

PHBS MAGAZINE

Peking University
HSBC Business School

LEARN GLOBALLY WITH CHINA'S INSIGHTS FROM OUR CROSS-BORDER STUDY PROGRAM

The PHBS UK Campus:

- Offering master's programs in management and finance
- Two-year cross-border programs
- An opportunity to develop networks between the UK and China, particularly in one of the most innovative cities in the world - Shenzhen



pekinguniversityhsbc



Peking University HSBC Business School





CONTENTS

2

NEWS BRIEFINGS

A variety of events at PHBS and awards earned by PHBSers

6

SPOTLIGHTS

Major events and undertakings, including world-renowned rankings and international conferences

26

CAMPUS

Diverse events on campus, including the International Culture Day, Nobel Dialogue, and 2025 Commencement

36

FEATURES

Stories about the many inspiring faculty and students whose talent defines our school

42

RESEARCH

A selection of recent research findings by our faculty

47

VIEW

Scholars' insights into burnout, passion, and work-life balance

PHBS MAGAZINE

PHBS Magazine is published by Peking University HSBC Business School

Director of Editorial Board
Hai Wen

Editorial Board
Feng Yan
Mao Na
Donya Mehrabi
Young Joon Park

Executive Editor
C. James Yen

Managing Editor
Annie Jin

Contributing Editor
Donya Mehrabi

Design and photography
Xie Feng
Pixelwave
Ying Qi

PHBS Magazine is published biannually

WE WANT TO HEAR FROM YOU!
Facebook: phbs2004
Instagram: pekinguniversityhsbc
Linkedin:
Peking University HSBC Business School

NEWS BRIEFINGS

1 New Academic Year Begins with PHBS Opening Ceremony



On the evening of September 3, PHBS held its 2025 Full-Time Master's and Ph.D. Program Opening Ceremony at the school's auditorium. PHBS was thrilled to welcome a diverse and dynamic group of new students on its registration day. Among them are 302 Chinese master's students, 11 doctoral students, 72 international degree-seekers, and 42 international exchange students. The past few years have witnessed an increasing number of international students admitted to PHBS. This fall, the cohort of international students is from 30 countries, including Italy, France, Germany, Thailand, and Russia. The campus is ready to pulse with energy as these global talents converge. International students bring a rich mosaic of cultures, perspectives, and experiences, poised to enrich PHBS's academic and social landscape.

2 British Consul General Visits PHBS and Delivers a Lecture on UK Culture and Life

In the afternoon of September 2, Sarah Mann, the British Consul General in Guangzhou, visited PHBS and delivered a lecture to students preparing for a cross-border study at the school's UK campus. The lecture aimed to provide students with a comprehensive understanding of British society and to support their transition to life in the UK. Mann introduced various aspects

of the country, including its history, culture, political system, lifestyle, culinary traditions, higher education, and climate. She particularly emphasized the UK's diversity and openness, noting its multicultural and multi-religious demographic makeup. Mann also provided students with practical tips for living and thriving in the UK, hoping they could act as bridges between China and the UK during their studies abroad. Through these lively interactions after the lecture, students gained valuable insights and foundational knowledge essential for their upcoming academic journey in the UK.



3 PHBS Welcomes 13 New Faculty Members

This fall, PHBS welcomed 13 outstanding scholars. Among them are both established scholars and rising stars full of passion and potential. Their joining will further enhance the faculty's strength in teaching and research in fields such as economics,

finance, and management. An exceptional faculty team is the cornerstone of PHBS's achievement of ever-increasing excellence. As of September 2025, the total number of full-time faculty members at the school has reached 80, with over 97% holding doctoral degrees from world-class universities. Foreign faculty members from countries such as the United States, South Korea, and Italy account for 20% of the total.

NEWS BRIEFINGS

4 KDI School of Public Policy and Management Dean Joon-Kyung Kim and Delegation Visit PHBS

On August 18, a delegation led by Joon-Kyung Kim, dean of the Korea Development Institute School of Public Policy and Management (KDI School), visited PHBS. Wang Pengfei, Peking University Boya professor and dean of PHBS, along with Young Joon Park, associate dean of PHBS, held a meeting with the visiting guests. Wang Pengfei extended a warm welcome and provided an overview of the school, covering its development history, educational philosophy, academic programs, faculty strength, research publications, and international collaborations. Joon-Kyung Kim shared the historical background, research achievements, alumni network, and coop-



eration experiences of the KDI School. Subsequently, both sides engaged in in-depth discussions on topics such as innovation ecosystems and regional development, innovation collaboration among universities, student cultivation, and international rankings.

5 The 2025 AI-Driven Talent Development Forum Co-Hosted by PHBS & Feishu

On May 18, PHBS and Feishu (Lark), a ByteDance company, co-hosted the 2025 AI-Driven Talent Development Forum in Qianhai, exploring how AI might reshape not

just the tools we use but also the way organizations think, grow, and collaborate. The forum sparked conversations on human-AI synergy, career readiness, and the evolving role of leadership in the digital era. A key highlight was the launch of a new white paper on AI-driven talent trends by PHBS's Enterprise Development Institute—offering practical insights for navigating the future of work.

6 Together with PHBS: Supporting “A Bright Start for Every Child” Initiative

On March 29, educators, alumni, scholars, and change makers gathered at PHBS for the “A Bright Start for Every Child” Initiative conference. Co-hosted by PHBS and the China Development Research Foundation, the event brought together over 100 attendees—project leaders, faculty, students, alumni entrepre-



7 PHBS Graduates Stand Out in This Year's Fiercely Competitive Job Market

Among 322 full-time Chinese master's students (including 23 full-time MBA students), 18 will pursue further studies at leading universities in China and abroad, while 295 have secured job offers before graduation, bringing the overall pre-graduation employment rate

neurs, and philanthropists—working towards giving every child in rural China a bright and healthy start. Discussions at the conference also explored ways to expand the initiative's reach through volunteer recruitment, donation pathways, and long-term partnerships. Through its partnership with the “A Bright Start for Every Child” Initiative, PHBS continues to bridge knowledge and care, policy and people—believing that through collaboration and commitment, a brighter future can be built for every child in rural China.

to 97.2%. Specifically speaking, 20% of the MA graduates joined policy banks and commercial banks, 10% embarked on their careers in public offering funds, and an additional 21% entered leading financial institutions. Against the backdrop of the deep integration of AI, the internet, and the real economy, 17% of the graduates chose to enter the internet technology sector. Another 14% joined companies in the real economy. Furthermore, 10% of the graduates are actively engaged in public governance and policy practice, contributing to the national development strategy.

Among the 23 full-time MBA graduates, 31% entered the technology industry, 31% chose innovation and entrepreneurship, and 17% built their careers in the financial sector. Another 9% joined central government-owned enterprises or state-owned enterprises. Additionally, three graduates opted for paths in the real economy, such as retail and smart manufacturing, carving out distinctive career paths.

PHBS Ranks First in Chinese Mainland in 2025 QS Executive MBA Rankings



Peking University HSBC Business School (PHBS) has been ranked 1st in the Chinese Mainland, 8th in the Asia-Pacific region, and among the top 50 globally in the newly released 2025 QS Executive MBA (EMBA) Rankings. Published by Quacquarelli Symonds (QS), a global higher education analytics firm, the ranking affirms PHBS's position as a leading destination for executive business education and beyond.

The 2025 rankings evaluated 205 standalone EMBA programs worldwide across five key indicators: employer reputation, career outcomes, executive profile,



Peking University HSBC Business School

April 2025

Date


Ben Sowter
Senior Vice-President
QS Quacquarelli Symonds



Peking University HSBC Business School

April 2025

Date


Ben Sowter
Senior Vice-President
QS Quacquarelli Symonds

“
PHBS has been ranked 1st in Chinese Mainland, 8th in the Asia-Pacific region, and among the top 50 globally in the newly released 2025 QS Executive MBA (EMBA) Rankings.”

diversity, and academic reputation. Under Career Outcomes, PHBS earned a score of 92.2 in the Graduates Promoted subcategory—reflecting the meaningful career progress achieved by its EMBA alumni.

Nestled in the vibrant city of Shenzhen, PHBS was established in 2004 with the vision to build on Peking University's inspirational traditions and develop as an internationally renowned epicenter of business education excellence. Over the past 20 years, PHBS has steadfastly maintained its position as a beacon of academic excellence and intellectual prowess, as evidenced by its relentless pursuit of rigorous research, groundbreaking publications, and insightful case studies.

Beyond its impressive QS EMBA Rankings, the school now holds the three most prestigious business school accreditations—AACSB, AMBA, and EQUIS—placing it among the top 1% of business schools worldwide. It offers innovative Chinese/Asian perspectives to address complex global challenges faced by modern managers and leaders, while its tailored programs empower professionals from the top industries with advanced managerial skills, innovative ideas, and confident C-suite leadership. Its EMBA program equips students with the tools to lead across industries and navigate today's complex business environment.

Dialogue with a Nobel Laureate: Student Tea Talk Series at PHBS

On May 9, the second session of “Dialogue with a Nobel Laureate: Student Tea Talk Series at PHBS” was held at PHBS. Professor Thomas Sargent, 2011 Nobel laureate in economic sciences and honorary director of the Sargent Institute of Quantitative Economics and Finance (SIQEF) at PHBS, was again invited to join 25 full-time master’s and doctoral students for an informal roundtable conversation. The event was moderated by Associate Professor Shi Jiao, deputy director of the institute.

During the tea talk, students raised questions on a range of topical issues, including “tariff policies,” “China’s scientific research potential,” “machine learning,” “work-life balance,” and “technological evolution and resistance.” Professor Sargent listened patiently before fielding questions with answers that blended thoughtful insights with practical wisdom, drawn from his extensive research. He emphasized that economics is a messy, human, and endlessly fascinating field. Whether studying tariffs or artificial intelligence, he encouraged students to remain humble and curious, stressing that “most breakthroughs come from slow, stubborn effort—not genius.”



Zha Jiajing: What is the impact of recent tariff policies on the US, Chinese, and global economies?

Thomas Sargent: Let me start by saying tariffs are not a new idea. In the US, they have been around since the country’s founding. Alexander Hamilton and George Washington used tariffs for two main reasons: 1. To fund the government. Back then, the US was poor, and collecting taxes was hard. Tariffs were easy to enforce at ports.

2. To protect infant industries. For example, early American shipbuilders were unable to compete with British manufacturers, so they lobbied Congress for the imposition of tariffs.

But here’s the catch: tariffs hurt most people. Consumers end up paying more for worse products. Imagine buying cheap, high-quality British goods versus expensive, poorly made American ones. Adam Smith hated tariffs because they distort free markets. Businesses start lobbying politicians instead of innovating—this is cronyism. Free markets work when producers compete selfishly to please consumers. Tariffs break that cycle.

Now, when politicians say, “China will pay the tariffs,” that is false. Tariffs are taxes on our own imports. They hurt US consumers and businesses reliant on global supply chains. The real winners? Politicians and lobbyists. History shows tariffs create inefficiencies. The solution? Promote competition, not protectionism.

Feng Yimeng: Can the Chinese education system cultivate Nobel Prize winners?

Thomas Sargent: I will be honest: I don’t know. But let me share what I do know. I have worked with Chinese researchers—many of whom were educated entirely in China—and they are world-class. They are technically brilliant, with strong math and analytical skills. At conferences, 90% of presenters may be China-educated professors conducting cutting-edge research.

Nobel Prizes are tricky. They often spotlight individuals, but breakthroughs usually come from collective efforts. For example, this year’s physics prize went to machine learning pioneers, but hundreds contributed to that field.

“He encouraged students to remain humble and curious, stressing that ‘most breakthroughs come from slow, stubborn effort—not genius.’ ”



China's strength lies in its scale, boasting top-tier papers, engineers, and infrastructure. If you focus on real research—not chasing awards—the system can absolutely produce Nobel-level work.

One thing to improve? Encourage openness. A Turing Award winner at Tsinghua told students: "Professors should keep their doors open." Let PhD students collaborate freely. Balance job hunting with deep research. Titles like "Nobel winner" follow substance, not the other way around.

Xia Xinyu: How can machine learning be combined with unstructured uncertainty in research?

Thomas Sargent: First, strip away the hype. ML is just a statistical function fitting. You take data (X) and map it to outcomes (Y), whether linear regression or neural networks. The "magic" comes from more data and computing power.

To combine ML with uncertainty:

1. Define the problem. For example, financial mispricing or policy impacts.
2. Use ML to find patterns, but ground them in theory.

Take the Black-Litterman model. The classic Markowitz portfolio theory failed because it assigned unrealistic weights—such as investing 300% in one stock. Black and Litterman fixed this by adding Bayesian priors (the "Minnesota prior"). Their tweak? Blend investor views with market equilibrium. That's ML's role: to refine models with data, while staying rooted in economics.

My advice? Do not force originality. Start by replicating existing work. If you spot a flaw—like I did with Solow's paper—dig deeper. ML tools will not replace theory, but they can make researchers 10 times more efficient.

“Additionally, focusing too much on math could lead economists to neglect the philosophical and social aspects of economics. But overall, math is a useful tool in economics.”



Maguette Fall: I think economics is like philosophy, exploring how the world works. So, what are the limitations of using so much math in economics? And what are the pros of using math?

Thomas Sargent: Firstly, I don't think you should say you're not good at math. It's probably not true. Even if it is, you still shouldn't say you are not good at math. I was very slow at it, too, and avoided math in college. But I admire its beauty and power. Despite struggling with it, I have made myself learn enough to be useful. So, why do economists find math useful? The primary reason is that many economic problems, such as resource allocation, quickly become optimization problems. You need to define what's "good" and the constraints. This leads to constrained optimization and game theory, which form a very powerful framework.

If you know a little math, you can be creative and make progress. Even if you are not very good at math, you are still more empowered than someone who only knows English. There are economists, such as Adam Smith, who did not rely heavily on mathematics. Karl Marx was a good economist, but did not use math either. He had insights but struggled to express them due to limited math knowledge. Similarly, there are brilliant economists who rely on verbal arguments, but they may not have students who can carry on their work. Robert Solow employed a simple mathematical approach and had many students who followed his lead.

So, the advantages of using math are clear. However, there are limitations. Overusing math can make it hard for those without strong math skills to understand the core ideas of economics. It might also oversimplify complex economic phenomena. Additionally, focusing too much on math could lead economists to neglect the philosophical and social aspects of economics. However, math is a valuable tool in economics.



Aleksandr Kuzmin: What advice do you have for master's students balancing career and research?

Thomas Sargent: Don't overplan. At your age, I wanted to be a football player, not a professor! Here is what worked for me:

1. Follow curiosity. Research ideas that keep you awake at night.

2. Learn continuously. I spent years studying math without aiming to publish—it ultimately paid off.

3. Embrace uncertainty. Careers are not linear. My co-author Bob Litterman left academia for Goldman Sachs and thrived.

If you are torn between internships and research, ask: What teaches you more? Internships offer real-world skills; research builds deep expertise. Neither is “better”—just different paths.



If you are torn between internships and research, ask: What teaches you more? Internships offer real-world skills; research builds deep expertise. Neither is ‘better’ —just different paths.”

Aleksandr Kuzmin: How do you balance life and research?

Thomas Sargent: Poorly, according to my wife! Seriously:

1. Routine: I spent afternoons learning math, even if it felt unproductive. Progress compounds.

2. Exercise: I jogged 5 miles daily. Physical health fuels mental clarity.

3. Reading: Skim papers quickly, but dive deep into pivotal ones. Some papers took me weeks to digest—that is okay.

Balance is not about equal time. It is about sustainability. If research feels like a chore, rethink your topic.

Xiao Zhangyineng: Can unions effectively counter automation?

Thomas Sargent: Short-term, yes; long-term, no. Unions might secure higher wages, but they accelerate automation. In California, a \$25/hour minimum wage for coffee shops led to job losses—robots replaced baristas.

Automation is inevitable. The solution is not blocking technology but retraining workers. Economies evolve. The 1950s auto jobs are not coming back; today's factories need engineers, not assembly-line workers.

Zampieri Solange: How to detect biased models or narratives in economics?

Thomas Sargent: All models are biased—they simplify reality. The key is transparency:

1. Acknowledge assumptions. Copernicus assumed heliocentrism; modern models assume rational agents.

2. Test rigorously. If data contradict the model (e.g., Shiller's volatility puzzle), revise the theory.

3. Question narratives. Historians and economists cherry-pick facts to tell compelling stories. Stay skeptical.

For example, politicians might claim tariffs “save jobs,” but data show they rarely do. Follow the evidence, not the headline.

Final Remarks:

Economics is messy, human, and endlessly fascinating. Whether you are studying tariffs or AI, stay humble, stay curious, and remember: most breakthroughs come from slow, stubborn effort—not genius.



Background Information

Thomas Sargent, the 2011 Nobel laureate in economics, joined PHBS in 2017, where he spearheaded the establishment of the SIQEF and served as its director and now its honorary director. Actively engaging internationally renowned scholars from top universities and research institutions, he has collaborated with PKU faculty to build a world-class, diverse research team dedicated to advancing theoretical and applied research in quantitative economics and finance in China.

Professor Sargent has designed and leads the school's doctoral program in economics, where he also teaches courses such as Advanced Macroeconomics. To date, SIQEF has enrolled seven cohorts of PhD students and hosted eight annual international conferences on macroeconomics and finance, fostering ongoing dialogue between Chinese scholars and leading global experts in economics and finance.

The “Dialogue with a Nobel Laureate: Student Tea Talk Series at PHBS” was launched and is organized by SIQEF. By inviting Professor Sargent to engage in face-to-depth conversations with students, the event aims to promptly identify and address academic challenges faced by participants, offering them timely guidance and inspiration.

By Chai Yuheng and Annie Jin



Advanced Macro Workshop on Control Theory and Infinite Dimensional Analysis Held at PHBS

On August 30, the Advanced Macro Workshop on Control Theory and Infinite Dimensional Analysis was held at Peking University HSBC Business School (PHBS), co-hosted by the Sargent Institute of Quantitative Economics and Finance (SIQEF) at PHBS, Institute for Advanced Study (IAS) and Economics and Management School at Wuhan University, as well as the University of International Business and Economics. During the event, more than 40 scholars from China and abroad participated in discussions on the latest academic research in the field of control theory and infinite dimensional analysis.

Professor Nie Jun from Wuhan University presided over the opening ceremony. He stated that the conference aimed to promote interdisciplinary research between mathematics and economics to address computational challenges in high-dimensional economic models.

Professor Nie reviewed the achievements of previous workshops and briefly introduced the agenda, which includes three economics papers and four mathematics papers, emphasizing the importance of cross-disciplinary dialogue in advancing frontier macroeconomics research.

Professor Felix Kubler from the University of Zurich and fellow of the Econometric Society, presented the paper titled "Deep uncertainty quantification: with an application to integrated assessment models." In the context of climate-economic modeling, the study proposed combining deep neural networks and Gaussian processes to build surrogate models for quantifying uncertainty in high-dimensional parameter spaces. Through computational experiments and Bayesian quadrature methods, the sensitivity of the social cost of carbon to key parameters was analyzed. Results showed

that discount rates, risk aversion, and elasticity of substitution significantly could affect carbon costs, while mitigation cost parameters played a minor role.

Professor Wang Fengyu from Tianjin University presented the paper, "Spectral Representations on Wasserstein Limits of Empirical Measures on Manifolds." In the context of studying the convergence of empirical measures for diffusion and Markov processes, the paper proposed an analytical method based on spectral representations and Dirichlet eigenvalues. Employing coupling, heat kernel estimation, and Wasserstein distance theory, the paper investigated the convergence rate of empirical measures under Wasserstein distance and its relationship to the manifold dimension. The results showed that the convergence rate could strongly depend on the dimension and revealed the accelerating effect of divergence-free per-

turbations on convergence.

Professor Zhu Shenghao of the University of International Business and Economics presented the paper titled "Stability of a Heterogeneous Agent Model with Human Capital," which investigated whether a heterogeneous-agent economy can converge to a stationary equilibrium. The paper proposed using relative entropy and the McKean-Vlasov SDE framework to study this stability issue. By constructing a dynamic model that incorporates incomplete markets and human capital accumulation risk, the study examined the conditions for convergence of human capital distribution and derives the existence and convergence rate of the stationary distribution. It revealed that the distribution of the economic system could converge to a stationary state under certain conditions.

Professor Liu Wei from Wuhan University presented the paper, "Concentration Inequal-

“More than 40 scholars from China and abroad participated in discussions on the latest academic research in the field of control theory and infinite dimensional analysis.



Nie Jun



Felix Kübler



Wang Fengyu



Zhu Shenghao

ties and Exponential Convergence for Mean-Field interacting Particle Systems and McKean-Vlasov Equation." Within the study of mean-field particle systems and McKean-Vlasov dynamics, he noted that under a weak interaction condition one could bypass convexity and obtain explicit, computable bounds. Using coupling (approximate componentwise reflection), functional inequalities, Euler-Maruyama schemes, and propagation of chaos, the work analyzed links among convergence, bias, and pathwise concentration.

Associate Professor Mou Chenchen from City University of Hong Kong presented a paper titled "On Well-posedness of Mean Field Game Master Equations: A Unified Approach." In the context of mean field games with common noise, this study introduced a necessary and sufficient Lipschitz continuity condition. Using the FBSPDE system, semi-monotonicity analysis, and tensor Γ mapping methods, the paper investigated the relationship between the existence, uniqueness, and monotonicity of the solutions to the master equation. The results showed that under certain semi-monotonicity conditions, the master equation is also globally well-posed. The study also explored applications to potential games, finite state models,

and minimax solutions in nonmonotonic situations.

Associate Professor Wei Xiaoli from Harbin Institute of Technology presented the paper titled "Unified Continuous-time q-learning for Mean-field Game and Mean-field Control Problems." Addressing mean-field games and control problems, the study introduced a unified q-learning framework using decoupled value functions for agent-population interactions, with policies learned via martingale conditions. Parametrized functions (e.g., neural networks) and numerical simulations were applied to financial models like wealth processes. The Results confirmed effective equilibrium policy learning and numerical convergence.

Professor Serguei Maliar from Santa Clara University presented the paper titled "Hierarchical Reinforcement Learning for Dynamic Economic Models." To address computational challenges in high-dimensional state spaces, the study developed an HRL framework: low-level policies manage local states (e.g., provincial economies) while high-level policies coordinate global objectives. Using neural networks for policy parameterization with experience replay and stochastic gradient descent, the method was applied to heterogeneous-agent

"This workshop not only showcased high-level cutting-edge research but also strengthened interdisciplinary and international academic exchange, injecting new momentum into the in-depth development of macroeconomics in areas such as optimal control and high-dimensional analysis."

low of the Econometric Society, and Malcolm K. Brachman professor of economics at Yale University, also participated in the full event via online connection.

In 2024, SIQEF was designated as a "Shenzhen Key Research Base in Humanities and Social Sciences" (Funding Category). This event received support from this designation, as well as from the Key Project of the National Natural Science Foundation of China "Machine Learning Algorithms for Solving and Applications of Heterogeneous Dynamic Macro Models" (72433004) and the Original Exploration Program Project of the National Natural Science Foundation of China "A New Generation of Macroeconomic Large Models Based on Infinite-Dimensional Dynamic Control and Artificial Intelligence" (72450003). This workshop not only showcased high-level cutting-edge research but also strengthened interdisciplinary and international academic exchange, injecting new momentum into the in-depth development of macroeconomics in areas such as optimal control and high-dimensional analysis.

By Chen Chenxuan, He Pengyu, Su Chenyu,

Wu Qianfeng, Yan Xihe, and Annie Jin

Source: SIQEF and PR & Media Office



Liu Wei



Mou Chenchen



Wei Xiaoli



Serguei Maliar



Thomas J. Sargent



Chen Xiaohong

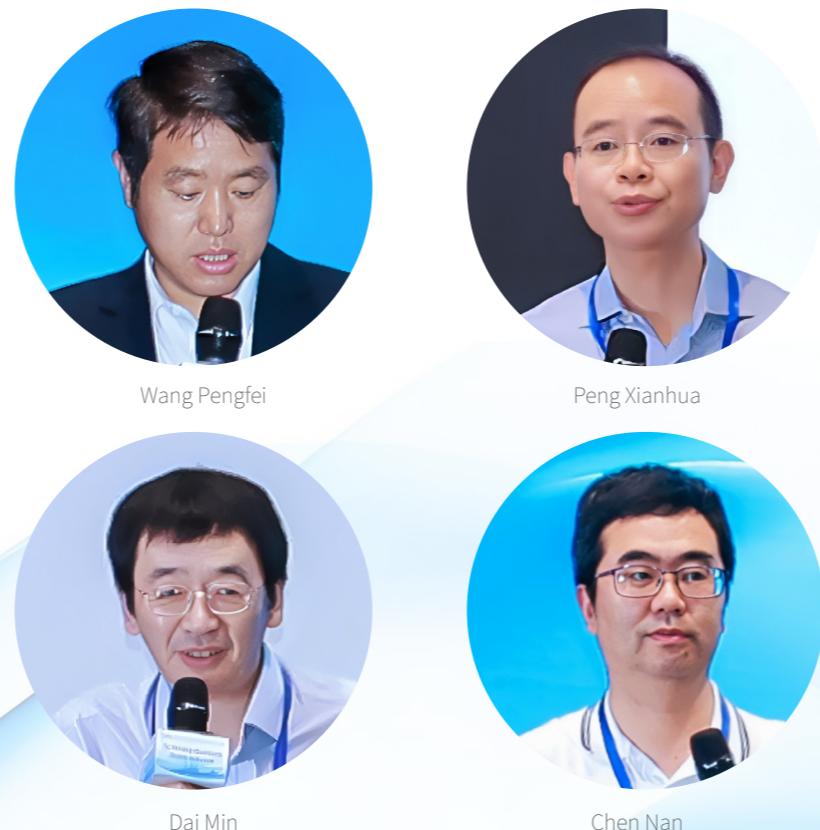


The 9th Asian Quantitative Finance Conference Held at PHBS

The 9th Asian Quantitative Finance Conference (AQFC) was held from April 26 to 28 at Peking University HSBC Business School (PHBS) in Shenzhen. Jointly organized by PHBS, the Shenzhen Research Institute of The Hong Kong Polytechnic University, and The Chinese University of Hong Kong, Shenzhen, the event brought together more than 180 scholars from leading institutions worldwide. Participants engaged in in-depth discussions on cutting-edge topics in quantitative finance, including financial technology, machine learning, stochastic control, asset pricing, portfolio selection, financial derivatives, financial modeling, and risk management.

In his welcome address, Wang Pengfei, Boya distinguished professor and dean of PHBS, highlighted China's rapid development in quantitative finance and emphasized the growing importance of AI-driven innovation in the field. He expressed hope that the conference would foster deeper academic-industry dialogue and breakthroughs in financial innovation.

Professor Dai Min from The Hong Kong Polytechnic University recalled the founding journey of the AQFC and extended his appreciation



to the co-organizers. Professor Chen Nan from The Chinese University of Hong Kong extended his best wishes for fruitful academic exchanges throughout the conference.

Martin Schweizer, professor at ETH Zurich, presented his paper titled "Dynamic Monotone Mean-Variance Portfolio Optimisation with Independent Returns." The Monotone Mean-Variance (MMV) utility is a refinement of the classical Markowitz utility, designed to ensure that the utility function is strictly increasing with respect to terminal wealth—thus addressing the non-monotonicity issue in traditional mean-variance analysis. Building on his previous research, Schweizer provides a complete and explicit solution to the dynamic portfolio optimization problem under the MMV framework, within a semi-martingale asset pricing model where returns are independently distributed. The model assumes only return independence and the absence of local weak arbitrage, making the results broadly applicable to various market settings and offering a robust theoretical foundation for dynamic investment decisions under uncertainty.

Johannes Muhle-Karbe, professor at Imperial College London, presented his research titled "Liquidity and Asset Prices," which examines how transaction costs affect asset pricing through a general equilibrium model with two representative investors. Solving the model with transaction costs involves complex forward-backward stochastic differential equations, as optimal strategies include endogenous trading boundaries. Given that transaction costs are typically small,

“In addition to the keynote speeches, the three-day conference featured 27 parallel sessions, covering a wide range of emerging topics such as fintech, machine learning, asset pricing, quantitative investing, corporate finance, derivatives, asset allocation, and stochastic control.



Martin Schweizer and Johannes Muhle-Karbe



Jussi Keppo and Hyeng Keun Koo



Chen Zengjing and Jia Yanwei



Chen Zengjing and Jia Yanwei

Muhle-Karbe proposes an asymptotic approximation method based on the closed-form solution of the frictionless benchmark case. After calibrating the model with real-world turnover data, he finds that theoretical predictions significantly overstate the impact of transaction costs on asset prices—suggesting that in real markets, only a small fraction (possibly around 10%) of trades are driven by hedging demands. The findings point to a gap between theoretical models and empirical behavior, calling for further research to better understand trading motives in markets.

Professor Jussi Keppo from the National University of Singapore presented his paper titled “Misaligned Clocks: Incentives for Differently Patient Boards and CEOs.” The study builds a principal-agent model to examine how boards with longer time horizons can design compensation contracts that incentivize CEOs—who may have shorter time horizons—to make decisions aligned with the board’s patience level. The research shows that while it is possible to partially align the CEO’s behavior with the board’s preferences through contractual incentives, this alignment is limited by information asymmetry and behavioral constraints. Importantly, the paper highlights a novel mechanism through which changes in the interest rate influence corporate investment behavior—not only via market signals, but also by altering

the optimal design of incentive contracts. This sheds light on the role of dynamic contract design in mitigating short-termism and fostering long-term value creation.

Professor Hyeng Keun Koo from Ajou University introduced his paper titled “Optimal Consumption and Portfolio Rules with Dynamic Adjustment of Consumption Bounds.” The study addresses an optimal consumption and investment problem in which investors pre-commit to upper and lower bounds on consumption: the lower bound provides utility as a form of consumption guarantee, while dynamically adjusting these bounds incurs utility loss. To solve this problem, Koo reformulates it as a dual singular control problem, which is further transformed into an optimal switching problem. He also analyzes the structure of the optimal policy when the utility function is of the CRRA type. The model offers theoretical insights with practical relevance for corporate dividend policies and institutional asset management, where trade-offs between stability and flexibility are critical.

Professor Chen Zengjing from Shandong University presented his research titled “Nonlinear Robust Limit Theorems for a Set of Probability Measures.” In complete markets such as the Black-Scholes model, option prices are given by the discounted expectation of payoffs under a unique risk-neutral measure. Howev-

er, real-world markets are often incomplete, requiring a family of probability measures to define nonlinear probabilities and expectations. This framework enables robust pricing based on nonlinear expectations of asset returns. Chen introduces the notion of measure ambiguity, illustrating that a one-armed bandit corresponds to a single probability measure, while a two-armed bandit captures ambiguity through a set of binary Bernoulli models. The paper establishes strong law of large numbers and central limit theorems under such nonlinear settings, where limiting behavior is characterized by Brownian motion or backward stochastic differential equations. These results lay a theoretical foundation for robust asset pricing under model uncertainty.

Assistant Professor Jia Yanwei from The Chinese University of Hong Kong presented the paper titled “Mean-Variance Portfolio Selection by Continuous-Time Reinforcement Learning: Algorithms, Regret Analysis, and Empirical Study.” The study proposes a continuous-time reinforcement learning algorithm for the dynamic mean-variance portfolio selection problem. The algorithm is model-free and data-driven, enabling practical implementation without relying on specific market assumptions. He proves that, under a multi-asset Black-Scholes framework, the algorithm achieves a sublinear upper bound on regret measured by the Sharpe

ratio, ensuring its asymptotic efficiency. Empirically, using daily data from S&P 500 constituents over the period 1990–2020, the algorithm demonstrates superior and more robust performance compared to 14 benchmark portfolio optimization methods.

In addition to the keynote speeches, the three-day conference featured 27 parallel sessions, covering a wide range of emerging topics such as fintech, machine learning, asset pricing, quantitative investing, corporate finance, derivatives, asset allocation, and stochastic control. Over 100 scholars presented their latest research findings. The 9th AQFC marked another milestone in promoting scholarly exchange and advancing theoretical and practical frontiers in quantitative finance across Asia and beyond.

Since its inception in 2013, the Asian Quantitative Finance Conference has grown into one of the most influential annual academic gatherings in the field. Previous conferences have been hosted by institutions such as the National University of Singapore, Shandong University, The Chinese University of Hong Kong, Osaka University, KAIST, Sun Yat-sen University, the Vietnam Institute for Advanced Study in Mathematics, and Taipei University of Technology.

Source: PHBS Public Relations & Media Office
By Wu Yixing, Xia Xinyu, Zha Jiajing, Yan Xihe, Wu Yi, and Jiang An

PHBS Hosts 2025 PKU Shenzhen Forum

By Jiang An

The 2025 Peking University Shenzhen Forum, initiated by Peking University HSBC Business School (PHBS), took place on March 29, drawing over a thousand participants, including leading experts and scholars in economics, technology, and international relations. Under the theme “Forging Consensus for Reform, Unleashing Innovation Vitality,” the forum provided a platform for in-depth discussions on macroeconomics, technological innovation, global affairs, and reform-driven development.

In his welcoming speech, Hai Wen em-

phasized the forum’s timeliness amid global economic and political upheavals and rapid technological advancements. He highlighted “reform” and “innovation” as the forum’s two key themes. He also stated that deepening reform and continuous innovation have been the cornerstones of China’s development over the past four decades and remain the driving forces for overcoming future challenges. He expressed confidence that the keynote speeches by five distinguished speakers would offer profound insights and valuable perspectives to the public.



Hai Wen, vice chairman of Peking University Council, former vice president of Peking University, and founding dean of PHBS, presides over the forum

Zhang Jin, member of the Chinese Academy of Sciences, member of the Standing Committee of the Party Committee of Peking University, vice president of Peking University, and Chancellor of PKU Shenzhen Graduate School

Li Yang, member of the Chinese Academy of Social Sciences and chairman of the National Institution for Finance & Development

In his keynote speech, “AI for Science (AI4S): The Path of China’s AI Development,” Zhang Jin explored the role of artificial intelligence (AI) in accelerating scientific research. He introduced AI4S, an interdisciplinary approach leveraging AI to enhance research efficiency and facilitate scientific breakthroughs. He outlined four key areas—computing power, models, data, and applications—where China can further its AI research, emphasizing the need to digitalize scientific studies, build research platforms, and foster interdisciplinary talent to establish a uniquely Chinese AI-driven innovation path.





Wang Yiming, vice chairman of the China Center for International Economic Exchanges

Wang Yizhou, Peking University Boya distinguished professor, vice president of the China National Association for International Studies, and director of the Institute of Area Studies at Nanjing University

Lu Mai, former vice chairman of the China Development Research Foundation

Established in 2007, the PKU Shenzhen Forum has evolved into a premier flagship event in Shenzhen. Since moving off campus in 2021, it has expanded its focus beyond economics and finance to encompass a broader range of topics, including technology and international relations.

Li Yang gave a keynote speech titled “Analysis of the Macroeconomic Situation,” providing an analysis of China’s macroeconomic performance in early 2025. He noted that policy measures have stabilized economic growth, yet challenges persist, including reliance on external demand, weak consumer spending, and sluggish private investment. He recommended proactive fiscal and moderately accommoda-

tive monetary policies to sustain economic momentum. Regarding AI’s rapid expansion across industries, he called for leveraging China’s institutional strengths to foster AI adoption while addressing its challenges through comprehensive social policies.

In his keynote speech, “Technological Innovation as a Catalyst for High-Quality Development,” Wang Yiming emphasized that the ongoing technological revolution is reshaping global power dynamics and intensifying competition among major economies. He underscored the urgent need for China to transition toward new productive forces driven by innovation. To achieve this, he proposed enhancing original innovation capabilities, fostering a synergy between education, science, and talent development, and promoting a technology-finance-industrial ecosystem that sustains high-quality economic growth.

In his keynote speech, “Global Affairs and China’s Diplomacy: New Opportunities and Challenges,” Wang Yizhou analyzed the “new normal of uncertainty” in global affairs, stress-

ing that conventional wisdom has limitations in understanding the evolving international landscape. He highlighted both the opportunities brought by China’s deepening integration with the world and the challenges, including safeguarding overseas interests and enhancing soft power. He concluded that major-power competition is ultimately determined by internal resilience rather than external rivalry, urging China to strengthen its global standing through continuous self-improvement.

In his keynote speech titled “Investing in People – Starting from Early Childhood in Rural Areas,” Lu Mai underscored the importance of human capital investment in driving high-quality development and achieving common prosperity. He detailed China’s advancements in human capital development and the government’s commitment to this endeavor. Emphasizing early childhood as a critical period for cognitive, linguistic, and socio-emotional growth, he advocated for enhanced nutrition,

scientific early education, and increased societal and governmental support to ensure equitable access to quality education and sustainable economic development.

Established in 2007, the PKU Shenzhen Forum has evolved into a premier flagship event in Shenzhen. Since moving off campus in 2021, it has expanded its focus beyond economics and finance to encompass a broader range of topics, including technology and international relations. Serving as a bridge between academic thought leadership and practical implementation, the forum has become a vital platform for Peking University to contribute intellectual insights and for Shenzhen to explore innovative applications. Looking ahead, it aims to strengthen further its role in connecting cutting-edge research with pressing global challenges, contributing to the advancement of Shenzhen, the Greater Bay Area, and China’s overall development.



PHBS Holds 2025 Commencement



On May 31, the Peking University HSBC Business School (PHBS) held its 2025 Commencement Ceremony. A total of 656 graduates from the PhD, MA, MBA, and EMBA programs donned their caps and gowns to celebrate their achievements and embark on the next chapter of their journey. School leaders, faculty members, alumni representatives, and distinguished guests gathered for this momentous occasion to honor the graduates' hard work, perseverance, and commitment to excellence.

The ceremony opened with a video featuring graduates' unforgettable memories and the faculty's best wishes. It was followed by students and graduates singing "Love for PKU," expressing the deep patriotism and sense of national responsibility that defines the spirit of PHBS students.

Speeches on behalf of the 2025 graduates

Zhao Zhao's speech highlighted three pillars: the confidence from rigorous PHBS training, the memories of collective effort, and the commitment to national responsibility. She emphasized that the PHBS identity is a lifelong honor, measured not merely by the name of the school but by one's actions in embodying resilience, pioneering spirit, and the unity of thought and practice, thereby continuously enriching the meaning of that title.





Micol Mascia, a finance graduate from Italy, shared her journey of leaving home to pursue growth, learning, and the future at PHBS. She described PHBS as more than a school—a community where she gained not only knowledge but also cultural connection and emotional strength. “Belonging does not need translation,” she said. For her, graduation marks not an end but the beginning of a greater journey shaped by courage, curiosity, and responsibility.

Xu Guohua reflected on his journey from the workplace back to academia, highlighting the deep bonds formed with his classmates through shared challenges, such as the “Gobi 19” race. He praised PHBS’s rigorous and enriching academic environment as a foundation for intellectual growth. For him, the past two years served as a bridge between practice and theory—a time for self-discovery and a renewed dialogue with his aspirations.

Pan Rui shared his reasons for choosing PHBS, where he discovered that teachers are not only educators but also mentors. His studies taught him that true business success lies not in personal

wealth but in creating social value. In the face of uncertainty, he called for a three-fold responsibility—to enterprises, industries, and the nation. He encouraged his classmates to act with courage and conviction, contributing to national prosperity as proud representatives of PHBS.

Speeches by faculty and guests

Professor Liu Baixiao offered heartfelt congratulations and three hopes for the graduating class: to pursue independent thought with a free spirit, to shoulder social responsibility with an open and inclusive mind, and to uphold their orig-

inal aspirations with unwavering tenacity. He encouraged graduates to carve out their paths with independence, to embrace the world with a broad vision, and achieve their goals with resilience.

Guo Yongqing reflected on his unforgettable time at PHBS, his steadfast commitment to serving in Qinghai, and his deep gratitude toward his mentors. He also shared heartfelt hopes for the younger generation. He concluded with a distinctive Tibetan blessing for his junior peers: “May your journey be like the migration of the Tibetan antelope, always moving toward fertile lands; May your career be like the snowmelt of the Kun-

lun Mountains, nourishing all without seeking praise; And may your life be like the prayer flags of the plateau, flying proudly in the winds of time.”

Mo Yan encouraged graduates to dare to practice and learn continuously, proactively mastering AI rather than being supplanted by it. Drawing from his personal journey, Mo Yan also guided multiple perspectives. He entrusted graduates with the hope of preserving individuality and persisting in creativity on their future paths, composing unique and vibrant chapters of life.



Speech by Professor Wang Pengfei, dean of PHBS



Dean's message

Wang Pengfei shared three guiding keywords with the graduates: conviction, responsibility, and warmth. Conviction, he explained, means staying resilient amid change, strong in the face of challenges, and unwavering on the path ahead. Responsibility demands a public-spirited approach in one's role, courage in turbulent times, and a willingness to stand up for the nation. Warmth is reflected in humility in success, compassion toward others, and the light one brings in moments of uncertainty.

Best wishes to 2025 graduates by Professor Hai Wen, chairman of PHBS Council and founding dean of PHBS



Professor Hai Wen turns graduates' tassels

Hai Wen remarked that 2025 is a year destined for the history books—shaped by an increasingly uncertain world and marked early on by two attention-grabbing events: the premiere of *Nezha 2* and the emergence of DeepSeek, both reflecting the same inner spirit of bold innovation and courageous transformation.

He recalled a decisive moment in *Nezha 2*, when the Dragon King questions, “Do you really want to change the rules of the world?” and Nezha firmly responds, “I want to try.” These simple words, Hai Wen noted, are filled with power and wisdom. Every meaningful endeavor comes with challenges—but without the courage to even try, there can be no progress, no success.

He emphasized that “I want to try” is also the spirit that defines the founding and development of PHBS. He expressed his heartfelt hope that, when facing future difficulties, the graduates will not give up easily but instead embrace this spirit—with courage and wisdom—to overcome obstacles, solve problems, and achieve success.

After the ceremony, school leaders, guests, mentors, and graduates gathered for a group photo to commemorate the occasion. As they step into the broader world, the graduates are ready to pursue their dreams across diverse fields and embark on bright, promising futures.

By Geng Chenxi and Jiang An





Embracing Global Diversity, PHBS Hosts Third International Culture Day

By Jiang An



Despite a drizzle and chilly weather, the Third International Culture Day at Peking University HSBC Business School (PHBS) kicked off on March 30, bringing together a vibrant community of students, faculty, and visitors to celebrate cultural diversity. More than 800 participants from over 20 countries and regions, including representatives from Peking University, Tsinghua University, Harbin Institute of Technology (Shenzhen), and Shenzhen MSU-BIT University, gathered at PHBS to embark on a journey of global exploration.

A global village on campus

The PHBS International Culture Day transformed the plaza into a bustling global village, featuring over 30 booths with authentic cuisines, traditional attire, folk customs, and hands-on cultural experiences. From the elegance of European heritage to the dynamic energy of Latin America and from the deep traditions of Asia to the rich artistic expressions of Africa, the festival offered a unique opportunity for cross-cultural interaction.



From the second left to right: Zhang Fanshan, Young Joon Park, Hai Wen, Wang Pengfei, and Mao Na

“The PHBS International Culture Day transformed the plaza into a bustling global village, featuring over 30 booths with authentic cuisines, traditional attire, folk customs, and hands-on cultural experiences.”

The event was officially opened by the PHBS Dean Wang Pengfei, who was joined by Professor Hai Wen, founding dean of PHBS and former vice president of Peking University, PHBS Vice Dean Zhang Fanshan, Young Joon Park, and International Office Director Mao Na for the ribbon-cutting ceremony.

A feast for the senses

Visitors were treated to an array of global flavors, with Italian pasta, French tartine, Russian blini, Swedish meatballs, German beer, Korean tteokbokki, Malaysian nyonya kuih, and traditional Chinese sugar painting among the delicacies on display. The diverse culinary experiences fostered a deeper appreciation and understanding of different cultures through taste and aroma.

Francesca Di Credico, an Italian exchange student at PHBS, shared with Shenzhen Daily that her team had spent weeks preparing, focusing on authentic food and handmade decorations. “The hardest part is food because you really don’t want to bring something cliché,” Di Credico explained. “Also, we made the decorations ourselves, so it took longer.” Partnering with an Italian restaurant in University Town, their booth offered delicacies such as pasta, mortadella focaccia, and tiramisu.

International Culture Day



Photo Gallery



Music, dance, and celebration

The event was alive with performances that transcended borders. From the rhythmic energy of a Brazilian carnival dance to the traditional elegance of Uzbek performances and the melodic tunes of the Chinese guzheng, attendees were immersed in a vibrant world of artistic expression.

Héloïse, a French master's student in management at PHBS, explained, "We display pictures showing different regions of France and ask visitors to guess their locations." She noted, "Chinese people may know France because of Paris, but we wanted to show its diversity, so they might consider visiting other areas."

Games, traditions, and cultural immersion

Participants engaged in interactive cultural games, collecting passport stamps as they visited booths, sampled cuisines, and participated in challenges. Visitors explored Chinese tea ceremonies, intricate cloisonné enamel craftsmanship, live printing demonstrations, and even a French booth featuring the iconic Gallic rooster.

Emma, a Moroccan student from the Southern University of Science and Technology, shared her thoughts

on the event with Shenzhen Daily, saying that her favorite was the Myanmar booth. "I think the cultural event means a lot because we get to see people from different perspectives. We can learn about their culture. And if we learn about their culture, we learn about them," she added.

Celebrating the best booths

The event concluded with an awards ceremony that recognized the most outstanding booths. The Shandong & Henan Pavilion was honored with the "Best Food Booth" award, the Brazil Pavilion was recognized as the "Most Popular Booth," and the Uzbekistan Pavilion received the "Best Designed Booth" accolade.

With over 120 international students and faculty members from countries such as France, Germany, Italy, Portugal, Malaysia, and Brazil, PHBS continues to foster a vibrant multicultural environment. Since its launch in 2023, the International Culture Day become a signature event that strengthens global ties, promotes mutual understanding, and reflects PHBS's commitment to cultural exchange.

" Since its launch in 2023, the International Culture Day become a signature event that strengthens global ties, promotes mutual understanding, and reflects PHBS's commitment to cultural exchange.

“

A Small Dream Comes True for an Uzbek Student



Gulbakhor Inoyatova poses for a photo during her trip to Venice, Italy.

Many who arrive in Shenzhen have a goal and even a dream, no matter how big or small. For Gulbakhor Inoyatova, a bright first-year graduate student studying management at Peking University HSBC Business School (PHBS), a “small dream” began during her undergraduate studies in Uzbekistan four years ago and has now blossomed into reality.

Inoyatova’s “small dream” was to intern at an international company with clear guidance and mentorship so she could learn a great deal. Her dream came true on May 14, the very day of our interview, when the 22-year-old began her first day as a People Department (PD) intern at the Shenzhen Office of WIK Group (WIK Shenzhen) in Bao'an District.

Inoyatova shared that during her six-month internship, she will work with the staff of the company’s PD on areas such as talent acquisition, interview processes, training arrange-

“The school also organizes visits to different international and local companies in Shenzhen and Hong Kong, and provides us with opportunities to network with the CEOs or managers.



Gulbakhor Inoyatova (R) and her schoolmates are at the Nice to See You — Freshman Welcome Event of PHBS. Photos courtesy of the interviewee

ments, and English training courses tailored to each department of the company.

“When I came to Shenzhen, I dreamed of interning at a company that would guide me, offer mentorship, and set a work timeline. Yesterday, WIK Shenzhen sent me a detailed schedule of my learning objectives by date, it’s amazing!” Inoyatova told Shenzhen Daily with a smile, adding that she felt “calm yet excited” for the journey ahead.

Founded in Germany in the early 1950s, WIK Group is a privately held contract designer and manufacturer (ODM/OEM/CM) of electrical appliances and devices. Now based in Hong Kong with its innovation center in Germany, WIK designs and produces electronic products and components for leading global brands.

Inoyatova expressed her gratitude to PHBS, particularly its International Office, for its crucial role in securing internships for students like her. “The school sent us an email about the opportunity, and we submitted our CVs to the company. Then they invited us for interviews,” she recalled.

Emphasizing that PHBS offers a lot of opportunities for international students, Inoyatova said, “The International Office has helped us a lot. For example, during the one-week orientation held last August before the new semester, they introduced various topics, including visa-related matters and how to open a bank account. Every time I have questions, they send me emails to reply very quickly.”



Gulbakhor Inoyatova (R) and other international students at one of the orientation week activities at PHBS



"The school also organizes visits to different international and local companies in Shenzhen and Hong Kong, and provides us with opportunities to network with the CEOs or managers. Recently, they have been offering a one-on-one career development session," she explained.

Inoyatova told Shenzhen Daily that she began her career in social media marketing, which strengthened her skills in photography, filming, editing, and content creation, all of which she has been enjoying in her daily life.

Inoyatova now has social media accounts on Instagram, YouTube, and LinkedIn, where she shares her life in China as an international student. She has also documented her travels in China, including visits to cities like Shanghai, Guangzhou, Hangzhou, Suzhou, and Wuhan. In her spare time, Inoyatova likes hiking, cycling, photography, and painting.

When asked about her future goals, the young woman said confidently that she wants to become both an employer and an employee. "I'm open to every opportunity. I will seize every chance that arises. But for the future, I want to start my own business by combining business and art. I also want to work for international companies to connect China with Europe," Inoyatova concluded.

Source: Shenzhen Daily



“I’m open to every opportunity. I will seize every chance that arises. But for the future, I want to start my own business by combining business and art. I also want to work for international companies to connect China with Europe.”



Liew Jia Yi: Becoming a PHBSer in the UK

Alongside Chinese students specializing in International Finance and Management at the UK campus, international students from diverse backgrounds pursue Cross-border Management. Motivated by ambitions for Peking University HSBC Business School, they began their first year in the Master's program at the UK campus.

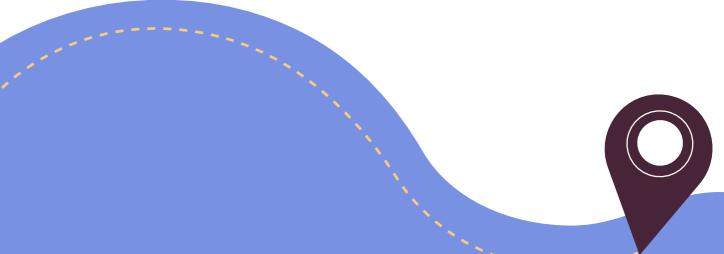
We caught up with Liew Jia Yi, a student from Malaysia, to hear about her life and studies at our UK campus.



Why did you choose the Cross-Border Finance program at the Peking University HSBC Business School UK Campus?

This is an intriguing question. To give some context, I've lived in the UK for several years since starting my undergraduate studies. You could say the UK has become my comfort zone.

After graduating, I aimed to pursue a Master's degree to enhance my career prospects and deepen my expertise in Management. Initially, I planned to apply to a UK university, as I am well-acquainted with and enjoy the lifestyle here. However, during my research, I learned that PHBS has a UK campus, which sparked my curiosity. Growing up in a Chinese family, I knew Peking University is a world-class institution and aspired to be a Peking University student.



“The PHBS cross-border program provided me with the perfect opportunity to achieve my goal of becoming a PKU student while gradually immersing myself in Chinese culture before moving to the Shenzhen campus.”



At the time of application, if you had asked me to enroll in a two-year program entirely based in Shenzhen, China, I would have felt unprepared to leave my 'relaxed' Western environment and start a new chapter in a completely different country known for its more dynamic atmosphere. Therefore, the PHBS cross-border program provided me with the perfect opportunity to achieve my goal of becoming a PKU student while gradually immersing myself in Chinese culture before moving to the Shenzhen campus.

What is your favorite/most rewarding course?

I would say that my current favorite courses are Organizational Behavior and Entrepreneurial Finance. I particularly enjoyed the teaching style of the professors who taught these courses. I thrive in a highly engaging class environment where we can share our ideas with professors and classmates and learn from one another.

I would also highlight Introduction to the Chinese Economy as the most rewarding. As an international student, I rarely access such knowledge. This course has deepened my understanding of China's history and economic growth, offering valuable insights into how China has evolved.

What do you find unique about studying at Peking University HSBC Business School UK Campus?

What I find unique about studying at PHBS UK Campus is the opportunity to experience the UK environment while receiving an education based on the Chinese education system. This combination enables us to learn and expand our knowledge in a diverse and enriching environment.

What is your favorite thing to do at the UK Campus?

My favorite thing to do at the UK campus is to walk around the lake on sunny days when the weather is superb. It provides a relaxing atmosphere and is a great place to enjoy nature. Additionally, I love studying and playing table tennis with friends at the PHBS UK campus. It's a fantastic way to bond and stay active.



What are some tips you'd like to pass on to newbies?

My top tip would be to make the most of your time at the UK Campus and in the UK itself. If you have the time to explore, I highly recommend doing so, as you will be fascinated by the beautiful villages and stunning scenery you'll encounter here.

What are your expectations for your life at the Shenzhen campus over the next year?

At the Shenzhen campus, I look forward to attending more networking events and making the most of my time for the rest of my program.

“ My favorite thing to do at the UK campus is to walk around the lake on sunny days when the weather is superb. It provides a relaxing atmosphere and is a great place to enjoy nature.

What aspects of the Shenzhen campus are you interested in learning more about?

I am particularly interested in learning more about the Shenzhen campus student lifestyle and their recommendations for students who will be joining the Shenzhen campus the following year, such as their favorite places on campus and any top tips they would like to pass on to us.



Joanna Wang

Can Blockchain Technology Help Overcome Contractual Incompleteness?



Joanna Wang

Assistant Professor
Research Interests:
Corporate Finance,
FinTech, Labor
and Finance

Contracts in business relationships are often incomplete because it is costly or impossible to specify every contingency in advance. These gaps can expose firms to holdup risks, discourage investment, and distort organizational choices. In a recent article published in *Management Science*, PHBS Assistant Professor Joanna Wang, and her coauthors Mark Chen, Sophia Hu, and Wu Qinxi examine whether blockchain technology can address these issues by enhancing contract enforcement and reducing transaction costs.

The study takes advantage of a natural policy setting. Between 2015 and 2019, thirteen U.S. states enacted laws that facilitated the development and commercial use of blockchain applications. These laws lowered the cost for firms to experiment with blockchain-based contracting and created variation across states that the authors use to study how firms respond when blockchain becomes more accessible. To measure which firms are most vulnerable to contractual incompleteness, the researchers construct an Asset Specificity



Index based on textual analysis of corporate filings. Firms with more specialized assets face higher risks of holdup and thus stand to benefit the most from technologies that strengthen contracting.

The evidence indicates that firms with higher asset specificity experienced significant gains in value following the adoption of state blockchain laws. These firms not only increased their investments in research and development but also directed a greater portion of their innovative efforts toward blockchain-related technologies. They pursued more specialized innovations, suggesting that greater confidence in enforceability encouraged firms to invest in projects closely tied to their unique assets. At the organizational level, affected firms were less reliant on vertical integration and large-scale mergers, and instead engaged

“By lowering enforcement costs and improving transparency, blockchain offers an alternative to traditional strategies such as vertical integration or rigid long-term contracts.

”

more in strategic alliances. Financial markets responded positively to these shifts, and suppliers with more specific assets expanded their geographic reach, consistent with blockchain reducing monitoring and enforcement frictions across markets.

Taken together, these findings portray blockchain as a new governance mechanism that firms can utilize to overcome the inefficiencies inherent in incomplete contracts. By lowering enforcement costs and improving transparency, blockchain offers an alternative to traditional strategies such as vertical integration or rigid long-term contracts. The study contributes to a growing literature on how emerging digital technologies reshape firm boundaries and innovation, and it provides some of the first large-scale evidence that blockchain adoption generates real economic value.

Tang Yinuo

Navigating Digital Borders: The Impact of Privacy Regulations on Born-Digital Firms' Global Strategies



Tang Yinuo

Assistant Professor

Research Interests:
International Business,
Institution Theory,
Emerging Market,
Platform Competition,
Digitalization and Regulation

In an era where digital platforms like TikTok and Uber seamlessly connect users across continents, born-digital firms that are inherently built on data, algorithms, and online infrastructure redefine international expansion. Yet, as these companies venture into new markets, they encounter a pressing challenge: stringent data privacy regulations that safeguard user information but may inadvertently hinder innovation and market engagement. In their recent study "Digital Institutions and Virtual Involvement of Born Digital Firms," published by the *Journal of International Business Studies*, Tang Yinuo (Peking University), Shen Yan (Peking University), Bu Juan (Indiana University), and Feng Dongfa (Nanchang University) delve into this tension, examining how such regulations affect the "virtual involvement" of born-digital firms whose strategic emphasis on data-driven experimentation and algorithmic adaptation over traditional physical investments.

The research conceptualizes virtual involvement as a recursive feedback loop comprising three interdependent stages: collecting user data to gain initial market insights, training algorithms for precise targeting, and continuously refining strategies through real-time interactions. Stringent privacy laws, such as the EU's General



"In a data-driven economy, privacy regulation and digital growth are intertwined. This study shows that while privacy protections are vital for user trust, they also place new barriers on firms that depend on data."

”

Data Protection Regulation (GDPR), disrupt this loop by restricting data flows, limiting algorithmic training, and reducing user feedback, ultimately diminishing firms' virtual presence. However, the study identifies key moderators that mitigate these effects: large digital markets provide aggregate data volumes to offset per-user restrictions; firms from home countries with robust privacy regimes bring portable compliance tools; and positive public sentiment fosters user trust, sustaining engagement.

Drawing on a comprehensive panel dataset of 194 US and Chinese born-digital firms across 33 countries from 2016 to 2022, the analysis employs fixed-effects models and a difference-in-differences approach around events like GDPR implementation. Findings reveal that a standard deviation increase in regulatory stringency reduces virtual involvement by approximately 5%, though this is buffered by large markets, nearly neutralized by home-country experience, and lessened with favorable sentiment.

This work adds a new twist to how we

view global business in the digital age. It expands institutional theory by treating privacy laws as a multi-stage brake on data-driven growth, not just a single cost. Regulations here have a duality: they increase consumer trust but fragment the data flow that powers born-digital companies. In effect, privacy laws impose "recursive constraints" across data collection, AI training, and feedback loops. It also highlights a novel entry mode: replacing physical investment with virtual involvement. Born-digital firms aren't following the old playbook of opening offices. Instead, they rely on algorithms to enter markets. This research shows where that strategy excels and where it stumbles. By formalizing "virtual involvement," we now better understand the nuances of digital expansion.

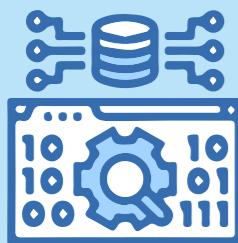
For tech executives, compliance is a strategic asset, not just a cost. Companies should build privacy-friendly infrastructure (privacy-by-design, federated learning, etc.) that works across regions. For example, Netflix uses region-specific data techniques to recommend shows within

European privacy rules. Building a strong privacy reputation can also become a market differentiator. Apple's success, despite GDPR limits, comes from branding privacy as a feature. Firms should invest in "trust and safety" teams and make transparent data practices part of their user value proposition. Big players with vast data (like Google, Meta) can absorb the regulatory burden better. Smaller startups, especially in sensitive sectors like social media or ads, may struggle and even exit. This could consolidate markets around majors.

As regulations tighten globally, industries might shift toward privacy-preserving models (on-device personalization, synthetic data, etc.), favoring firms that lead on those fronts. Policymakers must balance protecting users with keeping innovation alive. Strong privacy laws (like GDPR) clearly empower consumers and

set global standards; however, they risk creating a fragmented "splinternet" if not carefully managed. Flexible approaches could help: regulatory sandboxes allow new tech in controlled settings, and international data transfer agreements (like GDPR's adequacy decisions) can keep some data flowing safely. The aim should be to safeguard personal data without stifling the benefits of digital services.

In a data-driven economy, privacy regulation and digital growth are intertwined. This study shows that while privacy protections are vital for user trust, they also place new barriers on firms that depend on data. The key is adaptation: firms that build trust, leverage scale, and use privacy technologies can continue to thrive. By understanding these dynamics, companies and governments can find pathways that allow both strong privacy protection and vibrant digital innovation.



"Apple's success, despite GDPR limits, comes from branding privacy as a feature. Firms should invest in "trust and safety" teams and make transparent data practices part of their user value proposition."

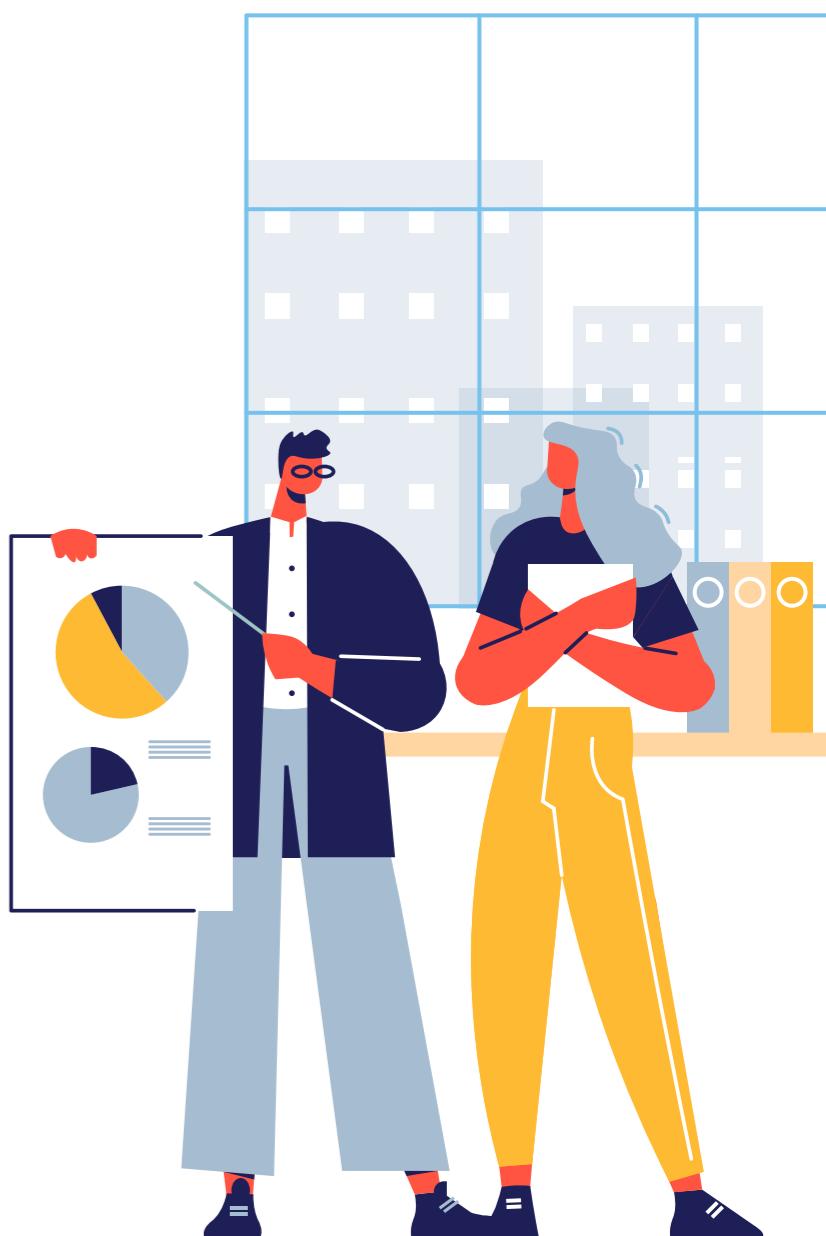
“ ”

Erin Cech: Having a Passion for Work Was a Way to Protect Oneself Against Burnout

Q: In the era of rapid economic growth, we can see that workplace passion is common. However, in today's world, with the economic growth rate slowing down and numerous significant global changes occurring, an increasing number of people are feeling burned out and opting for a "lying flat" lifestyle. So why does the pursuit of workplace passion still hold significant appeal in contemporary social ideologies? Doesn't this notion seem somewhat at odds with the current situation?

Erin Cech: That's a great question. I believe there are several factors that have significantly contributed to the development of relationships between paid employment and the last several decades. Around the 1970s and 1980s, we began to see a growth in the precarity of professional employment across all sectors, which wasn't the case in prior decades. And now we have this equality of instability where professional jobs have the same kinds of instability, in some regards, as blue-collar and service work. And that's been the case for the last three or four decades.

As we can see, career-oriented individuals pursuing their careers approach this kind of precarity in two different ways. One is that they could have pursued the most stable and



 **Profile****Erin A. Cech:**

Associate Professor
Department of Sociology
University of Michigan

“But your ability to launch into a job that's stable, that's well-paid, that's prestigious, often depends a lot on who you know, and on your ability to connect with particular labor markets.

“

well-paying employment available. So, taking their certification and saying: “What with this degree can I get that's the most stable and best well-paid?” However, that's not what we typically see in the work I've done. People are asking themselves: “Well, things are unstable anyway. I'm not guaranteed to have a long career in my job. I'm not guaranteed to have stability in any organization I work in. So I might as well follow work that I find meaningful and valuable to me personally.”

So I think in the current space of economic instability and employment instability for a lot of individuals, the idea of pursuing your passion is a kind of salve or an inoculation against what they see as a tremendous amount of overwork-

-an expectation that they will face burnout to some extent somewhere along the way. And so, for many people included in my research, having a passion for their work was a way to protect themselves against burnout. Of course, that wasn't always the case, but that's the way that they thought about it. That's what they meant by the kind of meaning they made about pursuing their passion.



Q: As you mentioned in the book, a large number of Asian cases often attach more importance to salary and social mobility when job hunting. Job seekers typically have a strong, goal-oriented mentality when it comes to job hunting, yet their understanding of the ideal career is often highly homogeneous. This process often disregards passion and individual subjective hobbies. What's your opinion on this cultural difference in the workplace between the East and West?

Erin Cech: So what I saw is that students who emigrated to the United States, either first-generation themselves or second-generation students from parents who were from Asia, tended to feel a lot of pressure from their parents to pursue careers that were stable, and that had the ability for strong salary growth over time. However, in the context of being educated in a Western society like the United States, there was tremendous pressure from peers and often from teachers and professors to prioritize passion-seeking. And so I heard stories where first-generation and second-generation Asian students, in particular, were going back to their parents and saying: “No, you want me to be a lawyer or a doctor or an engineer, but I want to do this. I want to follow my passion. My peers are following their passion. My teachers are telling me that's what I should do.” And so they were bringing this very Western notion of what it meant to center on passion-seeking back to their parents as a way of saying, “I want to do something different.” And so I think that the contrast in the kind of cultural space is really clear there.

However, I think more broadly, one of the reasons I argue that the idea of pursuing your passion is so potent in the West is that there are few other places besides work where peo-

ple can find a sense of identity and pursue what Anthony Giddens calls “the reflexive project of the self.” In postmodernity, the idea is that we’re supposed to find ourselves and craft a narrative of who we are throughout our lives. In Western contexts, such as the United States, there are fewer and fewer community-based places where people can find their identity. People are attending church less frequently. There’s less of a connection to community-oriented spaces and one’s local area. And so, the workplace, the work people do, is a ready-made way to find a sense of identity and cultivate one.

I think that in other cultural spaces where there’s a more communal understanding of the self and a stronger connection to a sense of family, local community, or local area, passion doesn’t have to play such a dominant role.

Q: “The Trouble with Passion” tells us that encountering setbacks in the pursuit of passion in the workplace is not necessarily a reflection of one’s own problem; rather, it might be the result of an unfair social structure imposed on the individual. In China, we are very concerned about the issue of inequality. We’ve always wondered whether lifetime inequality is mainly due to differences across people established early in life or to differences in luck experienced over the working lifetime. Should

“In the current space of economic instability and employment instability for a lot of individuals, the idea of pursuing your passion is a kind of salve or an inoculation against what they see as a tremendous amount of overwork.”



the government build a society with a smaller gap between the rich and poor, or should it increase the retraining and re-education of adults?

Erin Cech: That’s such a good question. And I’m certainly not in a position to articulate governmental policies, by any means. However, I believe that my work actually reveals the power of two different places where inequality is reproduced, which are often overlooked as mechanisms of inequality.

The first is access to well-paying jobs that align with the career trajectory people desire. For example, you can earn a degree in engineering, and people from diverse socio-economic backgrounds can achieve the same degree.

But your ability to launch into a job that’s stable, that’s well-paid, that’s prestigious, often depends a lot on who you know, and on your ability to connect with particular labor markets. And so there’s a big difference between getting a certification, whether you were doing it because you’re passionate or for other reasons, and the kind of things that you’re able to get and the kind of stability and financial status you’re able to get with that particular degree. I’m sure the nepotism in employment is an issue in your contacts as well as mine. And so, there’s a lot of reliance on informal relationships for people to gain that kind of access.

And so, what I find is that when people pursue their passion, it’s particularly risky for those without those kinds of connections to transition into stable and well-paying jobs. If they don’t have those kinds of connections and they follow something that aligns with their passion, maybe they don’t have the same degree of annual income or something similar. The other component is the differential in what different fields are paid.

In the context of gender inequality, for example, there’s often a bifurcation in terms of who enters primary education teaching versus those who pursue science and engineering fields. And that kind of gender imbalance varies across cultural and country contexts, of course. However, we also observe that fields dominated by women tend to have lower pay. They tend to be culturally valued less. And so, the distribution of people into different fields perpetuates these inequities because the pay for those fields, on average, differs.

And so that can play out in the context of gender. It can certainly play out in the context of an economic background and economic status. And so thinking about the ways that different fields are paid and valued is a really important piece of the perpetuation of inequality that I think at a policy level tends to be ignored. But I think in terms of like, if we look across the board and where inequities exist, that’s a big piece of it that kind of intra-occupational inequality.

Q: The last question. You pointed out, “Passion can also have traps.” In this trap, we see overworking, and we see people who try their best to become an “ideal worker,” whose efforts are not in line with the rewards. This reminds us of the discovery of the book “The Resilient Society.” The author Markus K. Brunnermeier believes that even if people suffer the same negative shock, its impact on them and their resilience differ. Under the “passion trap” and “resilience inequality,” outstanding performance does not equal excellence in working evaluation. So, in your opinion, how can ordinary people break free from the shackles of “Meritism”?

“

Diversify your meaning-making portfolio— finding places outside of work, that you're passionate about and that are anchored to a sense of your identity.”

Erin Cech: I would say there are a few things. One is understanding that the labor market is not meritocratic and pushing back on the very belief that it is. I think that is one of the most potent ways people can feel discouraged in the labor market: believing that the labor market operates fairly. Because if you believe that the labor market operates fairly and you're not succeeding in the way that somebody else is succeeding, even though they're putting in the same effort and they have the same certification, that feels like your fault. And without an understanding that the labor market is unequal, people tend to blame themselves. And I think this is especially true in cases where people seek to follow their passion or find work that they're really personally invested in. They're more likely to overwork in an attempt to align with these ideal worker norms, which can often lead to burnout in the long run.

However, if they experience burnout, it's a deeply personal sense of burnout, where there's a sudden feeling of disconnection from themselves. And that can be really deeply unsettling for people to say: “I find a lot of fulfillment or I have a lot of identity built around this profession that I'm in. And then all of a sudden, being in this profession makes me feel miserable. What does that mean about me?” It can be very existentially unsettling for people in that context.



And so then, how do we deal with this? I think one of the most important things is to recognize that the labor market is not meritocratic. The second one is what I discuss in the book: diversify your meaning-making portfolio. And by that I mean finding places outside of work, completely outside of work, that you're passionate about and that are anchored to a sense of your identity but don't have anything to do with your paid employment.

So that if things go wrong at work or you start to feel burnt out at work, you have a place to go that feels like a part of you that's a part of your identity. If you get fired from your job or your job changes, no one can take that other part of passion away from you. You can still have that for yourself. And that aligns with research showing that when people are given time for rest, relaxation, and creativity, they become more productive, creative, and efficient in their work. Allowing for such investment in passion outside of work is not only beneficial for workers but also for organizations.

*This article is initially published in *PKU Financial Review*

PHBS SHENZHEN

THE WAY TO INNOVATION AND ENTREPRENEURSHIP



MBA program is a two-year program committed to cultivating business leaders with professional knowledge, international vision, and social responsibility. The curriculum covers basic knowledge and skills in comprehensive economy, finance and management. Based on these blocks, every course is tailored for MBA students to gain knowledge in specific fields such as science and technology, finance, and entrepreneurship. Students can apply for a dual degree program, complete their MBA courses at PHBS and then study for Master of Science in Finance (MSF) degree at the Zicklin School of Business, Baruch College of City University of New York.

Tel: 86 755-2603-3097

Apply online:
<https://english.phbs.pku.edu.cn/academics/Master/>

Tel: 86 755-2603-2001

Apply online:
<http://mbaapply.phbs.pku.edu.cn/apply/index>

TEL: 400-772-0111

Apply online:
<https://edp.phbs.pku.edu.cn/>

EMBA program provides experienced managerial personnel in broad sectors with in-depth training as well as sophisticated management tools. The duration of the program is two years with four days of intensive instruction every month. All applicants must have more than 8 years of working experience (including 5 years of management experience). Moreover, applicants should prepare all the required documents including two reference letters. Local applicants will take the entrance exam before admission, while international applicants will be evaluated for overall profile and management potential.

Tel: 86 755-2603-2733

Apply online:
<https://embaapply.phbs.pku.edu.cn/enroll/>