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**FINANCIAL CRISIS: CAUSES, IMPACT AND
CONSEQUENCES**

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KEYWORDS

Financial crisis, Polycrisis, Crisis effects, stock market connectivity, spill-over, contagion, potential GDP, Budget deficit, Central and Eastern Europe

ABSTRACT

This thesis complements the series of studies on the topic of regional contagion effects. It offers a systematic evaluation of the effects from the perspective of markets in Romania, Bulgaria, Hungary, the Czech Republic, Slovakia, and Poland. We investigate the causes and effects of the financial crises in the period between 2002-2024. The general methods of crisis management within the EU have involved coordinated political responses, including monetary easing and fiscal stimulus measures. The thesis analyzes the impact of these crises on macroeconomic indicators and potential growth. Regional filters are used to analyze the specific effects in each area. Another important theme is understanding the effects of fiscal consolidation, using Blanchard's methods to evaluate the impact of these policies in the short and medium term. Additionally, we analyze the short-term and long-term effects of crises on stock market efficiency, revealing how market volatility and investor behavior are influenced during these periods. The research shows that, during crises, both macroeconomic effects and stock market indices are exposed to a contagion effect. The evolution of indicators is synchronized and no longer reflects the real value. This paper provides an empirical basis for macroeconomic analyses and decisions, as well as for strategies to combat the spread of risk in the stock market.