

CONSIDERATIONS REGARDING THE GLOBAL ECONOMY AND THE NEED FOR ECONOMIC GOVERNANCE

Adina Barbulescu
West University of Timisoara, Romania
adina.barbulescu@e-uvt.ro

Abstract:

Many negative global stressors from the global economy, such as the current account and trade balance imbalances, the high unemployment, and the increasing prevalence of the financial crises depend to a large extent on the complex integration of the emerging economies into the global economy.

Paradoxically, to make the free markets work better and to give our workers the possibility of being more flexible and mobile, in a global economy where "creative destruction" is / will be orderly, we need more governance, not less.

The Government and the Central Bank can and should use the fiscal policy and the monetary policy, as well as the precise regulation to prevent the occurrence of the emergence-crash cycles.

The government can provide a wider social safety net, to help workers be more productive and more flexible.

The main purpose of our analysis is to present facts and reflexions with regard to the recent evolution of the global economy, as well as to show the need for more economic governance.

Keywords: global economy, economic governance, financial crises

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