

**Table 14. Inflation and central bank independence (Dependent variable: inflation)**

Explanatory variables	1950-59	1960-69	1970-79	1980-89	1950-89
Intercept	5.288** (1.252)	4.457** (0.679)	17.183** (1.108)	18.670** (1.934)	11.637** (0.148)
Economic independence	-0.167 (0.261)	-0.135 (0.142)	-1.211** (0.231)	-1.913** (0.402)	-0.897** (0.148)
Political independence	-0.266 (0.275)	-0.101 (0.149)	-0.611* (0.243)	-0.429 (0.431)	-0.0277 (0.0163)
EMS	—	—	—	-0.685 (0.927)	-0.854 (0.541)
$\bar{R}^2$	0.109	0.111	0.745	0.658	0.782
SE	2.061	1.118	1.825	3.249	1.039

*Notes:* Standard errors in parenthesis. A\* (\*\*) denotes significance at the 5% (1%) level. The system is estimated by seemingly unrelated regressions, except for the last column, which is estimated by OLS.