

MIT Economics SHINNOSUKE (SHIN) KIKUCHI

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DOCTORAL STUDIES Massachusetts Institute of Technology (MIT)
PhD, Economics, Expected completion May 2025
DISSERTATION: "Essays in Trade and Macroeconomics"

DISSERTATION COMMITTEE AND REFERENCES

Professor Daron Acemoglu (Primary)
MIT Department of Economics
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Professor David Atkin
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PRIOR EDUCATION University of Tokyo 2019
MA in Economics

University of Tokyo 2016
BA in Economics
summa cum laude and Valedictorian

CITIZENSHIP Japan **GENDER:** Male

LANGUAGES English, Japanese (native)

FIELDS Primary Fields: Trade, Macro
Secondary Fields: Labor, Political Economy

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TEACHING EXPERIENCE	14.05 Intermediate Macroeconomics (Undergrad), MIT TA to Professor Christian Wolf	2021, 2022, 2024
	14.452 Economic Growth (PhD), MIT TA to Professor Daron Acemoglu, Chris Edmond	2021, 2022
	14.453 Economic Fluctuations (PhD), MIT TA to Professor Iván Werning	2021, 2022
	Macroeconomics 1&2 (PhD-level), University of Tokyo TA to Professor Kosuke Aoki, Mototsugu Shintani	2016,2017,2019
	Macroeconomics for Public Policy (master-level), Graduate School of Public Policy, University of Tokyo Tutorial Session	2019
	Visiting Associate Researcher, Keio University	2022-2024
	Research Assistant to Professor Daron Acemoglu	2019-2022
RELEVANT POSITIONS	Research Assistant to Professor David Autor	2019-2021
	Research Assistant to Professor Joshua Angrist	2019
	Seasonal Analyst, Macroeconomics, Goldman Sachs	2018-2019
	Business Analyst (full-time), McKinsey & Company	2017-2018
	Advance Cutting-Edge Humanities and Social Sciences Research, Japan Society for the Promotion of Science, “A Comprehensive Study on Disinformation and Political Polarization with a Focus on East Asian Countries” (JPJS00123811919) Joint project. PI: Yuko Kasuya (Keio University) JPY 114,673,000 (\$ 770,000)	2023-2029
GRANTS	Project Research Program of Joint Usage and Research Center, Hitotsubashi IER “Business network and agglomeration of workers with cognitive tasks in the urban metropolitan area” (IERPK2306) Joint with Shota Komatsu, Juan Nelson Martínez Dahbura, Kentaro Nakajima, Takanori Nishida, Kensuke Teshima, and Junichi Yamasaki JPY 600,000 (\$ 4,000)	2023
	George and Obie Shultz Fund, MIT Economics “Technological Change and Upskilling” Joint with Todd Lensman \$ 10,000	2022
	George and Obie Shultz Fund, MIT Economics “Government Size and Spatial Growth” Joint with Jie Zhou \$ 12,000	2021

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	Grant-in-Aid for JSPS Fellows, Japan Society for the Promotion of Science <i>“Impacts of Disruptive Technology on Labor Markets and Optimal Policy Responses”</i> (19J20069) JPY 3,100,000 (\$ 20,800)	2019
FELLOWSHIPS AND HONORS	Gordon B. Pye Dissertation Fellow, MIT Economics Best Teaching Assistant of the Year, MIT Economics The Nakajima Foundation Scholarship Research Fellow, Japan Society for the Promotion of Science Valedictorian, University of Tokyo <i>summa cum laude</i> , University of Tokyo, Economics	2023-2024 2022-2023 2019-2024 2019 2016 2016
PRESENTATION AND SEMINARS	2024: Kyoto University, Musashi University, Hitotsubashi-Keio-UTokyo conference on Frontiers in Macro, Hitotsubashi University, Keio University, Kobe University, Aoyama-Gakuin University, Waseda University, Ryukoku University, NBER Japan Project Meeting, Summer Workshop on Economic Theory, University of Melbourne 2023: Columbia University Japan Economic Seminar, Osaka University, Hitotsubashi University, University of Tokyo, JSQPS Winter Meeting, Kyoto Applied Micro Conference, NBER Japan Project Meeting, Summer Workshop on Economic Theory 2022: Keio University, Econometric Society Asian Meeting, Japan Applied Econometrics Conference, Japan Macroeconomics Conference, Canon Global Institute End of Year Macroeconomics Conference 2020: Waseda University 2019: Econometric Society Asian Meeting	
PROFESSIONAL ACTIVITIES	Co-President, MIT Graduate Economic Association Student Organizer, MIT Macro Lunch Founder, Econ PhD Application Assistance and Mentoring Program for Female Students in Japan	2021-2022 2020-2023 2019-Present
RESEARCH PAPERS	“Does Skill Abundance Still Matter? The Evolution of Comparative Advantage in the 21st Century” (Job Market Paper) This paper documents that skill-abundant countries no longer have a comparative advantage in skill-intensive sectors. While this empirical relationship was strong, it weakened in the 1990s and disappeared by the	

2000s. The decline is only evident in countries and sectors with high automation, with no significant variation due to offshoring. Using a quantitative trade model incorporating both automation and offshoring, I confirm that observed changes in automation can account for the evolution of comparative advantage while observed changes in offshoring cannot. Through the lens of the same model, automation increases skill premia in high-automation, developed countries and increases welfare globally, while offshoring has smaller, more evenly distributed welfare gains.

“The Granular Origins of Agglomeration” (with Daniel G O’Connor)

A few large firms dominate many local labor markets. How does that granularity affect the geography of economic activity? And what does it mean for the efficiency of firm entry? To answer these questions, we propose a new economic geography model featuring granular firms subject to idiosyncratic shocks. We show that average wages increase in the size of the local labor market due to that granularity and provide a sufficient statistic for the contribution of our mechanism. We further prove that too few firms enter in equilibrium. Using Japanese administrative data on manufacturing, we provide evidence consistent with our mechanism and quantify it. Our mechanism implies that markets with around 2 firms per sector have an elasticity of wages to population of 0.05 and firms capture only 85% of their contribution to production in profits. In large markets like Tokyo, the elasticity is around 0.001, and firm entry is approximately efficient. Enacting optimal place-based industrial policy would increase the number of firms in modest-sized cities by more than 30% and actually decrease the number of firms and people in Tokyo.

“Decomposing the Rise of the Populist Radical Right” (with Oren Danieli, Noam Gidron, and Ro’ee Levy)

Reject & Resubmit at Journal of Political Economy

Support for populist radical right parties in Europe has dramatically increased in recent years. We decompose the rise of these parties from 2005 to 2020 into four components: shifts in party positions, changes in voter attributes (opinions and demographics), changes in voter priorities, and a residual. We merge two wide datasets on party positions and voter attributes and estimate voter priorities using a probabilistic voting model. We find that shifts in party positions and changes in voter attributes do not play a major role in the recent success of populist radical right parties. Instead, the primary driver behind their electoral success lies in voters’ changing priorities. Particularly, voters are less likely to decide which party to support based on parties’ economic positions. Rather, voters—mainly older, non-unionized, low-educated men—increasingly prioritize nativist cultural positions. This allows populist radical right parties to tap into a preexisting reservoir of culturally conservative voters. Using the same datasets, we provide a set of reduced-form evidence supporting our results. First, while parties’ positions have changed, these changes are not consistent with the main supply-side hypothesis for populist support. Second,

on aggregate, voters have not adopted populist right-wing opinions. Third, voters are more likely to self-identify ideologically based on their cultural rather than their economic opinions.

“Welfare Effects of Polarization: Occupational Mobility over the Life-cycle” (with Sagiri Kitao)

What are the welfare effects of polarization: wage and employment losses of middle-class workers relative to low- and high-skill groups? We build a model of overlapping generations who choose consumption, savings, labor supply, and occupations over their life cycles, and accumulate human capital. We simulate a wage shift observed since the early 1980s and investigate individuals’ responses. Polarization improves welfare of young individuals that are high-skilled, while it hurts low-skilled individuals across all ages and especially younger ones. The gain of the high-skilled is larger for generations entering in later periods, who can fully exploit the rising skill premium.

RESEARCH IN PROGRESS

“Geography of Business Interactions: Evidence from Business Card Exchange Data” (with Shota Komatsu, Juan Nelson Martínez Dahbura, Kentaro Nakajima, Takanori Nishida, Kensuke Teshima, and Junichi Yamasaki)

In-person business meetings are a critical driver of agglomeration benefits, yet the scarcity of data has hindered exploration into their nature. This study leverages a novel dataset obtained from a business card exchange application, used by 0.4 million workers in Tokyo, to examine the impact of geographical distance on business card exchanges and other types of business networks. By analyzing the moving of firms, we find a distinct pattern in how the frequency of business card exchanges decreases with distance, particularly noting a significant drop beyond a 500-meter radius. Additionally, we observe that the rate of decline in these exchanges due to distance closely correlates with the level of industry agglomeration, and we find similar drops in other types of business networks such as patent collaborations. These findings highlight the pivotal role of very local interaction in fostering agglomeration benefits.

“Optimal Industry Mix with Granular Shocks” (with Daniel G O’Connor)

When firms are subject to granular and industry-wide shocks, regions overspecialize, leaving workers overexposed. Using German employer-employee matched data, we study the optimal industrial policy incorporating heterogeneity in occupation, industry, and region.

“Trade, Deindustrialization, and Service-led Growth” (with Tishara Garg and Edward Wiles)

We examine the impact of trade liberalization on structural change patterns in India. Leveraging district-level variations in sectoral composition, we find that

districts with greater tariff reductions experienced larger declines in manufacturing employment shares. By extending Matsuyama's 1992 model of deindustrialization to include a non-tradable service sector, we demonstrate analytically and through simulations that India's observed deindustrialization and service-led growth can be qualitatively attributed to trade liberalization. We aim to structurally estimate the model parameters to quantify the role of trade liberalization in driving these structural changes.

“Long-run Implications of Labor Market Power in the United States”
(approved US Census Project)

**POLICY
PAPERS/NOTES**

“Automation and the Disappearance of Routine Work in Japan” (with
Ippei Fujiwara and Toyoichiro Shirota)
Discussion Paper 23-E-082, Research Institute of Economy, Trade and
Industry (RIETI)
Accepted at *Journal of the Japanese and International Economies*

**“Heterogeneous Vulnerability to the COVID-19 Crisis and Implications
for Inequality in Japan”** (with Sagiri Kitao and Minamo Mikoshiba)
Discussion Paper 20-E-039, Research Institute of Economy, Trade and
Industry (RIETI).

PUBLICATION

**“Who suffers from the COVID-19 shocks? Labor market heterogeneity
and welfare consequences in Japan”** (with Sagiri Kitao and Minamo
Mikoshiba),
Journal of the Japanese and International Economies 59 (2021): 101117.