

ECON 8006: Thesis Research
2022-23 Term 2
(Tuesday 3:30pm – 6:15pm ELB 204)

The main purpose of this course is to equip students with some research skills and experience. The course will first expose students to a wide range of research topics. Guided by the teachers, students will then select a topic for presentation and a short paper. The paper should be a critical comment on a literature or a sub-set of the literature, or a brief empirical analysis of a selected issue.

Evaluation: Attendance & Presentation (35%) and Paper (65%)

Class arrangement:

Jan. 10, Jan. 17: Prof. ZHANG Yifan on *Chinese Economy*
Jan. 31, Feb. 7: Prof. LYU Dan on *International Trade and Macroeconomics*
Feb. 14, Feb. 21: Prof. BAI Ying on *Political Economy of Development*
March to April: Each teacher meets with his own students
April: Student presentation (20 minutes each)

Topics on *Chinese Economy*

- Autor, David, David Dorn, and Gordon Hanson (2013) “The China Syndrome: Local Labor Market Effects of Import Competition in the United States” *American Economic Review*, 103(6), 2121-68.
- Brandt, Loren, Johannes Van Biesebroeck, and Yifan Zhang (2012) “Creative Accounting or Creative Destruction? Firm-level Productivity Growth in Chinese Manufacturing” *Journal of Development Economics*, 97(2), 339-351.
- Brandt, Loren, Johannes Van Biesebroeck, Luhang Wang, and Yifan Zhang (2017) “WTO Accession and Performance of Chinese Manufacturing Firms” *American Economic Review*, 107(9), 2784-2820.
- Dai, Mi, Wei Huang, and Yifan Zhang (2020) “Persistent Effects of Initial Labor Market Conditions: The Case of China's Tariff Liberalization After WTO Accession” *Journal of Economic Behavior and Organization*, 178, 566-581.
- Dai, Mi, Wei Huang, and Yifan Zhang (2021) “How do Households Adjust to Tariff Liberalization? Evidence from China's WTO Accession” *Journal of Development Economics*, 150, 102628.
- Imbert, Clement, Marlon Seror, Yanos Zylberberg, and Yifan Zhang (2022) “Migrants and Firms: Evidence from China” *American Economic Review*, 112(6), 1885-1914.
- Kee, Hiau Looi, and Heiwai Tang (2016) “Domestic Value Added in Exports: Theory and Firm Evidence from China” *American Economic Review*, 106(6), 1402-36.
- Khandelwal, Amit, Peter Schott, and Shang-Jin Wei (2013) “Trade Liberalization and Embedded Institutional Reform: Evidence from Chinese Exporters” *American Economic Review*, 103(6), 2169-95.
- Tombe, Trevor, and Xiaodong Zhu (2019) “Trade, Migration, and Productivity: A Quantitative Analysis of China” *American Economic Review*, 109(5), 1843-72.

Topics on *International Trade and Macroeconomics*

1. Firm level facts and models in international trade

KRUGMAN, P. (1979): “Increasing Returns Monopolistic Competition and International Trade,” *Journal of International Economics*, 9(4), 469–479. 8.4.1

(*)Krugman, P., “Scale Economies, Product Differentiation and the Pattern of Trade,” *American Economic Review*, 1980.

(**)Melitz, Marc J., “The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity,” *Econometrica*, 71:6, pp. 1695-1725, 2003.

(*)Chaney, Thomas, “Distorted Gravity: Heterogeneous Firms, Market Structure and the Geography of International Trade,” *American Economic Review*, 2005.

(*)Arkolakis, C., Costinot, A. and Rodriguez-Clare, A., “New Trade Models, Same Old Gains?” *American Economic Review*, 2011.

Bernard, A. B., and J. B. Jensen, “Exporters, Jobs, and Wages in US Manufacturing: 1976-1987,” *Brooking Papers: Microeconomics*, pp. 67-119, 1995.

Bernard, A. B., J. Eaton, B. Jensen, and S. Kortum, “Plants and Productivity in International Trade,” *American Economic Review*, 93(4), 1268-1290, 2003.

Clerides, S. K., S. Lach, and J. R. Tybout, “Is Learning by Exporting Important? Micro-Dynamic Evidence from Colombia, Mexico, and Morocco,” *The Quarterly Journal of Economics*, pp. 903-947, 1998.

Eaton, Kortum and Kramarz, “An anatomy of International Trade, Evidence from French firms,” 2005.

Lu, Dan, “Exceptional Exporter Performance? Evidence from Chinese Manufacturing Firms,” 2010.

(*)Hsieh, Chang-Tai and Peter J Klenow. 2009. “Misallocation and manufacturing TFP in China and India.” *The Quarterly journal of economics* 124 (4):1403–1448.

(**)Yan Bai, Keyu Jin and Dan Lu, “Misallocation Under Trade Liberalization”

2. Quantitative trade analysis

(*)Dornbusch, Fisher, and Samuelson, “Comparative Advantage, Trade, and Payments in a Ricardian Model with a Continuum of Goods,” *American Economic Review*, 1977: 823-839.

(**) Eaton, J. and S. Kortum, "Technology, Geography and Trade," *Econometrica*, September 2002, Vol. 70, No. 5, 1741-1780.

(*)Alvarez, Fernando and Robert E. Lucas, "General Equilibrium Analysis of the Eaton-Kortum Model of International Trade," *Journal of Monetary Economics*, 2007.

(**)Dekle, Eaton, and Kortum, “New Approaches to International Trade, Unbalanced

Trade,” AER Papers and Proceedings, 2007.

Economic geography, trade and migration

AHLFELDT, G. M., S. J. REDDING, D. M. STURM, AND N. WOLF (2012): “The Economics of Density: Evidence from the Berlin Wall.”

REDDING, S. J. (2014): “Goods Trade, Factor Mobility and Welfare.”

Allen, T., and C. Arkolakis (2014): “Trade and the topography of the spatial economy,” *Quarterly Journal of Economics*.

Allen, T., C. Arkolakis, and Y. Takahashi (2014): “Universal gravity.”

Lorenzo Caliendo, Max Dvorkin, and Fernando Parro, “Trade and Labor Market Dynamics: General Equilibrium Analysis of the China Trade Shock”

Topics on *Political Economy of Development*

1. Understanding conflicts in China, -220 to 1839

Bai, Ying. 2022. “The Struggle for Existence: Migration, Competition, and Human Capital Accumulation in Historic China.” *International Economic Review*, vol. 63(3): 1239-1269.

Bai, Ying. 2022. “Shaking Legitimacy: The Impact of Earthquakes on Conflict in Historical China.” Accepted, *Economic Journal*.

Bai, Ying and James Kung. 2011. “Climate Shocks and Sino-nomadic Conflict.” *Review of Economics and Statistics*, vol. 93(3): 970-981.

2. Rethinking revolutions in China, 1839 -

Bai, Ying and Ruixue Jia. 2016. “Elite Recruitment and Political Stability: The Impact of the Abolition of China’s Civil Service Exam System.” *Econometrica*, vol. 84(2): 677-733.

Bai, Ying, Ruixue Jia and Runan Wang. “Ideas Mobilize People: The Diffusion of Communist Ideology in China.” Working paper.

Bai, Ying, Ruixue Jia and Jiaojiao Yang. 2022. “Web of Power: How Elite Networks Shaped War and Politics in China.” *Quarterly Journal of Economics*, accepted.

Bai, Ying and Titi Zhou. 2019. “‘Mao’s Last Revolution’: A Dictator’s Loyalty-Competence Tradeoff.” *Public Choice*, vol. 180(3-4): 469-500.

Academic honesty and plagiarism

Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details may be found at

<http://www.cuhk.edu.hk/policy/academichonesty/>.

With each assignment, students will be required to submit a signed declaration that they are aware of these policies, regulations, guidelines and procedures. For group projects, all students of the same group should be asked to sign the declaration.

For assignments in the form of a computer-generated document that is principally text-based and submitted via VeriGuide, the statement, in the form of a receipt, will be issued by the system upon students' uploading of the soft copy of the assignment. Assignments without the receipt will not be graded by teachers. Only the final version of the assignment should be submitted via VeriGuide.