantangan – 2024/>.

²² Rahime Ныяла Цзтьрк, "The Radiant Side of The Dark Ages: Abu Yusuf's Economic Thought," *Selzuk University Akşehir Vocational School Journal of Social Sciences*, no. 13 (2022): 35 – 44.

²³ BPS, "Indonesian Economy in Quarter I – 2025 Grows 4.87 Percent (Y – on – Y). Indonesian Economy in Quarter I – 2025 Contracts 0.98 Percent (Q – to – Q)," 2025.

²⁴ Fifi Afiyanti Tripuspitorini, "Analysis of the Effect of Inflation, Rupiah Exchange Rate, and BIRate on the Indonesian Sharia Stock Indeax Price," *Jurnal MAPS (Sharia Banking Management)* 4, no. 2 (2021): 112 – 21, <https://doi.org/DOI: 10.32627>.

If Abu Yusuf emphasized that "*gold and silver coins are a trust*," then in a modern context it can be said that the consumer price index is a trust. BI's credibility in keeping inflation on target is a contemporary implementation of Abu Yusuf's classic principle of honesty in value standards. Thus, Indonesia's monetary policy in 2025 is in line with Abu Yusuf's spirit of upholding justice through value stability.

Market Oversight: Preventing Price Injustice

Abu Yusuf's second principle is market supervision. In *Kitāb al-Kharāj*, he rejects the setting of absolute prices by the state, but emphasizes the importance of supervision to prevent fraudulent practices, hoarding (*ihtikar*), and monopolies²⁵. For him, price stability is not only a matter for the market, but also a matter of morality and justice.

The Indonesian context shows that most inflation stems from volatile food, namely foodstuffs that are highly sensitive to weather, distribution, and speculation²⁶. Data from BPS (2025b) shows that commodities such as rice, chili, and shallots are often the main contributors to monthly inflation fluctuations. To overcome this, the government and BI coordinate with the National Food Agency, Perum Bulog, and the Ministry of Trade, for example through market operations and rice distribution control.

In Abu Yusuf's perspective, such measures are a concrete manifestation of market supervision to prevent injustice. Intervention is carried out not to artificially control prices, but to ensure that market mechanisms operate fairly. Thus, Indonesia's food control policies can be seen as a continuation of the Islamic principle of *hisbah*, which is to maintain market integrity so that the public is not harmed.

Fiscal-Monetary Coherence: A Fair Balance

The third pillar of Abu Yusuf's thinking is fiscal and monetary coherence. He emphasized that taxes must be fair, because excessive burdens will reduce production and ultimately disrupt price stability²⁷. In modern terms, this principle emphasizes the importance of coordination between fiscal and monetary policies in order to achieve economic stability. In the Indonesian context, this coordination is clearly seen in the determination of the 2025 state budget macro assumptions. The government and the House of Representatives have set the 2025 inflation projection at 2.5%, in line with Bank Indonesia's target²⁸. This alignment shows that fiscal policy does not operate independently, but rather supports monetary policy.

In addition, fiscal discipline provides room for BI to ease interest rates. In August 2025, BI lowered the BI Rate to 5.00%, and then in September 2025 lowered it again to 4.75% (Bank Indonesia, 2025a, 2025b). This easing was intended to encourage domestic consumption and investment, in line with controlled inflation projections. If fiscal policy is not disciplined, this kind of monetary easing has the potential to lose credibility. However, because fiscal policy is consistent, the public continues to trust BI's policies. Thus, Indonesia's fiscal – monetary coordination in 2025 can be seen as a contemporary

²⁵ Rosana, "ABU YUSUF'S THOUGHTS ON ISLAMIC ECONOMICS."

²⁶ Nugroho Joko Prastowo, Tri Yanuarti, and Yoni Depari, "*The Effect of Distribution on Commodity Pricing and Its Implications for Inflation*." *Working Paper, WP/07/2008*. Jakarta: Bank Indonesia, 2008.

²⁷ Abdul Azim Islahi, *Economic Concepts of Ibn Taimiyah*, vol. 12 (Kube Publishing Ltd, 2015).

²⁸ Ministry of Finance, "Commission XI of the Indonesian House of Representatives and the Government Agree on Macroeconomic Assumptions for the 2026 Draft State Budget."

implementation of Abu Yusuf's principle. Controlled taxes and government spending create a healthy production space, while monetary policy maintains value stability.

Reading BI Policy Through Abu Yusuf

If all of Indonesia's monetary policies in 2025 are read through the perspective of Abu Yusuf, a strong parallel line emerges: Controlled inflation reflects the integrity of value standards, control of food and distribution reflects market supervision () to prevent injustice, and coordination of the state budget and BI rate reflects fair fiscal–monetary coherence. In Abu Yusuf's view, monetary policy is not merely a technical instrument, but a mandate of justice. Indonesia in 2025 shows how this mandate can be carried out: maintaining price stability, protecting the public from food price volatility, and balancing fiscal burdens with monetary needs.

Future Monetary Policy Strategy from Abu Yusuf's Perspective

Discussing future monetary policy from Abu Yusuf's perspective means putting the economy back on the moral and social track that is at the heart of classical Islamic thought. Abu Yusuf, through *Kitāb al-Kharāj*, emphasizes that money is not merely a medium of exchange or a measure of value, but a public trust. The value of money, according to him, must be maintained with integrity, just as honesty must be maintained in measurements and weights. If monetary standards are manipulated—whether through reducing the precious metal content of coins or fraudulent practices in the market—then not only is economic stability damaged, but also a sense of social justice. In other words, a healthy monetary foundation is trust, and that trust is born from the state's honesty in managing value standards²⁹.

If this idea is brought into the modern era, it finds its counterpart in the concept of central bank credibility. A report by the Bank for International Settlements (2024) confirms that the cost of maintaining inflation stability will be much lower when the public trusts the monetary authority³⁰. Stable inflation expectations are proof that credibility is the new "gold" of modern monetary policy. This is where Abu Yusuf's idea feels relevant: the honesty of value standards that were once embodied in gold and silver are now translated into the central bank's commitment to keeping inflation under control in line with its targets³¹.

In the short term, future monetary policy needs to be more sensitive to market dynamics, especially in the food and energy sectors, which are often sources of volatility. Abu Yusuf never rejected market mechanisms, but he emphasized that the state must supervise them to prevent hoarding, speculation, or monopolies that oppress the common people³². In the Indonesian context, this means that the stability of prices for rice, chili peppers, shallots, and other food commodities cannot be left solely to the mechanisms of supply and demand. The state, through coordination between Bank Indonesia, the National Food Agency, and the Ministry of Trade, needs to intervene selectively to keep the market honest. The intervention in question is not rigid price control, but rather distribution oversight and law enforcement against unfair practices. This kind of strategy is in line with the principle of *hisbah* in Islam, where the state acts as the guardian of market justice.

²⁹ Hariyanto, "The Perspective of Inflation in Islamic Economics."

³⁰ BIS, "Macro–Financial Policy Analysis in Bank–Dependent Economies: An Operational Manual," 2024.

³¹ Mulyani, "Inflation and How to Overcome It in Islam."

³² Rosana, "ABU YUSUF'S THOUGHTS ON ISLAMIC ECONOMICS."

Meanwhile, in the medium term, future monetary strategies must strengthen fiscal and monetary coordination. Abu Yusuf rejected excessive taxation because it could stifle production and reduce the supply of goods. For him, a fair fiscal burden would encourage productivity, expand the state's revenue base, and maintain price stability (Islahi, 2019). This principle is highly relevant to the modern need to avoid the phenomenon of *fiscal dominance*. If fiscal policy is too expansive, leading to large deficits, the central bank will lose the space to implement monetary policy independently. Conversely, consistent fiscal discipline provides full support for monetary policy.

Indonesia has demonstrated good practice in this regard. The macro assumptions of the 2025 State Budget set an inflation projection of 2.5%, a figure consistent with Bank Indonesia's target (Ministry of Finance of the Republic of Indonesia, 2024). This coordination shows that fiscal and monetary policies complement each other rather than negate each other. In Abu Yusuf's view, this kind of harmony is a form of justice: the state does not burden the people with levies that damage production, while monetary policy ensures that people's purchasing power is not eroded by inflation.

In the long term, future monetary policy strategies must be directed towards building a sustainable and inclusive system. Abu Yusuf emphasized that currency stability is part of the public interest, which means it must touch the interests of all levels of society, especially the most vulnerable. Therefore, monetary policy in the future must not only maintain price stability, but also ensure distributive justice. This can be achieved through broader financial literacy, so that the public understands the importance of inflation stability and does not easily fall prey to short-term speculation.

In addition, long-term strategies require strengthening financial inclusiveness, including Islamic financial systems that emphasize transparency and fairness. Financial inclusion is not only about access to banking services, but also about how the poor do not become victims of inflation or monetary policies that favor the interests of the elite. The stability of the rupiah exchange rate is also part of the long-term strategy, because in a globalized world, the exchange rate functions as a "new benchmark" for international trade.

The implications of this strategy for Indonesia are very clear: monetary policy should not be viewed as merely technical, but must have moral and social dimensions. Food price stability, for example, is not just a number in statistics, but a reflection of the protection of the people's basic right to a decent life. The reduction in interest rates, which in 2025 will be carried out gradually by BI until it reaches 4.75% (BI, 2025a, 2025b), is not only a policy signal but also a form of support for consumption and investment by the people.

More broadly, for the Islamic world, Abu Yusuf's monetary policy strategy offers a normative framework for developing a contemporary Islamic monetary paradigm. If Abu Yusuf emphasizes the honesty of value standards, then central banks in Islamic countries need to assert their credibility as sharia trustees. If he rejects oppressive taxes, then fiscal policy must be directed towards supporting production and equity. Thus, Abu Yusuf's thinking can be the basis for integrating sharia principles into modern monetary practices.

Therefore, future monetary policy strategies from Abu Yusuf's perspective can be summarized as a moral journey towards fair and sustainable monetary policy. In the short term, market supervision must be strengthened to prevent price volatility that harms the common people. In the medium term, fiscal and monetary coordination must be strengthened to maintain productivity and credibility. In the long term, the monetary system must be directed towards distributive justice and inclusion, ensuring that stability is not just a number, but also a reality felt by the community.

Abu Yusuf's legacy teaches us that monetary policy is not merely a matter of macroeconomic technicalities, but also a matter of ethics, trust, and public interest. By re-

reading it in a modern context, we can see that controlling inflation, setting interest rates, and managing fiscal policy are not only economic strategies, but also a moral responsibility towards social justice.

The validity of the results is maintained through source triangulation, which links findings from classical literature with modern academic literature and the latest empirical data. Thus, the principle of prohibiting *debasement* in classical times, for example, is verified with inflation data and interest rate policies in Indonesia in 2025. The scope of the research is limited to Abu Yusuf's thinking so as not to expand to the entire spectrum of classical Islamic economics. The choice of this methodology is relevant because it allows the research to present a conceptual – empirical dialogue: Abu Yusuf's normative legacy is combined with modern monetary realities, resulting in a strategic framework that is not only historical but also practical for future policy formulation³³.

CONCLUSION

Abu Yusuf's view of economic stability is not merely about controlling inflation, but about maintaining justice through three main pillars: integrity of value standards, market supervision, and fiscal – monetary coherence. Abu Yusuf emphasized that money is a trust whose value must be honest, markets must be supervised so that there is no injustice, and taxes must not suppress productivity. This principle finds relevance in Indonesia's monetary policy practices in 2025, where inflation is controlled at around 2.31%, the benchmark interest rate is gradually lowered by Bank Indonesia, and the 2025 state budget macro assumption is set at 2.5%. These conditions reflect the harmony between monetary credibility, food market supervision, and fiscal discipline, as emphasized by Abu Yusuf more than a thousand years ago. Abu Yusuf's thinking does not stop at historical reconstruction, but lives on in modern policy. Looking ahead, monetary strategy, when viewed through Abu Yusuf's framework, must move forward on three horizons: the short term by strengthening market oversight, the medium term by reinforcing fiscal – monetary coordination, and the long term by building an inclusive monetary system based on justice (Islahi, 2019; BIS, 2024). By re-examining Abu Yusuf's message that monetary stability is a moral obligation, Indonesia and the Islamic world can develop policies that not only maintain price stability but also ensure that this stability is truly felt by the entire community.

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³³ John W Creswell and J David Creswell, *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (Sage publications, 2017).

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