

Оценка эффективности денежно-кредитной политики ЦБ РФ в рамках воздействия на экономический рост

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Аннотация

Данная статья оценивает результаты проводимой кредитно-денежной политики ЦБ РФ на экономическое развитие страны путем сопоставления прогнозных и фактических основных экономических значений в период с 2014 по 2017 гг.

Ключевые слова: ВВП, денежно-кредитная политика, ЦБ РФ, инфляция, экономический рост.

The efficiency evaluation of the monetary policy performed by the CBR in the frame of the impact on economic growth

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Annotation

This article assesses the results of the CBR's monetary policy for the economic development of the country by comparing the forecasted and actual main economic values within 2014 - 2017 years.

Keywords: GDP, monetary policy, CBR, inflation, economic growth.

Monetary policy is part of the state economic policy aimed at improving the welfare of Russian citizens. [1]. The Bank of Russia implements monetary policy within inflation targeting regime, and its priority is to ensure price stability that is equal to stable low inflation.

The objective of monetary policy is to create a stable price level through the adoption of countercyclical measures in the sphere of monetary circulation, which in the future generate economic growth of the country [2].

Unsustainable economic development of the country and constantly pushing up the level of prices create urgent necessity to assess the effectiveness of the monetary policy conducted by the Central Bank of Russia, which is expressed in terms of the impact on the national economy as whole.

In the end of 2013 CBR noted down on the clarification to its monetary policy: «In the coming three-year period (2014-2016), the main objective of the Bank of Russia's monetary policy

will be to ensure price stability, which implies the achievement and maintenance of a stable low growth rate of consumer prices and that is one of the most important condition for the formation of balanced and sustainable economic growth». This claim is perfectly corresponded with theoretical and formal responsibilities of central bank and satisfy us (citizens) as our wealth is supposed to increase.

It is worth pointing, that it is impossible for central banks to manage both the currency rate and inflation at the same time in free-market system. The currency rate should be regulated exclusively by the market. Thus, in 2014 CBR set up floating exchange rate, which involved the refusal to artificially maintain exchange rate within certain frames, currency exchange rate began to comply with free market regulation. That gave The Bank of Russia opportunity to concentrate its efforts on the inflation targeting. It was crucial and vital change in monetary policy of CBR at that time. Unfortunately, undertaking actions brought short-term pain and inconvenience since exchange rate dramatically declined, but it let CBR safe its reserves from useless money interventions that could not cope with external economic factors occurred at that time (sanctions, oil prices drop) and, what is more, new stage of monetary policy with inflation targeting was established.

The effect of the monetary policy is manifested by the achievement of the set of goals identified in official document called the Guidelines for a Unified State Monetary and Credit Policy. Thus, according to this formal statement published in 2013 (forecast for 2017 was taken from Guidelines published in 2014), the target for the growth rates of the consumer price index was 5.0%, 4.5%, 4% and 4% (in 2014, 2015, 2016 and 2017 respectively), based on the base scenario, GDP growth be 2.0%, 2.5%, 3.0% and 2.6% (in 2014, 2015, 2016 and 2017 respectively).

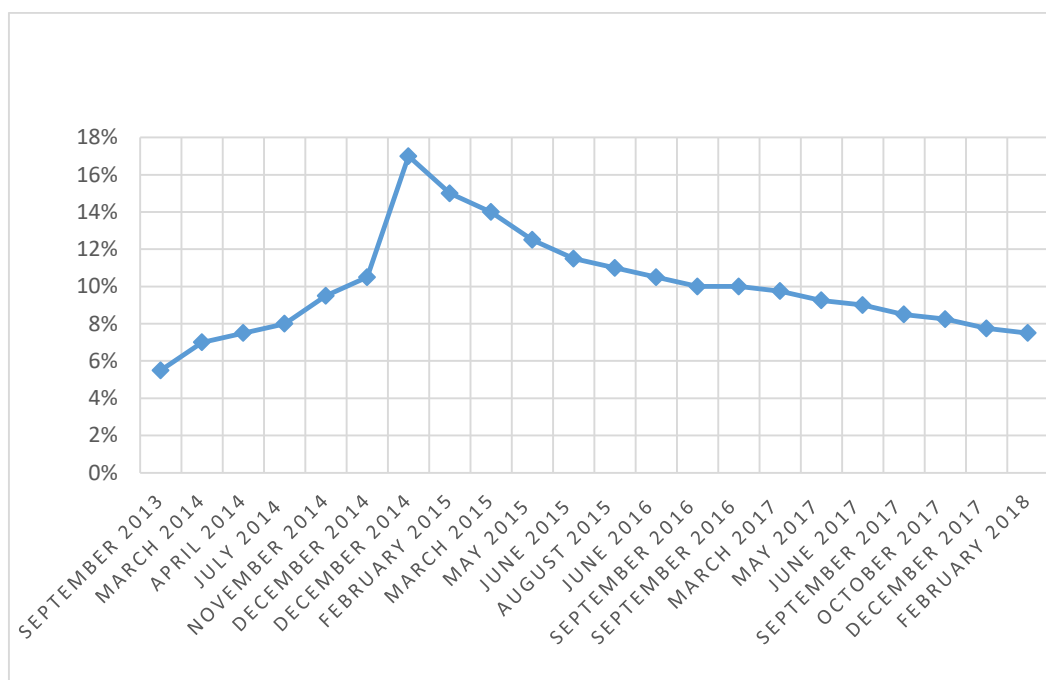


Fig. 1. CBR's historical key rate

To facilitate inflation targeting CBR used to lift up the interest rates during 2013-2014. Upward movement of interest rates reduces inflation and raises purchasing power of the national currency – this is a standard IMF’ recommendation. It is based on mathematical models of market equilibrium. Raising interest rates enhances the attractiveness of bank deposits, which constrains demand and leads to lower prices, and binds free cash flows and reduces money supply on the foreign exchange market, helping to strengthen the national currency.

Based on the information provided by the Federal State Statistics Service and the Central Bank of Russia, Table 1 shows the actual values of the achieved macroeconomic indicators, assessing the effectiveness of the monetary policy in the framework of improving economic growth and welfare of the population in the period from 2014 to 2017.

Table 1. Macroeconomic indicators of monetary policy assessment of the CBR [5]

Indicator	2014 year	2015 year	2016 year	2017 year
Real GDP denominated in RUB, (growth % relatively to prior year)	0,7	-2,8	-0,2	1,5
Inflation, %	11,4	12,9	5,38	2,51
Average RUB/USD rate (on date of 1.01)	32,66	56,24	72,93	57,17
Unemployment rate % (on the end of the year)	5,2	5,6	5,4	5,1
Real salary (growth % relatively to prior year)	1,3	-9,0	0,8	2,7
Number of banks	859	767	649	574

Judging by the table, the goals for inflation and GDP growth established in the base scenario were not achieved:

- Initial periods were literally far away from planned figures for both GDP and inflation;
- In 2016 the value of the GDP growth indicator was also negative 0,2% (vs planned 3% of positive growth). Fortunately, it was a final year of recession, economy seemed to be recovered and it was starting point for further growth. 2017 year demonstrated 1,5 % increase of GDP against forecasted 2,6%
- Currency exchange rate is considered to play role of economic stability indicator, but, apparently, taking into account enormous fluctuation of this figure with general upwards trend all over the study period, there was no doubt that national economy lacked of stability

- The highest level of inflation was observed in 2015 (12.9%), while according to the baseline scenario; the inflation rate should be at 4.5%;
- In 2016, the inflation rate (5,38%) began to calm down and moved to the target level of 4%. In 2017 CBR managed to restrain inflation even more than it was supposed (2,51% vs 4%);
- Real salary had sharp decline in 2015 (-9 %) and afterwards this indicator began to insignificantly rise, but still it has not recovered entirely, and actual real salary is less than it used to be in 2015.

Negative factors in the development of the country's economy were:

1. In 2014, the development of the Russian economy significantly deviated from the basic forecast: the deterioration in the external economic situation (there was oil price plummet) led to a decline of GDP;
2. Low oil prices undermined consumer prices and triggered inflation;
3. Decrease in real salary of the population (in 2015 there was a negative growth of 0.9%);

Among the positive factors, there is the steady decrease in the number of substandard credit institutions over the chosen period. That is positive trend as mega-regulator clean the national banking system up, preventing from illegal cash outflows abroad, money laundering and other frauds. Enormous rate of inflation was governed in 2017 and it would not deteriorate prices in further periods.

Since the effective monetary policy of the central bank subsequently leads to stabilization of the national economy and economic growth as a whole, it is also necessary to consider the actual values of the annual growth in the main sectors of the economy during the same period (Table 2).

Table 2. The level of annual growth (%) in the main branches of the economy [5]

Industry	2014 year	2015 year	2016 year	2017 year
Agriculture	4,0	3,6	3,1	1,1
Industrial production	3,9	-4,5	-4,2	0,4
Construction	-0,4	-1,5	-0,8	-0,2

Actual data about the development of economic sectors indicate the presence of negative dynamics in chosen sectors of the national economy. The growth rate in agriculture declined annually from 4% in 2014 to 1,1% in 2017 and it is surprisingly, since agricultural sectors hit the records with the crops of wheat. Industrial production experienced a significant decrease (~ - 4,5%) in 2015-2016 years, but afterwards level of industrial production remained on that level and even slightly grown (0,4%) in 2017. The construction industry has been tumbling during the entire case period.

An evaluation of the monetary policy conducted by the Central Bank of the Russian Federation showed that it was not efficient enough, since the set goals directed to reduce consumer

prices, improve the welfare of the population and increase economic growth have not been achieved (except inflation rate in final period). The reason for this arises with vulnerability of national economy to the external factors, addiction of GDP to oil prices, high volatility of national currency exchange rate and addiction the fall in the ruble exchange rate, the expensive loans. It is also necessary to point that the implementation of monetary policy can create favorable conditions under which business entities will carry out actions that meet the goals and objectives of the state's economic policy, which, among other things, will be ensuring economic growth. The monetary policy can provide the most effective impact on the national economy in conditions of macroeconomic stability, with the presence of a stable and health banking system.

On the other hand, I would not consider the CBR's monetary actions during case period as not efficient at all. Although national economy did not represent outstanding result, there was depreciation of personal salaries, inflation maintained highly almost all the time, national currency weakened in two times against other main international currencies, I would accept that CBR overestimated its forecast for GDP and inflation and afterwards did not proved them. Apparently, that recession was caused by overall macroeconomic conjecture created by low commodity prices, political constrains, and in case of that condition, CBR did their best maintaining banking sector healthy and finally managed to control inflation at low rate in 2017.

Macroeconomic stability will be an important factor in the successful economic development in the future. However, government need to overcome structural constraints in order to provide sustainable improvement of the well-being of Russian citizens. Proactive steps aimed at diversifying the Russian economy, overcoming its resource dependence, improvement of management at all levels in both the private and public sectors, the overhaul of fixed assets and infrastructure, the introduction of new technologies will reduce the vulnerability of Russia to external economic fluctuations.

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