

THE INFLUENCE OF THE MONETARY-CREDIT POLICY OF THE CENTRAL BANK ON THE DEVELOPMENT OF THE COUNTRY'S ECONOMY

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Abstract. This article presents the nature of the financial and banking system in our country, theoretical views and practical approaches to the monetary and credit policy of the Central Bank. In addition, the impact of the monetary policy of the Central Bank on the development of the country's economy was studied by the author.

Key words: monetary policy, Central Bank, economy, monetary policy.

ВЛИЯНИЕ ДЕНЕЖНО-КРЕДИТНОЙ ПОЛИТИКИ ЦЕНТРАЛЬНОГО БАНКА НА РАЗВИТИЕ ЭКОНОМИКИ СТРАНЫ

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Аннотация. В данной статье представлены сущность финансово-банковской системы в нашей стране, теоретические взгляды и практические подходы к денежно-кредитной политике Центрального банка. Кроме того, автором изучено влияние денежно-кредитной политики Центрального банка на развитие экономики страны.

Ключевые слова: денежно-кредитная политика, Центральный банк, экономика, денежно-кредитная политика.

The development stages of the world's population, the growth of trade in goods and services largely depend on incomes and their expression in money. After all, any goods or services are produced at certain costs. This depends on the level of money circulation in the process from their production to purchase and consumption and on its working process (value).

Here we will talk about the essence of monetary policy. Monetary policy ¹ - the main path of the government in the field of money circulation and credit, and the measures aimed at ensuring the stability of the country's economy and its effective operation, and keeping the monetary system sufficiently stable. Monetary and credit policy is a component of state economic policy and is usually implemented by the Central Bank.

Through the monetary policy, the excess money in circulation is reduced or increased, measures are taken to reduce inflation. In conducting monetary policy, the Central Bank can influence the money market directly - with the help of its management powers and through money issuance.

Monetary policy is implemented through direct and indirect means. Indirect tools are carried out by directly controlling the prices (interest rates) or their volume of financial assets in financial institutions. The Central Bank controls the money in the form of deposits in commercial banks, as well as the prices and volume of loans issued by them.

Indirect means - financial institutions are influenced by the Central Bank through market mechanisms (mandatory reserve requirements, open market operations, refinancing of commercial banks and the Central Bank's discount rate, acceptance of deposits from commercial banks, etc.).

Each of the instruments used by the Central Bank serves to increase interest rates, reduce the volume of lending and borrowing, increase or, on the contrary, decrease interest rates if necessary. Open market operations, minimum reserve requirement, accounting policy, currency policy are the main components of monetary policy.

¹ https://uz.wikipedia.org/wiki/Pul-kredit_siyosati

The new stage of economic reforms aimed at liberalizing the economy and increasing the role of market mechanisms, which began in 2017, determined the priorities for the development of the banking system and monetary policy in the medium term. One of the important decisions in this direction was the practical steps related to the gradual liberalization of the domestic currency market by introducing the principles of formation of the national currency exchange rate based on market mechanisms.

The use of a completely new approach to the formation of the exchange rate, in turn, provides an opportunity to improve the monetary policy while focusing the main attention of the Central Bank on the stability of prices in the domestic market. At the same time, the successful implementation of the reforms on the liberalization of the foreign exchange market is closely related to the improvement of the monetary policy, the strengthening of the activities of commercial banks, and the effectiveness of the banking system development measures.

One of the next important steps in this regard is the adoption of the Decree of the President of the Republic of Uzbekistan on January 9, 2018 "On the fundamental improvement of the activities of the Central Bank of the Republic of Uzbekistan".

This decree defines the task of ensuring price stability as the main goal of the Central Bank, and provides for appropriate measures to ensure the independence and institutional development of the Central Bank.

The concept of development and implementation of monetary policy of the Central Bank of the Republic of Uzbekistan in the medium-term perspective was developed taking into account the leading role of the communication channel in forming public opinion and implementing the inflation targeting regime.

Ensuring internal price stability in the country is a guarantee of macroeconomic and social stability and is a necessary condition for the successful implementation of economic reforms and development programs.

In this case, low and stable indicators of inflation are considered an important factor in ensuring balanced economic growth, production

competitiveness and raising the standard of living of the population. From this point of view, the reduction and stabilization of price growth rates should be one of the main goals of the state economic policy.

Experiences of central banks of developed and developing countries and research results of international financial institutions show the undoubted priority of price stability in the implementation of monetary policy.

At the same time, the procedure and sequence of monetary policy implementation differs in different countries depending on the characteristics and structural structure of the economy.

In the conditions of free formation of the exchange rate, the stability of the national currency is achieved by maintaining its internal purchasing power.

In this case, the free-floating exchange rate functions as an internal stabilizer of the economy. In other words, when external shocks and difficulties related to the balance of payments are observed, the corresponding change in the exchange rate serves to stimulate exporters and enterprises producing import substitutes.

At the moment, it is planned to make appropriate changes to the legislation in order to prevent double understanding of the main goal of the Central Bank's monetary and credit policy and to clearly define the main direction of its activity.

In conclusion, it should be emphasized that the monetary policy of the Central Bank is an important tool for the development of the country's economy. Based on this, the following proposals were made:

- monetary policy The purpose of the concept is to convey to the general public and explain in detail the conceptual foundations of the transition to inflation targeting and medium-term plans for creating the necessary conditions for the successful implementation of this monetary policy regime;
- a low and stable level of inflation creates the necessary conditions for the conversion of savings of citizens and legal entities into long-term investments, and serves the effective distribution of available economic resources by reducing the price disparity in the domestic market;

• zero price stability or negative inflation indicators are not assumed. Price stability does not mean that prices remain in a stable state, but rather that they grow at a low level. At first glance, stable prices seem acceptable, but low and stable price changes are the most favorable conditions for the efficient functioning of the economy.

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