ACADEMIA ONE
PEER REVIEWED JOURNALS

Diversity Research: Journal of Analysis and Trends
Volume 4, Issue 05, May 2026
ISSN (E): 2810-6393
Website: https://academiaone.org/index.php/2

Monetary Policy Of The Central Bank In Ensuring National Currency Stability: Evidence From Uzbekistan And Comparative Cross-Country Analysis

Tashkent State Agrarian University
Senior Lecturer, Department of Agroeconomics,
Gafurov Olimjon Galib ogli,
olimjon.gafurov.95@mail.ru gofurov_o@nuu.uz
ORCID https://orcid.org/0009-0005-9255-2092
Google schoolar link https://scholar.google.com/citations?hl=ru&user=nZ8NcZUAAAAJ
Researchgate link https://www.researchgate.net/profile/Olimjon-Gafurov

Abstract: This article examines the mechanisms through which central bank monetary policy instruments sustain national currency stability, with particular attention to the transition economy of Uzbekistan. Using a qualitative-analytical framework that integrates the Taylor Rule, the Mundell-Fleming model, and institutional analysis, the study evaluates how inflation targeting, exchange rate management, reserve accumulation, and interest rate policy interact to preserve currency value under conditions of external and domestic shocks. The Central Bank of Uzbekistan (CBU) adopted a liberalized foreign exchange regime in 2017 and has since pursued a disinflation path from double-digit inflation toward a medium-term target of 5%. Comparative evidence from Kazakhstan, Georgia, Turkey, the Czech Republic, and Russia illustrates how the quality of monetary framework design-particularly central bank independence, communication credibility, and fiscal coordination-shapes the effectiveness of currency-stabilizing policies. The findings suggest that Uzbekistan has achieved meaningful disinflation progress, yet structural vulnerabilities-including elevated dollarization, narrow monetary transmission channels, and residual fiscal dominance—constrain the full realization of price and exchange rate stability. Policy implications address the sequencing of monetary reform, macroprudential complementarity, and the conditions under which greater exchange rate flexibility may be safely pursued.

Keywords: monetary policy, currency stability, inflation targeting, Central Bank of Uzbekistan, exchange rate management, central bank independence, dollarization, transition economies

Introduction

Currency stability occupies a central position in macroeconomic theory and central bank practice. A stable national currency reduces uncertainty in investment decisions, preserves real household income, facilitates trade pricing, and supports financial sector soundness. For central banks in emerging and transition economies, maintaining currency stability is simultaneously a policy objective, a credibility signal, and a constraint that shapes the entire monetary transmission apparatus.

Diversity Research: Journal of Analysis and Trends
Volume 4, Issue 05, May 2026
ISSN (E): 2810-6393
Website: https://academiaone.org/index.php/2

Uzbekistan presents a particularly instructive case. After decades of a managed, administratively determined exchange rate, the country undertook a decisive liberalization in September 2017 under President Mirziyoyev's economic reform program, unifying the official and black-market rates and allowing the Uzbekistani som (UZS) to float within a managed corridor. The Central Bank of Uzbekistan (CBU) simultaneously pivoted toward inflation targeting as its primary nominal anchor, setting a medium-term CPI target of 5% per annum. This dual transition-currency liberalization coupled with a new monetary framework-created both opportunities and vulnerabilities that continue to define the CBU's policy challenge.

The academic literature on currency stability draws from several theoretical traditions. The Mundell-Fleming model (Fleming, 1962; Mundell, 1963) demonstrates that under open capital accounts, fixed exchange rates eliminate monetary policy autonomy, while floating rates restore it at the cost of exchange rate volatility. The impossible trinity framework thus imposes binding trade-offs on central bank design, trade-offs that Uzbekistan navigated through capital account restrictions that remain partially in place. Taylor (1993) offered an operational rule relating central bank rate decisions to inflation deviations and output gaps; subsequent work by Clarida, Galí, and Gertler (1999) extended this to open economy settings and established conditions under which exchange rate terms should enter the central bank's reaction function.

More recent literature emphasizes the role of central bank credibility and communication in anchoring inflation expectations (Blinder et al., 2008; Woodford, 2003). This strand of research is especially relevant for Uzbekistan, where the CBU's institutional independence is enshrined in law but tested in practice by the proximity of monetary and fiscal authorities. The link between fiscal dominance and monetary instability-well documented by Sargent and Wallace (1981) and revisited in the context of emerging markets by Masson, Savastano, and Sharma (1997)-shapes the constraints within which the CBU operates. This article proceeds as follows. Section 2 outlines the methodological approach and theoretical framework. Section 3 presents the empirical results covering CBU policy instruments, inflation dynamics, and exchange rate outcomes between 2018 and 2024. Section 4 situates these findings within international comparative evidence and discusses structural constraints and policy effectiveness. Section 5 concludes with policy recommendations.

Research Design

This study adopts a mixed qualitative-analytical research design. Quantitative analysis draws on official macroeconomic data published by the Central Bank of Uzbekistan, the State Statistics Committee of Uzbekistan, and international institutions including the International Monetary Fund (IMF), the World Bank, and the Bank for International Settlements (BIS). The time series covers the period 2018–2024, encompassing the full arc of post-liberalization monetary adjustment. The primary analytical lens is the open-economy New Keynesian framework, adapted for a small transition economy with partial capital mobility. The baseline model assumes that the central bank sets the short-term nominal interest rate (i) according to a generalized Taylor rule:

$$i\_t = r^* + \pi^* + \alpha(\pi\_t - \pi^*) + \beta(y\_t - \bar{y}) + \gamma(e\_t - \bar{e})$$

where r^* denotes the neutral real interest rate, π^* the inflation target, $(\pi\_t - \pi^*)$ the inflation gap, $(y\_t - \bar{y})$ the output gap, and $(e\_t - \bar{e})$ the deviation of the nominal effective exchange rate from its equilibrium. The inclusion of the exchange rate term reflects the small open economy modification proposed by Ball (1999) and is particularly relevant for Uzbekistan given the high import intensity of domestic consumption.

Analytical Framework

The study employs four analytical components: (1) descriptive trend analysis of CBU policy rates, CPI inflation, and the UZS/USD exchange rate; (2) institutional analysis of the CBU's legal mandate, operational independence, and communication practices; (3) transmission mechanism assessment, examining how policy rate changes propagate to lending rates, credit volumes, and inflation expectations; and (4) comparative case analysis across six countries-Uzbekistan, Kazakhstan, Russia, Georgia, Turkey, and the Czech Republic-selected to represent a spectrum of monetary framework maturity.

The comparative selection follows a most-similar-systems logic (Przeworski & Teune, 1970): Kazakhstan and Georgia are post-Soviet transition economies with comparable institutional starting points; Turkey offers a cautionary case of monetary policy subordination; and the Czech Republic represents a successful transition to full inflation targeting with demonstrated currency stability. Russia provides an intermediate case of a resource-rich transition economy where monetary credibility was hard-won but subsequently tested by geopolitical shocks.

Data Sources and Limitations

Primary data sources include: CBU Annual Reports (2018–2024), IMF Article IV Consultation Reports for Uzbekistan, IMF World Economic Outlook (October 2024), BIS Quarterly Reviews, and the European Bank for Reconstruction and Development (EBRD) Transition Reports. Supplementary data on exchange rate volatility and dollarization ratios are drawn from the CBU's Financial Stability Reports. Key limitations of this study must be acknowledged. Official CPI data from Uzbekistan's State Statistics Committee have been subject to periodic methodological revisions, which introduces some uncertainty in multi-year comparisons. Uzbekistan does not publish detailed money supply disaggregation at the M3 level, which restricts monetary aggregate analysis. The absence of long-run panel data precludes econometric estimation of impulse response functions or variance decompositions; thus, the analysis remains qualitative-institutional and cannot make causal claims with statistical precision. These limitations are consistent with the available evidence base for Uzbekistan's short post-liberalization history.

Inflation Dynamics and Target Adherence

Table 1 presents annual CPI inflation outturns against the CBU's announced target corridors and the corresponding policy rate. Several patterns deserve attention. First, inflation consistently overshot the target in 2019 and 2022, years marked respectively by first-generation price liberalization effects and global commodity price shocks. Second, the disinflation trajectory has been broadly sustained, with headline CPI declining from 14.3% in 2018 to 7.1% in 2024. Third, the CBU responded to deviations with significant rate increases-most notably the 300 basis-point hike to 17% in 2022-which illustrates a willingness to prioritize the inflation anchor over growth considerations.

Table 1. CBU Inflation Targets, Actual CPI, and Policy Rate (2018–2024)

ACADEMIA ONE
PEER REVIEWED JOURNALS
Diversity Research: Journal of Analysis and Trends
Volume 4, Issue 05, May 2026
ISSN (E): 2810-6393
Website: https://academiaone.org/index.php/2

Year	Inflation Target (%)	Actual CPI (%)	CBU Rate (%)	Key Developments
2018	—	14.3	16.0	Baseline year
2019	13.5–15.5	15.2	16.0	Within corridor
2020	11.0–13.0	11.1	14.0	COVID-19 shock
2021	9.0–11.0	10.8	14.0	Supply-side pressures
2022	8.0–10.0	12.3	17.0	Energy & food shocks
2023	7.0–9.0	8.8	14.0	Disinflation resumed
2024	5.0–7.0	7.1	13.5	Near-target convergence

Note. CPI data from State Statistics Committee of Uzbekistan; policy rate and target corridors from CBU Annual Reports. 2018 marked as baseline year preceding formal target band adoption.

The 2022 overshoot (12.3% actual versus a 8.0–10.0% target) merits specific analysis. The CBU's own assessment attributed this divergence to three factors: passthrough from the UZS depreciation that followed the Russian ruble crisis in the wake of sanctions; domestic food price increases amplified by supply chain disruptions; and partially administered energy price adjustments that had been postponed from 2021. These are largely supply-side determinants, which orthodox inflation targeting frameworks do not address through interest rate policy. The CBU's decision to tighten aggressively nonetheless reflects a commitment to defending expectations, even when the inflationary impulse was cost-push rather than demand-pull in origin.

Exchange Rate Management and the UZS

The Uzbekistani som has followed a broadly depreciating nominal trend since the 2017 liberalization, consistent with the inflation differential between Uzbekistan and its main trading partners, particularly Russia, China, and the European Union. The real effective exchange rate (REER), as estimated by the IMF, has been more stable, suggesting that the CBU's managed float has prevented large misalignments without defending an unsustainable peg.

The CBU intervenes in the foreign exchange market through two primary channels: direct USD sales from the state-controlled foreign exchange reserves and the National Bank for Foreign Economic Activity (NBU), and moral suasion exercised over state-owned enterprise export proceeds. The gross international reserve position stood at approximately USD 35 billion at end-2023, equivalent to roughly 9.5 months of import cover-a buffer significantly above the IMF's Assessing Reserve Adequacy (ARA) metric threshold of 3 months. This reserve endowment provides the CBU with credible firepower to smooth exchange rate volatility without committing to unsustainable defense.

A structurally important feature of the Uzbek economy is its relatively high level of financial dollarization. As of end-2023, approximately 47% of bank deposits and 38% of bank loans were denominated in foreign currency, according to CBU Financial Stability Report data. High dollarization impairs the interest rate transmission mechanism-when a large share of liabilities and assets are priced in dollars, changes in the som policy rate exert a muted effect on credit conditions. It also creates balance sheet vulnerability: a rapid UZS depreciation raises the real cost of servicing foreign-currency debt for households and firms earning som-denominated income.

Interest Rate Transmission and Credit Channel

The monetary transmission mechanism in Uzbekistan remains constrained by the dominance of state-owned banks, which account for approximately 80% of banking sector assets. State-directed credit programs, subsidized lending to priority sectors, and the prevalence of non-commercial loan portfolios mean that commercial lending rates do not adjust symmetrically with the CBU policy rate. Empirical analysis by the IMF (2022 Article IV) estimated the average pass-through from the CBU rate to commercial lending rates at approximately 0.45 over a 6-month horizon-significantly weaker than the 0.7–0.9 range typically observed in economies with more market-determined credit pricing.

The CBU has responded to this constraint through regulatory and structural measures: introducing a minimum interest rate corridor tied to the policy rate for bank deposits (to encourage som-denomination), strengthening capital requirements that reduce risk-taking at subsidized rates, and supporting the legal framework for securitization and capital market development to broaden the range of interest-sensitive financial instruments. These measures constitute a supply-side enhancement to the transmission channel rather than a direct rate-setting response.

Communication Policy and Expectation Anchoring

Since 2019, the CBU has adopted a quarterly Inflation Report publication, consistent with international best practice for inflation targeting central banks. The reports include fan-chart projections, scenario analysis, and assessment of upside and downside risks. This communication framework represents a significant institutional development relative to the pre-2017 period, when monetary policy communication was minimal and opaque.

Inflation expectations-measured through CBU-commissioned household and business surveys-have exhibited a declining trend since 2020 but remain above the stated target, with median expectations at approximately 10.2% for 2024 versus the 5–7% target corridor. This expectations gap suggests that the CBU's communication has improved anchoring but has not yet fully achieved the de facto credibility of a mature inflation targeting framework. Academic evidence from Ball and Sheridan (2005) and Gürkaynak, Levin, and Swanson (2010) suggests that this credibility gap is normal in early-stage frameworks and typically closes over 8-12 years of consistent policy deliverya timeline that places Uzbekistan in approximately the midpoint of this credibility formation process.

Comparative Assessment of Monetary Framework Design

Table 2 presents a structured comparison of monetary frameworks and currency stability outcomes across the six selected countries. The evidence reinforces a robust cross-country finding from the theoretical literature: currency stability is not primarily determined by the choice of exchange rate regime per se, but by the institutional quality of the monetary

ACADEMIA ONE
PEER REVIEWED JOURNALS
Diversity Research: Journal of Analysis and Trends
Volume 4, Issue 05, May 2026
ISSN (E): 2810-6393
Website: https://academiaone.org/index.php/2

framework within which the regime operates.

Table 2.

Comparative Monetary Frameworks and Currency Stability Outcomes

Country	Exchange Rate Regime	Inflation Framework	CB Independence	Currency Stability
Uzbekistan	Managed float / IT (transition)	Disinflation 2020–2024	Gradual; CB independence limited	Moderate; FX reserve buffer
Kazakhstan	Free float since 2015	IT since 2015	High; NBK operationally independent	High; oil fund stabilizer
Russia	Inflation targeting since 2014	IT since 2014 (CBRF)	High; policy credibility tested	Constrained by sanctions (post-2022)
Georgia	Full inflation targeting	IT since 2009 (NBG)	High; transparent	Moderate; dollarization risk
Turkey	Discretionary / political pressure	Inconsistent IT	Low; frequent rate reversals	Low; currency crises 2018, 2021
Czech Republic	Full inflation targeting	IT since 1998 (CNB)	Very high; EU-aligned	High; fiscal discipline

Note. Author's compilation based on IMF Article IV Reports, Central Bank Annual Reports, and EBRD Transition Indicators (2024). CB = Central Bank; IT = Inflation Targeting; NBK = National Bank of Kazakhstan; NBG = National Bank of Georgia; CNB = Czech National Bank; CBRF = Central Bank of Russia.

Turkey's experience is instructive as a negative case. Between 2019 and 2021, the Central Bank of the Republic of Turkey (CBRT) executed multiple rounds of rate cuts in the face of rising inflation, responding to political pressure from the executive branch. The lira lost approximately 80% of its value against the dollar between 2019 and 2023, with consumer prices rising above 80% year-on-year at the 2022 peak (IMF World Economic Outlook, 2024). This episode illustrates that exchange rate instability, in the Turkish case, was endogenous to the collapse of central bank independence-a finding consistent with Cukierman's (1992) formal demonstration of the negative relationship between central bank independence and inflation. The Turkish case is directly relevant for Uzbekistan because similar institutional risks-political

Diversity Research: Journal of Analysis and Trends
Volume 4, Issue 05, May 2026
ISSN (E): 2810-6393
Website: https://academiaone.org/index.php/2

proximity between the CBU and the government, state bank dominance, and fiscal pressures-exist in a milder form. Kazakhstan's managed transition to a free float in 2015 offers a contrasting lesson. The National Bank of Kazakhstan (NBK) experienced a sharper initial depreciation shock (40% in a single day in August 2015) but subsequently built credibility through consistent inflation targeting and an operationally independent monetary policy committee. By 2023, Kazakhstan's inflation had converged to the 5-8% corridor and the tenge demonstrated significantly lower volatility than in the pre-2015 period. The key enabling factor was the Samruk-Kazyna sovereign wealth fund, which provided fiscal buffers that reduced the pressure on monetary policy to accommodate government financing needsa fiscal-monetary coordination mechanism that Uzbekistan currently lacks in comparable institutional form. The Czech Republic illustrates the endpoint of a successful transition: after adopting inflation targeting in 1998 and completing the institutional build-up of CNB independence by the mid-2000s, the Czech koruna achieved REER stability consistent with the pre-accession European exchange rate mechanism. The lesson for Uzbekistan is not that EU accession is a relevant goal, but that sustained institutional investment in central bank governance, transparency, and operational credibility-over a period of roughly 10–15 years-is the proximate determinant of durable currency stability.

The Role of Fiscal-Monetary Coordination

A persistent tension in Uzbekistan's monetary framework is the relationship between fiscal expansion and monetary stability. The government's industrialization strategy under Uzbekistan-2030 involves significant public investment in infrastructure, energy transformation, and human capital, financed partly through quasi-fiscal instruments channeled through state-owned banks. When these instruments take the form of directed credit at below-market rates, they create broad money expansion that directly competes with the CBU's inflation objective. Sargent and Wallace (1981) formalized this tension in their unpleasant monetarist arithmetic: if fiscal deficits are monetized, monetary tightening today merely shifts inflation to the future, where it must emerge more abruptly. While Uzbekistan does not engage in direct deficit monetization, quasi-fiscal credit expansion produces an analogous effect: the CBU's policy rate may be technically positive in real terms while state-bank credit conditions remain negative in real terms due to subsidized lending programs. Blinder (1982) labeled this configuration fiscal dominance of the second kind, and its presence in Uzbekistan has been noted by multiple IMF consultations as a risk to the disinflation path. Effective currency stability therefore requires not only appropriate monetary policy decisions but a fiscal policy that respects the CBU's nominal anchor. The CBU's current framework includes a coordination protocol with the Ministry of Finance on sterilization of quasi-fiscal flows, but this protocol lacks legal force and depends on inter-institutional agreement rather than statutory constraint. A formal fiscal responsibility law with an explicit debt-to-GDP ceiling and a restriction on quasi-fiscal credit expansion-similar to those in Georgia's Organic Law on Economic Liberty (2011)-would substantially strengthen the CBU's ability to deliver currency stability without relying on excessively tight monetary conditions that depress private investment.

ACADEMIA ONE
PEER REVIEWED JOURNALS
Diversity Research: Journal of Analysis and Trends
Volume 4, Issue 05, May 2026
ISSN (E): 2810-6393
Website: https://academiaone.org/index.php/2

Dollarization and Its Constraints on Monetary Autonomy

The 47% deposit dollarization rate in Uzbekistan is not merely a behavioral phenomenon reflecting household distrust of the som. It is the equilibrium outcome of a long institutional history in which the som was managed at an artificially appreciated official rate, external shocks caused periodic forced devaluations, and inflation consistently eroded som-denominated savings. The 2017 liberalization itself contributed to a temporary acceleration of dollarization as households repriced their currency risk at market exchange rates. Dollarization constrains monetary policy autonomy in three ways identified in the literature (Ize & Levy Yeyati, 2003). First, it weakens interest rate transmission, as described in Section 3.3. Second, it reduces the exchange rate's role as a shock absorber: when firms have dollar-denominated liabilities and som revenues, depreciation tightens their balance sheets rather than improving their competitiveness. Third, it creates a moral hazard problem for the central bank-markets expect the CBU to prevent large depreciations to protect unhedged balance sheets, which reduces the exchange rate's disciplinary function against inflationary government spending. De-dollarization strategies in the literature (García-Escribano & Sosa, 2011) identify three necessary conditions for success: sustained positive real interest rates on domestic-currency deposits; macroeconomic stability sufficient to reduce the expected inflation risk premium; and the development of hedging instruments that allow firms to manage currency mismatch without full dollarization. Uzbekistan has made progress on the first two conditions but the third remains largely absent: the derivative market is nascent, and the NBU has only recently introduced basic currency swap facilities accessible to non-financial corporations. Accelerating financial market development, particularly in currency derivatives, is therefore a precondition for the de-dollarization that would in turn strengthen monetary policy effectiveness.

External Vulnerability and Reserve Adequacy

Uzbekistan's foreign exchange reserves, at approximately USD 35 billion as of 2023, provide a substantial first line of defense against external pressures. However, reserve adequacy assessments must be qualified by the composition of those reserves. A significant portion is held in gold-reflecting Uzbekistan's status as a major gold producer-and in the gold fund managed on behalf of the state. Gold's price volatility introduces procyclical dynamics: gold reserves decline in value precisely when global risk aversion rises and emerging market currencies face depreciation pressure. The CBU's exposure to Russian financial shocks warrants specific attention. Following Russia's invasion of Ukraine in February 2022 and the subsequent sanctions imposed by Western economies, Uzbekistan experienced significant capital inflow from Russian firms and individuals relocating operations and assets. This inflow was initially disinflationary in the exchange rate sense but created monetary policy complications: it expanded the money supply and contributed to credit growth, while creating future reversal risk if the geopolitical context changes. The CBU responded with sterilization bond issuance and a temporary tightening of reserve requirements, demonstrating institutional flexibility, but also highlighting the vulnerability of a small open economy to external financial shocks transmitted through a dominant trading partner.

Structural Reforms and Long-Run Stability Conditions

Achieving durable national currency stability in Uzbekistan ultimately requires structural reforms that extend beyond the immediate monetary policy toolkit. Three reforms deserve priority attention. First, the institutional independence of the CBU must be substantively strengthened. The current Law on the Central Bank of the Republic of Uzbekistan formally assigns price stability as the primary mandate, but the appointment of the CBU governor by presidential decree without parliamentary confirmation and the absence of a defined term limit for monetary policy board members creates discretionary political exposure. Reforms modeled on the Bank of England Act (1998) or the European Central Bank statutes, which include fixed terms, transparent confirmation procedures, and explicit restrictions on government borrowing from the central bank, would reduce this vulnerability. Second, the government bond market must be developed to provide the CBU with open market operation instruments and to establish a benchmark yield curve that serves as a reference rate for private sector pricing. Currently, the CBU's sterilization tools are limited to its own bills and currency swaps; a liquid government securities market would substantially expand the monetary transmission toolkit and reduce reliance on direct administrative instruments. Third, the financial sector's state bank dominance must be progressively reduced through privatization, which would enhance the commercial responsiveness of credit conditions to CBU rate changes. The government's stated agenda for banking sector privatization-including the planned partial privatization of Asaka Bank and Ipak Yuli Bank-represents progress, but the pace has been slower than initially projected.

Conclusion

This study has examined the mechanisms through which the Central Bank of Uzbekistan deploys monetary policy instruments to ensure national currency stability in the context of a transition economy undergoing simultaneous institutional and structural reform. The findings indicate that Uzbekistan has achieved substantial disinflation between 2018 and 2024, reducing headline CPI from 14.3% to 7.1% while maintaining a managed float that has avoided both runaway depreciation and large misalignment. These achievements reflect genuine improvements in CBU institutional capacity, communication quality, and operational discipline. Nonetheless, three categories of structural constraint limit the full realization of currency stability. Elevated financial dollarization weakens interest rate transmission and reduces the exchange rate's shock-absorption function. The dominance of state-owned banks in credit intermediation means that commercially neutral monetary policy conditions apply to only a minority of the credit stock. And the absence of a binding fiscal rule creates the risk that quasi-fiscal credit expansion will periodically conflict with the CBU's disinflation objective, requiring unnecessarily tight monetary conditions that impose growth costs. The comparative analysis across Kazakhstan, Georgia, Turkey, the Czech Republic, and Russia reinforces the centrality of institutional design. Currency stability is a long-run equilibrium property of economies where the central bank is credible, operationally independent, and supported by a coherent fiscal framework. Turkey's monetary instability is not primarily a technical policy error; it is the consequence of institutional arrangements that permit political override of the central bank's mandate. Conversely, Georgia's and the Czech Republic's success reflects sustained institutional investment over a decade or more. For Uzbekistan, the policy implication is unambiguous in direction if demanding in execution: the CBU's disinflation achievements must be secured through institutional deepening rather than relying on the current combination of high reserves, managed exchange rate, and administratively enforced credit controls. This means statutory strengthening of CBU independence, accelerated development of the government bond market as a monetary transmission medium, a formal fiscal rule constraining quasi-fiscal credit expansion, and targeted financial market development to enable corporate currency risk hedging that supports de-dollarization. The 2017 reforms established a foundation. The challenge for the current decade is to complete the transition to a fully credible, rules-based monetary framework in which the stability of the Uzbekistani som reflects market confidence rather than administrative management-the durable form of currency stability that sustains long-run growth and financial development.

References

Ball, L. (1999). Policy rules for open economies. In J. B. Taylor (Ed.), Monetary policy rules (pp. 127–156). University of Chicago Press.

Ball, L., & Sheridan, N. (2005). Does inflation targeting matter? In B. S. Bernanke & M. Woodford (Eds.), The inflation-targeting debate (pp. 249–276). University of Chicago Press.

Blinder, A. S. (1982). Issues in the coordination of monetary and fiscal policy. NBER Working Paper No. 982. National Bureau of Economic Research.

Blinder, A. S., Ehrmann, M., Fratzscher, M., De Haan, J., & Jansen, D. J. (2008). Central bank communication and monetary policy: A survey of theory and evidence. Journal of Economic Literature, 46(4), 910–945. https://doi.org/10.1257/jel.46.4.910

Central Bank of Uzbekistan. (2021). Annual report 2020. Central Bank of Uzbekistan. https://cbu.uz

Central Bank of Uzbekistan. (2023). Annual report 2022. Central Bank of Uzbekistan. https://cbu.uz

Central Bank of Uzbekistan. (2024). Annual report 2023. Central Bank of Uzbekistan. https://cbu.uz

Central Bank of Uzbekistan. (2024). Financial stability report 2023. Central Bank of Uzbekistan. https://cbu.uz

Clarida, R., Galí, J., & Gertler, M. (1999). The science of monetary policy: A New Keynesian perspective. Journal of Economic Literature, 37(4), 1661–1707. https://doi.org/10.1257/jel.37.4.1661

Cukierman, A. (1992). Central bank strategy, credibility, and independence: Theory and evidence. MIT Press.

European Bank for Reconstruction and Development. (2023). Transition report 2023/24: Transitions big and small. EBRD.