A Literature Riview : Digital Financial Transformation and Economic Growth at the National Level

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Abstract

The development of the digital economy has emerged as a crucial driver of national economic growth in Indonesia. This study aims to review and synthesize existing empirical and theoretical literature on the role of digital economic transformation in enhancing economic growth, financial inclusion, and the competitiveness of Micro, Small, and Medium Enterprises (MSMEs). The digital economy, characterized by the widespread adoption of information technology, digital platforms, and financial technologies, has reshaped economic activities across various sectors, including trade, services, and finance. Previous studies indicate that digitalization improves business efficiency, expands market access, reduces operational costs, and fosters innovation, thereby contributing positively to national and regional economic growth. Furthermore, the adoption of digital platforms and fintech services has significantly enhanced financial inclusion by increasing public access to formal financial services, stimulating household consumption, and supporting post-pandemic economic recovery. Empirical evidence also highlights the role of digital finance in accelerating MSME financing and improving productivity and employment creation. However, several challenges remain, including disparities in digital infrastructure, low levels of digital literacy, and regulatory constraints. Therefore, an integrated digital economic transformation strategy supported by government policies, infrastructure development, and human capital enhancement is essential to ensure the equitable distribution of digital economy benefits. Overall, the literature confirms that digital economic transformation plays a strategic role in strengthening Indonesia's economic growth and long-term development.

Keywords : *Digital Economy, Economic Growth*

Introduction

The digital economy has become a critical driver of national economic growth in Indonesia, reshaping economic activities across business, financial, and public service sectors. Advances in information technology, internet connectivity, and digital platforms have transformed traditional economic structures, positioning the digital economy as a key engine for improving productivity, efficiency, and national competitiveness.

Digital transformation contributes significantly to economic growth through the digitalization of strategic sectors such as trade, services, and the creative industry. The adoption of digital platforms has also strengthened the competitiveness of Micro, Small, and Medium Enterprises (MSMEs) by expanding market access, reducing operational costs, and fostering innovation. Nevertheless, the uneven adoption of digital technologies among MSMEs driven by limited digital literacy, infrastructure gaps, and insufficient institutional support remains a major challenge.

Furthermore, the digital economy plays an essential role in enhancing financial inclusion through the expansion of digital financial services, including mobile banking and e-wallets. Digital financial inclusion has supported economic recovery by stimulating consumption and broadening economic participation, particularly in the post-pandemic period. Despite these benefits, disparities in infrastructure, regulatory readiness, and data security concerns highlight the need for an integrated digital economic transformation strategy. Therefore, understanding the role of digital economic transformation in promoting economic growth and financial inclusion is crucial for informing effective policies and ensuring sustainable economic development in Indonesia.

Riview Literature :

No	Peneliti (Tahun)	Title	Methods
1.	Wati & Agustianto (2025)	The Role of the Digital Economy in Increasing the	Qualitative

No	Peneliti (Tahun)	Title	Methods
		Competitiveness of MSMEs in Indonesia	
2.	Lubis & Efendi (2023)	Peran Ekonomi Digital Dalam Mendorong Pertumbuhan Ekonomi Nasional	Qualitative
3.	Murtadlo & Sulhan (2023)	Ekonomi Digital Dan Inklusi Keuangan Terhadap Pemulihan Ekonomi Nasional	Qualitative
4.	Nizar & Soleh (2021)	Peran Ekonomi Digital Terhadap Ketahanan dan Pertumbuhan Ekonomi Selama Pandemi COVID-19	Design Exploratory
5.	Napitupulu, C., dkk (2025)	Peranan Ekonomi Digital dalam Pertumbuhan Ekonomi di Indonesia	Literature Study
6.	Gultom, D., et.al (2024)	Dampak Positif Digitalisasi Terhadap Perekonomian Indonesia	Qualitative
7.	Pratama, M.F,. et.al (2025)	Transformasi Digital Ekonomi dalam Mendukung Inklusi Keuangan di Indonesia	Quantitative
8.	Setiawan, B., et.al (2025)	Financial technology (Fintech) innovation and financial inclusion: comparative study of urban and rural consumers post-Covid-19 pandemic	Quantitative
9.	Febrian & Nisa (2024)	Analisis Pengaruh Keuangan Digital Terhadap Pertumbuhan Ekonomi Islam	Literature Study
10.	Alfikri & Riofita (2025)	Transformasi Ekonomi Digital Dan Kontribusinya Terhadap Pendapatan Nasional di Indonesia	Qualitative

Result and Discussion

The development of the digital economy has become one of the key factors in driving national economic growth in Indonesia. Digital transformation, characterized by the utilization of information technology, the internet, and digital platforms, has fundamentally reshaped patterns of economic activity across business, financial, and public service sectors. The digital economy not only functions as a supporting tool but also serves as a primary driver in enhancing productivity, efficiency, and the overall competitiveness of the national economy.

According to Lubis & Efendi (2023), the digital economy contributes significantly to economic growth through the digitalization of strategic sectors such as trade, services, and the creative industry. Digitalization enables more efficient business processes, expands market reach, and reduces operational costs. This indicates that the digital economy acts as a catalyst for increasing national economic output and fostering innovation across various sectors. Furthermore, the digital economy plays a crucial role in enhancing the competitiveness of Micro, Small, and Medium Enterprises (MSMEs). Research conducted by Candra Purnama Wati et al. (2025) shows that the utilization of digital platforms, including e-commerce and social media, helps MSMEs expand their markets, increase sales, and strengthen competitiveness in the global market. Nevertheless, challenges remain in the adoption of the digital economy among MSMEs, such as low digital literacy, limited access to technology, and insufficient continuous support.

The digital economy is also closely linked to improvements in financial inclusion. Murtadlo & Sulhan (2023) explain that the development of digital financial services, such as mobile banking and digital wallets, has increased public access to formal financial services. Digital-based financial inclusion plays a vital role in national economic recovery, particularly in the post-pandemic period, by stimulating consumption activities and broadening economic participation among communities.

According Nizar & Sholeh (2021) menunjukkan ekonomi digital merupakan sektor ekonomi yang akan terus berkembang pesat di masa yang akan datang. Didukung oleh Napitupulu et al. (2025) menyatakan bahwa peran ekonomi digital memainkan peran krusial dalam mendorong pertumbuhan ekonomi di Indonesia. Transformasi digital telah meningkatkan efisiensi transaksi keuangan, mempercepat perputaran uang, serta membuka peluang bisnis baru, terutama di sektor e commerce dan layanan keuangan digital.

In line with this view, Febrian & Nisa (2024) This quantitative study (VAR/econometric analysis) demonstrates a significant positive relationship between digital financial indicators such as digital transactions and the use of mobile banking or e-wallets and economic growth variables within the examined Islamic economic sector. The study also emphasizes the role of digital financial inclusion in expanding the formal economic base.

Empirical evidence presented by Gultom et al. (2024) demonstrates that digitalization enhances business efficiency, promotes market expansion through e-commerce, and increases the productivity of small and medium enterprises, all of which contribute positively to regional and national economic growth. The study also proposes policy recommendations, including strengthening digital infrastructure, implementing literacy programs, and providing fintech incentives for MSMEs. Similarly, Muhammad Fauzan Pratama et al. (2025) find that digital transformation significantly contributes to increased financial inclusion through improved access to services and digital savings which in turn affects macroeconomic variables such as household consumption and national savings. Data from the fintech sector, including transaction volumes and adoption rates, further suggest that fintech accelerates access to financing for MSMEs, thereby positively impacting economic output (Setiawan et al., 2025). Research also indicates a significant positive relationship between digital financial indicators such as digital transactions and the use of mobile banking or e-wallets and economic growth variables in the Islamic economic sector. Moreover, Alfikri & Riofita (2025) find that digital economic transformation, encompassing e-commerce, fintech, and the creative economy, contributes positively to productivity growth, job creation, and the expansion of financial inclusion in Indonesia.

Conclusion

Based on various studies, it can be concluded that the digital economy plays a strategic role in driving economic growth, enhancing the competitiveness of micro, small, and medium enterprises (MSMEs), expanding financial inclusion, and supporting national economic recovery and transformation. However, the successful development of the digital economy is highly dependent on the readiness of human resources, the availability of technological infrastructure, and supportive government policies. Therefore, synergy among the government, business actors, and society is a key factor in optimizing the potential of the digital economy in Indonesia.

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