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EDUCATION

Shanghai Advanced Institute of Finance, Shanghai Jiao Tong University, Shanghai *2020-2026 (Expected)*

PhD Candidate

Kellogg School of Management, Northwestern University, Evanston *2024 - 2025*

Visiting PhD Student

School of Finance, Zhongnan University of Economics and Law, Wuhan, Hubei Province *2020*

B.A. Economics, with distinction

RESEARCH INTERESTS

Corporate Finance and Institutions; Organizational and Political Economics; Finance and Development

WORKING PAPER

Strategic Capture in Delegated Pollution Monitoring: Evidence from China 2025, Joint with Raymond Fisman and Yongxiang Wang

- Under Review at *Journal of Political Economy*

Citizen Participation through Courts: Pollution Accountability after Judicial Centralization 2025, Joint with Yongxiang Wang

- CICF 2024

Court Enforcement and Corporate Innovation: Evidence from China 2025, Joint with Dongmin Kong and Yanan Wang

- 3rd round R&R at *Journal of Banking and Finance*

Judicial Constraints and Expropriation Risk in Local Government Procurement Contracts: A Capital Market-Based Inference 2025

Solo Author

- AFR International Conference of Economics and Finance 2025; SFS Cavalcade Asia-Pacific 2025 (Scheduled)

Boundaries and Barriers: Business Groups and China's State-led Capacity Reduction 2025, Joint with Dongmin Kong

- Travel Grant at Inaugural HKU Governance and Sustainability PhD Workshop
- Under Review at *Review of Finance*

Local Government Ownership of Banks and Public Financing in China 2025, Joint with Yichen Wang

- CCER Summer Institute 2024*; DAFI International Conference of Finance 2025*

PUBLICATION

Banking Integration and Capital Misallocation: Evidence from China Joint with Dongmin Kong

- *Review of Corporate Finance Studies, Volume 14, Issue 2, May 2025, Pages 564–607*

Deregulating the Input Market by Central Inspection: Lessons from China's Primary Land Market Joint with Dongmin Kong and Yanan Wang

- *Journal of Economic Behavior & Organization 220 (2024): 732-755*

The Contraction of Chinese Shadow Banking and Corporate Investment Behavior Joint with Zhibin Ji and Dongmin Kong

- *China Economic Quarterly (in Chinese (经济学（季刊）)) 24.2 (2024): 661-676*
- Third Prize for Outstanding Paper, 2020 China Finance Annual Meeting

OTHER PUBLICATION

Trade Policy Uncertainty and Investment in China's Manufacturing Industry Joint with Zhibin Ji and Yan Chen

- *Studies of International Finance (in Chinese (国际金融研究)) 9 (2021): 3-13*

SPONSORSHIP & AWARDS

China Scholarship Council (CSC) State-Sponsored Fellowship	2024 - 2025
PhD Fellowship at Shanghai Jiao Tong University	2022 - 2025
SJTU First Tiered Wang An Scholarship Award 2023	2023 Fall Semester
Excellent Teaching Assistant in SAIF	2022 Spring Semester
Excellent Teaching Assistant in SAIF	2021 Fall Semester
The Best Paper 3rd Prize at China Finance Annual Meeting	2020

REFEREE

Management Science, Journal of Banking and Finance, Journal of Empirical Finance, Pacific Basin Finance Journal

TEACHING AND SERVICE EXPERIENCE

Teaching Assistant for: **Principle of Finance** (2021 (Prof. Xiaoyun Yu), 2022 (Prof. Xiaoyun Yu), 2023 (Prof. Eric Chang)); **Corporate Finance** (2024 (Prof. Chun Chang)); **Merger and Acquisition** (2022 (Prof. Zhan Jiang)); **Real Estate Finance** (2022 (Prof. Peng Liu))

CONFERENCE AND SEMINAR PRESENTATIONS (* PRESENTED BY CO-AUTHORS)

- China Finance Annual Meeting 2020
- CCER Summer Institute 2024*
- China Finance Research Conference 2024 (Discussant for Jiayin Hu, Wenwei Peng, and Yang Su (2024), "Empowering through Courts: Judicial Centralization and Municipal Financing in China")
- China International Conference in Finance 2024
- Inaugural HKU Governance and Sustainability PhD Workshop
- AFR International Conference of Economics and Finance 2025
- DAFI International Conference of Finance 2025*

REFERENCES

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SELECTED PAPER ABSTRACT

Strategic Capture in Delegated Pollution Monitoring: Evidence from China Joint with Raymond Fisman and Yongxiang Wang

- Third-party monitors are commonly deployed to mitigate agency problems in multi-layered organizations. Yet these third-party relationships may themselves be subject to agency problems, and monitors co-opted by the entities they are meant to oversee. We study this challenge to effective oversight in the context of pollution monitoring in China. We exploit an outsourcing reform that transferred the operation and maintenance (O&M) of city air pollution monitoring stations from local governments to third-party firms selected by the central government. We begin by showing that there is an immediate decline in pollution measured via both local stations and satellite images; while satellite-based pollution estimates remain stable, monitoring station measures decline continuously. We propose that the latter is plausibly explained by reporting manipulation of third-party firms, in exchange for procurement contracts from local governments. First, we document that local governments significantly increased procurement transactions with their assigned O&M firms immediately after the reform. Second, following these transactions, the reported levels of air pollutants from monitoring stations declined sharply, while satellite-based pollution levels remained unchanged. Finally, after assigning contracts to the O&M firms, local governments relaxed enforcement on nearby polluting firms, which subsequently exhibited higher survival rates and profitability. Overall, our results are most readily reconciled with a model in which independent oversight is largely undone by the collusive arrangments of monitors and agents.

Citizen Participation through Courts: Pollution Accountability after Judicial Centralization Joint with Yongxiang Wang

- We investigate how changes in the structure of local judicial sytems shape citizen participation through civil environmental litigation and its impact on industrial pollution. A judicial centralization reform in China removed local governments 'influence over local courts. Exploiting its staggered rollout, we uncover that the reform increased the number of environmental civil lawsuits filed by citizens and raised their success rate against influential polluters. Judicial reasoning became more extensive and less biased toward politically connected firms. The reform also strengthened the deterrent effect of litigation: non-sued polluters reduced emissions when lawsuits were heard in reformed local courts, especially when the defendants were state-owned or economically important. This response was more pronounced when lawsuits attracted greater public attention. At the city level, the reform amplified the pollution-reducing effect of citizen litigation. This paper reveals that centralizing control over local courts improves the provision of environmental public goods by strengthening citizen-led accountability through civil environmental litigation.

Contracting with Government: Judicial Independence and Expropriation Risk in the Capital Market Single Author

- This paper investigates how judicial independence reduces expropriation risk in government contracts. I exploit a staggered reform in China that curtailed local governments' influence over court adjudication. Using a purpose-built data set covering firm-government contract disputes in local courts, I first show that firms' win rates against local governments increased following the reform, with the probability of firm bankruptcy after court rulings declining. I then document that firms with a greater share of government contracts tied to reformed jurisdictions experienced larger reductions in credit spreads. The effects are significant for private firms but absent for state-owned enterprises. These firms also improved receivables liquidity and obtained more debt financing. Stock prices reacted more positively to procurement award announcements after the reform. The findings suggest that judicial independence reduces financial frictions for private suppliers involved in the provision of public goods.

Banking Integration and Capital Misallocation: Evidence from China Joint with Dongmin Kong

Review of Corporate Finance Studies, Volume 14, Issue 2, May 2025, Pages 564–607

- Using the staggered intercity but within-province deregulation of local banks in China as exogenous variations, we evaluate the effect of banking integration across geographical segmentation on capital misallocation. Based on an administrative data set comprehensively covering Chinese manufacturing firms, we find that for firms with initially high marginal revenue products of capital (MRPK), the integration increases physical capital by 19.3%, and reduces MRPK by 33.1% relative to low MRPK firms.

Our findings are more pronounced for non-state-owned firms and firms with higher exposure to integrated banks. Integration also significantly increases the responsiveness of firms' investments to deposit shock on other cities within the same province.

Deregulating the Input Market by Central Inspection: Lessons from China's Primary Land Market Joint with Dongmin Kong and Yanan Wang

Journal of Economic Behavior & Organization 220 (2024): 732-755

- Leveraging a reform that assigns central inspectorates to local units in China to oversee industrial land transactions, this study examines the effects of unleashing the local government's influence on land prices using a difference-in-differences design. Our research provides compelling evidence that the reform leads to an additional 50% increase in industrial land prices and significantly enhances the productivity of local industrial firms. The rise in land prices can be attributed to an increase in market-oriented transactions. Additionally, we discover an improvement in the quality of new entrants and a reduction in resource misallocation following the reform. By demonstrating the positive externalities of central supervision on local government intervention in the industrial land market, our findings suggest that, in certain cases, central inspection can mitigate distorting behaviors of the local government in input markets. This, in turn, facilitates the screening of productive entrants and hinders investments by unproductive incumbents, thereby improving the overall productivity of economic entities.

Boundaries and Barriers: Business Groups and China's State-led Capacity Reduction Joint with Dongmin Kong

- This paper investigates how access to internal capital markets influences the effectiveness of a credit-tightening policy aimed at restricting growth of certain industries with overcapacity. My findings show that firms affiliated with large business groups, compared to standalone firms, maintained their capital expenditures and were less likely to exit the market under external capital market constraints, even though this led to further declines in efficiency. A simple back-of-the-envelope calculation suggests that due to business group affiliation, approximately RMB 15.8 billion of capital remained unaffected by the tightening policy each year. By analyzing firm-to-firm transaction data, I demonstrate that holding firms significantly increased bailout subsidies to their subsidiaries in targeted sectors during the policy period. Moreover, these effects were more pronounced for subsidiaries with social ties to group leadership and for holding firms with weaker institutional investor oversight, indicating that agency-related frictions subverted internal capital markets and undermined policy goals. I also discuss and rule out alternative explanations, such as information asymmetry, capital irreversibility, and negative spillover prevention.