

Liang Fu

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Education

Ph.D. Economics, University at Albany, SUNY	2014-2022
<u>Expected Completion Date:</u> May 2022	
M.A. Economics, Central University of Finance and Economics	2011-2014
B.S. Management, Qingdao University	2007-2011

Research and Teaching Fields

Primary fields: Monetary Economics, International Economics
Secondary fields: Chinese Economy

Research Papers

“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 administrative and quantity instruments to price-based instruments. Overall, we find that price-based instruments are nearly as effective as quantity and administrative instruments in impacting market interest rates, especially since 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 employ a Markov switching model to estimate the credibility of a currency board as the expected rate of depreciation induced by self-fulfilling behavior. The currency boards of our sample countries are all subject to self-fulfilling behavior, which suggests that the credibility of a currency board determines the expected rate of depreciation. We also find evidence 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. Our empirical results report 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) the use of alternative weighting in constructing 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, we argue, relaxes the financial constraint faced by firms to conducting innovation activities.

Research Papers in Progress

“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

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

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

Scholarships, Honors, and Awards

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

Skills

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

Personal Information

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