Michael Fabian Barczay

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Fall 2022 & Spring 2024

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RESEARCH INTERESTS

(Quantitative) Macroeconomics, Public Finance

EDUCATION

PhD in Economics, European University Institute	2020 - 2025
Supervisors: Alexander Monge-Naranjo, Russell Cooper	
MRes in Economics, European University Institute	2020 - 2021
MA Specialized Economic Analysis, Barcelona School of Economics	2018 - 2019
MA International Affairs, Geneva Graduate Institute	2016 - 2018
BA Business and Economics (Major in Economics), University of Basel	2013 - 2016

EXPERIENCE

Fund Internship Program, International Monetary Fund (Fiscal Affairs Department)	06/2024 - 08/2024
Data Replicator, Journal of the European Economic Association	02/2024 - today
Visiting PhD Student, Banco Central de Chile (Research Department)	08/2023 - 10/2023
Research Assistant to Russell Cooper, European University Institute	03/2023 - $05/2023$
Research Assistant to Alexander Monge-Naranjo, European University Institute	12/2022
Intern, Swiss National Bank (Inflation Forecasting Unit)	08/2019 - 07/2020
Research Assistant to David Sylvan, Graduate Institute Geneva	01/2018-07/2018

TEACHING

EUI, PhD Level – Teaching Assistant to Jesús Bueren	
Matlab Programming Bootcamp EUI, PhD Level – Lecturer	Fall 2021, 2022 & 2023
Macroeconomics I (Dynamic Fiscal and Monetary Policy)	Fall 2021

WORK IN PROGRESS

"On the Optimal Design of Consumption Taxes" (EUI Best Second Year Paper Award)

Life-Cycle Heterogeneous Agents Models: Solution and Estimation

EUI, PhD Level – Teaching Assistant to Russell Cooper

Abstract: How should differentiated consumption taxes be designed in the presence of capital income taxes and progressive labor income taxes? I study this question using a quantitative model featuring heterogeneous households with non-homothetic preferences, uninsurable idiosyncratic risk, and a government that uses various tax instruments to raise revenue. I estimate the parameters governing households' demand using data from the US Consumption Expenditure Survey, and show that my model matches the heterogeneous consumption behavior across the income distribution. Allowing the benevolent government to jointly optimize consumption taxes on 11 different consumption categories and labor income taxes, I find that necessities should be heavily subsidized (-52%) and that luxuries are optimally taxed at a positive rate of 7%. This increase in the rate differential is optimally compensated by a significant decrease in the progressivity of the labor income tax. Three main mechanisms explain why such differentiated tax rates are welfare maximizing: they provide consumption insurance by subsidizing essential goods of low-income households, imply a targeted taxation of the initial wealth of high-wealth households, and induce highly productive households to increase their labor supply.

"How to Finance the Green Transition: the Political Economy of Investment Tax Credits" (with Russell Cooper)

Abstract: We study the aggregate and distributional consequences of green investment tax credits (ITCs) and ask under which financing structures such environmental policies would be adopted by a majority of voters and sustained in the long run. We develop an overlapping generations model with heterogeneous households, multiple sectors, and a government that wants to introduce a green ITC to reduce pollution. Our model highlights both an intratemporal (across the income distribution) and an intertemporal (across generations) disagreement about the desirability of green ITCs arising from the unequal distribution of the costs and benefits. Together, they can lead to voting outcomes in which the ITC would never be adopted, even though it would be welfare improving for a majority of the population in the long run. We show that allowing for some debt financing of the ITC can overcome this political gridlock. Moreover, this debt can be fully repaid in the long run while maintaining high approval rates for the ITC. Changes in asset market participation rates and factor prices induced by the ITC explain why fully tax-financed ITCs are approved only in the long run, but not at the time of introduction of the ITC.

"Heterogeneity in the Bank Lending Channel: Evidence from the Euro Area" (with $Sylvia\ Kaufmann$)

"The Anatomy of the Marginal Propensity to Consume" (with Lucciano Villacorta, waiting for data)

SHORT COURSES & SUMMER SCHOOLS

"Bayesian Methods for Empirical Macroeconomics," Gary Koop, Studycenter Gerzensee, 2022

"Tools for Macroeconomists (Advanced)," Wouter den Haan & Pontus Rendahl, Oxford, 2021

"Inference in Structural Macro Models," Domenico Giannone & Girogio Primiceri, Swiss National Bank, 2020

"Barcelona GSE Data Science Winter School (Machine Learning with Python)," Omiros Papaspiliopoulos, Barcelona, 2019

CONFERENCES & SEMINARS

Paris School of Economics, 25.04.2024

Simposio of the Spanish Economic Association (SAEe) University of Salamanca, 16.12.23

Banco Central de Chile, 17.10.23

17th End-of-Year Conference of Swiss Economists Abroad: University of Basel, 22.12.22

SCHOLARSHIPS & AWARDS

SAEe Ph.D. Student Grant, Fundacion Ramon Areces

2023

EUI Best Second Year Paper Award

2022

EUI Scholarship Swiss State Secretariat for Education, Research and Innovation

since 2020

Dr. Max Huusmann Foundation, Zurich, Scholarship for the Graduate Institute

2016-2018

SKILLS

Computational

Julia, Matlab, Stata, R

Languages

German (native), English (fluent), French (fluent), Italian (fluent), Spanish (basic)

PROFESSIONAL ACTIVITIES

Matlab Tutor, European University Institute 2022-2023
Co-Organizer, Macro Working Group, European University Institute 2021-2022
Researchers Representative Economics Department, European University Institute 2021

REFERENCES

Alexander Monge-Naranjo European University Institute Department of Economics Via delle Fontanelle 18 50014 Fiesole, Italy alexander.monge-naranjo@eui.eu [+39] 055 4685 942

Russell Cooper

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