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Currency System Essence and Importance

Haydarova Yorkinoy

Tashkent state economy university " Economy " department teacher

Abstract: Each of the country economic development analysis when we do in it there is currency system learning and to him price to give very big important have.Currency system of the country developed to go provider main from joints is one The following in the article currency system essence open we try to give.

Key words: Currency system, money system, gold monementalism, foreign currency.

Each independent state own national money to the system have that it was like, his currency also has a system. Currency system organizational in terms of currency relations , currency funds and this relationships done increase , currency of funds formation , distribution and again distribution with depends relationships done increasing and coordinator state organs from the total consists

Currency system is , countries in the middle currency relationships organize reach is the form Currency system is national legislation or interstate agreements with reinforced currency relationships organize reach and coordination - strive is the form[1]

Results

Currency system essence , organization maturity forms and role of society economic system with is determined . Currency system state , resident and non-resident to individuals external economic activity done increase for conditions by creating will give . Subjects this activity done on the increase currency legislation separately importance occupation is enough

" Currency " category , national and yes of farms mutually connection and relationships provides .

National currency parity mark Currency parity is , two currency between , legal basically defined ratio Monometallism during (gold or silver) currency course basis is coin parity calculated . Coin parity is different countries money units in itself metal to capacity according to mutually is to compare . Coin parity concept currency parity concept with suitable will come .

Gold monometallism during currency course gold to parity based on was In this currencies on the ground official gold amounts according to mutually are compared was In this situation currency course this gold parity around , gold points at the border , irregular basically swing was Gold of points classic mechanism 2 conditions existence in the situation action does was , that is of gold free based on trading and his aside not limited amount free take output Currency course vibration borders the gold abroad take exit expenses with defined and in practice + from parity ; - More than 1% was not Gold abroad take exit expenses freight , insurance , capital percentage losses , probani determination and another that's it such as expenses entered Gold standard void to be done with gold points mechanism own movement stopped .

The emergence of currency relations has a long historical past. The sources contain information that these relations were established in the Old Russian state in the 9th-10th centuries. In order to trade with foreign countries, Russian merchants left the territory of the country and conducted

[1]Krasav ina L.N. International currency credit and financial relations. Moscow, 2001. str. 52

trade relations with Central Europe, Byzantium, Scandinavia, Central Asia, and Arab countries. In those times, border duties and money collected from subjugated peoples were "currency values" [2].

According to the peace signed between the Russian princes with Oleg in 907 and Igor with Byzantium in 945, the Byzantines were to pay compensation to the Russians with foreign money. In these cases, one can see the initial manifestations of currency relations. Looking at history, the events of the creation of the international currency system can be conditionally divided into four stages. The first phase covers the period from the industrial revolution of the 19th century to the First World War. In 1867, in Paris, the capital of France, the countries of the world agreed to introduce the gold standard as an international currency system, and this agreement was valid until the First World War.

The gold standard has the following principles:

1) determination of national monetary units based on gold;
2) fulfillment of the function of international money by gold, and, based on this, the function of a common means of payment;
3) freely exchange banknotes in circulation of central banks for gold;
4) maintaining the ratio of the state's national gold reserve and internal money;
5) covering deficits in the balance of payments with gold. The unique aspect of this period is that there was free international currency circulation on the gold standard.

Holders of foreign currency could freely dispose of them, that is, sell them to a bank or any third party at will. Regardless of the intended purpose, there are no restrictions on the conversion of national currency into foreign currency or gold. As a result of the First World War , factors such as the non-fulfillment of mutual obligations by the states, the ban on the export of gold, led to the disruption of the normal functioning of the international currency market. As a result, gold was withdrawn from circulation and the gold standard ended. In 1919, countries failed to take measures to stabilize the exchange rate of their national currencies, and as a result, exchange rates fluctuated uncontrollably. These circumstances prompted the transition to the second stage of the development of the international currency system. In 1922, at an international conference in Genoa, Italy, the countries recognized that their gold reserves were not enough to regulate foreign trade and other operations, and agreed to use the British pound and the US dollar in international monetary circulation. As a result, the money of certain countries was not gold, but the British pound and There is an exchange procedure for US dollars [3]. During this period, the exchange rates of the countries' currencies were changing. However, this system did not last long. As a result of the economic recession of 1929-1931, this system also ceased to operate. In order to improve the situation, in 1933, a conference with the participation of 66 countries held in London discussed the issues of returning to the gold standard, granting concessions in the customs sector, breaking off foreign debts, and maintaining the stability of currencies by increasing prices. As a result of the failure of countries to reach a unanimous agreement at this conference, the world currency system was divided into the following three blocs: sterling (states of the British Empire, several Western European countries, Iran, Iraq, Egypt and Japan); dollar (Canada, Newfoundland and Latin American countries); gold (led by France, it included Belgium, the Netherlands, Switzerland, Italy and Poland) [4]. In turn, during this period, various forms of currency clearing were developed. For example, in 1931, the first clearing agreement was signed between Hungary and Switzerland, and by 1939, the number of such agreements between the countries reached 83, 53 settlement agreements, and 36 settlement agreements.

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[2] Shilov, Boris FOREX-trading: prakticheskie aspekti torgovli na mirovyx valyutnyx rynkax / Boris Shilov. - M.: I-Trade, **2017** . - 86 c.
[3] Khmyz , O.V. Mirovaya valyutnaya sistema i kursi currency / O.V. Xmyz . - M.: MGIMO-University, **2019** . - **160** c.
[4]Artemov, N. M. Valyutnye rynki / N.M. Artemov. - M.: Profobrazovanie, **2019 . -** 15 **9** c.

From the above examples, it became clear that developing countries are interested in the stabilization of national currency indicators of developed countries. In this main convertible of currencies national currency squeeze release process observed . In this developed countries currency of politics developing countries currency to politics come in to go observed . This is the process of course , to residents in foreign currency contracts make up permission done in states only done increases .

In our opinion, the directions of reforming the world currency system in the context of globalization formation in the process Currency in Uzbekistan relationships improvement in the process to the following attention focus to the goal according to:

- in our republic currency operations done increasing resident and of non-residents economic interests harm not to deliver priority to be given legal in terms of strengthen to put
- To further increase the efficiency of the currency policy of the Central Bank of the Republic of Uzbekistan, to develop instruments and markets for foreign exchange intervention;
- use of spot and RePo contracts as an intervention instrument in the interbank foreign exchange market, and carry out operations with swap and forward contracts in order to influence liquidity and exchange rate expectations in the term currency market ;
- in connection with the liberalization of the currency policy, it is necessary to use only the market mechanism in forming the exchange rate of the national currency, to form a flexible system of introducing market instruments of currency resources management .

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