

Caroline Fohlin

Contact Information

Department of Economics
Johns Hopkins University
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Degrees

Ph.D., University of California, Berkeley (Economics) 1994.
B.S., *Magna cum Laude*, Tufts University (Mathematics and Quantitative Economics) 1988.

Appointments

JOHNS HOPKINS UNIVERSITY

Research Professor of Economics, 2005-present.

- Associated Faculty, Center for Financial Economics
- Fellow, Institute for Applied Economics and the Study of Business Enterprise

Associate Research Professor of Economics, 2004-2005.

CALIFORNIA INSTITUTE OF TECHNOLOGY

Associate Professor of Economics, 2002–2004.

Assistant Professor of Economics, 1994–2002.

OTHER

Research Associate, Center for Japan-U.S. Business and Economic Studies, Stern School of Business, NYU, 2000–present.

Visiting Associate Professor of Business Administration, Harvard Business School, Aug-Sept 2004.

Berlin Fellow, American Academy in Berlin, and Visiting Scholar, Wissenschaftszentrum Berlin and Free University Berlin, Spring 2001.

Visiting Scholar, Wissenschaftszentrum Berlin, Fall 1997 and Spring 1998.

Visiting Scholar, University of Mannheim, Germany, Winter 1998.

Visiting Scholar, University of Münster, Germany, summers 1993 and 1994.

Economist, U.S. Department of Agriculture, Washington, D.C., 1988-89.

Research Interests

Economic, financial, and business history; financial market microstructure; venture capital and innovation; corporate finance and governance; comparative law, politics, and finance.

Teaching Interests and Experience

Graduate (Ph.D., MBA) or undergraduate: Corporate finance and governance; financial markets and institutions; investments/portfolio theory; research in financial economics; financial intermediation theory; law and economics; business, financial, and economic history (US or international).

Undergraduate or masters/MBA: Industrial organization and contract theory; monetary theory, money and banking; quantitative methods.

Publications

BOOKS

Financial System Design and Industrial Development: International Patterns in Historical Perspective, forthcoming from Cambridge University Press (2011), recipient of UFJ (Sanwa) Bank Monograph Prize. (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1653429)

Finance Capitalism and Germany's Rise to Industrial Power, New York: Cambridge University Press (2007). (<http://www.cambridge.org/us/catalogue/catalogue.asp?isbn=0521810205>)

REFEREED ARTICLES

"Asymmetric Information, Market Power, and the Underpricing of New Stock Issues in Germany, 1882-1892," *Journal of Economic History* 70, no. 3 (2010): 630-56.

"Common Stock Returns in the Pre-WWI Berlin Stock Exchange," with Steffen Reinhold, *Cliometrica*, 4(2010): 75-96.

"Does Civil Law Tradition (or Universal Banking) Crowd out Securities Markets? Pre-World War I Germany as Counter-Example," *Enterprise & Society*, 8(2007), 602-641. (<http://es.oxfordjournals.org/cgi/reprint/khm068?ijkey=Mi1WpxxT9As3Yc4&keytype=ref>)

"Trading Costs in Early Securities Markets: The Case of the Berlin Stock Exchange, 1880-1910" with Thomas Gehrig, *Review of Finance*, 10 (2006), 585-610. (<http://www.univie.ac.at/rof/>)

"The History of Corporate Ownership and Control in Germany," in R. Morck (Ed.) *A History of Corporate Governance around the World: Family Business Groups to Professional Managers*, NBER series, University of Chicago Press (2005).

"Regulation, Taxation, and the Development of the German Universal Banking System," *European Review of Economic History*, 6 (2002), 221-254.

- “Corporate Capital Structure and the Influence of Universal Banks in Pre-World War I Germany,” *Jahrbuch für Wirtschaftsgeschichte*, (2002), 113-134.
- “The Balancing Act of German Universal Banks and English Deposit Banks, 1880-1913,” *Business History*, 43 (2001), 1-24. (lead article)
- “Universal Banking in Pre-World War I Germany: Model or Myth?,” *Explorations in Economic History*, 36 (1999), 305-343. (lead article)
- “Capital Mobilization and Utilisation in Latecomer Economies: Germany and Italy Compared,” *European Review of Economic History*, 2 (1999), 139-174.
- “The Rise of Interlocking Directorates in Imperial Germany,” *Economic History Review*, LII (1999), 2:307-333.
- “Relationship Banking, Liquidity, and Investment in the German Industrialization,” *The Journal of Finance*, 53 (1998), 1737-1758.
- “*Fiduciari* and Firm Liquidity Constraints: The Italian Experience with German-Style Universal Banking,” *Explorations in Economic History*, 35 (1998), 83-107.
- “Banking Systems and Economic Growth: Lessons from Britain and Germany in the Pre-World War I Era,” *Federal Reserve Bank of St. Louis Review*, 80 (1998) 3:37-47.
- “Universal Banking Networks in Pre-War Germany: New Evidence from Company Financial Data,” *Research in Economics*, 51 (1997), 3:201-225.
- “Bank Securities Holdings and Industrial Finance Before World War I: Britain and Germany Compared,” *Business and Economic History*, 26 (1997), 2:463-475.
- “The Universal banks and the Mobilization of Capital in Imperial Germany,” forthcoming in P. Cottrell, G. Feldman, & J. Reis (Eds.), *Finance & the Making of Modern Capitalism*, Scholar Press.

INVITED PUBLICATIONS

- How Important Historically Were Financial Systems for Growth in Germany, Japan, the U.K. and U.S.?” (with Franklin Allen, Forrest Capie, Hideaki Miyajima, Richard Sylla, Yishay Yafeh, and Geoffrey Wood) World Bank, August 2010.
- “The Fate of Deutschland AG,” in *AICGS Transatlantic Perspectives*, December 2009.
<http://www.aicgs.org/documents/pubs/fohlin.atp09.pdf>
- “Universal and Investment Banking,” in Joel Mokyr (Ed.) *The Oxford Encyclopedia of Economic History*, London: Oxford University Press, 2003.

WORKING PAPERS (Please see http://ssrn.com/author_id=138621)

- “Shooting the Messenger? Stock Market Liquidity and the Short-Sale Bans of 2008-09,” (with Ian Appel), Johns Hopkins University mimeo, February 2010 (under revision).

- “Bank Relationships, Ownership Concentration, and Investment Patterns of Spanish Corporate Firms,” (with F. J. Iturriaga), Johns Hopkins University mimeo, January 2010. <http://ssrn.com/abstract=938525> (previous version).
- “Liquidity and Competition in Unregulated Markets: The New York Stock Exchange before the SEC,” (with Thomas Gehrig), February 2009. <http://ssrn.com/abstract=1341629>
- “Competition in American Commercial Banking, 1888-1925,” Johns Hopkins University mimeo, April 2008.
- “The Evolution of Pharmaceutical Marketing Regulation and its Consequences,” Johns Hopkins University mimeo, January 2007.
- “Creating Modern Venture Capital: Institutional Design and Performance in the Early Years,” Johns Hopkins University mimeo, revised October 2006 (original: March 2005).
- “Banking Industry Structure, Competition, and Performance: Does Universality Matter?” revised October 2006 (original version: Social Science Working Paper No. 1078, California Institute of Technology, October 2000).
- “Venture Capital Revolutions: Germany and the United States in the Post-World War II Era,” Johns Hopkins University mimeo, July 2006, forthcoming in *Balancing Public and Private Control: Germany and the United States in the Post-War Era* (under review, Cambridge University Press).
- “Families, Groups, and Pyramids: Economic, Political, Legal, and Social Factors in German Corporate Ownership and Control,” Johns Hopkins University mimeo, October 2003.
- “Has the Cross-Section of Average Returns Always Been the Same? Evidence from Germany, 1881-1913” (with Peter Bossaerts) Social Science Working Paper No. 1084, California Institute of Technology, July 2000.
- “IPO Underpricing in two Universes: Berlin, 1882-1892, and New York, 1998-2000,” Social Science Working Paper No. 1088, California Institute of Technology, May 2000.
- “Economic, Political, and Legal Factors in Financial System Development: International Patterns in Historical Perspective,” Social Science Working Paper No. 1089, California Institute of Technology, May 2000. <http://ssrn.com/abstract=267674>

Book Manuscript in Progress

- Balancing Public and Private Control: Germany and the United States in the Post-War Era*, (Co-editor, with Louis Galambos), Book manuscript in progress for Cambridge University Press.
- “Balancing Public and Private Control: Germany and the United States in the Post-War Era,” (with Louis Galambos), introduction to *Balancing Public and Private Control: Germany and the United States in the Post-War Era*.
- “Political-Legal Systems and the Development of Corporate Economies in Germany and the United States,” (with Louis Galambos), chapter in *Balancing Public and Private Control: Germany and the United States in the Post-War Era*.

“Continuity and Change in the Balance of Public and Private Control in Germany and the United States,” (with Louis Galambos), conclusion to *Balancing Public and Private Control: Germany and the United States in the Post-War Era*.

Other Work in Progress

“Did Abandoning the ‘Uptick Rule’ Precipitate the Financial Crisis of 2008?”

“The Geography of Venture Capital Development in Post-War America”

“Stock Market Reaction to Political Uncertainty: The McKinley-Bryan Rematch of 1900”

“Markets for Corporate Control in a Universal Banking System: Corporate Performance and Board Turnover in Pre-War Germany”

Sponsored Research Grants

National Science Foundation, 2009-2011, “The Development of the NYSE before the SEC” (\$337,000)

National Science Foundation, 2007-2010, “Innovation and Organizational Change in Venture Capital since World War II” (\$270,000)

National Science Foundation, 2003-2006, “Studies in Financial Institutions and Markets” ADVANCE (\$500,000).

National Science Foundation Grant, 2000-02, “The Impact of Financial System Design: International Patterns in Historical Perspective” (\$21,500)

National Science Foundation Grant, 1997-2001, “Does Financial Structure Matter?” (\$165,000)

Fellowships

Merck & Co. Foundation Fellowship, 2006 (\$50,000).

German Marshall Fund of the United States, Advanced Research Fellowship, 2002 (\$40,000).

Humboldt Foundation, Transcoop Grant, 2001-02 (with Thomas Gehrig, DM 75,000).

American Academy in Berlin, Berlin Prize Fellowship, 2001 (\$20,000).

Fulbright Research Fellowship, Germany, 1997-98, (\$30,000).

Arthur H. Cole Grant, 1995, Economic History Association.

Social Science Research Council Fellowship, 1993-94.

Mellon Foundation Fellowship, 1992-93.

Center for German and European Studies Predissertation Fellowship, 1992, UC Berkeley.

Flood Fellowship, 1989-90, University of California, Berkeley.

Honors

Bundesbank Lectures in Banking and Finance, University of Freiburg, 2007.

DAAD Prize for Distinguished Scholarship in German and European Studies (American Institute for Contemporary German Studies), 2005.

Sanwa Monograph Award, New York University, Stern School of Business, 2000, “Financial System Design and Industrial Development: International Patterns in Historical Perspective”

Gino Luzzatto Dissertation Prize, 1996, European Historical Economics Society.

Best Article of the Year (with Sherman Robinson and Gerald Schluter), 1990, *Journal of Agricultural Economics Research*.

Research Presentations (since 2003)

INVITED SEMINARS

Campbell & Company, Baltimore, MD, February 2010

Harvard Business School, International Seminar, April 2009

University of Virginia, Department of Economics, January 2009

T. Rowe Price, Fixed Income Division, June 2008

American University, Kogod School of Business, Finance Department, April 2008

Stanford University, Department of Economics, October 2007

University of Michigan, Department of Economics, September 2007

Humboldt University, Berlin, Department of Economics, July 2007

Board of Governors of the Federal Reserve, Financial Studies Section, February 2007

Board of Governors of the Federal Reserve, Financial Structure Section, December 2006

Harvard Business School, Entrepreneurial Management Unit, March 2005

University of Southern California, Department of Economics, April 2004

Harvard Business School, Entrepreneurial Management Unit, November 2003

Columbia University, Department of Economics, November 2003

Stanford University, Department of Economics, October 2003

University of California Berkeley, Department of Economics, October 2003

University of California, Davis, Department of Economics, May 2003

INVITED CONFERENCE PAPERS

All-UC Group in Economic History, spring conference, Berkeley, CA May 2010

Workshop on Historical Financial Markets, Judge School of Management, Cambridge, UK, April 2010

FRIAS-Workshop: Information and Liquidity in Incomplete Financial Markets, Frankfurt, Germany, March 2010

BETA-Workshop in Historical Economics, Strasbourg, France May 2007

Ministry of Economy, Finance and Industry, Paris, France, March 2007

International Economic History Association, Helsinki, Finland, August 2006

Society for the Advancement of Socio-Economics, Trier, Germany, June 2006

Cambridge Endowment for Research in Finance, Cambridge University, U.K., April 2006

Society for the Advancement of Socio-Economics, Washington, D.C., June 2004

Budapest University of Economics, Workshop on Networks and Hierarchies, Budapest, May 2004

NBER/CEPR, Evolution of Corporate Governance, INSEAD, Fontainebleu, France, January 2004

NBER Corporate Finance Program, History of Corporate Governance, Alberta, June 2003

OTHER CONFERENCE PRESENTATIONS

International Cliometric Society Meetings, Edinburgh, Scotland, July 2008

ASSA Annual Meeting, New Orleans, January 2008

Economic History Association, Austin, September 2007

Business History Conference, Cleveland, May 2007

ASSA Annual Meeting (paper, with Steffen Reinhold), Philadelphia, January 2005

American Society of Legal History, Austin, October 2004

CEPR-Humboldt Conference on Early Securities Markets (co-organizer and paper), Berlin, October 2004

Balancing Public and Private Control: Germany and the US in the Post-War Era (co-organizer and paper), JHU, October 2004

Book Reviews

Vom Handelshaus zum Unternehmen: Sozialgeschichte der Firma Harkort im Zeitalter der Protoindustrie (1720-1820), by Stefan Gorissen. Göttingen: Vandenhoeck & Ruprecht, 2002. Published by H-German Reviews, November 2005. (<http://www.h-net.msu.edu/reviews/showrev.cgi?path=26731147187776>)

Max Weber Börsenwesen: Schriften und Reden 1893-1898, Edited by Knut Borchardt with Cornelia Meyer-Stoll. Tübingen: J.C.B. Mohr, 1999. *Journal of Economic Literature*, December 2001.

Finance Capitalism Unveiled: Banks and the German Political Economy, by Richard Deeg. Ann Arbor: University of Michigan Press, 1999. In *Small Business Economics*, 2001.

U.S. Bank Deregulation in Historical Perspective, by Charles Calomiris. New York: Cambridge University Press, 2000. In *Journal of Economic Literature*, 38 (2000) 3:655-6.

The State, the Financial System, and Economic Modernization, Edited by Richard Sylla, Richard Tilly, and Gabriel Tortella. New York: Cambridge University Press, 1999. Published by EH.NET Reviews, May 2000 (<http://www.h-net.msu.edu/reviews/>)

The Role of Banks in Monitoring Firms: the Case of the Cr 'edit Mobilier, by Elisabeth Paulet. New York: Routledge, 1999. In *Journal of Economic History*, 1999.

Finance in the Age of the Corporate Economy: The Third Anglo-Japanese Business History Conference, Edited by P.L. Cottrell, Alice Teichova, and Takeshi Yuzawa. Brookfield, Vt: Ashgate Publishing Company, 1997. In *Business History Review*, 73 (1999) 2:337-339.

Die Bundesbank im westeurop "aischen Wiederaufbau: Die internationale W "abrungspolitik der Bundesrepublik Deutschland 1948 bis 1958, by Monika Dickhaus. Munich: R. Oldenbourg, 1996. In *Journal of Economic History*, 58 (1998) 3:889-891.

Trends in Business Organization: Do Participation and Cooperation Increase Competitiveness? Edited by Horst Siebert. Tübingen: Mohr, 1995. In *Journal of Economic History*, 58 (1998) 1:292-293.

Industrial Constructions: The Sources of German Industrial Power, by Gary Herrigel. Cambridge, UK: Cambridge University Press, 1996. In *Journal of Economic History*, 57 (1997) 2:541-542.

Striking the Balance: Sal Oppenheim jr. & Cie. A Family and a Bank. By Michael Stürmer, Gabriele Teichmann and Wilhelm Treue. London: Weidenfeld and Nicolson, 1994. In *Financial History Review*, 3 (1996) 2:220-221.

The Evolution of Financial Institutions and Markets in the Twentieth-Century. Edited by Youssef Cassis, Gerald Feldman, and Ulf Olsson. Aldershot, UK: Scolar Press, 1995. In *Journal of Economic History*, 56 (1996) 1:237-238.

Refereeing and Professional Service

Editorial Board Member for *Cliometrica* (2006-) and *Historical Methods* (2001-05); Referee for *American Economic Review*, *Business History*, *Business History Review*, *Economic History Review*, *European Review of Economic History*, *Explorations in Economic History*, *Financial Review*, *Japan and the World Economy*, *Journal of Economic History*, *Journal of Finance*, *Journal of Money, Credit, and Banking*, National Science Foundation (Program in Economics); Chair, Cole Grant selection committee (Economic History Association, 2001-2002); Trustee, UCLA Center for Governance

University Service (Johns Hopkins)

Director of senior honors essay program, Department of Economics, 2005-present.
Advisory Board member, Marshal I. Salant Student Investment Team, 2008-present.
Dissertation committees, outside and alternate member

Languages

German, some Italian and Spanish