

ABSTRACT

ANALYSIS IMPACT OF TAYLOR RULE AND INFLATION TARGETING RULE TO ECONOMIC GROWTH IN INDONESIA PERIOD 2009:01-2014:12

By

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Basically Taylor Rule use a variable interest rate investment loan , the inflation gap and the output gap , while the ITF used a variable rate certificates of Bank Indonesia , inflation and core inflation. The result of analysis seeks to analyze how the application of the provisions variable Taylor when used in Indonesia and variable ITF , and to know the impact on economic growth in Indonesia . The aim of this study was to determine the effect of monetary policy variables Inflation Targetin Taylor and policy to economic growth in Indonesia. This research method using secondary data and using Vector Error Correction Model (VECM) results showed investment credit interest rate , inflation gap , gap output , inflation and GDP has an impact on economic growth.

Key Word : Taylor Rule, Inflation Targeting Rule.