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NEMA KONAČNIH POBEDA

Prikaz knjige: *Monetarna politika - nema konačnih pobeda*, Jorgovanka Tabaković i Ana Ivković, HERAedu, Beograd, u saradnji sa VLATACOM, Beograd, 2018.

Naša ekonomska literatura odnedavno je obogaćena jedinstvenom monografijom o monetarnoj politici koja je vođena u Srbiji u poslednjih šest godina i to iz pera autora Jorgovanke Tabaković, koja je guverner NBS od 2012. godine i nosilac je rešenja koja su u analiziranom periodu sprovedena, i Ane Ivković, sadašnjeg viceguvernera i jednog od najbližih saradnika guvernera u sprovođenju monetarne politike NBS.

Ova studija dolazi u pravo vreme. Proteklo je šest godina od primene nove monetarne strategije i unapređenja režima monetarne politike, što se poklapa sa prvim mandatom guvernera Jorgovanke Tabaković. U tom smislu ovo je i neka vrsta preseka šta se dogodilo u periodu od 2013. do 2018. godine u monetarnoj sferi u Srbiji.

Odmah treba istaći da je prema Zakonu o Narodnoj banci Srbije osnovni cilj NBS održavanje niske i stabilne inflacije, a da je prateći cilj, koji je posebno značajan posle krize iz 2008. godine, uspostavljanje i održavanje finansijske stabilnosti. Ova studija nam daje odgovore kako su ostvarena oba zadatka. Analizirajući ove fenomene u monografiji, autori su, kao kreatori i nosioci sprovođenja mera monetarne politike, ujedno odgovorili sa kojim izborima i alternativama su se suočavali i kako su ih razrešavali.

Konačan rezultat mera koje su sprovedene ogleda se u ispunjenju onoga što je i obaveza NBS:

- niska i stabilna inflacija - stopa inflacije održana je na niskom i stabilnom nivou; u tom šestogodišnjem periodu (2013-2018) ona je prosečno godišnje iznosila 2% i
- uspostavljanje finansijske stabilnosti - nivo problematičnih kredita je premašivao 20%, a danas je sveden na nivo ispod 7%.

Ključna vrednost ove monografije je u tome što ona daje odgovore na pitanje kako je ostvaren uspeh u obaranju inflacije u zemlji u kojoj je postojala tradicija visoke i volatilne inflacije i koja je prošla kroz dve epizode hiperinflacije u poslednjih 30 godina, te kako je uspostavljena finansijska stabilnost. Monografija sadrži deset poglavlja, 69 grafikona, 11 slika, 13 tabela i 161 bibliografsku jedinicu, na ukupno 490 strana.

Prvo poglavlje, pod naslovom „Pogled u ekonomsku istoriju“, posvećeno je temama vezanim za monetarnu istoriju i nastanak centralnih banaka, ali i istoriju kretanja inflacije. Ekonomska misao je bogata različitim idejama, ali su testove preživljavanja položile samo one koje su bile dovoljno praktične i koje je bilo moguće primeniti. Autori podsećaju da je nastanak centralnog bankarstva vezan za noviji period - Riksbank, švedska centralna banka koja se često navodi kao prva centralna banka osnovana je 1668. godine, a Banka Engleske 1694. godine. Iza toga nastaje zastoje u formiranju centralnih banaka koji se nastavlja tek u XIX veku. U tom talasu 1884. godine nastaje i Privilegovana narodna banka Kraljevine Srbije. Ona je deo niza nastajućih najvažnijih državnih i kulturnih institucija Srbije tog doba, kao što su Narodna biblioteka 1832, Licej - preteča stručne visokoškolske ustanove

NO ULTIMATE VICTORIES

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Book Review: *Monetary Policy - No Ultimate Victories*, Jorgovanka Tabaković and Ana Ivković, HERAedu, Belgrade, in cooperation with VLATACOM, Belgrade, 2018

Our economic literature has recently been supplemented with a unique monograph on the monetary policy implemented in Serbia in the last six years, from the authors Jorgovanka Tabaković, Governor of the NBS since 2012 and carrier of the solutions executed in the analysed period, and Ana Ivković, current Vice-Governor and one of the closest associates of the Governor in the implementation of the NBS monetary policy.

This study comes at the right time. It has been six years since the implementation of the new monetary strategy and the improvement of the monetary policy regime, which coincides with the first mandate of Governor Jorgovanka Tabaković. In this regard, it is also somewhat of an overview of what has happened in the period from 2013 to 2018 in the monetary environment in Serbia.

It should be immediately noted that, according to the Law on the National Bank of Serbia, the main goal of the NBS is to maintain low and stable inflation, and that the follow-up goal, which has been especially significant after the 2008 crisis, is the establishment and maintenance of financial stability. This study provides answers to how both of these tasks have been accomplished. Analysing these phenomena in the monograph, the authors, as creators and carriers of the implementation of monetary policy measures, at the same time describe the choices and alternatives they faced and how they resolved them.

The final result of the implemented measures is reflected in the fulfilment of the NBS' obligations:

- low and stable inflation - the inflation rate was maintained at a low and stable level; in that six-year period (2013-2018), it annually averaged 2% and
- establishing financial stability - the level of NPLs exceeded 20%, and today it is reduced to below 7%.

The key value of this monograph is that it answers the question of how a country with a tradition of high and volatile inflation, which experienced two episodes of hyperinflation over the past 30 years, succeeded in reducing inflation and establishing financial stability. The monograph contains ten chapters, 69 charts, 11 images, 13 tables and 161 bibliographic units, on a total of 490 pages.

The first chapter, entitled "The View of Economic History", is devoted to issues related to monetary history and the emergence of central banks, as well as to the history of inflation. Economic thought is rich in different ideas, but survival tests were passed only by those that were practical and applicable enough. The authors reiterate that the emergence of central banks is tied to a newer period - Riksbank, the Swedish central bank, often referred to as the first central bank, was founded in 1668, and the Bank of England in 1694. After this, there was a delay in the formation of central banks, which did not continue until the 19th century. During this wave, the Privileged National Bank of the Kingdom of Serbia was created in 1884. It is part of a series of most important state and cultural institutions emerging in Serbia at that time, such as the National Library in 1832, Lyceum – the forerunner of

1838, Društvo srpske slovesnosti - preteča Akademije nauka (1841), Narodni muzej 1844. i Narodno pozorište 1868. godine. Doba nastanka centralne banke u Srbiji je vreme kada su u novčanom sistemu Srbije bile u upotrebi čak 43 monete drugih država (prvi zahtev za osnivanjem centralne banke u Srbiji datira još iz 1845. godine).

Autori ukazuju da u XX veku centralne banke pomeraju fokus i ka postizanju makroekonomske stabilnosti, zaokružujući mandat vezan za održavanje stabilnosti cena i pune zaposlenosti. U savremenim uslovima, posle krize 2008. godine, uloga centralnih banaka je usmerena i dalje na održavanje niske i stabilne inflacije i na održavanje finansijske stabilnosti, ali je u fokusu i podrška ekonomskoj aktivnosti pod uslovom da ne ugrožava prva dva cilja.

Drugo poglavlje, pod naslovom „Teorijske postavke uticaja monetarne politike“, posvećeno je teorijskim okvirima upravljanja monetarnom politikom uz posebno produbljavanje segmenta vezanog za transmisionu mehanizme monetarne politike. Ovde se sa pravom, uz standardne monetarne pokazatelje, posebno ističe značaj realnih tokova. Uključivanje realnih tokova je naročito značajno u periodima kada su kamatne stope veoma niske, realne čak i negativne, a nominalne bliske nuli. Suština rasprava o uticaju monetarnih politika vezuje se za to da li ona može da istovremeno postigne cenovnu stabilnost, obezbedi visoke stope rasta BDP-a i održivu ekonomsku poziciju. Sve ovo se odlikava u tzv. transmisionim kanalima. Sve u svemu, eksterni faktori su dobijali sve veći značaj.

U trećem poglavlju, autori se bave ciljevima i strategijama monetarne politike. Saglasno postavljenim ciljevima monetarne politike u njenom sprovođenju primenjuju se različiti režimi i koriste različita nominalna sidra. Dat je prikaz ciljeva i strategija,

kao i uslova u kojima su politike sprovedene, uz ostvarene rezultate. U ovom poglavlju posebna pažnja je posvećena režimu ciljanja inflacije i njenim karakteristikama, među kojima se posebno ističe visoka transparentnost. Globalno posmatrano ciljevi monetarne politike menjali su se zavisno od zahteva koji su se postavljali pred ekonomsku politiku u celini. Praksa privreda u usponu koje slede režim ciljanja inflacije jeste da se na deviznim tržištima primenjuju intervencije kako bi se sprečile prekomerne oscilacije kursa i suzbili negativni efekti značajnijih odstupanja deviznog kursa od ravnotežnog nivoa.

Četvrto poglavlje, pod naslovom „Finansijska tržišta - iz vizure centralne banke“, posvećeno je odnosu finansijskih tržišta i centralne banke. Analizira se struktura finansijskih tržišta uz analizu realne i nominalne kamatne stope i krive prinosa. Segmentacija finansijskih tržišta zasniva se na tržištu novca, tržištu kapitala, deviznom tržištu i tržištu derivata.

U petom poglavlju, pod naslovom „Formulisanje i vođenje monetarne politike“, autori analiziraju modalitete donošenja odluka u procesu vođenja monetarne politike. Ovde je otvorena jedna od najvažnijih tema savremene monetarne politike, a to je pitanje da li monetarna politika treba da bude vođena isključivo na bazi pravila ili diskrecije, dilema

kojoj su posvećeni brojni radovi u literaturi. Autori s pravom ističu da je u savremenim uslovima potrebna kombinacija uz korišćenje prednosti i jednog i drugog. U tekstu se tretira i uloga neutralne kamatne stope (pored nominalne i realne) kao indikatora na kom nivou je realna kamatna stopa kada je monetarna politika neutralna (ni ekspanzivna, ni restriktivna). U nastavku se analizira i kreiranje primarnog novca i monetarni multiplikator uz postkrizno kretanje monetarnih agregata.



vocational higher education institutions in 1838, Society of Serbian Letters – the forerunner of the Academy of Sciences (1841), the National Museum in 1844 and the National Theatre in 1868. The period when the central bank was founded in Serbia was a time when as many as 43 foreign currencies were used in the monetary system of Serbia (the first request for the establishment of a central bank in Serbia dates back to 1845).

The authors point out that, in the 20th century, the central banks are moving the focus towards achieving macroeconomic stability, completing the mandate related to maintaining price stability and full employment. In contemporary conditions, after the crisis of 2008, the role of central banks is still focused on maintaining low and stable inflation and maintaining financial stability, but the focus is also on the support of economic activity, provided that it does not jeopardize the first two goals.

The second chapter, entitled “Theoretical Implications of Monetary Policy Impact”, is devoted to the theoretical frameworks for managing monetary policy with a particularly thorough segment related to the transmission mechanisms of monetary policy. Here, the importance of real flows is rightly emphasized, together with the standard monetary indicators. The inclusion of real flows is particularly significant in the periods when interest rates are very low, real rates possibly even negative, and nominal ones close to zero. The essence of the debate on the impact of monetary policies is whether they can simultaneously achieve price stability and ensure high GDP growth rates and a sustainable economic position. All this is reflected in the so-called transmission channels. Overall, the external factors keep gaining importance.

In the third chapter, the authors deal with the objectives and strategies of monetary policy. In accordance with the set monetary policy objectives, different regimes are applied in its implementation and different nominal anchors are used. It gives an overview of the goals and strategies, as well as the conditions in which policies are implemented, along with the achieved results. In this chapter, special attention is paid to the inflation targeting regime and its characteristics, among which high transparency

is particularly highlighted. Globally, the monetary policy objectives changed depending on the requirements that were posed before the economic policy as a whole. The practice of emerging economies following the inflation targeting regime is to use interventions on foreign exchange markets to prevent excessive exchange rate fluctuations and counteract the negative effects of significant deviations of the exchange rate from the equilibrium level.

The fourth chapter, entitled “Financial Markets - from the Central Bank’s Perspective”, is dedicated to the relationship of the financial markets and the central bank. The structure of financial markets is analysed through the analysis of real and nominal interest rates and the yield curve. The segmentation of financial markets is based on the money market, the capital market, the foreign exchange market and the derivatives market.

In the fifth chapter, under the title “Formulation and Management of Monetary Policies”, the authors analyse the modalities of decision making in the process of conducting monetary policy. One of the most important topics of contemporary monetary policy is brought up here, and this is the question of whether monetary policy should be guided solely on the basis of rules or discretion, a dilemma that has been featured in numerous reference works. The authors rightly point out that a combination is needed in modern circumstances, using the advantages of both one and the other. The text deals with the role of the neutral interest rate (besides nominal and real interest rate) as an indicator of the real interest rate level when the monetary policy is neutral (neither expansive nor restrictive). The text moves on to analyse the creation of primary money and money multipliers given the post-crisis movement of monetary aggregates.

In the sixth chapter, entitled “Central Bank’s Influence on the Money Market”, individual instruments of the central bank and their impact on liquidity and interest rates in the money market are analysed. The authors emphasize in particular the two functions of the central bank: *market intelligence* and *forward guidance*, which strengthen the role of the central bank in the money market, principally in terms of shaping the expectations of the transactor.

U šestom poglavlju, pod naslovom „Utjecaj centralne banke na tržište novca“, analizirani su pojedinačni instrumenti centralne banke i njihov utjecaj na likvidnost i kamatne stope na tržištu novca. Autori posebno naglašavaju dvije funkcije centralne banke: *market intelligence* i *forward guidance*, putem kojih se osnažuje uloga centralne banke na tržištu novca, a posebno u pogledu formiranja očekivanja transaktora.

U sedmom poglavlju, koje nosi naziv „Strategija i okviri politika: primer Srbije“, autori analiziraju specifičnosti monetarnih i inflatornih uslova u Srbiji i naravno, iz te vizure, režim inflacionog targetiranja kao model kojim je Srbija postigla i održava nisku, stabilnu i predvidivu inflaciju. Veoma argumentovano se objašnjava zašto je ciljanje inflacije za Srbiju najpogodniji režim monetarne politike, kako se došlo do pune primene ovog režima u praksi NBS i kako su stvoreni uslovi da se 2017. godine inflacioni cilj sa $4 \pm 1,5\%$ snizi na $3 \pm 1,5\%$, što je najniži nivo cilja za inflaciju u Srbiji u ovom režimu monetarne politike. Takođe se prikazuje i operativni okvir monetarne politike koji je danas u Srbiji veoma moderan i koji sledi dostignuća razvijenih zemalja. U ovom delu data je hronologija promena obavezne rezerve kao instrumenta monetarne politike i analizirana je makroprudencijalna politika koja se primenjuje u Srbiji.

U osmom poglavlju, koje nosi naziv „Politika centralnih banaka: primer Srbije“, autori analiziraju skorašnju ekonomsku istoriju Srbije od izbivanja krize, stavivši naglasak na efekte preduzetih mera posle 2012. godine u pogledu postizanja niske inflacije, kako su usidrena inflaciona očekivanja, dinamiku kreditne aktivnosti banaka, kretanje dinarske krive prinosa, smanjivanje premije rizika i popravljavanje kreditnog rejtinga zemlje. U ovom delu se detaljno objašnjava kako je uveden model aukcija od decembra 2012. godine, kojim su obarane kamatne stope. Između ostalog, suština promene bila je u tome da se umesto aukcija na kojima se prihvataju sve ponude (*full allotment*) obim aukcija limitira i najavljuju maksimalni iznosi koji će se povući. Ovim kreativnim rešenjem kojim se prešlo na repo operacije povlačenja likvidnosti po varijabilnoj kamatnoj stopi i sa ograničenim obimom likvidnosti koja se povlači, NBS je kreirala dodatni kanal za reagovanje na

kratkoročne šokove. Autori ukazuju da je na ovaj način u nekoliko epizoda pojačane volatilnosti tokova kapitala prema Srbiji (npr. novembar-decembar 2013, maj 2014, mart i maj 2015, maj i jun 2016) koji su mogli da generišu pritiske na devizno tržište reagovano kako povećanjem likvidnosti koja se povlači tako i povećanjem maksimalne stope koja se prihvata na aukcijama. Ovo je bilo praćeno i usaglašavanjem nivoa obavezne rezerve.

Drugi značajan elemenat vezan je za intervencije NBS na deviznom tržištu. To je bio pomoćni instrument u režimu ciljanja inflacije. Ovo je izuzetno važan segment zbog toga što ima veoma jak utjecaj u privredama kao što je srpska, u kojoj je prisutna sekundarna valuta.

Treći važan elemenat bilo je obaranje inflacionih očekivanja. Centralne banke su danas uspostavile visoke nivoe transparentnosti, a taj trend je pratila i NBS. Očekivanja se prate u Srbiji od 2009. godine, a od 2014. godine predmet praćenja su i srednjeročna očekivanja. Kao rezultat prethodno navedenih mera inflatorna očekivanja su usidrena na niskom i stabilnom nivou.

U devetom poglavlju, pod naslovom „Strategija za rešavanje nasleđenih problema“, autori analiziraju dva veoma važna fenomena koja imaju veliki utjecaj na efikasnost monetarne politike, a to su nivo problematičnih kredita u ukupnim kreditima i stepen dinarizacije. Analizirani su uzroci i posledice, kao i strateška opredeljenja i mere iz domena centralne banke. Ovde treba posebno naglasiti da se radi o dva velika problema sa kojima je Srbija bila suočena, a koje je NBS uspešno rešavala. Nivo problematičnih kredita je značajno smanjen i sa preko 20% sveden je na ispod 7%. To je dalo veliki doprinos stabilnosti finansijskog sistema Srbije. Drugi fenomen je problem dinarizacije. To je jedan od problema sa kojim se srpska privreda suočava od šezdesetih godina prošlog veka. Njegova suština je postojanje dvovalutnog sistema koji ima svoje duboke korene, a posebno je produbljen negativnim iskustvima dve hiperinflacije u Srbiji. Autori ukazuju da se NBS u prethodnih šest godina hrabro upustila u borbu sa ovim fenomenom. Stepenn dinarizacije postepeno raste i to je trend koji treba nastaviti jer svaka dalja afirmacija nacionalne valute doprinosi jačanju finansijske stabilnosti.

U desetom poglavlju, pod naslovom „Domaći

In the seventh chapter, entitled “Strategy and Policy Frameworks: The Example of Serbia”, the authors analyse the specificities of monetary and inflationary conditions in Serbia and, of course, from this perspective, the inflation targeting regime as a model through which Serbia has achieved and maintained low, stable and predictable inflation. It is shown through valid arguments why inflation targeting is the most appropriate monetary policy regime for Serbia, how the full implementation of this regime came into practice in the NBS and how the conditions were created to reduce the inflation target from $4 \pm 1.5\%$ to $3 \pm 1.5\%$ in 2017, which is the lowest level of inflation target in Serbia, within this monetary policy regime. The operational framework of the monetary policy, which is now very modern in Serbia and in line with the achievements of developed countries, is also presented here. This section features the chronology of changes concerning required reserves, as a monetary policy instrument, and analysis of the macroprudential policy implemented in Serbia.

In the eighth chapter, entitled “Policy of Central Banks: the Example of Serbia”, the authors analyse the recent economic history of Serbia since the outbreak of the crisis, stressing the effects of the measures taken after 2012 in terms of achieving low inflation, anchoring inflation expectations, the dynamics of the banks’ lending activities, the movement of the dinar yield curve, the reduction of the risk premium and the improvement of the country’s credit rating. This section explains in detail how the auction model was introduced in December 2012, which resulted in lowered interest rates. Among other things, the essence of the change was that, instead of having full allotment auctions where all the bids are accepted, the scope of the auctions is limited, and the maximum amount to be withdrawn is announced. With this creative solution that switched to repo liquidity-absorbing operations at a variable interest rate and with limited liquidity absorption rates, the NBS created an additional channel for responding to short-term shocks. The authors point out that this way, in several episodes of increased volatility of capital flows towards Serbia (e.g. November-December 2013, May 2014, March and May 2015, May and

June 2016) that could have generated pressure on the foreign exchange market, the ensuing reaction was to increase the amount of absorbed liquidity and to increase the maximum rate accepted at auctions. This was also followed by adjusting the required reserves level.

Another important element are the NBS interventions in the foreign exchange market. This was an auxiliary instrument in the inflation targeting regime. It is a very important segment because of its rather strong impact in the economies such as the Serbian, containing secondary currencies.

The third important element was the downfall of inflationary expectations. The central banks today have established high levels of transparency, and this trend was followed by the NBS. Expectations have been monitored in Serbia since 2009, and since 2014, the medium-term expectations are also subject to monitoring. As a result of the aforementioned measures, inflationary expectations are anchored at a low and stable level.

In the ninth chapter, entitled “Strategy for Solving Inherited Problems”, the authors analyse two very important phenomena that have a major impact on the efficiency of monetary policies, i.e. the share of NPLs in total loans and the degree of dinarisation. The causes and consequences, as well as the strategic determinations and measures from the domain of the central bank, were analysed as well. It should be emphasized that these two major problems that Serbia faced were successfully managed by the NBS. The share of NPLs has been significantly reduced and from over 20% lowered to below 7%. This has made a major contribution to the stability of Serbia’s financial system. The second phenomenon is dinarisation. This is one of the problems that the Serbian economy has been facing since the 1960s. Its essence is the existence of a dual currency system that is deeply rooted, and is particularly deepened by the negative experiences of the two hyperinflations in Serbia. The authors point out that in the past six years, the NBS has bravely engaged in the fight against this phenomenon. The degree of dinarisation is gradually increasing, and this is a trend that needs to continue, as any further affirmation of the national currency contributes

i globalni ambijent: osvrt po godinama“, autori analiziraju poslednjih šest godina vođenja monetarne politike u Srbiji po godinama. Analiza obuhvata domaće i inostrane uslove, sprovođenje strukturnih reformi kao i mere monetarne politike koje su bile preduzimane, uz ocene njihovih efekata u pogledu očuvanja cenovne i finansijske stabilnosti i istovremeno podizanje kredibiliteta NBS i usidranja inflacionih očekivanja. U ovom delu je posebna pažnja posvećena analizi efekata relaksiranja monetarne politike koja se sprovodi u Srbiji od maja 2013. godine. Ta relaksacija je sprovedena u uslovima predvidive i niske inflacije i uz relativnu stabilnost kursa dinara. Analizirani su i efekti smanjenja kamatnih stopa na finansijske izdatke privrede i stanovništva, na porast kreditne aktivnosti, na povećanje investicija i izvoza i iz svega toga izvedenog rasta životnog standarda.

Ova monografija je jasno ukazala na dve stvari. Prvo, da se u našim veoma specifičnim uslovima teško mogu primenjivati standardni modeli vođenja ekonomskih politika, pa tako i monetarne politike jednostavnim preslikavanjem tuđih iskustava. Dakle, izbor monetarne strtegije mora proisteći iz nekog teorijski postavljenog modela. Primera radi, Srbija se opredelila za inflaciono targetiranje kao model (alternativna rešenja su bila monetarno targetiranje, koje je pre više decenija dominiralo u svetu, targetiranje kursa dinara, koje je u više navrata i na različite načine primenjivano ili targetiranje nominalnog BDP, koje još ni u jednoj zemlji nije operativno sprovedeno, ali se u delu akademskih krugova često pominje kao logično rešenje za postkrizni period). Opredeljenje da se u našim uslovima primenjuje fleksibilni model ciljanja inflacije pokazalo se kao superiorno.

Međutim, ni taj izabrani teorijski model ne može biti jednostavno preslikan bez obzira na uslove koji postoje u nekoj zemlji. Posebno u Srbiji koja u suštini ima dvovalutni sistem sa velikim učešćem eurizacije. Ta činjenica bitno usložnjava vođenje monetarne politike. Monografija ubedljivo pokazuje kako je

sprovođenje monetarne politike na principima fleksibilnog ciljanja inflacije u Srbiji bilo obogaćeno kreativnim rešenjima. Suština uspeha je bila u obaranju a zatim održavanju inflacionih očekivanja na niskom nivou, u čemu je presudnu ulogu imao rast kredibiliteta NBS.

Najubedljiviji dokaz efekata primenjenih recepata jeste to da je stopa inflacije u poslednjih 6 godina iznosila prosečno godišnje 2%, što je teorijski ideal svih modela i strategija vođenja monetarnih i ekonomskih politika. Posebno treba istaći da su ovako koncipirana monetarna politika i njeni rezultati krčili put uspostavljanju makroekonomske stabilnosti jer su omogućili započinjanje fiskalne konsolidacije sa usvajanjem budžeta za 2015. godinu. Od tada monetarna i fiskalna politika deluju sinhrono i obezbeđuju makroekonomsku stabilnost, što je potvrđeno i uspešnom realizacijom programa sa MMF-om.

Autori su sebi postavili cilj da ostave pisani trag o izazovima sa kojima su se suočavali u ostvarivanju cenovne i finansijske stabilnosti u uslovima koji su karakterisali Srbiju. Oni su u tome bez sumnje uspeali. Našoj stručnoj i akademskoj javnosti stavili su na uvid sve dileme koje su imali, sve izazove sa kojima su se suočavali. Ali najveća vrednost jeste to što su detaljno objasnili zašto su se za neka rešenja opredeljivali i konačno kakav je rezultat takvih odluka. Zato je ova monografija retko svedočanstvo o uspešno sprovedenim merama monetarne politike u Srbiji. Istovremeno ova monografija će zasigurno biti dobra osnova mladim istraživačima koji se bave monetarnom politikom i centralnim bankarstvom u daljim istraživanjima.

Na kraju bismo želeli da autorima ove značajne monografije u našoj ekonomskoj literaturi, guverneru Jorgovanki Tabaković i viceguverneru Ani Ivković, poželimo da nam za nekoliko godina ponude novu monografiju u kojoj će nam dati svedočanstvo o sprovođenju monetarne politike u novom periodu pred kojim se nalazimo, a koji će biti pun novih izazova, sa uverenjem da će i taj period biti podjednako uspešan.

to the strengthening of financial stability.

In the tenth chapter, entitled "Domestic and Global Environment: A Year by Year Review", the authors analyse the past six years of conducting monetary policy in Serbia, year by year. The analysis covers the domestic and foreign conditions, the implementation of structural reforms, as well as the undertaken monetary policy measures, along with the assessments of their effects in terms of preserving prices and financial stability and, at the same time, raising the NBS' credibility and anchoring inflation expectations. In this chapter, special attention is devoted to the analysis of the effects of the monetary policy relaxation that has been implemented in Serbia since May 2013. This relaxation was carried out under conditions of predictable and low inflation and with the relative stability of the dinar exchange rate. This chapter also analyses the effects of interest rate cuts on retail and corporate financial expenditures, on the growth of lending activity, on the increase of investments and exports, and based on the above mentioned, ultimately on the improvement of living standards.

This monograph clearly highlighted two things. First of all, in our very specific circumstances, it is difficult to apply standard models of economic policy management, as well as monetary policies, by simply copying other experiences. Therefore, the choice of monetary strategy must come from some theoretically set model. For example, Serbia has opted for inflation targeting as a model (alternative solutions were monetary targeting, which dominated the world several decades ago, targeting the dinar exchange rate, which has been implemented many times and in many ways, or targeting nominal GDP, which has not been operatively implemented in any country yet, but is often mentioned in some academic circles as a logical solution for the post-crisis period). The choice to implement a flexible inflation targeting model has proven to be superior in our conditions.

However, even this chosen theoretical model cannot be simply copied, regardless of the conditions that exist in a country. Especially in Serbia, which essentially has a dual currency system with a large degree of euroisation. This fact substantially complicates the implementation of

a monetary policy. The monograph convincingly shows that conducting monetary policies on the principles of flexible inflation targeting in Serbia was enriched by creative solutions. The essence of this success was in lowering and then maintaining inflationary expectations at a low level, in which the increased credibility of the NBS was crucial.

The most convincing evidence of the implemented measures' effects is that the inflation rate in the last 6 years amounted to an annual average of 2%, which is the theoretical ideal of all models and strategies of monetary and economic policies. It should be especially noted that the monetary policy thus derived and its results have paved the way towards establishing macroeconomic stability, since they enabled the start of fiscal consolidation with the adoption of the 2015 budget. Since then, the monetary and fiscal policies have been operating synchronously, providing macroeconomic stability, as confirmed by the successful implementation of the IMF arrangement.

The authors set themselves the goal of leaving a written record of the challenges they faced in achieving price stability and financial stability in conditions characteristic for Serbia. They have no doubt succeeded in doing so. Our professional and academic public can now see all the dilemmas and all the challenges they faced. But the greatest value is that they have explained in detail why certain solutions were chosen and, finally, what the result of such decisions was. Therefore, this monograph is a rare testimony to the successfully implemented measures of monetary policy in Serbia. At the same time, this monograph will undoubtedly be a good basis for young researchers dealing with monetary policy and central banking in their further research.

In the end, we would like to wish for the authors of this significant monograph in our economic literature, Governor Jorgovanka Tabaković and Vice-Governor Ana Ivković, to gift us with a new monograph in a few years, in which they could provide a testimony on the implementation of monetary policies in the coming period which will abound with new challenges, convinced that this period will be equally successful.