Simon Fuchs

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

Updated: November 14, 2017
Citizenship: German
Born: Oct 22, 1987
+33 (0)6 49 86 44 35
sfuchs.de@gmail.com
sfuchs-de.github.io

Education		
	Ph.D. in Economics, Toulouse School of Economics	(expected) 2018
	Dissertation: *"Globalization and Local Labor Markets: Historical and Contemporary Evidence"*	
	Advisor: Prof. Thomas Chaney	
	MPhil European Diploma for Advanced Quantitative Economics, TSE	2014
	M.S. Economic Theory & Econometrics (M2 ETE), TSE	2013
	M.S. Economics (M1), TSE	2012
	B.A. Economics & Politics, University of York (UK)	2011

Visiting Positions		
	IAST, Toulouse Fellowship	2017-2018
	Dartmouth College Visiting PhD Student	Fall, 2017
	Sciences Po, Paris Visiting PhD Student	Spring, 2017

Research Interests		
	Primary	International Economics
	Secondary	Economic History, Economic Geography

Job Market Paper

The Spoils of War:
Trade Shocks during WWI and Spain's Regional Development

This paper contributes new evidence on how labor market frictions can inhibit regional economic development and how a foreign demand shock can overcome them. Exploiting newly digitized trade and labor market data, I 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, firstly, WWI induced a large, temporary and sectorally heterogeneous demand shock that originated in belligerent countries, particularly France. Secondly, 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 in light of the shock grew faster than their pre-trend. To quantify the role of frictions in input and output markets, I build and estimate a quantitative 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 83 percent of reallocation of labor happening within provinces rather than between. I then simulate labor reallocation patterns in the absence of the WWI trade shock. The shock increased the overall manufacturing sector by 14 percent, while shifting the national industry composition towards more advanced industrial sectors.

Works in progress

Globalization and Taste Heterogeneity: Evidence from Hollywood
with Konrad Adler

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 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 heterogeneity in trade performances of firms within narrow sectors across destinations violates this finding. At the same time micro level evidence shows that workers in the marketing occupation of a company with prior work experience with specific destination market 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	**International Econ Visiting PhD**	
	Dartmouth College	2017

IAST Jobmarket Fellowship
Institute for Advanced Study in Toulouse   2017
Klaus Murmann Fellowship Programme
Foundation of German Business   2008-2011

Presentations	**2017:** TSE (Workshop), Dartmouth College, SED (Poster), LSE (Interwar Economic History workshop), UCL (ENTER Jamboree), Sciences Po (Workshop)
	2016: Melbourne (Melbourne/TSE Joint Workshop), TSE (Workshop)
Refereeing	Journal of Applied Econometrics
Other experiences	**Research Assistant** Trade, Merchants and the Lost Cities of the Bronze Age Professor: Thomas Chaney 2014-2017
	Consulting Forecasting model for revenue (Petsdeli)
Skills	Computer: STATA, MATLAB, SAS, LaTeX, Python, **R** Languages: German (native), English (fluent), French (advanced), Spanish (intermediate)

References

Prof. Thomas Chaney
Sciences Po
28 rue des Saints Peres
75007 Paris, France
thomas.chaney@gmail.com

Prof. Treb Allen
Dartmouth College
6106 Rockefeller Hall
Department of Economics
Hanover, NH 03755
treballen@gmail.com

Prof. Christian Hellwig
Toulouse School of Economics
Manufacture des Tabacs
21, Allee de Brienne
31015 Toulouse, France
christian.hellwig@tse-fr.eu