Propositions

Belonging to the thesis
On the Cyclical Nature of Finance:
The role and impact of financial institutions
by Patty Duijm

1. Endogeneity within the financial system rather than exogenous shocks drives the financial cycle (Chapter 1)
2. Foreign funded credit is the major driver of credit growth during credit booms, and thereby contributes to the credit cycle (Chapter 2)
3. Banks have the tendency to invest in countries that are economically similar, and thereby they do not fully utilize diversification opportunities that arise from operating across borders (Chapter 3)
4. Micro-prudential liquidity regulation cannot prevent a liquidity cycle that is driven by short-term wholesale funding (Chapter 4)
5. Insurance companies disinvested in equities during the global financial crisis, thereby amplifying market movements (Chapter 5)
6. While climate varies without human influence, current climate *change* is a consequence of human behavior.
7. Better financial education would contribute to a more efficient allocation of resources and benefit financial stability.
8. The fragmented nature of national regulatory frameworks leads to level playing field issues and thereby hinders further European integration.
9. Inequality in wealth leads to inequality in power, making the inequality problem a difficult one to solve.
10. Technological innovations within the financial sector force financial institutions to adapt their business models in order to stay competitive.
11. A stable cycle needs at least two wheels.