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THE PROBLEM OF THE STABILITY OF THE NATIONAL CURRENCY DURING THE WAR

Ключові слова: національна валюта, курс валют, грошова емісія, війна.

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The problem of the stability of the national currency is quite urgent. In recent years, the exchange rate of the Ukrainian hryvnia has been quite volatile, which has reduced confidence in the national currency. High interest rates on deposits and loans and a high level of dollarization hampered economic growth. With the introduction of martial law on the territory of Ukraine, this problem became even more acute. Without economic stability, the national, political, economic, ecological, etc. security of Ukraine in the world community and the commonwealth is impossible.

The goal is to analyze the stability of the national currency in wartime conditions.

For more than a year, Ukraine has been living in the conditions of a full-scale war. However, the economy is constantly developing under new limited conditions. First, the NBU issued the Resolution «On the operation of the banking system during the introduction of martial law» [2], and then amended Resolution № 18 of February 24, 2022 «On the operation of the banking system during the introduction of martial law» [3]. To prevent a possible sharp devaluation of the hryvnia at the beginning of the war, the NBU fixed the exchange rate of the hryvnia against foreign currencies as of February 24, 2022. The official exchange rate of the hryvnia to the dollar was 29,25 UAH/\$, and the exchange rate of the hryvnia to the euro was 33,17 UAH/euro [1].

Restrictions on banks setting exchange rates for cash and payment card transactions were lifted on May 21 – the first step toward a return to a floating exchange rate (however, a return to a fully market rate is unlikely to happen anytime soon) [7].

Since the beginning of the war, the NBU has suspended the operation of the foreign exchange market, except for operations on the sale of foreign currency. The regulator also introduced the following changes:

1. Temporary ban on cash withdrawals in foreign currency [3]. On March 1, the regulator revised this limit and allowed foreign currency to be withdrawn from currency accounts in the amount of up to UAH 30,000 per day [8], and on March 21, it increased the limit to UAH 100,000 equivalent per day. At the same time, the limit for withdrawing cash from cards of Ukrainian banks abroad was 100,000 hryvnias per month in the equivalent of [9], and from May 20 it was temporarily reduced to 50,000 hryvnias. In a month and a half – on April 14 – the National Bank allowed banks to sell currency to the population within the balance between the total volume of currency purchase and sale. However, the final decision regarding the possibility and amount of currency sales to customers is made at the bank branch level [4].

2. Since the beginning of March, the NBU has allowed the use of payment cards abroad for calculating and receiving cash [8]. The NBU also allowed foreign currency transfers to pay pensions to Ukrainians abroad [10], and later – to pay alimony [11].

3. Temporary permission for citizens to export currency in the amount of up to 10,000 euros without providing supporting documents [12]. The requirement to provide confirmation was returned on March 13 [13]. Since the banking system proved to be resistant to the shock of a full-scale war, on April 4, the National Bank, with certain exceptions, returned the standard requirements for banks to control the currency transactions of customers [10].

4. A temporary ban on buying virtual assets for hryvnias and restrictions on the purchase of such assets for currency in the amount of up to 100,000 hryvnias per month equivalent [14]. The NBU also limited P2P transfers in hryvnia and foreign currency to the equivalent of 100,000 hryvnias per month.

5. Temporary ban on foreign payments for the purchase of securities and payment of brokerage accounts with cards of Ukrainian banks [11].

On July 21, 2022, the National Bank adjusted the official exchange rate of the hryvnia against the US dollar by 25 % to UAH 36,5686/USD. «Such a step will make it possible to increase the competitiveness of Ukrainian manufacturers, bring currency rates closer to different groups of businesses and the population, and support the stability of the economy in wartime», the NBU explained [5]. The National Bank could no longer maintain the exchange rate at the level of UAH 29,25 per dollar, as it ceased to correspond to reality and gradually lost its role as an anchor of expectations. Continuation of this policy will allow the NBU to control inflation. The highest exchange rate of the hryvnia against the dollar was observed on September 22 – 42,00/43,00 [6].

On July 29, 2022, the National Bank of Ukraine issued a resolution «On the peculiarities of regulation and supervision of cash currency trading activities under martial law» [6]. In accordance with this decision, institutions that have a license to trade currency values are prohibited from:

- To inform about the established rates of buying and selling foreign currency, about carrying out currency exchange operations in any form outside the boundaries of the institution and its branches, in buildings, structures, special temporary and stationary structures located in open areas, on the street on external surfaces of buildings, on elements of buildings, street equipment, streets and over the carriageway of roads, including pillars, floor racks, mobile currency exchange points, electronic (LED) currency exchange signs.

- Use special temporary and stationary structures, including a column, floor rack, mobile currency rack, electronic (light-emitting diode) placed in buildings, inside buildings, in open space, on external surfaces of buildings, structures, elements of street equipment, above the carriageway of streets, roads, currency exchange boards to display any digital values and symbols [6].

These institutions must provide information about the exchange rate only at the cash desks of the institutions and only in the form of a copy of the order (order) on setting exchange rates. According to the head of the NBU, Kyrylo Shevchenko, the National Bank is considering the possibility of returning to a floating exchange rate in order to increase the stability of the currency market. However, not all currency re-

strictions will be lifted. Some experts believe that when the NBU releases the exchange rate, the hryvnia will begin to fall rapidly, regardless of when it happens. The occupiers caused great damage to the Ukrainian economy. After the war, significant funds will be needed for its reconstruction, so the National Bank should increase the money supply by issuing money.

We can conclude that the devaluation of the hryvnia will continue even after the end of the war. Thanks to the NBU, the exchange rate of the national currency did not jump too high in the first weeks of the war. Currently, the National Bank keeps the hryvnia at a stable level, but due to speculators, the exchange rate is unstable and may exceed UAH 40/dollar. Ukraine is quite a strong state, and now every country is convinced of this. After we kick Russia out of our territories, we will immediately start rebuilding the economy.

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ACTIVITIES OF THE UNITED NATIONS DURING THE RUSSIAN-UKRAINIAN WAR

Keywords: *United Nations, League of Nations, Security Council, peacekeeping, military.*

Ключові слова: *Організація Об'єднаних Націй, Ліга Націй, Рада Безпеки, миротворчість, війсьکو.*

The United Nations was created in 1945 at the end of World War II. Its predecessor was the League of Nations, which was formed in 1919. During the First World War, the idea arose to create an international organization to develop world cooperation and ensure world peace. However, bureaucracy and the lack of a clear mechanism for decision-making and concerted action led to the weakening of the League of Na-