

ABSTRACT

Cashless Payments in Indonesia are growing following technological advances and innovations so that they can shift the role of cash and then switch to non-cash payments, which are helpful for making it easier for people to carry out transactions in people's daily lives. The presence of cashless payments is considered to have a substitution effect (more effective, portable, and transparent) compared to cash, and an efficiency effect, to increase transactions and consumption which is expected to increase aggregate demand in Indonesia.

This study aims to analyze the effect of using cashless payments on economic growth in Indonesia. The variables used in this study are real GDP, transaction volume using debit/ATM cards, clearing, and RTGS (Real Time Gross Settlement). The data used are secondary data and time series for the period 2012 to 2021 sourced from Bank Indonesia and Badan Pusat Statistika. This study uses a quantitative approach, ECM (Error Correction Model) method. The results show that in the long term, debit card and clearing positively affects GDP. In the short term, debit card and RTGS have a positive and significant impact on GDP

Keywords: *Cashless Payment, Agregat Demand, ECM, Short-term, Long-term*