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STIMULATION OF MONETARY POLICY IN THE REAL ECONOMY

There are a number of other indicators studied by macroeconomics that determine the level of socio-economic development of each country.

Let us consider the level of these indicators in some developed countries of the world and their relationship with the level of socio-economic development of these countries.

Experience shows that these indicators are not only instruments of macroeconomic regulation, but are also important instruments of active influence on the development of the economy of each country, and have close links with each other.

The analysis shows that for countries that have gone through the stage of transformation of their economy from administrative-command principles to market ones, macroeconomic regulation has its own distinctive features compared to economically developed countries.

In order to transform the economy of these countries to market principles, it was necessary first of all to carry out such painful work as the denationalization of state property.

This took some time. At that time, it became practically impossible to ensure the normal operation of medium and large enterprises, whose activities were completely focused on the integration of production in one space of the USSR, while integration ties were broken, markets for the goods produced were lost.

The morally obsolete equipment of these enterprises made it impossible to produce competitive goods for world markets.

Naturally, in such conditions, in countries with economies in transition, the level of production fell at an incommensurable pace, a financial crisis began, accompanied by uncontrolled inflation, and sometimes hyperinflation.Under such conditions, it was necessary to create the most favorable atmosphere for economic reforms.

First of all, it was necessary to take effective measures to stop and reduce the rate of inflation.

In the presence of hyperinflation, the economy of any country is in a position of deep crisis, social tension reaches its limit.

The economic life of the country is essentially in a state of paralysis.

It was under such conditions that macroeconomic policy instruments were called upon to help achieve financial stabilization and thereby create normal conditions for economic reform in these countries.

The development and implementation of short-term programs (usually at the initial stage - for one year), which provide for tough measures in the field of both fiscal and monetary policy, makes it possible at the first stage to solve such difficult tasks as stopping inflation and gradual reduction to a minimum.

Achieving these results becomes possible when a certain set of measures is implemented.

Specific tasks are set in the field of fiscal policy.

To achieve this goal, it is necessary to drastically reduce secondary costs and at the same time "cleanse" the budget from unjustified expenses.

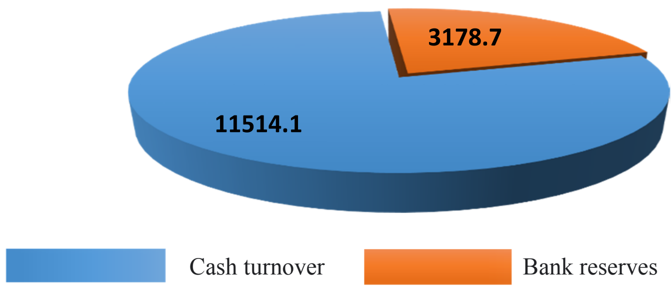
At the same time, as a result of the narrowing of the tax base, the rates of individual taxes should be increased and the task of improving work in the field of tax collection should be defined.

In the sphere of monetary policy, the issuance of loans should practically be suspended.

This can be done by raising the discount rate of central banks to such a level that it becomes almost unprofitable for most enterprises to obtain expensive loans.

Such a step is taken as follows. The rate on centralized credit resources is set higher than the rate of inflation, that is, the difference between nominal interest and inflation should have been plus so that investors could receive a real plus interest.

At the same time, a tight monetary policy is being pursued, under which the volume of cash in circulation is taken under special control.



Thus, the release of cash into circulation in the national currency should be reduced to a minimum, so the share of the money supply in relation to GDP will sharply decrease and the economy will be demonetized, which will necessarily affect the level of production and effective demand.

Thus, by minimizing or eliminating certain budget expenditures, as well as practically suspending bank lending and tightening control over the issuance of cash into circulation, the intended goals will be achieved. All these measures will ultimately make it possible to drastically reduce the amount of cash in circulation, which will reduce the need for hard currency at all levels - thereby creating the possibility of regulating the level of inflation in general with a significant, as a rule, decline in production.

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