

# **İktisat Biliminde Yeni Teorilere İhtiyaç Var mı? Finansın İktisat Üzerindeki Etkisi ...**

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İZMİR EKONOMİ ÜNİVERSİTESİ



EKOLİDER

**“Zor Zamanlarda İktisat”  
Sempozyumu  
17-18 Şubat 2010, İzmir**

# KRİZ & RİSK OKUR YAZARLIĞI

GERİYE Mİ BAKARAK YOKSA İLERİYE Mİ DÖNÜK?

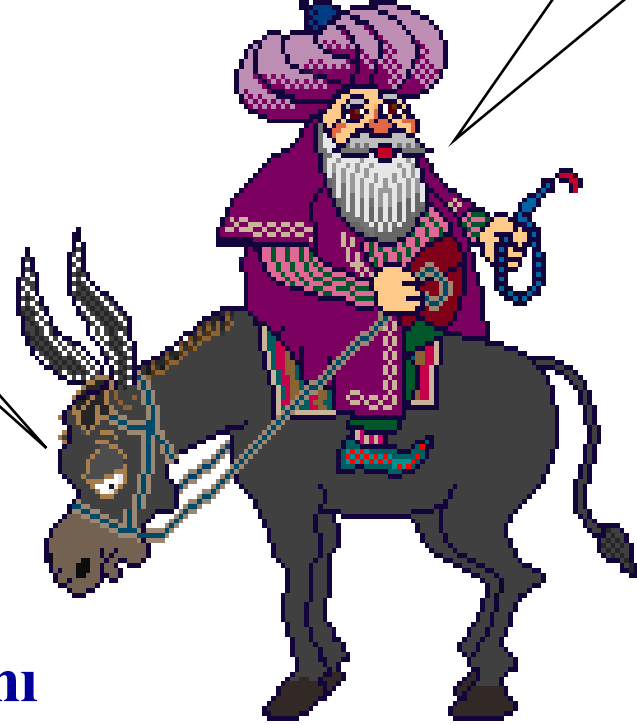
Ben dememiş  
miydim?



Goldman Sachs  
Risk Modeli

Serkan Altunigine © ww mizah-turk.com

Saman mı  
Karpuz kabuğu mu?



KRİZ  
&  
FIRSAT

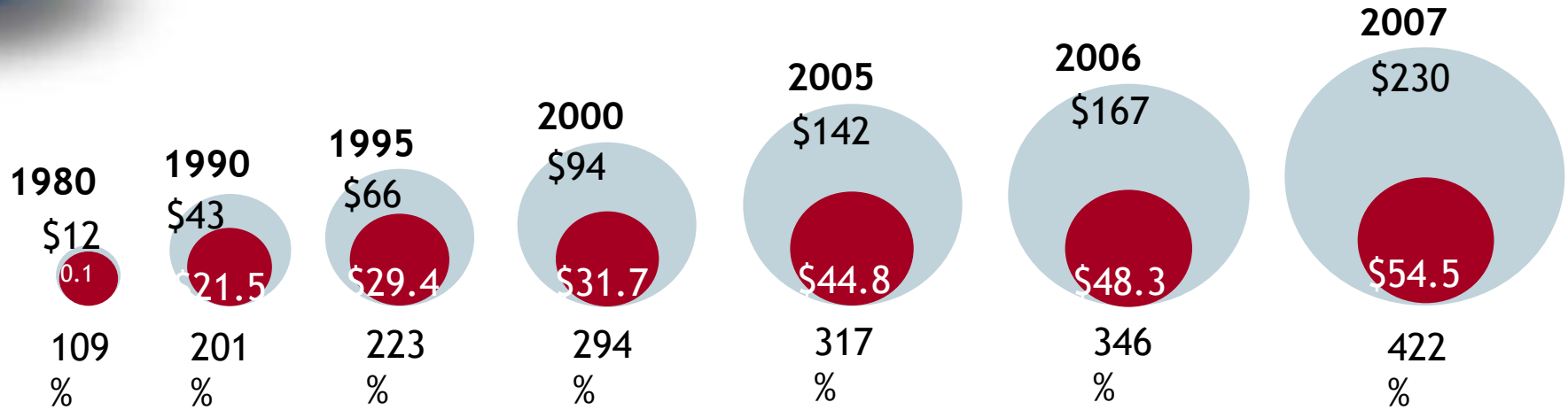
**Worst yet to come,  
but slowly**

İktisat Biliminde Yeni Teorilere İhtiyaç Var mı? Finansın İktisat Üzerindeki Etkisi

**Sunumda yer alan ifade ve  
yorumlar yazarın kendi  
sorumluluğunda olup ilişkili olduğu  
kurumları bağlamaz.**

Doç. Dr. C. Coşkun KÜÇÜKÖZMEN

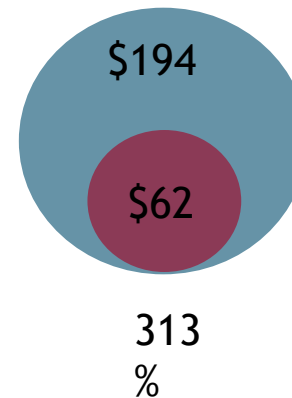
# Küresel Finansal Derinleşme son 30 yılda artmaya devam etti...



Global Gross Domestic Product (trillions of current US\$) ●

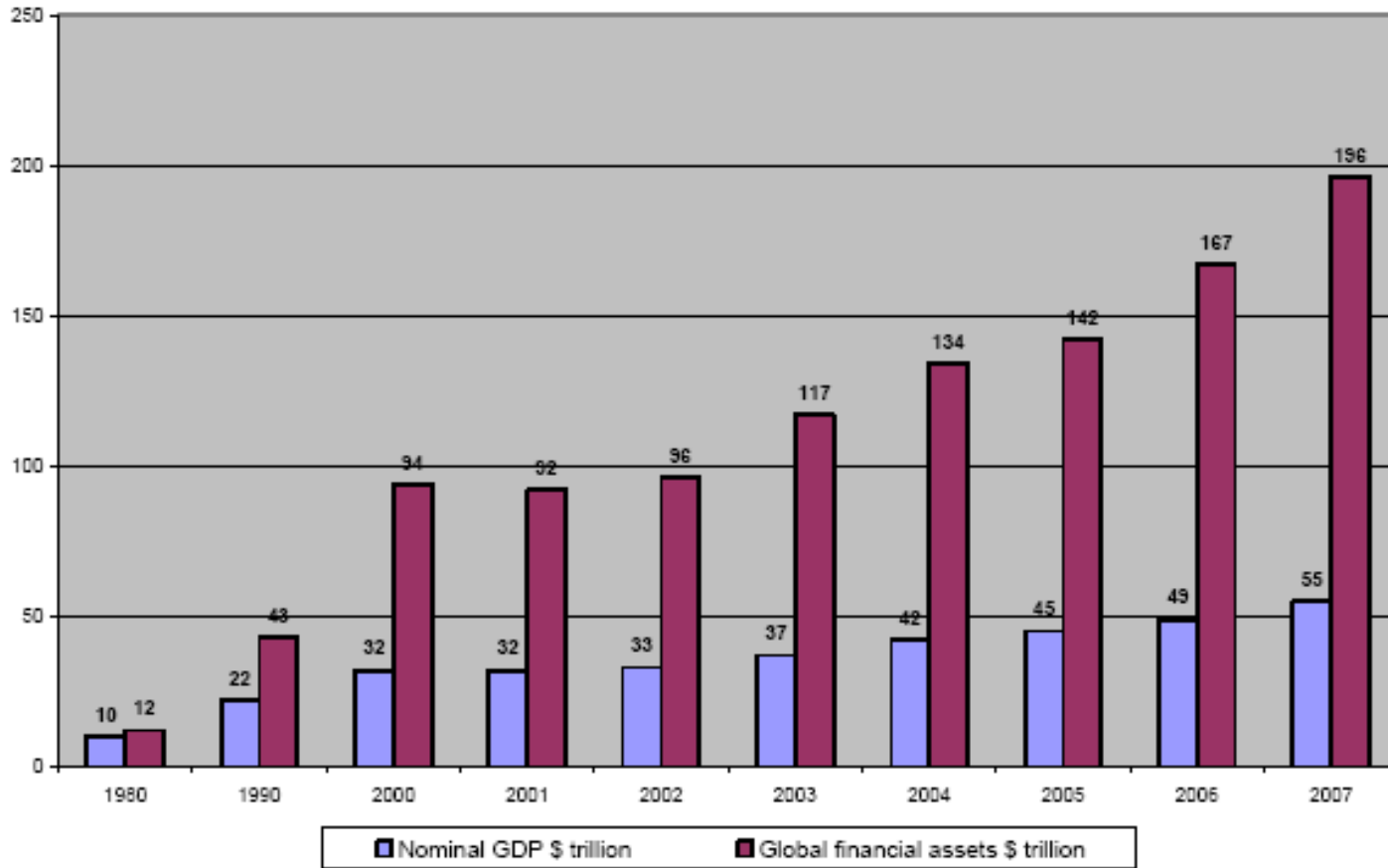
Global Financial Assets (trillions of current US\$) ○

2008 Estimate





# Küresel Finansal Derinleşme son 30 yılda artmaya devam etti... Bir başka İstatistik



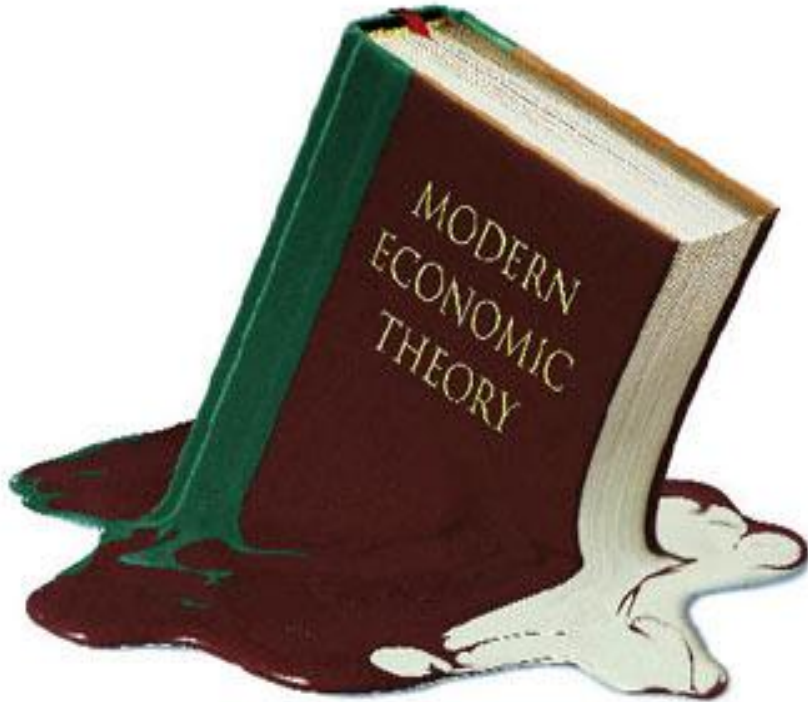
Source: McKinsey Global Institute.

**The  
Economist**

JULY 18TH-24TH 2009

Economist.com

Britain agonises about Afghanistan  
The rot in Japan's governing party  
Europe's energy insecurity  
Goldman Sachs's record profits  
Summer camp for atheists



**Where it went wrong-and how  
the crisis is changing it**

**I ♥ CAPITALISM**

[www.iheartcapitalism.wordpress.com](http://www.iheartcapitalism.wordpress.com)





# **Economics One**

## **A Blog by John B. Taylor**

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- **DEBATE**
- **Paul Samuelson** was one of the first to speak out this way, saying in January in an interview in the *New Perspectives Quarterly* (Winter 2009),
- “...today we see how utterly mistaken was the Milton Friedman notion that **a market system can regulate itself**... This prevailing ideology of the last few decades has now been reversed...
- ...I wish Friedman were still alive so he could witness **how his extremism led to the defeat of his own ideas**”.



# **Economics One**

## **A Blog by John B. Taylor**

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- Paul Krugman's longer piece two weeks ago in the *New York Times Magazine* (September 7, 2009) started off another round of debate.
- He says it focuses **too much on beauty over practicality** and **does not recognize the need for more government intervention** to prevent and cure the crisis.
- His fix is to add more psychology to economics or to build better models of credit.



# **Economics One**

## **A Blog by John B. Taylor**

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- But there are other opposing views to cover.
- In my view, the financial crisis does not provide any evidence of a failure of modern economics.
- Rather the crisis vindicates the theory.
- Why do I say this? Because the research I have done shows that **the crisis was caused by a deviation of policy from the type of policy recommended by modern economics.**
- Economists call this earlier period the **Long Boom** or the **Great Moderation** because of the remarkably long expansions and short shallow recessions.
- In other words, we have convincing evidence that **interventionist government policies have done harm. The crisis did not occur because economic theory went wrong.** It occurred because **policy went wrong**, because **policy makers stopped paying attention to the economics.**



# Who failed to see financial crisis brewing?

Wall Street bankers  
Deal-makers  
Banking regulators and supervisors  
Federal Reserve  
Politicians Journalists  
Mortgage  
Real estate agents.....



Milton Friedman  
Alan Greenspan  
Robert Lucas  
Paul Samuelson  
E. Prescott & Finn Kydland  
Eugene Fama  
Larry Summers  
*Real World Economics\**

"It's not just that they missed it, they positively denied that it would happen,"

Wharton finance professor Franklin Allen

Many economists used mathematical models that failed to account for the critical roles that banks and other financial institutions play in the economy. **"Even a lot of the central banks in the world use these models"**. "That's a large part of the issue. They simply didn't believe the banks were important."

*\*Web Site cited by Erinç Yeldan,  
Cumhuriyet, 10 Şubat 2010*



# Who failed to see financial crisis brewing?

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Over the past 30 years or so, economics has been dominated by an “academic orthodoxy”

They say “....economic cycles are driven by players in the “real economy” -- producers and consumers of goods and services -- while banks and other financial institutions have been assigned little importance.

"In many of the major economics departments, graduate students wouldn't learn anything about banking in any of the courses.“ F. ALLEN



# Kültür ve Risk Üzerine: Businessweek, **Haziran 2006**

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## Inside Wall Street's **Culture of Risk**

Investment banks are placing bigger bets than ever and beating the odds—at least for now

**BY EMILY THORNTON**

Yatırım bankaları imkânsıza oynuyor!  
Büyük paralar, büyük kumarlar, hem de  
gerçekleşmesi adeta imkânsız olan  
ihtimaller üzerine...

# The Economist

14TH NOV 22ND-28TH 2007

www.economist.com

The Northern Rock debacle  
The loss of civil liberties  
Microsoft whacked, again  
Greenspan's good read  
The death of Alex the parrot

MADE IN AMERICA

Doğru Noktaya  
Doğru Açıdan  
Bakabilmek...

Kredi krizi büyük bir çöküşe neden olacak mı?

**Will the credit crisis  
trigger a downturn?**

Uyarı sinyallerini  
algılayabildik mi?





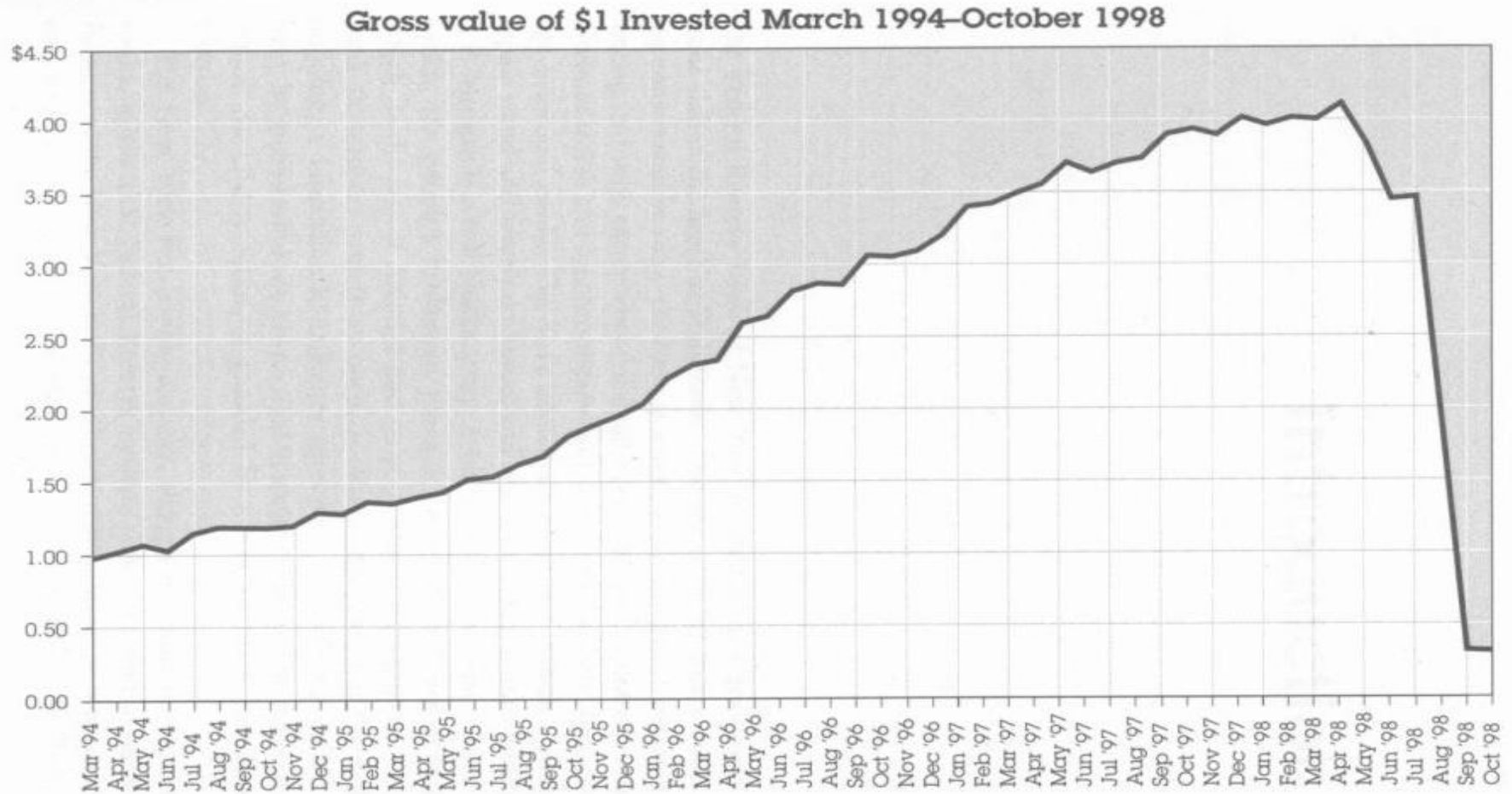
## BİR RESİM

### Anamorfik Gerçekler

Normal açıdan bakıldığında bozuk görülen, ancak farklı bir açıdan bakıldığında anlamı anlaşılan resim

**HANS HOLBEIN**  
**1533**  
**"Ambassadors"**

# High IQ Morons (from The Economist to Nobel Prize Winners on collapse of the LTCM.... LTCM'nin Getiri Performansı





# LTCM niin battı?

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## Dersler (Tüm zamanlar ve olaylar için geçerli)

1. Model riski
2. Yetersiz risk yönetimi (inanması güç!)
3. LTCM’le iş yapanların yetersiz risk yönetimi (daha inandırıcı)
4. İstatistiksel varsayımların geçerliliğini yitirmesi (korelasyon yapısının bozulması)
5. Yetersiz ya da yapılmayan “stress-testleri”
6. Şeffaflık eksikliği ve bilgi vermekten kaçınma
7. Yıldız kaliteye yatırım yapmanın maliyeti (zararları)
8. Moral hazard – İstismar Riski (FED yardımı ve kroni kapitalizmi)
9. Sistemik risk





# **The Financial Crisis and the Systemic Failure of Academic Economists**

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**The Dahlem Report !**

**"The Financial Crisis and the Systemic Failure of Academic Economists,"**

eight American and European economists argue that academic economists were too disconnected from the real world to see the crisis forming.

This lack of understanding is due to a misallocation of research efforts in economics!





# The Financial Crisis and the Systemic Failure of Academic Economists

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- Theoretical models are confined to **normal** times
- **Exceptional measures** for **exceptional times** were ignored
  - Hence **fragility of models** overlooked
- They **failed to warn the public** since they did not consider it their job
- **Ethical responsibility** to communicate the limitations of their models and the potential misuses of their research

## ACADEMIC MORAL HAZARD



# **US Housing Bubble's Collapse was Third-Grade Arithmetic, 2 Feb 2010**

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**For 100 years, from 1895 to 1995, American house prices tracked inflation. Even during Great Depression!  
Between 1995 and 2002 house prices outpaced inflation by 30% already a three-trillion bubble!**

**DEAN BAKER**

**Author “False profits Recovering from the Bubble Economy”**

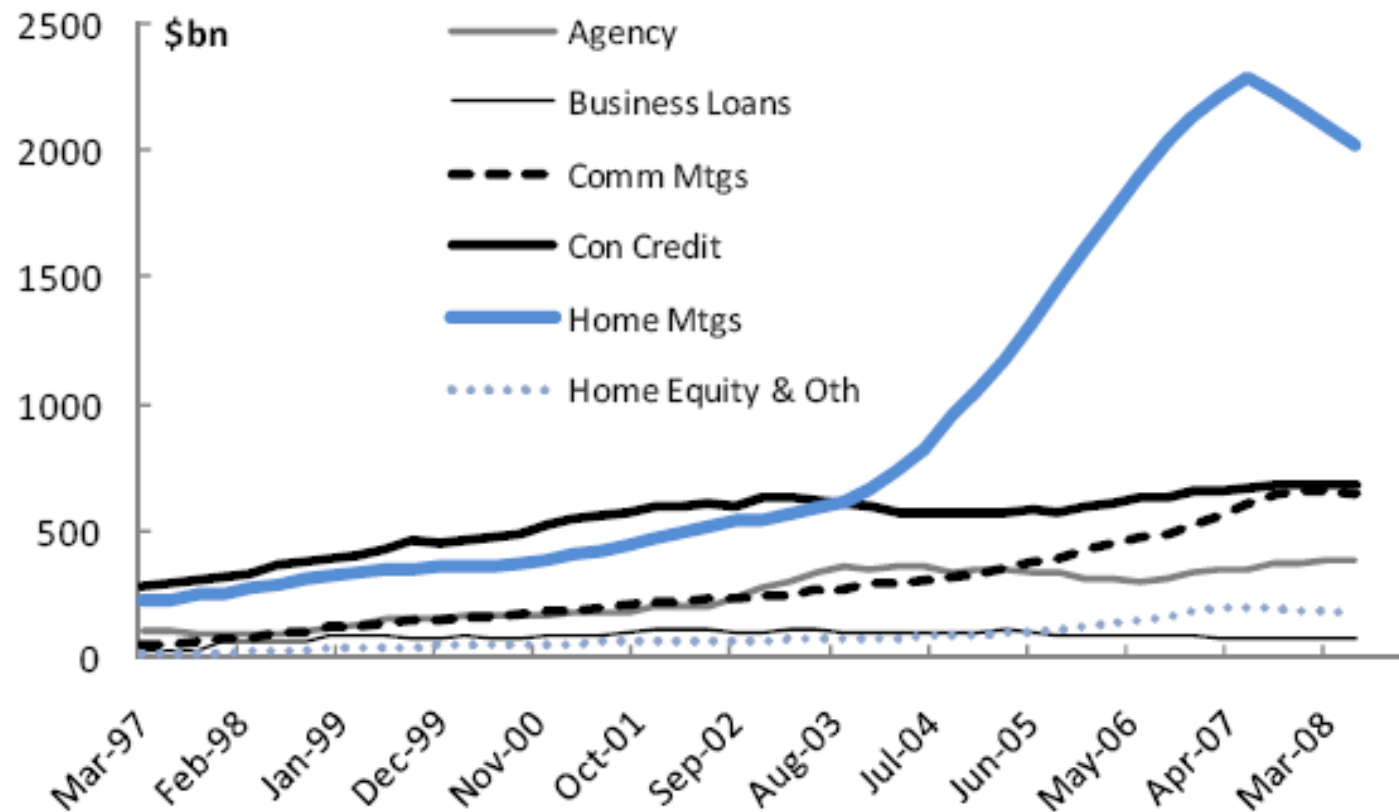
**HE PROPOSES ☺**

**“Sack everyone in a position of authority who couldn’t see it coming to give the next lot the incentive to get it right.**

**Americ’s financial system doesn’t need new regulations just new regulators!**

# The Financial Crisis and the Systemic Failure of Academic Economists

Figure 1. ABS issuers, home mortgages and other loans





# Thinking about thinking

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## Kahneman & Tversky

“Amos Tversky and I shared the wonder of together owning a goose that could lay golden eggs- **a joint mind that was better than our separate minds**”. Kahneman

Nobel Committee said “**Kahneman had integrated insights from psychology into economics**, thereby laying the foundation for a new field of research.

Kahneman’s main findings focus on **decision making in situations where things are uncertain**.

He demonstrated **how human decisions may systematically depart from those predicted by standard economic theory**.





## Selected Work (1)

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### No One Saw This Coming": Understanding Financial Crisis Through Accounting Models

Bezemer, Dirk J, 16. June 2009, MPRA Paper No. 15892

**“She was asking me if these things are so large, how come everyone missed it?”**

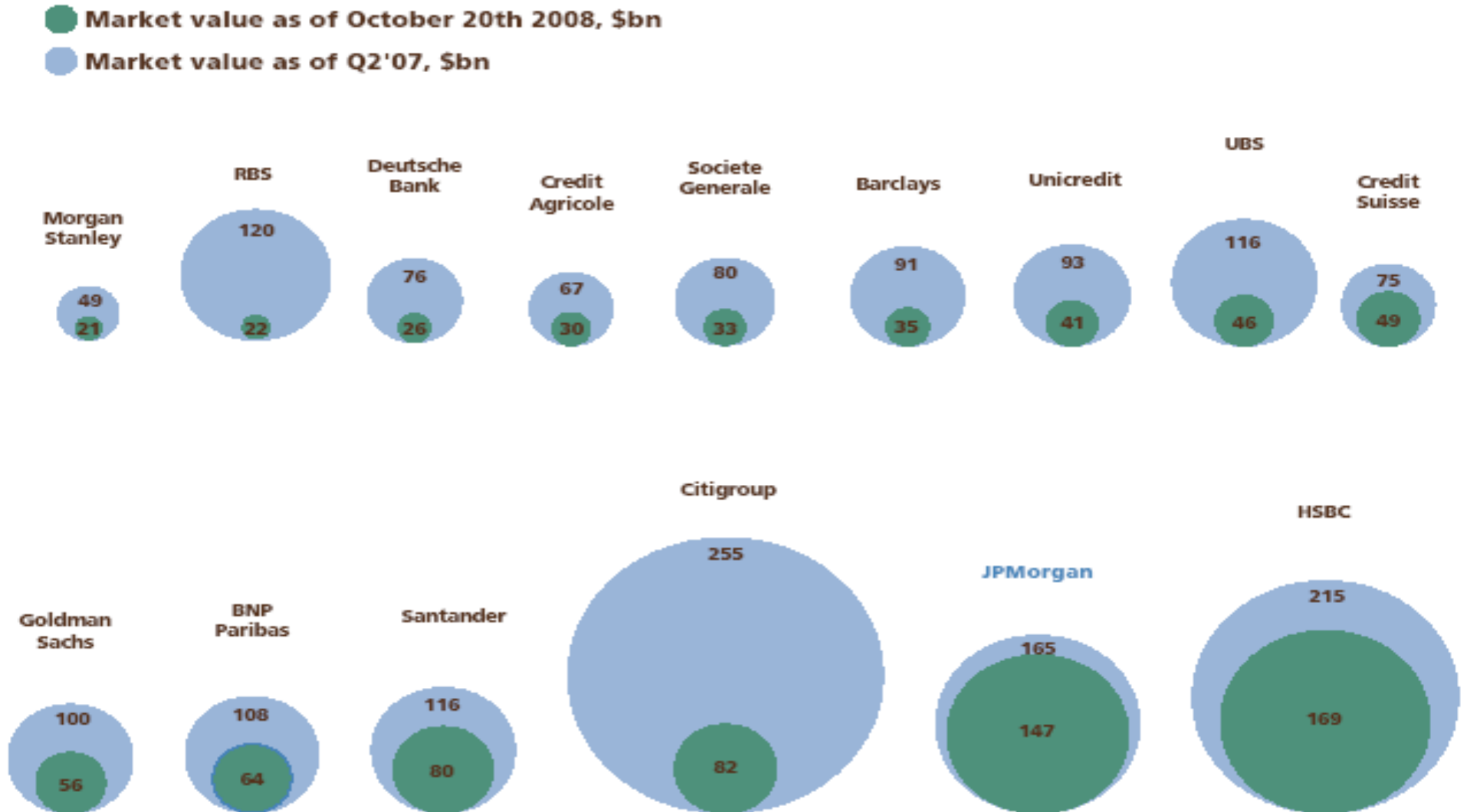
*Luis Garicano on the Queen’s visit to LSE, November 2008*

**“The financial crisis will hopefully stimulate a revival of accounting scholarship aimed at understanding the relationship between accounting practice and the macro political and economic environment in which it operates.”**

*Patricia Arnold, June 2009*

## Banks: Market Cap

Ekim/2008



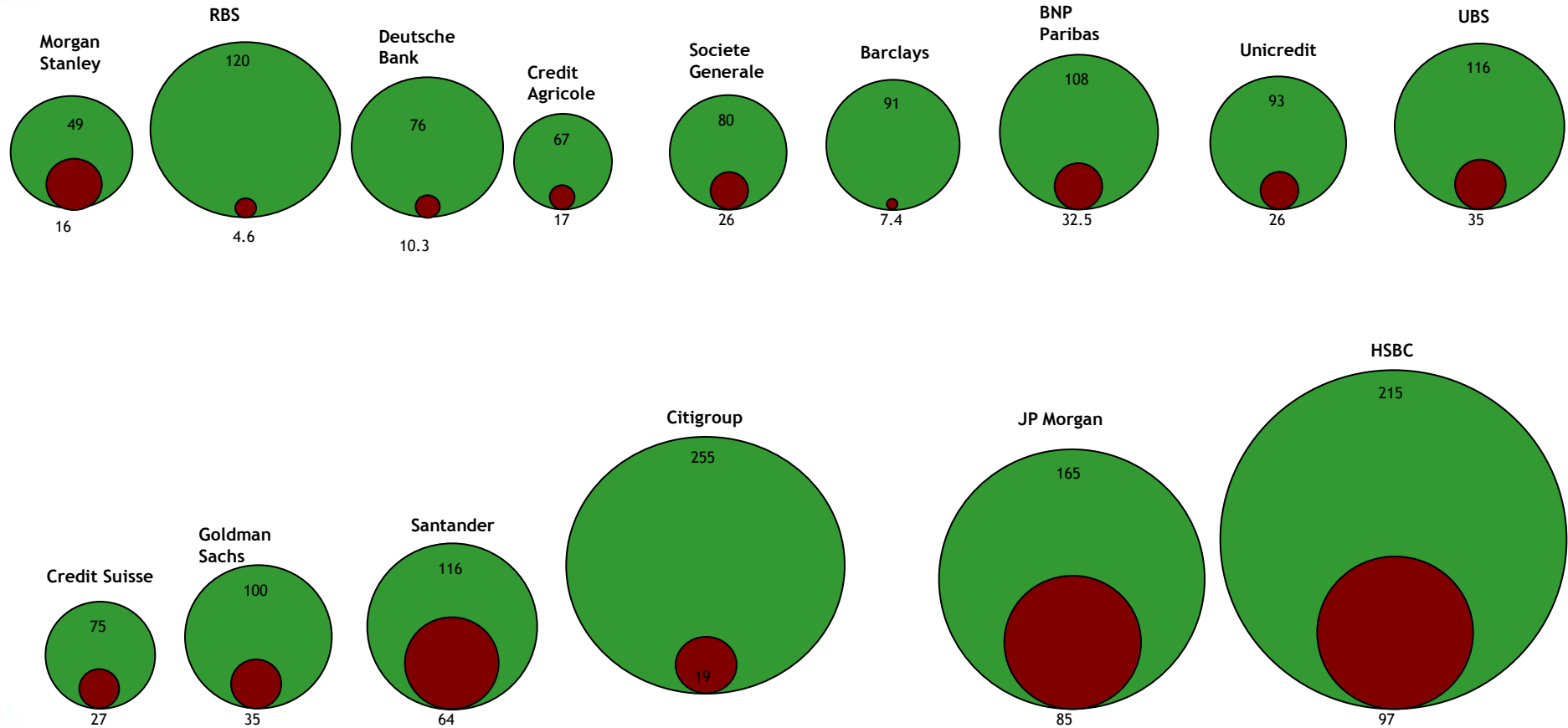
Source: Bloomberg, Oct 20 2008

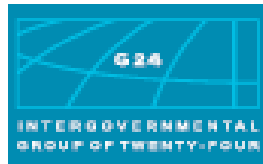
JPMorgan

# Bank Capital Declines Were Staggering... Ocak/2009

● Market Value as of January 20<sup>th</sup> 2009, \$Bn

● Market Value as of Q2 2007, \$Bn





## G-24 Discussion Paper Series

### IMF Policies for Financial Crises Prevention in Emerging Markets

Fernando Lorenzo and Nelson Noya

*No. 41, October 2006*



UNITED NATIONS

### Financial and world economic crisis: What did economists contribute?

Friedrich Schneider • Gebhard Kirchgässner

### Facts and Myths about the Financial Crisis of 2008\*

V.V. Chari, Lawrence Christiano, and Patrick J. Kehoe

Working Paper 666

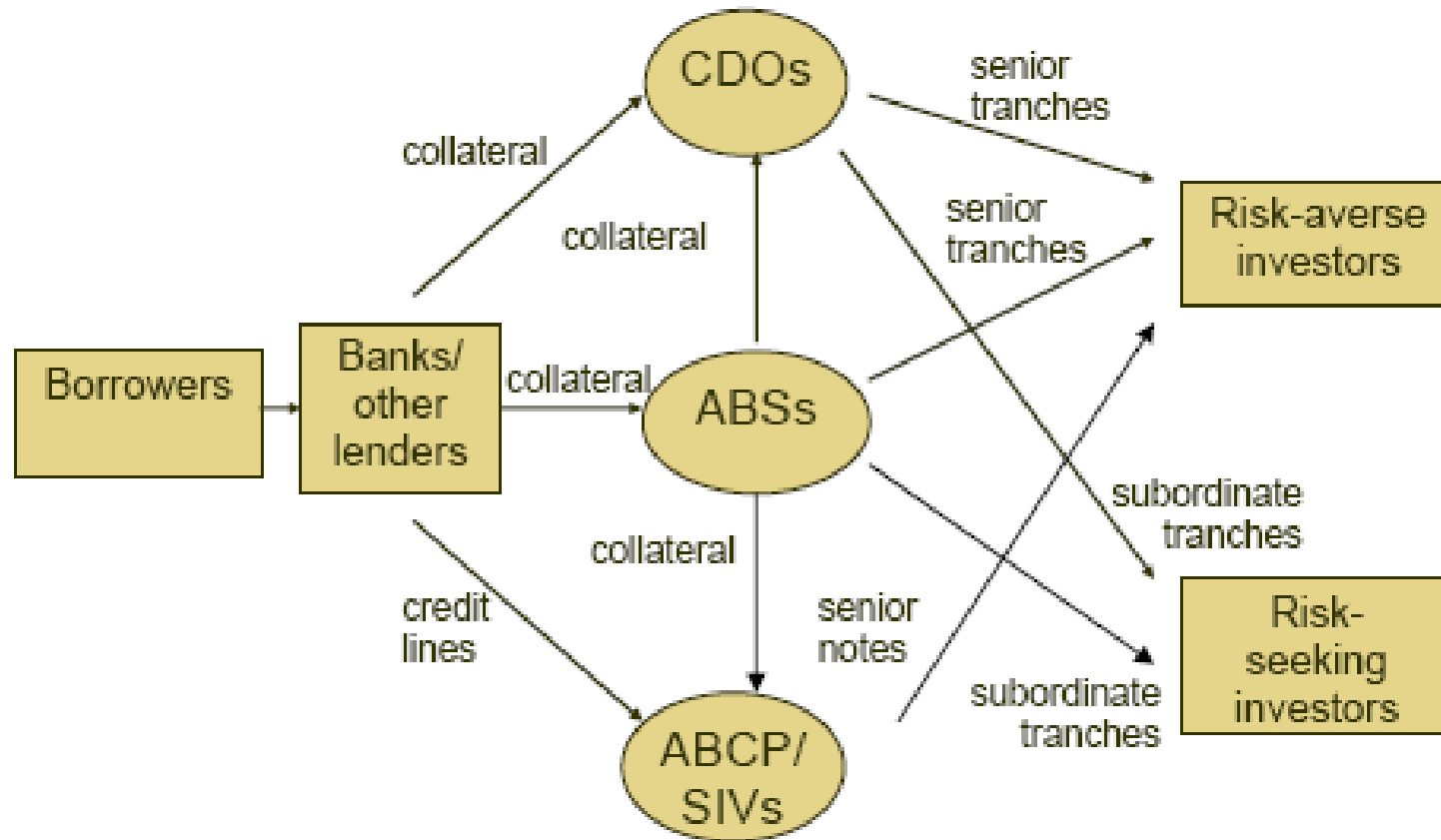
October 2008



# Gölge Bankacılık Sistemi

Herve Hannoun, BIS Genel Müdür Yardımcısı, 8-9 Mayıs 2008:  
Policy Lessons from the recent financial turmoil

The shadow banking system



# DEVLET KURTARMA PAKETLERİ Mİ? GERÇEKLERDEN NE KADAR HABERDARIZ? The Biggest Return! 1900 kat getiri

## POLITICAL GENEROSITY

Financial-services firms and executives channel money to influential politicians. Below, campaign donations, 2007-2008.

### SENATE

#### BANKING COMMITTEE

Christopher J. Dodd \$5,948,568  
Chairman

Richard C. Shelby \$565,399  
Ranking Republican

#### APPROPRIATIONS, FINANCIAL SERVICES SUBCOMMITTEE

Dick Durbin \$1,325,383  
Chairman

Sam Brownback \$254,837  
Ranking Republican

### HOUSE

#### FINANCIAL SERVICES COMMITTEE

Barney Frank \$984,148  
Chairman

Spencer Bachus \$897,725  
Ranking Republican

#### WAYS AND MEANS COMMITTEE

Charles B. Rangel \$1,346,669  
Chairman

Eric Cantor \$1,008,937  
Member, GOP Whip

Data: Center for Responsive Politics, BusinessWeek research

## FINANCIAL LOBBYING

Spending on lobbying by financial institutions receiving federal bailout funds:

| COMPANY          | BAILOUT AWARDS | 2008        | 2007         |
|------------------|----------------|-------------|--------------|
| AIG              | \$40 billion   | \$9,690,000 | \$11,379,000 |
| Citigroup        | \$45 billion   | \$7,660,000 | \$8,480,000  |
| JPMorgan Chase   | \$25 billion   | \$5,390,000 | \$5,535,000  |
| Merrill Lynch*   | \$10 billion   | \$4,700,000 | \$4,420,000  |
| GMAC             | \$5 billion    | \$4,620,000 | \$1,460,000  |
| Bank of America* | \$35 billion   | \$4,090,000 | \$3,220,000  |
| Goldman Sachs    | \$10 billion   | \$3,280,000 | \$2,720,000  |
| Morgan Stanley   | \$10 billion   | \$3,120,000 | \$2,760,000  |

\*BoA acquired Merrill Lynch in December  
Data: Center for Responsive Politics, U.S. Treasury Dept.

## WINDOW DRESSING?

The all-time high...

Seçim Kampanyalarının  
Krizle İlişkisi Var mı Acaba?

İktisat Biliminde Yeni Teorilere İhtiyaç Var mı? Finansın İktisat Üzerindeki Etkisi



# Krizi Fırsata Dönüştürmek?

| Movie       | THE INTERNATIONAL  | CONFESSIONS OF A WALL STREET SHOESHINE BOY                            | MONEY NEVER SLEEPS   | ADAPTATION OF MERGERS AND ACQUISITIONS                             | JOURNALISTIC ACCOUNT OF THE FINANCIAL CRISIS  |
|-------------|--|---|--|--|---|
| Inspiration | BCCI 1991 money-laundering, arms-trafficking scandal               | 2007 novel by Vanity Fair Deputy Editor Doug Stumpf                   | Sequel to 1987's <i>Wall Street</i>                        | 2007 satiric novel by former JPMorgan analyst Dana Vachon          | Book-in-progress by The New York Times' Joe Nocera and Vanity Fair's Bethany McLean                           |
| Plot        | Interpol agent tries to stop a global bank's ruthless arms dealing | Brazilian immigrant overhears insider trading plot, blows the whistle | Gordon Gekko leaves prison and grapples with a bear market | Greedy young i-bankers live high on big bonuses and lavish junkets | The meltdown—told, perhaps, as a character-driven narrative, à la <i>Enron: The Smartest Guys in the Room</i> |
| Status      | In theaters Feb. 13  | In development at Warner Bros.  | Being fast-tracked by 20th Century Fox                     | Novel optioned by a producer of <i>Babel</i>                       | HBO bought the rights to the book in 2008   |

with audiences, there's the movie's marketing tagline: "Everybody pays." Loosely based on the 1991 arms-trafficking scandal at the Bank of Credit & Commerce International, the film was planned well before the financial crisis, says producer Richard Suckle. But he thinks "the fact that money and economics are in the press" will help engage viewers. Other films in the works (table) may also capitalize on the zeitgeist. "Bankers have always been vilified in movies," says University of Pennsylvania history professor Michael Zuckerman, citing *Wall Street*'s Gordon Gekko and Mr. Potter from *It's A Wonderful Life* (above, center and right). But filmgoers may now be particularly receptive to that view. Most of the population hasn't experienced a downturn like this one, he says, because economic policies since the 1930s have averted deep business-cycle troughs. "There's a need for blame," he says, and bankers are looking "spectacularly" bad. —Reena Jana

The International's hero (actor Clive Owen); Wall Street's ruthless Gordon Gekko; It's a Wonderful Life's Mr. Potter



ideki

**CHEER THE HERO, HISS THE BANKER**



# Bulaşıcı Açgözlülük

An **infectious greed** seemed to grip much of our business community.

Too many corporate executives sought ways to "harvest" some of those stock market gains.

As a result, the highly desirable spread of shareholding and options among business managers **perversely created incentives to artificially inflate reported earnings in order to keep stock prices high and rising**..... and, consequently, they failed to properly align the long-term interests of shareholders and managers, the paradigm so essential for effective corporate governance. .....

It is **not** that humans have become any more greedy than in generations past. It is that the avenues to express greed had grown so enormously.

Testimony of  
Chairman  
Alan  
Greenspan  
*Federal  
Reserve  
Board's  
semiannual  
monetary  
policy report  
to the  
Congress  
Before the  
Committee  
on Banking,  
Housing, and  
Urban  
Affairs, U.S.  
Senate  
July 16, 2002*

A.G. Böyle bir açıklama yapsaydı sizce nasıl olurdu?



Biraz da mizah ☺



Greenspan'ın “**I made a mistake**” açıklamasından sonra kendimi yandaki karikatürde yer alan \*papaz\* gibi hissettim.

**Acaba Greenspan bile Piyasaları \*yanlış\* anlamışsa “ben burada ne yapıyorum” diye kendime sordum değil doğrusu...**

**Siz sormadan ben sorayım...**

**Papaz “piyasa mağduru”, imam “devlet kapitalizmi (sosyalist)” oluyorsa uzaylı din kardeşimiz kim oluyor bu durumda?**

# Oracle! Maestro..... A.G.

ENRON CEO'suna da Ödül Vermişti





# TEŞEKKÜRLER

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