

**HISTORY OF THE DEVELOPMENT OF THE BANKING SYSTEM AND ITS
IMPACT ON THE NATIONAL ECONOMY*****Kholikulov Oktam Abdumuminovich****Assistant of the Department of Banking
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Abstract: The banking system is a crucial component of the national economy, playing a key role in ensuring economic growth, attracting investments, and maintaining financial stability. This paper examines the history of the banking system's development and its impact on the national economy. Banks have evolved their activities over various historical stages, influencing all areas of economic activity. The paper discusses the establishment of the banking system, its contribution to the economy, changes in the banking sector, and the introduction of new financial technologies.

Keywords: banking system, national economy, economic growth, financial stability, banking sector, investments, financial technologies, global integration, stability, socio-economic development.

Anotatsiya: Bank tizimi har bir milliy iqtisodiyotning muhim tarkibiy qismi bo'lib, iqtisodiy o'sish, investitsiyalarni jalb qilish va moliyaviy barqarorlikni ta'minlashda muhim rol o'ynaydi. Ushbu maqolada bank tizimining rivojlanish tarixi va uning milliy iqtisodiyotga ta'siri o'rganiladi. Banklar, o'z faoliyatini turli tarixiy bosqichlarda rivojlantirib, iqtisodiy faoliyatning barcha sohalariga ta'sir ko'rsatgan. Maqolada bank tizimining shakllanishi va uning iqtisodiyotga qo'shgan hissasi, bank sektorining o'zgarishi va yangi moliyaviy texnologiyalarning joriy etilishi muhokama qilinadi.

Kalit so'zlar: bank tizimi, milliy iqtisodiyot, iqtisodiy o'sish, moliyaviy barqarorlik, bank sektori, investitsiyalar, moliyaviy texnologiyalar, global integratsiya, barqarorlik, ijtimoiy-iqtisodiy rivojlanish.

Аннотация: Банковская система является важнейшей составляющей национальной экономики, играя ключевую роль в обеспечении экономического роста, привлечении инвестиций и поддержании финансовой стабильности. В данной статье рассматривается история развития банковской системы и её влияние на национальную экономику. Банки развивали свою деятельность на различных исторических этапах, оказывая влияние на все сферы экономической деятельности. В статье обсуждаются становление банковской системы, её вклад в экономику, изменения в банковском секторе и внедрение новых финансовых технологий.

Ключевые слова: банковская система, национальная экономика, экономический рост, финансовая стабильность, банковский сектор, инвестиции, финансовые технологии, глобальная интеграция, стабильность, социально-экономическое развитие.

Introduction

The banking system is an integral part of every national economy, and its development and stable operation directly influence the overall economic situation of the country and its position in the global economy. In this context, a series of decisions and decrees are adopted by the state to create necessary conditions for the development of the national banking system, supporting economic growth and ensuring financial stability. For example, the “ On the Central Bank’s Monetary Policy and Simplified Tax Regimes for Credit Institutions”, December 12, 2024 and the “ On the Introduction of New Financial Technologies”, November 25, 2024 play an important role in regulating the activities of banks and ensuring their reliability. Additionally, strategic decisions made by the state, such as digitalization of financial services or implementing economic reforms, are reflected in various decrees aimed at improving the efficiency of the banking system. Banks in the economy do not only perform functions such as currency exchange and providing credit but also play a significant role in the efficient allocation of economic resources, attracting investments, and ensuring financial stability. The development of the banking system not only supports economic growth but also serves as an essential tool for implementing national economic policies. Through banks, capital is allocated between economic entities, and the exchange of goods and services takes place, which is one of the main drivers of economic growth. Historically, the banking system initially played a central role in facilitating payments, collecting capital, and distributing resources, whereas modern banks conduct more complex and multifaceted activities in the process of global integration. With the introduction of new financial technologies and internet banking services, banks have expanded their services and made interactions with customers more streamlined. At the same time, the stability and efficiency of the banking system have a direct impact on the social and economic development of the national economy. Today, banks, as financial institutions, not only pursue commercial interests but also take on social responsibility. Global financial crises and changing economic conditions have introduced new challenges and opportunities for banking systems. The development of international banking systems, the introduction of new financial instruments, and the growth of digital banks have led to fundamental changes in the sector. However, the importance of banking systems, and their necessity for national economies, is emphasized since their operations affect all social and economic layers of society. Thus, the banking system serves as the foundation for ensuring not only economic stability but also long-term economic development. This article is aimed at exploring the historical development of the banking system, its impact on the economy, and how global financial integration affects banking activities. The future of the banking system, considering new technologies and international trends, is expected to become more complex and dynamic, continuing to play a vital role in the development of national economies. Furthermore, decisions and decrees adopted by the state are of significant importance for the stable functioning of national banking systems. Decisions and decrees issued by the state to regulate the financial system, implement new technologies, and support economic growth help increase the effectiveness of banks and ensure financial stability. To support the development of the banking system, the state’s targeted policies and the expansion of digital banking services are expected to further

enhance the sector. This, in turn, will strengthen the country's economic growth and its competitiveness in the global economy.

Conclusion:

After reading this article on the history of the development of the banking system and its impact on the national economy, I came to the conclusion that banks are not just places where money is stored, but one of the main driving forces behind the entire economic life. The transformation and development of banks over time have been closely linked to the overall growth of the economy. New technologies, global financial flows, and changes in state policies have clearly influenced the banking system. Particularly, the introduction of digital technologies has not only made banking activities easier but also brought about new risks, which has been highlighted as an interesting aspect in the article. From this, it can be understood that the banking system plays a significant role not only in ensuring economic stability but also in improving social life. Helping businesses develop through loans, improving the quality of life for the population through financial services—these all reaffirm the unique position of banks in the economy. Moreover, the article emphasizes the collaboration between banks and the state, as well as the integration of global financial systems, demonstrating how complex and important modern banking systems are. Overall, the article presents the impact of banks on the economy in a simple, understandable, and scientifically grounded manner. A reader would deeply feel how important the development of the banking system is not only for the financial sector but for society as a whole.

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