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Education:

2015 (expected)	Ph.D. Economics	Columbia University
2012	M.Phil. Economics	Columbia University
2011	M.A. Economics	Columbia University
2007	B.A. Economics (<i>summa cum laude</i>)	Seoul National University

Fields of Specialization:

Macroeconomics, Financial Economics, Monetary Economics

Job Market Paper:

“Securitization, Stability, and Optimal Regulation.” October 2014

Abstract: Can securitization spur financial fragility? This paper provides a model of banking with securitization, where financial intermediaries hold a well-diversified portfolio of asset-backed securities on their balance sheets. On the one hand, securitization diversifies idiosyncratic risk so as to increase the pledgeability of assets in the economy, allowing more profitable investment projects to be financed. On the other hand, individual financial intermediaries do not internalize the benefit of the transparency of the securities they produce, because that benefit is also diversified. Moreover, when financial intermediaries perceive their environment to be safe, they have little incentive to produce more information about the quality of their assets. This leads to an increase in the opaqueness of securitized assets in the economy, causing greater exposure of financial intermediaries to funding and solvency risk. Policy can have a role because of a market failure that induces the securitized-banking system to produce securities that are too opaque making the economy more prone to crises. An efficient macroprudential policy is to impose a flexible capital surcharge on opaque securities.

Working Papers:

“Adverse Selection, Information Acquisition, and Optimal Interventions in Securities Markets.” November 2013

Abstract: This paper characterizes the optimal interventions to stabilize financial markets in which there is a lemons problem due to asymmetric information. Potential buyers can obtain

information about the quality of assets traded in the market to decide whether to buy the assets. A market equilibrium is not necessarily driven by fundamentals, but it can also be driven by agents' beliefs about fundamentals and the corresponding information choices. Multiple self-fulfilling equilibria may arise if the asset price has a large impact on the quality of assets, because a higher asset price increases the likelihood that nonlemons are traded. Large-scale asset purchases are inefficient to correct a market failure, because such purchases crowd out efficient liquidity reallocation in the private sector. In contrast, partial credit insurance, when combined with the credible announcement of an asset price target, implements the efficient allocation as a unique equilibrium. Moreover, the model predicts that direct asset purchases can cause large welfare losses, especially in the mortgage-backed securities markets, and therefore, our strategy is the optimal way to correct the market failure in such securities markets.

Work In Progress:

“Unemployment and Robustly Optimal Monetary Policy.” (With Kyle Jurado)

Abstract: In a New Keynesian model with unemployment, we analytically characterize optimal monetary policy from a timeless perspective under the hypothesis of rational expectations. We find that unemployment stabilization is an important objective for policy, in addition to price stability. We show that in economies with less flexible labor markets, it is optimal to place a greater emphasis on stabilizing unemployment. We then consider how optimal policy changes if the policymaker is concerned about possible deviations of private-sector expectations from rationality. In the presence of such a concern for robustness, it is optimal to place an even greater emphasis on unemployment stabilization, especially in the presence of inflexible labor markets. This appears to be at odds with what is seen in practice: (un)employment is an explicit part of the monetary policy mandate in the United States but not in Europe, even though labor markets in the United States are more flexible.

“Uncertainty, Incentives, and Misallocation.”

Honors, Awards, and Affiliations:

2014-2015	Dissertation Fellowship, GSAS, Columbia University
2009-2014	Doctoral Fellowship, Columbia University

Teaching Experience:

Fall 2013	Financial Economics (Sally M. Davidson)
Spring 2013	Principles of Economics (Sunil K. Gulati)
Spring 2012	Intermediate Macroeconomics (Jon Steinsson)
Fall 2011	Intermediate Macroeconomics (Bruce Preston)
Spring 2011	Intermediate Microeconomics (Susan M. Elmes)
Fall 2010	Advanced Econometrics (Serena Ng)

Personal

Citizenship: Republic of Korea
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References:

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