

# PAUL D. DENG

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## **Contact Information**

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## **Education**

Ph.D., International Economics and Finance, Brandeis University, 2009

Thesis Title: “Three Essays on China’s Productivity Growth and Technology Development in International Perspective”

M.S., Economics, Baylor University, *with high distinction*, 2002

Coursework, Political Science, Baylor University, 2003-2004

B.A., Economics, Zhengzhou Institute of Aeronautics, China, *with highest distinction*, 1998

## **Teaching and Research Fields:**

Primary fields: Macroeconomics, Development Economics, International Economics

Secondary fields: Finance (Asset Pricing), Applied Econometrics

## **Teaching Experience:**

### **Lecturer:**

Spring 2007 & 2008      Lecturer, “Introduction to Economics of Development” (Undergraduate), Brandeis University

Fall 2008 & Spring 2009      “Economy of China” (Graduate; in Chinese), co-teaching at the Fletcher School, Tufts University with Professor Gary Jefferson.

### **Teaching Assistant:**

Fall 2008      “Intermediate Macroeconomics” (Undergraduate), for Professor Dan Tortorice, Brandeis University

Spring 2006	“Development Strategies” (Graduate), for Professor Can Erbil, Brandeis University
Spring 2005	“Technology in Global Economy” (Undergraduate), for Professor Gary Jefferson, Brandeis University
Spring 2002	“Applied Econometrics” (Graduate), for Professor Beck Taylor, Baylor University

### **Research Experience and Other Employment:**

2004-2008	Research Assistant for Professor Gary Jefferson on Chinese firms’ restructuring, productivity growth, R&D and innovation and energy efficiency
Summer 2007	Associate Intern, Global Macro Strategies Group of <i>PanAgora Asset Management</i> , Boston, MA
Sept.-Dec. 2006	Research Intern, Currency Research Group, <i>Advanced Research Center of State Street Global Advisors (SSgA)</i> , Boston, MA
Summer 2006	Research Intern, International Active Equity Group, <i>Advanced Research Center of State Street Global Advisors (SSgA)</i> , Boston, MA
Spring 2006	Consultant, Anti-Dumping Database Project, the <i>World Bank</i> (supervised by Professor Chad Bown at Brandeis University)
2000-2002	Research Assistant in Health Economics for Professor Jim Henderson, Baylor University
1998-2000	Business Analyst, OOCL, China

### **Honors, Scholarships and Fellowships:**

2004-2008	University Fellowship, Brandeis University
Summer 2006	Travel Grant, National Science Foundation, Meeting with Nobel Laureates in Economics, Lindau, Germany
2000-2003	Graduate Assistantship, Baylor University

### **Publication:**

“Restructuring China’s Research Institutes” with Gary Jefferson, Bangwen Cheng and Jian Su in Henry Rowen, Marguerite Hancock and William Miller, ed., *Greater China’s Quest for Innovation*. Stanford University: The Walter Shorenstein Asia-Pacific Research Center, 2008.

### **Working Papers:**

“Foreign Entry, Competition and Heterogeneous Growth of Firms: Do We Observe ‘Creative Destruction’ in China?” (**Job Market Paper**)

*Abstract:* In the face of foreign entry, domestic firms may exhibit heterogeneous patterns of response depending on their technological distance from foreign firms. Domestic firms closer to the foreign technology frontier may choose to compete, while firms that are further down on the technology ladder may suffer a “discouragement effect” and lag further behind. In this paper, we test the Schumpeterian idea of “creative destruction” using firm-level data from China’s Large and Medium-Size Enterprise (LME) dataset. We find that foreign entry indeed has a heterogeneous impact on the productivity growth of domestic incumbents. Furthermore, we show evidence that foreign-entry also induces a similar heterogeneous pattern in domestic firms’ innovation-related activities.

#### “Research Centers and Technology Diffusion”

*Abstract:* Much of the debate over income convergence hinges on whether technology diffusion is “global” or “local”. In this paper, I address this question in a developing country setting and focus on the role of major research clusters in promoting *domestic* technology diffusion. I identify four *de facto* research centers in China and investigate whether the effect of R&D spillovers from these research clusters is related to both *geographic and technological* distances. I find that firms’ productivity gains from R&D spillovers from the research cluster decline with (i) increasing physical distance away from the research cluster, and (ii) the technological gap between technology senders and recipients.

#### “Is Inequality Harmful for China’s Sustained Growth?”

*Abstract:* This paper compares China’s labor productivity growth across different regions and industries, and investigates how the initial productivity gaps with the international frontier affect their subsequent productivity growth. The research yields overwhelming empirical evidence that during the period of 1995-2004 China has experienced a rapid convergence in productivity growth across regions: the interior regions that are farther away from international frontier have grown much faster than the coastal region that is closer to the productivity frontier. Such growth patterns offer China a rare opportunity simultaneously to improve income inequality while maintaining a high overall growth rate.

### **Research Papers in Progress:**

#### “Value Investing or Value Trap?”

*Abstract:* Past research on contrarian investing focused on the mean-reversion nature of stock returns and a simple buy-low and sell-high strategy is often advocated. However, not all contrarian investments worked out and strategies that are simply based on lower valuation often put investors into “value trap”, where stocks go down even further or their values get completely wiped out. This paper tackles the question of what makes a sensible contrarian investment. I first use a multinomial model to estimate what characteristics contribute to a successful turnaround of the undervalued stocks. Next, I investigate how the probabilities change over different time horizons for successful reversals. This research contributes to the deeper understanding of a very popular investment strategy.