

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business
invites you to a seminar

***The Dynamics of Corporate Zombification: Creditor Identity, Survival Duration,
and Macroeconomic Congestion***

Co-authors and presenters:
Biswajit Banerjee and Jelena Čirjaković

Paper is a joint work of Biswajit Banerjee, Jelena Čirjaković and Primož Dolenc.

The seminar will be held in the
Great Hall of Banka Slovenije
on Thursday, 17 September 2026 at 14:00 CEST

Abstract:

In a healthy economy, market forces quickly clear away failing businesses. Yet, "zombie firms"—unviable businesses surviving past their natural lifespans—are increasingly dragging down global growth. While their macroeconomic cost is well documented, exactly *who* is funding their prolonged survival remains a critical blind spot. Using a universal administrative dataset of Slovenian firms (2004–2024), this paper investigates how creditor identity dictates corporate survival. We find that while debt-free distressed firms exit the market rapidly, struggling firms reliant on alternative, non-bank lenders survive for a staggering median of 14 years. Rather than realizing losses, these lenient creditors perversely trap deeply toxic firms in a prolonged zombie state. Ultimately, keeping these unviable firms on life support creates severe market congestion, heavily crowding out the investment and job creation of healthy competitors. This research exposes the hidden forbearance within modern credit ecosystems and the urgent need to modernize insolvency frameworks.

About the presenters:

Biswajit Banerjee PhD is currently Expert Advisor to the Governor, National Bank of Slovakia; and Professor of Economics, Ashoka University (Sonapat, India). Dr Banerjee has previously taught at Wellesley College (Massachusetts, USA); University of Oxford; Haverford College (Pennsylvania, USA); the Wharton School of the University of Pennsylvania (USA); Krea University (India); and Economics University of Bratislava (Slovakia). He is a former senior staff member of the IMF. He also has served as Chief Economist, Banka Slovenije and Chief Economist, Ministry of Finance of the Slovak Republic. While holding these last two positions, he was a member of the Monetary Policy Committee of the ECB, and Slovak delegate to the Economic Policy Committee of the OECD. He is currently a member of the India Experts' Network of the Eurosystem National Central Banks. Dr. Banerjee's main research areas are empirical macroeconomics, empirical industrial economics, and labor markets.

Jelena Čirjaković is a Researcher at the Financial Stability and Macroprudential Policy department at the Banka Slovenije, where she was previously the Head of Analysis of Financial Stability Section. She has worked on Eurostats' research grants projects for Artemis Information Management, Luxembourg and was the Head of Eurostats' research grant project at the Statistical Office of the Republic of Slovenia. Jelena Čirjaković holds a PhD in Economics at the University of Ljubljana, School of Economics and Business.

How to sign up:

To sign up for the seminar, please send an email to seminar@bsi.si. You can sign up by Wednesday, 16 September 2026. The seminar will be held in English.