



AL-MAQRIZI'S THEORY OF INFLATION: AN EXAMINATION OF IGHATSAH AL-UMMAH AND ITS RELEVANCE TO CONTEMPORARY INDONESIAN ECONOMIC PHENOMENA

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ABSTRACT

Inflation has long been treated as a phenomenon of modern industrial capitalism, yet classical Muslim scholars had already developed sophisticated analyses of price instability several centuries earlier. This study examines the theory of inflation developed by Taqiyuddin Ahmad bin Ali al-Maqrizi (1364 to 1442 CE) in his treatise Ighatsah al-Ummah bi Kasyf al-Ghummah, and explores its relevance to the inflationary dynamics of post-pandemic Indonesia between 2020 and 2024. Employing a qualitative library research design with content analysis and comparative interpretation, the study draws on the Arabic edition of the treatise, the critical translation of Allouche, and a wide range of secondary literature including Bank Indonesia reports and contemporary Islamic economics journals. The findings reveal that al-Maqrizi classified the causes of inflation into natural inflation and inflation arising from human error, with the latter encompassing administrative corruption, excessive taxation, and the over-issuance of fulus or non-precious currency. His prescription of returning to a stable monetary standard based on dinar and dirham, combined with the moral reform of the ruling class, anticipated the quantity theory of money by several centuries. When read against contemporary Indonesia, his framework displays striking explanatory power in interpreting Bank Indonesia's unconventional liquidity expansion during the pandemic, persistent corruption within public institutions, and the volatility of food prices that burden lower-income households. The study concludes that al-Maqrizi's thought should not be treated merely as historical heritage but as a living intellectual resource for understanding present-day macroeconomic challenges in Indonesia.

Keywords: Al-Maqrizi, Inflation, Ighatsah al-Ummah, Indonesian Economy, Islamic Monetary Thought

1. INTRODUCTION

Inflation remains one of the most enduring economic problems in human history, and although modern economics tends to treat it as a phenomenon born of industrial capitalism, classical Muslim scholars had already developed sophisticated analyses of price instability several centuries earlier. One of the most striking voices in this tradition is Taqiyuddin Ahmad bin Ali al-Maqrizi (1364 to 1442 CE), an Egyptian historian and muhtasib under the Mamluk Sultanate, whose treatise *Ighatsah al-Ummah bi Kasyf al-Ghummah* offered a systematic explanation of the inflation that ravaged Egypt during the famine and monetary crisis of 1403 to 1406 CE (Allouche, 1994). His framework, which distinguishes between natural inflation and inflation induced by human error such as administrative corruption, excessive taxation, and the uncontrolled issuance of fulus or non-precious currency, has been recognised by contemporary scholars as a precursor to the quantity theory of money that would only fully emerge in Western economic thought four to five centuries later (Islahi, 2005; Zainal, 2020).

Despite the originality of his thought, al-Maqrizi remains underexplored in Indonesian academic literature on Islamic economics, as scholarly attention has been directed more towards Ibn Khaldun, al-Ghazali, and Ibn Taymiyya, while al-Maqrizi is often mentioned only in passing within general surveys of Islamic economic history (Arifin et al., 2024; Fauzi et al., 2019; Qoyum et al., 2021). This omission is significant because his analysis speaks directly to contemporary Indonesian economic issues. Between 2020 and 2024, Indonesia experienced a complex post-pandemic monetary cycle in which Bank Indonesia engaged in unconventional liquidity expansion through burden sharing schemes with the Ministry of Finance, followed by aggressive tightening as inflation rose to 5.51 per cent in 2022 (Imam Khairi & Haryanti, 2024; Indonesia, n.d.). The causes of inflation identified by al-Maqrizi bear close structural resemblance to several phenomena observed in Indonesia today, including persistent corruption, debates over quantitative easing and central bank financing of government debt during the pandemic (Wibisono, 2025), and the high volatility of food prices that disproportionately affects lower-income households. Reading these contemporary phenomena through the lens of a fifteenth-century Mamluk scholar offers not only historical perspective, but also an Islamic epistemic alternative to mainstream monetary analysis.

A number of studies have begun to revisit al-Maqrizi's thought, with (Rizqon et al., 2025) providing a foundational reading of *Ighatsah al-Ummah* in relation to Indonesia's inflationary phenomena, (Cahyo et al., 2024) comparing his monetary thought with classical Western theories, and (Zainal, 2020) locating his contribution within the historical development of monetary economics. However, very few studies have specifically connected al-Maqrizi's framework to the unique features of Indonesia's post-pandemic inflation cycle, particularly the unconventional monetary policy adopted by Bank Indonesia during 2020 to 2022. Against this background, the present article seeks to address two principal questions. First, what is al-Maqrizi's theoretical framework of inflation as developed in *Ighatsah al-Ummah bi Kasyf al-Ghummah*, including the conditions, causes, and proposed remedies? Second, to what extent is this framework relevant in interpreting the dynamics of inflation in post-pandemic Indonesia between 2020 and 2024, especially in relation to Bank Indonesia's monetary policy stance? Through a qualitative library-based approach with content analysis and comparative

interpretation, this study aims to contribute to the revival of classical Islamic economic thought as a living intellectual resource for understanding present-day economic challenges.

2. RESEARCH METHOD

This article employs a qualitative approach with a library research design, drawing on documentary and textual sources rather than fieldwork. The choice of this approach is grounded in the nature of the research questions, which seek to interpret a classical text and trace its conceptual relevance to a contemporary economic context (Zed, 2008). The primary source of this study is the work of Taqiyuddin Ahmad bin Ali al-Maqrizi, *Ighatsah al-Ummah bi Kasyf al-Ghummah*, accessed through the critical translation and study of (Allouche, 1994) as well as the Arabic edition published in Cairo (Maqrizī et al., 1940). Secondary sources include academic monographs, peer-reviewed journal articles, and institutional reports concerning the history of Islamic economic thought and the dynamics of inflation in Indonesia between 2020 and 2024, drawn from Bank Indonesia, the Central Statistics Agency (BPS), and reputable Islamic economics journals.

The collected data were analysed using content analysis combined with comparative interpretation. Content analysis was applied to identify and classify al-Maqrizi's main arguments concerning the causes, mechanisms, and remedies of inflation, while comparative interpretation was used to map the conceptual correspondence between al-Maqrizi's framework and the post-pandemic monetary phenomena in Indonesia, particularly Bank Indonesia's policy responses (Krippendorff, 2019). To ensure the validity of the analysis, the study applied source triangulation by cross-checking al-Maqrizi's arguments against the readings of multiple modern interpreters such as (Arifin et al., 2024; Fauzi et al., 2019; Islahi, 2005; Qoyum et al., 2021; Zainal, 2020), thereby reducing the risk of selective interpretation and strengthening the credibility of the findings.

3. RESULT AND ANALYSIS

Al-Maqrizi and the Treatise *Ighatsah al-Ummah bi Kasyf al-Ghummah*

Taqi al-Din Ahmad bin Ali bin Abd al-Qadir al-Maqrizi (1364 to 1442 CE) was an Egyptian historian, jurist, and polymath of the Mamluk era, widely regarded as the most influential historian of pre-modern Egypt (Dizikes, 2023). Born in Cairo into a scholarly family of Syrian descent, he received traditional training in hadith, Islamic law, and theology, and later studied under Ibn Khaldun for approximately three decades from around 1382 CE (Broadbridge, 2003; Rabbat, 2012). The Khaldunian theory of the cyclical rise and decline of civilisations, the symbiotic link between just rule and social order, and the centrality of socio-economic factors in dynastic decay formed the analytical backbone of al-Maqrizi's later economic and historical writings (Broadbridge, 2003). Throughout his career al-Maqrizi served as muhtasib or market inspector, a position that granted him direct access to the workings of trade, prices, and currency, and from which he later wrote with empirical authority on the economic crises of his time (Allouche, 1994).

Ighatsah al-Ummah bi Kasyf al-Ghummah, which can be translated as Helping the Ummah by Uncovering the Cause of the Crisis, was composed in response to the devastating famine and monetary crisis that struck Egypt between 805 and 808 AH (1403 to 1406 CE), a period marked by failed harvests, the outbreak of plague, and severe currency debasement under the Burji Mamluk regime (Anggraini et al., 2023; Awaluddin, 2017; Fadilla, 2016). Unlike most chroniclers of his time who attributed the crisis to natural calamity alone, al-Maqrizi offered a structural diagnosis that traced the deeper roots of inflation to the political and monetary mismanagement of the ruling elite. The treatise is therefore not merely a historical record but also a work of moral and economic critique, distinguishing it as one of the earliest systematic studies of inflation in the history of economic thought (Islahi, 2005).

The Historical Context of Economic Crisis in Mamluk Egypt

The economic crisis that prompted al-Maqrizi to write Ighatsah al-Ummah did not arise in isolation but reflected long-running fragilities in the Mamluk fiscal and monetary system. Under the Burji Mamluk regime, administrative corruption became deeply entrenched, with public offices increasingly traded as commodities and tax-farming used to extract revenue from peasants and merchants beyond reasonable limits (Allouche, 1994; Arifin et al., 2024; Fauzi et al., 2019; Qoyum et al., 2021). At the same time, the state expanded the circulation of fulus, a copper-based subsidiary currency, far beyond what the volume of trade required, while the supply of dinars and dirhams contracted. The result was a sharp deterioration in the purchasing power of money and a corresponding rise in the prices of essential commodities, particularly grain (Rizqon et al., 2025).

This monetary disorder coincided with severe natural shocks. The Nile failed to provide its usual flood in several consecutive years, agricultural output collapsed, and plague further reduced the labour force (Arifin et al., 2024; Fauzi et al., 2019; Qoyum et al., 2021). For al-Maqrizi, however, these natural disasters were aggravating factors rather than primary causes. His central argument was that the depth and persistence of the crisis could only be explained by the prior failure of governance, in particular the deviation of the Mamluk rulers from the moral and religious obligations of just leadership. This reading clearly bore the influence of Ibn Khaldun, who had taught that injustice (zulm) by the ruling class corrodes the foundations of civilisation and ultimately produces material ruin (Broadbridge, 2003). In this regard, the Qur'an offers a powerful warning that resonates with al-Maqrizi's diagnosis:

ظَهَرَ الْفَسَادُ فِي الْبَرِّ وَالْبَحْرِ بِمَا كَسَبَتْ أَيْدِي النَّاسِ لِيُذِيقَهُمْ بَعْضَ الَّذِي عَمِلُوا لَعَلَّهُمْ يَرْجِعُونَ

"Corruption has appeared on the land and in the sea because of what people's hands have earned, so that He may let them taste some of what they have done, that perhaps they may return [to righteousness]." (QS. Ar-Rum [30]: 41)

This verse captures the moral logic that underlies al-Maqrizi's economic analysis, namely that visible economic disorder is the surface manifestation of deeper moral and administrative failure.

Al-Maqrizi's Theory of the Causes of Inflation

The core contribution of Ighatsah al-Ummah lies in al-Maqrizi's classification of the causes of inflation into two principal categories, namely natural inflation (al-ghala' al-tabi'i) and inflation caused by human error (al-ghala' al-bashari) (Arifin et al., 2024; Fauzi

et al., 2019; Maqrīzī et al., 1940; Qoyum et al., 2021). Natural inflation arises from causes beyond human control, such as crop failure, drought, flood, and pestilence, which reduce the supply of goods and consequently raise prices. This category is descriptive rather than blameworthy, since it reflects conditions that no human policy can fully prevent (Rizqon et al., 2025).

The more analytically significant category, however, is inflation caused by human error, which al-Maqrizi subdivides into three interrelated factors. First, corruption and administrative mismanagement (*al-fasad al-idari*), particularly the buying and selling of public office, which distorts incentives and produces extractive governance (Allouche, 1994). Second, excessive taxation (*al-dara'ib al-zaida*) imposed on peasants and traders, which raises production costs and is ultimately passed on to consumers in the form of higher prices. Third, and most distinctive, the over-issuance of *fulus* or non-precious currency beyond the real needs of the economy, which al-Maqrizi argued was the most damaging cause of the prolonged inflation under the Burji Mamluk regime (Arifin et al., 2024; Cahyo et al., 2024; Fauzi et al., 2019; Qoyum et al., 2021). For al-Maqrizi, money should be confined to gold (*dinar*) and silver (*dirham*), since only intrinsically valuable metals can preserve the stability of prices and protect the public from the arbitrary expansion of the money supply by the state (Islahi, 2005). This argument is widely recognised by modern scholars as an early formulation of what would later become known as the quantity theory of money in classical Western economics (Akbar & Faizin, 2019; Arifin et al., 2024; Fauzi et al., 2019; Qoyum et al., 2021).

The remedies al-Maqrizi proposed flowed directly from this diagnosis. He called for the eradication of corruption in public office, the reduction of unjust taxation, and the restoration of a stable monetary standard based on *dinar* and *dirham*, alongside the moral reformation of the ruling class to align governance with the ethical commitments of Islam (Maqrīzī et al., 1940). In this sense, his framework integrates monetary, fiscal, and ethical dimensions in a way that anticipates contemporary discussions on the institutional and moral foundations of macroeconomic stability.

The Relevance of Al-Maqrizi's Theory to Post-Pandemic Indonesia

When read against the contemporary Indonesian context, al-Maqrizi's framework displays remarkable explanatory power, particularly in interpreting the post-pandemic inflation cycle between 2020 and 2024. During the early period of the Covid-19 pandemic, Bank Indonesia adopted an unconventional monetary stance through burden sharing arrangements with the Ministry of Finance, under which the central bank directly absorbed government bonds to finance pandemic-related fiscal expansion (Wibisono, 2025). This policy, although justified as an emergency measure, structurally resembled what al-Maqrizi described as the over-issuance of non-precious currency, since it expanded the money supply beyond the productive capacity of the real economy. The inflationary consequences, although moderated by global commodity dynamics and prudent normalisation, became evident when headline inflation rose to 5.51 per cent in 2022, the highest level in seven years, prompting Bank Indonesia to raise its policy rate from 3.50 per cent to 6.25 per cent within twenty months (Economics, 2026; Indonesia, n.d.).

The second pillar of al-Maqrizi's framework, namely corruption and administrative mismanagement, also finds clear contemporary resonance. Persistent corruption in state-owned enterprises, public procurement, and natural resource governance continues to inflate the real cost of public goods and erode investor confidence (Imam Khairi & Haryanti, 2024). Empirical cross-country evidence presented by the *Journal of Islamic Monetary Economics and Finance* has confirmed that inflation is positively related to the human-error factors identified by al-Maqrizi, namely corruption, taxation, and excessive money supply, while natural disasters are not statistically significant at the country level (Akbar & Faizin, 2019). This finding strengthens the contemporary applicability of al-Maqrizi's diagnosis and suggests that policy efforts focused purely on technical monetary instruments will remain insufficient unless accompanied by serious institutional reform.

The third pillar, food and basic-commodity inflation, similarly mirrors the Mamluk experience in which crop failure and supply disruption interacted with monetary disorder to produce compounded inflation. In Indonesia, volatile food prices, particularly for rice, cooking oil, and chilli, continue to dominate headline inflation and disproportionately burden lower-income households (Indonesia, n.d.). Although Indonesia has not suffered a famine of Mamluk proportions, the structural sensitivity of the economy to food supply shocks demonstrates that al-Maqrizi's category of natural inflation remains analytically relevant. Read together, his three-fold framework offers Indonesian policymakers a holistic lens that integrates monetary discipline, institutional integrity, and supply-side resilience as inseparable conditions of price stability. In this sense, the Qur'an reminds the believers of the divine standard that should govern economic conduct:

وَيَا قَوْمِ أَوْفُوا الْمِكْيَالَ وَالْمِيزَانَ بِالْقِسْطِ وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تَعْنُوا فِي الْأَرْضِ مَفْسِدِينَ

"And, O my people, give full measure and weight in justice and do not deprive the people of their due and do not commit abuse on the earth, spreading corruption." (QS. Hud [11]: 85)

This principle stands at the heart of al-Maqrizi's economic ethics and continues to speak to the moral foundation that underpins any meaningful effort to control inflation in the modern Indonesian context

4. CONCLUSION

This study has demonstrated that al-Maqrizi's treatise *Ighatsah al-Ummah bi Kasyf al-Ghummah* offers a remarkably mature theory of inflation that retains its analytical relevance more than six centuries after its composition. His classification of inflation into natural causes and human-error causes, with the latter encompassing administrative corruption, excessive taxation, and the over-issuance of non-precious currency, anticipated the structural concerns that modern monetary theory would only systematise much later (Arifin et al., 2024; Fauzi et al., 2019; Islahi, 2005; Qoyum et al., 2021). His prescription that money should be confined to intrinsically stable standards, accompanied by just governance and moral discipline of the ruling class, integrates monetary, fiscal, and ethical dimensions in a way that few contemporary economic frameworks manage to achieve. When read against the post-pandemic Indonesian experience between 2020 and 2024, the framework displays striking explanatory power, particularly in interpreting the inflationary consequences of unconventional liquidity expansion through burden sharing

schemes, persistent corruption within public institutions, and the volatility of food and basic-commodity prices that continue to burden lower-income households (Indonesia, n.d.; Wibisono, 2025). The convergence between al-Maqrizi's diagnosis and the empirical realities of contemporary Indonesia signals that classical Islamic economic thought should not be treated merely as historical heritage but as a living intellectual resource for understanding present-day macroeconomic challenges. Future studies are encouraged to extend this line of inquiry by testing al-Maqrizi's propositions through empirical analysis of Indonesian monetary data, comparing his thought with other classical thinkers such as Ibn Taymiyya and Ibn Khaldun, and exploring the policy implications of his framework for the design of an Islamic monetary system in Indonesia

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