Globaland StatePolicy andModern FinancialCrisis

Izet Ibreljic
Tuzla University, Tuzla, Bosnia and Herzegovina
ibreljic@yahoo.com

Amra Nuhanovic
Tuzla University, Tuzla, Bosnia and Herzegovina
amra.nuhanovic@untz.ba

Abstract

Latelydominates the impressionthatmostholdersofeconomicpoliciesat the national andgloballevelarenotwilling togiveuphisrigorousattitudeand follow therecommendationson whichthereisscientific consensusisevident.However,consistentwithconsiderationsof instructions that the economicshave beenoffered,wouldsignificantlyreduce the frequencyofcrisesandthe damage thattheybring withthem.Untiltoday thevarietyofconclusionsarecrystallized.Speaking of preventingfinancialcrisisanditspracticalimplementation intheprocessofcreating theoptimal macroeconomicpolicyisa priorihighlydesirable.So intheUnitedStatesadoptedaplanthataimsto redeem theStateriskyinvestment,whiletheEUhasa similar situation, becausetherearealsocarried outbankrecapitalization.Considering theabove,thepaperanalyzedand presentedthe main activities undertakenontheroadto recoveryfrom theeffectsof theglobalfinancialcrisis, aswellasthelatest developmentsin the global market, withspecialreferenceto the Eurozone.

Keywords:world economic policy, G-20, world economic crisis,answersandchallenges.

JEL:F01, F44

Multilateraleffort prevention plantofinancial crisis

Giventhatthemaincauseofmarketfailureeveryfinancialcrisis,theanti-crisispolicy is limitedmainlytotakeurgentmeasurestostopthecrisis,toreduceitsnegativeeffects,totake theactionsnecessary tosustaintheeconomy incrisis,aswellasqualitativemeasuresto overcomefromthecrisisandrestoretheeconomytoapathofsustainabledevelopment. Recentfinancialcrisis hasshownthatthemarketsystemisalongandindulgenttobe deformedinsomeimportantsegmentsinwhichitisnecessary topointout.Onthisbasis, marketfailureshaveledtothecrisis.However,inthelastfinancial crisishavenot yet discoveredalltheshortcomingsofthemarketandtherefore theanswertothecrisisisnot definitive. Whena crisisoccursinone sectorof the economy,there isincreasing unemployment,createssocialproblems,etc.The oppositeis theprocess ofovercomingthe crisis,withtherevivalofproductionincreasesemployment,economicactivity isgradually returningtonormal,etc.Thisleadstoconclusion thatthecentreofactionagainstthestateof thefinancialcrisis,theeconomy andfinancialinstitutions.Therefore,inmostcrisesinthe economy requirescoordinatedaction by allparticipantsinthefinancialmarkets,whichhave beenaffectedbythecrisis.Itcoversawiderunderstandingandcreationofstrategies,plans and programs out of the financial crisis, then the achievement of political stability, the adoptionofspeciallaws,acts,conductsupplementary budgetandchangesinmonetary policy (IMF, (2009), p.116).

Recoveryfromthefinancialcrisismay helpbetterexternalfactors,suchaseconomic growthorgrowthintheworldprice,andthereturnofcapital.Domesticfactorsofrecovery fromthecrisis areconsideredexternaladjustment,realcourses,lowinflation,etc. However, one shouldtakeinto accountother effectsofthecrisis,such asthesize of the public debt,low capacityutilization,discreditedreforms,highunemploymentandsocialcosts.Inthiscase,the policiesthatarerecommendedforrecovery fromthecrisisandeconomicgrowthasfiscal discipline,increaseexports,supportinstitutionalreformandsocialpolicy.Simply put,fiscal policy mustworktoreducefiscalpressureandprovidefiscalincentivestotheeconomyand monetarypolicyshouldhelptomaintaintheliquidity offinancialinstitutions,reduceinterest rates, and securelendingactivityof financial markets.

Initialreactiontotheoutbreakofthecrisisfocusedonstoppingthe spreadofpanicand crisisinthemaintenanceofdemand(orpurchasingpower), whichusedthefundsfromthe budget,the CentralBank,theIMF,andother regionalfinancialinstitutions,whichhave the taskof providingfinancialassistance.Whenit comestothepsychologicaleffect,expressed panicinacrisisthatmakesthesituationevenworse,itisnecessary totakeonthe crisisfairly, transparentlyandtimelyinform,whatisthebestway tocombatthespreadofthefinancial crisis.Along with that, we havetomakeastrategyto stop the withdrawal of funds from banks andother financialinstitutions,anddetermineguidelinesforthetreatmentofshares,stock exchangesandsecurities.Further,it mustbe toworktowardsthestabilizationofthenational currencyandinpreventingspeculationloans,shares,realestate,currencies,etc.Ofcourse, thecrisismustbedesignedandrealisticadjustmentpolicies,whichfora givenperiodrequires savings,rationalization,denial,etc.Itshouldbebearinmindthattimeandadjustingthe resultswillbe thesameinallcountriesandbusinesses.Instrongereconomies,therecovery processisusuallyfaster,butitwillwithdrawandrecoverothers.Therecovery ofthe developingcountriesislonger andmore difficult,because theirgovernmentandtheeconomy weakenoughtoimplementeconomicreformsresolvemarketfailuresandeffectively pulled outofthecrisiscountry.Inthisconnection,there isalwaysa crisisshouldstrivetoprepare systemsolutionsandcustomize themactive economic policiestoovercome the crisis.These are institutionalandotherqualitativechangesineconomicandfinancialsystemsthathaveto provide sustainableeconomicdevelopmentwithout crises (IMF, (2009), p.117).

The choiceofeconomicpoliciesinthefightagainstthefinancialcrisisdependsonthe natureofthecrisisanditsdepth.Fiscalrestrictionsmay be necessary,ifwekeepinmindthat thecrisisisoftenassociatedwithexpansionaryfiscalpolicy.Restrictivemonetary policy can alsohelpintheeliminationofmarketpressures.However,thecriseswhichare inseparable fromtheproblemsofliquidity andsolvency,thecentralbankmustbepreparedtoprovidethe resourcesandsupportbankliquidity,butalsoto protecttheroleofdepositorstokeeptheir trust.Suchpoliciesusually involvehighcostsanddonotprovideasafeeconomicrecovery. Therefore,itwould bemoreappropriateinthesecases,monetary expansionthatfacilitates

lending and lowers the cost of capital throughout the economy.
Incentives,whicharestrongly takeninlate2008andduring2009havecontributedto mitigatingtheeffectsoftheglobalfinancial crisis,especiallystoppingdeepereconomic downturn.However,outofthecrisisshouldbe change investorbehaviorthrough institutionalandregulatory reform,changesinthestructureofconsumptionandproduction, andimprovingtheworld'sfinancialsystem.In ordertoreturnconfidenceinfinancial institutionsandfinancialinstrumentsisnecessary tocleanthecontaminatedassets,changein behavior offinancial institutionsand thestrengthening ofmanagement in thefinancial sector.Consideringtheabove,thefollowingfigureshowsthefunctionalmodelofresolving the financial crisis.

Figure1 Functionalmodelto solvefinancialcrisis

ANSWERSOFWORLDECONOMICPOLICY THEFINANCIALCRISIS

GLOBALPLAN FORREFORM WORLDECONOMY

NEWINTERNATIONAL FINANCIALARCHITECTURE

MACROECONOMIC MANAGEMENT
Fiscal discipline
Increasingexports
Socialpolicy

Regulationand supervision ofthe bankingand financialsystem

REFORM

IMF

WORLD BANK

FINANCIAL STATE INTERVENTION

GLOBAL RISK REDUCTION

Measures and activities ofglobal andnationaleconomicpoliciestocurb the financial crisisare:(1)Globalplantoreformandrevitalizetheworldeconomyandthecreationofa new international financial architecture, including: transparency, accountability, implementationof internationalstandardsandcodes,public debtmanagement,financial regulationandsupervision,fiscaldiscipline, strategy,selectionof appropriate exchangerate policy,socialprotection,thefightagainstmoney laundering,theestablishmentofflexible creditlines,reformtheIMF, WB,promote greater participationof the private sector, strengtheningthe bankingfinancialsystemtoreduce public expenditures(expendituresfor salariesofemployeesinthepublicsector,anda numberofsocialrightsandsocialtransfer payableby government)thatarenecessarytoreducethetaxburden...(2)Financialpointof stateinterventionmeans:turningdowninterestrates,liquidity credits,reductionofrequired reserves, facilitating access to credit forthe central bank in orderto provideadditional liquidity intheglobalandnationalfinancialsystems,strengtheningthesystemofdeposit insurance,becauseofthegreatersecurityforinvestorsandreducepanicandpressureson bankliquidity,theintroductionofthegeneralguarantee ofbankdebt,topreventthespread of the crisisand the collapse of banks,aswell asspecial guaranteesforinterbank claims, measurestounblockcreditandacceleratingthe processof lendingwhichstimulatethe economy.It is evidentthat theU.S. and Europe and otherdeveloped countries havedecidedto intervenetaxpayerfundsorthebudgettostop andpreventthespreadofthefinancialcrisisor panic,contagion,illiquidityandinsolvency,causedbythefinancialcrisis.Fundinginthis case,may beinvestedinthreeways:throughloansthebudget-givenwiththecontrol efficiencytheirusewithabusinessplan,participationinthecapitalofthebankorcorporation whereby thestateprovidesprofitsharingandmanagementofcertainbanksorcorporations, andthenationalization ofthebanks (asinFrance). (3)Reductionoftheriskofglobal outbreak of thefinancialcrisis.

Assoonasthesixprimary prescriptionsforreducingriskofanoutbreakofthefinancial crisis:1.avoidovervaluationof the localcurrency,allowing ittogovern itfluctuates,2. maintaining a high level of foreign exchange reserves, 3. the maintenance of a healthy banking system, while eliminating thecurrency, interest and conscripts disagreement, 4. activemanagementof balanceandparticularly off-balancesheetassetsandliabilitieswiththe surveillance techniquesandstresstestsona microandmacro level,5.avoidinghighinternal andexternaldebt,especiallywhenitcomestotransformingtheobligationoftheprivate sector, and finally(6)implementation of control of capital movements.

Internationalscenarios formitigationconsequences offinancialcrisis

Economichistory remembersthelargenumber offinancialcrises,whichiswhynevertoo early tobeginworkonitsprevention.Itisbelievedthatthepreventionandmitigationof financialcrises successful whenthecrisiscomes.Iftakethe interventionofthe financialcrisis intheearly stages,itwillsurelyberelativelyefficient,butastimepassesthecostsof interventionandpreventionofexponentialgrowth.Successofmitigationofthefinancial crisis is difficult to assess, since they register only failed attempts. Until today, many proposedmeasuresinorder tominimize thefinancialcrisis,whichcouldinthe futurehave strengthened thecurrent globalfinancial architecture,and improve itsfunctioning.This includes, roughly speaking: (1) increasingthetransparency of internationalmonetary relations,(2) strengtheningthe bankingandfinancialsystem,and(3)promote greater participationoftheprivatesector.Increasedtransparencyisakey reform,becausefinancial markets cannot functionwithoutadequate, reliable and fastinformationavailable. Foreign investorsthroughtransparencycaneasilyseewherepotentialproblemslieandavoidthe excess funds in areasthreatened bythecrisis(Soros, 1998, p. 134).

Anotherwaytoimprovethepreventionoffinancialcrisesistostrengthenthebankingand financialsystemsindevelopingcountriessoastoimprove the supervisionandprudential standards,toensurethatthebanksmeetcapitaladequacy requirements,introduceadequate penalties for bad loans, print and qualify reliable information the lending activities of countries,etc.Weaknessesbankingsystemsarecommoninalldeveloping countriesoverthe pastdecades havepassedthroughthecrisisoflarge proportions.InthisregardtheIMF has introducedstandardsandcodesofgoodbusiness practiceintheareasofaccounting,auditing, corporate governance,paymentsystems,insurance andbanking.Thethird methodof preventioninthecrisisintheeconomyisgreaterprivatesectorinvolvementintheresolution offinancialcrisesindevelopingcountries by makingloanstorebuildandre-negotiateorwill beprovidednewsources,andnottoimmediatelyfleethecountry,asapreconditionfor officialaidfromtheIMF.Theessenceisthatborrowerstakesomeresponsibilityforthe crisis,if yougivetoo muchshort-termloans tounproductivepurposes. Inotherwords, borrowersshouldbe"takenout"ofthecrisis,ratherthanbeallowedtoeasily getoutofthe country.Inthisregard,theIMF hasproposedthe creationofa sovereigndebt restructuring mechanism forthe rapid restructuring of debts in developing countries, which havethe problem of external debtsustainability.

Thefinancialanalysismustalwaysbearinmindthefactthat,evenifyouapply allthe reforms,itcannoteliminateallfuturefinancialcrises.Whatwe canhopefor isthatthose reformswilldiminishorreducethefrequency anddepthofthecrisisinthefuture.Becauseof thefrequency ofglobalcrisisinthefinancialmarkets,many countriesandtheirgovernments havecreatedtodate,accordingtoownexperience,differentversions ofthescenarioof recoveryoftheworldeconomy (Ohmae,(2007)):(1)Americanscenario:Scenariosuggeststhat inallthestatesnecessary to increasedomesticdemandinordertoprovide thegrowth ofGDP. According to thisscenario are the best-knownandproposalsNobel laureates,suchas:PaulKrugman, (inorder toachievegoodeconomicresults,whileproviding assistancetoindividuals,advisesthatthe ruling administration quickly startswithstrong financial regulation,andCongresstodraftaplan of financial incentives,which shouldbe focused onconsumption.Theadministrationwillhaveto deal withmortgages,toreviewtheconditionsofthemortgageloan,yourproperty andstructuresthe significantcontrolthatwenowhaveinthefinancialsectorinawaythatwillallowprivatecapitalto re-enter thatsphere when theBOPisthecompany getting better), JosephStiglitz believesthat the recovery ofmoresubstantialinvestmentsininfrastructure,technology andalternativeenergysources, EdwardPrescot,saidthatresearchhasshownthattaxratesareakeyfactorindeterminingthe economichealthofdevelopedcountries,andthewillingnesstotakerisksandproductivity-the enginesofeconomicgrowth,whilehightax ratesare asureway ofchoking theengine,MasckinEricksaysthatcreditmarketsrequiregovernmentintervention,EdmundPhel pspointedoutthat lack of control in themanagementofequity causesmany problems,Claiv Gotzangerproposedinjectionof funds into thebanks.(2)Russianscenario:Proposes toholdnewBreton Woods,inordertoprevent thatacurrentbackupdollarworldcurrencyleadtothecollapseoftheentireworldmonetarysystem. Topreventthisfrom happening,weshouldintroducearegionalreservecurrency,and,sinceRussiais thethirdcountryintheworldforforeigncurrencyandgoldreserves,itwasdecidedthattheservice willgrowintoastrong regionalcurrency.Inaddition, thescenario insistsonarranging andorganizing nationaland internationalregionalinstitutes, thentilting large imbalancesbetweenvolumeof issuance offinancial instrumentsand real incomepossibilitiesofinvestmentprograms,andto increasethe accountabilityofpublic companiesbefore the shareholders, to strengthen the riskmanagementsystem, andthedisclosureof informationcompanies.(3)Chinesescenario:According totheirscenario, the Chinese government is to overcome the negative effects ofthe crisis,a package of$ 586 billion dollars tofinanceinvestmentsininfrastructure,socialwelfarepayments,developmentofSMEs,andplan ned toincreasedomesticdemandby lowering taxesof17.6 billiondollars.Inthiscontext,Chinawillbe in thenextfewyearstoturn moretowardsagricultureandruralareas,asintheindustry,according to Chineseeconomists,thereisthegreatestpotentialfor stimulatingdomesticdemandandprovidingthe basis forastableandrelativelyrapid economic growth.

Any formofinternationalcooperationbetweencountriesshouldleadtosomeproposals thatwouldpartially undertakeinresponsetothechallengesoftheglobalfinancialcrisis.In connectionwiththis,inthe previoustable presentstheinternationalscenariosforpossible solutionstothefinancialcrisis,which,unfortunately,have notyetbeenfinalizedand unanimously accepted.OneofthemisalmostimpliedpropagatedactionFedapproval1,000 billiondollarstorescuebanks(700billiondollarsforFanny MeeandFreddyMec,and300 billiondollarsforCityGroup)aswellasnationalcorporationsandtheautomotiveindustry.

Also,severalexpertssuggestedthescenariowiththedivisionoftheworldintothreeblocksof countries(Eastern,AmericanandEuropean),while othershavesuggested acompletedivision oftheworldinwhichthere willbenocommonblocksandinstitutions.Eachcountry,inthis finalversion,I hadtotakecareofthemindependently,whichmeansthatthestatehas strengthened tothemaximumimpactonthe economy. However, withexistingsevere financialproblemsduetothestrugglefor theredistributionof theworld'sresources,there wouldbeanincrease ininternationaltensionsandeven armedconflict.Onthisbasis,the naturalconsequenceof the newsituationontheworldeconomic scenewouldweakenthe influenceofdollars, whichwould no longerbe theworld'sreservecurrency.At the same time, wouldreducetheimportanceoftheeuro.MostoptimisticscenarioisoneinwhichtheU.S. hadsuccessfully overcomeavery seriouseconomiccrisis,whileBrazil,Russia,India,China managedtocopewiththeeconomicslowdownandaccepttheworkofcommoninternational financialinstitutionsasthebestremedy tosolveproblems.Especially,therearescenarios Chinese government,becauseitisfocusedonmeasurestoencourageitsconsumption(i.e.the abolitionof taxesonsales of cars withsmallengines, 74millionpeople withlowincomes wouldreceive the appropriate subsidies,retiredstate employeeswillreceive inadditiontoa pension,12millionteachers willreceivea highersalary,etc.). However,inthisvariantof the real economicpowerand still be on the fast-growing economies.

Preventivemeasurestaken by governmentsandcentral banksinsome countries forleaving the worldfinancialcrisis

Sincethelastfinancialcrisishitthewholeworldeconomy,manygovernmentswere forcedtorescuetheinternationalfinancial system,withpriority giventoensureeconomic recovery.Inthisregard,anumber ofmeasures were takentoimprovethefinancialstability, includinginjectingcapitalintofinancialorganizations,a significantexpansionof guarantees forbankliabilities bythecentralbankrecapitalization,andvariousliquidity programs.Ontheglobalfinancialcrisisarethe firsttomeetthegovernmentandthecentralbanksof developed countriesandthemeasurestakenincreasedmarketliquidity,primarily byreducingthebasic interestrateandthrowlargeamountsofmoney intothefinancialsystem.Stateaidpackages are rehabilitatedlossesoffinancialinstitutionsandstrengthenedcore capitalfor the credit function ofbanks,whichhaveabusiness perspective. Financial assistancewas providedfunds of state financialinstitutions. In additiontothe recapitalization were used, and other measures,suchasvarioustypesof guaranteesof interbanktransactions,the purchase of troubled assetsfrom banks,toguaranteethedebtsoffinancialinstitutionsandcompanies,etc. Thedecisionsofcentralbanksonsecuringliquidity andmeasuresofloanguaranteefinancial sectorby thegovernmentandparliamentsofmostcountrieshaveprovedtobeeffectivein preventingthecollapseof the globalfinancialsystem(FSA, 2009,p.45).Indeveloping countries, governments have had to confront the economic slowdown through monetary policy,supportprogramsfor jobcreation,expansionof socialsecurity, etc.Inaddition,the governmentundertook awide range of measurestofacilitate financialproblemsof business, improvebusinessenvironment,fiscalandother incentives.Sectormeasuresarefunneledinto thehardest-hitsectors,especially intheautomotiveindustry,constructionandtourism.In general,thecurrentactionplanscoordinatedgovernmentsofaffectedlastworldfinancial crisis were aimedat:theefficient operations ofthe regulated financial markets, greatercontrol rating agencies, greater regulation of speculative hedge funds and other previously unregulatedfinancialproducts,harmonizationof accountingandauditingrulesempowering theIMF, etc.

However,thereisnosinglemodelisapplicableandeffectiveforeachcountry.Common toallrecovery plansthatincludemeasurestorestoreliquidity.Thebasicdifferencebetween therecovery plansofindividualcountriesrelatestowhetherornottheirfinancialsectorwas directlyexposedtothetroubledsecurities.Therefore,twogroupsofcountriessuchasthe USA,GreatBritain,Germany,Austria,Italy, Sweden, France,Russia,whose financialsector hasbeendirectly exposedtotroubledsecuritiesandwhoserecovery plansmustincludethe funds needed to recapitalizebanks. Theseare recoveryplans inwhich theywriteoffthelosses ofthebankingsectorandreducethecapitalbaseofbanksandtheircreditcapacity.In additiontosupportthe recapitalizationof banksbankingsystemincludessignificantfunding forinter-bankguarantees,inordertohelprestore thecreditmechanismandconfidenceinthe bankstotheeconomyrestarted(FSA,2009,p.46). Thesecondgroupconsistsofcountries whose bankswere not exposed to troubled U.S. securities, such as Poland, the Czech Republic,SlovakiaandSlovenia,whichhaveahealthy banking system,butitisacrisis involvesexternalshocks.Theyare alsodirectlyexposedtotheproblemsthatare happeningin thefinancialmarketoftheEU,especiallyhamperedtheinflowofforeigndirectinvestment andadropinforeigndemand.Theirrecoveryprogramsweremainlyfocusedontheprovision offinancialassistancebycentralbanks,particularlytheEuropeanCentralBank.Evensome of themhaveextendedschedules insureddeposits,tocover alarger depositpotentialandnew financialinstitutions.Indoingso,somebanksare recapitalized,andtheother isthestate boughtone package of shares.Increasedthenumber of securitiesthatthecentral bank accepts whenapprovingyour loanapprovedandwithita significantamountoffunds the banking sector.Governmentsofdevelopedcountrieshaveprovidedforashortperiodoftimedifferent incentivepackagestohelp inordertomitigatethenegativeconsequencesoftheglobal financial crisis.This packages contented:infrastructure technology, energy,unemployment, budget deficits, tax cuts, rural areas, technological innovation, sustainable development, socialprotection,green technology,pension systems,etc.ThefinancialsectorsoftheUnited Kingdom,Germany,Austria,Italy,Sweden,FranceandRussiawere directly exposedtothe toxicassets,andrecoveryplansareprimarilyincludedfundstorecapitalizebanks.Besides,banks also included funds for inter-bank guarantee in order to help restore the credit mechanismand confidencein thebank to get theeconomygoing again.

So,itwasastate-ownedfinancialsectortopreventavarietyofbankruptcy. Inthis connection,thelargestpackageoffinancialassistanceprovided by theU.S.Government(787 billiondollars)andtheGovernmentofChina(586billiondollars). (FSF,(2008),p.4).In addition,thecentralbanksofthedevelopedcountriesaremitigatedmaximummonetary policy by loweringbenchmarkinterestratesandtakenothermeasuressuchasthepurchaseof governmentsecurities,bonds,andevencompanieswiththeaimtolaunchhaltedactivity on worldfinancialmarkets.Consideringtheinsufficientrecovery oftheU.S.economy,theFed hasdecidedthatthenexteightmonths"tofillin" 600billiondollarsto theU.S.securities markets,inordertoencouragetherecovery oftheAmericaneconomygottired.Immediately there wasa rise inoilprices,the valueof sharesonthe stockmarketandthe strengthening euro.UrgentnecessityofeconomicincentivesintheU.S.hasbeenrecognizedduringthe Bushadministrationinearly 2008.Eventhenforthispurposeapprovedapackageworth168 billiondollarsorslightly morethan1%ofGDP.However,thefirststimulusdidnotprovide anythingmorethanatemporary andshort-termreliefinthefinancialsystemandthehousing market. EconomicincentiveIIoccurredduringtheObamaadministration(Recoveryand Reinvestment Act of2009, ARRA). Theplanincluded the over 800billion. dollars (about 300 billionrelatedtotaxrelieftocitizensandbusinesses,250billionwent tostateandlocal governments with financial problems, 150 billion variety of infrastructure projects, 100 billionadditionalsupporttoworkerswhohavelosttheirjobs,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 basisof thisplan, executed the purchasetroubledassets,especiallymortgagecoveredsecurities,whichrecapitalizedfinancial institutions.Inotherwords, the site wasclearedof non-coveredbanksof their assetsby purchasingsecurities,torevivethecreditmechanism.NotingtheU.S.aidpackagewould needtoincludetemporary taxcuts,investmentininfrastructure,aidtocitizenswholosttheir home, etc.

Maincountriesanti-crisismeasuresmemberstatesoftheEU

Asfortheindividualanti-crisismeasuresthatweremadeattheleveloftheg overnments oftheEUmemberstates,mostcountriesimplementedtheausteritymeasurestoreducepublic debtandensuremedium-termfiscalsustainability.Mostofthelessdevelopedmembershad or continuestohave programsof budgetsupportthroughtheIMFloan,whichinclude savings programsandstructuralreforms.Inordertoreduce thenegative impact of the globalfinancial crisis,a number of Europeancountrieshaveincreasedtheamountofguaranteeddepositsin banks.Thus,theEuropeanCommission5thDecember2009issueda declarationonthe recapitalizationofbanksinordertopreserveandsmoothfunctioningof theworldfinancial markets(theso-calledEuropeanEconomicRecovery Plan,EERP).Untiltheabovedate,the Commissionhasalready approvedrecapitalizationschemesinthethreemembercountriesas wellassomeindividualbanks'recapitalization.However, given thatthenature,scope and conditions of recapitalization mayquitedifferentfrom casetocase,the EUmember statesand individualbanksrequiremoredetailedguidancefromtheCommissiononthepossibility of recapitalization.Asthemostimportantobjectivesoftherecapitalizationare listedrestoring financialstability andconfidence,establishsmoothfinancingoftherealeconomy aswellas the prevention of systemic adverse effects due to the insolvency of individual banks. However,they areidentifiedandpotentialrisksforthecompetitivenessofthebankingsector, onthreedifferentlevels:(1)bankrecapitalization inoneMemberStatecannotgiveanunfair advantageoverbanksinothermemberstates,(2)withinonecountrydoesnotgiveanunfairadvantagetobanksinrelationtoothers,and(3)capitalincreasemay notbeplacedinaless competitivepositionofthosebanksthataretryingtoborrowonthemarket,orshouldaspire togovernmentrecapitalizationtotheleastextent displaceprivatesectorNotwithstandingthe strengtheningof interventionistpoliciesandprotectionism,theEU continuedtosupportthe policyofopenmarkets,growthandprosperity.Accordingly,mostoftheEUplanproposes thefollowing:efficiently creatingplansforsavingpublicbanks,centralbanksshouldtakeon therole of clearinghousefor interbankmarkettoagainrestoreconfidenceamongcommercial banksandestablishedasystemofinter-banklending,itisnecessary toimplement rehabilitationprogramstoincrease GDPinthe EU countriesand accelerate the reformof the financial incentivemarkets.Inaddition,proposednewlegislationoneconomic governance. Specifically,itistougherpenaltiesagainstEUmemberstatesunlessit isdemonstratedby controlling publicfinances. Penalties will be at 0.2% of GDP,while in the process of punishmentwillbe includedinthosecountriesthatfailtocontroltheirannualspendingor reforming the economyin order to improve competitiveness.

Itisnecessary toemphasizethattheaforementionedmeasures,includedintheplanof recovery fromtheglobalfinancialcrisis,andtherelatedfinancialsupportfortheunemployed andpoorhouseholds,investingininfrastructureprojects,energy,temporary taxcuts, environmental,socio-economic objectivespromotionofGreenfieldinvestment,labour market flexibility,protection ofemployees, businessdevelopment,enhancing competitiveness,etc.in allthesementionedactivities,specifically notedthatGermanyhasreducedsocialsecurity contributions(which shouldreducelabourcostsandincrease privateconsumption), increased socialspending,public investmentininfrastructure,schools,healthcare,investedinthe automotive industry,encourage privateinvestment,increase loanstoSMEs,etc.(CPU,2009). The latest activities of the European Commission during the 2012 were focused on establishingthe European framework for preventing and resolving (banking) crisis,to taxpayersandtheeconomy inthefuture,protectfromtheeffectsofthebankruptcy ofbanks. Sucha frameworkwouldrepresentthe firstphase of whichisinthe bankingunion.The proposalinvolvesvery closecoordinationbetweenMemberStatesandtoauthorizethe competentauthoritiestoshareholdersmay forcebanksthemselvesbearmostofthelossesif theirbanksintocrisis.Thereasonforthiskindofactivityisthefactthatthefinancialcrisisof2008the yearthatthebigbanksshouldbailoutbecausethey are"toobigtofail",orbecause suchbankscollapsecallsintoquestionthestability oftheentirefinancialsystem,soitis cheaper tosave thanruntheir bankruptcy.The problemisthattherescueof these banksgoing totheexpenseoftaxpayers,andnotattheexpenseoftheirrespective owners.Ontheother hand,thebankingunionwouldbe basedona commonschemeforinsurance of bankdeposits, thecommonEuropeansupervisory body thatwouldhavetheauthoritytomakedecisions regardingsystemically importantandbankswithcross-borderoperations,andthecommon fundfor thefinancingofcontrolled"fire" suchbanksandcoordinated setofinstrumentsand harmonized procedures.

The proposalof the EuropeanCommissionhastherefore,a seriesof measuresandactions toaddressthecrisis,andthekey elementsarepreventionandearly intervention.The competentauthoritiesinthememberstatestoresolvethecrisiswouldhavetheauthorityto askthebankstodrawupplansforrecoveryandrestructuringcasestodealwithfinancial

stress.Competentauthoritieshavetherighttointerveneatanearly stage,beforethecapital levelfallsbelowtherequiredminimumlevel.Thesepowersincludethepossibility ofthe dissolutionof thebank andtheappointmentofaspecialmanagementbefore bankruptcy,the righttoconvenea shareholders'meetingtoadoptimmediate reforms,and requiresthebankto setupincooperationwiththecreditorsrestructuringdrawupaplanfor thedebt.Proposedby theCommission,eachMember Statewillneedtoalsoestablishafund towhichthebanksand investment funds to payfees depending on the riskprofile.
Thesefunds would fund controlled"fire" troubledbanks. Eachfundwouldbe responsibleforthebankonitsterritory,whilefor thoseoperatinginmultiplecountriesagreedarrangementsbetweenthecompetentauthorities inthosecountries.Bankswere regularsubscriberstothefunds ayear to1% of the amount of depositsguaranteed bythestate.Itisemphasizedthatthefundscanbeusedonly for restructuringor orderly conductofbankruptcy ofinsolventbanks,andnotforrescueor assistancetobanks,on whatbasiswouldtheythenacquiredoveranunfairadvantageoverthe competition. It is especially important to prevent irresponsible banks use other people's money, based on asoundpremisethat in the eventof aproblem to the aid of thestateto lend.

However, theremovalofthese structuralandinstitutionalproblemsatthesystemlevelis notdone allthatisnecessary.Interventionsundertakeninthefinancialsectorthroughthe variousformsoffinancialsupport(additionalliquidity,recapitalization,takingrisky assetsor contaminated),and variousformsofguaranteesandliabilities,eventemporarynationalization 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 profitsthankstothewrite-offlosses.Inadditiontotheformer,we needanewfinancialand institutionalinterventionsduringrecovery andgrowthbasedonnewcreditandinvestment expansion.Thekey istocreatesystemsolutionsthatwillminimizetheriskofnewcrises.In thissense,itis necessary toimproveregulationin monitoringsustainablefiscalandmonetary policy andprudentialdisableaccesstothesystempressuresasawholethrougha better understandingofrelationshipfinancialandrealsectorsandtheirvulnerability intermsof shocksandeconomic contraction,andthrougha better systemof monitoringandearly warning,improveriskmanagement,developcooperationwithother countries,effectively implementregulatory measuresandquicktoreact,withcaution(whichisneededfortherisk assessment)with theintroduction of financial innovations.

Proposals andrecommendationsofsome economists' possible wayspreventionof financialcrisis

Many economistsstilldonotdaretowriteseriousarticleswhichledtoconcreteproposals onpossiblewaystopreventthisfinancialcrisis.However,duetothecomplexity ofthecase studies,itisnecessarytobrieflyinthe sequeltoexposethemostconstructivesuggestionsand recommendationsmosteconomic expertsonthepreventionandcontrol ofthefinancialcrisis in economictheory.
*Stiglitz*proposalprimarily relatedtoreformingandmodernizingtheworld'sfinancial institutions, in terms of greater accountability, transparency and openness to the less developed countries(Stiglitz,(2004), p. 239).Accordingtohisanalysis, Stiglitzbelievesthat fromtheglobalfinancialcrisisandeconomicrecessiononlygetthe2013,butstillsuggests

thattheworldfinancialarchitectureismorefragiletoday thanbeforethecrisisandthatthe questioniswhenwillithappenagain.Whathasbeendonesofarinthearea ofreformofthe globalfinancialarchitecture isbad,thebankshave takenbillionsof dollarsfromthestateand continuedtodoso.Thisiswhy Stiglitzfor"NewWorld"orthe"newcapitalism".Keepingin mind the currentstate ofthe global economy, theNobellaureate proposesan interesting setof measuresthatshouldbetaken(buttheiruseisassumedtobeglobally changingsociety from theroots):theconstitutionofthebodythathasmostpowersandgreaterrepresentativeness thananybodywhichexiststoday becauseglobalcrisisrequiresaglobalresponse.Existing institutionsareinadequatetothemomentthatthey knewit,andsomehavecontributedtothe crisishappen.

Furthermore,itisnotequallyproportionalrepresentationinthevotingstructure oftheinternationalfinancialinstitutions,therefore,needamoredemocraticrepresentation, andtheintroductionofanewglobalreserve systemwithonecurrency, weneedamultilateral systemthatdoesnotdependonthecurrencyofacountry,itisnecessarytoconnectallthecurrencies (modelled on SPV) to create a global currencythat would be permanent. In addition, the global financial reform would involve greater control and supervision of financial markets, reducing incentives forbankers, etc.(Stiglitz, (2004), p. 265).

Proposal,whichwasbasedonaradicalreformofkey actorsoftheworldfinancialsystem gavealso*WaldenBello*, (Reis,Guilherme,(2004),p.3)aprofessorattheUniversityofthe Philippines. Specifically,Bellobelievesthat theproblemisinthestructureandorganizational cultureoftheworld'sfinancialinstitutions (IMFandWorldBank),andthelackof responsibilityoftheMinistryofFinanceoftheUnitedStatesandalackoftransparency. That'swhyheis proposing the elimination of allstructural adjustment programs in developing countriesandincountriesthatare incrisis,thenreducingthenumberofprofessionalstaffin thesefinancialinstitutionsandreduceoperatingcosts.Themostimportant thinginallthisis thecreationoftheGlobalCommissionontheFutureoftheIMF,inwhichhalfthemembers of the Commissionshouldbe representativesfromnon-governmentalorganizations,because they arecivilsociety organizationsthathaveplayedadecisiveroleinthediscovery of destructive and undesirable effects of theadjustment program.

Proposal*RobertA.Mundell*, (Little,Oliveo,(1999),p.9)aprofessorattheUniversity of Columbia,accordingtowhichintheXXIcenturyshouldfinally gettocreateanewworld financialorder,wasreflectedinthefollowing:the U.S.,JapanandtheEUshouldintroducea commoncurrency ("intor")anduniquetheglobalfinancialsystem.World'smajorcurrencies the dollar, theyenandthe eurowouldhave afixedexchangerate, one over another. Japan's central bank to implement monetaryreform andthe fixedexchangerate in the ratio 100yen to the dollar, while theECBfixed euroexchangeratein the ratio of one euro to onedollar. Other currenciestopegtheir coursesforone ofthe aforementionedcurrencies,whichisdominantin thefield.FormedwouldbetheCentralBankoftheworld,whowouldworkunderthe currency boardandstrictly tocontrolthatnocountry in"intor"notprintmoneywithout backing.Accordingtohim,thecentralbankoftheworldrepresentedby theIMF,morein termsofcoordinationof thewhole business.Inthiscase,the Board ofGovernors would appointanoperationalbody whichwouldbecomposedofrepresentativesofthecentralbanks of the threelargestandmostdevelopedeconomic entitiesintheworld(Japan,U.S.,EU). Speculators,who earnedbillionsof dollars onthe exchangerate differentialsbetweenthe world'scurrencies,woulddefinitely losetheirjobs,andtheriseofglobalGDPwouldbe doubled.Hebelievesthattheeuroopenedtheway "intor".Specifically,theeurowasfirst broughttothefundamentalchangesintheconfigurationoftheworldfinancialsystem,and thebestway tounderstanditscontributiontothenewworldorderwouldbetorealizethe monetary differencesandmovethecapitaltothenewmodelsoftheinternationaleconomy. Because of this great country are viewed as entities that are interconnected different currencies,fixedor flexible exchange rate. Theessence of hisideaswastocreate a global Crosscurrencybalanceandtopresentanewconfigurationoptionsworldcurrencies.Ifall three currency areas Isles stable prices, then among them should rule Cross currency exchange rate stable.Today,Mundellinsisted onthe adoptionof hisproposalinthe circles of therichandhighly developedcountries.Ifhisplantostabilizetheexchangeratebetweenthe threelargestcurrency wasadopted,itwouldallowasufficientincreaseinworldGDP.Onthe other hand,itcouldincrease thechancesof developmentandglobaleconomic stability,which would be expanded, andthe under-developedareas of theworld.

RobertZoellick,(Rargavajas,(2009), p.15),WorldBankpresident,saidthatthe consequences of the global financial crisis for years. Zoellick argues that refers to the changingglobaleconomic map,soa strongcontributiontothe growthof the worldeconomy given numerouscountries.Inthisconnection,the statusofthe dollar asreservecurrency, accordingtohimisnolongersafe.Accordingtohim,theglobalcrisishadtolearn topredict.

Therefore, it is necessary to create a group of finance ministers who will be able tocomprehend the problems in time. Multilateralism is necessary to develop a clearly constructedasenseofsharedresponsibility forthe sound basisof globalpolitical economy.In addition,itmustbe flexibleandinvolveactorswiththegreatestinterestintheeconomy. G-7 mustbe connectedalsoBrazil,China,India,Mexico,Russia, SaudiArabiaand SouthAfrica, thentheneedtoexpandtheFinancialStability ForumandtheIMF,strengthenfinancial supervision,multilateralnetworktoconnectwiththeenergy andclimatechangenegotiations ofnewmechanismsforthe protectionofforests,developnew technology,to providefinancial assistancetopoor countries, etc.

Accordingto*GeraldCélente*("economicNostradamus")contemporary worldand civilizationswillemergefromthefinancialcrisisonly ifitisabletolaunchnewproduction capacity,whichgofurtherthanthenewtechnologiesfor alternativeenergy.Hisforecastsare fairly concise,butwithoutany concretesolutions:thecollapseoftheglobalfinancialsystem, recessionanddepression,lackofhealthyfood,alcoholism,poverty inthecities,crime pandemic, pandemic diseases, riots, wars, etc. According to him, the economic tragedy Greeceonly the"beginningoftheend"thattheworldexpects.Manyhavecharacterizedthe globalcrisisasacrisisofcapitalismbutCelentethinksisactually thedestructionofhuman nature.

Like hispredecessor,*PaulKrugman*(Krugman, (2012), p. 66)alsobelievesthat itis necessary torestructuretheglobalfinancialsystemandimposestricterregulationsinorderto avoidrepetitionof the financialcrisisof major proportions.However, heexpressedconcern thatthereformmomentumwearsoff, becausethere isnopoliticalwilltodoso.Accordingto him,thegovernmentshouldbe more severe,becausefinancialmanagerscontinue to"reap" giganticbonusesandprofits.Becauseoftheslowandpainfulrecoveryfrom theglobal financialcrisis,unemploymentintheU.S.reacheditspeakinearly 2011.Therefore,the government,accordingtohim,shouldhelppeopleretainjobs,basicwages,socialservices andhealthcare, andoneofthewaystoovercomethecrisiscouldbeaglobalplanto encourageinvestmentingreentechnology,andamoreseriousapproachtoclimatechange that could help keep the level of demand. Essentiallysuggestions Krugman go towards liberalizationofinternationaltransactions, the liberalizationofdomestic financial markets, the emphasisonthestabilityofworldpricesofrawmaterials,energy andfoodproducts,and finally establishingfiscaldiscipline.Obviously,thelackoftransparencyisattherootofthe currentfinancialcrisis,andthuslong-termpolicy shouldbefocusedonincreasingthe transparency ofstructuralfinancialproducts.Inconnectionwiththis,inhisopinion,thereare atleasttwomovesthatshouldbe consideredatthe multilaterallevel,including:the role of creditrating agenciesand maturitymismatch in non-banking financial institutions.

Thelackofaccuratepredictabilityofthefinancialcrisisineconomichistoryiswhat most intriguing contemporary macroeconomists is.Thus,accordingto*PaulSamuelson* anticipated recoveryoftheglobaleconomyuntilthe2014(Samuelson,2009).
Analyzingthedeepercausesof thefinancialcrisis,Samuelsonbelievesthata similar situation occurredinthe periodbetweenRoosevelt'sinaugurationinMarch1933 andthe beginningof World WarII. The lifespan of this Nobel Prize winner allowed him to experience the economic cyclemakesafullcircle,andstatedthattheglobaleconomy iscomingback, Keynes,accordingtowhichtaxpolicy anddeficitspendingareconsideredasmajor determinantsinthemanagementofthemarketeconomy.Inthiscontext,akey Samuelson proposalisaimedatrestoringpeople'sconfidence inthe globalfinancialsystem,despite the yearsbeforethefinancialcrisisbuiltupasa"houseofcards"withamoreriskyandtoxicfinancial derivatives.
Nuriel Roubini believes that overly optimistic assessment of the current situation regardinghealthoftheAmericaneconomy couldbepremature(Roubini,2008).

Roubinisaysthatshouldnotbeexcludedinthefutureanotherverystrongrecessivewaveinthe U.S. andglobaleconomy,aftersummarizingtheeffectsofpaststimulusmeasurestaken bythe U.S. government to buttress the rapidly deflating as soon revived the American economyafterthecrisis.Hewas theonlyonewhopredicted thefinancial crisis in the U.S.He stillwarnsthatthe Fedwillbe a greatchallenge,because oftheskillstobe a leadinginterest rate policy,much willdependonthe U.S.,andthe globaleconomy.Roubiniannounces possible"W"recessionandbelievesthatitisnotoverbecause oftheriskassociatedwiththe cessationof(monetary andfiscal)stimulusinmostdevelopedcountries.Accordingtohim, there couldbe uptostag-deflation(recessionanddeflation), ifthe state andthe government increasetaxes,reducespendingandliquidity toreducefiscaldeficits.Inaddition,foodand energy pricesrisemuchfasterthantheyshould,sothisisoneofthereasonsforitsannounced "W"recession.

Accordingtothe interpretationofGermaneconomists*MaksOtea*(Ote,(2009),p.120) financialcrisesaremainly duetothefollowingreasons:thefinancialsectorisdeveloping faster thanthe realsectortoGDP,inadequateeconomicpoliciesof developedcountries, leadingtoincreasingdebtandinflatetherealestatebubbleandotherfinancialderivatives. Thepossiblecollapseoftheworldfinancialsystemwarnedbackin2005andpointsoutthat in2001.Thefinancialorderwasso"sick"thatcouldcollapseatany momentoccurred. Financialcrisiscontainsa"crisisofinformation," because itisassumedthatmultinational corporationsandlargeprivateactorsinthefinancialmarketsmay determinethatthe informationandmanipulatethem(orspeculate),whichisdefinitely notgoodfortheworld economy.Therefore,stockexpertOte offersaprogramof a fewpointsinnoparticular, emphasizesthatinvestmentincertainactionssaferthanrealestate,goldisstillthenumber oneinvestmenttoolforemergenciesandtohumanbehavior(attheoutbreakofany crisisis almostalwaysa criticalfactor) cannotbepredicted withempiricalaccuracy,evenwhen something like the financialcrisisforecastersconstantlytrying.

Thus,some importantlessonsfromwell-knowneconomistsinthe internationaleconomy resultingfromacareful studyofthecurrentfinancialcrisis.Learnfromothers' mistakesisnot easy,butitismuchfasterandmoreefficiently bylearningontheirownmistakes.Therefore, the financialcrisis confirm someof their mostimportant recommendations, in order toresolve seriouseconomicproblems,increase thelevelofconfidence andreducethe risks arisingfrom the financial sector.

Possible scenarios for a new worldfinancialsystem

Thefollowingisabriefoverviewofa few"good"and"bad" scenariosthatcouldhavea majoreffectonglobaleconomicdevelopmentsandtrendsduringthe2013,andthatthey are madeby MorganStanleyanalysts:(1)restoreinflation,(2)therealestatemarketintheU.S. has stagnated.(3)Japan'scentral bankwasbuyingEurobonds inanattemptto devaluetheyen againsttheeuro.(4)Italianpoliticsrevivescycleofcrisis.(5)GreeceremainsintheEU, whileresearchinearly2013suggeststhatthe EUandtheUnitedKingdomcome.(6)UK officially givingupthefightagainstinflation.(7)TherecessionisreturningtoAustralia.(8) Emergingmarketgrowthcontinuesapathofgrowthdrivenby investmentandexports.(9) Shocking Chinese restrictions could cause credit problems that could threaten both the Chinese and global economy.(10)Asiaincreasedexports.(11)Back to the"Soviet Union."

Besides,severaleconomicandfinancialgurusarealsorangwithalarmingforecastsfor 2013(NourielRoubini,MarcFaber,Larry Edelson,KyleBassandothers).Notonly doesit provide for thecontinuationof theeconomicandfinancialcrisisaswellasitsexpansioninto the field armed struggle!So Roubiniin May2012announced that the2013crisis hitthe world sharperthanthose from 2008. As "Dr. Ruin" says, therecession in Europecreates theausteritymeasures, thestrong euro,thecreditcrisis in theperipheral countries oftheeuroareaandthe lackof consumer confidence.Inaddition,he saidthatthisyear couldoccur blockade aroundtheworldfinancialsystem.Thiscouldresultinfivefactors:the debtcrisisinEurope, China'seconomyisshaky,theslowdowninemergingmarkets,theriskofrisingoilpricesdue tothe developmentofIran'snuclear programandthe U.S."fiscalgap."Swissinvestor and financialadviserMarcFaberforhisthinkingofthenickname"DoctorDoom." Faberpredicts thattheU.S.governmentbeginsnew warsinresponsetothe economiccrisis.On the other hand,financialanalystLarry Edelsonin2013alsoseewar,andthatpredictionisbasedonthe theoryofthecycleofwar,whichtellsaboutthelawsunderwhichcompaniesfallintoastate ofwar.AccordingtoEdelson,war cycletheorysuggests2013asoneinwhichthey could breakor inflamewarsinfluencedeconomic developments.Also,AmericanbusinessmanJim Rogerswarnsthatcontinuedfinancialrescueindebtedeuropeancountriescouldprovokea newworldwar,becausewarweaponscouldbeboostedtradewar.EconomicanalystKyle Bassbelievesthatwarsoftenemerge asa resultof the economicdecline.In2013willbe restructuredbillionsofdollarsofdebts,andmillionsofreasonabledepositorswilllosea large percentageof itspurchasing power.

TheUNhassetitsforecastfor 2013expressedmildwordsoftheaboveframework. Specifically,theUNpredictsglobaleconomicgrowthrateof2.4%in2013andfrom3.2%in2014. Thisslowgrowthwillnotbenearly enoughtoovercomeunemployment,withwhich many countriesarefacing.Withexistingpoliciesandgrowthtrends,EuropeandtheU.S.will takeatleastfiveyearstomakeupforlostjobscausedbytheGreatRecession2008and2009. BearinginmindtheUNforecasts,belowemphasizethekey elementsofhisreport:(1)Inthe eurozoneeconomy will2013growby only 0.3%,andthe2014by 1.4%,whichwouldbea shortstepforthebettercomparedtoadropof0.5%wasrecordedinthe2012.(2)U.S. predictsmodestgrowthin2013and2014,althoughtherealestatemarketstartedtoshow signsofrecovery.ThustheU.S.GDPin2013shouldgrowby only1.7%,whichis0.4% slower thanthe rate ofgrowthof 2.1% in2012.(3) Therewillbemoretoslowdownthe Japaneseeconomy,whichwillgrowthisyearby0.6%,andthe20140.8%,comparedwith 1.5% lastyear.(4)The economicproblemsof Europe,the USAandJapanwillbe in developingcountriesthroughweakerdemandforexportproducts tothesecountriesand increased instabilityin capitalflows and commodityprices.

TheU.S. National IntelligenceCouncil (NIC)issued areport, "Global Trends 2030: AlternativeWorlds,"whichstatesthattheimpactoftheU.S.andtheglobaleconomy inthe coming decades of decline, and will until 2030 China will become the world's largest economy. WithChinawillbecomea neweconomic giantsandIndiaandsomeotherAsian countries.U.S.willnotfadeonly ineconomicterms,butwilldeclineinthecomingyearsand itsimpacton globalpolitics.Inthatsamereportcitesthefollowing"good"scenarios:(1)11 new economic giants:Bangladesh,Egypt,Indonesia,Iran,Mexico,Nigeria, Pakistan, Philippines,SouthKorea,TurkeyandVietnam,shouldbe2030wasabletotakehiseconomic positionof the EU.Incombinationwiththe major economiesofChina andIndia,thesegiants willbe11newcentreofglobalpowerwouldmovefromWestto East,and (2)Theworldwith8.3billionpeople.The world's2030weresupposedtoliveabout8.3billionhumans(as comparedto7.1billionfrom2012).Abouttwo-thirdsoftheworldpopulationby2030will liveincities.Mostofthepopulationwillhave accesstoadvancedtechnology and healthcare, and most countries, led by China and the United States, will develop international cooperation.However,thegrowthoftheworldpopulationwillleadtoconflictsoverwater andfood,especiallyintheMiddleEastandAfrica,andwillleadtoinstability oftheglobal economic collapse.Thereportalsocites8potentialworstcase scenarios,calledas"black swans" globaltrendsfor2030:(1)severe pandemic,(2)morerapidclimatechange,(3)the collapse ofthe EU/euro,(4) orfailure ofthe democratizationof China,(5)(not) thereformed Iran,(6)nuclear war,weapons of mass destruction, cyber-attacks, (7) geomagneticsolarstormcoulddestroy satellites,powernetworkandmanysensitiveelectronicdevices,and(8)the disappearanceofAmericanpower.Thesechallengesandrisksarebestillustrated by Figure2.

Figure2 Key risksto whichthe worldwillfaceinthe coming decade 21st century

ECOLOGICALRISK
Climatechange
GrowthinCO2 emissions
Greatcontamination

GEOPOLITICAL RISKS
Weapons ofmass
Nationalizationofresources
Growthofcorruption

RISK

ECONOMIC RISK
The disintegrationofthe worldfinancial system
Chronic fiscalimbalances
Unevenfood prices
The imbalance ofthe labourmarket

SOCIAL RISKS
Lackofdrinkingwater
Foodshortages
Pandemics andepidemics
Strengtheningnationalhatred

TECHNOLOGICAL RISK
CyberAttacks
Massdisinformation

So,thekey challengestheworldwillfaceinthefutureare(un)willingnessoftheU.S. andtheEUtosolveits ownfinancialcrisis,theresolutionoftensions intheAsia-Pacific region,theIraniannuclear programandthewar inSyria.Inaddition,major threatsandrisks are:the dissolutionof the presentworld financialsystem,deepeningthe gapbetweenrichand poor,theextremevolatility inenergyandfoodpricesandthespreadofweaponsofmass destruction.

Conclusion

Thispaperoutlinesthemostimportantguidelinesinordertominimize thefinancialcrisis, whichsignificantly strengthenedinthefuturestructureoftheglobalfinancial systemand improveitsfunctioning.Asalready statedinthepaper,toagreaterextentinvolvesincreasing thetransparency ofinternationalfinancialrelations,strengtheningthebankingandfinancial system of the national economy and promote greater private sector participation in the financialsystem.Therefore,adirectresponsetotheglobalfinancialcrisis,they wouldmake thefollowingmeasures:providingliquidity support,i.e.withafacilitationofthecentralbank asthe"lenderoflastresort" andareductionofthereserverequirement,expandingfinancial safetynets,interventionsand"injection"ofcapitalinfinancialinstitutions,therestructuring ofglobal financial institutions,measures to start lending.

The crisisalsorequires,andstablefinancialsystem,responsiblemonetarypolicy,regulate the financial, especially banking sector, restore confidence in financial institutions and modern financial instruments, as wellasresponsible fiscalpolicy. Significantriskisrelatedto fiscalpolicy (i.e.fiscalsustainability,thesustainabilityofexternaldebt).Intheopinionof mostoftheworld'sexpertsthefinancialindustry crisisofthefinancial sectorwillcontinue until the banks do nottighten up their capitalandnot lending to the economysignificantly.

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