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PURPOSE AND TOOLS OF THE MONETARY AND CREDIT POLICY OF THE CENTRAL BANKS OF THE EU MEMBER COUNTRIES AND THE GREAT BRITAIN, THEIR LEGAL BASIS

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Naturkach R.P. The purpose and instruments of the monetary policy of the central banks of the EU member states and Great Britain, their legal basis.

The scientific article is devoted to the study of the purpose of the monetary policy of the central banks of the EU member states and Great Britain, its instruments and legal acts, in which they are fixed. The legislation of the member countries of the European Union (Germany, France, Spain, Poland, the Czech Republic, Hungary) and Great Britain, modern approaches in the science of constitutional and administrative law regarding the definition of the goal of the monetary policy of the central banks of the member countries of the EU, and the range of its instruments are analyzed. Emphasis is placed on the fact that the purpose and functions of national banks are interrelated, but not identical. The concept of the goal of the monetary policy of the Central Banks of the EU member states, the activities and instruments of the monetary policy, the functions of the central bank of the EU member states are delineated. It is argued that reducing the purpose of the activities of the central banks of EU member states and Great Britain exclusively to the implementation of legal regulation of currency circulation in the state and that the main purpose of the central banks of such EU member states as the Czech Republic, Poland, and Hungary is purely to ensure the stability of the currency - is not justified. It is argued that the main joint functions of the central banks of Germany, France, Spain, Poland, the Czech Republic, Hungary and Great Britain are to ensure the stability of the monetary unit, to promote the maintenance of sustainable rates of economic growth, to achieve and maintain price stability in the state, and to support economic policy.

It is established that the goal of the monetary policy of the central banks of the EU member states is to ensure price stability, and it is additionally substantiated that the inflationary inclination of the financial policy is the most effective. It was established that the accounting policy, the interest rate policy, and the regulation of mandatory reserve norms, the volume of the money supply, operations on the open market and operations with credit resources, the amount of interest rates, interest rates of the mandatory reserve of banks are not the purpose of monetary and credit policies, instruments of monetary policy of the central banks of EU member states and Great Britain.

Key words: bank, central bank, monetary policy, goal of monetary policy, functions of the central bank, instruments of monetary policy, price stability.

Натуркач Р.П. Мета та інструменти грошово-кредитної політики центральних банків країн-учасниць ЄС та Великої Британії, їх правова основа.

Наукова стаття присвячена дослідженню мети грошово-кредитної політики центральних банків країн-учасниць ЄС та Великої Британії, її інструментів та нормативно-правових актів, в яких їх закріплено. Проаналізовано законодавство країн-учасниць Європейського Союзу (Німеччини, Франції, Іспанії, Польщі, Чехії, Угорщини) та Великої Британії, сучасні підходи в науці конституційного та адміністративного права щодо визначення мети грошово-кредитної політики центральних банків країн-учасниць ЄС, кола її інструментів. Акцентується увага на тому, що мета та функції національних банків взаємопов'язані, але не є тотожними. Розмежовано поняття мета грошово-кредитної політики Центральних банків країн-учасниць ЄС, діяльність та інструменти

грошово-кредитної політики, функції центрального банку країни-учасниці ЄС. Аргументовано, що зведення в наукових дослідженнях мети діяльності центральних банків країн-учасниць ЄС та Великої Британії виключно до здійсненні правового регулювання лише обігу валюти в державі та що основна мета центральних банків таких країн учасниць ЄС як Чехія, Польща, Угорщина полягає суто в забезпеченні стабільності валюти – є не виправданим. Аргументовано, що основними спільними функціями центральних банків Німеччини, Франції, Іспанії, Польщі, Чехії, Угорщини та Великої Британії є забезпечення стабільності грошової одиниці, сприяння додержанню стійких темпів економічного зростання, досягнення та підтримки цінової стабільності в державі, підтримці економічної політики.

Встановлено, що саме мету грошово-кредитної політики центральних банків країн-учасниць ЄС становить забезпечення цінової стабільності та додатково обґрунтовано, що саме інфляційний нахил фінансової політики є найбільш ефективним. Встановлено, що і облікова політика, і процентна політика, і регулювання норм обов'язкового резервування, обсягу грошової маси, операції на відкритому ринку та операції з кредитними ресурсами, розмір процентних ставок, процентні ставки обов'язкового резерву банків є не метою грошово-кредитної політики, інструментами грошово-кредитної політики центральних банків країн-учасниць ЄС та Великої Британії.

Ключові слова: банк, центральний банк, грошово-кредитна політика, мета грошово-кредитної політики, функції центрального банку, інструменти грошово-кредитної політики, цінова стабільність.

Formulation of the problem.

Leading the banking system, the central bank is called upon to effectively manage the banking system, but at the same time it is a bank of banks, a lender of last resort, performs the role of an issuing bank and a state management body that ensures stability in the monetary sphere [1, p. 11]. As issuing banks of the country, central banks take a direct part in forming the supply of both cash and non-cash money [2]. Central banks perform basic functions (regulatory, control and service) and additional ones [3, p. 18]. At the same time, as M. Shchegliuk rightly points out, «...under the influence of the processes of transnationalization and financial integration, the functional powers of central banks are changing and new areas of their activity are emerging, which necessitates the allocation of such a group of functions as specific ones. ... Such functions include supervision of financial conglomerates and supervision on a consolidated basis, which is due to the integrated nature (or new quality) of financial intermediation, the development of the processes of transnationalization and globalization. With the deepening of integration processes, the list of these functions will expand» [4, p. 21-22].

At the same time, the purpose of the central banks of the EU member states, Ukraine and the CIS member states is conceptually different. Although it is common knowledge: it is the inflationary inclination of financial policy that is recognized as the most effective [5; 6; 7; 8; 9; 10].

In legal science, such scientists as M. Agarkov, L. Voronova, D. Hetmantsev, D. Zadykhailo, A. Olefir, O. Orlyuk, V. Pashkov, O. Podtserkovny and others investigated the goal of the monetary and credit policy of the central banks of the states. At the same time, the question of the goal of the central bank's monetary policy remains one of the most controversial.

The above testifies to the relevance of a comprehensive study of the purpose of the monetary policy of the central banks of the EU member states, the need to distinguish between its concept and monetary policy instruments, and the functions of the central bank of the EU member states.

The purpose of this article is to establish the goal of the monetary policy of the central banks of the EU member states.

Presenting main material.

In the scientific literature, the following regulatory functions of central banks are distinguished: 1) management of aggregate monetary turnover; 2) regulation of the monetary and credit sphere; 3) regulation of supply and demand for credit [11, p. 26]. As O. Hryshchenko emphasizes, «... such a regulatory function as the development and implementation of monetary policy belongs to all central banks. The nature of monetary policy introduced by central banks largely depends on the level of its independence from the government, which may be more or less, but not absolute. For example, target benchmarks for changes in aggregates of the money supply are usually determined directly by central banks, but central banks cannot independently, without the participation of the state, establish a currency regime» [11, p. 27].

M. Shchegluuk emphasizes that «the monetary and credit policy of the central banks of a large part of the countries is based on the principle of compensatory regulation, which combines two sets of measures at different phases of the economic cycle:

- monetary expansion policy – «cheap money» policy;
- policy of monetary restriction – policy of «expensive money» [3].

In the scientific study «Legal statuses of central banks in European countries: a comparative analysis» M. Sidak substantiates: «Both directions of measures at different phases of the economic cycle use the same tools, but of the opposite direction. The first set of measures is implemented to increase the demand for money during the crisis phase of the economic cycle, and the second - with the aim of reducing the demand for money during the recovery phase» [12]. M. Shcheglyuk proves that «...it is the complexity of the mentioned measures that is the main shortcoming of monetary policy in general» [3].

N. Biloglazova in her dissertation study «Administrative and legal status of central banks of EU member states» notes that the purpose of the central bank of an EU member state is «to implement legal regulation of currency circulation in the EU member state» [13, p. 29]. It is considered debatable to reduce the purpose of the activity of the central banks of the EU member states exclusively to the implementation of legal regulation of only currency circulation in the state.

Thus, the German banking system is headed and performs the functions of the central bank by the German Federal Bank - Deutsche Bundesbank, which has wide powers in monetary policy and the banking system of Germany, is actually responsible for the state of money circulation and price stability in the country [12, p. 352]. Therefore, the central bank of the Federal Republic of Germany carries out not only legal regulation of currency circulation in the state.

Since the creation of the European System of Central Banks, the «Bundesbank Act» has defined its tasks as follows: «The Bundesbank as the Central Bank of the Federal Republic of Germany is a component of the European System of Central Banks. It participates in this system, ensures the price stability of the euro and makes payments in the country and abroad. The Bundesbank as the central bank conducts the common monetary policy of the ESCB in Germany» [12, p. 352].

Therefore, the main goal of the Bundesbank is to ensure price stability.

The central link of the financial system of France, which creates favorable conditions for its functioning, ensuring the stability of prices and money and guaranteeing the reliability of the banking sector, is the Bank of France [14, p. 151].

The main goal of the National Bank of Poland according to Art. 3 of the Law of Poland «On the National Bank of Poland» is to maintain a stable price level and simultaneously support the government's economic policy. To achieve this goal, the National Bank of Poland contributes to maintaining the stability of the banking system, as well as the stability of the monetary unit [15, p. 352].

The goal of the Central Bank of Spain is to maintain price stability [16].

The objectives of the Bank of England are to maintain the stability, integrity and value of money; ensuring the stability of the financial system; increasing the efficiency and competitiveness of the British financial service. E. Ogorodnya emphasizes that the goal of the Bank of England's monetary policy is to ensure price stability in support of the government's economic goals, in particular, the growth of the economy and the level of employment [17].

Therefore, the central banks of the EU member states support purchasing power. General note: this - inflationary - inclination of financial policy is recognized in economic theory as the most effective.

M. Shchegluuk singles out 2 components of the goals of the central bank of the state: «... ensure the stability of the national monetary unit, conduct monetary policy: expansion in the crisis phase of the economic cycle in order to increase the demand for money, restriction - in the boom phase in order to reduce the demand for money » [3, p. 22]. At the same time, the stability of the national unit is a function of the central bank of the state. As A. Moroz rightly points out, «... their main task is to guarantee the stability of the national monetary unit» [18, p. 84].

One cannot agree with scientists who point out that the main goal of the central banks of such EU member states as the Czech Republic, Poland, and Hungary is purely to ensure the stability of the currency. Yes, referring to Art. 98 of the Constitution of the Czech Republic [19] N. Zlatina and I. Tselikovskiy note that the main goal of the Czech National Bank is to ensure the stability of the currency [20; 21]. According to Art. 32-d of the Constitution of Hungary [22], the purpose of the Hungarian National Bank is to issue legal tender, protect the value stability of the national tender, and regulate

money circulation. Analyzing Art. 227 of the Constitution of Poland [23], scientists are unanimous in the opinion that the Polish National Bank has the exclusive right to issue money, establish and implement monetary policy. The Bundesbank of the Federal Republic of Germany should facilitate the implementation of the general economic policy of the federal government and ensure the stability of the currency [18; 22].

It can be seen that the above-mentioned scientists equate the purpose and functions of the central banks of the EU member states. Ensuring currency stability, such as conducting open market operations or setting exchange rate policies or reserve requirements, etc. is a function of the central bank of the state, and not the purpose of its activity.

Conclusions.

1. It was established that the main goal of the monetary policy of the central banks of the EU member states is to ensure price stability. It is additionally argued that this - inflationary - inclination of financial policy is the most effective.

2. Accounting policy, interest rate policy, regulation of mandatory reserve norms, volume of money supply, operations on the open market and operations with credit resources, the amount of interest rates, interest rates of mandatory reserves of banks are activities and instruments of monetary policy of central banks of the EU member states, and not the goal of monetary policy.

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