# ABSTRACT

*Remittances have become a new financial phenomenon throughout the world and consistently rank second after foreign direct investment (FDI) as a source of foreign capital in developing countries. Until now, the impact of remittances on economic growth is still controversial. This research aims to determine the impact of remittances on economic growth in Indonesia. This research also aims to determine the influence of control variables which include physical capital, human capital, public expenditure, financial development, FDI and exports. In this research, economic growth is measured by gross domestic product (GDP) per worker. This aims to adapt to the growth in the number of workers. This research uses a quantitative approach with econometric methods. This research uses annual data from 1990 to 2023 obtained from the World Bank, UNESCO, Bank Indonesia and the Central Statistics Agency. This estimate uses time series data analysis with the Domowitz-Elbadawi error correction model (ECM). Empirical research results show that remittances only have a positive impact on long-term economic growth. Physical capital, public spending and FDI have a positive impact on economic growth in the long and short term. Human resources only have a positive impact on economic growth in the short term. Financial developments have a negative impact on economic growth in the long and short term. Exports do not have a significant impact on economic growth. The government should improve the quality of Indonesian migrant workers (PMI) and socialize the use of remittances for PMI.*

***Keywords: Remittances, Economic Growth, ECM Domowitz-Elbadawi***