INTISARI

Perkembangan inovasi keuangan seperti uang elektronik yang pesat menyebabkan investigasi terhadap fungsi permintaan uang menjadi semakin sulit. Hal ini berpotensi menyebabkan misidentifikasi permintaan uang oleh bank sentral dalam menerapkan kebijakan moneter. Penelitian ini berusaha menguji dampak inovasi keuangan terhadap fungsi permintaan uang di Indonesia menggunakan model non-linear yaitu *Smooth Transition Autoregressive Model* (STAR). Penelitian ini penting karena penelitian terdahulu belum ada yang menggunakan metode non-linear. Keunggulan model non-linear adalah mampu menjelaskan perubahan indikator makroekonomi ataupun siklus bisnis secara halus. Hasil estimasi menunjukkan fungsi permintaan uang mengalami instabilitas—baik definisi uang dalam arti sempit (M1) maupun uang dalam arti luas (M2). Lebih lanjut, variabel *trend* berperan dalam menyebabkan model menjadi non-linear pada definisi uang menggunakan M1 maupun M2.

Kata Kunci: Inovasi Keuangan, Permintaan Uang, Model Non-Linear.

ABSTRACT

Massive development of financial innovation, for instances electronic money (*e-money*), has affected the investigation of money demand function stability become much more difficult. This phenomenon possibly impacted miss-identification money demand by central bank in order to implement monetary policy. This research tried to examine the impact of financial innovation to money demand function in Indonesia using non-linear model: *Smooth Transition Autoregressive Model* (STAR). Needless to say, this research is very essential for the reason that previous literatures have not used non-linear model yet. The major benefit of this method was the capability to explain the transition of macroeconomic variables in subtle ways compared to other econometric models. This estimation has revealed the instability of money demand function in Indonesia. In addition, *trend*, as the transition variable, has become the major source of non-linearity in M1 and M2 model

Keywords: Financial Innovation, Money Demand, Non-Linear Model.