Foreign Banks, Reputation, and Sovereign Credit Ratings: Evidence from Transition Economies
Part of IERES’ Behind the Headlines Series

with

Jana Grittersova
University of California, Riverside

This presentation will explore the impact of foreign bank ownership on the sovereign credit ratings and borrowing costs of the transition countries of Central and Eastern Europe in sovereign debt markets. More specifically, Grittersova argues that reputable international banks as foreign direct investors enhance the international reputations of host countries with weak financial systems and make their policies and commitments credible, thus lowering the probability of default. She will identify the main mechanisms, through which this effect of foreign banks on reputational capital might operate.

Jana Grittersova is an assistant professor in political science and a cooperating faculty at the Department of Economics at the University of California, Riverside. She is currently an Austrian Marshall Plan Foundation Fellow at the Johns Hopkins University and a visiting research fellow at the Mortara Center for International Relations at Georgetown University. Her teaching and research focus on the political economy of international finance. In particular, she has focused on exchange rates, financial crises, central banking, financial development and growth, international financial regulation, and the political economy of postcommunist states. Her latest research projects include the effects of non-market coordination on banking and capital markets development, the determinants of the variety of financial capitalism, and the sources and consequences of foreign bank ownership. She is currently writing a book examining the role of state-owned, private, domestic and foreign banks in macroeconomic policies and financial stability in transition economies.

Tuesday, April 17, 2012
4:00-5:00pm
Voesar Conference Room
1957 E Street NW, Suite 412
Please RSVP at http://tinyurl.com/Grittersova

This event is on the record