

## DEVELOPMENT OF THE WORLD CURRENCY SYSTEM I AND FINANCIAL SUSTAINABILITY

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### ABSTRACT

The article examines the development of the global financial system, its legal and economic basis, as well as analyzes new trends and tools in the global financial system based on these economic processes, resulting in a possible global financial impact.

**Keywords:** global financial system, currency relations, monetary policy, international gold and foreign exchange reserves, balance of payments, capital and credit movements, exchange rate regime, IMF, blockchain technology, cryptocurrencies, new financial innovation technologies, global finance, global financial stability.

### INTRODUCTION

It is known that the recent global financial and economic crisis has required the world currency system, which operates all over the world, to be tested again and again (financial and economic relations, especially in the field of monetary stability). This, in turn, has led to debates over the creation of a new international reserve currency to ensure global financial stability and the sustainable growth of the world economy.

In order to solve the problem of ensuring global financial stability in the world economy, various systems have been implemented, in particular, the gold standard, the gold-currency standard, the Bretton Woods system. However, the problems have not been fully resolved. At the present time, when the shortcomings of the current world monetary system are becoming more and more obvious, this issue is becoming more and more important.

In recent years (following the global financial and economic crisis of 2008), there have been significant changes in international monetary relations: the link between foreign currencies and their supply has disappeared; the movement of capital and credit in the balance of payments of countries has increased and replaced the movement of current operations in volume; Competition for the reserve currency status has intensified among developed countries. In order to ensure the stability of their exchange rate regime, countries had to accumulate highly liquid foreign currencies as a reserve and, if necessary, intervene in the process of exchange rate formation at their expense.

Today, the latest trends in the global financial system suggest that blockchain and cryptocurrencies are developing and expanding in international financial relations.

Level of learning Many foreign and domestic scientists have tried to study the stages of development of the world monetary system in their research. In particular, Age F.P. Becker studied the post-World War I and post-World War II monetary systems and the subsequent stages of development of world monetary systems through a study of the International

Monetary Fund and the World Bank (Bakker, 1996). Eskindarov and Zvonova (2016) also studied the modern stages of the world monetary system and compared and analyzed the stages. Krasavina (2001) studied international monetary relations and the currency system, the evolution of the currency system, and modern problems in this area. The European Union has also studied the formation of the currency system and the problems that exist in it.

Foreign scientists Alex Polanski (2018), Svetlana Rusova and Andrei Ryabykh (2019) tried to study the unique features of new innovative products in the world currency system, in particular, blockchain and cryptocurrencies.

Scholars Jumaev (2011) and Abdurahmonov (2011) studied the theoretical and conceptual basis for ensuring the stability of the international currency market in the context of the global financial and economic crisis and the problems of developing the national currency system in Uzbekistan. Hoshimov (2010) studied the issues of further liberalization of the foreign exchange market, while Alimardonov (2012) studied the issues of ensuring the stability of the global financial market. Rasulov (2011) tried to analyze the operations in the foreign exchange market, and Berdinazarov (2018) in his research sought to study the theoretical foundations of improving foreign exchange policy.

However, although the stages of development of the world monetary system have been studied in detail, its impact on global financial stability has not been fully studied. For this reason, it is advisable to conduct research on the topic of this article and emphasize the relevance of the research.

### ANALYSIS RESULTS

During the pandemic period, significant changes were observed in international monetary relations: in particular, the relationship between foreign exchange currencies and their supply of goods has disappeared; the movement of capital and credit in the balance of payments of countries has increased and replaced the movement of current operations in volume; Competition for the reserve currency status has intensified among developed countries. In order to ensure the stability of its exchange rate regime, each country had to accumulate highly liquid foreign currencies as a reserve and, if necessary, intervene in the process of exchange rate formation at their expense. Such cases require drastic reforms in the international monetary system. Instability in world monetary systems highlights the need to create a new global financial architecture. In particular, the crisis in Southeast Asia in 1998, the global financial and economic crisis in 2008 and other unstable conditions have created the conditions for the reconstruction or restructuring of the global financial architecture. In particular, the introduction of cryptocurrencies since 2008 indicates the beginning of new trends in the world monetary system (Polanski, 2018).

Blockchain technology (distributed registry technology), the use of "artificial intelligence" supercomputers, as well as crypto-assets are one of the areas of development of the digital economy in many countries around the world. Blockchain technologies are gradually being introduced not only in many sectors of the economy, but also in the system of public administration and other public relations (Resolution, 2018).

While the world monetary system allows countries to pursue independent monetary and exchange rate policies, it does require sufficient foreign exchange reserves to be able to do so.

In the current crisis, the reform of the world monetary system, the formation of a monetary system that serves the interests of all countries, remains an urgent issue. The current global financial and economic crisis is also affected by inconsistencies in the functioning of the US currency as a national and world currency. It should be noted that the position of the US dollar as the contract currency in international trade, investment and capital movements remains high.

Thus, in an era of instability in the world monetary system, as well as the creation of new innovative products, it is necessary to study the stages of development of the world monetary system and the study of new innovative directions.

In short, the process of globalization is creating the ground for instability in the world economy. The main factors that contribute to instability are:

- Preservation of the cycle of world economic development. This, in turn, creates the conditions for the crisis processes in one country to affect another;
- instability of the global financial system and international financial markets. This, in turn, leads to imbalances in the world economy, resulting in global financial and economic crises;

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