

DIMENSIONS OF POST-CRISIS COMPETITIVE MONETARY POLICY

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Abstract

This communication wants to highlight, synthetically, the need to reconsider the monetary policy pursued in post-crisis period, driven by the imperatives of necessity, the requirements increase its competitiveness in a global economy, integrated, computerized, subject, becoming more global governance multiform.

In this respect, communication and defining attributes are revealed circumscribed managing corporate governance dimensions of competitive monetary policy, promoted by the central bank in post-crisis period, finally giving it a summary schedule determined relations between attributes and dimensions of size co-determinative scheme could offer possible opening for formalization and modeling.

Dimensions listed in the paper confined field improvement and adaptation potential of monetary policy in a period of rebuilding and restructuring the global economy, world of regionalism and integration, the polarization of the world economy, the assertion of national economies in a new perspective, that of network economies networked and distributed market.

Key-words: *monetary policy, competitiveness, attribute, coordinated dimensional size, decision, tool*

JEL Classification: E₅₂, E₅₈

1. Competitiveness of monetary policy in the post-crisis period

The current global crisis is a crisis of capitalism, ultimately destroying the invisible hand of market creative institutional failures, and not only global markets. It's more a governance crisis of capitalism, an ideology of self-regulation has replaced discipline and supervision of complex economic systems warrant.

Beyond the dramatic experience of central banks facing the current global crisis, they have the opportunity to reconsider monetary policy, both in terms of theoretical foundations and its practical implementation, this reconsideration may provide a starting point for a better debate perspectives on monetary policy, increased competitiveness.

The concept of competitiveness means the ability of central bank monetary policy, the monetary authority to base, develop and implement monetary policy so as to ensure the supply amount of money requested by business entities, in terms of

ensuring a balance of cash and money markets efficient and relevant and timely objectives of monetary policy, monetary policy performance and integrity in all economic policies to achieve objectives set by using an appropriate operational framework, following predetermined rules and scoring strategy and economy on a dynamic upward trajectory in the context of economic development national and global economic developments.

Increased competitiveness of monetary policy can be obtained in circumstances where monetary policy is integrated in the context of appropriate economic and financial governance, which lead to economic development are revealing, through empirical research, financial contributor to the governing monetary policy and economic competitiveness.

One cannot talk of Governance without taking into consideration corporate governance, the latter being an essential element of improving efficiency, competitiveness and growth. Good governance involves promoting monetary policy transparency, accountability and openness, providing an adequate framework for getting the goals, effective implementation of monetary policy instruments and increasing the competitiveness of monetary policy performance.

Post-crisis issues advertising need multilateral cooperation, wider, to achieve strong growth, sustainable and balanced in the context of global governance. A component of this government is the coordination between monetary policy and financial regulation, need for fiscal adjustment and fiscal stabilizers suitable, it involves international cooperation in *economic and monetary policies*.

2. Attributes and dimensions of competitive post-crisis monetary policy

Need reconsideration and reconfiguration of post-crisis monetary policy in order to increase competitiveness. As was summary pointed out above, the monetary policy involves placing the formal macro-economic governance, globalization and integration in terms of global governance to ensure effectiveness, consistency, completeness and flexibility of monetary policy, the defining attributes of a competitive monetary policy.

1. **Effectiveness (AE)** means power to achieve its goals, with appropriate and reduced operational time, in accordance with the requirements of monetary financial processes concerned, it involves promptness, efficiency and utility. Effectiveness of monetary policy is the main attribute, which concentrated on the other, may be circumscribed to elasticity of money supply changes, the results, the maximum is achieved if resources are used and the price level is constant.

2. **Consistency (AC)** means the attribute of stability, firmness of monetary policy, objectives, instruments and its operations, meaning also the promotion of non-contradictory, sustainable objectives and instruments. Consistency of monetary policy aimed at issues such as: consistency between credibility and flexibility, consistency between short and long term predictability of monetary policy, consistency between objectives and instruments, consistency of internal analysis and external communication, which is the essence of monetary policy transparency.

3. **Consequently (AS)** means constancy, steadfastness characteristics of monetary policy promoted logic tracking tools, procedures and operational objectives, principles and, in accordance with predetermined rules, consistency does not mean lack of flexibility of monetary policy.

4. **Coherently (OA)** means ensuring close links between the components of appropriate monetary policy, in particular between strategy, operational framework and mechanism for the transmission, ensuring compatibility and integration features consistent monetary policy in a harmonious whole, consistency is closely related, primarily, by poliicii currency composition.

5. **Completeness (AP)** means that the economic situation, financial and monetary dynamics and known once this situation, monetary policy includes all elements used to influence processes and institutions necessary to achieve the proposed desiderata established by macroeconomic policy makers.

6. **Flexibility (AF)** means the ability to target alternative objectives and use different instruments, react to change and ability to adapt and transform. Flexibility of monetary policy may be addressed in future time, distinguished the following openings of flexibility: flexibility temporal, between one day and a month long-term flexibility, between one month and one year long-term flexibility over a year. Important is flexibility in the short term, aiming to moderate cyclical fluctuations in the economy and financial turmoil.

The post-crisis requires reconsideration and reconfiguration of monetary policy in order to increase competitiveness in the economic recovery, given the context of the new globalized economy and computerized. In this regard, monetary policy, regardless of country, level of integration and conjecture will have to reconfigure the content, at least the following *dimensional coordinates*:

➤ *interactional, IC*, targeting monetary policy integration across the adequacy of market mechanisms and economic policies, given the fabric of interactions and co-determination are placed monetary policy decisions;

➤ *institutional, CO*, to regulate and entities, organizations involved in providing and receiving monetary policy decisions and its strategies, having the central bank center;

➤ *interventionist, CM*, instruments aimed at direct and indirect, immediate or delayed effects, used to implement monetary policy decisions;

➤ *conditional, DC*, aimed at increasing the competitiveness requirements of monetary policy in the post-crisis between these benchmarks lists are: *independence, predictability, transparency, accountability, credibility, communication*.

Dimensional coordinates listed circumscribes the potential field of improving and adapting monetary policy in a period of rebuilding and restructuring the global economy, world of regionalization and integration of global economic polarization, the assertion of national economies in a new perspective, that of network economies networked and distributed market.

3. Interactional coordinate

Competitiveness of post-crisis monetary policy depends largely on how monetary policy and central bank are located in diverse and differentiated network interactions, and specific aggregates of elements, components and parts of institutional, instrumental, operated, etc. emerging value, is conserved and disappear in the post-crisis period as a whole disposing interactions on specific configurations that formed interactional dimensions of competitive monetary policy, the main dimensions of interaction of monetary policy are the following:

➤ *scale comprehensive (CD)*, including interactions between content items of monetary policy that is objective, instruments, restrictions, conditions, etc. These interactions contribute to the formation of monetary policy and interventionist potential modeling of the potential;

➤ *size configuration (DF)*, which refers to the interaction of monetary policy with other types of economic policy with other macroeconomic management and societal components, namely policy-making function within macroeconomic management, according to the interconnected functions of other components, contributed to competitiveness of monetary policy;

➤ *international dimension (DI)*, which refers to interactional integration of monetary policy in the international area, the area of global governance, monetary policies interacting with other states and international institutions in an environment of cooperation and collaboration or, conversely, in an environment of adversity and incompatibility, outsourcing various effects and restrictions;

➤ *behavioral dimension (FD)* which refers to the conduct of monetary policy and monetary variables in the interaction between them and the whole economic and financial variables of the economic policies of macroeconomic management, modeling these interactions representing support monetary and monetary policy, which monetary policy is based and guided its implementation.

4. Institutional coordinate

Having a crucial influence on business competitiveness, institutional coordinate regulations aimed entities involved in developing and implementing monetary policy, corporate governance is circumscribing the monetary policy pursued by the central bank, this materializing is coordinated by the following institutional dimensions of monetary policy:

❖ *regulatory dimension (RD)*, which creates the institutional framework of monetary policy, that rules, procedures, organizations (entities) and functions, powers and responsibilities, this dimension having a formative role in the sense of creating forms and structures in which the monetary policy;

❖ *organizational size (OD)* refers to organizing the rationale, development, implementation and monitoring of monetary policy, central bank representing essential entity organized for this purpose, but to participate in this process and other entities, the authority, expertise and execution all of them is making up a network of hierarchical relationships, guidance, and tracking of performance, largely related to organizational nature;

❖ *decision-size information (DD)* refers to the delimitation of monetary policy decisions on how their background and aggregation, based on the decisions necessary information on their selectivity to the requirements of monetary policy and the relationship between decisions, skills institutional objectives, the strategy of monetary policy;

❖ *size management (DM)* is a summary of this dimensional coordinates, in addition to ensuring synergy, convergence of other institutional dimensions, this ensures, guide, coordinate, momentum, monetary policy assessment, training objectives and institutional entities applying operational framework, the central bank circumlocution, and this dimension.

5. Interventionist coordinate

This refers to operational coordinate framework of monetary policy, expressing the middle of central bank intervention in the banking and financial markets, the operational framework providing, directly or indirectly, objectives, implementation strategy of monetary policy tool coordinate dimensions are the following:

- *principled size (DL)*, which refers to the principles which should take into account application operational framework, instruments and conduct operations;

- *instrumental dimension (DT)* refers to tools, direct or indirect central bank intervention, sequence, specificity, selectivity and coherence of these instruments must constitute some of the characteristics of the operational framework, the instrumental dimension;

- *operational dimension (ND)* refers to the diversity of operations bearing or not monetary policy instruments, made usually by the central bank to implement monetary policy, is distinguished both market transactions and banking operations;

- *size transmission (DV)*, which refers to the transmission mechanism of monetary policy impulses to the real economy, financial markets and banking, specificity, efficacy and efficiency of transmission channels representing the needs of a competitive monetary policy;

- *protective size (DU)*, which refers mainly to monetary policy operations to protect financial markets and banking risks, such as deposit insurance operations, market adjustment, standardization, supervisory.

6. Conditional coordinate

Competitiveness depends on monetary policy, especially in open economies by globalization, governance, certain benchmarks, characteristics of monetary policy, contributing to its circumscribing the defining attributes of a competitive monetary policy, these benchmarks dimensional manifested by *independence, predictability, transparency, accountability, credibility, communication*.

✓ *Central bank independence (DA)* means its ability to substantiate, adopt and implement monetary policy decisions without direct intrusion and corrective political or financial authority, thereby protecting the definition of the objectives of

monetary policy by central banks, and promoting this policy in order to achieve objectives.

✓ *Predictability of monetary policy (DB)* is understood as the ability of financial markets to correctly anticipate future monetary policy decisions of central bank monetary policy this dimension must be considered in a broader context and for long periods.

✓ *Transparency in monetary policy (DM)* enables economic subjects, public have accessibility, usability, understanding and information on specific processes monetary policy decisions, transparency implying openness, communication and accountability.

✓ *CB Responsibility (DG)* refers to the compliance of rules and principles that underpin the central bank activity, its mandate, independence and accountability are indivisible, meaning that the responsibility of the central bank must have a clear responsibility for its actions .

✓ *The credibility of monetary policy (DH)* target that traders' expectations about their future central bank actions and, in particular, on how they expect the central bank to react to their actions meaning the degree to which economic agents believe that policy makers money to achieve their plans announced.

✓ *Communication CB (A)* refers to transferring information from the central bank by traders, the financial markets and banking, having a repertoire of signs and semiotic rules, fostering increased independence and the central bank responsibility.

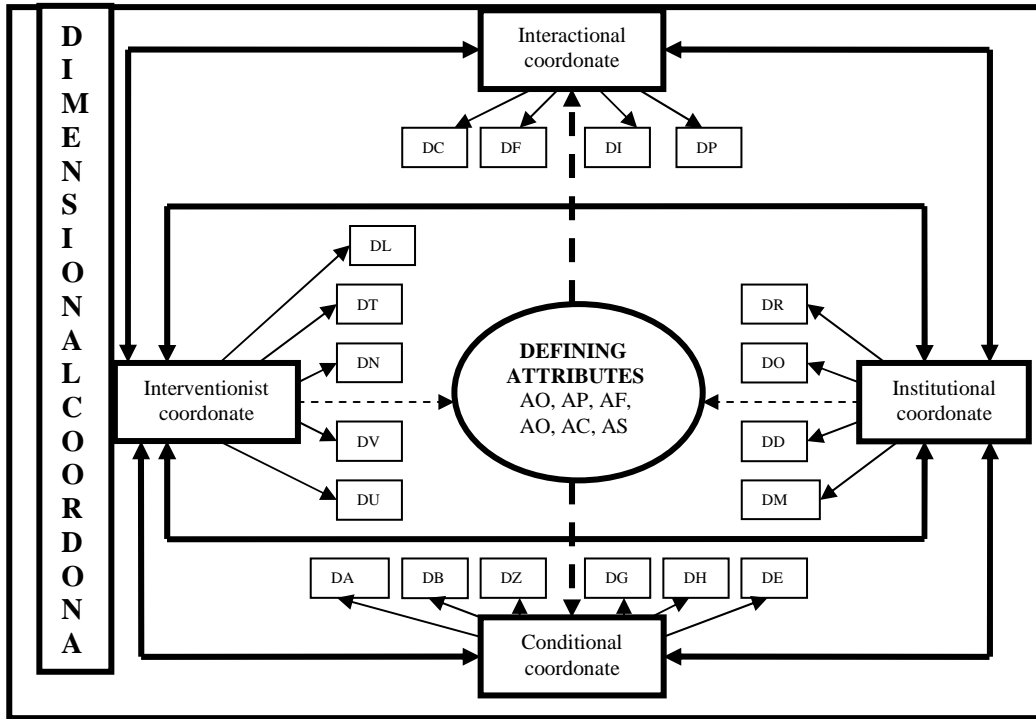
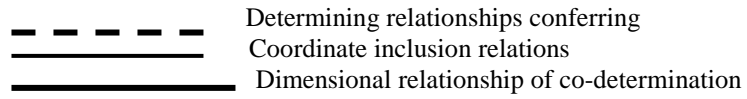
7. Competitive monetary policy determinations network

Obviously, the specific dimensions of the four coordinates influence each other, with different intensities depending on the specific economic and financial situation, the evolving structures and conjunctures, coordinated interactive is essential in a global economy in which all the components interact in a way or another, directly or indirectly, the co-determinations of the overall dynamic evolution of the rule.

As i said, in all their dimensions four interconnecting coordinated, co-determining and influencing it is, supporting one another, within the meaning of competitive generation of monetary policy. Moreover, the very dimensions of the same lines are the co-determined relationships, providing details of the dimensional stability and robustness needed to ensure the competitiveness of dynamic, continuous and balanced monetary policy.

The diagram below attempts were simplified representation, in aggregate form, co-determined relationships between dimensions dimensional coordinates, the defining attributes of these and monetary policy.

Lines symbolize relations co-determined schedule, with the following meanings:



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