Chengzi Yi

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FIELDS OF INTEREST

Primary: Macroeconomics
Secondary: Firm Dynamics, Firm Heterogeneity, International Trade, Financial Economics

EDUCATION

European University Institute   2020–2026(expected)
Ph.D. in Economics

Fudan University   2016–2020
Ph.D. in Finance

Hong Kong Polytechnic University   2011–2012
M.A. in Finance

Guangdong University of Foreign Studies   2007–2011
B.A. in French & B.A. in Economics

VISITING EXPERIENCE

Visiting Researcher   2024
Bank of Finland Institute for Emerging Economies

Visiting Student   2023
Universitat Pompeu Fabra

Visiting Student   2018
London School of Economics and Political Science

WORKING PAPERS

Export Dynamics of Multi-Product Firms with (Non-)Differentiated Products (Job Market Paper)

Abstract: Canonical models with heterogeneous firms and sunk export costs predict more profitable firms export ("export sorting"). This paper shows export sorting pattern varies systematically with product differentiation. Using Slovenian administrative data, I document that the gap in value added per worker between exporters and non-exporters is smaller in more differentiated sectors, particularly among multiproduct firms. I rationalise this pattern with a model in which multiproduct firms choose product scope and export participation based on cost efficiency and market-specific product appeal, featuring a "star-product" mechanism. When export costs are shared across products, high-appeal products pull marginal product lines into export bundles, diluting measured productivity among exporters. This composition effect is especially pronounced in high-differentiation sectors, where high markups allow less appealing products to be exported. The model reproduces observed sorting patterns when estimated separately for high- and low-differentiation sectors. I then evaluate a 50 percentage point tariff increase on a single product and find large contractions with substantial spillovers in the low-differentiation sector but minimal spillovers and little aggregate response in the high-differentiation sector.

Collateral Constraints and Asset Composition

Presented at BOFIT Seminar (2024), Bank of Finland; European Doctoral Programme Jamboree (2024), Barcelona; Marco Working Group (2024), European University Institute.

Abstract: This paper studies how collateral constraints shape firms' asset composition between real estate and non-real-estate capital. I build and estimate a dynamic two-asset model with convex and non-convex adjustment costs and asset-specific pledgeability, using data on Chinese listed manufacturing firms. The estimates indicate greater pledgeability of real estate capital but substantially higher fixed costs of its adjustment. With adjustment and financial frictions, the model matches the observed right-skewed distribution of the real-estate-to-non-real-

estate ratio and the declining share of real estate in total capital as capital size increases. Removing financial frictions eliminates precautionary investments and reduces aggregate capital and revenue; removing both financial frictions and fixed costs raises aggregate capital and revenue. In both counterfactuals, aggregate TFPR increases. In a real-estate-crisis scenario in which real estate becomes non-pledgeable, investment tilts towards non-real estate, and aggregate capital rises due to the higher collateral value of non-real estate; however, misallocation worsens: aggregate TFPR falls by 3.6% and revenue by 0.3%.

Revisiting the Investment Regressions: State-owned Firms vs. Private Firms in China

Presented at Finance Seminar (2023), Universitat Pompeu Fabra.

Abstract: The investment regression on a sample of Chinese listed firms shows that there is a significant correlation between investment rate and cash flow ratio after conditioning on average Q. This is true for both state-owned firms and private firms, which are conventionally considered to have different financial conditions. As noted by Cooper and Ejarque (2003), the violation of the constant-returns-to-scale assumption creates a wedge between average Q and marginal Q and can lead to a spurious cash effect in the investment regression even when there are no financial frictions. Following their argument, this paper examines the investment regression results of the Chinese firms by estimating a Hayashi's (1982) model which allows for decreasing returns to scale. The estimation results suggest that despite the decreasing returns to scale of capital, the presence of financial constraints brings the standard capital adjustment model closer to the data moments of both state-owned and private firms in China.

WORK IN PROGRESS

Product Differentiation and Export Dynamics of Multi-destination Multi-product Exporter

with Marius Gruenewald

POLICY WORK

Firm Responsiveness over the Business Cycle: New Evidence from Europe (CompNet Firm Productivity Report, 2025)

With Alberto Ferreira and Javier Miranda

Presented at FINPRO 4 Conference (2024); TSI Concluding Conference (2025).

PROFESSIONAL ACTIVITIES

External Research Consultant	2024–present
The Competitiveness Research Network	
Co-Organizer	2021
Macro Working Group, European University Institute	

TEACHING

Graduate level	
Dynamic Economics: Simulation-Based Estimators, EUI	2022
TA for Russell Cooper	
Financial Theory and Policy, Fudan	2017
TA for Lijian Sun	
Undergraduate level	
Econometrics, NYU Florence	2022
TA for Giampiero M. Gallo	
Other	
Digital Currencies and Digital Finance, Florence School of Banking and Finance	2023
TA for Thorsten Koeppel & Olena Havrylchyk	
Machine Learning: Tools and Applications, Florence School of Banking and Finance	2022
TA for Iman Van Lelyveld & Dieter Wang	

International Finance, Fudan International Summer Session 2019
TA for Xiaoyan Fan

OTHER PROFESSIONAL EXPERIENCE

Financial Officer 2013–2015
Guangdong Materials Import & Export Corp.

Assistant Business Officer 2012–2013
The Bank of East Asia

AWARDS & GRANTS

Job Market Fund 2025
European University Institute

Grants for Foreigners 2020–2024
Italian Ministry of Foreign Affairs & International Cooperation

Outstanding Graduate 2020
Fudan University

State Scholarship 2018
China Scholarship Council

Outstanding Ph.D. Student 2017
Fudan University

SKILLS

Programming: Julia, Python, MATLAB, R, Stata

Languages: Chinese (Native), English (Fluent), French (Intermediate), Cantonese (Basic)

REFERENCES

Russell Cooper (supervisor)
Liaoning University/European University Institute
China Economic Research Institute/Department of Economics
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Alexander Monge-Naranjo (supervisor)
Federal Reserve Bank of Atlanta
Research Division
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Halle Institute for Economic Research
Center for Business and Productivity Dynamics
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