

Digital Currencies: The Continuing Plunder of People's Savings and the Entrenchment of Financial Hegemony

(Translated)

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First: The Silent Robbery of Savings

The thieves of this age no longer need masks or weapons to raid people's wealth; the modern financial system undertakes the task through a hidden mechanism, precisely designed to gnaw away at their savings little by little. We are facing a real predicament called "programmed monetary inflation," which turns the large numbers you see in your bank account, savings, or income into figures stripped of their original purchasing power merely by the passage of time.

When a person keeps his cash savings for many long years, thinking that he is securing his future and the future of his family, he is in reality waging a losing battle against time, during which those savings suffer a continuous decline in purchasing power. This is reflected in the ongoing inflation of asset prices and essential goods until people find that the labor power they expended has been stripped of its real value.

Thus, for your digital balance to remain fixed in the bank for several decades means, economically, that you have lost nearly 85% of your real purchasing power. Money does not evaporate into thin air. Instead, it loses its value through crooked channels, and this value is transferred into the pockets of other parties benefiting from this structural defect. More dangerous still, the modern shift toward "central bank digital currencies" does not come to correct this perilous path. Instead, it represents a new tool for accelerating the pace of this systematic plunder, ongoing for five decades, and granting it broader technological legitimacy. It is therefore necessary to become aware of the mechanisms of this ugly financial system, so that such awareness may serve as the first line of defense in working to rid ourselves of it and replace it with a real financial system that protects people's wealth and grows it.

Second: How Currency Shifted from Intrinsic Value to Paper Illusion

The collapse of the current financial system was not born of coincidence. Instead, it came as the fruit of calculated transformations extending over centuries, during which the link between currency and real value was gradually dismantled. For nearly four thousand years, humanity relied on gold and silver as the basic foundation of currency. That era was marked by remarkable and sustainable monetary stability, because these metals possessed an independent intrinsic value not subject to political whims or decay.

Then the structural deviation began in Europe during the 17th century CE. People became accustomed to circulating paper receipts as a convenient alternative to transporting gold. Over time, the money changers noticed that only a small proportion of depositors demanded their gold at any one time, so they exploited this by issuing receipts far exceeding the actual volume of gold in their vaults. Here, we began to witness the birth of the "fractional reserve system" and the generation of money out of nothing.

Over time, the system developed, official banks were established, and the world's currencies were tied to the U.S. dollar as a primary reference, while the dollar alone remained committed to its link with gold at a fixed price of 35 dollars per ounce. This was

based on the Bretton Woods Agreement of 1944 CE, a massive international agreement, drafted by representatives of 44 Allied countries in the Second World War.

Everything proceeded regularly during the 1950s, when America possessed the gold and the world trusted the dollar, until the mid-1960s, when America became entangled in the Vietnam War and costly domestic projects. Instead of raising taxes to finance the deficit, the United States began printing dollars in enormous quantities far exceeding the gold it possessed. At that point, European countries noticed the matter and demanded that America give them gold instead of the surplus dollars they held. This forced the American president at the time, Nixon, in 1971, to escape the crisis by announcing the cancellation of the dollar's convertibility into gold. With this decision, he ended thousands of years of real gold-based monetary history, and the world's money was transformed entirely into "fiat currencies": mere papers and numbers backed by no real asset, and subject to printing policies with no ceiling.

At that point, the value of the dollar began to plunge rapidly against gold. By a simple calculation of the dollar's real purchasing power measured in gold, we find that the dollar has in reality lost more than 98% of its original value from that time until today. Economically, this means that anyone who kept his cash savings throughout the past half-century has been stripped of his wealth, through a silent and systematic mechanism.

Third: Mechanisms of Money Creation Today and the Silent Erosion of Value

The structure of the financial system today is complex and is managed through mechanisms entirely different from the understanding of ordinary people, who believe that banks are merely safe vaults for their money. Here, it is necessary to explain a mechanism unknown to the general public, namely what is called the money multiplier. When a client deposits a sum of money in the bank, the bank does not actually keep the money. Instead, it holds back a very small percentage, approximately 10% according to the law of the state, as a fractional reserve, then lends the larger mass, 90%, to another client, who pumps it back into the banking system so the cycle begins anew. The borrower deposits the borrowed amount, 90%, into his account at the bank, so the bank keeps only a 10% reserve and lends 90% to a new borrower, and so on. This rebound movement transforms ten thousand, on paper, into one hundred thousand in the form of loans, meaning that 90% of money supply is created entirely out of nothing through credit and the money multiplier.

According to periodic data and reports issued by the major central banks and international financial institutions, such as the International Monetary Fund and the Bank for International Settlements, the volume of tangible physical cash in the world today is only around 8 trillion dollars, while the volume of "broad money," namely deposits and book-entry accounts, exceeds the threshold of 150 trillion dollars. This enormous gap represents fictitious liquidity with no physical existence. If depositors decided to withdraw their money in cash on a single day, the system would be unable to meet 95% of these book-entry fortunes.

This unlimited monetary expansion is the direct generator of inflation. Every monetary unit entering the market without corresponding production will certainly gnaw away at the purchasing power of the previous units. In numbers, savings worth 100,000 units preserved in an inflationary environment averaging 5% annually will see their actual value erode to around 60,000 after only one decade. Although the figures remain fixed in the books, 40% of their value, that is, their purchasing power, has vanished, quietly and without attracting people's attention, moving to the parties that received the newly created liquidity, such as governments and major banks.

Fourth: Digital Currencies and the Continuation of Systematic Theft

Recently, digital currencies have been marketed globally at a rapid pace as a corrective technological revolution. Yet, in reality, after examining their nature and mechanisms, they are nothing but a new method that accelerates the generation of money out of nothing, and

expands the scope of the erosion of money's purchasing power. This space consists of three forms of digital currencies, all of which share the absence of intrinsic value:

1. Central Bank Digital Currencies (CBDCs)

These are the direct digital extension of traditional legal fiat currencies, such as the digital yuan and the digital ruble, whose legislation was completed in 2025, as well as the digital dollar, which Trump had been promoting until recently. These digital currencies, issued by central banks, are created programmatically by sovereign decision and designed within the corridors of states' central banks, either through a system of identity-linked accounts or through a system of tokenized wallets.

To clarify the two systems:

Digital currencies "linked to personal identity": this form closely resembles the way traditional bank accounts operate, but the difference is that your account is held directly with the central bank, and the currency in the account is linked to the identity of the account holder, such as the name, ID number, or fingerprint. Any action involving this amount can be tracked, whether transfer or spending. When you transfer money to another person, the system verifies your identity, then deducts the amount from your account and adds it to the other person's account after verifying his identity as well. The electronic (digital) fingerprint of this money is transferred to a new owner with his new fingerprint. The matter is similar to writing a "bank cheque"; it cannot be cashed or dealt with unless the name, identity, and signature match.

As for token-based digital currencies: this form resembles the paper cash in your pocket, but in digital form inside an electronic wallet. The value here is stored in an encrypted "digital token" that operates through public blockchain networks, such as Ethereum, Tron, or Solana. The system is not concerned with "who you are," but rather with whether "this token is real and valid or counterfeit." When you pay someone, ownership of the digital token transfers from your wallet to his wallet immediately, without the need to reveal your personal identity to the system, exactly as if you were giving him a 10-dollar banknote. Verification takes place through cryptographic keys, public and private, which you possess in your wallet. The matter is similar to gift cards. Whoever possesses the card can purchase with it immediately, and the shop does not ask him about his identity. What matters is that the card is valid and has a balance.

These currencies, in both forms, are issued and distributed in two stages: first, the wholesale stage for banks in exchange for assets such as bonds; and second, the retail stage for individuals through electronic applications. They are directly linked to the central bank, which makes the government the guarantor of their nominal value. Yet, this link grants the state the power of "programming and directing money," such as setting time conditions for spending funds, or imposing immediate freezing of accounts without judicial procedures. Consequently, this entirely abolishes financial privacy. If the central bank were to impose "negative interest" or a direct deduction in order to force society into consumption, the citizen would find no escape from it.

The volume of this form of money represents a small proportion of the overall size of money, since what is in circulation globally does not exceed 4 billion dollars due to popular reluctance to adopt this type of currency. However, with government support, this figure is expected to reach around 500 billion dollars within 10 years.

2. Stablecoins

Stablecoins are the other face of the digital money scene. It is true that they are digital currencies like the preceding type, but they are not issued by central banks. Instead, they are issued by private companies and institutions, most prominently Tether, which issues USDT,

and Circle, which issues USDC. Most of these currencies are currently issued in the form of the tokenized system mentioned above.

Their basic idea is to offer “digital assets” that the companies claim are linked to the U.S. dollar at a 1:1 rate, and guaranteed by holding parallel reserves of real dollars and Treasury bonds to guarantee their value.

The story begins with a customer, usually a huge trading platform or a major financial institution, wishing to transfer part of its traditional liquidity into the digital world in order to make trading easier. This customer transfers its large sum, let us say one hundred million real dollars, from its traditional bank account directly to the bank account of the issuing company, such as Tether. Once the company’s systems detect the arrival and validity of the real dollars, they issue an immediate software-driven command on the blockchain network known as “minting,” which is the generation of one hundred million entirely new digital tokens out of nothing, corresponding to the dollars that entered the bank account.

In the next stage, the company sends these new tokens directly to the customer’s encrypted electronic wallet, so that he receives them in the world of cryptocurrency and begins trading them, or selling them to ordinary individuals through platforms. Here, the delivery process is completed, and the customer becomes detached with his digital numbers from the movement of traditional money.

As for what happens behind the scenes, where the engineering of asset custody and management begins on the part of the company: it does not leave those real millions idle in its bank account. Instead, it keeps only a small portion as emergency cash liquidity to face any sudden redemption operations, and takes the larger mass of these millions to immediately purchase short-term U.S. Treasury bonds from the financial market. These bonds remain stored in the name of the company as a legitimate cover and reserve assets guaranteeing the value of the digital currency before the world. At the same time, they generate enormous profits and interest for the company’s coffers, while the customer on the other side is content to trade his abstract tokens, which grant him no return.

Financial data reveals the scale of the astronomical profits resulting from this engineering. Tether alone recorded net profits of 13 billion dollars in 2024, and its profits exceeded the barrier of 10 billion dollars in the final quarter of 2025. With massive holdings amounting to 141 billion dollars in U.S. bonds, this private company succeeded in surpassing major countries and economies, such as Germany, in the volume of U.S. debt holdings.

Today, the global size of this sector is around 250 billion dollars, and it is expected to reach 1,500 billion over the coming ten years. This enormous digital demand does not circumvent the debt ceiling set by Congress. Instead, it functions as an easy and comfortable “support” for the system. It raises demand for U.S. debt and lowers interest rates, thereby giving the American administration a longer lifespan to continue the policies of borrowing and inflation.

The reason customers and financial institutions prefer these stable digital dollars over traditional current bank accounts lies in their desire to be liberated from the restrictions of the traditional banking system. This gives them three strategic advantages that ordinary banks do not provide:

The first advantage is extreme speed and round-the-clock operation. Traditional banks are governed by specific working hours and weekend holidays, while international transfers through the SWIFT system take many long days to pass through correspondent banks, in addition to high fees. By contrast, these digital currencies allow hundreds of millions to be transferred across borders in a few seconds, at a cost that does not exceed a few dollars, and at any time of night or day throughout the year without stopping.

The second advantage lies in flexibility of movement within the environment of cryptocurrency and artificial intelligence. These stablecoins represent the “basic fuel” for trading platforms, digital financial markets, and decentralized markets. A customer cannot purchase cryptocurrencies or seize rapid investment opportunities in these markets using a current bank account that requires complex verification procedures and approvals for every transaction. He therefore needs a stable currency that lives and moves in the same programming language in which blockchain networks operate.

The third and essential advantage is protection against direct oversight and the risks of account freezing. Current bank accounts fall under the direct ambit of local laws, banking compliance, and immediate judicial or political decisions that may freeze funds for any regulatory reason. Stable digital dollars, however, grant the customer a form of independence. Once they are withdrawn into his private wallet, the funds become under his direct control, away from the eyes of traditional banking oversight, giving him complete freedom to transfer and employ them without needing to provide continuous justification for every movement or expenditure.

3. Decentralized Cryptocurrencies

Decentralized cryptocurrencies, foremost among them Bitcoin, come as a parallel and entirely independent phenomenon in this digital scene, since they are managed entirely through vast distributed computer networks based on blockchain technology. These currencies are distinguished by the fact that they are not supported by any central bank or tangible financial cover. Instead, they derive their value and market price from pure speculation and collective agreement among those dealing in them. This makes them vulnerable to sharp and sudden price fluctuations, since they lack any legal or sovereign guarantee to protect their nominal value during crises.

Deep inside this market, the “zero-sum speculation mechanism” operates, making the system run like a financial game with a zero-sum outcome. Every dollar gained by one investor must be matched by a dollar lost by another investor somewhere in the world. Real gains are therefore often the share of early backers who bought at cheap prices, while losses fall upon the shoulders of latecomers. In this game, the major trading exchanges sit at the top, as the cleverest and safest beneficiaries in the market, since they reap their fortunes from withdrawal fees and recurring payments, regardless of whether prices rise or fall, exactly like owners of gambling houses who always profit from the movement of the players. They are followed in the profit cake by the “whales” and major investors, along with the industrial digital minting sector, which voraciously consumes energy and electricity. Meanwhile, the money of small late buyers, who poured in driven by the glitter of greed and media waves, remains exposed to rapid disappearance once the price reaches the peak and heavy selling operations begin.

Today, the total size of the entire cryptocurrency market settles at around 2.5 trillion dollars, a figure that reflects the volume of enormous liquidity and financial risk that has come to move this decentralized sector globally and make it a player that cannot be ignored in the international financial arena, despite all its dangers.

Fifth: How People’s Money Stolen in Silence?

In the past, stripping peoples of their wealth required paper transactions and complex laws that took a long time. Today, however, in the digital world, the internet, and the monetary policies we have mentioned, these obstacles disappear, and governments become able to confiscate the value of your money and labor “with the press of a button,” immediately, through the following methods:

- Printing money out of “nothing” (rapid inflation)

Digital currencies and new banking systems have made printing money extremely easy. In every crisis, central banks inject trillions of fictitious dollars into the market with the touch of a button. The result is that prices leap at rocket speed, while people's incomes move slowly, so over time people find themselves unable to buy the same goods.

- The game of “who arrives first?” (the ruin of purchasing power)

When the state prints new money, this money first goes to the government and its major affiliated contractors. These people spend this money buying real estate and assets before prices rise. After a while, when this money reaches the ordinary citizen, prices have already risen. The citizen receives the same number of banknotes, but their purchasing power has declined from what it was before.

- Hidden taxes (currency devaluation as a political trick)

Instead of governments raising taxes openly in a way that provokes public anger, they resort to a clever and hidden trick: printing new money to pay debts and expenditures, thereby reducing the value of the currency. This is what happened in Turkey, where the lira has lost 85% of its value since 2020, and in Argentina and Lebanon. With money turning into numbers on screens, this devaluation now happens automatically and silently, without people feeling it, until they wake up to find that their savings have lost the value they had only yesterday.

- Negative interest: forbidden to save!

In the age of paper cash, if you did not like the bank, you could withdraw your money and store it with you in cash. However, in the digital world, this escape exit disappears. Here, the authorities can impose “negative interest,” meaning a direct percentage deduction from your account every month in order to force you, against your will, to spend your money and move the economy instead of saving it. This is like what the banks of Europe and Switzerland did by directly deducting fees from depositors' accounts to force them to spend and stimulate the market. More dangerous still is what China has experimented with through the “programmable-expiry digital yuan,” where an expiration date is set for money: either the citizen spends it on buying goods within two weeks, or it evaporates and disappears from his electronic wallet with the press of a button.

- Instant freezing

We recall what happened in Cyprus in 2013, when part of people's deposits was cut, or Lebanon in 2019, when funds were blocked and lost 80% of their value, or Canada in 2022, when the government froze the accounts of protesters without a judicial ruling. In the digital financial world, the state will not need great effort; through its digital system, it can freeze millions of citizens' bank accounts in a few minutes.

- Financial surveillance and control over your life

The digital system records every coin you spend: where, when, and with whom. This gives the authority complete influence to direct your transactions, withhold aid from you, or even prevent you from purchasing certain goods. This penetration is a blatant violation of man's authority over his wealth, which the Islamic Shariah guarantees and forbids violating.

- Rapid collapses

The financial crisis of 2008 took months for the major banks to collapse and for people to understand what was happening. Today, however, the speed is terrifying. There are billion-dollar digital networks and platforms, such as Luna/Terra, that evaporated in five days, and the FTX platform collapsed in ten days. When traditional banks become linked to digital networks, the coming crises will occur within hours, not days, stripping the ordinary person of any opportunity to save his money or act to protect himself.

Sixth: The Shariah Criterion: The Obligation of Authentic Currency and the Refutation of Contemporary Financial Structures

Tracing these crises necessarily leads to invoking the original legislative criterion laid down by Islam to protect wealth and achieve economic justice. Shariah law has determined that the recognized and authentic currency is gold and silver, and no other, and multiple Shariah evidences converge upon this foundation in a manner inseparable from one another. The Prophet (saw) linked the diyah, or blood money, of a life to a specified amount of gold: «وعلى أهل الذهب ألف دينار» **“and upon the people of gold, one thousand dinars.”** He also linked the hadd punishment for theft to a specific gold nisab threshold: «لا تُقَطَّع يَدُ السَّارِقِ إِلَّا فِي رُبْعِ دِينَارٍ فَصَاعِدًا» **“The hand of the thief is not cut off except for a quarter of a dinar or more.”** This is in addition to linking Zakat on money to both of them and assigning a specific nisab threshold for them, while restricting the rules of currency exchange and monetary riba to them: «بيعوا الذهب بالفضة والفضة بالذهب كيف شئتم» **“Sell gold for silver and silver for gold as you wish.”** This came together with sales and marriages being conducted with them during his era and the era of the Khulafaa' Rashidun (Rightly Guided Caliphs).

Since these rulings are fixed until the Day of Resurrection, the state is obligated under Shariah to make its authentic currency gold and silver, or representative paper fully and directly covered by them in its vaults.

What distinguishes gold and silver is that they carry a stable intrinsic value by their nature, unlike contemporary fiat currencies, whether paper or digital, which have no value in themselves and derive their existence from compulsory laws that change with changing political circumstances.

What states now practice in their monetary systems is based on creating wealth out of nothing. The banking system rests on generating credit and lending money that has no real existence in vaults. This represents a direct clash with the Messenger's (saw) prohibition of a person selling what he does not own, in addition to the prohibition of stealing people's wealth unlawfully. The programmed devaluation of currencies and artificially generated inflation represent a deliberate gnawing away of man's effort and labor for the benefit of the entities issuing money. This is the clearest form of devouring people's wealth unlawfully, which the Noble Qur'an forbade in His (swt) saying, Exalted is He: ﴿وَلَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ﴾ **“And do not consume one another's wealth unjustly.”** [TMQ Surah An-Nisaa 29].

Conclusion and the Alternative

All the data leads to one truth: the contemporary monetary system is designed to serve the minority that issues money and seizes real assets, leaving the ordinary citizen as the permanent victim. What is happening today in the “digitization of currencies” is not an innocent technical development, but instead a means of accelerating and deepening the confiscation of peoples' wealth and labor.

Since the current system is moving toward a dead end, the sustainable alternative for protecting people's livelihood security lies in two paths. The first is returning to the foundation of real currency based on assets with intrinsic value: “gold and silver.” The second is subjecting financial transactions to Islamic Shariah controls, which prohibit riba, consuming people's wealth unlawfully, monopoly, and currency manipulation, and which guarantee the protection of property and privacy.