

## LINYI ZHANG

Managerial Economics and Strategy  
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### RESEARCH FIELDS

Economics of Innovation, Chinese Economy

### DOCTORAL STUDIES

Ph.D., Managerial Economics and Strategy, Northwestern University, Evanston, Illinois  
Dissertation: Essays on Firm Innovation and Inventor Mobility  
Committee Chairperson: Professor Benjamin F. Jones  
Date of Completion: June 2018 (expected)

### PREDOCTORAL STUDIES

M.A.: Managerial Economics and Strategy, Northwestern University, Evanston, IL, 2015.  
M.A.: Economics, National School of Development, Beijing, China, 2013.  
B.A.: Economics, Peking University, Beijing, China, 2010.

### FELLOWSHIPS AND AWARDS

NBER Grant for Entrepreneurship Boot Camp, 2015  
Academic Fellowship, National School of Development, Peking University, 2010-2013  
Outstanding Student Award, Peking University, 2010  
Distinguished Student Award, Zurich Life Insurance Company Limited Legend Region, 2009  
Global Leadership Scholarship, Suisse International Group and HCIA, 2009  
Second Prize, Scientific Research Competition, Peking University, 2008  
President Research Fellowship, Peking University, 2008-2009  
Academic Scholarship, Peking University, 2006-2010

### TEACHING EXPERIENCE

Microeconomic Analysis, MBA Core  
**Teaching Assistant**, Kellogg School of Management, 2016-2017

Strategy and Organization, MBA Elective  
**Teaching Assistant**, Kellogg School of Management, 2016-2017

Macroeconomics, MBA Elective  
**Teaching Assistant**, Kellogg School of Management, 2015-2016

Business Strategy, MBA Core  
**Teaching Assistant**, Kellogg School of Management, 2014

Summer School on Socioeconomic Inequality  
**Teaching Assistant**, National School of Development, Peking University, 2013

## **RESEARCH EXPERIENCE**

Research Assistant for Professor Ben Jones, Northwestern University, 2015  
Research Assistant for Professor Yang Yao, Peking University, 2011  
Research Assistant for the Fourth Economic Dialogue Between the National Committee of U.S. and China Relations and the National School of Development, Peking University, 2011  
Research Assistant for the National Fixed-point Survey in Rural China, Anhui, 2011

## **JOB MARKET PAPER**

### **“Escaping Chinese Import Competition? Evidence from U.S. Firm Innovation”**

This paper examines the impact of competition from Chinese imports on innovation by U.S. public manufacturing firms. Exploiting cross-industry and over-time trade variations from 1991 to 2004, I find that when Chinese imports surged into the U.S. market, U.S. public manufacturing firms increased their number of patents as a response. In addition, U.S. public manufacturing firms appeared to adopt horizontal differentiation as a strategy to escape Chinese competition; they were more likely to patent in new technology classes and to enter new product markets. I also document differential responses to Chinese import competition across firms. While large firms were responsible for the increase in patents and horizontal differentiation, small firms significantly reduced their R&D expenditures and were more likely to exit. Finally, I provide novel evidence on the channel of adjustment: new inventors to the firms were responsible for almost all of the increased innovation. When Chinese import penetration intensified, inventors were more likely to leave small firms and go to large firms.

## **OTHER PAPERS AND WORK IN PROGRESS**

**“Chinese Import Competition and Reallocation of Talents: Evidence from U.S. Inventors”**,  
Work in Progress

This paper examines how U.S. inventor mobility is affected by competition from Chinese imports. Following Autor et al. (2013), I measure annual Chinese import competition from 1991 to 2004 at the commuting zone level; and I explore inventor mobility both across firms and across commuting zones. Preliminary results suggest that when a commuting zone experienced higher Chinese import competition, inventors in that area were more likely to leave. But the majority of leaving inventors remained working for the same firm. This implies that higher Chinese import competition induced reallocation of inventors across different commuting zones within the same firm. For inventors that left both the commuting zone and the firm, they were most likely to move between public firms. To further investigate inventor heterogeneity, I explore what kind of inventors were more likely to leave, and which type of firms did they leave for. In particular, I will test the following two hypotheses: 1) inventors working at large public firms were more likely to be re-located across different commuting zones, while inventors working at small public firms were more likely to leave for large public firms; and 2) more productive inventors were either re-located within the same firm across different commuting zones or moved across different public firms, while less productive inventors moved from public to private firms or simply exited the corporate sector.

**“Exchange Rate and Firm Innovation: Evidence from Chinese Exporters”**, Work in Progress

In this paper, I exploit China’s exchange rate reform in 2005, and study how Chinese exporters’ innovation incentives were affected. The reform ended a decade-long peg of RMB to the U.S. dollar, appreciated RMB by 2.1% instantaneously, and started a “managed floating exchange rate with reference to a basket of currencies” that further contributed to RMB appreciation. Prior to the reform, Chinese exports enjoyed price advantage in foreign markets. After the reform, Chinese exports gradually lost their pricing edge. In order to stay competitive, Chinese exporters may choose to improve their products via innovation. I explore this possibility with a rich Chinese firm-level panel dataset from 2000 to 2008, which are collected and maintained by China’s National Bureau of Statistics in annual surveys of manufacturing enterprises. I adopt a DID approach where I test whether Chinese exporters innovated

more compared to Chinese non-exporters (first difference) after the reform relative to pre-reform innovation (second difference). Preliminary results show that, Chinese exporters on average increased their number of patents. The increase in innovation mainly came from exporters that engage in ordinary trade, not from the ones in processing trade. Going forward, I will examine what type of innovation is increased most, whether this is linked to improved firm productivity. I will also further investigate firm heterogeneity in response to the exchange rate reform.

**“Environmental Policy and Firm Innovation — Evidence from European Auto Industry”**  
with Kejia Hu, Work in Progress

**“Kinship Networks, Financing and Entrepreneurship — Evidence from Rural China”** (in Chinese) with Yunnan Guo and Yang Yao, *Journal of Financial Research*, **9**, 136-149, 2013

**“Does Land-leasing Reduce Income Inequality in Rural China?”** with Yang Yao, Working Paper, 2013

### INVITED TALKS AND CONFERENCE PRESENTATIONS

Lake Forest College Fall Seminar, Lake Forest, IL	November 2017
Sixth Annual Economic Symposium of National School of Development, Zhongnan University of Economics and Law, Wuhan, China	July 2017
Ronald Coase Institute Workshop on Institutional Analysis, Tsinghua University, Beijing, China	May 2012

### PROFESSIONAL EXPERIENCE

Bank of China, Intern, Credit Management Division, Shaanxi, China	August 2010
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### PERSONAL INFORMATION

Citizenship: China

### REFERENCES

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