

Chengzi Yi

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FIELDS OF INTEREST

Primary: Macroeconomics

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

EDUCATION

European University Institute <i>Ph.D. in Economics</i>	2020–2026(expected)
Fudan University <i>Ph.D. in Finance</i>	2016–2020
Hong Kong Polytechnic University <i>M.A. in Finance</i>	2011–2012
Guangdong University of Foreign Studies <i>B.A. in French & B.A. in Economics</i>	2007–2011

VISITING EXPERIENCE

Visiting Researcher <i>Bank of Finland Institute for Emerging Economies</i>	2024
Visiting Student <i>Universitat Pompeu Fabra</i>	2023
Visiting Student <i>London School of Economics and Political Science</i>	2018

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. When estimated separately for high- and low-differentiation sectors, the model reproduces observed sorting patterns and reveals stark policy asymmetries: a 50 percentage point tariff on one product triggers 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 a dynamic two-asset model with convex and non-convex adjustment costs and asset-specific pledgeability. Using data on Chinese listed manufacturing firms, I structurally estimate the adjustment-cost and pledgeability parameters. The estimates indicate substantially higher fixed costs of adjusting real estate and greater pledgeability of real estate. With these frictions, the model matches the right-skewed

distribution of the real-estate to non-real-estate ratio and the declining real-estate share with firm size. Removing financial frictions eliminates collateral value and reduces aggregate capital and revenue; removing both financial frictions and fixed costs raises both. In both counterfactuals, aggregate TFPR increases. In a real-estate-crisis scenario in which real estate becomes non-pledgeable, investment tilts toward non-real-estate and aggregate capital rises due to tighter constraints and 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
<i>The Competitiveness Research Network</i>	

Co-Organizer	2021
<i>Macro Working Group, European University Institute</i>	

TEACHING

Graduate level	
<i>Dynamic Economics: Simulation-Based Estimators, EUI</i>	2022
TA for Russell Cooper	

<i>Financial Theory and Policy, Fudan</i>	2017
TA for Lijian Sun	

Undergraduate level	
<i>Econometrics, NYU Florence</i>	2022
TA for Giampiero M. Gallo	

Other	
<i>Digital Currencies and Digital Finance, Florence School of Banking and Finance</i>	2023
TA for Thorsten Koeppl & Olena Havrylchuk	

<i>Machine Learning: Tools and Applications, Florence School of Banking and Finance</i>	2022
TA for Iman Van Lelyveld & Dieter Wang	

OTHER PROFESSIONAL EXPERIENCE

Financial Officer <i>Guangdong Materials Import & Export Corp.</i>	2013–2015
Assistant Business Officer <i>The Bank of East Asia</i>	2012–2013

AWARDS & GRANTS

Job Market Fund <i>European University Institute</i>	2025
Grants for Foreigners <i>Italian Ministry of Foreign Affairs & International Cooperation</i>	2020–2024
Outstanding Graduate <i>Fudan University</i>	2020
State Scholarship <i>China Scholarship Council</i>	2018
Outstanding Ph.D. Student <i>Fudan University</i>	2017

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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