Li Zhang

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Department of Economics
The Chinese University of Hong Kong
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Education

The Chinese University of Hong Kong
Ph.D. in Economics, Aug 2020 to Jul 2024 (expected)
Renmin University of China
M.A., Economics, Jun 2019
B.A., Economics, Jun 2017

Research Interests

Labor Economics, Development Economics, Economics of Education

Research

Publications

Zhang, Li, Lunyu Xie, & Xinye Zheng (2023). Across a Few Prohibitive Miles: The Impact of the Anti-Poverty Relocation Program in China. ***Journal of Development Economics***, 160, 102945.

> **Data**: Administrative dataset on over 40,000 impoverished individuals in a Chinese county
>
> **Method**: Difference-in-Differences, Event Study

Working Papers

Job Search and Wage Gaps between Migrants and Native Workers: Evidence from China (with Naijia Guo and Ben Zou)

> **Data**: Longitudinally matched employer-employee dataset of about six million workers in Beijing
>
> **Method**: AKM Model, Difference-in-Differences, Job-Search Model

Is a Better School Better for All? Evidence from Elite Education in China (with Lunyu Xie). Available at SSRN: http://ssrn.com/abstract=4038574.

> Honorable Mentions, 2021 CES Annual Conference Best Student Paper
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> **Data**: Matched data on students' middle school performance, high school entrance exam performance, and college entrance exam performance
>
> **Method**: Regression Discontinuity Design

Work in Progress

Job Dynamics and Life-Cycle Wage Growth (with Naijia Guo and Ben Zou)

Rural Labor Allocation, Risk Insurance, and Temporary Migration (with Yucheng Wang)

Effect of Technology on Migration and Social Welfare in China: A General Equilibrium Approach (with Suqin Ge, Naijia Guo, Zibin Huang, and Junsen Zhang)

Trade Liberalization and Intergenerational Education Mobility: Evidence from China (with Jingxuan Du)

Pre-Doctoral Publications (in Chinese)

Zheng, Xinye, Yucheng Wang, & Li Zhang (2019). Coordination between Government Departments and Allocation of Public Resources: Theoretical and Empirical Evidence from China. *Economic Research Journal* (10): 24-40.

Zheng, Xinye, Li Zhang, & Yangyang Zhang (2019). Global Tax Competition and China's Policy Choice. *Economics Information* (2): 31-46.

Zheng, Xinye, & Li Zhang. (2017). The Possibilities in the Impossible Trinity of Fiscal Policy. *Exploration and Free Views* (9): 108-116.

Seminar

2021:   Beijing Normal University

Conference Presentations

2023:   The Asian Meeting of the Econometric Society (Tsinghua U)
China Economics Annual Conference (SCUT)
WEAI International Conference (UMelbourne)
2022:   AASLE Annual Conference (UTokyo)
2021:   Asia Impact Evaluation Conference (HKUST)
Symposium on Contemporary Labor Economics (Xiamen U)
HCEO-CEP-CREC Virtual SSSI (virtual)
The China Meeting of the Econometric Society (virtual)
CES Annual Conference (virtual, session chair)
2020:   AAEA Virtual Meeting (virtual)
Annual World Bank Conference on Land and Poverty (cancelled)
2019:   International Symposium on Contemporary Labor Economics (CUHK Shenzhen)
Sustainable Development Goals (Renmin U)
International Conference on China's Development Theory (Renmin U)
Conference on Micro-data and Economics Innovation (Jinan U)
2018:   Annual Conference of CESA (UTS)

Research Assistant

The Chinese University of Hong Kong	Aug 2020 – Present

Supervisors: Prof. Junsen Zhang, Prof. Naijia Guo

EPIC-China	Mar 2020 – Jul 2020

Supervisors: Prof. Guojun He, Prof. Shaoda Wang

Institute of New Structural Economics, Peking University	Nov 2016 – Sept 2018

Supervisor: Prof. Jiajun Xu

National School of Development, Peking University	May 2016 – Jul 2016

Supervisor: Prof. Samantha Vortherms

Center of Chinese Agricultural Policy, Chinese Academy of Sciences	Jan 2016 – Mar 2016

Supervisor: Prof. Yu Bai

Institutions, implementation, and program effectiveness: Evidence from a randomized evaluation of computer-assisted learning in rural China, Journal of Development Economics, 2020

Teaching Assistant

ECON 3430 Public Finance	Fall 2022–23
ECON 1010 Perspectives in Economics (gave two tutorial sessions)	Fall 2021–22
ECON 3320 Asia-Pacific Economies	Spring 2020–21

Awards and Honors

The CUHK Reaching Out Award, 2023

Hong Kong PhD Fellowship Scheme, 2020 – 2024

National Scholarship, 2018, 2019

Outstanding Graduate of Renmin University of China, 2019

Meritorious Winner in the Interdisciplinary Contest in Modeling (ICM), 2016

Journal Reviewer

China Economic Review, Population Research and Policy Review

Skills and Language

Software: Stata, R, MATLAB, Python, Julia, LaTeX

Language: Cantonese: Native; Mandarin: Native; English: Fluent

References

Prof. Junsen Zhang   Distinguished University Professor, School of Economics, Zhejiang University
Emeritus Professor, Department of Economics, The Chinese University of Hong Kong
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Prof. Naijia Guo   Assistant Professor, Department of Economics, The University of Hong Kong
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Prof. Ben Zou   Assistant Professor of Economics, Purdue University
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Abstracts of Selected Papers

Across a few prohibitive miles: The impact of the Anti-Poverty Relocation Program in China

Many households are confined to remote rural villages in the developing world. This study examines the Anti-Poverty Relocation Program in China, considering the village-to-town relocation from the agricultural to the non-agricultural sectors induced by the program. While exploring a novel administrative data set on impoverished people in a Chinese county, we discovered that the program significantly increased the participants' income by 9.61%, driven mainly by the increase in wage income. The empirical findings are consistent with the Roy-model perspective, which states that rural households with comparative advantage in non-agricultural sectors could benefit from relocation to nearby towns. This study provides new evidence that mobility barriers across sectors exist even on a small geographic scale in rural areas. The results of the cost–benefit analysis suggest that relocation of households in remote rural areas is a feasible policy tool for overcoming such mobility barriers.

Job Search and Wage Gaps between Migrants and Native Workers: Evidence from China

Using administrative records of the Housing Provident Fund in Beijing, this study builds a longitudinally matched employer-employee dataset of approximately six million workers spanning from 2006 to 2014. Based on this dataset, we demonstrate that migrants earn approximately 7.6 percentage points less than their native counterparts with comparable observed characteristics and abilities captured by worker fixed effects. We argue that this wage gap arises due to Beijing's hukou system. Only migrants place value on hukou and are willing to accept offers with lower wages in exchange for the non-monetary benefits of hukou. Two pieces of empirical evidence support this argument. Firstly, the native-migrant wage gap is more significant in firms that are more likely to offer hukou quotas for migrants, such as public sector firms, firms located in suburban regions of Beijing, and specific industries with more quotas. Secondly, a natural experiment involving a one-third reduction in the total number of hukou quotas in 2011 narrowed the migrant-native wage gap to 4.4%. The effect was more pronounced in firms that experienced a more substantial reduction in hukou quotas, and on young migrants with higher demand for hukou. Our results suggest that hukou policy leads to the misallocation of migrants across firms.

Is a Better School Better for All? Evidence from Elite Education in China

A large and growing literature focuses on the causal impacts of elite education on students' academic outcomes. Yet, current conclusions are contentious. To understand the heterogeneous impacts of elite education, this study utilizes a new empirical strategy based on the fact that the one-shot high school entrance exam (HSEE) in China generates sufficient variation in the academic ability of students even in a narrow bandwidth around the admission cutoff of entering elite high schools. Combining students' performance on middle school final exams, the HSEE, and the college entrance exam (CEE) in a typical county in China, this study provides direct evidence that well-prepared students benefit more from elite high school education compared to under-prepared students. Also, high-stakes exam results depend highly on one's unobserved ability to handle such exams. These findings imply that using one-shot high-stakes exam results to allocate educational resources masks students' actual preparation for elite education, resulting in a misallocation of educational resources.