Xun Chen
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College Station, TX 77840
Tel.: 706-386-0498
Email: xchen2019@gmail.com

March 15th, 2018

Dear Committee,

I hereby present my sincere desire to have the honor to attend the 11th Entrepreneurship Research Boot Camp. I have completed a Ph.D. in Economics in China and I am now pursing another Ph.D. at Texas A&M University in the U.S.. My dream is to become a faculty member with some solid research in Economics. My area of research is productivity and economic growth. I am very interested in the role creative destruction plays in productivity growth and the critical role of entrepreneurs. My background is in labor economics, so I am also interested in studying how labor market and entrepreneurship behavior interacts.

There are two primary reasons I am interested in studying the connections between entrepreneurship and productivity growth: 1) a previous research project has provided me with interesting data particularly suited for exploring the effects of start-up companies and entrepreneurship, and 2) my personal experience as an entrepreneur.

I will have two recommendation letters from my current and former Ph.D. advisors and they will be sent seperately:

- Dr. Andrew L. Johnson, Texas A&M University
- Dr. Li Gan, Texas A&M University and NBER

The following items are:

- A two-pages personal CV
- A two-page essay

Sincerely,



Xun Chen

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## EDUCATION

- **Ph.D. Student in Industrial Engineering (Production Economics)** **2018**
  *Texas A&M University, College Station, TX*
- **Ph.D. in Economics (Labor Economics)** **2016**
  *Southwestern University of Finance and Economics, China*
- **Bachelor of Finance** **2010**
  *Southwestern University of Finance and Economics, China*

## COMPLETED COURSES

- Advanced Micro-Economics I&II
- Advanced Macro-Economics I&II
- Advanced Econometrics I&II
- Mathmatical Economics
- Advanced Mirco-Theory(Game theory and application) I&II
- Industrial Organization:Theory and Empirical I&II
- Empirical Method of Micro-Economics

## PUBLICATIONS

- Xun Chen, 2017, "Discrimination against Rural Migrants and Labor Market Mismatch," *Economic Research Journal*[1], Revise and Resubmit.
- Shu Xu & Xun Chen, 2016, "Inequality and Housing Price," *China Economic Quarterly*, Vol 2.
- Xun Chen & Shu Xu, 2014, "The Economic Disadvantage and Assimilation of Rural Migrants in China," *Economic Research Journal*, Vol 10.
- David C. Broadstock & Xun Chen, 2013, "A possible role for discriminatory fuel duty in reducing the emissions from road transport: some UK evidence," *Applied Economics Letters*, 20:6, 540-544.

## WORKING PAPERS

- A.L. Johnson & Xun Chen, 2018, "Shape Constrained Kernel-Weighted Least Squares Estimation of Production Functions with Unobserved Heterogeneity," *working paper.*
- Xun Chen, 2018, "Export Expansion and Migration in Spatial Equilibrium," *working paper.*

[1] Economic Research Journal is ranked first in seven indicators in the 2008 Chinese Academic Journals Comprehensive Citation Report and 2008 Chinese Social Science Citation Index among journals in Economics and Social Science in general.

- Xun Chen & Z.D. Li, 2018, "Do Public R&D Grant Stimulates Private R&D Spending? " *working paper.*
- Xun Chen & Li Gan, 2017, "Discrimination against Rural Migrants and Sector Segementation —A General Equilibrium Based Explanation," *working paper.*
- Xun Chen, 2017, "The Effect of Unemployment Risk and Unemployment Insurance on Saving Behavior of Chinese Urban Households," *working paper.*

## WORK EXPERIENCE

**Assistant Professor** **2017-2018**

*Department of Economics, Jinan University, Guangzhou, China*

- Teaching: Corporate Finance, Mico-Economics
- Research field: Entrepreneurship Economics;Applied Econometrics

**Research Fellow** **2016 - 2017**

*Research department, Athena Data Analytics and Service Co. Ltd, Shanghai, China*

**Visiting Scholar** **2015 - 2016**

*Department of Economics, Texas A&M, College Station, Texas, US*

**Research Assistant** **2014 - 2015**

*Department of Economics, Lingnan University,Hongkong, China*

**Research Assistant** **2010 - 2014**

*China Household Finance Survey Center,Chengdu, China*

## PROJECT EXPERIENC

**Credit rating system for small and micro enterprises** **2016 – 2017**

*An evaluation system for forecasting credit risks of small and micro enterprises for a bank.*

- Build a database to integrate various data from many departments of the bank
- Develop mathematical and statistical model for forecasting credit risks

**Report on Small and Micro entreprises in China•2015** **2015**

*A report about basic statistical description about small and entreprises in China and their performance in production and credit market.*

- Write about "Small and Micro Entreprises' Behaviors in Credit Marker".

**China Micro and Small Entreprise Survey** **2015**

*A national survey on micro and small enterprises in China, collecting data on basic information, organization structure and human resources, production and R&D, taxes and investment.*

- Participated in designing questionnaires
- Executive on-site surveys

**Report on Urban Unemployment in China•2011** **2011**

*A report about urban unemployment rate in China, its distribution and analysis.*

- Write about "the Age Group of High Urban Unemployment Rate in China"
- Revise for the report.

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There are two primary reasons I am interested in studying the connections between entrepreneurship and productivity growth: 1) a previous research project has provided me with interesting data particularly suited for exploring the effects of start-up companies and entrepreneurship, and 2) my personal experience as an entrepreneur.

In a previous research project, I used the 'CMES'(a national survey about micro and small enterprises in China) data. As a member of this project, I participated in some on-site interviews and gathered additional data from start-up companies. While my focus previously was on labor market outcomes, there were some interesting patterns about entrepreneurship in the data. I would like to attend the bootcamp and explore research related entrepreneurship which will help me identify interesting themes in the entrepreneurship literature. I would like to relate my research questions I will try to answer with my unique data set to these themes.

The first interesting characteristic of the data is the presents of credit constraints. Over half of the small/micro enterprises (SMEs) can't get the needed loans from the banks, which seems to be common in many countries. Interestingly, the SMEs which cannot get credit aren't ones with relatively higher risks and worse performance. In fact, data shows that loans to SMEs generated more profits than loans to big companies. As a result, around 80% of SMEs' debts consist of private lending, with much higher rates and more uncertainty. For some SMEs their only source of capital is private lending. This credit system leads to a high concentration of enterprises in particular areas and stimulates regional inequality in development. I believe this credit system inefficient for entrepreneurship slows the productivity growth of a variety of industries in China.

With the SMEs' data, I can explore this issue for several industries.

After graduating in 2016, I took a gap year in research. My colleagues and I obtained investment from a venture capital and start our own business. My main duty was to lead the research department, but being one of the partners gave me some insights into a variety of management and financing issues facing entrepreneurs. From my experience, the Chinese government provides financial support for new enterprises but the effects are still unambiguous. The low-interest loans offered by the government to new enterprises possibly resulted in over-investment for the starters and crowded out venture capital. Many government policies bring significant benefits for new enterprises in the short-run that the enterprises are motivated commit resources to competing for grants rather than improving productivity. My experience in industry has boosts my interests in entrepreneurship research.

The Entrepreneurship Research Boot Camp seems like a great opportunity to jump start my research exploring the connections between entrepreneurship and productivity. I am just beginning my studies in the U.S., so the timing is also ideal in that I still have flexibility in selecting the exact direction of my dissertation topic. Please give a serious consideration for my application and looking forward to get the chance to join the bootcamp.

DEPARTMENT OF INDUSTRIAL AND SYSTEMS ENGINEERING

**Dwight Look College of Engineering**

TEXAS A&M UNIVERSITY

To: Professor David Robinson
From: Andrew Johnson, Associate Professor
Re: Recommendation for Xun Chen

I am writing in support of Xun Chen as an applicant for the NBER Entrepreneurship Research Boot Camp 2018. I have had the pleasure of knowing Xun Chen through the recruiting process to bring her to our Ph.D. program and bring her into our research group. I will be her advisor starting in May 2018 when she enters our Ph.D. program. Dr. Chen has a unique background she has earned a Ph.D. from Southwestern University of Finance and Economics in China where Dr. Li Gan was her advisor. Dr. Gan is both a chaired professor here at Texas A&M University and holds the position of Dean at Southwestern University. Dr. Chen has a strong background in the fundamental courses of econometrics, microeconomics, and industrial organization not to mention experience as an entrepreneur herself. I believe she is ideally suited for your boot camp.

The timing of the boot camp is ideal for her. Dr. Chen has already completed Ph.D. level course work in economics while in China. She is familiar with a variety of standard and advanced topics and methods in economics. She is eager to read the papers on the reading list for this work shop and explore ideas to help her identify a dissertation topic. Dr. Chen research interest currently lie in the drivers of productivity and the role of entrepreneurship in this an extremely important factor. As an example of her ability, she has been serving as a research assistant to me on the exploration of some tentative research ideas. She is able to develop her own implement Lewbel (2012), which is a method of moments estimator that uses heteroscedasticity as an instrument. Dr. Chen is able to communicate and interact well with other researchers. She has been having regular meetings via Skype with myself and students in my laboratory. Even in the rather difficult condition of having to interact through video conferencing software, she has been able to follow the discussions and participate. In particular, she is eager to speak-up and join the conversation when she has ideas to contribute which is frequently the case.

An example of a topic combining productivity and entrepreneurship which she has shown interest is recently Schumpeter's notion of creative destruction has been identified one important potential source of productivity and economic growth. Evidence has been presented that this source of productivity growth is decreasing. Decker et al. (2017) argues that business dynamism has declined since 2000 in the U.S. They argue the share of young businesses have declined particularly "Mom and Pop" or "subsistence" entrepreneurs has fallen significantly. Further even in high tech sectors, since 2000 and the end of the dot-com bubble, there have been sharp declines in entrepreneurial activities in the technology sector. Further, by focusing on manufacturing data, they find that the decline of within-industry dynamism is due to a decline in the response to idiosyncratic shocks impacting businesses.

We are interested to explore these patterns in other data sets from around the world. She has access to both China's National Bureau of Statistics firm level data and Japan's Census of Manufacturing. Other members of our research team are working with the U.S. Census of Manufacturing and next summer when she has been in the U.S. for three years cumulatively, a requirement to pass the background check for the security clearance, she will also join a project with access to the U.S. Census of Manufacturing. These data sets will provide the opportunity to apply and implement methods and ideas she may learn about at the work shop.

After completing her Ph.D. in China, she was a partner in a start-up company in China. This experience has exposed her to the unique challenges of being an entrepreneur. This experience will allow her to bring a unique perspective to the research topic and to your work shop.

It is without hesitation that I give Xun Chen my full recommendation. I have great respect for her capabilities and I believe she has outstanding potential for future contributions.

Best regards,



Andrew Johnson

References

Decker, Ryan, John Haltiwanger, Ron Jarmin, and Javier Miranda, (2017). "Declining Dynamism, Allocative Efficiency, and the Productivity Slowdown," *American Economic Review*, (107(5)), 322–326.

Lewbel, Arthur, (2012) "Using Heteroskedasticity to Identify and Estimate Mismeasured and Endogenous Regressor Models," Journal of Business and Economic Statistics, 2012, 30, 67-80.

**Andrew L. Johnson**
Associate Professor

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**COLLEGE OF LIBERAL ARTS**

**Department of Economics**

March 23, 2018

Dear members of the Committee,

I have known Dr. Xun Chen for quite a few years, since she started her PhD study at Southwestern University of Finance and Economics in China. She worked as one of the key members at the China Household Finance Survey that I lead.

Dr. Chen was one of the best students in her Ph.D. program, and before graduating had published several papers in top economics journals in China. When she completed her degree in 2016, she received the university's Excellent Doctoral Dissertation award. She then went on to work as an assistant professor in the Department of Economics at Jinan University in Guangdong Province.

In 2015, Dr. Chen provided new insights into the current state of entrepreneurship in China as part of one of my projects, a national survey of micro- and small enterprises. Her contribution to the subsequent *Report on Small and Micro enterprises in China 2015* was top-notch, and demonstrated the strength and depth of her interest in this topic.

I was glad to hear that Dr. Chen has decided to continue to develop her ideas in this area. She has accepted an offer to enroll in the PhD program of Industrial Engineering at Texas A&M University, starting this summer. I think her application for the Entrepreneurship Research Boot Camp is timely and appropriate. In addition to her solid knowledge of economic theory, she has excellent skills in statistics, econometrics, and programming, so I am confident that she will be a great fit for your program. Of course, please do not hesitate to contact me if any questions.

Li Gan
Clifford Taylor Jr. Professor in Liberal Arts
Research Associate, National Bureau of Economics Research (NBER)
Department of Economics
Texas A&M University
and
Director, China Household Finance Survey (CHFS),
Southwest University of Finance and Economics, Chengdu, China

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