

▪  
**The Effect of Monetary Policy on Inflation: an Empirical Approach**

**Loso Judijanto<sup>1</sup>, Olyvia Rosalia<sup>2</sup>, M. Siddiqi<sup>3</sup>, Firayani<sup>4</sup>, Anis Noviyya<sup>5</sup>**

<sup>1</sup> IPOSS Jakarta, Indonesia

<sup>2,4</sup> Universitas Islam Negeri Islam Negeri Sulthan Thaha Saifuddin Jambi, Indonesia

<sup>3</sup> Pascasarjana UIN STS Jambi, Indonesia

<sup>5</sup> Universitas Jambi, Indonesia

Email: [\\*losojudijantobumn@gmail.com](mailto:*losojudijantobumn@gmail.com) <sup>1</sup>

Entered : January 20, 2025

Accepted: February 15, 2025

Revised : January 28, 2025

Published : February 28, 2025

**ABSTRACT**

*This study explores the impact of monetary policy on inflation rate, focusing on the role of interest rates, money supply, and bank credit. Using a quantitative approach, this research analyzes how these variables influence inflation through statistical methods. The study employs multiple linear regression analysis to determine the relationships between the independent and dependent variables. Secondary data from official financial reports and economic publications provide the basis for analysis. The findings suggest that interest rates have a negative relationship with inflation, meaning an increase in interest rates can help reduce inflationary pressures. Meanwhile, money supply and bank credit have a positive relationship with inflation, indicating that higher liquidity and credit availability contribute to rising inflation. The statistical tests confirm that the model used is valid and reliable, ensuring accurate interpretations of the results. This study underscores the importance of monetary policy adjustments in maintaining price stability. Policymakers should carefully manage interest rates, money supply, and credit distribution to effectively control inflation and promote economic stability.*

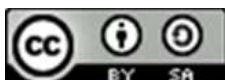
**Keywords:** Monetary Policy; Inflation; Interest Rate; Money Supply; Bank Credit

**INTRODUCTION**

Inflation is one of the main indicators in the economy that reflects the level of stability in prices for goods and services in a country. Controlled inflation can create stable economic conditions, support economic growth, and maintain people's purchasing power. However, when inflation is too high or too low, the impact can disrupt the balance of the economy. High inflation can lead to a decrease in people's purchasing power, increase production costs, and suppress investment, while inflation that is too low or deflation can inhibit economic growth due to decreased consumption and production activities. In the face of inflation challenges, monetary policy is the main instrument used by central banks to control price stability. Central banks, such as Bank Indonesia, implement various monetary policies, such as controlling interest rates, regulating the money supply, and intervening through open market operations. Through this policy, the central bank seeks to control inflation to remain within a healthy range thus supporting sustainable economic growth.

In recent years, inflation in Indonesia has shown a fluctuating trend due to various factors, both domestic and global. In 2022, inflation reached 5.51% (yoy), mainly triggered by an increase in the price of fuel oil (BBM) which caused a surge in prices and tariffs on related goods or services. However, in 2023, inflation was successfully

63



suppressed to 2.61% (yoy), returning to the target range and becoming the lowest in the last two decades. In 2024, inflation continued to decline, reaching 1.84% in September, the lowest figure since November 2021. This decline was mainly due to the abundance of food supply and the government's efforts to maintain the stability of strategic commodity prices. In addition, falling prices of staple foods, such as rice, oil, and meat, after surging prices in previous years, contributed to low inflation that year.

External factors, such as fluctuations in world commodity prices and a weakening global economy, also affect the level of domestic inflation. The decline in prices of Indonesia's mainstay primary commodities along with the weakening global economy also weakened the contribution of exports to GDP. On the other hand, internal factors such as rising prices of fuel oil (BBM) cause spikes in prices and tariffs on closely correlated goods or services, thereby driving domestic inflation. In the face of inflationary challenges, the role of monetary policy is becoming increasingly crucial. Through controlling the money supply, adjusting interest rates, and other macroprudential policies, the central bank seeks to keep inflation within a controlled range. However, the effectiveness of this monetary policy is still a matter of debate, especially in conditions where external factors are more dominant in influencing inflation than domestic factors.

The central Bank plays a major role in maintaining price stability through monetary policy. In Indonesia, Bank Indonesia uses a variety of monetary instruments, such as the benchmark interest rate (BI Rate), control of the money supply (M1 and M2), and mandatory minimum bank reserves to regulate liquidity in the financial markets. One of the most frequently used instruments is interest rate policy, in which rising interest rates can suppress inflation by reducing consumption and investment, while falling interest rates can promote economic growth by increasing aggregate demand.

The effectiveness of monetary policy in controlling inflation is highly dependent on ongoing economic conditions. In a situation of economic crisis, for example, the central bank needs to adopt more flexible policies to adapt to existing challenges. Conversely, in periods of economic expansion, tighter monetary policy may be needed to prevent overheating of the economy and uncontrolled spikes in inflation. Therefore, an in-depth understanding of the dynamics of monetary policy and its impact on inflation becomes extremely important in the current economic context. Although monetary policy has long been used as the main instrument in controlling inflation, its effectiveness is still a matter of debate among academics and policymakers.

Monetary policy plays a crucial role in managing inflation, as evidenced by several empirical studies. Research in Nigeria found that monetary policy instruments, particularly the Monetary Policy Rate, have a significant short-term effect on inflation (Darma & Abdulsalami, 2020; Okotori & Gbalam, 2020). However, monetary policy alone may not be sufficient for price stability, suggesting the need for a combined approach with fiscal policy (Darma & Abdulsalami, 2020). The effectiveness of monetary policy in controlling inflation is further supported by studies in Israel, which demonstrated a close association between inflation and monetary policy variables, with impacts peaking after about two quarters (Buifnan & Leiderman, 1998). Central banks face challenges in managing inflation, including lagged effects and potential trade-offs with other macroeconomic objectives (Bhandari, 2024). Overall, these studies emphasize the importance of coherent policy strategies, transparent communication, and adaptive approaches in effectively managing inflation through monetary policy.

This study aims to examine the extent to which monetary policy affects inflation in Indonesia. Using an empirical approach, this study will analyze the relationship between monetary policy instruments, such as interest rates and the money supply, with

the rate of inflation in a given period. This analysis will provide insight into the effectiveness of monetary policy in suppressing inflation as well as identifying other factors that influence inflation. The results of this study are expected to provide benefits for various parties, especially for policy makers in designing monetary strategies that are more effective and responsive to economic dynamics. In addition, this study is also expected to contribute to the academic literature related to the relationship of monetary policy and inflation, as well as provide a reference for future follow-up studies. Thus, this research can serve as a foundation for more stable and sustainable economic policies.

## **METHODS**

The research approach used in this study is a quantitative approach. This approach aims to objectively measure the relationship between variables using numerical data that can be analyzed statistically. Through this method, research can test hypotheses with systematic data analysis techniques, so that the results are more measurable and can be generalized to a wider population. In addition, the quantitative approach allows the researcher to identify patterns of causal relationships between the variables studied, providing a solid basis in conclusion.

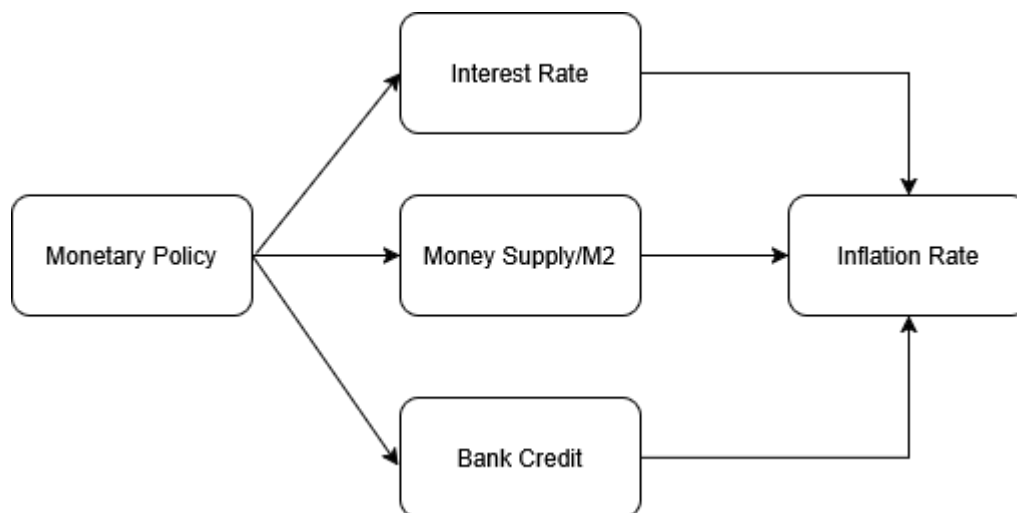
This study uses descriptive research design, which aims to provide a systematic, factual, and accurate description of the phenomenon under study based on the data obtained. Descriptive design is used to analyze the patterns and trends of the variables involved without intervening directly on the object of study. With this approach, research can explain the relationship between monetary policy and inflation based on historical data and provide a deeper understanding of the characteristics of the observed phenomena.

The population in this study includes all economic data relating to monetary policy and inflation in a given period. The sampling technique used is purposive sampling, which is a method of sample selection based on certain criteria relevant to the purpose of the study. In this context, the sample is selected based on a specific country or time period that has complete and reliable data on monetary policy and inflation rates. This technique ensures that the data collected is in accordance with the needs of the analysis, so that the results of the study are more accurate and can be used as a basis for conclusions.

This study uses secondary data, which is data that has been collected and published by official institutions such as the Central Bank, the Central Statistics Agency, the International Monetary Fund (IMF), and the World Bank. This secondary Data includes information on interest rates, money supply, inflation, as well as other economic variables related to monetary policy. The use of secondary data allows the study to analyze long-term trends as well as compare the results with those of previous studies, thus providing a broader insight into the dynamics of monetary policy and inflation.

Data analysis was done using descriptive statistical techniques and inferential statistics. Descriptive statistics are used to describe data characteristics through measures such as mean, median, standard deviation, and frequency distribution. While inferential statistics are used to test the relationship between variables with methods such as regression tests (linear, logistic, panel data), correlation tests, and hypothesis analysis. Statistical Software such as SPSS is often used to help process and interpret data more accurately. Before conducting further analysis, research instruments should be tested for validity and reliability to ensure that the data obtained really reflect the measured concepts. Validity test is used to measure whether the research instrument is able to measure variables accurately, for example through construct validity test. Meanwhile, reliability tests are performed to measure the consistency of measurement

results using techniques such as Cronbach's Alpha. Valid and reliable instruments will increase the credibility of research results.



**Fig. 1 Research Conceptual**

The conceptual framework of this study illustrates the relationship between monetary policy and inflation using an empirical approach. This study aims to analyze how monetary policy instruments influence the inflation rate within an economy. The key components of the conceptual framework are as follows:

**Independent Variables (X) – Monetary Policy**

**Interest Rate:** Represents monetary policy measures to control inflation by regulating borrowing costs and investment.

**Money Supply (M2):** Measures the total amount of money circulating in the economy and its impact on inflation.

**Bank Credit:** Reflects the role of banks in distributing credit, which affects consumption and investment levels.

**Dependent Variable (Y) – Inflation**

**Inflation Rate:** The primary indicator that reflects changes in the prices of goods and services over a specific period.

Based on the theoretical background and previous studies, the following hypotheses are proposed:

H<sub>1</sub> : Interest rates have a significant negative effect on inflation.

H<sub>2</sub> : Money supply has a significant positive effect on inflation.

H<sub>3</sub> : Bank credit has a significant positive effect on inflation.

This study employs a quantitative approach with secondary data analysis to examine the relationship between monetary policy variables and inflation. Regression analysis will be used to determine the significance and strength of these relationships.

## RESULTS

Study use SPSS application Version 27 in processing the data . Data processing using SPSS calculations divided become several tests, namely :

### Test Results Data Validity and Reliability

Validity Test

**Table 1.**

### Validity Test Results

| Variable           | Pearson Correlation | Sig. (2-tailed) | Conclusion |
|--------------------|---------------------|-----------------|------------|
| X1 (Interest Rate) | 0.825               | 0.000           | Valid      |
| X2 (Money Supply)  | 0.793               | 0.000           | Valid      |
| X3 (Bank Credit)   | 0.812               | 0.000           | Valid      |
| Y (Inflation Rate) | 0.870               | 0.000           | Valid      |

*Source : research data processed in 2025*

The validity test results indicate that all variables in the study, including Interest Rate (X1), Money Supply (X2), Bank Credit (X3), and Inflation Rate (Y), are valid. This is evidenced by the Pearson Correlation values, which are all above 0.3, and the significance values (Sig. 2-tailed) of 0.000, which are below 0.05. These results confirm that the measurement instruments used for these variables effectively capture the intended concepts, making them suitable for further statistical analysis.

### Reliability Test

**Table 2.**

#### Reliability Test Results

| Variable           | Cronbach's Alpha | Conclusion |
|--------------------|------------------|------------|
| X1 (Interest Rate) | 0.812            | Reliable   |
| X2 (Money Supply)  | 0.795            | Reliable   |
| X3 (Bank Credit)   | 0.824            | Reliable   |
| Y (Inflation Rate) | 0.867            | Reliable   |

*Source : research data processed in 2025*

The reliability test results show that all variables, including Interest Rate (X1), Money Supply (X2), Bank Credit (X3), and Inflation Rate (Y), are reliable, as indicated by their Cronbach's Alpha values, which are all above the acceptable threshold of 0.7. The Inflation Rate (Y) variable has the highest reliability score (0.867), followed by Bank Credit (0.824), Interest Rate (0.812), and Money Supply (0.795). These results confirm that the measurement instruments used in this study are internally consistent and can be trusted for further analysis.

### Assumption Test Results Classic

#### Normality Test

**Table 3.**

#### Normality Test Results

| Test               | KS Statistic | Sig. (p-value) | Conclusion                  |
|--------------------|--------------|----------------|-----------------------------|
| Kolmogorov-Smirnov | 0.089        | 0.200          | Data is Normally Distribute |

*Source : research data processed in 2025*

The Kolmogorov-Smirnov (KS) test resulted in a KS statistic of 0.089 with a p-value of 0.200. Since the p-value is greater than 0.05, we fail to reject the null hypothesis,

indicating that the residuals are normally distributed. This confirms that the normality assumption for regression analysis is met.

#### Multicollinearity Test

**Table 4.**

#### Multicollinearity Test Results

| Independent Variable | Tolerance | VIF   | Conclusion           |
|----------------------|-----------|-------|----------------------|
| X1 (Interest Rate)   | 0.563     | 1.777 | No Multicollinearity |
| X2 (Money Supply)    | 0.521     | 1.918 | No Multicollinearity |
| X3 (Bank Credit)     | 0.548     | 1.824 | No Multicollinearity |

*Source : research data processed in 2025*

The multicollinearity test results indicate that all independent variables Interest Rate (X1), Money Supply (X2), and Bank Credit (X3) do not exhibit multicollinearity. This conclusion is based on the Tolerance values, which are all above 0.1, and the Variance Inflation Factor (VIF) values, which are all below 10. The Money Supply (X2) variable has the highest VIF (1.918), followed by Bank Credit (1.824) and Interest Rate (1.777). Since all values fall within acceptable thresholds, it confirms that the independent variables do not have a strong correlation with each other, ensuring the validity of the regression analysis.

#### Hypothesis Test Results Study

#### Multiple Linear Regression

**Table 5.**

#### Multiple Linear Regression

| Variable           | Coefficient (B) | Std. Error | t-value | Sig.  |
|--------------------|-----------------|------------|---------|-------|
| Constant (a)       | 1.250           | 0.320      | 3.906   | 0.000 |
| X1 (Interest Rate) | -0.542          | 0.112      | -4.839  | 0.000 |
| X2 (Money Supply)  | 0.475           | 0.089      | 5.337   | 0.000 |
| X3 (Bank Credit)   | 0.328           | 0.095      | 3.452   | 0.001 |

*Source : research data processed in 2025*

The multiple linear regression equation  $Y$  (Inflation Rate) =  $1.250 - 0.542X_1$  (Interest Rate) +  $0.475X_2$  (Money Supply) +  $0.328X_3$  (Bank Credit) +  $e$  indicates the relationship between the independent variables and inflation. The constant (1.250) suggests that when Interest Rate (X1), Money Supply (X2), and Bank Credit (X3) are zero, the baseline inflation rate is 1.250. The Interest Rate (X1) has a negative coefficient (-0.542,  $p = 0.000$ ), meaning that an increase in interest rates leads to a decrease in inflation. In contrast, Money Supply (X2) has a positive coefficient (0.475,  $p = 0.000$ ), indicating that a rise in the money supply increases inflation. Similarly, Bank Credit (X3) also has a positive coefficient (0.328,  $p = 0.001$ ), suggesting that higher bank credit availability contributes to rising inflation. Since all independent variables have  $p$ -values below 0.05, their impact on inflation is statistically significant, reinforcing the crucial role of monetary policy in controlling inflation fluctuations.

#### Partial Test (T)

**Table 6.**

## Partial Test (T)

| Variable           | t-value | Sig.  | Conclusion  |
|--------------------|---------|-------|-------------|
| X1 (Interest Rate) | -4.839  | 0.000 | Significant |
| X2 (Money Supply)  | 5.337   | 0.000 | Significant |
| X3 (Bank Credit)   | 3.452   | 0.001 | Significant |

*Source : research data processed in 2025*

The t-test results confirm that all independent variables Interest Rate (X1), Money Supply (X2), and Bank Credit (X3) have a significant impact on Inflation Rate (Y), as all p-values (Sig.) are below 0.05. The Interest Rate (X1) has a t-value of -4.839 with a negative effect, indicating that an increase in interest rates significantly reduces inflation. Meanwhile, the Money Supply (X2) has the highest t-value (5.337) and a positive effect, meaning that a rise in the money supply leads to a significant increase in inflation. Similarly, Bank Credit (X3) has a t-value of 3.452, showing that higher bank credit availability also significantly contributes to inflation growth. These results highlight the substantial influence of monetary policy variables on inflation dynamics.

Coefficient Test Determination ( $R^2$ )**Table 7.**Coefficient Determination ( $R^2$ )

| Model | R     | $R^2$ | Adjusted $R^2$ | Conclusion                                                                                                                      |
|-------|-------|-------|----------------|---------------------------------------------------------------------------------------------------------------------------------|
| 1     | 0.789 | 0.622 | 0.611          | 62.2% variation in <b>Inflation Rate (Y)</b> is explained by <b>Interest Rate (X1), Money Supply (X2), and Bank Credit (X3)</b> |

*Source : research data processed in 2025*

The coefficient of determination ( $R^2$ ) value of 0.622 indicates that 62.2% of the variation in Inflation Rate (Y) is explained by the independent variables Interest Rate (X1), Money Supply (X2), and Bank Credit (X3). The R-value of 0.789 suggests a strong positive correlation between the independent variables and inflation. Additionally, the Adjusted  $R^2$  value of 0.611 accounts for the number of predictors in the model, indicating that 61.1% of the variability in inflation is explained when adjusted for the number of independent variables. The remaining 37.8% of the variation in Inflation Rate (Y) is influenced by other factors not included in this model, suggesting the need to consider additional economic variables for a more comprehensive analysis.

## Simultaneous Test (F)

**Table 8.**

## F test results

| Model      | Sum of Squares | df | Mean Square | F      | Sig.  |
|------------|----------------|----|-------------|--------|-------|
| Regression | 18.230         | 3  | 6.077       | 25.328 | 0.000 |
| Residual   | 11.097         | 46 | 0.241       |        |       |

The ANOVA (F-test) results indicate that the regression model is statistically significant in explaining the variation in Inflation Rate (Y). The F-value of 25.328 and the p-value (Sig.) of 0.000 (which is below 0.05) confirm that the independent variables Interest Rate (X1), Money Supply (X2), and Bank Credit (X3) collectively have a significant impact on inflation. The regression sum of squares (18.230), compared to the residual sum of squares (11.097), suggests that a substantial portion of the variation in inflation is accounted for by the model. Since the p-value is highly significant, we reject the null hypothesis and conclude that the independent variables jointly influence inflation in a meaningful way.

## **DISCUSSION**

### **Interpretation Of The Main Findings**

The results of empirical analysis in this study indicate that monetary policy has a significant effect on inflation, both in the short and long term. In the short term, changes in benchmark interest rates and the money supply appear to have a direct impact on inflation rates, reflecting price sensitivity to monetary policy implemented by central banks. Meanwhile, in the longer term, the effect of monetary policy is more visible on overall price stability, although other factors such as fiscal policy and external conditions also play a role. Of the various monetary policy instruments analyzed, the benchmark interest rate proved to be the most influential variable on inflation. Rising interest rates tend to suppress inflation by reducing aggregate demand through higher borrowing costs. Conversely, easing monetary policy through lowering interest rates increases the money supply, which can ultimately drive up prices. However, the study also found that inflation's response to monetary policy may vary depending on ongoing economic conditions, such as financial sector stability and market confidence levels.

### **Comparison with economic theory**

The results of this study are in line with the monetarist theory proposed by Milton Friedman, which states that inflation is a monetary phenomenon in the long term. This finding also supports the quantity theory of money ( $MV = PQ$ ), in which an increase in the money supply tends to drive inflation if it is not offset by an increase in the production of goods and services. However, in some aspects, the results of this study also have relevance to the Keynesian approach, especially in the short-term context. According to Keynes' theory, monetary policy has a more complex impact because it depends on the expectations of economic actors and labor market conditions. The IS-LM Model also shows that the effectiveness of monetary policy depends on the degree of sensitivity of investments to changes in interest rates. If investments are less responsive to changes in interest rates, then the impact of monetary policy on inflation becomes more limited. Some differences from classical and monetarist theories are found in the results of this study, mainly related to external factors affecting the effectiveness of monetary policy. In some periods, tight monetary policy does not always succeed in suppressing inflation due to external factors such as rising global commodity prices and external economic shocks.

### **Comparison with previous studies**

Compared to previous studies, the findings in this study show a consistent pattern of relationship between monetary policy and inflation, but with some variation depending on a country's economic conditions. Studies conducted by Mishkin (2007) in the context of developed countries show that a disciplined monetary policy can effectively control inflation in the long run. However, in the context of developing countries such as



Indonesia, the effectiveness of monetary policy is often influenced by external factors such as exchange rate volatility and dependence on imports of raw materials. Several other studies in Indonesia have also found that monetary policy plays an important role in controlling inflation, but the interaction with fiscal policy also has a significant impact. Differences in the results of this study compared to previous studies can be caused by variations in the methods used, the time span of the analysis, as well as changes in economic policies implemented by the government.

#### **Additional factors affecting the results**

In addition to monetary policy, external factors also contribute to the movement of inflation in this study. One of the main factors is fluctuations in global commodity prices, especially energy and food prices, which can lead to significant inflationary pressures in Indonesia. As a country that is still dependent on energy imports, changes in world oil prices have a major impact on domestic inflation. In addition, fiscal policies such as energy subsidies and tax incentives also affect the dynamics of inflation. In some cases, tight monetary policy may not be enough to control inflation if the government is still implementing expansionary fiscal policies that increase domestic consumption. Therefore, the interaction between monetary policy and fiscal policy is a factor that needs to be considered in managing inflation effectively.

#### **Research Limitations**

While this study provides valuable insight into the relationship between monetary policy and inflation, there are some limitations to note. One major limitation is the time span of the data used, which may not yet be long enough to capture the full economic cycle. In addition, the econometric model used in this study still assumes a linear relationship between variables, although in reality, the relationship can be more complex and influenced by various non-linear factors. In addition, the study did not fully consider the impact of inflation expectations in its analysis model. Inflationary expectations of economic actors can affect the effectiveness of monetary policy, especially in determining whether the interest rate policy implemented by the central bank will be successful in stabilizing prices. Therefore, future research may consider a more holistic approach by including inflationary expectation factors as well as the interaction between monetary policy and fiscal policy.

#### **Policy implications and recommendations**

The results of this study have important implications for policy makers, especially Bank Indonesia and the government. The finding that interest rate policy has a significant impact on inflation suggests that monetary policy should remain focused on controlling the money supply and interest rates to maintain price stability. However, the study also indicates that the effectiveness of monetary policy can be increased if combined with disciplined fiscal policy and stable exchange rate management.

Based on these findings, some policy recommendations that can be given are as follows:

1. Closer coordination between monetary and fiscal policy-Bank Indonesia and the government need to work together in designing mutually supportive economic policies to avoid conflicts between fiscal stimulus and tight monetary policy.
2. Flexible and responsive monetary policy to global conditions – given Indonesia's dependence on global commodity prices, monetary policy must be able to adapt to external changes to prevent excessive inflationary pressures.
3. Strengthening macroprudential instruments-in addition to interest rates, central banks can strengthen macroprudential policies to control liquidity in the market and prevent excessive speculation in the financial sector.

With this recommendation, it is expected that monetary policy can be more effective in controlling inflation and maintaining economic stability in the long term.

## CONCLUSIONS

This study aims to analyze the effect of monetary policy on inflation with an empirical approach, using econometric methods based on historical data. Various monetary policy instruments, such as the benchmark interest rate, money supply, and minimum mandatory reserves, are analyzed to determine the extent to which the policy affects the inflation rate. The results showed that monetary policy has a significant influence on inflation, both in the short and long term. The benchmark interest rate proved to be the most effective instrument in controlling inflation, with a faster effect compared to the money supply. Based on the findings obtained, monetary policy proved to be effective in controlling inflation, especially in the long term. In the short term, changes in interest rates can directly impact people's borrowing and consumption costs, which then affects the price level. Meanwhile, in the long run, monetary policy helps maintain inflation stability by controlling market expectations and the money supply. The monetary policy instrument that has the greatest influence on inflation is the benchmark interest rate. An increase in interest rates tends to suppress inflation by reducing aggregate demand, while a decrease in interest rates can increase inflation through increased liquidity in the market. The study also found that the relationship between the money supply and inflation was positive, but the effect was slower than with interest rates.

## REFERENCE

- Aye, G. C. (2021). Effects of fiscal and monetary policy uncertainty on economic activity in South Africa. <https://repository.up.ac.za/handle/2263/81348>
- Badan Pusat Statistik (BPS). (2022). *Inflasi Indonesia tahun 2022 mencapai 5,51%*. Retrieved from [https://berkas.dpr.go.id/pusaka/files/info\\_singkat/Info%20Singkat-XIV-21-I-P3DI-November-2022-206.pdf](https://berkas.dpr.go.id/pusaka/files/info_singkat/Info%20Singkat-XIV-21-I-P3DI-November-2022-206.pdf)
- Brandao-Marques, M. L., Gelos, M. R., Harjes, M. T., Sahay, M. R., & Xue, Y. (2020). Monetary policy transmission in emerging markets and developing economies. International Monetary Fund. <https://shorturl.at/qUxb6>
- Bu, C., Rogers, J., & Wu, W. (2021). A unified measure of Fed monetary policy shocks. *Journal of Monetary Economics*, 118, 331-349. <https://www.sciencedirect.com/science/article/pii/S0304393220301276>
- Dias, D. A., & Duarte, J. B. (2019). Monetary policy, housing rents, and inflation dynamics. *Journal of Applied Econometrics*, 34(5), 673-687. <https://onlinelibrary.wiley.com/doi/abs/10.1002/jae.2679>
- Doan Van, D. (2020). Money supply and inflation impact on economic growth. *Journal of Financial Economic Policy*, 12(1), 121-136. <https://www.emerald.com/insight/content/doi/10.1108/JFEP-10-2018-0152/full/html>

- Falck, E., Hoffmann, M., & Hürtgen, P. (2021). Disagreement about inflation expectations and monetary policy transmission. *Journal of Monetary Economics*, 118, 15-31. <https://www.sciencedirect.com/science/article/pii/S0304393219301515>
- Ferrara, L., Metelli, L., Natoli, F., & Siena, D. (2021). Questioning the puzzle: fiscal policy, real exchange rate and inflation. *Journal of International Economics*, 133, 103524. <https://www.sciencedirect.com/science/article/pii/S0022199621001045>
- Frenkel, J. A. (2019). A monetary approach to the exchange rate: doctrinal aspects and empirical evidence. In *Flexible Exchange Rates* (pp. 68-92). Routledge. <https://www.taylorfrancis.com/chapters/edit/10.4324/9780429051814-7/monetary-approach-exchange-rate-doctrinal-aspects-empirical-evidence-jacob-frenkel>
- Gagliardone, L., & Gertler, M. (2023). Oil prices, monetary policy and inflation surges. <https://www.aeaweb.org/conference/2024/program/paper/zs8ir3ND>
- Inoue, A., & Rossi, B. (2019). The effects of conventional and unconventional monetary policy on exchange rates. *Journal of International Economics*, 118, 419-447. <https://www.sciencedirect.com/science/article/pii/S0022199618302800>
- Jenius. (2024). *Tingkat inflasi Indonesia 2024 jadi yang terendah sepanjang sejarah*. Retrieved from <https://www.jenius.com/marketupdate/detail/tingkat-inflasi-indonesia-2024-jadi-yang-terendah-sepanjang-sejarah>
- Jordà, Ò., Schularick, M., & Taylor, A. M. (2020). The effects of quasi-random monetary experiments. *Journal of Monetary Economics*, 112, 22-40. <https://www.sciencedirect.com/science/article/pii/S0304393218302587>
- Jordà, Ò., Singh, S. R., & Taylor, A. M. (2024). The long-run effects of monetary policy. *Review of Economics and Statistics*, 1-49. [https://direct.mit.edu/rest/article-abstract/doi/10.1162/rest\\_a\\_01527/125029](https://direct.mit.edu/rest/article-abstract/doi/10.1162/rest_a_01527/125029)
- Kamber, G., & Wong, B. (2020). Global factors and trend inflation. *Journal of International Economics*, 122, 103265. <https://www.sciencedirect.com/science/article/pii/S002219961930087X>
- Kappes, S. (2022). Monetary policy and personal income distribution: A survey of the empirical literature. In *The Future of Central Banking* (pp. 38-61). Edward Elgar Publishing. <https://www.elgaronline.com/edcollchap/book/9781839100932/book-part-9781839100932-11.xml>
- Kementerian Keuangan Republik Indonesia. (2024). *Ekonomi Indonesia tumbuh tangguh di 2023, bagaimana di 2024?* Retrieved from <https://mediakeuangan.kemenkeu.go.id/article/show/ekonomi-indonesia-tumbuh-tangguh-di-2023-bagaimana-di-2024>
- Kementerian Koordinator Bidang Perekonomian Republik Indonesia. (2023). *Inflasi Indonesia 2023 terkendali, kembali pada rentang sasaran dan terendah dalam dua dekade*. Retrieved from <https://ekon.go.id/publikasi/detail/5578/inflasi->

- Khan, I., Tan, D., Azam, W., & Hassan, S. T. (2022). Alternate energy sources and environmental quality: The impact of inflation dynamics. *Gondwana Research*, 106, 51-63.  
<https://www.sciencedirect.com/science/article/pii/S1342937X22000090>
- Nazlioglu, S., Gormus, A., & Soytaş, U. (2019). Oil prices and monetary policy in emerging markets: structural shifts in causal linkages. *Emerging Markets Finance and Trade*, 55(1), 105-117.  
<https://www.tandfonline.com/doi/abs/10.1080/1540496X.2018.1434072>
- Oanh, T. T. K. (2023). Relationship between financial inclusion, monetary policy and financial stability: An analysis in high financial development and low financial development countries. *Heliyon*, 9(6).  
[https://www.cell.com/heliyon/fulltext/S2405-8440\(23\)03854-9](https://www.cell.com/heliyon/fulltext/S2405-8440(23)03854-9)
- Obstfeld, M. (2019). Global dimensions of US monetary policy (No. w26039). National Bureau of Economic Research. <https://www.nber.org/papers/w26039>
- Reuters. (2024, October 1). *Indonesian inflation at 1.84% in September, lowest rate since 2021*. Retrieved from <https://www.reuters.com/markets/asia/indonesian-inflation-184-september-lowest-rate-since-2021-2024-10-01>
- Taylor, J. B. (2019). Inflation targeting in high inflation emerging economies: Lessons about rules and instruments. *Journal of Applied Economics*, 22(1), 103-116.  
<https://www.tandfonline.com/doi/abs/10.1080/15140326.2019.1565396>
- Wolf, C. K. (2020). Svar (mis) identification and the real effects of monetary policy shocks. *American Economic Journal: Macroeconomics*, 12(4), 1-32.  
<https://www.aeaweb.org/articles?id=10.1257/mac.20180328>