

## KAIRONG CHEN

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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

MA in Economics, 2018

### 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

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Professor Ke-Li Xu

Department of Economics

Indiana University

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**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

### TEACHING AND RESEARCH FIELDS:

Primary fields: International Trade, Trade Policy Uncertainty

Secondary fields: International Finance, Applied Econometrics

Methods: Textual Analysis, Machine Learning

### RESEARCH EXPERIENCE:

Research Assistant for Prof. Todd Walker

Winter 2020, Summer 2021

Research Assistant for Prof. Volodymyr Lugovskyy

Summer 2019

### RESEARCH 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 on US firms' global value chain links. I adapt a text-based method to construct new measures of trade policy uncertainty perceived by US firms. With these new indexes, I estimate the effects of trade policy uncertainty shocks on firms' investment rate, inventory-sales ratio, and other behaviors. Firms exposed to high trade policy uncertainty retrench their investment in exporting participation, and thus foreign customer relationships are disrupted. Firms also stockpile inputs in anticipation of high trade policy uncertainty. The stockpiling behavior is temporary, implying that foreign supplier links are durable in a short time.

Using firm-level data on supply chain relationships, I find that trade policy uncertainty is negatively associated with firms' foreign customer ratio. Among the sellers, downstream firms lose more foreign customers than upstream ones. In contrast, such association is not found between trade policy uncertainty and firms' foreign supplier links, regardless of firms' production position in the supply chain. These results are consistent with the findings in the literature that industries producing final goods have larger trade elasticities than the ones serving intermediate goods, and trades in intermediate goods within existing relationships account for a large share of US imports.

*“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.

**RESEARCH IN PROCESS:**

*“Trade finance and transportation mode”* (with Adina Ardelean and Volodymyr Lugovskyy)

**TEACHING EXPERIENCE** (all at Indiana University):

*Graduate Courses*

**Instructor**, Introduction to Python for Economists *Summer 2021*

*GitHub link:* [https://github.com/kairongchen/python\\_minicourse](https://github.com/kairongchen/python_minicourse)

**Teaching Assistant**, Macroeconomic Theory I for Professor Todd B. Walker *Fall 2018*

*Undergraduate Courses*

**Associate Instructor** (full teaching responsibility)

Fundamentals of Economics for Business I *Spring 2021*

Introduction to Microeconomics *Fall 2019*

**Teaching Assistant**

Everyday Economics *Fall 2021*

Fundamentals of Economics for Business I *Fall 2020*

Intermediate Macroeconomics *Summer 2020*

Financial Economics *Spring 2020*

Introduction to Macroeconomics *Summer 2018, Summer 2019*

Intermediate Microeconomics *Summer 2019*

Introduction to Microeconomics *Spring 2019*

Money and Banking *Spring 2018, Summer 2018*

Industrial Organization *Spring 2018*

Statistical Analysis for Business and Economics *Fall 2017*

**HONORS AND AWARDS:**

Department of Economics Graduate Assistantship, *Indiana University* *2017-2021*

Best Third-Year Paper Award, *Department of Economics, Indiana University* *2019*

College of Arts and Sciences Graduate Fellowship, *Indiana University* *2016-2017*

**PROFESSIONAL ACTIVITIES:**

**Presentations**

2021: Midwest Trade (21Fall, MSU)

2019: Jordan River Conference, Indiana University

**Referee Service**

Review of International Economics  
Economics & Politics

**MISCELLANEOUS:**

**Programming:** Python, MATLAB, STATA, SQL, R, Fortran, C++, LaTeX

Coursera Certificate - Machine Learning

Coursera Certificate - Neural Network and Deep Learning

QuantNet Certificate - C++ Programming for Financial Engineering

**Languages:** Chinese (native), English (fluent)

*July 2019*

*August 2019*

*September 2015*

*Last edited: 10/12/2021*