

**Al-Mustansiriah University
College of Economics and Administration
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**The Monetary Approach in the Correction of UN Balances
in Balance of Payments and its roll in Correction and
Structural
Adjusting Policies
Study Cases Selected**

**A Thesis Submitted to the Council of Collge of Economic
and Administration
At Al-Mustansiriah University in partial Fulfillment of the
Requirements for the Degree of
Doctor of philosophy in Economic**

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1430 A.H.

2009 A.D.

Abstract

The unbalance in both of Current account and Capital account Of balance of payments is a major problem that most of have countries and specially for development countries.

This unbalance becomes also real problem when take the fream weerk of contours deficiencies in both of them and that makes money of economist to study and to analysis the factors in flouncing the companions of balance of payments and to understand the approaches of correcting this un balance.

The balance of payment is an important toll for economic analysis for any country because it reflect the degree of correlation between the local economy and world economy and also reflects the structure of production

And the power of the national economy and its competitive ability and the range and it responses to the development of factors of production

The balance of payments also conceder a major toll to make the policy of the country agonist the world and this explaining why many authorities depending on balance of payment to make concludes that are important to give a view about the financial appositive for the stat and than to help that country to take the right dictions about the monetary and financial a polices and also about the issues related to trade and payment.

Thus the important of this research explained by studding and under standing the deferent approaches to correct the un balances of payment because we have number of chooses to make the correction and that depend on the sercomition and infirm end that belong to different faces of economic thought development which reflect the nature of economic crises happening every period.

IMF concedes the monetary approach is the most important to achieve balance payment stability because it takes the development in international monetary system and also because of the important roll that the money influencing in the level of production and employment in spit of the money risers as a capital account or accruing account.

The research concluded that the monetary approach to correct the out side un balance is amore affective in mature economics but it is less effective in development economics and also we concluding that there's a negative a relation ship between domestic credit and international reserves with in the economy of Malaysia and Egypt.

Our study recommending that any approach to correct than balance mast take care of the curcuma stances of developing counters to make the stability programs and structural adjusting more effective and more reasonable and also re commanding that we have to focus on domestic credit to control the balance of payment and to reduce the degree of un balance on it.