



## THE INFLUENCE OF SHARIA BANKING ON ECONOMIC GROWTH IN BANDA ACEH

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### **Abstract**

*The financial sector has an important role in advancing the country's economic growth. One institution that plays a role in the financial sector is banking. The financial sector has an important role in advancing the country's economic growth. One institution that plays a role in the financial sector is banking. The difference between conventional banking systems and Islamic banking certainly has a significant comparison. As we know that economic growth is the main thing from the success achieved in a development, which then can be enjoyed by many people and society from the results of growth without the intervention of the government. The influence of economic growth on Islamic banking is also very important. In influencing economic growth, Islamic banking especially in the Banda Aceh area has the highest market share. And this also includes the main focus in this study. With the development of international trade and inflation, commodities also become a reference for rising export growth. Then economic growth also improves. The steps and methods applied through the data panel. Aceh Region in the period 2012-2018. The purpose of this study can also analyze what influences can affect economic growth.*

*Keyword: Islamic banking, economic growth, economy*

### **A. INTRODUCTION**

Sharia banking is a banking institution which applies the Islamic Sharia system in it. Sourced from the laws of Islam or the Quran and Hadith. The interest is considered part of usury (riba) and is forbidden (*haram*) in Islam. Therefore, Sharia banking does not implement any interest in its banking activities.

Bank as intermediation institution plays as the traffic of finance and functions as accumulation and distribution of citizen's fund with stable rupiah's value as Indonesian currency. The economical needs and growth that become more complex need the supply and the role of banking monetary institutions. Monetary sector laws are designed to limit the risk within monetary institution and to avoid monetary

crisis.

The crisis that stroke banking system in Indonesia around 90s gave awareness to Indonesian than banking with conventional system was not the only system that can be relied on. The birth of banking with Sharia system way much more stronger and reliable. Along with the development of globalization, the improvement of Sharia economy can be seen significantly especially among Banda Aceh citizen.

The deletion of interest system in Sharia banking becomes the main alternative in keeping the finance stability. The stability of monetary system plays important role in the development of a country especially in supporting the economical growth. A stable monetary system will build the comfort among society. The stability of fund transfer from consumers' households and companies' households, building efficient payment system where basic goods needs is one of the most crucial aspect among society, also creating more efficient transaction system.

### 1. Economical Growth

Economical growth is a particular issue that explains about economical development, economical welfare, economical basic change in certain countries and the development of economical mechanism. In other words, economical growth also state the existence of growth that develop goods productions or ervices physically in certain period of time. The impact of economical growth can be seen by society. There are several factors that influence the level of consumers' satisfaction as follows:

- a. Natural Resource  
Natural resource is a really crucial factor because it affects the capability of a country to obtain economical growth.
- b. Human Resource  
Besides the supply of natural resource, the ability of human resource is something important where it gives an impact on the economical development of a region or country.
- c. Capital Resource  
Capital resource then becomes something significant because it helps the economical development itself, as a result, it will be a foundation for a development of a region or country.
- d. Science and Technology  
The presence of science and technology is definitely helping, a tool that basically enable human resource to process the supply of natural resource.
- e. Infrastructure  
Infrastructure is a complex and beneficial thing that can trigger various efficiency and effectivity in doing certain activities. Therefore, it helps the process of production.
- f. Political Situation  
Political situation in a region or country is one of the factors that influence the economical development in those certain regions or countries.
- g. Social and Culture  
"The development of economy is also shown by the improvement of small and medium industry from 5.861 in 2012 to 5.933 in 2013" (**Illiza Sa'aduddin**). "Low economic growth in Aceh is an impact of the budget

for Aceh's expenditure income (APBA) has not been realized until March 2018. The realization is only 1,3% from 1,5 trillion rupiahs APBA that spent for employee expenditure and other." **(DRS.Wahyudin MM)**.

## 2. Sharia Banking

Sharia banking is monetary operation institution where activity of credit giving is done within the institution, funding and financing is done with Islamic Sharia **(Sudarsono 2012 : 29)**

## 3. Economy

Economy is a study of human that doing production, consumption, and distribution activities with a set of rights and obligation (Sumardi : 2011).

## B. METHOD

This research was conducted in Banda Aceh. This scope was used merely for collecting the data of survey result of the researcher from several Sharia banking that are operating in Banda Aceh. There is also a scope from each institution of banking in Banda Aceh, they are:

1. BANK MEGA SYARI'AH
2. BANK MANDIRI (BSM)
3. BRI SYARI'AH
4. BANK ACEH SYARI'AH
5. BANK DANAMON SYARI'AH
6. PERMATA BANK SYARI'AH
7. MAYBANK
8. BANK MUAMALAT

The research on this article used descriptive analysis. The data that have been collected are primary data, by doing a survey or interview where the interviewees are the employee in the sharia banking themselves.

Besides the primary data, there are also secondary data that have been collected from statistic data of sharia banking achievements in Banda Aceh and several journals related to sharia banking.

This research was also helped by eviews 10 application, functioned to collect the numeric data from the research with the formula as written below:

$$Y : a + b_1x_1 + b_2x_2 + ei.$$

Information :

Y = Economical growth

a = constant

b = regression coefficient

$X_1$  =total of the employees (independent variable)

$X_2$  =income or asset (independent variable)

$e_i$  = error term

## **C. FINDINGS, DISCUSSION**

### **1. BANK MEGA SYARI'AH**

The new branch manager or the Head of Mega Syari'ah Bank branch Banda Aceh is Dian Sukmawati who became the interviewee to test the performance of sharia banking on the economical growth in Banda Aceh.

As the shown statistic, the performance of Mega Syari'ah has improved. In 2017, the asset of this bank grew to 14,4%. Post conversion of Mega Syari'ah Aceh has contributed 20 Trillion Rupiahs for the asset of sharia banking in Indonesia.

In December 2017, the total asset reached 28,3 Trillion rupiahs with total funding 14 Trillion Rupiahs. It shows how big the monetary industry constitution of sharia banking branch Banda Aceh is in developing the economical growth.

### **2. BANK MANDIRI SYARIAH**

Bank Mandiri Syari'ah is located in Kampung Baru, Baiturrahman, Banda Aceh, Aceh 23127. Based on the interview result with the interviewee who is an employee in Bank Mega Syari'ah said that the bank party is optimistic in the reconstruction that is in progress to improve the performance in system. Per 2017, the asset that Bank Mandiri got, reached 81,9 Trillion Rupiahs, grow 13,72% with 58,06 Trillion Rupiah financing.

### **3. BRI SYARIAH**

BRI Syariah is located at Jl. T Daud beureueh, Lamprit, Banda Aceh. Previously, it was located at Jl. Sultan Aladi. Based on interview result with Zaini Abdullah, it is hoped that BRI Syariah capable to help the growth of sharia economy. BRI Syariah is growing along the time with 570 shares per share sheet. With 510 financing per share.

In the middle of 2018, BRI Syariah party mentioned that the profit was increasing from the operational income around 1,24 Trillion Rupiahs.

### **4. BANK ACEH SYARIAH**

The headquarters of Bank Aceh is located at Jl. TGK. H. Moh. Daud Beureueh No. 161 Lamprit. From a source that has been read, the President Director of Bank Aceh mentioned that the fist government bank that converted into sharia banking is Bank Aceh.

From an article that attached about the monetary performance in 2016 and 2017 with funding amounting to 18,76 Trillion Rupiahs until this bank successfully stood on the first rank in funding growth. In 2018, Bank Aceh Syariah received national appreciation with total asset amounting to 20 Trillion Rupiahs.

### **5. BANK DANAMON SYARIAH**

Bank Danamon is located at Jl. Cik Ditiro NO. 11 Kel. Peuniti, Baiturrahman, Banda Aceh. Based on the interview result with an interviewee, in the first round, the asset of Bank Danamon Syariah from 4 Trillion became 5 Trillion. The total fun that firstly 22% grew to 25%. Therefore, the total funding in 2018 is amounting to 4,6 Trillion Rupiahs.

### **6. PERMATA BANK SYARIAH**

Permata Bank Syariah is located at JL. Pante Pirak No. 5 Lampaseh Kota Kuta Raja, Banda Aeh. Based on interview result, Permata Bank received awards 3 times

in row with excellent service with asset more than 500 Billions. In the first year, Permata Syariah aimed 25000 customers of prospective pilgrims. This optimism is in line with market share that reached 10% from the industry total asset.

### 7. MAYBANK / BII Syariah

Bank BII is located at Jl, KH Achmad Dahlan No.71, Banda Aceh. The presence of BII syariah Aceh completed the presence of BII Syari'ah in branch office Jakarta, Semarang, Bandung, Surabaya. BII Syari'ah capable to collect fund amounting to 393,1 Billion Rupiah and have asset amounting to 537,6 Billion Rupiahs, also financing amounting to 414,2 Million Rupiahs.

### 8. Bank Muamalat

Bank muamalat is located at Jl. Tgk. H.M. Daud Beureueh, Beurawe No. 140 Banda Aceh. Bank muamalat successfully grew to 152,02% from the position 61,83 Billion Rupiahs and in 2018 grew to 155,83 Billion Rupiah. The distribution of *murabahah* fund amounting to 838,57 Billion Rupiahs grew with the percentage 33,42%.

With the development of each sharia banking that has been explained above, the significant improvement in June 2018 grew 3,54% in the development. Sharia banking in Aceh Province especially Banda Aceh has the highest market share in Indonesia amounting to 58,36%. The total asset of banking is 49 Trillion Rupiahs. With improving economical growth in Banda Aceh, it stimulates the development of International trading and the improvement of commodity price that becomes the reference of export growth development. Economical growth will improve better life standard in the future.

The following will be described in the form of a data obtained from each bank where the most important are assets or banking income along with the number of employees

NO.	SHARIA BANKING	Number of employees	ASSETS
1	Mega Syariah	12	28,3 T
2	Bank Mandiri Syariah	40	81,3 T
3	BRI syariah	35	31 B
4	Bank Aceh	25	18,76 T
5	Bank Danamon syariah	8	4,6 T
6	Permata Bank syariah	17	500 B
7	Maybank	15	393 B
8	Bank Muamalat	20	838,57 B

Table 1. Asset Of Bank Syariah Resources ( Author, 2021)

#### D. REVIEWS DATA RESULT

Dependent Variable: Y  
Method: Least Squares  
Date: 12/19/18 Time: 13:24  
Sample: 1 8  
Included observations: 8

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1	3.449642	3.320381	1.038929	0.3389
X2	0.894824	0.212480	4.211323	0.0056
R-squared	0.658856	Mean dependent var	304.1250	
Adjusted R-squared	0.601998	S.D. dependent var	306.3613	
S.E. of regression	193.2754	Akaike info criterion	13.57843	
Sum squared resid	224132.2	Schwarz criterion	13.59829	
Log likelihood	-52.31371	Hannan-Quinn criter.	13.44448	
Durbin-Watson stat	2.649391			

Resources ( Author, 2021)

#### E. CONCLUSION

From the data above, it can be conclude that sharia banking plays big role in developing economical growth, like what has been exposed from the data of every sharia banking previously. Every bank is capable to produce better performance along the time. Therefore, the economical growth especially in Banda Aceh actively participates and glorious in monetary sector and economical activities like also in marketing aspect of import and export

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