Research Statement

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The central goal of my research is to explore the driving forces of economic development, both economic and political. My current research investigates welfare changes due to major events in Chinese history, combining narrative evidence from archives with economic theory and quantitative analysis. In my dissertation, the specific topics that I focus on are the causes and consequences of inequality, conflict, and regional development in historical China.

In my job market paper, I examine how urban protests responded to a major fiscal reform in China in the 1720s. The fiscal reform was intended to stabilize the tax base and equalize the tax burden by increasing taxes on the gentry but decreasing taxes on commoners. Using newly digitized detailed data on urban protests, I conduct a difference-in-differences analysis and find that this policy increased the total number of urban protests. In addition, tenants, rather than the local gentry, protested more after this reform. Based on these results and narrative evidence from historical records, I propose and test a candidate explanation: the gentry passed the increased tax burden on to the tenants. As the group with higher social status, the gentry usually served as an intermediary between local government and tenants, which also gave them the power to manipulate the implementation of tax policies.

I am also working on a project regarding international trade and its impact on regional development in early twentieth-century China. International trade became increasingly important for China starting from the late nineteenth century, and shocks from trade had drastic impacts on the overall economy. The first paper in this project examines how trade shocks changed cross-region income and inequality in China. I use data from 1901 to 1933 and find that counties with greater exposure to trade, historical manufacturing centers, and access to urban manufacturing centers had higher labor wages relative to land prices. I then use an exogenous trade disruption due to WWI to further study this issue. Most provinces in China were not involved in the war, yet China’s trade with the European countries dropped dramatically. Since China mostly imported manufactured products from the European countries, this shock created shortage of these products in China. I find that this shortage shifted labor from the agricultural sector to the manufacturing sector and increased wages relative to land prices. Preliminary results also suggest that the growth of regional inequality might have explained the rise of the Communist Party in the 1930s.
The second paper in this project focuses on the socioeconomic consequences of declined income from international trade. I examine how the declined tea trade affected local conflicts from 1902 to 1911. Tea used to be the most important export of China, yet due to competition from India, Chinese tea lost its position in the world market in the early twentieth century. Using trade records from China Maritime Customs and conflicts data collected by historians, I find that this negative shock decreased local wages and increased local conflicts in tea-producing regions.

Besides my dissertation, I also collaborate with other researchers to explore other aspects of China’s historical development. One project with Mr. Shiyu Bo (London School of Economics) and Professor Hanhui Guan (Peking University) examines intergenerational social mobility using official records regarding farmers who served for the imperial family in Northeast China from 1751 to 1911. We find social mobility was decreasing for this group of people. In addition, the openness of international trade further decreased their social mobility. This result suggests that social status might have affected the access to economic opportunities.

Another project with Professor Se Yan and Professor Jihai Yu (Peking University) investigates differentiated levels of market integration using grain price information in the eighteenth century. Using advanced econometrics methods on dynamic time series panel data, we find that the extreme weather conditions in winter partially explained the less integrated market in Northern China.

In the future, I plan to explore other changes on historical China, especially the early twentieth century. There are several economic phenomena and research questions I am particularly interested in. First, the development of steamship, telegraph, and railroads significantly reduced regional transportation cost in the early twentieth century. I am interested in how these changes influenced the development of different regions in China. The rich records on railroads provide me with potential sources of GIS information. Second, dramatic socioeconomic changes took place early twentieth-century China along the income shocks. I am specifically interested in how the income changes interacted with other forces. One question I am interested in pursuing is: did income distribution lead to political polarization? I plan to digitize information of celebrities in China and investigate how their past experience, such as, hometown, education, and occupation affect their political opinions.