

FEDERICO HUNEEUS

Department of Economics, Princeton University
20 Washington Road, Office 297A - Julis Romo Rabinowitz Building
Princeton, NJ 08544

www.fedehuneeus.com
fhuneeus@princeton.edu
Mobile Phone: (609) 972 2129

Placement Director Steve Redding
Graduate Administrator Laura Hedden

reddings@princeton.edu (609) 258 4016
lhedden@princeton.edu (609) 258 4006

Education	Ph.D. Candidate in Economics Princeton University Dissertation: "Essays on Firms' Networks in Macroeconomics and International Trade" Expected Completion Date: June 2019 M.A., Economics Princeton University M.A., Economics (highest honors) University of Chile B.A., Economics (honors) University of Chile	<i>2013-present</i> <i>2015</i> <i>2012</i> <i>2011</i>
References	Professor Richard Rogerson (co-chair) Department of Economics Princeton University (609) 258-4839, rdr@princeton.edu Professor Gene Grossman Department of Economics Princeton University (609) 258-4823, grossman@princeton.edu Professor Christopher Neilson Department of Economics Princeton University (609) 258-6957, cneilson@princeton.edu	Professor Esteban Rossi-Hansberg (co-chair) Department of Economics Princeton University (609) 258-4024, erossi@princeton.edu Professor Atif Mian Department of Economics Princeton University (609) 258-6718, atif@princeton.edu
Research Fields	Primary Fields Secondary Fields	Macroeconomics, International Trade Industrial Organization, Political Economy
Research Experience at	Research Assistant for Professor Ben Moll. Research Assistant for Professor Richard Rogerson.	<i>April 2016 - August 2016</i> <i>April 2014 - August 2014</i>
Teaching Experience at Princeton University	ECO 352, Undergraduate International Trade. ECO 385, Undergraduate Ethics and Economics. ECO 359, Undergraduate International Development.	<i>Spring 2017</i> <i>Spring 2016</i> <i>Fall 2015</i>

Teaching Experience at University of Chile	ECO, Graduate Macroeconomics. ECO, Graduate Microeconomics. ECO, Graduate Econometrics.	<i>Spring 2012</i> <i>Spring 2011</i> <i>Fall 2011</i>
Previous Work Experience	Lecturer in Macroeconomics, University of Chile.	<i>2012 - 2013</i>
Professional Activities	Referee for <i>American Economic Journal: Macroeconomics</i> .	
Presentations	Chicago (Fed), MIT (IPES), Princeton (Macro, Trade, Finance, PE). Croatia (ExelConference), Princeton (Macro, Trade, IO). Berkeley (DEVPEC), Columbia (IPWSD), Princeton (Macro, Trade, PE).	<i>2018</i> <i>2017</i> <i>2016</i>
Honors, Scholarships, and Fellowships	Fellowship of Woodrow Wilson Scholars, Princeton University. (x2) Program in Latin American Studies (PLAS) Summer Grants, Princeton University. (x3) International Economics Section Summer Fellowship, Princeton University. (x3) Simpson Center Summer Research Funding, Princeton University. (x2) International Economics Section Research Support, Princeton University. (x2) Avinash Dixit Prize (excellence in International Economics), Princeton University. Full Scholarship for PhD in Economics, Princeton University. Highest Graduation GPA. M.A. in Economics, University of Chile. Full Academic Scholarship for M.A. in Economics, University of Chile. Highest GPA in B.A. in Economics, University of Chile. Full Academic Scholarship (top entering students), University of Chile.	<i>2017 - 2019</i> <i>2016 - 2018</i> <i>2015 - 2018</i> <i>2016 - 2017</i> <i>2015 - 2017</i> <i>2016</i> <i>2013 - 2018</i> <i>2012</i> <i>2010</i> <i>2006 - 2007</i> <i>2004 - 2008</i>

Job Market Paper

“Production Network Dynamics and the Propagation of Shocks”

This paper uses a firm-to-firm transaction dataset to evaluate quantitatively how shocks propagate through production networks when their underlying links are costly to form. I start by documenting a set of facts consistent with adjustment costs in these relationships. In particular, these links react sluggishly to firm-specific international trade shocks and are unresponsive to small shocks but strongly responsive to large shocks. Guided by these facts, I develop a dynamic general equilibrium model with endogenous production networks where links are costly to adjust. Solving for the links' dynamics with a large number of firms is made possible by leveraging the empirical sparsity of firm-to-firm links. To measure the aggregate relevance of these adjustment frictions, I estimate the model using a simulated method of moments and evaluate how international trade shocks during the Great Recession propagated in Chile. Without links' adjustment frictions, and thus with a totally flexible network, the output losses from these shocks would have been 30 percent lower. The application highlights the relevance that dynamics in firm-to-firm links has not only for firms' connectivity but also for how aggregate output responds to shocks.

Research Papers

“The Effects of Firms' Lobbying on Resource Misallocation,” with In Song Kim

We study the causal effect of firms' lobbying activities on the misallocation of resources through the distortion of firm size. To address the endogeneity between firms' lobbying expenditure and their size, we propose a new instrument. Specifically, we measure firms' political connections based on the geographic proximity between their headquarter locations and politicians'

districts, and trace the value of these networks over time by exploiting politicians' assignment to congressional committees. We find that a 10 percent increase in lobbying expenditure leads to a 3 percent gain in revenue. To investigate the macroeconomic consequences of these effects, we develop a heterogeneous firm-level model with endogenous lobbying. Using a novel dataset that we construct, we document new stylized facts about lobbying behavior and use them, including the one from the instrument, to estimate the model. Our counterfactual analysis shows that the return to firms' lobbying activities amounts to a 22 percent decrease in aggregate productivity in the U.S.

“The Internal Labor Markets of Business Groups,” with Cristobal Huneus, Borja Larrain, Mauricio Larrain and Mounu Prem
 Business groups (BGs) can be beneficial for affiliated firms through the formation of internal markets that improve the allocation of their resources. Although shown for internal capital markets, little is known about BGs' internal labor markets (ILM). We provide novel micro evidence that business groups use and benefit from ILM. Consistent with ILM, labor reallocation in response to international trade shocks is stronger between pairs of firms in business groups than between pairs of unaffiliated firms. This internal reallocation only holds among top-occupation employees. We test several hypotheses from the literature of the reasons behind these ILM and fail to find support for diversification, insurance for workers, transaction costs and imperfect information. Instead, we find that flows within ILM are stronger when the employee's origin firm controls the destination firm, and in more complex ownership structures. Finally, we provide suggestive evidence that reallocation within ILM increases the destination firm's profitability and is beneficial for the group as a whole. Our results are consistent with the idea that ownership networks between firms facilitates the accumulation and transfer of intangible inputs such as management practices.

- Research Papers in Progress (selected)**
- “Industrialization Among Early and Late Developers”*
with Richard Rogerson.
 - “The Rise of Constituents’ Political Polarization in the US”*
with Nolan McCarty, Atif Mian and Amir Sufi.
 - “Firm Matching and the Returns to Elite College Education”*
with Cristobal Huneus, Conrad Miller, Christopher Neilson and Seth Zimmerman.

Computational Skills Advanced: Matlab, Stata, Latex.
 Intermediate: Python.

- Other Activities**
- Co-Captain of the Soccer Team CAM (Mercer County League, New Jersey). 2018
 - Organizer of the Trade Dinner Seminars, Princeton University. 2016 - 2017
 - Tutor in the Junior Summer Institute of the Woodrow Wilson School, Princeton U. 2015
 - Class Representative of the Princeton Graduate Economic Club (GEC). 2014 - 2015
 - Participant in the International Visitor Leadership Program, Department of State, US. 2010
 - President of the Student Union (FECH) at the University of Chile. 2008 - 2009

Other

Language: Spanish (native), English (fluent).
 Nationality: Chilean.

Miscellaneous I have played piano since I was 12 years old and soccer for as long as I can remember.