

FEATURES OF MONETARY POLICY OF UKRAINE IN MODERN CONDITIONS

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Monetary policy is an important component of state regulation of inflation. Such a policy plays a significant role during economic crises, during the suspension of stagnation, minimizing inflation. Depending on the purpose, the Central Bank may regulate (increase or decrease) each of these components through monetary measures. Therefore, it is important to apply in practice the most appropriate monetary policy instruments.

Examining the current system of monetary relations in Ukraine, it should be noted that Ukraine continues to have a diverse monetary system (defines several objectives of monetary policy, which are related to the exchange rate, inflation, the volume of individual monetary aggregates). Implementation of monetary policy is provided by a mixed method, partly using market instruments, partly -administrative.

Construction of the future strategy of monetary policy of Ukraine should be based on an adequate assessment of the economy, its objective trends, stages of development of the banking system, stock market, institutional support of monetary policy, development of its instruments, the nature of macroeconomic and monetary parameters, etc. [1, c.67].

After researching scientific works, we identified the main problems in the implementation of monetary policy: a significant increase in price levels; distrust of the hryvnia, high inflation expectations; shadow economy, significant availability of cash on the market without its fiscalization; significant exchange rate fluctuations, devaluation of the national currency; high interest rates on loans; a large number of insolvent banks and their liquidation, as a result of which the population distrusts such financial institutions.

The main condition for optimizing modern monetary policy in terms of minimizing inflation is to increase confidence in the national currency of Ukraine, reducing the level of dollarization of the economy. The National Bank of Ukraine should act as an independent institution that takes into account the interests of all macroeconomic actors.

The National Bank in the process of interaction with the government, parliament and society should prove the ability to make professional decisions that meet the objectives of maintaining the stability of the currency regardless of the influence of political forces, timely and competent to cope with increasingly complex and responsible tasks. Development of the financial sphere and economy.

As we have already noted, the main indicator that reflects the result and dynamics of the stability of the currency is the consumer price index.

In recent years, central banks in various countries have begun to use inflation targeting. The concept of inflation targeting provides for the following: recognition of price stability as the main goal of central bank policy; public announcement by the central bank of the inflation target; active communication of the central bank with market participants regarding the goals and objectives of its work; the responsibility of the central bank for achieving the planned level of inflation; high level of transparency and accountability of the central bank.

When implementing the monetary policy, the National Bank of Ukraine adheres to the following basic principles: priority of price stability in the country; perspective nature of monetary policy decisions aimed at achieving the inflation target; application of the discount rate as the main instrument of monetary policy; compliance with the floating exchange rate regime; operational, financial and institutional independence of the National Bank of Ukraine; transparency and accountability of the National Bank of Ukraine [2, p. 5].

Inflation targeting contributes to the creation of macroeconomic conditions conducive to economic development.

Inflationary expectations of the population affect the functioning of the financial market, which affects the degree of regulation of monetary relations. Actions by the government involving changes in short-term interest rates are also influenced by inflationary expectations of businesses. The actions of the central bank must be clear to economic agents, because in this case their actions will be aimed at the goal of the central bank. The development and adherence to a single monetary policy for a long time creates the conditions for stabilizing inflation expectations, because economic agents will know how in a particular case the regulator changes the parameters of monetary policy and what changes can be expected in the future.

The National Bank ensures price stability using inflation targeting and a floating hryvnia exchange rate. The main instrument of monetary policy is the discount rate.

The floating exchange rate of the hryvnia allows Ukraine's economy to adapt to changes in the external and internal environment and resist negative influences.

Therefore, the National Bank applies a floating exchange rate regime. This means that the exchange rate is formed under the influence of supply and demand for foreign currency.

The National Bank does not set targets for maintaining the exchange rate at a certain level.

The National Bank of Ukraine does not counteract market factors in the formation of the exchange rate, but conducts foreign exchange interventions to smooth excessive exchange rate volatility, accumulate international reserves and perform other strategic tasks.

The main contribution to sustainable economic growth by the National Bank is the creation of an environment with low and stable inflation, in which: inflation is no longer a cause for concern for households and businesses; confidence in the national currency is strengthening and the scope of its use is growing; the real value of income and savings of the population is preserved; economic agents do not use foreign currency as a means of exchange, accumulation and measure of value; low nominal interest rates support investment activity and economic growth; households and enterprises adequately assess exchange rate risks and are prepared for potentially significant exchange rate fluctuations, which result in changes in the value of savings and liabilities denominated in foreign currency [3, p. 1].

In recent decades, the Ukrainian economy has suffered from volatile and unpredictable inflation, which has weakened confidence in the hryvnia and led to high interest rates on deposits and loans, high levels of dollarization and, as a result, an unstable economic environment that has hampered economic growth. This was the result of a fixed exchange rate policy, which led to the accumulation of macroeconomic imbalances and proved unable not only to ensure stable and low inflation, but also to support economic growth.

Moreover, exchange rate policy has made public expectations quite sensitive to exchange rate fluctuations. Accordingly, this created incentives for economic agents to take excessive risks, thereby limiting the possibility of using the exchange rate as a buffer against external shocks.

We believe that the main ways to optimize modern monetary policy in Ukraine in terms of minimizing inflation should be: effective implementation of inflation targeting policy; effective public debt management policy; growth of gold and foreign exchange reserves; maintaining a stable exchange rate of the national currency; increasing the transparency of the National Bank of Ukraine; stimulating savings by maintaining low inflation; directing state revenues to investment activities, not only to cover the budget deficit;

Long-term economic growth is impossible without the introduction of innovative technologies, high-tech, resource and energy-saving technologies.

Thus, the main achievement in the field of optimization of modern monetary policy in Ukraine in terms of minimizing inflation is the use of such financial instruments as inflation targeting and floating exchange rates.

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