

# YANGZHOU YUAN

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## EDUCATION

### Undergraduate

- B.A., Economics, Fudan University, 2004 - 2008
- Visiting Students, University of Groningen, 2006 - 2008

### Graduate

- Research Master, Stockholm University, 2009 - 2010 (Switch to PhD)
- Doctoral Studies, Stockholm University, 2010 – Present  
Advisor: Professor John Hassler  
Expected Completion: 2017

## REFERENCES

Professor John Hassler  
IIES, Stockholm University  
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## RESEARCH FIELDS

Macroeconomics, International Trade, Macro-Finance, Chinese Economy

## RESEARCH PAPERS

### **“Variable Markups and Misallocation in Chinese Manufacturing and Services,”**

**(Job Market Paper) with Song (Michael) Zheng and Ge Jinfeng**

Cross-country comparison reveals an unusually small service sector in China. Using firm-level data from China's 2008 economic census, we find out that: 1) there are more state-owned enterprises and fewer entrants in the service sector. 2) Markups increase in firm size in both manufacturing and service, with more dramatic increase among service firms. We interpret these facts through the lens of a monopolistic competition model with heterogeneous firms and variable markups. Necessary and sufficient conditions are established for entry barriers and other frictions to cause misallocation via markups. We also extend the analysis to a multi-sector environment, where the model implies a new channel that translates asymmetric barriers to entry across sectors into sectoral markups differences, which, in turn, cause sectoral misallocation. Model calibration finds big variations in entry barriers across industries. When reducing entry barriers for service firms to the extent observed for manufacturing firms, the model predicts a three-percentage-point increase in the service employment share.

### **“Market Completeness and Comparative Advantage,”**

When countries are different in terms of domestic institutions and sectors' sensitivity towards institutions are heterogeneous, there exists a source of comparative advantage between countries. This paper looks at market completeness as a quality measure of financial institution. When sectors are heterogeneous in the size of idiosyncratic risk, countries with more complete market have comparative advantages in more risky sectors. I set up a simple two-country two-good model to demonstrate this pattern and use country-sector level trade data to support this hypothesis.

### **“One Child Policy and Human Capital Distortions,”**

One child policy not only affects demographic structure, but also changes family saving and investment behavior. Using overlapping generation framework, this paper looks at the effects of one child policy on family education investment choice. The model assumes children are born with heterogeneous education capacity (talents). When financial market is imperfect, parents tend to over-invest in children with low education capacity under one child fertility constraint.

**TEACHING EXPERIENCE**

Spring 2015: T.A. Macroeconomics II (PhD), Stockholm University

**CONFERENCE AND PRESENTATIONS**

- Asian Economic Panel, 2014
- Fudan University, School of Economics Seminar 2013, 2014
- Stockholm University IIES macro workshop, 2014, 2015
- Stockholm University Department of Economics brown bag seminars, 2014, 2015

**COMPUTER SKILL:**

Matlab, R, Python, Stata, Mathematica

**LANGUAGE SKILL:**

Chinese (Native), English (Fluent)