

Rowan Shi

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Graduate Administrator: Laura Hedden

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Fields

Spatial economics, International trade
Industrial organization

Primary
Secondary

Education

PhD candidate in Economics, Princeton University 2014 -
Thesis title: Spatial reallocation and international trade
Expected completion: June 2020

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BA in Mathematics and Economics, University of California, Berkeley 2009 - 2014
Highest Honors in Economics, Distinction in General Scholarship

Job market paper

Evaluating a EU tax harmonization with Kathleen Hu

The European Union is integrated with free trade and free movement of people, but member states set their own corporate tax rates. Moreover, low-tax countries tend to be lower on several measures of productivity, thus possibly relying on their low rates to attract economic activity. Large high-tax countries like France and Germany have pushed for EU-wide tax rate equalization in response. We evaluate the effects of such a policy, building a quantitative spatial model with heterogeneous firms that choose an optimal set of countries in which to produce. This firm decision is a combinatorial discrete choice problem, with over 60 million possible combinations. To address this problem, we propose a novel algorithm which quickly returns the firm's policy function over all firm productivity levels. In a counterfactual exercise, we find a unified rate of 27.26% generates the same EU-wide tax revenue. Since firms no longer choose production locations based on tax variation, total production increases by 0.38%. However, this aggregate response masks distributional consequences, with job creation and higher real wages in previously high-tax countries. For example, there would be 10% more firms in France, pushing the real wage up almost 1%. On the other hand, a mirror effect occurs in formerly low rate countries. The number of firms in Romania decreases by around 18%, with real wages falling around 1.5%.

Works in progress

Combinatorial discrete choices in general equilibrium

Brazil's import liberalization and reallocation in its non-traded sector

Awards and fellowships

Summer Fellowship, International Economics Section, Princeton University

2016 - 2019

Doctoral Fellowship, Princeton University

2014 - 2020

Teaching

Course organizer, Introduction to microeconomics, Prof. Kelly Noonan

2018 - 2020

Course organizer, Introduction to microeconomics, Prof. Henry Farber

2019

Teaching assistant, Introduction to microeconomics, Prof. Kelly Noonan

2018

Teaching assistant, Ethics and economics, Prof. Thomas Leonard

2017

Teaching assistant, Introduction to macroeconomics, Prof. Elizabeth Bogan

2016 - 2017

Research experience

Research assistant, Prof. Oleg Itskhoki

2015

Research assistant, Prof. Mark Aguiar

2014

Research assistant, Prof. Yuriy Gorodnichenko

2013