

Monetary and Fiscal Policy Mix on the Economy: Sharia Perspective in Literature Review

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Abstract. This study can conclude the Islamic economic literature's views on fiscal and monetary policy. The monetary policy use to execute the dual banking system will have an influence on macroeconomic policies. Meanwhile, In fiscal policy, the State Expenditure Government Budget instrument relies on taxes as income, whereas Islam, on the other hand, views zakat as the primary source of state revenue. This study used a qualitative approach and descriptive statistics from journal publications published from 2015 to 2021. The analysis results obtained 20 journals and research on the Mix of Monetary and Fiscal Policy on the Economic in the Sharia Perspective. It can be concluded that in the Islamic perspective, Monetary and fiscal policies are critical for a country's welfare, with government protection in the form of fiscal and monetary policies with an Islamic viewpoint as an alternative for creating national welfare.

Keywords: Monetary; Fiscal; Stability; Economy, Sharia

1 Introduction

Many studies discuss monetary and fiscal policy. However, it is rare to research from a sharia perspective. This study focuses on the concept of monetary and fiscal policy in Islamic economic literature. The research looks at 20 recent papers on the Monetary and Fiscal And monetary policy Mix of the Financial system: Sharia Perspectives that have been published in professional publications. This study performed descriptive statistical analysis based on 20 journal papers from both domestically and internationally connected to the Monetary and Fiscal And monetary policy Mix on the Economy in Sharia Perspective. The full sample of journal papers was published throughout a five-year period, from 2015 to 2021. The research solely looks at journal publications on the topic of Islamic Monetary and Fiscal Policy Mix in the Economy. Furthermore, upon review and analysis. The research is classified depending on an examination of the abstraction, content, and overall research findings.

2 Literature Review

2.1 Islamic Monetary Policy

Research on monetary stability in the dual banking system conducted in Malaysia (Harun, 2019) estimates conventional and Islamic money demand but does not include the interest rate variable in conventional money demand and does not include the Islamic return variable in Islamic money demand. The findings reveal that the demand for conventional money is the same as the desire for Islamic money, which is not shock resistant. His analysis also demonstrates that traditional and Islamic M1 and M2 monetary aggregates are connected to the price level.

2.2 Islamic Fiscal Policy

The goal of fiscal and monetary policy in Islamic economics differs from that of conventional economics, however there are similarities in analyzing and implementing economic policies. In Islam, the notion of prosperity is broad, covering both the life of this world and the life to come, and spiritual progress takes precedence over financial wealth. (Suryani & Ika, 2021). Sources of state revenue in Islamic development collected in the state (baitul mall) can be grouped into three parts (Rahmawati, 2016): First, Muslims (zakat, zakat fitrah, waqf, nawaib, alms, and amwal fadla) were sourced. Second, revenue is generated by non-Muslim organizations such as jizyah, kharaj, ushur, and third, revenue is generated by various sources such as ghanimah fai', copy money, presents from leaders of other nations, and government subsidies from both Muslims and non-Muslims.

3 Research Method

3.1 Data Types and Sources

This analysis examined secondary data from 2015 to 2021 that had been published in a national and international scholarly publication connected to the Mix of Monetary and Fiscal Policy on the Economy: Sharia Perspective. These journals were gathered from published journals or retrieved online. The following technique was employed in this study: 1) a qualitative method approach with descriptive statistics; and 2) a quantitative method approach with descriptive statistics. A review of the literature from 20 publications was conducted, as well as research on the Effects of Monetary and Fiscal Policy on the Economy: A Sharia Perspective.

3.2 Descriptive Statistics

Descriptive statistics is a branch of statistics that explores the strategies for collecting, assembling, and presenting research data summaries. The data must be organized on a regular and appropriate basis, either in tabular or graphical form, to serve as the foundation for various decision-making processes. (Wijaya, 2013).

3.3 Sampling Method

A non-probability purposive sampling strategy was utilized in this investigation. A purposive sample is one that is designed to learn about a certain topic. This sample is classified into two types: decision sample (judgment), which identifies participants of the sample based on the specific criteria based on records or research goals of the project, and quota sample, which selects participants based on certain relevant characteristics that define the dimensions (proportion of) population. (Wijaya, 2013). The research criteria were a journal paper on the Monetary and Fiscal And monetary policy Mix of the Financial system: Sharia Considerations from 2015-2021.

4 Results

4.1 Number of Publications per Year

From observations during the previous five years, there are 20 published publications, both national and international, relating to the Mix of Monetary and Fiscal Policy on the Economy: Sharia Perspective. The number of published journals ranges from 2015 to 2021, with a range from 1 to 20 publications. The journal papers on the Economy's Monetary and Fiscal Policy Mix: Sharia Perspective are largely in 2019. (35 percent). Meanwhile, fewer journal papers were published in 2016 and 2018, compared to other years (5 percent).

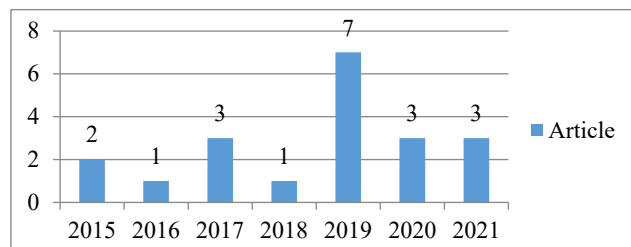


Figure 1. The number of articles with the topic of Monetary and Fiscal Policy Mix on the Economy: Sharia Perspectives Published in 2015-2021

4.2 Types of Research from Each Publication

This analysis also identified the sort (type) of study used by each journal article that was seen. Analytic, descriptive, empirical, and exploratory research are the four forms of study, according to Sekaran (2016). Only three sorts of research were employed in this observation: analytical, descriptive, and empirical.

The findings revealed that the most commonly used research methodology was from national and international journals that have been published, and was connected to the Mix of Monetary and Fiscal Policy on the Economy: Sharia Perspectives from 2015 to 2021, specifically descriptive research with 11 journals (55 percent), analytical research with 5 journals (25 percent), and empirical research with 4 journals (20 percent).

Table 1. Each publication's research types

Publication Year	Types of research			Total
	Analysis	Descriptive	Empirical	
2015	1	1		2
2016		1		1
2017		2	1	3
2018	1			1
2019	1	4	2	7
2020	1	1	1	3
2021	1	2		3

4.3 Research Approach of Each Publication

Punch (2013) distinguishes three categories of research approaches: qualitative, quantitative, and mixed-method. Table 2 demonstrates the research approach followed for each publication published in the last 10 years, from 2015 to 2021. The research method mostly employed in this observation was a qualitative one, using a total of 11 journals (55 percent). The quantitative technique was followed by 5 journals (25 percent), followed by 4 journals that employed a mixed-method approach (20 percent).

Table 2. Each publication's approach type

Publication Year	Types of research			Total
	Qualitative	Quantitative	Mixture	
2015	1	1		2
2016	1			1
2017	2		1	3
2018		1		1
2019	4	1	2	7
2020	1	1	1	3
2021	2	1		3

4.4 The subject of the discussion on the Monetary and Fiscal Policy Mix on the Economy: Sharia Perspective

This study indicated several subjects discussed in each journal related to Based on journal papers from 2015 to 2021, the Economical Impact of Monetary and Fiscal Policy: Sharia Perspectives. The subject of discussion in the observation of the 2015-2021 journal articles selected in the observation was the journal Monetary and Fiscal Policy Mix of the Economy: The notion of Monetary and Fiscal Policy Mix of the Economy: Sharia Viewpoint is the most Islamic perspective of various 9 journals (45 percent) from 20 sample journals, followed by the subject of Monetary and Fiscal Policy Mix

Stability on the Economy: Sharia Perspectives; a total of 5 journals (25 percent), after that, institutionalization (institutional, legal and regulatory umbrella) Monetary and Fiscal Policy Mix on the Economy: Sharia Perspectives is a collection of six periodicals (30 percent).

Table 3. Discussion of the Journal of the Mix of Monetary and Fiscal Policy on the Economy: Sharia Perspective

Subject	Publication Year							Total
	2015	2016	2017	2018	2019	2020	2021	
Draft	2		2		2	1	2	9
Stability		1			2	1	1	5
Institutionalization			1	1	3	1		6
Total	2	1	3	1	7	3	3	20

4.5 Areas of Study and Publication

This research also included a list of the most publications by geographic region (country). This table was divided into two sections: the study placement of 10 randomly selected journal publications and the publication area of the journal, in the first section, regarding the journal's location or study area, and the publication area of the journal, in the second section, regarding the journal's publication area. From the table, it can be seen that Indonesia was the location of the most extensive study area, with 13 journals (65%), then Malaysia and England with 2 journals each (10%). They were then followed by Saudi Arabia, India, and Turkey with 1 journal each (5%).

Table 4. List of Publications Arranged by Country

Country	Number of Published Articles
Indonesia	13
Malaysia	2
English	2
Saudi Arabia	1
India	1
Turkey	1

4.6 Discussions

Fiscal and monetary policies are critical in developing a competitive and affluent economy. History has shown that the collection and distribution of zakat may lead to economic progress. On either hand, monetary policy in Indonesia is also aimed towards stabilizing the economy due to the country's Islamic-based monetary system. After all, it is profit-sharing-oriented, which is not the same as traditional, which is still volatile. To boost the position of fiscal policy, zakat revenue and

administration must flow smoothly with the synergy of the government and relevant ministries or agencies.

5 Conclusion

Based on a survey of the literature and a selection of numerous journal papers released in the recent five years, from 2015 to 2021, 20 journals and research findings that examined the Mix of Monetary and Fiscal Policy on the Economy from an Islamic Perspective were acquired. There were 11 types of descriptive research (55%), analytical research (25%), and empirical research (20%). In this observation, the most widely used research approach was the qualitative approach of 11 journals (55%), the quantitative approach (25%), and a mixed-method approach (20%). The subject of discussion related to the Journal of Monetary and Fiscal Policy Mix on the Economy: Sharia Perspective was mainly about the concept of Monetary and Fiscal Policy Mix on the Economy: Sharia Perspective was nine journals (45%), Stability of the Monetary and Fiscal Policy Mix on the Economy in Sharia Perspective (25%), then Institutionalization (institutional, legal and regulatory umbrella) Monetary and Fiscal Policy Mix on the Economy: Sharia Perspective (30%). As for the location of the country area, Indonesia was the location of the study area with the most significant number of 13 journals (65%), then Malaysia and England (10%), Saudi Arabia, India, and Turkey (5%). This literature study opens up opportunities for further research related to the monetary policy mix and fiscal policy mix in the sharia perspective because the number of studies on this is still limited.

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