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SCIENTIFIC FINAL REPORT

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Project title: Understanding the Long Arc of Financial Crises in the Baltic and Nordic Region. Comparing Causes, Management and Consequences of Financial Crises in a Region

1. Purpose of the project

In this project we take the current global financial crisis as a point of departure for a comparative and longitudinal study of such crises in the Baltic-Nordic states during the last 100 years. We know that while financial crises share many similarities, they are also conjunctural moments, related to among other things financial and development, global and local factors and exogenous shocks. A focus of our attention is how the state (or entities close to the state) decides to manage these financial crises and thus how they aggregate and distribute the direct and indirect costs connected to these crises, i.e. how the state in attempting to resolve crises effectively also helps arrange the winners and losers of these recurring phenomena.

One motivation for the strong interest in the state is that whereas both the causes and consequences of the respective crises seem to vary widely across time and place, a constant of financial crises as such is that the state has been the most important actor in managing the effects of crisis once they occur. But the state's role in crises changes and evolves across time. On some occasions the state has played a relatively passive ´lender of last resort´ role, whereas sometimes it has become a very active part to economic policy decisions with wide contemporary as well as long-term consequences. The choices made by the state during their rescue operations for example often helps to alter the structure and post-crisis functioning of financial markets.

In the recent case of Latvia, for example, the government was directly engaged in international discussions and negotiations on the domestic course of action. The choice then stood between a domestic or external devaluation of the local currency, the Lat. The choice was interesting both in that it was a hotly disputed issue in public debate as well as in academic policy analysis circles. The choices made had direct distributional consequences on who would bear the costs of the financial crisis that had arisen. Also, in the recent case of Iceland we can see how both the timing and course of action chosen by the government had important international relations and domestic consequences.

In a similar way we know that the state has been an actor of primary importance in most Baltic-Nordic states when it comes to handling and solving financial crises. In the case of Sweden this regulatory capacity has recently become almost a marketable commodity (a sort of Swedish model of financial crisis response as it were), where insights and lessons about the resolution of financial crises are sought by willingly shared with nearby countries. Experience and lessons from financial crisis management is however not exclusive to Scandinavian and Baltic countries. Until relatively recently there has been little research has been done in terms of systematic and comparative analysis of financial crises among the small states of the Baltic-Nordic area. In particular, not much research has been devoted to the long-term and distributional effects of financial crises. Often, the actions by the state have been viewed not as existing choices with a range of productive and distributional effects, but more in terms of instrumental crisis management – normalisation of banking and finance. In part this is because too often each crisis is seen as a rare and de novo event, requiring special circumstances, but with the overarching single purpose to restore financial order. This view has also led many analysts and academics to study financial crises not just as separate from the rest of the economy and society, but as separate from the ongoing historical development of financial markets and society. This has encouraged a tendency to overlook the relation between the choices made by the state on the one hand and the issue of ´who foots the bill´ for the financial crisis on the other hand. In part, of course this is based on the assumption that everyone benefits from the resolving of financial crises. One consequence has been that the distributional effects of these crises are the aspect of financial crises that has received the least attention in academic circles. In this project, by contrast, the winners and losers in financial crises in the Baltic-Nordic states are given direct focus and in so doing we hope to begin to redress this state of affairs. The organising proposition of our analysis is that a rising tide of financial crisis resolution does not re-float all boats in the same way.

The central actor in our analysis of the distributional concequences of financial crises is the state – both in its capacity as a regulator and as a manager of these crises, and we will ask how this role (if at all) has evolved over time, and in different crises events? Also, the combined comparative and longitudinal approach among a group of states of similar (small) size allows us to do exactly this – i.e. to make meaningful comparisons that stretch across time as well as place.

Thus, in addition to the questions about the genesis (causes) and playing out (mechanisms by which the crisis spread), we specifically look at the role of the state as a mediator and thus indirectly as a sort of financial 'market re-maker' with a strong and sometimes even definitive influence over who become the winners and losers respectively coming out of a particular financial crisis. In terms of empirics, the latter question is approached by looking at how the costs of a particular crisis are distributed across society? Also, the benefit of hindsight and the longitudinal element of the research will allow us to utilise the more historic examples to approach the question of whether the chosen course of crisis management has any detectable long-term implications for economic performance and economic structure in the country/region in question.

The research field naturally spans across several disciplines and is by its very nature a broad one. Even prior to the most recent global financial crisis, initiated with the subprime crisis in the US and followed by worldwide turbulence and the near implosion of the Eurozone, the topic of financial crises, like few other, has received the attention of a range of academics – be they political scientists, sociologists, organisational and accounting scholars or economic researchers. Thus, the field could be made into a very broad one. While the research team also has broad research experience including engagement with that diverse literature, this project will focus on developing the work produced in our own fields of research specialisation, i.e. economic history, economic theory and to some extent the emerging field of so-called transition economics. Also, the project will connect and build on work with a broad and/or long-term perspective while remaining focused empirically on our three aspects of inquiry.

Interestingly, not least from our own point of view, financial crises research, perhaps like no other field of economic research has joined the interests of economic theorists and (economic) historians in such a very direct way. In part, this is due to the large number of financial crises that have occurred in the world. Another reason for the ongoing interest by economists and economic historians in financial crises has been the inability of economics to produce a satisfactory and widely accepted theoretical understanding of crises. Two possible explanatory approaches can be discerned – one proposes a unitary causal model while another a heterogeneity thesis. The heterogeneity thesis suggests a rather pessimistic view that each crisis is more or less unique. It has been that crises do not seem to present strong regularities over times. In this case, the best that economists can do is to look for early warning indicators. On the other hand, many economists suggest that common features of crises are discernible, in particular the presence of moral hazard, information asymmetry and other structural problems, with disagreement often centring on the relative importance of these elements

Disagreement surrounding the various models of crises reflects the fact that none is accepted as a general theory of financial crises, and some researcher has even explicitly cast away notions of general theorising about financial crises in favour of assembling general attributes. The problem of developing a general theory of crisis has nevertheless meant that the work of economic historians who traditionally have documented and analysed individual crises has been critical.

Regarding the geographical area of interest here, i.e. the small Baltic-Nordic states, a large amount of work has been carried out by others as well as members of this research group that will benefit and make easier the work of the suggested project. Indeed, the late 1980s and early 1990s saw a severe financial crisis affect three of the countries in the region, i.e. Norway, Finland and Sweden. The history of Swedish financial crisis from the late 19th century until the 1990s has also been covered by the project.

In terms of research on the financial crisis in the eastern group of states covered by the project (Estonia, Latvia and Lithuania) several of the early post-independence crisis (i.e. the repeated crisis of the 1990s) appear to have occurred as a consequence of the haphazard restructuring of financial markets, liberal legislation and weak monitoring by governmental bodies. With regard to resolution of these early crises two different courses of actions can be identified: either banks were liquidated or the crisis led to a comprehensive recapitalisation of banks, usually by outside investors; the latter course of action was also what led above all Swedish banks to take a stronghold in the eastern part of the Baltic Sea Region.

2. The three most important results of the project and what conclusions can be drawn from them

The project has taken a wide approach to understand the creation of financial markets and crises in historical and contemporary context. The existing study of financial crisis has produced neither a widely agreed definition of crisis nor a widely held theoretical understanding of the phenomenon. Apart from the regular and costly experience of financial crises one reason for the ongoing interest by economists and economic historians has been the inability to produce a satisfactory understanding of the causes of crises.

For this task, historical study, comparing crises and their attending booms and busts, is a useful but complicated tool. Like all historical study, that dealing with business and finance is intrinsically important. But the history of financial crises has the added importance of addressing our immediate and pressing anxieties about our economic future. The alluring, but elusive, prospect here is that if we can better understand past financial crises, we may be better able to prevent them or at least minimise their impact in the future.

In terms of resolution the state seems to have had a different role in Norway, Finland and Sweden with the state often stepping in as a direct guarantor and lender of last resort in a way that it so far has been unable to in Estonia, Latvia and Lithuania. This, of course, is not to say that the state is not an important actor in the management of financial crises in the eastern group of states. In the most recent crisis in Latvia, for example, we witnessed perhaps a qualitatively new role for the state – that as an international negotiator. We have later seen this role as negotiator repeat itself in the case of Greece and also in Iceland. It is also in this very important albeit changing and varying role of the state as a manager of financial crises.

In summary, an important conclusion is that critical review of our understanding of the definition and the process of 'transition' and the role of the state in transforming financial markets. The definition of 'transition' is wider than only referring to eastern Europe at the end of socialism; the deregulation of financial markets in developed countries, shows that so-called developed economies are still undergoing transition in certain period. This is a 'natural' state of affairs and it can even be stated that a static economy without any changes is in fact an economy doomed in the long run. Nor is this a new observation, and only highlighting the dramatic changes that has occurred in market-based economies since World War II, it becomes obvious that minor as well as 'revolutionary' changes is closely connected to the evolution of capitalism.

A general conclusion is that FDI in Central Europe and the Baltics, as well as elsewhere, is a heterogeneous process, and different types of FDI have different effects on financial and economic development. In such circumstances, where FDI covers such a diverse range of activities, funding sources and forms, simple theoretical conclusions or policy solutions become much more difficult to sustain. Understanding the FDI process better will allow researchers and policy makers to better differentiate the things occurring under the umbrella of FDI. An important question raised is whether FDI was determined by long-term credible commitments and political and economic stability, rather than short-term incentive schemes? Another conclusion is that the definition and understanding of international business is to some extent blurred. In the Baltic States, it is obvious that the inflow of foreign banks was at least in part about integration of capital markets, where Scandinavian banks adopted regional integration strategies. Whether this is then best understood in terms of foreign direct investment or in terms of the regional integration of a capital market is an interesting conceptual question. On important conclusion is that the regional integration of banks in the Baltic area, where in particular Swedish banks got a strong position in the Baltic countries. As we know form the Swedish experience in the 1990s (as in Norway and Finland), the financial crisis was partly produced by banks, after extensive deregulation. The most important conclusion concerns the rescue operations in the wake of crises. The state is the only player with sufficient resources to act as a lender of last resort, hamper the downward spiral and renew the confidence of the market. The crisis management with "bail-outs" of the largest financial players with the argument of 'too big to fail' and avoiding diffusion of the crisis, has consequences. This policy may alter the conditions of competition on the financial market, protect the large players and misfortune other actors and make it difficult for them to compete on equal terms. In the long run, this can produce a highly concentrated financial market with difficulties for new firms securing external finance, and this could hamper economic growth.

Another question concerns the fact that privatisation, liberal legislation concerning inward FDI and financial crises produced a highly concentrated banking market. However, as observed in OECD-countries, a concentration process on bank markets seems to be a common feature in market economies, although, while this process took 50-70 years in OECD-countries, it took only 10-15 years in Central and Easter Europe. While regulatory incentives are critical to financial stability, concentrated banking markets may be necessary for financial systems to be able to overcome the instability that is often a feature of developing financial markets. However, the concentrated bank market may produce inefficiency in supplying external finance to business, and also make the financial market more vulnerable in times of financial crises.

3. The project's contribution to the international research frontline

The project has in particular sought to contribute to historical and contemporary issues connected to the financial sector. Indeed, the constant but irregular reoccurrence of financial crises and their severe effects on economic life has contributed to a strong interest in financial crises. Since the 1990s crises occurred mostly in less developed countries and countries in transition (as Russia, Eastern Europe and southeast Asia), but also developed countries as for instance Norway, Finland and Sweden, experienced financial turbulences in the late 1980s and early 1990s. The Nordic countries can to some extent be regarded as peripheral financial areas, however, the subprime crisis generated in the United States and spread worldwide, shows that even international financial centres can initiate and suffer from financial turmoil and once again demonstrates that financial crises are not benign.

What can we say about causes behind crises? In general, the periods leading up to financial turmoil's has typically been characterised by an economic boom, rapid credit growth, often accompanied by increased competition in financial services, economic deregulation, the removal of cross-border restrictions on capital flows, and financial innovations. But crises have also been associated with macroeconomic circumstances, such as economic downturns, declines in incomes, and depressed asset markets, that typically follow waves of domestic (and international) credit expansion. The only possible way to define what a crisis, however, is after the crisis, and normally is it in terms of the processes associated with them (reduced financial intermediation, declining liquidity, asset price reductions and banking fragility), as well as the factors that seem to have produced them (poorly structured incentives, over-expansion of credit, poor information and corporate governance).

Studies of financial crises are also concerned with crises been dealt with and what measures and policies were introduced in order of repealing repercussions of individual crisis? In general, a lender of last resort has through supplying additional liquidity provided the repeated and successful measure through time. Normally, but not always, this policy has been supplied by the government (the first know in Sweden occurred in 1857), which makes it important to analyse the interaction between policy makers and private business. As history tells us governments as well as powerful individuals has acted as lender of last resort, so it is nothing new but the measures have through time been refined and extended. However, the question of lender of last resort is an intriguing matter, and not as simple as one can expect. The dilemma is that if players on a market in advance are aware that governmental assistance are forthcoming, incentives of keeping sound risk management on the expense of expanding market shares, are seriously undermined. At the other end, without any safety net in terms of governmental financial support during for instance a bank run, could result in a total collapse of the financial system with long-standing consequences for the entire economy.

The recent examples of governments acting as ´lender of last resort´ is of course of vital importance in keeping stability on the market, but it is possible to evaluate previous policies and their long-term impacts on the market? Did "´rescue plans´ change competitive environment, where certain actors were crowded out by measures taken and was financial instruments rejected not on rational basis but only based on short-term experience? One empirical example can partly demonstrate this issue. The real estate crisis in Sweden in the early 1990s initially affected finance and real estate companies but spread to banks through heavy credit losses, and the survival of the whole banking sector was endangered. Thanks to governmental support, however, it was possible to overcome the crisis relatively quickly. Insurers also encountered problems, in particular in the field of credit insurance and losses on international business. However, the banks received governmental support but not the insurers and to some extent this changed the competitive environment on the Swedish financial market. To repeat, the function of lender of last resort is crucial in regaining financial stability, but we should be aware of possible negative side effects of these operations.

The main lesson from previous crises is that conceptual development continues to play catch up to financial development and ongoing crises. For this project, it underscores our research strategy of paying attention to actual occurring crises. We have sought to learn more from history. In particular, we have sought to explore the notion that financial markets are a coherent and a unified system and when some parts fails the entire system often is endangered, and governments are the only players with enough resources and long-term capacity in revoking this downward spiral. The current policies of large and broad rescue plans among governments are in fact, the key of resolving the crisis, and hopefully we will learn that joint efforts on the international level is of utmost importance in revitalisation the financial sector and secure its longevity. To sum up, while there is still no satisfactory and widely accepted theoretical understanding of crises exists, and even the links to ´normal´ business cycles and financial crises, the research on particular crisis remains vital.

4. New research questions that the project has led to

The project has illustrated that financial markets can be important sources of innovation, and even though several layers of monitoring functions on national and international level, remain fragile. The project reached the conclusion that to understand the current financial sector around the Baltic Sea region it is crucial to look closer on the longer development of the market. The privatization process and the internationalization process of the banking sector was vital in building the current systemin and had a major impact on the development. In particular the issue of internationalization has been considered as vital in understanding the development of the financial sector. Also, the topic of ownership of the financial actors has been recognized as important in understanding the behavior on the market. The project has also led to a wider view on crises and disaster, and how financial actors behave under extraordinary circumstances. This has led to an article about multinational insurers and disasters in history. In the future, and in particular due to the current pandemic with major impact on the entire economy, this kind of research will be expanded in the future.

5. The contribution of the research to the knowledge of the Baltic Sea Region and Eastern Europe

The subprime international financial crisis, initiated in the US in 2008 and followed by worldwide turbulence, reveals that it is very difficult to implement measures and legislation preventing economic turmoil, especially when financial markets are undergoing rapid growth and innovation. The policies promoted by governments and monitored by supervisory authorities in almost every country and international organizations, for instance EU, World Bank and IMF, are supposed to assure the stability of the international financial system and prevent exactly these events that happened in the wake of the crisis. The present monitoring system of the financial sector are certainly the most sophisticated ever, but financial fragility continues; and the natural question that surface is why?

Finding the trigger behind the subprime crisis is relatively easy and can mainly be explained by top managers seeking highest possible growth, in turn increased market shares and in the end higher profits and personal benefits. The crisis then spread worldwide and in particular had a severe impact in European countries like the Baltic States. However, this explanation is an oversimplification of the events and occludes some equally important issues, for instance how did the international financial system become so vulnerable to the problems in one sector of a (albeit globally connected) national financial market, and how could we prevent crises in the future?

However, it is important to put the development of financial services in a wider and historical context. The financial markets in the Baltic States and Eastern Europe underwent in the 1990s a radical change during the transformation from a planned to market economies, which revealed new financial opportunities for households as well as for the corporate sector. However, did transition bring the wide array of instruments of corporate finance as envisaged by reformers and what kind of impact would this have on the functions of the financial market? The financial market was restructured to improve the role of external finance to improve economic performance, through development of stock markets, restructuring the commercial banking sector and provision of foreign direct investments.

The economic changes occurred as the Baltic countries applied for membership to the European Union and underwent the assessment process of adapting legislative institutions in accordance with European standards and implement political reforms. In the era preceding EU-membership it is clear that equity trading did not grow in accordance with the increased capitalisation and therefore stock markets were still thin and illiquid, and never a significant source of external finance. However, the inflow of foreign direct investments (FDI) and the expansion of commercial banks – processes that to some extent were intertwined – were instead more promising. Through primarily foreign investors, commercial banks in particular from the Scandinavian countries were able to provide an extensive expansion in advances as well as stability and were thus important in supplying households as well as business with capital. At the same time foreign direct investment was in general an important source of external finance, although much of the inflow were connected to privatisation and concentrated to few sectors.

Why then was developing sources of external finance so crucial for economies earlier connected to the socialist regime? In short, external finance is fundamental and instrumental in supplying business with funding through different measures, making economic development possible. In the wake of communist rule, the economies in the former ‘eastern bloc’ were left with many restructuring needs. Industrial stagnation and a moribund financial sector were amongst the most important problems. In both cases privatisation and foreign direct investment were seen as instrumental to addressing the problems. Indeed, at the outset of economic transition, all former planned economies undertook programmes of large-scale privatisation, requiring investment capital as well as managerial and commercial expertise, the twin characteristics of Foreign Direct Investment. In addition, one of the key sectors in the transformation process, was the bank sector because of its vital importance for making transactions possible at all. In terms of establishing a functioning banking system much thus needed to be done, both in terms of capital, managerial and market know-how and modern technology – all hallmarks of Foreign Direct Investment (FDI).

The coupling of these two phenomena (FDI and banking sector development) is vital to understand the development as well as the fragility of the financial markets in the Baltic States. The FDI in the banking sector had major effects in terms of restructuring (and re-concentration) of the sector in the central and Eastern Europe region in general and the three Baltic countries (Estonia, Latvia and Lithuania) in particular. It seems clear that the foreign influence on the one hand was of utmost importance in modernising the financial sector in the region and thus preparing it for the challenges connected to European Union membership. However, on the other hand it seems equally clear that there were costs connected to this rapid modernisation and restructuring of a previously neglected sector that came to be visible in connection to the worldwide financial-cum-industrial crisis that began in 2008.

Despite all of these advances we observed a pattern where domestic enterprise lending remained subdued and FDI still accounted for the majority of investments made. This meant that a great challenge rested with the banking sector. As noted, the development of the presence of moral hazard, information asymmetry and other structural problems, showed that the banking sector – to a large extent controlled by foreign actors – still are fragile in connection with economic and political turmoil.

6. The contribution of research to multidisciplinary knowledge formation

The project has affirmed the importance of financial history to the understanding of financial development and financial crises in particular. That approach allowed us to consider the long arc of financial development, and the links between financial development and crises. By historicizing the analysis of financial crises, we sought to contribute to both the empirical work on financial crises, but also to conceptual and policy debates about financial crises. The research sought to put special emphasis on the role of the state in responding to and attempting to resolve financial crises. This drew the research into political science and business administration as we examined both the government institutional and financial response (the political organization of bail-out packages and the administrative measures implemented by government agencies and banks).

Any society, capitalistic or post-communistic (or different kind of market economies), demands some kind of government in making the economy function. Initially, a state is needed in establishing basic institutions vital for market exchanges, but also in providing public goods, such as upholding property rights as well as law and order. Further, the state is often deeply involved in supplying basic need for citizens regarding for instance health, education, pension systems and arrangements for eldercare. The state monopolises rule making through its government and business frequently interact with different public institutions such as local, regional and national administration, supervisory authorities, courts and other elements of the judicial system. Hence, the preconditions for business to prosper is anyway partly determined by the quality of public institutions, and when the state's relation to business (the market) is discussed we normally refer to two basic cases where the state should intervene; in connection with market failures and when the market produces socially unacceptable outcomes.

Hence, the state is the key player in any economic system, of necessity it must establish the 'rules of the game' and provide infrastructure that permits transactions. In other words, the state is responsible for creating and maintaining the basis of a functional economic system. The state can also provide goods or services itself, which either may not be provided by private business, or, because of market failures, provided in ways that maximise economic rents for the business but undermines social welfare. We are here about supplementary functions and strong private actors need a strong state in securing long-term survival. The origins of financial crises were both results of institutional changes and overheated economies; a development which was driven by herd behaviour among banks and borrowers. For solving crises, the state has been the crucial actor that through its actions as lender-of-last-resort, however, has changed the competition structure on each market. In the event of financial crises, this of course will have negative impact for individuals, private and public business, and putting pressure on the state by for instance lower the tax base and rising public expenditures. In addition, the state is the only player with sufficient resources to act as a lender of last resort, halter the downward spiral and boost the economy. However, it is getting more obvious that 'bailing-out' certain financial actors, most likely the biggest ones with the argument of 'too big to fail', will change the competition on the market. In the long run this may hamper the conditions for economic growth and in turn, have negative impact on households, private business and the state.

Financial crises and the performance of the financial sector impact the entire society, and economic turmoil can produce political and social distress. But as we have illustrated it is also necessary to put attention on the rescue operations, and on the consequences of different choices because some of them can produce economical unacceptable outcomes. In addition, financial crises have had negative impact on the economy, but it is also important to remember that crises are normally created by 'market failures', something was wrong within the system and correcting is needed. From a short run perspective, the crises are always associated with negative consequences, however from a long-term perspective, the crises have paved the way for institutional, economic, political and social changes, that in turn fostered economic growth in the future. By strengthen surveillance performed by financial supervisory authorities, using early warning indicators and risk assessment of suggested deregulations of the financial sector, it may be possible to avoid crises, and if (or rather when) they incur, what is the most efficient policy of crisis management?

To sum up, this project has taken the point of departure of financial history but unlike many other approaches to financial history, by incorporating the distributional consequences of financial restoration, our research has stretched across disciplines to political economy and sociology. The distributional consequences of financial crises have received little attention, and yet these are periods of significant wealth destruction *and* transfer. By considering the distributional consequences more explicitly, we explored how restoration not only imparts significant developmental forces on financial markets, it changes the distribution of wealth, and therefore financial crises also changes social relations of wealth and power. The research suggests that the intellectual and policy implications of this cross-disciplinary approach are important and deserve further elaboration.

7. Dissemination of the results of the project within and outside the research community

List of publications:

Books, edited and reports
Larsson, M. and Lönnborg, M. (2014), *Finanskriser i Sverige [Financial Crises in Sweden]*. Studentlitteratur, Lund, 191 pp.

Olsson, M., Lönnborg, M. and Rafferty, M. (2019) (Eds.). *Unplanned. The Transformation of States and Financial Markets in 'Transition' Countries*, Dialogos förlag, Stockholm, 333 pp.

Olsson, M., Nakamura, R. and Lönnborg, M. (2017), *Building the Baltic Sea Region through investment and trade, 1989-2009*, PESO Working Papers, Södertörn University, Stockholm, 62 pp.

Book chapters
Lönnborg, M., Olsson, M. and Rafferty, M. (2019), "Foreign Direct Investment and Post-Communist Banking. The case of the Baltic States", in: Olsson, M., Lönnborg, M. and Rafferty, M. (eds.), *Unplanned. The Transformation of States and Financial Markets in 'Transition' Countries,* Dialogos förlag, Stockholm, pp. 177-222.

Lönnborg, M., Ögren, A. and Rafferty, M. (2013), "Banks and Swedish Financial Crises in the 1920s and 1930s", in: Kobrak, C. & Wilkins, M. (Eds.). *History and Financial Crisis: Lessons from the Twentieth Century*. Routledge: London: pp. 56-74

Larsson, M. & Lönnborg, M. (2019). "'Same same but different'. Trust, confidence and governance among Swedish mutual insurers". In: Alexius, S. & Furusten, S. (eds.). *Managing Hybrid Organizations. Governance, Professionalism and Regulation.* Basingstoke: Palgrave Macmillan.

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Olsson, M. Lönnborg, M. and Rafferty, M. (2019), "Unplanned. Introducing the key themes", in: Olsson, M., Lönnborg, M. and Rafferty, M. (eds.), *Unplanned. The Transformation of States and Financial Markets in 'Transition' Countries,* Dialogos förlag, Stockholm, pp. 11-27.

Olsson, M., Lönnborg, M. and Rafferty, M. (2019),"External finance and 'transition'. An overview of market developments in Central Eastern Europe and the Baltics", in Olsson, M., Lönnborg, M., Rafferty, M. (eds.), *Unplanned. The Transformation of States and Financial Markets in 'Transition' Countries,* Dialogos förlag, Stockholm, pp. 59-102.

Rafferty, M. Olsson, M. and Lönnborg, M. (2019),"Toward a Post-Transition Political Economy Theory of Transformation. The Case of Financial Services", in Olsson, M., Lönnborg, M., Rafferty, M. (eds.), *Unplanned. The Transformation of States and Financial Markets in 'Transition' Countries,* Dialogos förlag, Stockholm, pp. 29-58.

Rafferty, M., Olsson, M. and Lönnborg, M. (2019)," Unplanned from plan to market: A concluding analysis", In. Olsson, M., Lönnborg, M., Rafferty, M. (eds.), *Unplanned. The Transformation of States and Financial Markets in 'Transition' Countries,* Dialogos förlag, Stockholm: pp. 281-298.

Journal Articles

Lönnborg, M. and Rafferty, M. (2020, forthcoming), "A Rising Tide Lifts All Boat Owners? Distributional Consequences of The Global Financial Crisis and Recovery", *Review of International Political Economy, under submission.*

Lönnborg, M. and Rafferty, M. (2020, forthcoming), "Winners and Losers in Times of Financial Crises. Competition in the future?", *Journal of Baltic Studies* (UK) under submission.

Pearson, R. and Lönnborg, M. and, R. (2020, forthcoming), "Multinational insurers and catastrophic loss: Responses to Disasters", *Economic History Review,* (UK) *submitted and under revision.*

Conference papers

Olsson, M. & Lönnborg, M. (2018). *Trade and investment in the Baltic Sea Region, 1990-2015. Lessons and implications for region-building*. Paper presented at: 2018 AABS (American Association for Baltic Studies) Conference at Stanford University, June 1–3, California, United States.

Lönnborg, M. (2018). *Waves of Globalization. Swedish Insurers on Foreign Markets*. Paper to be presented at: 12th World Economic History Congress (WEHC), 29 July-3 August 2018, Boston, United States.

Lönnborg, M. (2018). *"Waves of internationalization*", Paper presented at: 22nd Annual European Business History Congress (EBHA), 6-8 September 2018, Ancona, Italy.

Lönnborg, M. & Rafferty, M. (2017), "The Rationality and Effects of Lender of Last Resort Policy in Scandinavia", presented at: EBHS Annual Conference, May 25-27, Oklahoma City, Oklahoma, United States.

Olsson, M. & Lönnborg, M. (2017), ”The rise and fall of the Baltic Sea Region? The economic and political underpinnings of a northern European macroregion, 1990-2015”, presented at: EBHS Annual Conference, May 25-27, Oklahoma City, Oklahoma, US.

Lönnborg, M. & Rafferty, M. (2015), “Winners and Losers in Times of Financial Crises”, presented at: BHC/EBHA Meeting, 24-27 June, Miami, Florida, USA.