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Formation and development issues of currency policy

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Abstract: National currency, its conversion rate, exchange rate rule, currency liquidity situation of the country, national currency market rule are the elements that make up the national currency system. State currency regulation bodies, especially the Central Bank of the country, play a major role in this system. The national currency system, part of the country's monetary credit system, mainly serves the external economic circulation of goods, services, and capital. In countries whose economy is not developing strongly, the national currency system can also serve the internal circulation. Thus, in the conditions of unstable money circulation, the currency system can perform a regulatory function.

Key words: Currency, Economic, Regulation, Money, Circulation.

1.INTRODUCTION

In the new economic framework, currency mechanisms are explained specific to the divisions of reserve assets. The imbalance in global operations is eliminated with their help. Until the first currency meeting, the dominant word in the global community belonged to Great Britain, which she was able to maintain through the capital brought by her enslaved regions and because of her different circumstances as an exporter of finished goods and an importer of raw materials. In the concept of the first world currency mechanism, in the legal sense, it was formalized by an international agreement in 1867 during the Paris conference. Then the gold and money norms that existed until 1914 are understood. Also, the working style of the currency regime was in the form of exchange rates within the framework of gold targets. In the case of the reduction of trade processes from parity to the minimum level relying on the gold structure, the debtor parties gave importance to transactions with gold, not on the basis of foreign currency on the basis of global measures. Since the First World War, representatives of the military units have stopped the exchange of banknotes into gold, acting on the constraints of the current currency mechanism [1-15].

2. EXPERİMENTAL DETAİL

In modern times, the regulation of currency relations on a world scale was realized within the limits of the organization of the currency mechanism. The currency mechanism is the creation of a structure of world financial and economic relations strengthened by interstate agreements. As another system, the currency mechanism also includes multiple values.

- national and global currency values;
- strategic conversion factors;
- assessment of reliable currency parity;
- studying the mode of stable exchange rate;
- in general, currency difficulties, as well as the realization of currency control;
- regulation of currency liquidity;
- non-useful mechanisms of secular credit mechanisms in circulation;
- development of the settlement arrangement;
- possibilities of currency trading and gold trading;

• structures that direct and regulate reliable currency relations.

• is a currency that is available in the domestic market and outside the borders of the tour group. From that point of view, valyma has this definition:

• currency units of all countries and also type differences;

• currency exchange rates of countries outside the country's borders;

• financial and security mechanisms expressed in terms of foreign monetary resources and used in global values;

• national currency and national payment mechanism.

Another element of the currency mechanism is conversion factors. This concept is the ability of both residents and non-residents to exchange national money for foreign money in a free form, without any difficulties, and to use foreign money to make agreements with real, monetary assets. In addition, according to the form of conversion, they are distinguished:

• freely convertible money - money that can be freely and infinitely changed into other currencies;

• weakly convertible currencies - currencies of countries where foreign exchange constraints are applied to residents and where constraints are realized on different parts of their exchange processes. Such currencies are exchanged only for some foreign currencies, and this does not happen in all parts of the global payment circuit;

• restricted (non-convertible) funds. These are the currencies of countries where it is impossible to exchange national money for foreign money, where there are constraints and restrictions on their acceptance and withdrawal, trade and exchange, and where other rules of monetary regulation have been implemented.

Once again, it is clear that currency parity refers to the fixed relationship of national money to other money or other goods. Naturally, if the exchange rate becomes clear in foreign exchange trading, it is distinguished by adjusting parity [5].

It can be noted that the processes of clarifying the nominal exchange rate with the adjusted representative share of the country in currency trade are called exchange strategy regime or currency regime.

The reference exchange rate is a clearly defined relationship between national currencies, aiming to move away from it in one direction or another by not more than 2.25% in the short term [14].

A floating exchange rate with constraints is a clearly defined relationship between national currencies that expresses small changes in the exchange rate characteristic of clarified procedures.

The state is able to influence them through currency interventions based on various conditions. In some cases, an exchange rate that varies over multiple distances can be expressed as a floating exchange rate. Also, they are not taken into account by legislation.

A fixed exchange rate is a freely fluctuating exchange rate within a stable economic environment.

Thus, the currency control mechanism represents a set of activities based on the regulation of the volatility of different types of currency amounts within countries. Thus, currency constraints are expressed in restrictions, limitations, regulation, obstacles or their obligations in processes related to currency amounts. Thus, the following can be stated as the necessary targets of the currency process and currency tensions:

• Provision of strategic reliable economic security; Motivating development in possible foreign economic relations;

• Organization and development of foreign currency resources of the state;

• Realization of global guarantees of the state.

• It can be noted that currency difficulties become real when a number of factors are taken into account:

• Taking into account the scale of economic progress of the state and its currency environment;

• Modern results of the national balance of payments;

• The extent and flow of the state's official gold-currency resources;

• Conversion period of the national currency unit of the countries;

• Dynamics of the scale of import and the volume of demand for it, being in a strategic framework;

• Mechanism of economic qualities of the state;

• Coverage of the value and scale of national production of countries.

However, a necessary requirement of exchange control is compliance with exchange regulations. That regulation mainly targets the mechanism of work based on the control of the implementation of the processes and current processes related to the direction of the investment. In this sense, the types of currency adjustment and currency distress are divided into current and monetary types, respectively, from this point of view. In the concept of currency liquidity, it is understood the qualities of responding on the basis of the state's foreign obligations in a specified period of time. In this sense, in order to complete the liquidity, it is necessary to divide the country's gold currency resources into the sum of annual imports and foreign debt [13].

It should be noted that when we look at the global credit mechanisms of movement, they are regulated in the content specific to the adapted global species. The well-known Geneva Conventions are from this sphere. The regulation of transactions is realized at the scale of national and global currency mechanisms, with official representatives and images adapted for collection purposes.

In a general sense, the currency trading and gold trading regime is a national and global regulatory structure. In this regard, the activity of national structures related to the management and regulation of currency relations is regulated by national and, in rare cases, global regulation. As a result, central banks, financial centers, financial structures and others belong to these organizations.

According to its essence, the declaration of the gold exchange rate was made at the Genoa conference in 1922. After that, together with gold, foreign money that could be freely exchanged for metal was used. In the interwar period (1930s), the removal of gold from circulation and the violation of gold standards became apparent. Thus, the replacement of the currency regime showed itself. In his theoretical research, he claims that the "red norm" regime, which was managed in the countries of the world since the year 1950, became the main one. In that regime, monetary mechanisms were used to avoid the effects of currency on the central bank and to regulate payment parties. Also, the crisis of 1929-1933 During this period, some countries had to exchange their national currencies instead of formalizing gold.

A later historical type of currency mechanism was the "dollar norm" mechanism. That is the real behind the gold-exchange norm. At that time, the exchange rate was declared according to the US dollar in parities that were strictly clarified. Thus, the US currency could be exchanged for gold based on the specified exchange rate. Also, in 1944, the Bretton-Wood event, together with the American currency, earned the right of the British pound as an alternative currency. However, during the 1950s, the British pound was not recognized as a global currency. The necessity of the event was the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development [9]

These institutions achieved their greatest progress in 1959 and completed their work in 1971. It can be noted that flexible implementation of the official environment against the US currency did not belong to every country. As a rule, in early 1948, France encountered the devaluation of its national currency and the introduction of administrative management. It can be noted that in 1946, 13 members of the financial institution, and 15 in 1962, benefited from the administrative environment. Then in 1970, the dominance of the dollar weakened in the global processes. The common banks of all countries were not able to maintain the parity against the US currency.

3.CONCLUSION

Thus, currency policy, which plays an important role in the system of regulating currency and market relations as a whole, is a complex of measures implemented in the sphere of international currency and other economic relations in accordance with the current and strategic goals of the country. As a set of measures aimed at regulating interstate currency relations, currency policy is an integral part of economic policy. Its main goals are expressed in the provision of economic development, the prevention of unemployment and inflation, and the provision of balance of payments. Eliminating the currency crisis and ensuring currency stability; directions such as the introduction of currency restrictions, the transition to currency rotability, and the liberalization of currency transactions are among the main tasks of currency policy.

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