ABSTRACT

This study analyses the dynamics of financial inclusion, technological progress, education levels and Total Factor Productivity on economic growth in ASEAN countries with low levels of financial inclusion, observing the period from 2010 to 2022. This study is motivated by the high levels of financial exclusion among ASEAN countries, despite the fact that regional targets for reducing exclusion have been achieved. Countries such as Indonesia, Brunei Darussalam, Cambodia, the Philippines, and Vietnam still recorded financial exclusion rates above 10% in 2022, while Singapore, Malaysia, and Thailand recorded financial exclusion rates below 5%. This shows a significant disparity among countries in the ASEAN region. This study uses annual panel data consisting of four main variables. The research variables include economic growth (GDP per capita), financial inclusion formed from the dimensions of access and use, technological progress used through the ICT index (access and use), education levels used through the education index, and total factor productivity (TFP) growth.

The analysis method combines two approaches. First, Panel Structural Vector Autoregression (PSVAR) and Fixed Effect Model (FEM). The PSVAR results show that only financial inclusion has a significant effect on economic growth through the channel of capital accumulation in the short term. The FEM results show that in the long term, financial inclusion, technological progress, and education levels contribute positively to economic growth, while also indicating the creation of a more stable balance in supporting sustainable economic development in the region.

Keywords: Financial Inclusion, Information and Communication Technology, Education, Total Factor Productivity, Economic Growth, Panel Structural VAR, Fixed Effect Model, ASEAN.