

Julian Hidalgo

Curriculum Vitae

PERSONAL DATA

FULL NAME: Julian Felipe Hidalgo Rodríguez
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RESEARCH FIELDS

PRIMARY: Empirical industrial organization, applied microeconomics
SECONDARY: Telecommunications

REFERENCES

Frank Verboven
KU Leuven
+32 (0)16 32 6944
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Jan De Loecker
KU Leuven
+32 (0)16 37 4583
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Michelle Sovinsky
University of Mannheim
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EDUCATION

09.2019 – 08.2024	Ph.D. in Economics, KU Leuven - Belgium <i>expected</i> Thesis Title: “Essays in Empirical Industrial Organization”
09.2018 – 09.2019	M.Sc. in Advanced Studies in Economics, KU Leuven - Belgium <i>Summa cum laude</i>
09.2015 – 10.2017	M.Sc. in Economics, University of Mannheim - Germany GPA: 1.3.
08.2012 – 02.2016	Magister in Economics, Universidad del Rosario, Bogotá – Colombia GPA: 4.48/5.0.
02.2007 – 10.2012	B.Sc. in Economics, Universidad del Rosario, Bogotá – Colombia GPA: 4.36/5.0.
08.2008 – 10.2012	B.Sc. in Finance, Universidad del Rosario, Bogotá – Colombia GPA: 4.36/5.0.

ACADEMIC EXPERIENCE

Publications

Hidalgo, J & Sovinsky, M (2023). Subsidies, Speed and Switching? Impacts of an Internet Subsidy in Colombia. *Review of Industrial Organization* (*Forthcoming*).

Hidalgo, J & Sovinsky, M (2019). [Forensic Econometrics: Demand Estimation When Data are Missing](#). *The Japanese Economic Review*, 70:403-410.

Working papers

This Craft's For You! Entry and Market(ing) Competition in the U.S. Beer Industry (Job Market Paper)

This paper studies the advertising response to the entry of craft brewers in the U.S. beer industry. Exploiting changes in local beer legislation and spatial variation across TV markets, I document two facts: mass-producing brewers respond by raising local advertising, and this reduces consumers' price sensitivity. I then evaluate the implications for market power, using a structural model with persuasive advertising. The empirical model establishes that mass-producing brewers indeed had a profit incentive to respond to entry by raising advertising. Furthermore, the empirical results imply that (i) own and rival advertising can reduce price sensitivity; (ii) markups for flagship domestic brands increased from 2.6 to 3.4 for 2011-2016; and (iii) about 20% of the rising markup can be attributed to the observed increase in advertising stock.

Internet (Power) to the People: How to Bridge the Digital Divide with Michelle Sovinsky

Due to global lockdowns driven by the COVID-19 pandemic, the pervasiveness of inequalities in digital access is more salient. As a result, finding strategies to narrow the digital divide has moved to the forefront of public policy. We examine the impact of a pricing subsidy in Colombia to learn about what hinders low-income populations from adopting internet services. Our model allows take-up to depend on the types of plans offered as well as the rate of diffusion in the neighborhood. We find that increasing the diffusion rate (via internet literacy programs) is more beneficial to takeup among households in the lowest socioeconomic markets and in less technically savvy markets relative to a pricing subsidy. Pricing subsidies reduce the digital divide by 13% points but over half of that is due to the impact on the diffusion rate. Our results suggest that non-price policies are equally important to bridge the digital divide.

Market Structure and Adoption of Internet Services in Colombia

This paper analyzes (i) how changes in market structure affect welfare and consumer choices, and (ii) how the overall effect can be decomposed into two components: the price effect and the product variety effect. I address this analysis in the context of the Internet services market in Colombia and exploit the entry of a large telecom operator in 2008. I estimate a discrete-choice demand model and use a model of oligopolistic price-setting firms to infer marginal costs and, subsequently, to conduct various counterfactual predictions. The empirical findings indicate that market entry increased the take-up of Internet services by 6 percentage points and rose consumer surplus by \$7.2 million (23% of the sales in 2008). The decomposition of the overall effect reveals that, on average, the price effect accounts for 62% of the total effect whereas the remaining of the overall effect can be attributed to the change of the menu of products offered by incumbent firms.

Work in progress

Quality Labels for Internet Services with Renzo Clavijo

Policymakers often use labels to address important informational asymmetries about products' quality. In the context of Internet adoption, speed labels (e.g., high vs low speed) help consumers to make informed choices, increasing the adoption of high speed services. This is particularly important in countries where the digital gap is still a first-order concern. These speed labels, however, may also give Internet providers incentives to adjust the portfolio of Internet plans, changing the competitive conditions in the market. Whether speed labels are good for consumers and for addressing the digital divide depends on the equilibrium effects of such policies. We analyze a regulation in Colombia that mandates high-speed labels (broadband) on Internet plans that exceed certain speed thresholds. Preliminary evidence suggests that Internet providers change plans such that there is bunching at the speed threshold. This change, in turn, intensifies price competition for plans at the threshold, drawing consumers from both low-speed and very-high speed segments. To evaluate the welfare effects of the regulation, we estimate a structural model with endogenous speed and price decisions. We find that while consumers value high-speed plans, this valuation increases substantially with the speed labels. On the supply side, the provision of speed is costly for firms. (In progress) We use the model to study alternative policies: no speed label, implementation of multiple speed labels (e.g., low, high and very-high speed labels), and the design of optimal label.

Telecom Market Power with Giulia Canzian and Frank Verboven

We analyze and document the evolution of markups for European telecom operators since 1998. Using operator-country level unconsolidated financial data, we estimate markups following the production approach proposed by De Loecker and Warzynski (2012). While the aggregate average markup has remained relatively stable at around 2 over 1998-2020, we find that there has been considerable fluctuation over time. At the beginning of the 2000s, markups start to rise from 1.9 to just below 2.6 in 2011. Next, during the 2010s, there is first a sharp decrease in aggregate market power, followed by a pronounced increase starting around 2015. We also find considerable heterogeneity in markups both across European countries and operators. The next step is to analyze the determinants of markup differences across European telecom markets (Work in progress).

Other

A Note on the Estimation of Demand for Beer Using PyBLP with Jan De Loecker and Paul Scott

The impact of broadband quality standards on Internet services market structure in Colombia with Juan Oviedo

Presentations in conferences

2023: 23rd CEPR-JIE (Cambridge, UK), CRESSE (Rhodes, Greece), EARIE (Rome, Italy), JEI (Bilbao, Spain)

2022: International Industrial Organization Conference IIOC (Boston, USA), EARIE (Vienna, Austria), FCC (Online, USA), XVI RIDGE IO Workshop (Bogota, Colombia)

2018: Banco de la República de Colombia (Cali, Colombia), MaCCI (Mannheim, Germany)

2014: 25th European Regional International Telecommunications Society Conference (Brussels, Belgium)

GRANTS AND AWARDS

08.2023	CRESSE & CPI Best Digital Economy Paper Award for Young Researchers
10.2020 – 10.2024	Research Foundation Flanders (FWO) PhD Fellowship in Fundamental Research.
09.2020	KU Leuven Pinxten Award for the best student paper in economics.
10.2015 – 06.2017	Deutscher Akademischer Austauschdienst (DAAD). Scholarship for post-graduate studies in Germany.
08.2015 – 07.2017	Colfuturo. Merit scholarship for master studies.
10.2012	Universidad del Rosario Graduated with honor of the program Finance and International Commerce.

TEACHING EXPERIENCE

- Co-coordinator undergraduate research group (2010-2013): Provided guidance to undergraduate students about general scientific research process and coordinated several economics-related academic activities (workshops, conferences and debates).
- Teaching assistant at the undergraduate level:
 - Basic econometrics (2012-2): Carlos Castro - Universidad del Rosario, Colombia.
 - Microeconomics II (2012-2/ 2013-1): Juan Oviedo/Mariana Blanco - Universidad del Rosario, Colombia.
- Teaching assistant at the graduate level:
 - Advanced Industrial Economics (2019-2023): Frank Verboven - KU Leuven, Belgium.
 - Master's Thesis Economics (2019-2023): Frank Verboven - KU Leuven, Belgium.

WORK EXPERIENCE

09.2017 - 01.2018	German Institute for Economic Research (DIW), Berlin - Germany. <i>Intern (Sept-Nov), RA (Dec-Jan). Firms and Markets department.</i> Main tasks: Provided empirical assistance in the analysis of the effect of ownership links on market entry in the U.S. pharmaceutical industry and performed the data exploratory analysis of plan-level dataset of Internet services in Germany.
05.2016 - 08.2017	Center for European Economic Research (ZEW), Mannheim - Germany. <i>Student Research Assistant, Information and Communication Technologies department.</i> Main tasks: Provided empirical assistance in the analysis of the mobile app market and assisted in the construction of the digitization index for German industries.

03.2015 - 06.2015	<p>LEICO-Consultores Asociados, Bogotá - Colombia. <i>Consultant Assistant, Competition and Regulatory Analysis Unit.</i> Main tasks: Provided econometric and statistical assistance in multiple ICT projects, emphasizing in market competition and regulatory analysis. Drafted telecommunications market reports.</p>
11.2014	<p>Center of Research and Development of ICT (CINTEL), Bogotá - Colombia. <i>External Consultant, Program Evaluation Group.</i> Main tasks: Consolidated and analyzed database about socioeconomic characteristics of fishermen population from San Andrés de Tumaco (Savalo program).</p>
03.2014 - 05.2014	<p>Center of Research and Development of ICT (CINTEL), Bogotá - Colombia. <i>External Consultant, E-Government Practice and Program Evaluation Group.</i> Main tasks: Provided research and analysis assistance in quality assessment of e-government surveys. Analyzed the impact of ICT program (Savalo) on various socioeconomic outcomes of the fishermen population from La Boquilla-Cartagena using impact evaluation methods.</p>
03.2013 - 03.2015	<p>Faculty of Economics - Universidad del Rosario, Bogotá - Colombia. <i>Junior Researcher, Ph.D. Juan Daniel Oviedo.</i> Main tasks: Provided research assistance in the economic analysis of the broadband internet market in Colombia. Drafted academic literature reviews about telecommunication markets and provided econometrical analysis of diverse ICT (television, mobile and internet) database.</p>
03.2012 - 12.2012	<p>Faculty of Economics - Universidad del Rosario, Bogotá - Colombia. <i>Research Assistant, Higher Education Accreditation Group.</i> Main tasks: Constructed and managed the information system of the Faculty of Economics. Designed academic and administrative indicators and analyzed perception surveys.</p>
08.2011 - 06.2012	<p>Faculty of International Trade - Universidad Jorge Tadeo Lozano, Bogotá - Colombia. <i>Research Assistant.</i> Main tasks: Participated in the project "Commercial Policy Analysis and its Impact on Industrial Development" by collecting and examining statistical information of international trade. Drafted descriptive reports of industrial sectors.</p>

SOFTWARE MANAGEMENT

- Microsoft Office (Word, Excel, Power Point), Stata, Eviews, LaTeX, Matlab, Python.

LANGUAGES

Spanish	Mother tongue
English	Professional proficiency
German	Basic