Література

1. Угода про партнерство та співробітництво / Повний текст Угоди, підписаної між ЄС та Україною в Люксембурзі 16.06.1994 р. – К. : Представництво Європейської комісії в Україні, 1995. – 45 с.
2. Долішній М. Україна - ЄС перспективи регіональної інтеграції // Вісник Тернопільської академії народного господарства. Тернопіль, 2001. – С. 136–142. – (Спеціальний випуск).
3. Макогон Ю.В., Ляшенко В.И. Формы и направления межрегионального трансграничного сотрудничества. – Донецк, 2002. – 271 с.
4. Мікула Н.А. Єврорегіони: Досвід та перспективи. – Л., 2003. – 239 с.
5. Савіна Г.Г., Стоцька М.А. Проблеми інтеграції України в європейське співтовариство // Вісник Донецького університету. – 2006. – №1. – Т.2. – С.131–135. – (Серія В. Економіка і право).

In article the international economic activities as one of dominating directions of country development at the present stage are considered. The modern stages of development of world economy foresee active foreign economic activity of Ukraine, which determines basic priorities of the economy growing.

***Key words**: international economic activity, development of the state, development of economy, foreign economic activity, economy growing.*

В статье рассмотрена международная экономическая деятельность как один из доминирующих направлений развития страны на современном этапе. Современные этапы развития мирового хозяйства предусматривают активную внешнеэкономическую деятельность Украины, которая определяет основные приоритеты экономического роста.

***Ключевые слова:** международная экономическая деятельность, развитие государства, развитие хозяйства, внешнеэкономическая деятельность, экономический рост.*

УДК 332.024:323(475)

M. Mazina,
teacher of Economy and Management Department,
Kyiv International University

THE MAIN POLICY INSTRUMENTS OF POLAND IN 1997 – 2010

У статті розглядаються три основні інструменти регулювання економіки Польщі, а саме: монетарна, фінансова та валютна політики. Також мова йде про те, як вплинули на економіку країни вступ Польщі до Європейського Союзу у 2004 році та фінансова криза 2008 року, як змінився рівень інфляції та безробіття.

***Ключові слова:** обмінний курс, девальвація, концентрація, фінансова політика, розширення, монетарна політика, дефіцит бюджету, економічне зростання, валютна політика, валовий внутрішній продукт (ВВП).*

Actuality. Government should protect and defend against domestic and foreign aggression the lives and property of the people under its jurisdiction, settle disputes that arise, and leave the people otherwise free to pursue their various goals and ends in life.

Governments today are often asked to regulate and control production, to raise prices of some goods and services and to lower prices of others, to fix wages, to help some businesses get started and to keep others from failing, to encourage or hamper imports and exports, to care for the sick and the elderly, to support the profligate, and etc. Which policy instruments does the Polish government use to manage such a burgeoning economy in the right direction? In the following section I will address three of them: monetary, financial and currency policy.

The purpose and research problems. The purpose of current study is to look for the tendency of implementation of Poland's entrance to European Union in 2004 and influence of the World Financial Crisis in 2008 on economy of the country.

Methods of research. The research of the given paper is built on the psychological, organizational and economic principles of the problem-solving as well as the use of the data of Polish and international electronic resources, mass media information and scientific reports. Also, methods of the analysis and synthesis were used.

The personal contribution of the author consists in the personal author's approach to the overview of objectives and instruments of Polish economic policy in the period of 1997 – 2010; qualitative and quantitative data analysis of the results obtained.

Monetary Policy. Clearly, the institutional framework for policy-making has important implications for the policy mix. As in many countries, fiscal and monetary policies in Poland are in the hands of two independent authorities. Major legislative steps were taken in 1997 to make the National Bank of Poland (NBP) more independent and responsible for price stability.

Monetary policy is formulated by the Monetary Policy Council, an independent body of ten members. Since 1999, the NBP has been operating a direct inflation targeting regime, combined with a free float of the zloty since April 2000. On the fiscal policy side, the government is constrained by a set of fiscal rules laid down in the Constitution and the Public Finance Act which are designed to prevent public debt rising above 60% of GDP. The government must take specific steps when the public debt breaches the thresholds of 50%, 55% and 60% of GDP. Moreover, the government is now subject to the provisions of the Stability and Growth Pact, including the requirement to avoid excessive government deficits.

Poland became a member of the EU in 2004 together with other countries like the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Slovenia and Slovakia. The country is one of 12 countries, including Denmark, which has not yet adapted the euro. This is something the Polish government strives to establish as soon as possible, preferably already before 2012. Poland’s integration into the European Union has greatly influenced the economic policies which have been introduced in Poland, both before and after 2004.

The Polish government has, since the request to join the EU in 1994, had a lot of work ahead of them, when talking monetary policy. The actual negotiations started in 1998, and the period from and to the annexation in the EU in 2004 was also the turning point for the Polish economy. Poland had a huge task in terms of having to clean up public finances. Poland has historically been through something like of a roller coaster economically. Historical Poland was under occupation in both the First (1914-1918) and the Second (1939-1945) World War of Russia and the Soviet Union. The Soviet Union maintained control over Poland until the end of "Cold War" in 1989, when Poland got rid of the Communist rule.

The Polish monetary policy in the period of 1998-2003 appears to have been a 5-year preparation for the EU admission. The EU has a series of convergence criteria for its member countries, including an inflation stability requirement of less than 3.2 percent of GDP. Poland just hit 3.2 percent, and therefore just missed the criteria.

Therefore, the main purpose of the NBP is sensibly enough also to obtain a price stability in the longer term. In the short term, the tool for ensuring a stable low inflation is monetary policy. NPB published a report on the conduct of monetary policy in Poland in the period of 1998-2003, which also mainly concentrates on inflation, and the forthcoming task to meet the economic requirements for joining the EU.

Since 1999 the direct inflation target strategy has been utilized in the implementation of monetary policy. Within the framework of this strategy, the Monetary Policy Council defines the inflation target and then adjusts the NBP basic interest rates in order to maximize the probability of achieving the target. Since the beginning of 2004, the NBP has pursued a continuous inflation target at the level of 2.5% with a permissible fluctuation band of +/- 1 percentage point.

The NBP maintains interest rates at a level consistent with the adopted inflation target by influencing the level of nominal short-term interest rates on the money market. Money market rates affect loan and deposit rates at commercial banks and thus the size of loans, the demand within the economy and the inflation rate. The set of monetary policy instruments used by the NBP enables it to determine interest rates on the market.

In addition, Poland fights to meet two additional EU-criteria. The first is the requirement for stable long-term interest rates, the requirement that Poland meets; the second requirement is the requirement of exchange rate stability - the requirement to be explained in the section on currency policy.

The event, marking the second part of the specified time period is of course Poland's admission to the European Union in 2004. But did the admission to the EU at all affects monetary policy, the policy that was already being run as if they were already members of the same union?

Ones again it is the report "Monetary Policy Strategy Beyond 2003" that indicates the first major change compared to the period before the EU admission: "While the previous Strategy was oriented towards the reduction of the inflation rate, this Strategy offers a redefinition of the core task of monetary policy. Presently, the task is to stabilize inflation at a low level".

This quote from the National Bank of Poland, is that they themselves in the years 1997-2003 had done such a good job, that inflation in 2004 was stable and at a satisfactory level. Monetary policy should instead be crash treated in a way so that inflation would remain stable. This strategy, called DIT (Direct Inflation Targeting) is the only major change made in monetary policy in Poland in connection with EU admission in 2004.

The results of Poland's monetary policy is hard to argue against. Inflation in Poland in 2010 lowered at 3.5 percent of GDP, if to compare with the inflation in 1997 which was amazing 11.6 percent, a change of 8.1 percentage. Monetary policy also changed when the global financial crisis hit Poland.

NBP adjusted the instrument most often used in monetary policy when country wants to stimulate the economic activity: the interest rate. The Polish National Bank followed the development of the European Central Bank (ECB) lending rate, an interest rate that at the beginning of the crisis in 2007 was 3.75 percent. While it is 1.0 percent in February 2010.

For comparison, the Danish national bank lending rate was 4.25 percent in 2007, and after a peak of 5.5 percent in 2008, the present interest rate is 1.05 percent in 2010. Poland's interest rates were no exception, interest rates went from their peak in 2008 at 6 percent, to just 3.5 percent, in 2010, representing a change of 2.5 percent.

This simply underlines that the reduction in the interest rates, was a global trend. Poland's interest rates do not reach a level close to 1.0 percent, as both the ECB and the Danish National Bank does.

The greater interest rate in Poland can be explained due to the importance of foreign investment in Poland in 2010, which was 22 PLN billion. Therefore, it has been a balancing act between attracting foreign investors with high interest rate and stimulating national economic activity with low interest rate.

Financial Policy. A stable financial system is conducive to the implementation of the main policy objectives of the central bank – maintaining price stability which creates the foundations for long-term economic growth. Financial system stability is a situation when the system performs all its functions in a continuous and effective way, even when unexpected and adverse disturbances occur on a significant scale.

Disturbances in the functioning of the financial system and in the efficiency of the provision of financial services have a harmful influence on the standing of enterprises and households. Acknowledging the importance of financial stability, leading central banks conduct research in this area and publish financial stability reports. This aims at strengthening financial stability through the discussion of risk factors and the assessment of the capacity of the financial system to withstand negative shocks.

The dissemination of this knowledge should support financial stability through, among others, better understanding of the scale and scope of risk in the financial system. This increases the probability of a spontaneous adjustment of the behavior of these market participants that undertake excessive risks, without the necessity of public entities' intervention into market mechanisms. Thus, the information policy of the central bank is an important instrument supporting financial system stability.

To investigate what kind of financial policy has been conducted in Poland in the period of 1997-2010, it is important to explain the types of active financial policies available.

One possibility is concretionary financial policy. This kind of financial policy is used to limit demand in situations where you would like a reduction in activity, and for improving the balance of payments or to close a gab in inflation. This financial policy is exercised in practice, by reducing government spending and / or increasing taxation.

Contrary to the above is the expansionary financial policy. Here the target is to achieve a higher economic activity, and to reduce unemployment by increasing government spending or lowering taxes. This kind of financial policy into practice by the state tries to stimulate demand, either directly by purchasing goods and services, or indirectly by increasing people's disposable incomes.

An important indicator of the financial policy implemented in a given country is a balance on the public budget. EU convergence requirements for the government balance is a deficit not exceeding 3 percent of GDP, a requirement which Poland is obligated to work towards. Poland had a surplus on the government budget from 1997 to 2000, but since then, the balance turned to a deficit of 5.5 percent of GDP in 2008, when the financial crisis began. Between 2006 and 2007 alone, the negative balance rose by 2 points.

The period of 2000-2003 is an exception. During this period, the government deficit improved from -3.1 percent in 2001 to -2.5 percent in 2003, representing significant 0.6 points. With the NBP's inflation target in mind, the explanation for this, is that a very certain financial policy to reduce inflation in the country was led during this period. Compared to the EU's convergence requirements for a maximum deficit of the government balance of 3 percent, it seems that the concretionary financial policy worked as intended for Poland. As EU admission in 2004, the deficit took a decent leap, and rose in 1.5 (percentage) points from 2003-2004 landing at 4 percent of GDP, a very sharp rise, which in the report from the Polish National Bank can be explained by several onetime costs in connection with EU admission.

Years later, in 2005, the public budgets are already strong again. Deficit will be reduced by up to 2.8 points, equivalent to a reduction in budget deficit of 25 billion PLN. In 2006 according to the same report, the budget deficit lowered to a, stable and expected level of 2.7 percent of GDP.

In 2007 however, due to the financial crisis, the economic situation in Poland has changed completely. In the period of 2006-2010 the public budget deficit is expected to increase more than twice. From 2.7 percent of GDP in 2006 to 5.7 percent in 2010, representing a dramatic growth of 3 points. The financial crisis has also forced the state to implement the second type of financial policy than the concretionary policy which had been used in the period of 1997-2006. The goal went from fighting the government deficit and inflation, to stimulate the economic activity again, and to reduce unemployment. Financial policy is changed to a very expansionary financial policy, government consumption grew, and it could clearly be observed on the public balance. Another fact that made the expansionary financial policy necessary was the growing unemployment rate in the country as a result of the financial crisis.

Poland has, like many other eastern European countries, suffered from a high unemployment rate throughout the history, and in 2002 20 percent of the labor-force was not employed. With EU admission in 2004 however, the economic activity was peeking, which had a positive affect on the unemployment rate. The rate kept reducing until 2008, when it reached its lowest level ever. Namely 9.5% percent. The effects of the financial crisis have however sent unemployment in Poland up 12.7 percent in January 2010. So, unemployment increased on 2.2 points. Compare, the Danish unemployment is now 3.9 percent.

Currency Policy. Along with a sharp reduction in inflation, stable long-term interest rates and exchange rate stability, one of the main points of the NBP's report is also that in order to facilitate integration into the EU, and later EMU (European Monetary Union) requires some form of fixed exchange rate policy towards the euro. This exchange rate policy instrument is the same system used in Denmark, where the goal is to ensure that the exchange rate follows the euro stable, with a maximum fluctuation band of ± 2.25 percent.

Tabl. 1

Overview of objectives and instruments of Polish economic policy in the period 1997 – 2010

Period / Economical policy	*1997 – 2004*	*2004 – Finance crisis*	*Finance crisis – Nowadays*
Monetary policy	Goal: To fight the high inflations rate	Goal: Price stability (stabile low inflation)	Goal: Economical stimulating
	How: High interest rate	How: Medium interest rate	How: Low interest rate
Financial policy	Goal: Reducing deficit on public account	Goal: Stabilizing deficit on public account	Goal: Fight unemployment + economical stimulating
	How: Contractive financial policy	How: Contractive financial policy	How: Expansive financial policy
Currency policy	Goal: Maintain the rate of zloty within ± 15 per. of the euro	Goal: Maintain the rate of zloty within ± 15 per. of the euro	Goal: Maintain the rate of zloty within ± 15 per. of the euro
	How: Let the zloty flow with euro + devaluation (2001)	How: Let the zloty flow with euro	How: Let the zloty flow with euro

In Poland however, this band is ± 15 percent, based on the exchange rate of 400 (400 PLN per. 100 euros). For Denmark, the fixed exchange rate policy is the necessity as a member in the EU's exchange-rate agreement ERM2 (European Exchange Rate Mechanism), which aims to ensure stable exchange rates between the euro area and EU countries that have not adopted the European currency.

Poland is however not included in ERM2, but the Polish National Bank nevertheless chooses to follow the ECB's lending rate, and is simultaneously trying to stay within the mentioned ± 15 percent relative to the euro rate. Again, a reflection NBP is mentioning in its report, and justifying it with the economy must be geared to cope with the transition to the EU's currency mechanism painlessly. But which tools can the Polish National Bank use to ensure that the zloty's value remains within ± 15 percent of the euro exchange rate?

One method is to buy and sell currencies. If the price is above the upper fluctuation limit, the NBP can sell the euro from its foreign reserve. This will increase supply and thus push the price of the euro down. Conversely, NBP buy euro currency reserve if the euro rate is low. This increases demand and price also increases. If the NBP must realize they have not been able to keep the value of the zloty within the ± 15 percent over a long period of time, it may resort to devaluation and revaluation.

A devaluation of the zloty means that the euro exchange rate increased, while a revaluation would otherwise increase the zloty value by lowering the price of the euro. In 2001, the NBP actually made a devaluation of the zloty, which otherwise is rare in recent times. Euro price very rarely comes near the limit of the fluctuation band as stabilizing speculation helps to ensure that rates remain relatively stable.

Poland has, as already mentioned, led a foreign policy where the zloty is flowing towards the euro since 2000, which means the price determined by supply and demand. Therefore, the fact is that if the euro exchange rate is just a bit over 400 zloty, investors will start buying zloty, while a slight decrease below 400 zloty will get them to buy euro. The rate is usually keeping in a stable truce.

This exchange rate policy with a floating currency, combined with a targeted monetary policy to combat inflation, is viewed by leading economists as a combination that fits well with the Polish economy at the time when future membership of EMU is just around the corner. If we take the whole period from 1997–2010 there have been ongoing in Poland uniform monetary policy through all years, except for the devaluation of the zloty in 2001. Monetary policy's only purpose in the period, has been remained within ± 15 percent of the euro, for the eventual transition to the very same euro.

Conclusions. Measures employed by governments to influence economic activity, specifically by manipulating the money supply and interest rates. Monetary and fiscal policy are two ways in which governments attempt to achieve or maintain high levels of employment, price stability, and economic growth. Monetary policy is directed by a nation's central bank.

Regarding the economic policy applied during the period of 1997-2004, it can be concluded that monetary, financial and currency policy, to a greater or lesser extand, were tools used by the Polish government to prepare for EU admission, and after 2004 to live up to the EU convergence requirements.

The relationship between the fiscal and monetary authorities in Poland in recent years appears to be broadly consistent with a leader-follower model. The fiscal authority (the government) can be most of the time viewed as the leader. The NBP responds to fiscal developments in setting its policy in line with inflation targeting. It ultimately determines the macro policy stance.

In light of this and the broader uncertainty that characterizes the context in which economic policy is set, the fiscal authority appears be too timid to reduce the deficit, which has had an impact on the stance of monetary policy. As a result, the policy mix has resulted in "higher deficits and higher real interest rates" than those obtained under cooperative solutions. For instance, while both fiscal and monetary policy eased during 2001-2002, the pace of monetary easing was more hesitant than it could have been with a tight fiscal policy. Monetary policy in the period until 2004 was mainly aimed at combating inflation through high interest rates, while after 2004 it was aimed to maintain price stability. After 2008, the financial situation in Poland resulted in a low rate of economic growth, due to the financial crisis.

Financial policy has, after the financial crisis, through an expansive strategy, the same purpose as the monetary policy in the period – creating of economic stimul. From 1997 until 2008 the following conclusion can be made the financial policy was highly concentrated on contractive policy to target the deficit in public budgets. Finally, it can be concluded that the zloty exchange rate, due to the floating against the euro for the whole period, has been stable, with the exception of the zloty devaluation in 2001.

Plans of the Government are directed mainly to solving problems of the transitory period before becoming an EU member-state. After obtaining its membership, the power policy of the state will comply with priorities of the EU policy. One of the advantageous effects will include, e.g., a wide inflow of the capital and modern power generation technologies, as well as the environmental protection, facilitating the realisation of supreme goals of the state policy.

Ideally, government should be a sort of caretaker not of the people themselves, but of the conditions which will allow individuals, producers, traders, workers, entrepreneurs, savers, and consumers to pursue their own goals in peace. If government does that, and no more, people will be able to provide themselves much better than the government possibly could. These tasks are a result of a number of consultations, an exchange of opinions and initial agreements, so they can be controversial for many circles, insufficient for other ones, and intervening too much into the free market for others. In such a situation, the suggested activities will require a consensus and political will to realize them in many cases. Plans set out directions for the realization that should concentrate on activities of public administration bodies, self-governments, and power enterprises.

References

1. Monetary policy in Poland in the second half of 1990s: current issues and strategic challenges, “Materialy i studia”. No 72, Warsaw: National Bank of Poland, 1998.
2. “Poland and European Union: The Monetary policy dimension. Monetary policy before Poland’s accession to the European Union”, Bank i kredyt, May 2004, pp.4-18.
3. The portal of National Bank of Poland [Електронний ресурс]. – Режим доступу: http://www.nbp.pl
4. The portal of Organization for economic co-operation and development [Електронний ресурс]. – Режим доступу: http://www.oecd.org/home

A given article is devoted to the main policy instruments of Polish government. There are monetary, financial and currency policies. It also considers how the entrance of Poland to European Union in 2004 and the World Financial Crisis in 2008 influence the country’s economy, what are the tendencies of inflation and unemployment there.

Key words: *monetary policy, financial policy, currency policy, expansion, exchange rate, concentration, devaluation, budget deficit, economic growth, gross domestic product (GDP).*

В статье рассматриваются три основных инструмента регулирования экономики Польши, а именно: монетарная, финансовая и валютная политики. Также речь идёт о том, как повлияли на экономику страны вступление Польши в Европейский Союз в 2004 году и финансовый кризис 2008 года, каковы тенденции уровня инфляции и безработицы.

Ключевые слова: *монетарная политика, финансовая политика, валютная политика, расширение, обменный курс, концентрация, девальвация, дефицит бюджета, экономический рост, валовой внутренний продукт (ВВП).*

УДК 336.744

М. А. Швайка,
д. е. н., професор, академік Академії економічних наук України,
Заслужений діяч науки і техніки України,
директор НДІ економічних і гуманітарних наук,
Київський міжнародний університет
А. Б. Пельо,
науковий співробітник НДІ економічних і гуманітарних наук,
Київський міжнародний університет

ДО ПИТАННЯ ПРО ШЛЯХИ ПОДОЛАННЯ СВІТОВОЇ ФІНАНСОВОЇ КРИЗИ

У статті розглядаються причини, які призвели до виникнення світової фінансової кризи і сформульовані рекомендації з її подолання. Зокрема, рекомендується запровадити нову світову резервну валюту замість американського долара і створити світовий банк. Даються рекомендації з реформування світової фінансової системи і здійснення суворого контролю за емісією грошей.

Ключові слова: *фінансова криза, резервна валюта, фінансова система, світовий банк, світова валютна система*

Побудована на доларі міжнародна валютна система має дуже серйозні недоліки. Перетворення валюти однієї країни в міжнародну, причому без будь-яких зобов'язань і відповідальності, надало цій країні величезні вигоди й переваги у здійсненні кредитної експансії, створивши значні можливості її урядовцям і бізнесменам для зловживань.

До 1973 р. світову валютну стабільність забезпечувала система фіксованих обмінних курсів, сформована 1944 р. на Бреттон-Вудській конференції. Курс американського долара і курси всіх інших валют були прирівняні до певної частини золота за певною ціною. Бреттон-Вудська система служила квазізолотим стандартом, бо всім іншим країнам гарантувалося право конвертувати їхні долари в золото за обмінним курсом — 35 доларів за 1 унцію золота.

Коли в 1973 р. обвалилась Бреттон-Вудська система, країни світу повинні були домовитися