METHODS OF IMPLEMENTATION OF CURRENCY POLICY

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Abstract: The currency policy is an important integral part of economic policy of the state. This article is devoted to the disclosure of methods of realization of currency policy of the Republic of Uzbekistan which purpose consists first of all, in protection of national currency. The author describes the main components of the currency policy is the external and internal currency relations. In this regard various definitions of scientists – economists of essence of currency policy in the state and interstate level are given; the purposes of currency policy and its components are designated: operations and mechanisms, courses of market currency. The main attention is paid to such aspects of policy, as the inflation prevention, ensuring systematic and effective development of economy, the free exchange currency relations with other states. It is noted that in the Republic of Uzbekistan the strong legislative base of financial policy is created, in particular, during world financial and economic crisis were economic measures are taken for protection of market. Among the methods of implementation of monetary policy have been identified as state monitoring of the customs activities, the method of discount, the establishment of a floating exchange rate taking into account the economic situations.

Keywords: policy of currency, currency, market, economic relations, foreign trade, solvency, internal currency, bank capitalization, currency regulation, inflation, currency relations.

Currency policy on – to a miscellaneous interprets in economic literature. For example – the currency policy is a component of economic policy of the state as a whole and the external economic policy in particular represents set of the economic, legal, organizational actions which are carried out by the state in the sphere of the international currency relations (Krasheninnikov, 2003, p. 398).

They divide currency policy on external and internal. If the foreign currency policy is carried out by the international monetary organizations, the domestic policy is explained by the relation of cost of goods domestic and foreign market to national currency. They consider that movement of the current domestic currency policy, its course, operations and mechanisms of market currency explains its application. They divide currency policy into flowing and making currency policy. It is carried out at interstate level on the basis of the currency and financial organizations.

It is policy it is generally connected with currency reform and considers that it improves the interstate currency relations. In our opinion the currency relations the making international currency relations consist from internal and the external currency relations. Others consider: currency policy – a component of domestic and foreign economic policy of the state, representing the directed actions of the government in and out of the country, carried out through impact on national currency, an exchange rate and currency transactions, it is set of economic, legal and organizational measures and forms in the field of the currency relations (Avagayan and Veshkin, 2005, p. 414).

In separate literature consider that set of economic, legal and organizational measures and the forms which are carried out by the state organizations, the central banking and financial institutions, and also the international monetary organizations in the field of the currency relations. Others consider that currency policy – set of actions of carried-out in sphere international currency and other economic relations according to tendencies strategic objectives of the country (Vahabov and Hudyakova, 2003, p. 270).

The currency policy is a strategic objective of the country a measure uniting the international currency and other its economic relations. As currency policy understand the organization in the country of the currency relations and commerce streamlining. Currency policy is a component of macroeconomic policy. In
our opinion the currency policy not only consists of macroeconomic, but also includes microeconomics as for achievement of macroeconomic resistance it is necessary to provide microeconomic stability.

We consider that on the basis of the studying, the offers enclosed from the above-named scientific economists, it is possible to explain to the following. In the development of the national economy based on the relations of market economy, currency policy, its political economic importance highly.

The currency policy of each country depends on its currency financial economic activity, the degree of participation in the international economic relations. Main objective of currency policy is prevention of inflation, discontent, and unemployment, providing systematic and effective development of economy.

For this purpose it is necessary to provide solvency of currency policy of the country. The currency policy based on currency legislation, providing arrangement the interstate, bilateral and internal currency relations. Important in currency policy – prevention of crisis of currency, restriction, the organization of converting and the free currency relations.

At the same time that the currency policy displays the relations between the countries, it is their currency as economic power, for the economic development, different ways have impact on the countries economically not developed concerning itself. Along with it, it should be noted that on the basis of economy integration in the development of the countries even if the country possesses independent economic policy development of their integration it is interconnected with currency policy.

Fig.1. Type of currency policy

In those countries that chose a way of market economy, the currency policy will provide to order the currency relations. It is necessary to notice that the currency policy is, the major factor, providing communication between the state national and world economy. The currency policy provides development of
national economy, an exchange in the world market made in its goods on the basis of economic equality. In the developed countries the currency policy differs radically from currency policy former administratively – bureaucratic state system, and these differences following:

- development of national economy not completely are based on foreign currencies;
- on the basis of development of process of production, ensuring purchased ability of national currency concerning currency of other countries;
- ensuring converting of national currency.

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It is necessary to conduct currency policy in conjunction with the development of internal socio-economic and decision external economic problems. The proper justification of the currency policy, reflected in the reasonable determination of the exchange rate, its economic result serves as the basis for the proper organization of capital movement. One of the methods of realization of currency policy is connected with a In particular during world financial and economic crisis in the republic for its prevention and elimination by one of measures and actions in 2007-2008 there was an increase of quantity of assets of bank 3,5 times. As a result the volume of a crediting of small business and private business increased in 4 times.

Economic measures carried out in the republic and actions during the world financial and economic crisis for protection of the economy against an economic crisis it is interconnected with wide use of internal resources on which it is based development of the domestic consumer market. One of the methods of application of currency policy, it is considered control of currency policy which is one of directed streamlining of the currency relations and consists of the following:

- through control of currency policy, organization state of its purchased activity;
- passing control through customs national currency, the goods possessing currency cost;
- the control, various vehicles passing through customs;
- control of the external economic currency transactions passing through customs.

As a result of implementation through currency transactions, the politician of restriction of movement of currency protects national currency. One of ways of implementation of currency policy is the policy of discount. The method of policy of discount, through support of its rate, can affect an exchange rate of currency, its balance of payments. The currency policy is also connected with control of communications interconnected with export, import. The form and method of policy of control of currency for economic development of each country, is considered a demanded problem.

From types of currency policy when forming the currency relations the special attention is paid by free circulation firm the ordered exchange rate. Degree of a floating rate of currency is defined proceeding from constant economic situations and now it is considered the main condition of currency system.

The firm exchange rate is useful to the countries taken with import, and useless for the countries engaged in export. The main reason to it is that during the period from goods purchase and sale as a result of increase of an exchange rate, the countries taken with import can have high currency profit or on the contrary can have an economic loss.

References