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MIT PLACEMENT OFFICER

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MIT PLACEMENT ADMINISTRATOR

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**DOCTORAL
STUDIES**

Massachusetts Institute of Technology (MIT)
PhD, Economics, Expected completion June 2012
DISSERTATION: "Essays in Dynamic Contracting and Communication"

DISSERTATION COMMITTEE AND REFERENCES

Professor Glenn Ellison
MIT Department of Economics
50 Memorial Drive, E52-380A
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Professor Muhamet Yildiz
MIT Department of Economics
50 Memorial Drive, E52-357
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Professor Juuso Toikka
MIT Department of Economics
50 Memorial Drive, E52-371A
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**PRIOR
EDUCATION**

A.B. *magna cum laude* Mathematics Princeton University 2002-2006

CITIZENSHIP

Republic of Korea **GENDER** Female

LANGUAGES

English, Korean

FIELDS

Primary Fields: Theory
Secondary Fields: Industrial Organization

**TEACHING
EXPERIENCE**

Microeconomic Theory III (graduate, MIT course 14.123), 2010
Teaching Assistant to Professor Muhamet Yildiz
Industrial Organization I (graduate, MIT course 14.271), 2009
Teaching Assistant to Professor Glenn Ellison

	Game Theory (graduate, MIT course 14.126), Teaching Assistant to Professor Peter Eso	2009
	Industrial Organization I (graduate, MIT course 14.271), Teaching Assistant to Professor Glenn Ellison	2008
RELEVANT POSITIONS	Research Assistant to Professor Glenn Ellison	2011
	Research Assistant to Professor Juuso Toikka	2011
	Research Assistant to Professor Bengt Holmstrom	2009
	Research Assistant to Professor Glenn Ellison	2007
FELLOWSHIPS, HONORS, AND AWARDS	Samsung Scholarship	2006-2010
	MIT Presidential Fellowship	2006-2007
	Phi Beta Kappa	2006
	Sigma Xi	2006
	Andrew H. Brown Prize	2005
	Class of 1861 Prize	2004
	Honorable Mention, member of Princeton team (2 nd) at the 2004 Putnam Competition	2004
	Top 15 at the 2003 Putnam Competition	2003
	Gold Medal at the 42 nd International Mathematical Olympiad	2001

RESEARCH PAPERS

“Dynamic Moral Hazard with Persistent States” (Job Market Paper)

I study a model of principal-agent problem in which the underlying environment is partially persistent. The costly unobservable action of the agent produces a good outcome with some probability, and the probability of the good outcome corresponds to the state. The states are unobservable and follow an irreducible Markov chain with positive persistence. I find that an informational rent arises in this environment. In addition to the payoff consequences, the agent's deviation leads to information asymmetry between the principal and the agent, and the rent to the agent is an informational rent. In some situations, the second best contract leaves the agent with this rent. The principal can, however, reduce the rent by taking an inefficient outside option in some periods. In some situations, the way in which this can be done in the second best contract resembles a tenure system: the agent is paid nothing during the probationary period, and once he is paid, the principal never takes his outside option again. The second best contract becomes stationary after the agent is tenured. For discount factors close to one, the principal can approximate his first best payoff with review contracts.

“Relational Contracts in a Persistent Environment”

This paper studies relational contracts with partially persistent states. The distribution of the state depends on the previous state, and it is increasing with the state in the sense of first-order stochastic dominance. When the states are observable and exogenously given, the optimal contracts can be stationary, and the self-enforcement leads to the dynamic enforcement constraint as with i.i.d. states. I consider two mechanisms through which the persistence of states can affect relational contracts: in the first case, the joint surplus in the first best increases with the state, and in the second case, the implementable level of effort for given bonus cap increases with the state. I find that the difference in

joint surplus between the first best and the second best is decreasing with the state in both cases. The principal prefers relational contracts only if the initial state is sufficiently high.

**RESEARCH IN
PROGRESS**

“Public Good Provision with Communication”

I study a model of public good provision in which players can communicate before choosing their effort. There is uncertainty about the returns to effort of the project, and each player may have a private signal that is informative about the state of the world. The players engage in strategic communication in the first period, and they choose the amount of effort in the second period. The common payoff is a function of the total amount of effort invested by the players. I find that free-riding occurs in anticipation: when a player's belief about other players' beliefs about the state increases, he puts in strictly less amount of effort in the equilibrium. The equilibrium level of effort increases with the player's own belief about the state. In the first period, a player wants to make other players more optimistic, while making them think he is pessimistic about the state. The communication strategy depends on which effect dominates.

“Voting for a Leader with Future Learning”

I study voters' preferences over candidates when there is communication between the election and the time the leader chooses a policy. Voters and candidates have priors on the unobservable state, and the utility from the policy depends on the state. There is no difference in the intrinsic interest, and the only difference among voters and candidates is their prior on the state. After the leader is elected, one of the voters may receive a private signal that is informative about the state, which he can disclose to the leader. After the communication stage, the leader chooses a policy, and the payoff is realized. I find that a voter never prefers the candidate with the same prior the most: there is a first order gain from the increase in communication, and the loss due to the difference in prior is of second order. I explore conditions under which polarization or convergence of preferences occurs.