Penglong Zhang

Contact Information

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Updated Version

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Education

Boston College, Chestnut Hill, MA

Ph.D. Candidate in Economics (2018)
Committee: James Anderson (Chair), Arthur Lewbel, Zhijie Xiao, Ben Li

MIT Sloan School of Management, Cambridge, MA

Visiting Fellow (2017 Fall)

Renmin University, Beijing, China

M.A. in International Economics (2012)
B.S. in Mathematics & B.A. in Economics (2010)

Research Fields

Primary: International trade
Secondary: Applied microeconomics, economic geography, and household finance.

Working Papers and Research in Progress

"**Home-Biased Gravity: The Role of Migrant Tastes in International Trade**," job market paper.

"**International Geopolitics**," with Ben Li (Boston College), BC WP 909, under review.

"**Almost Ideal Gravity and International Trade Zeros**," with James Anderson (Boston College).

"**Health and Wealth, How Do They Interact?**" with Yushan Hu (Boston College) and Guozhong Zhu (University of Alberta).

Previous Publications

"China's Core Inflation Estimate from a Perspective of Forecast: Taking Persistence as Weight," with Zhiyong Fan, *Enrich Annual Economic Review: China's Economy*, 2012, Volumes 2: 97-122.

Presentations

Conferences

Southern Economic Association (forth. Tampa, Nov 2017)
European Trade Study Group (Florence, Sep 2017)
Midwest Economic Theory and International Trade (Lexington, May 2017)
Eastern Economic Association (New York, Feb 2017)
NBER Summer Institute ITI Program (participate, Cambridge, July 2017)

Seminars

MIT Sloan International Faculty Fellows Lunch (forth. MIT, Nov 2017)
International Trade Seminar (Boston College, 2016-2017)
Dissertation Workshop (Boston College, 2015-2016)

Teaching Experience

Boston College, Instructor
>Microeconomic Theory, ECON2201.03 (Fall 2017)
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>Macroeconomic Principles, ECON1132.01 (Fall 2016)
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>Macroeconomic Principles, ECON1132.02 (Fall 2016)
>
>MATLAB Tutorials, Research Services (Fall 2016, Spring 2017, Fall 2017)

Harvard University, Teaching Assistant
>Macroeconomic Principles, S-10B (Summer 2017)

Boston College, Teaching Assistant
>Econometrics (2014-2015)
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>Statistics (2013-2014)

Awards and Honors

Boston College Graduate School of Arts and Sciences Dissertation Fellowship Award (2016)

Boston College Department of Economics Dissertation Fellowship Award (2015)

Boston College Full Tuition Scholarship and Stipend (2012-2017)

Research and Professional Experience

Research Intern, Research Department, Bank of China (New York, Summer 2017)

Research Consultant, Information and Technology Services, Boston College (Fall 2015 - present)

Research Assistant, Boston College, for Ben Li (2014), Arthur Lewbel (2014), Zhijie Xiao (2013)

Skills

Computer Skills: Matlab, Stata, ArcGIS, Mathematica, Eviews, Latex.

Languages: English (fluent), Chinese (mother tongue).

References

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Abstracts

- **"Home-Biased Gravity: The Role of Migrant Tastes in International Trade,"** job market paper.

Immigrants tend to buy products from their home countries. As a result, the more immigrants of a given ethnicity a country has, the more it will tend to import from those immigrants' country of origin. This effect of migrant heterogeneity is ignored by the standard gravity literature that assumes homogeneous preferences among resident national consumers. This paper embeds that observed regularity into a structural gravity model. Gravity derived from the Almost Ideal Demand System generates bilateral trade shares with three distinct components: ethnic composition of resident population, bilateral trade cost, and per capita income. Using international trade and transnational migration data among 40 countries, this paper estimates the home bias of each ethnic group in tastes. The results show that consumers' tastes for products from their country of origin deviate from unbiased levels by 40 percent on average. Large and poor ethnicities are more biased in their tastes. Ethnic taste bias is found to explain 64 percent of the home bias in trade. Counterfactuals suggest that anti-immigration policy significantly impedes trade with countries of origin.

- **"International Geopolitics,"** with Ben Li (Boston College), BC WP 909, under review.

Since the Age of Discovery, the world has grown integrated economically while remaining disintegrated politically as a collection of nation states. The nation-state system is robust because borders, as state dividers, interact with economic integration to absorb shocks. We build a tractable general equilibrium model of international trade and national borders in the world. Over a longer time horizon, declining trade costs alter trade volumes across states but also incentivize states to redraw borders, causing states to form, change, and be dissolved. States farther from the world geographical center set their borders farther apart to keep their price levels low, resulting in larger territories. Our model offers rich implications for global geopolitics, including political geography, its interplay with natural geography, state-size distribution, and the frequency and nature of military disputes. These implications are supported by historical data.

- **"Almost Ideal Gravity and International Trade Zeros,"** with James Anderson (Boston College).

Despite the enormous growth in global trade, most countries still do not trade with one other. Choke prices that shut off demand are suggested by the prevalence of zeroes in disaggregated bilateral trade flows. Existing research with firm heterogeneity generates the zero trade flows all by high enough fixed trade cost. Instead of CES preference universally used in literature, this paper develops the AI gravity, structural Gravity derived from the Almost Ideal Demand System (AIDS), to reconcile zero trade flows theoretically and empirically. It identifies the extent to which zero trade flows is explained by variable and fixed trade cost, respectively. This job is important because variable and fixed trade cost play different roles in shaping zero trade flows and thus imply different trade policies to stimulate the trade to occur.

- **"Health and Wealth, How Do They Interact?"** with Yushan Hu (Boston College) and Guozhong Zhu (University of Alberta).

This paper studies how health status and wealth accumulation affect each other in a model in which middle- and old-age individuals optimally choose portfolio investment and health investment. On the one hand, healthier individuals are able to undertake more risky investment and accumulate more wealth. On the other hand, wealthier individuals are able to make more health investment. Employing rich variations in The China Health and Retirement Longitudinal Study (CHARLS) in terms of medical care coverage, out-of-pocket medical expenses, house price growth, and portfolio composition, we estimate key parameters related to health production and preferences, and study how the interaction of health and wealth quantitatively impact the distribution of wealth and health status among the elderly.