ABSTRACT

The payment system has progressed from time to time along with advances in technology which has brought non-cash payment systems to be used more and more frequently. The ease of transactions using digital money has impacted the financial condition of a country. The study aims to identify and analyze the influence between non-cash payment systems and financial and economic stability in Indonesia.

This research uses a quantitative method with secondary data from several sources, including the Central Bank of Indonesia and the Central Bureau of Statistics from January 2020 until December 2022. It was analyzed with VECM Estimation Model

The results showed that money supply have a positive and significant effect on a dependent variable, inflation. Meanwhile, the e-money unit does not have effect on inflation. The researcher is expected to give an idea that e-money can help to improve economic growth in Indonesia.

Keywords : Cashless payment, E-money, Money Supply, Inflation, VECM