

KAIRONG CHEN

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Placement Director: Volodymyr Lugovskyy

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Placement Coordinator: Elizabeth Bolyard

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EDUCATION:

Indiana University, 2016 to present

Ph.D. Candidate in Economics.

Thesis Title: “*Essays on International Trade*”

Expected Completion Date: May 2022

References:

Professor Mostafa Beshkar (co-chair)

Department of Economics

Indiana University

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Professor Volodymyr Lugovskyy (co-chair)

Department of Economics

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Professor Todd B. Walker

Department of Economics

Indiana University

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Professor Ke-Li Xu

Department of Economics

Indiana University

kelixu@iu.edu (812) 855-5525

Yeshiva University, Department of Economics, *New York, NY*

2015

MS in Quantitative Economics

Peking University, National School of Development, *Beijing, China*

2014

BA in Economics

China Agricultural University, College of Biological Sciences, *Beijing, China*

2014

BS in Biological Science

RESEARCH INTERESTS:

International Economics, Trade Policy Uncertainty, Applied Econometrics, Textual Analysis

WORKING PAPERS:

“*Trade Policy Uncertainty: Measurement and Impacts on US firms in Global Value Chains*”

(*Job Market Paper*)

Abstract: This paper studies the effects of trade policy uncertainty (TPU) on the US firms’ global value chain links. I adapt a text-based method to construct new measures of trade policy shocks perceived by the US firms. I validate the TPU measure by showing that it correctly identifies text containing discussions on uncertainty about trade policy, that it varies intuitively over time and across sectors, and that it correlates with the firm’s responses in investment and inventory in a manner that is highly indicative of trade policy uncertainty. High trade policy uncertainty deters capital investment and induces temporary stockpiling. These results continue to hold after controlling for news about the mean of trade policy shocks, and are robust to other investment and inventory variables. I then explore the impact on the firms’ reliance on foreign relationships. Using the firm-level data on global supply chain relationships in 2010-2019, I find that TPU is negatively associated with the US firms’ foreign customer ratios. The effects are more pronounced on downstream firms than upstream firms. By contrast, no association between TPU and foreign supplier ratios is found, probably due to the firms’ additional offshoring behavior in the trade war.

“Dynamic Effects of Trade Policy and Capital Controls: A Terms-of-Trade Manipulation Perspective”

Abstract: This paper studies the interaction between trade policy and capital control policy from a terms-of-trade manipulation perspective. I extend the dynamic two-country multi-good endowment economy in Costinot, Lorenzoni, and Werning (2014) with trade taxes/subsidies. Home country chooses optimal taxes on all tradable goods and international capital flows in order to maximize domestic welfare, while the foreign country is passive. When only good-specific trade taxes/subsidies are available, Home has an incentive to manipulate tariffs to depreciate its real exchange rate, if it has a faster-growing endowment than the Foreign. Moreover, I find that taxing capital inflow/subsidizing capital outflow is equivalent to a uniform reduction in gross trade tariffs on all goods. There is no need for capital controls if the government can get access to good-specific tariffs/subsidies.

WORK IN PROGRESS:

“Trade Finance and Transportation Modes” (with Adina Ardelean and Volodymyr Lugovsky)

RESEARCH & TEACHING EXPERIENCE (all at Indiana University):

| | |
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| Research Assistant , for Professor Todd Walker | Winter 2020, Summer 2021 |
| Research Assistant , for Professor Volodymyr Lugovsky | Summer 2019 |

Graduate Courses

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| Instructor , Introduction to Python for Economists [GitHub] | Summer 2021 |
| Teaching Assistant , Macroeconomic Theory I for Professor Todd B. Walker | Fall 2018 |

Undergraduate Courses

Associate Instructor (full teaching responsibility)

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| Fundamentals of Economics for Business I | Spring 2021 |
| Introduction to Microeconomics | Fall 2019 |

Teaching Assistant

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|-------------------------|--------------------|----------------------------------|---------------|
| Everyday Economics | Fall 2021 | Fund. of Econ. for Busi. I | Fall 2020 |
| Intermediate Macro | Summer 2020 | Financial Economics | Spring 2020 |
| Intro to Macro | Su. 2018, Su. 2019 | Intermediate Micro | Sp., Su. 2018 |
| Everyday Economics | Fall 2021 | Fund. of Econ. for Business I | Fall 2020 |
| Industrial Organization | Fall 2021 | Stat. Analysis for Busi. & Econ. | Fall 2017 |

HONORS AND AWARDS:

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| College of Arts and Sciences Travel Award | 2021 |
| Department of Economics Graduate Assistantship, <i>Indiana University</i> | 2017-2021 |
| Best Third-Year Paper Award, <i>Department of Economics, Indiana University</i> | 2019 |
| College of Arts and Sciences Graduate Fellowship, <i>Indiana University</i> | 2016-2017 |

PROFESSIONAL ACTIVITIES:

Presentations

2021: Midwest Trade (21Fall, MSU).
2019: Jordan River Conference (IU).

Referee Service

Quarterly Review of Economics and Finance, Review of International Economics, Economics & Politics

MISCELLANEOUS:

Programming: Python, MATLAB, STATA, SQL, R, Fortran, C++, LaTeX
Coursera Certificates - Machine Learning, Neural Network and Deep Learning July, August 2019
QuantNet Certificate - C++ Programming for Financial Engineering September 2015
Languages: Chinese (native), English (fluent)