

RA Meeting Notes

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1 Dr. Xiaomei Sui

1.1 23 Sept 2023

- firm dynamics studies the hetero distributional effect of aggregate policy
- it uses structural models to explain mechanism and drives DID or other empirical methods
- productivity growth can be explained by:
 - resource misallocation across firms
 - exogenous frictions and/or technological change within firms
 - globalization
 - et cetera
- dispute between US and China in trade and tech features bias on export and innovation policy.
- literature ignores heterogenous firms especially disaggregated firm/ sector behavior on the whole market as affected by the policy. We can conclude policy implications in terms of measures and timing from this study.

1.2 28 Sep 2023

- TFP depends on 1) firm's productivity through innovation, knowledge diffusion and tech adoption; 2) resource allocation across firms in form of capital labor and material input; 3) tech change, biz cycle shock, market structure, frictions

1.3 05 Oct 2023

- focus: CHIPs and Science Act; Plaza Accord; Innovation Act
- global value chain: new mechanism, new element. We use data (event study) and combine multi-country model to study policy instruments that protect domestic innovation.
- priority is on paper summary
- literature focus more on tariff and export ban, but few on innovation and regional cooperation and competition. trade literature features welfare gains and comparative advantage.
- we study nation's means of competition.
- framework

- trade
- FDI/ Innovation
 - * Time
 - * Target (Region, sector, firm)
 - * Act (Subsidy, Ban, Tax)
 - * Note: focus is on impact.

1.4 2 Nov 2023

- create own list matching ISO code, country name from WB etc.
- policy change over time. search firm sector country for counterfactual.

1.5 16 Nov 2023

- Communication between academics: reduced form knowledge spillover = 0. search and matching. random meeting. worker probability meet and communicate and thus knowledge diffusion. reduced prob of meeting.
- Marta Prato 2022
- caliendo: diffusion with goods/ workes(deciding place to work. the measure of diffusion)
- First try a small dataset: first make sure it works.
- model to solve lack of causality. change para: change force: result —clear causality.
- melitz hopenhayn kelette kortum

1.6 6 Dec 2023

- 5-year growth, 3-year growth rate to check growth implications
- customer base model: firm invest in ad and amrketing to acquire new customers thereby shift demand
- markup model: firms accumulate reputation/ market power and charge for higher markups
- Herfindahl-Hirschman Index (HHI) is a common measure of market concentration and is used to determine market competitiveness, often pre- and post-merger and acquisition (M&A) transactions.
- TFP vs TFPQ

- entry margin
- exit margin for India, high exit barrier
- quant analysis, specific about key parameters to calibrate, to know what is missing in literature
- entry regulation literature. entrance can have direct hetero among entrants, regulations to support entrants with higher potential. deregulation grows entry.

1.7 14 Dec 2023

- Not too much on paper
- innovation probability: increased by higher incentive – citation and number of patent. firm file patents. standardized innovation probability. 1-on-1 mapping
- Aghion et al 2005
- patent and quality improvement
- TFP-g can be pinned down
- firm level to pin down relative prod difference. mean std.
- citation → knowledge diffusion
- knowledge stock make more productive.
- past patent, productivity high.
- patent and no. of variety
- klette kortum model, endogenous no of product lines not yet disciplined with data.
- first database and description; secondly literature review on measurement.

Bibliography