

Tengda Gong

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The Department of Agricultural and Resource Economics
University of California, Davis
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EDUCATION

Ph.D., Economics, University of California, Davis, *expected June 2023*

Dissertation: Three Essays on Effects of Land Ownership Security on Land and Labor Allocations

Committee: Michael Carter (Chair), Stephen Boucher, Dalia Ghanem

M.A., Economics, Xiamen University (China), 2014-2017

B.S., Finance, University of Science and Technology of China, 2010-2014

RESEARCH & TEACHING INTERESTS

Development Economics, Agricultural Economics, Applied Econometrics

PUBLICATIONS

Gafarov, Bulat, Tengda Gong, and Jens Hilscher. 2022. "What Price is Right? Cigarette Demand Has Become More Responsive to Prices." *ARE Update* 25(4): 9-11. University of California Giannini Foundation of Agricultural Economics. <https://giannini.ucop.edu/filer/file/1650925435/20369/>

Gong, Tengda. 2014. "The Mechanization of Farming on *Tiliu Tian* Boosts Transfers of *Chengbao Tian*: Economic Analysis and Descriptive Evidence from Chizhou, Anhui Province, China." *Journal of Translation from Foreign Literature of Economics (Chinese)*. 2(2014): 71-84.
<http://www.cqvip.com/qk/91566x/201402/1003253816.html>

JOB MARKET PAPER

"Economic Impacts of Land Security Improvements: Investment Incentives versus Rental Incentives."

This paper studies the interaction between the two types of incentives associated with land ownership security---incentives of making land-attached investments and renting out land---and its implication for the impacts of securing land ownership on agricultural output and the wage rate of farm labor in an unequal agrarian economy. I build a novel land rental model that incorporates the two foregoing incentives, credit access, and the agency cost of hired labor---the essential efficiency argument for pro-smallholder land policies. The model predicts that when land rental contracts are of short terms, landowners for whom self-cultivating all the endowed land involves the usage of hired labor will face a trade-off between renting out (more) land to reduce hired labor input and self-cultivating (more) land to increase attached capital investments of a lower depreciation rate provided the improvement in land ownership security. In line with this prediction, I find that among rural Nicaraguan households who have an improvement in land ownership security, those having been randomly assigned to the early treatment group in the Rural Business Program, which provides financial and technical support to participants, are more likely to invest land-attached capital but less likely to rent out land relative to the others for whom the program has not started yet, *possibly because the extra money from the program enables the former to invest more land-attached capital in response to securer land ownership that favors self-cultivation (in progress)*. Numerical simulations show that the aforementioned trade-off effect can notably attenuate the sizable positive impact of securing land ownership on the wage rate of farm labor but not necessarily agricultural output in an unequal agrarian economy. Counterfactual analyses suggest that eliminating the capital depreciation rate gap between the land to be rented out and the land to be self-cultivated caused by barriers to long-term land rental contracts can substantially increase gains in both the wage rate of farm labor and agricultural output.

WORK IN PROGRESS

“The Risk of Tenants Squatting the Rented Land and the Aggregate Labor Productivity: Theory and Evidence from the Dominican Republic.”

This paper studies the impact of securing land ownership on the labor allocation between the agriculture sector and the non-agriculture sector and its implication for the aggregate labor productivity in countries like the Dominican Republic where tenants have the chance to successfully squat the rented land from landlords. Theoretical and simulation analyses suggest that removing the ownership risk from tenants will eliminate the labor misallocation between the agriculture sector and the non-agriculture sector and hence increase the aggregate labor productivity. The economic mechanism behind it is that workers will choose sectoral occupations following their comparative advantages without fear of losing the land to be rented out or hope of squatting the land to be rented in.

“Cyclical and Trend Variations in Demand Elasticity: Scanner Data Evidence from US Grocery Stores.”

Coauthored with Bulat Gafarov and Jens Hilscher.

We document common cyclical and trend variations in store-residual demand elasticities for groceries across the U.S. in the recent two decades, based on the IRI and Nielsen retail scanner data. We identify the supply shock of a specific product sold by a store within a market of interest by using the volume-weighted average weekly prices of the same product sold in a geographically-neighboring market as the price IV. We control various demand shocks using product, store, and week fixed effects as well as selling features. Our IV estimates of annual residual demand elasticities exhibit a downward trend of 0.04 per year and a cyclical variation of 0.08 per year in magnitude. The former echoes the recent findings of rising markups in the U.S. retail sector. The latter reflects the dynamics of consumers' purchasing power as shown in the literature.

RESEARCH EXPERIENCE

Research Assistant, Department of Agricultural and Resource Economics, University of California, Davis

Project 1. Use scanner data to test the rational inattention of store managers in pricing groceries.

Assistant Professor Bulat Gafarov, Professor Jens Hilscher and James Chalfant; 2019 & 2021. I cleaned data, conducted regression analyses using STATA, and wrote result reports.

Project 2. Apply the Local Projection to the Impulse Response Function for valid inference.

Assistant Professor Bulat Gafarov; 2020. I conducted numerical simulations using MATLAB to show that the Local Projection approach always delivers the asymptotic normality while the conventional Delta method does not for the non-stationary time series data.

Project 3. Employ a new pricing model to evaluate coupon bonds.

Professor Jens Hilscher; 2020-2021. I used MATLAB to estimate pricing models and assess their performances in predicting bond prices.

Project 4. Overview spot and futures markets of water in California.

Associate Professor Katrina Jessoe, Professor Colin Carter and Jens Hilscher, and Assistant Professor Bulat Gafarov; 2021. I collected and summarized water allocation and trading data, policy reports, and the related literature.

PRESENTATIONS

2022 Agricultural & Applied Economics Association Annual Meeting, Anaheim, California, August 2022

Western Economic Association International 97th Annual Meeting, Portland, Oregon, July 2022

Midwest Economics Association 86th Annual Meeting, Minneapolis, Minnesota, March 2022

Development Workshop, The Department of Agricultural and Resource Economics, University of California, Davis, California, May 2021

TEACHING EXPERIENCE

Associate Instructor, Department of Agricultural and Resource Economics, University of California, Davis

Econometric Theory and Applications: undergraduate; Summer 2022; 35 students

Students' evaluations of overall teaching effectiveness: 4.8/5

Teaching Assistant, Department of Agricultural and Resource Economics, University of California, Davis

Undergraduate courses:

Econometric Theory and Applications: Winter & Spring 2022; 48 students on average

Students' evaluations of overall teaching effectiveness: 4.0/5 → 4.4/5

Financial Management of Firm: Winter & Spring 2019; 45 students on average

Students' evaluations of overall teaching effectiveness: 4.1/5 → 4.5/5

Intermediate Microeconomics: Fall 2018; 60 students

Students' evaluations of overall teaching effectiveness: NA*

*Something emergent happened to the teacher such that they did not do the student evaluations.

Managerial Economics: Winter 2018; 43 students

Students' evaluations of overall teaching effectiveness: 3.9/5

Graduate course:

Time Series Econometrics: Fall 2020 & Winter 2021; 13 students on average

Students' evaluations of overall teaching effectiveness: 4.6/5 → 4.9/5

REFEREE

American Journal of Agricultural Economics

Agricultural Economics

European Review of Agricultural Economics

China Economic Studies (Chinese)

HONORS AND AWARDS

The Best Teaching Assistant, Xiamen University (China), 2017

The Best Master Thesis, Xiamen University (China), 2017

The Outstanding Undergraduate Student, University of Science and Technology of China, 2014

CONTACTS

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China Economic Studies