

Benjamin Hemingway

CONTACT INFORMATION	Totoriu g. 4 CEFER, Bank of Lithuania LT-01121 Vilnius Lithuania	Tel: +370 (5) 2680 136 Email: bhemingway@lb.lt Website: benhemingway.github.io
CURRENT POSITION	Senior Economist <i>Research Center (CEFER), Bank of Lithuania</i>	2018–
	Research Fellow <i>Vilnius University</i>	2018–
EDUCATION	PhD Candidate <i>Department of Economics, University College London</i> 2012–2018 Advisors: Professor Morten Ravn (primary) and Dr Vincent Sterk Examiners: Professor Xavier Mateos-Planas and Dr Frédéric Malherbe MRes in Economics <i>University College London</i>	2011–2012
	MSc, Economics <i>University College London</i>	2009–2010
	BA, Philosophy, Politics and Economics <i>University of Oxford</i>	2006–2009
RESEARCH FIELDS	Macroeconomics, Firm Dynamics, and Corporate Finance.	
TEACHING EXPERIENCE	Lecturer <i>Vilnius University</i> PhD Research Methods, Introduction to MATLAB	Nov 2018
	Teaching Assistant <i>University College London</i> ECONG105 <i>MRes Macroeconomics</i>	Spring 2015, 2016 & 2017
	ECON3029 <i>Advanced Macroeconomics</i>	Spring 2015
	ECON7002 <i>Economics of Finance</i>	Autumn 2013, 2014, & 2015
	ECON3003 <i>Econometrics for Macroeconomics and Finance</i>	Spring 2014
	ECON1001 <i>Economics</i>	Spring 2013
WORK EXPERIENCE	Research Analyst <i>FTI Consulting</i>	Oct 2010–Sep 2011
AFFILIATIONS	Centre for Macroeconomics (CFM) Student Member	
SCHOLARSHIPS AND AWARDS	ESRC Studentship: 1+3 Award	2011-2015
	UCL Economics: Outstanding Teaching Award (ECONG105)	2016-2017
	UCL Economics: Outstanding Teaching Award (Best Overall)	2014-2015
	UCL Economics: Outstanding Teaching Award (ECON7002)	2013-2014

Macroeconomic implications of insolvency regimes

This paper investigates how creditor and debtor rights in the case of firm insolvency impact on the equilibrium outcomes in a firm dynamics model. I build a heterogeneous firm model with financial frictions where defaulting firms can enter insolvency and continue production or be liquidated and exit. Financial frictions impact firm production decisions and make capital relatively more costly than labour for borrowing constrained firms. As a result, financially constrained firms are less capital intensive and have a lower capital-to-labour ratio than unconstrained firms. Two insolvency regimes are compared, a creditor-friendly regime such as the UK and a debtor-friendly regime such as the US. Debtor-friendly regimes are shown to be more costly in the steady-state, leading to larger spreads on firm debt. The model dynamics find a response to productivity shocks that are largely consistent with the UK and the US following the financial crisis. I show that the model provides a precise account for the differential effects of productivity shocks across economies that differ in the credit/debtor rights. In particular, in an application to the financial crisis, I show that labour productivity falls more sharply in the creditor-friendly regime while employment does not. This paper suggests a possible explanation for the different employment and labour productivity response in the UK and US since the financial crisis.

Banking regulation and collateral screening in a model of information asymmetry

The role of collateral in debt contracts is explored within an environment where banks also face regulatory solvency constraints. Recently, regulators and policy makers have increased their focus on ensuring stability in the banking sector. Stress-tests such as the US Supervisory Capital Assessment Program (SCAP), are one tool which regulators can use to ensure bank solvency. I model a credit market with imperfect information and aggregate uncertainty. Here collateral plays a dual role. First, it can help mitigate the adverse selection problem by acting as a screening device. Second it also helps the bank satisfy any regulatory constraint by reducing the loss given default that the bank suffers in bad states of the world. As the regulatory constraint becomes more strict, collateral may become less effective as a screening device, highlighted by the possibility of pooling equilibria existing.

A Model of Credit Rationing in SME Loan Applications

This paper is concerned with building a modelling framework for the study of SME loan applications that is consistent with existing survey data. Specifically, it aims to capture several observable features of the loan market. First, firms choose whether they apply for a loan, and firms that do not apply for loans may not need a loan, or may think they will not obtain a loan. Second, a firm's loan application may not be successful. A firm may receive only part of the funding it had requested, or it may have its loan application outright. By explicitly modelling the loan application phase, I am able to justify why firms apply for loans and are still subsequently rejected. This chapter also provides a theoretical contribution in that there is the possibility, in a model without asymmetric information, of 'pure credit rationing' where observationally equivalent firms are granted a loan with while others are not. This result is made possible because of the additional loan application phase.

WORK IN
PROGRESS

The effect of the financial crisis on bank lending to SMEs
joint with Alan Crawford

In this paper we develop a model of bank lending to small-to-medium enterprises (SMEs). Combining a bi-annual survey of European SME financing decisions with a contemporaneous EU-wide banking conditions survey, we empirically evaluate the determinants of successful loan applications during the financial crisis.