Determinants of GRDP and Rupiah Exchange Rate on Sharia Bank MSME Financing in Jambi Province 2010-2017

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Abstract

The purpose of this study is to determine what factors influence the behavioral intentions of Banten's millennial generation toward halal tourism following the Covid-19 pandemic. This study modifies the Theory of Planned Behavior (TPB), intending to understand how intense religiosity affects the behavioral intentions of the Banten millennial generation toward halal tourism. Respondents in this study were millennials from 8 regencies and cities in the province of Banten. The number of respondents in this study amounted to 375 people. Questionnaires were distributed via Google form to respondents who met the inclusion criteria. The analytical method uses multiple linear regression to examine the effect of the independent variables on the dependent variable. The study's findings indicate that attitudes, subjective norms, and Islamic religiosity have a favorable and significant effect on behavioral intentions in halal tourism. At the indicated significance level, the variable Perceived behavioral control had no positive and significant effect on behavioral intentions in halal tourism. However, simultaneously all independent variables have a positive and significant effect on the behavioral intention of the Banten millennial generation on halal tourism. The study's findings indicate that attitudes, subjective norms, and Islamic religiosity have a favorable and significant effect on behavioral intentions in halal tourism. At the indicated significance level, the variable Perceived behavioral control had no positive and significant effect on behavioral intentions in halal tourism. However, all independent variables had a favorable and substantial effect on the behavioral intention of the Banten millennial generation toward halal tourism at the same time.

Keywords: GDRP, Financing, Sharia Bank, Exchange Rate

INTRODUCTION

Economic growth is an indicator for assessing the economic progress of a region, nation or country. On this basis, every country tries to increase economic growth rates by one way of investing in the infrastructure sector and other economically productive sectors (Sirilius, 2016). One measure of development and economic growth in a region can be seen from the income of the people of that region. Community income level in the analysis area. can be measured from the total regional income as well as the average income of the people in the region. Analyzing a region or discussing regional development cannot be separated from discussing the income level of the people in that region. There are several other parameters, such as increasing employment opportunities and equal distribution of income, which are also closely related to increasing regional income. Regional development must be related to increasing the income of the people in the region. What is meant is the average income (income per capita) of the community, for this reason it is necessary

to know the measuring instruments and methods used to determine the level of community income (Robinson, 2015).

From a macroeconomic perspective, the development of MSMEs will result in additional product variations and increase in Gross Domestic Product. This can directly or indirectly encourage economic development, and can even encourage economic growth. Apart from that, the macroeconomic development of MSMEs can reduce the number of unemployed, because people who were previously unemployed move to carry out MSME activities. MSME activities are not only carried out by one person, of course they can also attract other unemployed people to help work for the MSME owner. The development of MSMEs can also increase the level of community welfare, especially those business actors (roy, 2017).

Financing of MSMEs or Micro, Small and Medium Enterprises in the economy is an important position in the main driver of the economy in a region. Micro, Small and Medium Enterprises (MSME) activities are one of the business fields that can develop and be consistent in the regional economy. MSMEs are a good forum for creating productive jobs. MSMEs are labor-intensive businesses, do not require certain requirements such as the level of education, expertise (skills) of workers, and use relatively little business capital and the technology used tends to be simple. The following is data on financing distributed by Sharia Banking to MSMEs in Jambi Province from 2010 to 2017.

Table 1. MSME Financing from Sharia Commercial Banks in Jambi (Million)

Year	Financing	Growth
2010	168.624	
2011	287.065	70,24
2012	242.590	-15,49
2013	291.344	20,10
2014	610.250	109,46
2015	521.570	-14,53
2016	507.126	-2,77
2017	512.520	1,06

From table 1.1, it can be seen that MSME BUS financing in Jambi province continues to fluctuate from year to year. This can be seen in 2012, 2015 and 2016 which experienced a decrease as large as the previous year. Meanwhile, the highest MSME financing occurred in 2014, namely growth of 109.46% or it could be said to be 2 times higher than the previous year. Micro, Small and Medium Enterprises (MSMEs) are an important component of efforts to empower the people's economy. This is proven that the MSME sector potentially has the social capital to develop naturally and survive in all conditions and is relatively independent and has a strategic role in regional economic development.

According to Dian Astri Narita, the distribution of banking financing to sharia commercial banks is actually influenced by several factors, such as the BI Rate, Foreign Exchange Rates, Inflation and so on. These variables are economic factors that can influence the distribution of financing provided to the MSME sector (Narita, 2016). The following is data on the 2010-2017 Rupiah Exchange Rate.

Tabel 2. Rupiah Exchange Rate

Year	Exchange Rate	Growth%
2010	9.151	
2011	8.777	-4,26%
2012	9.387	6,50%
2013	10.462	10,28%
2014	12.303	14,96%
2015	13.310	7,57%
2016	13.310	0,00%
2017	13.329	0,14%

From table 2 above, it can be seen that the rupiah exchange rate from 2010-2017 also continued to increase. Only in 2011 did it decrease to IDR 8,777. The weakening of the rupiah exchange rate against the dollar will also have an impact on MSMEs, especially MSMEs that use imported fuel. This condition will result in increasingly expensive production raw materials. The weakening of the rupiah against the US dollar will be seen from the MSME sector which still controls the market by 99% so that empowering micro, small and medium enterprises is very strategic, because of its great potential in driving community economic activities in improving the welfare of the existence and role of MSMEs (Supriyadi, 2016)

Objective

From the description of the background to this problem, the author would like to see that it is necessary to carry out research which aims to analyze the influence of GRDP, Rupiah exchange rate on Sharia Bank MSME Financing in Jambi Province from 2010 to 2017.

LITERATURE REVIEW
Gross Regional Domestic Product (GRDP)

Gross Regional Domestic Product (GRDP) according to the Central Statistics Agency (BPS) is defined as the total added value of goods and services produced by various production units in a country's territory within a certain period of time (usually one year). 31 GRDP can describe the ability of a region to manage the natural resources it has. Therefore, the amount of GRDP produced by each region is very dependent on the potential of production factors in that region. The existence of limitations in the supply of these production factors causes the amount of GRDP to

vary between regions. In a country's economy, each sector depends on other sectors, one another requires both raw materials and final results (Nugroho, 2015).

The method of presenting Gross Regional Domestic Product is arranged in two forms, namely: (1) Gross Regional Domestic Product at Constant Prices According to BPS, the definition of Gross Regional Domestic Product at constant prices is the total value of production or expenditure or income calculated at fixed prices. By defining prices at a basic level using the consumer price index. This calculation reflects the actual level of economic activity through real Gross Regional Domestic Product. (2) Gross Regional Domestic Product at Current Prices The definition of Gross Regional Domestic Product at current prices according to BPS is the amount of gross added value arising from all economic sectors in a region. The added value in question is the value added to goods and services used by production units in the production process as intermediate inputs. This added value is the same as compensation for the participation of production factors in the production process (BPS, 2022).

Rupiah Exchange Rate

The exchange rate is the price of a foreign currency (Dornbusch, 2008). For example, the rupiah exchange rate against the US dollar, the rupiah exchange rate against the Euro, and so on. In general, the exchange rate can be interpreted as a comparison between the price of one country's currency and the price of another country's currency. The exchange rate between currencies is also known as the exchange rate, the exchange rate is the price of one unit of foreign currency in units of domestic money. Or in other words, the exchange rate is the price of a currency when exchanged for another currency. 50 So, it can be concluded that the rupiah exchange rate is a comparison between the value of one country's currency and that of another country. (Ilmu-konomi.id, 2009).

In Islam, foreign exchange trading can be likened to the exchange between gold and silver (Sharf). The price of the exchange can be determined based on the agreement between the seller and the buyer. As the words of the Prophet Muhammad SAW narrated by Abu Bakar: "Do not exchange gold for gold and silver for silver except of the same quality, but exchange gold for silver according to what you like" (HR. Bukhari).

According to Fauziah (2016), the rupiah exchange rate causes difficulties for the business world in running their business, especially for those who use raw materials from abroad or sell their goods to export markets. Realistic management of the rupiah exchange rate and relatively low changes can provide certainty for the business world, as has been the case in recent times, which is important in increasing investment and export-oriented activities. This situation in turn will encourage increased demand for financing for MSMEs so that it can encourage the healthy development of sharia banking.

Financing in Sharia Banking

The definition of financing according to the Smart Dictionary of Sharia Economics, financing is defined as the provision of funds or bills which are equivalent to: (a) profit sharing transactions in the form of mudhrabah and musyarakah; (b) rental transactions in the form of ijarah or hire purchase in the form of ijarah mutahiyah bit tamlik; (c) buying and selling transactions in the form of murabahah, salam and istih'na receivables, (d) lending and borrowing transactions in the form of qardh receivables; and (e) service rental transactions in the form of ijarah for multi-service transactions; based on an agreement or agreement between sharia banks and/or UUS and other parties which requires the party financed and/or given funding facilities to return the funds after a certain period of time in return for ujrah, without compensation, or profit sharing (Asiyah, 2015). Financing is funding issued to support planned investments, whether carried out by yourself or carried out by other people (Muhammad, 2005). In other words, financing is funding issued to support planned investments.

Previous Researchs

Paramita et al (2014) their research results show that from the analysis results obtained it can be concluded that the capital and profit factors of SMEs directly and significantly influence regional economic growth in Batu City. While Zahroh et al (2014), his result show that the variables inflation rate and SBI interest rate both have a significant effect on the Rupiah exchange rate. Meanwhile, partial economic growth has no significant effect on the Rupiah exchange rate. Bambang and Alpi (2019) The research results show that the GRDP variable partially has a positive and significant effect on MSME financing at Sharia Commercial Banks for the 2010-2017 period. The GRDP variables and the rupiah exchange rate together (simultaneously) have a significant effect on MSME financing, and the research results show that MSME financing at Sharia Commercial Banks for the 2010-2017 period can be explained or influenced by the GRDP variables and Rupiah exchange rate.

From the research presented above, it can be seen that the research conducted by researchers has different studies. In this case, the author will focus more on the relationship between GRDP, Rupiah Exchange Rate on the Distribution of MSME Financing and Third Party Funds in Sharia Commercial Banks in Jambi Province for the 2010-2017 Period.

RESEARCH METHODS

Type and Source of data

This research is applied research with the approach used in this research being a quantitative approach. Quantitative research is structured research and clarifies data so that it can be generalized (Iswati, 2009). The analysis technique used to find

out the relationship between variables uses multiple linear regression. There is a statistical program that is used used to make it easier to process data using software.

In this research, researchers used a form of data collection using secondary data. In collecting this data, researchers directly requested growth reports from the Bank Indonesia website and the Central Statistics Agency, from 2010-2017. The operationalization of variables in this research consists of the dependent variable (variable Y) in this research is MSMEs in Sharia Commercial Banks and Sharia Business Units, (1. Variable Y: MSMEs in Sharia Commercial Banks. (2. Independent Variable (variable X) in this research are: Gross Regional Demostic Product (GRDP), Variable M2: Third Party Funds in Millions of Rupiah.

Data analysis technique

Path analysis was first introduced by Sewall Wright in the 1930s. Path analysis is an extension of multiple linear regression analysis. Path analysis is a technique for analyzing cause and effect relationships that occur in multiple linear regression if exogenous variables influence endogenous variables not only directly but also directly (Noor, 2014). Data analysis techniques used to solve problems in this research is path analysis using the SPSS 19 for Windows program. The aim of using path analysis is to find the magnitude of the influence of exogenous variables on endogenous variables in combination or partially, to test whether the model is mixed based on research data with existing theory, and to analyze the correlation between variables by looking at the direct influence, the influence of the correlation between variables by looking at the direct influence, indirect influence, total influence and influence of other factors (Sarwono, 2012).

Path analysis uses path diagrams to present problems in pictorial form and determine structural equations that state the relationships between variables on the path diagram. Path diagrams can be used to calculate the direct and indirect influence of exogenous variables on an endogenous variable. These influences are reflected in what is called the path coefficient, where mathematically the path analysis follows a structural model (Sarwono, 2012). The variables we use in this research are GRDP, Rupiah Exchange Rate, Third Party Funds and MSMEs in Islamic commercial banks. In this research we use three models to assess contributions, namely GRDP, Rupiah Exchange Rate, Third Party Funds and MSMEs in Islamic commercial banks, namely:

$$M1 = \alpha + \beta X + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \quad (1)$$

$$M2 = \alpha + \beta X + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \quad (2)$$

$$Y = \alpha + \beta X + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots \quad (3)$$

$$Y = \alpha + \beta 1 X + \beta M1 + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots\dots \quad (4)$$

$$Y = \alpha + \beta X + \beta M2 + \varepsilon \dots\dots\dots\dots\dots\dots\dots\dots\dots \quad (5)$$

$$Y = \alpha + \beta X + \beta M1 + \beta M2 + \varepsilon \dots\dots\dots\dots\dots\dots\dots \quad (6)$$

RESULTS AND DISCUSSION
a. Development of MSME Financing in Sharia Commercial Banks

The rapid growth of Islamic banks in Indonesia shows that the system or concept attached to Islamic banks is appropriate to the conditions and in the right segment. Sharia finance in Indonesia has continued to thrive since regulations regarding sharia economic activities in Indonesia were issued in 2008, including the issuance of Law Number 21 of 2008 concerning Sharia Banking (OJK, 2017)
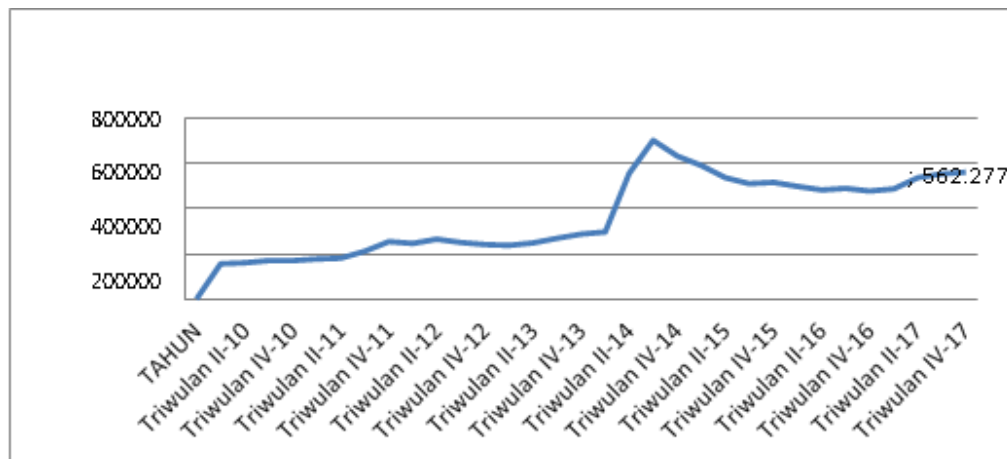
Source: Bank Indonesia Jambi Representative Office (2020)
Figure 1. BUS MSME Financing in Jambi Province 2010-2017

One of the areas where sharia banking is growing quite rapidly is Jambi province. We can see this, the large contribution of Sharia Banking in channeling financing to the real sector. The following is data on financing distributed by Sharia Banking to MSMEs in Jambi Province from 2010 to 2015. The following is a table of financing for MSMEs from Sharia Commercial Banks in Jambi Province for the period 2010-2017. From graph 1 above, it can be seen that there have been fluctuations in Sharia Commercial Bank MSME financing in Jambi Province for the period 2010-2017. This is proven by the increase and decrease each quarter. The highest financing occurred in the third quarter of 2014 amounting to Rp. 702,241 million, while the lowest financing occurred in the first quarter of 2010 amounting to Rp. 155,504 million.

b. Development of Gross Regional Domestic Product (GRDP)

Based on graph 2, it can be seen that the development of GRDP in Jambi Province continues to increase from year to year. Only in the first quarter of 2012, the first quarter of 2013 and the first quarter of 2017 there was a decrease of Rp. 4,867,497 Million, Rp. 5,274,525 Million and Rp. 33,134,262 Million. Meanwhile, the highest increase occurred from the fourth quarter of 2013 to

the first quarter of 2014, namely from Rp. 5,690,102 Million to Rp. 29,262,512 million, or 6 times higher than the previous year.
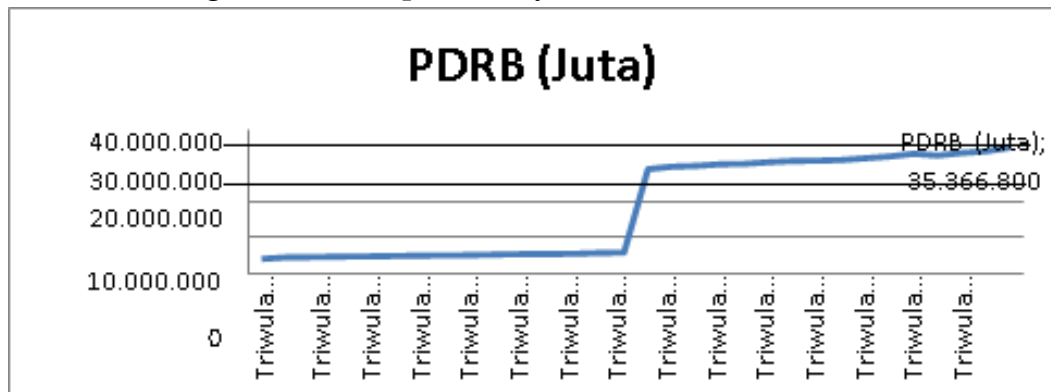

Figure 2. Gross Regional Domestic Product of Jambi Province 2010-2017 (Quarterly)
Source: Jambi Province Central Statistics Agency

c. Development of the Rupiah Exchange Rate Against the Dollar

In general, the exchange rate can be interpreted as a comparison between the price of one country's currency and the price of another country's currency. The exchange rate between currencies is also known as the exchange rate, the exchange rate is the price of one unit of foreign currency in units of domestic money. Or in other words, the exchange rate is the price of a currency when exchanged for another currency. Graph 4.3 explains that the rupiah exchange rate against the dollar has fluctuated from year to year. The lowest rupiah exchange rate occurred in the second quarter of 2011 at Rp. 8,590 and the highest occurred in the fourth quarter of 2014 amounting to Rp. 13,744
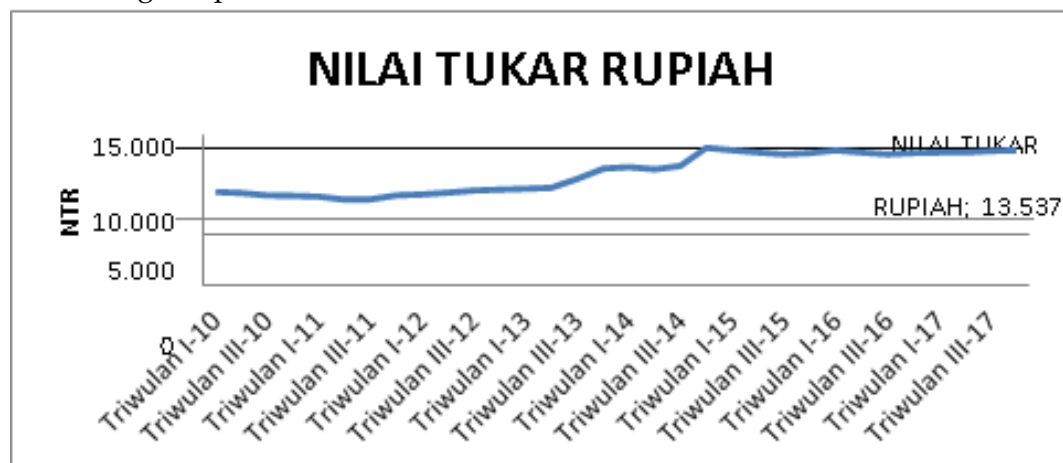

Figure 3. Development of the Rupiah Exchange Rate against the Dollar 2010-2017
Source: bi.go.id

Result Analysis

Data analysis and hypothesis presentation in this research will be carried out using a path analysis model through the SPSS Amos 25 application, where the phat

analysis will test the influence of GRDP (X), Rupiah Exchange Rate (M), and Financing (Y).

1) Direct influence of GRDP on NTR

The direct influence of GRDP on NTR is significantly positive. With a significant value of 0.000 <0.010 with a coefficient value of 0.136. This means that every time there is an increase in GRDP of Rp. 1 will cause an increase in NTR of IDR. 0.136..

2) Direct influence of GRDP on Financing of Sharia Commercial Banks. Direct influence of GRDP on Financing of MSMEs of Sharia Commercial Banks has a significant positive effect with a significant value of 0.002 > 0.010 with a coefficient value of 8.205. This means that every time there is an increase in GRDP Rp. 1 will cause an increase in financing of Rp. 8,205.

3) The direct influence of GRDP on Sharia Commercial Bank MSME Financing has a significant positive effect with a significant value of 0.002 > 0.010 with a coefficient value of 8.205. This means that every time there is an increase in GRDP Rp. 1 will cause an increase in financing of Rp. 8,205.

4). The indirect effect of GRDP on Sharia Commercial Bank Financing through NTR has an insignificant effect with a value of 0.13557 > 0.010 with a coefficient value of 3.092. These results show that GRDP does not play an indirect role in increasing MSME financing through NTR. This means that indirectly GRDP does not affect MSME financing through the distributed NTR mediator variable, that is, every Rp. 1 increase in GRDP through NTR will reduce MSME financing by IDR. 3,092.

5) The indirect influence between GRDP and Financing through DPK has a significant effect with a significance value of 0.008 < 0.05 with a coefficient value of 3.092. These results show that GRDP plays a direct role in increasing MSME financing. This means that GDP indirectly influences MSME financing through the mediator variable DPK distributed, namely every increase in GRDP of IDR. 1 through DPK will increase MSME financing by IDR. 3,092.

The results of data processing and analysis show that the direct influence of GRDP makes a significant contribution to NTR with a coefficient value of 0.136. This means that every time there is an increase in GRDP of Rp. 1 will cause an increase in NTR of IDR. 0.136. This is because the rupiah exchange rate is a national variable which has a large influence on local economic activities such as in Jambi Province, especially in relation to requests for MSME financing from sharia banking.

The results of data processing and analysis show that the direct influence of GRDP makes a significant contribution to MSME financing with a coefficient of 8,205. This means that every time there is an increase in GRDP of Rp. 1 will cause an increase in MSME financing from sharia commercial banks by IDR. 8,205. This is in line with previous research conducted by Bambang and Alfi (2016) that GRDP has a significant positive effect on MSME financing. For the community in applying for financing for economic activities, one of the factors is determined by the amount of the

community's income. If the income obtained is higher, it will encourage people to apply for more financing.

The results of data processing and analysis show that the indirect influence of GRDP on financing through NTR is not significant with a coefficient value of 0.252. This means that every time there is an increase in GRDP of Rp. 1 will cause an increase in NTR by Rp. 0.252 via NTR. The significance value of the calculation result is 0.4424 which is greater than the desired level of significance which is 0.010 and also the Sobel test calculation result of 0.768 is greater than 1 so it can be concluded that H0 is rejected and Ha is accepted. Thus, it can be concluded that the GRDP variable indirectly has a significant effect on MSME financing through NTR. This is caused by the production of raw materials used using export and import goods.

The results of data processing and analysis show that the indirect influence of GRDP on financing through DPK is not significant with a coefficient value of 0.252. This means that every time there is an increase in GRDP of Rp. 1 will cause a decrease in DPK of IDR 0,252 through DPK. The significance value of the calculated results of 0.1927 is greater than the desired significance level of 0.05 and also the Sobel test calculation result of 1.302 is greater than 1 so it can be concluded that H0 is accepted and Ha is rejected. Thus, it can be concluded that the PDRB variable indirectly has no significant effect on MSME financing through DPK. In this case, the reason that economic growth does not affect the financing of MSMEs from sharia commercial banks in Jambi province through third party funds is because the distribution of third party funds is more directed towards home ownership credit financing.

CONCLUSION

Based on the conclusions outlined above, the following will state several implications that are considered relevant to the research. These implications include the following: 1. If seen from the direct relationship (Direct Effect), GRDP has a significant influence on the rupiah exchange rate, GRDP has a significant influence on MSME financing of sharia commercial banks in Jambi Province and GRDP has a significant influence on third party funds. 2. If we look at the indirect relationship (Indirect Effect), GRDP has an influence and is not significant on MSME financing through the rupiah exchange rate. GRDP has a significant and influential effect on MSME financing through third party funds. 3. If you look at the total relationship (Total Effects), GRDP, rupiah exchange rate and third party funds have a significant and influential effect on MSME financing.

Based on the research that has been carried out and the research results obtained, the author recommends several things, including for Sharia General Banks in Jambi Province to pay close attention to the movement of the growth rate of MSME financing of Islamic commercial banks so that the growth rate of MSME financing of Sharia commercial banks in Jambi Province increases rapidly.

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