

FINANCE AND MONEY CREDIT SYSTEM. BANKS AND THEIR ROLE IN THE MARKET ECONOMY.

Ochildiyeva Naima Mengziya qizi

Termiz Institute of Agrotechnologies and Innovative Development

Amirova Dilshoda Hasan qizi

Termiz Institute of Agrotechnologies and Innovative Development

Abstract: At the same time, the successful implementation of reforms regarding the liberalization of the foreign exchange market is closely related to the effectiveness of measures to improve the monetary policy, strengthen the activities of commercial banks, and develop the banking system. It should be noted that the correct acceptance and support of the changes in the monetary and credit sphere by the population and business entities is of great importance in the new events taking place during the revision of approaches to the implementation of the economic policy.

Key words: Currency market, monetary credit, central bank, deposit, market economy.

It is known to everyone that the experience of the central banks of developed and developing countries and the results of the research of independent financial institutions show the undoubted priority of the goal of ensuring price stability in the implementation of monetary policy. The procedure and sequence of monetary policy implementation differs in different countries depending on the characteristics and structural structure of the economy. The door is a blessing. Money is a commodity with absolute liquidity. Money is an economic category in which relationships between people are expressed and constructed. The purpose of money is to save transaction costs of market interactions. First of all, it is possible to save money on the types and amounts of goods to be purchased, the time and place of the transaction, as well as the selection of counterparties for the transaction. In a barter economy, such outputs would be so abundant that the division of labor would be minimal, excluding the actualization of any exchange activity, and many types of activity would not actually exist. Otherwise, such an economy would have been formed in which, for example, an economist who wanted to get a haircut would have to look for a barber who wanted to listen to a lecture on economics.

Credit money. The expansion of the use of commercial and bank credit in the conditions where commodity relations took a general shape in economic practice led to the fact that, according to their functions, sphere of circulation (borders), guarantees, etc., different from ordinary money and with completely different rules managed credit money remains a common good. Credit money is characteristic of a somewhat developed, higher sector of the socio-economic process. They arise when capital completely takes over production and gives it a different, modified and unique form than before.

At the current stage of development of the monetary policy, priority attention is paid to the implementation of comprehensive measures to introduce modern monetary and credit

instruments, improve existing ones and strengthen their influence mechanism, as well as eliminate internal economic restrictions. In 2018-2021, in order to improve the monetary and credit policy and strengthen the role of its instruments, to analyze the liquidity of the banking system and increase the efficiency of forecasting and operations in the money market, in 2018-2021, the involvement of special technical missions of the International Monetary Fund, the advanced experience of the central banks of foreign countries it was envisaged to expand the practice of learning and exchange of mutual experience [1]. Improvement of banking supervision in accordance with international practices and standards, strengthening of the competitive environment in the banking system, and the continuation of the wide use of market mechanisms in the credit policy of commercial banks, in turn, strengthens confidence in the banking system and serves to increase the effectiveness of the credit policy. Taking into account the characteristics of the national economy, the analysis of specific aspects and effectiveness of monetary policy regimes shows that the inflation targeting regime is very suitable for the task of achieving price stability as a priority goal of the Central Bank in the medium-term perspective. Based on this, the necessary legal foundations and basic economic conditions were created for the gradual orientation of the principles and methods of monetary and credit policy implementation to inflation targeting. The possibility of conducting an independent monetary and credit policy in the conditions of Uzbekistan appeared after the introduction of the national currency in 1994. It should be noted that the measures taken in the sphere of monetary and credit in recent years in our Republic gradually reduced the level of inflation. enabled a slow reduction, provided macroeconomic stability and consistent economic growth pictures. In the development of the main directions of the monetary policy for the period of 2022 and 2023-2024, first of all, it was derived from the goals of ensuring price and financial stability in the economy, reducing the inflation rate to 5% by the end of 2023. The main directions of the monetary and credit policy include the medium-term macroeconomic development forecasts of the Central Bank and the work to be carried out in the monetary and credit sector in the coming years, the measures taken by the Central Bank in the event of changes in external and internal economic conditions, and the implementation of the monetary policy. approaches are reflected.

Banks are foreign entities and enterprises that provide loans to industrial, commercial enterprises and various other entrepreneurs on the account of the funds transferred as savings, as well as carry out other monetary relations. There are two different opinions about the historical development and formation of modern banks. According to the first theory, the emergence of banks began with the minting of gold and silver forms of money. Businessmen of that time, in their practical activities, handed over gold to jewelers based on receipts and began to use the received receipts in the form of paper money. Jewelers gradually turned into bankers by issuing receipts and taking gold with them. In the early days, goldsmiths exchange receipts for gold. Over time, jewelers noticed the amount of money they had accumulated, and began to hand over certain surplus gold to other individuals for a certain amount of compensation. This situation leads to the formation of a banking system based on private money reserves

In the coming years, along with the further improvement of the operational mechanism and the development of the money market, the Central Bank will focus on measures to implement the next stage of reforms in the domestic currency market, develop analytical and forecasting potential, and increase the efficiency of the monetary and credit policy transmission mechanism. If the central bank implements the general monetary and credit policy, the ultimate goals of which are economic growth, full employment, stability of prices and the balance of payments, its orders apply to all credit and financial institutions operating in the country. The goals and

methods of monetary policy depend on the need to stimulate the development of the main sectors of the economy, to modernize the banking infrastructure of the state. The banking system of the Republic of Uzbekistan is an integral part of the financial and monetary credit system of the Republic of Uzbekistan. The banking system in our republic consists of a two-tier banking system, which includes the Central Bank and commercial banks.

References:

1. Rashidov A. THE PLACE AND SIGNIFICANCE OF NOTARIFY METHODS IN REGULATING THE ECONOMY //Archiv nauchnyx issledovaniy. - 2022. - T. 2. – no. 1.
2. Concept of implementation of monetary policy - Central Bank of the Republic of Uzbekistan <https://cbu.uz/uz/monetary-policy/concept/>
3. Decision of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to improve the mechanism of regulation of monetary and credit indicators". 04.02.2003
4. Xiao, K., Wang, Y., Whited, T. M., & Wu, Y. (2017). Market power and monetary policy transmission: Evidence from a structural estimation. Retrieved from https://scihub.tw/https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3049665