

THE GLOBAL FINANCIAL CRISIS AND ITS AFTERMATH

HIDDEN FACTORS IN
THE MELTDOWN



EDITED BY

A.G. Malliaris, Leslie Shaw,
and Hersh Shefrin

The Global Financial Crisis and Its Aftermath

Hidden Factors in the Meltdown

EDITED BY A. G. MALLIARIS, LESLIE SHAW

AND

HERSH SHEFRIN

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PREFACE AND ACKNOWLEDGMENTS

This book has its roots in a conference organized jointly by the Quinlan School of Business of Loyola University Chicago and the Leavey School of Business of Santa Clara University. The Chicago Mercantile Exchange Group through the Center for Risk Management at the Quinlan School of Business offered a generous grant to the three editors and charged them to organize a conference that examined the recent global financial crisis from the perspective of behavioral finance and ethical values.

The conference took place on April 11, 2013, and featured 11 speakers. A few months later, revised versions of these papers were submitted for possible publication to several publishers. Oxford University Press enthusiastically encouraged the editors to go significantly beyond the original 11 submissions and view the global financial crisis and its aftermath from various perspectives. To maintain cohesion, the editors were challenged to write both a lengthy introductory chapter and a concluding one.

This volume contains 21 chapters and offers a unique, innovative, and exciting exposition of the global financial crisis and its aftermath from three perspectives of hidden factors that intensified its meltdown. In particular, we explore hidden factors from economics, psychology, and values that help explain the intensity of the meltdown. Chapter 1 is ready to be read, so there is no need for duplication in this preface. It is our wish that readers begin with curiosity about the content of this book, and our hope that they find insight and instruction.

The editors are most thankful to the CME Group and the Center for Risk Management at the Quinlan School of Business for financing the original conference. Next, the editors are truly and profoundly grateful to Scott Paris, economics editor of Oxford University Press for his extensive advice to expand the volume and enrich its contents. We are also thankful to David McBride, Editor-in-chief for Social Sciences, Anne Dellinger, Associate Editor, Sasirekka Gopalakrishnan and Cathryn Vaulman for editorial expertise and generous encouragement. Finally, our sincerest thanks go to all of our valued fellow contributors.

Antonio Argandona is emeritus professor of economics and business ethics and holds the “la Caixa” Chair of Corporate Social Responsibility and Corporate Governance at IESE Business School, University of Navarra. He is a member of the Royal Academy of Economics and Finance of Spain, president of the Standing Committee on Professional Ethics of the Economists’ Association of Catalonia, and a member of the Commission on Anti-Corruption of the International Chamber of Commerce (Paris). He has published numerous books, book chapters, and articles in prestigious journals in economics and business ethics.

John Boatright is the Raymond C. Baumhart, SJ, Professor of Business Ethics in the Quinlan School of Business at Loyola University Chicago. He has served as the executive director of the Society for Business Ethics and is a past president of the Society. He was recognized by the Society in 2012 for a “career of outstanding service to the field of business ethics.” He is the author of the books *Ethics and the Conduct of Business* and *Ethics in Finance*, and has edited *Finance Ethics: Critical Issues in Theory and Practice*. He serves on the editorial boards of *Business Ethics Quarterly*, *Journal of Business Ethics*, and *Business and Society Review*. He received his PhD in philosophy from the University of Chicago.

Graciela Chichilnisky is Visiting Professor of Economics and SIEPR at Stanford University and Professor of Economics and Statistics at Columbia University. She studied at MIT and UC Berkeley, has PhDs in Mathematics and in Economics and taught previously at Harvard and the University of Essex. Chichilnisky is the author of over 350 scientific publications in mathematics and in economics and of 13 books, some best sellers, which have been translated to nine languages. She created the concept of Basic Needs and the Formal Theory of Sustainable Development, was the US lead author of the UN IPCC, and designed and wrote the Carbon Market into the UN Kyoto Protocol. She has acted as Director of Research at UNITAR, held a UNESCO Chair, acts as a special adviser to the World Bank IMF and several UN organizations, and contributed to four articles of the Paris Agreement in December 2015, acting as an official adviser to Papua New Guinea and the 50 nations UN Rainforest Coalition. Chichilnisky is the CEO and co-founder of Global Thermostat, a company selected in 2015 as “World’s Top Ten Most Innovative Company” in Energy by *Fast Company* Magazine, and was selected the “2015 CEO of the Year” by IAIR at the Yale Club. Chichilnisky is the creator of the concept of *carbon negative technology*[™] and the co-inventor of an actual carbon negative technology that

removes CO₂ directly from air, as the IPCC finds it necessary to avert climate change, which Global Thermostat uses for commercial purposes in water desalination, building materials, beverages, greenhouses, bio-fertilizers, and fuels. Chichilnisky was also the CEO and founder of FITEL, a financial telecommunications company that sold in Japan, and of Cross Border Exchange a financial telecommunications company that sold to JP Morgan. Chichilnisky was selected among the Top 10 most influential Latinos in the United States, named by *The Washington Post* as an “A-List Star”, and by *Time Magazine* a Hero of the Environment. Chichilnisky has two children, was born in Argentina, is a US citizen, and lives currently in California.

Viktoria Dalko is a global professor of finance, a founding dean and founding discipline lead of finance at Hult International Business School, and an instructor at Harvard Extension School. She obtained a PhD in economics from the University of Pennsylvania. Dr. Dalko has focused on two research areas. One is on uncovering systemic risks to financial markets and preventing financial crisis. The other is on how financial crisis influences the well-being of people. In particular, she has studied worldwide financial crises and one of its causes, financial market manipulation. She and her co-authors summarized their research in the book *Regulating Competition in Stock Markets* (2012).

Werner De Bondt is professor of finance and founding director of the Richard H. Driehaus Center for Behavioral Finance at DePaul University in Chicago. He holds a PhD in business administration from Cornell University (1985). Werner De Bondt studies the rationality and irrationality of investors, markets, and organizations. In past years, he was a member of the faculty at universities in Belgium, Switzerland, and The Netherlands. Between 1992 and 2003, Werner De Bondt was the Frank Graner Professor of Investment Management at the University of Wisconsin–Madison.

John Dobson is a professor of finance in the Orfalea College of Business at Cal Poly, San Luis Obispo, California. Broadly, his publications have explored the connections between the theories of financial economics and moral philosophy. This exploration has centered primarily on the behavioral assumptions that underlie financial-economic theory. These assumptions traditionally depict human behavior in a relatively narrow conceptualization of opportunistic self-interest. Dobson explores the extent to which such assumptions are either descriptively accurate or prescriptively desirable. His research explores ways in which these behavioral assumptions—that form the foundation of much of financial-economic theory—can be enhanced in order to make them both more descriptively accurate and more prescriptively (i.e., ethically) desirable.

Raphael Douady is a French mathematician and economist specializing in financial mathematics and chaos theory. He holds the Robert Frey Endowed Chair of Quantitative Finance at Stony Brook University (SUNY), and is also the academic director of the Laboratory of Excellence on Financial Regulation (University of Paris–La Sorbonne and ESCP–Europe) and affiliated with the French National Centre for Scientific Research (CNRS). He co-founded fin-tech firms Riskdata (1999) and Datacore (2015). He has more than 20 years of experience in the banking industry (risk management, option models, trading strategies) and 35 years of research in pure and applied mathematics. His work in mathematical finance has

focused on extreme risk, for which he developed the theory of polymodels. He also authored a generalization of the Heath–Jarrow–Morton interest rate model and a rating-based credit derivatives model that introduced the notion of “rating surface.” His background in pure mathematics is in dynamical systems and chaos theory.

Paul Fitzgerald, SJ is professor of religious studies and president of the University of San Francisco. He holds doctoral degrees from the University of Paris–La Sorbonne and the Institut Catholique de Paris. He is the author of the book *L'Église comme lieu de formation d'une conscience de la concitoyenneté*, several scholarly articles, and popular essays. His work focuses on the crossroads of sociology and theology and treats such questions as ecclesial authority, environmental ethics, and public religious discernment. He has served as an adjunct lecturer at the Education College in Xiamen, China; as an assistant and associate professor at Santa Clara University; as a visiting lecturer at Hekima College, Nairobi, Kenya; and as a visiting chair at Seattle University. Prior to his current position he served as senior vice president for academic affairs at Fairfield University.

Brooke Harrington is a professor at the Copenhagen Business School in Denmark. Her new book on wealth management, offshore banking, and tax avoidance—titled *Capital without Borders*—will be published in July by Harvard University Press. Her previous books include *Pop Finance* (2008) and *Deception* (2009). She has received grants and awards from organizations including the National Science Foundation, the Academy of Management, and the American Sociological Association. Professor Harrington holds an MA and PhD in sociology from Harvard University, and a BA in English literature from Stanford University.

Steve Keen is a professor of economics and history at Kingston University, London. He was one of the handful of economists to realize that a serious economic crisis was imminent, and to publicly warn of it, as early as December 2005. This, and his pioneering work on complex systems modeling of debt-deflation, resulted in him winning the Revere Award from the *Real World Economics Review* for being the economist “who first and most clearly anticipated and gave public warning of the Global Financial Collapse and whose work is most likely to prevent another GFC in the future.” The financial newspaper *City AM* ranks him as the third most influential economist in the United Kingdom.

Lawrence R. Klein Nobel Laureate in Economics (deceased.)

Robert W. Kolb holds two PhDs from the University of North Carolina at Chapel Hill (philosophy 1974, finance 1978) and has been a finance professor at five universities. He is currently a professor of finance at Loyola University Chicago, where he also holds the Considine Chair of Applied Ethics. Kolb's recent books are *The Financial Crisis of Our Time* (2011) and *Too Much Is Not Enough: Incentives in Executive Compensation* (2012), both published by Oxford University Press and both selected for the Financial Management Association's Survey and Synthesis Series. His most recent book project is *The Natural Gas Revolution: Markets, Society, and the World*, Pearson/Financial Times in Fall 2013.

Lola Lopes is professor emeritus of management and organizations at the Henry B. Tippie College of Business of the University of Iowa. Before retiring, she held the

Pomerantz Chair in Management and served for six years as associate provost for undergraduate education. In 2007–2008, she was appointed interim executive vice president and provost. Prior to coming to Iowa, she was chair of the Department of Psychology at the University of Wisconsin–Madison. Her research areas are decision making under risk, judgment processes, rational inference and choice, and the rhetoric of decision making.

A. G. Malliaris is currently professor of economics and finance and holds the Walter F. Mullady Sr. Chair at the Quinlan School of Business at Loyola University Chicago. He specializes in financial economics and has written numerous books and papers in the areas of derivatives markets, monetary policy, and asset price bubbles. His most recent co-edited book is *New Perspectives on Asset Price Bubbles*, published by Oxford University Press. Malliaris holds a BA in economics from the Athens University of Economics and Business, a PhD in economics from the University of Oklahoma, and a second PhD in mathematics from the University of Chicago.

John Riker has been a professor of philosophy at Colorado College for 48 years and chair of the department for about 20 of those years. He has received many awards at the college, including having been named professor of the year an unprecedented four times and advisor of the year an unprecedented three times. In 2003 he was appointed the Kohut Professor for that year at the University of Chicago. He has previously published three books intersecting psychoanalysis and philosophy: *Human Excellence and an Ecological Conception of the Psyche*, *Ethics and the Discovery of the Unconscious*, and *Why It Is Good to Be Good: Ethics, Kohut's Self Psychology, and Modern Society*.

S. Prakash Sethi, University Distinguished Professor of Management in the Zicklin School of Business, City University of New York, is a seasoned expert in the field of international business. He has authored, co-authored, and edited 25 books and more than 130 articles in scholarly, professional, and practitioner journals. In addition, he has also written for and appeared in various national and international news media including the *New York Times*, the *Wall Street Journal*, *Bloomberg BusinessWeek*, CNN, NPR, BNN-Toronto, and CBC (Canada), among others. Dr. Sethi received both his MBA and PhD from Columbia University.

Leslie Shaw consults with companies on a variety of decision process issues and is an invited speaker at corporate events and conferences in psychology and management. She received her MBA and a PhD in behavioral decision making from the University of Chicago. After her PhD she completed five years of training at the Chicago Institute for Psychoanalysis with interest in integrating theoretical psychoanalysis and the cognitive approaches that are foundational to behavioral economics. Selected publications include *Greed: Sex, Money, Power, Politics* (2011), published by International Psychoanalytic Books; and “The Uncanny and Long Term Capital Management” (2005), published in the *International Journal of Applied Psychoanalysis*.

Hersh Shefrin is the Mario L. Belotti Professor of Finance at Santa Clara University. He has published widely on a wide range of topics in mathematics, finance, and economics, and is best known for his work in behavioral finance. A 2003 article in the *American Economic Review* includes him in the top 15 economic theorists to

have influenced empirical work. He is known for his work on a variety of topics, which include an economic theory of self-control featuring a formal system 1/system 2 model, a behavioral explanation for the dividend puzzle, the disposition effect, behavioral portfolio theory, behavioral corporate finance, behavioral pricing kernel theory, and behavioral risk management.

John Silvia is a managing director and the chief economist for Wells Fargo. Based in Charlotte, North Carolina, he has held his position since he joined Wachovia, a Wells Fargo predecessor, in 2002 as the company's chief economist. Prior to his current position, John worked on Capitol Hill as senior economist for the US Senate Joint Economic Committee and chief economist for the US Senate Banking, Housing, and Urban Affairs Committee. Before that, he was chief economist of Kemper Funds and managing director of Scudder Kemper Investments, Inc. John served as the president of the National Association for Business Economics (NABE) in 2015 and was awarded a NABE Fellow Certificate of Recognition in 2011 for outstanding contributions to the business economics profession and leadership among business economists to the nation. For the second time in three years, he was awarded the best overall forecast by the Federal Reserve Bank of Chicago, as well as the best unemployment rate forecast for 2011. John is on the Bloomberg Best Forecast list for his forecasts of GDP, the ISM manufacturing index, housing starts, and the unemployment rate.

Meir Statman is the Glenn Klimek Professor of Finance at Santa Clara University. His research focuses on behavioral finance. He attempts to understand how investors and managers make financial decisions and how these decisions are reflected in financial markets. Meir's award-winning book, *What Investors Really Want*, has been published by McGraw-Hill, and his book *Finance for Normal People: Behavioral Finance and Investors, Managers, and Markets* is forthcoming from Oxford University Press. He received his PhD from Columbia University and his BA and MBA from the Hebrew University of Jerusalem.

Nassim Nicholas Taleb spent 21 years as a risk taker before becoming a researcher in practical and mathematical problems with probability. Taleb is the author of a multivolume essay, the *Incerto* (*The Black Swan*, *Foiled by Randomness*, and *Antifragile*) covering broad facets of uncertainty. It has been translated into 36 languages. In addition to his trader life, Taleb has also published, as a backup of the *Incerto*, more than 45 scholarly papers in statistical physics, statistics, philosophy, ethics, economics, international affairs, and quantitative finance—all around the notion of risk and probability. He spent time as a professional researcher (Distinguished Professor of Risk Engineering at NYU's School of Engineering and Dean's Professor at the University of Massachusetts Amherst). His current focus is on the properties of systems that can handle disorder ("*antifragile*"). Taleb refuses all honors and anything that "turns knowledge into a spectator sport."

Michael H. Wang is a senior researcher at the Research Institute of Comprehensive Economics, a think tank in Boston. He received a PhD in mechanical engineering from the University of Illinois at Urbana-Champaign. Dr. Wang is one of the co-authors of *Regulating Competition in Stock Markets* (2012) that proposed 40 regulatory measures. The recently enacted securities regulations in the United States,

United Kingdom, Germany, France, Italy, China, and India bear a close similarity to several of the proposed measures.

Janet Yellen is the chair (2014–) of the Board of Governors of the Federal Reserve System of the United States. She is the first woman to hold this post. Yellen graduated *summa cum laude* in economics from Brown University in 1967 and received a PhD in economics from Yale University in 1971. She has held academic positions at Harvard University and the Haas School of Business at the University of California, Berkeley. She has also served as an economist for the Federal Reserve Board of Governors, as president of the Federal Reserve Bank of San Francisco, and as vice chair of the Board of Governors of the Federal Reserve.

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