

(August 2020)

JANGYOUN LEE

Faculty of Economics, University of Cambridge, Cambridge CB3 9DD, United Kingdom

+44 (0) 740234 4682, jyl39@cam.ac.uk

<https://sites.google.com/site/humanoeconomist/>

EDUCATION

- 2017–present **PhD in Economics**, University of Cambridge, United Kingdom
- Fields: macroeconomics, public economics
- Advisors: Dr. Ha-joon Chang & Dr. Tiago Cavalcanti
- 2016–2017 **MPhil in Economics Research**, University of Cambridge
- 2015–2016 **MSc in Economics** (*with distinction*), University of Warwick
- 2000–2006 **BA in Economics** (*with distinction*), Korea University, South Korea
(2002–2004) (On leave for two-year mandatory military service)

RESEARCH EXPERIENCE

- 2019–2021 **Research Assistant**, University of Cambridge, United Kingdom
- For Dr. Ha-joon Chang (Project “Structural Change and Income Inequality”)
- 2018 **Research Assistant**, Ritsumeikan University, Japan
- For Prof. Kang-kook Lee (Project “The National Minimum Wage in the UK”)
- 2012–2015 **Economist**, Bank of Korea, South Korea
- Monetary Policy Department & Macro-prudential Department
- A member of Shadow Banking T/F at the Financial Stability Board
- 2006–2012 **Junior Economist**, Bank of Korea
- Press Office & Economic Statistics Department

TEACHING EXPERIENCE

University of Cambridge

- 2019 Undergraduate Supervisor, Mathematics and Statistics for Economists
- 2017 Undergraduate Supervisor, Business Economics

PUBLICATIONS

"The Role of Financial System in the Regional Economic Development" (with J.M. Yang *et al.*), *Journal of Regional Studies and Development*, No.23-1, Aug 2014

"Analysis of the Vulnerable Group's Profile and its Potential Risks using Credit Bureau Panel Data", *Issue Paper Series*, No.2014-3, Bank of Korea, Feb 2014
-interviewed with KBS radio on this paper (in Korean)

"Assessment Methodologies for Identifying Non-Bank Non-Insurer Global Systemically Important Financial Institutions" (with the Other Shadow Banking Entities Workstream members), Financial Stability Board, Jan 2014

"Financial Integration, Capital Controls and the Stability of Financial Markets: The Case of Korea" (with Y.B. Kim *et al.*), Macro-prudential Research Conference, Bank of Korea, Nov 2013

"Financial Structure of Specialised Credit Financial Institutions influences on Financial Stability in Korea", *Monthly Bulletin*, Bank of Korea, Aug 2013

"Impacts of Increasing Interest Rates on Financial Institutions and Financial System", *Financial Stability Report*, Bank of Korea, Aug 2013

"Strengthening Oversight and Regulation of Shadow Banking" (with the Other Shadow Banking Entities Workstream members), Financial Stability Board, Aug 2013

"Current Status of Unsecured Household Loans in Non-bank Financial Institutions, and their Main Characteristics", *Financial Stability Report*, Bank of Korea, Apr 2013
-interviewed with MBC radio on this paper (in Korean)

ACADEMIC PRESENTATIONS

- 2021_(accepted) Conference (Belfast), Royal Economics Society
- 2020 Conference (Seoul), Korean Economic Review International
Conference (Denver), Western Economic Association International
- 2019 Conference (Seoul), Korean Labor and Income Panel Study
Conference (Paris), Society for the Study of Economic Inequality
- 2018 Macro PhD Workshop, University of Cambridge

WORKSHOPS, CONFERENCES, AND SUMMER SCHOOLS

- 2019 Summer courses in Regression Discontinuity, Minho University
Easter school in New Monetarist Economics, Royal Economic Society
Conference in Macroeconomics, Cambridge Trust for New Thinking in Economics
- 2018 Summer courses in heterogeneous DSGE model, London School of Economics
Conference in Inequality, Cambridge Trust for New Thinking in Economics

HONOURS, SCHOLARSHIPS, AND AWARDS

- 2020 BOAK Fund (Travel Grant), Clare Hall
- 2019 Best Graduate Paper, Korea Labor Institute
- 2017-2020 Cambridge International Full Scholarship, University of Cambridge
- 2016 Mellon Bursary, Clare Hall
- 2015-2017 Overseas Study Full Sponsorship, Bank of Korea
- 2015 Chevening Scholarship, the UK Foreign & Commonwealth Office
- 2014 Monthly Best Paper Prize, Journalists Association of Bank of Korea
- 2009 Governor's Prize for Annual Awards, Bank of Korea
- 2008 Governor's Prize for Special Awards, Bank of Korea
- 2004 External Scholarship for Academic Excellence, Korea University
Honors Scholarship for Academic Excellence, Korea University

SKILLS

- Programming Matlab, Stata, E-views, Gauss, Python, MS Office, LaTeX
- Others Certificate of Foreign Exchange Manager

WORKING PAPERS

Wealth Residual Hypothesis: Behind Rising Inequality and Falling Growth

<presented at the Western Economic Society International Annual Conference (Denver, June 2020)>

Abstract: This paper investigates why the upsurge of top income shares has coincided with economic slowdowns in the United States after the late 1970s. Based on theoretical and empirical backgrounds, I argue that a fast-growing unearned income from wealth residual — the unexplained increase in wealth that is not accompanied by any increase in real output — lies behind them. To demonstrate this hypothesis, after measuring wealth residual from the national

accounts, I perform a set of panel structural vector autoregressive models with heterogeneous dynamics using a comprehensive dataset of the US at the state level. The estimation results highlight that the rapid growth of wealth residual during the last four decades is the result of the pursuit of personal enrichment by the wealthy by means of extracting a bigger slice of the existing economic pie rather than by increasing the size of that pie. My further policy analysis reveals that a sharp increase in wealth tax or housing supply itself is not likely to solve the problem; on the contrary, industrial policies that can divert excess rent-related finance into productive investment must take precedence.

Rentier Premium and Wealth Inequality <presented at the Society for the Study of Economic Inequality Conference (Paris School of Economics, July 2019), and will present at the Royal Economic Society Annual Conference (Queen's University Belfast, April 2021)>

Abstract: Why do some people stay wealthy, while others remain poor? To what extent can the government affect wealth inequality? Answering these fundamental questions requires understanding why the wealthy have the high marginal propensity to save, unlike in the precautionary savings hypothesis. Based on the empirical evidence of persistently heterogeneous returns on wealth across households, this study introduces the 'rentier class', defined as those who have monopoly of access to certain kinds of property, into the heterogeneous agents general equilibrium model. More specifically, those who belong to this class receive 'rentier premium' - the return on asset ownership less the return on capital used for production of real output in a free market - from those who do not. This study also examines the effect of two different types of government (labour-friendly versus rentier-friendly) on wealth distribution and welfare gains. I conclude that the rise in rentier premium and the government's policies favoring rentiers are key drivers of generating the joint evolution of rising wealth inequality and declining share of labour income in the United States since the 1980s.

How much higher can the minimum wage safely rise? <presented at the Korean Economic Review International Conference (Seoul, August 2020)>, and the Korean Income and Panel Study Annual Conference (Seoul, December 2019)>

Abstract: The unprecedented impeachment of South Korea's former president in mid-2017 allows us to investigate the non-linear employment effects of minimum wage increases on low-paid workers. To demonstrate these effects, this paper uses fixed effects, difference-in-differences, and regression discontinuity designs based on individual-level panel data over the period of 2009--18. The estimation results show that a 14.7% rise in the real minimum wage in 2018 seems to hit the tipping point, which is 6.5% in my estimation. This unexpected double-digit growth in the minimum wage has led to a reduction in the number of hours worked by low-

wage workers, compared with the modest increases over a decade under business-friendly governments. Paradoxically, the large increase in the minimum wage has had an unintended positive consequence of promoting better work-life balance in South Korea that is notorious for over-working. We ask: Can minimum wage increases actually help low-income workers? It depends.