

ERUMAG

“Economics is life’s business.”



WHAT ABOUT THE SUSTAINABILITY?

Efforts towards sustainability also suffered during Trump's second term as president.

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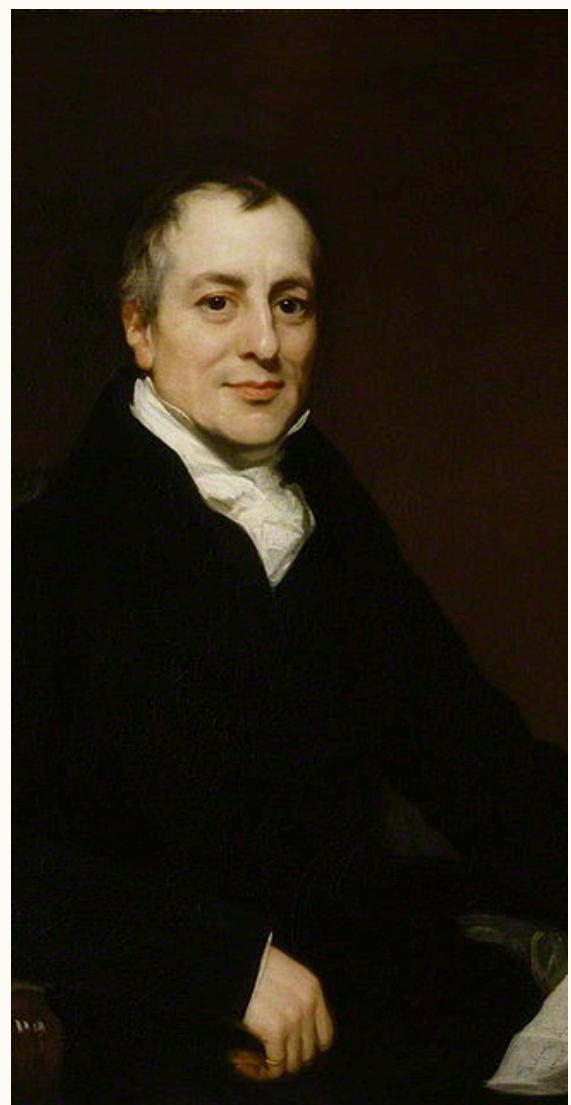
Dr. Cavit Görkem DESTAN, Head of TED University Economics Master's Program

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COVER

The New York Times, 2020



Portrait of David Ricardo by Thomas Philips

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Editor Note

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Dr. Cavit Görkem DESTAN

Assistant Professor at TED University Department of Economics
Head of Department of TED University Economics Master Program

*Economics Research Union is fulfilling one of the major responsibilities of universities: building a bridge between researchers and the public. While providing a space to discuss the economic world we live in, they maintain their strong stance on scientific rigor. This magazine is also an excellent example of that perspective. It not only inspires readers by sharing their curiosity about the most recent research but also by highlighting the (often overlooked) issues of the global economic system. I am proud to support the union as an editor, and I wish ERUMAG a long and fruitful journey. **Keep inspiring!***

C.G. Destan



WHO ARE WE?

The Economics Research Union was founded in the fall term of 2023 by Nejat Yilmaz and students of the Department of Economics. The aim of ERU is to bring students together to examine the past, present, and future of economic science, to conduct research, to evaluate the Turkish and the world economy, and to organize workshops. Believing that "Knowledge is a treasure that increases as it is shared," ERU aims to increase the popularity of scientific work among university students by organizing seminars with academicians who are experts in their fields. This journal has been prepared by ERU members for anyone who is interested in economics and who wants to improve themselves in the field of economics and increase their knowledge.

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the Bretton Woods summit
in 1944*

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Daron Acemoğlu,
after receiving the
Nobel prize

Sustainability and Its Importance

“The inflation crisis was caused by massive overspending and escalating energy prices, and that is why today I will also declare a national energy emergency. We will drill, baby, drill.”

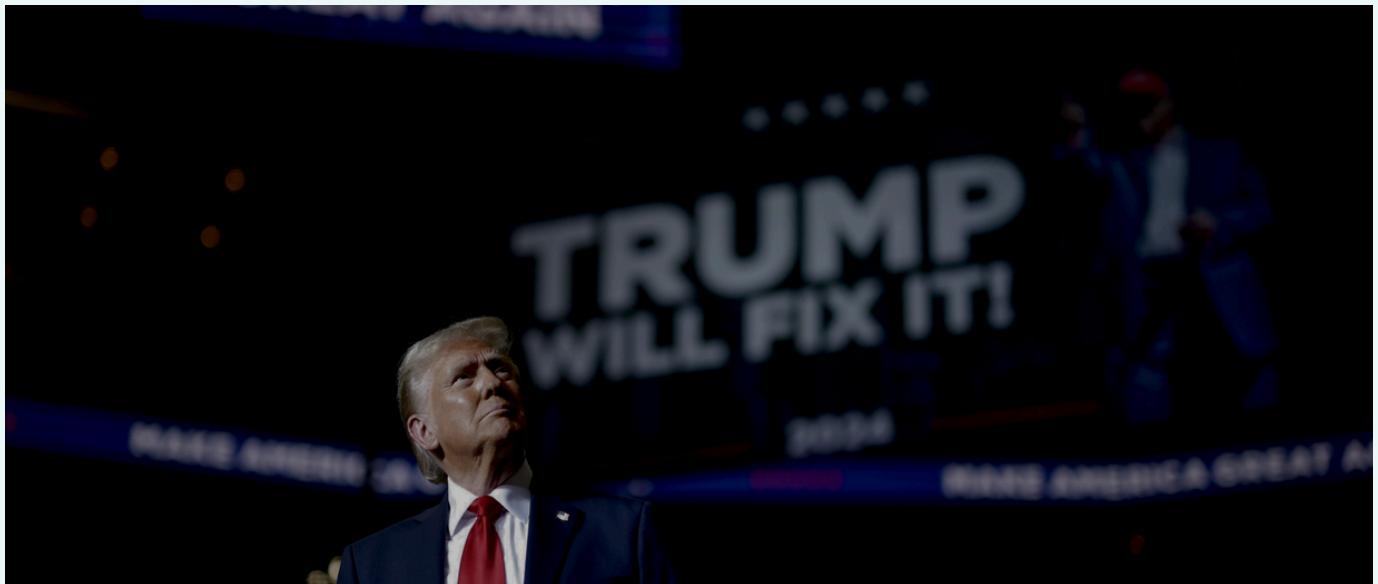
-President Donald J. Trump

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Arda AKGÜL

Economics/BA 3rd Grade Student



Looking into economics, and most likely every single discipline, the term we have heard, as you'd appreciate, is sustainability. Due to natural resources that have been exploited since we tried to enhance our prosperity, and due to the global climate crisis, it has high importance and should be integrated into all components of daily life. Besides coming across the term sustainability many times, have you thought about the term itself?

Let us look at sustainability by diving deep into its terminology. To sustain means causing or allowing something to continue for a period. So, to sustain something is to let or support it to continue to exist. And if something is eligible, supposed to, or must exist, it is sustainable.

The reason why it is a trending term day by day is that the world we live in is becoming increasingly unsustainable. Thus, sustainability is more than just a popular buzzword. It is a broad concept that questions how resources are used, how economic growth, and consequently increased welfare, is structured, and how long-term sustainability can be achieved. Conventional growth has often focused on short-term profit or expansion, with little attention paid to environmental consequences. This approach has led to the overuse of natural resources, the destruction of ecosystems, and global warming, which has caused global temperatures to rise by approximately 1.1°C above pre-industrial levels. Projections suggest that this could exceed 2.6 to 2.8°C by the end of the century.

Unsustainable economic practices exploit finite resources, leaving future generations with a damaged planet. Sustainability is often divided into three pillars: environmental, social, and economic. These pillars aim to balance the needs of the present without borrowing from future generations to meet our own. Environmental sustainability focuses on using natural resources responsibly and minimizing harm to our planet. This includes practices such as reducing carbon emissions, managing waste, and conserving biodiversity, especially considering that nearly 1 million species are currently at risk of extinction, according to the UN. On the economic side, a sustainable economy supports clean energy, the responsible use of resources, and reduced pollution—factors that are expected to be beneficial for the future.



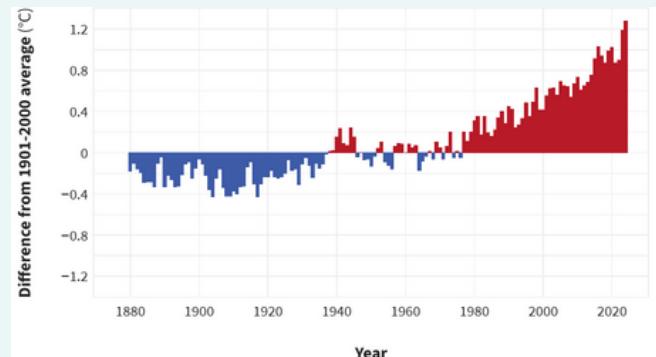
Conference room at the UN headquarter



Lastly, social sustainability addresses issues of equity, justice, and quality of life. It involves ensuring that economic systems provide fair opportunities for everyone, promote social cohesion, and protect human rights. For an economy to be truly sustainable, it must support communities, have decent jobs, and provide access to essential services like healthcare, education, and housing.

Economic sustainability offers practices that are financially viable in the long term. It is about ensuring that economies can continue to grow without overutilizing natural and financial resources that would lead to financial or climate crises. This means investing in practices that are both economically profitable and environmentally responsible, and supporting policies that promote innovation, efficiency, and long-term value. While achieving sustainability on a global scale is complex, it is essential for ensuring that the future world is a place that is not harmed.

The world's current direction, with "high support" from overconsumption, resource depletion, and environmental destruction, is unsustainable. By rethinking how we define progress and success, we should reshape our habits that do not prioritize sustainability.



Global average surface temperature

NOAA Climate.gov. (2024, January 18). *Climate change: Global temperature*.

Yet it is a trend now, sustainability is not (and should not be) a passing trend or an isolated issue for only a few people or disciplines; it is actually at the heart of the future economy. From policy decisions to business strategies and individual choices, implementing sustainability into all aspects of our lives can ensure a balanced and livable world for generations to come. It is a shared responsibility that if taken seriously, can lead to a more stable, and environmentally, economically, and socially healthy World.

However, it's not something that individuals can overcome alone. For instance, President Donald Trump's second term has seen many developments that contradict the sustainability efforts trending worldwide, especially in recent years. President Trump's scepticism toward sustainability didn't begin with his second term; it has been rooted in his views for years.

Donald J. Trump @realDonaldTrump

The concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive.

9:15 PM · Nov 6, 2012

To be fair, Trump's scepticism toward environmental efforts didn't begin with his second term, it has been a long-standing stance. He has argued that environmental regulations hurt U.S. economic growth and threaten energy security. As far back as 2012, Trump tweeted that "global warming is made up by China to stop U.S. production," clearly stating his position on climate issues.

"It's freezing outside, where the hell is global warming?"
-Donald Trump, 2013

Since his reelection, not only has it been signalled, but policies prioritizing oil and gas production over renewable energy have also been actively pursued. Green energy projects have been cancelled, and support for fossil fuels has expanded.

Looking at the policies favored by past U.S. presidents reveals a clear pattern: Democratic leaders generally support clean energy, while Republican leaders often advocate for traditional energy sources. This divide was evident again in the last election, where Donald Trump and Democratic candidate Kamala Harris presented sharply opposing energy agendas. It became somewhat easier to predict the outcome of the election.

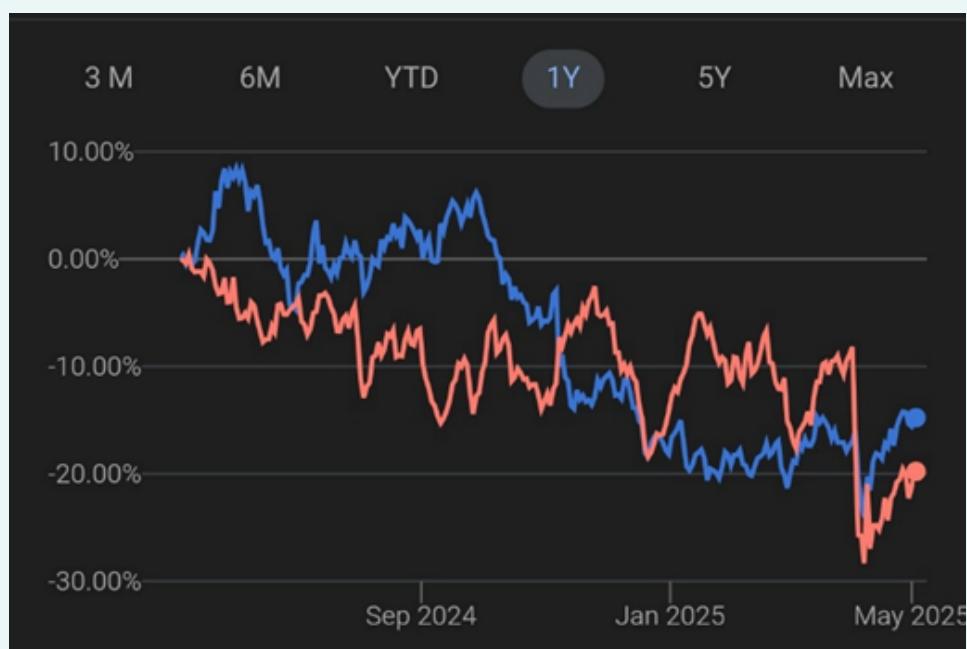
As Dow Theory suggests, the stock market discounts all available information, and financial markets quickly anticipate the next president.



Donald Trump during his election campaign

The chart compares two ETFs: the iShares U.S. Oil & Gas Production ETF (IEO) (in red) and the iShares Clean Energy ETF (ICLN) (in blue). After the November 2024 election, investors appeared to anticipate the direction of Trump's second term—oil and gas stocks surged, while clean energy stocks declined. This suggests that capital began favouring traditional methods of energy production over sustainable alternatives.

The signal is clear: under Trump's governance, the United States has stepped back from sustainability efforts, at least at the federal level, as individual states may act differently. While many other countries are advancing in climate action and clean energy initiatives, the U.S. is unlikely to be perceived as a global leader in sustainability during this period.



Reference:

Trump, D. J. (2025, January 20). The inaugural address. The White House.
<https://www.whitehouse.gov/remarks/2025/01/the-inaugural-address/>

BlackRock. (n.d.). iShares Global Clean Energy ETF (ICLN).
<https://www.ishares.com/us/products/239738/ishares-global-clean-energy-etf>

BlackRock. (n.d.). iShares U.S. Oil & Gas Exploration & Production ETF (IEO).
<https://www.ishares.com/us/products/239517/ishares-us-oil-gas-exploration-production-etf>

Trump, D. J. [@realDonaldTrump]. (2012, November 6). The concept of global warming was created by and for the Chinese in order to make U.S. manufacturing non-competitive [Tweet].
X.

ECON DICTIONARY

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Ezgi Eylem ERDOĞAN

Economics 3rd Grade Student

Aggregate Demand

The flow of spending across the economy, on goods and services. Demand can fall, even if people's income and wealth are unchanged, if they decide to save, rather than spend.

Balance Budget

In accounting, a statement of the assets and liabilities of a business. It must balance in the sense that assets equal liabilities.

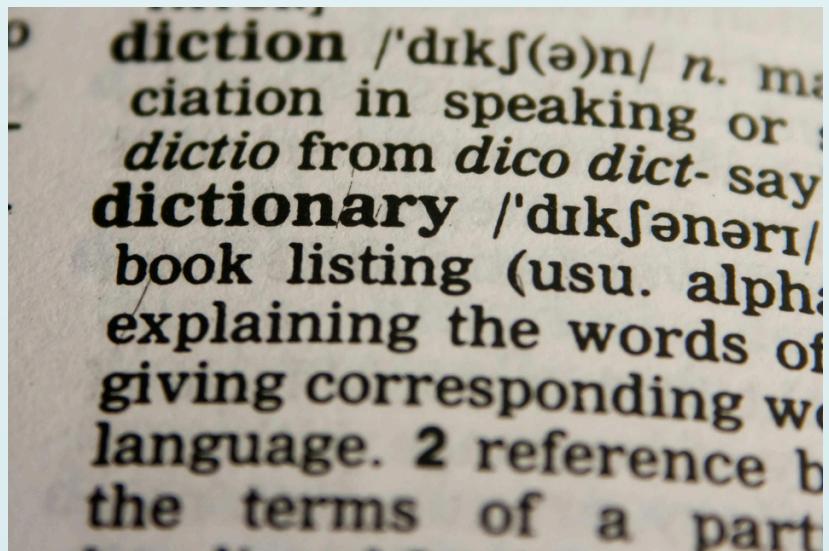
Assets such as cash or equipment, or inventory are being used in the business; the liabilities show how those assets were funded, whether in the form of debt (owed to creditors) or equity (owed to shareholders).

Behavioral Economics

A school of thought that believes that the economic decisions of individuals are often driven by psychological biases rather than the rational analysis of expected returns. One example is the endowment effect. Individuals value the goods they own more highly than they would pay for the same item in an open market.

Asset

Something that can be used to create economic value. An asset can be tangible, such as a building or machinery or intangible, such as a patent or a brand name. Assets comprise one side of a company's balance sheet; the other is liabilities.



Budget

The annual process through which funds are allocated, whether in the form of debt (owed to creditors) or equity (owed to shareholders).

ECON DICTIONARY



Exchange rate

The rate at which one currency is exchanged for another. Generally, this is either a fixed exchange rate or a floating exchange rate, although halfway houses (such as a crawling peg) have been attempted.

Inflation

A general rise in the price level. This is normally calculated by comparing the price of a basket of goods (measured by a consumer price index) at different times and can be used as a measure of the cost of living.

Export

Goods and services are sold to foreign buyers. When a foreign tourist buys a meal in Spain, that counts as a Spanish export.

Interest Rate

The return for lending money and the cost of borrowing it. The level of interest rates depends on the time value of money, the credit risk of the borrower, the level of inflation and other factors.

Carbon Tax

A tax levied on carbon emissions. The aim is to penalise heavy emitters and encourage alternative approaches that do not contribute to global warming.

66 Economy

An economy is a system of interrelated production and consumption activities that ultimately determine the allocation of resources within a group. The production and consumption of goods and services fulfil the needs of those living and operating within an economy.



What Happened to Uncovered Interest Parity?



Gökçenur BAŞARAN
Economics 4th Grade Student

Uncovered Interest Parity is a basic concept in international economics that explains the expected return difference between two countries' currencies. According to UIP, exchange rates adjust in a way that the currency with the higher interest rate is expected to depreciate in the future, offsetting the interest rate gap.

So basically, if Türkiye's interest rate is higher than the U.S. rate, the Turkish Lira (TL) is expected to lose value over time. This way, under the no-arbitrage conditions, the higher interest rate is balanced by the expected depreciation of the currency. This relationship between interest rates and expected exchange rate movements can be formally expressed through the Uncovered Interest Parity (UIP) formula:

$$R_{\$} = R_{\epsilon} + (E^e \$/\epsilon - E \$/\epsilon) / E \$/\epsilon$$

$R_{\$}$: Dollar's interest rate

R_{ϵ} : Euro's interest rate

$E^e \$/\epsilon$: Expected exchange rate

$E \$/\epsilon$: Exchange rate



However, in the USA, even though the interest rate is increasing, the US Dollar has depreciated around 4.3% in the last month. This is the opposite of what the theory predicts. Why has this happened? After the announcement of high tariff rates in the USA, people started selling dollars. This reduced demand for U.S. dollars, and the dollar depreciated.

Therefore, this shows that in a global economy, trade barriers can have a significant short-term impact on a country's currency and economic conditions. As can be seen in the ECB Data Portal graph, the dollar depreciated after the announcement.



Source: ECB



Daron Acemoğlu: Story Behind the Nobel

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Mehmet Orkun APAYDIN

Economics 4th Grade Student



Alperen ÖZDEMİR

Economics 3rd Grade Student

Kamer Daron Acemoğlu is the son of a teacher mom and a lawyer dad, and he was born in Kadıköy, İstanbul in 1967. His father, Kevork Acemoğlu was a valuable lawyer and academician in university and his mother is a teacher at school, so his family cares about education. Acemoğlu had completed first school at Aramyan Uncuyan in İstanbul then continued his education at Galatasaray High School. Acemoğlu was curious about politics and economics while he was young at Galatasaray High School, therefore he decided to move to the UK to start his bachelor's degree in economics at the University of York. After he had completed his Bachelor's at York in June 1989, he started to master's degree in Econometrics and Mathematical Economics in June 1990 and an ad PhD in Economics at LSE in November 1992.

After he had PhD in Economics, Acemoğlu was given courses in LSE between 1992 and 1993 then by the proposal of one of his former professors, he decided to continue his academic life at MIT. Acemoğlu became a professor in economics then he took the title of professor at the institute at MIT. Daron Acemoğlu has been working at the economics department of MIT and has many important awards from the whole of the world, lastly, he has been honoured with the Nobel Prize by James Robinson and Simon Johnson “For studies of how institutions are formed and affect prosperity”.

Some Notes About Daron Acemoğlu:

It is important to know that Daron Acemoğlu has many students from entire the world and it is essential because students highly affected by their professor about works and thoughts and it is beneficial to know them to understand Acemoğlu's views in detail additionally to his works so, there are some important students from Türkiye:

- Professor Ufuk Akçigit at the University of Chicago
- Professor Alp Şimşek at the Yale School of Finance and Management
- Associate Professor Arda Gitmez at Bilkent University

Research Fields of Acemoğlu: Macroeconomics, Political Economy, Labor Economics, Development Economics and Economic Theory

PhD Thesis of Daron Acemoğlu is about Microeconomic foundations of Macroeconomics: Contracts and Economic Performance.

What Daron Acemoğlu States:

Circumstances of country and background of a person constitute views of a person and like for many economists; it exists for Daron Acemoğlu. Professor Acemoğlu argues that economic growth can be possible when strong institutions in the country and the allocation of political power are shared towards the society. Power accumulates in the control of a small elite group in a country, the group can lead politics and politicians through the policies to maximize their utility and gain, also while they do that, they receive a crucial share of the prosperity of society, so inequality tends to increase, and economic growth is not possible.

The question of why some societies are more economically developed than others has long been a matter of debate. Hypotheses such as culture, geography, illiteracy, etc. have been put forward in this regard. For example, according to the culture hypothesis, the difference in economic development between nations was based on their cultural differences.

In "Why Nations Fail?", Acemoğlu and Robinson respond to these hypotheses with comparative analysis. The most prominent example is a town on the border between the US and Mexico, where the level of development is higher on the US side and lower on the Mexican side. A similar example is North and South Korea. There are no significant geographical or cultural differences between these regions, but the same cannot be said for their economic development. Acemoğlu, using these examples, argues that development can only be achieved through institutionalization. The difference between these regions is that developed societies have inclusive institution

The article that forms the basis of Daron Acemoğlu's theory is "The Colonial Origins of Comparative Development: An Empirical Investigation" published in 2001. It is also his most cited work.

In this article, the effects of colonial influences on institutionalization are discussed. It is a very detailed article, but to summarize very briefly, it is pointed out that the colonial past of some countries is the basis for institutionalization in those countries. Examples of such countries are the USA, Canada and Australia. Acemoğlu does not claim that every country with a colonial past has good institutions. Many countries in Africa, for example, have colonial pasts but are now facing serious institutional problems. According to Acemoğlu, what makes the difference here is whether Europeans settled in the colonies or not.

The reason for this difference was that Europeans provided the institutional infrastructure where they settled permanently. In the case of the US, etc., Europeans settled there, established the appropriate institutional infrastructure and encouraged investment. But in most African cases, Europeans preferred to take resources to their own centres and not deal too much with the colonial areas.

Furthermore, to analyze the situation of institutions in the country, it is essential to know the historical background of the country. Acemoğlu proposes that a share of power should be allocated towards society by strengthening democracy and institutions then, there will occasion which will pave the way for competition between firms by increasing innovation, usage of technology and entrepreneurship factors

Moreover, by effective usage of technology like AI, an increase in productivity in production, creation of employment and adaptation of renewable energy within the concept of climate change can be realized.

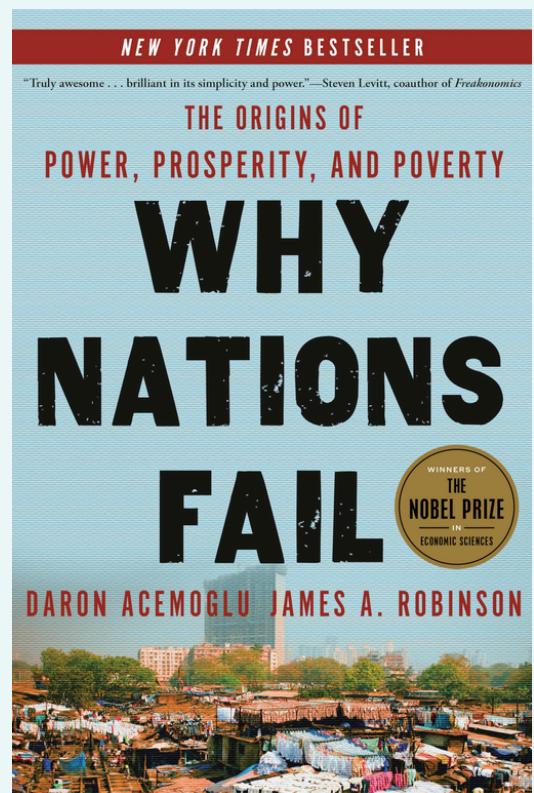
“Mr Acemoglu, in particular, has long been regarded as a future Nobel laureate for his work on technological growth and labour economics, as well as development.”

-The Economist, 2024

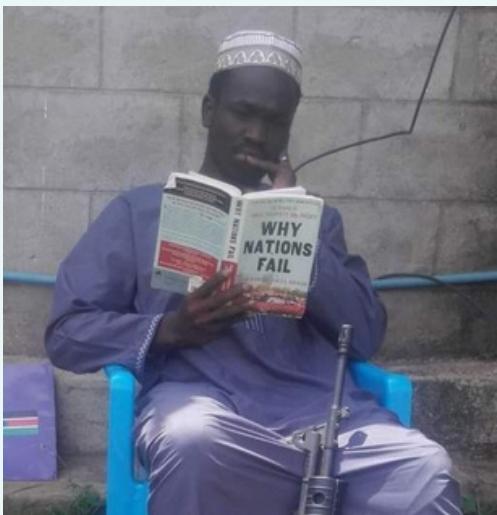
The Economist. (2024, October 14). An economics Nobel for work on why nations succeed and fail. <https://www.economist.com/finance-and-economics/2024/10/14/an-economics-nobel-for-work-on-why-nations-succeed-and-fail>

“Economic institutions shape economic incentives: the incentives to become educated, to save and invest, to innovate and adopt new technologies, and so on. It is the political process that determines what economic institutions people live under, and it is the political institutions that determine how this process works.”

— Daron Acemoğlu, Why Nations Fail: The Origins of Power, Prosperity, and Poverty



Book cover of Why Nations Fail



A man from South Sudan is reading "Why Nation's Fail"

Knowledge about historical background of the country



Allocation of political power by strengthening the institutions and strengthening the democracy



Creation of a suitable environment for competition between firms with innovation, entrepreneurship, and new technologies and an increase of incentives for education.



Decline in inequality and increase in prosperity and economic growth.

Criticism:

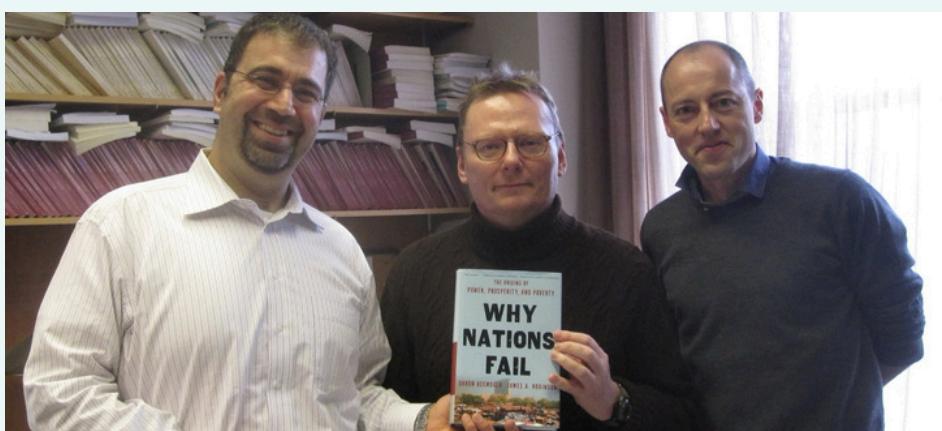
Yuen Yuen Ang of Johns Hopkins is one of the most challenging scholars of Acemoğlu's theory. As a criticism, she argues that the US may have inclusive institutions now, but it was not so inclusive during the period of its main economic development when it was a kind of white male aristocracy and slavery was widespread in the country. She also criticizes Acemoğlu for not working enough on the Chinese example. Since the 1980s, China has been growing at an incredible pace despite not having the inclusive institutions that Acemoğlu talks about.



Professor Yuen Yuen Ang at SOAS for the inaugural Annual Lecture.

Although it is not yet in the category of high-income countries when calculated on the basis of national income per capita, the fact that it has come from a very poor country to a country at this level is also considered a remarkable development.

Although the answer to this is something like “poor countries always have a catch-up advantage” another question arises: “Why can't every poor country catch up like China?”



Daron Acemoglu and James A. Robinson are holding their book.

Not Missing, Just Ignored.



Gökçenur BAŞARAN

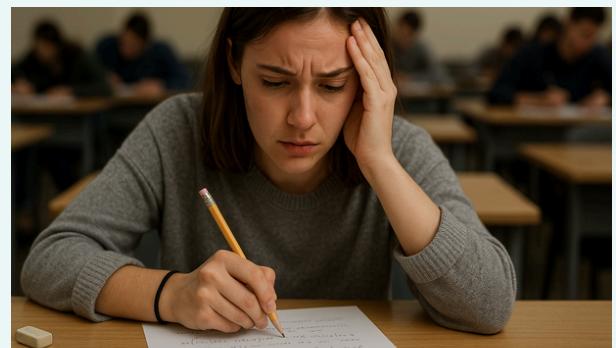
Economics 4th Grade Student

As a woman candidate to become an economist, I often wonder why women have been underrepresented in the field of economics, and I began reading several articles to understand the reasons behind this pattern.

One of the main reasons for the underrepresentation of women in economics is their lower initial interest in the field compared to men. While the share of women in higher education has significantly increased over the last four decades, this progress has not translated into equal representation in numerically intensive fields such as economics. For example, although women represent around 56% of all undergraduates in U.S. universities, the proportion of female students in economics departments remains below 30% (Avilova & Goldin, 2024). This inequality is not merely numerical; the challenges women encounter become even more pronounced as they advance in their academic or professional careers.



Even before entering university, women are much less likely than men to be interested in studying economics. Avilova and Goldin (2024) show that in the U.S., men are about twice as likely as women to plan on majoring in economics, and this difference emerges even before students arrive on campus.



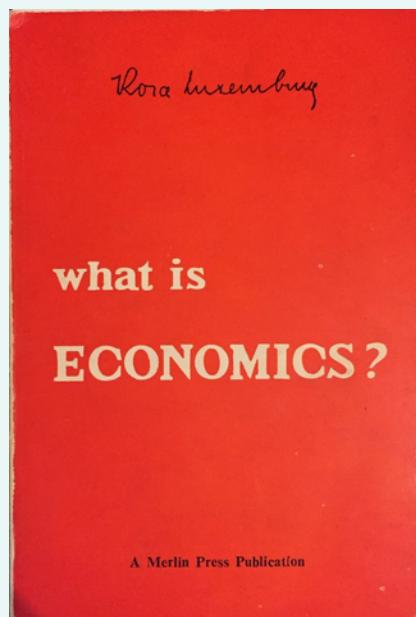
Another important factor is the phenomenon of “math anxiety,” which affects women more than men and discourages them from studying economics. According to Dynan and Rouse's (1997) study, based on surveys conducted at Harvard University, female students often lack confidence in their mathematical skills, which decreases their likelihood of choosing economics as a major. Interestingly, although women's performance levels were found to be similar to those of men, they reported feeling more inadequate.

In addition, the lack of female role models prevents students from imagining themselves in the field of economics. Dynan and Rouse (1997) emphasize that this is a factor that weakens women's interest in the discipline.

Women's distance from economics is not only due to math anxiety. In their study "Seeking the Missing Women of Economics," Avilova and Goldin (2024) state that women are already more distant from economics even before they start university. This distance is further enhanced by the lack of role models and academic support systems. It is also noted that even women who begin university tend to move away from the field of economics over time.

Another reason lies within academia, where women face gender-based biases, particularly in student evaluations, which often negatively affect their career progression. A study by Buser et al. (2022) found significant gender discrimination against female faculty members in student evaluations. Especially after exams, female academics are perceived as "harsh and unfair," which lowers their evaluation scores. This phenomenon can be explained by Social Role Theory, as society expects women to behave in a caring and modest manner, whereas academic environments reward authority, distance, and objectivity.

The "leaky pipeline" effect describes the tendency for women to drop out at various stages of their academic careers, further reducing their presence in higher academic ranks. The term refers to women "leaking" out of the system at each stage of an academic path. Auriol et al. (2022) show that in the U.S., while women represent around 30% at the doctoral level, this figure drops to less than 15% at the professorial level. In the most prestigious universities, the proportion of women is even lower, illustrating the "glass ceiling" effect, where women can reach a certain level but face significant obstacles to moving further up. This decline is not unique to the U.S., but it is far more pronounced there compared to Europe. In some European countries, more balanced gender representation has been achieved through more inclusive policies.



Book cover of What is Economics by Rosa Luxemburg

WOMEN IN ECONOMICS

Women academics also have limited access to research funding, networking opportunities, and mentoring support compared to their male counterparts, which puts them at a disadvantage in the long run, especially in terms of promotions.

The underrepresentation of women in economics is not based on individual preferences but rather on discouragement mechanisms that start at an early age, academic biases, and institutional barriers. The solution is not just increasing the numbers, but also transforming existing structures, creating role models, designing more inclusive curricula, and redesigning evaluation systems.

All these things I read and think about actually motivate me even more. Maybe the lack of women's voices in this field is a call for more women who think like us and bring different perspectives to participate in this field. My greatest desire is to overcome these obstacles in my own journey, to inspire other young women, and to contribute to making the economy a more inclusive and fairer space. I hope that over time, this picture will change, and the economy will become a field where talented people of all genders have equal opportunities.



Claudia Goldin after receiving her Nobel Prize on 10 December 2023.



Esther Duflo receiving her Nobel Prize in economic sciences for her experimental approach to alleviating poverty in 2019.

Auriol, E., Friebel, G., Weinberger, A., & Wilhelm, S. (2022). *Underrepresentation of women in the economics profession more pronounced in the United States compared to heterogeneous Europe*. Proceedings of the National Academy of Sciences, 119(16). <https://doi.org/10.1073/pnas.2118853119>

Avilova, T., & Goldin, C. (2024). *Seeking the "Missing Women" of Economics with the Undergraduate Women in Economics Challenge*. The Journal of Economic Perspectives, 38(3), 137–162. <https://doi.org/10.1257/jep.38.3.137>

Buser, W., Batz-Barbarich, C. L., & Hayter, J. K. (2022). *Evaluation of Women in Economics: Evidence of gender bias following behavioral role violations*. Sex Roles, 86(11–12), 695–710. <https://doi.org/10.1007/s11199-022-01299-w>

Dynan, K. E., & Rouse, C. E. (1997). *The Underrepresentation of Women in Economics: A study of Undergraduate Economics students*. The Journal of Economic Education, 28(4), 350–368. <https://doi.org/10.1080/00220489709597939>

Maddi, A., & Gingras, Y. (2021). GENDER DIVERSITY IN RESEARCH TEAMS AND CITATION IMPACT IN ECONOMICS AND MANAGEMENT. Journal of Economic Surveys, 35(5), 1381–1404. <https://doi.org/10.1111/joes.12420>

Claudia Goldin – Photo gallery. NobelPrize.org. Nobel Prize Outreach 2025. Tue. 29 Apr 2025. <<https://www.nobelprize.org/prizes/economic-sciences/2023/goldin/photo-gallery/>>

Behavioral Economics with Dr. Cavit Görkem Destan

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Arda AKGÜL

Economics/BA 3rd Grade Student

The image shows a promotional graphic for a podcast episode. At the top left is the TEDU Economics Research Union logo. In the center, there's a portrait of Dr. Cavit Görkem Destan, a man with short brown hair, wearing a dark suit jacket over a white shirt. To his right, the text reads "FieldTalks, Ep. 1" in large blue letters, followed by "Behavioral and Experimental Economics" in smaller black text. Below that is the name "DR. CAVİT GÖRKEM DESTAN" in bold black letters, with the subtitle "Faculty Member at Department of Economics at TED University" underneath. The background features abstract blue and white geometric shapes. A large red watermark "NEW EPISODE" is across the middle, and the RadioTEDU logo is in the bottom right corner.

Destan, an economics academician at TED University, was the guest of the first episode of FieldTalks, a RadioTEDU podcast that has been prepared with the TEDU Economic Research Union. Podcast hosts, Ezgi Eylem Erdoğan and Arda Akgül, asked questions about economics and behavioral economics, as well as Dr. Destan's career path, the differences between studying economics in Germany and Türkiye, and the future of behavioral and experimental economics.

Destan defined how his childhood experiences with economic crises in Türkiye sparked his interest in economics.

"I WANTED TO BE AN ECONOMIST TO SAVE EVERYONE,"

"I wanted to be an economist to save everyone," he said. He also shared how his initial interest in economics led him to pursue an academic career. "**Children rarely dream of becoming academics, they want to be astronauts or firefighters. But I've wanted to be an economist since childhood.**" As he grew up in Türkiye during economic crises, he witnessed firsthand how instability impacted families and businesses.



“KEMAL DERVIŞ’S REFORMS IN THE EARLY 2000S SHOWED ME ECONOMICS COULD CHANGE LIVES. I WANTED TO ‘SAVE EVERYONE’ THROUGH THIS FIELD.”

“BOĞAZİÇİ, BONN, TEDÜ”

After undergraduate studies, he shifted to academia, believing it was the best platform to address systemic economic challenges.

Destan described his experience studying at the University of Bonn, which he called "one of the best schools in Europe" for his field, behavioral economics. Destan clarified the distinction: "Behavioral economics asks why people make irrational decisions, in corporation with psychology."

Experimental economics focuses on how to test these decisions using controlled methods." He cited Nobel Prize winner Daniel Kahneman as behavioral economics' and Vernon Smith as experimental economics' as foundational figures. "Kahneman's work on biases and Smith's auction experiments revolutionized how we study human behavior," he added.

“I PREDICT MORE THEORIES AND MODELS WILL BE NEEDED”

However, according to Dr. Destan, both fields initially faced scepticism. "Behavioral studies were dismissed as 'just psychology,' while early experimental papers were rejected for using small samples," Dr. Destan explained. Researchers like Smith fought to prove that lab findings could scale to real-world markets.

Today, these fields are mainstream, with applications in policy, marketing, and development economics. Dr. Destan shared his predictions for the future of economics, suggesting that while data becomes more abundant, the need for theory and models will only increase. He also expressed his belief that behavioral methods will become more important in other social sciences. Dr. Destan emphasized the importance of understanding how people process information and make decisions.

"WE NEED MODELS TO PREDICT"

As lots fields, such as tech to economics, are highly affected by AI, Dr. Destan stressed the enduring role of theory. "Big data alone can't explain causality. We need models to interpret patterns." He predicts behavioral insights will deepen across social sciences: "Understanding how people process complexity, whether in voting or stock markets, will define tomorrow's breakthroughs."

"BROADEN YOUR VISION"

Dr. Destan offered advice to students interested in behavioral and experimental economics, suggesting that it is important to be aware of developments in other fields and to explore popular books and podcasts on the subject. "Economics intersects with psychology, sociology, and even history. Read popular books like Nudge or podcasts like Hidden Brain would close these gaps," he said. He also urged students to take cross-disciplinary courses: "A psychology student might thrive in behavioral economics, just as an economist can learn from anthropology.



Poster of the Conference by Cavit Görkem Destan at TEDU on 28 March 2024

As TED University Economics Research Union, we would like to express our gratitude to Dr. Cavit Görkem DESTAN.

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Climate Change and Sustainability with Sultan Tepe

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Arda AKGÜL

Economics/Business Administration 3rd Grade Student



Sultan Tepe, the board member and Head of Platform of Sustainability of Istanbul Chamber of Industry, was the guest of GreenTalks, a RadioTEDU podcast that has been prepared with TEDU Economic Research Union.

Podcast Hosts, Ezgi Eylem Erdogan and Arda Akgül, asked questions on sustainability, the reflection of sustainability steps in industry and how it can be applied, especially in industry in Türkiye.

"IT IS HARMFUL TO THE WORLD THAT CAUSED BY COMPLEX INDUSTRY"

Ms. Tepe defined climate change as a change in the environment, atmosphere, weather events and where we live. However, she stated that the climate change we are currently experiencing has not happened naturally; it is caused by humans, which started with the Industrial Revolution that caused the greenhouse effect.

It is harmful to the World which caused by complex industry", she said. And sustainability, which is meeting current needs without compromising future generation's needs, term is about 60 years old, which was offered by scientists to the United Nations as they questioned the state of the World, Ms. Tepe said.

As Ms. Tepe also stated, when it comes to Türkiye, the definition of sustainability is "producing for the World without consuming the World". According to Ms. Tepe, climate change will be a problem, as she also said that COP conferences have high importance for the World. It would also cause migration, as well as it can affect around 45 countries that have not caused the climate change but will be affected as ice caps melt at both Poles due to the Industrial Revolution and its consequences.

According to Ms. Tepe, it is not possible to keep temperature at 3C° level, as we already have reached 1.5 C°, which can cause drought, hunger and epidemics as microorganisms due to melted ice caps.

"DANGER BROUGHT BY INDUSTRIAL REVOLUTION HAS NOT BEEN REALIZED."



Ms. Tepe stated that the Industrial Revolution is not a bad thing as it leveraged the welfare level of humanity, but the danger that was brought by climate change has not been realized. "Most probably, your children will be living the consequences of climate change," she said, "we all have to be aware of the problem and take measures".

"GREEN DEAL IS A ROAD MAP TO CARBON NEUTRAL."

To bring carbon neutralization to the European Union, it is needed to make imported products carbon neutral too. Discussing the European Green Deal, Ms. Tepe explained that this initiative mandates carbon neutrality for all products sold in Europe, a shift that interests industries worldwide, including those in Türkiye, to adopt greener practices. "To bring carbon neutralization to the European Union, it is needed to make imported products carbon-neutral too," she said, as she highlighted the impact of these regulations on global trade.

Through her insights, Ms. Tepe also highlighted that addressing climate change requires not only technological innovation but also a deep shift in societal attitudes, as we could consider it an urgent call for everyone to commit to a more sustainable future.



Ms. Tepe's insights would serve as a powerful reminder of the urgent need for both technological innovation and a fundamental shift in our societal mindset. As industries and governments strive to achieve a sustainable future, Ms. Tepe's message calls that combating climate change is not solely a policy challenge but a call for personal and collective responsibility. Embracing sustainability, both in theory and practice, is highly important to protect our planet and ensure a good future for future generations.



As TED University Economics Research Union, we would like to express our gratitude to Sultan Tepe.

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ERU NEWS

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Mustafa BOYDAŞ
Economics 4th Grade Student



Mehmet Orkun APAYDIN
Economics 4th Grade Student

India Joins US-China Duo in AI Competition

India is in the process of joining the AI competition between the US and China in the world, and is increasing its investments in AI.

According to Professor Akçigit, at the moment India is coming from behind, however, the next 10 years will be positive for them in terms of the AI competition.

Global AI Leaders:



(Stanford HAI, 2024)

Source: *Yapay zeka rekabetinde ABD-Çin ikilisine Hindistan katiliyor.* (n.d.). <https://www.aa.com.tr/tr/bilim-teknolojisi/yapay-zeka-rekabetinde-abd-cin-ikilisine-hindistan-katiliyor/3462601>

Turkish Central Bank Raised Its Policy Rates

The Monetary Policy Committee (the Committee) has decided to raise the policy rate (the one-week repo auction rate) from 42.5 per cent to 46 per cent.

The Committee has also increased the Central Bank overnight lending rate from 46 per cent to 49 per cent and the overnight borrowing rate from 41 per cent to 44.5 per cent.

Some of the reasons behind these decisions are: inflation expectations, high domestic demand, and rising protectionism.

Source: *TCMB - press release on interest rates (2025-24).* (n.d.). <https://www.tcmb.gov.tr/wps/wcm/connect/en/tcmb+en/main+menu/announcements/press+releases/2025/ano2025-24>

ERU NEWS

China and the USA Tariff Deal

China and the USA agreed to drastically roll back tariffs on each other's goods for an initial 90-day period. That effectively means the US will temporarily lower its overall tariffs on Chinese goods from 145% to 30%, while China will cut its levies on American imports from 125% to 10%, according to the joint statement.



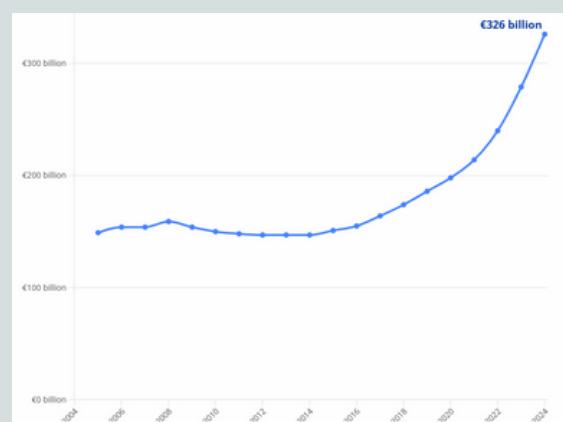
(ABC News)

Gan, N., Bacon, A., & Liu, J. (2025, May 12). *US and China agree to drastically roll back tariffs in major trade breakthrough*. CNN. *Source: Xiao, J. (2025, April 11). China raises tariffs on US goods to 125% in retaliation. Bloomberg.com.*

Von Der Leyen Pitches '€800bn' Defence Package Ahead of EU Leaders' Summit

EU Commission President Ursula von der Leyen proposed a Rearm Europe Plan that can mobilize up to €800 billion for member states.

Source: Tidey, A. (2025, March 4). *Von der Leyen pitches '€800bn' defence package ahead of EU leaders' summit*. Euronews.



EU member states' defence expenditure between

2021 and 2024

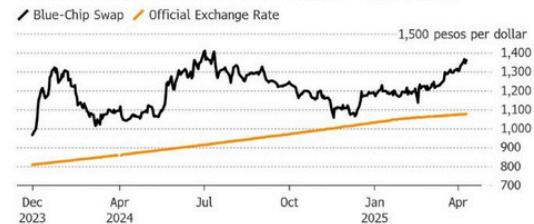
Source: European Defence Agency

ERU NEWS

IMF backs Milei with \$20 Billion Package

The IMF approved a \$20 billion bailout for Milei's economic reforms. As part of the deal, Argentina eased its currency controls by ending the crawling peg system and removing several foreign exchange restrictions. From now on, the Argentine Peso is allowed to freely fluctuate between 1000 to 1400 per US Dollar.

Argentina Says 'Adios' to Currency Controls
Gap between parallel, official rates topped 25% ahead of policy change



Source: Bloomberg

Bloomberg

Source: Grainger, J. (2025, April 13). IMF bets billions on Milei's chainsaw to avert past debacles. *Buenos Aires Times*.
<https://batimes.com.ar/news/economy/imf-bets-billions-on-mileis-chainsaw-to-avert-past-debacles.phtml>

(Bloomberg)

California Passes Japan as Fourth Largest Economy

California's economy has overtaken that of the country of Japan, making the US state the fourth-largest global economic force. The data from the IMF and the US Bureau of Economic Analysis shows California's GDP hit \$4.10 trillion in 2024. On the other hand, Japan's GDP is around \$4.01 trillion. Besides, Governor of California Gavin Newsom worried about the impact of tariffs on the state's future economy.

Source: Hayes, C. (2025, April 25). California overtakes Japan as fourth largest global economy. <https://www.bbc.com/news/articles/cly80zlk1lyo>



(BBC)