

Tobias Kawalec

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EDUCATION

University of Oxford, Nuffield College

DPhil in Economics; supervisors: Prof Michael McMahon and Prof Martin Ellison

Oxford, United Kingdom

Oct. 2022 – Apr 2026

- Preliminary thesis title: **Essays on Macroeconomics**

University of Oxford, Nuffield College

MPhil in Economics; grade: Distinction

Oxford, United Kingdom

Oct. 2020 – Jul 2022

Goethe-University Frankfurt am Main

BSc Economics and Business Administration, major in Economics, grade: 1.1 (Valedictorian)

Frankfurt, Germany

Apr. 2016 – Aug 2019

EXPERIENCE

Consultant (on Short-Term Appointment)

Dec 2024 - Jun 2025

The World Bank

- External council in the creation of the World Bank Economic Report for Gulf Country Council Economies
- Supervision of research project estimating fiscal multipliers

Stipendiary Lecturer & Graduate Teaching Assistant

Sep 2022 – Jun 2025

University of Oxford

Oxford, United Kingdom

- Provision of tutorials for undergraduate students in 'Core Macroeconomics' and 'Prelims Macroeconomics' at The Queen's College (as Stipendiary Lecturer) and Exeter College, as well as for graduate students in MPhil 'Core Macroeconomics'

Research Assistant, Department of Economics

Jul 2022 – Sep 2022

University of Oxford

Oxford, United Kingdom

- Under the supervision of Prof. Michael McMahon
- Development of a dynamic general equilibrium model with inventories and non-linearities in supply chains (see details below)

Research Intern, Department of International Finance and Macroeconomics

Jul 2021 – Sep 2021

Kiel Institute for the World Economy

Kiel, Germany

- Under the supervision of Prof. Christoph Trebesch, supporting empirical research on sovereign debt and default
- First research project focused on the determinants of lending to sovereign entities from private and public debtors, establishing differences in discriminatory lending criteria in lending
- Second research project explored the predictability of arrears arrangements as well as their incidence with the size of outstanding commitments for repayment

Research Assistant, Department of Market Design

Mar 2020 – Jul 2020

ZEW Institute for European Economic Research

Mannheim, Germany

- Co-development of a research project on the effects of self-deception in decision-making
- Fully independent implementation of the related human decisionmaking experiment using Python (oTree) and Django, front-end development using PHP and JS

Intern in Supervisory Bank Stress Testing and Research

Sep 2019 – Mar 2020

Deutsche Bundesbank

Frankfurt, Germany

- Improving methods relating to stress tests of less-significant banking institutions
- Automation of the data gathering and cleaning process for the EBA's stress test of large European banks in R
- Participation in research projects on the determinants of bid-ask spreads using Bloomberg Terminals and R

Departmental and Voluntary Work

Mar 2017 – Jun 2022

Goethe-University Frankfurt & University of Oxford

Frankfurt, Germany; Oxford, United Kingdom

- Spokesman/Head of the Student Council, representing *all* Economics students (Goethe-University Frankfurt)
- Treasurer of the Clarendon Scholars' Association (University of Oxford)
- Student Representative for the MPhil in Economics (University of Oxford)

Debt Indexation, Determinacy, and Inflation

August 2025

- In this paper, we analyze the importance of *inflation-indexation* of a part of the stock of government debt. We establish empirically using both Local Projections and a narratively identified powerful fiscal event that sovereign deficit shocks are more inflationary when the share of government-issued inflation-indexed debt is higher. We leverage this finding to introduce inflation-indexed debt in macroeconomic models focusing on interactions of fiscal and monetary policy through policy rules, where we show that: (i) even absent further frictions, inflation-indexed debt makes the price level backward-looking (i.e., it becomes a jump-state variable), (ii) it alters bounds that pin down 'active fiscal policy', (iii) it allows us to discriminate to some degree between 'fiscally-led' mechanisms and 'HANK-type' mechanisms surpassing Ricardian equivalence, and (iv) in a calibrated HANK model, changing the share of inflation-indexed government debt from a baseline case without indexed debt to levels observed in the US increases the inflationary effect of a 1% deficit-to-GDP shock by 0.21 percentage points under a fiscally-led policy mix, while there is no sizable effect under a monetary-led policy mix.

Our Deficit, Your Problem: Fiscal Sustainability and Exchange Rates (*joint w/ Chris Hyland*) July 2025

- **Abstract:** We develop and estimate an open-economy present-value framework for the government budget constraint that embeds discount factors, exchange-rate expectations, and time-varying foreign-exchange (FX) risk premia. Using newly-constructed market-value data for U.K. and U.S. public debt covering 1975-2024, we deliver three main findings. First, only about one-half of the post-1975 rise in the U.K. debt-to-GDP ratio reflects realized primary deficits; the remainder is a valuation component split almost evenly between discount rate movements and Sterling-specific FX channels. Second, a Campbell–Shiller VAR decomposition shows that unexpected changes in the debt ratio are driven in roughly equal measure by revisions to expected future surpluses and by discount-rate news, with the latter apportioned across global yields, real-exchange-rate revisions, and UIP-premium shocks. Third, we present a tractable two-country model in which fiscal shocks in a financial hegemon propagate internationally through exchange-rate adjustments that feed back into real interest rates; the model rationalizes the empirical shares and predicts “fiscal contagion” across sovereign balance sheets. A continuous-time general equilibrium framework further rationalizes how exchange rate movements can be induced by changes to relative surpluses and debt issuances.

Inflation-Indexed Debt and the Risks of Fiscal Dominance (*joint w/ Martin Ellison*)

June 2025

- **Abstract:** The origins of recent U.S. inflation are the subject of much debate. One argument is that it has its roots in an expansion of debt-driven government spending, in what has been labelled *fiscal dominance* or a *fiscally-led policy mix*. We show that the risk of such fiscal dominance depends on the proportion of government debt that is indexed to inflation. Generally, the more debt is inflation-indexed the more likely fiscal policy is to dominate, even when the share of indexed debt is only around 10% as in the U.S. Empirical evidence links high proportions of inflation-indexed debt to low central bank independence, a high probability of suspending fiscal rules, and larger reactions of inflation to fiscal shocks.

Towards a Bullwhip Theory of Supply Chains (*joint w/ Michael McMahon*)

June 2024

- **Abstract:** Despite widespread discussion in the Operations Research literature of the relevance and importance of the 'bullwhip effect' as a magnifying determinant of supply chain volatility, the topic is rarely discussed in macroeconomic production frameworks. The few discussions of it in economics have tended to be empirical in nature. This paper lays the groundwork for an economic theory of the bullwhip effect, providing an intuitive model of firms in supply chains and laying out potential use-cases of the model. With the bullwhip effect, inventories lead to greater instability of value-added, with the corollary that inventory management improvements reduce volatility to the extent that they improve the flow of information along the supply chain.

SCHOLARSHIPS AND CERTIFICATES

David Walton Scholarship	September 2025 – June 2026
Department of Economics, University of Oxford 5th year bursary	September 2024 – June 2025
Nuffield College Scholarship Scholarship providing living allowance	October 2020 – June 2024
Clarendon Fund Scholarship Underwriting tuition at the University of Oxford	October 2020 – June 2024
GRE General Test Q 170/170 (96th perc.), V 158/170 (80th perc.), AWA 6.0/6.0 (99th perc.)	November 2019
TOEFL iBT Test Total score: 119/120 points	November 2019
Deutschland-Stipendium German Scholarship for Academic Excellence	October 2017 – September 2019
Christa-und-Norbert-Walter-Scholarship Funding for semester abroad	August 2017 – December 2017
Dean's List Membership For excellent academic performance	July 2016 – August 2019

OTHER INFORMATION

Programming: Python, R, Matlab, Julia

Software: Stata, L^AT_EX, MS Office

Financial databases: Bloomberg, Refinitiv Eikon

Languages: German (native), Polish (native), English (professional), Spanish (beginner)

Citizenship: German, Polish

Other interests: Handball (incl. refereeing), Ballroom Dancing, Travelling, Geography and Transportation

Oxford, August 6, 2025