



# The Process of Converting Conventional Nagari Banks to Sharia Nagari Banks in Indonesia

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ARTICLE INFORMATION	A B S T R A C T
<p>Received: August 21, 2024 Revised: September 28, 2024 Available online: October 31, 2024</p>	<p>Policy transfer to a banking company owned by the Regional Government has wide complexity. The status of Banks Regional Banks as Regional Owned Enterprises must refer to Government Regulation No. 54 of 2017 and Minister of Home Affairs Regulation Number 32 of 2018 as a form of obedience in government governance. As a banking company, Regional Banks must comply with Law No. 10 of 1998 concerning banking as a form of corporate governance. The purpose of this study is to explore the policy transfer process in converting Bank Nagari from a conventional bank to an Islamic bank in West Sumatra, with a focus on comparing it to other regional banks in Indonesia that have successfully transitioned. This research aims to analyze the motivations of the policy actors involved, identify the key actors in this policy transfer, and examine the factors that support or hinder the process. This research uses a descriptive qualitative method, a case study approach using Dolowitz &amp; Marsh's theory in analyzing the motivations of the actors involved in the policy transfer process studied, the core actors in policy transfers, and the inhibiting factors in the policy transfer process studied. Unsmooth policy transfers occurred in this case, dominated by the influence of political parties, and only after analyzing secondary data that appeared in the public sphere. Further research is needed to examine more deeply the political dynamics that occur in the process of converting Conventional Nagari banks into Sharia Nagari Banks.</p>
<p><b>KEYWORDS</b></p> <p>Policy Transfer, Regional Banks, Sharia Banks, Local Government</p>	
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## INTRODUCTION

In the literature, there are various concepts used by researchers to explain policy phenomena that focus on inter-regions. Among these theories are policy transfer, policy convergence, policy diffusion, or lesson drawing (Glaser et al., 2022). One theory that is commonly used refers to Dolowitz and Marsh. Policy transfer is a process of repeating policies, administrative arrangements, institutions, and so on at different places and times. According to Dolowitz and Marsh, this is due to technological developments, making it easier for policymakers to communicate with each other and this has increased policy transfers. This confirms that globalization supports the transfer of policies, where there is the ease of mobilization of ideas from the outside (international) to the inside (domestic).

There is an assumption that an easy way to speed up the policy process, namely by transferring policies, is not entirely true. In practice, the policy process proposed by Hannah & Parsons (1999), starting from policy formulation, policy implementation, and then policy evaluation is not as easy as turning the palm. Policy transfer that will be carried out by an institution requires serious thought and ways to formulate policies so that they can be accepted by all policy-making actors. Moreover, the policy transfer that will be carried out to a Regional Owned Enterprise, besides having to follow the principles of governance, the policy must also consider the acceptance of actors in various policy networks. In general, the provisions related to Good Corporate Governance (GCG) in banking are regulated under the Banking Law and further detailed in Bank Indonesia Regulation (PBI) No. 8/4/PBI/2006, which was later amended by PBI No. 8/14/PBI/2006 on GCG. These regulations encompass three main points: first, the fit and proper test, which emphasizes the importance of enhancing the competence and integrity of banking management through an evaluation process for owners, controlling shareholders, the

board of commissioners, the board of directors, and executive bank officers. Second, the principle of independence, which prohibits familial or financial relationships between members of the board of commissioners and directors with related parties, including a prohibition on serving as controlling shareholders in other companies. Third, regulations for the compliance director and strengthening the audit function of public banks, whereby banks are required to appoint a compliance director responsible for ensuring the bank's adherence to applicable regulations (Kaihatu, 2006).

Putri (2017), explains that the arguments for the concept of governance have been explained by experts in administration and politics. The main argument for this governance concept is that the government is no longer the only actor in government activities, but there is the involvement of other actors, namely civil society and the private sector. This is felt in the process of transferring the policy of converting Conventional Commercial Banks into Islamic Commercial Banks in Indonesia, which did not go completely smoothly. This condition is one of the proofs that policy transfers are not easy to do in a banking corporation owned by the Regional Government.

Policy transfer occurs when a policymaker considers using policies from other regions as an alternative solution to solving similar problems in his region. This policy transfer can occur between regions and countries, between countries and countries, between countries and regions, and even between regions and regions. Policy transfer is commonly carried out because it is considered an easier step to take compared to making a new policy. The concept is explained Siegel & Weinberg stated, "From the beginning of their existence, nations have sought to borrow and adapt structures and policies from other societies." In critical situations, for example, policy transfers allow the government to make policies quickly (Kim, 2013).

Policy transfer is a phenomenon that is commonly carried out by policy-making actors at this time. This is considering the development of the world today which is very rapid. The main factor driving this policy transfer is the rapid flow of information facilitated by technological developments. This opens up opportunities for policymakers to communicate with each other and exchange ideas and ideas. Then, the emergence of various common problems experienced by various countries such as environmental damage, financial crises, and disease outbreaks such as the COVID-19 incident which hit nearly 215 countries (Noorbaya et al., 2021).

According to the Finance Director of Bank Nagari, Sania Putra, "from the results of last year's General Meeting of Shareholders (GMS), the schedule for converting Bank Nagari to a sharia-compliant bank was initially set for November 2020. However, due to the COVID-19 pandemic, the acceleration process for the sharia transition was delayed until 2021". This environmental condition requires the completion of collaboration between countries and regions, both internationally, nationally, and regionally. This is realized by the existence of international agreements, which facilitate the process of policy transfer. In addition, the emergence of international organizations that organize various activities such as conferences and summits, has become a forum for member countries to interact with each other and discuss new ideas. Simply put, policy transfer is an important element that cannot be omitted from discussions on the policy-making process (Foli et al., 2018).

Opportunities for banking companies to convert from the conventional banking system to the sharia system are wide open in Indonesia after the enactment of Law number 21 of 2008 concerning Islamic Banking. After this law was passed, there were two Regional Commercial Banks that successfully converted from conventional commercial banks to Islamic commercial banks. The two banks are the Aceh Regional Development Bank to become Bank Aceh Syariah in 2016 and the NTB Regional Development Bank became Bank NTB Syariah in 2018. If examined further, these two banks are role models in Indonesia for Regional Commercial Banks that will convert the system of regional banking, from a conventional system to an Islamic bank.

Based on previous research, research related to policy transfer in Indonesia, as conducted by Al-Fadhat & Effendi (2019); Ispriyarso (2019); Jayadi (2017); Larasati & Jannah (2022); Nurnadhifa & Syahrina (2021); and, Rahmadani (2017), is still focused on studying policy transfer at the implementation and evaluation level. One somewhat different focus is Arman Jayadi's dissertation research which reveals a model of assessing the transfer of knowledge in two foreign and local construction companies. The research themes that researchers encounter in various journals still examine the transfer of technology policies, transfers of direct cash assistance policies, transfers of disaster management policies, and transfers of policies for dealing with immigrants. While this study aims to analyze the process of transferring conventional banking conversion policies to Islamic banking.

In terms of the process of converting Conventional Commercial Banks into Islamic Banks, the scholars are still focused on the level of implementation and evaluation of policies such as those carried out by Furqani et al., (2020); Ikono et al., (2020); Purba (2017); Andespa (2020); Sobana et al., (2021); Syarlas (2021); Yoesoef & Khairisma (2020); and, Zuhirsyan & Nurlinda (2021). Therefore, the authors are motivated to study

the conversion process of Islamic Commercial Banks into Conventional Banks from a different focus. As the material for argumentation in this paper, researchers use scientific articles and journals, books, theses, dissertations, and reports related to the process of formulating a policy for converting conventional banks into Islamic banks, as well as documentation of the policy formulation process for converting Conventional Nagari Banks to Bank Nagari Syariah originating from documentation minutes of meetings, and media reports. The novelty of this research is the focus on policy transfer

The process of transferring policies from the regions which are role models for the conversion of Islamic Banks has been carried out by the authorized structures and agencies in the policy-making process. On 15-16 December 2019, together with elements from the Directors of Bank Nagari, Commissioners of Bank Nagari, DPRD West Sumatra, and the Economic Bureau representing the Governor of West Sumatra, visited Bank NTB Syariah to increase understanding through the implementation of the conversion that was previously carried out by the organization. This confirms that one of the banks used as a role model in the process of transferring the conversion policy of Conventional Nagari Banks to Sharia Nagari Banks is Bank NTB Syariah. Based on the 2019 West Sumatra DPRD performance accountability report, this comparative study issued a budget of Rp. 437,000,000. However, in fact, until 2022 (this research was conducted), the process of transferring the conversion policy of Bank Nagari Sharia.

Based on the issues and descriptions of these phenomena, in general, this study aims to find out more about how the policy transfer process is carried out in the Conversion process of Conventional Nagari Banks into Islamic Nagari Banks in West Sumatra when compared to the role model of the conversion process of Islamic Banks in Indonesia. To focus this research, the researcher assumes that the theory Dolowitz & Marsh (2000), relevant in analyzing the phenomena discussed in this study. Dolowitz & Marsh stated that policy transfers can be analyzed by referring to several basic research points, namely: 1) Why are policy actors involved in the policy transfer process; 2) Who are the key actors involved in the policy transfer process; 3) What is transferred in the policy transfer process; 4) Where does the policy transfer come from; 5) What is the degree of policy transfer; and 6) What are the factors that hinder or support the policy transfer process.

This research differs from previous studies, where earlier research only examined the process of conversion of policies, while this study looks at the factors that hinder the conversion process of a policy. For the focus of this study, of the 6 questions submitted by Dolowitz and Marsh, the researcher focused on discussing the first question, namely What is the motivation of the policy actors involved in the transfer of the Bank Nagari Sharia conversion policy? Then the second question is, who are the key actors involved in the transfer policy conversion policy of Bank Nagari Sharia? Then, what are the factors that hinder or support the conversion policy transfer process of Bank Nagari Sharia?

## METHOD

In this study, researchers used secondary data to be analyzed, using library research collection techniques. This is what researchers do by reviewing various books, literature, and electronic reports related to the transfer of policy and conversion of Islamic banking. Then in this writing method, the researcher

describes comprehensively from various literature related to a particular theme, theory, or method. In addition, researchers also make a synthesis of previous studies to strengthen the knowledge base. As stated [Paul & Criado \(2020\)](#), literature review can also be used to develop theory and conceptual models, and identify research gaps for further research.

Referring to [Snyder \(2019\)](#), researchers use an integrative literature review approach to provide criticism and make a synthesis of previous research. [Snyder \(2019\)](#), suggests that the selection of references is a very important step in preparing a literature review, which can affect the quality of the final results and conclusions of a study. In this paper, the researcher conducted a literature search using the keywords "Policy Transfer" and "Islamic Bank Conversion" on various sources of scientific articles. A total of eleven articles from various accredited journals were then studied, identified, and categorized by topic. In addition, researchers also enrich the findings with several other sources such as books, theses, dissertations, institutional performance reports, and minutes of meetings and news coverage in print and electronic media.

## RESULTS AND DISCUSSION

### Policy Transfer Concept

Policy transfer can be a stimulator to accelerate policy changes in a country. This argument is strengthened by the effectiveness of policy transfers which can reduce resources in mind, finances, and time to study a process that has occurred in other regions. In this case, the researcher termed that policy transfers reduce "stupid costs". Especially for countries with macroeconomic conditions, as well as different political systems and paradigms. [Dolowitz & Marsh \(2000\)](#), state that policy transfers can be analyzed by referring to several basic questions, namely: 1) Why are policy actors involved in the policy transfer process; 2) Who are the key actors involved in the policy transfer process; 3) What is transferred in the policy transfer process; 4) Where does the policy transfer come from; 5) What is the degree of policy transfer; and 6) What are the factors that hinder or support the policy transfer process.

In explaining the first question, [Dolowitz and Marsh](#) conclude that there are several reasons actors are involved in policy transfers. This conclusion leads to three actor motivations in policy transfers namely, voluntary, mixtures, or coercion. Then, the second question is explained by [Dolowitz and Marsh](#) that there are nine actors involved in policy transfers. The nine actors are Elected officials or elected officials, Political parties or political parties, Bureaucrats/civil servants, government officials, Pressure groups or a group that has an interest in related issues, and Policy entrepreneurs and experts are people who have expertise. who are academic in a particular issue, Transnational corporations, which are large-scale private companies, Think tanks, which are people entrusted with the task of formulating policy points, Supra-national governmental and non-governmental institutions, and the ninth is consultants. Apart from the actors mentioned by [Dolowitz and Marsh](#), other researchers such as [Benson & Jordan \(2011\)](#), stated that there are other non-state actors as well as other sub-national institutions such as regional and local governments which are also referred to as transfer agents whose role is also quite important in policy transfers.

Regarding what is transferred in the policy transfer process, [Dolowitz & Marsh \(2000\)](#), mention that there are at least eight categories of objects that can be transferred from one institution

to another. The eight categories are, policy goals (similar goals on an issue but have different types of policies), structure and content, (policy points, there are similarities in policy content), policy instruments or administrative techniques (what instruments are used in the policies transferred and how the policy can be implemented), policy program (activities with specific actions whose results can be directly felt by the community), Institutions (transfer of institutional or institutional forms), Ideology (certain ideologies that are transferred from institutions to other institutions), Ideas, attitudes and concepts (transfers in the form of ideas, values or basic concepts from a policy) and the last one is negative lessons, (an example of a failed policy). [Benson & Jordan \(2011\)](#), stated that much research focuses on "hard transfers", while the opposite regarding "soft transfers" is still minimal. This soft transfer includes ideologies, ideas, ideas, and concepts that will be more easily spread, let alone strengthened by technological developments.

In elaborating on the fourth question namely, where did the policy transfer come from? [Dolowitz & Marsh \(2000\)](#), describe the process of formulating a policy with a bureaucrat. From the bureaucrat, three levels of government can be seen as a consideration. Namely international, national and local, at the international level it is still divided into international organizations, regional, other countries, and local governments of other countries. In addition, there can also be transfers from the past, meaning that there is a transfer of policies or imitation of policies that previously existed, both past policies that have been replaced, originating from their own country or from local governments that are felt to be relevant again and can also be from past policies from the international level.

Then to explain the fifth question, what is the degree of policy transfer that occurs? [Dolowitz and Marsh](#) describe that four degrees occur in the policy transfer process. The four degrees are Copying (adoption of the policy as a whole or in its entirety, between the initial policies of the policy entrepreneurs and the policies belonging to the bureaucrats), Emulation (not adopting the policy outright), Combination (a mixture of several programs or types of policies so that it can produce better policies), and the fourth is Inspiration (formulation of new policies by looking at and considering policies elsewhere). To this degree, what becomes the core inspiration for actors in making their policies comes from other policies that are transferred.

Finally, the sixth question, what are the factors that hinder or support the policy transfer process? Five obstacles may occur in the policy transfer process. Five obstacles presented by [Dolowitz and Marsh](#) namely, policy complexity, past policies, structural institutional, feasibility, and language. [Dolowitz & Marsh \(2000\)](#), explained that the more complex a policy is, the more difficult it is to transfer the policy. Past Policies, can hinder actors, when in carrying out policy transfers something is found that is contrary to the wishes of the actors. Meanwhile, structural institutional appears as a crucial obstacle factor for actors. In this case, the structure from which the transferred policy originates will affect the new policy location. Then feasibility includes several aspects, namely, ideology, cultural proximity, technology, economy, and bureaucracy. Again, [Dolowitz & Marsh \(2000\)](#), emphasized that the desired policies and programs may not be successfully transferred if the programs and policies are not by the above matters in the new place.

## The Emergence and Development of Islamic Banking Conversion

The emergence of Islamic banks through the conversion mechanism is a process of legally formal transformation of conventional banks into Islamic banks. Conversion of conventional banks into Islamic banks is seen as a mechanism based on comprehensive banking procedures and regulations (Umam & Antoni, 2015). The implementation of the conversion policy has implications for the bank's authority to design and carry out financial services according to sharia principles and is consistently obliged to carry out bank management according to banking regulations. Banking conversion policies are not only related to formal legal aspects but also related to supervisory mechanisms and management functions consisting of corporate governance, bank operations, financial structure and performance, and human resources (Shafii et al., 2016). The Emergence and Development of Islamic Banking Conversion.

By regulation, the opportunity for conventional banks to convert into Islamic banks is regulated by Law Number 21 of 2018. Article 68 states that, if Conventional Commercial Banks have UUS whose asset value has reached at least 50% of the total value of the parent bank's assets or 15 years since the enactment of this Law, the Conventional Commercial Bank in question is required to carry out the Separation of the UUS to become a Sharia Commercial Bank. Then further provisions regarding Separation and sanctions for Conventional Commercial Banks that do not carry out Separation as referred to in paragraph (1) are regulated in Bank Indonesia Regulations.

This rule emphasizes that after 15 years of this Law being passed, dual systems are no longer allowed (the combination of the conventional system and the sharia system in one company). This means that no later than 2023 banking companies must choose according to the criteria set out in the law among three alternative policy options. The three alternatives are spin-off (separation of the sharia unit from the parent company for banks that have a large capital. The second alternative is to convert a conventional bank into an Islamic bank. Then the third alternative is to remain a conventional bank without an Islamic unit. When the bank chooses to convert, research Syarlas (2021), concludes that Conversion is viewed from positive law, namely that Conventional Commercial Banks that wish to change their business activities to become banks based on sharia principles must comply with the provisions contained in Article 4 paragraph (1) of the Financial Services Authority Regulation Number 64/POJK .03/2016 concerning Changes in Business Activities of Conventional Banks to become Sharia Banks, which can only be done with a permit from the Financial Services Authority.

Since law number 21 of 2008 was passed, based on data from there are five Regional Banks that have taken steps towards converting from Conventional Banks to Sharia Banks. Bank Aceh is the first regional bank that declares "moving" to the full sharia system. The process of converting Aceh bank was carried out through approval by all shareholders at the Extraordinary General Meeting of Shareholders on 25 May 2015. Bank Aceh officially began operating with the sharia system on 1 September 2016 after obtaining an Operational Permit from the Otoritas Jasa Keuangan (OJK). The second regional bank that declared conversion to the sharia system was Bank NTB. This bank owned by the regional government of the NTB Province began the process of converting to sharia based on the results of the Extraordinary General Meeting of Shareholders (EGMS) on June

13, 2016, and officially operated sharia on September 24 2018 after obtaining permission from the OJK. After being converted, the name of the NTB bank changed to NTB Syariah bank.

Then three regional banks made a conversion agreement from conventional banks to Islamic banks at the General Meeting of Shareholders (GMS), but until 2022 have not submitted their application for conversion approval to the Financial Services Authority. The three banks are Bengkulu Bank, which obtained shareholder approval to convert to an Islamic bank in 2018. Then the Annual General Meeting (AGM) on April 22 2019 agreed that Riau Kepri bank would turn into a fully Islamic bank. The third was followed by the Extraordinary General Meeting of Shareholders on November 30, 2019, all shareholders of Bank Nagari unanimously approved the conversion to Islamic banks. The bank, which is owned by the province of West Sumatra, is targeted to be able to complete the conversion process in two years and start operating according to sharia in 2021.

## Transfer Policy Conversion of Regional Islamic Banks in Indonesia

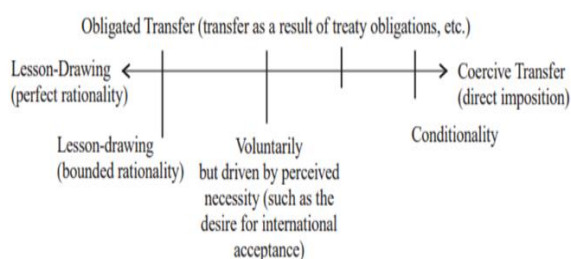
There are two Regional Banks that are role models for other Regional Banks in the process of converting conventional Regional Banks into Sharia Regional Banks. The two Regional Banks that have successfully carried out the conversion to become Sharia Banks are Bank Aceh Syariah (2016) and Bank NTB Syariah (2018). In the context of transfer policies, these two banks have been used as a reference for other banks that will carry out conversions in Indonesia. However, the policy transfer process did not proceed as described in the substance of the policy transfer objective. Bank Nagari, as the object of the case study in this research, has made efforts to transfer policies from Bank NTB Syariah, by carrying out a copy study on 15-16 December 2019. It has been three years since a series of policy transfers have been carried out, and so far no results have been produced.

Dolowitz & Marsh (2000), states that policy transfers can be analyzed by referring to several basic questions, namely: 1) Why are policy actors involved in the policy transfer process; 2) Who are the key actors involved in the policy transfer process; 3) What is transferred in the policy transfer process; 4) Where does the policy transfer come from; 5) What is the degree of policy transfer; and 6) What are the factors that hinder or support the policy transfer process. So in this context, the researcher will use the theory of Dolowitz & Marsh in analyzing the series of policy transfers for the conversion of conventional Nagari Banks to Sharia Nagari Banks, with the role model of Islamic NTB Banks. To the focus of the research that the researcher conveyed previously, the emphasis of the discussion will be on three aspects, namely; First, the motivation of the policy actors involved in the conversion policy transfer of Bank Nagari Syariah. Second, the key actors involved in the process of transferring the conversion policy of Bank Nagari Syariah. Third, the factors that hinder or support the conversion policy transfer process of Bank Nagari Syariah.

## Actor Involvement Motivation in Policy Transfer Process

In the series of policy transfer processes presented by Dolowitz & Marsh (2000), there are three reasons or motivations for the actors involved in policy transfers. The three motivations are voluntary (voluntary), mixed (mixtures), or coercive (coercive). To facilitate understanding in distinguishing voluntary actors from coercive actors, Dolowitz & Marsh

simplified the policy transfer process in the form of a policy transfer continuum.



Grafik 1. continuum policy transfer image

Source: David P. Dolowitz and David Marsh, *Learning from Abroad: The Role of Policy Transfer in Contemporary Policy-Making*, 2000, p. 13

From the picture above, the far left (lesson drawing: perfect rationally) is the most voluntary form, namely where policy transfers are carried out by seeing a policy elsewhere as the most rational choice. This is also accompanied by information seeking, evaluation, and calculations or predictions with the current situation in the country whether it is appropriate or not, so that policy-making actors use the policy too. Whereas in (lesson drawing: bounded rationally) policy-making actors have limited information or have other limitations, apart from that the perceptions of policy-making actors are also involved and direct and influence the policies taken.

In voluntary but driven by perceived necessity, it is closely related to the motivation of policy-making actors in using the same policy. This is due to the actor's desire to display a certain image in the eyes of the international community, or because he wants to change the international perception of his country regarding a negative perception that has emerged so far. In obligated, it can be seen that policy transfer is the result of agreements or agreements, both multilateral and regional. Then in conditionality, it is caused by the condition that a country is required to adopt a policy. It could be that the cause is a loan, with the condition that the borrowing country must issue a policy desired by the lender. While coercive is a condition where a country must transfer policies due to pressure. It can be in the form of domestic pressure, namely from pressure groups, and political parties, it can also be due to external or international pressure.

### Voluntary Actor Motivation (Voluntary Type)

In her research [Rahmadani \(2017\)](#), interpreted voluntary type actors are actors who voluntarily carry out policy transfers. The actor's motivation, in this case, is due to the dissatisfaction felt by the actor with the existing conditions. This dissatisfaction stems from the actor's perception of something, either from the government (the public) or policy failures. This dissatisfaction stems from this perception, motivating actors to push for policy transfers as an easy way to eliminate perceptions and dissatisfaction. This policy transfer is carried out by drawing lesson: perfect rationally which then expects the birth of a new policy which is an adaptation of one or more other policies that have been in force in other places.

In the context of the transfer process of the Nagari Syariah bank's conversion policy which makes Bank NTB Syariah one of the role models, the researchers analyzed and collected data on actors who expressed their dissatisfaction with the conventional

banking system that has so far been implemented in the management of Bank Nagari. These actors have no employment relationship with Bank Nagari and are not included in the category of formal actors in policy making. However, this can be seen in the attitude in the mass media, in the form of expressions of dissatisfaction and the desire that the Islamic Bank system elsewhere transfer its policies to the Bank Nagari corporate institution.

From the secondary data found, several voluntary type actors have consistently pushed for the transfer of the conversion policy of Bank Nagari to an Islamic Bank to be carried out immediately. Researchers put this actor in the category of volunteer actors, as presented by Dolowitz & Marsh. Among the volunteer actors is Gusrizal Gazahar, chairman of the West Sumatra Region Islamic Ulema Council. From data quoted by researchers from Gusrizal Gazahar encouraged all parties to speed up the conversion process of Bank Nagari. In his statement, Gusrizal stated "MUI doesn't just thank the shareholders who have made the decision but will all-out support it. Since 2018, the W Sumatra MUI has kept reminding the governor that Bank Nagari should immediately convert into an Islamic bank. This is in line with what is being done by all MUIs in the regions who actively ask regional-scale financial institutions to encourage financial activities in their regions by syariah. Gusrizal Gazahar again repeated his statement of support for the transfer of Bank Nagari Syariah's conversion policy to be carried out immediately. "MUI hopes that stakeholders don't wait for each other but help and strengthen each other because it needs to be remembered that this is not only limited to administrative efforts or changing company status, but this is an effort to avoid the curse of Allah and Rasulullah SAW," said Buya Gusrizal Gazahar. This was conveyed by Gusrizal Gazahar in response to the failure to discuss the Draft Regional Regulation on the Conversion of Bank Nagari Syariah in 2020 ([Gunawan, 2019](#)).

Another volunteer actor who pushed for the transfer of the Nagari Syariah bank's conversion policy was the Chairperson of the Association of Indonesian Muslim Scholars of West Sumatra, namely Musliar Kasim. Musliar Kasim urged the conversion process of Bank Nagari Syariah to be carried out immediately. "ICMI W Sumatra has had several internal discussions and even seminars on this matter. We fully support this conversion effort," said the Chairman of ICMI W Sumatra, Musliar Kasim during a friendly meeting with Governor Mahyeldi at the governor's palace. The next supporting volunteer actor is the Chairman of the W Sumatra Dawah Council Badrul Mustafa Kemal. Badrul encouraged the DPRD of West Sumatra and the Governor to complete the discussion of the regional regulation of the Sharia Nagari Bank and pass it in 2020 because it had been delayed for too long. "We are sure that with this sharia system, there will be no loss because God willing, there will be blessings ([Saputra, 2021](#)).

Furthermore, the volunteer actor who urged the conversion of Bank Nagari Syariah came to Solsafad, who is the deputy chairman of the West Sumatra Regional Muhammadiyah Board. "Maybe it's only the elite who object. The community's support is very positive and the community has unanimously supported Bank Nagari to become Sharia. When is it necessary to support the conversion, said Solsafad, Islamic organizations are ready to come to the DPRD to accelerate the conversion.

In addition to volunteer actors who encourage the transfer of Bank Nagari Syariah conversion policies, there are also volunteer actors who hinder and question the conversion of Bank Nagari

Syariah. Like H. Marlis, who is chairman of the Nagari Bank Concerned Community Coalition (KMP) Bank Nagari came to the W Sumatra Province DPRD building on July 21 2021 expressing his aspirations for rejecting the conversion of Bank Nagari to Bank Nagari Syariah. The arrival of the KMP was welcomed by the head of Commission III DPRD West Sumatra, Afrizal and the head of the Regional Regulation Formation Agency, Bapem Perda), Hidayat. In his statement, Marlis said, Bank Nagari is a BUMD which is the only BUMD that is currently profitable. Providing dividends as a contributor to local revenue (PAD) for regional development. "Bank Nagari's current performance is good. In terms of assets, third-party funds, lending, and others, the ratio is quite good. Bank Nagari at this time can also be said to be the market leader of banking in West Sumatra. We see that this condition is already at a worrying point and could have a big impact on Bank Nagari, a clash among the public. For this reason, we are submitting a position statement.

Another volunteer actor who questioned the process of transferring the Bank Nagari Syariah conversion policy was Shadiq Pasadique, former Tanah Datar Regent 2005-2015. Sadiq in his critical writing which was published in the Singgalang daily Thursday, March 10, 2022, questioned, Is Bank Nagari Conversion a need or a desire? So if a party argues that shareholders can do whatever they want with the bank because the person concerned is the owner of the bank, then this is wrong in fact! Let's think clearly and honestly look at a bank; if a bank (say PT. Bank Nagari) has assets of Rp. 28 trillion, how much belongs to the shareholders, Rp. 1 trillion or Rp. 2 trillion? Then the question is, who owns the remaining IDR 25 trillion to trillion? In this context, I just want to convey, to be careful in speaking let alone discussing PT. Nagari Bank. Once the public distrusted them and then flocked to withdraw their savings at the bank, then it was over. No one can help if suddenly a bank experiences a "rush".

From these two groups of voluntary-type actors, it can be seen that the voluntary-type actors who pushed for the conversion policy transfer of Bank Nagari Syariah were driven by dissatisfaction with the conventional banking system. Where in their view, the perception was built that the conventional banking business violated religious law and wanted to transfer the Islamic Bank conversion policy as was already taking place at Bank NTB Syariah. Meanwhile, voluntary-type actors who do not approve of immediate conversion policy transfers tend to be motivated by dissatisfaction with local government policies who are considered to lack an understanding that the banking business is a "trust" business and assume that the idea of transferring conversion policies is carried out with a lack of calculation and is considered this transfer as agenda setting for certain groups.

#### Mixed Actor Motivation (Mixtures Type)

Mixed Actor Motivation by [Rahmadani \(2017\)](#), in her research describes that in the mixture type, an actor still has rationality in solving the problems he experiences, but in the process, the actor gets influenced in several ways, so that in this type Bounded Rationality appears (limited rationality). It is called limited, because in this condition the actor's rationality is limited by several things, namely by the influence of other actors, the organization where the actor takes shelter or other factors that hinder the actor from fighting for the best decision.

From the explanation of transfer policy continuum, it is known that other indicators cause actor rationality to be limited,

namely pressure from abroad, externalities, conditionality, and obligations. Pressure from abroad is seen from the image that the actor wants to have. While externalities can be seen from the interdependence of actors which then encourages actors to cooperate with other actors in solving problems. Meanwhile, conditionality is an indicator that sees policy transfers occurring due to conditions arising from an economic activity such as loans and business. Then, the obligation referred to in this policy transfer is when the actor transfers the policy as an obligation that must be fulfilled by the actor. This obligation arises when the actor agrees to an agreement that includes an obligation to transfer policies in it.

In simple terms, this mixture type has indicator points apart from limited rationality, there is also international influence, and obligations that must be fulfilled by actors, and there are also several conditions that arise due to economic activities carried out by actors. These points affect the actor's rationality so that this type of actor's rationality is called bounded rationality. The decision to transfer policy or not is still in the hands of the actor. However, there are several things that actors want to achieve by carrying out the transfer policy, as well as several things that encourage actors to carry out or not carry out policy transfers.

In the context of policy transfers from Bank Nagari to Islamic banks, most of the formal actors are in this type of mixture. Based on data from the delegation who was the envoy for the province of West Sumatra when conducting a mock study at Bank NTB Syariah, on December 15-16 2019 elements of the DPRD, Directors, and Commissioners of Bank Nigari were seen, the Economic Bureau representing the Governor, Jamkrida Insurance Directors, and Head of the Revenue Agency. Most actors view policy transfers rationally. However, in the process, because these actors get influenced by other actors who have ties and relationships with them, their rationality is limited. These ties and relationships can be from the political party that carries them or the direct superiors of the institutions that send them so that Bounded Rationality appears in the attitudes of actors in making policies. It could be that in their hearts the actors actually agreed to push for the transfer of the conversion policy of Bank Nagari to become an Islamic bank, but due to the influence of the political party that carries it, or the leadership of the institution, the actor ultimately has limited rationality in supporting the policy transfer. Or conversely, some actors feel comfortable with the status of Conventional Nagari Banks and do not agree to transfer the conversion policy to the sharia system, but because their superiors agree to transfer the conversion policy, these actors continue to carry out a series of policy transfers, although not wholeheartedly.

From the secondary data that the researchers collected, it can be analyzed that the actors who belong to this type of mixture, there are two groups of actors, namely those that encourage and hinder the occurrence of policy transfers. Several formal actors who took part in Bank Nagari's series of policy transfers that encouraged policy transfers to be carried out immediately were the Governor of West Sumatra (2010-2020) Irwan Prayitno, the Governor of West Sumatra 2020-2024 Mahyeldi and the heads of regional apparatus organizations under him as evidenced by the success of chairing the GMS on 30 November 2019 unanimously agreed to convert Conventional Nagari Banks into Sharia Nagari Banks. Then it was followed up by sending a letter of request to the Chairperson of the DPRD to discuss the Draft Regional Regulation on Conversion of Bank Nagari during the first session of 2020. The letter from the Governor of West Sumatra with

number 188/390/Huk-2020 was sent on February 21, 2020. The application has been completed with an academic text as the prerequisites for submitting the Draft Regional Regulation (Ranperda) are appropriate for discussion in the DPRD.

Other documentation data showing Mahyeldi's attitude to speed up the transfer of Bank Nagari Syariah conversion policy can be seen at the beginning of 2022, to be precise on March 7, 2022, in front of hundreds of ASNs who attended the monthly wired activity, the governor asked for support from the people of West Sumatra, to realize the mission of the central government, making Indonesia sharia economic center in 2024. Mahyeldi said that President Joko Widodo (Jokowi) had committed to making Indonesia a sharia economic center in 2024. Mahyeldi said that one of the steps to answer this challenge was to convert PT Bank Pembangunan Daerah Sumatra Barat or Bank Nagari become Islamic banking. It's just that, said the Governor of W Sumatra Mahyeldi Ansharullah, the plan to convert Bank Nagari to sharia has not gone well. This is because there are still people in management who are trying to prevent this from happening. According to him, the desire to convert Bank Nagari has existed since the leadership period of W Sumatra Governor Irwan Prayitno.

From the legislative actors who pushed for the immediate transfer of the conversion policy of Bank Nagari to sharia, they were members of the PKS faction of the DPRD of West Sumatra Province. This support was expressed on Friday 6 November 2020. The PKS faction urged the DPRD leadership to encourage the Deliberation Body as the DPRD body which is responsible for analyzing the agenda of the DPDR policy settings. The bottom line is to schedule the discussion of the Nagari bank Convertible Ranperda by the end of 2020. In letter number 21/K/F-PKS/XI/2020 which was read out at the plenary session of the West Sumatra DPRD on November 6, 2020, the PKS faction saw that there was no reason by the Deliberative Council not to schedule the discussion of the draft regional regulation to be discussed by the DPRD of West Sumatra Province. Then, the second point conveyed in this letter is for BAPEMPERDA to immediately conduct discussions on the Draft Regional Regulation for Converting Conventional Nagari Banks to Islamic Banks, as one of the conditions needed to submit a proposal for the conversion of Nagari Banks to Bank Indonesia through the OJK.

By the mandate of the GMS on November 30 2019 in Bukittinggi, which gave the task to the directors of Bank Nagari to prepare the requirements for the conversion process of a conventional Nagari Bank into a Sharia nagari bank, it had already been carried out by the directors of Bank Nagari. This is evidenced by a letter sent by the Director of Bank Nagari on April 21, 2022, with number SR/062/DIR/PD/04-2022 to the Chairperson of the DPRD of West Sumatra Province. Oops. Chairman of Commission III, regarding the submission of document licensing requirements for changing the business activities of Conventional Commercial Banks into Islamic Commercial Banks. Of the 16 conditions set by the OJK, only 2 are left incomplete, namely the Regional Regulations Concerning Sharia Bank Conversions, and shareholder approval letters regarding the conversion policy of Conventional Nagari Banks to Syariah Nagari Banks.

Then the Mixtures Type actor who tends to hinder the transfer process of Bank Nagari's conversion policy can be seen from the responses by 5 factions who are members of a cross-fractional alliance consisting of Gerindra represented by Hidayat,

Democrats represented by Nurnas, Golkar represented by Afrizal, PAN represented by Dody Delfi and PDI-P, PKB represented by Leli Arni emphasized that basically, they agreed with the transfer of the status of Bank Nagari through a clear mechanism. In addition, the representative of the alliance of this faction considers that the issue of Converting Bank Nagari is seen as a trade in the political momentum for the 2020 Regional Head Election. Afrizal as the representative of the Golkar faction stated, "This is not in the interest of the Pilkada, so don't force it to transfer today, let alone commit lies to the public as if we refuse. The perception of this actor considers that the transfer of the conversion policy as a "trade" material for regional head elections in 2020 is used as an excuse for postponing the discussion of the Bank Nagari Conversion Bill.

Another actor who disagreed with the transfer of Bank Nagari's conversion policy into a Sharia Bank was H.M. Nurnas who is the head of Commission I DPRD West Sumatra from the Democratic faction. Nurnas said that the GMS is not a holy book, the approval of the 2019 GMS could be canceled by the next GMS, and before the conversion is carried out, first 16 conditions determined by OJK are met, and the issue of this conversion according to Nurnas's perception of being political merchandise of certain groups.

In addition, Hidayat, as chairman of the Regional Regulation Formation Agency, conveyed to *mimbarsumbar.com* (21 March 2021), that the view of the Governor of West Sumatra was still premature regarding the conversion of Nagari banks to sharia. Then, the conversion process must refer to the Financial Services Authority Regulation Number 64/POJK.03/2016 concerning Changes in Conventional Bank Business Activities to become Sharia Banks and consider the financial analysis of Nagari Banks. The following is Hidayat's statement quoted on the "If it is true that the Governor stated that the conversion was the right policy, in my opinion, that is still a premature opinion, the Governor should first be provided with more complete and objective information so as not to influence public preferences in utilizing Bank Nagari financial services. I think the financial and banking business is very sensitive to issues, especially when the issues are strategic like this. If it is decided to convert, then what about the financial ratios of Bank Nagari later?"

Ali Tanjung, a DPRD member from the Democratic faction who is deputy chairman of the 2020-2022 Bapemperda, is a Mixtures Type of actor who does not agree that the transfer of the conversion policy was carried out in a hurry. Ali Tanjung said that it is not enough for Regional Regulations from the Province regarding the Conversion of Bank Nagari only, but all Regency/City areas that have shares in Bank Nagari must also stipulate regional regulations related to approval for the conversion of Bank Nagari. It's not enough with the regional regulations from West Sumatra alone. As a shareholder, 31.7 percent is certainly not enough to carry out conversions. When West Sumatra discusses regional regulations changes, cities and districts must also do so," he said.

Supardi as chairman of the West Sumatra Provincial DPRD, in his statement in an interview on the *sumbarsatutv* youtube channel, said that in principle the DPRD encourages sharia principles in various sectors of regionally owned business entities in the province of West Sumatra. However, in terms of the conversion of Bank Nagari, there is still a question as to whether the conversion of Bank Nagari to an Islamic Bank is a wish or a need. Furthermore, Supardi has concerns regarding Bank Nagari's capital consistency, which still relies on deposits and demand

deposits, and core capital is still relatively small. If the conversion of Nagari banks to Sharia is carried out, Supardi is worried that there will be capital migration which will disrupt the banking capital structure.

Actor Mixtures Type from regional heads of Regents/Mayors from 19 Regencies/Cities shareholders in West Sumatra. From the secondary data obtained, some Regents/Mayors openly convey that the transfer of the conversion policy of Bank Nagari is not carried out in a hurry. These actors are, first, Benny Utama (Regent of Pasaman). Benny said that in addition to the Perda that regulates the conversion of Nagari Banks at the Provincial level, approval is also needed through Regional Regulations at the Regency/City level. As quoted on Padek.co-jawapos.com on 23/7/2021, Benny Utama said, "As one of our shareholders, we again convey the importance of the legality aspect being studied in depth. We don't want this corporate move to cause problems in the future. We are of the view that past mistakes must be corrected. This means finalizing the legal basis in the form of a Regional Regulation on the Amendment of Company Deeds at the provincial level as the big umbrella and continuing with the same regional regulations in Regencies and Cities. This is important because the shareholders in the Regional Development Bank besides the provincial government also have district and city governments.

Then, the postponement of the conversion of Bank Nagari was also supported by the Mayor of Pariaman, Genius Umar. Genius stated that all must be wise in responding to the current conditions. The economy is difficult, the business world is difficult, why are we making it difficult for ourselves? Genius emphasized that we shouldn't think and do weird things for now, let alone disturb Bank Nagari, which is currently doing well. "Never mind, let's just postpone this conversion and we will maintain the existing conventional commercial banks because people like them more. Meanwhile, if we also want to have a sharia commercial bank, we just spin off the existing sharia business units. If we run into capital issues, let's think about it and sit down together.

In line with Benny and Genius, Tanahdatar Regent Eka Putra said the economic conditions were very difficult due to the impact of Covid-19. Likewise, the government budget is very limited due to budget cuts and recouping. These various obstacles must be addressed wisely. Eka Putra emphasized that shareholders should not force themselves to carry out the conversion which is full of business risks. Eka Putra does not want the risk-laden corporate policies to have an impact on dividends which are the source of local revenue. As a shareholder, I ask that we postpone the conversion until Covid-19 subsidies and the impact of Covid-19 can be overcome. Meanwhile, we will maintain the existing conventional banks at Bank Nagari and we will raise the sharia business units of Bank Nagari together."

Meanwhile, the mayor of Solok, Zul Elfian Umar, highlighted the dynamics of different views among shareholders. Zul Elfian Umar describes the dynamics of differences in views among shareholders with weather conditions. However, in essence, Zul Elfian agreed that the transfer of Bank Nagari's conversion policy to Sharia was postponed for a moment. "It's like a car that is traveling from Solok to Padang, but on the way, there is a change in the weather. Heavy rain fell and a thunderstorm occurred. It would be better for us to stop for a while waiting for the rain and storm to subside. After that, we will continue."

From the existing secondary data, it can be analyzed that the motivation of mixture-type actors in encouraging or hindering

the transfer process of conventional Nagari Bank conversion policies into Sharia Nagari Banks still shows their argumentation with rationality. However, in the process, the actor gains influence in several ways, so that the attitude of the actor in the transfer process of Bank Nagari Syariah policy appears Bounded Rationality (limited rationality). The limitation of actor rationality, in this case, occurs due to several factors. First, the bounded rationality of these mixtures of actors is influenced by the influence of other actors. In this context, it can be seen from the full support of the head of the Economic Bureau who fully supports the conversion influenced by the governors both during Irwan Prayitno and Mahyeldi. Second, the bounded rationality of these mixtures of actors is influenced by the organization where the actors take shelter. This condition can be seen from the attitude of Bank Nagari's board of directors who prepared all the requirements for converting Bank Nagari into a Sharia Bank. From the documents sent to the DPRD on 21 April 2022, 14 of the 16 conditions regulated by the Financial Services Authority have been available. Where the 14 conditions that fall under the authority of Bank Nagari's directors have been prepared. Based on OJK regulations, the process of converting a conventional Nagari Bank into an Islamic Bank will affect the composition of the directors and there is a chance that the Directors will exchange with the conversion policy because there must be directors from elements of sharia practitioners. However, the influence of the results of the GMS on November 30 2019 which was represented by the Regional Head actor, affected the bounded rationality attitude of Bank Nagari's directors in responding to the transfer of Bank Nagari's conversion policy.

The influence of the organization is visible in the bounded rationality of actors from political parties, both legislative actors and regional heads. Irwan Prayitno and Mahyeldi are cadres of the Prosperous Justice Party. The ideology of the party which is the political party of the two actors is under the auspices of their struggle for the sharia economic system. So in this context, the attitudes of Irwan Prayitno and Mahyeldi were influenced by the ideology of their political parties. In line with Irwan Prayitno and Mahyeldi, the attitude of all West Sumatra Provincial DPRD members from PKS supports the immediate transfer of the conversion policy, in line with the party's ideology of struggle.

Likewise, with actors who do not agree that the transfer of Bank Nagari Syariah conversion policy is carried out immediately, it can be seen that the bounded rationality of actors is influenced by their political party organization in their attitude. This argument is explained by the alignment of attitudes between party cadres in the legislature and regional heads in transferring the Bank Nagari Syariah conversion policy. From the presentation of the document data that the researchers described above, it can be seen that Afrizal, who served as the head of Bapemperda DPRD West Sumatra, had the same attitude as Benny Utama (Regent of Pasaman Regency) in viewing the urgency of transferring the Nagari bank conversion policy. Organizationally, Afrizal and Benny Utama are both in the Golongan Karya Party. Such is the similarity in the attitude of H.M Nurnas, Ali Tanjung as a member of the Democratic Fraction of the West Sumatra DPRD and Eka Putra (Regent of Tanah Datar) in the process of transferring the Bank Nagari Syariah conversion policy. These three actors were brought up by the same organization, namely the Democratic Party. The same thing can be seen in the attitude of Hidayat, as the leader of Bapemperda, and Supardi as the Chairperson of the DPRD for West Sumatra Province, who share the same views on the



urgency of transferring the conversion policy in this case, and these two actors are organizationally in the Gerindra Party.

Apart from the influence of other actors and organizational influences, the bounded rationality of actors is also influenced by the encouragement of the surrounding environment. It can be analyzed that the aspirations of several Islamic organizations towards conversion encouragement, such as the Islamic Ulema Council, ICMI, Islamic Da'wah Council, Muhammadiyah, and others, influence the attitudes of actors who have the same fighting ideology to take the same attitude as the aspirations of the surrounding community. The relationship between external environmental support and actor attitudes can be seen in actors from Islamic ideological political parties, namely PKS and PPP. Meanwhile, the influence of the external environment on the attitude of actors who want conversion policy transfers can be seen in the attitude of Hidayat, and Aprizal. Afrizal and Hidayat are legislative actors who welcomed the arrival of Bank Nagari's Bank Nagari Caring Community Coalition (KMP) to the West Sumatra Province DPRD building on July 21, 2021. KMP under the leadership of Marlis conveyed their aspirations for rejecting the conversion of Bank Nagari to Bank Nagari Syariah. The similarity of external environmental attitudes and the attitudes of actors, in this case, indicates that there is external environmental influence on the bounded rationality of actors.

#### Coercive Actor Motivation (Coercive Type)

In this coercive type, actors transfer policies out of compulsion due to pressure from other parties. This can come from the government, supranational institutions, and transnational companies. Actors giving pressure can give sanctions to actors who transfer policies so that actors are forced to adopt policies against actors who suppress. In the context of this study, the motivation of actors to transfer policies or hinder policy transfers is due to pressure from other parties, which can be from political parties, work institutions, or pressure from other groups. After researchers searched all the literature and documentation from various sources, researchers have not found the fact that there is an element of pressure on actors in the policy transfer process studied in this case.

#### The key actors involved in the transfer policy transfer process are Bank Nagari Syariah conversion policies

The quality of the actors involved in a series of policy transfers is important in determining the quality of the policies produced. Actors are the determinants of policy content and give color to the dynamics of the stages of the policy transfer process (Muadi, 2016). If the complexity of the policy affects the level of difficulty that can occur in policy transfers, then the implementing actors and the relationships between actors have a direct effect on the success of the policy transfer process being carried out. The actors have characteristics that show their strength in influencing the policy process. In practice, policy transfer involves various actors, both state actors, and non-state actors, or what Anderson refers in Solichin (2005) as official policymakers and non-governmental participants.

In determining who are the actors involved in policy transfers, Dolowitz and Marsh mention nine actors. First, Elected officials or elected officials, officials who are selected by the people who have the authority to make a policy, for example, the legislative council (DPR) and the President. Second, Political parties or political parties, political parties also influence how a

policy can pass or not and how the tug-of-war occurs between political parties. Third, Bureaucrats / civil servants, are government officials who then occupy their positions based on ability. For example ministers, ministerial staff, or certain departmental staff whose departments are then needed in the formulation of policies on an issue. Fourth, a pressure group or a group that has an interest in related issues, for example, investment policies, the group that has an interest is the entrepreneur group. The group will put pressure on the government so that the policies issued benefit the group.

Fifth, policy entrepreneurs and experts are people who have academic expertise in certain issues, meaning that they have extensive knowledge of an issue. Sixth, transnational corporations, are private companies of an international scale that can then influence the state in formulating policies. Seventh, think tanks, are people entrusted with the task of formulating policy points. Eighth, Supra-national governmental and nongovernmental institutions, with globalization, make a country unable to be separated from other countries. There are strong ties between countries in the world (for example environmental issues, global immigration, labor, and others) and all these ties are embodied in a supra-national institution. Ninth, Consultants, the role of consultants or advisors is very important in helping policy makers to formulate policies. Advisors usually provide suggestions that are considered best practices elsewhere. Advisors can be individuals or groups who then know the formulation of programs, policies, and institutional structures.

Of the nine actors presented by Dolowitz and Marsh, the researcher made a table of analysis of the relationship between Dolowitz and Marsh's version with the conditions of the actors influencing the transfer process of Bank Nagari Syariah conversion policy (attachment Table.1). Elected official actors in this study are elected officials and are elected by the people who have the authority to make the conversion policy of Bank Nagari Syariah. In this case, members of the DPRD of West Sumatra Province, the Governor of West Sumatra, and Regents/Mayors who own shares in Bank Nagari. From the analysis of secondary data, it was found that actors in the category of Elected officials supported and hindered the transfer of policies studied in this study. Actors who supported the policies found included Irwan Prayitno, Mahyeldi, Hamsuardi, Riza Falevi, all members of the PKS faction and members of the PPP faction DPRD West Sumatra Province. While the actors in the Elected official category who hindered the policy transfer process in this research case were Benny Utama, Genius Umar, Eka Putra, Supardi, Hidayat, H.M Nurnas, Afrizal, Ali Tanjung, Dodi Delvi, and Leli Arni.

Meanwhile, an analysis of political parties actors was carried out on political parties that have factions in the DPRD of West Sumatra Province. From the secondary data analysis conducted in this study, it was found that 7 political parties had factions in the DPRD. Two factions support the conversion policy transfer of Bank Nagari Syariah, namely the PKS Fraction and the PPP Fraction. While the factions that hindered the process of policy transfer in the case of this research were five factions, namely, the Gerindra faction, the Democratic faction, the PAN faction, the Golkar faction, and the PDIP faction. The category of bureaucrats / civil servants in this study is government officials who then occupy their positions based on ability. So in the data analysis carried out by the researchers, several officials were found, namely the second assistant (economic sector) of West Sumatra Province, and the Head of the Economics Bureau who was the

leading sector of the Regional Government in conducting a study of Bank Nagari's conversion policy. Furthermore, for the Pressure group category, there are groups that have an interest in the issue of converting Islamic nagari banks, both for ideological, business, and self-image interests. From the results of the data analysis carried out, it was found that a group of informal actors continued to voice that the conversion policy transfer of Bank Nagari Syariah is carried out. The pressure groups that support this are the Indonesian Ulema Council with the main actor Guzrizal Gazahar, ICMI with the main actor Musliar Kasim, the Islamic Da'wah Council with the main actor Badrul Mustafa, Muhammadiyah with the main actor Solsafad and the Islamic Economic Community of West Sumatra with the main actor Mulyadi Muslim. Meanwhile, the pressure group that hindered the transfer of Bank Nagari Syariah's conversion policy was the Bank Nagari Caring Community with the main actor being Marlis.

The Policy Entrepreneurs and Expert Actor categories are people who have academic expertise in terms of banking conversion and public policy analysis. In this case, several people understand this issue and appear in the secondary data in the form of mass media, including Professor. Syafrudin Karimi, economic observer and Professor of the Faculty of economics at Andalas University. Then Efa Yonnedi, Ph.D. Dean of the Faculty of Economics, Andalas University, and also a banking consultant.

Furthermore, think tank actors, are people who are entrusted with the task of formulating the policy points for the conversion of Bank Nagari Syariah. From the data obtained from the results of the Bank Nagari GMS on November 30, 2019, the GMS delegated Bank Nagari's directors and management to prepare the requirements determined by the Financial Services Authority. So in this case, the think tank actors in the transfer of this Sharia Bank policy are the Directors and Commissioners of Bank Nagari. Finally, consultant actors are actors whose role is to provide important advice and considerations in helping policymakers to formulate Bank Nagari Syariah conversion policies. In this study, it was found that actors who fall into the think thanks category are the Governor's Expert Staff for Economics and Regional-Owned Enterprises (Benni Warlis) and Expert Staff for the West Sumatra DPRD for Economic Affairs (Prof. Werry Dartta Taifur).

Factors hindering the conversion policy transfer process of Bank Nagari Syariah. The fact that the policy transfer process is not as easy as the palm is true. As is the complexity found in the process of transferring Bank Nagari Syariah policies. Referring to the opinion of Dolowitz and Marsh, five obstacles may occur in the policy transfer process. The five obstacles are, policy complexity, past policies, structural institutional, feasibility, and language.

### Transfer Complexity of Bank Nagari Syariah Conversion Policy

Dolowitz & Marsh (2000), explained that the more complex a policy is, the more difficult it will be for the policy to be transferred. In the context of the policy transfer of Bank Nagari Syariah with the role model of Bank NTB Lombok, it is not simple. Based on the analysis of the secondary data that the researchers conducted, there were several complex conditions and circumstances so that the policy transfer process did not run smoothly. First, there are multiple core regulations governing the status of Bank Nagari. Bank Nagari as a Regional Owned Enterprise must comply with Government Regulation No. 54 of 2017 and Permendagri Regulation No. 37 of 2018 which regulates

in detail the running of BUMDs. On the other hand, Bank Nagari as a banking company must comply with Law Number 7 of 1992 concerning banking as amended by Law number 10 of 1998. As well as Law Number 21 of 2008 concerning Islamic banking. So that it causes different interpretations related to assessing the feasibility of a bank that can be processed to become an Islamic Bank.

As an argument in this analysis, in the process of converting BPD NTB to Islamic Bank NTB, there is no effect of the BMUD requirement which requires that there must be a majority shareholder of at least 51% as stipulated in Government Regulation No. 54 of 2017. In contrast to the conversion process of Bank Nagari, based Bapemperda's report at the Plenary Session on April 14, 2022, stated that based on the results of consultations with the Ministry of Home Affairs, information was obtained that discussions on the conversion of Bank Nagari Syariah could be carried out if the West Sumatra Province increased its equity participation so that it became a majority shareholder of at least 51%. It is impossible to implement this before 2023 because it requires a minimum of Rp. 800 billion in the limited condition of the West Sumatra Regional Budget. This is the basis for the DPRD to decide at the plenary meeting to postpone the discussion of the Nagari Bank Conversion Bill. While this Draft Regional Regulation is the main requirement for converting conventional Nagari Banks into Sharia Nagari Banks.

Second, the complexity of the transfer policy conversion of Bank Nagari Syariah conversion occurs due to differences between formal actors in viewing the urgency of the conversion policy of conventional Nagari Banks into Bank Nagari Syariah. From the secondary data, it can be seen that the political dynamics among formal actors in the conversion process of Bank Nagari. However, the research of the literature study that the researcher is conducting can only reveal the political dynamics that occur from the outside, because not all actual conditions are revealed to the public sphere. It is necessary to carry out more in-depth research regarding the political dynamics that occur in the process of converting conventional Nagari Banks into Sharia Nagari Banks.

### Conflict of Policy Transfers with Actor Interests

The second factor hinders the policies presented by Dolowitz & Marsh (2000), is Past Policies. This factor hinders actors, when in carrying out policy transfers something is found that is contrary to the wishes of the actors. This was revealed from the assumptions conveyed by Mahyeldi in the ASN monthly wirid within the West Sumatra provincial government on March 7 2022 at the Great Mosque of West Sumatra). That has been decided. So I hope that the board of directors and commissioners will have no other thoughts behind it. Nagari who think differently from what has been decided should just step down," Mahyeldi's statement as Governor of West Sumatra was not without reason. From his statement, it can be analyzed that Mahyeldi feels that the Directors and Commissioners are not serious about transferring Bank Nagari's conversion policy.

Mahyeldi further said in the same forum, "There are still those who are lobbying. If there is something like that, please report it, and I will stop it. Because during Mr. Irwan's time in 2019, it had also been decided, when I was the governor this was confirmed again, so there is no other story. Mahyeldi's statement strengthens that, it was sensed that there was political maneuvering from the actor who should have succeeded in the transfer of the conversion policy, but because it conflicted with

the interests of the actor, caused the actor to carry out political lobbies to thwart the transfer of the policy.

### Institutional structural differences between Bank NTB Syariah and Bank Nagari

The third factor presented by Dolowitz and Marsh as an obstacle to policy transfer is structural institutional which appears as a crucial obstacle factor for actors. In this case, the structure of the place of origin of the transferred policy, namely Bank NTB Syariah, will affect the new policy location (Bank Nagari). In terms of organizational culture, Bank NTB Syariah and Bank Nagari have many similarities, starting from the status of employees who are both predominantly Muslim. Likewise, the customers of the two banks have a lot in common. In terms of total assets, in 2019 Bank NTB Syariah has assets of Rp. 15.2 Trillion in October 2019. Meanwhile, Bank Nagari's assets are IDR 26.7 trillion, in terms of assets Bank Nagari is much larger, but this condition can be an opportunity for Bank Nagari to develop with the sharia system, seeing positive developments in Bank NTB Syariah after converting. So that with this argument it can be seen that there is no significant difference in terms of institutional structure between Bank NTB Syariah and Bank Nagari.

### Feasibility Factor

The fifth factor that impedes policy transfer according to Dolowitz & Marsh (2000), is feasibility this factor includes several aspects, namely, ideology, cultural proximity, technology, economy, and bureaucracy. There are similarities between West Nusa Tenggara and West Sumatra province. Ideologically, the two provinces are predominantly Muslim. Culturally there are also similarities, West Nusa Tenggara is known by the nickname of 1000 Mosques, while West Sumatra is known for the traditional philosophy of *basandi syara'*, *syara'*, *basandi Kitabullah*. Where these two provinces are culturally thick with Islamic values.

So the researcher's analysis, the transfer policy conversion of Bank Nagari Syariah by making Bank NTB Syariah a role model should run smoothly and the feasibility factor will not become an obstacle to the policy transfer process. This argument is strengthened by the existence of similarities in the institutional structure of West Nusa Tenggara and West Sumatra. The total population of NTB is 5,405,385 people, with the 2022 APBD of 5.3 trillion. While the population of West Sumatra is 5,580,232 people with a 2022 regional budget of 5.6 trillion. Central Bureau of Statistics for West Sumatra Province. This shows that the condition of government statistics is almost the same between West Nusa Tenggara and West Sumatra.

From the analysis above, the relationship between the actors involved in the policy transfer continuum presented by Dolowitz and Marsh shows that, out of the nine groups of actors that influence policy transfers, there are seven groups of actors related to the conversion policy transfer of Bank Nagari Syariah. No Transnational Corporations and Supra-national governmental and nongovernmental institutions were found in this study.

The policy transfer process in the case of Bank Nagari's conversion to a Sharia-compliant bank involves multiple actors, each with distinct roles and influences. Elected officials such as governors, regents, and members of the provincial legislature (DPRD) play a pivotal role in deciding the policy's direction. Support for the conversion is led by figures like Irwan Prayitno, Mahyeldi, and members of the PKS faction, while opposition comes from officials such as Benny Utama, Genius Umar, and

members of other factions like PAN and PDIP. Political parties further shape the discourse, with PKS and PPP advocating for the policy, whereas Gerindra, Demokrat, and others act as barriers, reflecting their respective ideologies and interests.

Bureaucrats, pressure groups, and policy experts also exert substantial influence. Civil servants, such as the Head of the Provincial Government Economic Bureau, facilitate policy formulation through administrative support. Pressure groups like the MUI, ICMI, and Muhammadiyah lend ideological and social weight to the pro-conversion camp, while others like KMP oppose the initiative. Experts like Eva Yonnedi and Prof. Syafrudin Karimi provide academic and practical insights into the complexities of Islamic banking, guiding stakeholders toward informed decisions. Their expertise is instrumental in addressing the technical and economic challenges of the conversion process.

Additional stakeholders include think tanks, consultants, and supra-national entities, whose roles vary in scope and impact. The directors and commissioners of Bank Nagari act as think tanks, formulating the operational framework for the transition. Consultants like Benni Warlis and Prof. Werry Darta Taifur offer specialized advice to policymakers, ensuring alignment with economic objectives and regulatory standards. The role of transnational corporations and supra-national institutions remains ambiguous but could potentially influence the policy through global banking norms and economic ties. This intricate web of actors highlights the complexity and multifaceted nature of policy transfer in Bank Nagari's Sharia conversion.

### CONCLUSION

From the results of the research study related to the transfer of conventional Nagari Bank conversion policies to Islamic Nagari Banks, with the Islamic NTB Bank role model, it can be concluded that this process did not run smoothly. This happened for several reasons, first, because the motivations of the policy actors involved in the transfer of Bank Nagari Syariah conversion policies varied. Of the three types of actors presented by Dolowitz and Marsh, the researchers concluded that the dominant actors in the policy transfer process of Bank Nagari Syariah were voluntary and mixtures-type actors. These two types of actors have different motivations, some encourage policy transfers to be carried out immediately, and there are actors who hinder the transfer of Bank Nagari Syariah conversion policies to be carried out. While actors with coercive motivation are not seen in this case.

Second, the process of transferring the conversion policy of Bank Nagari Syariah to the Bank NTB Syariah role model was not smooth, the key actors involved in the process of transferring this policy transfer were inseparable. Of the nine actors involved in the policy transfer process as presented by Dolowitz and Marsh, only seven actors were involved in the Bank Nagari Syariah policy transfer process. In the process, these actors are also divided, some encourage the policy transfer process to be carried out immediately, and some actors hinder the policy transfer process to be carried out. Actors still take a stance with rationality, but in the process, the actor's rationality becomes limited (bounded rationality). This happens because in the process the actor is influenced by other actors, other organizations, and the environment. The role of political parties is very dominant in influencing actors in determining their attitude towards the conversion policy transfer of Bank Nagari Syariah.

Third, the researcher concludes that, of the 4 factors proposed by Dolowitz and Marsh, two main factors hinder the transfer process of Bank Nagari Syariah's conversion policy. These two factors are, first, the complexity of the problem of transferring the Bank Nagari Syariah Conversion policy. The multi-regulations that govern Bank Nagari are one of the reasons

for the non-smooth transfer of Bank Nagari Syariah policies which makes Bank NTB Syariah a role model. Bank Nagari as a BUMD must comply with Government Regulation Number 54 of 2017 and Minister of Home Affairs Regulation Number 37 of 2018 which regulates BUMD. As a banking company, Nagari banks must follow Law Number 10 of 1998 concerning Banking. Second, the difference in the interests of actors with the transfer of Bank Nagari Syariah conversion policy is a serious factor in the non-smooth transfer of Bank Nagari Syariah policy.

Enhanced Coordination, to facilitate the policy transfer process, more intensive coordination is needed between local government, bank management, and other stakeholders to ensure that the conversion to a sharia-compliant bank meets the planned timeline. Strengthening Education and Socialization, Increasing public and stakeholder understanding of the benefits and principles of sharia banking will help smooth the transition and enhance acceptance. Capacity Building, It is recommended that Bank Nagari conduct internal training for employees to prepare them for the new system, which may include sharia-based operational and managerial training. Evaluation of the Transfer Process, Regular evaluation at each stage of the conversion is essential to address obstacles and achieve long-term goals.

Practically, these findings provide guidance for banks and financial institutions planning to convert to a sharia-compliant system, particularly in understanding the necessary steps and potential challenges. This also offers insights for regulators on the importance of more flexible regulatory support to facilitate such transitions. Theoretically, this study expands the understanding of policy transfer theory in the context of converting from a conventional to a sharia banking system. The research highlights that factor such as regulation, organizational culture, and political dynamics significantly influence the success of policy transfers.

The literature study research conducted by the researcher, it can only reveal the political dynamics that occur from the outside, because not all actual conditions are revealed to the public sphere. It is necessary to carry out more in-depth research regarding the political dynamics that occur in the process of converting conventional Nagari Banks into Sharia Nagari Banks.

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