Global and State Policy and Modern Financial Crisis

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Abstract

Lately dominates the impression that most holders of economic policies at the national and global level are not willing to give up their rigorous attitude and follow the recommendations which are scientifically evident. However, consistent with considerations of instructions that the economic have been offered, would significantly reduce the frequency of crises and the damage that they bring with them. Until today the variety of conclusions are crystallized. Speaking of preventing financial crisis and its practical implementation in the process of creating the optimal macroeconomic policy is prior highly desirable. So in the United States adopted a plan that lays the foundation of the Staterisky investment, while the EU has a similar situation, because there are also carried out bank recapitalization. Considering the above, the paper analyzes and presents the main activities undertaken on the road to recovery from the effect of the global financial crisis, as well as the latest developments in the global market, with special reference to the Eurozone.

Keywords: world economic policy, G-20, world economic crisis, answers and challenges.

JEL: F01, F44

Multilateral effort prevention plantofinancial crisis

Given the main cause of market failure every financial crisis, the anti-crisis policy is limited mainly to urgent measures to stop the crisis, to reduce its negative effects, to take the actions necessary to sustain the economy in crisis, as well as qualitative measures to overcome from the crisis and restore the economy to a path of sustainable development. Recent financial crisis has shown that the markets system is long and indelible to the degree that some important segments in which the crisis is not necessary to point out. On this basis, market failures have led to the crisis. However, in the last financial crisis, havenot yet discovered all the shortcomings of the market and therefore the answer to the crisis is not definitive. When a crisis occurs in one sector of the economy, there is increasing unemployment, create social problems, etc. The opposite is the process of overcoming the crisis, with the revival of production, incease employment, economic activity is gradually...
returning to normal, etc. This leads to the conclusion that the centre of action against the state of the financial crisis, the economy, and financial institutions. Therefore, in most crises in the economy requires coordinated action by all participants in the financial markets, which have been affected by the crisis. It covers a wider understanding and creation of strategies, plans and programs out of the financial crisis, then the achievement of political stability, the adoption of special laws, acts, conduct supplementary budget and changes in monetary policy (IMF, 2009), p. 116).

Recovery from the financial crisis may help better external factors, such as the economic growth over the world price, and the return of capital. Domestic factors of recovery from the crisis are considered external adjustment, real courses, low inflation, etc. However, one should take into account other effects of the crisis, such as the size of the public debt, low capacity utilization, discredited reforms, high unemployment and social costs. In this case, the policies that are recommended for recovery from the crisis and economic growth, fiscal discipline, increase of exports, support institutional reforms and social policy. Simply put, fiscal policy must work to reduce fiscal pressure and provide fiscal incentives to the economy and monetary policy should help to maintain the liquidity of financial institutions, reduce interest rates, and secure the lending activity of financial markets.

Initial reaction to the outbreak of the crisis is focused on stopping the spread of panic and crisis in the maintenance of demand (or purchasing power), which uses the funds from the budget, the Central Bank, the IMF, and other regional financial institutions, which have the task of providing financial assistance. When it comes to the psychological effect, expressed panic in crisis situations makes the situation even worse, it is necessary to take action fairly, transparently and timely inform, what is the best way to combat the spread of financial crisis. Along with that, we have taken a strategy to stop the withdrawal of funds from banks and other financial institutions, and determine guidelines for the treatment of shares, stock exchanges and securities. Further, it must be to work towards the stabilization of the national currency and in preventing speculation on loans, shares, real estate, currencies, etc. Of course, the crisis must be designed and realistic adjustment policies, which for any given period requires savings, rationalization, denial, etc. It should be bear in mind that time and adjusting the result will be the same in all countries and businesses. In strong economies, there recovery process is usually faster, but it will withdraw and recover others. There recovery of the developing countries is longer and more difficult, because their government and the economy weakened to promote economic reforms, resolve market failures and effectively pull out of the crisis country. In his connection, there is always crisis that should be prepared to prepare systems solutions and customize thematic economic policies to overcome the crisis. These are institutional and other qualitative changes in economic and financial system that have to provide sustainable economic development without crises (IMF, 2009), p. 117).

The choice of economic policies in the fight against the financial crisis depends on the nature of the crisis and its depth. Fiscal restrictions may be necessary, if we keep in mind that the crisis is often associated with expansionary fiscal policy. Restrictive monetary policy can also help in the elimination of market pressures. However, the crises which are inseparable from the problems of liquidity and solvency, the central bank must be prepared to provide the resources and support bank liquidity, but also to protect the role of depositors and keep their trust. Such policies usually involve very high costs and do not provide safe economic recovery. Therefore, it would be more appropriate in these cases, monetary expansion that facilitates
lending and lowers the cost of capital throughout the economy. Incentives, which are strongly taken in late 2008 and during 2009 have contributed to mitigating the effects of the global financial crisis, especially stopping deep economic downturn. However, out of the crisis should be change investor behavior through institutional and regulatory reform, changes in the structure of consumption and production, and improving the world’s financial system. In order to return confidence in financial institutions and financial instruments is necessary to clean contaminated assets, change behavior offinancial institutions and the strengthening of management in the financial sector. Considering the above, the following figures show the functional model of resolving the financial crisis.

Figure 1 Functional model to solve financial crisis

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Measures and activities of global and national economic policies to curbed the financial crisis are: (1) Global plan to reform and revitalize the world economy and the creation of a new international financial architecture, including: transparency, accountability, implementation of international standards and codes, public debt management, financial regulation and supervision, fiscal discipline, strategy, selection of appropriate exchange rate policy, social protection, the fight against money laundering, the establishment of flexible credit lines, reform the IMF, WB, promote greater participation of the private sector, strengthening the banking financial system to reduce public expenditures (expenditures for salaries of employees in the public sector, and a number of social rights and social transfer payable by the government) that are necessary to reduce the tax burden... (2) Financial point of state intervention means: turning down interest rates, liquidity credits, reduction of required reserves, facilitating access to credit for the central bank in order to provide additional liquidity in the global and national financial systems, strengthening the system of deposit insurance, because of the greater security for investors and reduce panic and pressure on bank liquidity, the introduction of the general guarantee of bank debt, top prevent the spread of the crisis and the collapse of banks, as well as special guarantees for interbank claims, measures to unblock credit and accelerating the process of lending which stimulate the economy. It is evident that the U.S. and Europe and other developed countries have decided to intervene, taxpayer funds, curtail budget stops, and prevent the spread of the financial crisis.
panic, contagion, illiquidity and insolvency, caused by the financial crisis. Funding in this case may be invested in three ways: through loans to the budget given with the control efficiency, the use of the business plan, participation in the capital of the bank or corporation whereby the state provides profit-sharing and management of certain banks or corporations, and the nationalization of the banks (as in France). (3) Reduction of the risk of a global outbreak of the financial crisis.

As soon as the six primary prescriptions for reducing risk of an outbreak of the financial crisis: 1. avoid overvaluation of the local currency, allowing it to govern if it fluctuates, 2. maintaining a high level of foreign exchange reserves, 3. the maintenance of a healthy banking system, while eliminating the currency, interest and conscripts disagreement, 4. active management of balance and particularly off-balance sheet assets and liabilities with surveillance techniques and stress testing on a micro and macro level, 5. avoiding high internal and external debt, especially when it comes to transforming the obligation of the private sector, and finally (6) implementation of control of capital movements.

**International scenarios for mitigation consequences of financial crisis**

Economic history remembers the large number of financial crises, which is why new and early too begin work on its prevention. It is believed that the prevention and mitigation of financial crises successful when the crisis comes. If the intervention of the financial crisis in the early stages, it will surely be relatively efficient, but as time passes, the costs of intervention and prevention of exponential growth. Success of mitigation of the financial crisis is difficult to assess, since they register only failed attempts. Until today, many proposed measures in order to minimize the financial crisis, which could not the future have strengthened the current global financial architecture, and improve its functioning. This includes, roughly speaking: (1) increasing the transparency of international monetary relations, (2) strengthening the banking and financial systems, and (3) promote greater participation of the private sector. Increased transparency is a key reform, because financial markets cannot function without adequate, reliable and fast information available. Foreign investor through transparency can easily see where potential problems lie and avoid the excess funds in areas threatened by the crisis (Soros, 1998, p. 134).

Another way to improve the prevention of financial crises is to strengthen the banking and financial systems in developing countries so as to improve the supervision and prudent standards, to ensure that the banks meet capital adequacy requirements, introduce adequate penalties for bad loans, print and qualify reliable information the lending activities of countries, etc. Weaknesses in banking and financial systems are common, in all developing countries over the past decades have passed through the crisis of large proportions. In this regard the IMF has introduced standards and codes of good business practice in the areas of accounting, auditing, corporate governance, payment systems, insurance and banking. The third method of prevention in the crisis in the economy is greater private sector involvement in the resolution of financial crises in developing countries by making loan reconstruction and will be provided news sources, and not to immediately flee the country, as a pre-condition for official aid from the IMF. The essence is that borrower takes some responsibility for the crisis, if you give too much short-term loans to unproductive purposes. In other words,
borrowers should be "taken out" of the crisis, rather than be allowed to easily get out of the country. In this regard, the IMF has proposed the creation of a sovereign debt restructuring mechanism for the rapid restructuring of debts in developing countries, which havethe problem of external debt sustainability.

The financial analysis must always bear in mind the fact that, even if you apply all the reforms, it cannot eliminate all future financial crises. Whatever hope is that those reforms will diminish the frequency and depth of the crisis in the future. Because of the frequency of global crisis in the financial markets, many countries and their governments have created a date, according to own experience, different versions of the scenario of recovery of the world economy (Ohmae, 2007): (1) Americanscenario: Scenariosuggestthat in all the states necessary to increased domestic demand and in order to provide the growth of GDP. According to this scenario are the best known and proposals Nobel laureates, such as Paul Krugman, in order to achieve good economic results, while providing assistance to individuals, advise that the ruling authority quickly start with strong financial regulation, and Congress to draft a plan of financial incentives, which should be focused on consumption. The administration will have to deal with mortgages, to review the conditions of the mortgage loan, your property and structure the significant control that now have in the financial sector in a way that will allow private capital to re-enter that space where the BOP is the company getting better, Joseph Stiglitz beliefs that the recovery of more substantial investments in infrastructure, technology and alternative energy sources, Edward Prescott said that research has shown that tax rates are a key factor in determining the economic health of developing countries, and the willingness of the company to risk and productivity - the engines of economic growth, while high tax rates are assurance of choking the engine. Maschin Ericksay that credit markets require government intervention, Edmund Phelps pointed out that lack of control in the management of equity causes many problems, Clau Gotzanger proposed injection of funds into the banks. (2) Russianscenario: Proposes to hold new Breton Woods, in order to prevent the current backup dollar world currency lead to the collapse of the entire world monetary system. To prevent this from happening, we should introduce a regional reserve currency, and since Russia is the third country in the world for foreign currency and gold reserves, it was decided that the service will grow into a strong regional currency. In addition, the scenario insists on arranging and organizing national and international regional institutes, thentilting large imbalances between volume of issuance of financial instruments and real income possibilities of investment programs, and to increase the accountability of public companies before the shareholders, to strengthen the risk management system, and the disclosure of information companies. (3) Chinesescenario: According to their scenario, the Chinese government is to overcome the negative effects of the crisis, a package of $ 586 billion dollars to finance investments in infrastructure, social welfare payments, development of SMEs, and planned to increase domestic demand by lowering taxes of 17.6 billion dollars. In this context, China will be in the next few years to turn more towards agriculture and rural areas, as in the industry, according to Chinese economists, there is the greatest potential for
stimulating domestic demand and providing the basis for stable and relatively rapid economic growth.

Any form of international cooperation between countries should lead to some proposals that would partially undertake in response to the challenges of the global financial crisis. In connection with this, in the previous a host of national and international scenarios for possible solutions to the financial crisis, which, unfortunately, have not yet been finalized and unanimously accepted. One of them is almost implied a proposal to raise temporary loans totaling 1,000 billion dollars to rescue banks (700 billion dollars for Fanny Mae and Freddy Mc, and 300 billion dollars for City Group) as well as national corporations and the automotive industry.

Also, several experts suggested this scenario with the division of the world into three blocs of countries (Eastern, American, and European), while others have suggested a completed division of the world in which there will be no common blocks and institutions. Each country, in this final version, I had to take care independently, which means that the state has strengthened to the maximum impact on the economy. However, with existing severe financial problems due to the struggle for the redistribution of the world's resources, there would be no increase in international tensions and even armed conflict. On this basis, the natural consequence of the new situation on the world's economic climate would weaken the influence of dollars, which no longer be the world's reserve currency. At the same time, would reduce the importance of the euro. Most optimistic scenario is one in which the U.S. has successfully overcome every serious economic crisis, while Brazil, Russia, India, China, and Japan could cope with the economic slow-down and accept the work of common international financial institutions as the best remedy to solve problems. Especially, there are scenarios in which the Chinese government, because it is focused on measuring the consumption (i.e., the abolition of taxes on sales of cars with small engines, 74 million people who will receive the appropriate subsidies, retired state employees will receive an additional pension, 12 million teachers will receive a higher salary, etc.). However, in this variant of the real economic power, and still be on the fast-growing economies.

Preventive measures taken by governments and central banks in some countries for overcoming the world financial crisis

Since the last financial crisis hit the whole world economy, many governments were forced to rescue the international financial system, with priority given to ensure economic recovery. In this regard, a number of measures were taken to improve the financial stability, including injecting capital into financial organizations, a significant expansion of guarantees for bank liabilities, by the central bank recapitalization, and various liquidity programs. On the global financial crisis, there is the first move by the government and the central bank in some countries and the measures taken increased market liquidity, primarily by reducing the basic interest rate and throwing large amounts of money into the financial system. State aid packages are rehabilitated losses of financial institutions and strengthened core capital for the credit function of banks, which have a business perspective. Financial assistance was provided funds of state financial institutions. In addition, the recapitalization was used, and other measures, such as various types of guarantees of interbank transactions, the purchase of
troubled assets from banks, to guarantee the debt of financial institutions and companies, etc. The decision of central banks on securing liquidity and measures of loan guarantee by financial sectors by the government and parliaments of most countries have proved to be effective in preventing the collapse of the global financial system (FSA, 2009, p. 45). In developing countries, governments have had to confront the economic slowdown through monetary policy, support programs for job creation, expansion of social security, etc. In addition, the government undertook an array of measures to facilitate financial problems of business, improve business environment, fiscal and other incentives. Sector measures are funneled into the hardest-hit sectors, especially in the automotive industry, construction and tourism. In general, the current action plans coordinated government of affected last world financial crisis were aimed at the efficient operations of the regulated financial markets, greater control rating agencies, greater regulation of speculative hedge funds and other previously unregulated financial products, harmonization of accounting and auditing rules empowering the IMF, etc.

However, there is no single model applicable and effective for each country. Common tool recovery plan that includes measures to restore liquidity. The basic difference between therecovery plans of individual countries relates to whether or not their financial sectors were directly exposed to the troubled securities. Therefore, two groups of countries such as the USA, Great Britain, Germany, Austria, Italy, Sweden, France, Russia, whose financial sector has been directly exposed to troubled securities and whose recovery plans must include the funds needed to recapitalize banks. These are recovery plans in which they write off the losses of the banking sector and reduce the capital base of banks and their credit capacity. In addition, suppose the recapitalization of banks banking systems include significant funding for inter-bank guarantees, in order to help restore the credit mechanism and confidence in the bank system economy restarted (FSA, 2009, p. 46). These two groups consist of countries whose banks were not exposed to troubled U.S. securities, such as Poland, the Czech Republic, Slovakia and Slovenia, which have a healthy banking system but it is in crisis due to external shocks. They are also directly exposed to the problem that are happening in the financial markets of the EU, especially hampered by inflow of foreign direct investment and a drop in foreign demand. Their recovery programs were mainly focused on the provision of financial assistance by central banks, particularly the European Central Bank. Even some of them have extended the deposit, to cover larger deposit potential and new financial institutions. In doing so, some banks are recapitalized, and the other interstate bought one package of shares. Increased the number of securities that the central bank accepts when approving your loan approved and with it a significant amount of funds to the banking sector. Governments of developed countries have provided for a shorter period of time different incentive packages to help in order to mitigate the negative consequences of the global financial crisis. This packages contented: infrastructure technology, energy, unemployment, budget deficits, tax cuts, rural areas, technological innovation, sustainable development, social protection, green technology, pension systems, etc. The financial sectors of the United Kingdom, Germany, Austria, Italy, Sweden, France and Russia were directly exposed to the toxic assets, and recovery plans are primarily included fund store recapitalize banks. Besides, banks also included funds for inter-bank guarantee in order to help restore the credit mechanism and confidence in the bank to get the economy going again.
So, it was a state-owned financial sector to prevent a variety of bankruptcy. In this connection, the largest package of financial assistance provided by the US Government ($787 billion dollars) and the Government of China ($586 billion dollars) (FSF, 2008, p.4). In addition, the central banks of the developed countries are mitigated maximum monetary policy by lowering benchmark interest rates and taking other measures such as the purchase of government securities, bonds, and even companies with the aim to launch the halting activity on world financial markets. Considering the insufficient recovery of the US economy, the Fed has decided that in the next eighteen months “to fill in” $600 billion dollars to the US securities markets, in order to encourage the recovery of the American economy, it got tired. Immediately there was a rise in oil prices, the value of shares on the stock market and the strengthening euro. Urgent necessity of economic incentives in the US has been recognized during the Bush administration in early 2008. Even then forth this purpose approved a package worth $168 billion dollars or slightly more than 1% of GDP. However, the first stimulus did not provide anything more than temporary and short-term relief in the financial system and the housing market. Economic incentive Ilo occurred during the Obama administration (Recovery and Reinvestment Act of 2009, ARRA). The plan included the over $800 billion dollars (about 300 billion related to tax relief to citizens and businesses), $250 billion went to state and local governments with financial problems, 150 billion variety of infrastructure projects, 100 billion additional support to workers who have lost their jobs, etc. (Zandi, 2010, p. 229). In addition, the Act of the emergency economic stabilization USA which is the de facto approved 700 billion dollars (Zandi, 2010, p. 230). On the basis of this plan, executed the purchase of troubled assets, especially mortgage covered securities, which recapitalized financial institutions. In other words, the site was cleared of non-covered banks of their assets by purchasing securities, to revive the credit mechanism. Noting the US aid package would need to include temporary tax cuts, investment in infrastructure, aid to citizens who lost their home, etc.

Main countries anti-crisis measures member states of the EU

As for the individual anti-crisis measures that were made at the level of the governments of the EU member states, most countries implemented austerity measures to reduce public debt and ensure medium-term fiscal sustainability. Most of the less developed member states, or continue to have programs of budget support through the IMF loan, which include savings programs and structural reforms. In order to reduce the negative impact of the global financial crisis, a number of European countries have increased the amount of guaranteed deposits in banks. Thus, the European Commission 5th December 2009 issued a declaration on the recapitalization of banks in order to preserve and smooth functioning of the world financial markets (these so-called European Economic Recovery Plan, EERP). Until the above date, the Commission has already approved recapitalization schemes in the four member countries as well as some individual banks’ recapitalization. However, given the nature, scope and conditions of recapitalization may not be the same as the case of the country, the EU member states and individual banks require more detailed guidance from the Commission on the possibility of recapitalization. Among the most important objectives of the recapitalization are listed: restoring financial stability and confidence, establishing smooth functioning of the real economy as well as the prevention of systemic adverse effects due to the insolvency of individual banks. However, they are identified and potential risks for the competitiveness of the banking sector.
ontreedifferentlevels:(1)bankrecapitalization inoneMemberStatedo notgiv(an unfair advantageoverbanksinothermemberstates,(2)withinonecountrydoesnotgivean unfairadvantagetobanksinrelationtoothers,and(3)capitalincreasemay notbeplacedinless competitivepositionofthosebanksthataretryingtoborrowonthemarket,orshouldaspirertogovernmentsrecapitalizationtotheleastextent displacementsectorNotwithstandingthestrengtheningof interventionistpoliciesandprotectionism, theEU continuedtosupportthe policyofopenmarkets, growthandprosperity. Accordingly, mostoftheEUplanproposes thefollowing:efficiently creatingplansforsavingpublicbanks,centralbanksshouldtakeon theroleofclearinghouseforinterbankmarkettoagainrestoreconfidenceamongcommercial banksandestablishedaysystemofinter-banklending,itisnecessary toimplement rehabilitationprogramsto increase GDPinthe EU countries and accelerate the reformof the financial incentivemarkets. Inaddition, proposednewlegislationoneconomic governance. Specifically, its tougherpenaltiesagainstEUmemberstates unless itisdemonstratedby controllingpublicfinances. Penalties will be at 0.2% of GDP, while in the process of punishmentwillbe includedinthosecountriesatfaulttocontroltheirannualspendingor reforming the economy in order to improve competitiveness.

Itisnecessary toemphasizethattheaforementionedmeasures, includedintheplanof recovery fromtheglobalfinancialcrisis, and therelatedfinancialsupportfortheunemployed andpoorhouseholds, investingininfrastructureprojects, energy, temporary taxcuts, environmental, socio-economicobjectivespromotion ofGreenfieldinvestment, labour market flexibility, protection of employees, businessdevelopment, enhancing competitiveness, etc. in allthesementionedactivities, specifically noted that Germany has reduced socialsecurity contributions which should reduce labour costs and increase private consumption, increased socialspending, particular investment in infrastructure, schools, healthcare, invested in the automotive industry, encourage privateinvestment, increase loans to SMEs, etc. (CPU, 2009). The latest activities of the European Commission during the 2012 were focused on establishing the European framework for preventing and resolving (banking) crisis, to taxpayers and the economy in the future, protect from the effects of the bankruptcy of banks. Such a framework would represent the first phase of which is in the bankingunion. The proposal involves very close coordination between MemberStates and to authorize the competentauthorities tosharholdersmay forcebanksthemselvesbear mostof the losses if their banks into crisis. The reason for this kind of activity is the fact that the financial crisis of 2008 the year that the big banks should bailout because they are "too big to fail", or because such banks collapse calls into question the stability of the entire financial system, so it is cheaper to save than run their bankruptcy. The problem is that the rescue of these banks going to the expense of taxpayers, and not the expense of the respective owners. On the other hand, the bankingunion would be based on a common scheme for insurance of bankdeposits, the common Europeansupervisory body that would havetheauthoritytomakedeisions regarding systemically important banks with cross-border operations, and the common fund for the financing of controlled "fire" such banks and coordinated set of instruments and harmonized procedures.

The proposal of the European Commission has therefore, a series of measures and actions to address the crisis, and the key elements are prevention and early intervention. The competent authorities in the member states to resolve the crisis would have the authority to ask the bank to draw up plans for recovery and restructuring case to deal with financial
stress. Competent authorities have the right to intervene at an early stage, before the capital level falls below the requirement of a minimum level. These powers include the possibility of the dissolution of the bank and the appointment of a special management before bankruptcy. The right of the convening shareholders' meeting to adopt immediate reforms, and require the bank to set up a cooperation with the creditors to restructuring and the plan for the debt. Proposed by the Commission, each Member State will need to also establish a fund to which the banks and investment funds to pay depends on the risk profile. These funds would fund controlled “fire” troubled banks. Each fund would be responsible for the bank on its territory, while for those operating in multiple countries agreed arrangements between competent authorities in those countries. Banks were regular subscribers to the funds, any one percent of the amount of deposits guaranteed by the state. It is emphasized that the funds can be used only for restructuring or orderly conduct of bankruptcy of insolvent banks, and not for rescue assistance to banks, on what basis would then acquire an unfair advantage over the competition. It is especially important to prevent irresponsible banks use other people's money, based on a sound premise that in the event of an apologetic the aid of the state could lend.

However, the removal of these structural and institutional problems at the system level is not done all that is necessary. Interventions undertaken in the financial sector through the various forms of financial support (additional liquidity, recapitalization, taking risky assets or contaminated), and various forms of guarantees on liabilities, event temporary nationalization of certain financial institutions, have given good results in terms of getting out of the recession, credit growth activities, and some financial institutions have already realized profits thanks to the write-off of losses. In addition to the former, we need new financial and institutional interventions during recovery and growth based on new credit and investment expansion. The key is to create a solution that will minimize the risk of new crises. In this sense, it is necessary to improve regulation in monitoring sustainable fiscal and monetary policy and prudential access to the system pressures as a whole through a better understanding of the relationship financial and the real sectors and their vulnerability to the issues of shocks and economic contraction, and through a better system of monitoring and early warning, improve risk management, develop cooperation with other countries, effectively implement regulatory measures and quick to react, with caution (which is needed for other risk assessment) with the introduction of financial innovations.

**Proposals and recommendations of some economists’ possible ways prevention of financial crisis**

Many economists still don't dare to write serious articles which led to concrete proposals on possible ways to prevent this financial crisis. However, due to the complexity of the case studies, it is necessary to briefly familiarize the sequela to expose the most constructive suggestions and recommendations most economic expertise on the prevention and control of the financial crisis in economic theory. Stiglitz proposal primarily related to reforming and modernizing the world's financial institutions, in terms of greater accountability, transparency, and openness to the less developed countries (Stiglitz, 2004), p. 239). According to this analysis, Stiglitz believes that from the global financial crisis and economic recession only get the 2013, but still suggests
thattheworldfinancialarchitectureismorefragiletodaythannbeforethecrisisandinthatthequestioniswhenwillithappenagain.Whathasbeendonesofarintheariaofreformofthe
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continuedtowards.ThisishwhyStiglitzfor"NewWorld"orthe"newcapitalism".Keepingmind
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measuresthatshouldbetaken(butfurtherisseassumedtobegloballychangingthesocietyfrom
theroots):theconstitutionofthebodythatobservemostpowersandgreaterrepresentativeness
thananybodywhichexiststodaybecauseglobalcrisisrequiresaglobalresponse.Existing
institutionsareinadequateforthemomentthatthey

Furthermore,itisnotequallyproportionalrepresentationinthevotingstructure
oftheinternationalfinancialinstitutions,therefore,needademocraticrepresentation,
andtheintroductionofanewglobalreserve systemwithonecurrency, weneedamultilateral
systemthatdoesnotdependonthecurrencyofacountryitisnecessarytoconnectallthecurrencies
(modelledonSPV)tocreateaglobalcurrencythatwouldbepermanent.Inaddition,theglobal
financialreformwouldinvolvemorecontrolandsupervisionoffinancial

Proposal,whichwasbasedonaradicalreformofkeyactorsoftheworldfinancialsystem
gavealsoWaldenBello,(Reis,Guilherme,(2004),p.3)aprofessorattheUniversityofthe
Philippines.Specifically,Bellobelievesthattheproblemsinthestructureandorganizational
cultureoftheworld'sfinancialinstitutions
(IMFundWorldBank),andthelackof
responsibilityoftheMinistryofFinanceoftheUnitedStatesandalackoftransparency.

That'swhyheisproposingtheeliminationofallstructuraladjustmentprograms
indevelopingcountriesandincountriesthatare
incrisis,thenreducingthenumberofprofessionalstaffin
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thinginallthisis
thecreationoftheGlobalCommissionontheFutureoftheIMF,inwhichhalfthe
membersoftheCommissionshouldberepresentativesfromnon-governmentalorganizations,becausethe
civilsocietyorganizationsthathaveplayedadecisiverolesinthediscoveryofdestructiveand
undesirableeffectsoftheadjustmentprogram.

ProposalRobertaM.Mundell,(Little,Oliver,(1999),p.9)aprofessorattheUniversityof
Columbia,accordingtowhichinthetwentiethcenturyshouldfinally
gettocreateanewworld
financialorder,wasreflectedinthefollowing:theU.S.,JapanandtheEUshouldintroduceacommone
currency("intor")anduniquetheglobalfinancialsystem.World'smajorcurrencies
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banktoimplementmonetaryreformandthefixedexchangerateintheratio100yentothedollar,whiletheECBfixed
exchangerateratetheratiooneurotonedollar.Other
currenciestopethecoursesforoftheaforementionedcurrencies,whichisdominantinthefield.FormedwouldbethetheCentralBankoftheworld,whowouldworkunderthe
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without
backing.Accordingtohim,thecentralbankoftheworldrepresentedbytheIMF,morein
termscoordinatingthewholebusiness.Inthiscase,thetraditionally
theboardofgovernorswould
appointanoperationalbodywhichwouldbecomposedofrepresentativesofthecentralbanks
the three largest and most developed economic entities in the world (Japan, U.S., EU). Speculators, who earned billions of dollars on the exchange rate differentials between the world's currencies, would definitely lose their jobs, and the rise of global GDP would be doubled. He believes that the euro has opened the way to "intor". Specifically, the euro was first brought to the fundamental changes in the configuration of the world financial system, and the best way to understand its contribution to the new world order would be to realize the monetary differences and move the capital to the new model of the international economy. Because of this great country are viewed as entities that are interconnected different currencies, fixed or flexible exchange rate. The essence of his ideas was to create a global Cross currency exchange and to present new configuration options worldwide currencies. If all three currency areas Isles stable prices, then among them should rule Cross currency exchange rate stable. Today, Mundell insinuated on the adoption of his proposal in the circles of their high and highly developed countries. His plant to stabilize the exchange rate between the three largest currencies was adopted, it would allow a sufficient increase in world GDP. On the other hand, it could increase the chances of development and global economic stability, which would be expanded, and the under-developed areas of the world.

Robert Zoellick, (Rargavajas, (2009), p. 15), World Bank president, said that the consequences of the global financial crisis for years. Zoellick argues that refers to the changing global economic map, so a strong contribution to the growth of the world economy given numerous countries. In this connection, the status of the dollar as a reserve currency, according to him, is no longer safe. According to him, the global crisis had to become predictable.

Therefore, it is necessary to create a group of finance ministers who will be able to comprehend the problems in time. Multilateralism is necessary to develop a clearly constructed sense of shared responsibility for the sound basis of global political economy. In addition, it must be flexible and involve actors with the greatest interest in the economy. G-7 must be connected also Brazil, China, India, Mexico, Russia, Saudi Arabia, and South Africa, then the need to expand the Financial Stability Forum and the IMF, strengthen financial supervision, multilateral network to connect with the energy and climate change negotiations of new mechanisms for the protection of forests, develop new technology, to provide financial assistance to poor countries, etc.

According to Gerald Celente ("economic Nostradamus") contemporary world and civilizations will emerge from the financial crisis only if it is able to launch new production capacity, which of further than the new technologies for alternative energy. His forecasts are fairly concise, but without any concrete solutions: the collapse of the global financial system, recession and depression, lack of healthy food, alcoholism, poverty in the cities, crime, pandemic, diseases, riots, wars, etc. According to him, the economic tragedy Greece only the "beginning of the end" that the world expects. Many have characterized the global crisis as a crisis of capitalism but Celente thinks is actually the destruction of human nature.

Like his predecessor, Paul Krugman (Krugman, (2012), p. 66), also believes that it is necessary to restructure the global financial system and impose stricter regulations in order to avoid repetition of the financial crisis of major proportions. However, he expressed concern that there is a momentary wear and tear, because there is no political will to do so. According to
him, the government should be more severe, because financial managers continue to "reap" gigantic bonuses and profits. Because of the slow and painful recovery from the global financial crisis, unemployment in the U.S. reached its peak nearly 2011. Therefore, the government, according to him, should help people retain jobs, basic wages, social services and healthcare, and one of the ways to overcome the crisis could be a global plan to encourage investment in green technology, and a more serious approach to climate change that could help keep the level of demand. Essentially, suggestions Krugman go towards liberalization of international transactions, the liberalization of domestic financial markets, the emphasis on the stability of world prices of raw materials, energy and food products, and finally establishing fiscal discipline. Obviously, the lack of transparency is a threat to the current financial crisis, and thus, long-term policy should be focused on increasing the transparency of structural financial products. In connection with this, in his opinion, there are at least two moves that should be considered at the multilateral level, including the role of creditrating agencies and maturity mismatch in non-banking financial institutions.

The lack of accurate predictability of the financial crisis in economic history is what most intriguing contemporary macroeconomists is. Thus, according to Paul Samuelson anticipated recovery of the global economy until the 2014 (Samuelson, 2009). Analyzing the deep causes of the financial crisis, Samuelson believes that a similar situation occurred in the period between Roosevelt's inauguration in March 1933 and the beginning of World War II. The lifespan of this Nobel Prize winner allowed him to experience the economic cycles makes a full circle, and stated that the global economy is coming back, Keynes, according to which tax policy and deficit spending are considered the major determinants in the management of the market economy. In this context, a key Samuelson proposal is aimed at restoring people's confidence in the global financial system, despite the years before the financial crisis built up as a "house of cards" with a more risky and toxic financial derivatives.

Nuriel Roubini believes that overly optimistic assessment of the current situation regarding the health of the American economy could be premature (Roubini, 2008).

Roubini says that should not be excluded in the future another very strong recession wave in the U.S. and the global economy, after summarizing the effects of the fast stimulus measures taken by the U.S. government to buttress the rapidly deflating as soon revived the American economy after the crisis. He was the only one who predicted the financial crisis in the U.S. He still warn that Fed will be a great challenge, because of the skills test a leading interest rate policy, much will depend on the U.S., and the global economy. Roubini announces possible "W" recession and believes that it is not over because of other risks associated with the cessation of (monetary and fiscal) stimulus in most developed countries. According to him, there could be astag-deflation (recession and deflation), if the state and the government increase taxes, reduces spending and liquidity to reduce fiscal deficits. In addition, food and energy prices rise much faster than they should, so this is one of the reasons for its announced "W" recession.

According to the interpretation of German economists Maks Otea (2009), p. 120) financial crises are mainly due to the following reasons: the financial sector is developing faster than the real sector to GDP, inadequate economic policies of developed countries,
leading to increasing debt and inflation. Real estate bubble and other financial derivatives. The possible collapse of the world financial system warned back in 2005 and points out that in 2001. The financial order was so “sick” that collapse at any moment occurred. Financial crisis contains “crisis of information,” because it is assumed that multinational corporations and large private actors in the financial markets may determine the information and manipulate them (or speculate), which is definitely not good for the world economy. Therefore, stock expert Ote offers a program of a few points in particular, emphasizing that investment in certain actions is safer than real estate, gold is still the number one investment tool for emergency and to human behavior (at the outbreak of any crisis, almost always a critical factor) cannot be predicted with empirical accuracy, even when something like the financial crisis forecasters constantly try.

Thus, some important lessons from well-known economists in the international economy resulting from a careful study of the current financial crisis. Learn from others’ mistakes is not easy, but it is much faster and more efficiently by learning on their own mistakes. Therefore, the financial crisis confirm some of their most important recommendations, in order to resolve serious economic problems, increase the level of confidence and reduce the risks arising from the financial sector.

Possible scenarios for a new world financial system

The following is a brief overview of a few “good” and “bad” scenarios that could have a major effect on global economic developments and trends during the 2013, and that they are made by Morgan Stanley analysts: (1) restoration of inflation, (2) real estate market in the U.S. has stagnated. (3) Japan's central bank was buying Eurobonds innan attempts to devalue the yen against the euro. (4) Italian politics revives cycle of crisis. (5) Greece remains in the EU, while search for nearly 2013 suggests that the EU and the United Kingdom come. (6) UK officially giving up the fight against inflation. (7) The recession is returning to Australia (8) Emerging market growth continues at a path of growth driven by investment and exports. (9) Shocking Chinese restrictions could cause credit problems that could threaten both the Chinese and global economy. (10) Asia increased exports. (11) Back to the "Soviet Union."

Besides, several economic and financial gurus are also raising alarming forecasts for 2013 (Nouriel Roubini, Marc Faber, Larry Edelson, Kyle Bass and others). Not only does it provide for the continuation of the economic and financial crisis as well as expansion into the field armed struggle! So Roubini in May 2012 announced that the 2013 crisis hit the world sharper than those from 2008. As “Dr. Ruin” says, the recession in Europe creates the austerity measures, the strong euro, the creditor crisis in the peripheral countries of the euro area and the lack of consumer confidence. In addition, he said that this year could occur a blockade around the world financial system. This could result in five factors: the debt crisis in Europe, China’s economy shock, the slowdown in emerging markets, the risk of rising oil prices due to the development of Iran’s nuclear program and the U.S. fiscal gap. "Swiss investor and financial adviser Marc Faber, with his thinking of the nickname "Doctor Doom." Faber predicts that the U.S. government begins new wars in response to the economic crisis. On the other hand, financial analyst Larry Edelson in 2013 also sees war, and that prediction is based on the
theory of the cycle of war, which tells about the laws under which companies fall into a state of war. According to Edelson, war cycle theory suggests 2013 as one in which they could break unfavourable economic developments. Also, American businessman Jim Rogers warns that continued financial rescue and debt-laden European countries could provoke a new world war, because war weapons could be boosted and traded in. Economists分析师 Kyle Bass believes that war often emerges as a result of the economic decline. In 2013, the restructuring of billions of dollars of debts and millions of reasonable depositors will lose a large percentage of its purchasing power.

The UN asset its forecast for 2013 expressed mild words of the above framework. Specifically, the UN predicts global economic growth rate of 2.4% in 2013 and from 3.2% in 2014. This slow growth will not be enough to overcome unemployment, with which many countries are facing. With existing policies and growth trends, Europe and the US will take at least five years to make up for the lost jobs caused by the Great Recession 2008 and 2009. Bearing in mind the UN forecasts, below emphasizes the key elements of his report: (1) In the eurozone economy, the UN predicts modest growth in 2013 and 2014, although the real estate market started to show signs of recovery. Thus the US GDP in 2013 should grow by 1.7%, which is 0.4% slower than the rate of growth of 2.1% in 2012. (2) There will be more slow down the Japanese economy, which will grow this year by 0.6%, and the US 2014.8%, compared with 1.5% last year. (3) The economic problems of Europe, the US and Japan will be in developing countries through weaker demand for export products, which these countries, and increased instability in capital flows and commodity prices.

The US National Intelligence Council (NIC) issued a report, "Global Trends 2030: Alternative Worlds," which states that the impact of the US and the global economy in the coming decades of decline, and will until 2030 China will become the world's largest economy. With China will become new economic giants and India and some other Asian countries. US will not fade in the long run in economic terms, but will decline in the coming years and its impact on global politics. In that scenario, the following "good" scenarios: (1) 11 new economic giants: Bangladesh, Egypt, Indonesia, Iran, Mexico, Nigeria, Pakistan, Philippines, South Korea, Turkey and Vietnam, should be 2030, the ablest to achieve economic position of the EU. In combination with the major economies of China and India, these giants will be the new center of global power would move from West to East, and (2) The world with 8.3 billion people. The world's 2030 were supposed to be about 8.3 billion humans (as compared to 7.1 billion from 2012). About two-thirds of the world's population by 2030 will live in cities. Most of the population will have access to advanced technology and healthcare, and most countries, led by China and the United States, will develop international cooperation. However, the growth of the world population will lead to conflicts over water and food, especially in the Middle East and Africa, and will lead to instability of the global economic collapse. The report also notes eight potential worst-case scenarios, calculated "black swans" global trends for 2030: (1) severe pandemic, (2) more rapid climate change, (3) the collapse of the EU/euro, (4) or failure of the democratization of China, (5) (not) the reformed Iran, (6) nuclear war, weapons of mass destruction, cyber-attacks, (7) geomagnetic solar storm could destroy
satellites,powernetworkandmanysensitiveelectronicdevices,and(8)thedisappearanceofAmericanpower.ThesechallengesandrisksberebestillustratedbyFigure2.

Figure2 Key risksto whichtheworldwillfaceinthe comingdecade 21st century

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<tr>
<th>ECOLOGICAL RISK</th>
<th>GEOPOLITICAL RISKS</th>
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<tr>
<td>Climatechange</td>
<td>Weapons ofmass</td>
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<td>GrowthinCO2 emissions</td>
<td>Nationalizationofresources</td>
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<td>Greatcontamination</td>
<td>Growthofcorruption</td>
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<th>ECONOMIC RISK</th>
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<td>Lackofdrinkingwater</td>
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<td>system</td>
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<td>Unevenif prices</td>
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<td>The imbalance ofthe labourmarket</td>
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<tr>
<td>CyberAttacks</td>
<td>Massdisinformation</td>
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So, thekey challengestheworld willfacein the future are (un)willingness of the U.S. and the EU to solve its own financial crisis, the resolution of tensions in the Asia-Pacific region, the former annul nuclear program and the war in Syria. In addition, major threats and risks are: the dissolution of the present world financial system, deepening the gap between rich and poor, the extreme volatility in energy and food prices and the spread of weapons of mass destruction.

Conclusion

This paper outlines the most important guidelines in order to minimize the financial crisis, which significantly strengthened in the future structure of the global financial system and improved its functioning. As already stated in the paper, to a greater extent involves increasing the transparency of international financial relations, strengthening the banking and financial system of the national economy and promote greater private sector participation in the financial system. Therefore, a direct response to the global financial crisis, they would make the following measures: providing liquidity support, i.e., with facilitation of the central bank, as the "lender of last resort" and a reduction of the reserve requirement, expanding financial safety nets, interventions and "injection" of capital in financial institutions, restructurings of global financial institutions, measures to start lending.

The crisis also requires an stable financial system, responsible monetary policy, regulate the financial, especially banking sector, restore confidence in financial institutions and modern financial instruments, as well as responsible fiscal policy. Significant risk is related to fiscal policy (i.e., fiscal sustainability, the sustainability of external debt). In the opinion of most of the world's experts, the financial industry crisis of the financial sector will continue until
the banks do not tighten up their capital and not lending to the economy significantly.

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