

NEOLIBERALISM, THE ECONOMIC THEORY BEHIND THE INTERNATIONAL FINANCIAL CRISIS

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The interwar Great Depression contradicted the tenets of classical liberal philosophy, according to which deregulated economic activity and selfish economic conduct supported the general interest of society. After both practical economy and Keynesian economic theory showed that the environment in which Adam Smith's theories could be verified was rather an ideal typical one, in the late '70s Milton Friedman revitalized the invisible hand perspective in a context in which Western economies were faced with the phenomenon of stagflation. The deregulation of economic life preached by the neoliberal philosophy has engendered, among others, the unprecedented spread of investment funds, that we consider the main cause of the global financial crisis. This article emphasises the underlying principles of the neoliberal thought.

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