2025 CUHK - FUDAN JRCIF Conference

26 May, 2025 (Monday)

FISF – Room 310, 579 Guoquan Rd, Yangpu, Shanghai
复旦大学国际金融学院 - 上海市杨浦区国权路 579 号 310 教室

Rule of presentation: Each regular paper has 30 min in total: including presentation and Q&A.

	26 May, 2025 (Monday)
8:10 – 8:30	Registration
Session 1	**Session Chair: Zonglai Kou, Fudan**
8:30 – 8:45	**Welcome Remarks – Jun Qian, FISF**
8:45 – 9:30	**Keynote Speech - Is artificial intelligence making our work lives easier, or still longer?** *By Wei Jiang, Emory University, and President-Elect, AFA* **Abstract:** As AI tools like ChatGPT revolutionize the modern workplace, we are often promised a future of enhanced productivity and increased leisure. But what if the opposite is occurring? This talk explores the less visible consequences of AI exposure—not only in terms of what we do at work, but how long we do it. Drawing on nearly two decades of individual-level time diary data (2004–2023), we identify a striking trend: occupations with greater AI exposure are associated with longer workdays and reduced leisure time. Moreover, the nature of leisure itself shifts—becoming more passive and screen-based, rather than socially or physically active. Rather than replacing human labor, AI often complements it by raising marginal productivity and enabling more intensive performance monitoring. These effects are particularly pronounced in competitive markets, where workers have limited bargaining power to retain the gains from improved efficiency. Instead, the benefits tend to accrue to firms and consumers—leaving workers with extended hours and diminished rest. Join us as we revisit the assumption that technological advancement inherently reduces labor burdens, and consider paths to the ultimate objectives of technological progress.
9:30 – 10:15	**Keynote Speech - Accelerating Climate Transition and Nature Restoration in EMDs - A Preview of the Paris Report** *By Beatrice Weder di Mauro, Geneva Graduate Institute, and President, CEPR* **Abstract:** The renewed U.S. withdrawal from the Paris Agreement comes at a critical moment, as the window to keep global warming below 2° C is rapidly closing. Wile the withdrawal of the US may undermine progress, it can also open space for new leadership and alliances. This is one of the key messages of the forthcoming 2025 Paris Report, which puts forward a reform strategy to make climate and nature goals more actionable—particularly in emerging and developing

economies, where the global outcome will be decided. First, we call for a new climate coalition that links carbon pricing with trade, through a common carbon border mechanism and tiered pricing across partners. This would embed climate ambition into the rules of the global economy. Second, we argue for a redesign of carbon and nature markets to make them scalable, credible, and fit for purpose. This includes integrating carbon removal certificates into ETS and developing a new asset class— “nature shares” —to better reward nature-based solutions. Together, these ideas aim to move beyond voluntary pledges, creating a more self-reinforcing system that lowers net transition costs and delivers both climate and biodiversity gains at scale.

10:15 – 10:30 Coffee Break

10:30 – 11:00 **Competitive Human Capital Investment and Housing Prices**

By Shang-Jin Wei, Columbia

Abstract: Housing prices can carry a premium if a particular house ownership conveys a special access to high-quality education. We show such a “good-school” premium is especially high in China and explore whether a status competition that is reinforced by a sex ratio imbalance elevates such a premium. With manually collected information on top primary schools in 33 Chinese cities, combined with micro-level housing transaction data, we find robust evidence that the youth sex ratio is a strong predictor for the size of the “good school” premium.

11:00 – 11:30 **Labor Market Effects of China’s Corporate Tax Unification Reform**

By Shu Lin, CUHK

Abstract: This study investigates the labor market effects of China's corporate tax unification reform, which eliminated preferential tax treatment for foreign-invested enterprises (FIEs) and established a uniform tax rate. In our reduced-form empirical analysis, we find that this reform leads to a decline in average wage in Chinese prefectures more exposed to FIEs. Notably, while FIEs are more skill-labor intensive, the wage decline predominantly impacts low-skilled workers rather than their high-skilled counterparts. To rationalize our empirical findings, we develop a quantitative spatial general equilibrium model with skill-specific labor mobility. Our calibrated model can reproduce the main results from the empirical analysis. It also allows us to examine the general equilibrium effects of the corporate tax reform. In the baseline scenario, the reform results in an average nationwide real wage reduction of 0.93%. In areas with low foreign exposure, real wages for low-skilled and high-skilled workers increase by 1.94% and 0.65%, respectively, whereas in regions with high foreign exposure, they decline by 1.97% for low-skilled and 1.98% for high-skilled workers. Consequently, the wage disparity for low-skilled and high-skilled workers between regions with low and high foreign exposure is 3.90% and 2.63%, respectively.

11:30 – 12:00 **Paper as a Gift: Favoritism via Journal-School Jointed Conference in China**

By Huasheng Gao, FISF

Abstract: We reveal a novel form of academic corruption through school-journal joint conferences within China's business school community. Based on more than 200 such conferences from 2006 to 2022, we find that papers from the hosting institution are significantly more likely to be published in the associated journal. This favoritism is particularly evident when the paper is authored by the hosting school's dean, when the journal editor delivers a keynote address (often in exchange for an honorarium), and when the hosting school purchases advertising in the journal. Moreover, these accepted papers tend to be of much lower quality than other publications in the same journal. Our findings suggest that business school leaders in China strategically use these joint conferences to cultivate relationships with journals, thereby circumventing standard peer review processes and securing publication for papers that would likely otherwise be rejected.

12:00 – 13:15 **Photo Shooting & Lunch (by invitation)**

Session 2 Session Chair: Feng Jiang, Buffalo

13:15 – 14:00 **Keynote Speech - A Lost Decade of Fiscal Misallocation**

By Zheng Michael Song, CUHK

Abstract: Japan's 'Lost Decade' has been widely regarded as a period characterized by low productivity growth since Hayashi and Prescott (2002). However, the underlying causes of this productivity slowdown in the 1990s remain unclear. In this project, we aim to explore the fiscal aspects of the Japanese economy, specifically examining the role of fiscal resource allocation during the 'Lost Decade'.

14:00 – 14:30 **Beyond First-Order Bias in Predictive Regressions: Estimation, Inference, and Return Predictability**

By Liang Jiang, FISF

Abstract: This paper exposes significant higher-order bias in predictive regressions and its critical distortion of inferences about return predictability. While conventional methods (Stambaugh,1999; Boudoukh et al., 2022) address first-order bias, we show that higher-order biases, especially for persistent predictors and long predictive horizons in small samples, severely distort both statistical and economic conclusions. To resolve this, we introduce iBoot, a unified framework that combines indirect inference and bootstrap techniques to correct first- and higher-order biases simultaneously in short- and long-horizon regressions. Simulations demonstrate iBoot's advantages: maximal bias reduction, accurate confidence interval coverage, exact size control, and high power. Applied to canonical stock return predictors, iBoot rejects perceived significance for the dividend-price ratio, book-to-market ratio, and term spread, while confirming the cross-sectional premium as a robust monthly predictor. These findings necessitate addressing higher-order bias in predictive modeling and equipping researchers with a reliable toolkit for disentangling statistical artifacts from genuine economic relationships.

14:30 – 15:00 **Imbalance and Reallocation of Funds under Chinese Quantity-based Monetary Policy**

By Dan Luo, CUHK

Abstract: This paper studies the reallocation of funds through wholesale funding markets and its effects on credit supply. The negotiable certificate of deposit (NCD) market plays a primary role in the reallocation of funds following monetary policy interventions. State banks are conservative in their lending, which prevents full reallocation of funds when they lend on the NCD market, but not when they borrow. Following a shift in state banks' positions on the NCD market from lending to borrowing, non-state banks' lending relative to state banks? lending increased, and firms borrowed a higher fraction of loans from non-state banks.

15:00 – 15:15 Coffee Break

15:15 – 15:45 **Collateralizability and Asset Prices: Evidence from Structured Funds**

By Yongqin Wang, Fudan

Abstract: We test the asset-pricing implications of collateralizability using structured funds. The funds constitute a unique setting for allowing leveraged and unleveraged trading of the same set of assets, with continuous exogenous variations in leverage. Given the same fundamentals, we find that leveraged prices are higher than unleveraged prices. The difference is the collateral value, amounting to 6.4% of the leveraged price given an average leverage of 2.1. Furthermore, higher collateralizability leads to higher asset prices. Higher demand for leverage strengthens this impact and significantly contributes to collateral value. The findings provide causal evidence for collateral-based asset-pricing models.

15:45 – 16:15 **Applications of Deep Learning-Based Probabilistic Approach to Economic Models with High-Dimensional Controls**

By Ji Huang, CUHK

Abstract: In this paper, we combine a deep learning-based probabilistic approach with the finite volume method to numerically solve the equilibrium of economic models with infinite dimensional controls. We consider two examples to demonstrate the implementation of our method. The first example involves the debt-maturity management problem in a stochastic, time-varying environment, where the infinite-dimensional outstanding debt profile serves as a controlled state variable. In the second example, we explore a preferred habitat model for the term structure of interest rates, where financial intermediaries allocate their portfolios among debt instruments with a continuum of different maturities.

16:15 – 16:45 **Powerful Politicians and Their Economic Impact**

By Chang Ma, FISF

Abstract: Motivated by the recent Trump 2.0 election, this paper analyzes a unique political arrangement among Chinese cities to investigate the economic effects of concentrated political power. We find that cities governed by powerful politicians with both legislative and executive authority experience lower economic growth compared to those with a separation of powers. This decline is attributed to the misuse of fiscal policies, where local leaders prioritize the state sector over the private sector, leading to resource misallocation. While this concentration of power results in higher debt levels and borrowing costs, it also facilitates more decisive responses during economic downturns, potentially spurring growth in crisis situations.

16:45 – 17:00 Coffee Break

17:00 – 17:30 **The Impacts of Financial Sanctions on Russian Imports and Exports**
By Yang Jiao, SMU

Abstract: This study investigates the effects of sanctions on Russian banks and trade restrictions on Russian imports and exports, utilizing detailed transaction level data from Russia. Our findings reveal that SWIFT sanctions and the withdrawal of Western banks significantly reduced Russian trade with both Western and non-Western countries, though the impacts on trade with non-Western countries was relatively smaller. The effects are primarily observed on the extensive margin, reflecting a reduction in the number of Russian firms engaged in trade. Trade sanctions further amplify the impact of financial sanctions on Russia’s trade with Western nations. However, the increasing use of partner currencies in Russia’s trade with developing countries has helped mitigate the effects of SWIFT sanctions. While trade sanctions lead to a substantial decline in Russian trade with the West, there has been a notable shift in trade toward non-Western countries, which has partially offset the overall impact of the sanctions.

17:30 – 18:00 **Global Misallocation of Local Industry Policies**
By Tuo Chen, Tsinghua

Abstract: This paper investigates the global welfare implications of firm-based industrial policies. We develop a two-country general equilibrium model incorporating firm-level distortions in domestic and export markets to characterize conditions under which industrial subsidies in one country adversely impact welfare in another. Using detailed firm-level data from China, we calibrate the model to empirically examine China’s industrial policies and their global welfare implications. Our analysis demonstrates that subsidizing exporters can, under certain conditions, decrease global welfare by exacerbating resource misallocation. Counterfactual simulations reveal substantial heterogeneity in welfare effects across industries, highlighting that subsidizing exporting firms in one-third of Chinese industries may reduce welfare for the rest of the world.

18:00 – 18:10 **Closing Remarks by Shang-Jin Wei, Columbia**

Dinner

18:30 **Dinner (by invitation) (三号湾齐鲁壹号)**

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