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Curriculum Vitae

Fall 2008

YELENA TUZOVA

Personal Data

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Major Fields of Concentration

International Trade, Russian Economics, Public Finance, Macroeconomics, Growth and Development

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics	University of Minnesota (expected)	2009
M.A.	Economics	University of Minnesota	2007
B.A.	Linguistics	Lomonosov Moscow State University	2002
B.A.	Economics, (Mathematics minor)	University of Colorado-Denver	2001
B.A.	Pianoforte	Ippolitov-Ivanov Academy of Music	1997

Dissertation

Title: "Essays on Tax Policy and International Trade"

Dissertation Advisor: Professor Timothy J. Kehoe

Expected Completion: Spring 2009

References

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Honors and Awards

- 2007 *Distinguished Instructor Award*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
2001 Graduated with distinction, University of Colorado at Denver
1997 Graduated with honor, Ippolitov-Ivanov Academy of Music

Teaching Experience

- 2008 *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *The Russian Economy*.
- 2008 *Adjunct Instructor*, Department of Economics, College of St. Benedict/Saint John's University, Collegetown, Minnesota. Taught *Introduction to Economics*.
- 2005 - 2007 *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *The Russian Economy*, and *Principles of Microeconomics*. Prepared lectures, video materials, homework assignments, exams, and answer keys. Graded coursework.
- 2002 - 2005 *Teaching Assistant/Grader*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics* and *Principles of Macroeconomics Honors*. Served as grader for *Intermediate Macroeconomics* and *International Trade*.

Papers

- "A Model of Tax Evasion with Heterogeneous Firms," (job market paper).
"Applied General Equilibrium Model of Taxation and International Trade in Russia"

Computer Skills

MatLab, Stata, Gauss

Languages

Russian (native), English (fluent), French (good), Italian (basic)

Dissertation Abstract

Essay 1: "A Model of Tax Evasion with Heterogeneous Firms"

The paper develops a static industry model of tax evasion with heterogeneous producers to look at the effects of tax policies, entry and penalty costs, and the probability of getting caught on the size of tax evasion. I assume that the probability of tax detection depends on the level of production. If the firm's production level is smaller than a predetermined level of output, then the firm is not going to be caught for tax evasion. Once the firm's production exceeds the output threshold, the tax evading firm faces a possibility of being caught and will be punished by the tax administration if caught. Under this assumption, I show that the firms which decide to go underground are small firms whereas large firms fulfill their tax obligations. I calibrate the model for the case of Russia for the year of 1998. To estimate the model, I use Goskomstat data, the World Bank data, and the micro-level data on 5537 Russian firms provided by ZAO "Russian investment corporation". Using the firm's level data, I develop a method that allows me to identify tax evading firms. The model predicts that the higher tax rates encourage the concealment of activity. A larger informal sector is also generated by a higher lower bound of the output the government sets up

to identify tax evaders. Higher entry costs reduce the number of operating firms. This will lower the number of tax evaders and reduces the size of shadow economy. An increase in the probability of detection and /or increase in penalty costs also lead to a reduction in the size of tax evasion.

Essay 2: “Applied General Equilibrium Model of Taxation and International Trade in Russia”

In recent years, the International Monetary Fund (IMF), the World Bank and the members of the World Trade Organization (WTO) have criticized Russia for its high border taxes. Despite the first political attempt made in 2000-2001 to reduce import tariffs, the average tariff in Russia in 2003 was still in the range of 13 to 14.5 per cent, a level considerably higher than the OECD countries. Since Russia is a country heavily dependent on trade taxes, I focus on the fiscal impact of eliminating the tariff revenues as well as analyzing its potential effect on domestic production, price level, trade flows, and social welfare. I also analyze the effects of Russia’s decision to impose high export taxes as an attempt to compensate for revenue loss. To conduct the analysis, I construct a static applied general equilibrium (GE) model and perform a series of numerical experiments, such as a partial and complete tariff elimination scenario. To calibrate the model, I work with an input-output (IO) table of the most recent year available, 2003, and construct a social accounting matrix (SAM) with a much higher degree of disaggregation and precision than any such matrix in the existing literature on Russia’s economy. I find that tariff elimination reform has a positive effect in terms of trade diversification, but a negative effect in terms of consumer and social welfare. To compensate for the money loss in the budget, the government tends to impose higher export taxes on foreigners.