

**KEYU JIN (金刻羽)**

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**Office Contact Information**

Department of Economics  
London School of Economics  
Houghton Street  
London, WC2A 2AE UK

Gender: Female  
Nationality: China

**Academic Position:**

September-December 2012: Visiting Professor at Yale University (Cowles fellowship)  
September 2009: Lecturer (Assistant Professor) of Economics, London School of Economics

**Education:**

Ph.D. in Economics, Harvard University, 2004 -2009  
B.A., Economics, Harvard College, *magna cum laude*, 2000-2004  
Thesis Title: "Essays on Global Capital Flows, Asset Prices and Portfolio Views of External Adjustment "

**Teaching and Research Fields:**

Primary fields: International Finance, Macroeconomics  
Secondary fields: International Trade, the Chinese Economy

**Research Experience and Other Employment:**

Summer 2009	Morgan Stanley, Hong Kong, Research Department
Summer 2008	Federal Reserve Bank of New York Research Department
Summer 2005	Research assistant for Professors Kenneth Rogoff and Carmen Reinhart
Summer 2004	BNP Paribas, Paris, Fixed Income analyst
Summer 2003	World Bank Group, Washington D.C., Research Department consultant
Summer 2002	Goldman Sachs International, London, Investment Banking analyst
Summer 2001	Morgan Stanley Dean Witter, Hong Kong, Equity Research /Macroeconomics
Summer 2000	J.P. Morgan, Singapore, Derivatives

**Teaching**

Global Macroeconomics (Executive Education program), International Macroeconomics and Finance (PhD program), International Macroeconomics (undergraduate), Advanced Economic Analysis--- Macroeconomics (undergraduate)

**Professional Activities**

Board of Editors: *Review of Economic Studies*

*Referee for American Economic Review, Economics of Transition, European Economic Review, Journal of Economic Growth, Journal of Comparative Economics, Journal of Development Economics, Journal of International Money and Banking, Journal of International Economics, Quarterly Journal of Economics, Review of Economic Studies, Economic Journal, Review of Economic Dynamics, Economic letters*

### **Honors, Scholarships, and Fellowships:**

2012	Cowles Fellowship, Yale University
2008-2009	Chiles Fellowship
2008-2009	NBER Aging and Health Fellowship
2008-2009	Harvard GSAS Dissertation Fellowship
2004-2006	Harvard University GSAS Scholarship
2004	Allyn Young Thesis Prize in Economics

**Seminar Presentations:** International Monetary Fund, the World Bank, London School of Economics, London Business School, INSEAD, Brown University, National Bureau of Economic Research, Harvard University, Paris School of Economics, Bank of England, Trinity College University of Dublin, University of Michigan, Fudan University, Hong Kong Chinese University, Tsinghua University, HKU, University of Minnesota, University of Wisconsin Madison, New York University, Yale University.

**Conferences:** Conference on global macroeconomics, (February 2010), ESSIM (May 2010), NBER summer institute (2010), Econometric Society (2011), NBER summer institute (2011), Science Po Macro-Finance Conference (2011), SED (2011), Tsinghua Summer Macroeconomics (2011), SED (2012), New Developments in Macroeconomics (UCL 2012);

### **Published Papers:**

“Industrial Structure and Capital Flows”, *American Economic Review*, 102 (5):2111-2146. 2012.  
This paper provides a new theory of international capital flows. In a framework that integrates factor-proportions-based trade and financial capital flows, a novel force emerges: capital tends to flow towards countries that become more specialized in capital-intensive industries. This ‘composition’ effect competes with the standard force that channels capital towards the location where it is scarcer. If the composition effect dominates, capital flows away from the country hit by a positive labor force/productivity shock---a flow ‘reversal’. Extended to a quantitative framework, the model generates sizable current account imbalances between developing and developed countries broadly consistent with the data.

“Composition and Growth Effects of the Current Account: A Synthesized Portfolio View.” (with Kai Guo), *Journal of International Economics*, 79(1): 31-41. 2009.

This paper analyzes a useful accounting framework that breaks down the current account to two components: a composition effect and a growth effect. We show that past empirical evidence, which strongly supports the growth-effect as the main driver of current account dynamics, is misconceived. The remarkable empirical success of the growth effect is driven by the dominance of the cross-sectional variation, which, under conditions met by the data, is generated by an accounting equation. In contrast to previous findings that the portfolio share of net foreign assets to total assets is constant in a country, both our theoretical and empirical results support a highly persistent process or a unit root process, with some countries displaying a trend. Finally, we reestablish the composition effect as the quantitatively dominant driving force of current account dynamics in the past data.

## **Working Papers:**

“Credit Constraints and Growth in a Global Economy” (with Nicolas Coeurdacier and Stephane Guibaud), *American Economic Review*, *Revise and Resubmit*.

Two contributions of this paper are: (1) documenting new facts about the behavior of capital and labor-intensive goods over the business cycle; (2) illustrating a new transmission mechanism of international business cycle shocks through the relative price of capital to labor-intensive goods. In a two-country stochastic multi-sector growth model, an endogenous mechanism arising from compositional changes and international trade can bring about positive investment and output comovement across countries. We show that essential segments of the transmission process receive strong empirical support. Also, quantitative predictions of our model can match aggregate statistics and generate empirically plausible sectoral compositional effects.

“International Transmission Through Relative Prices” (with Nan Li), Jan 2013.

This paper documents new facts about the behavior of capital and labor-intensive goods over the business cycle. It illustrates a new transmission mechanism of international business cycle shocks through their relative prices. In a two-country stochastic growth model that distinguishes sectors by factor intensity, productivity shocks lead to changes in the composition of production and trade across countries. An endogenous mechanism that arises through these compositional changes bring about positive investment and output comovement across countries. Evidence supporting the central propagation mechanism includes: (1) labor-intensive production and employment are highly procyclical among OECD economies (2) the relative price of capital-intensive to labor-intensive goods is procyclical and volatile (3) the net exports of capital-intensive sectors of the U.S to European economies are more countercyclical than labor-intensive sectors. Our quantitative results can match aggregate statistics and generate empirically plausible sectoral compositional effects.

“The One-Child Policy and Chinese household savings”, (with Nicolas Coeurdacier and Taha Choukhmane), Feb 2013.

This paper analyzes the impact of the ‘one child policy’ in China on its household saving behavior. First, it develops a life-cycle model with endogenous fertility, intergenerational transfers and human capital accumulation. We show a macroeconomic and a microeconomic channel of a fall in fertility on raising aggregate household saving: at the macroeconomic level, the population composition shifts initially towards the middle-aged---the high savers of the economy. At the microeconomic level, (1) expenditures of children fall---despite higher education investment in each child---as quantity substitutes for quality; (2) middle-aged save additionally for retirement in anticipation of reduced transfers from their only child. Second, our quantitative model implies policy-induced changes in aggregate savings and age-saving profiles broadly consistent with estimates from Chinese household-level data. Third, an empirical study using the birth of twins as a source of exogenous increase in fertility is shown to support the micro-economic channels we highlight. Overall, our estimation suggests that the policy is able to account for at least xx% of the rise in household savings rate since its implementation in 1980.

“Trading Away the Age Wave” (with Sabine Jokisch), July 2012.

This paper analyzes the interaction between demographic heterogeneity across countries and an endogenous structure of trade in shaping the global economy. It shows theoretically how asset prices relate to a country's comparative advantage as affected by demographic forces. In a quantitative investigation of a two-country, multi-period OLG model that marries factor-proportions trade and financial capital flows, we show that the developing countries can help mitigate the consequences of the “age wave” in the advanced economies---leading to a rise in the price of capital, wages, and savings rate that are diametrically opposite of standard predictions. Protectionist policies that either inhibit trade or capital flows reduce the extent to which demographics can be shared across economies, and are largely welfare-reducing for industrialized economies.

### **Other Publications**

“International Trade and Capital flows” in *Encyclopedia of Financial Globalization*

### **Op-ed**

“Why Savings Patterns are So Different,” *Project Syndicate*, September 2012

“Europe should stop arguing and look to Asia”, *Financial Times*, June 2012

“Why Capital Flows Uphill”, *Project Syndicate*, Jan 2012.

“Welcome Chinese Money” (with Andy Xie)

### **Languages:**

Bilingual in Chinese and English, fluent in French.