

EconWorld2014@Prague

New Approach Policies For Exiting From Crisis; Mer-Keynesism

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ABSTRACT

The world economy is still trying to overcome one of the most important crisis in history, that of the beginning of the 21st century. The period starting with the collapse of Mortgage practices and continuing with the fading of important American and English financial institutions, is not permitting the world economy to recover. Experiences of previous crisis has lead to the creation of various schools of economic thought. Although, the before mentioned schools of economic thought have not brought a solution to this complex world-wide economic crisis. In the previous four decades economists has shown an unsuccessful effort to apply to their own countries or to international financial institutions other countries' schools of economic thought, which in other words means that the world economic crisis will not just be exited by applying previous directives of schools of economic thought. Recently, the United States and European Union countries have risen the level of crisis competition. While the american government is busy trying to circulate the national currency Dollar, by increasing its value, European Union countries are busy trying to maintain the credibility of their common currency, Euro. Other developed and developing countries are returned to Keynesian policies in order to overcome the crisis. In a time where world gold prices are facing an upward trend the United States show an interest into applying a system similar to Bretton Woods in order to protect the value of its national currency. On the other hand, countries like China and India which invest in gold, consider precious metals as source of wealth and are directed towards them, as the school of Mercantilism did in the past. This study will discuss the ways countries want to exit the 21st century's crisis that thoroughly affected the world economy by giving importance to a new approach on school of economic thought and whether this new approach on school of economic thought of mixing the Mercantilist and Keynesian policies will be successful.

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