ABSTRACT

REPLY TO COMMENTS BY TOGAY AND İŞIK ON “A THEORETICAL ASSESMENT OF THE CRISIS IN MOVEMBER 2000”

My article titled “A Theoretical Assesment of the Crisis in November 2000: Money Supply Endogeneity and Financial Instability Hypothesis” was published in March 2001 issues of this journal. The purpose of the study was to lead to discussions on the reasons of the crisis on a theoretical basis and to contribute to the lessons to be taken. And the article was successful in this context: two comments on the study were published again in this journal. Comment by Selahattin Togay was published in May 2001 issue, while comment by Sayım Işık was published in September 2001 issue. In this reply, I will try to elaborate on some points made by the authors and to clearify some aspects misunderstood by them. In my view, even though the comments are valuable from a theoretical point of view, they are far away from my aim of the study, because they concentrated only on the theory of endogeneity but neither on the reasons for the crisis nor its relation with the theory.