

Студент 2 курсу

фінансового факультету ХНЕУ

THE UKRAINIAN MONETARY REFORMS

Annotation. The causes, characteristics of the monetary reforms in Ukraine and their effects have been considered. The specific stages of the Ukrainian monetary reform have been analyzed.

Анотація. Розглянуто причини, особливості проведення грошових реформ в Україні та їх наслідки. Проаналізовано конкретні етапи проведення грошової реформи в Україні.

Аннотация. Рассмотрены причины, особенности проведения денежных реформ в Украине и их последствия. Проанализированы конкретные этапы проведения денежной реформы в Украине.

Key words: monetary reform, national currency, monetary system, circulation.

There are many reasons for monetary reforms. The main aim of Ukrainian monetary reforms is to stabilize the national economy. A well-conducted monetary policy is the foundation of financial stability of the state.

The aim of this article is to describe monetary reforms in Ukraine and the evolution of a national monetary unit, beginning from the Introduction of the Ukrainian Karbovanets by the Central Rada of the Ukrainian People's Republic to the Introduction of the full-value national currency in independence Ukraine.

The novelty of this work lies in the fact that this analysis can identify the mistakes made by the previous government in order to prevent them in future.

There are many economists who worked in the same direction such as Lagutin V. D., Savluk A. I., Demkovsky A. V., R. Mundell and Henry Liu. They regarded such questions as reasons and consequences of monetary reforms, monetary circulation and others.

A monetary reform is a government policy reform centered on changes in banking, central banks, money supply, and monetary policy. It affects the way money is created and destroyed, and what constitutes a reliable measure of economic growth and measures of national income [1, p. 45].

Proclaiming the establishment of the Ukrainian People's Republic on June 18, 1917, the Central Rada introduced a new national currency – the Ukrainian Karbovanets. Its value equaled 17,424 shares of pure gold. The first banknote of the Ukrainian People's Republic of 100 Karbovanets denomination was issued by the Decree of the Central Rada on December 19, 1917. Hetman Pavlo Skoropadskyi, who came to power in April 1918, resumed the Karbovanets as the basic monetary unit of the Ukrainian state again [2, p. 23].

After the transfer of power in Ukraine to the Directory under the leadership of Volodymyr Vynnychenko and Symon Petliura in December 1918, Hryvnia again was declared as the basic monetary unit of the restored Ukrainian People's Republic.

Bolshevik money, introduced by the Soviet authorities in the Soviet Ukraine was exchanged at a very low exchange rate (1 gold Karbovanets = 5 457 000 000 Soviet Karbovanets). This forced implementation of the monetary reform and put the Soviet chervonets into the circulation in 1922 – 1924. This event signified the final introduction of the soviet currency [3].

In 1991 Ukraine became an independent state and in accordance with the new status it had its own money and its own monetary system, which could provide the issuance and regulation of the national circulation of money. Strengthening the stabilization processes in the economy in 1995 created requisite conditions for the introduction of Hryvnia, now – a monetary unit of our state in accordance with the Constitution of Ukraine [1, p. 87].

The main objectives of the monetary reforms were:

to create a national currency and monetary system as an attribute of sovereignty and independence of the Ukrainian state;

to provide the stability of the national currency for stimulating economic and social development;

to form and implement new methods and instruments for the regulation of money circulation and money market adapted to the needs of the market economy [4].

The reform began in January 1992 when issued in the cash flow Karbovanets coupon and ended in September 1996 when issued Hryvnia into circulation. Taking into account the measures that were taken during this period the reform can be divided into several stages:

The first stage (January 1992 – September 1992). The government of Ukraine began to form their own emission mechanism, and received an opportunity to provide the needs of money circulation.

The second stage (November 1992 – August 1996). The Karbovanets was finally fixed in circulation as a single national, temporary currency, and also the economic and financial conditions for its stable functioning as a means of payment. At this stage hyperinflation was overcome, the dollar was left out of cash flow, new methods and instruments of monetary regulation were introduced in practice.

The third stage (September 1996). The currency reform was successfully completed the introduction of the national monetary unit, hryvnia. The Ukrainian President's Decree "On the Monetary Reform in Ukraine" was declared on August 25, 1996. The use of the karbovanets for all kinds of payments was stopped after September 1996 and hryvnia became the only legal tender of payment within Ukraine [5].

The main achievement of the monetary reforms was able to retain stability in the money circulation, consumption and foreign exchange markets. The reform has accelerated the movement of money and increased the population's savings in bank accounts in national currency, which was an expression of confidence to the national currency [4].

In conclusion it must be said that the monetary reforms in Ukraine have become an extreme event for our state; as a result they created one of the essential attributes of statehood – a national currency.

Наук. керівн. Бойко Ю. І.

References: 1. Haritonov D. Ukrainian Paper Money / D. Haritonov. – K.: Domes, 2005. – 112 p. 2. Panchenko V. History of the Ukrainian Hryvnia / V. Panchenko. – K., 1997. – 56 p. 3. Kharitiniv D. History of Hryvnia [Elektronic resource] / Dmitro Kharitiniv. – Access mode : http://www.bank.gov.ua/eng/bank_coin/histor_grn.htm. 4. Galchinskiy A. Monetary Reform: Issues and Controversies [Elektronic resource] / Anatoliy Galchinskiy. – Access mode :

<http://realt/Statti/Index.php>. 5. Features of the Monetary Reform in Ukraine [Elektronic resource]. – Access mode : <http://1money.info/page.php=55>.