ABSTRACT

One of the benchmarks for the success of economic development is economic growth. A number of industries, including banking, have been affected by the emergence of the Fourth Industrial Revolution (digitalization). One of the impacts of the 4.0 revolution is the large number of users of technology such as computers and the internet, Indonesia has a large population, so the population can also affect economic growth from its daily activities. So if the population is not skilled in using the internet, it has an impact on economic growth, because in industry 4.0 on average all jobs or education use technology, especially in Indonesia cyber crime continues to increase.

GDP in Indonesia also fluctuated, in 2020 there was a very drastic decline, it was due to the rising unemployment rate and the declining labor force rate due to the Covid-19 outbreak. Wahab covid also interferes with foreign countries and large companies in the country to invest in Indonesia because the conditions are equally disturbed. In addition, GDP in each region in Indonesia is still fairly uneven because in Indonesia there is still a lot of misuse of funds for infrastructure development, for 2023 there is also a lot of occurrence, one of which is for the development of road infrastructure which is corrupted which causes the GDP level of a region to decrease, so that the GDP of a region in Indonesia is uneven, this can also cause disruption of access to education due to limitations in the learning system. The above, if well coordinated, can increase the growth of the economy and if not coordinated properly, it will cause a decline in the economy.

The purpose of this study is to analyze the relationship between economic growth and digital technology in Indonesia and analyze the influence of the development of digital technology and other determinants on Indonesia's economic growth. The method used is a descriptive analysis for ICT IP values and panel data regression processed using Eviews12 for panel data regression, with a period of 2019-2023.

The research findings indicate that technological development, measured through three sub-indices of ICT, has shown a consistent increase each year and exhibits varying relationships with Indonesia's economic growth. Meanwhile, other factors such as domestic and foreign investment, road infrastructure, education index, and labor force participation rate contribute positively and significantly to economic growth. On the other hand, the open unemployment rate has a negative and significant impact on economic growth due to the still high unemployment rate. Additionally, computer ownership or proficiency does not influence economic growth, as cybercrime remains prevalent in Indonesia, and users still lack adequate skills due to limited access in certain regions.

Keywords *: Digitalization, Digital Technology, Economic Growth, Other Determinants, Eviews12, Descriptive Analytics, Panel Data Regression*