

Andrei Zaloilo

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REFERENCES

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EDUCATION

Toulouse School of Economics

Ph.D. in Economics (expected)	2021-2026
M.Res. in Economics, Toulouse School of Economics	2020-2021
M.A. in Economics, Toulouse School of Economics	2018-2020

University of Pennsylvania

Visiting Scholar	Fall 2023
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Higher School of Economics

B.A. in Economics	2013-2018
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FIELDS

Primary: Macroeconomics

Secondary: Labor and Theory

JOB MARKET PAPER

Endogenous Wage Rigidity and Layoffs

Wage rigidity has long been considered the main source of employment fluctuations. I propose a theory where rigid wages and layoffs arise endogenously and are correlated across workers and firms but without rigid wages causing layoffs. Intuitively, layoffs help firms improve workforce composition, making wage cuts less desirable. I develop an equilibrium search model where firms employ risk-averse workers of heterogeneous match quality on

dynamic contracts. Privately inefficient layoffs arise as an outcome of asymmetric information: firm hold private information about match quality and choose not to disclose it. When facing negative productivity shocks, firms then fire low-quality matches while smoothing wages of the survivors. The model generates a testable prediction about cross-worker insurance composition: recently hired workers suffer higher layoff risk, while more senior workers are subject to larger wage movements. I validate the prediction by documenting this heterogeneity in French matched employer-employee data. The model implies that, in presence of endogenous reasons for rigid wages and layoffs, even exogenous sources of wage rigidity do not generate significant employment fluctuations. The quantified model shows that a 20% hike in minimum wage has a muted effect on both the firing and hiring rates.

WORKING PAPERS

Heterogeneous Wage Cyclicality and Unemployment Fluctuations

Wage rigidity as an amplification mechanism for the volatility of unemployment requires that jobs with rigid wages actually hire unemployed workers (rather than poach them from other firms). I differentiate jobs based on their hiring pool: whether they hire mostly unemployed or employed workers - and separately estimate their wage cyclicality. Using French matched employer-employee panel data, I find that wage rigidity varies significantly across jobs, with those engaging in worker poaching exhibiting more cyclical wages. I develop a labor search model with separation of search and heterogeneous wage cyclicality to measure the importance of distinguishing jobs by their hiring pool. The model reveals that rigid wages in jobs hiring unemployed workers have a disproportionately large effect on unemployment volatility compared to jobs poaching workers. Incorporating this heterogeneity yields a 20% increase in unemployment volatility.

Anatomy of Passthrough of Productivity Shocks (with Pablo Milen and Wenxuan Xu)

Workers experience labor income risk when employers adjust their hourly wages, hours worked, and their separation rates into unemployment in response to productivity shocks. Using French matched employer-employee data, we document how different employers adjust each of these margins for workers with different jobs, thus determining the earnings risk of their employees. We find that high-paying jobs adjust mainly hourly wages in response to changes in the unemployment rate, at 2.6 times that of low-paying ones. At the same time, low-paying jobs adjust primarily hours worked and separation rates. Adjusting hours worked at 40 times the semi-elasticity of high-paying jobs, and 10 times the semi-elasticity for separation rates. We develop an equilibrium labor market search model that incorporates dynamic contracts that allow firms to share risks with their workers through different margins. Firms share risks with workers using margins that are less costly to them, given their heterogeneous cost of creating vacancies and the job mobility of their workers. Consequently, government policies that aim to reduce labor income risk by targeting only one margin (e.g., minimum wage, hours restrictions, firing cost regulation) can be ineffective due to firms offloading risks into other margins.

RELEVANT POSITIONS

Research Assistant for Prof. Takuro Yamashita, TSE	2019
Research Assistant for Prof. Renato Gomes, TSE	2020

TEACHING

Teaching Assistant	2021-2024
Topics in Macroeconomics (TSE, L3 Undergrad)	
Lecturer	2017-2018

Microeconomics and Game Theory (HSE ICEF Evening School)

GRANTS AND AWARDS

Mobility Grant	2023
UT1 Doctoral Contract	2021-2024
Jean-Jacques Laffont Fellowship	2020
3rd place in “Open Competition of Student Research Papers”, Economics section, held by Higher School of Economics	2018

EXTERNAL PRESENTATIONS¹

<i>Bristol Junior SaM Workshop, Vigo Workshop on Dynamic Macroeconomics, ENTER Exchange Seminar Mannheim, EEA-ESEM Rotterdam, TSE Macro Workshop, TSE PhD Workshop</i>	2024
<i>Midwest Macro Fall Meeting, University of Pennsylvania Macro Workshop, ENTER Jamboree Mannheim, Asian Winter Meeting of Econometric Society, TSE Macro Workshop, TSE PhD Workshop</i>	2023
<i>TSE Macro Workshop, TSE PhD Workshop</i>	2022
<i>ENTER Jamboree Toulouse (discussant), TSE Macro Workshop</i>	2021

PERSONAL DETAILS

Citizenship: Russian

Languages: English (fluent), Russian (native), French (intermediate)

Gender: Male

¹Conferences in italics presented by coauthors