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NATIONAL CURRENCY OF THE GOVERNMENT FOR THE DEVELOPMENT OF FINANCIAL LITERACY

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Annotation. The welfare of any country depends on its economy; this is a well-known fact. But even in the 21st century in Kazakhstan, many people still do not understand the essence of money, do not know that money creates money, that they must always circulate, and so on. Citizens at the intuitive level understand the value of money. All this suggests a low level of financial literacy.

Financial culture in the modern developed and rapidly changing world has become another vital element in the system of skills and rules of behavior. Financial literacy allows a person not to depend on circumstances, on the will of other people, the system.

Financial education contributes to the adoption of informed decisions, minimizes risks and, thereby, can increase the financial security of the country. A low level of financial literacy and lack of understanding in personal finance can lead to illiterate planning of future spending, vulnerability to financial fraud, over debt and social problems, including depression and other personal problems.

The need for financial education of the population is growing exponentially, because financial literacy is inextricably linked with the state, as the economy of the whole country is made up of thousands of different economic decisions of every citizen.

Therefore, today, studying the problems of developing financial education and improving financial literacy of the population is a strategic direction of Kazakhstan's policy. And in order to understand how to increase the level of financial literacy of the population it is necessary to turn to those countries that have already reached heights in this matter.

Keywords: currency, commercial banks, devaluation, inter-bank operations, unsecured credits, whole sale market.

A *currency*, in the most specific use of the word, refers to money in any form when in actual use or circulation as a medium of exchange, especially circulating banknotes and coins. A more general definition is that a currency is a system of money (monetary units) in common use, especially in a nation. Under this definition, US dollars, *British pounds*, *Australian dollars*, *European euros* and *Russian rouble* are examples of currency. These various currencies are recognized stores of value and are traded between nations in foreign exchange markets, which determine the relative values of the different currencies. Currencies in this sense are defined by governments, and each type has limited boundaries of acceptance.

Euro. The euro is now the official monetary unit of 12 member nations of the European Union. First introduced on January 1, 1999, and phased in over a three-year period, the euro was seen as a necessary step toward a European common market. It is intended to make trade more efficient, make price comparisons easier, and stabilize interest rates overall. *Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain* are European Union member nations that have accepted the euro as their official currency. *Britain, Denmark, and Sweden* are not using the euro but may decide to join later.

(1) Whole sale market: Euro currency market is wholesale market. Size of transactions is large. Transactions are rarely for less than \$ 1 million and sometimes they are for \$ 100 million.

(2) Inter-Bank operations: The vast bulk of Euro currency market is confined to inter bank operations.

(3) Unsecured credits: No doubt Euro currency borrowers are big corporate who have status and name in the market and thus credit risk is comparatively low. As, Euro currency loans are unsecured credits, special attention is required to judge credit worthiness of borrower before providing any loan.

(4) Concentrated: Euro currency market is focused upon London who is almost 1/3 of Euro currency market.

(5) Telephone linked: Euro currency market is linked through Tele communication, which has facilitated Euro currency transaction.

(6) Commercial banks: Commercial banks play dominant role in Euro currency market. They act as both depositors and lenders. They accept primary deposits & enter into interbank transactions with Euro banks. These features led investors to move their funds more freely. It gives lenders and borrowers more options. Maturity Transformation: Euro banks are also engaged in maturity transformation by borrowing short and lending long.

Tenge. The currency abbreviation or currency symbol for the Kazakhstan tenge (KZT) is for the currency of Kazakhstan. The tenge is made of 100 tiyn. The name of the currency denotes a set of equal scales.

The tenge was first seen in 1993, replacing the Russian ruble. The first tenge coins were actually minted in Germany, and a mint for paper currency began operation within the country in 1995.

Kazakhstan left the rouble zone one of the last of countries of the Former Soviet Union. The national currency of Kazakhstan came into circulation on 15 November 1993 with exchange rate of 1 Tenge – 500 Roubles of USSR. The name 'tenge' comes from medieval Turkic silver coins 'denge' or 'tanga', from which the Russian coin 'denga' comes from too and of course the current Russian word 'dengi' for money. The modern tenge continued traditions of big cities of medieval Kazakhstan, Otrar and Taraz, where money was coined already in 13th century.

The first money of the sovereign Kazakhstan were coined by an old English company 'Harrison and sons'. National banknote printing factory was opened in the country in 1995. Today, tenge has 18 levels of protection, and is included in the list of the most protected currencies of the world. Currently, there are the following banknotes to the value of 200, 500, 1000, 2000, 5000, 10000, 20000 tenge and coins – 1, 2, 5, 10, 20, 50, 100 tenge.

In February 2014, the National Bank of Kazakhstan announced devaluation of the national currency. The new exchange rate of tenge was 185 tenge to 1 US Dollar. (Previously being 155,5tenge to 1 US Dollar). Devaluation has been carried out in order to increase foreign competitiveness and support commodity producers of Kazakhstan in world market.

The day of introducing the national currency of Kazakhstan is announced the Day of National Currency. 15 November is also a holiday for employees of the financial system of the Republic of Kazakhstan.

Pound sterling. Pound sterling is a monetary unit that is:

- the national currency of the United Kingdom of Great Britain and Northern Ireland, which includes England, Scotland, Wales and Northern Ireland;
- the parallel currency of the crown lands of Guernsey, Jersey and the Isle of Man;
- legal mean of payment for British overseas territories: Falkland Islands, Gibraltar, Saint Helena, Ascension and Tristan da Cunha.

The international designation of the pound sterling – GBP. The pound sterling is the oldest currency in Europe. In addition, the British pound is considered one of the most stable, and therefore – the reserve – the currencies of the world. In the FOREX market, the British pound sterling is included in the group of major currencies.

However, despite all the above facts, financial literacy remains low. According to the last population poll, (March 2018) one-in-three adults in England and Northern Ireland (NI) cannot work out the correct change from a shopping trip (according to new research from UCL Institute of Education (IOE) and University of Cambridge).

The findings show that adults in England and NI perform worse on everyday financial numeracy tasks than adults in many other developed countries – even when using a calculator.

The study also finds that four-in-ten adults in England and NI could not correctly apply a simple discount to an everyday household product they might buy when shopping. In addition, when it came to interpreting a graph containing basic financial information, more than half of adults in England and NI fail. According to the results of this poll, economists concluded that such a lack of financial literacy could lead to an economic crisis in the country.

Thus, we have studied the history of the creation of three currencies: tenge, euro and pound sterling. And came to the conclusion that the historical currency is the national currency of England, then the domestic currency is tenge, and after that a currency appeared – the euro. However, today the level of financial literacy of the population of England requires improvement, i.e. prosperity today does not guarantee economic growth tomorrow. Therefore, the formation and development of financial literacy of the population of Kazakhstan should be constantly, i.e. lifelong, and with this financial literacy exercise must be at the state level.

Also it should be noted that a stable currency becomes a reserve currency at the international level, as the pound sterling and on the FOREX market is recognized as the main currency. It turns out that the national currency tenge should also strive to be stable and recognized in the global financial space. And the euro currency is in demand in the global space, is the global payment instrument of many countries, not only the countries of the European Union.

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