

## RAGHURAM G. RAJAN

### OFFICE ADDRESS AND TELEPHONE

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### GRADUATE STUDIES:

Massachusetts Institute of Technology, Ph.D., May 1991.  
Thesis Title: Essays on Banking.

Indian Institute of Management (Ahmedabad), M.B.A., March 1987.

Indian Institute of Technology (Delhi), B.Tech. (Electrical), May 1985.

### EMPLOYMENT:

Economic Counselor and Director of Research, International Monetary Fund, 2003-

Joseph L. Gidwitz Distinguished Service Professor of Finance, Graduate School of Business, University of Chicago (on leave).

Fischer Black Visiting Professor, M.I.T. Sloan School of Management, 2000-2001

Visiting Professor of Finance, Kellogg School, Northwestern University, 1996-1997

Bertil Danielsson Visiting Professor of Banking, Stockholm School of Economics, 1996-1997.

Professor of Finance, Graduate School of Business, University of Chicago, 1995-96.

Assistant Professor of Finance, Graduate School of Business, University of Chicago, July 1991 to June 1995.

### ACADEMIC AWARDS, HONORS AND MEMBERSHIPS:

Fama/DFA prize for best paper in the *Journal of Financial Economics*, 2003

Inaugural Fisher Black Prize awarded by the American Finance Association in January 2003 for the person under 40 who has contributed the most to the theory and practice of Finance..

Brattle Prize for distinguished paper in the *Journal of Finance*, 2002

Brattle Prize for distinguished paper in the *Journal of Finance*, 2001

Brattle Prize for distinguished paper in the *Journal of Finance*, 2000.

Michael Brennan Award for the Best Paper published in the *Review of Financial Studies*, 1997.

Research Associate, National Bureau of Economic Research, 1995.

Smith Breeden Prize awarded for best paper published in the *Journal of Finance*, 1994.

Best Paper Award, Fifth Annual Small Firm Research Symposium, 1993.  
Smith Breeden Prize awarded for distinguished paper published in the *Journal of Finance*, 1992.  
Treffstz Prize for outstanding academic achievement, Western Finance Association, 1991.  
Gold Medal for academic performance, I.I.M (Ahmedabad), India, 1987.  
Director's Gold Medal for all round performance in the class of 1985, I.I.T. (Delhi), 1985.

#### ACADEMIC POSITIONS:

Director of the American Finance Association (2001-2004).

Program Director (Corporate Finance) at the National Bureau of Economic Research 1998-present

Founding member of the Academic Council of the Indian School of Business

Academic Advisory Council, Moodys Investor Services.

Associate Editor of the American Economic Review, Journal of Finance, Quarterly Journal of Economics, Journal of Financial Intermediation, Review of Financial Studies, Financial Management (various times)

#### GRANTS:

National Science Foundation Grant, 2002-05.

National Science Foundation Grant, 1999-02.

Sloan Foundation Grant 1999

National Science Foundation Grant, 1995-98.

William Ladany Faculty Scholarship 1994-95, Graduate School of Business, University of Chicago.  
Grant for Research on International Corporate Capital Structures from CIBER, University of Chicago, 1993-1994.

National Science Foundation Grant, 1992-93.

#### CONSULTING:

Finance Ministry (Govt of India), World Bank, International Monetary Fund, Federal Reserve Board, Swedish Parliamentary Commission, various financial institutions. Director of start-up.

#### BOOKS

*Saving Capitalism from the Capitalists* with Luigi Zingales, February 2003, Crown Business Division of Random House.

PAPERS: Can be found at <http://gsbwww.uchicago.edu/fac/raghuram.rajjan/research/>

“Entry Regulation as a Barrier to Entrepreneurship”, with Leora Klapper and Luc Laeven, forthcoming, *Journal of Financial Economics*.

“The Flattening Firm: Evidence from Panel Data on the Changing Nature of Corporate

Hierarchies”, with Julie Wulf, forthcoming, *Review of Economics and Statistics*.

“India’s Pattern of Development: What Happened, What Follows?”, with Kalpana Kochhar, Utsav Kumar, Arvind Subramanian, and Ioannis Tokatlidis prepared for Carnegie Rochester Conference, *Journal of Monetary Economics*.

“Money in a Theory of Banking”, 2005, with Douglas Diamond, forthcoming, *American Economic Review*.

“Are perks purely managerial excess?”, 2005, with Julie Wulf, forthcoming, *Journal of Financial Economics*.

“Dollar Shortages and Crisis”, 2005, with Ioannis Tokatlidis, forthcoming, *International Journal of Central Banking*.

“Is the Tide Turning”, in *The Legacy of Milton and Rose Friedman’s Free to Choose*, Mark Wynne, Harvey Rosenblum, and Robert Formaini ed., Federal Reserve Bank of Dallas, Dallas, Texas.

“Does Function Follow Organizational Form? Evidence from the Lending Practices of Large and Small Banks”, with Allen Berger, Nathan Miller, Mitchell Petersen, and Jeremy Stein, forthcoming, *Journal of Financial Economics*

“Liquidity Shortages and Banking Crises”, with Douglas Diamond, *Journal of Finance*, April 2005.

“Banks and Markets: The Changing Character of European Finance”, with Luigi Zingales, in *The Transformation of the European Financial System*, V. Gaspar. P. Hartmann, O. Sleijpen ed., European Central Bank, 2003.

"The Great Reversals: The Politics of Financial Development in the 20<sup>th</sup> Century", with Luigi Zingales, *Journal of Financial Economics*, vol69, 1, July 2003, 5-50. Reprinted in *Recent Developments in International Trade Theory*, Falvey, Rodney and Udo Kreickemeier, Edward Elgar, Cheltenham.

"Does Distance Still Matter? The Information Revolution in Small Business Lending", with Mitchell Petersen, *Journal of Finance*, 57 (6): 2533-2570 Dec 2002.

"An Investigation into the Economics of Extending Bank Powers", *Journal of Emerging Market Finance*, vol 1, no 2, Dec 2002, pp 125-156.

“Should Banks have the Power to Enter All Financial Businesses?”, in *Designing Financial Systems in Transition Economies*, A. Meyendorff and A. Thakor ed., MIT Press, Cambridge MA, 2002.

“Bank Bailouts and Aggregate Liquidity Shortages”, with Douglas Diamond, *American*

*Economic Review (Papers and Proceedings)*, May 2002, vol 92 (2), 38-41.

"Financial Systems, Industrial Structure, and Growth", with Luigi Zingales, *Oxford Review of Economic Policy*. 17 (4): 467-482 WIN 2001

"Banks as Providers of Liquidity: An Explanation for the Co-Existence of Lending and Deposit-Taking", with Anil Kashyap and Jeremy Stein, *Journal of Finance*. 57 (1): 33-73 FEB 2002

"The Influence of the Financial Revolution on the Nature of Firms," with Luigi Zingales, *American Economic Review (Papers and Proceedings)*, 91 (2): 206-211 MAY 2001.

"Banks and liquidity", with Douglas Diamond, *American Economic Review (Papers and Proceedings)*, 91 (2): 422-425 MAY 2001

"Liquidity Risk, Liquidity Creation and Financial Fragility: A Theory of Banking", 2001, with Douglas Diamond, *Journal of Political Economy*, vol 109, 2, 287-327.

"The Firm as a Dedicated Hierarchy: A Theory of the Origins and Growth of Firms", with Luigi Zingales, *Quarterly Journal of Economics*, 116 (3): 805-851 AUG 2001.

"Banks, Short term Debt, and Financial Crises: Theory, Policy Implications, and Applications", with Douglas Diamond, *Proceedings of Carnegie Rochester Series on Public Policy* 54 (2001) 37-71.

"A Theory of Bank Capital", 2000, with Douglas Diamond, *Journal of Finance*, vol 55, no 6, 2431-2465.

"The Governance of the New Corporation", 2000, with Luigi Zingales, in Xavier Vives, ed. *Corporate Governance Theoretical and Empirical Perspectives*, Cambridge: Cambridge University Press, 2000.

"The Eclipse of the U.S. Tire Industry" with Luigi Zingales, 2000, in *Mergers and Productivity*, edited by Steven Kaplan, University of Chicago Press.

"The Costs of Diversity: The diversification discount and inefficient investment", 2000, with Henri Servaes and Luigi Zingales, *Journal of Finance*, vol 55, no 1, 35-80 reprinted in *Recent Developments in Corporate Finance*, Jay Ritter ed., The International Library of Critical Writings in Financial Economics, Edward Elgar Publishing Ltd.

"The Tyranny of the Inequality: An Enquiry into the Adverse Consequences of Power Struggles", with Luigi Zingales, *Journal of Public Economics* 76 (3): 521-558 JUN 2000.

"Which Capitalism? Lessons from the East Asian Crisis", with Luigi Zingales, *Journal of Applied Corporate Finance*, Fall 1998, vol 11, no 3, 40-48.

"The Paradox of Liquidity", with Stewart Myers, *Quarterly Journal of Economics*, August 1998,

vol 113: (3), pp 733-771.

"The Past and Future of Commercial Banking Viewed through an Incomplete Contract Lens", *Journal of Money, Credit, and Banking*, August 1998, vol 30: (3), pp 524-550.

"Financial Dependence and Growth", with Luigi Zingales, *American Economic Review*, June 1998, vol 88, pp 559-586 reprinted in *Emerging Markets* Geert Bekaert and Campbell Harvey ed., International Library of Critical Writings in Financial Economics and in *Recent Developments in Growth Theory*, Daron Acemoglu ed. International Library of Critical Writings in Economics.

"Power in a Theory of the Firm", with Luigi Zingales, *Quarterly Journal of Economics*, May 1998, vol 113, pp 387-432.

"Debt, Folklore, and Cross-country Differences in Financial Structure" 1998, with Luigi Zingales, *Journal of Applied Corporate Finance*, Winter 1998, vol 10, no 4.

"Organization Structure and Credibility: Evidence from Commercial Bank Securities Activities before the Glass-Steagall Act", with Randall Kroszner, August 1997, *Journal of Monetary Economics*, 39, no 3, 475-516.

"Trade Credit : Some Theories and Evidence" with Mitchell Petersen, *Review of Financial Studies*, Fall 1997, vol 10, no 3, 661-692 reprinted in *Empirical Corporate Finance*, Michael Brennan ed., Edward Elgar.

"Analyst Following of Initial Public Offerings" with Henri Servaes, 1997, *Journal of Finance*, vol 52, 2, 507-530 reprinted in *Empirical Corporate Finance*, Michael Brennan ed., Edward Elgar.

"Why Banking Has a Future: Towards a New Theory of Banking", *Journal of Applied Corporate Finance*, July 1996.

"What do we know about capital structure? Some Evidence from International Data", with Luigi Zingales, *Journal of Finance*, 1995, vol 50, pp 1421-1460 reprinted in *International Business Management*, Pugh, et al ed., Sage Publications and in *Fundamentals of Financial Management*, Brigham and Houston, Elm Street.

"Covenants and Collateral as Incentives to Monitor", with Andrew Winton, *Journal of Finance*, 50 (4): 1113-1146 Sep 1995.

"Commercial Bank Entry into the Securities Business: A Survey of Theories and Evidence", in *Universal Banking*, Anthony Saunders and Ingo Walter ed.

"The Effect of Credit Market Competition on Lending Relationships", with Mitchell Petersen, 1995, *Quarterly Journal of Economics*, vol 110, pp 407-443.

"Is the Glass-Steagall Act Justified?: Evidence from the U.S. experience with Universal Banking 1921-1933", 1994, with Randall Kroszner, *American Economic Review*, vol 84, pp 810-832. Reprinted in *Credit Intermediation and the Macroeconomy*, Sudipto Bhattacharya, Arnoud Boot, and Anjan Thakor ed. Oxford University Press, Oxford.

"Why Bank Credit Policies Fluctuate: A Theory and Some Evidence", 1994, *Quarterly Journal of Economics*, vol 109, pp 399-442.

"The Benefits of Firm-Creditor Relationships: Evidence from small business data", with Mitchell Petersen, 1994, *Journal of Finance*, Vol 49, pp 3-37 reprinted in *Empirical Corporate Finance*, Michael Brennan ed., Edward Elgar.

"Insiders and Outsiders: The Choice between Informed and Arm's-length debt", 1992, *Journal of Finance*, Vol 47, pp 1367-1400 reprinted in *Studies in Financial Institutions: Commercial Banks*, 1994, Christopher James and Clifford Smith Ed., McGraw Hill and reprinted in *The Theory of Corporate Finance*, Michael Brennan Ed.

"Pricing Commodity Bonds", 1991, in R. Duncan and T. Priovolos (Ed.) *Commodity Risk Management and Finance*, (Oxford University Press, New York), pp 61-81.

#### MANUSCRIPTS:

"Creating Constituencies for Growth", with Luigi Zingales, mimeo, University of Chicago.

"Has Financial Development Made the World Riskier?", mimeo, University of Chicago and IMF.

"What Undermines Aid's Impact on Growth", with Arvind Subramanian, mimeo, IMF.

"Aid and Growth: What does the Cross-Country Evidence Really Say?", with Arvind Subramanian, mimeo, IMF.

"The Real Effect of Banking Crises", with Giovanni Dell'Arricia and Enrica Detragiache, mimeo, IMF.

"Failed States, Vicious Cycles, and a Proposal", mimeo, University of Chicago.

"What determines firm size?", 1999, with Krishna Kumar and Luigi Zingales, mimeo, University of Chicago.

"The Effect of Market Conditions on Initial Public Offerings", 1994, with Henri Servaes, Mimeo, University of Chicago.

"Indexation in the Presence of Debt", 1991, working paper, M.I.T.

#### COMMENTS AND BOOK REVIEWS:

Review of *The Japanese Main Bank System* by Aoki and Patrick in *Journal of Economic Literature*, 34 (3): 1363-1365 SEP 1996.

Comment on Rochet and Tirole in *Journal of Money, Credit, and Banking*, 28 (4): 763-765 Part 2 NOV 1996

Comment on Gron, in *The Financing of Catastrophic Risk*, Ken Froot ed., University of Chicago Press.

Comment on Flannery, in *Prudential Supervision*, Ric Mishkin ed., University of Chicago Press.