# CHAPTER V

# CONCLUSION AND RECOMMENDATION

## 5.1 Conclusion

The test results of the regression model turned out significance for main independent variable (TF) and insignificant for the other independent variables except IM. Variable total financing of Islamic bank and other variables are able to explain the effect of 88.54% on GDP variable. This means that the role of Islamic banking for economic growth is doing well even though it is not fully participate on the growth of economic. Probably because of the market share of Islamic banking is still low compared with conventional banks even though the number of Islamic banking assets continued to increase is one of the reasons on why it still can't fully compete in financial sector. Focusing on Islamic banking (TF), if there is a growth in the Islamic financial sector, it will somehow has a positive impact on economic growth. Likewise, the economic growth will affect positively on the development of Islamic banking. In Indonesia, the government has a policy that encourage investment, which in turn is able to develop the financial sector, both conventional and Islamic banking.

## 5.2 Recommendation

There are various strategies that can be done by Islamic banking in order to boost up their market shares among other. One of it is by improving the quality and quantity of human resources. Next, Islamic banking need to consider to

increase financing scheme of *mudharabah* for it is proven reduce poverty, unemployment, and inflation. This thesis is far from perfect and there are still a lot of errors. Any corrections, constructive criticism and good suggestions are welcomed for the perfection of this thesis.