

SEOKIL KANG

Bank of Korea
Research Department
67, Sejong-daero, Jung-gu, Seoul
Republic of Korea, 04514

Email: kangseokil@bok.or.kr
URL: <https://seokil-kang.github.io/>
Mobile: (+82) 10-8968-0027

EMPLOYMENT

Economist	Bank of Korea (Macroeconomic Model Study Team, Research Department)	Aug.2022 - present
-----------	--	--------------------

EDUCATION

Ph.D. Economics	Indiana University Bloomington, USA	2022
M.A. Economics	Yonsei University, Korea	2016
Ph.D. Economics	Yonsei University, Korea	2014

FIELD OF INTEREST

Macroeconomics, Monetary and fiscal policy, Bayesian Econometrics

WORKING PAPERS

1. [“Quantifying the Fiscal Backing for Monetary Policy”](#)

I ask to what extent can data reveal whether fiscal policy responses to monetary policy shock are consistent with the theoretical adjustments necessary for successful inflation-targeting monetary policy. I employ a DSGE model to estimate the fiscal response to a monetary policy shock under the active monetary and passive fiscal policy regime. A monetary contraction raising interest rate by 25 basis points reduces the market value of government debt by 0.8% because the bond price devaluation outweighs the fall in inflation. This reduction splits into a 1.7% decline due to higher discount rates and a 0.9% increase in expected primary surpluses. I also estimate a VAR that takes an agnostic view on the policy regime to examine how closely the data conforms to the theory. I find that the data accounts for 90% of the primary surplus response dictated by theory, suggesting that the data reveals the presence of fiscal backing for monetary policy.

2. [“Simulated Annealing Multiplicative Weights Algorithm for Solving a DSGE Model”](#)

This paper introduces a simulation-based adaptive algorithm to solve a DSGE model with a large state space, namely the curse of dimensionality. It aims to generate a stationary distribution over policy space which is concentrated on the optimal policy. The key strategy is to construct a finite policy space of heuristic policies. To update the distribution over policy space, the method adopts on-line computation via iterative simulation with emphasis on rolling-horizon control to foster the speed of algorithm. Subsequently, I deliver that the algorithm achieves theoretical convergence to the optimal value function and the stationary distribution over policy space is concentrated on the optimal policy. Application to solve the simple two-period RBC model follows as a sample exercise. The result shows the performance is desirable within the feasible number of iterations and size of restricted policy space respectively.

PRESENTATION

2022 Bank of Korea, KIF
2021 KERIC(virtual), SEA Annual Meeting(Houston), Macro Brownbag (Indiana University)
2019 Hoosier Economics Conference(Indiana University)

TEACHING, RESEARCH EXPERIENCE

Indiana University Bloomington(2017 - 2022)

Teaching Assistant	Intro to International Trade, Macroeconomics I(Ph.D.)
Associate Instructor (Full teaching responsibilities)	Method of Economic Analysis, Intermediate Macroeconomics Theory, Statistical Analysis for Business and Economics, Macroeconomics I(Master)
Research Assistant	Professor Todd Walker

MISCELLANEOUS

Citizenship: South Korea
Language: Korean(native), English(fluent)
Computer Skills: Julia, Matlab, Stata, HPC cluster, Dynare

REFERENCES

Professor Todd B. Walker
Indiana University Bloomington
walkertb@iu.edu

Professor Eric M. Leeper
University of Virginia
eml3jf@virginia.edu

Professor Christian Matthes
Indiana University Bloomington
matthesc@iu.edu

Professor Laura Liu
Indiana University Bloomington
lauraliu@iu.edu

Last updated: August 22, 2022