

Anthony Savagar

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Academic Positions

Jun 2016 Assistant Professor, University of Kent

Education

Sep 2013 MRes Economics, Cardiff University, *Not Graded*

Sep 2012 MSc Economics, Cardiff University, *Distinction (GPA 4.0)* with rank 1 grade

Jun 2011 BSc Economics, Cardiff University, *First (GPA 4.0)* with rank 1 grade

Graduate Studies

2011 - 2016 PhD Economics, Cardiff University (incl. MSc MRes taught years)

Visiting KU Leuven (Spring, 2015 and 2016), ISEG Lisbon (Summer, 2014)

Thesis "*Firm Dynamics and the Macroeconomy*"

References Prof. Patrick Minford, minfordP@cardiff.ac.uk

Prof. Huw Dixon (supervisor), dixonH@cardiff.ac.uk

Prof. Akos Valentinyi, valentinyiA@cardiff.ac.uk

Teaching *Postgraduate PG Undergraduate UG*

2017- UG Macroeconomics (Monetary), University of Kent

2017- PhD Firm Dynamics, University of Kent

2016- PG Financial Economics, University of Kent

2016- PG Dissertations, University of Kent

2016- UG Extended Essays, University of Kent

2016 UG Economic Controversies, University of Kent

2015-16 UG Macroeconomics, Cardiff University, Dr. M Le and Prof Dixon.

2013-15 PG Dissertation Assistant, Cardiff University.

2014-15 PG Mathematical Economics, Cardiff University, Dr. J Li.

2014-15 UG Macroeconomics, Cardiff University, Prof. Minford and Prof. Dixon.

2012-14 UG Advanced Econometrics, Cardiff University, Dr. J Li.

Teacher Training

2017-19 Higher Education Teaching Degree (PGCHE), University of Kent

2015 Workshop the Economics Network on Electronic lectures, UCL

2012 Economics Network GTA Certificate (professional standards)

Professional Activities: Invited Talks & Discussions

Apr 2018 RES Easter School on Firms and Markups, Essex

Mar 2018 Society Nonlinear Dynamics and Econometrics, Tokyo

Nov 2017 Lisbon Theory Meetings, Lisbon
 Jun 2017 SED, Edinburgh
 May 2017 Midwest Economic Theory, Kentucky
 May 2017 Invited Discussion, Aix-Marseille
 Apr 2017 Invited Presentation, Groningen
 Mar 2017 Invited Presentation, Swansea
 Mar 2017 T2M Workshop Catolica, Lisbon
 Mar 2017 Invited Presentation, Brunel
 Jan 2017 Invited Presentation, University of Buckingham
 Jan 2017 Invited Discussion, University of Surrey
 Oct 2016 Internal Presentation, UoK
 Nov 2016 Association of Southern European Economic Theorists, Thessaloniki
 Jul 2016 The Centre for Growth and Business Cycle Research, Manchester
 Jun 2016 Invited Presentation, NIESR, London
 Jun 2016 Macroeconomics and Banking Workshop, Exeter University
 May 2016 Firm Entry Workshop, KU Leuven
 Apr 2016 MMF PhD Conference, University of Birmingham
 Mar 2016 RES Annual Conference, Sussex University
 Feb 2016 EEA Conference, Washington DC
 Nov 2015 Faculty Internal Seminar, Cardiff University
 Sep 2015 Money Macro Finance Conference, Cardiff University
 Jun 2015 Society for Computational Economics, Taiwan
 May 2015 ICMAIF, University of Crete
 May 2015 Quantitative Economics Doctorate Jamboree, Cardiff University
 Apr 2015 MMF PhD Conference, University of York
 Apr 2015 RES PhD Symposium, Manchester University
 Apr 2015 RES Annual Conference, Manchester University
 Mar 2015 Warwick Annual PhD Conference, University of Warwick
 Jan 2015 RES PhD Conference, UCL London
 Dec 2014 International PhD Conference, University of Leicester
 Sep 2014 Money Macro Finance Conference, Durham University
 Jun 2014 Dynamic Macroeconomics Workshop, Strasbourg University

Memberships, Refereeing, Committees

Memberships AEA, Econometric Society, RES, EEA, UK Data Service Secure Lab
 Referee Review of Economic Dynamics
 Committees RES Junior Scientific Committee

Honours, Scholarships and Extra Training

2016 £3100 Kent Teaching Grant for Electronic Teaching Methods
 2015/6 £10000 RES Junior Fellowship, *10 awards nationwide*
 Sep 2014 Harry Johnson PhD Poster Prize, Money Macro Finance Conference, Durham

- Aug 2014 Hetero Agent Macroeconomics Summer School, LSE (Den Haan)
- Apr 2014 RES Easter School Scholarship: Financial Frictions and Robustness (Kiyotaki, Ellison)
- Aug 2013 Real Analysis Summer School, LSE
- Jul 2013 Nonstationary Nonlinear Modelling Summer School, Pompeu Fabra
- Jul 2013 Dynare Summer School, Bank of France, CEPREMAP.
- Apr 2013 RES Easter School Scholarship: Financial Frictions and Computational DSGE (Pearlman, Levine)
- Aug 2012 LSE Advanced Econometrics Summer School, First class mark.
- Jan 2012 UCL CEMMAP Dynamic Programming Masterclass, (Sargent).
- 2012 MSc Dissertation Prize, “The Econometrics of DSGE Modelling”.
- 2011-2015 ESRC 2+2 Scholarship. *National Scholarship, most competitive.*
- 2008-2011 Academic Prize, highest mark in BSc Economics for whole degree.
- 2011 Academic Prize, highest mark in BSc Economics 2010/11.
- 2010 Academic Prize, highest mark in BSc Economics 2009/10.

Computing

Qualifications Foundation Certificate Computer Science.

Skills git, C, C++, R, MATLAB/Octave, Python, Sage, Maple, Latex, Emacs, Stata, Eviews, BASH, Linux, Supercomputing.

Research Papers

Title *Explaining Productivity Puzzles with Frictional Firm Entry: Endogenous Markups Versus Dynamic Reallocation*

Abstract I present a theory of firm entry and exit in the business cycle that links short-run productivity overshooting to long-run persistence, a dynamic observed in contemporary ‘*productivity puzzles*’. The theory emphasizes two mechanisms: (1) slow firm entry/exit and (2) firm pricing that reflects the number of competitors in the market. Given these mechanisms, economic contraction causes a short-run exacerbated fall in productivity (overshooting) because the negative shock is absorbed by incumbents due to slow exit responses. This weakens incumbents’ returns to scale, thus worsening productivity. However, the productivity overshooting recedes over time as firms exit which *dynamically reallocates* resources among incumbents, reviving the remainders returns to scale and thus productivity. This process of exit consolidating the market is not purely beneficial for productivity because the remaining firms face fewer competitors and thus charge higher markups which damages productivity. Therefore despite some reversion from the initial fall, there is a long-run persistent negative effect on productivity due to higher markups responding to the fall in number of firms. To analyze the trade-off between productivity improving dynamic reallocation and productivity degrading endogenous markups, I develop a continuous time, analytically tractable DGE model. The main mechanisms are dynamic entry so firms are slow to respond causing initial overshooting, and endogenous markups so pricing behaviour depends on the number of competitors firms face.

Title *Firm Entry, Excess Capacity and Endogenous Productivity* (with Huw Dixon)

Abstract Sluggish firm entry over the business cycle causes measured TFP to vary endogenously in response to technology shocks. This arises because in the short-run absence of entry, incumbent firms utilize excess capacity and thus scale economies. To show this result, we develop a tractable business cycle model of dynamic firm entry, imperfect competition and endogenous sunk costs that qualitatively replicates many firm-dynamics, business-cycle facts. In this parsimonious setup, we derive a theorem that imperfect competition and dynamic firm entry are necessary and jointly sufficient conditions for endogenous, procyclical productivity fluctuations. The result applies to recent works that incorporate dynamic firm entry and imperfect competition, such that profits are nonzero in the short run but arbitrated through entry in the long run. Quantitatively we show the endogenous productivity effect is as large as that from a traditional ‘capital utilization’ effect.

Working Papers

Title *Firm Entry Regulation, Scale Economies and Labor Responses in a Small Open Economy* (with Huw Dixon and Marta Aloï)

Abstract We analyze labor responses to technology shocks when firm entry is sluggish due to endogenous sunk costs. We derive closed-form solutions for transition dynamics which show that labor responses overshoot or undershoot their long-run responses depending on labor returns to scale at the firm level. If labor has increasing returns, it will initially overshoot its long-run level, then decrease as entry takes place. If labor has decreasing returns, it will initially undershoot its long-run level, then increase as entry takes place. If the firm creation channel is more regulated, the short-run overshooting or undershooting of labor persists for longer. If entry is unregulated, such that entry adjusts instantaneously (instantaneous zero profits), there is no short-run deviation.