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МЕЖДУНАРОДНАЯ АКАДЕМИЯ СОЦИАЛЬНО-ЭКОНОМИЧЕСКИХ НАУК
МЕЖДУНАРОДНАЯ АКАДЕМИЯ ПОЛИТИЧЕСКОГО МЕНЕДЖМЕНТА
МЕЖДУНАРОДНАЯ АКАДЕМИЯ ЮРИДИЧЕСКИХ НАУК

**საზოგადოებრივ
მეცნიერებათა
აქტუალური პრობლემები**

*XXVIII სამართაშორისო სამეცნიერო
კონფერენციის მასალები*

**ACTUAL PROBLEMS
OF SOCIAL SCIENCES**

*MATERIALS OF XXVIII INTERNATIONAL
SCIENTIFIC CONFERENCE*

**АКТУАЛЬНЫЕ ПРОБЛЕМЫ
ОБЩЕСТВЕННЫХ НАУК**

*МАТЕРИАЛЫ XXVIII МЕЖДУНАРОДНОЙ
НАУЧНОЙ КОНФЕРЕНЦИИ*

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HISTORICAL DRIVERS OF THE SECURITIES MARKETS' EVOLUTION

The study of the securities markets' history gives us an idea of the preconditions for the emergence and factors of their further development. In this paper, the notion of drivers is identical to the notions of determinants or factors. According to the business dictionary, the determinant is a factor or element that restricts or determines the solution or conditions [1]; a factor that strongly influences nature or result of something [2]. Historical drivers of the securities markets' evolution are considered key factors of its development at a certain historical stage.

The main task of the author in this paper is to attract attention to the determinants of the securities market through the prism of its historical evolution. In his research, the author highlights the following stages of his evolution: Ancient Securities Market (up to V century AD); Medieval securities market (period from XI to XV century); Formation of the elements of the modern securities market (from the XVI - the end of the XVIII century); Internationalization of securities markets (first half of the XIX century - till 1914) ; The era of state control and regulation of the securities market (1914-1970); Globalization of the securities markets (1970 - the beginning of the XXI century.) [3, p.43].

Historical analysis of these stages of the securities markets' evolution is associated with the emergence and development of three of its main components: commodity; participants and economic interests of the latter, which determined the expediency of this market and contributed to its further development. Of great importance for the evolution of securities markets played and continue to play religious and philosophical worldviews. Historically, the system of values of a particular ethnic group plays a key role in the development of the financial sector, in particular the stock market. For example, Islamic finance, as well as Christian morality and its relation to operations in the financial sphere, as opposed to the financial moral of Judaism.

As a result of the research and analysis of the evolution of securities markets, the author identified the following determinants inherent in each historical stage of its development.

Ancient securities market has the following determinants: free movement of capital, affordable credit, willingness to invest in risky assets, development of commercial activity; accumulation of wealth; a comprehensive system of laws and property rights (Roman Republic); the development of credit relations, the emergence of share forms of ownership (prototypes of joint stock companies).

Medieval securities market – determinants: the growing volume of trade between East and West; development of the government debt securities market due to military events; development of other debt securities that served as a "time bridge" and "geographical bridge"; increase of money supply for financing of international trade; the development of commodity production, which gradually became capitalist.

Formation of elements of the modern securities market – determinants: regular issue of government debt securities, the emergence of joint stock companies and exchanges; the involvement of governments in foreign financial markets; the emergence of continuously operating securities markets across Europe with exchanges (however, mainly trading on exchanges was carried out by goods and commercial bills, rather than securities); formation of new trading methods of securities (Amsterdam); increase of circulation securities volume; the

migration of Dutch Jews and French Huguenots who had significant experience in finance; "Financial bubbles" due to the wrong financial and monetary policy of the authorities; fraudulent actions of speculators; the creation of a stock exchange (separate from commodity, Paris), the need of a financial system to create such an investment instrument that could be sold and purchased, providing temporary shelter for free funds, as well as funds for transferring capital from one place to another.

The internationalization of securities markets – determinants: a joint-stock company becomes the main organizational and legal form of a large capitalist business; the market for shares of large companies is developing; the stock market is becoming an alternative source of funds attraction; competition between government debt financial instruments (London pushed Paris out of the lead); infrastructure development (expansion of urban areas and transport connections); the era of "rail finance"; government debt securities are becoming the most reliable investment; development of communications (invention of telegraph, phone); stock exchanges have become a central institution, providing a link between the money and capital market; liquidity; economic liberalism; the lack of currency regulation and the low degree of state intervention at the international level; adoption of the gold standard and the establishment of fixed exchange rates; political, economic and financial stability.

The era of state control and regulation of securities markets – determinants: the strengthening of state control; refusal of gold standard; emergence of institutional investors (pension funds); diversification of savings as counteracting inflation; bypassing state restrictions (the appearance of depositary receipts, the market of Eurobonds); international institutionalization; the emergence of an independent regulator on the securities market (for example, SEC in the US).

Globalization of the securities markets – determinants: the adoption of the Jamaican world monetary system (1976); emergence of alternative electronic trading systems; abolition of fixed rates of commissions of exchanges; implementation of a new technology of trading in securities (the emergence of the Internet); strengthening international competition between national securities markets; convergence of markets; mergers and acquisitions between leading stock markets; government privatization programs; information consolidation

The globalization of the securities market is manifested through the creation of a global financial architecture of a qualitatively different level of development than that which took place at the preliminary stage of its evolution. Global institutions are created that play the role of coordinators of international relations (IMF, World Bank Group, etc.), complete computerization of economic operations, new means of communication are being developed and under their influence the planet is transformed into a so-called post-industrial world economy.

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