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Education

Ph.D. in Economics, Columbia University	2018 (expected)
M.A. in Economics, <i>sum cum laude</i> , Peking University	2012
B.A. in Economics and Mathematics (double major), Wuhan University	2009

Fields of Specialization

Macroeconomics, International Finance, Financial Economics

Job Market Paper

“Financial Crises, Debt Maturity, and Capital Controls”

Abstract: This paper studies debt portfolio choice and optimal capital control policy in an open economy with financial frictions. I construct a new measure of capital control changes and document two novel stylized facts during financial crises: (i) capital inflow controls are tightened, and (ii) short-term inflow controls are tightened more than long-term inflow controls. Motivated by these empirical findings, I extend the model of international borrowing with collateral constraint to allow for multiple debt maturities. As in the single-maturity version of the model, the equilibrium exhibits overborrowing because, due to a pecuniary externality, private agents undervalue the cost of financial liabilities that demand repayment in future constrained states. The key insight of the multiple-maturity model is that overborrowing in short-term debt is especially severe because the repayment of short-term liabilities is larger than that of long-term liabilities in future constrained states, resulting in greater cost undervaluation of short-term financial obligations. To counteract these inefficiencies, the model justifies a set of maturity-dependent capital controls. In line with the data, the model predicts a tightening of capital controls tilted toward short maturities during financial crises. When calibrated to Argentine data, the model reproduces the observed dynamics of debt portfolios, and the short-term targeting of capital controls during crises. The optimal capital-control policy reduces the frequency of crises by half and generates sizable welfare improvements.

Working Papers

1. Quality of Public Governance and the Capital Structure of Nations and Firms

NBER working paper
(with Shang-Jin Wei, 2018)

Abstract: This paper examines the role of public governance quality in determining the composition of a country's external liabilities and the capital structure of firms. In our theory, better institutional quality tends to promote a higher share of foreign direct investment and equity investment in total foreign liabilities, and a higher share of long-term debt within the debt/loan category. Similar prediction holds for the capital structure of firms. We conduct extensive empirical investigation by exploring both firm level data and country level data and find supportive evidence for these predictions.

2. Real Exchange Rate and External Balances: How Important Are Price Deflators? *IMF working paper*

(with JaeBin Ahn, Rui Mano, 2017)

Abstract: This paper contrasts real exchange rate (RER) measures based on different deflators (CPI, GDP deflator, and ULC) and discusses potential implications for the link - or lack thereof - between RER and external balance. We begin by documenting patterns in the evolution of different measures of RERs, and confirm that the choice of deflator plays a significant role in RER movements. A subsequent empirical investigation based on 35 developed and emerging market economies over 1995 to 2014 yields comprehensive and robust evidence that only the RER deflated by ULC exhibits contemporaneous patterns consistent with the expenditure-switching mechanism. We rationalize the empirical findings by introducing a simple model featuring nominal rigidity and trade in intermediate goods as the one in Obstfeld (2001) and Devereux and Engel (2007), which is shown to generate qualitatively identical patterns to empirical findings.

3. Extensive Margin Adjustment of Multi-product Firms and Stock Returns *IMF working paper*

(with Carlos Carvalho, Gee Hee Hong, 2017)

Abstract: Product scope adjustment is a key mechanism through which multi-product firms achieve efficient resource allocation. In this paper, we take a novel perspective to study firms' product scope adjustment behavior through the lens of asset pricing. Using a unique panel scanner data set containing detailed information on products, matched with the financial information of their manufacturers, we find that multi-product firms with higher product turnover have lower equity excess returns and lower asset return volatility. To understand this channel, we propose a stylized model incorporating product turnover rate to highlight the 'risk absorption channel' of product scope adjustment.

Previously circulated as "Extensive Margin Adjustment of Multi-product Firms and Risk Diversification".

Work in Progress

1. Capital Controls in Financial Crises: Inflow and Outflow
2. Business Cycle Through the Lens of Extensive Margin Adjustment of Multi-product Firms
(with Carlos Carvalho and Gee Hee Hong)

Research Experience

CSWEP Dissertation Fellow, St. Louis Fed	August 2017
Ph.D. Research Intern, Fund Internship Program, Research Department, IMF	June 2015 - Sep 2015
RA for Prof. Shang-Jin Wei, Columbia Business School	2016 - present
RA (part-time) for Prof. Ricardo Reis, LSE	2015
RA for Prof. Mauricio Larrain, Columbia Business School	summer 2013
RA, Institute of Social Science Survey (National Bureau of Statistics and Peking University)	2011 - 2012
RA (part-time), The People's Bank of China	2011 - 2012

Honors and Awards

Dissertation Fellowship, Columbia University	2017 - 2018
AEA Summer Fellowship	2017
Doctoral Fellowship, Columbia University	2013 - 2017
Research Grant Award, Center for International Business Education Research, Columbia University	2014
First honor Scholarship, Guanghua Scholarship, Peking University	2010
Excellent Undergraduate Thesis in Hubei Province	2009
First honor Scholarship, Wuhan University	2006 - 2009
Freshman Scholarship, Wuhan University	2005

Conference and Seminar Presentations

St. Louis Fed; CESifo Venice Summer Institute on "Exchange Rate Adjustments in the Euro Area"; U.S. International Trade Commission; AEA Annual Meeting (poster session)	2017
Midwest Macro (Federal Reserve Bank of Kansas City); Institute for Capacity Development, IMF; Research Department, IMF	2016
Open Economy Division, IMF	2015
Workshop on Institutional Analysis, Ronald Coase Institute	2012

Teaching Experience

Financial Economics, Columbia University	2017, 2016, 2014, 2013
Money and Banking, Columbia University	spring 2016
Corporate Finance, Columbia University	2014 - 2015
Globalization, Markets & the Changing Economic Landscape (EMBA), Columbia University	2014
Advanced Macroeconomics, Peking University	spring 2012
Mathematical Analysis, Wuhan University	2007 - 2009

Languages

English, Chinese; Matlab, R, Stata

References

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