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Curriculum Vitae Fall 2007

RUANJAI SUWANTARADON

Personal Data

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Major Fields of Concentration

International Economics, Macroeconomics, Monetary Economics, Financial Economics

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics	University of Minnesota (expected)	2008
B.A.	Economics (first class honors with a Gold Medal)	Chulalongkorn University (Thailand)	2000

Dissertation

Title: "Essays on Financial Frictions and Heterogeneous Firms in International Economics"

Dissertation Advisor: Professor Timothy J. Kehoe

Expected Completion: Summer 2008

References

Professor Timothy J. Kehoe	(612) 625-1589 (612) 204-5533 tkehoe@umn.edu	Department of Economics University of Minnesota 1035 Heller Hall 271 - 19 th Avenue South Minneapolis, Minnesota 55455
Professor Cristina Arellano	(612) 625-0511 (612) 204-5276 arellano@econ.umn.edu	
Professor Erzo Luttmer	(612) 625-5054 luttmer@umn.edu	
Dr. Simran Sahi	(612) 625-6353 ssahi@econ.umn.edu	

Honors and Awards

- 2006 *Distinguished Instructor Award*, Department of Economics, University of Minnesota, Minneapolis, Minnesota.
- 2005 *Distinguished Instructor Award (Twice)*, Department of Economics, University of Minnesota, Minneapolis, Minnesota.
- 2004 *Distinguished Teaching Assistant Award (Twice)*, Department of Economics, University of Minnesota, Minneapolis, Minnesota.
- 2002-2003 *Graduate School Fellowship*, University of Minnesota, Minneapolis, Minnesota.
- 1998-1999 *Sanwa Bank Foundation Scholarship*, Sanwa Bank Foundation, Japan.
- 1997-1998, 2000 *Excellent Academic Performance Scholarship*, Faculty of Economics, Chulalongkorn University, Thailand.
- 1997 *First Prize, National Undergraduate Economic Quiz*, Department of Economics, Thammasat University, Thailand.
- 1997 *First Prize, Economic Quiz*, Department of Economics, Thai Chamber of Commerce University, Thailand.
- 1996 *Outstanding Scholastic Achievements in Mathematics*, Osceola High School, Florida.
- 1994 *Honorary Prize*, National Mathematics Competition, Thailand.
- 1991-1994 *Excellent Academic Performance*, Bodindecha (Sing Singhaseni) School, Thailand.

Teaching Experience

- 2004 - Present *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Principles of Microeconomics*, *Principles of Macroeconomics*, *International Economics*, *Money and Banking*, and *Money and Banking: Honors*.
- 2003 - 2004 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics*.

Research Experience

- 2005 - *Visiting Scholar*, Research Department, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota.
- Summer 2007 *Minneapolis, Minnesota.*
- Summer 1999 *Summer Intern*, the Bank of Thailand

Papers

(Papers can be downloaded from <http://www.econ.umn.edu/~ruanjais/research.htm>.)

“Foreign Direct Investment and Foreign Portfolio Investment under Asymmetric Information,” University of Minnesota, mimeo.

“Financial Frictions and International Trade,” University of Minnesota, mimeo.

Presentations

“Financial Frictions and International Trade,” presented at Midwest International Economics Meetings, Minneapolis, Minnesota, April 2007; Bag Lunch Seminar, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota, December 14 2007.

Languages

Thai (native), English (fluent)

Computer Skills

Fortran, Matlab, Stata, Eviews

Dissertation Abstract

Essay 1: *Foreign Direct Investment and Foreign Portfolio Investment under Asymmetric Information*

This paper develops a model of international capital flows when there is asymmetric information between foreign investors and domestic managers. Direct investors have a direct influence on the management, thus overcoming agency and information problems. This information advantage, however, comes at the cost of having to acquire management expertise. The tradeoff between management costs and the costs of asymmetric information consequently determines the level and composition of a country's international capital flows. Analyzing how this tradeoff changes with economic conditions in a country, the model can qualitatively capture the experiences of many crisis countries during the 1990s regarding the different behaviors of different forms of capital flows. Specifically, the model can capture the rise in FDI inflows despite the reversals of foreign portfolio investment inflows during deteriorating economic conditions which has been documented in this paper for the crises that involved no default by a country's government on its debts or no imposition of capital controls. Moreover, the model can also explain growing evidence on the impacts of good governance and institutional quality on the composition of a country's capital flows. In particular, the model predicts a lower level of capital inflows and a larger share of FDI in countries with weaker corporate governance.

Essay 2: *Financial Frictions and International Trade (Job Market Paper)*

This paper studies the effects of financial market imperfections on a firm's operating and exporting decisions. I introduce financial frictions into a trade model with heterogeneous firms along the line of Melitz (2003). With the presence of financial constraints, even among a group of firms with the same productivity level, firms that are more financially constrained operate on a less efficient scale, and as a result, may no longer find operating and/or exporting profitable. In addition, financial frictions may create a distortion compared to the Melitz (2003) world since operation and export participation may be undertaken by those with better access to finance than those with higher productivity. Furthermore, financial frictions can have persistent effects on firms' dynamics. Productive firms with very low starting net worth will never accumulate enough to overcome credit constraints and, therefore, will never start operating and, subsequently, never export even if they are very productive. Using data from the World Bank Enterprise Surveys for Brazil and Chile, I find evidence that supports the model's predictions.