YAN LIANG

LONDON SCHOOL OF ECONOMICS & POLITICAL SCIENCE **Department of Economics**

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GENDER: Male **CITIZENSHIP**: China

PRE-DOCTORAL STUDIES:

2012 – 2014 MRes in Economics, London School of Economics (with distinction)
2010 – 2012 M.A. in Economics, University of Tokyo (with distinction)
2000 – 2004 B.S. in Computer Science, Fudan University

DOCTORAL STUDIES: London School of Economics

DATES: 2014 – present

THESIS TITLE: "Essays on Institutions and Economic Performance"

EXPECTED COMPLETION DATE: July 2018

THESIS ADVISOR AND REFERENCES:

Professor Francesco Caselli (Advisor)
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DESIRED TEACHING AND RESEARCH:

Primary Fields: Macroeconomics

Secondary Fields: International Trade

TEACHING EXPERIENCE:

London School of Economics

2016 – 2017	Macroeconomics (EC413), master level
2016	Intermediate Macroeconomics (EC201), LSE summer school, undergraduate level
2016	International Economics (EC351), LSE summer school, undergraduate level
2014 – 2016	International Economics (EC315), undergraduate level

University of Tokyo

2012	Computational Economics, spring term, master level
2011 – 2012	Macroeconomics, master level

RELEVANT POSITIONS HELD:

2014 – present	Occasional Research Assistant for Dr Swati Dhingra at Centre of Economic Performance
2016 – 2017	LSE Fellow in Economics

LANGUAGES

Chinese (native), English (fluent), Japanese (fluent)

HONORS, SCHOLARSHIPS AND FELLOWSHIPS:

2013 – 2017	LSE PhD Scholarship from Centre For Macroeconomics
2011 – 2012	Japanese Government MEXT Scholarship

COMPLETED PAPERS:

Job Market Paper:

“The Impact of Financial Development on Outsourcing and Aggregate Productivity.” Working Paper, 2017

Abstract: This paper highlights a novel channel through which financial development affects aggregate productivity, namely endogenous changes in the extent to which firms outsource production of intermediate inputs. I present a multi-sector general equilibrium model of outsourcing with heterogeneous firms, and clarify the role of financial development in shaping outsourcing, entry, prices, and productivity. I then empirically test the key implication that financial development increases outsourcing, especially when suppliers are highly dependent on external finance and have fewer tangible assets. This implication is strongly supported by both cross-country sectoral input-output data and firm-level data. Finally, I structurally estimate the model and perform counterfactual experiments. Quantitative analysis shows that financial development has a sizable impact on outsourcing, but its effect on aggregate productivity is relatively modest. Outsourcing implies a more efficient use of resources, but transaction costs generate a powerful negative effect through prices, offsetting the majority of productivity gains.

Working Papers:

"Imperfect Competition and Misallocations." Working Paper, 2017

Abstract: Misallocation of resources across production units lowers aggregate TFP. The factors driving misallocation can be internal or external to the market structure. Variation in markups associated with imperfect competition is an internal distortion. Taxes and subsidies on input and output markets are examples of external distortions. The study of India's manufacturing data suggests that more than 80% of the observed misallocation can be attributed to internal distortions. Removing external distortions alone has a modest effect on aggregate TFP. It raises TFP by 14-17%, which is less than one fifth the compound effect of removing both types of distortions. The implication is that fostering competition is more effective to improve allocation efficiency and aggregate TFP. Removing individual external distortions is less effective.

RESEARCH IN PROGRESS:

"Heterogeneous Capital along Production Chains." Working Paper, 2015

Abstract: Using industry-level data from the NBER-CES Manufacturing Database, I document four stylized facts about production chains that substantiate the need for measuring quality differences in capital. Firstly, upstream industries rely more on physical capital and materials and have higher capital expenditure than do downstream industries. Secondly, downstream industries absorb more employment, hiring more (and paying relatively more to) non-production workers. Thirdly, downstream industries produce higher value added relative to gross output than do upstream industries. Fourthly, capital and labor shares in value added do not vary systematically according to the production line position. Traditional macroeconomic models with homogeneous factors or heterogeneous labor are not consistent with these facts. I present a simple model of production chain with heterogeneous capital that can account for all of the four facts. My model sheds light on the role of capital quality in determining the pattern of and the reward to factors along production chains. My findings have important implications for policy design regarding how to remain competitive in the global economy.