

Empirical Research on Heterogeneous Firms and Trade Theory in China

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Abstract

This paper reviews recent empirical studies based on heterogeneous firms and trade theory in China that have emphasized firm selection in international markets and the reallocation of resources among firms. Empirical studies of heterogeneous enterprises have been conducted in numerous countries. However, empirical studies by Chinese scholars have been based on varying methods, and have therefore yielded inconsistent conclusions. Although numerous studies have examined the heterogeneity of firms and trade in China, the origin of firm heterogeneity remains a developing area of research.