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Analysis Of The Impact Of International Trade On Economic Growth In Indonesia In The Perspective Of Islamic Economics

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ABSTRACT
Every nation's economy relies on international trade to improve global welfare. No country in the world does not trade internationally. All data utilized in this quantitative analysis is secondary data from systematic recording results in the form of time series data from years collected from the Central Bureau of Statistics (BPS) of Lampung province. Multiple linear regression analyzed data. Based on statistical data from eviews 8, the Simultaneous Significant Test (F Test) shows that the Prob. (F-statistic) of -0.825468 is smaller than the significance level of 0.05, indicating that the estimated regression model can explain the effect of net exports, investment, labor, and exchange rates on economic growth. According to the determination test for the R Square value of 0.3549, net exports, investment, labor, and exchange rates contribute 35.49% to economic growth, while the remaining 64.51% is influenced by other variables not explained in the study. This study found that net exports, investment, labor, and exchange rates drive Indonesia's economic growth. Economic growth is affected by labor and exchange rates. According to the determination test for the R Square value of 0.3549, net exports, investment, labor, and exchange rates contribute 35.49% to economic growth, while the remaining 64.51% is influenced by other variables not explained in the study. This study found that net exports, investment, labor, and exchange rates drive Indonesia's economic growth. Economic growth is affected by labor and exchange rates. According to the determination test for the R Square value of 0.3549, net exports, investment, labor, and exchange rates contribute 35.49% to economic growth, while the remaining 64.51% is influenced by other variables not explained in the study. This study found that net exports, investment, labor, and exchange rates drive Indonesia's economic growth. 3549 reveals that net exports, investment, labor, and currency rates contribute 35.49% to economic growth, while the remaining 64.51% is impacted by other variables not discussed in the study. This study found that net exports, investment, labor, and exchange rates drive Indonesia's economic growth. 3549 reveals that net exports, investment, labor, and currency rates contribute 35.49% to economic growth, while the remaining 64.51% is impacted by other variables not discussed in the study. This study found that net exports, investment, labor, and exchange rates drive Indonesia's economic growth.

Keywords:
Net Economic Growth, Export Labor Investment, Foreign Exchange

INTRODUCTION

One of the economic activities that cannot be separated from international trade is the activity of capital flows, both in and out, from a country. When international trade activities occur in the form of export and import activities, there is a high probability that factors of production will shift from exporting countries to importing countries due to differences in costs in the international trade process. In general, a country should not only focus on international trade, especially exports as the only engine driving economic growth today. Indonesia's declining trade performance, as seen from the declining trade balance surplus (deficit) from year to year, the government must watch out for.

The most important thing in economic growth and productivity is the human factor. Productivity is determined by several factors, one of which is human capital. Humans are one of the most important factors in production because without human resources, other factors of production cannot be utilized and utilized. Unemployment that is too large will also have negative effects that are economic, political and social. Therefore, human resources must be controlled so that they do not become a national problem. Labor market efficiency and flexibility are essential to ensure that workers are allocated to the most effective use of the economy and are provided with incentives to give them their best effort in their jobs. Foreign exchange rates are one of the factors that can affect exports, in payment transactions are faced with two kinds of currencies, namely domestic currency and foreign currency. The difference in currency used in exporting countries and importing countries results in problems, including foreign exchange rates. The foreign exchange rate is the price of the foreign exchange base currency unit stated in the currency of the country concerned. If an exporter exports a number of goods to the United States, these exports are expressed in US dollars.

In completing the payment, exports in Indonesia must exchange rupiah for dollars based on a predetermined ratio of exchange rates. Islamic economics also recognizes foreign trade or international trade. This can be seen from the trading practices of Rasulullah SAW, which crossed the Arabian Peninsula and the border areas of Yemen, Bahrain and Syria. In addition, during the reign of Caliph Umar Bin Khatab, an 'Ushr levy was imposed on traders who crossed the territory of Muslim countries with the condition that the value of the merchandise was below a minimum of 200 dirhams. This levy became one of the sources of state revenue at that time. Based on research conducted by Solomon in 2007, he conducted research on the Role of International Trade as a Source of Indonesia's Economic Growth. The data used is Indonesia's aggregate data for 1980-2006 including Gross Domestic Product, Real Exports, Real Imports, Real Rupiah Exchange Rate against the Dollar, Number of Workers and the Crisis that hit Indonesia,

METHODS

This study uses a quantitative approach method. Quantitative method can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, collecting data using research instruments, analyzing data is quantitative or statistical, with the aim of testing established hypotheses. This research includes associative research, associative research is research that asks the relationship between two or more variables. 113 This type of research is used to find the relationship between the independent variables, namely Net Exports, Investment, Labor and Exchange Rates on the dependent variable, namely Economic Growth. Secondary data is data that does not directly provide data to data collectors, for example through documents. Secondary data in this study were obtained from the Koran, previous research journals, books, articles, BPS data, which relate to research problems and company documentation or research-related data. The analytical method used is time series data. The data sources used in this study are Economic Growth, Net Exports,

Data Collection Techniques The documentation method is a way of finding data or information from documents that record events that have passed, which can be in the form of writing, pictures or monumental works from someone. This method is done by taking documentation or data that supports research, such as total Net Exports, Investment, Labor and the 2004-2017 Indonesian Economic Growth and Exchange Rate obtained from the Central Bureau of Statistics for the City of Bandar Lampung. Literature study is carried out by studying and collecting data from related literature and other sources such as books, notes, journals, as well as reports on previous research results which are considered to be able to provide information about this research.

The research variable is anything in any form that is determined by the researcher to be studied in order to obtain information about it and then draw conclusions. In accordance with the existing title, in this study there are two variables, namely the dependent variable, namely the variable that is affected or becomes the result, due to the existence of independent variables. The dependent variable used in this study is Economic Growth. The independent variable is the variable that influences or causes the change or the emergence of the dependent (bound) variable. The independent variables in this study are data on Net Exports, Investment, Labor and Exchange Rates obtained from the Central Bureau of Statistics for the City of Bandar Lampung.

According to Sugiarto in general, the problem of regression analysis involves the relationship of two or more independent variables called multiple regression analysis. Multiple regression is useful for predicting the effect of two or more predictor variables on one criterion variable or for proving whether there is a functional relationship between two variables (X) or more with the dependent variable.

RESULT AND DISCUSSION

Indonesia's Economic Development and Growth

The quality of Indonesia's economic growth is currently still low. Indonesia's economic growth is indeed quite high, but the effect on society is too low. Every single role of Indonesia's economic growth only absorbs 250 thousand new workers.

Table 1. Indonesia's Economic Growth

Year	GDP	Growth
2004	1,656,516.8	5.03%
2005	1,750,815.2	5.69%
2006	1,847,292.9	5.51%
2007	1,964,327.3	6.35%
2008	2,082,456.1	6.01%
2009	2,178,850.4	4.63%
2010	2,313,838.0	6.22%
2011	2,463,242.1	6.46%
2012	2,618,938.4	6.26%
2013	2,770,345.1	5.56%
2014	2,161,552.5	5.01%
2015	2,157,848.0	4.88%
2016	2,385,577.1	5.03%
2017	2,472,771.5	5.07%

Based on the table above, in 2005, the Indonesian economy only grew by 5.69%. The decline in economic growth was felt in the last quarter of 2005 as a result of the government's impact on increasing the price of fuel oil (BBM) twice, on 1 October 2005 to be exact. This increase immediately reduced people's purchasing power, which in turn resulted in a decrease in production value. Growth in household consumption slowed as a result of declining public purchasing power, despite the Government's fiscal policy in the form of income compensation. With the slowdown in consumption, the absorption capacity of the market is weakening and the conditions in the business world are increasingly burdened, which are already burdened by high production costs.

Development of Indonesia's Net Exports

Exports are the total goods and services sold by a country to other countries, including goods, insurance and services in a given year. Net exports are total exports minus total imports. Net exports greatly affect income and stimulate economic growth, if the amount of exports is greater than the amount of imports, conversely if the amount of exports is less than imports it will reduce national income.

From 2004 to 2017 the value of Indonesia's exports fluctuated. The increase and decrease in net exports can be seen from table 4.2 above. Net exports decreased in 2008 amounting to 7.823 million compared to 2007 amounting to 39.627 million experiencing a decrease of 80.25%, this was due to the global crisis. In 2009 net exports again grew by 19.681 million or an increase of 151.57%. The improving global economy has had a positive impact on Indonesia, this is reflected in the growth of Indonesia's net exports. The improvement in the world economy did not necessarily bring about an improvement in Indonesia's net exports, this was reflected in the increase in net exports of only 12.62% in 2010 amounting to 22.116 million.

Indonesian Investment Development

Judging from the 2004-2017 period, both domestic investment (PMDN) and foreign investment (PMA) always fluctuated. The table below shows the decline and increase in the number of investment approvals in Indonesia in the 2004-2017 period. The Investment Coordinating Board (BKPM) published data on investment realization for Domestic Investment (PMDN) and Foreign Investment (PMA) in the fourth quarter (October-December period) of 2017 which reached IDR 179.6 trillion, an increase of 12.7% from the same period in 2016 amounted to IDR 159.4 trillion. The investment realization absorbed 350,399 Indonesian workers, while the investment realization for PMDN and FDI throughout 2017 (January-December) exceeded IDR 692.8 trillion, exceeding the investment realization target for PMDN and FDI in 2017 of IDR 678.8 trillion.

Development of Indonesian Workforce

The condition of the workforce absorbed in various economic sectors has experienced a decline, this is due to the economic crisis that Indonesia is experiencing. This condition had a negative impact on various economic sectors, resulting in a rare mass layoffs (PHK). From 2004 to 2017 the workforce working in Indonesia has increased from year to year. Data on workers who work or are absorbed in the economic sector in Indonesia show that the development of the number of Indonesian workers in general tends to increase during 2004-2017. The number of Indonesian workers continues to increase every year. Total workforce achieved the highest increase of 6.52% in 2007 compared to the previous year.

Development of the Rupiah Exchange Rate (Exchange Rate) in Indonesia

In 2005, the soaring world oil price which had penetrated the level of US$ 70/barrel contributed significantly to the increased demand for foreign exchange as a consequence of Indonesia being an oil importing country. This condition caused the rupiah to weaken against the US$ and was in the range of Rp.9,200 to Rp.10,200 per US$. The same thing happened in 2013, rising oil prices and bad world economic conditions made the rupiah weaken and was at the level of Rp.10,452 per US$.

The Simultaneous Influence of Net Exports, Investment, Labor and Exchange Rates on Economic Growth in Indonesia

From the results of research conducted by researchers with multiple linear regression models where using the Simultaneous Significant Test (F Test) the results obtained were Prob values. (F-statistic) of -0.825468 is less than the significance level of 0.05 so it can be concluded that the estimated regression model is feasible to explain the effect of net exports, investment, labor and exchange rates on the dependent variable, namely economic growth. Thus it can be concluded that the variables X1 (net exports), X2 (investment), X3 (labor) and X4 (exchange rates) jointly have a significant effect on variable Y (Economic Growth) in Indonesia in 2004-2017. So it can be said in this study that Ha was accepted and Ho was rejected.

The Effect of Net Exports on Indonesia's Economic Growth

The results of the (partial) t test show that net exports (X1) obtain a coefficient value of 0.005219, a t-statistic value of 0.046707 and a prob value. Amounting to 0.9643 (> 5%), it can be concluded that in this study H0 was rejected and H1 was accepted, so net exports had a positive and insignificant effect on Indonesia's economic growth.

The effect of investment on Indonesia's economic growth

The results of hypothesis testing prove that investment has a positive and insignificant effect on economic growth. This is indicated by the acquisition of the t test results, namely the calculated t value of 0.6116 with a significance of 0.5632 > 0.05. This shows that investment has a positive and insignificant effect on economic growth.

Analysis and influence of labor on Indonesia's economic growth

The results of the (partial) t test show that labor (X3) obtains a coefficient value of -1.5288, a t-statistic value of -0.2298 and a prob value. It is 0.8259 (> 5%), so it can be concluded that in this study H0 is rejected and H1 is accepted, so net exports have a negative and insignificant effect on Indonesia's economic growth.

Analysis and influence of exchange rates on Indonesia's economic growth

The results of hypothesis testing prove that the exchange rate has a negative and insignificant effect on economic growth. This is indicated by the acquisition of the t test results, namely the calculated t value of -0.6461 with a significance of 0.2637 > 0.05. This shows that the exchange rate has a negative and insignificant effect on economic growth.

CONCLUSION

Based on the results of tests that have been carried out on net exports on economic growth, the results show that net exports have a positive and insignificant effect on economic growth. The proposed hypothesis obtained t count of -0.046707 and the prob value. Amounting to 0.9643 (> 5%), it can be concluded that in this study H0 was rejected and H1 was accepted, so net exports had a positive and insignificant effect on Indonesia's economic growth. Based on the results of tests that have been carried out on investment on economic growth, the results show that investment has a positive and insignificant effect on economic growth. Based on the results of tests that have been carried out on the workforce on economic growth, the results show that labor has a negative and insignificant effect on economic growth. Based on the results of tests that have been carried out on the exchange rate on economic growth, the result is that the exchange rate has a negative and insignificant effect on economic growth.

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