

ABSTRACT

Didik Sukisman, 120231100049, Undergraduate Program of Development Economics Faculty of Economics and Business Universitas Trunojoyo Madura. Analysis of *Time Consistency* Indonesian bank monetary policy with *Form Reduce* model approach, under the guidance of Dr. Diah Wahyuningsih, SE, M.Si and Rifai Afin, Se, M.Sc

This study aims to determine how the consistency of Bank Indonesia monetary policy in the period from 2005: 1 to 2014: 4, using *ordinary least squares (OLS)*. By using the data for inflation, GDP, *output gap*, *conditional variance output gap* and *conditional mean output gap*. Data *output gap*, *conditional variance* and *mean of the output gap* is not provided directly so sought after first using the *Hodrick Prescott filtering* for data *output gap*, then use the ARMA / ARIMA and ARCH / GARCH to obtain the *conditional mean* and *conditional variance of the output gap*. The next stage of regression equation of inflation as the dependent variable and the *mean* and *variance conditional* variables as independent variables.

Based on this research, the data *conditional mean of the output gap* using the ARMA (2,1) and data *conditional variance* of output gap using ARCH-GARCH (1,1). Results of regression equations showed that Bank Indonesia monetary policy consistent look of insignificant *conditional variance*, meaning that any changes or *shocks* to the *output gap* (fiscal) will not affect the monetary policy to be changed until the end of the specified targets, variable *conditional mean of the output gap is not significant* meaning that the bank's monetary policy preferences of Indonesia is the symmetry of the *output gap* both the *output gap* is positive or negative *output gap*, so that monetary policy is consistent with low inflation.

Keywords: *Time Consistency*, Output Gap, Inflation, ARMA / ARIMA and ARCH / GARCH.

ABSTRAK

Didik sukisman, 120231100049, Program Sarjana Jurusan Ekonomi Pembangunan Fakultas Ekonomi dan Bisnis Universitas Trunojoyo Madura. Analisis *Time Consistency* kebijakan moneter bank Indonesia dengan pendekatan model *Reduce Form*, dibawah bimbingan Dr. Diah Wahyuningsih, S.E., M.Si dan Rifai Afin, S.e., M.Sc

Penelitian ini bertujuan untuk mengetahui bagaimana konsistensi kebijakan moneter Bank Indonesia pada periode 2005:1 hingga 2014:4, menggunakan *ordinary least square (OLS)*. Dengan menggunakan data inflasi, GDP, *output Gap*, *conditional variance output Gap* dan *conditional mean output gap*. Data *output gap*, *conditional variance* dan *mean output gap* tidak tersedia secara langsung sehingga dicari terlebih dahulu menggunakan *filtering Hodrick Prescott* untuk data *output gap*, kemudian menggunakan ARMA/ARIMA dan ARCH/GARCH untuk memperoleh *conditional mean* dan *conditional variance output gap*. Tahap selanjutnya regresi persamaan Inflasi sebagai variabel terikat dan variabel *conditional mean* dan *variance* sebagai variabel bebas.

Berdasarkan hasil penelitian, data *conditional mean output gap* menggunakan ARMA (2,1) dan data *conditional variance output gap* menggunakan ARCH-GARCH (1,1). Hasil regresi persamaan menunjukkan bahwa kebijakan moneter Bank Indonesia konsisten terlihat dari tidak signifikan *conditional variance*, artinya setiap terjadi perubahan atau *shock* terhadap *output gap* (fiskal) tidak akan mempengaruhi kebijakan moneter untuk dirubah sampai akhir target yang ditentukan, dari variabel *conditional mean output Gap tidak signifikan* artinya preferensi kebijakan moneter bank Indonesia bersifat simetri terhadap *output gap* baik *output gap* positif atau *output gap* negatif, sehingga kebijakan moneter konsisten terhadap inflasi yang rendah.

Kata Kunci : *Time Consistency*, Output Gap, Inflasi, ARMA/ARIMA, dan ARCH/GARCH.