

ABSTRACT

Economic crimes, including fraud, embezzlement, and corruption, are forms of crime that threaten economic stability and public trust in financial institutions and the government in Indonesia. This phenomenon occurs as a result of economic pressures and weak governance in the supervisory system. This study analyzes the influence of GRDP per capita, income inequality, HDI, population density, open unemployment rate, poverty rate, and Indonesia democracy index on economic crime in Indonesia using panel data from 31 provinces from 2013 to 2023.

This study employs the System Generalized Method of Moments Two-Step (SYS-GMM) by estimating a dynamic panel regression model to address endogeneity and intertemporal effects among variables. Based on the estimation results, GRDP per capita and the poverty rate have a positive and significant effect on economic crime. Income inequality and the open unemployment rate have a negative but insignificant effect. The Human Development Index (HDI) and population density show a positive but insignificant effect, while the Indonesian Democracy Index has a positive and significant effect on economic crime.

Keywords: *Economic crime, generalized method of moments, GRDP per capita, HDI, population density, open unemployment rate, poverty rate, and Indonesia democracy index*

