

FEATURES OF THE MONETARY SYSTEM'S FORMATION AND DEVELOPMENT IN TRANSITION ECONOMY

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This article describes the features of development and formation of the monetary system in a transition economy. In fact, the monetary system of Ukraine developed together with the national economy, and acquired the characteristics and properties that are most consistent with the decision of problems of a certain stage of market transformation. But in modern conditions the achieved potential of the monetary system ceases to respond to challenges which can be solved to transition to a new, higher type of economic development capable of ensuring competitiveness in a globalizing world. During the transition period in Ukraine, a special importance is given to the creation of such system of state regulation of monetary circulation, which would allow using anti-inflation measures in close combination with the measures for the development of the real sector.

The study determined that the development of monetary systems transition type is associated with a certain stage of market transformation. With the achievement of certain targets for market reforms, the current model of the monetary system ceases to respond to the needs of further economic and social development of society.

State regulation of modern monetary systems is diversified with respect to different components of the money supply. Therefore,

it is possible to direct state regulation components such as paper money, the issuance of which is to finance the state budget deficit.

Generally, the modern monetary system acquired the characteristics of both the indicator and regulator of the economy. Fiscal and monetary regulations define the basic parameters of the functioning of national economies. Modern money has become a cost of signs that can only exist due to government regulation. The nature and purpose of state regulation of monetary systems and national economies have an interdependent nature of impact.

So, the monetary system is a form of organization of monetary circulation in the country, which is historically formed and enshrined in the law.

The monetary systems and level of their state regulation gradually evolved, because they have an interdependent nature. The distinctive feature of modern monetary systems is their high flexibility and adaptability to the needs of economic development.

Therefore, the need of state regulation of the monetary systems has led to the creation of the institutions of central banks. In modern market economies, central banks provide the possibility of functioning of the monetary systems in accordance with the conceptual framework of monetary policy and needs of the national economy.