
УПРАВЛІННЯ РОЗВИТКОМ ЕКОНОМІЧНИХ СИСТЕМ НА ЗАСАДАХ РЕСУРСОЗАБЕЗПЕЧЕННЯ

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REFORM OF THE STATE MONETARY POLICY AS A WAY OF THE UKRAINIAN ECONOMY DEVELOPMENT

Monetary policy is an element of state regulation of the economy and one of the main influencing factors of the state's economy.

In general, the goal of state economy regulation is the sustainability of economic growth, the sustainability of economic progress and controllability in terms of proportionality of segments of the economy with the assurance of the provision of target gross quantitative macroeconomic indicators of the national economy, first of all GDP, including per capita, in the long run.

Monetary policy is a set of forms and means of state influence on the supply of money in order to balance the supply of money and demand for them [1]. Usually, monetary policy is aimed at achieving and maintaining financial stabilization, primarily strengthening the national currency and ensuring the stability of the country's balance of payments. The monetary policy of the state is traditionally considered as the most important direction of state regulation.

Recently, monetary policy conducted in Ukraine is criticized. This is primarily due to the volatile situation in the money market, the decrease in GDP growth rates, and the inflationary processes observed in the economy.

There are several concepts of monetary policy: Keynesian and Monetarist. According to the first, monetary policy only indirectly affects GDP and economic development and is less effective than other means of state regulation, such as fiscal policy. According to the monetarist concept, monetary policy directly influences macroeconomic indicators and is the most effective way of state regulation of the economy.

Instruments of monetary policy, which allow the central bank to control the money supply volume, include: change of the norm of required reserves; change in accounting rate of bank interest rate; open market operations; money emission.

Depending on the use of these instruments, the central bank may implement a policy of «expensive» or «cheap money».

Depending on the nature of the impact on the main macroeconomic indicators monetary policy may be stimulating and restrictive.

In our country, the main subject of monetary policy is the National Bank of Ukraine (NBU). In addition, other government institutes of state regulation of the economy, that participate in the formation of monetary policy are the Ministry of Finance, the government, and the Verkhovna Rada.

The central bank is the state emission center, therefore, it has a monopoly right to emission banknotes, to design it, to establish denomination, payment characteristics, and security systems. In Ukraine NBU banknotes were put into operation on September 2, 1996.

Every year, the NBU Council elaborates the principles of monetary policy in accordance with the national program of economic development.

The main objectives of the monetary policy of the National Bank of Ukraine are to ensure stable economic development, maximum employment of resources and a stable level of prices. In response to changing macroeconomic indicators, he tries to pursue a policy aimed at fulfilling the current tasks.

Today, monetary policy, on the one hand, should stimulate economic development, and on the other hand, to contain inflationary processes in the state. Independently, the NBU cannot achieve this; this requires its interaction with other government agencies – the Ministry of Finance, the Cabinet of Ministers and the Ministry of Economic Development and Trade.

First of all, such interaction should achieve low and stable inflation rates, because in Ukraine high inflation has taken on a natural tendency and undermines sustainable economic development.

Among the factors hampering the development of monetary policy is the lack of a normal stock market and the policy of targeting the exchange rate which is having

a negative impact on the development of the economy's capacity is not quite acceptable.

The ineffective cooperation between the government and the NBU on setting inflation target and the distribution of responsibility for their achievement reduces the effectiveness of monetary, fiscal and economic policies, leads to higher inflation expectations, further growth of inflation, and, consequently, lower welfare of citizens.

The lack of a strategic goal leads to the fact that the NBU performs only current tasks, and monetary policy is conducted inefficiently.

Due to the financial crisis, the banking system was weakened, while the NBU's gold and currency reserves decreased. In order to carry out an effective monetary policy, the NBU must interact with other financial and public institutions. Due to imperfect legislation and insufficiently strong legal base, the NBU cannot achieve the maximum efficiency of its functioning. The lack of a well-developed financial sector and the lack of a well-defined strategic goal are also hampered by the increase in the efficiency of the NBU.

It is possible to improve the monetary policy of Ukraine through the development of the financial sector of the economy, counteraction to the risks of currency crises, as well as by improving instruments of influence on the economy.

Monetary policy of Ukraine is at the development stage and is not perfect. The main subject of monetary policy of Ukraine is the National Bank, which has a great potential for influence on inflation processes. However, due to existing problems, it cannot be realized.

After analyzing the policy of the National Bank of Ukraine, it can be concluded that the NBU is responding to changes in macroeconomic indicators and conducts measures in an effort to promote stable economic development and maintain a constant level of prices. However, without a well-defined strategic goal, the National Bank performs only current tasks, which makes its functioning insufficiently effective.

References:

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