

Jihyun Kim

📍 London, ON, Canada | ✉️ jkim2687@uwo.ca | 🌐 [Website](#)

EDUCATION

University of Western Ontario	Expected 2024
Ph.D. in Economics	
University of Western Ontario	2019
M.A. in Economics	
Korea University	2011
B.A. in Economics	

FIELDS OF INTEREST

Macroeconomics, International Finance, Firm Dynamics

WORKING PAPERS

Government-Backed Financing and Aggregate Productivity (*Job market paper*)
Sovereign Local Currency Debt and Original Sin Redux

RESEARCH AND RELEVANT WORK EXPERIENCE

Research Assistant, University of Western Ontario	2020 - Present
Supervisor: Juan Carlos Hatchondo	
Economist, Bank of Korea	2011 - 2018

FELLOWSHIPS AND AWARDS

Dissertation Fellowship, Federal Reserve Bank of St. Louis	2023
Graduate Fellowship, University of Western Ontario	2020 - 2023
SSHRC Productivity Research Fellowship, University of Western Ontario	2023
Doctoral Study Abroad Scholarship, Bank of Korea	2018 - 2020
Anam Scholarship, Korea University	2006 - 2010

PRESENTATIONS

2023 University of Western Ontario (macro seminar, student seminar),
Federal Reserve Bank of St. Louis (Ph.D. dissertation fellows workshop)

TEACHING EXPERIENCE

Instructor, University of Western Ontario	Summer 2023
Intermediate Macroeconomics II	
Teaching Assistant, University of Western Ontario	2020 - Present
Intermediate Macroeconomics I, Advanced Monetary Theory, Public Finance, Economic Development II	
Instructor, Bank of Korea	2016
Central Banking Study Program: "Household debt in Korea"	

ADDITIONAL INFORMATION

Languages	English (fluent), Korean (native), Chinese (basic)
Programming	Fortran (MPI), MATLAB, STATA, Python (basic), \LaTeX
Citizenship	Republic of Korea

REFERENCES

Juan Carlos Hatchondo (Advisor)

Department of Economics
University of Western Ontario
Email: jhatchon@uwo.ca

Sergio Ocampo Díaz

Department of Economics
University of Western Ontario
Email: socampod@uwo.ca

Ananth Ramanarayanan

Department of Economics
University of Western Ontario
Email: aramanar@uwo.ca

Baxter Robinson

Department of Economics
University of Western Ontario
Email: brobin63@uwo.ca

PLACEMENT DIRECTOR

Todd Stinebrickner

Department of Economics
University of Western Ontario
Email: trstineb@uwo.ca

Government-Backed Financing and Aggregate Productivity (*Job market paper*)

I study the effects of government-backed financing on aggregate productivity by exploiting an expansion of government loans to firms in Korea after 2017. I show that the borrowing cost decreased more for firms eligible for government loans relative to ineligible firms. Eligible firms with higher pre-policy borrowing costs had larger post-policy increases in investment than eligible firms with lower pre-policy borrowing costs. At the same time, the exit rate of low-productivity eligible firms decreased the most following the policy. To quantify the effect on aggregate productivity, I build a heterogeneous-firm model with endogenous entry and exit, borrowing cost, and investment. In the model, government loans enhance firms' credit access, helping financially constrained firms but also prolonging the survival of low-productivity firms. The first effect increases aggregate productivity while the second effect decreases aggregate productivity. I find that an expansion of government loans as large as the one observed in Korea decreases aggregate productivity by 0.3% over a span of 10 years. The reduction in the exit rate of low-productivity firms generates a decrease in aggregate productivity of 0.4%. The higher investment of formerly financially constrained firms contributes to an aggregate productivity increase of 0.1%.

Sovereign Local Currency Debt and Original Sin Redux

I study the role of government debt financing in local currency in insulating emerging economies from fluctuations in global financial conditions. In principle, local currency debt helps emerging economies avoid currency mismatch, a factor known to complicate their debt management. However, borrowing in domestic currency alone is often insufficient to insulate emerging economies from the effects of global financial fluctuations, a phenomenon referred to as the "original sin redux". I document cross-country variations in this phenomenon and provide a theoretical explanation for these differences. I show that the extent to which shocks in the global financial market lead to higher default risks on local currency bonds depends on a country's level of financial development and its debt level. Specifically, I find that banks in a country with low financial development relative to its debt level disrupt private credit more significantly when foreign capital exits from the local currency bond market. This tendency is linked to higher default risks and external vulnerabilities. To understand these patterns better, I build a sovereign default model, incorporating financial intermediaries and endogenous foreign investors' investment in local currency government bonds. The model replicates key patterns observed in the data, related to the relationship between an economy's capacity to maintain private credit during capital outflows, credit risk, and external vulnerability.