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### **Education**

Ph.D. Economics, University of California, Davis, June 2006  
Thesis Committee: Robert C. Feenstra (Chair), Deborah Swenson, Wing Thye Woo  
M.A. Economics, University of California, Davis, 2001  
M.B.A. Finance, University of Hawaii at Manoa, Honolulu, May 2000  
B.A. International Finance, East China Normal University, Shanghai, China, July 1996  
(Minor in Computer Science)

### **Professional Experience**

Clark University, Assistant Professor, 8/08 – present  
International Monetary Fund, Washington DC, Research Department, Research Officer, 8/06 – 8/08  
UC Davis, Research Assistant for Professor Robert Feenstra, 4/04 – 7/06  
UC Davis, Research Assistant for Professor Wing Thye Woo, Summer01, Summer02, Winter03

### **Fields of Interest**

International Economics, Applied Econometrics, Development Economics, Chinese Economy

### **Publications**

#### ***Peer-reviewed***

“Indonesia’s Economic Performance in Comparative Perspective, and a New Policy Framework for 2049,” joint with Wing Thye Woo, *Bulletin of Indonesian Economics Studies*, vol. 46, issue 1, 2010, pp. 33-64.

“China’s Exports and Employment,” joint with Robert C. Feenstra, *China’s Growing Role in World Trade*, edited by Robert C. Feenstra and Shang-Jin Wei, NBER/University of Chicago Press, March 2010, pp.167-199.

“Global Production Networks and China's Processing Trade,” joint with Alyson Ma, Ari Van Assche, *Journal of Asian Economics* 20(6), November 2009, pp. 640-654.

#### ***Non-peer reviewed***

“Compétitivité internationale de la Chine: Une réalité à réévaluer,” joint with Ari Van Assche, Veerle Slootmaekers, Chapter 2 in *Le Québec à l’heure de la mondialisation*, edited by Benoit Aubert, CIRANO, Montréal, October 2008, pp. 37-54. An earlier English version was published as “China’s

International Competitiveness: Reassessing the Evidence,” LICOS Discussion Paper 205/2008, April 2008.

“China’s Foreign Exchange Market,” Chapter 5 in *Financial Investment in China*, edited by Qiwei Chen, October 1997, Shanghai People’s Press (China).

“Gradual Liberalization of Interest Rates in China,” *Shanghai Finance*, February 1997.

### **Working Papers**

“Contractual Versus Non-Contractual Trade: The Role of Institutions in China,” with Robert Feenstra, Hong Ma, Barbara Spencer. Under review at *Journal of Economic Behavior & Organization*.

“The Political Economy of Tariff Protection in China: Evidence from WTO Accession.” Revisions requested from *Canadian Journal of Economics*.

“Trade Liberalization, Wages, and Specialization in China.” Under review at *American Economic Journal: Economic Policy*.

“Does Exchange Rate Matter for China’s Trade Balance,” with Caroline Freund, Shang-Jin Wei.

“Evidence on the Convergence of China’s Dual Trade Regimes,” with Galina An, Songhua Lin.

“Unit Values in International Trade and Product Quality.”

### **Teaching Experience**

#### **Clark University**

Economics and the World Economy (ECN10): fall 2008, spring 2009, fall 2009, spring 2011, fall 2011

International Economics: Trade and Finance (ECN108): fall 2009, fall 2011

Intermediate Macroeconomics (ECN206): spring 2009, spring 2011

International Trade Theory (ECN207): fall 2010

PhD International Trade Theory (ECN307): fall 2008, fall 2010

#### **University of California, Davis, Instructor and Teaching Assistant**

Principles of Microeconomics

Intermediate Macroeconomics

Principles of Macroeconomics

Industrial Organization

International Economics

Public Finance

Labor Economics

### **Conference Presentations**

Jan. 2012 The 2012 Allied Social Science Association (ASSA) Annual Conference, Chicago, IL.

Nov. 2011 Southern Economic Association (SEA) 81th Annual Meeting, Washington, D.C.

July 2011 Western Economics Association (WEA) 86th Annual Conference, San Francisco, CA.

Jan. 2009 Pre-conference meeting of China-Japan-US linkages project, Honolulu, HI.

Jan. 2008 The 2008 Allied Social Science Association (ASSA) Conference, New Orleans, LA.

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| Dec. 2007 | IMF Research Department Junior Economist Seminar, Washington, D.C.   |
| Aug. 2007 | NBER conference “China’s Growing Role in World Trade”, Cape Cod, MA.   |
| Jan. 2007 | The 2007 Allied Social Science Association (ASSA) Annual Conference, Chicago, IL.  |
| Oct. 2006 | NBER China and Trade Working Group Meeting, Boston, MA.  |
| Nov. 2005 | Southern Economic Association (SEA) 75th Annual Meeting, Washington, D.C.  |
| July 2005 | Western Economics Association (WEA) 80th Annual Conference, San Francisco, CA.   |
| June 2005 | Conference on “Estimating Production and Income Across Nations and Over Time”,<br>Institute of Government Affairs, UC Davis. |
| Feb. 2000 | 2nd East-West Center Graduate Student Conference, Univ. of Hawaii at Manoa, HI.  |

### **Honors and Awards**

- Dissertation Award, Institute of Governmental Affairs, UC Davis, 2004 – 2005
- UCD Non-Resident Tuition Graduate Fellowship, UC-Davis, 2001 – 2005
- East-West Center Fellowship, University of Hawaii at Manoa, 1998 – 2000
- National University of Singapore Research Scholarship, 1997 – 1998
- Excellent Dissertation Prize, East China Normal University, 1996
- Academic Excellence Award, East China Normal University, 1992 – 1996
- One of “Ten Outstanding Women Students”, East China Normal University, 1995
- 21st Century Talents School Honored Student, East China Normal University, 1995

### **Professional Activities**

- Referee: Canadian Journal of Economics, Journal of Asian Economics, The World Economy
- Invited reviewer for the selected paper abstract review, International Atlantic Economic Society NBEA conference 2009
- Accuracy checker for Instructor’s Manual and Solutions Manual to accompany the second edition of International Trade textbook
- External research reviewer for University of Utah

### **University / Department Service**

- One-semester appointment on Grad Board for Fall 2011
- Panel Moderator for Presidential Inauguration Symposium “Challenges and Opportunities in Today's Global Economy”, 9/2010
- Academic Open House Economics Department representative: 2009, 2010, 2011
- Department Faculty Search Committee member for Macroeconomic faculty position, 2010-2011
- Fed Challenge team supervisor: 2008, 2009, 2010, 2011
- Econ Society supervisor: 2010, 2011
- Dissertation Committee member: Oswaldo Patino; Soumen Banerjee; Hongshuang Li
- Undergraduate Honor thesis: Simona Dimitrova, Pisca Tias, Mariana Saculo
- Undergraduate Advisor: Catherine Gabis; Anabelle Ngack

## Research Papers

**“China’s Exports and Employment,”** with Robert C. Feenstra, *China’s Growing Role in World Trade*, edited by Robert C. Feenstra and Shang-Jin Wei, NBER/University of Chicago Press, March 2010, pp.167-199.

Dooley et al (2003 and 2004) argue that China seeks to raise urban employment by 10-12 million persons per year, with about 30% of that coming from export growth. In fact, total employment increased by 7.5-8 million per year over 1997-2005. We estimate that export growth over 1997-2002 contributed at most 2.5 million jobs per year, with most of the employment gains coming from non-traded goods like construction. Exports grew much faster over the 2000-2005 period, which could in principal explain the entire increase in employment. However, the growth in domestic demand led to three-times more employment gains than did exports over 2000-2005. We conclude that exports have become increasingly important in stimulating employment in China, but that the same gains could be obtained from growth in domestic demand, especially for tradable goods, which has been stagnant until at least 2002.

**“The Political Economy of Tariff Protection in China: Evidence from WTO Accession,”** invited revise and resubmission at *Canadian Journal of Economics*.

With its accession to the WTO, will the Chinese government continue its protection to the state-owned enterprises (SOE)? This paper analyzes China's committed tariff rates at the entry of WTO using a political economy approach. I derive a model where the central government chooses an optimal tariff rate so as to maximize the weighted sum of consumer welfare, profits of SOE, profits of multinationals, and the tariff revenue from the imported goods. The model predicts that a government would set a high tariff rate if an industry is of large SOE or multinational share, but a small foreign import share. The political weights on different interest groups are estimated using the binding tariff constraint from the WTO negotiations. Different from the studies on democracies, this paper shows that the Chinese government in general assigns a larger political weight on the SOE profit than on consumer welfare. Furthermore, the political weights on both SOE profits and consumer income diminish over time, with the latter dropping at a faster speed. This indicates that although the Chinese government reduces its interference with the economic opening, it still favors the SOE over consumer income. My finding is consistent with the pattern of economic reform in China.

**“Trade Liberalization, Wages, and Specialization in China,”** under submission

Has China experienced regional specialization with its twenty years of economic opening? To answer this question, I use a panel of Chinese export data at the detailed commodity level over 16 years and calculate the locational Gini coefficients which measure product specialization for coastal and interior China. Instead of the monotonic relationship found in previous literature, I show that China’s regional specialization follows a U-shaped pattern: both inland and coastal China diversify from 1988 to 1994, but specialize during the later reform period of 1994-2003. To explain this observation, a theory of tariff reduction is proposed by constructing a Dornbusch-Fischer-Samuelson-type continuum of goods Ricardian model in a setup of two countries and three regions. This U-shaped pattern of specialization is obtained from foreign tariff reductions followed by Chinese tariff reductions. The insight is that changing tariff rates influence each region’s comparative advantage and readjust the non-traded product range. The paper also contributes to the study of income inequality by finding that the coast to inland wage gap in China can be alleviated by a home tariff reduction, but exacerbated as foreign trade barriers fall. The model is supported by numeric simulations and matches the timing of the Chinese and U.S. trade liberalizations.

**“Contractual Versus Non-Contractual Trade: The Role of Institutions in China,” with Robert Feenstra, Hong Ma, and Barbara Spencer, under submission**

Recent research has demonstrated the importance of institutional quality at the country level for both the volume of trade and the ability to trade in differentiated goods that rely on contract enforcement. This paper takes advantage of cross-provincial variation in institutional quality in China, and export data that distinguishes between foreign and domestic exporters and processing versus ordinary trade, to show that institutional quality is a significant factor in determining Chinese provincial export patterns. Institutions matter more for processing trade, and more for foreign firms, just as we would expect from a greater reliance on contracts in these cases.

**“Global Production Networks and China's Processing Trade,” with Alyson Ma and Ari Van Assche, *Journal of Asian Economics* 20(6), November 2009, pp. 640-654.**

This paper unveils a systematic pattern in China's processing trade. In a cross-section of Chinese provinces, the average distance traveled by processing imports (import distance) is negatively correlated to the average distance traveled by processing exports (export distance). To explain this pattern, we set up a three-country industry-equilibrium model in which heterogeneous firms from two advanced countries, East and West, sell their products in each other's markets. Each firm can use two modes to serve the foreign market. It can directly export its products from its home country. Alternatively, it can indirectly export to the foreign market by assembling its product in a third low-cost country, China, which is located in the vicinity of East. Our model establishes two theoretical predictions relating China's geographical location to its processing trade patterns. First, China's processing exports are negatively affected by both an increase in import distance and a rise in export distance. Second, China's processing exports to East Asian countries are more sensitive to export distance and less sensitive to import distance than its processing exports to non-Asian countries. We find empirical support for both predictions.

**Compétitivité internationale de la Chine: Une réalité à réévaluer,” with Ari Van Assche and Veerle Slootmaekers, “Chapter 2 in *Le Québec à l'heure de la mondialisation*, edited by Benoit Aubert, CIRANO, Montréal, October 2008, pp. 37-54. An earlier English version was published as “China's International Competitiveness: Reassessing the Evidence,” LICOS Discussion Paper 205/2008, April 2008.**

In this paper we argue that export data are an inadequate tool to measure a country's international competitiveness when external trade is dominated by export-processing trade. Export data do not necessarily reflect the value produced in an exporting country, but rather capture the gross value of the products that leave a country's ports. We demonstrate that, in the case of China, this leads to an upward bias in both the perceived quantitative and qualitative threats to the Western economies.

**“China's Trade Response to Exchange Rate,” with Shang-Jin Wei and Caroline Freund**

Using detailed China's multi-lateral export data over 1997-2005, this paper accesses how exchange rate affects trade with respect to different trade regime and firm ownership. Since processing trade involves significant global sourcing and accounts for an important share of China's total trade, we argue that it is less sensitive to China's exchange rate compared with ordinary trade. We provide a thorough analysis by: 1) using the highly disaggregated bilateral imports and exports between China and all its partners; 2) decouple trade quantity and value in a rigorous way; 3) distinguish processing trade from ordinary trade; 4) explore the trade pattern response by firm ownership; and 5) analyze nominal as well as real exchange rate. We find that China's import and export respond to exchange rate and relative income movements in our anticipated manner. The

elasticity of exports to the real exchange rate is close to unity (0.9), whereas the responsiveness of imports is much smaller (0.2). Furthermore, processing trade is less responsive to exchange rate than ordinary exports. Products with greater foreign content are found to display significantly less sensitivity to the exchange rate.

#### **“Unit Values in International Trade and Product Quality”**

Is the unit value of traded goods representative of product quality? A vast literature associates cross-country variation in export unit-value with variation in product quality. Although countries with higher export price are also likely to produce better quality, many factors are ignored under this assumption. We decompose a country's export price into the factors associated with pure terms of trade (TOT) effect, quality improvement, trade distance, and production cost. The paper demonstrates that product unit values are positively associated with trading distance and producers' wages across countries and industries, but negatively correlated with tariff rates. Furthermore, we reveal that quality effect is the biggest driver to unit value increase, comparing with distance and production cost. To conduct this study, I constructed an “industry wages around the world” (IWW) dataset, which covers 733 industries and 115 countries over the period of 1969 – 2004. This is by far the most far-ranging collection of world wages at the detailed industry level. It contributes greatly to the studies of international economics.

#### **“Evidence on the Convergence of China's Dual Trade Regimes,” with Galina An and Songhua Lin**

Since its opening, China has pursued a dual trade regime, processing and ordinary trade. The convergence of these two regimes will have a profound implication on the role played by China in the global trade system in the future. With the gradual unification of two trade regimes, the domestic enterprises who dominate the ordinary trade regime might catch up the foreigner enterprises and ultimately obtain foreign technologies and develop their own technological capabilities, which is the ultimate goal of the government policy. This paper investigates whether the two regimes exhibit the signs of convergence and if so what contributes to this trend. Our preliminary results show that there is obvious convergence of the two trade regimes, even though at significantly low speed. There is heterogeneity in the speed of convergence in high and medium-high technology sectors.

#### **“Indonesia's Economic Performance in Comparative Perspective, and a New Policy Framework for 2049,” with Wing Thye Woo, 2010, *Bulletin of Indonesian Economics Studies*, vol. 46, issue 1, pp. 33-64.**

This is the first paper of a planned ‘Indonesia 2049’ project, which asks how far Indonesia's economy will have developed 100 years after actual political independence in 1949. We compare dimensions of Indonesia's economy with those of two oil exporters (Mexico and Nigeria), three large populous developing economies (China, India and Brazil) and three Southeast Asian neighbours (Malaysia, Thailand and the Philippines). Under Soeharto, Indonesia's economic performance was better than it had been under Soekarno, and above the average of the eight comparator countries, but below that of the East Asian economies. Our view is that Susilo Bambang Yudhoyono's second administration must adopt a new economic policy framework to ensure successful transition to knowledge-based growth. This proposed new framework goes beyond the Washington Consensus of ‘getting prices right’ and ‘getting institutions right’ to include ‘getting the role of science right’ and ‘getting the conception of the reform process right’.