

“Productivity, Reallocation, and Economic Crisis: Evidence from Ecuadorian Firm-Level Data”

(in English)



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Biography:

Anson Ho is an Assistant Professor at Kansas State University. He finished his Ph.D. at the University of Iowa and received his B.A. in economics and B.S. in finance from Indiana University. Anson's current research interests lie in taxation, development and firm dynamics.

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Venue: WYL314, Dorothy Y. L. Wong Building

Abstract:

The cleansing effect of recessions dictates that inefficient firms exit making room for new firms to enter. In a developing small open economy, distortions may prevent this efficient adjustment. Ecuador serves as an important case study because of its large economic crisis in the late 1990s. We study Ecuadorian firm dynamics to understand the sources of aggregate productivity growth. We find that reallocation of factor inputs and technical efficiency growth are the dominant factors. The reallocation due to net entry is only significant during the crisis period. These results illustrate the relative importance of extensive and intensive margins of reallocation.