Comparative Analysis of Islamic Monetary Economic System With the Conventional Monetary Economic System Reviewed From the Stability of the Indonesian Economy

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ABSTRACT

The purpose of this research is to examine empirically how the influence of monetary economic system of Islam in the economic stability in Indonesia and compare it with the conventional economic system. This research is expected to explain that the sharia banking is said still new if compared with conventional banks that have the influence to economic stability in affairs and more effective in improving the welfare of the Indonesian people and to be able to survive in the face of inflation using the system of result sharing. The material used in this research is the request of Islam money variable is all (Depositor funds Third Party) sharia banks in Indonesia. The variables for the results sharing of the form of *return* (acquisition business activities) from investment contracts from time to time, is uncertain and does not remain in the sharia banks. How big or small of the gains depends on the business results that really obtained by sharia banks. Conventional Money Demand variable is all demand deposit on conventional banks in Indonesia, Conventional Bank Rate variable (BI *rate*), Variables Gross domestic product (GDP) is the market value of all final goods and services produced in a country in a specific period of time and inflation variables in Indonesia. Observasi data used is variables data in the time frame of the 11 years namely from 2005 to 2015. The data is obtained from the BPS and Bank Indonesia. To perform data processing, author uses *software SPSS*. Research results on the first model simultaneously prove that the demand for Sharia money and for the results sharing of the effect of the GDP, partially both also affect the GDP. In the second model simultaneously proves that the demand for Sharia money and for the results sharing of the effect of inflation, partially variable only for the results sharing that affect inflation. In the third model simultaneously proves that the demand for conventional money and the BI *rate* affect the GDP, partially only demand of conventional money (Giral) that affect GDP. On the fourth model simultaneously proves that the demand for conventional money (Giral) and BI *rate* influence on inflation, partially both also affect inflation.

Key Words : *DEPOSITOR sharia banks, profit sharing, Money Giral on Conventional Bank, interest rate gross domestic product (GDP) and inflation*

1. INTRODUCTION

1.1 The Background

Financial institution is one of the indicators that supports the increase of the GDP. The position of the credit rating of Indonesia that is currently located on the position of the investment grade which makes Indonesia is aligned with the developed countries. This achievement is indicated by the ability of Indonesia to improve the power position of competitiveness in the middle global crisis tendencies where many developed countries that have declined credit rating. This gives a very good impact for Indonesia, where will be increased the trust of foreign investors to the national financial sector especially the banking industry.

During the period of economic and monetary crisis that occurred in the year 1997-1998, sharia banks (BUS) can still shows a relatively better performance compared with conventional financial institutions, is demonstrated by the Bank Muamalat. As all the banks crashed and needed an injection of funds, Bank Muamalat thus still operates without the help of funds from the government. Therefore there are enough reasons to see sharia banks as alternative financial institutions.

In the economy of conventional, usury, *fiat money, fractional reserve system* in banking and speculation which is allowed caused the creation of money (kartal and giral) and sucked money in the monetary sector to seek the benefits without the risk. As a result, money or investment that should be flowing into the real sector for the purpose of productive most fled to the monetary sector and inhibits the growth of even the collapse of the real sector. The Creation of the money without any added value will cause inflation. In the end, the purpose of economic growth will be hampered.

Meanwhile, with the system of charity, for results sharing and the banning of speculation in

Islamic economy will encourage the investment climate which will be flowing smoothly into the real sector for the purpose of that fully productive. This will ensure its distributed wealth and income and grow the real sector. Increased productivity and opportunities for work and attempting to eventually economic growth encouraged, and on finally moved firmly to be achieved the welfare of the community.

Must be proven empirically that with the lack of interest rate instruments in the Islamic financial system that was replaced with the concept for this result sharing can support dual financial system (Islamic economic system and conventional economic) overall, especially in the study of money demand and monetary stability in the banking of double system.

Based on the fact that has been presented at the top of the need to be known in addition to survive in the face of crisis whether sharia banks also able to give prosperity in the long term through the distribution of financing. In this case the welfare of not only judging from the GDP growth, but also considered from the development of inflation. And you will need to know how the ability to sharia banks with the system for the result compared with conventional banks with interest rate system giving prosperity in the long term.

1.2. The formulation of the Problem

Based on the problem explanation above, author tries to formulate research problems as follows :

1. How is the influence of money circulated sharia banks and for the results sharing of the level of GDP and inflation in Indonesia?
2. How is the influence of money circulated (money Giral) conventional banks and the rate of interest to the level of GDP and inflation in Indonesia?
3. How is comparison of monetary economic system with shari'a conventional monetary economic system reviewed from economic stability (GDP and inflation) in Indonesia?

1.3. The hypothesis

The hypothesis in this research is as follows:

1. There is a significant impact between money circulated on sharia banks and for the results sharing of the level of GDP and inflation in Indonesia

2. There is a significant impact between money circulated (money Giral) on conventional banks and the rate of interest to the level of GDP and inflation in Indonesia.

3. There is a difference between Islamic monetary economic system with the conventional monetary economic system to economic stability in Indonesia.

2. LITERATURE REVIEW

2.1 Conventional monetary system

According to Pohan (2008), monetary policy in general is the policy of the government to improve the situation of the economy through setting the amount of money circulated, which is in the macro economic analysis have an important influence over the level of economic output also to price stability of price, increasing employment opportunities and the balance of payments.

Setting the amount of money circulating in the society is regulated with how to increase or decrease the amount of money in circulation. Monetary policy can be classified as 2 namely :

1) Monetary Expansive Policy
2) Monetary Contractive Policy

The implementation of the two forms of monetary policy is not despite the existence of monetary instruments itself. The most sector role in monetary policy is the banking sector. Through the arrangement of the banking sector, the government highly implements policies using instrument or monetary tools.

2.2 The monetary system of Islam

The monetary system is closely related to the monetary instruments, one only money, then before understand about it, we need to understand the concept of money in Islam. According To Ibnu Taimiyah, money is the standard values (*Mi'yar al-amwal*) and is the exchange rate, besides money was never meant to be consumed. The money is used to get other items (appliance swap) and not to traded. He proposed the concept of volume *fulus* (money) that must be proportional with the volume of transactions where the price level is determined and this concept in the conventional theory is called as the *quantity theory of money* (Karim, 2004).

The function of the demand for money in Islam, follow 'authors' Keynes approach model of the demand for money in Islamic economy as follows (Veithzal, 2010):

$$M_d = f(Y_s, S, \pi)$$

Where, Y_s = goods and services related to the fulfillment of the needs and productive investment in accordance with the values of Islam, S= all moral values, social and institutions (including charity) that affect the allocation and distribution of resources and can help minimize M_d, not only to excessive consumption and investment is not productive, but also for the purpose of watching and speculation and π = the level for the result in a system does not allow the

use of interest rates for financial intermediation. This model has not been used for empirical studies, probably because Y_s the characterization of the normative and does not reflect the existing realities, and the value of S is complex and may not be practiced.

In this case, the request of money also reviewed in terms of the financing that is transmitted by the sharia banks (PYDS). The financing is funding provided by a party to the other party to support investment that has been planned well done itself and institutions. In other words, financing is funding issued to support investment that has been planned .

It is apparent that in the economy of Islam, will request funds for the investment capital oriented itself is part of the total transaction request and rely on the condition of the economy and the expected profit rate. Remember hope benefits do not experience fluctuations, aggregate demand needs of discounted rates will tend to be stable. The stability of the demand for money for the purpose of the transaction will encourage greater stability for the speed of the circulation of money in a phase of the business cycle in an Islamic economy. Therefore monetary policy is to use the backup variable money and not interest rates the central bank should use highly policy to produce a growth in money circulation is sufficient to finance the potential growth in the framework of prices stable. The aim is to ensure the proper monetary expansion, enough produce wealth is evenly distributed to the community.

2.3 The concept of interest rate

The BI Rate is the interest rate policy that reflects the attitude of monetary policy set by the bank of Indonesia and announced to public. The BI Rate announced by the Board of Governors of Bank Indonesia each monthly Board of Governors Meeting and implemented on monetary operations conducted by Bank Indonesia through liquidity management (*liquidity cushion management*) in the money market to achieve the operational targets of monetary policy.

Bank Rate can be interpreted as a reply of services provided by the bank based on the principle of conventional wisdom to the customers who buy or sell products. Interest rates can also be interpreted as the price that must be paid to the customers (which have deposit) and must be paid by the client to the bank customers who obtain loans) (cashmere feel, 2003).

In the banking activities there are two types of interest that is given to the client that is (Karim, 2008) :

1. Deposit interest, interest given as modulated or reply services to customers that saving money in the bank.
2. Loan Interest Rate, the interest given to the borrower or the price that must be paid by the customers of the borrower to the bank.

Operational targeting monetary policy is reflected in the development of the money market interest rate Overnight Inter Bank overnight interbank (O/N). The movement in the overnight interbank rate is expected to be followed by the development in the deposit rate and in turn interest rates banking credit. By considering also other factors in the economy, Bank Indonesia in general to raise the BI *Rate* when inflation to the future is estimated to exceed the objectives set, instead of Bank Indonesia will reduce the BI *Rate* when inflation to future estimated under the objectives that have been assigned.

2.4 The concept for the Result

For the result is a form of *return* (acquisition business activities) from investment contracts from time to time, is uncertain and does not remain in the Islamic bank. How big or smallgains depending on the business results that really obtained Islamic bank (Veithzal, 2010).

How big or small the income of the customer in Islamic Bank depends on the income of the bank, odds for the result between client and bank, nominal deposit, the average deposit for the same period of time on the bank and the time deposit. *Pricing system* given in *liability product* let consider such things as the; odds for the result, the weight of the income and the average balance of specific products (Muhammad, 2002). Thus for the results remain profitable and give a fair benefits to all parties involved, namely the client (debtor and client) and bank shareholders). The benefits not based on interest rates are counted against the saving balance/deposit/, but percent of real earnings clients, debtor and bank.

2.5 The growth of the gross domestic product (GDP)

Gross domestic product is the market value of all final goods and services produced in a country in a specific period of time. The logic that applies to the overall economy, where in assessing a country is classified as rich or poor, first of all, we see how much total revenue from all of the people who live in the country. This is calculated by the concept of GDP (Mankiw, 2000).

Economic growth in the discourse of modern economy is the development in the economy that caused the goods and services

which are produced in society and prosperity increased community.

In the real economic activities economic growth is the fiscal economic development that occurred in a country such as the increase in the number of and the production of industrial goods, infrastructure development, increase the number of schools, increase the production of economic activities.

Gross domestic product (GDP) measures the income of everyone in the economy and total expenditures of output of goods and services. GDP nominal assess the goods and services on the price valid. Real GDP assess the goods and services in constant prices. Real GDP rose only if the number of goods and services rose, while nominal GDP can be increased because the output up or because the price increases.

2.6   The theory of inflation

In further progress, briefly inflation can be defined as the tendency of the increasing prices of goods and services in general progress continuously (Suseno, 2009). Inflation can be interpreted as a continuous rise in the price level of an economy due to the increase of aggregate demand or aggregate offer (Eachern, 2000)

As a result of inflation in general is the decreasing purchasing power due to reinvigorate the level of revenue also declined. So suppose that the amount of inflation in the corresponding year rose 5 percent while fixed income, then it means that in the real income of a decline of 5 percent as a result of relatively will decrease the buying power of 5 percent also (Putong, 2010).

The inflation rate is calculated based on the number of the index is collected from several kinds of goods which undistributed in markets with each price level. Based on the goods price data is arranged one number to the index. Numbers index which takes into account all items purchased by consumers in each of the price is called as the Consumer Price Index (CPI or *Consumer Price Index* = CPI).
Based on the consumer price index can be calculated how much is a rise in prices in general in a certain period. Besides using the CPI inflation rate also can be calculated by using their GNP or GDP deflator, namely compare their GNP or GDP measured according to the price valid (their GNP or GDP nominal) against their GNP or GDP constant prices (their GNP or GDP reinvigorate).

3.   RESEARCH METHODOLOGY

3.1 Research Approach

This research approach using the comparative approach is the approach with how to compare between some variables or cases. This comparative study can be associated with qualitative research or quantitative. In this research, the author uses a quantitative approach for research in the form of secondary data in the form of numbers.

3.2 Type and data sources

The Data used in this research is entirely secondary data of the Indonesian state in the form of monthly data obtained from the Central Statistics Agency (BPS) and statistics of sharia banking Bank Indonesia (SPS-BI) with the amount of time in January 2005 until December 2015. Thus the data used is data *time series*.

3.3 variables and definition of the Operational

In this research, there are several variables used namely : money circulated sharia banks, For savings results sharia banks (*profit-sharing*), money circulated(money Giral), the interest rate of the conventional Bank (BI *rate*) conventional bank (x) as a free variable (*independent variable*), then LRU and inflation(y) as a bound variable (*dependent variables*).

The following is an explanation of the variables used in research with defining the operational:
1. The number of conventional money circulated is the number of all the money that circulates in the money giral located in the conventional banking institutions in billion rupiah from the year 2005-2015.
2. The amount of money circulated Islam is the number of all third party funds that are stored on the sharia banking institutions in billion rupiah from the year 2005-2015.
3. The GDP is the market value of all final goods and services produced in a country in the year of 2005- 2015.
4. The inflation rate (INF) is the inflation rate
5. The interest rate (RC) is the level of its benchmark interest rate of Bank Indonesia (BI *rate*) of the year 2005-2015.
6. For the result (RS) is level for the results from saving on sharia banking institutions from the year 2005-2015.

3.4 Technique of Data Collection

Data collection method using secondary data in time series is data that chronologically arranged according to the time on a specific variable. The Data obtained from the Bank of Indonesia and the Central Statistics Agency of the year 2005-2015.

The data that is required in accordance with this study includes data as follows :

a. The Data DEPOSITOR sharia banks all over Indonesia
b. The data for the result of savings sharia banks all over Indonesia
c. Data Rate (BI *rate*) conventional banks in the whole of Indonesia
d. Money Data Giral conventional banks in the whole of Indonesia
e. Indonesian GDP data
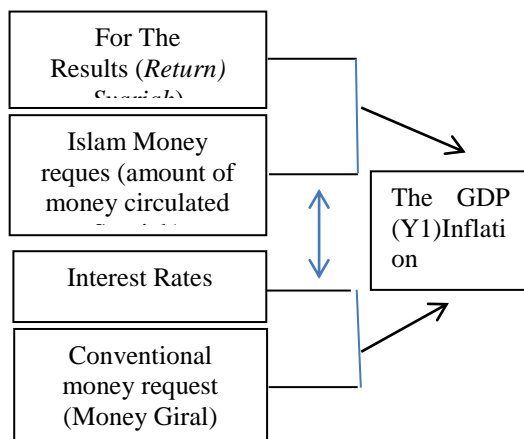f. Inflation Data Indonesia

3.5 Conceptual Framework

Figure 1. The Conceptual Framework

4. RESULT AND DISCUSSION

4.1 Data Analysis

Analysis of the data used in this research is the comparative analysis is an analysis that used with how to compare between some variables or cases.

Gradually analysis done by the way as follows :

a. Test Correlation Assumptions
The test the relationship between disturbance variable (*error*) in the regression. This test is used to know that the data used does not occur *autokorelasi* or the relationship between the disturbance variable (*error*). *Durbin-Watson test* (DW) used to know the lack of correlation between.

b. Heterokedasitas Test
That is to know that the data the variables used have varians which is not the same for all observations.

c. *Multikolinieritas Test*
That is the condition of the existence of linier relationship between *independent variables* or other words to know whether or not the relationship between the *independent variables.*

d. Multiple Regression Test
Namely examines the results of the estimation of multiple regression.

e. Statistics Hypothesis Testing

This test is useful for checking or testing whether the regression coefficient obtained significant or not significant. For the sake of it all regression coefficient must be tested. There are some hypotheses that can be used to test the regression coefficient Namely : Test the F Test, T (partial test), the *determination coefficient test*, test varies *Independent Samples T Test.*

5. TEST RESULT

5.1 Testing Classic Assumptions

Analysis of event was with multiple regression analysis model. Before doing hypothesis test, author will test the classic assumptions. This test is done to determine whether the distribution of the data used in this research is normal and free from symptoms and heteroskedastisitas multikolinearitas.

Normalitas Test

Data normalitas test is very important in statistical analysis parametric so that the regression model is free from the errors prediction. Normalitas testing data can be known by looking at the image of the graph and the normal distribution curve. The data will be distributed normally if the value of the expected probability is the same as the value of the probability of hope and observation probability voiced with diagonal lines which is the intersection between the line probability of hope and probability of observation. The following is a test of the results in the form of data normalitas graphs histogram and the curve P-P Plots as shown in the picture 5.1 following :

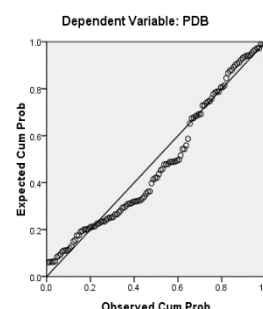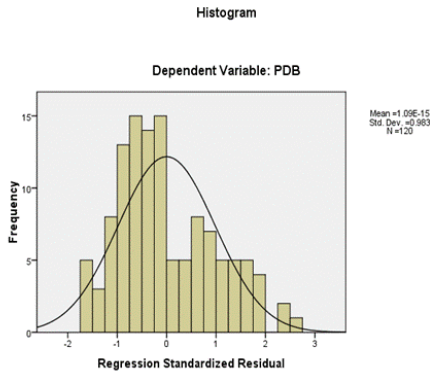

Figure2. Test Results Normalitas

Based on the image of the curve PP-Plos on picture 5.1 can be concluded that the curve has been contributed normally. This can be seen in the normal curve *PP-Plots* visible points of spread near diagonal lines.

Figure 3 Graphs Histogram

Based on the image of the graph histogram on the picture 5.2 can be concluded that the data has been contributed normally. This can be seen on the data that follow the diagonal lines formed the bell in the middle.

Multikolinearitas Test

The results of the test multikolinearitas can be seen in the table below:

The table 1. Test Results Multikolinearitas

| The Model		Collinearity Statistics	
		Tolerance	VIF
1	*(Constant)*		
	Sharia DEPOSITOR	.964	1.037
	For the Result	.964	1.037

Source: primary data processed, 2017.

From the test result above can be seen that the number of tolerance all independent variables > 0.10 and his VIF < 10. This indicates that it does not happen multikolinearitas between the independent variables in the regression model in this research.

Heteroskedastisitas Test

Heteroskedastisitas test aims to test the *residual variance differences* a period of observation to the period of the other. Heteroskedastisitas can be done by observing the specific patterns on graphs *scatterplot*, where there are the points that spread above and below the number 0 on the Y axis and not formed the pattern and does not happen heteroskedastisitas. Graph *scatterplot* can be seen in the picture below:

Picture 4. Heteroskedastisitas Test
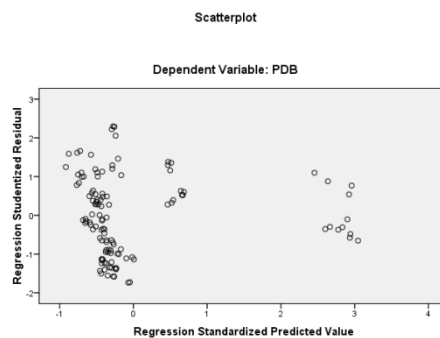
From the picture above scatterplot, seen that the points spread at random and does not constitute a specific pattern or not regularly. This indicates does not occur heteroskedastisitas on regression model so that the regression model worthy to be used.

5.2 Data Analysis
5.2.1. Test the significance of simultaneous
The first model (1)

The results of the test statistics F (simultaneous test) on Syariah Depositor funds and for the results of the GDP can be seen in the table 2

The table 2. Test the F Model 1

ANOVAb

The Model		Sum of Squares	Indonesia Recorded Its 94	Mean Square	F	Sig.
1	Regression	1.909E12	2	9.545E11	23.994	.1,540,000 a
	A Residual	4.654E12	117	3.978E10		
	The Total	6.563E12	119			

A. Predictors: (Constant), For results, Sharia DEPOSITOR

B. Dependent Variables: PDB

To test criteria F is done on the level of α = 5 percent with two directions (0,025). The value of F on the security council = 3 - 1 = 2 and for N = 120 - 3 = 117 is 3.07 so it can be taken the decision to accept or reject the hypothesis as follows :

Fhitung = 23,994
Fable = 3.07
From the decision criteria :
H0 accepted if : -3,07 ≤ thitung ≤ 3.07
Ha accepted if : 1. thitung consecutive patients 3.07
2. -Thitung ≤ -3,07

Based on the results of the hypothesis testing simultaneous of the influence ofSharia Depositor funds and for the results of the GDP obtained the value of F count (23,994) greater than t-table (3.07) with the significance of 0,000 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that sharia DEPOSITOR, for simultaneous results significant effect against the PDB in Indonesia.

The Second Model (2)

The results of the test statistics F (simultaneous test) on Syariah Depositor funds and for the results of the inflation can be seen in the table 3

The table 3. Test the F Model 2

ANOVAb

The Model		Sum of Squares	Indonesia Recorded Its 94	Mean Square	F	Sig.
1	Regression	102.627	2	51.313	5.082	.008a
	A Residual	1181.270	117	10.096		
	The Total	1283.896	119			

A. Predictors: (Constant), For results, Sharia DEPOSITOR

B. Dependent Variables: Inflation

Based on the results of the hypothesis testing simultaneous of the influence of Sharia Depositor funds and for the results of inflation obtained the value of F count (5,082) is greater than t-table (3.07) with the significance of 0,008 (SIG.<0.05) then the Ho was rejected and Ha was accepted.

This means that sharia DEPOSITOR, for simultaneous results significant effect against inflation in Indonesia.

The Third Model (3)

The results of the test statistics F (simultaneous test) on Money Giral and BI *rate* of the GDP can be seen in the table 4

Table of 4. Test the F Model 3

ANOVAb

The Model		Sum of Squares	Indonesia Recorded Its 94	Mean Square	F	Sig.
1	Regression	5.648E12	2	2.824E12	361.107	.1,540,000 a
	A Residual	9.151E11	117	7.821E9		
	The Total	6.563E12	119			

A. Predictors: (Constant), Giral, BI Rate

B. Dependent Variables: PDB

Based on the results of the hypothesis testing simultaneous influence the influence of money Giral and BI *rate* of inflation obtained the value of F count (361,107) greater than t-table (3.07) with the significance of 0,000 (SIG.<0.05) then the Ho was rejected and Ha wasaccepted. This means that the money Giral and BI *rate* simultaneously affect significantly against the PDB in Indonesia.

The Fourth Model (4)

The results of the test statistics F (simultaneous test) on Money Giral and BI *rate* of inflation can be seen in the table 5.

Table of 5. Test the F Model 4

ANOVAb

The Model		Sum of Squares	Indonesia Recorded Its 94	Mean Square	F	Sig.
1	Regression	920.807	2	460.403	148.358	.1,540,000 a
	A Residual	363.089	117	3.103		
	The Total	1283.896	119			

A. Predictors: (Constant), Giral, BI Rate

B. Dependent Variables: Inflation

Based on the results of the hypothesis testing simultaneous influence the money Giral and BI *rate* of inflation obtained the value of F count (148,358) which is greater than t-table (3.07) with the significance of 0,000 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that the money Giral and BI *rate* simultaneously affect the significant impact on inflation in Indonesia.

5.2.2 Partial Significance Test

The first model (1)

The results of the test statistics t (partial test) on*Financial Knowlage* , *FinancialBehaviour* and*attitude highly* against Personal Financial Planning can be seen in the table 6.

Table of 6. Test Results Statistics t Model 1

Coefficientsa

The Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	The Zero-order	Partial	Part 5	Tolerance	VIF
1	(Constant)	391102.281	75335.300		5.191	-4,000					
	Sharia DEPOSITOR	-4,000	-4,000	.472	5.956	-4,000	.507	.482	.464	.964	1.037
	For the Result	51615.687	21975.630	.186	2.349	.021	.275	.212	.183	.964	1.037

A.   Dependent Variables: PDB

Decision criteria using the real rank 5 percent for two-way test ($\alpha/2 = 0,05/2 = 0,025$) with degrees free (Indonesia Recorded Its 94) = 120 - 3 = 117. *The* value of the t table with real rank $\alpha/2 = 0,025$ and Indonesia Recorded Its 94 = 118 is 1.98.
- If t $_{count}$> t table (1.98) or -t count < t table (-1.98), then Ha can be accepted (influential).
- If t $_{table}$ (-1.98) ≤ t $_{count}$ ≤ t $_{table}$ (1.98) then Ha can not accepted (no effect).

Based on the table 5.12 hypothesis influence of Sharia DEPOSITOR against the PDB obtained the value of t-count (5,956) greater than t-table (1.98) with the significance of 0,000 (SIG.<0.05) then the Ho was rejected and Ha accepted. This means that sharia DEPOSITOR significant effect against the PDB in Indonesia.

The results of the hypothesis testing the influence of the results of the GDP obtained the value of t-count (2,349) greater than t-table (1.98) with the significance of 0,021 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that for the results of a significant effect of the GDP in Indonesia.

The second Model (2)

The results of the test statistics t (partial test) on Syariah Depositor funds and for the results of the inflation can be seen in the table 7.

Table of 7. Test Results Statistics t Model 2

Coefficientsa

The Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	The Zero-order	Partial	Part 5	Tolerance	VIF

		B	Std. Error	Beta	T	Sig.	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	3.381	1.200		2.817	.006					
	Sharia DEPOSITOR	3.871 E-10	-4,000	-.108	-1.193	.235	-.054	-.110	-.106	.964	1.037
	For the Result	1.095	5250-5350	.283	3.129	.002	.262	.278	.277	.964	1.037

A.   Dependent Variables: Inflation

Decision criteria using the real rank 5 percent for two-way test (α/2 = 0,05/2 = 0,025) with degrees free (Indonesia Recorded Its 94) = 120 - 3 = 117. *The* value of the t table with real rank α/2 = 0,025 and Indonesia Recorded Its 94 = 118 is 1.98.
- If t $_{count>\ t\ table}$ (1.98) or -t count < t table (-1.98), then Ha can be accepted (influential).
- If t $_{table}$ (-1.98) $\leq$ t $_{count}$ $\leq$ t $_{table}$ (1.98) then Ha can not accepted (no effect).

Based on the table 5.13 hypothesis influence of Sharia DEPOSITOR against inflation obtained the value of t-count (-1,193) is smaller than t-table (-1,98) with the significance of 0,235 (Sig.>0.05) then Ho was accepted and Ha was rejected. This means that sharia DEPOSITOR did not affect the significant impact on inflation in Indonesia.

The results of the hypothesis testing influence the results of inflation obtained the value of t-count (3,129) is greater than t-table (1.98) with the significance of 0.02 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that for the results of a significant effect of inflation in Indonesia.

The third model (3)

The results of the test statistics t (partial test) on Money Giral and BI *rate* of the GDP can be seen in the table 8

Table of 8. Test Results Statistics t Model 3
Coefficientsa

The Model		Unstandardized Coefficients		Standardized Coefficients			Correlations			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	The Zero-order	Partial	Part 5	Tolerance	VIF
1	(Constant)	366916.801	52642.062		6.970	4,000					
	The BI Rate	-3848.482	5725.428	-.028	-.672	.503	-.556	.062	-.023	.665	1.503
	Giral	.954	.044	.911	21.522	4,000	.927	.894	.743	.665	1.503

A.   Dependent Variables: PDB

Decision criteria using the real rank 5 percent for two-way test (α/2 = 0,05/2 = 0,025) with degrees free (Indonesia Recorded Its 94) = 120 - 3 = 117. *The* value of the t table with real rank α/2 = 0,025 and Indonesia Recorded Its 94 = 118 is 1.98.
- If t $_{count>\ t\ table}$ (1.98) or -t count < t table (-1.98), then Ha can be accepted (influential).
- If t $_{table}$ (-1.98) $\leq$ t $_{count}$ $\leq$ t $_{table}$ (1.98) then Ha not accepted (no effect).

Based on the table 5.14 hypothesis influence of the BI *rate* of the GDP obtained the value of t-count (-0,672) smaller than t-table (-1,98) with the significance of 0,503 (Sig.>0.05) then Ho was accepted and Ha was rejected. This means that the BI *rate* is not significant effect against the PDB in Indonesia.

The results of the hypothesis testing of the influence of conventional Giral Money against the PDB obtained the value of t-count (21,525) greater than t-table (1.98) with the significance of 0,000 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that the money Conventional Giral significant effect against the PDB in Indonesia.

The fourth Model (4)

The results of the test statistics t (partial test) on Money Giral and BI *rate* of inflation can be seen in the table 9.

Table of 9. Test Results Statistics t Model 4

Coefficientsa

The Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			The Zero-order	Partial	Part 5	Tolerance	VIF
1 (Constant)	-7.162	1.049		-6.830	-4,000					
The BI Rate	1.757	.114	.929	15.403	-4,000	.837	.818	.757	.665	1.503
Giral	2.318 E-6	-4,000	.158	2.625	.010	-.379	.236	.129	.665	1.503

A. Dependent Variables: Inflation

Decision criteria using the real rank 5 percent for two-way test (α/2 = 0,05/2 = 0,025) with degrees free (Indonesia Recorded Its 94) = 120 - 3 = 117. *The* value of the t table with real rank α/2 = 0,025 and Indonesia Recorded Its 94 = 118 is 1.98.

- If t $_{count>}$ t $_{table}$ (1.98) or -t count < t table (-1.98), then Ha can be accepted (influential).
- If t $_{table}$ (-1.98) ≤ t $_{count}$ ≤ t $_{table}$ (1.98) then Ha not accepted (no effect).

Based on the table 5.15 hypothesis influence of the BI *rate* of inflation obtained the value of t-count (15,403) greater than t-table (1.98) with the significance of 0,000 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that the BI *rate* significant effect against inflation in Indonesia.

The results of the hypothesis testing influence the Conventional Giral against inflation obtained the value of t-count (2,625) greater than t-table (1.98) with the significance of 0,010 (SIG.<0.05) then the Ho was rejected and Ha was accepted. This means that the money Conventional Giral significant effect against inflation in Indonesia.

5.2.3. Regression equation

The first model (1)

Multiple regression testing aims to know the direction of the relationship between free variables to bound variable. The results of multiple regression testing can be seen in the table 5.12. The information displayed on the results of the multiple regression multiple regression equation is between the independent variables (X) against dependent variables (Y) that can be formulated in the form of the following equation:

Gdp = 391.102,281 + 0DPKS + 51615,687BH

Based on multiple regression equation seen that :

a. The value of planck 391.102,281 means that if the GDP variable is not influenced by the DEPOSITOR variable Syariah and for the results of the GDP evaluated by 391.102,281.

b. Beta koefesien value for a variable is Sharia DEPOSITOR 0 mean that each variable increase Sharia Depositor funds of 1 percent and the GDP does not increase and decrease with the assumption of the other variables considered constant.

c. Beta koefesien value for the variables for the result was 51615,687 means that every

increase of the variables for the result of 1 then GDP will increase by 5 1615,687 with other variables considered constant assumptions.

The Second Model (2)

Multiple regression testing aims to know the direction of the relationship between free variables to bound variable. The results of multiple regression testing can be seen in the table 5.13. The information displayed on the results of the multiple regression multiple regression equation is between the independent variables (X) against dependent variables (Y) that can be formulated in the form of the following equation:

$$INF = 3,381 - 3,871DPKS + 1,095BH$$

Based on multiple regression equation seen that :

a. The value of planck of 3,381 means that if the inflation variable is not influenced by the DEPOSITOR variable Syariah and for the results of the Inflation was assessed by 3,381.

b. Beta koefesien value for a variable is -3,871 Sharia DEPOSITOR means that every increase of Sharia DEPOSITOR variable equal to 1 then a decline of inflation 3,871 with other variables considered constant assumptions.

c. Beta koefesien value for the variables for the result is as much as 1,095 means that every increase of the variables for the result of 1 then inflation will increase by 1,095 with other variables considered constant assumptions.

The Third Model (3)

Multiple regression testing aims to know the direction of the relationship between free variables to bound variable. The results of multiple regression testing can be seen in the table 5.14. The information displayed on the results of the multiple regression multiple regression equation is between the independent variables (X) against dependent variables (Y) that can be formulated in the form of the following equation:

$$Gdp = 366916,801 - 3848,482BEER + 0,954UG$$

Based on multiple regression equation seen that :

a. The value of planck 366916,801 means that if the GDP variable is not

influenced by Money Conventional Giral variable and the BI *rate* and the GDP evaluated by 366916,801.

b. Beta koefesien values for the variables BI *rate* is equal -3848,482 means that each variable increase the BI *rate* by 1 then a decline of GDP 3848,482 with other variables considered constant assumptions.

c. Beta koefesien value for money Conventional Giral variable is of 0,954 means that every increase Money Conventional Giral variable equal to 1 then GDP will increase by 0,954 with other variables considered constant assumptions.

The Fourth Model (4)

Multiple regression testing aims to know the direction of the relationship between free variables to bound variable. The results of multiple regression testing can be seen in the table 5.15. The information displayed on the results of the multiple regression multiple regression equation is between the independent variables (X) against dependent variables (Y) that can be formulated in the form of the following equation:

$$INF = -7,162 + BEER + 2,3181,757UG$$

Based on multiple regression equation seen that :

a. The value of planck -7,162 means that if the inflation variable is not influenced by Money Conventional Giral variable and the BI *rate* and inflation was assessed by -7,162.

b. Beta koefesien values for the variables BI *rate* is as much as 1,757 mean that each variable increase the BI *rate* by 1 then inflation a rise of 1,757 with other variables considered constant assumptions.

c. Beta koefesien value for money Conventional Giral variable is of 2,318 means that every increase Money Conventional Giral variable equal to 1 Then the inflation rate will increase about 2,318 with other variables considered constant assumptions.

5.2.4. The determination coefficient

The first model (1)

The determination coefficient Statistics test on this research is to know how far the ability of the models in the description of the variation of the dependent variables. The test statistics of the determination coefficient can be seen in the table 10 following:

Table of 10. The determination coefficient Model 1

The Model	R	R Square	It said the R Square	Std. The error of the Estimate	Change Statistics						Durbin-Watson
					R Square Change	F Change	Indonesia Recorded Its 941	Indonesia Recorded Its 942	Sig. F Change		
1	.539a	.291	.279	1.99454E5	.291	23.994	2	117	-4,000	.236

A. Predictors: (Constant), For results, Sharia DEPOSITOR

B. Dependent Variables: PDB

Table 10 shows that the value of *R Square* of 0,279 or 27.9 percent which means that the percentage of the influence of the variables and shari'a DEPOSITOR for the results of the GDP is low of the value of the determination coefficient or 27.9%. While the remaining 72.1% influenced or explained by other variables which are not included in this research model.

The Second Model (2)

The determination coefficient Statistics test on this research the aim is to know how far the ability of the models in the description of the variation of the dependent variables. The test statistics of the determination coefficient can be seen in the table following 11:

Table of 11. The determination coefficient Model 2
Summaryb Model

The Model	R	R Square	It said the R Square	Std. The error of the Estimate	Change Statistics						Durbin-Watson
					R Square Change	F Change	Indonesia Recorded Its 941	Indonesia Recorded Its 942	Sig. F Change		
1	.283a	.080	.064	3.17747	.080	5.082	2	117	.008	.151

A. Predictors: (Constant), For results, Sharia DEPOSITOR

B. Dependent Variables: Inflation

table 11 shows that the value of *R Square* of 0,064 or 6.4 percent which means that the percentage of the influence of the variables and shari'a DEPOSITOR for the results against inflation is very low as much as the value of the determination coefficient or 6.4%. While the remaining 93.6% influenced or explained by other variables which are not included in this research model.

The Third Model (3)

The determination coefficient Statistics test on this research is to know how far the ability of the models in the description of the variation of the dependent variables. The test statistics of the determination coefficient can be seen in the table 12 following:

Table of 12. The determination coefficient Model 3
Summaryb Model

T	R	R	It said	Std.	Change Statistics	Durbi

he Model		Square	the R Square	The error of the Estimate	R Square Change	F Change	Indonesia Recorded Its 941	Indonesia Recorded Its 942	Sig. F Change	n-Watson
1	.928a	.861	.858	88436.33434	.861	361.107	2	117	-4,000	.790

A.   Predictors: (Constant), Giral, BI Rate

B.   Dependent Variables: PDB

5.18 table shows that the value of *R Square* of 0,858 or 85,8% which means that the percentage of the influence of money Conventional Giral variable and the BI *rate* of the GDP is very high/strong as much as the value of the determination coefficient or 85,8%. While the remaining 14.2% influenced or explained by other variables which are not included in this research model.

The Fourth Model (4)

The determination coefficient Statistics test on this research is to know how far the ability of the models in the description of the variation of the dependent variables. The test statistics of the determination coefficient can be seen in the table following 13:

Table of 13. The determination coefficient Model 4
Summaryb Model

The Model	R	R Square	It said the R Square	Std. The error of the Estimate	Change Statistics					
					R Square Change	F Change	Indonesia Recorded Its 941	Indonesia Recorded Its 942	Sig. F Change	Durbin-Watson
1	.847a	.717	.712	1.76163	.717	148.358	2	117	-4,000	.354

A.   Predictors: (Constant), Giral, BI Rate

B.   Dependent Variables: Inflation

Table 13 shows that the value of *R Square* of 0,712 or 71,2% which means that the percentage of the influence of money Conventional Giral variable and the BI *rate* of inflation is high/strong as much as the value of the determination coefficient or 71,2%. While the remaining 28,8% influenced or explained by other variables which are not included in this research model.

6. THE CONCLUSION AND SUGGESTIONS

6.1 Conclusion

Theconclusion in progress report of this research is to stage 70% where researchers perform a search data, tabulation of research data and test the classical assumption that includes Multikolinearitas, Normalitas and Heteroskedastisitas Test.

6.2 Suggestions

On further research is recommended to use the technique of the other methods such as Path Analysis and testing the hypothesis in order to develop the results of the research. The development of research also can be done by

doing similar research but on the place or different locations.

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