CARLOS GÓES

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CONTACT INFORMATION

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EDUCATION

PhD Candidate in Economics, University of California San Diego, expected completion 6/2024

Committee: Marc Muendler; Valerie Ramey; Johannes Wieland; Kyle Handley; Fabian Trottner; Fabian Eckert.

Research Assistant for Marc Muendler; Gordon Hanson; Paul Niehaus + Tom Vogl.

MA in Economics, University of California San Diego, 2018-2020

MA in Int'l Economics & Int'l Relations (Dual Degree), Johns Hopkins University, 2011-2013

REFERENCES

Marc Muendler, Professor of Economics, University of California San Diego, muendler@ucsd.edu

Valerie Ramey, Professor of Economics, University of California San Diego, vramey@ucsd.edu

Fabian Trottner, Assistant Professor of Economics, University of California San Diego, ftrottner@ucsd.edu

FIELDS OF INTEREST

International Trade and Macroeconomics

RELEVANT POSITIONS HELD

Consultant (Remote), *The World Bank,* Washington, D.C., Jan 2022 – July 2023

Manager: Gladys Lopez-Acevedo (UVA PhD)

Research Economist (Remote), *World Trade Organization,* Geneva, Switzerland, May 2020 – Jan 2022

Manager: Bob Koopmans (Chief Economist), Eddy Bekkers (Sr. Research Economist)

Senior Economic Advisor, *Office of the President of Brazil,* Brasília, Brazil, April 2017 – Aug 2018

Manager: Secretary of Strategic Affairs Hussein Kalout (Chief Advisor to President Temer)

Research Analyst, *International Monetary Fund,* Washington, D.C., June 2013 – Mar 2017

Manager: Alfredo Cuevas (Princeton PhD), Antonio Spilimbergo (MIT PhD)

PUBLICATIONS

Institutions and growth: A GMM/IV Panel VAR approach. *Economics Letters*. v. 138, p. 85-91, 2016.

Both sides of the institutions and growth debate have resorted largely to microeconometric techniques in testing hypotheses. In this paper, I build a panel structural vector autoregression (SVAR) model for a short panel of 119 countries over 10 years and find support for the institutions hypothesis. Controlling for individual fixed effects, I find that exogenous shocks to a proxy for institutional quality have a positive and statistically significant effect on GDP per capita. On average, a 1% shock in institutional quality leads to a peak 1.7% increase in GDP per capita after six years. Results are robust to using a different proxy for institutional quality. There are different dynamics for advanced economies and developing countries. This suggests diminishing returns to institutional quality improvements.

Pairwise difference regressions are just weighted averages. *Nature's Scientific Reports*. v. 11, p. 1-3, 2021.

A group of epidemiologists had published a highly accessed paper arguing that "stay at home orders had no impact on mortality rates." However, the regressions they ran in their paper – differences between in the time series between regions that implemented stay at home orders and those that did not – are not easy to interpret. I prove in this comment note that their estimator converges in probability to a variance weighted average between the time-series coefficient of each of the regions and does not allow for the interpretation they gave in the paper. This comment led to the retraction of the original paper.

WORKING PAPERS

"Trade, Growth, and Product Innovation" , 2023 (**Job Market Paper**)

Can economic integration induce product innovation? I propose a new quantitative framework that integrates the opposing forces of specialization and market size to answer this question. This model encompasses an arbitrary number of asymmetric countries and nests the Eaton-Kortum model of trade and the Romer growth model as special cases. I provide an analytical expression for welfare gains from trade and show that its static and dynamic components operate through the two opposing forces. In this framework, the product innovation growth rate increases with higher market access. I test this dynamic mechanism exploiting the 2004 Eastwards expansion of the European Union and show that a plausibly exogenous increase in market access increases the probability of starting production of and exporting a given product. Finally, I calibrate a quantitative version of the model and estimate that: (a) the EU expansion increased its long-run yearly growth rate by about 0.16%; and (b) dynamic gains account for more than 90% of welfare gains from trade.

"The Impact of Geopolitical Conflicts on Trade, Growth, and Innovation", 2022 (with Eddy Bekkers).

Geopolitical conflicts have increasingly been a driver of trade policy. We study the potential effects of global and persistent geopolitical conflicts on trade, technological innovation, and economic growth. In conventional trade models the welfare costs of such conflicts are modest. We build a multi-sector multi-region general equilibrium model with dynamic sector-specific knowledge diffusion and explore the potential impact of a "decoupling of the global economy." We divide the global economy into two geopolitical blocs – East and West – based on foreign policy similarity and model decoupling through an increase in trade costs. Results yield three main insights. First, the projected welfare losses for the global economy of a decoupling scenario can be drastic, as large as 12% in some regions and are largest in the lower income regions as they would benefit less from technology spillovers from richer areas. Second, the described size and pattern of welfare effects are specific to the model with diffusion of ideas. Without diffusion of ideas the size and variation across regions of the welfare losses would be substantially smaller. Third, a multi-sector framework exacerbates diffusion inefficiencies induced by trade costs relative to a single-sector one.

"Dynamic Adjustment to Trade Shocks", 2023 (with Junyuan Chen, Marc Muendler, and Fabian Trottner).

Innovations and disruptions to global supply chains lead to adjustments in the network of international trade. However, these adjustments do not happen without friction. Empirical estimates of the trade elasticity in the short run are about half as much as those in the long run, suggesting substantial convexities in the adjustment to trade shocks. We develop a tractable framework that provides the microfoundations for frictional dynamic adjustment to trade shocks and rationalizes the reduced-form estimates of a time-varying trade elasticity. The model features sluggish adjustment of sourcing decisions, time-varying trade elasticities, and nests the Eaton-Kortum model as a limiting long-run scenario. We calibrate the model using well-identified estimates of the trade elasticity at different horizons and use it to quantify the welfare impact of the 2018 US-China trade war. Frictional sources considerably exacerbate losses of the trade war, with cumulative consumption-equivalent welfare losses being 300% larger in the short run and 70% larger in the long run.

“Gender-Segmented Labor Markets and Trade Shocks”, 2023 (with Gladys Lopez-Acevedo and Raymond Robertson). Revision requested at *World Development*.

This paper focuses on how gender segmentation in labor markets shapes the local effects of international trade. We first develop a theoretical framework that embeds trade and gender-segmented labor markets to show that foreign demand shocks may either increase or decrease the female-to-male employment ratio. The key theoretical result shows formally that the effects of trade on gender-segmented labor markets depend crucially on (a) the sectors that face the foreign demand shock; and (b) the domestic relevance of the foreign countries in which the demand shocks originate from. If the foreign demand shock from a relevant market happens in a female-intensive (male-intensive) sector, the model predicts that the female-to-male employment ratio should increase (decrease). We then use plausibly exogenous variation in the exposure of Tunisian local labor markets to foreign demand shocks and show that the empirical results are consistent with the theoretical prediction. In Tunisia, a country with a high degree of gender segmentation in labor markets, foreign-demand shocks have been relatively larger in male-intensive sectors. This induced a decrease in the female-to-male employment ratio, with households likely substituting female for male labor supply.

“Testing Piketty's Hypothesis on the Drivers of Income Inequality: Evidence from Panel VARs with Heterogeneous Dynamics”, 2021. Revision requested at *Public Choice*.

Thomas Piketty’s *Capital in the Twenty-First Century* puts forth a logically consistent explanation for changes in income and wealth inequality patterns. However, while rich in data, the book provides no formal empirical testing for its theoretical causal chain. In this paper, I build a set of Panel SVAR models to check if inequality and capital share in the national income move up as the *r-g* gap grows. Using a sample of 19 advanced economies spanning over 30 years, I find no empirical evidence that dynamics move in the way Piketty suggests. Results are robust to several alternative estimates of *r-g*.

RESEARCH IN PROGRESS

“Tax Multipliers in the United States: a Regional Perspective”, 2023 (with Edoardo Briganti and Victor Sellemi).

Policy-induced tax changes have very different incidence profiles. For instance, the tax reforms pursued by President Bush (2002) and President Obama (2013) were very different: the former was a large tax cut for both low-income and high-income tax units, while the latter was a small tax cut for the low-income households and a large tax hike for high-income earners. Presumably, such events could have very different macroeconomic implications. Individuals at different points of the wealth and income distributions have different marginal propensities to consume, which could substantially impact fiscal multipliers. Standard macroeconometric only allows us to estimate average multipliers over time. In this project, we estimate the event-specific causal effect of different federal personal income tax reforms on local economic activity, exploiting event-county-level variation in tax incidence induced by all the major federal personal income tax reforms in the United States since 2000. We use adjusted gross income brackets at the county level to produce a novel data set of local taxable income distributions. We then combine the county fiscal income distributions and tax policy variation at the federal level to construct county tax shocks, using a shift-share approach to estimate local multipliers of local tax liability on different measures of local economic activity, in particular employment, consumption, and retail GDP.

TEACHING EXPERIENCE

Associate-in (in charge of Instruction), University of California San Diego
Undergraduate Intermediate Macroeconomics A (Growth)

PhD Level Teaching Assistant, University of California San Diego
Macroeconomics A (Growth) – First-Year Macro Sequence (3x)

Master's Level Teaching Assistant, Johns Hopkins University
Time Series Econometrics (2x)

Undergraduate Level Teaching Assistant, University of California San Diego
Macroeconomics: Intermediate Macro (4x)
International: Int'l Trade (4x); Globalization (3x); Int'l Monetary Relations (2x).
Microeconomics: Principles of Micro; Public Policy.

FELLOWSHIPS, GRANTS, HONORS, AND AWARDS

Cindy Vojtech Prize in Economic Research, *UC San Diego*, 2023
IHS Accelerator Grant $5,000, *Institute for Humane Studies*, 2023
Humane Studies Fellowship, *Institute for Humane Studies*, 2021
Graduate Summer Research Fellowship, *UC San Diego*, 2019, 2020, 2021
Regents Fellowship, *UC San Diego*, 2018 - 2019
Marie Kraus Fellowship, *Johns Hopkins University*, 2012
Class of 1987 Fellowship, *Johns Hopkins University*, 2011
Chancellor Award, Best Student of the Class of 2011, *University of Brasilia*, 2011

PROFESSIONAL ACTIVITES

Referee Service

Journal of Development Economics; Journal of Economic Inequality; Public Choice; Economic Modeling

OTHER INFORMATION

Citizenship: Brazil (US Permanent Resident)
Languages (Human): English (Fluent), Portuguese (Native), Spanish (Fluent)
Languages (Machine): Python (fluent), STATA (fluent), Julia (advanced), Matlab (intermediate high), R/tidy (intermediate), SQL (elementary).