







► All Journals ► Critical Review ► List of Issues ► Volume 21, Issue 2-3 ► THE FINANCIAL CRISIS AND THE SYSTEMIC FA

Critical Review > A Journal of Politics and Society Volume 21, 2009 - Issue 2-3: Causes of the Financial Crisis

6,631 226

Views CrossRef citations to date Altmetric

THE FINANCIAL CRISIS AND THE SYSTEMIC FAILURE OF THE ECONOMICS **PROFESSION**

David Colander, Michael Goldberg, Armin Haas, Katarina Juselius, Alan Kirman, Thomas Lux & ...show all

Pages 249-267 | Published online: 13 Jul 2009

Sample our Politics & International

Full Article

Figures & data

References

66 Citations

Metrics

➡ Reprints & Permissions

Read this article

ABSTRACT

Econom

to it—wi

theoreti

more sta

occurre that,

interacti

econom

so that e

an ethic

study by

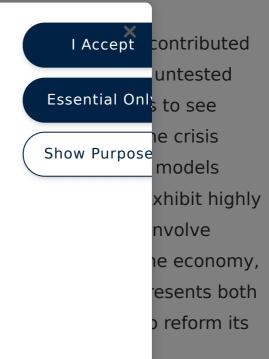
We Care About Your Privacy

We and our 845 partners store and/or access information on a device, such as unique IDs in cookies to process personal data. You may accept or manage your choices by clicking below, including your right to object where legitimate interest is used, or at any time in the privacy policy page. These choices will be signaled to our partners and will not affect browsing data. Privacy Policy

We and our partners process data to provide:

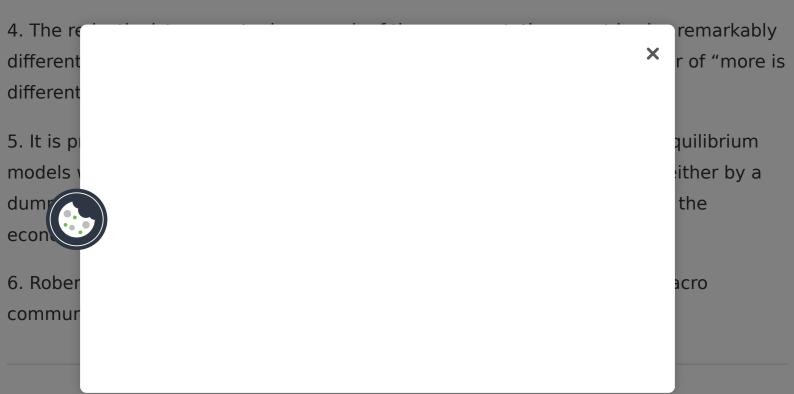
Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

List of Partners (vendors)



Notes

- 1. Carmen Reinhart and Kenneth Rogoff (2008) argue that the current financial crisis differs little from a long chain of similar crises in developed and developing countries. We certainly share their view. The problem is that the received body of models in macro finance, to which these authors have prominently contributed, provides no room whatsoever for such recurrent boom and bust cycles. The literature has, therefore, been a major source of the illusory "this time it is different" view that the authors themselves criticize.
- 2. Indeed, few researchers explored the consequences of a breakdown of their assumptions, even though this was rather likely.
- 3. The historical emergence of the representative-agent paradigm is a mystery. Ironically, it appeared during the 1970s, after a period of intense discussion of the problem of aggregation in economics (which basically yielded negative results). The representative agent, however, appeared without similar methodological discussion. In the words of Deirdre McCloskey, "It became a rule in the conversation of some economists because Tom and Bob said so" (personal communication). Today, this convention has become so strong that many young economists wouldn't know of an alternative way to approach macroeconomic issues.



Related Research Data

The performativity of potential output: pro-cyclicality and path dependency in

coordinating European fiscal policies

Source: Informa UK Limited

Dynamic Econometrics

Source: Oxford University Press

Beyond the Dynamic Stochastic General Equilibrium Model

Source: Cambridge University Press

Macroeconomic Instability and Coordination

Source: Edward Elgar Publishing

What economics education is missing: the real world

Source: Emerald Publishing

Drawing on different disciplines: macroeconomic agent-based models

Source: Springer Science and Business Media LLC

Manias, Panics and Crashes

Source: Palgrave Macmillan UK

A Complex Systems Approach to the Study of Ideology: Cognitive-Affective Structures

and the Dynamics of Belief Systems

Source: PsychOpen

The Properties of Automatic Gets Modelling

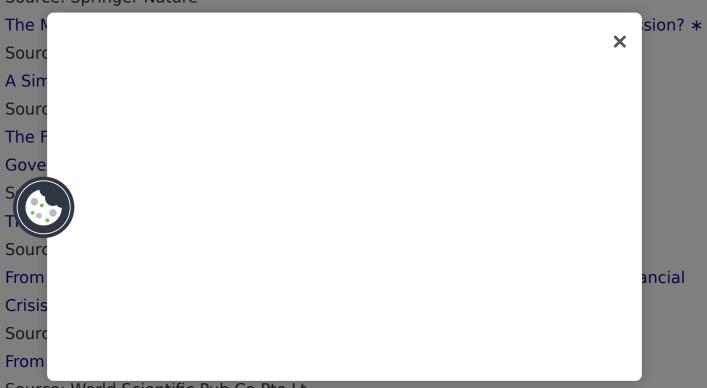
Source: Oxford University Press (OUP)

RESEARCH Open Access Heterogeneous expectations leading to bubbles and crashes

in asset markets: tipping point, herding behavior and group effect in an agent-based

model

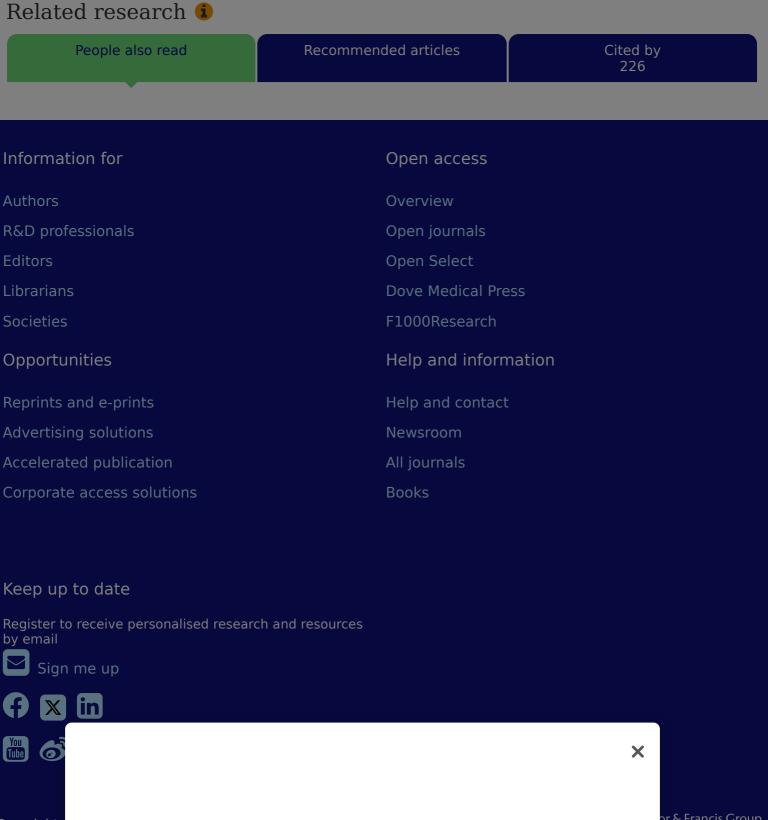
Source: Springer Nature



Source: World Scientific Pub Co Pte Lt

How to Repair a Failed System Source: John Wiley & Sons, Inc. **Economics** crisis Source: Springer Science and Business Media LLC Agent-based financial markets and New Keynesian macroeconomics: a synthesis Source: Springer Science and Business Media LLC Broken symmetry and the nature of the hierarchical structure of science. Source: American Association for the Advancement of Science (AAAS) Asset diversification and systemic risk in the financial system Source: Springer Science and Business Media LLC Core---Periphery Structure in the Overnight Money Market: Evidence from the e-MID Trading Platform Source: Springer Science and Business Media LLC 'Piketty is a genius, but ... ': an analysis of journalistic delegitimation of Thomas Piketty's economic policy proposals Source: Routledge: Taylor and Francis Ltd., Images of Eyes Enhance Investments in a Real-Life Public Good Source: Public Library of Science (PLoS) Endogenous steroids and financial risk taking on a London trading floor. Source: Proceedings of the National Academy of Sciences Governance and Systemic Risk Source: Wiley Evolution as computation: integrating self-organization with generalized Darwinism Source: Cambridge University Press (CUP) Agency in Earth System Governance Source: Cambridge University Press What m a X surve Source Instit om the late : Source attacks Effec Sourc

Linkir





or & Francis Group orma business

