WENYA WANG

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CONTACT INFORMATION

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CITIZENSHIP

China, Permanent Resident of Canada

EDUCATION

PhD. in Economics, University of Western Ontario	Expected August 2017
M.A. in Economics, University of Waterloo	2011
M.A. in Financial Engineering, Shanghai University of Finance & Economics	2010
B.A. in Economics, Zhejiang University	2008

RESEARCH FIELDS

Macroeconomics, Firm Dynamics, China's Economy, Development

WORK IN PROGRESS

Intermediate Goods and Misallocation in China's Manufacturing Sector (Job Market Paper)

Dynamic Reallocation in China Industrial Enterprise Survey Data: 1998-2007

SCHOLARSHIPS AND AWARDS

2015	Sir Arthur Currie Scholarship, University of Western Ontario
2013	Graduate Teaching Assistant of the Year, University of Western Ontario
2011-2015	Graduate Student Scholarship, University of Western Ontario
2010	Graduate Student Scholarship, University of Waterloo
2009	Third Class of People's Scholarship, Shanghai University of Finance & Economics
2007	National Scholarship, Zhejiang University
2007	First Class of Academic Scholarship, Zhejiang University

RESEARCH PRESENTATIONS

2017 Midwest Macroeconomics Meetings, Econometric Society Asian Meetings, Econometric Society China Meetings, University of Alberta

2016 Western Economics 50th Anniversary Conference, Canadian Economics Association 50th Annual Meetings (Session chair), Economics PhD Conference at University of Waterloo

2015 Canadian Economic Association 49th Annual Meetings, 2nd Biennial Conference of China Development Studies

RESEARCH EXPERIENCE

2014-present Research Assistant for Professor Jim MacGee
2013 Research Assistant for Professor Simona Cociuba
2012 Research Assistant for Professor Robert Young

TEACHING EXPERIENCE

Lecturer at University of Western Ontario
2016, 2015 Intermediate Macroeconomics
2013 Introductory Econometrics
Teaching Assistant at University of Western Ontario & University of Waterloo
2010-2015 Econometrics (graduate, undergraduate), Economics of China, Principles of Microeconomics & Macroeconomics

COMPUTER SKILLS

Fortran, MPI, Matlab, Stata, R, LaTeX

LANGUAGES

Mandarin (Native), English (Fluent)

REFERENCES

Prof. Jim MacGee (Advisor)
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THESIS ABSTRACTS

Intermediate Goods and Misallocation in China's Manufacturing Sector (JOB MARKET PAPER)

This paper quantifies the novel role of intermediate goods frictions, i.e. time-to-order and borrowing constraints, in accounting for the documented substantial misallocation in China Industrial Enterprise Survey (CIES) (Hsieh and Klenow, 2009; Brandt, Van Biesebroeck and Zhang, 2012). With a gross output production function, I incorporate intermediate goods frictions into the firm investment model of Cooper and Haltiwanger (2006). Firms order and prepay for a fraction of intermediate goods one period in advance (time-to-order), and face one borrowing constraint on capital and intermediate goods. Firms also face capital adjustment costs. I measure misallocation by the potential gross output gain as a percentage of actual gross output, if intermediate goods, capital and labor were hypothetically reallocated to equalize marginal products across firms. Over 1998-2007, misallocation in the CIES data averages 140 percent. The model accounts for around 70 percent of this misallocation, when calibrated to key moments in firm-level debt, productivity and market share distribution in the CIES data. Half of the misallocation in the model is attributed to intermediate goods frictions: 34 percent from borrowing constraints, and 16 percent from time-to-order. While borrowing constraints on capital induce small misallocation, capital adjustment costs account for the other half. Larger misallocation with intermediate goods frictions than without arises from its 70 percent gross output revenue share and recurrent need of financing. This tightens the borrowing constraint and interrupts the self-financing mechanism for capital accumulation. The importance of intermediate goods frictions in misallocation could be applicable to other countries with an underdeveloped financial system.

Dynamic Reallocation in China Industrial Enterprise Survey Data: 1998-2007

Substantial misallocation of inputs across firms is well documented in the China Industrial Enterprise Survey Data (CIES)(e.g. Hsieh and Klenow, 2009). Is this measured misallocation due to distortions in reallocation across existing firms or distortions in entry and exit? To answer this question, I follow Bailey, Hulten and Campbell (1992) and decompose 5-year output-weighted aggregate productivity growth into contributions from reallocation, net entry, and firm-level productivity growth in the CIES. I find that net entry and firm-level productivity growth account for 91 percent and 18 percent of aggregate productivity growth, respectively. Reallocation across existing firms lowers growth by 9 percent. This is surprising, since the literature finds that reallocations account for over 30 percent of the U.S. manufacturing productivity growth (Bailey, Hulten and Campbell, 1992; Foster, Haltiwanger and Krizan, 2001). One potential explanation for this difference is that the CIES includes only privately owned firms with sales above 5 million yuan, while the U.S. census data covers all manufacturing firms. Over 1998-2003, only 57 percent of entrants in the CIES are new firms, while the rest are existing firms whose sales rise above 5 million yuan. The measured 17 percent exit rate from the CIES is also biased upwards, since many exiters are continuing firms whose sales fall below 5 million yuan. To quantify the impact of this measurement bias, I redo the decomposition with several alternative exit rates in the CIES. Varying the exit rate from 8 percent to 5 percent implies a decreasing contribution of reallocation from an upper bound of 20 percent to 2 percent. Given that large firms have a lower exit rate than the 8 percent for all manufacturing firms, I conclude that reallocation in China is more distorted than in the U.S., but less than what the direct decomposition in the CIES suggests.