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

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

Sergio Ocampo Díaz
Department of Economics
University of Western Ontario
Email: socampod@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 "original sin redux," which highlights that borrowing in domestic currency may not suffice for insulating emerging economies from the fluctuations in global financial conditions. I document cross-country differences in this phenomenon and provide a theoretical explanation behind the differences. Specifically, I show that shocks in the global financial market 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 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. 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.