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Factors Affecting The digital Development of The Economy  
in Western Sumatra

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## Research Highlights

The study proposed three hypothesis and result indicated value of digital transaction has a significant effect on national economic growth in developing digital economic. While difital bussiness people and digital market have no significant effect on national economic growth

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## Research Objectives

This study aims to provide empirical evidence about the analysis of digital economic development in West Sumatra in supporting national economic growth. The variables tested in determining supporting the development of the digital economy are variables that have an influence on national economic growth. The statistical method used to test the hypothesis of this study is the classical assumption and multiple regression test. The results of this study indicate that an increase in the number of E-entrepreneurship in Indonesia, especially in West Sumatra, is able to give a significant overall effect on national economic growth which is 0.002%. The hypothesis results indicate that the value of digital transactions has a significant effect on national economic growth, but the development of business and development the digital market is not yet significant because it is bigger than alpha 5%. This indicates that in the implementation there are still many challenges faced, especially related to the absorption of skilled workers and can support the e-entrepreneurship. Therefore, it is necessary to analyze the strength of e-entrepreneurship in the digital economy in order to encourage national economic growth.

## Methodology

Research is a systematic process of inquiry aimed at providing information to solve certain problems with specific objectives (Cooper & Emory, 1995) and research methods are scientific ways to obtain data with specific purposes and uses. The scientific way is based on rational, empirical and systematic scientific characteristics.

Data Collection Method





### Research Population and Samples

The population of this study is digital business, digital market share and digital transaction value of districts / cities in Indonesia. The sample used in the study was the district / city government in several provinces in West Sumatra.

### Data Sources and Data Collection Techniques

The data used are secondary data taken from the internet site [www.bps.go.id](http://www.bps.go.id) and user interviews. The data is a tabulation of the number of digital market players, the development of digital market share, the value of digital market transactions in regencies / cities in Sumatra province and the national GDP 2014,2015,2016,2017

## Results

Per variable normality testing with non parametric Kolmogrov-Sminov (KS) statistical tests shows significant numbers for X1, X2, X3, respectively 0.951, 0.865 and 0.725 which is greater than 0.05 so that it can be said that all variables have data distribution normal.

The digital business people, and digital market have a significant probability far below 0.05. It can be concluded that the digital business of the people and digital market has a significant effect on national economic growth and the value of digital transactions has a significant effect on national economic growth.

## Findings

The development of digital transaction values has a significant effect on national economic growth. That is the result of the study which shows a significance level of 0.002. Efforts to support the digital economic development will not give meaning if it is not followed by an increase in national economic growth. Thus, the increasingly high digital development of the economy will increase national economic growth.

The development of digital business and digital markets has no significant effect on national economic growth as indicated by the significance of 0.005 greater than specified  $\alpha$  ( $\alpha = 0.05$ ). This indicates an obstacle to the lack of absorption of skilled workers in the use of technology and challenges for the government to provide greater opportunities for digital business people and digital market share to develop well and provide facilities to support these activities.





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