2nd ICIEBP
The 2nd International Conference on Islamic Economics, Business, and Philanthropy (ICIEBP) Theme: "Sustainability and Socio Economic Growth"
Volume 2019

KnE Social Sciences

Knowledge E
Engaging minds

Conference Paper

Monetary Policy and Inflation in Indonesia: The Role of Dual Banking System

Raditya Sukmana and Achmad Adnan Fauzi Wicaksana

Syariah Economy Department, Economy and Business Faculty, Airlangga University

Abstract

This study aims to examine the effect of monetary policy to the inflation rate in Indonesia from January 2011 to December 2015 via conventional and sharia systems. Vector Error Correction Model (VECM) is adopted for that purpose. The result shows that in the long run, conventional monetary policy transmission has an effect on inflation rate in Indonesia. Interbank money market variable has negative and significant influence on the inflation rate. While the loan to deposit ratio variable does not. On the Islamic side, the results show that in the long run, Islamic monetary policy transmission has a negative effect on inflation in Indonesia and Islamic money market has significant positive effect.

Keywords: Efficiency, Zakat Institution, Data Envelopment Analysis: Islamic economics, transmission of sharia and conventional monetary policy, inflation, VECM, vector error correction model.

Received: 10 February 2019
Accepted: 14 March 2019
Published: 28 March 2019

Publishing services provided by Knowledge E

Selection and Peer-review under the responsibility of the ICIEBP Conference Committee.

1. Introduction

History proves that almost all countries in the world experience quite complex problems, namely the economic crisis. Beginning with the great catastrophe (the great depressions) in the 1930s, then followed by the Latin America crisis in the 1980s, finally reemerged in the monetary crisis in Asia in the mid-1997s. Inflation is defined as a general increase in price levels. The experience of crisis after crisis that befell the world economy in the last century should have made us aware that the problem of inflation has developed into an increasingly complex problem (Triono, 2006). If you want to refer to the Qur'an, you will find a verse that provides information about the occurrence of instability or even economic shock, if people make mistakes in carrying out economic practices. This can be listened to in QS. Al Baqarah: 275.

According to Chapra (2000), if you want to do treatment, there will be no effective treatment unless it is directed to the mainstream of the problem. The mistake that is generally made is that treatment is only carried out on symptoms, not in a centralized manner (the source of the problem). The transmission mechanism of monetary policy in Indonesia conducted by Bank Indonesia as a monetary authority can influence various economic and financial activities. The change in the BI Rate affecting inflation is referred to as the monetary policy transmission mechanism. Transmission of monetary policy in Indonesia can be completed based on 2 concepts, namely conventional and sharia. Conventional concepts are the first concept. Simply put, sharia monetary operations are monetary operations carried out in accordance with sharia principles.

2. Review and Hypothesis Development

2.1. Monetary policy concept

In the opinion of Warjiyo and Agung (2002), monetary policy is an integral part of macroeconomic policies carried out with consideration to the cycle of economic activity, the nature of the economy of a country, along with other fundamental / economic factors. Also as stated by Rahardjo and Manurung (2001: 359) that monetary policy is intended to control or direct the macro economy to the desired conditions by regulating the money supply.

2.2. Sharia monetary policy

According to Chapra (2000: 12) the Islamic central bank must be responsible for issuing money in cooperation with the government, seeking internal and external stability. The stability of money values reflects the controlled price which will ultimately affect the realization of the achievement of a country's development goals, such as meeting basic needs, equitable distribution, expansion of employment opportunities, optimal growth of the real economy and economic stability. In the Islamic economy according to Mustafa Edwin (2007: 262-265) the demand for funds for investment oriented to own capital is part of the total transaction demand and will depend on economic conditions and the expected rate of profit that will not be determined in advance. Given that expectations of profits do not experience daily or weekly fluctuations, aggregate demand for transaction needs will tend to be more stable. Greater stability in the demand for money for transaction purposes will tend to encourage greater stability in the speed of money circulation in a phase of the business cycle in an Islamic economy and better predictable behavior.

2.3. Sharia monetary policy transmission mechanism

Chapra (2000) said that monetary policy aims to achieve Islamic socio-economics. Among others, namely:

1. Broad economic prosperity based on full employment with optimum growth rates;
2. Socio-economic justice and equitable distribution of income and welfare, one of which can be done with a good and right zakat mechanism;
3. Stability in the value of money so that it truly becomes a medium of exchange that is truly just and stable;
4. Mobilization and capital investment for productive economic development with a fair distribution system for all parties involved;
5. Realizing other services, such as primary and secondary markets to meet the need for non-inflationary funding and finance for the government.

2.4. Effect of bank indonesia certificates (SBI) and bank indonesia sharia certificates (SBIS) on inflation in Indonesia

When BI issues SBI and SBIS and sells it to the public it will cause the amount of money circulating in the community to decrease. According to Rahardjo and Manurung (2001: 359), reducing the amount of money in circulation (JUB) is one of the targets to be achieved in establishing contractive policies. This policy is carried out when the economy runs too strong and causes inflation. So that the expectation when JUB is reduced will suppress public demand for goods which is a factor causing demand pull-inflation so that the inflation rate can be suppressed.

2.5. Effect of Interbank Money Market (PUAB) and Sharia Interbank Money Market (PUAS) on inflation in Indonesia

PUAS as a dependent variable PUAS policy regulates Islamic and conventional commercial banks to be able to invest in short-term Islamic banks that require liquidity by using mudaraba or profit sharing principles, whereas PUAB regulates conventional banks to invest short-term in conventional commercial banks that require liquidity by using interest rate. When the estimated liquidity calculation and the profit sharing indicators in PUAS are expected to experience excess liquidity, which is indicated by a sharp drop in the interbank money market rate, the implementation of the Absorption Absorption

Policy will be implemented. Whereas if the estimated liquidity calculation and interest rate indicator on the interbank money market are expected to experience a liquidity shortage, which is indicated by an increase in the interbank money market interest rate, the injection OMO policy is sharply implemented which is all regulated in the implementation of Sharia Monetary Operations. (www.bi.go.id)

2.6. Effect of Loan to Deposit Ratio (LDR) and Finance to Deposit Ratio (FDR) on inflation in Indonesia

According to Karl and Fair, the interest rate is the interest of a loan that is paid annually in the form of a percentage of the loan obtained from the amount of interest received each year divided by the number of loans. According to Miller, RL, and Vanhoose, a number of funds in the form of money received by creditors which is the ratio of interest to total loans. While the influence of Finance to Deposit Ratio on the inflation rate is, the inflation rate has a positive effect on third party funds. However, high inflation will cause the real income of the community to continue to decline, so that the estimated tendency of the people to save their funds in the bank will also decrease (Cahyono, 2009). Thus, the hypotheses in this study are: H1 = The rate of inflation has a negative effect on the amount of mudharabah deposits.

2.7. Hypothesis

The hypothesis that can be concluded in this study are as follows:

H1: SBI, PUAB, LDR directly affects the level of inflation

H2: SBIS, PUAS, FDR directly affects the level of inflation

H3: SBI, PUAB, LDR indirectly influence the inflation rate

H4: SBIS, PUAS, FDR has an indirect influence on the inflation rate

3. Research Methods

This study uses a descriptive quantitative approach that is intended to answer the formulation of the problem and the purpose of the study, namely the influence of Islamic monetary transmission on the Islamic banking system on inflation in Indonesia. The quantitative approach is carried out using an econometric model combining mathematical analysis, economic theory and statistics. The type of data used in this study is secondary ratio data in the form of time series data which is a set of observations in a certain time span. Time series data is used starting from 2011 to 2015. Data sources used are obtained through Indonesia's economic and financial statistics (SEKI) issued by Bank Indonesia.

The population in this study were SBI rates, SBIS rates, PUAB rates, PUAS levels, LDR levels, FDR levels and inflation rates in Indonesia. The sample selection method used in this study is saturated sample technique (census, namely the determination of the sample as a whole derived from the population with consideration of population elements relatively few of the two criteria in the population.

The method used in this study is the Vector Error Correction Model (VECM) method. VECM is an estimated VAR form. This additional restriction must be given because of the existence of data forms that are not stationary but cointegrated. VECM then utilizes cointegration restriction information into its specifications, therefore VECM is often referred to as VAR design for non-stationary series which has a cointegration relationship. In VECM modeling the initial assumption that must be fulfilled is that all independent variables must be stationary.

4. Results and Discussion

4.1. VECM estimation results

Table 1: Long-term Conventional VECM Test Results.

COINTEGRATING EQ	COINTEQ1
IHK(-1)	1.00000
	0.090397
LDR(-1)	(0.07308)
	[1.23696]
	7.687694
PUAB(-1)	(1.05203)
	[7.30750]
	-7.940233
SBI(-1)	(1.01108)
	[-7.85320]
C	-7.093728

From the results of the cointegration above shows the data that has been analyzed is data that has been cointegrated, it can be concluded that the model can be used to determine short-term and long-term behavior. It can be concluded that in the long term the Loan to Deposit Ratio (LDR) level shows that in the long run it does not significantly affect the CPI at a significant level of 5%. This result is obtained because with the Loan to Deposit Ratio coefficient of -0.90397 and the value of t-statistics equal to [1.23696] which is smaller than the t-table value of [2.00575]. it can be seen if the Loan to Deposit Ratio rate increases by 5%, the CPI will decrease by 0.90397%.

The Interbank Money Market (PUAB) shows that in the long run it has a significant effect on CPI at a significant level of 5%. These results are obtained because the PUAB coefficient value is -7.687694 and the t-statistics value is [7.30750] which is greater than the t-table value of [2.00575]. can be known if the interbank money market interest rate increases by 5% then the CPI will decrease by 7,687694%.

Bank Indonesia Certificates (SBIs) show that in the long run it has a significant effect on CPI at the 5% level. These results are obtained because the SBI coefficient is 7.940233 and the value of t-statistics is [-7.85320] which is greater than the t-table of [2.00575]. then it can be seen that when the SBI yield increases by 5%, the CPI will increase by 7,940233%.

Table 2: Long Term Sharia VECM Test Results.

COINTEGRATING EQ	*COINTEQ1*
IHK(-1)	1.00000
FDR(-1)	-0.149910
	(0.12465)
	[-1.20267]
PUAS(-1)	-10.97600
	(2.15976)
	[-5.08206]
SBIS(-1)	7.957543
	(1.73170)
	[4.59521]
C	21.17257

The VECM estimation results in the long term can be concluded that in the long run the level of Finance to Deposit Ratio has no significant effect on CPI at a significant level of 5%. These results are obtained because the FDR coefficient is 0.0149910 and the t-statistics value is [-120267] which is smaller than the t-table value of [2.00575].

it can be seen if when the FDR level increases by 5% then the CPI will increase by 0.0149910% Islamic Sharia Interbank Money Market (PUAS) shows that in the long run it has a significant effect on CPI at a significant level of 5%. These results are obtained because the PUAS coefficient is 10.97600 and the t-statistics value is [-5.08206] which is greater than the t-table value of [2.00575]. it can be seen that if the PUAS interest rate increases by 5%, the CPI will increase by 10.97600% Bank Indonesia Syariah Certificate (SBIS) shows that in the long run it has a significant effect on CPI at the level of 5%. These results are obtained because the SBIS coefficient is -7.957543 and the value of t-statistics is [4, 59521] which is greater than the t-table of [2, 00575]. it can be seen that when the rate of return on SBIS increases by 5%, the CPI will decrease by 7.957543%.

Table 3: Conventional & Short Term VECM Test Results.

CointEq1	-0.031084	CointEq1	0.010034
	-0.0829		-0.03426
	[-0.37498]		[0.29284]
D(IHK(-2))	-0.068847	D(IHK____(-1))	0.33811
	-0.19166		-0.15181
	[-0.35921]		[2.22725]
D(INT__LDR_(-2))	-0.002677	D(PLS__FDR_(-1))	0.036081
	-0.1728		-0.05128
	[-0.01549]		[0.70356]
D(PUAB(-2))	0.260597	D(PUAS(-1))	-0.028509
	-0.42537		-0.29902
	[0.61263]		[-0.09534]
D(SBI(-2))	-0.223787		
	-0.50271	D(SBIS(-1))	-0.025669
	[-0.44516]		-0.4161

The table shows that there are no short-term variables that have a significant effect. This is because none of the t-statistics values of all variables are greater than the t-table value of [2, 00575]. VECM estimates alone do not explain much of the dynamic movement of the VECM model. Dynamic movement can be seen through Impulse Response and Variance Decomposition. Impulse Response shows how long the influence of one variable shock has on other variables and to track the response of endogenous variables to other variable shock. Variance Decomposition is useful to predict the contribution of the percentage of each variable due to changes or shock in certain variables (Widarjono, 2007: 353-356).

4.2. Impulse response function analysis results

In this study, Impulse Response will focus more on discussing the response of the Consumer Price Index (CPI) variable to the shock caused by the variables of SBI, SBIS, PUAB, PUAS, LDR, and FDR. The graph shown by Impulse Response is representative from one quarter. The vertical axis on the Impulse Response chart is a description of changes in a variable that is affected by the shock caused by certain variables, expressed as a standard deviation unit (SD)

Impulse response shows that overall IHK responds to the Loan to deposit ratio variable. The first period shows that the CPI responds to the shock of the Loan to deposit ratio variable. This shock is characterized by a positive sign that an increase of 1 SD LDR variable is responded with an increase in CPI of 0.169699 SD. then in the next period that is the second period the CPI responds positively to the shock of the LDR which raises 1 SD. LDR increase of 1 SD will be responded positively with an increase in CPI of 0.199034 SD. Responses from the CPI against Shock caused by the interbank money market variables in the first period did not show any changes, but in the second period there was a positive response with an increase of 1 SD from the shock of the interbank money market variable of 0.021882 SD to the third period. The next period, the fourth period indicates that the CPI responds negatively to the interbank money market shock. The addition of PUAB for 1 SD will be responded to by a decrease in CPI of -0.064511 SD.

Testing results Impulse response of the overall interbank money market variable responds to a fluctuating variable shock of Bank Indonesia Certificates. In the first period the CPI has not responded to the shock of SBI. In the third period the CPI responded negatively to SBI shock. A decrease of 1 SBI SD will affect the CPI of -0.079297. next in the sixth period until the end of the period the CPI responds positively to the SBI variable. SBI additions of 1 SD will be responded by CPI Increase at 0.034194. Variable Impulse Response testing results.

The response of the CPI to the shock of the Finance to Deposit ratio variable can be concluded as volatile. At the beginning of the period the CPI has not responded to the shock to finance ratio ratio variable. In the second period CPI shows a positive response from the shock to finance ratio ratio variable. The addition of 1 SD in the FDR variable will be responded to by an increase in the CPI variable of 0.086361 SD. In the next period, the third period to the end of the period indicates that the CPI responds positively to the FDR variable. Each addition of FDR variable of 1 SD will be respected with an increase in CPI of 0.105461 SD.

Impulse response results from the shock of the Sharia Interbank Money Market variable which was responded negatively overall. In the initial period the CPI has not responded to the PUAS variable. In the second to third period, it shows that the IK responds to the PUAS variable. The addition of 1 SD in the PUAS variable will be responded to with a CPI variable of -0.061380 SD. in the next period, the fourth period until the end of the CPI period, still responds to the shock of the PUAS variable negatively. The addition of 1 SD by the PUAS variable will be responded by a decrease in CPI of -0.063515 SD. Impulse response results from the overall shock of the variable Bank Indonesia Syariah Certificate against CPI. At the beginning of the CPI period it has not responded to the SBIS variable shock. But in the second to final period, the CPI responded positively to the SBIS variable. The addition of 1 SD on the SBIS variable will be responded to by an increase in CPI of 0.025470 SD.

4.3. Results of variance decomposition analysis

Variance decomposition or can be called forecast error variance decomposition is a device from the VAR model that will separate variations of a number of variables estimated to be shock components or become innovation variables and with the assumption that innovation variables are not correlated.

This study uses the results of variance decomposition which is more focused on the contribution of shock from the variables of Bank Indonesia Certificates, Bank Indonesia Syaria Certificates, Interbank Money Changer, Loan to deposit ratio, and Finance to deposit Ratio to the Inflation rate in Indonesia. The results of variance decomposition can be seen in the table below:

The result of Variance decomposition of both tables shows that in the first period it can be concluded that each of the variables above has not contributed to the variance of changes in Inflation (CPI) level. In the first period, the inflation rate was 100% (CPI). In the next period until period 10 each variable starts to impact the variance of changes in Inflation Rate (CPI).

The contribution of shock given by the Loan to deposit ratio to CPI in the second period was 1.252650%, then increased in the third period by 1.752551%. Furthermore, in the fourth period up to the last period the shock contribution provided by the LDR level decreased to the final period of 0.907459%. The shock contribution given by the interbank money market level (PUAB) in the second period was 0.006327%. the shock given in the third period increased by 0.015992%. the increase in the contribution of shock occurred until the last period of 0.796764%.

Table 4: Variance Decomposition Test Results for Bank Indonesia Certificates (SBI). Interbank Money Market (PUAB), and Loan To Deposit Ratio (LDR) Against Inflation.

Prd	S.E	IHK	LDR	PUAB	SBI
1	0.883725	100	0	0	0
2	1.51623	98.68756	1.25265	0.006327	0.053461
3	1.975752	98.03889	1.752551	0.015992	0.192569
4	2.325314	97.98584	1.741307	0.088512	0.184345
5	2.610205	98.0475	1.55746	0.247412	0.147628
6	2.866173	98.12708	1.369087	0.380135	0.123696
7	3.107341	98.17046	1.213272	0.505611	0.110655
8	3.335065	98.18684	1.088559	0.620536	0.104063
9	3.550159	98.19546	0.988714	0.715757	0.100068
10	3.753967	98.19798	0.907459	0.796764	0.097794

Table 5: Variance Test Results for Decomposition of Sharia Bank Indonesia Certificates (SBIS), Sharia Interbank Money Market (PUAS), and Finance To Deposit Ratio (FDR) Against Inflation Rate.

Prd.	S.E	IHK	FDR	PUAS	SBIS
1	0.850687	100	0	0	0
2	1.43807	99.50389	0.36064	0.128161	0.007307
3	1.914312	99.36247	0.446335	0.175132	0.016065
4	2.316145	99.29093	0.496027	0.19222	0.020825
5	2.665038	99.24617	0.527137	0.202448	0.024242
6	2.975681	99.21858	0.546792	0.208076	0.026557
7	3.257669	99.19947	0.560587	0.211738	0.028202
8	3.517406	99.18572	0.570594	0.214275	0.029414
9	3.759342	99.17535	0.578174	0.216141	0.030335
10	3.986658	99.16727	0.584098	0.217577	0.031056

Then the variable interest rate on Indonesian Bank Certificates (SBI) contributed to the shock of CPI in the second period of 0.053461%. then in the third period it increased to 0.192569%, but in the fourth period decreased to 0.184345. the decline in the contribution of SBI variable shock occurred up to the last period of 0.097794%. The contribution of shock from the Finance to deposit ratio (FDR) to the CPI in the second period was 0.360640%, then increased in the third period by 0.446335%. the increase in the contribution of variable shock (FDR) occurred until the end of the period, amounting to 0.584098%.

Then on the money market variable between Islamic banks (PUAS) contributed to the shock of CPI in the second period of 0.128161%, then increased in the third period by 0.175132%. in the fourth period to the final period, it will continue to increase up to the tenth period of 0.217577%. The contribution of the shock given by the interest rate of the Indonesian Sharia Bank Certificate (SBIS) to the CPI in the second period was 0.007307%. the number in the second period increased in the third period by 0.016065%. in the fourth period increased again by 0.020825% and continued to increase the SBIS variable shock until the tenth period to reach 0.031056%.

4.4. Hypothesis testing

Based on the results of the analysis on the VECM model that has been described in the previous chapter, the proof of the hypothesis obtained from the statistical test results in the VECM model shows that there is a significant relationship in the long and short term. This study indicates that the influence of exogenous variables on endogenous variables used in this study has a significant effect in the long term. The level of SBI yields, SBIS yields, interbank money market, and the interbank Islamic money market in the long run significantly influence the Inflation Rate (CPI).

5. Discussion

The results of data processing using VECM analysis can determine the behavior of variables of Bank Indonesia Certificates (SBI), Bank Indonesia Sharia Certificates (SBIS), Interbank Money Market (PUAB), Sharia Interbank Money Market (PUAS), Loan to Deposit Ratio (LDR), and Finance to deposit Ratio so that it can be analyzed and discussed. These variables affect the inflation rate called CPI. The results shown will be explained in detail between the conflicting facts that are based on theories that are appropriate to explain the correlation.

5.1. Influence of bank Indonesia's interest rate on inflation

One of the factors affecting the CPI in this study is the variable Bank Indonesia Certificate. In the results of Impulse Response, it was seen that SBI variable shock tended to be responded to increased in the initial three periods, but in the next period until the end it tended to decline. The response shown by the CPI due to the SBI variable shock has a positive trend, so the increase in SBI will be responded to by an increase in the CPI. The increase in CPI shows an increase in the rate of inflation in Indonesia. In the long run, the SBI yield variable has a significant and positive effect on the inflation rate in the long run, but in the short term it is not significant and positive. This is not in accordance with macroeconomic theory where if the rate of return or interest rates increases then it will absorb the money supply and reduce inflation, on the contrary if interest rates fall, inflation will increase as well.

5.2. Effect of the interbank money market on inflation

In this study, the influence of the Interbank Money Market interest rate on the inflation rate can be seen through the Impulse response, as the contribution of shock from the PUAB to inflation tends to decline, so it can be concluded that if the interbank rate rises, the CPI will decline. The decline in CPI shows a decrease in the level of inflation in Indonesia. In the long run, it shows that the interbank variable has significant and negative effects, but in the short term it is not significant and positive.

5.3. Effect of loan to deposit ratio on inflation

In this study also uses the variable Loan to Deposit Ratio whose influence on inflation is examined in this paper. VECM estimation results indicate that the LDR variable has a negative and insignificant trend in the short and long term. In the impulse response test, this variable shows the shock contribution to the inflation rate fluctuatively, in the initial period it shows, this is shown by the ups and downs of the shock value given by this LDR variable, and still gives a positive contribution in influencing the rising inflation rate.

5.4. Influence of bank Indonesia Sharia certificates on inflation

The next variable is the yield of Bank Indonesia Syariah Certificate (SBIS) in which this variable is related to the CPI variable. In the estimation of VECM that has been carried out, the SBIS variable in the long run is significantly negative, differing in the short term which is negative but insignificant. If the SBIS interest rate increases, it will absorb excess liquidity funds at the bank and cause absorbing money circulating to the public and will reduce the inflation rate.

5.5. Effect of Sharia interbank money market on inflation

In this study, the effect of Islamic Interbank Money Market variables (PUAS) can be seen through the analysis of VECM estimation results which show a positive long-term significance in the long term and short term positively. This was followed by the results of the Impulse response which contributed to the shock that increased from the initial period to the end which showed this variable triggered an increase in the inflation rate.

5.6. Influence of finance to deposit ratio on inflation

The last variable is Finance to Deposit Ratio where this variable has an influence that can be seen through the analysis of VECM estimation results positively but not significantly, as well as in the short term. The results of the Impulse response indicate a positive contribution of the

FDR variable shock to the CPI, which indicates an increase in the shock magnitude from the beginning of the period to the end of the period. It can be concluded that this variable triggers an increase in the inflation rate. Interest rate behavior (conventional) and profit sharing (Sharia) are shown in line with conventional credit behavior (LOAN) and Sharia financing (FINC), because credit is influenced by interest rates, while financing is influenced by the results, so credit has a negative impact on inflation and output, whereas financing has a positive impact on inflation and output.

6. Conclusion

Based on the results of data analysis and discussion that have been stated in chapter 4 using the Vector Error Correction Model (VECM) method, can be concluded in the following points:

1. Based on the VECM estimation results, the long-term SBI, SBIS, PUAB and PUAS variables have a significant effect on the inflation rate in Indonesia, but the LDR and FDR variables have no long-term effect.

2. There is no significant influence on all SBI, SBIS, PUAB, PUAS, LDR, and FDR variables in the short term

3. Impulse response results indicate that changes to SBI are responded fluctuatively, but tend to be positive towards CPI. Then changes in interbank money market were also responded fluctuatively, but tended to be negative towards the CPI. Changes to the LDR responded fluctuatively, but tend to be negative towards the CPI. Changes to SBIS responded positively to the CPI, then changes in PUAS were responded negatively to the CPI. Changes to the FDR tend to increase positively against the CPI.

4. Results from Variance decomposition of SBI, SBIS, PUAB, PUAS, LDR, and Finance to deposit ratio show that the variables that have the greatest contribution in influencing changes in variation in the CPI variable are Loan to Deposit Ratio, then PUAB, followed by FDR, SBIS, PUAS, and the smallest is SBI.

References

[1] Ajija, S. R. 2011. Smart Ways to Master EViews.Salemba Empat. Jakarta

[2] Anshori, M. and Iswati, S. 2009. Textbook of Powerful Research Methodology. Surabaya: Airlangga University Press.

[3] Capra. 2000. Islamic Monetary System, Translation by Ikhwan Abidin Basri. Cahyono, Ari. 2009. Effect of Macroeconomic Indicators on Party Funds Third and Financing Islamic Bank Mandiri. Thesis. University Indonesia

[4] Karim, Adiwarman A. 2001. Islamic Economics: A Contemporary Study. Jakarta: Gema Insani Press

[5] Mustafa, Edwin.2007. Introduction to Jakarta's Exclusive Islamic Economy: Kencana Prenada Media Group

[6] Rahardjo, Prathama and Manurung, Mandala. 2001. Macroeconomic Theory, University of Indonesia Faculty of Economics Publisher

[7] Rusydiana, Aam S, 2009 Sharia Transmission Mechanism at Double Monetary in Indonesia

[8] Sugiyono. 2012. Qualitative Quantitative Research Methods and R & B. Bandung: Alfabeta.

[9] Warjiyo, P and J. Agung. 2002. Transmission Mechanism of Monetary Policy in Indonesia.

[10] Directorate of Economic Research and Monetary Policy. Bank Indonesia, Jakarta.

[11] Triono, Dwi Condro. 2003. Economic Growth Versus Economic Equity. Irtikaz. Yogyakarta.