

## **LOUKAS KARABARBOUNIS**

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### **HARVARD UNIVERSITY**

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#### **Pre-Doctoral Studies:**

B.A., Economics, Athens University of Economics and Business, Athens, Greece, 2003  
M.Sc., Economics, Athens University of Economics and Business, Athens, Greece, 2005 (Valedictorian)

#### **Doctoral Studies:**

Ph.D., Economics, Harvard University, 2005-present  
Thesis Title: *“Essays in International Macroeconomics, Fiscal Policies and Political Economy.”*  
Expected Completion Date: May 2010

#### **Thesis Committee and References:**

Professor Alberto Alesina (primary advisor)  
Harvard University, Department of Economics  
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Professor Gita Gopinath (primary advisor)  
Harvard University, Department of Economics  
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Professor Kenneth Rogoff  
Harvard University, Department of Economics  
617-495-4022; [krogoff@harvard.edu](mailto:krogoff@harvard.edu)

Professor Emmanuel Farhi  
Harvard University, Department of Economics  
617-496-1835; [efarhi@fas.harvard.edu](mailto:efarhi@fas.harvard.edu)

#### **Teaching and Research Fields:**

Primary fields: International Economics, Macroeconomics, Political Economy  
Secondary field: Public Finance

#### **Teaching Experience:**

Spring, 2009	Macroeconomics (graduate), Harvard, Teaching Fellow for Kenneth Rogoff
Fall, 2008	Microeconomics (undergraduate), Harvard, Teaching Fellow for Edward Glaeser
Spring 2008, 2009	International Finance (graduate), Harvard, Teaching Fellow for Gita Gopinath
Fall, 2007	Microeconomics (undergraduate), Harvard, Teaching Fellow for Jeff Miron

#### **Research Experience:**

8/07-7/08	Research Assistant to Gita Gopinath, Harvard University & NBER
3/08-4/08	Research Assistant to Alberto Alesina, Harvard University

#### **Honors, Scholarships, and Fellowships:**

2009-2010	Alan and Barbara Washkowitz Fellowship, Harvard GSAS
2009-2010	Dissertation Completion Fellowship, Harvard GSAS
2009	Derek Bok Teaching Award (PhD Macroeconomics), Harvard GSAS
2005-2009	Graduate & Summer Fellowships, Harvard GSAS and Department of Economics

2006-2007  
2006

Douglas Dillon Fellowship Fund, Harvard Department of Economics  
Russell Sage Foundation, 7<sup>th</sup> Summer Institute in Behavioral Economics

**Professional Activities:**

Referee

*Journal of the European Economic Association* (1), *Labour Economics* (2)

**Job Market Paper:** (see <http://www.people.fas.harvard.edu/~karabar/papers.html> for pdf version)

“Labor Wedges and Open Economy Puzzles.”

**Abstract:** This paper proposes a parsimonious model with home production that jointly explains the “labor wedge” and prominent puzzles of the international business cycle. If market and home activity are substitutes, then the measured labor wedge increases whenever market consumption and employment decrease. Home production breaks the tight negative link between market consumption and its marginal utility and therefore helps explain the international risk sharing puzzle. In an estimated two-country model in which the labor wedge is endogenously generated to match its empirical moments, output and employment are more correlated than (market) consumption and investment across countries, relative consumption is negatively related to the real exchange rate, and real net exports are countercyclical. Further, the risk sharing puzzle becomes easier to explain as the degree of financial completeness increases.

**Publications:**

“The Political Economy of Intergenerational Income Mobility.” Forthcoming at the *Economic Inquiry*. (with Andrea Ichino and Enrico Moretti)

**Abstract:** The intergenerational elasticity of income is considered one of the best summary statistics of the degree to which a society gives equal opportunity to all its members. While much is known on how to measure this parameter, we know less about its politico-economic interpretation. Our model shows how the interaction between private and collective decisions determines the equilibrium level of social mobility. In particular, two societies with similar economic and biological fundamentals may display different degrees of intergenerational mobility depending on their political institutions. We offer evidence in line with this model. We conclude that cross country differences in the intergenerational elasticity of income cannot be fully understood without taking into account their politico-economic determinants.

**Other Research Papers:**

“Gender Based Taxation and the Division of Family Chores.” *Revise & Resubmit* at the *American Economic Journal: Economic Policy*. (with Alberto Alesina and Andrea Ichino)

**Abstract:** Gender Based Taxation (GBT) satisfies Ramsey's optimal criterion because it taxes less the more elastic labor supply of women. This holds when different elasticities between men and women are taken as exogenous. We study GBT in a model in which labor supply and elasticity differences emerge endogenously from the bargained allocation of family duties. We explore two polar cases which summarize the channels through which GBT affects an economy encompassing a wider set of possible reasons for gender differences. In the first case, men have a superior bargaining power and take less family chores. In the second case, women take up more chores because they have a comparative advantage in household activities. We show how GBT changes the intrafamily bargaining solution and leads to a more balanced allocation of chores and labor market outcomes across spouses. This increases total family income, expands the tax base and reduces distortions per unit of government spending. In the first polar case, both the benefits from the Ramsey elasticity rule and the gains from the endogenous expansion of the tax base make GBT an optimal policy tool. In the second polar case, these gains must be weighted against the costs in the production of the household good.

“One Dollar, One Vote.” Submitted. (with Igor Barenboim)

**Abstract:** We revisit the relationship between inequality and redistribution in a panel of advanced OECD countries. Using panel data methods that hold constant a variety of determinants of the public redistributive policy, we find a non-monotonic relationship between distribution of income and redistribution. Relatively to mean income, a more affluent rich and middle class are associated with lower and a richer poor class with higher public spending for redistribution. These results are consistent with what we define as a one dollar, one vote politico-economic equilibrium: When the income of a group of citizens rises (relative to mean income), aggregate redistributive policies tilt towards this group's most preferred public policy.