

Dr. Martin Brown



Research Interests:

Financial intermediation
Experimental economics
Development economics

Professional experience

- 2009 to present: Associate Professor of Finance, Tilburg University. (part-time)
- Fellow, European Banking Center
- 2004 to present: Deputy Head of International Research and Technical Assistance, Swiss National Bank, Zurich.
- Empirical research on financial intermediation
 - Management of research programs
 - Organization of research and policy conferences
 - Management of technical assistance programs to central banks
- 2002 -2004: Program Director, Swisscontact, Zurich.
- Consultant to financial sector development projects in Africa and Latin America, and Asia.
 - Management of private sector development program for Sri Lanka
 - Project development for international donors
- 2000 – 2002: Junior Expert for Microfinance, Swisscontact, Kenya.
- Consulting to commercial banks in Kenya & Tanzania
 - Consulting to Village Banks in Uganda
 - Impact studies
 - Project development for international donors
- 1999 –2000: Research Associate and Lecturer, Institute for Empirical Research in Economics, University of Zurich.
- Empirical research on labor- and organizational economics
 - Lecturer for microeconomics and organizational economics
- 1997 – 1998: Research Associate
Institute for Economic Research, Swiss Federal Institute of Technology.
- Empirical research on individual decision making

Education

- 1998 – 2004: Doctoral degree in Economics, University of Zurich.
1991 – 1997: Master degree in Economics, University of Zurich.

Publications in refereed journals

- 2010: Competition and Relational Contracts - The Role of Unemployment as a Disciplinary Device.
(with A. Falk & E. Fehr)
Journal of the European Economic Association, *forthcoming*.
- 2010: Who Needs Credit and Who Gets Credit in Eastern Europe?
(with S. Ongena A. Popov, & A.P. Yesin)
Economic Policy, *forthcoming*.
- 2010: The Emergence of Information Sharing in Credit Markets.
(with C. Zehnder)
Journal of Financial Intermediation, 19, 255-278.
- 2009: The Impact of Banking Sector Reform in a Transition Economy: Evidence from Kyrgyzstan.
(with M. Maurer, T. Pak, & N. Tynaev)
Journal of Banking & Finance, 33, 1677-1687.
- 2009: On Reputation – A Microfoundation of Contract Enforcement and Price Rigidity.
(with E. Fehr & C. Zehnder)
Economic Journal, 119, 333-353.
- 2009: Information Sharing and Credit: Firm-Level Evidence from Transition Countries.
(with T. Jappelli & M. Pagano)
Journal of Financial Intermediation, 18, 151-172.
- 2007: Credit Reporting, Relationship Banking, and Loan Repayment.
(with C. Zehnder)
Journal of Money, Credit, & Banking, 39 (8), 1883-1918.
- 2004: Relational Contracts and the Nature of Market Interactions.
(with A. Falk & E. Fehr)
Econometrica, 72 (4), 747-780.
- 1999: Gender Differences in Financial Decision Making: Are Women really more Risk Averse?
(with R. Schubert, M. Gysler & H. W. Brachinger)
American Economic Review, Papers & Proceedings, 89 (2), 381-385.
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Published working papers

- 2009: Foreign Currency Borrowing by Small Firms
(with S. Ongena & A.P. Yesin)
Swiss National Bank Working Paper 2009-2
- 2009: Foreign Currency Lending: Demand or Supply Driven?
(with K. Kirschenmann and S. Ongena)
European Banking Center Discussion Paper 2009-21

Unpublished working papers

Bank Ownership and Use of Banking Services: Evidence from the Transition Countries (with Thorsten Beck)

This paper documents significant cross-country variation in the use of financial services by households in Central and Eastern Europe. We find that the use of banking services increases in income and education in most countries and some evidence for an urban-rural gap, as well as a role for religion and trust. We find no evidence that the use of banking services is lower in countries with a higher share of government-owned banks, while a larger share of households uses debit or credit cards in countries with a higher share of foreign banks. We find distributional implications of bank ownership, with high-income households benefiting more from foreign bank entry and receivers of transfer income less; state ownership banks does not seem to benefit any specific group, while homeowners are less likely to use banking services in countries with higher government ownership of banks.

Relational Contracting under the Threat of Expropriation: Experimental Evidence (with Marta Serra-Garcia)

We examine how relational contracting in credit and investment relationships is affected by the potential expropriation of funds. We implement credit relationships in which repayment is not third-party enforceable, i.e. borrowers can default on their loans. In our main treatment the borrower can expropriate the lender's funds: a defaulting borrower can reinvest the loaned funds in future periods. In a control treatment borrowers cannot expropriate borrowed funds, i.e. if they default they cannot reinvest these funds in future periods. We find that potential expropriation decreases the overall volume of credit as lenders offer smaller loans in initial periods. Borrowers are more likely to default in earlier periods of the relationship when expropriation is possible, especially when they receive large loans. Together these results suggest that relational contracts may be particularly difficult to establish in markets where the expropriation of funds is feasible. This finding is relevant to credit markets in which lenders' rights are weak, but also to sovereign lending, as well as to foreign direct investment in countries with weak investor protection.

Policy papers

- 2009: Swiss Franc Lending in Europe
(with M. Peter & S. Wehrmüller)
Aussenwirtschaft (Swiss Review of International Economics), 167-181.
- 2009: Remittance Outflows from Switzerland
(with D. Arapovic)
Aussenwirtschaft (Swiss Review of International Economics), 7-18.

In the media

- 2009: „Bemerkenswerte Karriere des Schweizerfrankens im Osten“ (with M. Peter), Neue Zuercher Zeitung, 7 February 2009.
- 2009: „Will the crisis wipe out small carry traders in central and eastern Europe“, (with R. Auer, A. Fischer and M. Peter), www.voxeu.org, 28 January 2009.
- 2007: „Ohne Kredit kein Wachstum“ (with M. Sulzer), Neue Zuercher Zeitung, 11 July 2007.

Seminar and conference presentations

- 2010 Economic Policy Panel Meeting, Annual Conference of the Research Committee on Development Economics of the German Economic Association, Swiss Society for Economics and Statistics, Bulgarian National Bank.
- 2009: University of Zurich, Financial Intermediation Research Society, Institute of International Finance, CEPR-Gerzensee, EBRD, Sveriges Riksbank.
- 2008: Tilburg University, World Bank, Fed Boston, SNB-CEPR, University of Amsterdam, Tor Vergata Conference on Banking & Finance
- 2007: ETH Zurich, European Economic Association, European Finance Association, Swiss Society for Economics and Statistics Study Centre Gerzensee
- 2006: University of Lausanne, Tilburg University, ECB / Banco Espana CREDIT Venice, Centre d'Etudes d'Emploi Paris
- 2005: University of Salerno, Banca D'Italia, Fed Philadelphia European Economic Association, IZA Bonn European Financial Management Association

Refereeing

American Economic Review; Economic Journal; Journal of the European Economic Association, Economic Inquiry, Journal of Financial Intermediation, Journal of Money, Credit & Banking; Review of Finance; Journal of Banking & Finance, Journal of Comparative Economics, Economic Systems; Financial Markets and Portfolio Management, International Economic Review; Journal of Labor Economics; Games & Economic Behavior; Journal of Economic Surveys.

Conference organization

- 2010: 3rd Swiss Conference on Financial Intermediation.
(organized by Tilburg University – European Banking Centre)
Member of program committee and local organizer.
- 2009: 2nd Swiss Conference on Banking and Financial Intermediation.
(organized by Tilburg University – European Banking Centre)
Member of program committee and local organizer.
- 2008: “Foreign Currency Risk Taking by Financial Institutions, Firms and Households”.(organized by Swiss National Bank & CEPR)
Member of program committee and local organizer.

Teaching

- 2010: Advanced Topics in Microfinance, University of Zurich. (Graduate)
- 2009: Experiments in Financial Intermediation, Tilburg University. (Graduate)
- 2009: Financial Intermediation, University of Zurich. (Undergraduate)
- 2008: Financial Sector Development, ETH Zurich-NADEL. (Graduate)
- 2006: Financial Sector Development, ETH Zurich-NADEL. (Graduate)
- 2005: Financial Sector Development, ETH Zurich-NADEL. (Graduate)

Personal data

Date of birth: 12 August 1970

Nationality Ireland / Switzerland

Marital status Married, 3 children

Languages: English & German (fluent),
French (good),
Kiswahili (basic)

Countries of work experience: Kenya, Tanzania, Uganda, Indonesia, Sri Lanka,
(Kosovo), Kyrgyz Republic, Tajikistan.

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Research websites: <http://ideas.repec.org/e/pbr129.html>
http://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=401168