



The Urgency of Alignment Islamic Bank to Increasing the Outreach (Indonesia Evidence)

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ABSTRACT

The outreach of Islamic Bank is critical to circulate out of masalah (beneficiaries) to the community (Ummah) and the implementation of Sharia in totality (Kaffah). Nevertheless, Indonesia as the biggest Muslim in the world should facilitate the Muslim society to access their financial transaction needs based their Islamic law. The study aims to examine the outreach of Islamic Bank in Indonesia. The methodology in this literature review is qualitative that support with quantitative data. Three questions research is going to determine in this study are: (i) How the growth of Islamic Banks from 2008 to 2015? (ii) How many the clients that have sworn out by Islamic Banks? (iii) What is the link between masalah and the Islamic Bank growth? We founded the outlet and business performance during 2008-2015 of Islamic Bank in Indonesia still behind from Conventional Bank thus to improve the backward we need interaction, integration and evolution process from all stakeholders. Due to achieve the increasing of outreach we also need the role of government in the political will that function to legitimate and enforce the alignment of Islamic Banks (Bank Syariah Mandiri, BNI Syariah, BTN Syariah and BRI Syariah) became one state own Islamic Bank which objective to create social well-being of the community.

Keywords: Outreach, Masalah, Kaffah, Allignment of Islamic Bank, State Own Islamic Bank, Social Well-being

JEL Classifications: G02, G14, G2

1. INTRODUCTION

One of the important aspects of the human life is the economic activity as a system which linked up to fulfill the human needs. In the Economic system, the existence of commercial establishments have a significant role in economic development and to create social well-being of the community in a state. The function of financial institutions has a very strategic position in mobilizing the economy (Lee and Lin, 2016). The crucial things there is the missing link between the existence of Islamic Banks in Indonesia as the largest Muslim country with majority population as well, because of until now there isn't Islamic Bank in Indonesia which covered financial services for the people all over Indonesia island. This status will be obstinate with the Conventional Bank that has more subdivisions and can coverage the people totally over in Indonesia, i.e. BRI, and Bank Mandiri, those whiles also owned by the state. According to the Qur'an, AlAnbiya verses 107: Meaning: "And We have not sent you, (O Muhammad), except as a mercy to the worlds." The interpret of mercy to the world is inherent

with masalah for the society or the Ummah. Furthermore, what is the masalah, masalah is a good thing, and give beneficiaries to the community, in another word the objective of masalah is to create a social wellbeing (Shidiq, 2017; Nugroho, 2014; Arafah and Nugroho, 2016).

Islamic Bank as the financial foundation that served financial transactions has a function to purge the transactions to become integrated with the Islamic jurisprudence. The original event of the implementation Islamic law is to ban usury/riba because of usury is not ethical and unfair. According to Reed and Bekar (2001), many of religious prohibit usury implementation such as Vedic at India, Judaism (from the 5th century BC to the 20th century), Roman Catholicism (from the 12th century to the 19th century) and Islam (from the 7th century to the present). According to Masyita (2015), the principles of Islamic Bank as follows: The prohibition of interest, the ban of uncertainty or speculation, the prohibition on financing certain sectors, the gain and loss sharing principle, and the asset backing principle. All of these principles hold the

whole objective to create *maslahah* society. According to Prastowo (2015), Islamic Bank's goal is multiple bottom lines because of the base on *Maqhasid Sharia*; the Islamic Bank targets not only steer the masses could be achieved the well-being in the cosmos but also for delivering the hereafter beneficiaries. Furthermore, the Islamic Bank should be balancing the operational between financial performance, and social performances which have the scope with the profit Islamic Bank should provide a positive contribution to poverty alleviation, environmental, equality, justice, health, teaching and also spiritual.

Even Indonesia as not an Islamic state, but Indonesia as the biggest Muslim in the world and the majority of the population also Muslim as well. This condition brings the consequence the government through their policy should support the Muslim to implementing the Islamic law (*sharia*) in the whole of the activity. In Qur'an, *Al-Baqarah* verses 208 stated: Meaning "O you who have believed, enter into Islam completely (and perfectly) and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy." This verse order to everyone who believed to implement all the teachings of Islam (the entire Islamic law) that based on the submission, subordination, and sincerity to Allah SWT. The meaning to convert to Islam in totality (*Kaffah*) is a command to always carry out all Islamic law in all aspects of life as a Muslim. The obligation to implement the teachings of Islam (Islamic laws) in totality because with the totality implementation will bring *maslahah* or have more value than the other laws of human products. Islamic law covers the dimensional world and the hereafter, while the human-made law relates only to life aspects in this world. Nevertheless, Islamic laws also contain the preventive and solutions issues and therefore Islam as a solution is not only as a statement, but it is the promise of Allah.

In Indonesia, the historical growth of Islamic Banking industry is forced by the community (society driven/market driven) begins with the establishment of Bank Muamalat Indonesia (BMI) in 1992 based on the idea of the Indonesian Ulema Council (MUI) and the Association of Indonesian Muslim Intellectuals (ICMI). At that time BMI has not produced a significant contribution to the development of Islamic Banking in Indonesia because of its assets and network relatively in a little measure. Islamic Banking industry in Indonesia has risen over 1999 after the issuing of Law No. 10 of 1998 on banking. Presently, the Islamic Bank network has increased rapidly based on growth, but the scope still less than Conventional Bank. The comparison of serviced offices (outlet) between Islamic Bank and Conventional Bank in Indonesia over 8 years behind as follows:

Table 1 and Graph 1, show the gap between Islamic Bank service office with Conventional Bank Service Office is enormous, it's meant the Conventional Bank for the society more beneficiaries in

economic activity than Islamic Bank. Also, according to the Graph 1, also reflects that the gap of the Islamic Bank and Conventional Bank more far away. The increasing of Conventional Bank outlets is higher than Islamic Bank. In the Qur'an *An-Nahl* verses 30 stated as follows: Meaning: "And it will be said to those who feared Allah, "What did your lord send down?" They will say, "(That which is) good." For those who do good in this world is good, and the home of the Hereafter is better. And how excellent is the home of the righteous." Based on *An-Nahl* 30, people who obey God, and trust his prophet is to give grace, and practice kindness in the community will get a reward in the world and more reward in the hereafter. The existence of service office of Islamic Bank is the disability or barrier to accelerate the socialization of Islamic Banking in the community and to enhance the Muslim to implement the teachings of their religion in totality. Related to totality to implementing the teachings of Islam as thoroughly, the Islamic Bank service outlets should be spread out in all regions in Indonesia because of Islamic Bank as the function of economic activity is the one facial expression to support the means of animation as the Muslim to implementation the *maqhasid sharia*. The services of Islamic Bank should be having beneficiaries to the Ummah as follow:

- Economic well-being that fully and optimum in economic development;
- Socioeconomic justice and equitable distribution of income and riches;
- Constancy in the value of money, its mean, the amount of money was entrusted in the transaction, the value of money as the fairness payment standard and value of money can stabilize in term of saving;
- Mobilization of savings and investment for the economic development of the individual mechanism that ensures the entire stakeholder gets the fair of reward.

Furthermore, the objectives of Islamic Bank were ideal and should to execute by all stakeholder for whole Muslim society

Graph 1: The outlets of Islamic Bank versus Conventional Bank

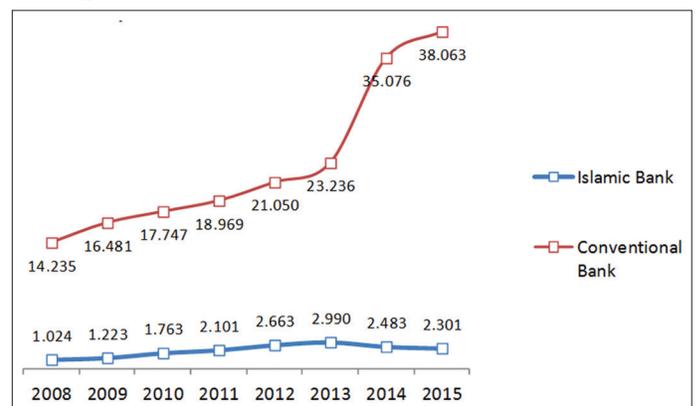
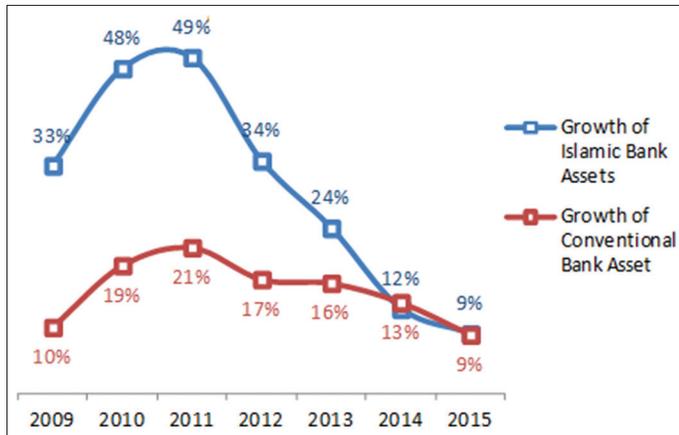


Table 1: Comparison of outlet between Islamic Bank and Conventional Bank (2008-2015)

Description	2008	2009	2010	2011	2012	2013	2014	2015
Islamic Bank	1.024	1.223	1.763	2.101	2.663	2.990	2.483	2.301
Conventional Bank	14.235	16.481	17.747	18.969	21.050	23.236	35.076	38.063
Gap	(13.211)	(15.258)	(15.984)	(16.868)	(18.387)	(20.246)	(32.593)	(35.762)

Sources: Financial services authority/OJK

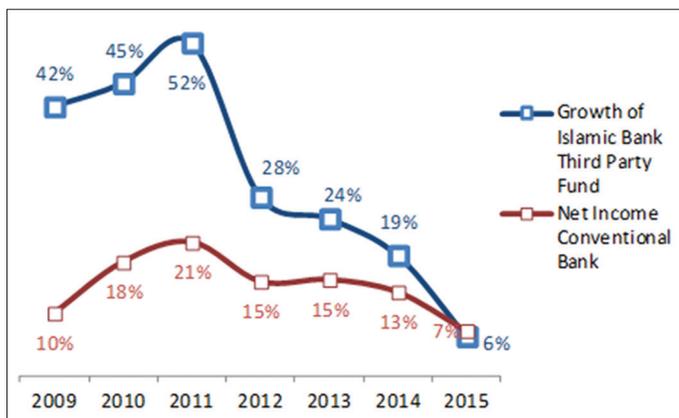
Graph 2: Assests growth of Islamic versus assets growth of Conventional Bank



Graph 3: Financing growth of Islamic Bank versus financing growth of Conventional Bank



Graph 4: Third party fund growth of Islamic Bank versus third party fund of Conventional Bank

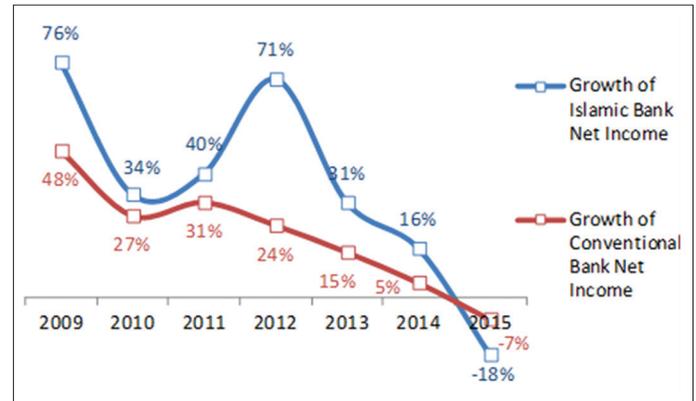


in Indonesia due to the totality (Kaffah) of Islamic law (Sharia) implementation which also mandates in Al-Baqarah verses 208.

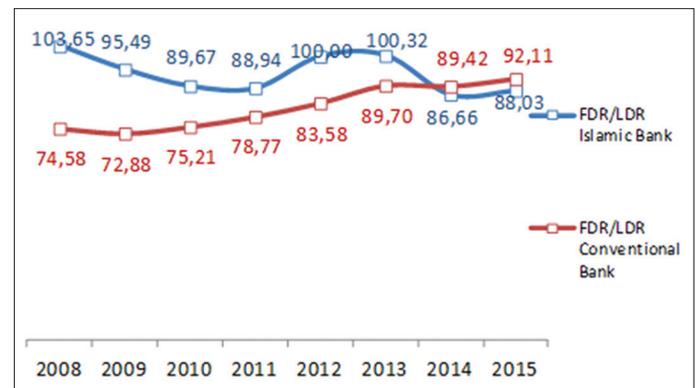
2. THEORETICAL BACKGROUND

The interest of the world community towards Islamic Banking in the aftermath of the global economic crisis has increased since the

Graph 5: Net income growth of Islamic Bank versus net income of Conventional Bank



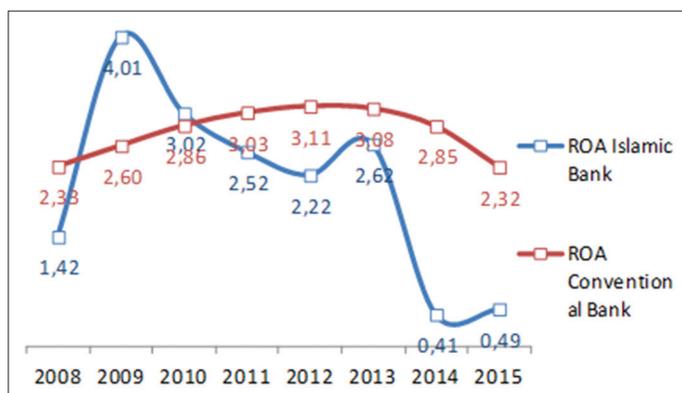
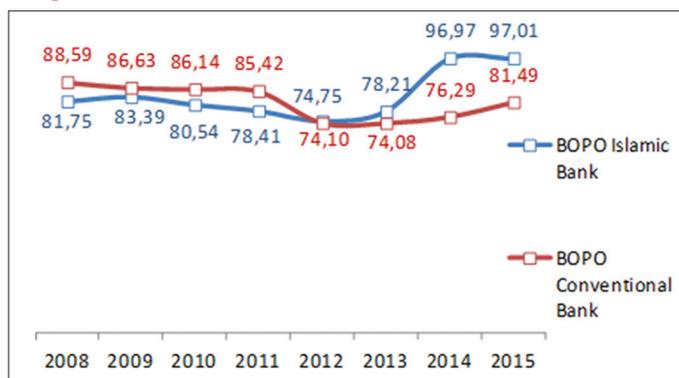
Graph 6: Financing to deposit ratio/loan deposit ratio (FDR/LDR) of Islamic Bank versus FDR/LDR Conventional Bank



Graph 7: Non-performing financing (NPF) of Islamic Bank versus NPF of Conventional Bank



Islamic finance, particularly Islamic Banking to be an alternative to reduce the possibility of a world financial crisis in the future. The reasons Islamic Banks can anticipate the crisis because of Islamic Bank have a market discipline that can monitor and keep the remainder of credit growth with the development of the real sector (Ahmed, 2010). These points are the added value of Islamic Banks compared with Conventional Banks which concern Islamic Banks over the financial accessibility of the poor and responsible and demanded to have a bigger involvement in social welfare. Fear is also based Islamic Bank's commitment to achieving economic targets of Islam (Maqhasid Sharia) which includes

Graph 8: Return on asset (ROA) of Islamic versus ROA of Conventional Bank**Graph 9:** BOPO of Islamic Bank versus BOPO of Conventional Bank

social justice, equitable distribution of income and wealth and to support economic development (Wajdi, 2008).

Islamic Banking is a system of banking that based on the Islamic law (Sharia) principles. In universal, at that place is a term well-known in Islamic Banking, the Maghrib (maysir, gharar, and riba) (Febianto and Kasri, 2007). Maysir is a transaction that takes elements of speculation or gambling due to the lack of productive activity, in other words, find something very easily without any tough work or receive benefits without turning. Islamic law also prohibits trading of financial risk (gambling). Gharar is a lack of clarity on the definition of a transaction so that Islam prohibits a bank product that still contains gharar, and this will lead to uncertainty and injustice against one of the parties. Islamic law prohibits usury, the accumulation and payment of interest, also commonly called riba. Riba is forbidden in Islamic discourse because there is a factor of risk transfer, moreover Sharia transaction base on risk sharing. Nevertheless, Sharia also prohibits investing in businesses that are considered haram (such as concerns that sell alcohol or pork, or occupations that produce media such as gossip columns or pornography, which is adverse to the values of Islam).

At the 20th century, some Islamic Banks were created to fit the particular banking market. In Indonesia, the history of the existence of Islamic Banking in Indonesia began with the desire of the community (community driven) to the financial transaction by sharia principles. Indonesia background is different

when compared to other states where the existence of Islamic Banks caused by petrodollars (Middle East) and the purpose of government (Malaysia). Established in the society motivation driven in Indonesia and the implementation of Islam, as the manner of life, the government should improve the purpose of Islamic Banks in Indonesia to attend the all Muslim people in Indonesia.

3. RESEARCH DESIGN

The research method is qualitative research. The framework of this research is defined by research questions as follows:

- How the growth of Islamic Banks from 2008 to 2015?
- How many the clients that have sworn out by Islamic Banks?
- What is the link between maslahah and the Islamic Bank development?

4. LITERATURE REVIEW

The history of the existence of Islamic Banking in Indonesia is the more rooted in the community (society driven) in comparison with other countries caused by petrodollars and the role of government. Presently there is potential for Indonesia to become an Islamic financial center of the universe because of the force of today's internally Indonesia among others. The population of the 4th largest in the globe, the biggest number of Muslims in the cosmos and the amount of 56.5% of the middle course of instruction to make Indonesia as a potential market international Islamic political economy. Granting to the Boston Consulting Group (BCG) in 2020 (Indonesia consume. Blogspot, 2013), the middle class will grow to double to over 141 million people, and it makes Indonesia as a favorable opportunity for local and multinational corporations to direct financial transactions on banking institutions including Islamic Banking. The challenge for Islamic Banking in Indonesia today is to increase the role of Islamic Banking in economic development in Indonesia in a term to give maslahah to the Ummah (community).

5. RESULT AND DISCUSSIONS

5.1. How the Growth of Islamic Banks from 2008 to 2015?

The existence of Islamic Banking cannot be told apart from the diligence of the prohibition against usury on every financial transaction, more than that Islamic Banking operation is needed based on the ethical and moral aspects. Qur'an and hadith as a way of life and a source of law explicitly prohibits the application of usury and everything that there is an element of unethical and immoral in financial transactions. In Surah An-Nisa verse 59 stated: "O you, who have believed, obey Allah and obey the Messenger and those in authority among you. And if you disagree over anything, refer it to Allah and the Messenger, if you should believe in Allah and the last day. That is the best (way) and best in a result." The Surah mentioned above shows that as Muslims must obey God including the law of God. God's rule of the testament of God, therefore the compliance of implementing the principle of God contained in the Qur'an, and the Hadiths of the Prophet

is a human duty and embodies the faith of the creature to the creator (God).

The problem of usury in financial transactions is a standard issue that argues frequently. However, the Al-Quran and Hadith as a source of primary law and way of life for humans include several matters relating to usury, which is as follows:

- Qur'an, Surah Al-Baqarah verse 275 which meaning: "Those who consume interest cannot stand (on the day of resurrection) except as one stands that is being beaten by Satan into insanity. That is because they say, "Trade is (just) like interest." But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desisted may have what is past, and his affair rests with Allah. But whoever returns to (dealing in interest or usury) - those are the companions of the Fire; they will abide eternally therein."
- Qur'an, Surah Ali Imran verse 130 which Meaning: "O you who have believed, do not consume usury, doubled and multiplied, but fear Allah that you may be successful."
- Hadith Ibn Majah, chapter Taglidh fir usury, No. 2270. Meaning: From Ibn Mas'ud, the Prophet said: "It is not someone reproduce usury, but the end of his case going to lose."
- Ahmad, Musnad Amer Bin Ash, 17155. Meaning: From Amr Bin Ash he said, "I heard the Prophet sallallaahu "alaihi wasallam said:" It is not usury widespread on a person unless will be overwritten famine. And it is not the culture bribe rampant in a person will be inflicted upon them except in fear."

Related to the verses of the Qur'an and the hadith above, usury included in the category of major sins, and the sins inflicted danger not just in the world but also in the hereafter. Furthermore, usury also resulted in the destruction of the local economy and even the country's economy.

According to the histories of Islamic Bank in Indonesia, the first commercial bank uses a scheme of Islamic law in Indonesia is PT BMI, which began operating in 1992. The commercial enterprise development of Islamic Banks is slow, until the following 5 years there has been no added of new Islamic Banks. BMI still is the only Islamic Bank through 1998. But in 1998 the Islamic Bank market began to spring up with the presence of PT. Bank Syariah Mandiri (BSM) a subsidiary of Bank Mandiri, Indonesia's largest state-owned banks. Furthermore, tracing the establishment of PT. Bank Mega Syariah in 2001 until the close of 2014 there was 12 banks sharia (BUS) and 22 Syariah business units. Established on the historical information, the development of Islamic Bank based assets, financing, third party fund, and net income compared with the Conventional Bank as follows:

Based on Table 2, all of the key financial business growth of Islamic Banks during 2008-2013 is always on top of Conventional Bank, but start in 2014 the condition is opposite, the growth of third party funds is the only component of Islamic Bank still above the Conventional Bank. Net Income of Islamic Bank as a key element of a company suffered a sharp decline in 2014 and negative in 2015 (Graph 2-6). On that point are some financial ratios of Islamic Bank that have been decreasing. Regarding Table 1 and Graph 8 the key financial ratio that fell during the last of two years is Return

on Asset (ROA) on another side the Operational Efficiency Ratio (OER/BOPO) increased and Non-Performing Financing (NPF) also passes up (Graph 7 and 9). These conditions reflected the growth of asset in Islamic Bank not accompanied with quality and inefficient operational if compared with a Conventional Bank.

Moreover, if the Islamic Bank financial key ratio compares with the national bank (Table 3), the biggest problem of Islamic Bank is the financing quality or NPF. Perspective Islam in sustainable growth reflected on Qur'an and Hadith." The financial growth should be suffered which mean the output should be in line with the capacity and ability. Considering the size and strength, in the Al Baqarah verse 286 explains:, in the Al Baqarah verse 286 explains: Meaning: "Allah does not charge a soul except (with that within) its capacity. It will have [the consequence of] what (good) it has gained, and it will bear [the consequence of] what (evil) it has earned. "Our Lord, do not impose blame upon us if we have forgotten or erred. Our Lord, and set not upon us a load like that which you place upon those before us. Our Lord, and burden us not with that which we have no ability to bear. And pardon us, and forgive us, and have mercy upon us. You are our protector, so give us victory over the disbelieving people." Based on this verse, Allah will inflict in the issue, according to the power of a mortal.

Hence man should cause attempts to meet the capacity optimally, ability and knowledge possessed. However, the hadith (HR. Muslim No. 782) also stated: "O humanity, do the practice according to your ability because God does not get worn down until you take tired. (Know that) The practice, most loved by Allah is the pattern of consistently although a slight. The aim of the hadith is that we can pack out the practice and try to implement adjusted by with ability. The drill of the most loved by Allah is the pattern that is carried out routinely done even if it is a small affair. Furthermore the mainstream concept of sustainable growth (from financial to sustainable profit) by Cramer (2002), the firm should be consciously creating value not just in economic conditions, but also in ecological and social terms. This real concept relevance with the phenomena of Islamic Bank that has rapidly grown during 2008-2012 and there is an unsustainable impact after it. In summation, there is likewise the great concept of sustainability that introduces by Elkington (2001) and Nugroho et.al (2017), "Triple P Bottom Line (profit, planet, and people)." Triple P consists: (1) Profit should generate economic prosperity, (2) planet, Profit should give a positive shock to the environment (environmental quality), (3) people, profit should create wellbeing of society. Based on Triple P theory the growth the growth of economic and profit should consider the economic prosperity, environmental quality and well-being of society. Furthermore, the worsening of the financial key ratios of Islamic Banking in will decreasing the role of Islamic Bank to contribute in social aspects such as environmental and human existence. However, the development of Islamic Bank in Indonesia also not backed up by the appropriate human capital competency.

5.2. How Many the Clients that Have Sworn out by Islamic Banks?

The experts contend that admission to financial services can help to substantially reduce poverty (Dunford, 2006; Littlefield et al.,

Table 2: The Key financial business between Islamic bank against Conventional Bank from 2008-2015

Description	2008	2009	2010	2011	2012	2013	2014	2015
Islamic bank								
Asset	49.555	66.090	97.519	145.467	195.018	242.276	272.343	296.262
Growth		33%	48%	49%	34%	24%	12%	9%
Financing	38.199	46.886	68.181	102.655	147.505	184.122	199.330	212.996
Growth		23%	45%	51%	44%	25%	8%	7%
Third party fund	36.852	52.272	76.036	115.414	147.512	183.535	217.859	231.175
Growth		42%	45%	52%	28%	24%	19%	6%
Net income	436	769	1.028	1.442	2.465	3.230	3.752	3.072
Growth		76%	34%	40%	71%	31%	16%	-18%
Conventional bank								
Asset	2.343.091	2.571.660	3.054.595	3.708.631	4.329.984	5.031.843	5.705.028	6.198.150
Growth		10%	19%	21%	17%	16%	13%	9%
Financing	2.046.534	2.318.255	2.809.789	3.465.997	4.237.426	4.897.853	5.555.841	6.050.884
Growth		13%	21%	23%	22%	16%	13%	9%
Third party fund	2.016.690	2.211.302	2.600.595	3.139.310	3.597.806	4.134.020	4.669.469	4.994.435
Growth		10%	18%	21%	15%	15%	13%	7%
Net income	30.606	45.215	57.309	75.077	92.830	106.707	112.160	104.628
Growth		48%	27%	31%	24%	15%	5%	-7%

Source: Syariah Bank statistical (Financial service authorities/OJK)

Table 3: Financial key ratio Syariah Bank industry

Description	2008	2009	2010	2011	2012	2013	2014	2015
Islamic Bank								
CAR Islamic bank	12.81	10.77	16.25	16.63	14.13	14.42	15.74	15.02
ROA	1.42	4.01	3.02	2.52	2.22	2.62	0.41	0.49
BOPO	81.75	83.39	80.54	78.41	74.75	78.21	96.97	97.01
NPF gross	1.42	4.01	3.02	2.52	2.22	2.62	4.95	4.84
FDR/LDR	103.65	95.49	89.67	88.94	100.00	100.32	86.66	88.03
Conventional Bank								
CAR conventional bank	16.76	17.42	17.18	16.05	17.43	18.13	19.57	21.39
ROA	2.33	2.60	2.86	3.03	3.11	3.08	2.85	2.32
BOPO	88.59	86.63	86.14	85.42	74.10	74.08	76.29	81.49
NPF gross	3.20	3.31	2.56	2.17	1.87	1.77	2.16	2.39
FDR/LDR	74.58	72.88	75.21	78.77	83.58	89.70	89.42	92.11

Source: Syariah Bank statistical (Financial service authorities/OJK) that have been processed. ROA: Return on asset, NPF: Non-performing financing

2003) and also on Islamic perspectives, the outreach of Islamic Bank should be impacting the wellbeing or masalah. Furthermore, Masalah mean is more clients and more coverage of Islamic Bank will be more opportunity to achieve well-being in the society. Islamic Bank has to a positive contribution to society that related to the hadith by Musnad Shihab No. 1234: "The best man is the most useful for others." According to the issue of outreach and coverage of Islamic Bank to micro, small and medium enterprise (MSME) during 2014-2016 compare with Conventional Bank as follows:

Based on Table 1 the coverage of Islamic Bank is less than Conventional Bank and the gap also very spacious. Under this stipulation, the impact and role of Islamic Bank to the micro and small society in Indonesia are less than Conventional Bank. It's also indicated in Table 4 and Graph 10 related to the micro and small financing in Islamic Bank versus Conventional Bank. Segment MSME have a strategic part of the Indonesian economy. This sector holds a comparatively high growth and absorbs the large workforce. Regarding on that, Islamic Bank should have the focus to serve MSME segment. More MSME clients have served to Islamic Bank more benefit that has generated from the Islamic Bank operation. Islamic perspective related to the poor people, very concern in poverty alleviation. Islam encourages equity and income distribution policies that prefer the poor (pro-poor income

Table 4: MSME credit/financing of Syariah Bank versus Conventional Bank

Description	2014	2015	2016
Islamic bank	199.330	212.996	248.007
Growth of islamic bank MSME financing	-	6.4%	14.1%
Conventional bank	472.391	526.805	554.106
Growth of conventional MSME financing	-	12%	5%
Total micro and small financing	671.721	739.801	802.113

Source: Syariah Bank statistical (Financial service authorities/OJK) that have been processed. MSME: Micro, small and medium enterprises

distribution). There are three primary instruments in Islam related to the dispersion of revenue is land ownership rules, the application of zakat, as well as advocating Qardhul Hasan, donations, and gifts. Granting to the At Taubah verse 60, we must help the poor to become self-sufficient, not merely in terms of finance, but can live on with adequate weather: Meaning: "Zakah expenditures are only for the poor and for the needy and for those employed to collect [Zakah] and for bringing hearts together [of Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah knows and Wise."

Shown in Graph 10, the financing disbursement to the MSME customers reflect that Conventional Bank is bigger than Islamic Bank. This circumstance caused by the amounts of outlet and branches of Conventional Bank is more presence than Islamic Bank because of the establishment of Conventional Bank is longer than Islamic Bank that just began in 1992 and Conventional Bank such as BRI from 1896 already exists. Nevertheless, the growth of MSME financing during 2014-2016 is higher than Conventional Bank; this shown Islamic Banking has focus and more attractive in the retail segment. According to Shaban et al. (2014) and Aysan et al. (2016), Islamic Bank characteristic is more focused and commitment to the MSMEs. In line with the goals of Islamic Bank to create social well-being (Maslahah), more outlets and coverage of Islamic Bank will impact the beneficiaries to the community in developing countries such as Indonesia that majority people is low and middle class.

5.3. What is the Link between Maslahah and the Islamic Bank Growth?

The ultimate goals of actions in Islamic perspective are Maslahah. Maslahah is all natural actions should bring benefits and refusing all activities that harm nature, or bring harm. Moreover, maslahah principles also include in maqhasid sharia that consists element: maintaining Religion, preserving life, maintain mind, keeping descendants, maintain the property, maintain the environment (Bahsoan, 2011; Prastowo, 2015). According to Choudhury (2016), the primary process of Islamic perspective to all aspects of the human life must be on Tawhid based. The final process of Tawhid is to create wellbeing in the universe. Furthermore, the process of Tawhid regards Choudhury (2016) as follows:

Established on Figure 1, the principal of law of Islam or super cardinal is Qur'an (Ω). Furthermore, the Qur'an must be low to earth from Allah to the universe. The roots of Islamic legal philosophy are the Qur'an. Qur'an is the origin of knowledge and a way of life for all human beings on earth. Thus, in parliamentary procedure to be able to use the Qur'an, God sent Messengers to deliver it to the ummah in the ground, so that the sayings and behavior of Messengers are an actual implementation of the contents of the Qur'an. The existence of the prophet is critical to be a role model of the diligence of the Qur'an. Furthermore, the words and deeds of the prophet are a hadith by the companions Messengers (s). When the Prophet was alive, Hadith has not been written and are in the minds or memorizing the companions. The companions do not sense any urgency to execute the writing is easy to recall the Prophet reached for explanations about everything. Nevertheless, the problem is after the expiry of the prophet, who will be a role model for the ummah? While the definition of companions is the soul, who saw the Prophet and died as Muslims in other words friends also means people who conformed to the Prophet, faith in him, touch and get along with him for a long time. Hence the role of companions of the Prophet is crucial in the preparation of hadith. Therefore the role of the Companions of the Prophet is vital in preparing the hadith, because the hadith is the word, deed, attitude, and approval of the Prophet obtained from the companions of the prophet who happened to be present or witnessed at that time. The role of the Prophet's companions is to disseminate the messages to his students called tabi'in (one

Graph 10: Micro, small and medium enterprises credit/financing of Islamic Bank versus Conventional Bank

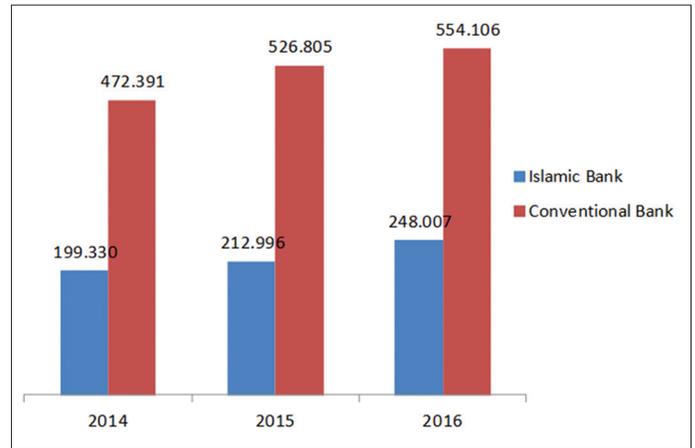
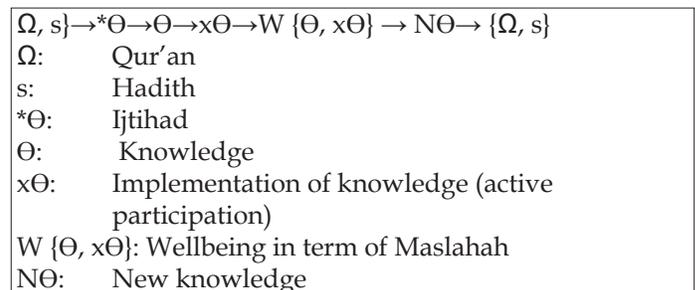


Figure 1: Tawhid process in the maslahah implementation



Source: Choudhury (2016)

generation under companions). The word was then submitted again to the students of the next generation again that the Tabi'al-Tabi'in and so on up to the compilers of hadith (mudawwin).

The next phase in the current context in which the Prophet, Companions, and Tabi 'Al-Tabi'in have passed, then use ijtihad (*Θ). Ijtihad is the work done by a religious (Muslim scholars) who has been attempting to determine a science to deciding a lawsuit that is not discussed in the Qur'an and Hadith on a condition using common sense and mature judgment that are not at odds with the Qur'an and hadith. Nevertheless, the Qur'an, hadith, and Ijtihad should be as Muslim knowledge (Θ) as the principle to take a decision in every stride in their liveliness. The Qur'an, hadith, and Ijtihad must be alive as a natural process, not just cognizant, but need active participation (xΘ) from all the people and stakeholders to create wellbeing or maslahah (W {Θ, xΘ}). In summation, from the wellbeing the human gets new knowledge (NΘ) how to survive better because of maslahah is the dynamic process due to reach a safer spirit. Nevertheless, the new knowledge must be underlying on the Qur'an, hadith.

The Islamic Bank as the portion of the financial system for the Islamic purification has a significant role in the Muslim society because of the goals of Islamic Bank is not merely for the implementation of the budget, social performance but also for spiritual purposes (Dhumale and Sapcanin, 1998). In another word, the goals of Islamic Bank are creating the maslahah for the ummah. According to Nugroho (2014), the Islamic Bank is anticipated

to play a part in creating prosperity evenly throughout society. Thus, Islamic Banks have an important role in creating wellbeing in the community. Founded on the Maqhasid Sharia, the Islamic Bank operations should be outreach and coverage more people or clients and more location all around Indonesia and the world as mostly. Based on the roadmap development of Islamic Banking which has been brought out by the Financial Services Authority, 2015-2019, the government will merge Islamic Bank (BSM, Bank Rakyat Indonesia Syariah, Bank Negara Indonesia Syariah and Bank Tabungan Negara Syariah) became one state-owned Islamic Bank. The expectation from the merger is to encourage Islamic Banking to be stronger and more competitive.

The important consideration in pushing the development of Islamic Banking, because of the belief that Islamic Banking will bring the 'beneficiaries' for the improvement of the economic and equitable benefit such as (1) Islamic Banks provide a more tangible impact in boosting economic development because it is closer to the actual sector; (2) There are no products that are speculative (gharar) so as to have a strong, durable and proven; (3) A system for the results (profit-loss sharing) which becomes the spirit of Islamic Banking which will bring benefits more equitable for all parties. The ultimate goals of aligning of Islamic Bank in Indonesia to contribute more Maslahah to Ummah from the process of Interaction, Integration, and Evolution among stakeholders in the implementation of State Owned Islamic Bank in Indonesia. Furthermore, the Muslim society in Indonesia has a positive contribution.

6. CONCLUSION AND RECOMMENDATION

According the outreach and coverage of Islamic Bank in Indonesia as the biggest Muslim population in the world should be to improve. Islamic Bank in Indonesia must be has a significant role in creating wellbeing society. The active participant should come not only from the society but also from all the stakeholders to create the State Own Islamic Bank in Indonesia. In demand side, the biggest Muslim society gives more advantage for the existence of Islamic Bank, but in reality the potency of the largest Muslim population can't use optimally to create the biggest Islamic Bank in the world and give positive contribution to all people that in line with the Islam objective as Rahmatanlillalamin to community/ Ummah.

The important points as recommendation related to the existence of the Islamic Bank for the maslahah ummah as follows:

- The growth of Islamic Bank in Indonesia from 2009-2014 has grown rapidly in term of an asset, but not sustain. Furthermore, the Conventional Banking growth is more sustain than Islamic Bank, this condition because of the established of Islamic Bank just began in 1992 (Bank Muamalat) and the Conventional Bank has already started far away from 1992, it (Bank Rakyat Indonesia) has established since 1896. Regarding time span of existence of Islamic Bank, Islamic Bank in Indonesia still face challenges due to employee competency and professionalism of board management for manage Islamic Banking become Sustainable;
- The coverage and outreach of Islamic Bank are still lower

than Conventional Bank; it's also because of the Islamic Bank as the newcomer of the financial institution in Indonesia. According to the Tawhid concept and the implementation of maslahah, the political intervention from the government very necessary due to support Islamic Bank in Indonesia can exist in all regions for granted the community (Muslim people) can implementation the Sharia (Islamic law) in kaffah;

- The existence of Islamic Bank to the implementation of maslahah in the Muslim society is vital in term of implementing their religion in kaffah or totality way. Thus the Islamic Bank as the refinement of the Islamic values (forbidden the Haram, immoral and unethical in the proceedings) must be disseminated to all regions in Indonesia;
- To hike up the coverage and outreach of Islamic Bank, in Indonesia evidence needs the intervention from government or political policy to merge all of Islamic Bank, which subsidiary of state own Conventional Bank (BSM, BNI Syariah, BTN Syariah and BRI Syariah) became one state own Islamic Bank.

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