ABSTRACT

The development of technology has a broad effect on the economy. One of the impacts is on the payment system, namely the non-cash payment system. The efficiency and speed of transactions offered in the use of non-cash payment systems will ultimately change the lifestyle of the community in conducting economic transactions because the non-cash payment system becomes an alternative transaction tool for the community besides cash. This has an impact on the calculation of the narrow money (M1).

This study aims to see how the non-cash payment system affects the narrow money (M1) in Indonesia for the period 2009-2021. This study uses secondary data with a monthly time series for 13 years obtained from the websites of Bank Indonesia and Badan Pusat Statistik. The independent variables in this study are ATM/Debit cards transaction value, credit cards transaction value, and electronic money transaction value. While the dependent variable in this study is the narrow money (M1). The data analysis technique used multiple linear regression analysis with Eviews 12 as the analysis tool.

The results showed that simultaneously the transaction value of ATM/Debit cards, credit cards, and electronic money had a significant effect on the narrow money (M1). Partially, ATM/Debit cards transaction value has a positive and significant effect on M1, credit cards transaction value has a negative and significant effect on M1, and electronic money transaction value has a positive and significant effect on M1.

Keywords: Non-Cash Payment System, ATM/Debit Card Transaction Value, Credit Card Transaction Value, Electronic money Transaction Value, Narrow Money (M1)