

Tom A. Zawisza

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Education

- 2010 – 2017** *PhD Economics, University of Cambridge*
Thesis title: Essays on Optimal Taxation and Transfer Programs
Supervisor: Prof Hamish Low
Examiners: Prof Wojciech Kopczuk and Dr Toke Aidt
- Jan-June 2012** *Visiting Scholar, University of California, Berkeley*
- 2008 – 2010** *MPhil Economics (Distinction), University of Cambridge*
Thesis title: Costly State Verification in a New Keynesian Framework: A Groundwork for Monetary Policy Analysis
- 2005 – 2008** *BA (Hons) Philosophy, Politics and Economics, University of Oxford*
- 2003 – 2005** *A Levels, Box Hill School, Surrey, UK*

Work Experience

- 2023-** **Organisation for Economic Co-operation and Development, Paris**
Economist, Tax Policy and Statistics Division
- 2020-2023** **Department of Economics, University College London**
British Academy Postdoctoral Fellow
- 2021** **World Bank, Washington, DC**
Short-term consultant liaising with the Polish Ministry of Finance
- 2017-2020** **Institute for Fiscal Studies**
Postdoctoral Fellow
- 2017-2019** **Department of Economics, European University Institute**
Max Weber Fellow
- 2014-2016** **Faculty of Economics, University of Cambridge**
Teaching Fellow, Public Economics
- 2013-2014** **Faculty of Economics, University of Cambridge**
Research Assistant to Prof Hamish Low
- Sep-Oct 2012** **World Bank, Washington, DC**
Intern, Poverty Reduction & Economic Management Division
- Jun-Aug 2012** **International Monetary Fund, Washington, DC**
Fund Intern, Africa Division

Research Papers

“The Labour Market Outcomes and the Pension Contribution-Benefit Link” (Conditional acceptance, *Review of Economic Studies*)

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. We estimate the extensive-margin elasticity of labour supply to work incentives coming from the pension system at 0.44. 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. 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.

“Taxation and Business Entry: Evidence from the Polish Self-Employment ‘Flat’ Tax” (R&R, *Journal of Public Economics*)

How does the tax treatment of entrepreneurial activity affect the decision to start a business? We study this question in the context of a major tax reform in Poland that introduced a flat tax for business owners, leaving the taxation of employees unchanged. Using a difference-in-differences framework and data on the universe of Polish taxpayers, we find that a 1 percentage point increase in the tax differential at the top of the income distribution leads to a 1.4% increase in the share of self-employed five years after the reform. The increase is primarily driven by transitions from employment to self-employment, in particular solo self-employment (self-employment without dependent workers). Moreover, the transitions occur in industries with a high human-capital component. Altogether, we find that high-income taxpayers respond strongly to the increased attractiveness of self-employment by starting a business, that such behavior shows considerable persistence, that it accumulates over time, and much of it is likely to reflect income reclassification rather than genuine entrepreneurial activity.

“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.

“Political conflict, social inequality and electoral cleavages in Central-Eastern Europe, 1990-2018” with A. Lindner, F. Novokmet and T. Piketty in A. Gethin, C. Martínez-Toleda and T. Piketty (eds.), *Political Cleavages and Social Inequalities*, Harvard University Press 2021

This paper analyses the electoral cleavages in three Central European countries—the Czech Republic, Hungary and Poland—since the fall of communism until today. In all three countries, the left has seen a prolonged decline in support. On the other hand, the “populist” parties increased their support and recently attained power in each country. We relate this to specific trajectories of post-communist transition. Former communist parties in Hungary and Poland transformed themselves into social-democratic parties. These parties' pro-market policies led to a gradual erosion of their traditional support. Meanwhile, the liberal right in the Czech Republic and Poland became representative of both high-income and high-educated voters. This has opened up space for populist parties and influenced their character, assuming more ‘nativist’ outlook in Poland and Hungary and more ‘centrist’ in the Czech Republic.

“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.

Awards & Scholarships

2020 – 2023	British Academy Postdoctoral Fellowship, University College London (£310K)
2021 – 2022	U.S. Social Security Administration (SSA) grant for <i>Retirement Pensions and Disability Insurance for the 21st Century</i> (\$100K)
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, £80K)
2008 – 2010	European Trust Scholarship, University of Cambridge; 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)

Selected Presentations

2024	IIPF Annual Congress, Prague
2022	Royal Economic Society Conference; International Institute of Public Finance Annual Congress (Linz); NBER Retirement Workshop; paper presented by co-author: University of Notre Dame
2021	Central European University; NORFACE Conference; DIAL Conference (Brussels); Polish Ministry of Finance (Warsaw)
2020	NBER Summer Institute; Birkbeck, University of London; paper presented by co-author: Wharton School, University of Pennsylvania; University of California, Berkeley; University of Bonn; Monash University; Dartmouth
2019	International Institute of Public Finance Annual Congress (Glasgow); European Meetings of the Econometric Society (Manchester); NORFACE and ESRC conference "Trends in Inequality: Sources and Policy", ESRC conference “Inequality and the Insurance Value of Transfers Over the: Life Cycle
2018	Max Weber Annual Conference, European University Institute; IFS
2017	ASSA Meetings, Chicago; Erasmus University of Rotterdam

Refereeing

Review of Economic Studies, Quarterly Journal of Economics, Journal of Political Economy, Journal of Labour Economics

Skills and Extracurricular Activities

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

Computing Skills: proficient in Fortran 90, Matlab, Stata, R, LaTeX

References

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Prof Eric French, University of Cambridge, *tel:* +44 1223 335200, *e-mail:*
eric.french.econ@gmail.com

Prof Cormac O'Dea, Yale University, *tel:* +1 203-432-3576, *e-mail:* cormac.odea@yale.edu

Dr Toke Aidt, University of Cambridge, *tel:* +44 1223 335 231, *e-mail:* tsa23@cam.ac.uk