Eco-Bio-Management of Global Risks - A Necessity in a World of Vulnerabilities Where Eco-Bio-Economy Is Required to Accomplish Eco-Sano-Genesis

Elena GURGU\textsuperscript{1,2}, Cosmina Silvana SAVU\textsuperscript{1,3}

\textsuperscript{1}“SpiruHaret” University, Ion Ghica, no. 13, Bucharest, 030045, Romania
Tel: +40214551000, Fax: +40213143900
Email: elenagurgu@yahoo.com, cosmina.savu@yahoo.com

Abstract: The Vision of the Eco-Bio-Economy is to sustain development of the humankind welfare in all forms, through an economy of future dedicated to human life through the rational use of the environmental resources. This paper tries to convey the issues facing humanity that is at the beginning of a new global economic paradigm. Meet the minimum point of the financial crisis started in 2008, the final years of declining phase of the long-term global economic cycle. Feeling played through work is the lack of vision from governments, improvisation, passive reaction, type seeing and doing. However, in the economic sense the global economy is tired, with a sick system operated by trouble recovering. Perception, not far from the harsh reality is that national competition is focused to minimize losses caused by the financial crisis and use that type beggar thy neighbor policies similar to the exit from the crisis on the backs of others.

Key words: eco-bio-economy, global economic and financial crisis, global risks, unemployment, inequality, globalization, conflicts, chronic underemployment

JEL Classification: A11, D81, E24, E27, F01, F02, F62, G01, H12, J50

1. Introduction

UNEP-United Nations Environment Program (environment for development) has developed a working definition of the Green Economy as an economy that may have

\textsuperscript{2}Romanian Academy - National Institute of Economic Research, Costin C. Kiritescu
\textsuperscript{3}Free International University of Moldova (FIUM)
results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. Ecological policies became throughout times, a constant attitude of the world governments, as much as the ecological and the biodiversity interferences of the regional, national, transnational and global interdependencies, affect all nations. *Eco-Bio-Economy* is a scientific, economic and philosophic endeavor dedicated to the development of the integrated environment health, of the mankind welfare, through an integrated multi-polar eco-bio-economic concept, which promotes the Agrifood Green Power and the Smart Sustainable Integrated Development of the future. “*Eco-Bio-Economy is an economy of the future, in the service of human life by rational use of environmental resources*”, prof. Dr. dr.h.c. Alexandru T. Bogdan, member of the Romanian Academy, claims to several national and international conferences and publish in international specialty literature, an attempt to unite the two concepts: *Eco-Economy*, by Lester Brown and *Bio-Economy*, by Nicholas Georgescu Roegen, a new paradigm Eco-Bio-Economy. *Eco-Bio-Economic-Safety* directed to the economic, biodiversity, food security and food safety aspects, introduces the new syntagm of the *Eco-Bio-Economic Food Safety*, to define also to a new syntagm – the *Eco-Bio-Economic Social Safety*, focusing the *Customer Satisfaction* and equally the *Customer Protection*, considering that food safety and social security have among other important objectives, a common target – customer satisfaction and its protection- and in extension, all interested parties.

*Figure 1: Subsequent relations between concepts, syntagms and paradigms, which forms the content of the Eco-Bio-Economy, Eco-Bio-Safety (Food & Social), Eco-Bio-Management, Green Business, Customer-Client-Satisfaction-Protection*

The *Eco-Bio-Management* is a Smart Sustainable Management (SSM) defined as an eco-bio-management of future, eco-bio-sustainable, smart, harmonious, integrated and innovative, dedicated to the smart sustainable development and to the eco-bio-continuous improvement, welfare and the quality of life improvement, through innovative and rational use of the environmental resources. The syntagm *Smart Sustainable Development* is addressing to the holistic development through the concepts linked with the eco-bio-economy, innovation and quality. The syntagm Integrated Smart Sustainable Development is launched in order to stimulate the interrelation between concepts as eco-economy, bio-economy, economy, biology, biodiversity, ecology, green quality, together
with new approaches as eco-bio-economy, agrifood green power, international diplomacy, global economy, sustainable development.

*Figure 2: Smart Integrated Sustainable Green Power in the Eco-Bio-Economy context*

In the context of the eco-bio-economic thinking, univ. prof. PhD Dr. h.c. Alexandru T. Bogdan, correspondent member of the Romanian Academy, initiator of the Eco-Bio-Economy, introduced the new concept of the *Integrated Environment Health in a globalized world*, as an *Olympic health*, a multidimensional, global, integrative health, a healthiness of people, plants, animals, water, soil, air, for a healthy environment: “a healthy mind, in a healthy body, in a healthy world, with a healthy environment”, (orig. A.T. Bogdan, May 2011).

*Figure 3: Integrated environment health in a globalized world*

Eco-Bio-Economy may be considered an attempt for a new eco-economic and bio-economic vision, which reunites in an integrated pattern: the economy, the ecology, the biodiversity, the eco-economy and the bio-economy focusing the integrated smart sustainable development of the world. To this valuable areas, the Eco-Bio-Economy may address possible *Eco-Bio-Policies* and *Eco-Bio-Strategies* and allows the contribution of the
social economy, of excellence and of the “all in one quality”, of the welfare economy, of solidarity, social corporate responsibility, as elements which may be utilized in an integrated practical future platform in a multipolar world for a healthy and ecological environment, to ensure and to promote a smart, creative, innovative, economic sustainable development. The use of the decision-making process at the highest level and the modern diplomatic tools are the expected and needed catalytic agent for a global eco-bio-policy and eco-bio-economic successful equation.

Figure 4: Social Eco-Bio-Economy pyramid

Source: orig. A.T. Bogdan, Dana Comșa, May 2011

Global financial and economic crisis of 2008-2009, whose effects are still felt today, which were intensified by "currency wars", spy scandals, escalating armed conflict and terrorist acts, all contributed to increased global risks, uncertainties and vulnerability of world economies. 2013 was a modest year in global economy. Growth estimated at only 2.1% means little and confirm claims of "secular stagnation" or the existence of phase "winter" on the long-term cycles, Kondratieff type. EU stagnated in 2013 (estimate of + 0.1%), China has increased by 8%, and the United States increased by 1.9%. Japan had a heartening of + 1% in 2013. Forecasts for 2014 are more optimistic, showing a gradual recovery with 1.6% in the EU 28, + 1.6% in Japan, and + 8.1% in China.

Rapid transformation in the 21st century level of infrastructure, more efficient systems of faster communication (Internet) have generated the development of closer relations between countries, economies and companies, as well as trade and closer investment relations. Developments in the economic, geopolitical, social and technological have triggered unprecedented economic opportunities, but the interconnections between them also involved large systemic risks.

2. Globalization: Risks, Uncertainties and Vulnerabilities

Emerging global risks are affecting governments and stakeholders from all sectors of business. To effectively manage and develop a resistance capable of withstanding their impact, we must understand, measure and predict global interdependence of these emerging risks by completing and diversifying traditional risk management tools. 2014 Report on global risks, presented at the World Economic Forum in Davos presents an analysis of global risks. It seems that the most important categories of socio-economic
global risks identified by the level of concern arising likelihood, impact and relationship between them are:

1. Fiscal Crisis of major countries (expressed in highly leveraged debt to GDP in the USA, Japan, the Euro area countries). Economies are still in danger, while many emerging markets have experienced an increase in lending in recent years, which could fuel the financial crisis. A fiscal crisis in any of the major economies could easily have a global impact cascade.

2. The rate of high unemployment (especially among youth) and chronic underemployment in the labor market, both in developed and emerging economies. Unemployment is a global risk given by many people both in advanced economies and the emerging economies that fail to engage. Unemployment among young people, the most vulnerable category, is reaching 50% in some countries, and underemployment prevailing labor market is especially in emerging and developing countries. Structurally high unemployment and low employment rate of labor from countries in difficulty (eg. Spain) - are considered the most serious by the social, economic and political point of view of the financial crisis.

3. Crisis of drinking water resources is realized to an extent increasing amid mismanagement and growing competition for already scarce resources. In my opinion, any decision on the exploitation of other natural resources, including shale gas, should take into account this major challenge, because sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs.

4. Severe disparities of income. There are also concerns about the negative effects that the financial crisis has on the middle classes of the developed economies, while globalization has led to polarization of incomes in emerging and developing countries.

5. Failure to mitigate and adapt to climate change. Even if governments and corporations are required to take action to reduce the greenhouse effect, the stake is not just in climate change mitigation, but also adaptation. Failure adaptation mainly affects the least developed countries.

6. Increasing frequency and intensity of extreme weather events (eg floods, storms, hurricanes, typhoons, fires). Climate change generates instability, resulting in a higher frequency of extreme events such as floods and droughts. The implications of these phenomena in terms of food security and social and political stability are strong enough.

7. Global governance failures. The risk of failure of global governance is considered to be connected to the greatest extent with other global risks. Institutions is weak or inadequate, in correlation with national interests and competing political hinders cooperation in order to combat threats.

8. Food shortages. Food crisis occurs when access to a certain amount and quality of food is inadequate or unsafe. Food crises are closely related to the risks of climate change and associated factors.

9. Failure mechanisms and major financial institutions. Five years after the collapse of Lehman Brothers, the collapse of such institutions is also a concern, given the persisting uncertainties about the quality of many banks' assets.
10. *Deep political and social instability.* There is a risk that one or more countries systemically critical to experience a significant erosion of trust and mutual obligations between states and citizens, which could lead to the collapse of state domestic violence, regional or global instability and possibly in a military conflict.

*Figure 5: Global risks in 2014*

Of all these risks, three risks fall into the category of economic risks (1, 2, 9), three are environmental risks (3, 5, 6), three social risks (4, 8, 10) and a geopolitical one (7). Such risks are often interrelated with each other, generating instability and, moreover, comes in confluence with other challenges that accompany the "reset world order." Restricting the analysis, a survey conducted by Earnst & Young among companies from 21 countries, both developed markets and in emerging markets gives us a clearer picture of the risks and opportunities. The study examines in detail how companies address current and future challenges and opportunities, and identify the top 10 risks and opportunities for 2013-2015 in different sectors. Risk ranking given by the respondents, although stable in the first part, the second part fluctuates while ranking opportunities is more balanced. In the first part of the ranking, the top five risks ranked for 2013 and 2015 are similar: (1) pressure on prices; (2) reducing costs and pressure on profit; (3) market risks; (4) macroeconomic risk - outlook weak or volatile economic growth and (5) management talent and skills shortages. In the second part of the table, you can see some changes:
expanding the role of governments in the economy - the 6th in 2013, will go down in 7th place in 2015; regulation and compliance - 7th 2013, climbed to no. 6 in 2015; sovereign debt and the impact of fiscal austerity and sovereign debt crisis falls on the 8th in 2013, 10th place in 2015; importance of emerging technologies ranked 9th in 2013, is ranked 8 in 2015 and shocks caused by political change up from position 10 in 2013 to 9 in 2015. Somewhat similar to the risk ladder, in the ladder of opportunities, this time, the first six classes remain the same, both for 2013 and for 2015. Thus, innovation in products (1), increased demand in emerging markets (2), investments in processes business in the tools and training to achieve greater productivity (3), new marketing channels (4), improve strategy execution in all business functions (5), investment in iT (6).

Chronic gap between the incomes of the richest and the poorest citizens of the world is viewed in Davos Report as risk likely to cause serious damage worldwide. Analyzing the likely evolution of mankind in the next 10 years, the report classifies five categories-economic, environmental, geopolitical, social and technology-potential risks that they assess in terms of likelihood and potential impact.

**Table 1:** Evolution of the 5 most important global risk factors in terms of probability in the period 2007-2014

<table>
<thead>
<tr>
<th>Rank</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>Intractability</td>
<td>Asset price collapse</td>
<td>Asset price collapse</td>
<td>Asset price collapse</td>
<td>Systemic events</td>
<td>Systemic events</td>
<td>Systemic events</td>
<td>Systemic events</td>
</tr>
<tr>
<td>2nd</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
</tr>
<tr>
<td>3rd</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
<td>Natural disasters</td>
</tr>
<tr>
<td>5th</td>
<td>Asset price collapse</td>
<td>Credit market development</td>
<td>Financial market development</td>
<td>Financial market development</td>
<td>Financial market development</td>
<td>Financial market development</td>
<td>Financial market development</td>
<td>Financial market development</td>
</tr>
</tbody>
</table>


**The most likely global threats after income gap.** Experts believe at the World Economic Forum that severe weather events likely to cause "global systemic shock." These are followed by unemployment and underemployment, climate change and cyber attacks.

**Table 2:** Evolution of the 5 most important global risk factors in terms of impact in the period 2007-2014

<table>
<thead>
<tr>
<th>Rank</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
<td>Fiscal crises</td>
</tr>
<tr>
<td>2nd</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
<td>Major systemic financial failure</td>
</tr>
<tr>
<td>3rd</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
<td>Water supply crisis</td>
</tr>
<tr>
<td>4th</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
<td>Climate change</td>
</tr>
<tr>
<td>5th</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
<td>Cyber attacks</td>
</tr>
</tbody>
</table>

Threats considered with the worst impact that affect systems and states are destructive financial crises. Economic risk is followed by two of the kind of environment - climate change and the water crisis, one social category (unemployment and underemployment) and other technology (collapse of critical infrastructure communications).

<table>
<thead>
<tr>
<th>Most likely risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income disparity (societal risk)</td>
</tr>
<tr>
<td>Extreme weather events (environmental risk)</td>
</tr>
<tr>
<td>Unemployment and underemployment (economic risk)</td>
</tr>
<tr>
<td>Climate change (environmental risk)</td>
</tr>
<tr>
<td>Cyberattacks (technological risk)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most potentially impactful risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal crises (economic risk)</td>
</tr>
<tr>
<td>Climate change (environmental risk)</td>
</tr>
<tr>
<td>Water crises (environmental risk)</td>
</tr>
<tr>
<td>Unemployment and underemployment (economic risk)</td>
</tr>
<tr>
<td>Critical information infrastructure breakdown (technological risk)</td>
</tr>
</tbody>
</table>


Each report has analyzed potential risks worldwide, but their inter-conectability can trigger simultaneous or cascading effect, which can lead to a multiplier effect. It is vital so that the rich and responsible people to look with responsibility these risks.

3. Major Threats of Economic, Geopolitical, Social and Environmental Nature

In this part of the work I intend to bring to the fore some of the major threats to economic, geopolitical, social and environmental hanging over the global environment by presenting some views expressed by senior officials of some countries: Japanese Prime Minister, Chinese Foreign Secretary of State, the British Prime Minister, President of Brazil and the Iranian president.

**Japan.** Japanese Prime Minister, Shinzo Abe, has "a new vision of a new Japan that highlighting two main aspects: economic strategy "of the three arrows" (or Abenomie = Abe + economy) and peace in the Asian seas. In Japan, deflation in the last 15 years have led to the stagnation of the national economy amid discouraging investment and new projects and also to increase the public debt. In December 2013, the government approved a record budget for the fiscal year began on April 1, 2014, amounting to 96,000 billion yen (921 billion US dollars). Economic Strategy "of the three arrows" is based on an aggressive monetary policy, fiscal policy and structural reform of the flexible economy. The three arrows refer to the legend of Motonari Mori, the Japanese feudal lord of the
sixteenth century, who gave his sons a lesson showing that while one arrow is easily broken, the same can said of a bundle of three arrows. The moral is this: those who are united and invincible.

The challenge of an aging population in an unprecedented rate, resulting direct labor reduction. It takes into account the electricity market reform (the first such reform in the last 60 years) in three stages, which will be completed by the opening of the Olympic Games in Tokyo in 2020 (see also the report on the first year of the Abe administration, January 2014). However, the Japanese government aims to eliminate restrictions on rice production (in force for over 40 years), health care reform, labor market reform (including increasing the role of women and the acceptance of foreign workers), building cities with zero greenhouse gas emissions. Externally, it is considered Japan's deepening integration into the global flows of knowledge, trade and investment by finalizing the Transpacific Partnership and conclusion of the EU-Japan Economic Partnership. Japanese Prime Minister states that "Asia has become a center of growth for the world. Japan is surrounded by neighbors with endless possibilities such as China, South Korea, ASEAN, India and Russia, and the Pacific, Transpacific Partnership partner countries ". He highlighted the need to restrict military expansion in Asia and transparency of military budgets. Reference to peace in Asian seas is an indirect message to China, given its increasing military force and intensifying territorial disputes in the East China Sea.

**China.** Chinese Minister of Foreign Affairs Wang Yi, focuses on the current reform, "the benefit of the whole world" and the strengths of the Chinese economy, such as millenary culture and traditions and the strength of the Communist Party with 86 million members, "united as one ", which, incidentally, printed Chinese characteristics capitalist development model of PR China. As the Chinese system weaknesses are disparities between urban and rural areas and between regions. In geopolitical, Wang Yi accentuate China's contribution to global peace, the way to "peaceful" development of the country's deeper involvement in international conflicts and disputes and firm opposition to any form of aggression. Renewal of China and "Chinese dream come true" (which reminds us of the American dream) are "good for China and the world."

**USA.** Secretary of State, John F. Kerry firmly rejects the accusation that "the United States would withdraw from global affairs," citing his country's active involvement in three of the most acute problems in the Middle East: Iran's nuclear war in Syria and the Israeli-Palestinian conflict. He says that no state in the world has invested so much effort in this region. He also outlines the progress of the US-EU economic integration path (an allusion to transatlantic trade and investment partnership under negotiation) and other similar initiatives, such as Transpacific Partnership.

**UK.** British Prime Minister, David Cameron, refers to the opposite of outsourcing, which begins to grow, "bringing" jobs in East back to the West, so that the benefits of globalization to return "home". According to surveys conducted among British small businesses, one in ten has started producing again in the UK. In the USA, a similar survey shows that over a third of entrepreneurs plan to relocate their production facilities in China in the USA. In this context, British Prime says that one of the important factors of "internalisation" and also economic growth, is the exploitation of shale gas. Perhaps the British prime minister considers the elections in 2015 most important but the fate of the environment and the planet. Referring to the relationship with the EU, Cameron shows that we need "to reform EU to reform the UK relationship with the EU".
**Brazil.** Dilma Rousseff, president of Brazil, is focussing on attracting investment, and say that they are welcome in the context of poverty eradication and strengthening the middle class (which increased in number to 42 million in 2003). Referring to the short-term volatility caused by restrictive monetary policies in developed countries, it said that Brazil is ready, with foreign exchange reserves amounting to 370 billion, and more than that, the country benefit from the economic recovery in advanced economies. Rousseff is in favor of liberalization, claiming both the Doha Round and the negotiations for an FTA EU-Mercosur.

**Iran.** Iranian President, Hassan Rouhani (based on August 2013), emphasizes growth and target his country to become one of the top ten economies of the world in the coming years. He stressed a desire to have peaceful relations with both its neighbors and the world. Referring to the preliminary agreement on Tehran's nuclear program in Geneva of the P5 + 1 (USA, UK, France, Russia, China and Germany), Rouhani said that he does not see obstacles or impediments in the way of an agreement insurmountable in the comprehensive future.

### 4. Perspectives of Global Economy


*Founder and president of the World Economic Forum in Davos, Klaus Schwab,* believes that the current global context is characterized by "low expectations" and "many unknowns". It held that in the next 5-10 years, the world economy will grow slowly and growth will not return to pre-crisis levels anytime soon. At Davos mentioned the risk of European bleak scenario in the long term, slow growth (about 1% per year), with high structural unemployment (between 9 and 11% of the population) and public debt about 100% of GDP.

*IMF Managing Director, Christine Lagarde,* said at Davos that there are "old threats" (failure of reforms in the banking system and reduced economic imbalances) and "new dangers" hanging over the global economy and the crisis has not ended. Indeed, this is confirmed by the recent turmoil in emerging markets, especially Argentina and Turkey, where the peso and the pound have been massive devaluations, and in countries like Brazil, India, Indonesia, Republic of South Africa (the four , along with Turkey, is known since May 2013 as "the five fragile economy" - name given by experts from Morgan Stanley - to fund current account deficits recorded by them, which makes them vulnerable to outflows of "hot capital").

*IMF Managing Director* urged caution about bubbles and warned that economic recovery is accompanied by imbalances, high unemployment and the risk of deflation. Lagarde warned that low inflation in the advanced countries, especially the euro area (with an inflation rate of 0.8%, below the ECB target of 2%), could have unpleasant consequences in terms of financing costs and indebtedness, both for governments and companies. However, it stressed that social inequalities are less sustainable higher growth.

*European Commissioner for Economic and Monetary Affairs, Commissioner Olli Rehn,* said he is aware of the risks, but began to see good developments in Europe.
The IMF Report on Global Economic Forecast, published before the meeting in Davos, is expected to rebound in economic activity in 2014-2015 (increases of 3.7% and 3.9%) amid the recovery in developed economies. In all developed economies, GDP growth is forecast at 2.2% in 2014 and 2.3% in 2015 (compared to 1.3% in 2013), an above average recovery is expected in countries like USA, UK and Canada, and below average in the euro area and Japan. IMF analysis shows that, in developed countries the output gap remains high and, given the risks involved (ie, deflation), we recommend a flexible monetary policy, while fiscal consolidation should continue. The slowdown in the Chinese economy - the engine of global economic growth - is a concern for experts. However, the growth rate of China’s GDP is still robust, levels indicating IMF forecasts of 7.5% in 2014 and 7.3% in 2015. For 2014 to 2015, IMF staff forecast that economic growth of India will exceed the average rate of the group of emerging economies and developing countries, in contrast to the Republic of South Africa, Brazil and Russia, with rates below average group.

IEM Experts considers that the BRICS countries, with engines of economic growth and exports and FDI attracted in recent years more strongly complementary engines, such as domestic demand (fueled by the high level of remittances from nationals abroad in countries such as China and India), investment abroad, stimulating innovation and infrastructure development.

5. Climate Change

In the World Economic Forum in Davos this year, the date of January 24 became "Climate Day" being reserved for the topic of climate change, to encourage world leaders to engage firmly in the fight against this global threat.

Ban Ki-moon, Secretary General of the United Nations (UN) has drawn attention to climate change and the need to shift from "brown economy" to the "green". In his view, this transformation requires: (1) support from the financial sector (investors, banks and other financial institutions), (2) reducing financial resources of older technology, (3) increasing transparency on greenhouse gas emissions, (4) cooperation between banks, investors, and those in the field of regulation, so that they ensure that the rules governing financial markets support sustainable development. In this context, Ban Ki-moon emphasized that climate summit, which will take place in New York in September 2014 under the auspices of the UN, is a significant step on the path of the signing in 2015 of a legally binding treaty - Global Agreement for changes climate.

World Bank President, Jim Yong Kim, said, in turn, that despite the measures taken in terms of "green economy", emissions of greenhouse gases continue to increase, and the poor suffer further. In his opinion, there is no need for leaders who think in terms of short-term benefits or election cycles, but the leaders that take the most vulnerable of present and future generations. However, it takes a plan to address the whole issue of climate change and possible solutions.

Jim Yong Kim appreciated the need for a levy on pollution and also the performance standards for buildings, vehicles, transportation systems, technologies so as to encourage growth "cleaner and greener". The IMF study "Reforming energy subsidies: lessons and implications" of March 27, 2013, subsidies for fossil fuels amounted to 1900 billion worldwide. However, this amount may be redirected to investments in green energy. World Bank President believes that the first short-term goal may be to boost the green
certificates market, which could reach $20 billion to the summit in September in New York and $50 billion to the United Nations Conference on Climate Change Paris next year.

6. Gradual Withdrawal of Monetary Stimulus by the FED USA, with Effects on Emerging Economies

Worldwide, central banks' assets increased from 5000-6000 billion before the global financial and economic crisis to nearly 20,000 billion today, financial markets became so dependent on "cheap money". This led to "chase" after raising revenue (or yield) and the correction of significant capital to emerging economies.

According to international experts, reducing the easing of the USA will be accompanied by withdrawal of dollar liquidity in global markets, which will bring even more out structural problems and imbalances in the global economy. Reforms to increase competitiveness in developed economies are far from being completed and also debt (public and private) in these countries (as a share of GDP) has reached unprecedented levels.

In the current phase of quantitative easing, the Fed purchased each month government bonds and mortgage bonds in order to maintain a low cost lending and spur economic recovery and create new jobs. As the unemployment rate put on a downward slope in the latter part of last year (7% in November and 6.7% in December 2013 - levels still high compared with an unemployment rate of 4.4% in May 2007), was reduced and the amount of securities purchased. Thus, in December 2013, it was decided to decrease the amount of purchases of $85 billion per month to $75 billion per month, and in January 2014 a further drop to $65 billion per month ($30 billion plus $35 billion mortgage securities state).

International experts expect that the next meeting of the Federal Open Market Committee (FOMC) of the EDF, the degree of relaxation of monetary policy to be further reduced, and some analysts warn that this year even monetary incentives could be withdrawn fully.

Emerging economies have been "flooded" in recent years a considerable amount of "cheap dollars" generated by the FED monetary policy and are in search of high returns. According to the Institute for International Finance, the amounts of these economies attracted foreign direct investment especially investment in bonds and shares amounted to 7000 billion in the period 2005-2013. Exchange-traded funds (ETFs) amounted to $300 billion in 2013, triple the amount recorded in 2008, compared to a value close to zero in 2004 to facilitate inflows instruments "hot capital" in emerging economies during the boom were a quick exit channel of these capital during periods of slow economic growth rates visible.

A few years ago, Brazilian Finance Minister, Guido Mantega, accused developed countries of the initiation of a "currency war" quantitative easing is equivalent to the weak dollar and simultaneously discouraging exports to emerging markets in developed countries. In turn, braking quantitative easing is a threat, which is equivalent to the cheapening of American bonds and lower demand for assets in emerging markets.
7. Reducing Disparities, an Elusive

The Report of Oxfam Development organization released on January 20, 2014 and entitled "Working for the few" shows that almost half of global wealth is in the possession of 1% of world population. Their wealth is estimated at 110,000 billion. Moreover, 85 people have half the world’s population. According to a Bloomberg index that accounts for the wealth of the richest 300 people in the world, on the whole, their fortunes have reached 3700 billion in 2013, which means an increase of 524 billion in just one year. Of those 300, only 70 were losses.

According to the United States Census Bureau, income inequality in this country is growing for decades. The poverty rate was 15% in 2012, while the number of poor people reached 46.5 million. A quarter of young people under 18 are below the poverty line.

Oxfam Report mentioned above shows that even before the financial crisis and economic crisis in several EU countries recorded increases in income inequality. Portugal and the UK are among the most "unequal" countries among the member countries of the Organization for Economic Cooperation and Development (OECD). Austerity programs implemented in most EU countries have not led to the expected results in terms of economic recovery and reduction of social disparities, as evidenced and statistics: the richest 10% increased their share of total income. Aggregate wealth of the richest ten Europeans is higher than cash provided by economic stimulus measures adopted in the EU between 2008 and 2010 (217 billion Euros compared to 200 million).

Cardinal Peter Turkson, president of the Pontifical Council for Peace and Justice, read the Pope’s message to world leaders at the opening ceremony of the World Economic Forum, the basic idea being that wealth should serve humanity, not to lead, requiring mechanisms aimed at helping the poor so that they can get out of the situation of social assistance.

Ban Ki-moon, UN Secretary-General noted that 2015 is the deadline for achieving the Millennium Development Goals (MDGs) and is necessary to define a post-2015 development agenda. In turn, World Bank President Jim Yong Kim, drew attention to social inequalities.

8. Unemployment

The ILO report, "Trends in employment globally," published on January 21, 2014, shows that the global unemployment rate was 6% last year, while about 202 million people were unemployed (5,000,000 increase compared to 2012). Of these, 74.5 million were younger than 24 years (increasing by 1 million compared to 2012), which has high youth unemployment rate to 13.1%. There is a category of youth who neither work nor receive education and training (Neither in employment, education or training cloud - NEET), in some countries a quarter of young people aged 15 to 29 years being part of this category. In the year 2013 of 375 million people (nearly 12%) lived on less than $ 1.25 a day and 839 million employees (26.7% of total) with less than $ 2 a day. 2018 is expected about 215 million unemployed worldwide. Every year it is necessary to generate about 42 million jobs for new entrants into the labor market. Currently, the largest share of the new unemployed are concentrated in East and South Asia (45% of total), followed by sub-Saharan Africa and Europe.

Guy Ryder, general director of the ILO drew attention to the fact that, after leaving the Swiss mountain resort of the leaders who attended the summit should focus on those who
were in Davos, among them are: unemployed who are looking for a job, employees who need a decent salary, businessmen who need access to credit. The issue of jobs is "gorilla in the room in Davos" and it cannot be ignored, but must be addressed.

Conclusions

Currently there is a lack of consistent European model, easily seen by re-division of the EU, this time in creditor countries and debtor countries, countries with stable economic growth and low cost financing and countries with serious problems such as Portugal, Spain, Gracia, Italy etc. How to think of entering a virtuous circle in Europe given that you have 27 million unemployed, have an average unemployment rate in the Eurozone by 12% when there are countries like Greece and Spain that have 25% unemployment and almost 60% unemployment rate among young people? Recoil feeling is strong and can be seen from the fact that Italy came back with per capita income at 1998 and the eurozone average back 6 years ago.

European decisions which seem of an elitist club "governing from a distance" suffer from asymmetric information and with serious shortcomings in reducing time lags recognition problems substantiation and implementation of the decision on the solutions. During the slow progress is being made towards the creation of the Union Banking and Tax, as we can decipher and German dual behavior - is often stronger integration pro or refusing to take measures to increase domestic aggregate demand to save around stagnation zone.

Is clear. The next crisis will be a European-wide policy, rapid trigger a strong social crisis. Maintaining the status quo's not worth being a scenario to consider. Year 2014 will be the year of decision. If the European project will go ahead in its present form is a good question. I think not structural reform measures to be implemented quickly. Regulatory Act is ineffective - regulations, directives and decisions in a number of 1800 per year seems much, an average cost of starting a business of 2300 Euro is almost 4 times more than in the USA and 15 times lower than in Canada and it looks huge and not realize, for example, the refining, petrochemicals and distribution contribute to national budgets with over 250 billion and is left to die seems exaggerated. And ironically, to spend 180 billion on climate policy and both hesitated to give 8 billion to reduce unemployment among young people it's not very logical.

However, a coherent action in 2014 can restore hope among European countries. In parallel with fiscal consolidation (defined as predominantly qualitative adjustment based on better management of public funds, increasing the multiplier effects of public investment by prioritizing them and transfer to EU funding, restructuring of state companies, increasing transparency in public spending, tradable sector growth even through a deep transformation of its rural) action is necessary rethinking of Germany, the main engine of European integration. Condition of continued fiscal consolidation and troubled countries' commitment to the rules imposed by the Fiscal Compact, European Semester to Chancellor Merkel will probably accept wage increases of 1.5-2 percentage points higher than the growth rate of labor productivity growth in demand internal default anchor for tradable goods produced in countries of the southern flank. Germany will win anyway net risk that economic growth model of this country to reach its limits (especially
considering capping exports and low domestic demand) is clearly higher than the general inflation plus the rate of increase in wage growth over the labor productivity.

ECB will restructure the policy of injecting money into the economy at risk thinking that reducing interest rates to generate a much lower cost of capital relative to labor, and thus a high structural unemployment. Forcing European construction with a Union Banking (prudential system common deposit guarantee system and unified mechanism for resolving potential banking crisis) as an antidote to run the bank, completed the issuance of Eurobonds, relaxation mechanisms to stimulate industrial policy and Growth pact EU could take vicious circles where they are now.

A budget and a common mechanism cushioning asymmetric Eurozone countries (widow of macroeconomic adjustment tools) seem inescapable.

Last but not least, the EU should create a Fund for Economic Growth and Infrastructure. Development countries cohesion fund will consist of outstanding commitments at December 31, 2013, related to the total allocation 2007-2013 for certain types of projects (eg, those related to infrastructure and the environment and for human resource development). This fund will be financed, in national allocations initial connection to the trans-European infrastructure networks, education, research, etc.

The European model must return to the targets set initially - growth, solidarity and improve well-being. Economic stagnation for an area that represents a quarter of global GDP can only be worrying news. Otherwise, the gap to the American model, with growth fuelled strong shale gas revolution, will grow stronger.

References:

[1]. Alexandru T. Bogdan and co-authors (2010), Prospects of Agrifood Green Power in 2050 and Forecasting for 2100 with Sustenable Solutions Based on Ecobioeconomics new Paradigm, Bulletin UASVM Animal Science and Biotechnologies, 67 (1-2)/2010;


[5]. Dipl. Eng. Dana Comşa, Prof. Univ. Ph.D. Dr. H. C. Alexandru T. Bogdan, Correspondent Member To The Romanian Academy, Eco-Bio-Diplomacy A New Concept For A Smart Sustainable Development In A Globalized World In The Context Of The Eco-Bio-Economy (2013), Bulletin UASVM Animal Science and Biotechnologies, 78 (1-2)/2013;


[15]. United States Census Bureau, USA, 2014;

