Jihyun Kim

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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

Seminars

2023 UWO Macro seminar, Federal Reserve Bank of St. Louis

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

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

Government-backed financing enhances firms' credit access, helping financially constrained firms but also prolonging the survival of low-productivity firms. These offsetting effects make the net effect of the policy on aggregate productivity ambiguous. I study the effects of government-backed financing by exploiting the Korean government's increase in government loans after 2017. I show that credit cost decreased more for firms eligible for government loans relative to ineligible firms. Moreover, eligible firms with higher pre-policy credit costs had larger post-policy increases in investment. However, I also find that the exit rate of unproductive eligible firms decreased the most following the policy. To quantify the effect on aggregate productivity, I build a heterogeneous-firm model with endogenous credit costs incorporating government and private loans. Over a span of 10 years, aggregate productivity decreases by 0.3%, explained by a 0.1% increase coming from higher investment by constrained firms and a 0.4% decrease attributed to the reduced exit rates among low-productive firms.

Sovereign Local Currency Debt and Original Sin Redux

I document "original sin redux", which indicates that borrowing in domestic currency is insufficient for insulating emerging economies from the fluctuations in global financial conditions, and its cross-country difference, and also provide a theoretical explanation behind the cross-country difference. Specifically, I show that increases in the VIX index are followed by higher default risks on local currency bonds in emerging economies. The important determinants for the magnitude of these external vulnerabilities are associated with the level of financial development and debt level. The main mechanism is that banks in a country with low financial development compared to its debt level tend to disrupt the private credits more significantly when foreign capital exits from the local currency bond market, which is linked to higher default risks and external vulnerabilities. I develop a model based on standard sovereign default models incorporating financial intermediaries and endogenous foreign investors' investment in local currency government bonds. The model replicates key features observed in the empirical data, related to the relationship between an economy's capacity to maintain private credit during capital outflows, credit risk, and external vulnerability.