

Hang Zhou

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EDUCATION

Ph.D. in Economics, The George Washington University, Expected 2017
Advisor: Jay Shambaugh
M.A. in Economics, The George Washington University, 2012
B.A. in Finance (with distinction), Jiangxi University of Finance and Economics, 2010

RESEARCH INTEREST

Primary: International Finance, Time Series Econometrics
Secondary: Monetary Economics, Macroeconomics

WORKING PAPERS

“Cross-Country Evidence on Monetary Policy Autonomy: A Markov Switching Approach”
“Monetary Policy Under Fixed Exchange Rate Regime: Structural Vector Autoregressions with Jumps” joint with Jonathan Stroud

WORK IN PROGRESS

“Monetary Policy under Financial Globalization” joint with Jay Shambaugh
“Markov Regime Switching Approach on Monetary Policy Autonomy: Simulation and Modification”

PROFESSIONAL EXPERIENCE

Consultant, International Finance Corporation, The World Bank Group, 2016-present
Work in the modelling team within the Office of the Chief Economist, response of building computable general equilibrium and input-output models to estimate economic impacts of transportation infrastructure developments.

TEACHING EXPERIENCE

Lecturer, The George Washington University, 2014
Survey of International Economics (Master Level)
Teaching Assistant, The George Washington University, 2011-2016
Macroeconomic Theory I (PhD Level)
Survey of International Economics, Principle of Economics (Undergraduate Level)
Financial Institution Management and Modeling, Economics for World Economy, International Business Finance (Master Level)
Teaching Assistant, Jiangxi University of Finance and Economics, 2009-2010
Principle of Economics (Undergraduate Level)

CONFERENCE PRESENTATIONS

GWU Macroeconomics-International Finance Seminar, Washington DC, Nov 2016
Asia Meeting of the Econometric Society, Kyoto, Japan, Aug 2016
RCEA 3rd Time Series Econometrics/9th Bayesian Workshop, Rimini, Italy, Jun 2015
GWU Graduate Student Seminar Series, Washington DC, Mar 2015

HONORS AND AWARDS

John Whitefield Kendrick Graduate Endowment Fellowship, The George Washington University, 2016-Present
Full scholarship and Graduate Assistantship, The George Washington University, 2013-2016
Conference Travel Grant for Graduate Students, The George Washington University, 2015
Outstanding Bachelor's Degree Thesis, Jiangxi University of Finance and Economics, 2010
Meritorious Winner of Mathematical Contest in Modeling, The Consortium for Mathematics and Its Applications, 2010
Second prize, Contemporary Undergraduate Mathematical Contest in Modeling, China Society for Industrial and Applied Mathematics, 2009

SOFTWARE

Matlab, Stata, R, SAS, Eviews, OxMetrics, C++, Microsoft Word, Excel, PowerPoint, L^AT_EX

MEMBER

American Economics Association, Econometric Society

LANGUAGE

English (Fluent), Chinese (Native)

CITIZENSHIP

China, F-1 Visa

REFERENCES

Jay Shambaugh (Chair)

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RESEARCH PAPER ABSTRACTS

“Cross-Country Evidence on Monetary Policy Autonomy: A Markov Switching Approach” (Job Market Paper)

This paper revisits the definition of monetary policy autonomy and develops a new method to identify autonomy regimes of a set of countries. Compared to the traditional identification approach, which only focuses on the base country interest rate, monetary policy autonomy discussed in this paper is jointly determined by how the interest rate responds to foreign monetary policy as well as its domestic inflation and real GDP. Using a Bayesian Markov Switching model for the monetary policy function, I estimate policy responses in two regimes, and obtain measures of monetary policy autonomy in the estimation process. Testing the method with case studies and simulated data demonstrates the robustness of the approach under different scenarios. Applying the method to the data of a set of advanced countries, I find monetary policy autonomy decreases when exchange rate is fixed or capital control is loosened, which is consistent with the open economy trilemma.

“Monetary Policy Under Fixed Exchange Rate Regime: Structural Vector Autoregressions with Jumps” (with Jonathan Stroud)

This paper studies monetary policy with a fixed exchange rate regime. Countries with a fixed exchange rate regime and free international capital flows are expected to have non-independent monetary policy. Therefore, any change on the monetary policy indicator should be exogenous to the domestic economy. However, time series data for those countries are always volatile. One of the reasons is that pegs with no capital controls are fragile to speculative attacks. Therefore, it always results in an abrupt increase on either interest rate or exchange rate during the attack. Given that the outliers in the data may bias the estimation, we develop a new method by adding jump process into the structure VAR model. Using a jump component to model and separate outliers from the underlying dynamic system, we obtain the corrected impulse response functions. Based on the case study of Denmark, the traditional VAR model indicates that impacts of monetary policy shock on domestic variables are weak. After controlling for outliers, it indicates that a positive monetary policy shock has significant negative impacts on both industrial production and CPI.

“Markov Regime Switching Approach on Monetary Policy Autonomy: Simulation and Modification”

When using Markov switching model to identify monetary policy autonomy, one question needs to be addressed is: Given the limited number of observation, how well does the method actually work? By changing parameters in data generating processes, this paper conducts simulation exercises under different scenarios. Results indicate that: to properly identify high and low autonomy, larger variance on the error term requires greater differences between switching parameters in two states. In practice, regime classification therefore can be polluted by large variances. To better identify the monetary policy autonomy regime, I adopt the regime switching model introduced by Kaufmann (2015) and show that incorporating endogenous switching could help to improve estimations.