Digital Economy and Inclusive Green Growth: Evidence from Indonesia with Implications for OIC Development Cooperation

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ABSTRACT

The digital economy diversifies economies by leveraging tech to impact socio-economics and environmental quality. This study examines the effects of the digital economy which includes media, e-commerce, and digital infrastructure on inclusive green economic growth and its social, economic, and environmental facets. This study analyzes the influence of each dimension in the digital economy on each pillar of inclusive green economic growth. Multiple linear regression with the Ordinary Least Square (OLS) model is the study methodology employed, and the data is cross-sectional in 2022 across 34 Indonesian provinces. The calculation uses a composite index to obtain the data on each dimension/pillar and index. The digital economy boosts inclusive green growth, and e-commerce strengthens the economic pillar. However, digital infrastructure and e-commerce both have a detrimental influence on the environmental pillar, while e-commerce has a negative impact on the social pillar. With a 45.92% impact on the environmental pillar, the digital economy has the largest impact of the three pillars of inclusive green economic growth, underscoring the necessity of cooperation between the public and private sectors. To secure a sustainable socioeconomic future, this collaboration should concentrate on green technology, digital literacy, and renewable energy.

Keywords: Digital Economy, Digital Infrastructure, Digital Media, Electronic Commerce, Inclusive Green Economic Growth

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