Cornell Institute for China Economic Research

CICER | 康奈爾大學中國經濟研究所

Annual Report

2017-2018
A Message from the Directors

It has been three years since we launched CICER in October 2015. For the past three years, we are very thankful for the generous support from the College of Arts and Sciences, SC Johnson College of Business, Office of the Vice Provost for International Affairs, CICER affiliated faculty and staff at Cornell, which helped us make tremendous progress in accomplishing our mission. Through concerted efforts by supporters and collaborators, we have brought together experts and scholars from Cornell and worldwide to conduct cutting-edge research about the increasingly pressing economic and social issues in China, as well as provide opportunities for educating future leaders and engaging policymakers. We are thrilled to report that CICER’s collaborative activities continue to gain momentum!

In the 2017-18 academic year, we are privileged to have invited more faculty affiliates and experts to join CICER. Currently, our network of international collaborators include nineteen Cornell faculty, ten affiliated faculty from top universities and research institutes from all over the world, as well as four members on the advisory board, including the Chief Economist of the World Bank Group. In addition, we hired two outstanding postdoctoral associates to engage in CICER research projects with CICER faculty and graduate students. We believe the strong team of researchers, experts, advisors and students will continue to enhance collaboration and establish partnership with academia, industry and government organizations in China. Through partnerships, we were able to gain access to several unique big data sets, which are instrumental for conducting rigorous empirical analysis, and launch more research projects with researchers from top institutions. We are proud to announce that CICER’s research findings were featured on various media and publications, such as the Economist, China Daily, and the South China Morning Post.

CICER Summer Program on Economics and Business continued to attract participants from prestigious Chinese universities. Last year’s participants presented a strong testimony to their friends and school teachers in China, hoping that others will follow their footsteps to spend a fruitful summer at Cornell! Out of the many participants who hoped to apply to Cornell’s graduate program, five were accepted. This year, about 80 undergraduate and graduate students from over twenty universities, such as Fudan, Zhejiang and Renmin University, participated in the summer program. They are all very impressed by the quality of education, wide array of graduate programs and research opportunities that Cornell offers, and they aspire to return as Cornell students! We celebrate the success of our second CICER summer program and are excited for these potential future leaders.

As CICER continues to expand the scope of activities, we brought Yan Sang on board to be CICER’s director of external affairs. Her rich work experience in the industry is valuable to help us develop CICER sponsorship/membership program and executive training programs. She will also foster the development of collaborations between CICER and its partners.

Moving forward, we will work hard to be more engaged in active collaborations between industry and academia so that CICER is in an even stronger position to achieve more in all three pillars of activities: research, education and policy engagement. Thank you for your valuable support.

Panle Jia Barwick
Associate Professor, Department of Economics

Shanjun Li
Kenneth L. Robinson Professor, Dyson School
As the two largest economies in the world, the U.S. and China depend on each other now more than ever and have common interests in addressing major global challenges. As “an institution where any person can find instruction in any study”, Cornell University has educated generations of Chinese leaders who have shaped modern China, including such notable figures as Hu Shih (Class of 1912) and Mao Yisheng (Class of 1917). Through education and research, Cornell has made significant contributions to the social and economic development of modern China.

Cornell is an intellectual powerhouse where the breadth and depth of research expertise on China economic research is exceptional. Cornell researchers are working on all facets of the Chinese economy, including rural development and industrial growth, financial and real estate markets, consumer demand and market reform, international finance and trade, and environmental and energy challenges.

Cornell Institute for China Economic Research (CICER) is sponsored by the Cornell SC Johnson College of Business, the College of Arts and Sciences, and the Office of the Vice Provost for International Affairs. CICER has strong scientific research strength and serves as a hub of Cornell expertise on China’s economic and social issues. It currently has nineteen world-renowned experts from seven different departments across four colleges.

VISION

We strive to become a world’s leading education and research hub for economic research on China.

MISSION

By bringing together scholars from Cornell and elsewhere, CICER conducts cutting-edge economic research to understand the most important economic and social issues in China and their global impact. By engaging policymakers and educating future leaders, CICER seeks to promote evidence-based governance in China while enhancing international collaboration.
About CICER

CICER Directors

Panle Jia Barwick
Associate Professor, Department of Economics

Shanjun Li
Kenneth L. Robinson Professor, Dyson School

Faculty Affiliates

Nancy Chau
Professor, Dyson School

Zihong Chen
Associate Professor, Modern Chinese History

Eli Friedman
Associate Professor, ILR School

Oliver Gao
Associate Professor, Civil and Environmental Engineering

Yongmiao Hong
Ernest S. Liu Professor, Economics

Ying Hua
Associate Professor, College of Human Ecology

Ravi Kanbur
T. H. Lee Professor, Dyson School

Andrew Karolyi
Alumni Professor, Johnson School

Crocker Liu
Robert A. Beck Professor, Hotel School

Peng Liu
Associate Professor, Hotel School

Thomas P. Lyons
Professor, Economics

Christopher Marquis
Samuel C. Johnson Professor, Johnson School

Victor Nee
Frank and Rosa Rhodes Professor, Sociology

David Ng
Professor, Dyson School

Eswar Prasad
Nandlal P. Tolani Senior Professor, Dyson School

Calum Turvey
W.I. Myers Professor, Dyson School

Jeremy Wallace
Associate Professor, Department of Government
About CICER

External Faculty Affiliates

**Jie Bai**
Assistant Professor, Harvard Kennedy School

**Dave Donaldson**
Professor of Economics, MIT, Department of Economics

**Myrto Kalouptsidi**
Assistant Professor, Harvard Faculty of Arts and Sciences

**Yatang Lin**
Assistant Professor, Hong Kong University of Science and Technology

**Yanyan Liu**
Senior Research Fellow, International Food Policy Research Institute

**Alberto Salvo**
Associate Professor, National University of Singapore

**Andrew Waxman**
Assistant Professor, The University of Texas at Austin

**Jing Wu**
Associate Professor of Real Estate, Tsinghua University

**Xiaobo Zhang**
Professor of Economics, Peking University

**Yifan Zhang**
Associate Professor of Economics, Chinese University of Hong Kong

Advisory Board

**Yongheng Deng**
Professor, University of Wisconsin – Madison

**Pinelopi Koujianou Goldberg**
Chief Economist of the World Bank Group

**Hanming Fang**
Professor, University of Pennsylvania

**Meng Zhao**
CEO, UnionPay Advisors

Postdoctoral Associates

Eric Zou (PhD, University of Illinois), Ziye Zhang (PhD, Cornell University)

Students

**Graduates:**
Jialie Chen; Thomas Eisenberg; Rhiannon Jerch; Yuanning Liang; Yiding Ma; Avralt-Od Purevjav; Jing Qian; Deyu Rao; Yating Ru; Matthew Thirkettle; Jianwei Xing; Judy Xiong; Lin Yang; Nahim Zahur; Yang Zhang; Binglin Wang; Congyan Han;

**Undergraduates:** Huan He; Yibo Sun;
CICER organizes activities in the following three areas:

Research:
- CICER brings together top researchers from Cornell and around the world to study the most important economic and social issues facing China and their impacts on the global economic system.

Policy Engagement:
- CICER engages in dialogue with policymakers and research communities worldwide to promote evidence-based governance and enhance international collaboration.

Education:
- CICER offers research opportunities for Cornell undergraduate and graduate students, hosts visiting scholars from China, and provides education opportunities for Chinese students and policymakers.
Faculty and students at CICER are using state-of-the-art economic methods and big data to study:

- **Rural Development and Industrial Growth**
  - Agricultural insurance and the economic well-being of farmers
  - Firm productivity and competitiveness
  - Urbanization and Industrialization

- **Financial and Real Estate Markets**
  - Macroeconomic policies and financial sector health
  - Chinese currency and its global impact
  - Land price dynamics and housing affordability

- **Consumer Demand and Market Reform**
  - Consumer spending and income inequality
  - Automobile industry and demand for electric vehicles
  - Local protectionism and market frictions

- **Environmental and Energy Challenges**
  - Pollution and the role of industry and transportation
  - Consequences of environmental degradation
  - Cost-benefit analysis and efficient policy design
CICER'S research has been featured in such media outlets as the Economist, China Daily, and the South China Morning Post etc..
Selected Ongoing Projects (2017-2018)

- Local Protectionism, Market Structure, and Social Welfare: China’s Automobile Market
- The Marginal Cost of Traffic Congestion and Road Pricing: Evidence from a Natural Experiment
- Government Subsidy and the Demand for Electric Vehicles in China
- The Morbidity Cost of Air Pollution: Evidence from Consumer Spending in China
- Labor Unions, Product Market Competition and Social Welfare
- Transportation Policies and Household Sorting
- The Dynamics of Quality Upgrade in China’s Automobile Market
- Industrial Policies and Shipbuilding Industry in China
- Housing Price and Consumer Spending
- International Relation and Commerce: Evidence from Boycott in China
CICER seminar
Speaker: Rongzhu Ke, Hong Kong Baptist University
*Topic: Information-trigger contracts*

CICER seminar
Speaker: Daniel Berkowitz, University of Pittsburgh
*Topic: Markups & Declining Labor Shares: Evidence from China*

CICER seminar
Speaker: Dr. Anthony Neoh, Hong Kong Bar Association
*Topic: China after the 19th Party Congress: Political & Economic Development*

Student Panel 1: Changes in the Political and Economic Landscape
Student Panel 2: Changes in Urban Infrastructure

CICER seminar
Speaker: Shuang Zhang, University of Colorado Boulder
*Topic: Environmental Economics*
2017-2018 Events

Workshop in Economics of Environment, Energy & Climate at Peking University

Organizers: Jintao Xu, NSD (Peking University), Jinhua Zhao (Michigan State University), Shanjun Li (Cornell University)

Shanjun Li, co-Director of CICER, presented research paper on

*Transportation Policies and Equilibrium Sorting: Evidence from Beijing*

2018 Joint Cornell Contemporary China Initiative Student Symposium

Keynote speaker: Yang Cao, Zhejiang University

*Topic: Economic Development, Market Transition and Work Values in Urban China*
CICER offers an annual Summer Program on Economics and Business. The goal of the program is to help college students in China gain an in-depth understanding of the most important economic and business challenges facing China, the U.S. and the world, as well as acquiring knowledge of the academic environment, culture and social background of the U.S.

The three-week program offers courses by prominent professors in business and economics, workshops on graduate school applications, seminars on the U.S. job market and career choices, and extensive field trips to other Ivy-League universities, prominent think tanks, and international organizations in New York City and Washington DC. Students will have opportunities to interact with professionals in these organizations.

THE PROGRAM OFFERS:
- Courses and seminars on economics and business by Cornell professors
- Academic seminars featuring professors from leading universities and institutions
- Workshops on graduate school applications and career development
- Field trips to New York City and Washington DC, as well as interaction with professionals

SPEAKERS:
- Prof Prof. Jura Liaukonyte (Cornell)
- Prof Panle Jia Barwick (Cornell)
- Prof Prof. Gregory Besharov (Cornell)
- Prof Prof. Prof. Calum Turvey (Cornell)
- Prof Shanjun Li (Cornell)
- Prof David Ng (Cornell)
- Prof Michael Waldman (Cornell)

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In 2018, 63 undergraduate and 15 graduate students participated in CICER’s 2018 summer program. The students are from 26 top universities in China such as Nankai, University, Xiamen, University, Fudan, University, Shanghai Jiaotong University, NYU Shanghai, Renmin University of China, Beijing Normal University, Zhejiang University, CAU, CUFE and Nanjing Audit University.

The Summer program is a big success. Many students shared with us that their amazing experience at Cornell was beyond their expectations. Many are inspired to work harder and desiring to apply to Cornell graduate school.

Highlights for this program include seminars/workshops, panel discussion about working in the finance industry, information session on graduate school application, networking opportunities with graduate students, field trips to The World Bank, Niagara Falls, NYC, etc.