

Sharia Economy and Politics in Aceh: From Exclusive to Inclusive Policy

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Abstract. *The Aceh government implements an exclusive zone for the application of Islamic economics through Qanun No. 11 of 2018 concerning Islamic Financial Institutions (LKS) in Aceh which are considered to marginalize non-Sharia financial institutions. This paper aims to discuss sharia policies in Aceh on the issue of LKS in Aceh. Data was collected through interviews with the heads of the Islamic Sharia Service, academics, and NGO activists, then analyzed using a public policy approach. The results of the study found that economic policies in the field of LKS in Aceh are exclusive, which is different from the welfare goals of the Acehnese people, which are inclusive. After the issuance of the LKS Qanun, only LKS was allowed to operate in Aceh, while non-sharia financial institutions were prohibited from operating in Aceh. This policy has implications for people's difficulties in accessing inclusive finance, which can have an impact on the welfare of the people of Aceh.*

Keywords: *Exclusivity; sharia economy; public policy; Aceh*

Abstrak. *Pemerintah Aceh menerapkan zona eksklusif penerapan ekonomi syariah melalui Qanun No. 11/2018 tentang Lembaga Keuangan Syariah (LKS) di Aceh yang dinilai meminggirkan lembaga keuangan non-syariah. Tulisan ini bertujuan untuk membahas kebijakan syariah di Aceh dalam isu LKS di Aceh. Data dikumpulkan melalui wawancara kepada pimpinan Dinas Syariat Islam, akademisi, dan aktivis NGO, kemudian dianalisis menggunakan pendekatan kebijakan publik. Hasil penelitian menemukan bahwa kebijakan ekonomi dalam bidang LKS di Aceh bersifat eksklusif yang berbeda dengan tujuan kesejahteraan masyarakat Aceh yang bersifat inklusif. Pasca terbitnya Qanun LKS, hanya LKS yang dibolehkan beroperasi di Aceh, sedangkan lembaga keuangan non-syariah dilarang beroperasi di Aceh. Kebijakan ini berimplikasi pada kesulitan masyarakat dalam mengakses keuangan yang inklusif, yang dapat berdampak pada kesejahteraan masyarakat Aceh.*

Kata kunci: *Eksluvitas; ekonomi syariah; kebijakan publik; Aceh*

Introduction

As a Muslim country, the Islamic economy in Indonesia has experienced significant development (Batorshyna et al., 2021; Bearman, 2016; Nopriansyah, 2019). Initially, the Islamic economy was regulated in Law No. 7 of 1992 which allows banking with a profit-sharing system. In the next stage, Law No. 10 of 1998 explicitly stipulates that banks can operate based on Sharia principles. This law explicitly explains that there are two systems of banking in Indonesia, namely the conventional banking system and the Islamic banking system. The Islamic economy then developed rapidly to expand its scope, such as the Islamic capital market, Islamic insurance, zakat, endowments, and the halal industry. The settlement of Sharia economic law disputes became even clearer after the passing of Law No. 3 of 2006 concerning Amendments to Law No. 7 of 1989 concerning the Religious Courts (UUPA). UU no. 3 of 2006 has expanded the authority of PA, which was originally only authorized to resolve disputes in the areas of marriage, inheritance, wills, grants, endowments, and *sadaqah*. PA is then authorized to handle requests for dispute resolution in zakat, infaq, as well as property rights and other civil disputes between fellow Muslims, and Sharia economics. After that, the Compilation of Sharia Economic Law (KHES) was published in Supreme Court Regulation (Perma) No. 2 of 2008 based on Law. No. 3 of 2006.

Sharia economic arrangements in a number of these laws have implications for the development of the national economy (Mukharom et al., 2020; Ridwan & Zain, 2021). This development continues to increase in line with increasing public awareness about Islamic finance and the existence of government support in encouraging the growth of Islamic banking. In addition, product innovation and Sharia banking services are also growing to meet the needs of the community. In recent years, Islamic banking in Indonesia has also begun to expand overseas, such as to Malaysia, the Middle East, and Africa. This shows the vast global market potential for Islamic financial products and services made in Indonesia. Islamic economics then becomes more competitive in national economic practices.

The widespread development of the Sharia economy at the national level also has implications for the existence of the Sharia economy in Aceh after the specialization of Aceh. Three packages of laws such as Law No. 44 of 1999 concerning the Implementation of Aceh Privileges, Law No. 18 of 2001 concerning Special Autonomy for the Special Region of Aceh, and Law No. 11 of 2006 concerning the Governance of Aceh become juridical legitimacy for implementing the Sharia economy in Aceh. Based on this law, the development of the Sharia economy is accommodated in several regional regulations/qanuns in Qanun No.

7 of 2004 concerning Management of Zakat, Qanun No. 10 of 2007 concerning Baitul Mal, Qanun No. 8 of 2016 concerning the Halal Product Guarantee System, and Qanun No. 11 of 2018 concerning Islamic Financial Institutions.

Sharia economic arrangements in Aceh are part of the traditions of the Acehnese people. *Mawah* is an economic practice that is very popular in Acehnese society which is based on the principle of profit sharing between the capital owner and the manager. *Mawah* is a mechanism in which an asset owner hands over the right to manage the asset to another person with an agreed outcome. The *mawah* system is widely practiced in agriculture (rice fields, fields, etc.) and animal husbandry (cows, goats, poultry, etc.) where the results are distributed depending on the agreement between the two parties. The agreed profit sharing depends on management costs, either directly or indirectly. In general, it can be seen that the practice of *mawah* is more similar to the practice of *mudārabah* which is commonly practiced in the Islamic economic system. In the practice of *mudārabah*, someone who has capital, for example, agricultural capital in the form of land, will give it to someone else to work on and the results will be shared. If the *mawah* is given the rice fields, while the seeds for the contents of the fields are from the farmers, usually when harvesting the results will be divided into three parts, with details of one part for the owner of the field and two parts for sharecroppers. Meanwhile, if the owner of the rice field bears the rice seeds planted, then the profit-sharing set is 50% for the owner and 50% for the farmer (Ibrahim, 2012).

As a region that is given the freedom to practice Islamic law, the Sharia economy in Aceh is given exclusivity. The economic practices that have so far developed in Aceh are inclusive in that all economic entities can operate. The situation changed when Qanun No. 11 of 2018 concerning Islamic Financial Institutions. This Qanun places Islamic Financial Institutions given exclusivity as a single entity that implements Islamic economics in the fields of banking, insurance, pawnshops, fiduciaries, to cooperatives. This Qanun states that every financial institution in Aceh must carry out its operational activities by Sharia rules (Rahmawati & Putriana, 2020). The consequence of this regulation is that every financial institution must convert to become an Islamic financial institution or it will no longer be able to operate in Aceh as a result of not being willing to convert to the Sharia system.

The ongoing roadmap for the implementation of Islamic Sharia in Aceh has made Islamic Sharia its comprehensive nature. The fields of faith, worship, symbols of Islam, and Islamic punishment have been implemented. With the ratification of Qanun No. 11 of 2018 concerning Islamic Financial Institutions,

the application of Islamic economics is more complete after Qanun No. 7 of 2004 concerning the Management of Zakat, Qanun No. 10 of 2007 concerning Baitul Mal. The application of Sharia economics in Aceh is a political policy directed at the exclusivity of Shariatization in the field of economic law. In contrast to qanuns in the fields of faith, worship, Islamic proselytization, and Islamic crime, Islamic Financial Institution Qanuns are exclusive, and do not tolerate the practices of other non-Sharia financial institutions.

Aceh is an area that has attracted the interest of researchers, especially in three important areas, namely religion, politics, and law. This is due to the uniqueness of Acehnese Muslims based on their historical experience during the Islamic empire in implementing Islamic law and their resistance to colonialism. It is not surprising that many scholars study Aceh based on its religious identity, which is related to its religious ideology embodied in Sharia law. Even so, many Aceh studies are out of the main Aceh studies.

The study of Islamic law in Aceh in the political context is generally carried out on the issue of conflict. Several scholars, such as Ichwan (2007), Aspinall (2007), and Kersten (2018) have conducted studies in Aceh on conflict issues. They found that the recognition of Islamic law in Aceh was part of the solution to the political conflict so that Aceh would not separate from the Republic of Indonesia (Ichwan, 2007). Namely, the conflict between the people of Aceh and the central government was resolved by granting Aceh authority in implementing Islamic law. In addition, Aceh studies are also directed at the relationship of Islamic law in Aceh with power politics. Buehler (2008) and Miller (2004) for example found that the policy of implementing Islamic law in Aceh was a means of political consolidation to win political contestation (Buehler, 2008; Miller, 2004).

The study of Islamic law in Aceh was not dominated by issues of conflict and politics. Several scholars such as Feener (2013), Zada et al., (2022), and Afrianty (2015) developed a study of Islamic law in Aceh society. Feener (2013), for example, found that Islamic law in Aceh is a social engineering tool (Feener, 2013) so that the people of Aceh make Islamic law a part of their lives. However, in another study, the application of Islamic law in Aceh had an impact on women and young people. Afrianty (2015), for example, found that Acehnese women could play a role in the process of democratization and Islamization in Aceh through the formation of women-based civil society organizations (Afrianty, 2015). Young people in the study of Zada et. al (2022) also have a

dynamic agency to negotiate with the implementation of Islamic law so that they can display their lifestyle in public spaces without conflicting with Islamic law (Zada, 2022).

Specifically on the issue of Islamic economics in Aceh, many studies related to Islamic financial institutions have been carried out. Generally, studies of Islamic financial institutions in Aceh are focused on the issue of Islamization of the financial system, as was done by Safitri et. al (2021). This generic study confirms that Islamic financial institutions are a state policy in Islamizing the financial system as a counterpoint to the conventional economic system based on capitalism (Amanatillah, 2022; Safitri et al., 2021). Other studies show the important role of Islamic financial institutions in Aceh. Budiman (2021) shows the role of Islamic financial institutions in maintaining national economic stability (Budiman, 2021). Islamic financial institutions in Zulfahmi's study (2021) have succeeded in helping the people's economy (MSMEs) to create a just and prosperous Acehnese economy under the auspices of Islamic Sharia (Zulfahmi, 2021).

Studies on Islamic financial institutions in Aceh generally discuss the optimism of the role of Islamic financial institutions in economic stability, especially in the people's economy. However, critical studies on the policies of Islamic financial institutions in Aceh do not lead to an inclusive economic paradigm that can be accessed by all people regardless of ethnicity and religion. Lestari et. al (2021) and Fahmi (2023), for example, criticize the policies of Islamic financial institutions in Aceh that are exclusive (Lestari et al., 2021), monopoly and tend to be unfair (Fahmi, 2023), because it only places Islamic financial institutions operating in Aceh. As a result, the LKS Qanun forced several conventional banks in Aceh to convert into Islamic banks (Rahmawati & Putriana, 2020).

This study focused on political policy, the level of aspirations of the people of Aceh has strengthened after the enactment of the Aceh Privileges Law (1999), the Aceh Special Autonomy Law (2001), and the Aceh Government Law (2006). After that, support from community groups for Sharia financial institutions was also strong, especially for Sharia economic actors. This exclusive and monopolistic policy is paradoxical to inclusively enforce the LKS Qanun which is meant to move the Acehnese people's economy. The conflict between the exclusive policy of implementing Islamic financial institutions with the main goal of inclusive welfare for the people of Aceh is an important part of this study.

Methods

This research is field research with a political approach, namely describing Islamic law as public policy. With this approach, this study describes the formation of Islamic Sharia policies based on the aspirations and support of the community in collaboration with the government. This research was carried out in Banda Aceh City as the center for Aceh's policy formation in the implementation of Islamic law.

The primary data source for this research is the results of interviews with officials of the Islamic Sharia Office, academics, NGO activists, and the community. Secondary data is taken from statutory documents, such as Law Number 44 of 1999 concerning the Administration of Aceh's Privileges, Law Number 18 of 2001 concerning Special Autonomy for NAD, Law Number 11 of 2006 concerning the Government of Aceh 2005, Aceh Qanun Number 8 of 2014 concerning Principles of Islamic Sharia, and Qanun No. 11 of 2018 concerning Islamic Financial Institutions. Primary data were obtained using in-depth interviews (dept interviews) and focused group discussions (FGD). Secondary data was obtained by documentation techniques on statutory documents. This research data is then analyzed within the framework of political analysis, which describes Sharia economic policies in Aceh, especially Islamic financial institutions.

Results and Discussion

Regulating Sharia Economy in Aceh

Aceh is an area that is given specificity in implementing Islamic law. The legal basis is the Aceh Privileges Law (1999), the Aceh Special Autonomy Law (2001), and the Aceh Government Law (2006). These three packages of laws authorize the Government of Aceh together with the Aceh People's Legislative Assembly to ratify Sharia economic qanuns, such as the qanun on *zakat* management (2004), the *bayt al-māl* (2007), and Sharia Financial Institutions (LKS) (2018).

The LKS Qanun is a qanun that is very clearly central to the movement of the Sharia economy in Aceh, even though the Zakat Management Qanun (2004) and *bayt al-māl* (2007) were previously enacted. This Qanun came into force on 4 January 2019 and all financial institutions operating in Aceh are required to implement the provisions of this LKS Qanun no later than three years after the LKS Qanun came into effect. The LKS Qanun is an elaboration of Article 21 of Aceh Qanun Number 8 of 2014 concerning the Principles of Islamic Sharia.

Nazar of the Aceh *Bayt al-Māl* Advisory Board said::

Establishing the LKS Qanun is a mandate from the Aceh Government law. Then it was revealed again in the Qanun Principles of Islamic Shari'a. One of the articles is that financial institutions operating in Aceh are based on Sharia principles. Then it was just revealed in the Qanun of Islamic financial institutions. So, from a juridical point of view, the LKS Qanun has a fairly strong hierarchy (Interview with Nazar, the Aceh *Bayt al-Māl* Advisory Board, 7 July 2022).

The policy of implementing the Sharia economy in Aceh has two sides at once, namely an inclusive and exclusive Sharia economy. An inclusive Sharia economy is contained in the LKS Qanun which emphasizes that LKS is expected to become a driver and driver of Aceh's economic growth, encourage an increase in Aceh's original income, increase access to funding and business for the community, help increase economic empowerment and community productivity, and help increase income and welfare. community (Article 5, points b, e, f, g, and h).

Ihdi Karim Makinara, the inclusiveness of the Islamic economy lies in the principles of justice and equity (Interview with Ihdi Karim Makinara, FSH Lecturer at UIN Ar-Raniry, 3 July 2022) so that there is no more poverty, as formulated in the FGD below:

What we have achieved is to reverse the existing trend. We do not accuse conventional financial institutions of making Aceh poor, Aceh in the last four or five years, it has been the last three or four years that it has been placed at the bottom or number two for the poorest Sumatra. Even though people come here, they don't see the poverty in Aceh. However, we must admit that the potential for poverty exists. To reverse this trend, we are trying this Qanun LKS (Focus Group Discussion, 4 Juli 2022).

As part of the Sharia economy, Sharia financial institutions in Aceh are not only oriented towards Sharia, such as realizing an Islamic Aceh economy, collecting and/or providing funding support, and carrying out the functions of financial institutions based on Sharia principles and carrying out other social functions including utilizing religious assets for benefit. people based on Sharia principles (Article 5 points a, c, and d). This shows that the orientation of Islamic financial institutions in Aceh is inclusive and exclusive.

However, operationally the sharia economy implemented in the LKS Qanun in Aceh leads to exclusivity. Very clearly, the LKS Qanun emphasizes that all

financial institutions operating in Aceh must be based on Sharia principles (article 2). Other than Islamic financial institutions are not permitted to operate (Interview with Ihdi Karim Makinara, FSH Lecturer at UIN Ar-Raniry, 3 July 2022). Before the enactment of the LKS Qanun, conventional financial institutions were operating in Aceh because of an emergency, there was no alternative. When there is an alternative, namely Islamic financial institutions, it is no longer permissible to transact with conventional financial institutions. This is the argument (Focus Group Discussion, 4 Juli 2022). The implication is that only Sharia financial institutions are allowed to operate in Aceh, and conversely, non-Sharia financial institutions are prohibited from operating in Aceh. This policy does not provide opportunities for conventional financial institutions to operate in Aceh.

This is different from the national economic system which adheres to a dual system, namely conventional economics and Sharia economics. People are given the freedom to choose to use conventional economics or Sharia economics. In particular, the dual banking system has come into effect in Indonesia since the amendment of Law No. 7 of 1992 concerning Banking became Law No. 10 of 1998. One of the contents of the amendment to the law stated explicitly that banks may operate based on Sharia principles. The banking law also allows conventional banks to operate on Sharia principles by opening Islamic windows or Sharia Business Units (UUS) (Rahmawati & Putriana, 2020).

In Aceh, the economic system that is implemented adheres to a single system, namely only Islamic financial institutions operating in Aceh. This means that the economic system operates differently. Initially, the national economic system was carried out in a conventional system, but the policy changed by incorporating Islamic economics into the national economic system. The Islamic economy is recognized by the state as a national economic system. However, in Aceh the economic system has reversed direction, becoming a single system in which the conventional economic system is not recognized by Aceh's policies. National economic inclusiveness allows the conventional economic system and the Islamic economic system to change in Aceh by only allowing Islamic financial institutions to operate in Aceh.

After the ratification of the LKS Qanun, there was a change in financial institutions in Aceh, although state-owned Sharia banks were not affected by this policy. Privately owned banks are the ones affected by this policy. Non-Sharia private banks have chosen not to operate in Aceh. Conventional banks then left Aceh in mid-2021. BNI, Mandiri, BRI, BCA, BTN, and other conventional banks said goodbye after Aceh imposed the LKS Qanun. Meanwhile, Islamic banks such

as BNI Syariah, BRI Syariah, BCA Syariah, Mandiri Syariah, and others are still operating in Aceh (Interview with Nazar, the Aceh *Bayt al-Māl* Advisory Board, 7 July 2022).

Several banks do the conversion. Bank Aceh changed to Bank Aceh Syariah. Bank Danamon then converted into Bank Danamon Syariah. All branch offices of Bank Aceh and Bank Danamon provide Sharia product services to meet the financial needs of the people of Aceh. The conversion of conventional banks to Islamic banks is proof of banking compliance with the LKS Qanun which requires all financial institutions to switch to Islamic financial institutions.

Apart from financial institutions, the people of Aceh are also required to transfer financial transactions to Sharia banks. If someone insists on using conventional banks, transactions and administration will be carried out in North Sumatra. This policy certainly makes it difficult for the people of Aceh who have used financial transactions through conventional banks. One of the non-governmental organization activists, Bukhori, regretted that only Sharia financial institutions were operating, causing the community to experience difficulties. He said: "Yes, it has a direct effect on us. If only one conventional bank were opened, maybe the tellers would be safe. Yes, people who want to choose can do that. Why aren't they given the freedom to choose" (Interview with Bukhori, Serambi Journalist, 5 July 2022). Nazar, the UIN Ar-Raniry academy also feels the community's difficulties after the LKS Qanun was enacted. He said:

"Even though there are still many shortcomings, yesterday at the conversion of the Aceh bank, then the merger of three banks to become BSI, there are complaints from the public. Yes, it's just a coincidence, actually after the LKS qanun came into force." Although there are deficiencies, Nazar believes there will be improvements.

"So we improve little by little. That it has not been fully completed has not been fully successful, yes there are still many shortcomings. So, in my opinion, not all of them have problems in the context of Islamic banking in Aceh because of the LKS Qanun. That we are not perfect in fulfilling customer needs, that's true. We can't afford everything, that's right. Because the comparison is not on the same level if we compare it with conventional banks" (Interview with Nazar, the Aceh *Bayt al-Māl* Advisory Board, 7 July 2022).

In the FGD with the Islamic Sharia Office, it was also acknowledged that initially, the conversion to an Islamic bank experienced difficulties.

“So at first, there was a bit of a stir in Aceh because of this issue. It's a process. All processes let alone the process of converting a system, definitely takes time. This is something that people don't realize. Conversion is still a sacrifice. So at that time, ATMs were jammed everywhere, because there were conventional ATM withdrawals, you had to enter a new ATM. There is also internal system migration, which takes time, then customer conversions, and so on. There was an employee layoff because there was an employee who didn't understand Sharia, he chose to just move to Medan, didn't want to be converted, and didn't want to join maybe. Lots of problems. But it decomposed one by one until now there is no more. Now we rarely hear of any problems; accounts that can not be sent and so on. So that means showing that indeed with patience, everything is done” (Focus Group Discussion, 4 Juli 2022).

The current challenge for conventional banks is that all conventional products, assets, and businesses must be transferred to Sharia and convince customers that they are ready to convert to Sharia. The other challenge is how to move third-party funds from conventional banks to Islamic banks where conventional banks have more funds than Islamic banks. Conversion also has an impact on the contractual relationship that occurs between the bank and the depositor customer. The juridical consequence of converting a conventional commercial bank into an Islamic commercial bank is that the bank must include the word "Syariah". Furthermore, the bank concerned must settle the rights and obligations of the previous conventional bank customers. The conversion also brings changes to the rights and obligations of the bank and depositor customers, including termination and changes to the contractual relationship between the bank and the customer. Termination of a contractual relationship occurs if the customer chooses not to become a customer of a converted Islamic bank or a customer at a branch office or other sub-branch office of the same conventional bank (Rahmawati & Putriana, 2020).

If the customer chooses to remain a customer of the same conventional bank at another branch office or sub-branch office, then there is only a transfer of the customer's rights and obligations. If the depositor customer chooses to become a customer of a converted Islamic bank, there will be a change in the contractual relationship which includes the type of agreement, the legal basis of the agreement, the philosophical basis, the scope or substance regulated, the legal terms of the agreement, the subject of the agreement and the type of agreement. Bank conversions also bring about changes in public fundraising products such as savings, time deposits, and demand deposits used by depositors (Rahmawati & Putriana, 2020).

Islamic Economics in Public Policy: Caring for Religious Identity

The exclusivity of the Sharia economy in Aceh is a public policy that was born from political decisions to overcome various problems and issues that developed in society (John, 2013; Knill et al., 2020; Pülzl & Treib, 2017; Smith & Larimer, 2018). As is generally known, the people of Aceh aspire to implement Islamic law holistically. In the economic field, the legal policy is oriented towards the obligation of the public and financial institutions to transact in the Islamic financial system. These public policies are political works that are heavily influenced, in their formulation and implementation, by the wishes of the people. People's aspirations become an important part of public policy, especially when the state sees public problems that must be addressed (Finnemore & Jurkovich, 2020; Marchant, 2003; Salet, 2018). The enthusiasm of the Acehnese people to apply Sharia is not only in the field of Islamic crime as stated in Qanun Number 6 of 2014 concerning Jinayat Law. The society also wants Sharia economic law, which began with the LKS Qanun (Interview with Nazar, Baitul Mal Aceh Advisory Board, 7 July 2022). In practice, the aspirations brought by the community are often related to religion, especially how community religious law can be accommodated by the state as public policy.

It is in this context that in Muslim countries, such as Indonesia, people's aspirations to uphold religious law are carried out by making Sharia a public policy (Interview with Nazar, Baitul Mal Aceh Advisory Board, 7 July 2022), particularly legal policy. The instrument is that Sharia is legislated in the form of a Qanun through a local political mechanism. The implication is that Sharia as part of public policy undergoes a political process because Sharia is enforced by political institutions (Vogel et al., 2011; Parsons et al., 2009; Quraishi & Landes, 2014). At this point, Sharia economics is not only a practice of community diversity, Sharia economics has become state policy. Islamic economics is then no longer just a transcendent rule that serves as a guide for Muslims, but rather as a politically charged rule because it is stipulated in political works.

Public policies are generally oriented to all-inclusive societies which are reflected in inclusive politics (Paffenholz, 2015). In the next stage, the law applied by the state is inclusive (Coleman, 2009; Moreso, 2001; Waluchow, 1994), that is, the state does not regulate certain groups of people. Sharia economic policy in Aceh in its legal objectives is inclusive. This is shown in the LKS Qanun which expects to create social welfare. However, as countries that adhere to legal pluralism, public policies in Indonesia, especially those relating to legal arrangements in Aceh, can be oriented towards one particular group of people.

More than that, the legal policy is exclusive (Loxley & Thomas, 1997; Rohidin et al., 2023), which excludes other entities, not providing a choice of legal plurality. This can be seen from the LKS Qanun which requires all financial institutions to use Sharia principles and prohibits non-Shariah financial institutions from operating in Aceh.

Exclusive public policies related to the LKS Qanun are often sourced from the religious identity of the community (Margolis, 2018; Peek, 2005; Werbner, 2010). Sharia is a religious identity that is contested in the public space to become state law (Miedema, 2014). The people of Aceh have long been identified as devout Muslims who want their religious law to become state law. In the conception of the Acehnese people, religious identity, such as Sharia, is a public policy that is not implemented partially, but comprehensively. The Qanun on Principles of Islamic Sharia in Aceh has described the comprehensiveness of the applied Islamic law, which includes faith, Sharia, and morals (Article 2). For this reason, Sharia is then implemented comprehensively as a public policy.

Conclusions

The Sharia economy that is developing in Aceh in public policy is a product of local politics. This is demonstrated by the Sharia economic legislation in Aceh in the form of the LKS Qanun. The inclusiveness of the LKS Qanun can be seen in the Sharia economic vision that is oriented towards the welfare of the Acehnese people. However, this inclusiveness paradigm is carried out by presenting exclusive Sharia economic policies. In the LKS Qanun, it is emphasized that only LKS are allowed to operate in Aceh and conversely, non-Sharia financial institutions are prohibited from operating in Aceh. As a result, several non-Sharia financial institutions converted to become Islamic financial institutions, and the rest chose to leave Aceh after the LKS Qanun took effect. This Sharia economic exclusivity policy is built on the paradigm of preserving Aceh's Islamic identity. Aceh is a region that has historically implemented Islamic law comprehensively. Islamic law is also supported by the people who want the implementation of Islamic law comprehensively. In this condition, this policy becomes part of a local political agenda that is oriented towards the implementation of Islamic law as a whole, not partially. The Sharia economy in Aceh is no longer side by side with the conventional economy as a national economic political agenda that adheres to a dual system.

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