ABSTRACT

The payment system has undergone adjustments to the growing technological advances. Cashless payment is created as a form of further innovation in a more efficient payment system that will bring a country into the era of a cashless society, so that its presence is expected to increase economic growth and not change the effectiveness of monetary policy implementation. This study aims to find out whether cashless payment instruments affect economic growth and interest rate in Indonesia. Cashless payments in this study consist of credit cards, debit/ATM cards, and electronic money

This study uses secondary data obtained from Bank Indonesia Payment System Statistics and the Central Bureau of Statistics, with time-series data from 2013-2019. The analytical tool used in estimating the regression model in this study is multiple linear regression analysis with 2 (two) regression models.

The results showed that debit/ATM card transactions and electronic money transactions had a significant effect on economic growth, while credit card transactions had no significant effect on economic growth. For interest rates, credit card and debit card/ATM transactions have a significant effect. However, electronic money transactions do not have a significant effect on interest rates. While simultaneously, the cashless payment instruments significantly influence the economic growth and interest rate in Indonesia.

Keywords: cashless payment, cashless society, economic growth, interest rate, credit cards, debit/ATM cards, electronic money