

## When Nations Can't Default

War reparations have been large and small, repaid and defaulted on, but the consequences have almost always been significant. Ever since Keynes made his case against German reparations in *The Economic Consequences of the Peace*, the effects of transfer payments have been hotly debated. *When Nations Can't Default* tells the history of war reparations and their consequences by combining history, political economy, and open economy macroeconomics. It visits often forgotten episodes and tells the story of how reparations were mostly repaid – and when they were not. Analysing fifteen episodes of war reparations, this book argues that reparations are unlike other sovereign debt because repayment is enforced by military and political force, making it a senior liability of the state.

Simon Hinrichsen runs investments in emerging market sovereign bonds for a pension fund and has published in journals on history and economics. He is an external associate professor at the University of Copenhagen where he teaches a course on sovereign debt. He has advised governments and was previously a visiting fellow at the London School of Economics.

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# When Nations Can't Default

## *A History of War Reparations and Sovereign Debt*

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*To Mathilda*



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## Data and Replication

The data and code used in the book is available at the following link:  
<https://sites.google.com/view/shinrichsen/research>.

The replication files run in MATLAB and are available alongside the underlying data. The names of the replication files used are specified under each figure or model, alongside the data source.