

THE NEED TO REFORM THE WORLD CURRENCY SYSTEM IN THE CONTEXT OF GLOBALIZATION

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Currency policy plays an important role in regulating processes related to the market economy, determining the international position of the national currency and in the system of current and future economic relations of the country. It is an important and unremarkable part of macroeconomic policy in ensuring the stability of economic development, preventing unemployment and curbing inflation, maintaining the activity of the balance of payments. In recent years, foreign economic activity of Uzbekistan has been developing rapidly. With the participation of Foreign Investment, new joint ventures are emerging and joining foreign economic activity. Naturally, the contractors of this foreign economic relations have a strong need to sell or buy foreign currency in order to fulfill their obligations to foreign partners. Foreign exchange legislation, which is important in the country's economy and is the main one in the formation of foreign economic activity, should always be in continuous development and improvement. Excessive administrative regulation of currency circulation in any country opens the way for the unreasonable formation of a less effective system of preferences and preferences for individual industries and economic entities.

The emergence of unequal conditions in the conduct of business, on the other hand, leads to a violation of the market principles of competition. Attracting foreign investment, increasing the export of goods and services, in general, becomes an obstacle factor in the economic development of the country. Taking into account the above factors, a number of laws and decrees were adopted in our qualification. In addition, our President Sh.M.Mirziyoev noted that "further strengthening macroeconomic stability and maintaining high rates of economic growth, including ensuring that the state budget is at all levels proportional, the price level in the national currency and the domestic market is stable – is our top priority". At the same time, it should be said that the decree "on the first-line measures to liberalize foreign exchange policy" serves as a guideline in this. First of all, this document determines the relevance of the topic of this master's thesis in accordance with the distribution strategy for 2022–2026 and the research on the possibility of introducing market mechanisms for the regulation of the currency sector.

A currency system is a form of Organization of foreign exchange relations between countries. The currency system is a form of organization and coordination-circulation of currency relations, reinforced by national legislation or interstate agreements.

The essence, forms of organization and role of the currency system are determined by the economic system of society. The currency system provides conditions for state, resident and non-resident persons to carry out foreign economic activities. Currency law is of particular importance in the implementation of this activity of subects.

In the special literature, 3 manifestations of currency systems are distinguished, namely National, world and territorial currency systems. The national currency system is a component of the country's monetary system and does not take the field as a sum of currency relations, but determines the procedure for organizing these relations only by legislative acts. Such a procedure for organizing currency relations involves first defining elements of the currency system.

Elements of the national monetary system determined by legislation include:

1. National currency and its name;
2. National currency parity designation;
3. Terms of conversion of the national currency;
4. National exchange rate regime;

5. Regulation of the use of international credit handling weapons (regulation);
6. Determination of the ratio between the components (components) of international reserve assets;
7. Regulation of international accounts of the country(regulation);
8. Regime of activity of the national currency and gold markets;
9. The procedure for establishing currency restrictions;
10. The status of national bodies serving and coordinating currency relations.

The sum of the elements mentioned above is the currency mechanism established by the state for the implementation of international currency-credit and settlement relations. The national currency and its name are considered the basis of the national currency system, which is defined by law as the monetary unit of the state. National money used in international economic relations is converted into currency. International calculations usually use foreign currency, that is, monetary units with the status of free-flowing currencies of other countries. With these monetary units, the concept of *devis* is associated.

Foreign currency holders can freely dispose of them, that is, sell them to a bank or any third party at their discretion. No restrictions were placed on the conversion of the national currency into foreign or gold, regardless of the intended purpose.

The world economy puts before the world currency system certain requirements, which include:

- providing international exchange with payment, settlement tools that have gained confidence and are sufficient in quantity;
- supporting the relative stability and rapid flexibility of the currency mechanism to the changes in the conditions of the world economy;
- to serve the benefit of all member countries.

The fulfillment of these requirements is hindered by contradictions of reproduction, changes in the structural structure of the world economy and the ratio of forces in the world arena.

The need to reform the world currency system in the context of globalization is associated with several factors. Here are some of them:

Growth in international trade: globalization has led to a significant increase in international trade, which requires an efficient and stable monetary system to facilitate payments and settlements between countries.

Financial stability: globalization has also increased the volume of international financial flows and investments. The reform of the monetary system makes it possible to ensure financial stability, prevent financial crises, improve the mechanisms of control and regulation.

Inequality and injustice: the current world currency system can be unequal and unfair, which can lead to inequality and economic imbalance between countries. Reforming the system will help solve these problems and create fair conditions for all participants.

Innovation and technological progress: globalization is also accompanied by innovation and technological progress, which may require new approaches to the monetary system. The reforms will help to adapt to new technologies and ensure effective work in the rapidly changing global economic and financial landscape.

In general, in the context of globalization, the reform of the world currency system is necessary to ensure stability, fairness and efficiency in international financial relations. This may include changing the International Monetary architecture, regulating the financial market, and strengthening international cooperation.

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