STATEMENT OF PURPOSE

Dear Madam or Sir,

what is the mission of an economist? The answer to this question is based on the two main reasons why I aim at doing research in economics. On the one hand, there is an epistemological mission: "Economics is the study of how societies use scarce resources to produce valuable commodities and distribute them among different people" (Samuelson and Nordhaus, 1998). As a consequence, doing research in economics provides with the instruments to interpret the deep phenomena that characterize our world, the interactions between human people and many topics that urgently require an answer nowadays, such as the increasing inequality, migrations and technological change. I want to undertake this first mission since any step toward the solution of the above topics would give me great enthusiasm and the motivation to study in depth the surrounding real world. On the other hand, an economist would like to pursue an ethical mission: in any research I worked on, the motivation originated from the willingness of finding a way to let people organize their production and interactions more efficiently. This way, economics can contribute to a more equal and right organization of economic activities, resulting in social and political harmony as well.

As it can be read on the website of Koç University, "the Economics faculty at Koç University has a solid reputation as contributors to the frontiers of knowledge in Turkey and abroad". Consequently, my strong motivation to join the doctoral course in Economics in this academic institution is due to the opportunity to sharpen my research skills in a challenging academic environment, which offers me the supervision by leading Professors in their field. In particular, I will not be able only to attend lectures and seminars, but I will have the opportunity to undertake a deep training to become a professional researcher: at this stage of my academic career, my aim is exactly to start contributing to widen the knowledge in economics.

During my studies, I decided to improve my research abilities through different academic and working experiences. I got the ability to analyse reforms and collect data: for my Bachelor thesis, for example, I created a   , which contained information about   , and I exploited it to implement some econometric models. Moreover, I proved to be a dedicated and precise researcher at the   , where I helped my team outline   by country on Stata to detect suitable reforms aimed at   . Furthermore, I contributed in an original way to the debate about the effect of   on   : for my Master thesis, I   to implement some empirical strategies never used about this topic. I proved to be able to manage huge dataset, face autonomously the obstacles in accessing data from remote and in dealing with empirical analysis and endogeneity problems. Consequently, I got a good experience in doing empirical research with strong commitment and creativity. Also, I strengthened my theoretical and modelling skills in several research projects, where I had to work in teams to develop models on Matlab.

Due to the above mentioned experiences, I consider the Ph.D. in Economics at Koç University the proper choice to pursue my research career and I find myself suitable for it thanks to my dedication and enthusiasm in doing research. In particular, I decided to apply for the Ph.D. at Koç University because I would like to study in depth the mechanisms that link the financial system to the real economy and how to build a financial environment prone to support sustainable economic growth

and stability in the medium and long term. In fact, I gained an interest in Monetary Economics and financial systems during my academic studies.

Therefore, my project is to contribute to the research the   is currently carrying out, i.e. to increase   . More specifically, I would like to start from an empirical research to assess which are the main characteristics of   to take into consideration when one aims at forecast   . To this purpose, I could follow and extend the strategy of   and   (2003), where the authors used   models to evaluate the   in forecasting   . Besides the rise in   , some scholars (, 2011;   and   , 2016) investigated the role of in increasing   and, hence,   . Moreover, the IMF suggests that other relevant features are   ,   ,   and   .

To augment the growth forecast models, it is needed to construct some indices to synthetize all the relevant financial features this research can find in the first step. A first approach is to create a   and an important contribution to this issue comes from   and   (2014), who estimate the index on the base of a time-varying Structural VAR model (from   2005) and of dynamic Factor models (from   2011).

Besides improving the   , it is advisable also to study the impact of financial conditions on the   . In order to implement this analysis, a useful tool is   . I plan, in fact, to estimate the   , as function of its current level and the current values of the financial conditions. This way, the effect on   can be detected and one can understand whether some characteristics of the financial system can affect   .

After having found the relevant financial determinants of   and assessed their efficacy in   , the further step is to investigate the   . For that purpose, I plan to contribute to the literature about   models, improving their ability to describe the evolution of   . My research proposal tries to reach this objective thanks to the inclusion of   .

The seminal contributions in this field are the papers of   (1989), where the authors examined the   and the role of   in reducing   ;   and   (1997), in which are proven to be powerful   to propagate the shocks;   ,   and   (1999), where   turn out to be amplifier of shocks toward the   . These authors embed a mechanism in the   models. This way, they created an   in   that causes the   . The proposed research plans to extend also the suggestions of   (2010), who highlighted the fact that   have to include   and credit markets frictions in a manner that conforms to current institutional frameworks.

Therefore, I project to develop an updated   model including a detailed and corresponding to reality representation of the financial system. In order to construct such a model, I will base my analysis on the related literature and I will extend it through the empirical findings of the previous steps of my research proposal.

My study, hence, aims at integrating in a medium-scale   model the most relevant financial conditions for   , such as   ,   ,   ,   , and other characteristics that turn out to be crucial in the first stage of my research proposal.

Once such   model is in place, it is possible to analyse the role of the   in and the role of   in fostering the   . Furthermore, it is advisable to analyse the of the economy according to different financial structures. In fact, the object of this research is to understand which   are suitable to support   .

Also, I plan to simulate the   and to find deeper explanations of the mechanisms that drove to   . This exercise is useful to test whether the model can fit the actual data properly. In addition, it is important to study   and its changes according to   .

Consequently, my plan is to work with a Professor of Macroeconomic Theory or Monetary Economics and a Professor of Financial Economics. Moreover, for my Ph.D. thesis it is important the supervision of a Professor of Advanced Econometrics (in particular, Time Series).

I believe, therefore, that this collaboration between Koç and me will be profitable for both: I will offer my skills for the academic projects I will work on and I will provide my international experience. In exchange, this experience will support my ambition to start a career in the research world. Moreover, I plan to undertake an academic career at Koç University. Then, my ambition also includes collaborations with public institutions, hopefully an occasion to implement the results of my research on the   .

Finally, I am member of a   in my hometown, for which I help to promote among   . This experience gave me great passion for the teaching profession. In consequence of that, my aim is not only to do research, but also to contribute to spread the scientific knowledge and methods among a wide audience, in particular students. For this reason, I will enjoy with competence and dedication also the recommended teaching training at Koç. Moreover, the fundamental experience at Koç University would let me share with my future students the values of diligence and professionalism learnt in this outstanding institution.

I thank you for your kind attention, waiting for the next steps of the selection.

Kind regards,