

## POSSIBILITIES OF ENSURING THE BALANCE OF PAYMENTS BALANCE

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**Annotation:** This article analyzes the economic possibilities of ensuring the balance of payments balance. The balance of payments is an important indicator reflecting the economic condition of the country, and maintaining its balance is important in ensuring economic stability and security. The article considers how to maintain the balance of payments balance through factors such as economic policy, exchange rate management, trade policy, attracting investments, and public debt. It also analyzes the approaches and theories put forward by foreign scholars. The ideas and proposals put forward by economists such as Robert Mundell, Jeffrey Sachs, Paul Krugman, William Easterly can help countries maintain the balance of payments balance. The article emphasizes the relevance of maintaining the balance of payments balance from the point of view of economic development and international relations.

**Keywords:** Balance of payments, current account, capital account, economic policy, exchange rate, trade policy, export, import, investment, public debt, economic stability, international economic relations, Robert Mundell, Jeffrey Sachs, Paul Krugman, William Easterly.h

The balance of payments is important in analyzing the economic situation of a country. This indicator reflects the results of international economic relations and affects the country's foreign economic relations, trade balance, capital flows, as well as its economic security. Ensuring the balance of payments is necessary to maintain economic stability and competitiveness in global markets. This article analyzes the economic measures and policies that can be implemented to maintain the balance of payments. Balance of payments and its composition; Balance of payments is a financial document that summarizes all international economic transactions of a country. It consists of two main sections: Possibilities of ensuring the balance of payments balance

Public debt and its management also affect the balance of payments. If a country's external debt is high, a deficit may occur in its balance of payments. In such a situation, large funds must be allocated from the current account to pay off the state's debt. This can create difficulties in ensuring economic stability in the long term. Achieving balance of payments equilibrium is not an easy task, as it depends on many external and internal factors. Expanded global markets and changes in exchange rates,

international trade, and political instability can change the balance of payments equilibrium. Also, for export-oriented economies, a current account deficit poses a threat. In such a situation, countries should try to maintain balance of payments by changing economic and political policies. There are various views and approaches put forward by foreign scholars on ensuring balance of payments equilibrium. They mainly focus on issues such as economic stability, trade policy, exchange rate, international investment and public debt.

Canadian economist and Nobel Prize laureate Robert Mundell emphasized the importance of exchange rate and monetary policy in ensuring balance of payments equilibrium. According to Mundell's "Optimum Currency Area" theory, if economic integration between countries is high, they can stabilize their exchange rates. Mundell also emphasized that if the level of integration between countries is high, it is possible to balance the balance of payments through a single monetary policy. To this end, cooperation at the regional or international level, exchange rate management and economic policy integration provide opportunities for success. American economist and international development expert Jeffrey Sachs pays great attention to reducing the current account deficit in maintaining balance of payments equilibrium. He argued that countries should encourage exports and reduce imports to maintain economic growth. According to Sachs, long-term deficits can lead to an increase in a country's external debt and create economic problems. Sachs also argued that in a changing global economy, countries must strive to strengthen their export capacity, otherwise they will be vulnerable to external economic shocks. Swedish economist Knut Wicksell emphasized the importance of economic stability in maintaining the balance of payments. According to Wicksell, domestic economic stability, especially the stability of inflation and interest rates, is necessary for a strong balance of payments. In his works, he said that the balance of payments can be ensured by analyzing the interest rates of the central bank and constantly adjusting the economic policy of the state. Nobel laureate Paul Krugman showed the importance of foreign trade in maintaining the balance of payments. Krugman, in his work "The New Trade Theory", emphasized the importance of directing trade between countries to increase economic efficiency and maintain the balance of payments. He argued that increasing exports and reducing imports can help economic growth, but these processes can only be achieved through efficient production and increased competitiveness. American economist William Easterly noted that there are many systemic problems in maintaining the balance of payments in developing countries. In his opinion, instead of economic reforms and global aid, it is necessary to better manage specific economic systems and local resources. Easterly emphasized the need to achieve economic independence and maximize the effective management of local resources, while maintaining the balance

of payments with the help of global economic aid and foreign loans is not justified. German economist Barry Eichengreen pays great attention to the balance of capital flows in the global economy. According to Eichengreen, countries can balance the balance of payments by attracting capital, but this can only be done in the long run through stable and efficient financial systems. Eichengreen emphasized the importance of exchange rate stability and the reliability of financial systems in attracting investment. According to foreign scholars, a number of economic factors are interconnected in ensuring the balance of payments balance. While scholars such as Robert Mundell and Paul Krugman emphasize the importance of the exchange rate and foreign trade, experts such as Jeffrey Sachs and William Easterly consider the current account deficit and economic reforms to be important. Also, economists such as Barry Eichengreen and Knut Wicksell say that it is necessary to manage capital flows and economic stability. All of these approaches provide valuable recommendations for countries in maintaining the balance of payments balance. Ensuring the balance of payments balance is an important factor in ensuring economic stability. In implementing this process, it is necessary to take into account a number of factors, such as the country's economic policies, trade policy, exchange rate management, investment attraction, and public debt management. The balance of payments balance ensures not only the stability of the national economy, but also the country's strong position in international economic relations. This, in turn, contributes to the country's long-term development.