Editor’s Introduction to Volume 2, Issue 1 of Expert Journal of Economics

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The first issue of the second volume of Expert Journal of Economics encompasses various interesting articles that explore economic issues in terms of policy of renewable energy, developing strategies for solving crises with the help of local companies, post inflation targeting monetary policy, and modeling of the dynamic interdependence of three types of capital in various adaptations. Thus, the topics and research methods presented in this issue make meaningful contributions to economics knowledge. Further, I present a short description of each article that is published in Expert Journal of Economics, vol. 2, issue 1.

Monadjemi and Lodewijks (2014), in their article entitled Post Inflation Targeting Monetary Policy: A Study of Britain, Japan and the United States, examine the theoretical and practical premises of monetary, exchange rate, and inflation targeting in the context of the slow economic recovery after the 2007-2008 recession. The authors provide empirical evidence for three countries (United Kingdom, Japan, and the United States) in terms of their inflation and growth rates, general government expenditure, and their evolution on a Hodrick-Prescott filter before and after the 2007-2008 global financial crisis. Monadjemi and Lodewijks (2014) conclude that central banks aimed for an inflation level that was far too low, and that the inflation target should be increased in order to allow a higher level of liquidity and to decrease the value of real debt when extensive financial deleveraging is occurring. Their paper is very interesting in the analytical approach and in the policy recommendation in relation to inflation targeting, which was was highly effective before the crisis, however, in the current context, a more flexible form of inflation targeting may be required.

Zhang (2014) examines the dynamic interdependence of the three types of capital (wealth, human capital, and renewable resources) that are essential for economic growth. The author proposes different versions of a model that summarizes certain well-known models in economics. By disregarding the resources and keeping human capital at a constant value, the model reflects the one-sector neoclassical growth model by Solow. Also, the model can display structural similarities to the Uzawa-Lucas two-sector model when the resources are again neglected from the overall model. The model considered different ways of improving human capital: learning by producing, learning by education, and learning by consuming. Most importantly, Zhang (2014) provides a valuable research that encompasses various models of the effects of the three types of capital under different adaptations, such as the propensity to receive education, and the propensity to save upon dynamic paths of the system. Also, the significance of the research relies in the equations for the accumulation of human capital, wealth, the change of resources, and division of labor under perfect competition. Moreover, the proposed model simulates the existence of different equilibrium points and motion of the dynamic system regarding the three types of capital.

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Nazal (2014) explores how local private companies can develop their strategies in solving crises. For this main research objective, the author proposes an introspective approach in establishing the ways companies deal with crises and try to avoid taxes because of the difficult financial situation they are facing. Local companies are valuable participants in solving crises. For this aspect to occur, countries should encourage certain practices in relation to their economic policies. In this respect, Nazal (2014) proposes ways to evaluate local private companies’ standards in a country’s tax environment and credit planning. The researcher suggests that crises’ effects could be diminished through the use of three tables, that should pose as as models to evaluate the fair general budget policies, the ability of local private companies to get support, and also to evaluate the sharing between local private companies and government.

In *Achieving the Renewable Energy Target for Jamaica*, Abdulkadri (2014) discusses Jamaica’s energy policy in terms of a need for energy diversification in a context that is lacking substantial progress in terms of renewable energy. In this article, the author examines the current and potential context for renewable energy in Jamaica and proposes an energy plan for meeting electricity targets. The empirical analysis of the article involves an interesting linear programming model, which is highly regarded in terms of energy planning. The results of the model concur that a rapid investment in renewable energy is necessary to achieve an optimal energy plan, by focusing on wind power, hydropower, and bagasse power, respectively. Abdulkadri (2014) also emphasizes the need for policy reform and government action to ensure the attainment of the renewable energy target of 20% by 2030, considering the current level of only 8%.

**References**


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