

The economic crisis and the great problems of mankind

Cătălin-Emilian HUIDUMAC-PETRESCU

Bucharest University of Economic Studies, Romania
catalinhuidumac@yahoo.com

Alexandru Cătălin POPA

Bucharest University of Economic Studies, Romania
alexandrup86@gmail.com

Abstract. *The economic crisis that humanity is currently facing proves to be the most severe one since the Great Depression of the 1930s. Poor financial system, unsustainable public debt and competitiveness inequalities in the world have greatly contributed to the crisis. Naturally, economic policy makers are concerned about problems related to the restoration of fiscal, trade and monetary balances and are trying to boost investment, employment and consumption. Solving these problems is difficult, but insufficient for the future of global economy.*

This paper attempts to draw attention to problems with long-term impact which, if they are neglected, could cause future crises of even greater intensity than the present one. Among these issues are increased poverty, lack of environmental protection and demographic imbalances.

Keywords: macroeconomics, financial markets, global warming, poverty, population ageing.

JEL Classification: E44, Q54, E43.

REL Classification: 8B.

Introduction

Above all, the crisis brought the financial system to a deadlock, but this also happened to other sectors. These deadlocks are nothing more than the effect of the fundamental errors inside these systems. Many economists and international institutions in the years preceding the crisis had drawn attention to problems such as huge U.S. government deficits, slow growth in emerging economies and the euro area, high dependence on inflows of foreign capital investment in many countries, growing current account deficits, problems requiring a coordinated global approach to initiate reforms and correct imbalances. Years that followed confirmed the lack of response in dealing with these problems, which made the crisis possible. The current crisis recorded failure of governments, regulators, legislators and, last but not least, failure of markets.

The failure of solving fiscal, commercial or monetary imbalances is closely related to the much smaller attention on some of the problems related to the long-term macroeconomic developments and the global economy. Unfortunately, from their recognition to concrete, coherent and consistent actions, there is a great distance.

Each of these problems is associated with a crisis of its own. The general trend is to focus on short and medium term issues that may lead to stabilizing the economy and to start an uptrend. From this point of view, the crisis has diminished the attention to long-term problems in favor of those problems and solutions that create the feeling of recovery: restoring the financial system, the recovery in consumption, production and employment. Under these terms, a legitimate question can be made: in the case it even happens, how sustainable the rehabilitation of these economic system segments may prove? In other words, to what extent an improvement of these processes could reduce the pressure from the problems that existed in all economies long before the current crisis and keep existing today?

The article is structured in four parts. The first part aims to present a summary of the financial crisis, how parties involved reacted, and the possible long-term effects of this crisis. The other three parts of the article are dedicated to the global problems of mankind, which should be a constant concern of public authorities responsible for economic policy. These are global warming, increased poverty and demographic imbalances.

1. The financial crisis

Due to its devastating effects and prolong, the current economic and financial crisis is proving to be one of the worst crises the world has faced throughout its modern history. This crisis started in the United States and, above all, was caused

by the errors produced in the financial system. Sub-prime lending that took place in the late 1990s and early 2000s reached truly explosive dimensions, which had a negative impact not only on the too enthusiastic borrowers and lenders, but to all citizens and institutions not directly involved in such a process. The situation has spread with great speed around the world due to the high degree of globalization of the world economy and naivety of some who left themselves blinded by the illusion of rapid prosperity without risks. In most countries the crisis overlapped older problems. For example, in Europe the most important of them were related to the unification of monetary policy and the differing from state to state fiscal policies.

Governments and central banks intervened primarily in support of the financial sector. But one can easily see that this sector has not reached by far its purpose of providing resources for the functioning of the economy, reducing transaction costs and creating financial instruments that ensure better risk management. The financial system has proven highly innovative in creating new ways that lead to the increasing of risks for the markets participants without them being aware of it. Affluence actors in these markets were growing, most finding that their wealth was increasing every day. Nobody wanted to stay behind, without delving into the benefits of playing the stock market. When a too large part of the wealth of individuals and the companies' profits had this source, a much more attention of governments and banks to manage financial resources would have been required. Markets followed their own way but in a context of "general exuberance". Economic policy makers were either not aware of where we are heading or were too afraid to intervene. It is a false idea, otherwise highly promoted, that even if they knew they could not intervene effectively. Speculative bubbles need time to build and provide enough accurate information only if markets are closely monitored and the decision makers have a broad perspective on the macroeconomic framework.

Important crisis have called into question the economic role of the state. This role has changed overtime. The 1930s crisis has increased its importance and, in the 1980s, with the Reagan-Thatcher revolution allowing the market to operate more freely, giving up a series of regulations, its role decreased. Many of these regulations that had proved useful in the aftermath of World War II ensured the stability of the financial system and the economy in general. Belief that markets are able to return to equilibrium with only minimum government intervention and monitoring, had returned in force. The last decade of the last century has confirmed some of the assumptions of the prevailing theory. Failure of the financial system has relaunched the theory of State's active role in markets, at least as regulator. And even more than that, the State's role of savior of last resort, meaning firefighter and banker at the same time. Starting from a misdiagnosis, the

emergency of state intervention and pressure from certain groups made the State to inject liquidity into the economy. This is because the real problem was the lack of trust that propagated in the economy with an extraordinary speed. In an attempt to save the economy, the State has left itself guided by unclear criteria, under which it granted undeserved support to some of the major banking institutions. The real culprits of the crisis have not paid the price of their guilt, which encourages moral hazard, the premise of future costs that can be neglected.

In these circumstances the role of the state should be redesigned. The crisis sluggish and solutions identified by governments and central banks are proving to have only slow effects. Speculative bubbles, wherever they appeared (in real estate or securities area) have masked the unsustainable character of the development economic model. The only thing that seemed to matter was the evolution of GDP and the level of GDP per capita. As a natural consequence, the concern for the really important problems went into the background, despite clear demonstrations of their impact on future welfare.

At the public level, the first signs of the crisis have gone unnoticed. The dominant belief, fueled by a relatively long period of prosperity, was that the crisis is only temporally and its passing will not leave permanent marks. Even when the crisis has showed its teeth and bite from their income, people were not convinced that the easy prosperity era was gone. Consumption continued, at least for a while, mainly due to the fact that people are inertial in adjusting consumption decisions.

The period since 2008 has convinced even the most skeptical of us that we are dealing with a crisis of rare virulence, whose long-term impact is a certain thing. Instead, at the same time, intense debates over previous solutions have exacerbated conflict between the philosophies related to the relationship between the state and the free market.

2. Global warming

Global warming is just one of the great problems facing humanity, which has aggravated in recent years despite continuous warnings of various organizations and academic institutions. It is a phenomenon in which global temperatures in the oceans and atmosphere are in a slight increase. If certain temperature variations have always existed, the dynamics of this process increased in recent years and the obvious consequences, sometimes catastrophic, are causing maximum concern and requires quick and consistent actions.

The average temperature of the planet has increased in the last 100 years by about 0.8°C, two thirds of this increase occurring in the last 30 years (National Research Council, 2011, pp. 15). Visible effects are related to the rarefaction of the

atmosphere, reducing the Arctic ice, rising sea levels, affecting plant and animal species. According to most estimates, anthropogenic emissions of greenhouse gases will grow at a sustained pace in the coming decades. OECD statistics even speak about a tripling of such emissions by 2050, reaching a level of 50-70 billion tons of CO₂ equivalent or 15 to 20 billion tons of coal equivalent per year (emissions are often expressed in equivalent tons of coal, 1 ton of coal is equivalent to 3.66 tons of carbon dioxide). International Energy Agency (IEA) says that, in the year 2010, 44% of carbon dioxide emissions came from coal, 36% from oil and 20% from gas. OECD countries have the largest contribution to global pollution (about 10 tons of CO₂), followed by China (5.8 tons) and India (1.5 tons). Contribution of these latter two countries, with very large populations, is likely to increase in the near future due to accelerating growth.

Climate change will become extremely dangerous if the average temperature at the Earth's surface increases by more than 2°C. IEA warns that annual emissions must not exceed 32 gigatons in 2020, but according to the latest estimates, emissions have already reached 30.6 gigatons in 2010. Nicholas Stern of the London School of Economics, author of several works on climate change, expects that in the absence of effective measures to counter pollution, the concentration of greenhouse gases in the atmosphere may double by the year 2035. In the long term there is a 20% probability that the average temperature increase by 5°C, which would lead to changes in world geography enough to affect people's livelihoods (Stern, 2007, pp. 3). The most obvious cause of global warming are the result of emissions of carbon dioxide and other greenhouse gases produced undoubtedly by human activity. Widespread recognition of this relationship by policymakers required concerted action of most countries to counter the phenomenon. Global conferences on this topic have multiplied without often reach their objectives. Late '70 have meant adopting a new philosophy of environmental policies which have integrated the concept of sustainable development. Promoting these environmental policies has involved not only government institutions but also the civil society, seen as a key factor limiting the environmental damage. In this context, in 1979 was held in Geneva the first World Climate Conference at the end of which was passed the Protection of the World Climate Programme (WCP). Perhaps the most important result of this event was the recognition of all relevant stakeholders of the impact of human activities on the environment and the urgency of adopting solutions, which laid the foundation for an international policy consensus on climate. Another important point in the same direction was the adoption in 1997 of the Kyoto Protocol that proposed reduction of greenhouse gas emissions in the period 2008 to 2012 with at least 5% compared to the level of 1990. Even more ambitious targets have been set at EU level through the project called Europe 2020. This

means that by 2020 the aim is to achieve a 20% reduction in carbon dioxide emissions and energy consumption compared to 1990 and less than 20% of energy must be produced from renewable sources (source: The EU climate and energy package).

In 2009 was held the Copenhagen UN climate conference. This conference was attended by representatives from 193 countries and was intended to establish new regulations for pollution reduction, applicable from 2012. At this conference it was signed an agreement that recognizes the need to maintain the world temperature increase to below 2°C, but does not contain specific obligations for signatory states. Another proposal of the Conference was related to increasing funds for poor countries to develop renewable resources.

Recently, in 2011, in Durban, South African Republic, was organized by the UN another conference, the result of which was a new agreement whereby Member States would limit emissions of greenhouse gases. This agreement will enter into force in 2020.

In general, pollution mitigation measures are aimed at internalizing external environmental costs, which, through the effect on prices could change human behavior towards a more responsible and efficient use of natural resources.

Limiting pollution can be achieved by resorting to more legal-economic and institutional instruments. The intensity with which these instruments are used is closely related to decision-makers philosophy. Thus, some economic policy makers have firm belief that the free market and private property protects the environment. There are two assumptions which support such a view: property rights, whether clear or not, but in any case uncontested, and rationality of users to use resources. Establishment of private rights over resources for which property rights are not highlighted or legally protected, ensures the owners support the consequences in case of damage to the environment. Such a view is attributed to the Austrian school of economics.

Neoclassical school supporters believe that the safest way for nature protection is provided by state regulations introduced in the legal system. In the context of unspecified property rights over vital resources such as air and water, it becomes obvious that people use these resources without incurring unreasonable consequences of their actions and pollution becomes an expression of market failure. From this perspective, government intervention through the establishment of tradable pollution rights, taxes, subsidies or consignment system is a necessity.

Some tools are quantitative, being based on pollution rights. Tradable pollution rights were originally used in the U.S. to reduce costs and facilitate growth of certain heavily polluted industries. These were later extended to other countries

with regard to air and water pollution. Such a system implies to determine the global maximum pollution limits, according to the capacity of the environment to absorb a level of pollution (Beder, 2001, p.2).

Applying this method means companies have the right to pollute the atmosphere only as much as allowed by the pollution certificates they own. However, this system allows each company to sell the surplus allowances, while firms that need can buy additional certificates. Such transactions are carried out on a specific market, where there is usually a good control. These exchanges of marketable pollution permits give the process a deep commercial character, turning into an important source of revenue for companies that have consistently promoted clean technologies. In contrast, other companies avoid extremely severe consequences from failure to obey the pollution rules imposed.

Belief causing the establishing of these limits was that once the countries and companies will have to pay for additional pollutants will react accordingly and promote clean technologies. The price of these licenses is determined by the supply-demand report, constantly changing when introducing new regulations. In fact, the opportunity to buy pollution permits may even reduce the pressure for the introduction of clean technologies. The ratio between the price of pollution permits and the cost of replacing polluting technologies is not unique. At least for some firms, according to analysis in terms of costs and benefits, the decision to maintain the old technologies may prove effective. For the effects in terms of reducing pollution to be significant the price of pollution permits should record such a development to situate it over the cost of replacement with clean technologies. Otherwise, the results can only be modest.

Perhaps the most important problem associated pollution rights is the establishment of the maximum pollution level. The higher the limit the weaker is the stimulus of introducing clean technologies. On the other hand, setting a limit too low results in economies facing major constraints. The role of pollution permits is similar to a tax which, once established, affects all the involved economic operators and the economy in general. Acquisition by the companies of the right to pollute further, translates into increased costs and possible raising prices and reducing employment. Competitiveness of firms, as well as the buyers opportunities for acquisition tend to decrease. These consequences are caused by the reluctance of the authorities to ratify various international agreements that would establish lower limits of pollution. Beyond such consequences, anti-pollution efforts are influenced by the interests of politicians related to the electoral cycle. Often they are willing to sacrifice a future sustainable wealth for the sake of immediate apparent wealth.

The second set of measures is aimed directly against pollution by using taxes and subsidies price likely to compel polluters to react individually through tighter control on emissions of greenhouse gases. Fees are applied to products that cause environmental damage, increasing the cost of their production. These products are not necessarily eliminated, their use being only limited. In contrast, for products that protect nature subsidies apply and taxes are eliminated.

Generally there are serious criticisms related to the inconsistency and deficient nature of approaches and interventions to limit the polluting effects of human actions. Failure of policy makers responsible in this area is due not only to their lack of vision but also to market prices that do not contain relevant information, as stated by the efficient market theory. Prices are among others an indicator of scarcity. However, the prices of natural resources do not always suggest such an aspect, which has encouraged their use as if they were *ad libitum*. As the prices of other assets were subject to severe correction after crisis, probably just as necessary should be the correction of prices of the natural resources. Signals in the economy would be much more accurate and the risk of excess pollution would diminish. In these circumstances, the market can guide choices on resource consumption, including the greenhouse pollutant, and action on environmental protection.

Negotiating and signing any international agreement often generates hard and prolonged debates. There is, unfortunately, a long experience of powerlessness global harmonization decisions. A good example in this regard is the debate within the WTO. The situation is similar for fixation and assuming national obligations to limit and reduce emissions. That some countries agree and sign a protocol, such as Kyoto, while others do not, creates global inequity. There is rather a global disponibility to "therapy" than to prevention, despite lower costs in the second case than in the first. The main problem in combating global warming has always been represented by the costs involved and by who is willing to bear these costs. Pollution from one country can be "exported" to other countries without obstruction. Protecting the pollution rights proves extremely costly, which cast doubt on the effectiveness of all conceivable solutions to pollution. Promote actions to reduce emissions of greenhouse gases could increase as a result of pressure from civil society to politicians. This in turn depends on the extent to which people notice that pollution destroys their resources and jobs. Instead of being created sustainable jobs, substantial resources will be targeted to treat damage to the environment. Although it is possible that such efforts to create employment opportunities in the long term these are lacking the necessary sustainability.

As long as a country's economic performance are given by the annual growth of GDP per capita, global warming will never be assessed as a priority for economic policymakers. Pressure to initiate fierce actions against pollution does not seem to have yet reached the critical point despite more conclusive evidence that appear day after day. Such actions can explained the delayed and modest results ending all kinds of world conferences focusing on climate change.

A growth model which doesn't take into account global warming is not sustainable in the long term. Economic growth is likely to be impossible in the short run. In addition, natural resources are limited, and many of them are finite. Global consumption of natural resources and depreciation of the resource base appear to exceed the pace of introduction of clean technologies. The financial crisis led to a decline in financial resources, especially in developed countries, leading to the postponement of the proposed solutions to mitigate global warming. It is possible that this delay may prove to be too expensive. A healthy environment has a positive impact not only on health but also on future environmental costs. Reconciliation of man with nature requires a behavior change in individual and collective consciousness in promoting common prudence in administering the same resources, regardless of their geographical distribution.

3. The increase of poverty

In general, all human societies have as a fundamental objective to create the conditions for fulfillment of aspirations of present and future. This should be achieved despite the fact that overall economic activity is evolving wavy and continuous economic growth is a myth. Attempts to cause such an increase ignores the necessity of sustainable economic activities, translated by altering the resources to increase welfare with its corollary, reducing poverty and increasing living standards. When these attempts become too extensive and viable solutions do not appear, history has shown that ideologies emerge that open up the way for major conflicts and even totalitarian regimes.

Globally there are huge disparities in terms of consumption and income. If such differences within a national economy are causing concern, the huge gap between much of the rich world and other poverty parts represents a threat to global stability. The share of population living in developed countries is about 18% today and for the years 2030 is expected to drop to 15%.

Measuring the gap between the living standards of people at a global level is not a very easy task. An attempt in this direction was accomplished by the economist Branko Milanovic who, in his work entitled "Global inequality and global inequality extraction ratio: The story of the last two Centuries", proposed an

estimate of the Gini coefficient - a measure of statistical dispersion used to represent disparities in income and wealth distribution - globally for the period 1880 to 2002 (Milanovic, 2009, p. 13). The results of estimating this coefficient are presented in the table below.

Table 1. *Gini Index*

	1820	1850	1870	1913*	1929	1950	1960	1980	2002
Gini	15.2	25.9	31.9	44.3	48.0	55.0	54.0	56.8	52.6

Source: <http://mpira.ub.uni-muenchen.de/16535/>

The higher the index the higher are the income differences between individuals. One can clearly see a worsening in the period analyzed. Thus, this problem has existed for long time, but in conjunction with today's crisis reached a critical point. Few countries have managed to escape from the group of poor and improvement were due to a successful macroeconomic policy and a consistent restructuring that followed after, years in a row. China and India are examples. In particular, China's development has had a powerful drive over some large region of Africa or Latin America. Among the same countries that have made a leap lately are those with an important natural resource, as is the case of Brazil.

Consumption differences between countries are not always evolving consistent with differences in productivity and competitiveness. For example, despite a relatively recent rebound in productivity, the U.S. continued to consume excessively. Much of this consumption was supported by huge loans to countries whose essential feature model lead to savings. Such a process of global dimension involves the risk of a "disorderly settlement of these imbalances with potentially disruptive changes of great magnitude in the exchange rates" (Stiglitz, 2010, p. 310). In this context, quite easily can be imagined the economic consequences of these imbalances. One possible orderly settlement of imbalances could be provided by promoting a consumption in line with countries' own possibilities. For example, the US should reduce their consumption and even save and countries with high savings rate should increase it. Such a trend has little chance of realization in the near future.

Consequences of massive loans should be made in relation to the implications on interest rates. This high risk in the current trend can only mean more an expensive credit, despite the actions of central banks to supply cash savings. Unfortunately, for those countries that don't have fiscal space, public debt increased substantially, which will affect some programs and social development. Unemployed and poverty support require increasingly higher resources. Unemployment has reached unprecedented dimensions in many countries. For example, Spain is facing a quarter of the working population in search of a job, while Greece has a similar unemployment rate. Globally, 40% of the population

earns less than \$2 per day and is devoid of opportunities to improve the living standards. Growth rate in many countries is almost zero, making the standard of living unchangeable for generations. Poverty is not so much a result of the crisis, but rather a major cause of it.

Countries which can raise funds and direct them in useful directions can get good results. However, given the limited financial resources, many countries will not access these funds. Their level of poverty and inequalities can be deep. Problems become more difficult for some countries, including the rich ones, facing aging and a generation reaching retirement age numerically superior than the new generation who reach the age of employment. From this perspective, the primary resource orientation for supporting investment in new technologies, education, research, health is a viable option for exiting the crisis and ensuring the well-being for present and future.

Investing in education is the most profitable of investments whose effects are in long term. Education is the key to discovery, application and dissemination of valuable ideas and technologies that support economic growth, it improves cognitive skills and create those "human capabilities" so necessary to increase productivity. Countries that have allocated over time significant proportions of GDP and were able to identify the best opportunities for using these resources have obtained a spending multiplier of the highest. The relationship education-economic growth-income-standard of living is extremely strong.

4. Demographic imbalances

Another important problem the world faces for decades is the demographic imbalances. Aging population in developed countries is one of the main root causes of imbalances, and this, according to most estimates, will increase in the future. In a report published by the United Nations show that the share of people over 60 years in developed countries is expected to increase by 2050 to 33% from 20% as in the present (United Nations, 2009, p.11).

The aging process is something unique in human history. Mostly it is powered by the progress of medicine and the low birth rate. The largest birth rates are registered in the poorest areas of the planet. Revenue growth is accompanied by reduced family size. High-income families, located mainly in developed countries opt for a small number of children, even below replacement rate. UN statistics estimate that 2050 the African continent will be the only one in the world with a less aging population.

Problems usually associated with aging derives from the fact that people of different ages have different needs and different economic behaviors. From an

economic perspective, the aging population will significantly influence the economic growth rate. Reducing workforce and different behaviors of individuals will affect consumption, investment, saving, revenue and expenditures and, therefore, the design of macroeconomic policies. Also, older people will need health services to an extent far greater than the young. As a result, most likely health costs will register a strong increase, while their support is becoming increasingly difficult in the absence of action involving at least fiscal policy changes. A second problem that arises as a consequence of increased life expectancy is the existence of a gender imbalance of older persons. Because women tend to live longer than men the percentage of elderly who are alone is higher and is obvious represented by women. Single and elderly people face a greater risk of social isolation and tough economic constraints. For this reason, these individuals require additional support (United Nations, 2009, p.12).

One of the measures taken by the governments of developed countries is increasing the retirement age. This is a natural measure with a double determination. On the one hand, the average life expectancy for some time registered an upward trend. On the other hand, the resources needed to support those who have left the labor force is constantly decreasing, which is why they set up private pension funds. Declining birth rate and changing the ratio of people leaving the labor force and those in work contributes greatly to lack of resources for social insurance. According to UN estimates, worldwide, the number of people over 60 is expected to exceed those of children under 15 years in 2045 (United Nations, 2009, p.10).

The recent financial crisis has hit hard in the pension funds sector. Stock market crash brought lowering the portfolios of many people. The most affected are those recently retired or near retirement age.

Developing states face the same aging process and reducing the workforce. In particular, the speed of propagation of this phenomenon in developing countries is much higher than in developed ones. This implies a lower response time for these countries to adapt to the new conditions. Their social security systems are suffocated by the large number of pensioners and pension funds are almost nonexistent. Romania is one case where the ratio between the number of pensioners and employees is higher than 1 for several years. The situation is expected to worsen in the near future due to labor migration and "Explosive Generation" of the late 1960s. Migration of part of the working population from less developed countries to the economically advanced phenomenon is of a global dimension. Despite real competition for its own citizens and xenophobic reactions, developed countries benefit fully from this process because immigrants are active and often have a good qualification. In countries of origin, high

unemployment rates are associated with deficiency of skilled workers, which creates a major risk for future development.

Perhaps the most serious problem associated with demographic imbalances is that low developed states belonging to the third world faces a high birth rate increase, while extending life expectancy. In the current economic development, younger generations tend to have uncertain prospects, which involve behavioral changes and movement of important segments of the population.

Unlike developed countries, less developed countries have an immediate problem with aging. Demographic pole shift not only in economy, but also on a global scale, will affect the future balance of power. The evolution of this report will be determined by the manner in which each country will be able to manage the collection and allocation of resources from those active people to the older ones, more numerous. In addition, changing the proportion of people aged between active and inactive influence policy choices, because most of the electorate is made up of social security beneficiaries (Greenspan, 2008,p. 413).

Current context reveals major discrepancies in living standards between countries of the world, a phenomenon that has a long history. In the absence of adequate measures this can only lead to strong social conflicts, perhaps with an international character. Foreign aid is a solution, but with limited action. At least in the medium term, access to education, including measures to familiarize young people with "family planning", targeted national investment and growth prospects modification can improve the situation of these countries. Unfortunately, the financial crisis and scarcity of resources in all states make it more difficult to implement economic policies with such objectives.

Conclusions

Poor financial system, unsustainable public debt and global competitiveness inequalities were the main factors that contributed to the economic crisis and its so fast spreading. Solving problems related to restoring macroeconomic balances and their careful monitoring in the future may prove insufficient to "tame the business cycle", in other words, to ensure a future marked less by major fluctuations in economic activity.

The period since 2008 undoubtedly is an extremely tense one, in which governments and various organizations discuss and seek solutions. One of the great gains of this crisis is the public awareness of how business processes interact to produce wealth at a national and global scale. However, from this intense process of acquiring knowledge derives a new way of action, prudent and responsible at the same time. The next higher level of awareness and

accountability of individuals on immediate issues is the focus on global issues which is likely to exert the pressure on governments for adding them to the international meetings agendas. Neglecting these problems, among which the most important were mentioned in this paper, will cause political and economic instability. Political instability is envisioned by social movements to challenge the leaders and policies put into practice, which opens the way for political opportunism. From this to even more serious economic error is only one step. This trend will maintain a consistent possible recession, which can appear at shorter intervals. Starting from these premises, it becomes quite likely that the next period will be characterized by modest increases of economic activity in alternation with similar contraction.

The future will validate or infirm the efficiency of redesigning the national strategies and the measure they harmonize at a regional and global level. Implemented strategies are required to be continuously evaluated and their effectiveness should be considered in a broader context of the mitigation or exacerbation of other fundamental problems of human existence. It is essential for the economic model that we're heading to prove sustainable, with resource-oriented in innovative directions, to include the man who should be in harmony with his fellow and his living environment.

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