

## A NEW INTERNATIONAL ECONOMIC AND FINANCIAL ORDER

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**Rezumat.** *Lumea de astăzi caută soluții la problemele legate de recesiunea globală, care este acompaniată de o criză financiară adâncă. Încercăm o analiză dinamică asupra cauzelor care au dus la actuala criză fără precedent și a factorilor care au determinat răspândirea ei la nivel global. Am insistat și în zona setului de soluții viabile puse în practică de guvernele unor țări pentru a diminua efectele negative ale acestui fenomen complex.*

**Abstract.** *Today's world is looking for solutions to the problems of the global economic recession, accompanied by the acute financial crisis. We are attempting a dynamic analysis of the causes that led to this unprecedented crisis and of the factors that caused its global expansion. We emphasized the set of viable solutions enacted by the governments of some states to diminish the negative effects of this complex phenomenon.*

**Keywords:** global recession, financial crisis, inflation, monetary policy, growth, fiscal facilities, economic and financial order

Starting with the 80's the global economy has undergone a stage which might be characterized by the following general elements (which have influenced all economic and financial areas, and have brought us to the current, without precedent, crisis):

The long-term downtrend in inflation, greater macroeconomic stability, more confidence in fiscal and monetary policy have encouraged a reduction in both nominal and inflation-adjusted interest rates. As the real returns on governmental bonds have enjoyed a downtrend, many investors have shifted to higher risk asset categories (equities, hedge funds, private equity). The current account surplus of China and the petrodollars have been deposited in financial institutions from USA, Europe or Asia and have been immediately recycled into debt markets, private equity, hedge funds or other instruments. Such surpluses accumulated at the level of several countries (supplying the sovereign funds) have been matched by the willingness of households and companies to borrow and spend more and more. The result was a long period of time of a synchronized but non-inflationary growth between 2003 and 2007, with an inflationary pressure towards the end of the period. Smaller cyclical variations and the financial system's ability to restore the normal situation relatively quick after Asian and Latin American crisis, after some large bankruptcies (see Enron), or 9/11 events, have made investors more

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