CARLOS GÓES

PhD Candidate in Economics, University of California—San Diego — U.S. Permanent Resident

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CONTACT INFORMATION

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EDUCATION

Ph.D. in Economics, *University of California —San Diego* — *2018 - present*
Committee: Marc Muendler; Valerie Ramey; Johannes Wieland; Kyle Handley; Fabian Trottner; Fabian Eckert.
Research Assistant: Marc Muendler; Gordon Hanson; Paul Niehaus + Tom Vogl.

M.A. in Economics, *University of California—San Diego* — *2018 - 2020*

M.A. 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), *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*
Managers: Bob Koopman (Chief Econ) & Eddy Bekkers

Senior Economic Advisor, *Office of the President of Brazil, Brasília, Brazil* — *Apr 2017 - Aug 2018*
Manager: Secretary Hussein Kalout (Chief Advisor to the President)

Research Analyst, *International Monetary Fund, Washington, D.C.* — *Jun 2013 - Mar 2017*
Managers: 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*. 11-23044, 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 *(Job Market Paper)* Can trade integration induce product innovation? I document that countries that joined the European Union (EU) started producing more product varieties, investing more in R&D, and trading more compared to candidate countries that did not join at a given horizon. Additionally, I show that a plausibly exogenous increase in market access increases the probability of a given country starting production of and exporting a given product. To rationalize this reduced-form evidence, I propose a new quantitative framework that integrates the forces of specialization and market size. This is a dynamic general equilibrium model of frictional trade and endogenous growth with arbitrarily many asymmetric countries that nests the Eaton-Kortum model of trade and the Romer growth model as special cases. Key results are analytical expressions to decompose: (a) gains from trade into dynamic and static components; and (b) growth and welfare into "Romer" and "Eaton-Kortum" parts. In this framework, the product innovation growth rate increases with higher market access. Finally, a quantitative version of the model suggests that: (a) the EU enlargement increased its long-run yearly growth rate by about 0.10pp; and (b) dynamic gains can account for between 65-90% of total welfare gains from trade.

The Impact of Geopolitical Conflicts on Trade, Growth, and Innovation (with E. Bekkers). Submitted to the the *Journal of Monetary Economics*. 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 (with J. Chen, M. Muendler, & F. Trottner). Global trade flows and supply chains adjust gradually. Empirical estimates of the trade elasticity for the short run are about half as large as those for the long run and suggest that trade is subject to substantive adjustment frictions. We develop a tractable framework that provides microfoundations for dynamic trade adjustment and rationalizes reduced-form estimation of a time-varying trade elasticity. The model features staggered sourcing decisions and nests the Eaton-Kortum model as the limiting long-run case. We calibrate the model to time-varying trade elasticities and use it to quantify the welfare impact of the 2018 US-China trade war. Staggered sourcing decisions considerably exacerbate losses from the trade war, with cumulative welfare losses 300% larger in the short run and 70% larger in the long run than in the Eaton-Kortum benchmark. Third countries such as Mexico can suffer welfare losses in the short run and welfare gains in the long run.

Gender-Segmented Labor Markets and Trade Shocks (with G. Lopez-Acevedo & R. 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. 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. (with E. Briganti & V. Sellemi). Policy-induced tax changes have very different incidence profiles. 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) —UC San Diego
Undergraduate Intermediate Macroeconomics A (Growth).
PhD Level Teaching Assistant —UC San Diego
Macroeconomics A (Growth), First-Year Macro Sequence (3x).
Masters Level Teaching Assistant —Johns Hopkins University
Time Series Econometrics (2x).
Undergraduate Level Teaching Assistant —UC San Diego
Macroeconomics: Intermediate Macro (4x).
International: Int'l Trade (4x); Globalization (3x); Int'l Monetary Relations (2x).
Microeconomics: Principles of Micro; Public Policy.

SCHOLARSHIPS AND AWARDS

Cindy Vojtech Research Prize in Economics, *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 2010, *University of Brasília*	*2011*

OTHER INFORMATION

Citizenship: Brazil (U.S. Permanent Resident).
Referee Service: Journal of Development Economics; Journal of Economic Inequality; Public Choice; Economics Modeling.
Google Scholar Citations: 444.
Languages (Human): Portuguese (native), English (fluent), Spanish (fluent).
Languages (Machine): Python (fluent), STATA (fluent), Julia (advanced), LaTeX(advanced), Matlab (intermediate high), R/tidy (intermediate), SQL (elementary).

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