BIOGRAPHY

Hans-Joachim Voth (D.Phil, Oxford, 1996) is ICREA Research Professor at the Economics Department, Universitat Pompeu Fabra, Barcelona. He is an economic historian with interests in financial markets, long-run economic growth, as well as political risk and macroeconomic instability. He is the former director of the Master Program in International Trade, Finance, and Development at the Barcelona Graduate School of Economics.

Prof. Voth is a member of CREI, the Centre for Research in International Economics at UPF, and a Research Fellow in the International Macro Program at the CEPR (London). He is an editor of the *European Review of Economic History*, and is also serving as an Associate Editor of the Quarterly Journal of Economics.

PROJECT

European Research Council Advanced Grant
Project acronym: InsecureAssets
Project full title: Securities in times of insecurity: asset returns and holdings during political, social and economic crises in Europe, 1900-1950

Overview

Objective: This project assembles a new dataset on asset returns in four European countries between 1900 and 1950. Most of the information we have today about the performance of different asset classes comes from relatively 'tranquil', stable periods. Yet what happens to the value of one's savings matters all the more when times are not good, and labor income is low. This is the fundamental insight of the consumption capital asset pricing model. The four countries in this study experienced among them the full range of 'horrors and disasters' that could befall investors. By going beyond published statistics on index values, we will obtain a much more accurate picture of how investors fared. Systematically collecting individual-level return data for four European countries at a time of great turmoil will allow me to address a number of canonical asset pricing puzzles: Why are average returns on stocks so high? Why do bonds generally do so poorly? And why would anyone hold gold, given that the long-run average return is quite low? If the recent literature on pricing assets via their value in 'disaster periods' is right, we should find that holding stocks turned out to be much riskier than normally assumed, based on the standard data sets for rich countries in the last fifty years. The opposite ought to be true for bonds and gold. To find out, I will use a wealth of notarial and bank records, combined with tax-based material, a close reading of the legal literature, and probates, to track as closely as possible how individual investors fared in an age characterized by war, political turmoil, revolution, and expropriation.