

CHAPTER VI

CONCLUSION

6.1. Research Summary

This study has aimed to determine the relationship of non-cash payments such as card-based payments, cheque, e-money and output in Indonesia based on the value of Gross Domestic Product per capita during the period 2018Q1 to 2021Q4 from 3 ASEAN selected countries such as Indonesia, Malaysia, and Vietnam. The reason why choose this 3 selected countries is because the economic growth of that countries was growing since 2018 until 2021 and the number of the internet user in this 3 countries is large in the ASEAN and the last reason is because of the limitation of the data. The method that used in this research is panel data regression and after using some several test the suitable model that used in this research is Fixed Effect Model (FEM). This panel data regression was choose because the data consist of cross section and time series data. Then result of non cash payment can be see in this Fixed Effect Model (FEM), in this model it can see the contribution of non-cash payments to GDP per capita.

Based on the empirical findings and analysis from the panel data regression by using Fixed Effect Model (FEM), the electronic money variable has positive significant effect on the GDP per capita while the credit card has negative effect. The electronic money can affect GDP per capita which means the increasing number of electronic money can increase the GDP per capita. The increasing of the electronic money can affect GDP per capita its because using this will make easier transaction for public, and it can increase the number of transaction, so it can lower the opportunity cost of the community keeping money on hand.

The results of the GDP per capita response resulting from the use of credit cards show negative results. This incident could be due to an increase in cash withdrawals from credit

cards used as debt, giving rise to bad credit which can affect economic growth, usually this effect can slow down economic growth. And the test results between the relationship between electronic money and GDP per capita, the results of this test also show positive results and can increase the velocity of money because of the large number of electronic money transactions.

With the increase in transactions from non-cash payments, it can contribute to GDP per capita by increasing transaction and consumption efficiency and increasing the output of society. The non cash transactions can encourage economic growth, lower the price level, and increase the velocity of money. From time to time with the increasing development of the times, the development of financial technology also develops, this development triggers the ease of transactions and will affect economic growth due to the large number of transactions. Programs that support non-cash transactions also have an impact that has grown from that time. With the increasing number of internet users, it will also increase the use of access and support programs for these non-cash transactions. The increase in cashless payment systems will shift the role of cash, coupled with the continued development of digital technology that makes the use of cashless payment systems very efficient. The increase in non-cash payments, it will have a substitution effect and efficiency. M1 and M2 may increase as a result of the effect of this substitution, this effect may also decrease the demand for quarterly money. And the efficiency effect will occur because the lower transaction costs and will cause a decrease in prices. This effect will also result in an increase in GDP per capita which affects prices.

6.2. Recommendation

Based on the exploration of the result of testing and analysis, there are some suggestions that may be beneficial for:

1. Government

With the development of financial technology today, non-cash payments will also develop, and this will provide convenience and efficiency for its users. This can be used by the central bank of each country to improve innovation, efficiency, service and convenience for non-cash payments, therefore the credibility of the central bank is needed as an effort in monetary control. Improvement of facilities and infrastructure in non-cash payments also needs to be improved with good technology. Because with the increase in non-cash payments, it can increase GDP per capita and can encourage a good economy in the future.

2. Future Research

This research is expected to be a reference and guide for further researchers who will examine the effect of non-cash payments on economic growth. With this research, it is hoped that further researchers can further develop the influence of each factor that affects economic growth in these 3 ASEAN countries.

