REVIEW OF LITERATURE

Anamaria Avadanei (2011). The author explains that a study has been conducted to view the recent contributions in the crisis-lending relationship, the main features of the banking system, the evaluation of credit risk in terms of numbers, facts, actions and a short analysis of the correlation between credit indicators consumer credit, credit risk ratio, medium exchange rate and the number of employees in the economy.

Anamika Sharma and Jitendra Rathore (2008) - The authors remark that in India, the last decade showed prominent signs and a lot of promise for fast-paced growth in the airline sector. The industry, before the gloomy signs of global recession began to appear, was soaring high. But, eventually, the economic downturn impacted the aviation sector in India and dampened the spirits of the players – big and small. India is still a new arena for private players in the airlines business and stakes are high for one and all. In the present times, there is an immediate need to formulate effective strategies to survive through the recessionary phase. It is difficult for those in business to maintain their bottom lines and therefore they should resort to restructuring and consolidation

Anca Ștefania Sava (2010) - The author aims to discuss the role of unemployment insurance during recession. He emphasises that unemployment insurance works as a built-in stabilizer for the economy and it highlights certain characteristics of these programs in developed and developing countries, in recession periods.

Andrea Elteto (2011)-The author elucidated that the extremely high unemployment rate and the indebtedness made the policy-makers to adopt austerity measures and realise the necessity of profound reforms. The biggest transformation processes began among the savings banks and on the labour market. The Endowments like the excellent infrastructure and successful companies, stronger export activity, international presence and innovation can provide the bases for such a durable growth. The author examines that the characteristics and economic role of immigration, the official policy towards the phenomenon and the effects of the financial and economic crisis of the years 2007-2010. Foreigners found vacant jobs first of all in the construction industry and agriculture. To the end of 2007 however, the construction boom ended and most of the foreign countries sank into a deep recession.
Arindam Mandal, Prasun Bhattacharjee (2012)- The authors elucidate that the Great Recession which started in December of 2007 in United States had a substantial negative impact on the world economy. During the period of 2008-2009, the Gross World Product was declined by 1.1 percent with 3.4 percent drop in GDP of developed countries. Indian economy managed to grow at a modest rate of 5.35 percent in 2009 which was substantially lower than the average growth rate of 8.72 percent compared to the five years prior to the financial crisis period. The Recession has tumbled the BSE (SENSEX) from 20,000 points in Dec 2007 to 8,000 in March 2009.

Cod U Ciprian (2011) - The author emphasis that the main factors for the evolution of investments before the financial crisis and determine how the financial crisis influenced the structure and volume of investments in the national economy.

Corina-Maria (2011), The current global economic crisis was ignited in the financial markets of the major developed economies but soon the real economy was affected. Consumer spending was cut back, investment plans were cancelled and stock levels were run down. The economic situation is serious. GDP has shrunk, the unemployment level is rising, investments are still slowing, lending is tight and budget deficits are growing fast. Fiscal policies implemented by our country are subordinated to our lack of necessary funding and access to. However, that generated a monopoly on this sector of the IMF. Also, a social crisis became imminent.

David Starr-Glass (2011) - The author remarks that the financial crisis which began in America in mid-2007, developed into a deep and protracted recession with associated negative social dimensions. One of the negative dimensions is that trust on buyer and seller expectations has provided a major impact on transactional and relational marketing dynamics.

Davut Ateş (2010)-The author remarks that the crisis that began in mortgage credits in the middle of 2007 in the United States triggered a financial crisis starting from the middle of 2008 in the U.S. and Europe. At the end of 2008 real sector all over the world began to be negatively affected from the crisis.

Dimitris Hatzinikolaou(2010)- The author depicts about modifying slightly a standard neoclassical-synthesis macroeconomic model, which investigates the effects of an adverse
supply or demand shock on output, employment, investment, prices, interest rates, and the exchange rate. The author focuses on the possibility of the magnification of these effects by the media, the politicians, and the political analysts, who induce herd behaviour by overstating the size of the shock. Such behaviour destabilizes the economy by magnifying the amplitude of the business cycle.

**Dipo T. Busari and M. Adetunji Babatunde (2009)** - The authors elucidate that there is a need to generate the required foreign exchange for growth of sub-Saharan Africa in order to meet the country’s needs. The events like economic slowdown in major advanced countries, financial crisis in major global financial markets and institutions, and general global credit squeeze has an adverse impact on fall in international prices of major primary commodities that are fuelling growth in Africa and other countries.

**Dragan Mihajlovic and Suzana Zivkovic (2011)** - The authors depict that all countries have felt the impact of the recession, the phase characteristic of negative effects such as slower economic growths (stagnation), high inflation rates and high unemployment rates. The economic crisis that has befallen even the most developed economies of the world is often compared to the crisis that happened in the 1930s, along with the attempts to pin down its causes in order to find the economic policy for its overcoming. Economic policy creators and policy decision-makers have to solve the question of how the crisis is to be overcome.

**Eduard Ionescu, Riana Iren Radu (2010)** - The authors highlight that the international financial and macro-economic frame of the current economic crisis is subjected to certain tensions yet remains relatively robust, even if there is a visible deceleration of economic growth in certain countries, the correlation between the price of actives due to the adjustment of the perception of risk is materialized, and the characteristics of the financial markets are significantly changed.

**Fahri Apaydin (2011)** - The author depicts the role of marketing during the economic recession becomes more significant than usual times. It is necessary to understand how firms should adjust their marketing strategies to handle with recessions. Although recessions have been studied primarily in finance and economics, there is a void in marketing literature about it. Recessions have significant effects on consumer behaviours and substantial impacts on firms, and these affect particular socio-demographic strata and business segments in different
ways. The effects of recessions need to be examined both to cope with the ensuing problems and to get ready for prospective recessions.

**Festus M. Epetimehin (2011)** - The author quotes that the economic and financial crisis, which started in the United States in September 2008, has rattled markets and economies developed, developing and underdeveloped around the globe, and because the world is linked inextricably by globalization the crisis has continued to dominate discussions on global economy. Many countries are experiencing severe closure of companies, loss of jobs, crash of share prices; squeeze in consumer credit facilities, crumbling mortgage facilities among others. In the case of the developing countries of which Nigeria is one, the implications are noticeable in the areas of crash in share prices, dwindling revenues, few direct investments from developed countries, dwindling remittances from Nigerians abroad and possible erosion of foreign resources among others.

**Florina Bran, Carmen Valentina, Rădulescu, Ildikó Ioan, Florentina Olivia Balu (2011)** - The authors elucidated that it is important to develop the emerging economy in the wake of general economic crisis by giving a shape to the country/world. It can be concluded that the future shape of the country/world will depend more on vision of managers than on the influence of the so-called objective factors.

**George Haralambie (2011)** - The author explains that throughout the history, the dynamics of social development shows economies have experienced periods of boom and crisis, which were repeated at short, medium and long term, that induced the idea of cyclicality. The effects of the crisis were experienced in terms of investment, output and aggregate demand.

**Gheorghe Vaduva (2010)** - The author states that the financial crisis is big crisis of the system, with chaotic and unpredictable developments. They are an effect of creation and tendencies to autonomy of a system which goes to become dominant and sovereign, but extremely vulnerable to the condition’s variation. The effects generated by the crisis are rolling on in complicated chains which trend to multiple in uncontrollable developments, to became radical and to explode starting economic, social and military collapses which multiplies the challenges, the defiance, the dangers and threats, amplify the vulnerabilities to these and increase, in a significant way, the risk level, crossing a lot over the strategic security level.
Iulian Viorel Brașoveanu, Laura Obreja Brașoveanu (2011). The authors have aimed to capture the effects of the current economic and financial crisis on fiscal variables. The impact of economic recession from the increase of unemployment to the relative stability of prices in the world. The overall macroeconomic developments characterized the current crisis, their effects on those developments in the public revenues and expenditures, in the conventional deficit and public debt, which are macroeconomic variables comprising the pentagon of economic macro stabilization.

Jasmine Kaur (2010) - The author emphasises that recession is the much talked about topic now-a-days in every sphere of work-field across the globe. It refers to the state of an economy when it is having a negative growth rate. It is the result of reduction in the demand of products in the global market over a sustained period of time. Recession has had a negative effect on India on Share market, Real estate IT and Industrial sector leading to increased layoffs, unemployment etc.

Junkova. S, E. Matuskova (2011)- The author remarked that the Czech Republic entered the crisis with relatively good starting conditions which showed no significant macroeconomic imbalances and the financial system was not destabilized. However, the crisis declined the GDP in 2009 to 4.1% due to economic recession in the Euro zone.

Kathleen Patterson & Gray Oster (2008), The authors highlight that the global economic crisis has brought to the forefront of organizations the concepts of viability and survival which at these times can be desperate pursuit. There are three main reactions in organizations, namely the corporate reactions in organizations, namely the corporate reaction to remain viable, the employee reaction to survive the turbulence, and the human resources reaction including recruiting and hiring talent, corporate organization, training and institutional learning.

Kalim Siddiqui (2009) - The author quotes that the current financial crisis has an impact on the growth, trade and employment in emerging market economies (EMEs) namely China and India. The emerging market economies are characterized as transitional, which means that they are in the process of moving from a closed to an open market economy. It is said
that by adoption of neoliberal policies, the economy will lead to a better economic performance levels, as well as transparency and efficiency in the capital market.

Kehinde Oladele Josepha and Ogunnaike Olaleke Oluseyea (2011), the authors remarked that Global economies around the world have experienced the most traumatic moments in the last one-decade. The crisis has been described by scholars, as perhaps been the worst financial crisis since the great economic depression of the 1930s. This paper lucidly examines the effects of global economic recession on the development of human capital with reference to Nigeria nation. The paper offers useful policy recommendations, which include the need for government and appropriate agencies to put in place policies such as enabling environment that will lead to the growth and development of human capital in Nigeria. Government needs to put forward policies that minimize cost at all levels, maximize efficiency of output, training and retraining of goods hands; and that there is need to encourage better motivation of workers at every sector of the economy amongst others.

Khan A.Q and Mariyam Mehtab (2010) - The authors remarked that during 2008-2010, it has been highly turbulent for the world economy which has hit hard by a profound financial crisis. It is being apprehended as the worst ever crisis to hit the world economy since the Great Depression of 1930’s. The rumours are flying thick and people all around the world are gripped with a sense of fear and panic. Future is uncertain and economic analysts are failing to come up with an answer as to how long the recession would last.

Mehta D, Naveen K. Mehta and Rishi Mishra (2010) - The authors elucidate that no business activity can be completed without effective business communication network. The stage of economic turmoil is the most important time for any organization to regroup its strategy. At this juncture, strong, transparent and constant internal and external communication networks play a vital role. The global meltdown is a blessing in disguise for the organizations to invigorate their business communication network.

Mihaela Carmen Muntean, Costel Nistor, Rozalia Nistor, Paolo Panico (2011)- The paper aims to present the effect that there are financial tensions in countries with developed economies on emerging economies. Because many economies have entered into recession, this has resulted in significant slowing of economic growth. The objectives are related to the presentation of the current global economic situation, the rapidity with which it converts the
entire world into financial crisis. Also, there are levels of trade flows, financial and monetary, the financials tensions, effect in developed economies and emerging economies, financial ratios and analysis, their composition and relations between them.

**Mujtaba (2008)** - The author highlights that the financial downturn that is impacting developed economies is likely to get worse as the European countries, the US and others go into a deeper depression due to the increase in Job losses which often follows recession. The slump in the market and increased job losses will have some important implications for the changing tasks of human resource professionals. As the unemployment continues to increase, HR professionals are likely to be dealing with more stressed employees who are the sole wage earners in their families.

**Muthe. P.R(2009)** - The author quotes that almost everybody today seems to be discussing about Recession its impact on emerging countries because almost all business sectors have been more or less affected by this Global recession. The current wave of US recession has made every Nation to look inwards to think seriously regarding impact of recession on different sectors of their economy. The Indian economy is consist of majorly three sectors 1) Primary sector ( known as Agriculture ) , 2) Secondary sector ( known as Industry ) and 3) Tertiary sector ( known as service sector ) which service sector recently alone contribute 55.1% of Indian GDP.

**O’Hara Anthony Phillip (2011)** - The author scrutinizes the technical international policy reactions to the subprime crisis and recession. The Short-term policy responses present challenges to the conservative policies of the 1980s-2000s, while long-term policy structures to redirect governance significantly. The Macro-prudential policy includes systemic risk and debt problems arising from booms in the cycle. The Monetary policy considers asset price instability as well as inflation. The Fiscal policy forms the global money and reduces the international payment instabilities which are now a core element of policy. While there is still some asymmetry in policy, international financial crises can be useful in moderating ceremonial policy structures.

**O’Hara Anthony Phillip(2012),** The author highlights that Return On Assets provides a foundation for long-term growth as a type of fundamental variable, and that this growth provides a buffer against systemic risk in the sense that the implications sustainable growth
provides resources for debt provision and employment stimulation. The emergence of a viable Return on Assets forms crucial for long waves of growth which stimulates both private sector profit and public sector tax receipts which reduces the structural deficit for both the sectors. A low rate of long-term growth provides a good indicator of the emergence of “long wave systemic risk” which has left the nations vulnerable to uncertainty, financial crisis and recession.

Peter J. Montiel (2011) - The author remarks that the experience of the Great Recession suggests that important benefits may have been neglected over the growth benefits of reform. Especially, in contrast with previous international recessions, recovery from the Great Recession has been led by emerging and developing economies, many of which have implemented significant reforms over the past two decades.

Peter Kuzmin (2010)- The author explains that the economic recession between the years 2008-2009 had significant effects on the areas of manufacturing, investments, foreign trade, employment and public finances and many of the impacts can still be seen. The forecasts of the IMF (International Monetary Fund), OECD (Organisation for Economic Co-operation and Development) and European Union (EU) anticipated that in 2010 and 2011 the growth of the World GDP shall be higher than 4%. The most adverse impact of the recession is the unemployment with its economic and social manifestations. Due to the increase in unemployment, household incomes have either decreased or disappeared completely, which led to lower consumption, lower GDP, worsening credit repayments, especially with mortgages, which in turn increased bank losses and worsened the situation at the real estate market. IMF (International Monetary Fund), therefore, emphasizes the importance of economic growth restructuring in the way that the economies with significant surpluses in current account strengthen their domestic demand and exchange rates, whereas the economies with deficit in current account should focus towards the strengthening of exports through enhancing the structural reforms.

Placier Klara (2011)- The author describes that due to the recent economic decline, the overall attitude of companies towards socially responsible activities have been affected.

Prokopijevic Miroslav (2010)- The author argued that the current eurozone crisis is neither new nor surprising. Fiscal discipline in the euro zone was weak from its creation in 1999, but
ongoing economic prosperity limited the damage. Economic recession deepened the impact of crisis on public finance and pushed some euro zone countries to the edge of bankruptcy. Options available now are costly and painful: foreign bailouts, cuts to expenditures, higher revenues and some combination of the three. They may be conducted both inside and outside the euro zone. If euro zone problems are not solved, financial markets may turn down the euro as a currency, possibly marking the beginning of Euro-disintegration.

**Roxana Gabriela Hodorogel (2011)** - The author remarked that in 2010, the German economy was considered to grow at a faster pace. Recovery in some parts of Europe largely depended on the activity of Small and Medium-sized enterprises (SMEs). The Small Medium sized enterprises have been seriously affected by the credit crunch and economic of the world. The adverse impact on most Small and Medium-sized enterprises has caused a decline in the development rate and a rise in the number of bankruptcies.

**Sarwade W.K. (2009)** - The author has quoted that the world is experiencing an unprecedented economic slowdown. Today, various countries central banks are adopting preventive measures to stop the recession and rebuild the economy.

**Shaikh R. K. (2009)** - The author examines that the world is presently facing economic crisis due to which the economic activities are getting slowed down. The intensity of present economic crisis is so high that it is being compared with the global economic recession in 1873, great depression of 1930s and East Asian crisis of 1990s. There is a huge impact on the capital flows, sectoral growth and financial sector due to recession.

**Uxo Jorge, Paúl Jesús, Febrero Eladio (2011)** - The authors remarked that the emphasis is shifted from competitiveness to differential rates of growth of domestic demand as the main factor. This led to experience a current account surplus, which could not be understood independently of a buoyant domestic demand in the different countries which were funded with private debt. The by-product of that strong demand was the periphery suffered from wage inflation and a loss of competitiveness which led a dual growth pattern that was unsustainable due to indebtedness. Neither wage cuts nor fiscal austerity in the periphery would solve this mess: although trade balance would be restored, it would lead to a negative shock in aggregate demand, threatening their ability to settle debts at due dates.
Vuk Vukovic (2011) - The author emphasis that the mortgage market in the United States spilled over to the entire financial market of the US, and afterwards to the integrated world financial market. The causes of the crisis lie primarily in the activities of political power, in the extensive government regulation which has, under the strong influence of interest groups and the lobbying power of financial corporations, led to favouritism in macroeconomic policies and inefficient resource allocation. Regulation was enforced by stimulating affordable housing through government sponsored enterprises, oligopoly of the rating agencies, banking regulation and an increasing connection between government and the finance industry.