

**ANNOTATION**  
**to the thesis**  
**of Assel Valitkhanovna Khamzayeva**  
**for a PhD degree**  
**in specialty 6D051300 - World Economy**

**“Trends in development of the global currency system and the foreign  
exchange policy of the Republic of Kazakhstan”.**

**Research rationale.** At the present stage, the consequences of the global financial and economic crisis of 2007-2008. continue to have a negative impact on the global economy, which is characterized by a high degree of volatility, instability, inconsistency and inconsistency of the economic policies of leading powers, integration associations, etc. This situation threatens with new complications in the global economy and characterizes its future in many respects uncertain. One of the main reasons for this uncertainty is the instability of the world monetary system (IMF), due to the unregulated expansion of financial markets and instruments, the liberalization of international capital flows, the increasing influence of transnational financial institutions on the economies of developing countries, and the dollarization of the world economy. These global trends create financial imbalances in favor of developed countries, not taking into account the interests of developing countries. The consequence of these factors was “deglobalization,” the development of polycentrism and monetary and financial regionalization, which in turn led to protectionism, trade, currency, and sanctions wars. One of the main reasons for this uncertainty is the instability and inefficiency of the world monetary system (IMF). Thus, the structural principles of the Jamaican currency system, developed in the 60s. XX century in the interests of leading developed countries, primarily the United States of America (USA), ceased to correspond to the realities of the global economy. These global trends create financial imbalances in favor of developed countries, not taking into account the interests of developing countries. The consequence of these factors was “deglobalization,” the development of polycentrism and monetary and financial regionalization, which in turn led to protectionism, trade, currency, and sanctions wars. In these conditions, the topic of reforming the global currency system and regulating international currency relations, especially foreign exchange rates, becomes extremely urgent.

To reform the world monetary system, a qualitatively new approach is required, taking into account not only international experience, but also the features of modern trends. The modern expert community offers various conceptual approaches to reforming the IMF. Among them, a decrease in the role of the dollar as an undivided dominant international currency, the formation of a polycentric world pattern, the formation of currency associations in order to diversify international currency liquidity. But as practice shows, the activity of integration groups in the monetary sphere remains ineffective, since the monetary policy of countries is not a separate problem, but is an integral part of the monetary

system and the economic policy as a whole. Therefore, currency integration requires a coordinated and well established joint economic policy from its participants.

Currency stability is one of the final and most important indicators of the effectiveness of foreign economic activity and the international competitiveness of the country's economy. The Republic of Kazakhstan (the RK) has become a full-fledged subject of the global economic system, including closer integration relations within the framework of the Eurasian Economic Union (EAEU), one of the final stages of which is the transition to a currency union. Since the introduction of the national currency - tenge, its constant depreciation has been noted in the conditions of commodity dependence and a non-diversified economy. In this regard, the study of the stability of the national currency exchange rate, the development of the national monetary system, the effectiveness of the monetary policy, on which the prospects for integration into the global and regional economies, as well as the achievement of sustainable economic growth, is becoming increasingly relevant.

The topic of the dissertation has a long history and is represented in economics by numerous theories of different eras and economic schools. There is also considerable practical experience (formally since 1871) in regulating international monetary relations. Thus, the development of the dissertation research predetermined the study of extensive theoretical material. However, the existing theoretical backlog and practical experience were insufficient to answer the challenges of the XXI-st century economy, which served as the reason for choosing a more in-depth study of the problem in the new conditions.

**The goal and objectives of the research.** The goal of the thesis research is to develop the theoretical foundations for improving monetary policy and identify perspective directions for increasing the effectiveness of currency regulation in the Republic of Kazakhstan, taking into account theoretical and practical international experience in the conditions of instability and transformation of the modern world currency system, intensification of the processes of currency integration, as in the world and within the framework of the Eurasian Economic Union.

Achieving this goal led to the setting and solution of the following tasks:

- summarize the basic theoretical concepts of currencies, exchange rates, international currency regulation;
- identify the main reasons for the instability of the modern world monetary system, the volatility of key and national currencies;
- analyze the conceptual proposals for reforming the global monetary system and evaluate their possible consequences;
- analyze the experience of the formation and development of international currency associations with the assessment of potentially positive and negative effects regarding integration processes within the EAEU;
- summarize the experience of the formation of the currency system of Kazakhstan and identify possible directions for improving foreign exchange regulation in the Republic of Kazakhstan;

- analyze and summarize the experience of currency cooperation within the EAEU and assess the forecast risks in the transition to the next stages of currency integration.

**Research object** is the world monetary system in terms of its interaction with regional and national currency systems, the effective and uninterrupted functioning of which in modern conditions is a decisive factor in the sustainable and balanced development of the global economy as a whole.

**Research subject** is the economic relations of regional groups and national governments, including Kazakhstan, aimed at improving the monetary policy in order to ensure a stable collective or national currency and protect the economic interests of countries in the context of global competition.

**Theoretical and methodological base of the thesis research.** The theoretical basis of the thesis was served by fundamental studies on the global currency system and monetary and financial regulation, presented in the classic and modern works of foreign and Kazakhstani academic economists. The validity of the conclusions was made on the basis of general scientific methods: monographic survey, analytical and systematic approaches, historical-logical, comparative, structural, statistical, correlation analyzes, methods of induction and deduction, systematization and graphical analysis. The economic and mathematical model is used as a method of analyzing and assessing currency risks with in-depth integration of Kazakhstan within the EAEU.

**Information and empirical base** is represented by researches of foreign and domestic scientists, statistical data and analytical reviews of international and state organizations: International Monetary Fund, World Bank, Bank for International Settlements, World Gold Council, European Central Bank, Central Banks of England, Japan, US Federal Reserve System, People's Bank of China, Central Banks of the Commonwealth of Independent States (CIS), Eurasian Economic Commission.

**Regulatory legal base** of the thesis research is presented by regulatory legal acts and recommendations of international organizations as well as legislative acts of the Republic of Kazakhstan regulating the national financial system and foreign economic activity.

**Scientific novelty.** The scientific novelty of the thesis research is to obtain the following results:

- concluded that at present in the world economic science there is no main conceptual vision of the future IMF on the basis of the analysis of theoretical concepts of currencies and exchange rates of various economic schools and directions;
- revealed that the main reasons for the instability and inconsistency of the modern IMF are the uncoordinated actions of national regulatory authorities in the monetary sphere in a crisis;
- concluded that the most promising from the point of view of the author is the idea of a supranational world currency that is not tied to national currencies with the corresponding reform and reorganization of the IMF based on the analysis of various concepts of reforming the IMF;

- developed recommendations on the intensification of integration processes in the monetary sphere within the framework of the EAEU and proposed perspective forms of cooperation taking into account the experience of more mature integration groups;
- proposed a number of recommendations on improving the monetary policy and currency regulation in the Republic of Kazakhstan to strengthen the stability of the national currency;
- developed a mathematical model that shows the impact of introducing a single currency on international trade between Kazakhstan and Russia within the framework of the EAEU, taking into account the exchange rate risk assessment, and concluded that in the foreseeable future the introduction of a single currency is not beneficial for EAEU members.

**Key points submitted to the defense of the thesis:**

- proposed the initial stages of reforming the IMF in the context of a multitude of conceptual directions of the future and the absence of pronounced main trends in the practice of international monetary relations;
- author's interpretation of the main causes and contradictions of the modern world monetary system;
- recommendations on the intensification of integration processes in the currency sphere, taking into account the national interests of the Republic of Kazakhstan in the framework of the EAEU;
- proposals for improving the monetary policy and currency regulation in the Republic of Kazakhstan;
- recommendations for solving intermediate tasks, without which the introduction of a single currency within the EAEU would be ineffective.

**Theoretical significance** of the research results lies in expanding the general scientific understanding of the issues of concern of the existing international monetary order and the prospects for further development of the global currency system in order to stabilize the financial sphere on a global and national scale.

**Practical significance** of the thesis consists in the possibility of using its results by state financial institutions when developing strategic programs for the development of monetary and financial relations and deepening economic and currency integration within the EAEU, based on the economic interests of the Republic of Kazakhstan as well as in the educational process in the training of personnel in the disciplines of the specialty “World Economics ”and the development of teaching aids.

**Practical evaluation of the research results.** Practical evaluation of the thesis was carried out at all stages of its implementation. Results of the thesis research were reflected in discussions at the following international scientific conferences: International Scientific and Practical Conference “Innovative Economics and Humanization of the Society: Global world and Kazakhstan” (Almaty, 2017); International Scientific Conference of Students and Young Scientists “Farabilemi” (Almaty 2017); 3<sup>rd</sup> international multidisciplinary scientific conference on social sciences and arts SGEM (Austria, 2016); International scientific conference of

young scientists “Sustainable development and the green economy” in the Republic of Kazakhstan: status and prospects” (Nur-Sultan, 2015); International scientific and practical conference “Innovative directions of integration processes in Eurasia” (Nur-Sultan, 2015).

**Research results publication.** The main conclusions and provisions of the dissertation research were reflected in 10 scientific publications, out of which 1 (one) article was published in an international scientific publication included in the Scopus database, 1 (one) article in an international scientific publication included in the ThomsonReuters database, 4 (four) articles in scientific publications recommended by the Committee on control in the field of education and science of the Ministry of Education and Science of the Republic of Kazakhstan, 4 (four) articles –in collections of scientific papers based on materials of international scientific and practical conferences.

**Structure and scope of the thesis.** The structure of the thesis reflects the logic, research order and algorithm for solving the tasks. The dissertation consists of contents, notation and abbreviations, introduction, three sections, conclusion, list of references and six appendices. The volume of the dissertation research is 178 pages of typewritten text, which includes 17 tables and 8 figures. The list of sources used totals 225 items.