

Global Financial Crisis and Global Response

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Introduction

At this moment, the world is undergoing the worst economic crisis since the Great Depression of 1930s. It is not clear exactly which factors instigated the crisis, but there are many candidates; the formation of an asset bubble in the US, and its subsequent crash, continued excessive consumption in the US, irresponsible lending and borrowing, non-recognition of risks in some asset classes, productivity slowdown, debt default, regulatory inaction, and some policy mistakes.

The purpose of this paper is to evaluate the current economic and financial crisis, examine global responses and document lessons.