ABSTRACT

This research aims to analyze the influence of macroeconomic policy through monetary policy and fiscal policy variables on Indonesia's economic growth in 1990-2022. Data analysis in this research uses the Vector Error Correction Model (VECM) and is processed using Eviews 12 software. There are 5 variables used in this research which consist of economic growth as the dependent variable, and the independent variables consist of the amount of money in circulation, BI Rate , Tax ratio, and government expenditure,

Based on the VECM test, in the long term the influence of macroeconomic policy through fiscal and monetary policy is significant, namely the influence of the circulating quantity variable, the BI rate and also the tax ratio, but the influence of government spending is not yet significant. Meanwhile, in the short and long term, the influence of macroeconomic policy through fiscal and monetary policy is significant, namely the influence of the BI rate and government spending variables, but the influence of the money supply and tax ratio is not yet significant.

Keywords : Monetary Policy, Fiscal Policy, Vector Error Correction Model (VECM), Economic Growth