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ANALYSIS OF THE MOST PRESSING VULNERABILITIES OF THE ROMANIAN ECONOMY AT THE START OF THE GLOBAL FINANCIAL CRISIS

Abstract:

In Romania, as well as in other Central and Eastern Europe countries, the recent financial crisis has halted the economic growth trend, revealing major structural vulnerabilities. This research aims to identify whether bad economic policies adopted in times of economic expansion could lead to limited options of stimulating the economy in times of recession. In pursuit of this objective, the author analyzed the evolution of Romania's main macroeconomic indicators during economic boom, the crisis and the post-crisis period. Following the empirical analysis, the author expects to point out the main weaknesses of the economy and to determine whether the nature of the economic policies adopted during the pre-crisis period exposed the Romanian economy further more to the negative effects of the economic crisis in 2007-2008 time period.

Keywords:

economic growth, macroeconomic deficits, crisis management

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