ABSTRACT

The national economy includes increasing output and productivity, government spending policies, infrastructure development initiatives and active cooperation with other countries. In Indonesia, economic growth and technological advances are the result of collaboration between the government and the community in building Smart Cities. One of the important dimensions of Smart City is Smart Economy and Smart Living, which aims to improve city performance, create innovation, and encourage the use of e-commerce as well as ensure the feasibility of people's living standards.

This study aims to determine the impact of the Smart Economy on Smart Living in Indonesia, as well as evaluate the impact of the Smart Economy with national economic mediators on Smart Living. The methodology used in this study is a quantitative method with statistical analysis of Partial Least Square Structural Equation Modeling (PLS-SEM) using the Smart PLS 4 application. The population of this study is Indonesia with a purposive sampling technique which aims to obtain samples based on certain considerations. The research sample includes indicators of Smart Economy, Smart Living and National Economy that are related to the research variables,

The results of the study show that the Smart Economy has a positive and significant impact on Smart Living in Indonesia. In addition, the results also show that the national economy as a mediator has a positive and significant influence in mediating the relationship between Smart Economy and Smart Living. However, an evaluation using the Variance Accounted For (VAF) test shows that only 16% of the total effect of the Smart Economy on Smart Living is mediated by the National Economy. Although this mediation relationship is statistically significant, the mediation effect is considered weak and not statistically significant.

Keywords: Smart City, Smart Economy, Smart Living, National Economy, PLS-SEM, Indonesia