

# Liang Fu

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## Education

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Ph.D. Economics, [University at Albany, SUNY](#)

Expected Completion: May 2022

Dissertation: Three essays in monetary economics

M.A. Economics, [Central University of Finance and Economics](#) 2014

B.S. Management, [Qingdao University](#) 2011

## Research and Teaching Fields

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**Primary fields:** Monetary Economics, International Economics

**Secondary fields:** Chinese Economy

## Research Papers

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**“Monetary Policy Surprises and Interest Rates under China’s Evolving Monetary Policy Framework”** (with Chun-Yu Ho) August 2021, Revision Requested by [Emerging Markets Review](#).

**Abstract:** This paper assesses the effectiveness of monetary policy in China by examining the influence of monetary policy on market interest rates using an event-study approach. The monetary policy framework in China has evolved considerably in the past two decades, increasingly moving from using quantity-based instruments and targets to using price-based ones. We find that the effectiveness of price-based instruments in impacting market interest rates is increasing over time, and that price-based instruments are as effective as quantity instruments for the period after the completion of interest rate liberalization. Furthermore, central bank communications containing information on future monetary policy affect medium- and long-term market interest rates.

**“Political Stability and Credibility of Currency Boards”** (with Shu Feng, Chun-Yu Ho and Wai-Yip Alex Ho) August 2021, Revision Requested by [Journal of International Money and Finance](#).

**Abstract:** This paper examines the credibility of currency boards of Argentina, Bulgaria, Estonia, Hong Kong, Latvia, and Lithuania. We estimate a Bayesian Markov switching model to analyze the role of economic fundamentals and self-fulfilling expectations in accounting for the credibility of the currency board. The credibility of our sample currency boards are all subject to self-fulfilling behaviors. We also find that the credibility of currency boards positively relates to the political stability of adopting economies.

**“Real Exchange Rate and Innovation: Firm-Level Evidence from China”** (with Chun-Yu Ho)

and Xiaoli Zhang) June 2021.

**Abstract:** This paper examines how exchange rate movement affects firms' innovation activities using a panel dataset of Chinese manufacturing firms. We measure firm-level innovation activities by the share of new product sales in total sales and the number of patent applications. We construct firm-specific effective real exchange rates (RER) to measure the exchange rate shocks faced by each firm according to its composition of trading partners. We find that a 10% increase in effective RER (i.e., depreciation) increases the share of new product sales in total sales by about 0.2 percentage points. Our result is robust to 1) the inclusion of firm- and industry-specific control variables, firm-specific fixed effects, and year effects, 2) alternative measures of effective RER, and 3) alternative empirical specifications. Nonetheless, there is no evidence showing that firm-specific RER shocks affect patent applications. We further show that a better export opportunity is the main channel through which a depreciation of exchange rate promotes innovation activities. A better export opportunity leads to higher revenue from exports, which in turn relaxes the financial constraint faced by firms to conducting innovation activities.

## Research Papers in Progress

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“The Impact of China’s Monetary Policy on Exchange Rates: Evidence from High-Frequency Data”

“Time-Varying Effects of China’s Monetary Policy” (with Cheng Yang)

## Teaching Experience

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**Instructor**, University at Albany, SUNY 08/2018 - current

Economic Statistics (Undergraduate): Fall 2021

Money and Banking (Undergraduate): Summer 2018, Fall 2018, Fall 2019, Spring 2020

Intermediate Macroeconomics (Undergraduate): Spring 2019, Fall 2020, Spring 2021

**Teaching Assistant**, University at Albany, SUNY 09/2014 - 05/2016

Microeconomics II (PhD): Spring 2016

Public Microeconomics (Undergraduate): Spring 2016

Applied Econometrics (Undergraduate): Fall 2015

Economics of Labor (Undergraduate): Fall 2014, Spring 2015

**Teaching Assistant**, Central University of Finance and Economics 02/2012 - 01/2013

Production and Consumption Theory (Undergraduate): Fall 2012

Intermediate Microeconomics (Undergraduate): Spring 2012

## Research Experience and Other Employments

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**Research Assistant**, New York State Division of the Budget 05/2016 - 08/2018

## Scholarships, Honors, and Awards

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<b>Helen Horowitz Excellence in Teaching Award</b> , University at Albany, SUNY	2019
<b>Distinction in Preliminary Examinations</b> , University at Albany, SUNY	2015
<b>Graduate Assistantship</b> , University at Albany, SUNY	2014-2018
<b>First Class Scholarship</b> , Qingdao University	2008, 2009
<b>Outstanding Student Award</b> , Qingdao University	2008, 2009

## Skills

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**Computer:** R, Stata, MATLAB, SAS, LaTeX  
**Language:** Chinese Mandarin (Native), English (Fluent)

## Personal Information

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**Date of Birth:** July 7, 1989  
**Gender:** Male  
**Citizenship:** China