



Al-Amwal: Jurnal Ekonomi dan Perbankan Syariah
ISSN: 2303-1573 e-ISSN: 2527-3876
Homepage: <https://www.syekhnrjati.ac.id/jurnal/index.php/amwal>
email: jurnalalamwal@syekhnrjati.ac.id

AL-AMWAL

Sharia Banking Contribution To Financial Deepening In Supporting Indonesian Economic Recovery

Sandi Mulyadi, Asep Suryanto

Magister of Islamic Economic, UIN Sunan Kalijaga, Yogyakarta, Indonesia

Islamic Economic, Siliwangi University, Tasikmalaya, Indonesia

Email: sandimulyadi0406@gmail.com

Abstract

The background of the research is the issue of research on Indonesia's financial deepening condition during the pandemic to describe the condition of Islamic banking's financial deepening in Indonesia before and during the pandemic, using the variables of total assets, third party funds, and Islamic banking financing. The method used in this research is descriptive quantitative by analyzing secondary data which is processed using Eviews with the VECM method and using quarterly time series data from 2005-2021 with a total sample of 272 from all research variables. The results of data processing using VECM show several findings, namely: Assets have a long-term positive effect on financial deepening and based on the IRF and FEVD financial deepening tests show a positive response to shock with a contribution of 77%. Meanwhile, TPF and Islamic bank financing have a long-term negative impact on financial deepening, and based on the IRF and FEVD financial deepening tests, they showed a negative response to the shock of TPF with a contribution of 9% and showed a positive response to the financing shock with a contribution of 3%. Meanwhile, based on testing using IRF, the movement of financial deepening in response to shocks in these variables shows that it is stable in the future.

Keywords: *Financial Deepening, Islamic Banking, VECM Method*

Abstrak

Penelitian dilatar belakangi dengan isu penelitian tentang kondisi *financial deepening* Indonesia pada saat pandemi dengan tujuan mendeskripsikan kondisi perbankan syariah terhadap *financial deepening* di Indonesia sebelum dan selama pandemi, dengan menggunakan variabel total aset, dana pihak ketiga, dan pembiayaan perbankan syariah. Metode yang digunakan dalam penelitian ini deskriptif kuantitatif dengan menganalisis data sekunder yang diolah menggunakan *Eviews* dengan metode VECM dan menggunakan data *time series* kuartalan dari tahun 2005-2021 dengan jumlah sampel 272 dari seluruh variabel penelitian. Hasil olah data menggunakan VECM menunjukkan beberapa temuan, yaitu: Aset memiliki pengaruh positif jangka panjang pada *financial*

deepening dan berdasarkan uji IRF dan FEVD *financial deepening* menunjukkan respon positif terhadap *shock* dengan kontribusi sebesar 77%. Sedangkan DPK dan pembiayaan bank syariah memiliki pengaruh negatif jangka panjang pada *financial deepening* dan berdasarkan uji IRF dan FEVD *financial deepening* menunjukkan respon negatif terhadap *shock* DPK dengan kontribusi sebesar 9%, dan menunjukkan respon positif terhadap *shock* pembiayaan dengan kontribusi sebesar 3%. Sedangkan berdasarkan pengujian menggunakan IRF, pergerakan *financial deepening* dalam merespon guncangan variabel-variabel tersebut menunjukkan stabil pada waktu yang akan datang.

Kata kunci: Kedalaman Keuangan, Perbankan Syariah, Metode VECM

INTRODUCTION

The growth of the financial sector is very important in determining economic growth in a country because the financial sector that improves properly can support the economic sector, otherwise, the financial sector that does not increase properly will result in the economy experiencing a liquid shortage related to deep and shallow financial sector conditions (World Bank, 2016). Meanwhile, financial deepening will increase the economic growth of a country, while on the other hand, sharia finance is being pursued by the government as one of the drivers of the country's economy and the sharia financial stability system (Ayub, 2009). Thus, it is an advantage for the Islamic economy and finance to show its existence by contributing to the depth of Indonesian finance.

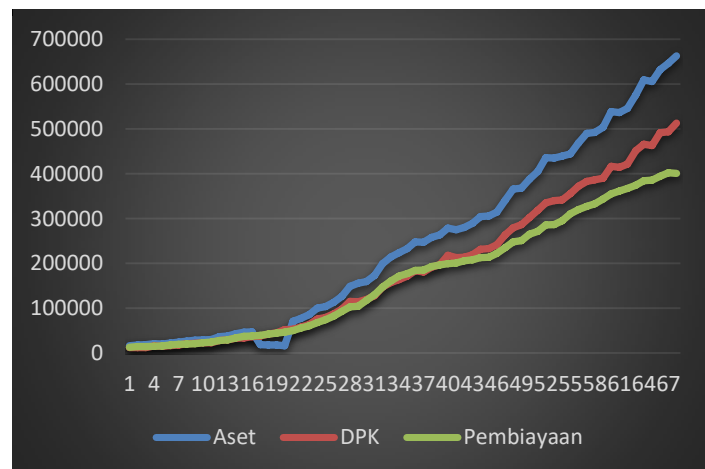


Table. 1. Condition of Islamic Financial Assets

Source: OJK, processed 2022

Looking at table 1 can explain the conditions of the Islamic capital market with the largest Islamic financial assets, namely Rp. 1,235.83 trillion followed by Islamic banks with assets worth Rp. 693.80 trillion, then the assets of non-Islamic financial institutions originating from sharia insurance, sharia financing institutions, and other sharia non-bank institutions which have total assets of Rp. 120.81 trillion. Therefore, the authors can conclude that the role of the largest Islamic finance industry in Indonesia is dominated by the Islamic capital market industry and Islamic banking (OJK, 2021).

Financial development is considered a strategic element that plays a fundamental role in the process of economic development. The financial sector is mainly regulated because it is considered a supporter of the economy (Mishkin, 2010). The development of the Islamic finance sector is expected to become a financial intermediation function that can develop and create a better economy. According to King & Levine (1993), the financial sector is significantly able to trigger economic growth by directing financial sector capital.

The financial sector has contributed to the economy by looking at several indicators. According to Lynch (1996), There are five indicators, namely: quantitative indicators, structural indicators, price indicators, product scale indicators, and transaction cost indicators. Based on quantitative indicators, the financial condition can be accumulated by the ratio between state financial assets to GDP. Therefore, the development of Financial deepening is seen from the money supply (M2) divided by GDP. That is, when the M2/GDP ratio is high, it means that the use of money in the economic sector of a country is very good. Indonesia's financial deepening condition can be described as follows:

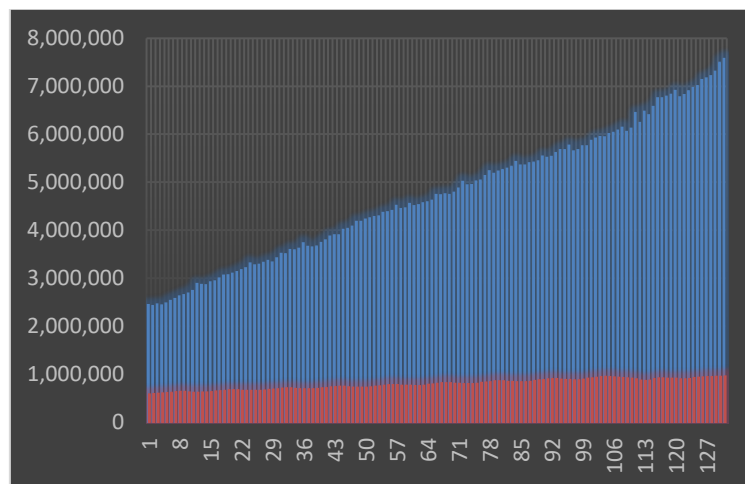


Figure 1. Financial Deepening
Source: processed data, 2022

Figure 1 above explains that Indonesia's financial deepening experiences positive growth every period, as can be seen from the increase in the money supply followed by GDP. Therefore, it has an impact on increasing the M2/GDP ratio which can describe the development of financial deepening in Indonesia. It also illustrates the efficiency of economic and financial policies in Indonesia. Where increasing financial deepening increases the use of money in the economic sector and further expands the acceleration of financial institutions (Alshubiri, 2021).

The objective of financial deepening growth is to increase the ratio of domestic savings to income, to increase (deep) the size of the financial system in optimizing investors' profit opportunities as well as strengthen the process of accelerating and utilizing savings. According to Ekberg *et al.* (2015), the financial sector can increase the development of financial deepening by planning and implementing a policy to optimize the monetary level in the economy by increasing access to financial institutions, being transparent and efficient, as well as supporting a rational rate of return,

This shows that the financial sector is getting deeper (financial deepening), which means that access to money in circulation in the community is getting higher (Best *et al.*, 2017; Rachmawati *et al.*, 2018). This can reduce the income gap. Financial sector development measures are also used in the banking sector. McKinnon & Shaw (1993) revealed that financial deepening is the accumulation of financial assets that is faster than the accumulation of non-financial wealth (Latifah, 2016; Putri & Mubin, 2021). *Financial deepening is a process that shows an increase in the quantity, quality, and efficiency of financial intermediary services* (Ogbuagu *et al.*, 2014; Aulia & Masbar, 2016). The study conducted using case studies in Indonesia was also published by Wasiaturrahma *et al.* (2019) shows that financial deepening has a negative relationship with Indonesia's economic growth. This is because Indonesia's financial system is relatively flat. According research conducted by Panjawa & Widianingrum (2018), it is argued that the low ratio of the money supply to Indonesia's national income has worsened the condition of the Indonesian financial sector and failed to allocate it efficiently to government revenues for the economy.

LITERATURE REVIEW

The financial sector, especially Islamic banks, plays a very crucial role in the further development of the country's economy, including Indonesia. Most of the related sectors that use various financing activities, of course always need banking services, this is proven because banks are financial institutions or financial companies and in developed countries, banks have become a very important need of the people for all transactions (Kasmir, 2014). According to Lynch (1996) and Levine (1997), Financial deepening is the accumulation of financial assets faster than the accumulation of non-financial assets. Financial deepening is indicated by an increase in the money supply ratio (M2) to GDP. On the other hand, the small value of money supply (M2) divided by GDP indicates that the country's financial sector is flat. According to King & Levine (1993) regarding financial deepening, they say that the degree of national financial deepening is indicated by the ratio of financial assets to national income. Financial deepening is an effective way to show the number of financial mediation services, and the quality and efficiency of state finances (Sackey, 2018).

Third-Party Funds (TPF) are funds handed over to banks from the general public with arrangements for saving demand deposits, savings, deposits, certificates of deposit, certificates of deposit, and/or other forms based on sharia principles (Ismail, 2011; Riauunto & Sulastiningsih, 2019). According to Muhammad (2011), Most of the bank's capital comes from third parties (DPK) following one of the bank's functions, namely collecting funds and distributing them to the public for productive business activities to increase the financial depth of a country. The presence of third-party funds can have an impact on the performance of the financial sector, particularly the banking sector. This happens because the increase in interest rates increases the incentive for people to save money in banks. This means that the bank increases its third-party funds, which in turn increases its financial ratio to its financial depth (money supply).

H1: The asset variable has an impact on financial deepening.

H2: TPF variable has an impact on financial deepening.

H3: The financing variable has an impact on financial deepening.

This research is a development of previous research that is related to Islamic banking variables that have been studied by Latifah (2016), Rahmadani (2017), Ridwan (2018) in Malaysia, Rachmawati *et al.*, (2018), Mary *et al.*, (2019), and Putri & Mubin (2021), then by Rudra (2010) in India, Ruslan (2011), Safdar (2014) in Pakistan, Okafor *et al.*, (2016) in Nigeria, Aulia & Masbar (2016), Panjawa & Widianingrum (2018), Gezer (2018) in fourteen countries, and Utile (2018) so that the Islamic banking variable is used in analyzing financial deepening in Indonesia so that it becomes a novelty with previous research.

METHOD

This study uses a quantitative approach. The data was collected using several research instruments. The data is then analyzed using Eviews 10 software which aims to test the formulated hypothesis (Sekaran, 2019; Sugiyono, 2019). This study aims to analyze the contribution and influence of assets, third-party funds, and Islamic banking financing on financial deepening in helping Indonesia's economic recovery. The type of data used in this study is secondary data. The data used was obtained from the websites of BPS, BI, Ministry of Finance, and OJK. The secondary data in this study is quarterly time series data from 2005 to 2021. So the sample in this study amounted to 272 samples. Data analysis using the Vector Error Correction Model (VECM) method which is operated using Eviews 10 software. The VECM method itself is an equation modeling that shows each endogenous variable described by lag, past, and lag values of other variables in the model. The VECM model is formulated as follows (Basuki, 2018; Widarjono, 2018):

$$Y_t = A_0 + A_1 Y_{t-1} + A_2 Y_{t-2} + \dots + A_p Y_{t-p} + e_t$$

Where:

Y_t = The dependent variable vector ($Y_{1,t} Y_{2,t} Y_{3,t}$)

A_0 = Intercept vector size $n \times 1$

A_1 = Parameter vector size $n \times 1$

e_t = Residual vector ($\sum t.1 \sum t.2 \sum t.3$) size $n \times 1$

The equation model is:

$$FD = \alpha_0 + \sum_{i=1}^4 \alpha_1 FD_{t-1} + \sum_{i=1}^4 \alpha_2 ASET_{t-1} + \sum_{i=1}^4 \alpha_3 DPK_{t-1} + \sum_{i=1}^4 \alpha_4 PEM_{t-1} + \mu_{iT}$$

RESULT AND DISCUSSION

Table 1. Descriptive Statistical Results

Variabl e	Mean	Maximum	Minimum	Std. Dev.
FD	2.281471	3.900000	1.280000	0.651566
ASET	16359.00	662489.0	16359.00	202626.5
DPK	190689.0	512786.0	12259.00	155562.6
PEM	169932.0	401977.0	12959.00	128932.6

Source: Eviews, processed 2022

Based on the table above, shows that in the period 2005 to 2021, the financial deepening variable has the highest value of 3.900000 and a minimum value of 1.280000. The financial deepening variable has a mean value of 2.281471 with a standard deviation of 0.651566. Meanwhile, total assets have the highest value of 662489.0 and a minimum value of 16359.00, and an average value of 16359.00 with a standard deviation of 202626.5. The third-party funds variable has the highest value of 512786.0 and a minimum value of 12259.00, the TPF variable in the early 2005 to 2021 period with a mean value of 190689.0 with a standard deviation of 155562.6. As for the Islamic bank financing variable, the highest value is 401977.0 and the minimum value is 12959.00. The Islamic bank financing variable also has an average value of 169932.0 with a standard deviation of 128932.6. This description can explain the impact of Islamic banking on Indonesia's financial deepening. Islamic banking is proxied by total assets, deposits, and Islamic bank financing.

Table 2. Stationary Test

Variable	Level			First Difference		
	PP Test	Critical Values (5%)	Prob.	PP Test	Critical Values (5%)	Prob.
FD	- 2.055164	-2.905519	0.2633	- 9.133792	-2.906210	0.0000 *
ASET	- 1.234672	-2.905519	0.6547	- 7.958847	-2.906210	0.0000 *
DPK	- 3.446097	-2.905519	0.0127	- 8.534128	-2.906210	0.0000 *
PEM	- 3.557029	-2.905519	0.0093	- 4.405185	-2.906210	0.0007 *

Description * = Significance at the critical value 5%

Source: Eviews, processed 2022

The results of the stationarity test at the level using the PP method obtained that not all variables showed stationary data at the level, namely the financial deepening variable and Islamic bank assets because the probability was greater than 5%. While the test using the PP method found that all variables showed stationary data at the first difference level. So the stationarity method used in this study uses the results of the stationarity test at the first difference level PP method. This is used so that the variables used in the study have the same level.

Table 3. Lag Test Results

La g	LogL	LR	FPE	AIC	SC	HQ
0	-57.79595	NA	7.43e-05	1.844655	1.976279	1.896739
1	311.7477	683.9316*	1.94e-09*	-8.708888*	-8.050771*	-8.448469*

Source: Eviews, processed 2022

Based on the results of the best lag testing in this study, it shows that the smallest values of AIS, SIC, and HQ are in the lag 1 position with values of -8.708888, -8.050771, and -8.448469. So it can be ascertained that the best lag used in this study is lag 1.

Table 4. Stability Test Results

Root	Modulus
0.977230	0.977230
0.862217	0.862217
0.758872 - 0.185491i	0.781213
0.758872 + 0.185491i	0.781213

Source: Eviews, processed 2022

This test is said to be good when the modulus numbers are less than 1. In the results of stability testing in this study, the modulus value is below 1, so it can be stated that the VAR model used is stable. Thus the results of the VAR estimation are not biased.

Table 5. Cointegration Test Results

Hypothesized	Trace Statistic	Critical Value (0,05)
None *	63.51929	40.17493
At most 1 *	28.12855	24.27596
At most 2	6.052918	12.32090
At most 3	1.828215	4.129906
At most 4	63.51929	40.17493

Source: Eviews, processed 2022

Based on the cointegration test above, shows a cointegration equation indicated by the trace statistic value which is greater than the critical value ($28.12855 > 24.27596$). Because there is cointegration, the model used in this study is the Vector Error Correction Model (VECM).

Table 7. VECM, IRF, and FEVD Test Results

Variable	Long Term	Short Term	IRF	FEVD
ASET	6.89554	-2.96152	Positif, Stabil	77%
DPK	-1.47126	-0.10704	Negatif, Stabil	9%
PEM	-0.63979	1.36517	Positif, stabil	3%

Source: Eviews, processed 2022

1. The impact of state Sukuk on financial deepening

Total assets have a positive impact in the long term and short term have a positive impact on financial deepening. The results of the IRF test showed that the asset variable was answered positively by financial deepening. This means that, along with the growth of Islamic bank assets, financial deepening also develops in a deeper sense. Based on the results of the FEVD analysis, the average asset variable contributes to the formation of financial deepening by 77%. From these results, it can be seen that the state Sukuk has a positive effect on financial deepening, so H_0 is rejected. The results of this study are supported by research conducted by Latifah (2016) which states that assets have a positive impact on financial deepening in Indonesia.

In theory, the development of sharia bank asset opportunities will legally create cooperation between capital owners and capital managers. Capital owners benefit from

this form of cooperation because they can be directly involved in the investment process (Le et al., 2022). Whenever possible, share experiences and information gained from engaging in investment activities with the wider community and engaging in similar collaborations (A. A. Karim, 2015). But assets can be developed on legitimate Islamic investment instruments issued by the government. So that assets should be able to mobilize people's savings, then assets will be allocated to projects that produce a multiplier effect such as infrastructure development according to research Yuliani (2020) and Anik & Prastiwi (2017) believes that Sukuk needs acceleration, synergy and driving force for the management and empowerment of productive sectors that can generate profits such as infrastructure. When infrastructure development indirectly moves the business world and creates new jobs, there is an increase in the circulation of money. Therefore, increasing the number of assets will increase funds for infrastructure development. Good and correct infrastructure development will have an impact on improving the economy. So one of the financial deepening functions can be realized by providing funds for financing.

2. The impact of Third Party Funds on financial deepening

Third-party funds have a negative effect both in the long and short term on financial deepening. Based on the results of the IRF analysis, the third-party fund variable with financial deepening was found to be negative in its response. This means that, along with the increase in third-party funds, financial deepening also increases. Based on the results of the FEVD analysis, the third-party fund variable currently contributes an average of 9% to the formation of financial deepening.

With these results, it can be said that third-party funds hurt financial depth and H0 is rejected. This is supported by research by Latifah (2016), Rahmadani (2017), and Mary (2019) who found that Islamic bank deposits had a positive impact on financial deepening in Indonesia. Where the deepening of deposits collected by banks affects Indonesia's economic growth. The increase in third-party funds of Islamic Banks is a form of public confidence in the performance of Islamic Bank cash management. However, during the period 2005 to 2021, the performance of third-party funds experienced a delay in growth to reach 3-4%. This situation also affects the stagnant funding performance of Islamic banks even though funding or financing increases. It should be noted that the market share of Islamic banks is still relatively small compared to the national banking industry in general, which is 6%.

Islamic banks in managing TPF determine the level of profit sharing on sharia financing products based on natural business contracts and obtain payment certainty in terms of amount and time (Muhammad, 2005). The management of TPF in Islamic banks is not speculative so it has a stronger and proven resistance to the global financial crisis. Thus, more and more third-party funds from the public that are channeled into sharia products will support a stable Indonesian financial and economic system. So that more and more third-party funds collected by Islamic banks can increase the depth of Islamic finance.

3. The impact of Islamic bank financing on financial deepening

Financing has a negative effect in the long term and the short term has a positive effect on financial deepening. Based on the results of the IRF analysis, financial deepening responded positively to the financing variable. This means that when financing increases, financial deepening increases. Based on the results of the FEVD

analysis, the financing variable contributes an average of 3% to the formation of financial deepening. Based on these results, financing hurts financial deepening, and H0 is rejected. For Islamic banks, financing is not only for the benefit of the bank but also a banking product based on the principles of Islamic teachings. However, it is hoped that it will benefit customers who cooperate with Islamic banks (Muhammad, 2005), according to research by Arafah (2019) financing in the financial sector should improve the economy.

Financing at Islamic banks uses underlying transactions and especially in the real sector so that the effect of encouraging economic growth is more realistic. With more and more money being paid through Islamic banks, the role of the financial sector in supporting economic growth has increased. This finding is supported by Latifah (2016) who found the same result that Islamic bank financing had no impact on financial deepening. This is supported by research conducted by Ruslan (2005) which states that interest rates have a significant effect on financial deepening in Indonesia but it is different from research by Panjawa & Widianingrum (2018). The increase in interest rates led to an increase in public savings in Islamic banking. So interest rates also increase can affect the increase in the amount of investment for Indonesia in the economic sector. The increase in interest rates will affect the performance of the Islamic financial sector, especially in terms of raising funds. Where an increase in interest rates will make Islamic financial returns more attractive than other finance. This has an impact on increasing the number of deposits collected by the community.

With these results, it can be said that inflation has a positive impact on financial deepening, this is consistent with inflation in general as evidenced in the changing national price index, which also has a significant impact on costs and profits. Inflation will do this because inflation will reduce real income, thus inflation will have an impact on financial deepening. Boediono (2014) stated that this is because high inflation will increase the number of the financial sector which has an impact on decreasing public interest in transacting in the real sector. With an increase in the financial sector, it will also increase financial depth. People during the COVID-19 pandemic have risks, among risks they receive when carrying out economic activities. This risk has various forms, if it is associated with economic activities to run the sharia economy and business, then the risk can be related to the risk of loss and the risk of being unproductive in managing money which must be avoided (S. Karim et al., 2022). The economic condition of a country is influenced by the country's economic, social and political conditions, this study combines financial conditions before and during the pandemic to the new normal era by proving that this pandemic condition influences Indonesia's financial depth.

CONCLUSION

Assets have a positive long-term and short-term negative effect on financial deepening and based on the IRF and FEVD financial deepening tests, they show a positive response to shock with a contribution of 77%. Meanwhile, DPK Islamic banks have a negative impact both in the long term and in the short term on financial deepening and based on the IRF and FEVD financial deepening tests show a negative response to shock with a contribution of 9%. Meanwhile, Islamic bank financing has a negative long-term and positive effect in the short term on financial deepening and based on the IRF and FEVD financial deepening test shows a positive response to the shock with a contribution of 3%.

The theoretical implications can describe the conditions of Islamic banking and the depth of Indonesian finance and managerially policymakers are expected to make policies that can continue to encourage the development of the Indonesian Islamic economy and finance and Islamic banking in the sharia banking profit sharing system must be maximized because this system has the principle of justice and can improve and have a major impact on the financial sector.

REFERENCES

- Alshubiri, F. (2021). Financial deepening indicators and income inequality of OECD and ASIAN countries. *Journal of Economic Asymmetries*, 24(May), e00211. <https://doi.org/10.1016/j.jeca.2021.e00211>
- Anik, A., & Prastiwi, I. E. (2017). Pengembangan Instrumen Sukuk Dalam Mendukung Pembangunan Infrastruktur. *Jurnal Ilmiah Ekonomi Islam*, 3(03), 173. <https://doi.org/10.29040/jiei.v3i03.129>
- Arafah, M. (2019). Sistem Keuangan Islam Sebuah Telaah Teoritis. *Al Kharaj: Journal of Islamic Economic and Business*, 1(1), 56–66. <https://doi.org/ejournal.iainpalopo.ac.id/index.php/alkharaj/article/view/801>
- Aulia, M., & Masbar, R. (2016). Analisis Efektifitas Penggunaan Cadangan Devisa Dan Financial Deepening Terhadap Stabilitas Nilai Tukar. *Jurnal Ekonomi Dan Kebijakan Publik Indonesia*, 3(2), 78–92. <https://doi.org/jim.unsyiah.ac.id/EKP/article/view/5852>
- Ayub, M. (2009). *Understanding Islamic Finance A-Z Keuangan Syariah*. PT. Gramedia Pustaka Utama.
- Basuki, A. T. (2018). Aplikasi Model VAR dan VECM dalam Ekonomi. *Fakultas Ekonomi UMY*, 1, 1–41.
- Best, A., Francis, B. M., & Robinson, C. J. (2017). Financial Deepening and Economic Growth in Jamaica. *Global Business Review*, 18(1), 1–18. <https://doi.org/10.1177/0972150916666744>
- Boediono. (2014). *Pengantar Ilmu Ekonomi No. 3 Ekonomi Internasional*. BPFE.
- Ekberg, J., Chowdhuri, R., Moekti, S., & Hermanus, B. (2015). Financial Deepening in Indonesia. *Mandiri Institute*, 52. <https://doi.org/oliverwyman.com/our-expertise/insights/2015/sep/financial-deepening-in-indonesia>
- Gezer, M. A. (2018). The relationship between financial deepening and economic growth: Bootstrap causality approach for the selected upper middle income countries. *Theoretical and Applied Economics*, 25(1), 95–112. [https://doi.org/journal/v1\(614\)y2018i1\(614\)p95-112](https://doi.org/journal/v1(614)y2018i1(614)p95-112)
- Ismail. (2011). *Ekonomi Keuangan dan Perbankan*. Salemba Empat.
- Karim, A. A. (2015). *Ekonomi Makro Islam*. Raja Grafindo Pustaka.
- Karim, S., Naeem, M. A., & Abaji, E. E. (2022). Is Islamic FinTech coherent with Islamic banking? A stakeholder's perspective during COVID-19. *Heliyon*, 8(9), e10485. <https://doi.org/10.1016/j.heliyon.2022.e10485>
- Kasmir. (2014). *Bank dan Lembaga Keuangan Lainnya* (Revisi). Rajawali Pers.
- King, R. G., & Levine, R. (1993). Finance and Growth: Schumpeter Might be Right. *The Quarterly Journal of Economics*, 108(3), 717–737. <https://doi.org/10.2307/2118406>
- Latifah, A. (2016). Pengaruh Sektor Perbankan Syariah terhadap Financial Deepening

- di Indonesia. *Jurnal Ekonomi Islam*, 7(2), 107–130.
<https://doi.org/https://journal.uhamka.ac.id/index.php/jei/article/view/185>
- Le, T. D., Ho, T. H., Nguyen, D. T., & Ngo, T. (2022). A cross-country analysis on diversification, Sukuk investment, and the performance of Islamic banking systems under the COVID-19 pandemic. *Heliyon*, 8(3).
<https://doi.org/10.1016/j.heliyon.2022.e09106>
- Levine, R. (1997). Financial Development and Economic Growth: Views and Agenda. *Journal of Economic Literature*, 35(2), 688–726.
<https://doi.org/jstor.org/stable/2729790>
- Lynch, D. (1996). Measuring Financial Sector Development: A Study of Selected Asia-Pacific Countries. *The Developing Economies*, 34(1), 1–27.
https://doi.org/https://www.ide.go.jp/library/English/Publish/Periodicals/De/pdf/96_01_01
- Mary, M., Mediawati, E., & Adirestuty, F. (2019). The Analysis of Third-Party Funds, State Sukuk, and Corporate Sukuk Towards Financial Deepening in Indonesia. *Review of Islamic Economics and Finance*, 2(2), 53–66.
<https://doi.org/10.17509/rief.v2i1.22158>
- McKinnon, & Shaw. (1993). Money and Capital in Economic Development. *Brookings Institution Washington*.
- Mishkin, F. S. (2010). The Economics of Money, Banking and Financial Markets. *Mishkin Frederic–Addison Wesley Longman*.
- Muhammad. (2011). *Manajemen Perbankan Syariah* (Revisi Ked). UPP STIM YKPN.
- Ogbuagu, A. R., Ewubare, D. B., & Harcourt, P. (2014). Financial Deepening and Inflation in Nigeria : An Open Economy Model Approach. *Journal of Economics and Sustainable Development*, 5(25), 39–50.
<https://doi.org/JEDS/article/view/17525>
- OJK. (2021). Siaran Pers Sektor Jasa Keuangan Beroperasi Normal dan Optimalkan Layanan Digital pada PPKM Darurat. *Ojk.Go.Id*. <https://www.ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/Siaran-Pers-Sektor-Jasa-Kuangan-Beroperasi-Normal-dan-Optimalkan-Layanan-Digital-pada-PPKM-Darurat.aspx>
- Okafor, I., Onwumere, J., & Ezeaku, H. C. (2016). Financial Deepening Indicators and Economic Growth in Nigeria: A Causality and Impact Analysis. *Asian Journal of Economics, Business, and Accounting*, 1(2), 1–11.
<https://doi.org/10.9734/ajeba/2016/29411>
- Panjawa, J. L., & Widianingrum, I. F. (2018). Hubungan Financial Deepening dan Pertumbuhan Ekonomi: Studi Empiris di Indonesia. *Jurnal Penelitian*, 12(1), 45.
<https://doi.org/10.21043/jp.v12i1.4131>
- Putri, N. V. K., & Mubin, M. K. (2021). Financial Deepening Relationship With Economic Growth in Indonesia. *Jurnal Ilmu Ekonomi Terapan*, 6(1), 133.
<https://doi.org/10.20473/jiet.v6i1.26220>
- Rachmawati, A. M., Wulandari, D., & Nurmaditya, B. S. (2018). Financial Deepening and Income Inequality In Indonesia. *Global Business Review*, 1–12.
<https://doi.org/10.1177/0972150918811246>
- Rahmadani, P. (2017). Analisis Financial Deepening pada Sektor Perbankan dan Sektor non Perbankan terhadap Pertumbuhan Ekonomi di Indonesia. *Jurnal Ilmu Ekonomi Universitas Brawijaya*. <https://doi.org/jimfeb/article/view/3810>
- Riauwanto, S., & Sulastiningsih. (2019). Pengaruh Total Aset Dan Bagi Hasil Perbankan Terhadap Volume Dana Pihak Ketiga (DPK) Pada Bank Umum

- Syariah. *Jurnal Riset Manajemen*, 6(2), 131–146.
<https://doi.org/10.32477/jrm.v6i2.354>
- Ridwan, M. M. (2018). Pengaruh Perbankan Syariah dan Pasar Modal Syariah terhadap Financial Deepening di Indonesia dan Malaysia Tahun 2011-Juni 2017. *Jurnal Fakultas Ekonomi UII*. <https://doi.org/uii.ac.id/bitstream/handle/123456789/7457>
- Ruslan, D. (2011). Analisis Financial Deepening Di Indonesia. *Journal of Indonesian Applied Economics*, 183–204. <https://doi.org/jiae/article/view/104>
- Sackey, F. (2018). Financial Sector Deepening and Economic Growth in Ghana. *Journal of Economics and Sustainable Development*, 3(8), 122–140. <https://doi.org/JEDS/article/view/2313>
- Safdar, L. (2014). Financial Deepening and Economic Growth in Pakistan : An Application of Cointegration and VECM Approach. *Interdisciplinary Journal of Contemporary Research in Business*, 5(12), 368–385. <https://doi.org/journal-archieves36.webs.com/368-384>
- Sekaran, U. (2019). *Metode Penelitian Untuk Bisnis (Kedua)*. Salemba Empat.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif R&D*. Alfabeta.
- Utile, B. J., Okwori, A., & Ikpambese, Monica D. (2018). Effect of Interest Rate on Economic Growth in Nigeria. *International Journal of Advanced Academic Research*, 4(1), 66–76. <https://doi.org/ijaar-sms-v4n1-jan18-p3>
- Wasiaturrahma, Rizal, R. M., & Ajija, S. R. (2019). Financial Deepening and Economic Growth in Indonesia. *Media Trend*, 14(1), 24–32. <https://doi.org/10.21107/mediatrend.v14i1.4552>
- Widarjono, A. (2018). *Ekonometrika Pengantar dan Aplikasi Disertai Panduan Eviews*. UPP STIM YKPN.
- World Bank. (2016). *Financial Development*.
- Yuliani, A. E., Fitrijanti, T., & Sari, P. Y. (2020). Sukuk Negara Sebagai Alternatif Pembiayaan Proyek Infrastruktur Di Indonesia: Systematic Literature Review. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 7(12), 2361. <https://doi.org/10.20473/vol7iss202012pp2361-2374>