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The International Financial Crisis: an Expert Survey

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THE INTERNATIONAL FINANCIAL CRISIS:
AN EXPERT SURVEY

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Abstract

The advent of the international financial crisis, and of its effects on the economy, all the world now face the question how to manage the crisis and what measures to implement to restore a normal condition. In this paper we present and discuss the results and implications of an international expert survey. Our target is to understand the perception with regards to several aspects of the international financial crisis and some possible future implications for policy makers' authorities.

JEL Classification: G01

Keywords: international financial crisis, subprime, expert survey

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Mr Ryan:

“Some also have been pointing to a concern about subprime lending. And just yesterday, Freddie Mac said that it would tighten its lending standards. It seems to some of us that this is a small part of the market and unlikely to cause major problems, but I would be curious about your take on that.”

Mr. Bernanke:

“There certainly have been some concerns raised about the health of the subprime sector. We have seen increasing rate of default. We have seen financial distress on the part of lenders. And so that is a concern. We are monitoring that situation very carefully, and it was one of the factors, I think, which has contributed to some unease about the economy, about the market. Our assessment, though, while this is a very important problem and an issue obviously for many people who are facing foreclosure, our assessment is that there is not much indication at this point that subprime mortgage issues have spread into the broader mortgage market, which still seems to be healthy, and the lending side of that still seems to be healthy. So it is a concern. But at this point, we do not see it as being a broad financial concern or a major factor in assessing the course of the economy.”

110th Congress House Hearings (Washington, DC, February 28, 2007)

1 – Introduction

In August 2007 the world started to face one of the most dramatic economic crises of the recent history. At the beginning it seemed that this crisis would have been limited to financial sectors. But after some months the situation became clear: both the financial and the economic world were immersed in a very critical state.

These extraordinary circumstances made us conscious of the importance of the appropriate perception of the crisis. Indeed, different views and different approaches to the crisis made (and make) very difficult to agree on what the causes and the consequences of this situation really are. The use of the surveys is today become very useful in the economic science and its economic validity is widely recognized. This instrument is used in many areas of economics to predict and to analyze the behaviour of economic agents. The survey methodology is a direct way to study and understand perceptions and feelings of economic players. Examples are indices to forecast future performances of the economy (as the Economic Sentiment Indicator elaborated by the European Commission) or to measure consumer confidence (as for US consumers, the Conference Board Consumer Confidence Index).

So, our goal is to catch the global perception of the crisis through the direct insight of some categories of economic agents. To this end we prepared an articulated questionnaire¹ and we have sent it to university professors, researchers, financial journalists and managers. At the end of our survey we collected 772 answers from all over the world. The sample is large enough to make possible to draw some conclusions on several aspects of the ongoing crisis.

¹ See Section 2 for a detailed description of the questionnaire.

But, before analysing the answers of our respondents, it is useful to briefly sum up the global situation just before the mailing of the questionnaire and during the collecting of the answers. Understanding the impossibility to summarize all the events happened that is beyond our goal, we put a particular attention over the period around our survey. In this way one can better understand the economic situation in which the feeling of the respondents is born.

First signals of the subprime crisis arose in the middle of 2007, say from June to August, when two hedge funds managed by Bear Stearns, Countrywide and IKB announced financial difficulties caused by the subprime mortgages and when BNP Paribas suspended three of its funds for the same reason. It is also in this period that Central Banks started to inject money into the financial system.

Even if they are important, these events could be interpreted as normal (financial) events. It is only months later that it were clear that something different from normal difficulties were happening. Financial and economic bad news was released as an apparently interminable chain contradicting repeatedly who says “the worst is over” and forcing all to define this crisis as “once in a century” and to match it to the Great Depression.

In September 2007 Northern Rock asked the Bank of England for a liquidity support facility but this new induced many customers to withdraw their savings and the Federal Reserve started to cut the interest rate (by 50 basis points in September 2007 and by additional 25 basis points in October 2007) aggressively.

In late September, it was announced that the Glitnir bank would be nationalised. This is the first step of the Iceland Crisis. Indeed, during the following weeks, other two banks, the Landsbanki and the Kaupthing banks (the largest Iceland’s bank) and the same Glitnir bank were placed into receivership. These signals highlighted the critical situation of this nation. Since then, the Iceland economy and the Krona started to suffer for the crisis and for speculation in a very dramatic way.

In November 2007, US commercial banks started to announce heavy losses due to the subprime crisis and in the following months, the Federal Reserve cut, in three different meetings, the interest rate by 25 (December), 75 (January 2008) and 50 (January 2008) basis points. The FED, in December 2007, also instituted a new program to “address elevated pressures in short-term funding markets”, the Term Auction Facility, and, in March 2008, it announces an expansion of its securities lending program (the Term Securities Lending Facility). In the meantime, addressed as a cause of the financial crisis as consequence of their (too generous) ratings for structured financial products, rating agencies announced a self reform (February 2008).

In February 2008, Northern Rock was definitively nationalized, and it was March 2008 when Bear Stearns, one of the largest global investment banks, in order to avert a sudden collapse received an emergency loan by the Federal Reserve Bank of New York before to be sold to JPMorgan Chase with the approval of the FED. In that month the Fed cut the Federal Funds rate by 75 basis points (2.25%) Other 25 basis points were cut by the FED Board in April 2008 when the Lehman Brothers liquidates three floundering investment funds. In June, the Federal Bureau of Investigation announced that it has arrested about 300 real estate industry players since March in its crackdown on incidents of mortgage fraud that have contributed to the country’s housing crisis, and the Standard &

Poor's cut the Lehman Brothers rating. In July, IndyMac Bank, a mortgage bank, was placed into conservatorship by the Federal Deposit Insurance Corporation (FDIC) creating the IndyMac Federal Bank, a bridge bank created to manage assets and liabilities of the failed IndyMac Bank.

On the other side of Atlantic the European Central Bank concerned about inflationary pressures deriving from record crude oil prices increased the interest rate by 25 basis points. So in July 2008, the spread between the ECB MRO rate and the FED Funds rate was equal to 2.25%.

September 2008 maybe is the month in which the situation has become even worse. Fannie Mae and Freddie Mac, which owned or guaranteed about half of the US mortgage market, were nationalized. The Lehman Brothers filed for protection under Chapter 11 of the bankruptcy law² and Bank of America bought its concurrent Merrill Lynch avoiding its failure. The US Office of Thrift Supervision (OTS) seized Washington Mutual Bank, which was the largest savings and loan association in US, from Washington Mutual, a savings bank holding company, and placed it into the receivership of the FDIC. Its assets were sold to JPMorgan Chase and the holding company Washington Mutual subsequently filed for Chapter 11 bankruptcy. The Washington Mutual closure and receivership represents the largest bank failure in American financial history³. The American International Group (AIG), a major American insurance corporation, suffered a liquidity crisis after its credit ratings were downgraded and the Federal Reserve created an \$85 billion credit facility to enable the company to meet collateral and other cash obligations. In addition, the Federal Reserve approved applications by the last two major independent investment banks on Wall Street, Goldman Sachs and Morgan Stanley, to become bank holding companies. On 18 September, Britain's financial regulator temporarily banned the short-selling of shares in financial companies that are listed on the London Stock Exchange and the following day the U.S. Securities and Exchange Commission temporarily banned investors from short-selling 799 financial companies. This measure has been adopted in many stock markets during the most negative period of the crisis.

September 2008 was also the month in which the financial crisis clearly hit the Euro area, considered until then almost immune to major financial problems and better positioned with respect to the crisis. The governments of Belgium, Luxembourg and the Netherlands inject about 11.2 billion Euro into Fortis bank and Dexia bank got about 6.4 billion Euro three-state bailout (Belgium, France and Luxemburg). The Irish government guaranteed all deposits and debts of the country's major banks and after this measure other European governments reached the same decision. Moreover, the same action was decided by the Australian Government in October.

Given the absolute critical situation, from all around the world, governments and public authorities, in October, arose the pace of intervention to counter for the now international, and not only US, deep financial crisis. On 3 October, the US Congress approved the so called Paulson plan, the Troubled Asset Relief Program (TARP). The program allows the United States Department of the

² The filing marked the largest bankruptcy in US history.

³ Before the receivership action, it was the sixth-largest bank in the United States

Treasury to purchase or insure up to \$700 billion of “troubled” assets from financial institutions in order to strengthen the financial sector. Wells Fargo and Wachovia announced their intention to merge. The Dutch Government bought the Fortis Bank Nederland Holding, Fortis Verzekeringen Nederland and Fortis Corporate Insurance. This transaction replaced the previous capital injection. On 6 October, the Dutch Government sold the 75 per cent of Fortis Bank to BNP Paribas that also bought the 100 per cent of Fortis Insurance Belgium. The German state and financial institutions put together a 50 billion-euro rescue package for Hypo Real Estate Holding. Denmark and Germany said they will guarantee all their countries’ bank deposits.

Stock markets around the world continued to suffer big falls. The Dow Jones Industrial, the Nikkei 225 and the Eurostoxx 50 respectively loose the 25, the 38 and the 32 per cent with respect to August 2007.

Acting co-ordinately and with an unprecedented action, on 8 October, several Central Banks cut interest rates simultaneously trying to restore the market confidence: the Federal Reserve, the European Central Bank, the Bank of England, the Bank of Canada, the Sveriges Riksbank and the Swiss National Bank cut their respective interest rates by 50 basis points each. Two days after, the G7 meeting focused on the international financial crisis was held in Washington. On 14 October, the Federal Deposit Insurance Corporation (FDIC) announced a new program, the Temporary Liquidity Guarantee Program, to strengthen the confidence and encourage liquidity in the banking system. Two days later, the French Parliament passed a plan for restoring confidence in the financial markets and for supporting the economy, and on 17, the German Parliament passed a plan for the stabilization of the financial system. Two days later, ING got ten billion euros from the Dutch Government.

On 28 October 2008, we started the expert survey⁴ while in the remaining days of the month the Federal Reserve and the Central Bank of Norway cut the interest rate by 50 basis points, the Central Bank of China by 27 basis points and the Central Bank of Japan by 20 basis points (from 0.50% to 0.30%). Furthermore, during the same days, the Dutch Government reinforced AEGON’s capital by 3 billion euro.

The latest two months of 2008 are marked by additional actions in line with those implemented in previous months.

On the same day (4th November) of the election of the new US president Barack Obama, the Australian Central Bank cut the interest rate by 75 basis points. The action was followed two days later by other Central Banks around the world. The ECB, the Central Bank of Denmark and the Central Bank of Switzerland eased their leading interest rates by 50 basis points. The Bank of England cut the interest rate by an awesome value of 150 basis points, the Central Bank of the Czech Republic slashed the interest rate by 75 basis points and later in the month the Central Bank of China cut the interest rate by 108 basis points. The Citygroup, a major American financial services company, was rescued in a bailout (under the TARP program) by the US government, the Franklin Bank and the Security Pacific Bank failed. All signs that the US financial system were yet under strong stressed conditions. Also the fast growing China and the European Union

⁴ See Section 2 for more details.

(the Euro Area entered officially in recession for the first time from its creation) unveiled their anti-crisis plan.

As sign to strong fight the financial crisis, the new elected US president Barack Obama nominated as next US Treasury Secretary Timothy Geithner, former President of the Federal Reserve Bank of New York.

The IMF approved a \$16.4 billion Stand-By arrangement for Ukraine in order to stabilize the economic and financial systems on 5 November. Four days later, as just noticed, the Chinese Government announced a huge economic plan for an estimated \$585 billion in spending and stimulus measures. On 10 November, Santander, the biggest Spanish bank, announced a 7.2 billion euro rights issue to raise its capital and the Latvian Government nationalized the Parex Bank.

On 15 November, an extraordinary G7 and G20 meetings focused on the international financial crisis were held in Washington, in order to give a strong signal to financial markets.

During December 2008, banks continued to fail as the London Scottish Bank (it was forced into administration) and Central Banks continued to easing the monetary policy through cuts of the interest rate. Interest rates cuts were of 75 basis points, the ECB and the Central Bank of Denmark, of 100 basis points, the Central Bank of Australia and the Bank of England, and of 175 basis points for the Central Bank of Sweden. On 2 December, the Bank of Japan starts to accept BBB-rated corporate bonds as collateral.

The expert survey ended on 4 December 2008 when more evidences, as the lost of 533.000 jobs in the US labour market in the only month of November, confirmed that the crisis was not more only financial but it also was hitting the real economy.

These are the most important events, in our view, occurred before the onset of our survey and during the collecting of the answers. In this way one can understand better the answers of the respondents in the light of the facts occurred.

The rest of the paper is organised as follows: in Section 2 we describe in details the structure of the questionnaire and the methodology used to submit it to the expert sample. In Section 3 we show the results of the survey in global and regional perspectives. Differences between Academics and non-Academics are reported in Section 4. Section 5 summarizes and analyses the most important features that emerge from the data and some political economic considerations.

2 – The questionnaire and the expert sample

After two fields asking the country and the job position of the interviewed, the questionnaire (see Appendix A) is composed by seven main questions, each one subdivided in different points. Moreover, there is a request for an opinion about when the crisis will end (or when a normal financial situation will be restored) and three final open questions.

As mentioned above, the expert survey started on 28 October 2008 and finished on 04 December 2008. The participation to the survey was voluntary and the

resulting data have been treated and published⁵ anonymously. The experts were selected from three areas. The first, and the great part, was selected from about five hundred universities all around the world following the ranking by Ranking Web⁶. In details, we collected e-mails (publicly available on the web) of the academic staff of the departments related to economy and finance. The second group is composed by the staff of firms as research institutions, banks and financial firms in general (from the heads to the analysts). The third part is composed by journalists in the economic and financial profession. For these last two groups, the e-mails were collected from different (free and publicly) sources on the web. In total we have collected about 21.000 e-mails, subdivided as follows: about 18.000 of academic staff; about 2.400 of enterprises staff; and about 600 economic and financial journalists.

The questionnaire, then, has been attached to e-mails and sent. Given the high amount of e-mails to manage, we divided the sample in three sub-samples and we submitted the questionnaire separately in three different dates. In details, the first group of e-mails was sent on Tuesday 28 October 2008, the second one on Tuesday 4 November 2008, and the last one on Tuesday 11 November 2008. Furthermore, a reminder for each group was sent the Thursday of the week following the first sending (6, 13 and 20 November 2008).

From 28 October 2008 and to 04 December 2008 we received 772 completed questionnaires equal to about 4 per cent of the e-mails that we sent. At a first sight, and as expected, the percentage of respondents could be considered low. However, you must take into consideration that a check of the area of research, for the academic staff, or of the formation and mansions, for journalists and for enterprises staff, was impossible in a reasonable time (and at our knowledge no such database is available) leading to the impossibility of carrying out any expert survey. In other words, we counted on some sort of self-selection by the contacted sample. In this light, the amount of respondents, in our opinion, is big enough to obtain useful information on the perception of the international crisis by experts.

In order to analyse the sample of the respondents, we divided it between Academic and no-Academic (enterprises and journalists) staff and into six groups basis on the geographical area of the respondents: the Asia and Oceania (Australia, China (including Hong Kong), India, Israel, Malaysia, New Zealand, Singapore, Taiwan, Turkey and United Arab Emirates), the Emerging Europe (Czech Republic, Estonia, Hungary, Poland, Russia and Slovakia), the Euro Area (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Portugal, Slovenia and Spain), the Other America (Argentina, Brazil, Canada, Chile, Colombia and Mexico), the UK and Scandinavians (Denmark, Iceland, Norway, Sweden and UK) and the USA⁷. These divisions make possible to compare the results obtained in different areas of the World and by different type of respondents.

⁵ Some preliminary results were published on the report Cer 04/2008 "Dentro la crisi" available on www.centroeuroparicerche.it.

⁶ For more details, go to www.webometrics.info.

⁷ The respondents of South Africa (1) and Switzerland (12) are considered in the analysis of the total sample and for differences between the Academics and the non-Academics.

As regards the structure of the questionnaire, the first question concerns the “factors contributing to the credit crisis”. The respondents have to rate with an “X” each of the factors (we proposed thirteen possible causes of the crisis) by marking the appropriate fields: “1” if the factor had “no role”; “2” if the factor had a “marginal role”; “3” if the factor had “some role”; “4” if the factor had an “Important role” and “5” if the factor had a “Key role”. Also the “I don’t know” option is provided. In this way it is possible to understand the degree of consensus about the weight of each of these factors in contributing to the crisis.

In this question, and as for the entire questionnaire, some doubts may arise about the choice of the proposed options. Given the impossibility (for space, time and for the need of futures researches on) to make an exhaustive list of all the possible causes of the crisis, we chose some widely discussed options or we proposed options related to our research interests. We are well aware that our survey “forgot” something important related to the crisis, but we had to balance different aspects.

After the first question, we asked to our interviewees when, according to their view, “the crisis will end (or a normal financial situation will be restored)”. In addition to the “I don’t know” option, we proposed six options: “end of 2008”, “first half of 2009”, “second half of 2009”, “first half of 2010”, “second half of 2010” and “2011”.

The second question is focused on the possible measures that the policy makers can adopt in order to “fix the credit crisis today”. We propose eight options and the structure of the question is equal to that of the first question. While the third question (closely related to the second) is focused on the possible futures choices and tools that the policy makers could use in order “to avoid the credit crisis occurring again tomorrow”. In this case, we proposed three possible measures and, as usual, we asked to rate these measures by marking one of the available fields (“No role”, “Marginal role”, “Some role”, “Important role”, “Key role” and “I don’t know”).

The structure of the fourth question is different from the previous ones. Indeed, we asked the economists to directly state a percentage that can indicate their preferences. Specifically, the question asked to choose between two fields, “the Fed monetary policy” or “market factors”, in order to show which of the two choices has been more responsible of the subprime crisis. Then, the interviewee had to choose a percentage for these two fields, whose sum must be equal to 100. In the second step, they had several options to choose from. Some of these options are related to the Fed's monetary policy, others are related to market factors. Even in this case they had to allocate a percentage for each field. The sum of the percentages of the sub-fields must be equals to the percentage of the relative upper field. We slightly transformed the percentages of some fields (with the appropriate weight in the upper field) in order to make more homogeneous the results and to list the various factors on the basis of their relative importance.

In question 5, we asked to our interviewees to indicate how much they agree with five proposed statements. In this case we gave five fields (“0%”, “25%”, “50%”, “75%” and “100%”) plus the “I don’t know” option. So, the respondents had to choose one of the fields in order to express their level of agreement with the sentence.

The question 6 is dedicated to the monetary policy. We focus our attention on the European Central Bank and on the Federal Reserve. We divided the question in four sub-questions. In fact, we want to analyse the feeling of the respondents towards the “interest rate policy”, the “regulatory and surveillance policy”, the “liquidity and bailout policy” and the “communication policy” of the two Central Banks. In this way we can examine four policy areas and compare the ECB and the FED results. Again, the respondents had to mark with an “X” one of the proposed fields (“0%”, “25%”, “50%”, “75%” and “100%”) or the “I don’t know” field. In this way, they were able to “judge the optimality of monetary policy during the crisis”.

Question 7 is similar to question 5, but in this case we proposed to indicate how much the respondents agree on some of the consequences of the financial crisis. We proposed five options and gave two open fields. Unfortunately, in this case, we committed an error of constructing. In Section 3.8, we present in details how the question was analyzed.

For all the questions described above, we calculate the mean value of answers and the percentage⁸ of respondents (see Appendix B for further details) for every field of the proposed factors.

The questionnaire ends with three open questions; the first on the relationship between the “US housing market bubble” and the Federal Reserve, the second on “the international coordination among central banks in response to the credit crisis” and the third on “the possibility and the feasibility of an international authority with surveillance and regulatory powers on financial risks taken by the financial system”.

In the following section we present the results.

3 – The results of the expert survey

In this section we examine the answers of the respondents. For convenience in the exposition, in the following subsections, we analyze the results considering each question of the questionnaire separately. Then, following its structure we analyze:

1. the factors contributing to the crisis (Question 1);
2. the length of the crisis;
3. the measures to fix the crisis (Question 2);
4. the measures to avoid the crisis occurring again (Question 3);
5. Fed vs. market factors (Question 4);
6. how do you agree? (Question 5);
7. the monetary policy of the Fed and the ECB (Question 6);
8. due to the financial crisis ... (Question 7);
9. open questions.

For each question and if not differently specified, in the analysis below we do not take into account who did not give any answer. In addition, the percentages, if

⁸ We did not consider the “I don’t know” field in the calculation of the mean value and percentage of respondents. In other words, the mean value and the percentage refer to respondents that expressed a preference. Sometimes, we presented percentages related to the “I don’t know” field; in this case the percentage refers to the all sample that replied without indicating a clear preference. See Appendix B for more details.

not differently specified, are expressed without counting the “I don’t know” option.

3.1 – Question 1: Factors contributing to the crisis

As mentioned above, the first question is focused on the “factors contributing to the credit crisis”. The respondents gave a very clear answer to the first question. According to our expert survey, the most important factor in contributing to the crisis has been “the increasing share of approvals of mortgages to borrowers with low credit ratings (subprime mortgages) in the 2000s” that registered a mean value of 4.45. Looking at the distribution of answers (see Figure 1), the 60.16 per cent of the respondents marked the “key role” field and the 28.36 per cent marked the “important role” option. This factor is undoubtedly recognized as the most important one among the thirteen we proposed.

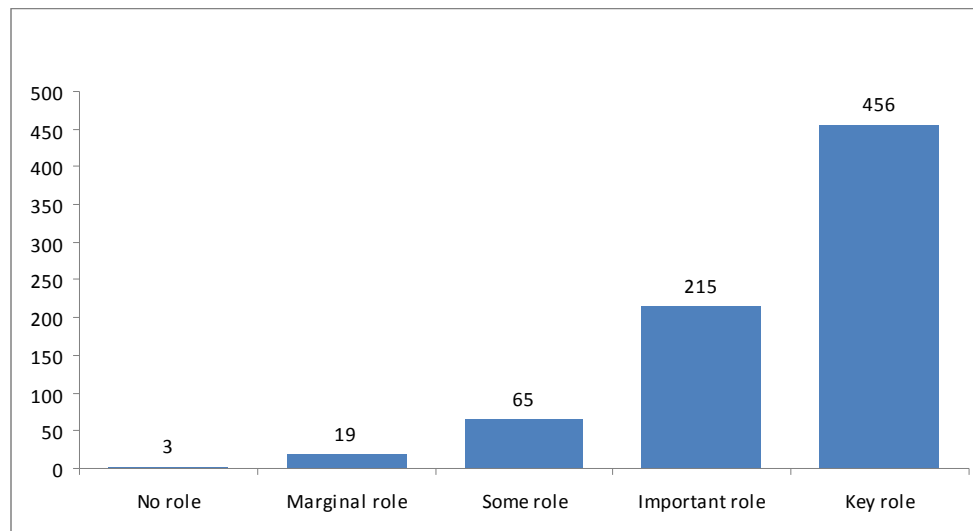


Figure 1: The distribution of the answers for: “*The increasing share of approvals of mortgages to borrowers with low credit ratings (sub prime mortgages) in the 2000s*”.

In the group of the factors that got a high score we find “the housing market bubble” (4.32), “the wide use and international diffusion of mortgage linked derivative instruments such as ABS (Asset Backed Securities) and CDO (Collateralized Debt Obligations)” (4.28), “a regulation inadequate to keep pace with the deep and fast financial innovation” (4.27) and “the misleading quantification (by rating agencies) of derivative instruments’ counterpart and liquidity risks” (4.22). More than the 70 per cent of the respondents marked the “important role” or the “key role” fields in these cases. It seems that these factors collect a wide consensus.

The respondents did not recognize a so high importance for the other factors as the “low capitalization of banks and financial intermediaries with respect to the risks taken by them” (3.83), the “too aggressive earning policy by bank and financial system management” (3.75), the “easy monetary policy by the Fed in the early 2000s” (3.73, see Figure 2), “the fragmentation (among various authorities) of the surveillance system in the US” (3.64), the “moral hazard by the mortgage

formerly state owned insurers (i.e. Fannie Mae, Freddie Mac)” (3.64) and the “moral hazard by financial/insurance firms too big to fail (i.e. Bear Stearns, AIG)” (3.63).

The above six factors show a distribution with a peak in “important role” field. So, it is possible to group these factors: they are important, but not as fundamental as the first five factors previously mentioned. In all these six cases, the “important role” and the “key role” options collect together more than the 50 per cent of the votes.

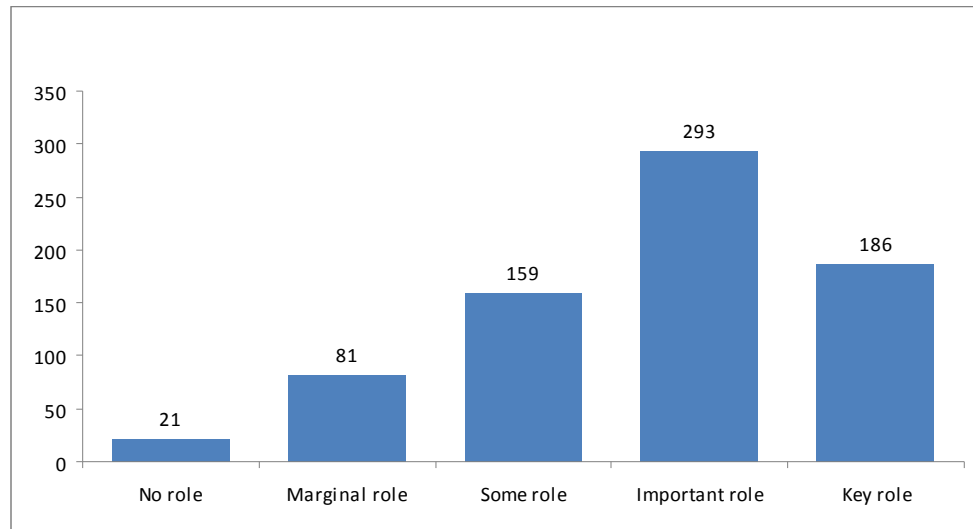


Figure 2: The distribution of the answers for: “*Easy monetary policy by the Fed in the early 2000s*”.

But, notwithstanding these differences in the feelings of our respondents, it is correct to affirm that, according to the economists, there are five fundamental factors and other six significant causes of the crisis. These eleven factors have had a determinant role in contributing to the international crisis.

The remaining two factors are linked with the Federal Reserve monetary policy and in these cases the “marginal role” field is the most chosen option. So, the “changes of the monetary policy stance by the Fed in the 2000s (e.g. the strong variability of the Federal Funds rate)” (with a mean value of 2.32) and the “tight monetary policy by the Fed before the sub prime crisis (in 2005-06)” (2.21) factors had a very limited role according to the interviewees. Indeed, more than the 50 per cent of the economists chose the “no role” or the “marginal role” options.

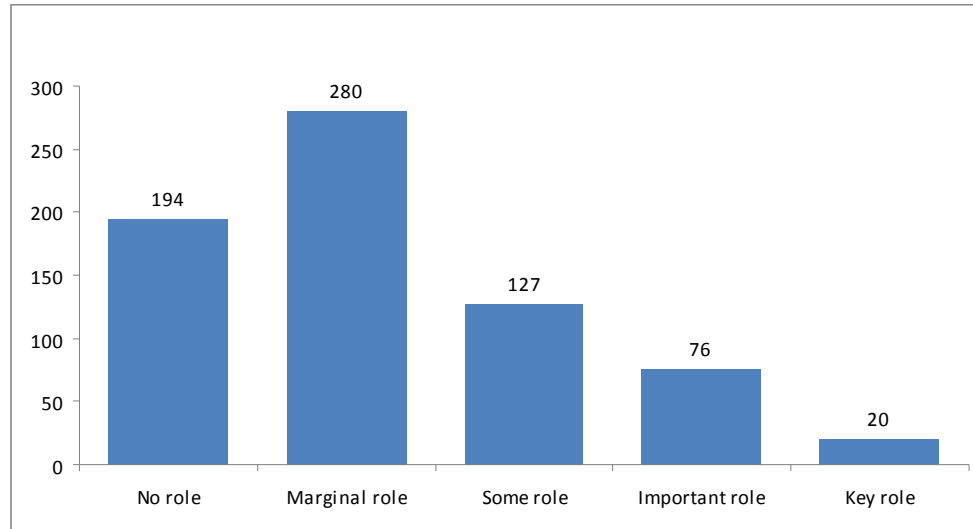


Figure 3: The distribution of the answers for: “*Tight monetary policy by the Fed before the subprime crisis (in 2005-06)*”.

This is the global vision. But there are important diversifications in the different regions.

Even if it is not considered important, the “tight monetary policy by the Fed before the sub prime crisis (in 2005-06)” factor in causing the credit crisis shows a significative difference in the mean value between the US, on the one side, and the Euro Area and the Emerging Europe, on the other side. The United States show a mean value of 1.96 (the lowest among the six groups considered) against a 2.50 of the Euro Area (the highest) and a 2.39 of the Emerging Europe group. Other factors present mean values close to each other for the areas examined.

With respect to the third factor (“changes of the monetary policy by the Fed in the 2000s”), the distribution of the UK and Scandinavians group shows a high peak in the “marginal role” field. This is the unique important difference that we notice. Indeed, the mean of the UK and Scandinavians group and the ones of the other groups are in line with the global case.

As regards, “the housing market bubble”, we notice another particular feature: in all the groups, except the Euro Area, the most important option is the “key role” one. Indeed, in the Euro Area, we observe the peak of the distribution in the “important role” field.

The US and the Other America groups have a different feeling towards “the misleading quantification (by rating agencies) of derivative instruments’ counterpart and liquidity risks”. In fact, differently from other areas, in these two zones the “key role” field is the one with the highest number of choices. So, in America the economists that we interviewed consider the role of the rating agencies of primary importance.

Another important feature that we want to underline is the approach of the US economists of this survey towards the moral hazard. We notice that the distribution of answers to the question on “the moral hazard by the mortgage formerly state owned insurers (i.e. Fannie Mae, Freddie Mac)” has a higher mean in comparison with the other areas. This fact implies that the economists of this zone give a great emphasis to the behaviour of these financial institutions.

Probably, they attribute a higher vote because they have directly experienced the consequences of such behaviour.

Looking at the distributions of answers, the Asia and Oceania group attributed a higher importance to four factors in comparison with the global mean. Indeed, in this area the “easy monetary policy by the Fed in the early 2000s”, the “moral hazard by the mortgage formerly state owned insurers (i.e. Fannie Mae, Freddie Mac)” and the “moral hazard by financial/insurance firms too big to fail (i.e. Bear Stearns, AIG)” show higher percentage in the “key role” field. The “too aggressive earning policy by bank and financial system management” factor got the highest percentage of votes in the “key role” field, differently from the global mean. On the other hand, respondents of this area attributed a lower degree of importance to “the fragmentation (among various authorities) of the surveillance system in the US” factor (see the Appendix B for further data).

The Emerging Europe group also provides different results. “The fragmentation (among various authorities) of the surveillance system in the US” and the “low capitalization of banks and financial intermediaries with respect to the risks taken by them” factors have a lower degree of importance in comparison with the global results. “The misleading quantification (by rating agencies) of derivative instruments’ counterpart and liquidity risks” is only an important factor and not a key factor, as recorded in the global mean. The “too aggressive earning policy by bank and financial system management” factor shows a division of the respondents between the “key role” and the “some role” options, while in the global mean is the “important role” field that got the highest percentage. The group undoubtedly gave less importance to the “moral hazard by the mortgage formerly state owned insurers (i.e. Fannie Mae, Freddie Mac)” factor, while the result is mixed for the “moral hazard by financial/insurance firms too big to fail (i.e. Bear Stearns, AIG)” factor. Indeed, in this last case, the group shows the highest percentage in both the “some role” and “key role” fields.

The answers of the Euro Area group are in line with the global averages. There is only a slightly different view about “the misleading quantification (by rating agencies) of derivative instruments’ counterpart and liquidity risks” factor. The Euro Area equally divided the votes between the “important role” and the “key role” fields, while the global mean shows a clear dominance of the “key role” option. These are little differences, but they are in any case important to understand the different feelings.

The results calculated for the Other America group are in line with the global perception, except for the “low capitalization of banks and financial intermediaries with respect to the risks taken by them” factor that has received the highest percentage of answers in the “key role” field, while in the global mean the “important role” is the preferred option.

In the UK and Scandinavians group the “easy monetary policy by the Fed in the early 2000s” factor shows a higher percentage in the “key role” field in comparison with the global situation. This is the only case in which respondents have attributed a higher role to the factors we proposed in comparison with the global mean. Indeed, this group attributed a lower degree of importance to “the fragmentation (among various authorities) of the surveillance system in the US” and to “the misleading quantification (by rating agencies) of derivative instruments’ counterpart and liquidity risks” factors. Moreover, it seems that the

economists of this area are more prudent about the role of the moral hazard (see the percentages of the last two factors) in contributing to the crisis.

At the end, the respondents from the USA showed perceptions in line with global mean. There are only limited differences. For example, we can mention the reduction of the percentage of the “key role” option for the “easy monetary policy by the Fed in the early 2000s” factor or, on the other hand, the higher percentage of the “key role” field for the moral hazard factors in comparison with the global results.

3.2 – The length of the crisis

After the factors that contributed to the crisis, we asked a judgment on its length. Figure 4 shows the total distribution. Not considering, for the moment, the “I don’t know” option, a very clear result emerges from the answers. About the 60 per cent of the respondents, thinks that the crisis will probably end during the second half of 2009 (28.20 per cent) or during the first half of 2010 (31.97 per cent).

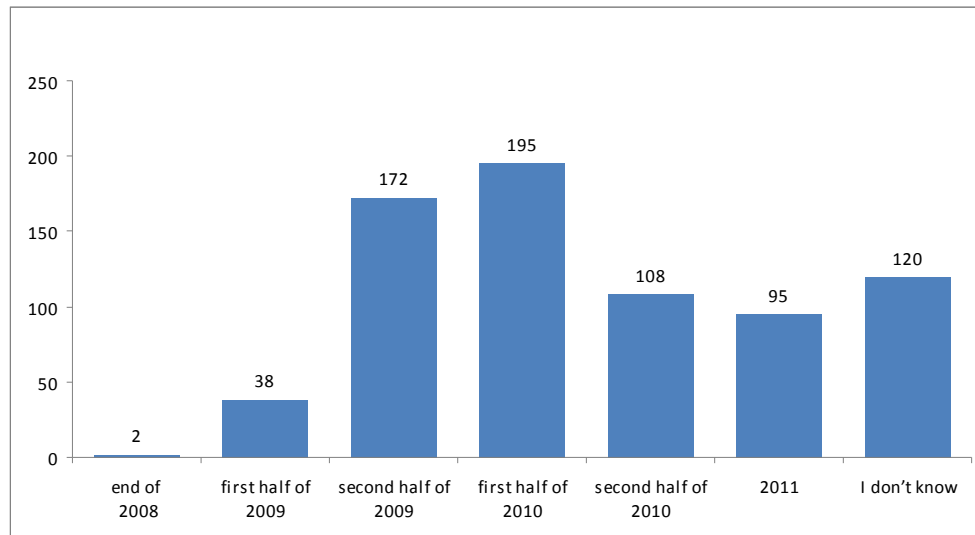


Figure 4: The distribution of the answers for: “In your view, the crisis will end (or a normal financial situation will be restored) by”.

But, we can also notice that a percentage slightly below the 50 per cent think that the crisis will end in 2010 (“first half of 2010”: 31.97 per cent, “second half of 2010”: 17.70 per cent). At the same time, the 34.75 per cent of the respondents chose the first three options: according to these economists, the crisis will end before the end of 2009. Finally, the 15.57 per cent thinks that a normal situation will be only restored in 2011.

So, in sum, the respondents think that the crisis will last at least for one more year. Besides, the 15 per cent of the respondents think that the crisis will last for two years. In any case, the scenario that emerges from these data it is not so comforting.

The regional analysis underlines two main features. The respondents of the Emerging Europe group are the most optimistic among the economists we

interviewed. Indeed, more than the 60 per cent of the respondents of this area think that the crisis will end in 2009. The 18.75 per cent of these economists chose the “2011” field, but the distribution of the answers of this area is very different from the others. Probably they are more optimistic because in this area the economic growth is very strong and they think that these economies will only experience a reduction in the speed of their growth.

On the other hand, the most pessimistic economists live in the Asia and Oceania and in the UK and Scandinavians groups. In the first group about the 78 per cent chose the last three options (“first half of 2010”, “second half of 2010”, “2011”) and about the 23 per cent chose the last one (“2011”). So, their perception is that the crisis will be more prolonged than the other economists expect. In the UK and Scandinavians group the situation is very similar. About the 72 per cent chose the last three disposable options and about the 25 per cent chose the last option (“2011”). So in these two areas it emerges a higher degree of pessimism.

In the remaining regions, as one can see observing Figure 5, the distribution is very similar to the global mean.

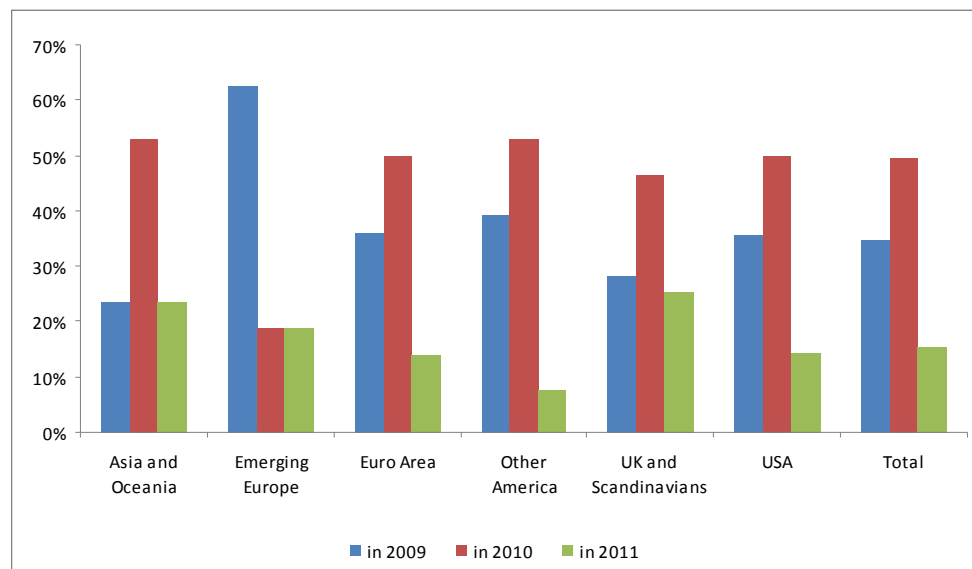


Figure 5: The end of the crisis, the distribution of the answers in the different areas.

3.3 – Question 2: Measures to fix the crisis

The second question is focused on the possible measures that the policy makers can adopt in order to fix the crisis. We propose eight options. Three options show a distribution with a high percentage in the “important role” and the “key role” fields (see Appendix B for more data). Indeed, the respondents think that the “public capital injection into banks (public recapitalization)” has a crucial role. More than the 60 per cent have chosen the “important role” (38.72 per cent) and the “key role” (23.50 per cent) options and the factor have a mean value of 3.69. We get a very similar result (57.60%, composed by a 35.87 and a 21.73 per cent respectively for the “important” and the “key role” option) for “the liquidity

pumped into markets by Central Banks” (3.63). The third important measure is the “extensions of the deposit assurance by Governments” with an average value of 3.41. In this case the 48.11 per cent of the respondents think that this can be an important or a key measure. And there is a 31.54 per cent that thinks that such a measure can have “some role” in order to fix the crisis. In sum, these three options are considered as the most important ones in order to mitigate the effects of the crisis.

“The institution of a clearing house by Central Banks for interbank markets” could be a positive measure according to a score of 3.21. The 12.83 per cent of the respondents think that this action can have a “key role” for fixing the crisis. At the same time, the “some role” and the “important role” options show high percentages, respectively the 32.50 and the 27.83 per cent. So, the institution of a clearing house for the interbank markets is considered important but not so basic. We get a similar result (3.26) for “The Fed Commercial Paper Funding Facility (CPFF) to buy commercial papers” measure. In this case, the “some role”, the “important role” and the “key role” options respectively show respectively the following percentages: 37.85%, 31.38% and 10.00%. These two measures have not a strong positive support in those who responded.

The average result is ever worse (2.90) for “the US Toxic Assets Relief Project (TARP) to buy toxic assets” option. The percentages of the “some role”, “important role” and “key role” fields are 34.42%, 21.42% and 7.98%.

With a mean of 2.83, “the institution of supranational funds for Europe and Asia countries” received a not so high consensus among our interviewees. We observe the highest percentages in the “some role” and in the “marginal role” fields (29.43 and 33.50 per cent). Also the “temporary bans on short sales of financial stocks” (2.31) option is rejected by economists. Indeed, the fields that show the highest percentages are the “marginal role” and the “no role”. In this case, the 33.33 per cent of the economists chose the “marginal role” field and the 28.95 per cent chose the “no role” option.

Summarizing, according to our respondents, these last three measures are not considered useful for the mitigation of the ongoing crisis.

An interesting feature for the “public capital injection into banks (public recapitalization)” option emerges looking at the USA and UK and Scandinavians groups. The first group is denoted by a mean value of 3.55 (one of the lowest) while the second one by a mean of 3.96 which represents the highest value.

A similar difference in mean values there is in the role of the “extensions of the deposit assurance by Governments” between the Euro Area and the United States with the first group strongly supporting this measure respect the second one (3.68 against 3.26). Moreover, the Euro Area distribution show a peak in the “important role” field while, in the USA, the “some role” option has the highest number of votes.

Very interesting is also the average agreement showed by “the US Toxic Assets Relief Project (TARP) to buy toxic assets” measure in different areas. The area that registered the lowest mean value is the USA area with a 2.74, closely followed by the Asia and Oceania with 2.77. Other areas registered higher value with the highest mean for the Other America group (3.26). It is curious to note that the economists living in the area in which the Government has implemented this measure believe that it is not useful.

Another difference between the Euro Area group and the USA and UK and Scandinavians groups could be individuated for “temporary bans on short sales of financial stocks”. The Euro Area group with a mean value of 2.68 seems to give some role to this measure while the other two groups judged it of marginal role, 2.05 for the USA and 2.18 for the UK and Scandinavians. Furthermore, examining the distributions we notice that in the USA and in the UK and Scandinavians groups the “no role” field obtained the highest number of votes. Finally, the USA and the Euro Area show a sort of divergence on valuing “the institution of a clearing house by Central Banks for interbank markets”: 3.02 for the first and 3.50 for the latter. But there is another particular feature: we can notice that in the USA the majority of the respondents chose the “I don't know” field. This means that in this group the economists have a high degree of uncertainty about this subject.

For answers' distribution, the Asia and Oceania group judged that the liquidity pumped by Central Banks into markets can have only “some role” in fixing the crisis. They have a less degree of confidence towards this measure than the one showed by the global mean. At the same time these respondents are more sceptical about the usefulness of the Fed CPFF. Indeed, the “marginal role” option shows a higher percentage in comparison with the “important role” one. The feeling towards the utility of a clearing house for interbank markets is equally doubtful (the “marginal role” option shows the highest percentage). As regards “the extensions of the deposit assurance by Governments and the institution of supranational funds for Europe and Asia countries”, the group is more confident in the effectiveness of these tools.

The respondents of the Euro Area group attribute more attention to the “extensions of the deposit assurance by Governments”. In fact, in this case the “important role” is the first option (38.86 per cent), while the “some role” option is the first in the global mean. At the same time, they seem to have more confidence in the effectiveness of “temporary bans on short sales of financial stocks” and on the role of the “institution of a clearing house by Central Banks for interbank markets”.

A higher level of scepticism about the usefulness of the FED CPFF is registered for the Emerging Europe group. One can draw the same conclusion about the role of “temporary bans on short sales of financial stocks”. In this case the “some role” option shows a higher percentage in comparison with the global mean (31.58% vs. 20.20%). Finally, there is a not so clear feeling towards the TARP. Indeed, in this case the first option chosen by the respondents is the “marginal role”, while the second one is the “important role”. So, the result leads to a mixed interpretation. But, it is important to remember that the number of the respondents is not very elevated in this group. So, these data are not as robust as in the other areas.

For the USA, as regards the TARP, the distribution of the answers is similar to the global case but the “marginal role” field shows a higher percentage (29.37% vs. 24.52 %). Another sign of how the USA sample is more pessimists about the results of this plan. At the same time, the US respondents have no confidence in the role of the *temporary bans on short sales of financial stocks*. Indeed, in this case the first option is the “no role” field that shows a very elevated percentage (38.71 %). The other results are in line with the global mean.

In the Other America group we find different features. For example, according to the economists of this zone the *public capital injection into banks* has a “key role” in order to fix the crisis. The “key role” option shows a very high percentage (35.59 %). At the same time, we observe the same positive feeling towards the Fed CPFF, the Toxic Assets Relief Project and the role of the liquidity pumped into markets by Central Banks. In all these cases the distribution attributes a higher weight to the “important role” and “key role” fields.

The respondents in the UK and Scandinavians group have a positive approach towards *the liquidity pumped into markets by Central Banks* (both the “important role” and the “key role” fields show higher percentages in comparison with the global mean) and towards the *FED CPFF* (the “important role” option get the highest percentage). Even in this case, as for the USA, the economists think that the *temporary bans on short sales of financial stocks* can have “no role” in order to solve the ongoing crisis.

3.4 – Question 3: Measures to avoid the crisis occurring again

This question is focused on the possible choices and tools that the policy makers can use in order to avoid that a similar crisis will occur again.

The first measure we propose is the “regulation and supervision of the rating agencies by market authorities”. The mean value of 3.78 and the answers’ distribution (Figure 6) leaves no doubts. The “key role” option shows the highest percentage among all the options. This is an unquestionable result. More than the 60 per cent of the respondents chose the “important role” or the “key role” options. So, the economists think that the activity and the procedures of the rating agencies should be regulated by market authorities.

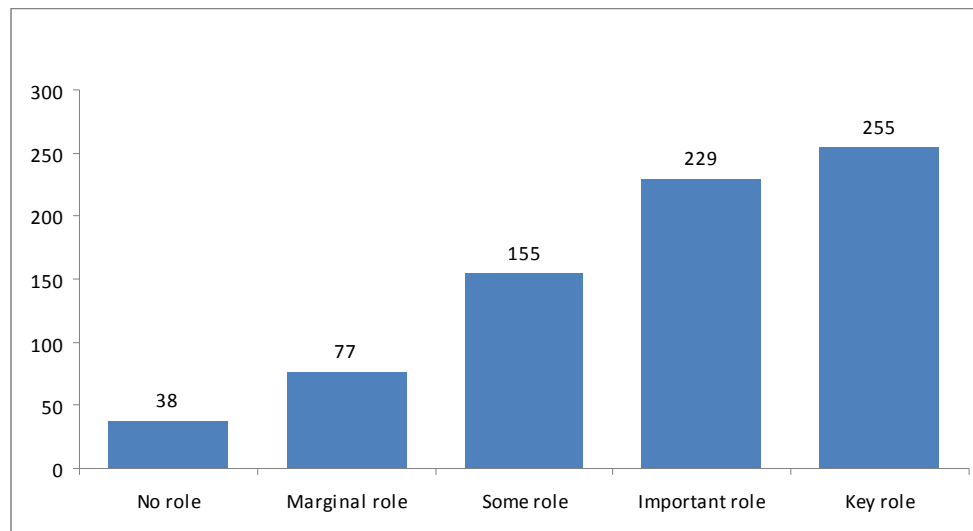


Figure 6: The distribution of the answers for: “*Regulation and supervision of the rating agencies by market authorities*”.

We get an even higher value, 4.10, for the second measure we proposed. Indeed, we asked if “more stringent capital and operational risk requirements for banks and financial institutions (Basel 3?)” are necessary to reduce the risks of future

crisis. More than the 70 per cent of the respondents have chosen the “important role” or the “key role” options, with the last showing the highest number of votes. So, even in this case the economists are unanimous: it is necessary to re-write the rules for banks and financial institutions.

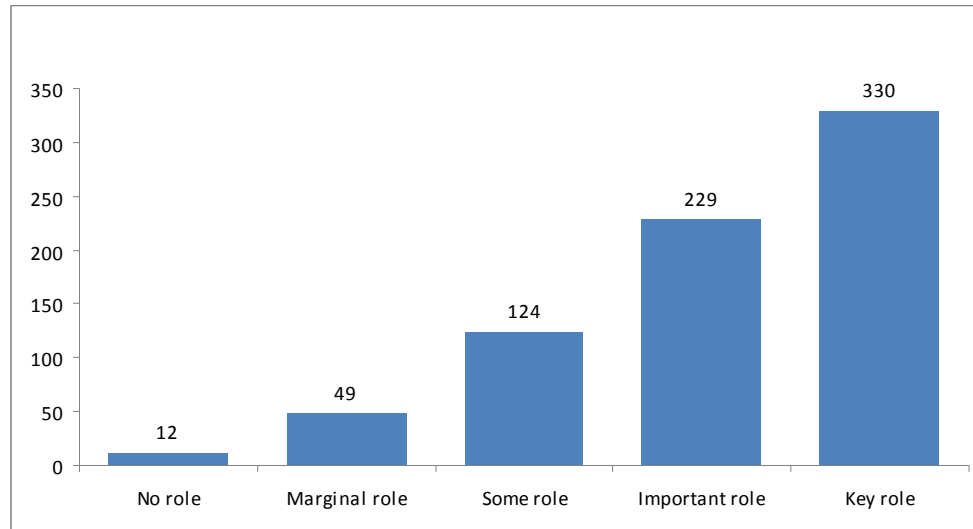


Figure 7: The distribution of the answers for: “More stringent capital and operational risk requirements for banks and financial institutions: Basel 3?”.

The economists have answered in a completely different way to the third measure we proposed. We asked if “introducing caps for compensations and bonuses for top managers and traders” can be a measure to avoid future crises. The respondents think that this measure is less useful. Indeed, more than the 48 per cent of the economists think that such a tool can have “no role” or only a “marginal role” in reducing the risks of future crises (the option has scored a average value extremely low equal to 2.69).

Regionally speaking, a little different approach in the “regulation and supervision of the rating agencies by market authorities” between the Euro Area group, on the one hand, and the USA and the UK and Scandinavians groups, on the other hand, is stressed by the mean values. The Euro Area group shows a more positive approach towards the regulation and the supervision (4.09) with respect to the USA (3.61) and the UK and Scandinavians (3.66). Furthermore, differently from the other areas, the UK and Scandinavians group shows a higher degree of uncertainty. Indeed, in this case, the “some role” option is the second one among the possible choices.

“Introducing caps for compensations and bonuses for top managers and traders” is another measure that reveals some difference among areas. In this case, we can recognize two opposite approaches. On the one side we have the USA and the Other America groups: in these areas the economists think that the caps play a marginal role (2.41 and 2.48). Moreover, if we examine the USA distribution, we notice that the “no role” option has the highest percentage. On the other side, the economists living in the Euro Area and in the Asia and Oceania groups consider that the caps can have “some role” (the mean is, respectively, 3.00 and

3.14). The other groups (the Emerging Europe and the UK and Scandinavians) show values between these two limits.

In the Asia and Oceania group, the distribution of the answers for the third measure (“introducing caps for compensations and bonuses for top managers and traders”) shows that the “some role” option is the most voted one, with the 29.69 per cent of the choices. We observe a similar result in the Euro Area (26.09%).

In the Emerging Europe group the situation is different. In this region the economists are more cautious about the role of the regulation of the rating agencies and about new requirements for banks and financial institutions. Indeed, in both the cases the “important role” is the favourite option. Moreover, the distribution is bell-shaped and this means that the economists have distributed the answers among all the options. So, the perception is that the Emerging Europe group is more prudent about these measures.

The Other America group shows a result similar to the Emerging Europe group for the regulation and supervision of the rating agencies. Also in this case the “important role” option shows the highest percentage (35.48%). The other distributions are substantially in line with the global ones.

For the UK and Scandinavians group, we observe a different distribution only for the first measure. In this case the distribution has two peaks. The “key role” field shows the highest percentage (34.04 %) but the “some role” option shows a very similar result (29.79%). So, the distribution highlights that this measure is significant, but this group of economists shows a higher degree of prudence in comparison with the other groups that we created.

At the end, in the USA there are no differences in comparison with the global situation.

3.5 – Question 4: Fed vs. market factors

The market factors get a higher preference in comparison with the FED monetary policy (58.97% vs. 41.03%). Summarizing the sample answers, we can say that the market factors have been more important in causing the subprime crisis in comparison with FED’s decisions. Bearing this result in mind, we can now show the result for each sub-field.

According to our expert survey, the first factor that caused the subprime crisis is the *housing market bubble* (19.71), the second is the *regulatory and surveillance policy* (17.58%), the third is the *financial firm’s management and rating agencies* (16.11%), the fourth is the *interest rate policy* (14.86%), the fifth is the excessive use of derivatives (13.10%), the sixth is speculator “*stressing*” *financial markets* (6.37%), the seventh is the *liquidity policy* (5.89%), the eighth is the *financial fear by retail investors* (3.68%) and the last is the *communication policy* (2.69%).

The regional results, divided as usual in six areas, are in line with the global ones. We sum up the results of the question in Table 1 and Table 2.

Table 1: The subprime crisis by area

Areas	The subprime crisis was caused by:	
	Federal Reserve monetary policy	Market factors
Asia and Oceania	46.61%	53.39%
Euro Area	44.92%	55.08%
USA	37.49%	62.51%
Emerging Europe	40.59%	59.41%
Other America	40.38%	59.62%
UK and Scandinavians	39.36%	60.64%
Total	41.03%	58.97%

The market factors get their highest percentage in the USA and their lowest percentage in the Asia and Oceania group.

Table 7 shows the second step of this question. There are five factors that show high percentages in all the regions. The housing market bubble factor has the highest percentage in three regions (the USA, the Emerging Europe and the UK and Scandinavians). Indeed, as we have just pointed out, this factor is the most important according to our sample. Another important factor is the regulatory and surveillance policy of the Fed. This option is the first in two regions, Asia and Oceania and Euro Area, and in the other areas shows high percentages. The financial firm's management and rating agencies factor is the most preferred choice in the Other America group. Another important factor is the interest rate policy that shows a high percentage in all the six groups. The last important factor is the excessive use of derivatives that has a very homogeneous percentage among groups. So, according to our expert survey, these five factors were the most important in determining the subprime crisis. They are always seen as the most crucial factors in destabilizing the mortgages market.

Table 2: The subprime crisis by factors and areas

Areas	Federal Reserve				Market factors				
	Interest rates policy	regulatory and surveillance policy	liquidity policy	communication policy	housing market bubble	financial firm's management and rating agencies	excessive use of derivatives	speculators "stressing" financial markets	financial fear by retail investors
Asia and Oceania	15.90%	19.36%	6.68%	4.67%	16.43%	13.46%	14.59%	4.87%	4.04%
Euro Area	16.63%	18.17%	7.06%	3.06%	16.77%	14.33%	13.02%	7.86%	3.09%
USA	13.61%	17.13%	4.89%	1.85%	22.45%	16.96%	13.60%	5.83%	3.67%
Emerging Europe	12.43%	17.13%	6.38%	4.65%	17.90%	16.50%	13.15%	7.26%	4.60%
Other America	14.14%	17.75%	5.42%	3.07%	16.94%	17.98%	12.71%	7.32%	4.68%
UK and Scandinavians	15.38%	16.54%	5.16%	2.28%	22.18%	17.99%	11.40%	5.10%	3.97%
Total	14.86%	17.58%	5.89%	2.69%	19.71%	16.11%	13.10%	6.37%	3.68%

The other factors have a marginal role. Indeed, the above mentioned five factors show percentage above 10 per cent in all the zones, while the other four have percentage below 6.5 per cent. The regional results are in line with the global mean, and so, we can draw the conclusion that the economists have a precise idea about the causes of the subprime crisis. This can be useful in order to re-write the regulation of this sector.

3.6 – Question 5: How do you agree?

As mentioned above, in this section of the survey we asked to our interviewees to indicate how much they agree with five statements we proposed.

The first statement is: “the policy makers have to rescue the markets and consumers confidence using ALL the possible tools (fiscal stimulus, bail out and nationalizations)”. In other words, we want to know how much the economists agree on the policy makers’ intervention, even using extremely tools as fiscal stimulus, bail out and nationalizations. The distribution of the answers shows a positive feeling towards a more intrusive activity of the policy makers (Figure 8), a result confirmed also by the mean value equals to about 60%.

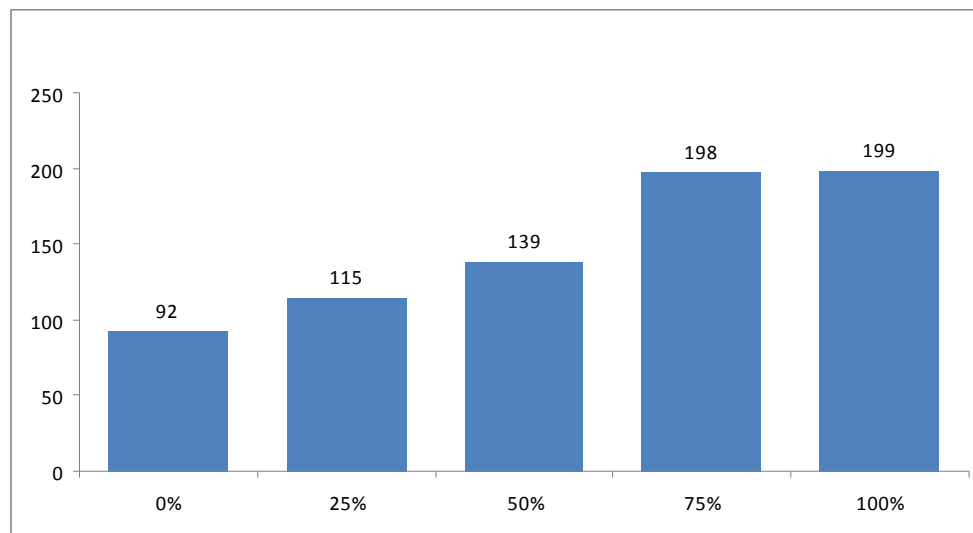


Figure 8: The distribution on how much agreement there is for: “*The policy makers have to rescue the markets and consumers confidence using ALL the possible tools (fiscal stimulus, bail out and nationalizations)*”.

The “75%” and the “100%” options represent more than the 50 per cent of the respondents. So, in this case there is a global tendency in supporting the intervention of the policy makers. The severity of the crisis leads the economists to accept all the possible tools as fiscal stimulus, bail out and nationalizations by the policy authorities: the hard public intervention is fundamental in order to re-establish the confidence.

We have a not so different situation (see Figure 9) for “the bankruptcy of firms is fundamental to “clean” the financial market from “bad” firms” statement. The interviewed economists demonstrate a positive feeling also towards this assertion,

with a mean of 60.29%. More than the 50 per cent of the respondents chose the “75%” or the “100%” fields. But in this case we have to notice that the “75%” field shows the highest percentage (29.69%) and that the “50%” field collects the 24.63 per cent of the choices. There is a positive attitude toward this statement but the respondents appear more prudent in comparison with the previous statement’s distribution.

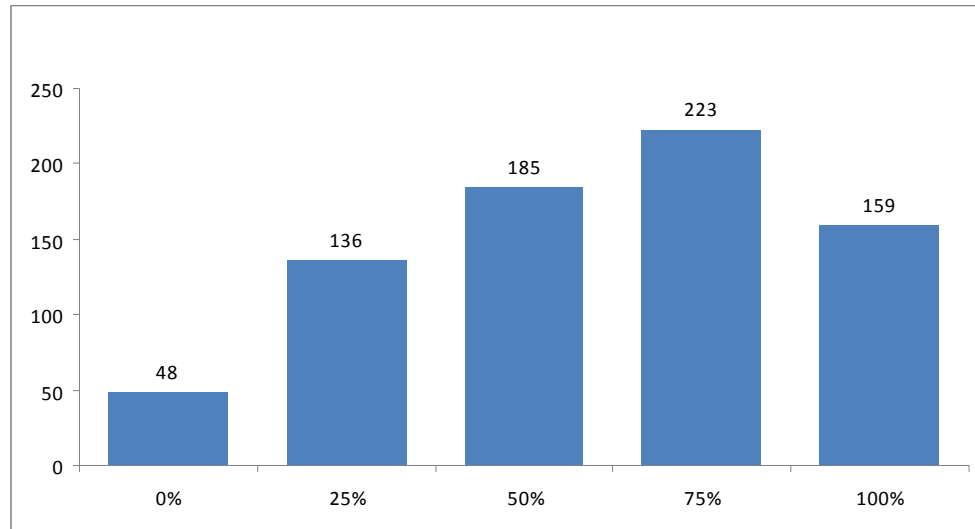


Figure 9: The distribution on how much agreement there is for: “*The bankruptcy of firms is fundamental to clean the financial market from bad firms*”.

The third proposed statement is similar to the previous one, but it is focus on the Lehman Brothers bankruptcy. We want to know if, according to the economists we contacted, “the bankruptcy of Lehman Brothers has worsened the credit market confidence”. The option registered a high average agreement of 66.99% and its distribution differs from the one of the two preceding answers (Figure 10). The “75%” field shows the highest percentage, but after this option we find the “100%” field. These two options collect the 60 per cent of the choices. We observe a very low number of answers in the “0%” field. In this case the interviewed economists have showed a higher degree of homogeneity. It is wise to affirm that, according to the majority of the respondents, the bankruptcy of Lehman Brothers has probably worsened the confidence of the market.

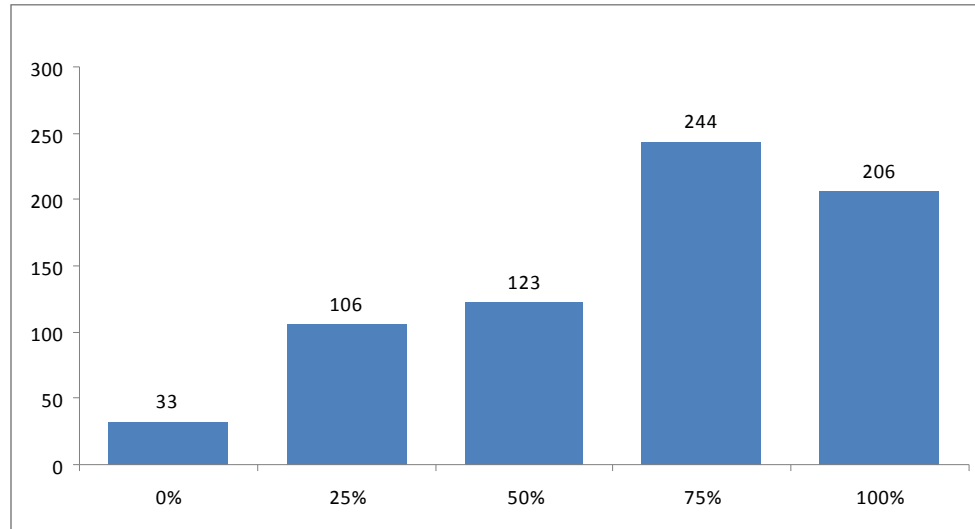


Figure 10: The distribution on how much agreement there is for: “*The bankruptcy of Lehman Brothers has worsened the credit market confidence*”.

In addition, we proposed another question on Lehman Brothers. We asked if “the US policy authorities should have prevented the collapse of Lehman Brothers”. The statement registered the lowest mean value (41.71%) and has, for the first time, a different distribution (see Figure 11). The “0%” and the “25%” fields collect more than the 51 per cent of the choices. Moreover, the 6.37 per cent of the (total) economists chose the “I don’t know” option. So, it seems that the economists do not agree with this statement.

As a consequence, as we have just noticed, the economists think that the Lehman Brothers bankruptcy damaged the confidence of the market, but showed a high degree of agreement recognizing that the authorities did the right thing when they did not prevent the collapse of the investment bank.

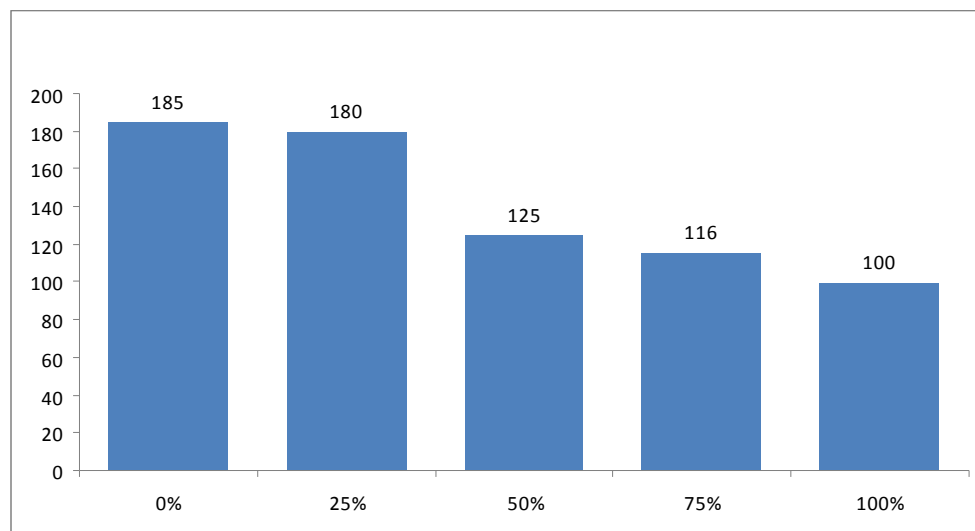


Figure 11: The distribution on how much agreement there is for: “*The US policy authorities should have prevented the collapse of Lehman Brothers*”.

The last statement is focused on the relationship between private and public sectors. We wanted to know how much agreement there is in “avoiding the private sector cashing the profits upfront and the public sector bearing the financial risk (financial distress) ex post”. The result is very clear, 77.79% agrees on the statement. About the 50 per cent of the economists chose the “100%” field. This is the highest percentage among the five statements we proposed in this section. The distribution shows very low percentages for the “0%” and “25%” fields. But a particular feature of this question is that the “I don’t know” field reaches a very high percentage: 14.15 per cent of the total respondents. In sum, in this case a large majority agrees with the statement, but also an important number of respondents did not express a preference.

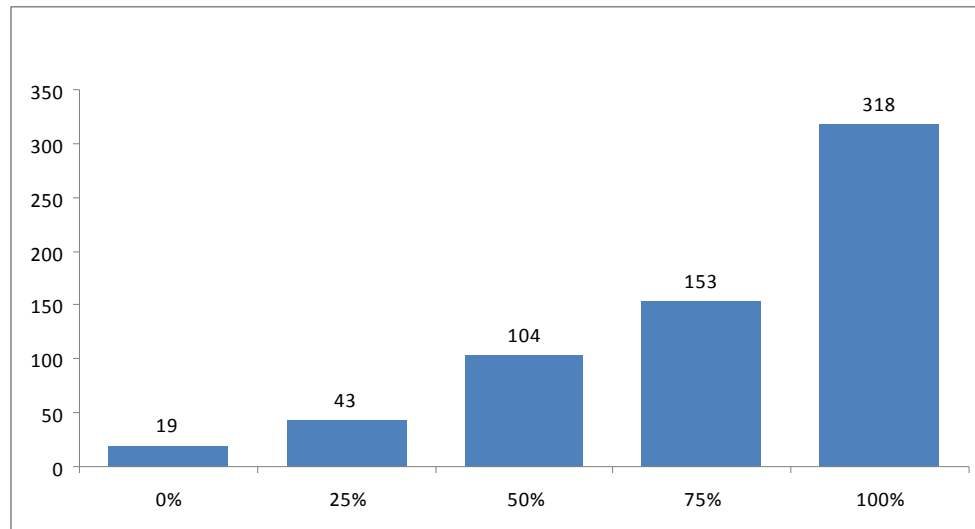


Figure 12: The distribution on how much agreement there is for: “*Avoiding the private sector cashing the profits upfront and the public sector bearing the financial risk (financial distress) ex post*”.

This is the analysis of the global situation. The regional analysis shows some interesting results (see the appendix for more data).

For mean values, substantial differences emerge between the Euro Area and the USA. The economists of the first group gave a higher vote to the first (the use of ALL tools) and the third (the role of the Lehman Brothers bankruptcy in worsening the credit market confidence) statements, 64.27% and 72.49%, in comparison with the US economists, 54.63% and 62.50%. The contrary is true for the second (the bankruptcy of firms is fundamental to “clean” the financial market from “bad” firms) and the fourth statements (the US policy authorities should have prevented the collapse of Lehman Brothers). In these cases, the Euro Area shows a sort of indecision (respectively 53.99% and 52.31%) in contrast with a broad agreement of the USA group (64.24% and 36.18%).

For the statements about the rescue of the Lehman Brothers, in general, we have that all the six areas seem to be divided on two sides. On the one hand there is the “USA side”, that is contrary to an intervention by authorities, in which there are the Asia and Oceania (36.90%), the Emerging Europe (27.63%) and the UK

and Scandinavians (36.47) groups. Opposed to this side there is the “undecided group” composed by the Euro Area and by the Other America (49.09%).

Some differences emerge also for distributions. For example, the Asia and Oceania group is more prudent about the role of the Lehman Brothers bankruptcy in worsening the credit market confidence. Indeed, the “25%” and the “50%” options collect the same votes of the “75%” and “100%” fields. This is a particular feature of this group.

In the Emerging Europe group the distribution of the answers to the first statement shows a different trend. Indeed, we observe the peak in the “50%” field (31.58%). Moreover, a substantially equal number of economists chose the “0%”-“25%” options and the “75%”-“100%” fields. So, there is not a clear approach towards this statement. The economists of this zone did not have a unanimous agreement about the interventions of the policy makers.

In the Euro Area there are two results that are not in line with the global mean. The first difference is the distribution of the answers to the second statement. In this case the Euro Area economists did not show a unanimous feeling towards the bankruptcy of firms. More than the 30 per cent of the respondents chose the “0%” or the “25%” fields. Furthermore, the “50%” field shows the highest percentage (28.17%). So, the result is very different from the one obtained with the global view. The second difference is in the distribution of the answers to the fourth statement. The respondents do not reveal a clear preference. The percentages of the fields (we do not consider the “I don’t know” option) are all very similar and there is not a well defined shape of the distribution. So, we can draw the conclusion that the Euro Area economists do not precisely indicate if the *US policy authorities should have prevented the collapse of Lehman Brothers*.

The Other America group shows many particular features. First, the distribution of the answers to the first statement is different in comparison with the global aggregate. Indeed, in this case the “75%” field shows the highest percentage. But the final result is substantially the same: the policy makers have to rescue the markets and consumers confidence using all the possible tools. On the other hand, these economists show a very precise feeling towards the role of the bankruptcy of Lehman Brothers. Indeed, in this case the “100%” field shows the highest percentage and none of the respondents chose the “0%” option. As a consequence, we can affirm that the economists of this group firmly believe that the bankruptcy of Lehman Brothers has worsened the credit market confidence. The last different result is also linked with Lehman Brothers. The respondents do not reveal a clear preference when we ask if the *US policy authorities should have prevented the collapse of Lehman Brothers*. The “25%”, “50%” and “75%” options show the same percentage. Moreover, the “0%” and the “100%” fields substantially have the same percentages (23.64% vs. 21.82%). As a consequence, in this case it is impossible to draw any kind of conclusion about the thought of the economists with respect to this issue.

The distribution of the answers of the economists from the USA is in line with the global distribution that we have analysed in the previous pages. There is only a specific feature with respect to the first statement (“the policy makers have to rescue the markets and consumers confidence using ALL the possible tools (fiscal stimulus, bail out and nationalizations)”). It seems that these respondents are more prudent in comparison with other zones. Indeed the “0%” and the “25%”

fields show a higher percentage in comparison with the global value, while the other three fields show a lower percentage. As a consequence, the USA mean is lower than the global one (54.63% vs. 59.99%) and so our perception is that this group of economists has a lower predisposition towards the state intervention. The UK and Scandinavians group shows results in line with the global mean.

3.7 – Question 6: The monetary policy of FED and ECB judged

To give a judgment of the monetary policy of the European Central Bank and of the Federal Reserve, we asked to judge four different aspects of the monetary policy of the two above mentioned central banks: 1) the interest rate policy; 2) the regulatory and surveillance policy; 3) the liquidity and bailout policy; and 4) the communication policy. In the Table 3 we summarized all the results obtained.

Table 3: Judgment of the Federal Reserve and of the European Central Bank by area and aspects

Areas	interest rate policy		regulatory and surveillance policy	
	FED	ECB	FED	ECB
Asia and Oceania	58.90%	54.81%	42.37%	53.06%
Emerging Europe	58.75%	58.75%	36.84%	57.89%
Euro Area	55.28%	51.77%	37.23%	52.25%
Other America	64.90%	55.36%	43.00%	49.38%
UK and Scandinavians	62.35%	54.69%	41.99%	49.67%
USA	58.83%	45.78%	39.81%	43.52%
Total	58.83%	51.32%	39.69%	49.61%

Areas	liquidity and bailout policy		communication policy	
	FED	ECB	FED	ECB
Asia and Oceania	52.16%	57.69%	45.67%	53.26%
Emerging Europe	54.17%	59.21%	52.63%	60.53%
Euro Area	55.86%	61.39%	47.27%	48.91%
Other America	61.82%	61.59%	52.08%	52.78%
UK and Scandinavians	60.06%	58.64%	55.38%	52.30%
USA	53.45%	52.44%	44.85%	44.24%
Total	55.63%	58.11%	48.00%	49.21%

The data highlight some important differences about the perception of the policies carried out by the two central banks. The interest rate policy by the Federal Reserve *dominates* the policy by the ECB. One possible explanation is that the economists appreciate the rapidity and the magnitude of the FED intervention while, on the contrary, they do not appreciate the (first raising and the following) slow and delayed easing of the interest rate policy by the ECB. Besides, the Euro Area economists evaluate the FED interest rate policy better than the ECB one. As regards the interest rate policy, the only exception is the Emerging Europe group with an equal value for the interest rate policy of both the Central Banks. Finally, this is the aspect in which the FED gets its highest vote.

For the regulatory and surveillance policy, the ECB get a higher vote in all the areas. Even the USA economists consider the ECB better than the FED in this aspect of their monetary policy. The mean of the total sample stresses a very big difference between the FED and the ECB, and this is the sector in which the FED gets its lowest mark.

A not so sharp difference between the two central banks emerges for the liquidity and bailout policy. Indeed, the ECB shows higher percentages in three zones. In the other three areas the FED gets a better result, but, at the end, the difference is very little. For this aspect the ECB gets its highest mark. So, according to the economists that we interviewed, the liquidity and bailout policy of the ECB has been particularly efficient.

With respect to the communication policy, the ECB gets a higher global mean in comparison with the one of the FED, although the difference is not sharp. In this case the ECB gets a higher mark in four areas. The FED wins in the USA but the difference is very limited. Considering all the respondents the differences between the two Central Banks for the communication policy is the lowest among the four policy monetary aspects analyzed.

Table 4 shows the global judgment of the monetary policy of the two Central Banks for the different areas examined.

Table 4: Global judgment of the Federal Reserve and of the European Central Bank monetary policies by area

Areas	FED	ECB
Asia and Oceania	49.77%	54.71%
Emerging Europe	50.60%	59.10%
Euro Area	48.91%	53.58%
Other America	55.45%	54.77%
UK and Scandinavians	54.95%	53.83%
USA	49.23%	46.50%
Total	50.54%	52.06%

The global judgment is obtained as mean of the four aspects discussed above.

The ECB got a higher vote in comparison with the FED in three areas (Asia and Oceania, the Euro Area and Emerging Europe). On the contrary, the Fed won in the other three areas (the USA, Other America, UK and Scandinavians). The ECB and the FED got a higher vote in comparison with the other central bank in their own region. So, the nations where the central banks operate appreciate the overall monetary policy of their own central bank. The ECB got a mean above 50 per cent in all the zones, except for the USA, while the Fed got a mean below 50 per cent in three regions, including the USA.

The global mean is above 50 per cent for the two central banks, but the ECB got a higher score.

3.8 – Question 7: Due to the financial crisis ...

As mentioned above in Section 2, unfortunately we committed an error in constructing the question. “Sorry - couldn't make sense of this question (or, rather, of the percentage scoring mechanism)” is a comment of one of our respondents and summarize in a good way the error. It lies just in the percentage scoring that we wrongly limited upper to 100 and does not make possible an aggregation of the answers. However a good number noted the error and then we have decided to analyze these correct answers.

Table 5 reports the mean value of percentages for the entire sample and the following areas: Euro Area, USA and UK and Scandinavians⁹.

Table 5: Agreement on the consequences due to the financial crisis by areas

	state intervention in the economy will grow	the structure of international trade will not change	the rate of development of emerging economies will decrease	the role of the dollar as a reserve currency will continue	the international effort to fight global warming will slow down
Euro Area	78.28%	44.48%	58.04%	53.28%	71.55%
UK and Scandinavians	85.68%	52.23%	70.45%	66.59%	66.14%
USA	79.69%	47.55%	63.65%	71.04%	58.72%
Total	80.10%	49.47%	61.53%	62.44%	63.48%

According to our expert survey, due to the financial crisis the “state intervention in the economy will grow” almost certainly with a scored mean value of about 80%. In particular, the UK and Scandinavians areas showed the highest value (85.68%), while the Euro Area and the USA registered similar values.

On the contrary, there is high uncertainty about the change of “the structure of the international trade” with values around 50%. But analysing the data we can draw the conclusion that, presumably, the Euro Area and the USA expect some, though small, changes.

⁹ We do not take into account other areas, previously considered, because the error reduced the number of observations in such areas.

Fairly consistent views emerge looking at “the rate of development of emerging economies” that is considered declining in the near future. The most optimistic are the respondents of the Euro Area (58.04%) and the most pessimistic are the UK and Scandinavians economists (70.45%).

A mixed picture emerges on “the role of the dollar as a reserve currency”. There is a general, although not very strong, view that the Dollar will continue its role (62.44%), but it emerges the clearly difference between the Euro Area and the USA. The respondents seem to be very nationalistic. In the Euro Area the mean value (53.28%) is slightly above the value of the uncertainty (50%), stressing the growing importance of the Euro, while the second group agrees on the prominent role of the US Dollar also in the future (71.04%).

As regards “the international effort to fight global warming””, the majority of the economists expects a decrease in the efforts. In the Euro Area we find the most pessimistic view (71.55%) and in the USA the most optimistic one (58.72%). It is curious to notice that the Euro Area, the world leader in fighting the global warming, registers a so high value and that the USA, one of the few countries not yet signatories to the Kyoto Protocol, shows the best value. The level of investments and efforts, highest in the Euro Area and lowest in the USA, or an Obama-effect on the environmental policy of the American country could be some possible explanations of this strange result.

3.9 – Open questions

At the end of the survey, we proposed three open questions. It is impossible to reproduce all the answers. As a consequence, we indicate the global feeling of the respondents and, in order to give a direct perception of their feeling, we chose six of their sentences for each question. The first open question was focused on the approach of the Fed towards the US housing market: “do you think the Fed should have paid more attention to the US housing market bubble and should have tried bursting it in advance?” In this case, analysing the formulation of the sentences, we notice that the majority of our respondents gave a positive answer. In other words, they think that the FED should have operated in order to limit the growth of the bubble. The result is plain, but we decided to show three positive and three negative answers. In this way we also show the criticisms towards this vision. Obviously, we have tried to choose the most representative sentences in our view. The three positive answers we chose are: 1) “Yes. The Fed should have realized that it was creating a bubble with excessively loose monetary policy during the first part of the decade. Having gotten burned with the burst of the stock market bubble in 2000, the “dumb money” flowed into housing, with low interest rates encouraging the flow”; 2) “Yes, if you look at the evolution of housing prices in the last couple of years, they should have known a crash was coming and acted upon it by tightening credit and increasing checks on the loan policies of the commercial banks”; and 3) “Yes. They continued to ignore the housing bubble and forecast that it would be separate from the rest of the economy. From summer 2007 until March 2008 they continued to deny the effect it would have on the rest of the economy”.

The three negative answers are: 4) “I am not sure it was responsibility of the FED. I think FANNIE and FREDDIE are de facto federal agencies and they

should have had more careful underwriting standards”; 5) “Not the housing bubble specifically. The Fed should not have been engaged in trying to manage the real side of the economy through monetary policy. Ultimately, all the Fed can control is inflation, and its attempt to use monetary policy as a short-run tool to soften the recession was harmful”; and 6) “No – the problem began with changes imposed on the banking industry by the Carter and Clinton administrations. The Fed could do little in the early years of this decade, when actions should have been taken, because of the economic weakness at that time”.

We follow the same approach with the second open question: “what do you think about the international coordination among central banks in response to the credit crisis? Do you think it would be desirable to extend the coordination also to normal conditions?”. Even in this case a very large majority of the respondents gave a positive answer. There is a wide positive feeling towards a more degree of coordination among central banks. But there are many sceptics about the usefulness of the coordination during normal economic periods. As done before, we chose three positive and three negative answers: 1) “The coordination among central banks is crucial, not only in extreme cases (a financial crisis), but in normal economic conditions”; 2) “I think the banks should have coordinated sooner and be clearer. Most should have followed the British example. I think coordination is good and should be extended to normal circumstances”; 3) “International coordination among central banks will solve some problems, but present managing this situation by central bank was quite sufficient. To extend the coordination for normal conditions, depends on circumstances”; 4) “Rather not. Each central bank should be as independent from the others as possible. Coordination can be a good thing in extraordinary times, but should not be extended to normal condition. In normal times the markets work for themselves”; 5) “The international coordination seems to be a signal to the general public that central banks are trying to solve the credit crisis rather than a solution itself. History suggests that international coordination is hard to sustain because of countries’ divergent interests”; and 6) “No, I don’t think so. If CBs have been a good cause of this crisis, imagine if they were coordinated”.

“What do you think about the possibility and feasibility of an international authority with surveillance and regulatory powers (not only a consulting role) on financial risks taken by the financial system?” is the third, and last, proposed open question. In this case we notice a general negative feeling. Indeed, a large part of the respondents think that this is a good thing in theory but that exist many difficulties to implement such an international authority. Moreover, there are many respondents that are completely adverse. They think that in this way the bureaucracy will be increased and that the financial world does not need more rules. In this case we propose twelve answers because the opinions are very different; we try to catch all these differences through a larger number of answers. 1) “I think it is inevitable and it will be extremely important going forward if we want to see a safe and sound international financial system”; 2) “I think that in a globalized economy, it is crucial to have coordinated economic regulation. I would welcome such efforts!”; 3) “Good idea. Markets do not regulate by it selves, as this crisis has been showing us”; 4) “Something along lines of the original Keynes Bretton Woods proposal would be desirable and could become politically feasible as depression persists”; 5) “This might be ideal, but is not

feasible. I think that national authorities could do better in surveillance of both domestic and international operations”; 6) “It would be very desirable but currently it is hardly politically feasible. Other countries will not allow the U.S.A. to dominate such authority. Whether the U.S.A. will join it if it does not dominate it is an open question – with respect to today’s presidential elections”; 7) “It would be a good idea, but I do not think it is feasible as some countries just enjoy the free ride”; 8) “Such an institution would be economically reasonable, but hardly feasible in reality. An alternative could be to empower World Bank or IMF with more functions”; 9) “No chance. I guess you have to be part of the EU to dream up something as potentially horrible as this”; 10) “Quis custodet custodem...?”; 11) “Truly idiotic. Communism is stupid enough within individual countries. Global communism would be disastrous for humanity”; 12) “It’s a bad idea. What is needed is (a) gold as a stable unit of account, (b) multiple possible media of exchange, (c) multiple possible media or redemption. Convertibility needs to be restored. Central bank should be phased out. It has been ruinous as the 20th century clearly shows”.

This is a very limited part of the answers that we received, but we think that they can reproduce fairly well the global feeling and the different thoughts that have emerged.

4 – Academics vs. non-Academics

Here we draw some differences between Academics and non-Academics (enterprises and journalists) respondents.

For the first question on “factors contributing to the credit crisis” some differences arise in judging the “easy monetary policy by the Fed in the early 2000s” for which non-Academics have attributed a higher importance as cause of the crisis (4.03 against 3.71). In addition, they give less importance to “the misleading quantification (by rating agencies) of derivative instruments’ counterpart and liquidity risks” (3.93 with respect to 4.25 of Academics) and to the “moral hazard by the mortgage formerly state owned insurers, i.e. Fannie Mae, Freddie Mac” (3.39 with respect to 3.65 of Academics).

Another difference emerges looking at the distribution of answers for the factor of “low capitalization of banks and financial intermediaries with respect to the risks taken by them”. Even if the mean value for the two groups is really close (3.84 for Academics and 3.81 for non-Academics), the two distributions are quite different (Figure 13). For Academics the “important role” is the most rated option with a record of about 40% of answers, a sign of good agreement in answers. While for non-Academics, the “some role” and the “key role” options have the same rate denoting a no broad consensus among them.

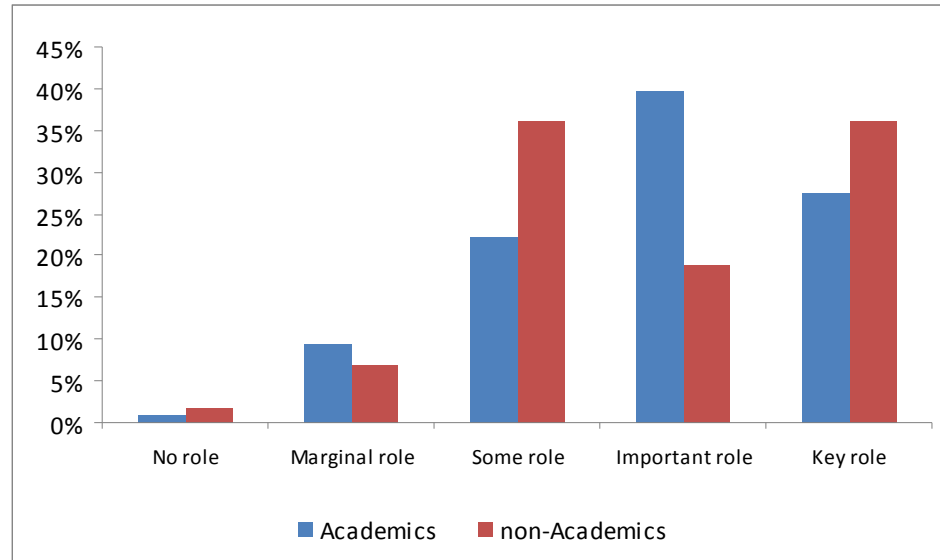


Figure 13: Distribution of answers for “low capitalization of banks and financial intermediaries with respect to the risks taken by them”.

Differences expand for the second and third question on the “measures to fix the credit crisis today” and “to avoid occurring again tomorrow”. As showed in Table 6, non-Academics, with respect to Academics, valued more important to fix the crisis the “public capital injection into banks (public recapitalization)”, the “liquidity pumped into markets by Central Banks”, the “Fed “Commercial Paper Funding Facility” (CPFF) to buy commercial papers” and the “US “Toxic Assets Relief Project” (TARP) to buy toxic assets”. On the other side, they judged less important the “temporary bans on short sales of financial stocks”, the “regulation and supervision of the rating agencies by market authorities” and “introducing caps for compensations and bonuses for top managers and traders”.

Asking who among the Fed and market factors had more contributed to the subprime crisis, Academics considered market factors predominant with respect to the Federal Reserve monetary policy (a mean value of about 60% against to about 40%). Thinks change for non-Academics for which the two factors are almost equally responsible (respectively about 52% and about 48%). This shift in judgment is due to the change in importance of the “interest rate policy” of the USA monetary policy authorities that is considered by non-Academics at par with the “housing market bubble” the first cause of the subprime crisis (for Academics the Fed monetary policy is considered the fourth cause after, for importance, the “housing market bubble”, “regulatory and surveillance policy” and “financial firm’s management and rating agencies”).

Table 6: Mean value for measures to fix the credit crisis today and to avoid occurring again tomorrow for Academics and non-Academics

Measures to fix the credit crisis today	Academics	non-Academics
Public capital injection into banks (public recapitalization)	3.65	4.10
The liquidity pumped into markets by Central Banks	3.60	3.95
The Fed “Commercial Paper Funding Facility” (CPFF) to buy commercial papers	3.22	3.70
Extensions of the deposit assurance by Governments	3.40	3.57
The US “Toxic Assets Relief Project” (TARP) to buy “toxic assets”	2.86	3.22
Temporary bans on short sales of financial stocks	2.34	1.93
The institution of supranational funds for Europe and Asia countries	2.85	2.62
The institution of a clearing house by Central Banks for interbank markets	3.22	3.06
Measures to avoid occurring again tomorrow	Academics	non-Academics
Regulation and supervision of the rating agencies by market authorities	3.81	3.37
More stringent capital and operational risk requirements for banks and financial institutions: Basel 3?	4.10	4.05
Introducing caps for compensations and bonuses for top managers and traders	2.72	2.34

Opinions among the two groups are not perfectly in harmony also for the collapse of Lehman Brothers (Question 5). Non-Academics showed a not clear signal if “the US policy authorities should have prevented the collapse of Lehman Brothers”. The mean value is around 50% contrary to a 40% for Academics that expressed a contrary opinion to the rescue of the financial firms. The indecision of non-Academics is also pointed out by the distribution of answers that for each option showed an almost equal percentage of answers. Finally, the two groups are in line in saying that “the bankruptcy of Lehman Brothers has worsened the

credit market confidence” (the non-Academics stressed this point with a value of about 76% more than the 66% of Academics).

For Question 6, non-Academics assigned higher judgment of optimality for the Fed policy, in all the four fields proposed, with respect to Academics. While for the European Central Bank policy we have mixed results. Overall, non-Academics valued a little better with respect to Academics the policy of the Federal Reserve (about 55% against about 50%) and they expressed the same judgment for the European Central Bank (about 52% for each of the two groups).

Another difference between Academics and non-Academics is represented by the percentage of respondents that chose the “I don’t know” option. With only some occasional exceptions, non-Academics showed a sign of high grade of decision with a lower percentage of “I don’t know”.

These results highlight a very important conclusion. It seems that the non-Academics are very alert in defending their positions. That is, they judge too much intrusive some of the actions that we proposed. So, analysing the development of the crisis, we can affirm that the non-Academics (most of them are managers or financial analysts) seek for the state support of their business, but they reject a direct supervision of the policy makers on their own activities. Paraphrasing some well known sentences, with irony, we can summarize this behaviour with two statements: “In State we trust, but don’t touch my personal business”.

In the following paragraph we will try to draw some conclusions that can shed some light on the global crisis that we are experiencing.

5 – Summary and future researches

In order to inspect what the global perception of the crisis is, we have prepared a questionnaire and we have interviewed 772 economists all around the world.

The most important results are the following: the core of the crisis is the housing market; the crisis will last for one or two years; there is the necessity for an improved regulation; the FED and the ECB did a sufficient job in managing the crisis; the Lehman Brothers bankruptcy has been fundamental for the worsening of the development of the crisis; the coordination of the central banks in this critical period is positive and there is a high degree of scepticism about the constitution of an international surveillance authority. We have highlighted these results in the preceding pages and so, in this last section, we prefer to go one step ahead. Indeed, we decided to focus our attention on the most controversial and special features that have emerged. Obviously, in this section the deductions are based on our point of views, and so this can lead to personal interpretations. But our primary intention is to highlight the features that hit our attention during the analysis of the data.

First of all, we are a little bit surprised by the distribution of the answers on the “tight monetary policy by the Fed before the subprime crisis”. Indeed, the respondents did not give to that type of policy an important role in causing the crisis. And, we think that this is strange considering the fact that the tight monetary policy created large difficulties for the borrowers (especially families) that got a mortgage loan with a fluctuating interest rate component.

Another important result is the one about the role of the mortgage linked derivatives. The distribution of the answers is clear: the respondents think that these financial products contributed to the crisis. A possible conclusion is that the derivatives are usually used to get high returns, to speculate and not to hedge the risk that is their *natural* purpose. This is an important finding in order to give a clear message to markets' players. The market of the derivatives should be regulated in order to link the use of these instruments to a real need, and not to a speculative function. This consideration on the derivatives can be linked with other two findings. Indeed, the majority of the respondents think that the regulation was not adequate, that the derivatives created turbulences and that the rating agencies did not evaluate in a good way the risks of the derivatives. If this is the core of the crisis, then one can question why the economists did not alert the financial world in advance. Probably, only a minority of the economists was really aware about the ongoing situation and only the explosion of the crisis made the majority of them conscious of the dramatic financial condition of the markets. About this matter we can remember the so called First Law of Cartoon Physics: any body suspended in space will remain in space until made aware of its situation. In sum, we think that there are two conclusions that can be highlighted: first, the economists did not understand the extent of this crisis in advance; second, this error should lead to a more meticulous investigation of the financial and economic situation for the future analyses.

Another interesting aspect of our survey is the feeling towards the bans on short selling. The majority of the economists in our sample think that this action is not highly useful. As a consequence, we question why some authorities introduced such a measure. Probably it is linked with the will to restore the confidence in the market. Especially, it could be a signal for the non-professional market operators (for the man of the street). But, if this is the real justification, we can rightly say that the authorities took (and take) decisions on the basis of the market sentiment and not on the basis of a rational analysis of the situation. That is, the authorities made (and make) what the markets wanted (and want). This conclusion can open a large debate on the role of the market surveillance and regulatory authorities.

The last thing that we want to point out is the distribution of the answers about the end of this crisis. In the paper, we have analysed the global result, but we did not consider the "I don't know" option. The 16.44 per cent of the respondents chose this field and this is one of the highest percentages for this field in all the survey. This question was very simple, and so we can interpret this result as a difficulty in predicting the end of the crisis. That is, this crisis is different from the previous ones and probably a large part of the economists that we interviewed is not able to properly catch its evolution and to indicate a precise period in which a normal situation will be restored. This finding is obviously negative; the 16 per cent of the economists of this survey has not a precise idea about the development of this crisis. Probably, the ordinary economic tools and the dominant economic theories have lost a part of their usefulness in this context.

These are, in few words, the features of the survey that are most controversial.

In this paper we used a descriptive statistical approach. Our next step is to examine, with an econometric approach, what are the possible determinants of the feeling of respondents to the crisis.

APPENDIX A: THE QUESTIONNAIRE



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Please indicate your country	
and your current job position	

Rate with “X” each of the factors – either those contributing to the ongoing credit crisis or those helping fix it – by marking the appropriate fields (1-5).

Question 1	No role	Marginal role	Some role	Important role	Key role	
FACTORS CONTRIBUTING TO THE CREDIT CRISIS	1	2	3	4	5	I don't know
Easy monetary policy by the Fed in the early 2000s						
Tight monetary policy by the Fed before the subprime crisis (in 2005-06)						
Changes of the monetary policy stance by the Fed in the 2000s (e.g. the strong variability of the Federal Funds rate)						
A regulation inadequate to keep pace with the deep and fast financial innovation						
The fragmentation (among various authorities) of the surveillance system in the US						
The increasing share of approvals of mortgages to borrowers with low credit ratings (subprime mortgages) in the 2000s						
The housing market bubble						
The wide use and international diffusion of mortgage linked derivative instruments such as ABS (Asset Backed Securities) and CDO (Collateralized Debt Obligations)						
The misleading quantification (by rating agencies) of derivative instruments' counterpart and liquidity risks						
Low capitalization of banks and financial intermediaries with respect to the risks taken by them						
Too aggressive earning policy by bank and financial system management						
Moral hazard by the mortgage formerly state owned insurers (i.e. Fannie Mae, Freddie Mac)						
Moral hazard by financial/insurance firms too big to fail (i.e. Bear Stearns, AIG)						

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In your view, the crisis will end (or a normal financial situation will be restored) by

end of 2008	first half of 2009	second half of 2009	first half of 2010	second half of 2010	2011	I don't know

Question 2	No role	Marginal role	Some role	Important role	Key role	I don't know
MEASURES TO <u>FIX</u> THE CREDIT CRISIS TODAY	1	2	3	4	5	I don't know
Public capital injection into banks (public recapitalization)						
The liquidity pumped into markets by Central Banks						
The Fed “Commercial Paper Funding Facility” (CPFF) to buy commercial papers						
Extensions of the deposit assurance by Governments						
The US “Toxic Assets Relief Project” (TARP) to buy “toxic assets”						
Temporary bans on short sales of financial stocks						
The institution of supranational funds for Europe and Asia countries						
The institution of a clearing house by Central Banks for interbank markets						

Question 3	No role	Marginal role	Some role	Important role	Key role	I don't know
MEASURES TO <u>AVOID</u> THE CREDIT CRISIS OCCURRING AGAIN TOMORROW	1	2	3	4	5	I don't know
Regulation and supervision of the rating agencies by market authorities						
More stringent capital and operational risk requirements for banks and financial institutions: Basel 3?						
Introducing caps for compensations and bonuses for top managers and traders						



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Question 4

Please indicate how much you agree with the following sentences by allocating percentage scores (100% in total).

The subprime crisis was caused by the FED monetary policy <div style="border: 1px solid black; width: 80px; height: 40px; margin: 10px auto; display: flex; align-items: center; justify-content: center;"> % </div>	+	The subprime crisis was caused by market factors <div style="border: 1px solid black; width: 80px; height: 40px; margin: 10px auto; display: flex; align-items: center; justify-content: center;"> % </div>	=	100%
↓		↓		
interest rates policy %		housing market bubble %		
regulatory and surveillance policy %		financial firm's management and rating agencies %		
liquidity policy %		excessive use of derivatives %		
communication policy %		speculators "stressing" financial markets %		
$\Sigma = 100\%$		financial fear by retail investors %		$\Sigma = 100\%$

Question 5	0%	25%	50%	75%	100%	
HOW DO YOU AGREE WITH THE FOLLOWING STATEMENTS?	1	2	3	4	5	I don't know
The policy makers have to rescue the markets and consumers confidence using <u>ALL</u> the possible tools (fiscal stimulus, bail out and nationalizations)						
The bankruptcy of firms is fundamental to "clean" the financial market from "bad" firms						
The bankruptcy of Lehman Brothers has worsened the credit market confidence						
The US policy authorities should have prevented the collapse of Lehman Brothers						
Avoiding the private sector cashing the profits upfront and the public sector bearing the financial risk (financial distress) ex post						



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Question 6	0%	25%	50%	75%	100%	
JUDGE THE OPTIMALITY OF MONETARY POLICY DURING THE CRISIS	1	2	3	4	5	I don't know
The overall Federal Reserve monetary policy						
▪ interest rates policy						
▪ regulatory and surveillance policy						
▪ liquidity (and bail out) policy						
▪ communication policy						
The overall European Central Bank monetary policy						
▪ interest rates policy						
▪ regulatory and surveillance policy						
▪ liquidity (and bail out) policy						
▪ communication policy						

Question 7

Please indicate how much you agree with the following sentences by allocating percentage scores (100% in total)

Due to the financial crisis ...

state intervention in the economy will grow	%
the structure of international trade will not change	%
the rate of development of emerging economies will decrease	%
the role of the dollar as a reserve currency will continue	%
the international effort to fight global warming will slow down	%
Other (please specify)	%
Other (please specify)	%

$\Sigma = 100\%$

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Open questions (max 300 characters)

1. Do you think the Fed should have paid more attention to the US housing market bubble and should have tried bursting it in advance?

2. What do you think about the international coordination among central banks in response to the credit crisis? Do you think it would be desirable to extend the coordination also to normal conditions?

3. What do you think about the possibility and feasibility of an international authority with surveillance and regulatory powers (not only a consulting role) on financial risks taken by the financial system?

THANK YOU VERY MUCH!

APPENDIX B: SAMPLES' STATISTICS

Here we reported some descriptive statistics on the sample. The data are divided by questions, by single factors of each question and by areas. For each factor and area, in the first row we reported the number of respondents that chose the field. In the second and third row we have the corresponding percentages, respectively considering and not considering the "I don't know" option. We considered only accurate and coherent answers; wrong answers are not included in the sample. Finally, as mentioned above in Section 2, the respondents of South Africa (1) and Switzerland (12) are considered in the analysis of the total sample and for differences between the Academics and the non-Academics.

Question 1 – FACTORS CONTRIBUTING TO THE CREDIT CRISIS						
	No role	Marginal role	Some role	Important role	Key role	I don't know
Easy monetary policy by the Fed in the early 2000s						
Asia and Oceania (respondents: 65) Mean value: 3.94	0 0.00% 0.00%	6 9.23% 9.68%	14 21.54% 22.58%	20 30.77% 32.26%	22 33.85% 35.48%	3 4.62% -
Emerging Europe (respondents: 20) Mean value: 3.63	1 5.00% 5.26%	2 10.00% 10.53%	4 20.00% 21.05%	8 40.00% 42.11%	4 20.00% 21.05%	1 5.00% -
Euro Area (respondents: 218) Mean value: 3.85	4 1.83% 1.92%	21 9.63% 10.10%	34 15.60% 16.35%	93 42.66% 44.71%	56 25.69% 26.92%	10 4.59% -
Other America (respondents: 62) Mean value: 3.64	1 1.61% 1.69%	9 14.52% 15.25%	10 16.13% 16.95%	29 46.77% 49.15%	10 16.13% 16.95%	3 4.84% -
UK and Scandinavians (respondents: 94) Mean value: 3.93	1 1.06% 1.12%	8 8.51% 8.99%	18 19.15% 20.22%	31 32.98% 34.83%	31 32.98% 34.83%	5 5.32% -
USA (respondents: 296) Mean value: 3.57	14 4.73% 4.79%	34 11.49% 11.64%	77 26.01% 26.37%	106 35.81% 36.30%	61 20.61% 20.89%	4 1.35% -
Total (respondents: 768) Mean value: 3.73	21 2.73% 2.84%	81 10.55% 10.95%	159 20.70% 21.49%	293 38.15% 39.59%	186 24.22% 25.14%	28 3.65% -
Tight monetary policy by the Fed before the subprime crisis (in 2005-06)						
Asia and Oceania (respondents: 65) Mean value: 2.24	17 26.15% 28.81%	23 35.38% 38.98%	10 15.38% 16.95%	6 9.23% 10.17%	3 4.62% 5.08%	6 9.23% -
Emerging Europe (respondents: 20) Mean value: 2.39	1 5.00% 5.56%	12 60.00% 66.67%	2 10.00% 11.11%	3 15.00% 16.67%	0 0.00% 0.00%	2 10.00% -
Euro Area (respondents: 216) Mean value: 2.50	40 18.52% 20.51%	65 30.09% 33.33%	51 23.61% 26.15%	31 14.35% 15.90%	8 3.70% 4.10%	21 9.72% -
Other America (respondents: 62) Mean value: 2.29	16 25.81% 28.57%	21 33.87% 37.50%	8 12.90% 14.29%	9 14.52% 16.07%	2 3.23% 3.57%	6 9.68% -
UK and Scandinavians (respondents: 95) Mean value: 2.22	22 23.16% 26.51%	34 35.79% 40.96%	17 17.89% 20.48%	7 7.37% 8.43%	3 3.16% 3.61%	12 12.63% -
USA (respondents: 296) Mean value: 1.96	95 32.09% 34.55%	121 40.88% 44.00%	37 12.50% 13.45%	18 6.08% 6.55%	4 1.35% 1.45%	21 7.09% -
Total (respondents: 767) Mean value: 2.21	194 25.29% 27.83%	280 36.51% 40.17%	127 16.56% 18.22%	76 9.91% 10.90%	20 2.61% 2.87%	70 9.13% -

Question 1 – FACTORS CONTRIBUTING TO THE CREDIT CRISIS						
	No role	Marginal role	Some role	Important role	Key role	I don't know
Changes of the monetary policy stance by the Fed in the 2000s (e.g. the strong variability of the Federal Funds rate)						
Asia and Oceania (respondents: 65) Mean value: 2.49	13 20.00% 22.81%	16 24.62% 28.07%	17 26.15% 29.82%	9 13.85% 15.79%	2 3.08% 3.51%	8 12.31% -
Emerging Europe (respondents: 20) Mean value: 2.24	3 15.00% 17.65%	8 40.00% 47.06%	5 25.00% 29.41%	1 5.00% 5.88%	0 0.00% 0.00%	3 15.00% -
Euro Area (respondents: 217) Mean value: 2.49	35 16.13% 19.66%	51 23.50% 28.65%	65 29.95% 36.52%	24 11.06% 13.48%	3 1.38% 1.69%	39 17.97% -
Other America (respondents: 62) Mean value: 2.55	11 17.74% 22.45%	17 27.42% 34.69%	9 14.52% 18.37%	7 11.29% 14.29%	5 8.06% 10.20%	13 20.97% -
UK and Scandinavians (respondents: 93) Mean value: 2.29	15 16.13% 19.74%	37 39.78% 48.68%	11 11.83% 14.47%	13 13.98% 17.11%	0 0.00% 0.00%	17 18.28% -
USA (respondents: 294) Mean value: 2.12	77 26.19% 31.17%	93 31.63% 37.65%	53 18.03% 21.46%	18 6.12% 7.29%	6 2.04% 2.43%	47 15.99% -
Total (respondents: 764) Mean value: 2.32	156 20.42% 24.61%	227 29.71% 35.80%	162 21.20% 25.55%	73 9.55% 11.51%	16 2.09% 2.52%	130 17.02% -
A regulation inadequate to keep pace with the deep and fast financial innovation						
Asia and Oceania (respondents: 65) Mean value: 4.47	0 0.00% 0.00%	3 4.62% 4.69%	6 9.23% 9.38%	13 20.00% 20.31%	42 64.62% 65.63%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 4.16	1 5.00% 5.26%	1 5.00% 5.26%	2 10.00% 10.53%	5 25.00% 26.32%	10 50.00% 52.63%	1 5.00% -
Euro Area (respondents: 219) Mean value: 4.35	1 0.46% 0.46%	8 3.65% 3.69%	22 10.05% 10.14%	68 31.05% 31.34%	118 53.88% 54.38%	2 0.91% -
Other America (respondents: 62) Mean value: 4.42	0 0.00% 0.00%	2 3.23% 3.39%	4 6.45% 6.78%	20 32.26% 33.90%	33 53.23% 55.93%	3 4.84% -
UK and Scandinavians (respondents: 95) Mean value: 4.34	1 1.05% 1.08%	2 2.11% 2.15%	12 12.63% 12.90%	27 28.42% 29.03%	51 53.68% 54.84%	2 2.11% -
USA (respondents: 297) Mean value: 4.12	9 3.03% 3.04%	26 8.75% 8.78%	31 10.44% 10.47%	84 28.28% 28.38%	146 49.16% 49.32%	1 0.34% -
Total (respondents: 771) Mean value: 4.27	12 1.56% 1.58%	43 5.58% 5.66%	80 10.38% 10.53%	221 28.66% 29.08%	404 52.40% 53.16%	11 1.43% -
The fragmentation (among various authorities) of the surveillance system in the US						
Asia and Oceania (respondents: 65) Mean value: 3.43	2 3.08% 3.45%	12 18.46% 20.69%	17 26.15% 29.31%	13 20.00% 22.41%	14 21.54% 24.14%	7 10.77% -
Emerging Europe (respondents: 20) Mean value: 3.28	1 5.00% 5.56%	3 15.00% 16.67%	7 35.00% 38.89%	4 20.00% 22.22%	3 15.00% 16.67%	2 10.00% -
Euro Area (respondents: 218) Mean value: 3.71	4 1.83% 2.03%	21 9.63% 10.66%	49 22.48% 24.87%	78 35.78% 39.59%	45 20.64% 22.84%	21 9.63% -
Other America (respondents: 62) Mean value: 3.87	1 1.61% 1.82%	1 1.61% 1.82%	16 25.81% 29.09%	23 37.10% 41.82%	14 22.58% 25.45%	7 11.29% -
UK and Scandinavians (respondents: 94) Mean value: 3.69	2 2.13% 2.47%	4 4.26% 4.94%	30 31.91% 37.04%	26 27.66% 32.10%	19 20.21% 23.46%	13 13.83% -
USA (respondents: 296) Mean value: 3.61	12 4.05% 4.21%	38 12.84% 13.33%	65 21.96% 22.81%	103 34.80% 36.14%	67 22.64% 23.51%	11 3.72% -
Total (respondents: 768) Mean value: 3.64	22 2.86% 3.13%	81 10.55% 11.51%	189 24.61% 26.85%	250 32.55% 35.51%	162 21.09% 23.01%	64 8.33% -

Question 1 – FACTORS CONTRIBUTING TO THE CREDIT CRISIS						
	No role	Marginal role	Some role	Important role	Key role	I don't know
The increasing share of approvals of mortgages to borrowers with low credit ratings (subprime mortgages) in the 2000s						
Asia and Oceania (respondents: 65) Mean value: 4.33	2 3.08% 3.13%	2 3.08% 3.13%	4 6.15% 6.25%	21 32.31% 32.81%	35 53.85% 54.69%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 4.70	0 0.00% 0.00%	1 5.00% 5.00%	0 0.00% 0.00%	3 15.00% 15.00%	16 80.00% 80.00%	0 0.00% -
Euro Area (respondents: 217) Mean value: 4.41	0 0.00% 0.00%	7 3.23% 3.27%	20 9.22% 9.35%	66 30.41% 30.84%	121 55.76% 56.54%	3 1.38% -
Other America (respondents: 62) Mean value: 4.52	0 0.00% 0.00%	1 1.61% 1.61%	5 8.06% 8.06%	17 27.42% 27.42%	39 62.90% 62.90%	0 0.00% -
UK and Scandinavians (respondents: 95) Mean value: 4.52	0 0.00% 0.00%	1 1.05% 1.09%	7 7.37% 7.61%	27 28.42% 29.35%	57 60.00% 61.96%	3 3.16% -
USA (respondents: 296) Mean value: 4.46	1 0.34% 0.34%	7 2.36% 2.39%	28 9.46% 9.56%	77 26.01% 26.28%	180 60.81% 61.43%	3 1.01% -
Total (respondents: 768) Mean value: 4.45	3 0.39% 0.40%	19 2.47% 2.51%	65 8.46% 8.58%	215 27.99% 28.36%	456 59.38% 60.16%	10 1.30% -
The housing market bubble						
Asia and Oceania (respondents: 65) Mean value: 4.17	1 1.54% 1.54%	3 4.62% 4.62%	11 16.92% 16.92%	19 29.23% 29.23%	31 47.69% 47.69%	0 0.00% -
Emerging Europe (respondents: 20) Mean value: 4.35	0 0.00% 0.00%	0 0.00% 0.00%	2 10.00% 10.00%	9 45.00% 45.00%	9 45.00% 45.00%	0 0.00% -
Euro Area (respondents: 219) Mean value: 4.22	3 1.37% 1.38%	3 1.37% 1.38%	26 11.87% 11.98%	97 44.29% 44.70%	88 40.18% 40.55%	2 0.91% -
Other America (respondents: 62) Mean value: 4.29	0 0.00% 0.00%	3 4.84% 5.17%	5 8.06% 8.62%	22 35.48% 37.93%	28 45.16% 48.28%	4 6.45% -
UK and Scandinavians (respondents: 95) Mean value: 4.48	0 0.00% 0.00%	0 0.00% 0.00%	6 6.32% 6.38%	37 38.95% 39.36%	51 53.68% 54.26%	1 1.05% -
USA (respondents: 293) Mean value: 4.39	1 0.34% 0.34%	10 3.41% 3.45%	27 9.22% 9.31%	88 30.03% 30.34%	164 55.97% 56.55%	3 1.02% -
Total (respondents: 767) Mean value: 4.32	5 0.65% 0.66%	19 2.48% 2.51%	79 10.30% 10.44%	277 36.11% 36.59%	377 49.15% 49.80%	10 1.30% -
The wide use and international diffusion of mortgage linked derivative instruments such as ABS (Asset Backed Securities) and CDO (Collateralized Debt Obligations)						
Asia and Oceania (respondents: 65) Mean value: 4.19	1 1.54% 1.59%	5 7.69% 7.94%	8 12.31% 12.70%	16 24.62% 25.40%	33 50.77% 52.38%	2 3.08% -
Emerging Europe (respondents: 20) Mean value: 4.11	0 0.00% 0.00%	1 5.00% 5.56%	3 15.00% 16.67%	7 35.00% 38.89%	7 35.00% 38.89%	2 10.00% -
Euro Area (respondents: 217) Mean value: 4.32	1 0.46% 0.49%	6 2.76% 2.91%	23 10.60% 11.17%	72 33.18% 34.95%	104 47.93% 50.49%	11 5.07% -
Other America (respondents: 62) Mean value: 4.32	0 0.00% 0.00%	2 3.23% 3.39%	6 9.68% 10.17%	22 35.48% 37.29%	29 46.77% 49.15%	3 4.84% -
UK and Scandinavians (respondents: 95) Mean value: 4.29	1 1.05% 1.09%	1 1.05% 1.09%	12 12.63% 13.04%	34 35.79% 36.96%	44 46.32% 47.83%	3 3.16% -
USA (respondents: 296) Mean value: 4.28	2 0.68% 0.69%	12 4.05% 4.15%	36 12.16% 12.46%	93 31.42% 32.18%	146 49.32% 50.52%	7 2.36% -
Total (respondents: 768) Mean value: 4.28	5 0.65% 0.68%	27 3.52% 3.65%	91 11.85% 12.30%	248 32.29% 33.51%	369 48.05% 49.86%	28 3.65% -

Question 1 – FACTORS CONTRIBUTING TO THE CREDIT CRISIS						
	No role	Marginal role	Some role	Important role	Key role	I don't know
The misleading quantification (by rating agencies) of derivative instruments' counterpart and liquidity risks						
Asia and Oceania (respondents: 65) Mean value: 4.14	1 1.54% 1.59%	2 3.08% 3.17%	10 15.38% 15.87%	24 36.92% 38.10%	26 40.00% 41.27%	2 3.08% -
Emerging Europe (respondents: 20) Mean value: 3.95	0 0.00% 0.00%	2 10.00% 10.00%	3 15.00% 15.00%	9 45.00% 45.00%	6 30.00% 30.00%	0 0.00% -
Euro Area (respondents: 219) Mean value: 4.21	0 0.00% 0.00%	7 3.20% 3.35%	29 13.24% 13.88%	86 39.27% 41.15%	87 39.73% 41.63%	10 4.57% -
Other America (respondents: 62) Mean value: 4.27	1 1.61% 1.69%	2 3.23% 3.39%	7 11.29% 11.86%	19 30.65% 32.20%	30 48.39% 50.85%	3 4.84% -
UK and Scandinavians (respondents: 95) Mean value: 4.11	1 1.05% 1.10%	4 4.21% 4.40%	13 13.68% 14.29%	39 41.05% 42.86%	34 35.79% 37.36%	4 4.21% -
USA (respondents: 297) Mean value: 4.29	1 0.34% 0.34%	11 3.70% 3.79%	33 11.11% 11.38%	102 34.34% 35.17%	143 48.15% 49.31%	7 2.36% -
Total (respondents: 771) Mean value: 4.22	4 0.52% 0.54%	28 3.63% 3.76%	97 12.58% 13.02%	284 36.84% 38.12%	332 43.06% 44.56%	26 3.37% -
Low capitalization of banks and financial intermediaries with respect to the risks taken by them						
Asia and Oceania (respondents: 64) Mean value: 3.79	2 3.13% 3.23%	6 9.38% 9.68%	13 20.31% 20.97%	23 35.94% 37.10%	18 28.13% 29.03%	2 3.13% -
Emerging Europe (respondents: 20) Mean value: 3.70	0 0.00% 0.00%	2 10.00% 10.00%	7 35.00% 35.00%	6 30.00% 30.00%	5 25.00% 25.00%	0 0.00% -
Euro Area (respondents: 217) Mean value: 3.79	2 0.92% 0.95%	22 10.14% 10.43%	45 20.74% 21.33%	91 41.94% 43.13%	51 23.50% 24.17%	6 2.76% -
Other America (respondents: 62) Mean value: 3.90	1 1.61% 1.61%	4 6.45% 6.45%	16 25.81% 25.81%	20 32.26% 32.26%	21 33.87% 33.87%	0 0.00% -
UK and Scandinavians (respondents: 95) Mean value: 3.89	1 1.05% 1.08%	8 8.42% 8.60%	20 21.05% 21.51%	35 36.84% 37.63%	29 30.53% 31.18%	2 2.11% -
USA (respondents: 296) Mean value: 3.84	2 0.68% 0.70%	25 8.45% 8.71%	73 24.66% 25.44%	103 34.80% 35.89%	84 28.38% 29.27%	9 3.04% -
Total (respondents: 767) Mean value: 3.83	8 1.04% 1.07%	68 8.87% 9.10%	175 22.82% 23.43%	285 37.16% 38.15%	211 27.51% 28.25%	20 2.61% -
Too aggressive earning policy by bank and financial system management						
Asia and Oceania (respondents: 65) Mean value: 3.84	2 3.08% 3.13%	3 4.62% 4.69%	19 29.23% 29.69%	19 29.23% 29.69%	21 32.31% 32.81%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 3.85	0 0.00% 0.00%	2 10.00% 10.00%	7 35.00% 35.00%	3 15.00% 15.00%	8 40.00% 40.00%	0 0.00% -
Euro Area (respondents: 218) Mean value: 3.88	3 1.38% 1.43%	12 5.50% 5.71%	56 25.69% 26.67%	75 34.40% 35.71%	64 29.36% 30.48%	8 3.67% -
Other America (respondents: 61) Mean value: 3.64	3 4.92% 5.17%	8 13.11% 13.79%	11 18.03% 18.97%	21 34.43% 36.21%	15 24.59% 25.86%	3 4.92% -
UK and Scandinavians (respondents: 95) Mean value: 3.78	2 2.11% 2.15%	12 12.63% 12.90%	19 20.00% 20.43%	31 32.63% 33.33%	29 30.53% 31.18%	2 2.11% -
USA (respondents: 294) Mean value: 3.62	15 5.10% 5.36%	33 11.22% 11.79%	65 22.11% 23.21%	97 32.99% 34.64%	70 23.81% 25.00%	14 4.76% -
Total (respondents: 768) Mean value: 3.75	25 3.26% 3.40%	72 9.40% 9.78%	180 23.50% 24.46%	247 32.25% 33.56%	212 27.68% 28.80%	30 3.92% -

Question 1 – FACTORS CONTRIBUTING TO THE CREDIT CRISIS						
	No role	Marginal role	Some role	Important role	Key role	I don't know
Moral hazard by the mortgage formerly state owned insurers (i.e. Fannie Mae, Freddie Mac)						
Asia and Oceania (respondents: 65) Mean value: 3.65	2 3.08% 3.33%	11 16.92% 18.33%	13 20.00% 21.67%	14 21.54% 23.33%	20 30.77% 33.33%	5 7.69% -
Emerging Europe (respondents: 20) Mean value: 3.60	0 0.00% 0.00%	2 10.00% 10.00%	8 40.00% 40.00%	6 30.00% 30.00%	4 20.00% 20.00%	0 0.00% -
Euro Area (respondents: 218) Mean value: 3.68	1 0.46% 0.48%	22 10.09% 10.58%	65 29.82% 31.25%	74 33.94% 35.58%	46 21.10% 22.12%	10 4.59% -
Other America (respondents: 62) Mean value: 3.47	3 4.84% 5.08%	10 16.13% 16.95%	12 19.35% 20.34%	24 38.71% 40.68%	10 16.13% 16.95%	3 4.84% -
UK and Scandinavians (respondents: 95) Mean value: 3.38	2 2.11% 2.25%	20 21.05% 22.47%	25 26.32% 28.09%	26 27.37% 29.21%	16 16.84% 17.98%	6 6.32% -
USA (respondents: 295) Mean value: 3.73	7 2.37% 2.44%	31 10.51% 10.80%	80 27.12% 27.87%	84 28.47% 29.27%	85 28.81% 29.62%	8 2.71% -
Total (respondents: 768) Mean value: 3.64	15 1.95% 2.04%	98 12.76% 13.33%	207 26.95% 28.16%	233 30.34% 31.70%	182 23.70% 24.76%	33 4.30% -
Moral hazard by financial/insurance firms too big to fail (i.e. Bear Stearns, AIG)						
Asia and Oceania (respondents: 65) Mean value: 3.58	2 3.08% 3.23%	11 16.92% 17.74%	15 23.08% 24.19%	17 26.15% 27.42%	17 26.15% 27.42%	3 4.62% -
Emerging Europe (respondents: 20) Mean value: 3.65	0 0.00% 0.00%	3 15.00% 15.00%	7 35.00% 35.00%	4 20.00% 20.00%	6 30.00% 30.00%	0 0.00% -
Euro Area (respondents: 218) Mean value: 3.69	2 0.92% 0.96%	22 10.09% 10.58%	59 27.06% 28.37%	80 36.70% 38.46%	45 20.64% 21.63%	10 4.59% -
Other America (respondents: 62) Mean value: 3.47	3 4.84% 5.00%	8 12.90% 13.33%	16 25.81% 26.67%	24 38.71% 40.00%	9 14.52% 15.00%	2 3.23% -
UK and Scandinavians (respondents: 95) Mean value: 3.48	1 1.05% 1.09%	21 22.11% 22.83%	20 21.05% 21.74%	33 34.74% 35.87%	17 17.89% 18.48%	3 3.16% -
USA (respondents: 296) Mean value: 3.68	9 3.04% 3.13%	29 9.80% 10.07%	80 27.03% 27.78%	97 32.77% 33.68%	73 24.66% 25.35%	8 2.70% -
Total (respondents: 769) Mean value: 3.63	18 2.34% 2.43%	94 12.22% 12.67%	203 26.40% 27.36%	260 33.81% 35.04%	167 21.72% 22.51%	27 3.51% -

IN YOUR VIEW, THE CRISIS WILL END (OR A NORMAL FINANCIAL SITUATION WILL BE RESTORED) BY							
	end of 2008	first half of 2009	second half of 2009	first half of 2010	second half of 2010	2011	I don't know
Asia and Oceania (respondents: 63)	0 0.00% 0.00%	1 1.59% 1.96%	11 17.46% 21.57%	23 36.51% 45.10%	4 6.35% 7.84%	12 19.05% 23.53%	12 19.05% -
Emerging Europe (respondents: 19)	0 0.00% 0.00%	3 15.79% 18.75%	7 36.84% 43.75%	2 10.53% 12.50%	1 5.26% 6.25%	3 15.79% 18.75%	3 15.79% -
Euro Area (respondents: 205)	0 0.00% 0.00%	9 4.39% 5.23%	53 25.85% 30.81%	49 23.90% 28.49%	37 18.05% 21.51%	24 11.71% 13.95%	33 16.10% -
Other America (respondents: 57)	0 0.00% 0.00%	3 5.26% 5.88%	17 29.82% 33.33%	13 22.81% 25.49%	14 24.56% 27.45%	4 7.02% 7.84%	6 10.53% -
UK and Scandinavians (respondents: 89)	0 0.00% 0.00%	6 6.74% 8.45%	14 15.73% 19.72%	21 23.60% 29.58%	12 13.48% 16.90%	18 20.22% 25.35%	18 20.22% -
USA (respondents: 284)	2 0.70% 0.84%	15 5.28% 6.30%	68 23.94% 28.57%	83 29.23% 34.87%	36 12.68% 15.13%	34 11.97% 14.29%	46 16.20% -
Total (respondents: 730)	2 0.27% 0.33%	38 5.21% 6.23%	172 23.56% 28.20%	195 26.71% 31.97%	108 14.79% 17.70%	95 13.01% 15.57%	120 16.44% -

Question 2 – MEASURES TO FIX THE CREDIT CRISIS TODAY						
	No role	Marginal role	Some role	Important role	Key role	I don't know
Public capital injection into banks (public recapitalization)						
Asia and Oceania (respondents: 65) Mean value: 3.51	2 3.08% 3.17%	9 13.85% 14.29%	16 24.62% 25.40%	27 41.54% 42.86%	9 13.85% 14.29%	2 3.08% -
Emerging Europe (respondents: 20) Mean value: 3.53	0 0.00% 0.00%	3 15.00% 15.79%	6 30.00% 31.58%	7 35.00% 36.84%	3 15.00% 15.79%	1 5.00% -
Euro Area (respondents: 213) Mean value: 3.77	7 3.29% 3.29%	16 7.51% 7.51%	48 22.54% 22.54%	89 41.78% 41.78%	53 24.88% 24.88%	0 0.00% -
Other America (respondents: 62) Mean value: 3.83	3 4.84% 5.08%	6 9.68% 10.17%	10 16.13% 16.95%	19 30.65% 32.20%	21 33.87% 35.59%	3 4.84% -
UK and Scandinavians (respondents: 94) Mean value: 3.96	0 0.00% 0.00%	7 7.45% 7.45%	17 18.09% 18.09%	43 45.74% 45.74%	27 28.72% 28.72%	0 0.00% -
USA (respondents: 291) Mean value: 3.55	12 4.12% 4.17%	39 13.40% 13.54%	76 26.12% 26.39%	102 35.05% 35.42%	59 20.27% 20.49%	3 1.03% -
Total (respondents: 758) Mean value: 3.69	24 3.17% 3.20%	80 10.55% 10.68%	179 23.61% 23.90%	290 38.26% 38.72%	176 23.22% 23.50%	9 1.19% -
The liquidity pumped into markets by Central Banks						
Asia and Oceania (respondents: 65) Mean value: 3.60	2 3.08% 3.08%	5 7.69% 7.69%	26 40.00% 40.00%	16 24.62% 24.62%	16 24.62% 24.62%	0 0.00% -
Emerging Europe (respondents: 20) Mean value: 3.50	0 0.00% 0.00%	3 15.00% 15.00%	7 35.00% 35.00%	7 35.00% 35.00%	3 15.00% 15.00%	0 0.00% -
Euro Area (respondents: 213) Mean value: 3.57	8 3.76% 3.79%	24 11.27% 11.37%	58 27.23% 27.49%	81 38.03% 38.39%	40 18.78% 18.96%	2 0.94% -
Other America (respondents: 62) Mean value: 3.88	4 6.45% 6.90%	2 3.23% 3.45%	10 16.13% 17.24%	23 37.10% 39.66%	19 30.65% 32.76%	4 6.45% -
UK and Scandinavians (respondents: 95) Mean value: 3.81	0 0.00% 0.00%	12 12.63% 12.77%	20 21.05% 21.28%	36 37.89% 38.30%	26 27.37% 27.66%	1 1.05% -
USA (respondents: 291) Mean value: 3.57	8 2.75% 2.77%	33 11.34% 11.42%	90 30.93% 31.14%	102 35.05% 35.29%	56 19.24% 19.38%	2 0.69% -
Total (respondents: 759) Mean value: 3.63	22 2.90% 2.93%	80 10.54% 10.67%	216 28.46% 28.80%	269 35.44% 35.87%	163 21.48% 21.73%	9 1.19% -
The Fed "Commercial Paper Funding Facility" (CPFF) to buy commercial papers						
Asia and Oceania (respondents: 65) Mean value: 3.07	4 6.15% 7.14%	13 20.00% 23.21%	22 33.85% 39.29%	9 13.85% 16.07%	8 12.31% 14.29%	9 13.85% -
Emerging Europe (respondents: 20) Mean value: 2.93	1 5.00% 6.67%	3 15.00% 20.00%	8 40.00% 53.33%	2 10.00% 13.33%	1 5.00% 6.67%	5 25.00% -
Euro Area (respondents: 212) Mean value: 3.16	8 3.77% 4.52%	26 12.26% 14.69%	80 37.74% 45.20%	55 25.94% 31.07%	8 3.77% 4.52%	35 16.51% -
Other America (respondents: 62) Mean value: 3.57	3 4.84% 5.66%	4 6.45% 7.55%	14 22.58% 26.42%	24 38.71% 45.28%	8 12.90% 15.09%	9 14.52% -
UK and Scandinavians (respondents: 94) Mean value: 3.38	2 2.13% 2.56%	14 14.89% 17.95%	24 25.53% 30.77%	28 29.79% 35.90%	10 10.64% 12.82%	16 17.02% -
USA (respondents: 291) Mean value: 3.29	12 4.12% 4.60%	44 15.12% 16.86%	91 31.27% 34.87%	85 29.21% 32.57%	29 9.97% 11.11%	30 10.31% -
Total (respondents: 757) Mean value: 3.26	30 3.96% 4.62%	105 13.87% 16.15%	246 32.50% 37.85%	204 26.95% 31.38%	65 8.59% 10.00%	107 14.13% -

Question 2 – MEASURES TO FIX THE CREDIT CRISIS TODAY						
	No role	Marginal role	Some role	Important role	Key role	I don't know
Extensions of the deposit assurance by Governments						
Asia and Oceania (respondents: 65) Mean value: 3.33	4 6.15% 6.25%	14 21.54% 21.88%	16 24.62% 25.00%	17 26.15% 26.56%	13 20.00% 20.31%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 3.30	1 5.00% 5.00%	1 5.00% 5.00%	11 55.00% 55.00%	5 25.00% 25.00%	2 10.00% 10.00%	0 0.00% -
Euro Area (respondents: 214) Mean value: 3.68	5 2.34% 2.37%	17 7.94% 8.06%	63 29.44% 29.86%	82 38.32% 38.86%	44 20.56% 20.85%	3 1.40% -
Other America (respondents: 62) Mean value: 3.31	5 8.06% 8.62%	9 14.52% 15.52%	20 32.26% 34.48%	11 17.74% 18.97%	13 20.97% 22.41%	4 6.45% -
UK and Scandinavians (respondents: 95) Mean value: 3.47	3 3.16% 3.30%	12 12.63% 13.19%	32 33.68% 35.16%	27 28.42% 29.67%	17 17.89% 18.68%	4 4.21% -
USA (respondents: 291) Mean value: 3.26	16 5.50% 5.59%	60 20.62% 20.98%	89 30.58% 31.12%	77 26.46% 26.92%	44 15.12% 15.38%	5 1.72% -
Total (respondents: 760) Mean value: 3.41	34 4.47% 4.58%	117 15.39% 15.77%	234 30.79% 31.54%	222 29.21% 29.92%	135 17.76% 18.19%	18 2.37% -
The US "Toxic Assets Relief Project" (TARP) to buy "toxic assets"						
Asia and Oceania (respondents: 65) Mean value: 2.77	11 16.92% 19.64%	11 16.92% 19.64%	18 27.69% 32.14%	12 18.46% 21.43%	4 6.15% 7.14%	9 13.85% -
Emerging Europe (respondents: 20) Mean value: 3.20	0 0.00% 0.00%	6 30.00% 40.00%	2 10.00% 13.33%	5 25.00% 33.33%	2 10.00% 13.33%	5 25.00% -
Euro Area (respondents: 212) Mean value: 2.92	18 8.49% 9.57%	44 20.75% 23.40%	71 33.49% 37.77%	45 21.23% 23.94%	10 4.72% 5.32%	24 11.32% -
Other America (respondents: 62) Mean value: 3.26	5 8.06% 9.43%	7 11.29% 13.21%	17 27.42% 32.08%	17 27.42% 32.08%	7 11.29% 13.21%	9 14.52% -
UK and Scandinavians (respondents: 95) Mean value: 3.08	5 5.26% 5.88%	16 16.84% 18.82%	37 38.95% 43.53%	21 22.11% 24.71%	6 6.32% 7.06%	10 10.53% -
USA (respondents: 289) Mean value: 2.74	40 13.84% 14.87%	79 27.34% 29.37%	84 29.07% 31.23%	42 14.53% 15.61%	24 8.30% 8.92%	20 6.92% -
Total (respondents: 756) Mean value: 2.90	79 10.45% 11.67%	166 21.96% 24.52%	233 30.82% 34.42%	145 19.18% 21.42%	54 7.14% 7.98%	79 10.45% -
Temporary bans on short sales of financial stocks						
Asia and Oceania (respondents: 65) Mean value: 2.41	15 23.08% 24.59%	21 32.31% 34.43%	15 23.08% 24.59%	5 7.69% 8.20%	5 7.69% 8.20%	4 6.15% -
Emerging Europe (respondents: 20) Mean value: 2.26	5 25.00% 26.32%	6 30.00% 31.58%	6 30.00% 31.58%	2 10.00% 10.53%	0 0.00% 0.00%	1 5.00% -
Euro Area (respondents: 212) Mean value: 2.68	28 13.21% 14.14%	63 29.72% 31.82%	60 28.30% 30.30%	39 18.40% 19.70%	8 3.77% 4.04%	14 6.60% -
Other America (respondents: 62) Mean value: 2.35	15 24.19% 28.85%	16 25.81% 30.77%	11 17.74% 21.15%	8 12.90% 15.38%	2 3.23% 3.85%	10 16.13% -
UK and Scandinavians (respondents: 95) Mean value: 2.18	32 33.68% 36.36%	24 25.26% 27.27%	18 18.95% 20.45%	12 12.63% 13.64%	2 2.11% 2.27%	7 7.37% -
USA (respondents: 291) Mean value: 2.05	108 37.11% 38.71%	102 35.05% 36.56%	30 10.31% 10.75%	26 8.93% 9.32%	13 4.47% 4.66%	12 4.12% -
Total (respondents: 758) Mean value: 2.31	205 27.04% 28.95%	236 31.13% 33.33%	143 18.87% 20.20%	94 12.40% 13.28%	30 3.96% 4.24%	50 6.60% -

Question 2 – MEASURES TO FIX THE CREDIT CRISIS TODAY						
	No role	Marginal role	Some role	Important role	Key role	I don't know
The institution of supranational funds for Europe and Asia countries						
Asia and Oceania (respondents: 64) Mean value: 3.02	4 6.25% 7.69%	16 25.00% 30.77%	16 25.00% 30.77%	7 10.94% 13.46%	9 14.06% 17.31%	12 18.75% -
Emerging Europe (respondents: 20) Mean value: 2.65	3 15.00% 17.65%	3 15.00% 17.65%	8 40.00% 47.06%	3 15.00% 17.65%	0 0.00% 0.00%	3 15.00% -
Euro Area (respondents: 212) Mean value: 2.97	17 8.02% 8.95%	52 24.53% 27.37%	56 26.42% 29.47%	50 23.58% 26.32%	15 7.08% 7.89%	22 10.38% -
Other America (respondents: 62) Mean value: 2.88	3 4.84% 6.25%	16 25.81% 33.33%	17 27.42% 35.42%	8 12.90% 16.67%	4 6.45% 8.33%	14 22.58% -
UK and Scandinavians (respondents: 95) Mean value: 2.68	9 9.47% 10.71%	26 27.37% 30.95%	35 36.84% 41.67%	11 11.58% 13.10%	3 3.16% 3.57%	11 11.58% -
USA (respondents: 291) Mean value: 2.71	29 9.97% 13.55%	63 21.65% 29.44%	71 24.40% 33.18%	42 14.43% 19.63%	9 3.09% 4.21%	77 26.46% -
Total (respondents: 757) Mean value: 2.83	65 8.59% 10.57%	181 23.91% 29.43%	206 27.21% 33.50%	122 16.12% 19.84%	41 5.42% 6.67%	142 18.76% -
The institution of a clearing house by Central Banks for interbank markets						
Asia and Oceania (respondents: 65) Mean value: 3.21	4 6.15% 7.14%	17 26.15% 30.36%	12 18.46% 21.43%	9 13.85% 16.07%	14 21.54% 25.00%	9 13.85% -
Emerging Europe (respondents: 20) Mean value: 3.00	1 5.00% 6.25%	3 15.00% 18.75%	8 40.00% 50.00%	3 15.00% 18.75%	1 5.00% 6.25%	4 20.00% -
Euro Area (respondents: 213) Mean value: 3.50	5 2.35% 2.75%	27 12.68% 14.84%	53 24.88% 29.12%	66 30.99% 36.26%	31 14.55% 17.03%	31 14.55% -
Other America (respondents: 62) Mean value: 3.02	2 3.23% 4.00%	14 22.58% 28.00%	19 30.65% 38.00%	11 17.74% 22.00%	4 6.45% 8.00%	12 19.35% -
UK and Scandinavians (respondents: 95) Mean value: 3.18	5 5.26% 6.76%	11 11.58% 14.86%	31 32.63% 41.89%	20 21.05% 27.03%	7 7.37% 9.46%	21 22.11% -
USA (respondents: 290) Mean value: 3.02	17 5.86% 8.06%	54 18.62% 25.59%	66 22.76% 31.28%	56 19.31% 26.54%	18 6.21% 8.53%	79 27.24% -
Total (respondents: 758) Mean value: 3.21	34 4.49% 5.67%	127 16.75% 21.17%	195 25.73% 32.50%	167 22.03% 27.83%	77 10.16% 12.83%	158 20.84% -

Question 3 – MEASURES TO AVOID THE CREDIT CRISIS OCCURRING AGAIN TOMORROW						
	No role	Marginal role	Some role	Important role	Key role	I don't know
Regulation and supervision of the rating agencies by market authorities						
Asia and Oceania (respondents: 65) Mean value: 3.77	1 1.54% 1.56%	10 15.38% 15.63%	13 20.00% 20.31%	19 29.23% 29.69%	21 32.31% 32.81%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 3.85	0 0.00% 0.00%	2 10.00% 10.00%	4 20.00% 20.00%	9 45.00% 45.00%	5 25.00% 25.00%	0 0.00% -
Euro Area (respondents: 214) Mean value: 4.09	2 0.93% 0.94%	12 5.61% 5.66%	37 17.29% 17.45%	75 35.05% 35.38%	86 40.19% 40.57%	2 0.93% -
Other America (respondents: 62) Mean value: 3.71	3 4.84% 4.84%	6 9.68% 9.68%	14 22.58% 22.58%	22 35.48% 35.48%	17 27.42% 27.42%	0 0.00% -
UK and Scandinavians (respondents: 95) Mean value: 3.66	6 6.32% 6.38%	9 9.47% 9.57%	28 29.47% 29.79%	19 20.00% 20.21%	32 33.68% 34.04%	1 1.05% -
USA (respondents: 292) Mean value: 3.61	26 8.90% 9.00%	35 11.99% 12.11%	56 19.18% 19.38%	81 27.74% 28.03%	91 31.16% 31.49%	3 1.03% -
Total (respondents: 761) Mean value: 3.78	38 4.99% 5.04%	77 10.12% 10.21%	155 20.37% 20.56%	229 30.09% 30.37%	255 33.51% 33.82%	7 0.92% -
More stringent capital and operational risk requirements for banks and financial institutions: Basel 3?						
Asia and Oceania (respondents: 65) Mean value: 4.19	0 0.00% 0.00%	5 7.69% 7.81%	10 15.38% 15.63%	17 26.15% 26.56%	32 49.23% 50.00%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 4.15	0 0.00% 0.00%	2 10.00% 10.00%	1 5.00% 5.00%	9 45.00% 45.00%	8 40.00% 40.00%	0 0.00% -
Euro Area (respondents: 214) Mean value: 4.18	3 1.40% 1.44%	10 4.67% 4.81%	28 13.08% 13.46%	73 34.11% 35.10%	94 43.93% 45.19%	6 2.80% -
Other America (respondents: 62) Mean value: 4.18	1 1.61% 1.75%	3 4.84% 5.26%	7 11.29% 12.28%	20 32.26% 35.09%	26 41.94% 45.61%	5 8.06% -
UK and Scandinavians (respondents: 95) Mean value: 3.99	2 2.11% 2.13%	8 8.42% 8.51%	20 21.05% 21.28%	23 24.21% 24.47%	41 43.16% 43.62%	1 1.05% -
USA (respondents: 292) Mean value: 4.03	6 2.05% 2.08%	20 6.85% 6.94%	57 19.52% 19.79%	81 27.74% 28.13%	124 42.47% 43.06%	4 1.37% -
Total (respondents: 761) Mean value: 4.10	12 1.58% 1.61%	49 6.44% 6.59%	124 16.29% 16.67%	229 30.09% 30.78%	330 43.36% 44.35%	17 2.23% -
Introducing caps for compensations and bonuses for top managers and traders						
Asia and Oceania (respondents: 65) Mean value: 3.14	5 7.69% 7.81%	15 23.08% 23.44%	19 29.23% 29.69%	16 24.62% 25.00%	9 13.85% 14.06%	1 1.54% -
Emerging Europe (respondents: 20) Mean value: 2.84	2 10.00% 10.53%	6 30.00% 31.58%	5 25.00% 26.32%	5 25.00% 26.32%	1 5.00% 5.26%	1 5.00% -
Euro Area (respondents: 213) Mean value: 3.00	28 13.15% 13.53%	49 23.00% 23.67%	54 25.35% 26.09%	48 22.54% 23.19%	28 13.15% 13.53%	6 2.82% -
Other America (respondents: 62) Mean value: 2.48	15 24.19% 25.86%	19 30.65% 32.76%	12 19.35% 20.69%	5 8.06% 8.62%	7 11.29% 12.07%	4 6.45% -
UK and Scandinavians (respondents: 95) Mean value: 2.70	20 21.05% 21.28%	26 27.37% 27.66%	23 24.21% 24.47%	12 12.63% 12.77%	13 13.68% 13.83%	1 1.05% -
USA (respondents: 291) Mean value: 2.41	93 31.96% 32.29%	82 28.18% 28.47%	53 18.21% 18.40%	22 7.56% 7.64%	38 13.06% 13.19%	3 1.03% -
Total (respondents: 759) Mean value: 2.69	166 21.87% 22.34%	202 26.61% 27.19%	169 22.27% 22.75%	110 14.49% 14.80%	96 12.65% 12.92%	16 2.11% -

Question 5 – HOW DO YOU AGREE WITH THE FOLLOWING STATEMENTS?						
	0%	25%	50%	75%	100%	I don't know
The policy makers have to rescue the markets and consumers confidence using <u>ALL</u> the possible tools (fiscal stimulus, bail out and nationalizations)						
Asia and Oceania (respondents: 64) Mean value: 58.73%	7 10.94% 11.11%	12 18.75% 19.05%	10 15.63% 15.87%	20 31.25% 31.75%	14 21.88% 22.22%	1 1.56% -
Emerging Europe (respondents: 20) Mean value: 50.00%	3 15.00% 15.79%	3 15.00% 15.79%	6 30.00% 31.58%	5 25.00% 26.32%	2 10.00% 10.53%	1 5.00% -
Euro Area (respondents: 213) Mean value: 64.27%	22 10.33% 10.38%	26 12.21% 12.26%	41 19.25% 19.34%	55 25.82% 25.94%	68 31.92% 32.08%	1 0.47% -
Other America (respondents: 62) Mean value: 64.83%	7 11.29% 11.86%	5 8.06% 8.47%	9 14.52% 15.25%	22 35.48% 37.29%	16 25.81% 27.12%	3 4.84% -
UK and Scandinavians (respondents: 94) Mean value: 66.85%	6 6.38% 6.52%	12 12.77% 13.04%	19 20.21% 20.65%	24 25.53% 26.09%	31 32.98% 33.70%	2 2.13% -
USA (respondents: 288) Mean value: 54.63%	46 15.97% 16.08%	55 19.10% 19.23%	51 17.71% 17.83%	68 23.61% 23.78%	66 22.92% 23.08%	2 0.69% -
Total (respondents: 753) Mean value: 59.99%	92 12.22% 12.38%	115 15.27% 15.48%	139 18.46% 18.71%	198 26.29% 26.65%	199 26.43% 26.78%	10 1.33% -
The bankruptcy of firms is fundamental to “clean” the financial market from “bad” firms						
Asia and Oceania (respondents: 65) Mean value: 65.00%	3 4.62% 4.62%	9 13.85% 13.85%	16 24.62% 24.62%	20 30.77% 30.77%	17 26.15% 26.15%	0 0.00% -
Emerging Europe (respondents: 20) Mean value: 67.50%	1 5.00% 5.00%	2 10.00% 10.00%	5 25.00% 25.00%	6 30.00% 30.00%	6 30.00% 30.00%	0 0.00% -
Euro Area (respondents: 213) Mean value: 53.99%	13 6.10% 6.10%	55 25.82% 25.82%	60 28.17% 28.17%	55 25.82% 25.82%	30 14.08% 14.08%	0 0.00% -
Other America (respondents: 62) Mean value: 59.17%	7 11.29% 11.67%	7 11.29% 11.67%	13 20.97% 21.67%	23 37.10% 38.33%	10 16.13% 16.67%	2 3.23% -
UK and Scandinavians (respondents: 94) Mean value: 59.41%	9 9.57% 9.68%	15 15.96% 16.13%	21 22.34% 22.58%	28 29.79% 30.11%	20 21.28% 21.51%	1 1.06% -
USA (respondents: 288) Mean value: 64.24%	14 4.86% 4.86%	45 15.63% 15.63%	68 23.61% 23.61%	85 29.51% 29.51%	76 26.39% 26.39%	0 0.00% -
Total (respondents: 754) Mean value: 60.29%	48 6.37% 6.39%	136 18.04% 18.11%	185 24.54% 24.63%	223 29.58% 29.69%	159 21.09% 21.17%	3 0.40% -
The bankruptcy of Lehman Brothers has worsened the credit market confidence						
Asia and Oceania (respondents: 65) Mean value: 59.84%	2 3.08% 3.28%	14 21.54% 22.95%	16 24.62% 26.23%	16 24.62% 26.23%	13 20.00% 21.31%	4 6.15% -
Emerging Europe (respondents: 20) Mean value: 60.00%	1 5.00% 5.00%	4 20.00% 20.00%	4 20.00% 20.00%	8 40.00% 40.00%	3 15.00% 15.00%	0 0.00% -
Euro Area (respondents: 214) Mean value: 72.49%	7 3.27% 3.35%	18 8.41% 8.61%	36 16.82% 17.22%	76 35.51% 36.36%	72 33.64% 34.45%	5 2.34% -
Other America (respondents: 62) Mean value: 74.09%	0 0.00% 0.00%	8 12.90% 14.55%	8 12.90% 14.55%	17 27.42% 30.91%	22 35.48% 40.00%	7 11.29% -
UK and Scandinavians (respondents: 94) Mean value: 68.06%	3 3.19% 3.33%	15 15.96% 16.67%	11 11.70% 12.22%	36 38.30% 40.00%	25 26.60% 27.78%	4 4.26% -
USA (respondents: 285) Mean value: 62.50%	20 7.02% 7.52%	46 16.14% 17.29%	47 16.49% 17.67%	87 30.53% 32.71%	66 23.16% 24.81%	19 6.67% -
Total (respondents: 752) Mean value: 66.99%	33 4.39% 4.63%	106 14.10% 14.89%	123 16.36% 17.28%	244 32.45% 34.27%	206 27.39% 28.93%	40 5.32% -

Question 5 – HOW DO YOU AGREE WITH THE FOLLOWING STATEMENTS?						
	0%	25%	50%	75%	100%	I don't know
The US policy authorities should have prevented the collapse of Lehman Brothers						
Asia and Oceania (respondents: 65) Mean value: 36.90%	21 32.31% 33.33%	15 23.08% 23.81%	11 16.92% 17.46%	8 12.31% 12.70%	8 12.31% 12.70%	2 3.08% -
Emerging Europe (respondents: 20) Mean value: 27.63%	8 40.00% 42.11%	6 30.00% 31.58%	1 5.00% 5.26%	3 15.00% 15.79%	1 5.00% 5.26%	1 5.00% -
Euro Area (respondents: 214) Mean value: 52.31%	30 14.02% 14.56%	46 21.50% 22.33%	43 20.09% 20.87%	49 22.90% 23.79%	38 17.76% 18.45%	8 3.74% -
Other America (respondents: 62) Mean value: 49.09%	13 20.97% 23.64%	10 16.13% 18.18%	10 16.13% 18.18%	10 16.13% 18.18%	12 19.35% 21.82%	7 11.29% -
UK and Scandinavians (respondents: 94) Mean value: 36.47%	25 26.60% 29.41%	25 26.60% 29.41%	14 14.89% 16.47%	13 13.83% 15.29%	8 8.51% 9.41%	9 9.57% -
USA (respondents: 287) Mean value: 36.18%	85 29.62% 31.95%	74 25.78% 27.82%	42 14.63% 15.79%	33 11.50% 12.41%	32 11.15% 12.03%	21 7.32% -
Total (respondents: 754) Mean value: 41.71%	185 24.54% 26.20%	180 23.87% 25.50%	125 16.58% 17.71%	116 15.38% 16.43%	100 13.26% 14.16%	48 6.37% -
Avoiding the private sector cashing the profits upfront and the public sector bearing the financial risk (financial distress) ex post						
Asia and Oceania (respondents: 65) Mean value: 80.65%	2 3.08% 3.23%	2 3.08% 3.23%	10 15.38% 16.13%	14 21.54% 22.58%	34 52.31% 54.84%	3 4.62% -
Emerging Europe (respondents: 20) Mean value: 71.88%	1 5.00% 6.25%	1 5.00% 6.25%	3 15.00% 18.75%	5 25.00% 31.25%	6 30.00% 37.50%	4 20.00% -
Euro Area (respondents: 212) Mean value: 77.41%	7 3.30% 3.74%	10 4.72% 5.35%	35 16.51% 18.72%	41 19.34% 21.93%	94 44.34% 50.27%	25 11.79% -
Other America (respondents: 61) Mean value: 71.82%	3 4.92% 5.45%	6 9.84% 10.91%	9 14.75% 16.36%	14 22.95% 25.45%	23 37.70% 41.82%	6 9.84% -
UK and Scandinavians (respondents: 91) Mean value: 78.00%	2 2.20% 2.67%	3 3.30% 4.00%	13 14.29% 17.33%	23 25.27% 30.67%	34 37.36% 45.33%	16 17.58% -
USA (respondents: 281) Mean value: 79.00%	4 1.42% 1.73%	21 7.47% 9.09%	31 11.03% 13.42%	53 18.86% 22.94%	122 43.42% 52.81%	50 17.79% -
Total (respondents: 742) Mean value: 77.79%	19 2.56% 2.98%	43 5.80% 6.75%	104 14.02% 16.33%	153 20.62% 24.02%	318 42.86% 49.92%	105 14.15% -

Question 6 – JUDGE THE OPTIMALITY OF MONETARY POLICY DURING THE CRISIS						
	0%	25%	50%	75%	100%	I don't know
FED interest rates policy						
Asia and Oceania (respondents: 65) Mean value: 58.90%	3 4.62% 5.08%	10 15.38% 16.95%	16 24.62% 27.12%	23 35.38% 38.98%	7 10.77% 11.86%	6 9.23% -
Emerging Europe (respondents: 20) Mean value: 58.75%	2 10.00% 10.00%	3 15.00% 15.00%	5 25.00% 25.00%	6 30.00% 30.00%	4 20.00% 20.00%	0 0.00% -
Euro Area (respondents: 212) Mean value: 55.28%	11 5.24% 5.67%	42 20.00% 21.65%	57 27.14% 29.38%	63 30.00% 32.47%	21 10.00% 10.82%	16 7.62% -
Other America (respondents: 60) Mean value: 64.90%	0 0.00% 0.00%	9 15.00% 17.31%	15 25.00% 28.85%	16 26.67% 30.77%	12 20.00% 23.08%	8 13.33% -
UK and Scandinavians (respondents: 90) Mean value: 62.35%	3 3.33% 3.53%	10 11.11% 11.76%	26 28.89% 30.59%	34 37.78% 40.00%	12 13.33% 14.12%	5 5.56% -
USA (respondents: 272) Mean value: 58.83%	16 5.88% 6.35%	42 15.44% 16.67%	69 25.37% 27.38%	87 31.99% 34.52%	38 13.97% 15.08%	20 7.35% -
Total (respondents: 729) Mean value: 58.83%	35 4.80% 5.22%	118 16.19% 17.59%	190 26.06% 28.32%	231 31.69% 34.43%	97 13.31% 14.46%	58 7.96% -
FED regulatory and surveillance policy						
Asia and Oceania (respondents: 65) Mean value: 42.37%	6 9.23% 10.17%	23 35.38% 38.98%	18 27.69% 30.51%	7 10.77% 11.86%	5 7.69% 8.47%	6 9.23% -
Emerging Europe (respondents: 19) Mean value: 36.84%	3 15.79% 15.79%	8 42.11% 42.11%	6 31.58% 31.58%	0 0.00% 0.00%	2 10.53% 10.53%	0 0.00% -
Euro Area (respondents: 212) Mean value: 37.23%	31 14.76% 16.49%	82 39.05% 43.62%	39 18.57% 20.74%	24 11.43% 12.77%	12 5.71% 6.38%	22 10.48% -
Other America (respondents: 61) Mean value: 43.00%	5 8.20% 10.00%	19 31.15% 38.00%	15 24.59% 30.00%	7 11.48% 14.00%	4 6.56% 8.00%	11 18.03% -
UK and Scandinavians (respondents: 90) Mean value: 41.99%	12 13.33% 15.38%	27 30.00% 34.62%	17 18.89% 21.79%	18 20.00% 23.08%	4 4.44% 5.13%	12 13.33% -
USA (respondents: 271) Mean value: 39.81%	54 19.93% 22.69%	71 26.20% 29.83%	50 18.45% 21.01%	44 16.24% 18.49%	19 7.01% 7.98%	33 12.18% -
Total (respondents: 728) Mean value: 39.69%	112 15.38% 17.50%	233 32.01% 36.41%	148 20.33% 23.13%	101 13.87% 15.78%	46 6.32% 7.19%	88 12.09% -
FED liquidity (and bail out) policy						
Asia and Oceania (respondents: 64) Mean value: 52.16%	5 7.81% 8.62%	11 17.19% 18.97%	23 35.94% 39.66%	12 18.75% 20.69%	7 10.94% 12.07%	6 9.38% -
Emerging Europe (respondents: 20) Mean value: 54.17%	1 5.00% 5.56%	4 20.00% 22.22%	6 30.00% 33.33%	5 25.00% 27.78%	2 10.00% 11.11%	2 10.00% -
Euro Area (respondents: 208) Mean value: 55.86%	8 3.85% 4.17%	49 23.56% 25.52%	47 22.60% 24.48%	66 31.73% 34.38%	22 10.58% 11.46%	16 7.69% -
Other America (respondents: 61) Mean value: 61.82%	3 4.92% 5.45%	6 9.84% 10.91%	20 32.79% 36.36%	14 22.95% 25.45%	12 19.67% 21.82%	6 9.84% -
UK and Scandinavians (respondents: 90) Mean value: 60.06%	1 1.11% 1.22%	15 16.67% 18.29%	26 28.89% 31.71%	30 33.33% 36.59%	10 11.11% 12.20%	8 8.89% -
USA (respondents: 274) Mean value: 53.45%	16 5.84% 6.13%	61 22.26% 23.37%	82 29.93% 31.42%	75 27.37% 28.74%	27 9.85% 10.34%	13 4.74% -
Total (respondents: 729) Mean value: 55.63%	35 4.80% 5.19%	147 20.16% 21.78%	206 28.26% 30.52%	205 28.12% 30.37%	82 11.25% 12.15%	54 7.41% -

Question 6 – JUDGE THE OPTIMALITY OF MONETARY POLICY DURING THE CRISIS						
	0%	25%	50%	75%	100%	I don't know
FED communication policy						
Asia and Oceania (respondents: 65) Mean value: 45.67%	5 7.69% 9.62%	17 26.15% 32.69%	17 26.15% 32.69%	8 12.31% 15.38%	5 7.69% 9.62%	13 20.00% -
Emerging Europe (respondents: 20) Mean value: 52.63%	0 0.00% 0.00%	7 35.00% 36.84%	5 25.00% 26.32%	5 25.00% 26.32%	2 10.00% 10.53%	1 5.00% -
Euro Area (respondents: 208) Mean value: 47.27%	15 7.21% 8.62%	51 24.52% 29.31%	57 27.40% 32.76%	40 19.23% 22.99%	11 5.29% 6.32%	34 16.35% -
Other America (respondents: 61) Mean value: 52.08%	2 3.28% 4.17%	14 22.95% 29.17%	15 24.59% 31.25%	12 19.67% 25.00%	5 8.20% 10.42%	13 21.31% -
UK and Scandinavians (respondents: 90) Mean value: 55.38%	2 2.22% 2.53%	20 22.22% 25.32%	23 25.56% 29.11%	27 30.00% 34.18%	7 7.78% 8.86%	11 12.22% -
USA (respondents: 271) Mean value: 44.85%	33 12.18% 14.16%	64 23.62% 27.47%	71 26.20% 30.47%	48 17.71% 20.60%	17 6.27% 7.30%	38 14.02% -
Total (respondents: 727) Mean value: 48.00%	58 7.98% 9.46%	174 23.93% 28.38%	189 26.00% 30.83%	143 19.67% 23.33%	49 6.74% 7.99%	114 15.68% -
ECB interest rates policy						
Asia and Oceania (respondents: 64) Mean value: 54.81%	3 4.69% 5.77%	11 17.19% 21.15%	16 25.00% 30.77%	17 26.56% 32.69%	5 7.81% 9.62%	12 18.75% -
Emerging Europe (respondents: 20) Mean value: 58.75%	1 5.00% 5.00%	3 15.00% 15.00%	7 35.00% 35.00%	6 30.00% 30.00%	3 15.00% 15.00%	0 0.00% -
Euro Area (respondents: 210) Mean value: 51.77%	22 10.48% 11.11%	46 21.90% 23.23%	51 24.29% 25.76%	54 25.71% 27.27%	25 11.90% 12.63%	12 5.71% -
Other America (respondents: 60) Mean value: 55.36%	2 3.33% 4.76%	7 11.67% 16.67%	18 30.00% 42.86%	10 16.67% 23.81%	5 8.33% 11.90%	18 30.00% -
UK and Scandinavians (respondents: 89) Mean value: 54.69%	5 5.62% 6.25%	10 11.24% 12.50%	34 38.20% 42.50%	27 30.34% 33.75%	4 4.49% 5.00%	9 10.11% -
USA (respondents: 267) Mean value: 45.78%	21 7.87% 12.65%	43 16.10% 25.90%	55 20.60% 33.13%	37 13.86% 22.29%	10 3.75% 6.02%	101 37.83% -
Total (respondents: 721) Mean value: 51.32%	54 7.49% 9.52%	121 16.78% 21.34%	186 25.80% 32.80%	153 21.22% 26.98%	53 7.35% 9.35%	154 21.36% -
ECB regulatory and surveillance policy						
Asia and Oceania (respondents: 63) Mean value: 53.06%	3 4.76% 6.12%	10 15.87% 20.41%	19 30.16% 38.78%	12 19.05% 24.49%	5 7.94% 10.20%	14 22.22% -
Emerging Europe (respondents: 20) Mean value: 57.89%	2 10.00% 10.53%	1 5.00% 5.26%	9 45.00% 47.37%	3 15.00% 15.79%	4 20.00% 21.05%	1 5.00% -
Euro Area (respondents: 209) Mean value: 52.25%	15 7.18% 7.94%	44 21.05% 23.28%	59 28.23% 31.22%	51 24.40% 26.98%	20 9.57% 10.58%	20 9.57% -
Other America (respondents: 60) Mean value: 49.38%	0 0.00% 0.00%	13 21.67% 32.50%	18 30.00% 45.00%	6 10.00% 15.00%	3 5.00% 7.50%	20 33.33% -
UK and Scandinavians (respondents: 89) Mean value: 49.67%	8 8.99% 10.53%	14 15.73% 18.42%	28 31.46% 36.84%	23 25.84% 30.26%	3 3.37% 3.95%	13 14.61% -
USA (respondents: 268) Mean value: 43.52%	19 7.09% 14.07%	38 14.18% 28.15%	47 17.54% 34.81%	21 7.84% 15.56%	10 3.73% 7.41%	133 49.63% -
Total (respondents: 721) Mean value: 49.61%	47 6.52% 9.11%	123 17.06% 23.84%	182 25.24% 35.27%	119 16.50% 23.06%	45 6.24% 8.72%	205 28.43% -

Question 6 – JUDGE THE OPTIMALITY OF MONETARY POLICY DURING THE CRISIS						
	0%	25%	50%	75%	100%	I don't know
ECB liquidity (and bail out) policy						
Asia and Oceania (respondents: 64) Mean value: 57.69%	3 4.69% 5.77%	6 9.38% 11.54%	19 29.69% 36.54%	20 31.25% 38.46%	4 6.25% 7.69%	12 18.75% -
Emerging Europe (respondents: 20) Mean value: 59.21%	0 0.00% 0.00%	3 15.00% 15.79%	8 40.00% 42.11%	6 30.00% 31.58%	2 10.00% 10.53%	1 5.00% -
Euro Area (respondents: 209) Mean value: 61.39%	5 2.39% 2.62%	35 16.75% 18.32%	52 24.88% 27.23%	66 31.58% 34.55%	33 15.79% 17.28%	18 8.61% -
Other America (respondents: 60) Mean value: 61.59%	1 1.67% 2.44%	6 10.00% 14.63%	17 28.33% 41.46%	7 11.67% 17.07%	10 16.67% 24.39%	19 31.67% -
UK and Scandinavians (respondents: 89) Mean value: 58.64%	2 2.25% 2.47%	14 15.73% 17.28%	28 31.46% 34.57%	28 31.46% 34.57%	9 10.11% 11.11%	8 8.99% -
USA (respondents: 269) Mean value: 52.44%	14 5.20% 8.54%	33 12.27% 20.12%	57 21.19% 34.76%	43 15.99% 26.22%	17 6.32% 10.37%	105 39.03% -
Total (respondents: 723) Mean value: 58.11%	25 3.46% 4.48%	99 13.69% 17.74%	182 25.17% 32.62%	174 24.07% 31.18%	78 10.79% 13.98%	165 22.82% -
ECB communication policy						
Asia and Oceania (respondents: 64) Mean value: 53.26%	4 6.25% 8.70%	9 14.06% 19.57%	14 21.88% 30.43%	15 23.44% 32.61%	4 6.25% 8.70%	18 28.13% -
Emerging Europe (respondents: 20) Mean value: 60.53%	1 5.00% 5.26%	3 15.00% 15.79%	5 25.00% 26.32%	7 35.00% 36.84%	3 15.00% 15.79%	1 5.00% -
Euro Area (respondents: 209) Mean value: 48.91%	25 11.96% 13.59%	42 20.10% 22.83%	49 23.44% 26.63%	52 24.88% 28.26%	16 7.66% 8.70%	25 11.96% -
Other America (respondents: 59) Mean value: 52.78%	1 1.69% 2.78%	9 15.25% 25.00%	14 23.73% 38.89%	9 15.25% 25.00%	3 5.08% 8.33%	23 38.98% -
UK and Scandinavians (respondents: 89) Mean value: 52.30%	6 6.74% 7.89%	12 13.48% 15.79%	33 37.08% 43.42%	19 21.35% 25.00%	6 6.74% 7.89%	13 14.61% -
USA (respondents: 269) Mean value: 44.24%	22 8.18% 15.83%	32 11.90% 23.02%	50 18.59% 35.97%	26 9.67% 18.71%	9 3.35% 6.47%	130 48.33% -
Total (respondents: 722) Mean value: 49.21%	59 8.17% 11.64%	109 15.10% 21.50%	169 23.41% 33.33%	129 17.87% 25.44%	41 5.68% 8.09%	215 29.78% -

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