

Dear Editorial Team “SIGNIFIKAN”

Submission of Paper to SIGNIFIKAN Journal

We wish to submit an article titled, “Central Bank Independence and Inflation: The Matters of Financial Development and Institutional Quality” for intended publication in **SIGNIFIKAN Journal** for your kind consideration. We declare that the work submitted for publication is original and previously unpublished. I also certify that all the authors have approved the paper for release and are in agreement with its content.

This paper talked about the consensus that widely trusted, central bank independence and inflation. Since Cukierman finds empirically in 1992 that central bank independence and inflation have negative nexus in advanced economics, all countries in the world start to accept this fact entirely included developing countries. We pay attention to the differentiation characteristic between advanced economic countries and developing countries especially in two aspects that believed in many works of literature as the important things to determine the nexus between bank central independence and inflation there are financial sector development and institutional quality. Using GMM-Arellano-Bond Approach for twenty countries both developing and advanced economies in Asian. We find that the inverse relationship between central bank independence and inflation depends on the development of the financial sector and also the institutional quality of each country. In other words, to make the central bank's independence work effectively in order to solve bias inflation, the improvement of financial sector and also the institutional quality is needed.

I believe that this paper contributes to add more evidence that discusses international about the tale of central bank independence. Our main findings are also interesting from institutional perspectives since Asian itself is still dealing with democratic issues such as legislative development, corruption prevention, citizen participation in every policy, and constitutional and election reform (*The National Democratic Institute, 2019*). Because no matter what, the central bank is an institution under an institutional system.

Thank you for your consideration of this manuscript.

Sincerely,

Agung Kunaedi

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Manuscript Title: Central Bank Independence and Inflation: The Matters of Financial
Development and Institutional Quality

Date Received: 14th October 2019

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