

# Simon Fuchs

Toulouse School of Economics  
21 Allée de Brienne  
31015 Toulouse Cedex 6, France

Updated: November 17, 2017  
Citizenship: German  
Born: Oct 22, 1987  
+33 (0)6 49 86 44 35  
[sfuchs.de@gmail.com](mailto:sfuchs.de@gmail.com)  
[sfuchs-de.github.io](https://sfuchs-de.github.io)

---

Education	<b>Ph.D.</b> in Economics, Toulouse School of Economics (expected) 2018 Dissertation: <i>"Globalization and Local Labor Markets: Historical and Contemporary Evidence"</i> Advisor: <a href="#">Prof. Thomas Chaney</a>
	<b>MPhil</b> European Diploma for Advanced Quantitative Economics, TSE 2014 <b>M.S.</b> Economic Theory & Econometrics (M2 ETE), TSE 2013 <b>M.S.</b> Economics (M1), TSE 2012 <b>B.A.</b> Economics & Politics, University of York (UK) 2011
Visiting Positions	<b>IAST, Toulouse</b> Fellowship 2017-2018 <b>Dartmouth College</b> Visiting PhD Student Fall, 2017 <b>Sciences Po, Paris</b> Visiting PhD Student Spring, 2017
Research Interests	<b>Primary</b> International Economics <b>Secondary</b> Economic History, Economic Geography
Job Market Paper	<b>The Spoils of War: Trade Shocks during WWI and Spain's Regional Development</b> <i>This paper contributes new evidence on how labor market frictions can inhibit regional economic development and how a foreign demand shock can overcome them. I digitized new historical trade and labor market data to examine a trade shock to the Spanish Economy due to the participation of Spain's key trading partners in World War I (1914-18) while Spain remained neutral. I document that WWI induced a large, temporary and sectorally heterogeneous demand shock that originated in belligerent countries, particularly France. Furthermore, provincial income growth exhibited a spatial gradient, decreasing on average by 4% for each additional 100km distance to Paris. Finally, provinces with a favorable industry composition experienced increased population growth which persisted after the shock had faded. To quantify the role of frictions in input and output markets, I build and estimate a multi-sector economic geography model that allows for sectoral and spatial labor market frictions as well as external scale economies. Estimated labor market frictions are high and the parameters suggest decreasing returns to be present in some industries, limiting gains from reallocation. The model is used to calculate the unobserved reallocation patterns during the shock. Spatial frictions dominated with an estimated 84 percent of reallocation of labor taking place within provinces rather than between. Simulating reallocation patterns in the absence of the shock, I find that manufacturing employment was increased by 13 percent through the shock, and a spatial gradient in income growth was induced with the northern provinces growing 27 percent faster with the model attributing at least half directly to the War.</i>
Works in progress	<b>Globalization and Taste Heterogeneity: Evidence from Hollywood</b> with <a href="#">Konrad Adler</a> <i>We document two stylized facts for the international movie market. Firstly, that the share of revenue of sequels and adapted - non-original - content has increased dramatically over the last two decades, and that furthermore, the share of internationally, more diverse markets has increased at the same time. We propose</i>

that this development can be explained by considering a setting where firms face a global market where countries have horizontally differentiated taste, yet the firm has to release one global good for all markets. In this setting the firm needs to decide on the profit maximising location in the taste space that is populated by the consumers of the individual countries. If furthermore the firm faces production uncertainty, that affect the realized position of the product in the taste space, then there is a mean-variance trade-off between goods that provide less uncertainty but a better expected position, versus goods that are safer but have a worse expected position. In this setting the rise of the East Asian market has changed the taste diversity that the firms are facing, and sequels provide a safer option to hedge against this spatial risk. We propose a way of estimating the strength of this mechanism by positing a random utility model with consumers being normally distributed around some mean point for each country and producers facing different production uncertainty for different types of products.

## Optimal City Diversity

with [Francois de Soyres](#)

Cities and regions face a trade-off: they can specialize in individual sectors and benefit from associated scale economies, but at the same time such specialization increases labor market risk due to sector specific shocks. In the presence of mobility costs across regions and sectors, workers employment risk will have a strong geographical component. We document the extent to which less diversified cities experience higher sustained unemployment and demonstrate a persistent spatial variance in unemployment rate after the great recession in France. Finally, we posit an economic geography model with a general geography, imperfect labor mobility, multiple sectors, and general agglomeration economies, as well as unemployment to show how such a model incorporates the scale-diversity trade off and can thereby replicate the spatial variance of unemployment seen in the data.

## Within-Country Comparative Advantage and the Misallocation of Knowledge

In a large class of firm level trade models export performance depends on firm-level productivity and origin-destination(-sector) specific trade costs, implying that provinces with a comparative advantage in a given sector, should perform uniformly better across all destinations, unless differences in intra-national trade costs are large. I document that the observed heterogeneity in trade performances of French exporting firms within narrow sectors across destinations violates this finding. At the same time I present micro-level evidence from French matched employee-employer data that shows that workers in the marketing occupation of a company with prior work exposure to destination specific exports obtain very different premia across France, indicating differences in the supply and demand for this form of human capital. I combine both stylized facts in a model where firms need to employ knowledgeable workers to penetrate markets, and where workers first learn about destination markets on the job, then distribute that knowledge by moving across provinces and between firms. However, imperfect labor mobility limits this knowledge dissipation. I demonstrate how this model can generate endogenously - through the learning effect combined with limited knowledge dissipation - destination specific comparative advantage across regions. Fitting the model to the data, I conduct counterfactual analyses where mobility is subsidised in order to benefit from improved knowledge dissipation.

## Teaching

### M1 Macroeconomics

Prof: Patrick Feve (3 Groups),

2016-17

### L3 Macroeconomics

Prof: Loic Batte (3 Groups),

2016-17

### M1 Macroeconomics

Prof: Patrick Feve (4 Groups),

2015-16

Scholarships	<b>International Econ Visiting PhD</b>	
	Dartmouth College	2017
	<b>IAST Jobmarket Fellowship</b>	
	Institute for Advanced Study in Toulouse	2017
	<b>Klaus Murmann Fellowship Programme</b>	
	Foundation of German Business	2008-2011
Presentations	<b>2017:</b> TSE (Workshop), Dartmouth College, SED (Poster), LSE (Interwar Economic History workshop), UCL (ENTER Jamboree), Sciences Po (Workshop)	
	<b>2016:</b> Melbourne (Melbourne/TSE Joint Workshop), TSE (Workshop)	
Refereeing	Journal of Applied Econometrics	
Other experiences	<b>Research Assistant</b>	
	Trade, Merchants and the Lost Cities of the Bronze Age	
	Professor: Thomas Chaney	2014-2017
	<b>Consulting</b>	
	Forecasting model for revenue (Petsdeli)	
Skills	Computer:	STATA, MATLAB, SAS, L <sup>A</sup> T <sub>E</sub> X, Python, R
	Languages:	German (native), English (fluent), French (advanced), Spanish (intermediate)
References	<a href="#">Prof. Thomas Chaney</a>	
	<a href="#">Sciences Po</a>	
	28 rue des Saints Peres	
	75007 Paris, France	
	<a href="mailto:thomas.chaney@gmail.com">thomas.chaney@gmail.com</a>	
	<a href="#">Prof. Treb Allen</a>	<a href="#">Prof. Christian Hellwig</a>
	<a href="#">Dartmouth College</a>	<a href="#">Toulouse School of Economics</a>
	6106 Rockefeller Hall	Manufacture des Tabacs
	Department of Economics	21, Allee de Brienne
	Hanover, NH 03755	31015 Toulouse, France
	<a href="mailto:treballen@gmail.com">treballen@gmail.com</a>	<a href="mailto:christian.hellwig@tse-fr.eu">christian.hellwig@tse-fr.eu</a>