

“Inflation: The main determinants of instability at Romania and Europe” *

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Abstract

Motivation and purpose of the research topic In addition to the generosity of this topic "Inflation", the motivation for its choice takes into account the following statements: • the theory of economic crises and their consequences came out of the research interests before the Great Recession, but also after;

- Theoretical concerns aimed at highlighting the most important determinants of inflation;
- The few target-based inflation-forecasting models
- The development of the first purely monetary model, the Cagan model.

The theme "Inflation, the effect of economic crises: the main determinants of instability at European level, but also at the level of Romania" is very important not only because it highlights the role of inflation in this economic cycle but also because it finds out the effects of the recession. Recession forecasting has always been considered the "holy grail" of macroeconomics. Predicting recession is not only important for the government and the banking sector to ensure quality of life, but also to secure jobs.

Keywords: INFLATION, DEFLATION, CAGAN MODEL, PURELY MONETARY MODEL, SOCIAL EFFECTS, EUROPEAN CENTRAL BANK, ECONOMIC CRISIS, EFFECTS OF INFLATION