

Tom A. Zawisza

Date of Birth: 15-Sep-1986 **Nationality:** Polish, British
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Education

Jan-June 2012 *Visiting Scholar, University of California, Berkeley*

2010 – 2017 *PhD Economics, University of Cambridge*

Thesis title: Essays on Optimal Taxation and Transfer Programs

Supervisor: Prof Hamish Low

(Expected submission date: Jan 2017)

2008 – 2010 *MPhil Economics (Distinction), University of Cambridge*

Thesis title: Costly State Verification in a New Keynesian Framework: A

Groundwork for Monetary Policy Analysis

Supervisor: Dr Demosthenes Tambakis

2005 – 2008 *BA (Hons) Philosophy, Politics and Economics, University of Oxford*

2003 – 2005 *A Levels, Box Hill School, Surrey, UK*

Awards & Scholarships

2017 – 2019 Max Weber Fellowship, European University Institute

2015 – 2016 Royal Economic Society Fellowship

2013 – 2015 Faculty Trust Fund Award, University of Cambridge

Jan-June 2012 UC Berkeley Exchange Scholarship, University of Cambridge

2010 – 2013 ESRC Research Scholarship (full PhD funding)

2008 – 2010 European Trust Scholarship, University of Cambridge

2008 – 2010 Studentship for Students from Central and Eastern Europe, University of Cambridge

2005 – 2008 Scholar, Hertford College, University of Oxford (for first-year results)

2003 – 2005 United World Colleges scholarship (full funding for A-Level study in UK)

Research Papers

“The Labour Market Outcomes and the Pension Contribution-Benefit Link” (Work in Progress)

Joint work with Eric French, Attila Lindner and Cormac O’Dea

The paper examines the labour market consequences of changes to the link between pension contributions and the expected pension on retirement, well in advance of the retirement age. Using a unique cohort-based reform in 1999 in Poland, which switched the state pension system from a defined-benefit to a notional defined-contribution system, we find that a reduction in the link between current earnings and future pensions as a result of the reform reduced employment rates. The results were concentrated in regions which experienced strong income growth and which therefore faced the strongest incentives to continue working in the defined-benefit system, where employment fell by 1 percentage point. This is to our knowledge the first paper to document labour-market effects of changes to the pension system well in advance of the retirement age.

“Elasticities of Taxable Income in the Presence of Fiscal Externalities: Evidence from the 2009 Polish Tax Reforms” (Polish Ministry of Finance Working Paper 27-2017)

In this paper I examine two crucial questions regarding the design of the optimal tax system, exploiting the 2009 Polish tax reforms for identification. Firstly, I contribute to the literature on elasticity of taxable income by providing estimates of taxable income elasticities which are robust to changes in year-to-year income dynamics, exploiting variation in marginal tax rates due to the 2009 reforms which occurred independently of an

individual's position in the income distribution. Secondly, I examine the cross-elasticities of taxable income between the employment and self-employment tax base. In particular, I quantify the impact of changes in the differential in rates of taxation between the two tax bases on the propensity of taxpayers to declare themselves as employed or as self-employed individuals. This allows me to identify parameters in an extension of the Mirrlees (1971) model which I develop to include both intensive-margin adjustment as well as tax-base choice. The results indicate that extensive-margin responses create deadweight losses of a similar magnitude to those on the intensive margin.

“Saving Behaviour of Disability Insurance Applicants: Are Waiting Times Effective Screening Devices?” (Work in Progress)

Joint work with Hamish Low and Luigi Pistaferri

The paper examines the consumption and saving behaviour of Disability Insurance (DI) applicants using a life-cycle model. We include a two-dimensional health process which determines an individual's health and has implications for the chances of succeeding at the application and appeals stage. Saving behaviour for disability applicants of different types is examined, testing the validity of the predictions of Golosov and Tsyvinski (2006). The model can provide an explanation for higher saving rates observed among moderately or 'non-verifiably' disabled individuals. The paper finally asks whether the length of the compulsory time out of the labour force before making a DI application can improve the DI system in terms of the insurance-efficiency trade-off.

“Estimating Health Dynamics using a Dynamic Factor Model” (Work in Progress)

This paper estimates the dynamics of health using a dynamic panel factor model on data from the Health and Retirement Study (HRS). It finds that the many potentially collinear health indicators found in the HRS can be summarized into four underlying factors. The first three of these corresponds to subjective health measures, such as self-assessed mobility, fine motor skills and psychological well-being, while the fourth corresponds to more objective measures of health-care utilization, such as the number of overnight hospital stays. The dynamics of the factors are estimated as an underlying VAR process using the system-GMM approach, and the discreteness of the HRS health indicators is dealt with by assuming a multinomial functional form. There is significant variation among the factors in terms of their deterministic age-paths by gender and level of education, as well as their age-specific level of risk.

“Banking Sector Efficiency in Sub-Saharan Africa” (*Journal of African Economies* 2014, pp.1-17, IMF Working Paper WP/13/51, work undertaken during internship at the IMF)

Joint work with Francois Boutin-Dufresne and Oral Williams

This paper examines the determinants of net interest margins in four regional blocks in Sub-Saharan Africa. Using bank-level data, we find that countries with a high level of operating costs, a high low level of non-interest income, a high ratio of equity to total assets and high treasury-bill interest rates have higher net interest margins. Moreover, high operating costs are associated with low measures of institutional quality and a small size of bank operations. We find support for the view that market structure is also partly responsible for high net interest margins in Sub-Saharan Africa, although quantitatively this effect is somewhat less important. High operating costs, high treasury-bill rates and a high ratio of equity to total assets and, indirectly, institutional factors such as the rule of law, are the most important factors in accounting for high interest margins in the East African Community, relative to other regions.

“Amplification of Technology Shocks in a General Equilibrium Economy with Incomplete Financial Markets” (First-Year PhD Paper)

The paper develops a three-period general equilibrium model, where the ability of firms to insure against aggregate technology shocks is inhibited due to the presence of limited commitment among investors. At the same time, investors in firms run the risk that firms will divert cash flow. I find that the incompleteness of financial markets prevents firms from insuring against low wealth, as this adversely affects their incentives to report cash flow truthfully. As a result, firms engage in fire-sales during downturns. The paper provides an account for how high leverage can increase volatility in investment, output and capital prices.

“Costly State Verification in a New Keynesian Framework: a Groundwork for Monetary Policy Analysis” (MPhil thesis)

The paper analyses the implication of financial frictions on optimal monetary policy. A New Keynesian model is developed which incorporates imperfectly functioning capital markets through the Costly State Verification (CSV) framework. Capital market imperfections manifest themselves as a spread between borrowing and lending rates. Linear-quadratic analysis shows that the economy exhibits a 'cost-channel' of monetary transmission, and that it is optimal for the central bank to adjust the interest-rate to changes in the credit spread.

Work Experience

- 2017-2020** **Institute for Fiscal Studies**
Postdoctoral Fellow
- Postdoctoral position, focusing on aspects of health over the life-cycle and disability insurance
 - Co-author on project concerning pension reform in Poland in 1999
 - Organised conference involving top researchers in public economics
- 2017-2019** **Department of Economics, European University Institute**
Max Weber Fellow
- Postdoctoral position, focusing on aspects of health over the life-cycle and disability insurance
 - Presented at European Meetings of the Econometric Society and International Institute for Public Finance
- 2014-2016** **Faculty of Economics, University of Cambridge**
Teaching Fellow, Public Economics
- Taught 3rd-year Public Economics classes (53 students across University, 20 hours)
- 2014-2015** **St Catherine's College, University of Cambridge**
Teaching Associate, Public Economics
- Taught in supervisions for Public Economics for 3rd-year students (30 students, 20 hours)
- 2013-2014** **Faculty of Economics, University of Cambridge**
Research Assistant to Prof Hamish Low
- Programming in Fortran 90
 - Solving, simulating and estimating life-cycle model using data
- Jan-Jun 2014** **Fitzwilliam College, University of Cambridge**
Supervisor of Studies
- Supervisor for Part IIA Macroeconomics (19 students from four Colleges, 50 hours)
- Sep-Oct 2012** **World Bank, Washington, DC**
Intern, Poverty Reduction & Economic Management Division
- Assisted with preparation of Fiscal Sustainability Report for Azerbaijan
- Jun-Aug 2012** **International Monetary Fund, Washington, DC**
Fund Intern, Africa Division
- Co-authored paper on banking in Sub-Saharan Africa (see above)
- Jun-Aug 2008** **Merrill Lynch International, London**
Summer Analyst, Investment Banking Division
- DCF, comparative company/transactions and leveraged buy-out valuation
 - Full-time offer with Telecommunications, Media and Technology (TMT) group

Positions of Responsibility

- 2014 – 2015** **Vice-President, Graduate Parlour (MCR), Pembroke College, Cambridge**
- Represented graduate students at Pembroke College on welfare matters
 - Coordinated activities of the MCR Committee and organized events
- 2010 – 2011** **Graduate Student Representative, Faculty of Economics, Cambridge**
- Represented graduate economics students at Faculty committees on academic and welfare matters

- Apr 2010** *Cambridge University Team, Econometric Game, Amsterdam*
▪ Econometrically analysed AIDS census data for an inter-university competition
- 2009 – 2011** *Ivory Tower Society Committee, Pembroke College, Cambridge*
▪ Contacted high-profile speakers and hosted speaker events

Skills and Extracurricular Activities

Languages: English (Fluent), Polish (Fluent), French (Intermediate)

- French intermediate course at Cambridge University Language Centre (2009-2010); French summer school at Stendhal University, Grenoble (2010)

Computing Skills: proficient in Fortran 90, Matlab, Stata, EViews, LaTeX, Bloomberg

References

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Dr Oral Williams, International Monetary Fund, *tel:* +233 204 83 7619, *e-mail:* owilliams2@imf.org