

# Crises e ciclos económicos

## Aula 3-4

### As dificuldades actuais da macroeconomia

# Plano da aula

- 1. problemas de medida
- 2. problemas de cálculo
- 3 problemas de explicação e decisão
- 4 Problemas de teoria
- 5 Sobre que é a economia?

# 1. Problemas de medida

Quanto é que vale um choque  
automóvel?



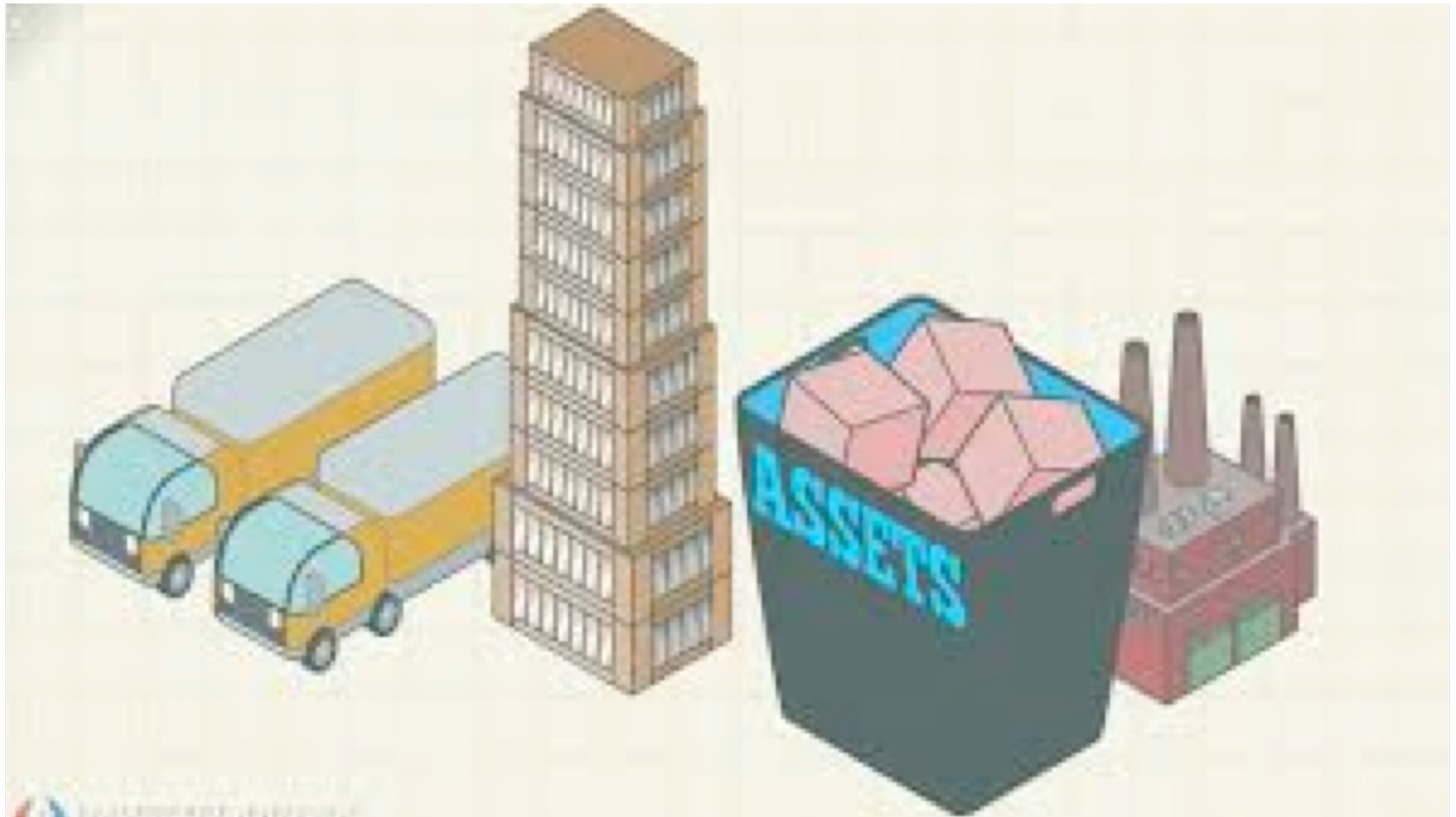
Quanto é que vale a prostituição ou o narcotráfico?



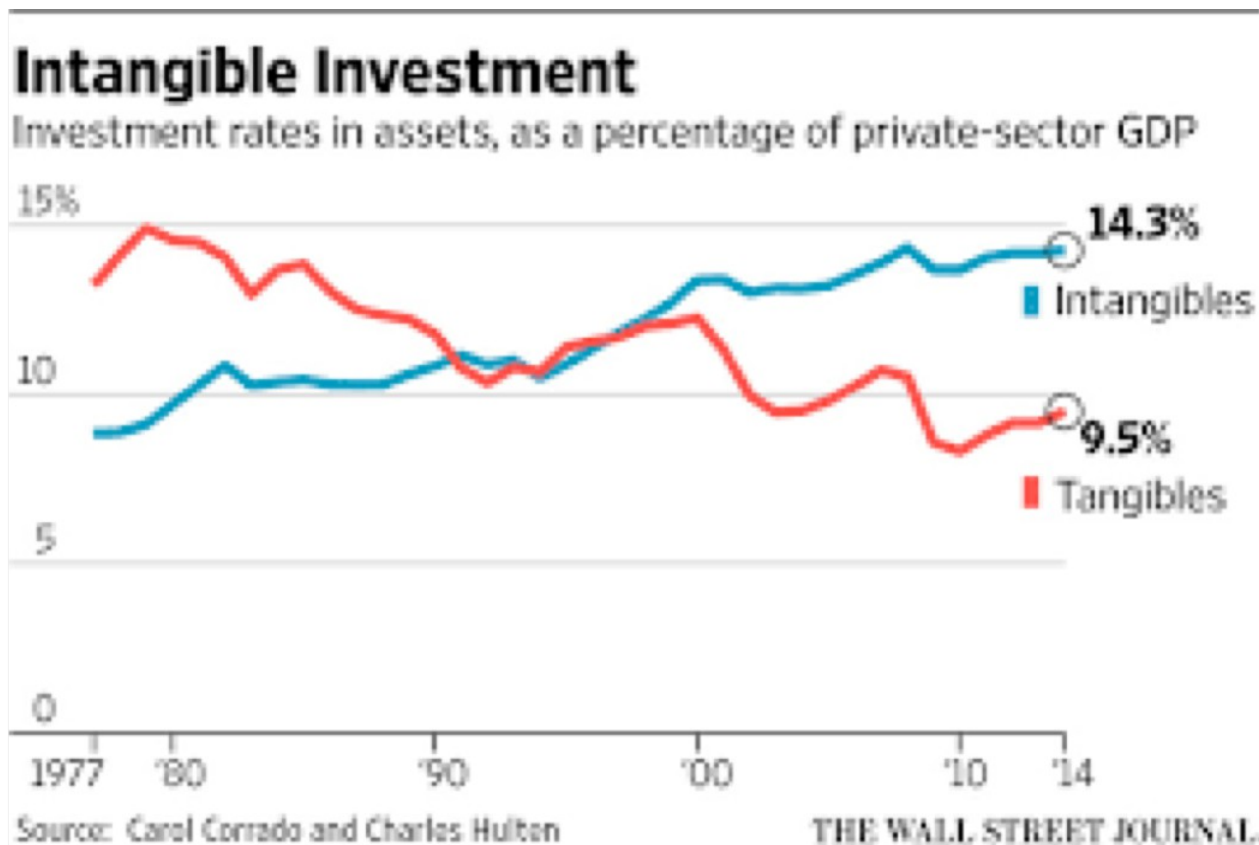
Quanto é que vale um banco?



# Quanto é que vale o stock de capital?



# Quanto é que vale o investimento intangível?





# Stiglitz, Sen, Fitoussi

Referência:

## **Commission on the Measurement of Economic Performance and Social Progress**

(disponível em:

[http://library.bsl.org.au/jspui/bitstream/1/1267/1/Measurement\\_of\\_economic\\_performance\\_and\\_social\\_progress.pdf](http://library.bsl.org.au/jspui/bitstream/1/1267/1/Measurement_of_economic_performance_and_social_progress.pdf);

Também, Stiglitz, 2009:

<https://www.theguardian.com/commentisfree/2009/sep/13/economics-economic-growth-and-recession-global-economy>

## 2. Problemas de cálculo

# Paul Romer

Tratamento da identificação na inferência estatística:

- Flutuações nas variáveis macro atribuídas a causas imaginárias
- Sistemas de equações simultâneas não são determinados (deviam ter  $n^{\circ}$  equações =  $n^{\circ}$  parâmetros de variáveis endógenas) na prática geral da economia

# Exemplo:

·  $X$ , vector de observações de  $m$  variáveis, um sistema linear que modela as suas interações como

$$\mathbf{X} = \mathbf{S} \mathbf{X} + \mathbf{c} + \mathbf{u}$$

Onde matrix  $S$  tem zeros na diagonal (cada componente de  $X$  é uma combinação linear dos outros componentes mais um constante  $c$  mais um erro  $u$ , assumindo-se que é IID)

Há portanto  $m^2$  parâmetros a calcular mas só se dispõe de  $m$  equações.

# As dificuldades actuais da Macro

·Ler:

Romer P. (2016), *The Trouble with Macroeconomics*, disponível em:

<https://paulromer.net/the-trouble-with-macro/>

# 3. Problemas de explicação e decisão

# FMI: soluções neoliberais foram “oversold”?

Chart 2

## Opening up to trouble

Surges of foreign capital inflows increased the chance of a financial crisis, and such inflows worsen inequality in a crisis.

(increased probability of crisis)



(increase in inequality, percent)



Sources: Ghosh, Ostry, and Qureshi (2016), left panel; Furceri and Loungani (2015), right panel.

Note: The left panel shows the increased probability of a crisis during a surge in capital inflows. It is based on 165 episodes of inflows in 53 emerging market economies between 1980 and 2014. The right panel compares the increase in the Gini measure of income inequality when capital account liberalization was followed by a crisis with periods when no crisis ensued. It is based on 224 episodes of capital account liberalization in 149 countries between 1970 and 2010.

# Against a recessive policy

“For example, Olivier Blanchard, said in 2010 that ‘what is needed in many advanced economies is a credible medium-term fiscal consolidation, **not** a fiscal noose today.’

Three years later, IMF Director Christine Lagarde said the institution believed that the U.S. Congress was **right to raise the country’s debt** ceiling ‘because the point is not to contract the economy by slashing spending brutally now as recovery is picking up.’

And in 2015 the IMF advised that countries in the euro area ‘with **fiscal space** should use it to support investment.’”  
(Ostry et al, 2016)



# But deregulation dominated

Ben Bernanke, governor of the FED, 1997:

“As we move into a new century, the **market-stabilizing private regulatory forces** should gradually **displace** many cumbersome, increasingly ineffective government structures. This is a likely outcome since governments, by their nature, cannot adjust sufficiently quickly to a changing environment”

·Referência:

Ostry, J., Loungani, P, e Furceri D. (2016),  
“Neoliberalism: Oversold?”, in *Finance &  
Development*, June, 53(2): 38-41

Da confiança nos anos 1970 (o *business cycle* acabou) à ideologia dos anos 2000 (não sei o que é uma recessão?)

# Paul Samuelson and Arthur Okun

Samuelson: the National Bureau of Economic Research, specialized in business cycle analysis, had **“worked out one of its jobs, the business cycle”**

(remarks at NBER conference, 50th anniversary)

Or Arthur Okun: business cycles **“are now preventable, like airplane crashes”**, a threat that is **“obsolete”**

(Okun, A. (1970), The Political Economy of Prosperity, Washington, p.33)

# Eugene Fama, 2010



“We don’t know what causes recessions. I’m not a macroeconomist so I don’t

feel bad about that! **We’ve never known.** Debates go on to this day about what caused the Great Depression. Economics is not very good at explaining swings in economic activity. (...) **If I could have predicted the crisis, I would have. I didn’t see it.** I’d love to know more what causes business cycles.”

Are the markets efficient? **Yes.** And if it isn’t, then it’s going to be impossible to tell.”

# Crash (November 2008)

At an inauguration at the *London School of Economics*, the Queen asks:

"Why did nobody notice it?"



# Seven months after (July 2009)

Some known British economists:

*"In summary, Your Majesty, the failure to foresee the timing, extent and severity of the crisis and to head it off, while it had many causes, was principally a failure of the collective imagination of many bright people, both in this country and internationally, to understand the risks to the system as a whole."*

# Robert Lucas

**(2003):** “My thesis in this lecture is that macroeconomics in this original sense has succeeded: its central problem of depression prevention has been solved, for all practical purposes, and has in fact been solved for many decades”





# The drama of Robert Lucas

**Lucas 2008:**

*“I’m changing my views on bank regulation every week. It was an area I saw under control. Now I don’t believe that”*

# John Cochrane (Chicago)

February 2010:

“The economy can recover very quickly from a credit crunch if left on its own” – in weeks



# Robert Solow

**1970**

“the old notion of a business cycle is **not very interesting anymore**”

(in 1970, *Economic Historic Review*, 23, p.410)

**1972**

“today’s graduate students have never heard of Schumpeter’s apparatus of Kondratieffs, Juglars, Kitchins, and would find it quaint if they had”

(in Zarnowitz, V. ed, 1972, *The Business Cycle Today*, NY, p.167)



# The change of mood of Solow: his non “exculpatory observations” (2008)

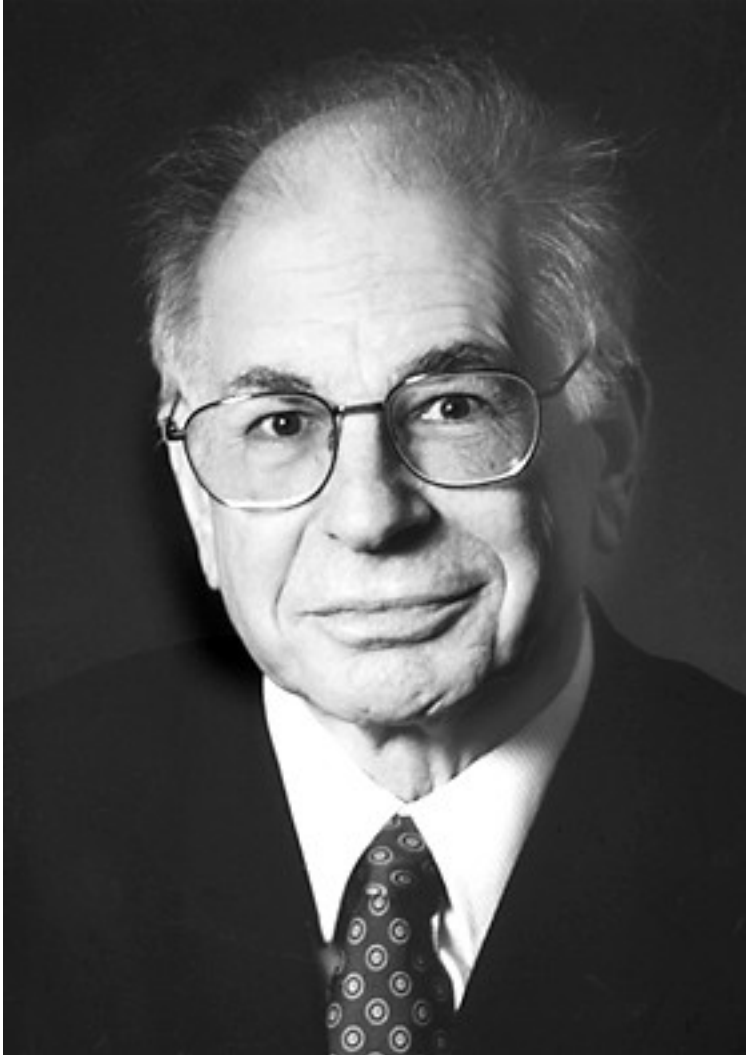
·“First, I restricted the applicability of the model to tranquil **trajectories without stormy intervals.**”

·“Second, I deliberately **avoided recourse to the optimizing representative agent** and instead used as building blocks only aggregative relationships that are in principle observable.”

·“Third, I **immediately warned the reader of the possibility of aggregative imbalances that would not fit into the model.** I feel guilty about some things, but not about ‘modern macro’.””

**5. Sobre que é a economia?**

# Daniel Kahneman (1934-...)



Psychological economics:

rationality,  
perception,  
Information

The personal history of DK  
Nobel 2002

THE NEW YORK TIMES BESTSELLER

LOOK  
INSIDE

THINKING,  
FAST AND SLOW

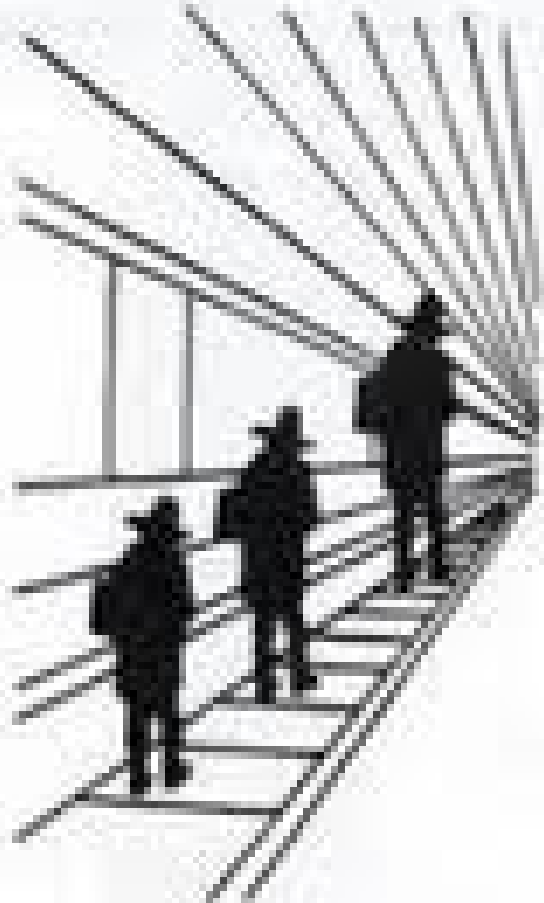


DANIEL  
KAHNEMAN

WINNER OF THE NOBEL PRIZE IN ECONOMICS

"[A] masterpiece. . . This is one of the greatest and most engaging collections of insights into the human mind I have read." —WILLIAM SAATCHI, *Financial Times*

# How rational are you?





# Who is Steve?

- Steve is shy, loves order, is a far-from-reality kind of man
- What are the odds of Steve being a farmer or a librarian?

# Birth of children, one day

BBBGGG

GGGGGG

BGBGBG

BBBBBB

# A game by Bernoulli - risk aversion

- A) 80% of winning 100 **plus** 20% of winning 10

Or

- B) Having 80

# Allais's paradox

- 1952, at a meeting on risk theory

A) 61% of winning 520 **OR** 63% of 500

B) 98% of winning 520 **OR** 100% of 500

# Maurice Allais (1911-2010)



Nobel 1988

1952: Violação da teoria  
de utilidade esperada

# Preference reversal

A)  $11/36$  to win 160 **plus**  $25/36$  to loose 15

or

B)  $35/36$  to win 40 **plus**  $1/36$  to loose 10

# Porquê analisar os ciclos económicos. E como?

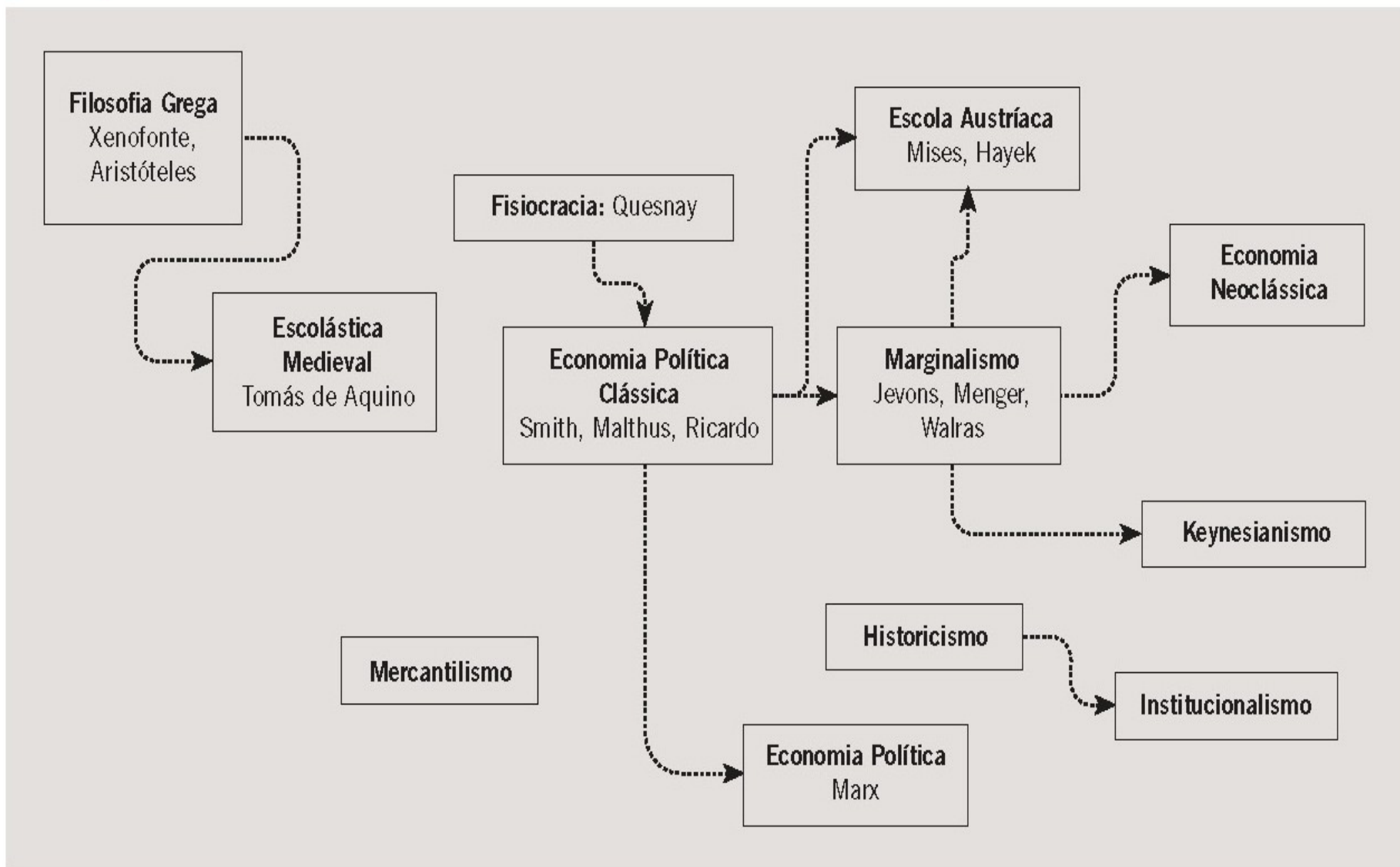
Os dois principais corpos teóricos:

- A análise do **business cycle** (modelos de equilíbrio+perturbações, ou de pêndulo; modelos endógenos), Juglar, Frisch, Lucas.
- **Ondas longas de desenvolvimento**, ou períodos históricos, Kondratiev, Schumpeter.



DIAGRAMA 3.1.

MAPA DAS GRANDES CORRENTES DA HISTÓRIA DO PENSAMENTO ECONÓMICO





·Ler:

Solow, R. (2008), “The State of Macroeconomics”, *American Economic Review*, 22(1): 243-6

Ostry et al (2016), referido atrás

Romer, P. (2016), referido atrás