SHUOSHUO HOU

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Education

Ph.D. Candidate in Economics 2014-present
Temple University
Dissertation: "Essays on industries' production network in macroeconomics"
Expected Completion Date: August 2022

M.A., Economics 2014
Temple University

B.S., Information & Computing Science (with honors) 2011
Shenyang Agricultural University, China

Research Interests

Primary Fields — Macroeconomics (Applied and Theory)
Secondary Fields — Industrial Organization, Financial Economics

Job Market Paper

"*The Importance of the Input-Output Network Structure in the U.S. Economy*"

Hulton's Theorem argues that in the presence of input-output linkages, the impact of a sector-level shock on the aggregate economy is entirely captured by its size, regardless of its position in the production network. This paper proposes the idea that the production network in isolation represents an essential channel in shaping macroeconomic fluctuations in the United States. First, based on the data from the BEA input-output account, this paper shows that as the empirical production network is getting sparser over the past five decades, namely, a majority of industries are dominated by a few central input suppliers, GDP growth tends to decline and is more volatile. Motivated by these facts, this paper embeds the input-output network into a multisector real business cycle model with CES technologies. In order to highlight the role of the input-output network, this paper characterizes sectoral total factor productivity (TFP) shocks' impact on macroeconomic aggregates nonlinearly. Finally, this paper measures realized sector-level productivity shocks from the data, feeds them into the model, and observes that the calibrated model can quantitatively generate observed empirical patterns. Overall, this paper gauges the crucial role of the production network structure in deciding aggregate fluctuations empirically and quantitatively.

Research Papers

"*Does financial shocks drive real business cycle fluctuations in China?*"

This paper concentrates on identifying the potential origin of business cycle fluctuations in China during the 2007-2009 recession. First, I document that domestic loans are countercyclical to GDP in China, revealing a link between the financial market and the real economy. Next, I employ a standard real business cycle model that allows financial asset trading between firms and households and imposes restrictions on firms' credit constraints. Specifically, I measure the financial shocks as the residuals of a firm's enforcement constraint. As assumed in the model that payments to labor need to be made before the realization of revenues, firms might need to raise funds with intra-period loans to fill liquidity shortages in between two periods. However, during recessions, firms can neither obtain enough indirect finance from banks nor convert capital assets into liquidity within a short time horizon. As a result, firms have to cut budget constraints by laying off workers. To calibrate key parameters fitting characteristics in China's economy, I combine macroeconomic data from the National Bureau of Statistics of China (NBS) and financial data in the China Stock Market & Accounting Research (CSMAR) database. Then, I solve systematic equations of the DSGE model analytically and quantitatively with DYNARE. This paper finds that financial shocks can explain about 66% of GDP fluctuations during the 2007-2009 recession. Therefore, financial frictions are the main driving force of macroeconomic fluctuations in China during the recent Financial Crisis through the real economic factor, labor.

"*The impact of service outsourcing on labor productivity*" (working in progress)

Teaching Experience

Instructor, Temple University

Econ 1101 Macroeconomic Principles	Spring 2021, Fall/Spring 2020, Summer 2017-2019
Econ 1102 Microeconomic Principles	Spring 2020
Econ 3502 Intermediate Macroeconomic Analysis	Summer 2016

Teaching Assistant, Temple University — Fall 2021, Fall/Spring 2014-2017

Econ 1101 Macroeconomic Principles	Prof. Michael A. Leeds/Prof. Moritz Ritter
Econ 1102 Microeconomic Principles	Prof. George M. Lady/Prof. Shreyasee Das
Econ 3502 Intermediate Macroeconomic Analysis	Prof. Yuan Yuan
Econ 3563 International Trade	Prof. Brenden Mason
Econ 3564 International Monetery Economics	Prof. Yuan Yuan

Conferences and Seminars

Presentations

"*The Importance of the Input-Output Network Structure in the U.S. Economy*": the VIII Permanent Workshop of SHAIO, University of León 2021 (scheduled), International Input-Output Association (IIOA) Online Development Programme 2021, Pennsylvania Economic Association Annual Conference, Misericordia University 2021

Discussions

2021: "*Crime Rate Convergence in Pennsylvania Counties: A Spatial Examination Using Panel Data*" (By Jozefowicz, Habacivch, and Redilla)

Awards and Honors

Teaching & Research Assistantship, Temple University, 2014-2021
National Scholarship (top 1%), Shenyang Agricultural University, 2011
University Scholarship (top 5%), Shenyang Agricultural University, 2007-2010

Software

Advanced: MATLAB, DYNARE, STATA, LaTeX
Intermediate: R, SAS, GEPHI

Other

Languages: Chinese-Mandarin (native), English (fluent)
Nationality: China (F-1 visa)

References

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