

The Influence Of The Amount Of Third Party Funds And Inflation On The Placement Of SME Financing In The BMT Sharia Cooperative Of The Civil Society Of North Sumatra.

Riyan Pradesyah^{1*}, Reza Ayu Ardianti²

^{1,2}. Universitas Muhammadiyah Sumatera Utara.

^{1,2} Department of Sharia Banking, Faculty of Islamic Religion, Universitas Muhammadiyah Sumatera Utara

* Corresponding author:

Email: riyanpradesyah@umsu.ac.id

Abstract.

This study discusses the allocation of financing distributed by the Madhani Community BMT to Small and Medium Enterprises (SMEs), taking into account several variables used, namely Third Party Funds, Inflation and Financing Allocations. This study aims to see the simultaneous effect of third party funds and inflation on the allocation of financing for small and medium enterprises. The research method used in this study is quantitative, with data analysis using SPSS. As for the results of the study, that third party funds (TPF) partially have no effect and are not significant on SME financing, because the value of t count $< t$ table ($0.132 < 2.012$) and the significance level is greater than 0.05. While the inflation variable has an effect and is significant, on SME financing seen from the value of t count $< t$ table ($5.801 > 2.012$) and the significant level is less than 0.005. Meanwhile, simultaneously, Third Party Funds and Inflation have an effect on the Financing of SMEs in the BMT for the Civil Society of North Sumatra.

Keywords: DPK, Inflation and Financing

I. INTRODUCTION

The development of Islamic financial institutions in Indonesia has increased rapidly from year to year. This shows that the performance of Islamic banking is quite good so that it contributes positively to economic growth in Indonesia. The real evidence of the performance of Islamic banking is quite good when the storm of the economic crisis hit Indonesia, where conventional banking slumped, while Islamic banking was relatively able to survive and even show progress. Islamic financial institutions (LKS) are generally divided into two types, namely Islamic banking financial institutions and non-bank Islamic financial institutions. Islamic banking financial institutions are financial institutions that function as intermediaries between parties who have excess funds and those who lack funds [1]. In practice, these banks collect funds from the public in the form of savings and loans and distribute them to the public. Sharia Banking Law No. 21 of 2008 states that Islamic banking is everything that covers Islamic banks and sharia business units, including institutions, business activities, as well as methods and processes in carrying out their business activities. [2] A sharia bank is a bank that carries out its business activities based on

sharia principles and by type consists of sharia commercial banks (BUS), sharia business units (UUS), and sharia people financing banks or BPRS. Islamic financial institutions in Indonesia have developed, it can be seen from the data published by OJK. The data on the development of Islamic banking from the 2015-2020 OJK are as follows:

Table 1.Office network of Sharia Commercial Banks, Sharia Business Units and Sharia Rural Banks

NO	Bank Group	2015-2020 Tahun					
		2015	2016	2017	2018	2019	2020
1	bus	1990	1.869	1.825	1.154	1,919	1.171
2	UUS	311	332	344	354	381	392
3	BPRS	283	287	274	327	453	464
TOTAL		2,584	2,488	2.443	1,835	2,753	2,027

Source: www.ojk.go.id

Table 1 above shows that the development of Islamic banking from the OJK BUS office network in 2015-2018 decreased from 1,990-1,154 office units, and in 2019 it increased by 1,919 office units, and in 2020 decreased by 1,171 office units, and for UUS increased from 2015-2020 with the number of office units 311-392, while for BPRS in 2015-2016 there was an increase in office units from 283-287 and in 2017 decreased by 274 office units and in 2018 -2020 has increased from year to year from 327-464 office units. Sharia cooperatives are forms of cooperatives that have principles, goals, and business activities based on Islamic sharia, namely the Qur'an and Sunnah. In general, this cooperative is carried out in accordance with the fatwa of the National Sharia Council (DSN) of the Indonesian Ulema Council. That way in this cooperative there will be no elements of usury, masyir, and ghara. In addition, this business entity is also not allowed to carry out various derivative transactions like other Islamic financial institutions [3].

The purpose of sharia cooperatives is to help improve their members and the welfare of society in general, as well as to build the Indonesian economy according to Islamic principles. Hard efforts are needed for the administrators and managers of sharia cooperatives to provide an understanding to the public about sharia sciences in cooperatives. Because Trend problems are temporary depending on the business climate and government policies. And the thing that must be a priority in improving the performance of sharia cooperatives is an effort to increase the satisfaction of its members. This must be prioritized because the problem of customer satisfaction greatly affects loyalty, and has a direct effect on the development of sharia cooperatives [4]. The development of small and medium enterprises in Indonesia is the subject of one of the government's discussions at this time where in this free economic era, small and medium enterprises are considered as flexible businesses. And able to provide a decent living for the perpetrators.

As time goes by, small and medium enterprises are increasing. Of course, this increase cannot be separated from the various problems faced by small and medium enterprises themselves, namely the lack of capital. One of several efforts to develop access to capital for small and medium enterprises is through Sharia financing, namely by kopsyah [5]. One of the funds from sharia cooperatives is funds collected from the community or can be called third party funds (DPK). Third Party Funds greatly affect the operational activities of cooperative institutions. In addition, Third Party Funds are the easiest funds to obtain. Third Party Funds are the largest and most reliable source of funds, because these sources of funds usually reach 80%-90% of the total managed, which in their activities are used to finance each cooperative activity, one of which is the activity of providing financing to the community. Third Party Funds (DPK) are collected in the form of demand deposits, savings deposits and time deposits. Inflation is also a consideration for Kopsyah in channeling financing. When the inflation rate is high and the real value of money falls, the owners of capital prefer to spend their money on fixed assets for the purpose of speculation. The stability of the inflation rate is very important to support the people's economy, because the inflation rate is stable, people will have more confidence in the economic activities they are currently doing or will be carrying out, both consumption and investment.

Table 2. Inflation rate and TPF for 2017-2021

Year	Inflation Rate (%)	TPF (trillion)
2017	3.81	341,875
2018	3.20	379,963
2019	3.02	425,290
2020	2.04	430,209

Source: <https://www.bi.go.id/id/statistik/indikator/data-inflasi.aspx>

Table 1.2 shows the inflation rate in 2017-2020, where in 2017 it was 3.81 and in 2018 it decreased by 3.20 and in 2019 and 2020 it decreased by 3.02 and 2.04 percent. On the part of DPKs it increases every year [6]. The impact of inflation on cooperatives according to Islamic economists is very bad for our economy because it causes disturbances to the function of money, especially to the saving function (savings value), the function of advance payments and the function and unit of calculation. decrease in the marginal propensity to save). Increase the tendency to shop especially for non-prime and luxury goods (increase in Marginal Propensity to Consume) [7]. Directing investment to non-productive things, namely hoarding of wealth such as: land, buildings, precious metals, currency foreign countries by sacrificing investment towards productive activities such as agriculture, industry, trade, transportation and others.

Cooperative DPK is disbursed to financial service institutions, there must be problematic financing [8]. Therefore, financial service institutions must conduct a financing analysis in order to find out the occurrence of financing risks. With problematic financing, it will affect the income of Islamic financial institutions because

of the loss of opportunities to obtain Islamic financial institutions due to the loss of opportunities to obtain funds that should be obtained so that it will have an impact on the liquidity of Islamic financial institutions. If there are many arrears in financing made by customers, the financial institution cannot get back the capital that has been issued, and this can affect the liquidity level of the financial institution.

II. METHODS

The method used in this research is quantitative, with SPSS analysis tool. Data analysis is the process of systematically searching and compiling data obtained from interviews, field notes, and documentation by organizing the data into categories, describing them into units, choosing which ones are important and what will be studied, and making conclusions so that they are easily understood by the public. yourself and others [9]. Data Analysis Techniques in this study is to use the validity test, reliability test, and multiple linear regression test

III. RESULT AND DISCUSSION

Multiple Linear Regression Analysis is used to determine the effect of the independent variable which is more than one on the dependent variable partially (respectively),

Table 3. Coefficients ^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2,328	4.6538		.501	.619
TPF	.196	1.488	.016	.132	.896
Inflation	-1,267	2.176	-.683	-5.801	.000

a. Dependent Variable: Financing

From table 4.6 can be taken the equation:

$$Y = 2.328 + 0.196 + (1.267)$$

The explanation of the above equation is:

1. The constant value of 2,328 indicates if the independent variable is assumed to be zero (0) then the value of Total Financing will increase by 23.28%
2. TPF coefficient of 0.196 with a positive relationship direction shows that if TPF has increased by 1% it will increase financing by 1.96%
3. The inflation coefficient is -1,267 with a negative relationship indicating that if inflation has decreased by 1%, it will increase financing by 12.67%.

The R-Square value of the coefficient of determination is used to see how the variation in the value of the dependent variable is affected by the value of the

independent variable. The value of the coefficient of determination is between 0 and 1. If the R-Square value is getting closer to 1, the greater the influence of the independent variable on the dependent variable

Table 4. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.678 ^a	.460	.435	9964343.392

a. Predictors: (Constant), Inflation, TPF

b. Dependent Variable: Financing

Table 4.8 shows that the value of *R Square* of 0678, or 67.8%, which means the amount of third party funds and variable inflation can explain the financing of 67.8% while the remaining 32.2% explained by variables other that is not in the fill in the variables of the study.

In this study, TPF (Third Party Funds) has no effect and is not significant for MSME financing in the North Sumatran Civil Society Cooperative BMT because the value of $t \text{ count} < t \text{ table}$ ($0.132 < 2.012$) and a significant level greater than 0.05 ($0.896 > 0.05$) so that H_a rejected and H_a accepted, which means that there is no significant relationship between TPF and financing, **the** results of this study are not in line with research by Murtini Nurhidayanti (2012) which states TPF has an effect on financing. And research conducted by Riyan Pradesyah, Nur Aulia (2020) which states that Third Party Funds, Against Mudharabah Contract Financing and research conducted by H. Muklis (2013) states that the most influential variable on financing for SMEs is TPF.

Assuming that Islamic banks will experience non-performing financing if TPF has been distributed. In this study, inflation has an effect and is significant on MSME financing in the North Sumatran Civil Society BMT Kopsyah because the value of $t \text{ count} < t \text{ table}$ ($5.801 > 2.012$) and a significant level that is smaller than 0.05 ($0.000 < 0.05$) so H_a is accepted and H_0 is rejected, which means there is there is a significant relationship between inflation and financing. Inflation is generally understood as an increase in the overall price of goods. Thus, there is a decrease in the *purchasing power of money* or *decreasing purchasing power of money*. Therefore, according to adherents of this understanding, money interest takers are very logical as compensation for the decrease in the purchasing power of money while it is being lent^[1] and the results of this study are in line with the results of Ahmad Juhaeri (2017) which states that inflation has an effect on financing, Lita Istiani (2017) states that inflation has a significant negative effect on the allocation of SME financing

IV. CONCLUSION

In this study, TPF (Third Party Funds) has no effect and is not significant for MSME financing in the North Sumatran Civil Society BMT Kopsyah because the

value of t count $< t$ table ($0.132 < 2.012$) and the significance level is greater than 0.05 ($0.896 > 0.05$). while inflation has an effect and is significant on the financing of MSMEs in the Kopsyah BMT Civil Society of North Sumatra because the value of t count $< t$ table ($5.801 > 2.012$) and a significant level which is smaller than 0.05 ($0.000 < 0.05$). Simultaneously deposits and inflation affect the financing of SMEs in BMT Madani Society of North Sumatra, the coefficient of determination of 67.8% while the remaining 32.2% explained by variables other that is not in the fill in the variables of research

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