

Crossing Channels

Interdisciplinary answers to today's challenging questions

A Podcast series hosted by **Rory Cellan-Jones**

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Season 2 - Episode 4

UKRAINE WAR - HOW CAN ACADEMICS APPLY THEIR EXPERTISE?

With

Tymofiy Mylovanov (Kyiv School of Economics)

Nataliia Shapoval (Kyiv School of Economics)

Ukraine war - how can academics apply their expertise?

SPEAKERS

Tymofiy Mylovanov (Kyiv School of Economics) and Nataliia Shapoval (Kyiv School of Economics)

HOST

Rory Cellan-Jones (former technology correspondent for the BBC)

Rory Cellan-Jones 00:00

Hello and welcome to a special edition of Crossing Channels. I'm Rory Cellan-Jones. Now normally we showcase the interdisciplinary strength of the Bennett Institute for Public Policy in Cambridge, and the Institute for Advanced Study in Toulouse. But today's special episode is devoted to our colleagues at the Kyiv School of Economics. Our subject is the role of academics in wartime. Should it be business as usual with teaching and research carrying on? Or should they instead focus on using their expertise to help in the defence of their country? Now in an episode of Crossing Channels back in March, a few weeks into the war, we spoke to Nataliia Shapoval from the Kyiv School. Well we're very pleased that Nataliia joins us again. Before you update us Nataliia on what you've been doing since, just remind us what you were focused on in terms of your research interests before the war.

Nataliia Shapoval 01:06

Before the war and during the war I am head of KSE Institute. So I focus on multiple areas from general economic questions to public procurement to healthcare.

Rory Cellan-Jones 01:20

Excellent. And I'm delighted to say we're also joined by Tymofiy Mylovanov, a president of the Kyiv School of Economics. Tymofiy, you are actually based in Pittsburgh when the war started, what were you focused on before all this happened?

Tymofiy Mylovanov 01:35

Yes, I go back and forth and share time between two countries, but not during the war. During the war I'm here. Before the war I was teaching game theory, and I was teaching international economics class.

Rory Cellan-Jones 01:47

Well, thank you both for being with us on this special episode. Nataliia, a lot has obviously happened since our first recording back in March. Can you give us an overview of what life is like for you in Ukraine right now and how it's developed over the months?

Nataliia Shapoval 02:02

Since we last talked, the winter started in Ukraine. So that's, I think, the most pronounced feature of our life right now. So we are preparing in all kinds of ways for blackouts, for living with temporarily absence of the electricity, water, which happens basically every day. And our regime of work is a little bit different. But generally, all our analysts work. We still work on sanctions, assessment of damages, different again, questions of the Ukrainian economy, food security. But just sometimes we do it with light and electricity and sometimes we do it with Christmas lighting from the accumulators and the power banks.

Rory Cellan-Jones 02:57

We did speak in the early weeks, things were constantly changing then. Have you developed any kind of steadied routine for how you work?

Nataliia Shapoval 03:04

So there is nothing steady actually about this period of time. I wanted to answer you that, yes, we are so disciplined, prepared, we have super routines but in fact, it's so random every day. So it's not steady. But everyday we can find time or setup or delegate things to each other and still make things done. So by now, even despite this electricity shortages of two, three days in a row, no water in a row for a couple of days, we still didn't delay on our deadlines more than we had been doing before.

Rory Cellan-Jones 03:43

Tymofiy, you left the US, where you're a professor of economics in Pittsburgh, to return to Ukraine when the war started. Why was it important for you to do that?

Tymofiy Mylovanov 03:54

I had to lead the university through the potential war. Unfortunately, the war happened. And I just couldn't think of myself not being there. Because it's what's important for me, it's what I am, it's my self image. I don't think there is anything heroic about it because there are 40 million people in Ukraine living through this. Or if it is heroic, then everyone is a hero. It's just a job and I have to do my job professionally and I'm responsible as a leader of the university. I'm responsible for the people. So that's why I came back.

Rory Cellan-Jones 04:36

So you must have had to make immediate decisions when you got back. What was the biggest challenge in deciding how you and your colleagues should work?

Tymofiy Mylovanov 04:46

The most immediate decision I actually had to make in San Francisco, when I was reading the news. To book the flight and it was extremely difficult because I started bargaining over prices and as a result, I almost missed any opportunity to come to Ukraine. I was on the last flight from Munich and Lufthansa was already cancelling all other flights. And I thank the crew that they did fly us back. And the flight was full of government officials, public intellectuals, community leaders, everyone was gathered back to Ukraine in the kind of foreshadowing or anticipation of the war. But once I was back, I think the first thing we did was to prepare more protocols, how we run meetings, what the risks are. We didn't believe there would be a war. I honestly did not believe and in the hindsight, I made wrong communication statements to the public, to the students and some people got under occupation because of that. I should have been more alarmist. But that's in the hindsight.

Rory Cellan-Jones 05:58

What would have been the impact if you had been more alarmist though?

Tymofiy Mylovanov 06:01

I wanted to cut the education to move it online and move everyone to safe locations and said, we'll stop studies for a couple of weeks to see how things develop. But my team convinced me that it's going to be like that forever, Russia will continue to terrorise us informational and whatnot. So we have to learn to live through this. So we did not cancel the studies. And this is our modus operandi at the Kyiv School of Economics: no matter what we go through, we continue with what we have to do with our work, we come to work, we don't evacuate from Kyiv. Our rector stayed in Kyiv he was being online from actually his bathroom our head of the foundation, she was in bomb shelters, setting up fundraising campaigns. So people are like that, but we should have been more careful and we should have cancelled classes. But

again, if I were to have that information that I had, and go through this again, I probably would have made the same decision.

Rory Cellan-Jones 07:01

So as the war gathered pace, what did you then decide were the priorities for the university?

Tymofiy Mylovanov 07:10

During the war, you kind of go zero and one, in terms of strategy. You have to focus on immediate priorities and a long-run strategic priorities. There's almost no bandwidth or room to think about something intermediate. Whereas in peacetime, we usually say, oh, you know, what's immediate can be postponed until tomorrow, not a big deal, I'll have a coffee with you, or I'll write that in email tomorrow, I'll get that payment after in the afternoon. That's not the case during the war. Not the case because the bank can shut down and the person could be killed. So you do it immediately what needs to be done right now. You don't postpone anything. You don't put gasoline in your tank, there might be no gasoline at the gas stations tomorrow, you can be stuck. So at the same time, in the peacetime, you have time to think long-term strategy. You say, oh, we're gonna talk to a dean or to the president of the university about the programme two weeks from now, or maybe let's do it in the spring. You don't have that luxury for the same reasons.

If you're thinking about sustaining the Kyiv School of Economics financially during the war, you have to make the phone calls on the first day of the war. And that's what I did. I called the ambassadors and called donors, I called foreign friends. I said, guys, we're going into the war, the war has started, give me a commitment of funding for the next year or two, that we can get through this. I'm gonna pivot this school towards the war effort but I need to have my back. And if we are operational, please know that, that we are capable. But can I repurpose all the funds that you committed, appropriated for different projects? Can I repurpose them right now for this most needed? And everyone said yes. And that's why while every other school or most other schools in Ukraine were trying to maintain status quo, kind of save what they were doing, we pivoted the school immediately, but also secured the funding. We did this during the first two, three days of the war.

Rory Cellan-Jones 09:05

Nataliia, how did your work proceed on that basis? Did you continue to have a focus on students and your research? Or did you completely pivot to the war effort?

Nataliia Shapoval 09:18

Before the war, we had 13 different centres, like in macroeconomics, public health, etc. And when the war started, we pivoted to mainly the three topics, which is sanctions on Russia, assessment of damages made by Russia to Ukrainian infrastructure, and food security and recovery questions. We still do some other projects like technical assistance projects or consulting, but we pivoted right away in the first days of the

war, and we even didn't know it. If we would find any funds for this work, or how it's gonna work out, or if we had people, but eventually we found people, and we engaged in some projects, 17 organisations. NGOs from Ukraine started collaborating with the government. Somehow it worked out, but then it was, I think, very bold turnaround of everything that we hadn't done before.

Rory Cellan-Jones 10:22

And what have you done in relation to students? Has any teaching gone on as before? Or has that had to stop largely?

Nataliia Shapoval 10:33

So I'm responsible for think tank. And Tymofiy talked about more generally about the university, the bachelor master programmes. In our think tank, we had a few programmes of professional education, for example, for public procurement managers who work in public sector, and we didn't stop those programmes, and we run them till now. And Tymofiy may tell a little bit more about the other more conventional programmes.

Rory Cellan-Jones 11:05

Tymofiy, would you like to come in on that?

Tymofiy Mylovanov 11:08

In the first days, we sent messages to everyone through formal channels and then individually through programme coordinators, that the job of everyone, of every student is to get to safety, whatever that means for them. And they should not waver, there should be no trembling hands, you know. If they want to join the military or volunteer or mobilise, they do it now. If they want to seek shelter, they do it now. If they want to move out of country, they do it now. They have to get to the place where they want to be, be safe and be productive, whatever that might mean for them. They have to make this decision and execute that decision. Once they've done it, the second step is that they have to reconnect with us. Either with management if they're analyst or faculty or programme coordinators if they're students. And then the job of programme coordinators and management was to do checkups on everyone. Twice a day, every day, we were doing checkups. Some students got under occupations and that's where my regrets are coming from. But everyone survived. But some students were kept in basements by the Russian troops without water for more than a week.

And this is where I feel that we could have done, I don't know, in the hindsight and the you know, I couldn't foresee the future, but I wish it worked out different. And it's tragic and also a war crime. Once everyone was back and safe, we reopened programming immediately. For bachelor programmes it was on March 16, two and a half weeks after the war started. And all programmes including the business school programmes were operational within a month, a month and a half from the beginning of the war. The problem with the war is there was a fog of war in the beginning. In the hindsight, again, it's very clear that

Russians were trying to take Kyiv and where there were the dangerous areas and where they were not. But at that moment, you don't know. You actually don't know what is safer, to stay in Kyiv or to live, or to move to a village or to stay under occupation or try to cross the line to the frontline in which direction. You don't know if they're shooting civilians or not. You don't know where there are artillery shelling and where is not. So it was a lot of uncertainty. For example, our family we got to a village which we thought would be safer. Turned out it was next to an airport, which Russians were landing in. And so we had to evacuate further. So it is very, very uncertain to say we restored educational programming within two weeks after that. This is the environment in which we managed to do it. It basically takes heroism from every faculty member and every student.

Rory Cellan-Jones 14:04

Enormously distressful, obviously for the students, I presume some of the students would have been going off and fighting, but also extraordinarily stressful for you, responsible for your own family's safety and you must have felt responsible for all these young people as well?

Tymofiy Mylovanov 14:22

That's true. And everyone, the entire team, the entire faculty body, the entire analyst and administration field, we have a great team, a great community at the university, at the Kyiv School of Economics group overall. If we have not had that, we probably wouldn't have been able to get through this. We would be struggling as many, many universities currently in Ukraine struggle. So it really illustrates how important community support, empathy, love, and also leadership are during the wartime. And you need to lead because inaction is a decision too. In peaceful times, we often can postpone decisions, and we're conditioned, especially in academia, to gather more information. You know, we take our papers to get them refereed in journals, for years sometimes. We hold long committee meetings to discuss every detail to ensure that the decision is collegial and it is a well-informed decision, even better if it is justified by data. You have none of this in the war time. None of it. You can't make collegial decisions, you don't have data, you cannot justify your decisions. But you have to act, because if you don't act, it might be too late. Inaction is an action too during the wartime. So that requires change of culture. And not everyone can do that. And we have been fortunate to be able to act.

Rory Cellan-Jones 15:56

Now let's turn to how you're applying your economic expertise during the war. Nataliia, is it possible in your work examining the cost of war, I know it's one of your research interests at the moment, is it possible to get any kind of accuracy in relation to the Ukrainian economy? Or is there an imperative from the government to maybe paint a rosy picture to deny the Russians a propaganda victory?

Nataliia Shapoval 16:25

Yeah, that's a nice formulation of the question. So we work on a daily basis with the estimates of the damages to the economy. And I think these estimates are as good as they can be in any other setup,

country, etc. So this data come from the direct observation from a lot of different people in the government, in the state owned enterprises, in the media, social media, etc. So it's uniquely created data in this sense, and I think it is pretty accurate. Right now our estimate is not published yet. The estimate right now is \$136 billion of direct damages to infrastructure as of November, and in September, it was \$126. So it's growing pretty rapidly. At the first place, because of the damages to the Ukrainian energy system and utilities. The rest of the data to talk about Ukrainian economy is more challenging to measure. At the first place because of the martial law, it is not allowed to State Statistics Office, for example, to collect the data. Because of this, a lot of surveys from which usually we take information about the business work, about the labour market is not really available, and that's kind of a challenge. At the same time, some surveys, ad hoc surveys, have been done to substitute for that. So in this sense, Ukraine still is getting data about what's going on in the industries because of this ad hoc service or associations information and direct information from the enterprises. And in this way, I think these estimates of Ukraine are pretty accurate. All the macroeconomic indicators seem very reasonable to me, from you know, these different angles that we now have to use to assess the situation.

Rory Cellan-Jones 18:35

Tymofiy, how have you been able to apply your expertise in these very different and challenging circumstances?

Tymofiy Mylovanov 13:43

Yeah, just before the war, I started working on a paper, titled *bullshit talk*, about the Russian propaganda. I have written a number of game theoretical microeconomic, economic theory papers on communications in my career, not as many as I would have liked. But really, during the war, I don't do that much of research because my responsibility is to ensure leadership, to keep community together, to reassure people, to give them an assurance of a steady, steady course, no matter what the university will be, okay. And also fundraise a lot of money, a lot of funds. So you know, I use my academic research and some skills I have developed as a researcher, as a scientist, to be able to learn quickly, to process a lot of information, to use data to inform my decisions.

In fact, for fundraising, this is probably not going to come out as a research paper or something unless I move into that field, but we do a lot of pilots, we do a lot of data collection, we do some analysis, even statistical analysis on how fundraising goes. So that's one application. But of course, there's policy work. I have co-authored a couple of chapters in a book on Ukraine economy during the wartime and reconstruction. There is a CPR book coming out, or actually it was launched yesterday. And also, we have written a couple of influential papers on how the economy, especially macroeconomic policy and fiscal policy, monetary policy, should be around during the war. So I do policy work and that's informed by my research by deeper economic theory research, and I bring political economy angles to it, because during the wartime, the political economy, internal political economy comes very, very important and economists

have, you know, we don't understand very well the constraints that the political economists, especially wartime political economy, imposes on policies, on economic policies that are feasible to implement.

Rory Cellan-Jones 20:46

I suppose in normal times, academics are seen by outsiders as living in ivory towers, doing research, which may have very little relevance. Do you see it as an imperative to kind of justify the role of the Kyiv School of Economics, justify the importance of carrying on your work as academics?

Tymofiy Mylovanov 21:07

This has been our mission to bring evidence-based, academic-informed research and good quality academic work to Ukraine. Because I think Ukraine will be a stronger, better country, if people are better educated and if the serious contemporary world class research is there. I understand that that's not enough. Because look at Russia, they have had fantastic economists there and scientists all across the disciplines. But that didn't help them. They nurtured a dark side of humanity over the last decades. And now it's culminating in wars. Of course, the scientists are not part of it or not guilty of it. But I'm just saying that good academic work is not enough for a country or society to be successful. But it is a necessary ingredient. I think, without science and without education there is no future for any country and there is no future for Ukraine. So it's my mission, it's our mission to continue to do quality academic work, quality policy work, quality educational work. And also in charity foundation, it is important for us to move the minds of the people to explain that you need to invest in education during the war as well. That's also our mission now, because without education we will have a lost generation after the war.

Rory Cellan-Jones 22:27

Nataliia, we spoke back in March about the information war. And we somehow expected that this would be a major strength for Russia. It hasn't really turned out that way has it? Ukraine has managed to construct its own narrative and in large parts of the world, that narrative has won.

Nataliia Shapoval 22:45

I think, Ukraine narrative and the way Ukraine and Ukrainian leadership and military forces are positioned, is really a huge achievement and part of the, I think, the result that so many countries and people all over the world understand really what's going on and support Ukraine. Yeah, I think it's huge work that was put by the President Office of Ukraine, by the Ministry of Finance, through talking to partners about the financial support of Ukraine, through other governmental bodies, by talking again to diplomats on different levels, but also there is a contribution of the universities and think thanks to this, through all kinds of intellectual diplomacy. KSE and some of our professors, they run hundreds of events, or put themselves on hundreds of events of Ukraine that were initially planned to be run without Ukrainians. I think we achieved a lot and Ukraine is now perceived as potentially, you know, a success story, not something bad that everyone is just being upset about.

Rory Cellan-Jones 24:04

And Tymofiy, you've talked to the importance of education and Ukraine being a sort of a force in that. That's also been important in terms of this information war, isn't it? That your version of the truth has been more widely accepted than the Russians, and that was not expected?

Tymofiy Mylovanov 24:24

Russia is good at attention management, when there is not enough attention. They are very good at figuring out irrelevant narratives, which resonate very well with people. And so in that sense, they bias the perception, or they even better shut down trust and sit down information acquisition or learning. They basically say, oh, you know, it's a civil war, ethnic Russians versus ethnic Ukrainians. And everyone can relate to that, because there's so much of that in the history of the humankind. This war has shown there's not a single element of truth to it. There is no conflict between ethnic Russians and ethnic Ukrainians in Ukraine. All of us are united. We don't even understand anymore the difference between ethnic Russian or ethnic Ukrainian. I'm ethnic Russian, do I look to you, you know, as an electorate of Putin? Not at all right?

Rory Cellan-Jones 25:17

Not at all.

Tymofiy Mylovanov 25:18

But according to his definition, I'm actually an ethnic Russian, my mum was born in Ural Mountains, we spoke Russian. They only forget to say that my mum was born in Ural Mountains because her family was relocated from Ukraine by Stalin a century ago. So that's how their narratives are built, they deport people, and then they claim them for their own and then the people come back to their home and generations later they reacquire their identity. So once the attention, the spotlight was on Ukraine, the facts started speaking. And so our narrative is won by actions, by what we do. We just need people to see what we do. And our President and our Minister of Foreign Affairs are great at making sure that we stay in spotlight, they bring diplomats here, they bring political leaders here. And when people see things for themselves, when they go to the frontlines where they visit Bucha, they visit Kharkiv they go to Kherson, then they see what is true and what is not. Because during the war, we already talked about this fog of war, the usual mechanisms of information acquisition, of data collection, of learning, they don't work.

There's very little trust towards what people are saying, whoever is saying. And basically there are two sources of information in the war and that's what I've learned in the war, that's my insight or revelation. Either you have to be an expert in something, a deep expert like me in macroeconomics and then from symptoms I'm seeing what's happening with the economy in Ukraine or in Russia, which is because I have worked for decades on it. Or you have to be an eyewitness to something, because you have to see it. Once you see it, you trust it, otherwise it's his version of truth, her version of truth, he said, she said, Russia said,

Ukraine said. The fact that Russia doesn't bring foreign politicians to the camps where they keep prisoners or to the front lines from their side says something, destroys trust. The fact that our President comes with President of the European Union, or with Prime Minister of the UK, or any other country, to the front lines to Kyiv, to Bucha, to Kharkiv where they can decide for themselves what they see. That's how we'll win the battle for truth over the battle over propaganda.

Rory Cellan-Jones 27:54

Let's bring it right up to date with what we've seen happening in recent weeks where the Russians apparently failing to make advance on the ground, have a heightened the air war, the missile war on Ukraine's energy sector. Tell us a bit more Nataliia about what impact that is having both personally and on the economy?

Nataliia Shapoval 28:18

It had speed up some transformation of the energy system, I would say. So there is of course very upsetting part of the story with so many localities and cities across Ukraine in basically all regions, even in the west of Ukraine, are being without hot water and heating and electricity for days. And for many people it's very difficult to manage this. But on the other side, I think there is a lot to appreciate in how Ukrainians and the Government and businesses and regular people are responding. First, there is magic response from the energy system enterprises that repair really big damages in a couple of days. I think they work overnights and do really heroic things to achieve that. And a lot of this has been in secret and not publicised, because Ukraine is trying not to show Russians where they hid actually because their imprecise weapon doesn't allow them sometimes themselves to understand what they did. It's really huge heroic effort of them. But then also businesses and regular people and local administrations. For example, Ukraine has a programme where all cities are creating, it's called points of resilience.

So in schools, public schools, there are places where administrations of the cities would be put in generators and some basic infrastructure for the cases where it is a blackout or there is lack of electricity, internet or some hot food. So that's one example. But also like regular businesses, and regular people are preparing themselves. For example, KSE is a case in point, we have everything here for people to work during the day, even if there is no electricity in the city. So there is generators and even like our analyst prepares some food for themselves. Students are preparing themselves and pushing the administration to do more. And also businesses after the first blackout, you would be coming to the gasoline station and they already have generator, they have hot coffee you can drink after several days without heating. So I think this is tremendous. And we see a lot of decentralised solutions, autonomous solutions.

Rory Cellan-Jones 31:01

Finally, I'd like to ask you both what your mood is and what the mood in Ukraine is about the progress of the war and the prospects for next year, and also how important it is that you get international support and in particular from fellow academics, Tymofiy?

Tymofiy Mylovanov 31:20

I'm very optimistic about the future of Ukraine. That's my mood. I see how people come together, share knowledge, build communities, support each other, show empathy and love and overcome challenges. Russia has nurtured something dark that every human or humanity has itself, that part of us, which is an existential threat to us. It can destroy humanity. We have seen that done during the World War Two, we have seen it in the history of humankind. Ukraine is showing and is nurturing just the opposite. The best part of humanity, how we can put aside our differences, get together and overcome the challenges. I went yesterday to an animal shelter where one family they stayed under occupation and Russians just bombed because they can, the animal shelter. 300 cats were killed but the owners moved their staff to a safer location and came back to stay with the animals during the war. And now they're saving that little black cat, which Russians used for target practice. It's paralysed, but it's coming slowly, it's coming back to life, it now can move. And to me that shows, why do we care about animals during the war out of all things? We don't have enough to support people. But it shows that we're human, it shows something good about an individual, a person, a human being. And I think Ukraine grows that and nurtures that. In that sense, I'm very, very optimistic. But it might take a while.

We know that power in Russia changes hands. Not in a democratic way, not in a predictable way, but it does. And after that happens, there is typically a period of democratisation, liberalisation, or some kind of attempt to rebuild relationships with the neighbours. That will happen. Ukraine will get to that and it will be the moment or before that for Ukraine to gain its territory back. And then we just need to be strong enough that in the future episodes when the Russia becomes radical again, if it becomes I hope it won't but it might, the history of the last several 100 years shows it does, we have to defend ourselves for the rest of our history, I guess, at least for several decades, I hope Russia will become a democratic and democratic state. But I'm very, very optimistic we'll get through this because I see the best of humanity in Ukrainians today. That's why I'm optimistic.

Rory Cellan-Jones 34:08

Nataliia, what's your mood?

Nataliia Shapoval 34:09

I try to think in terms of goals that can be achieved and then what we can do for that from our place, for example. And from where we are, I think like as a think tank University, we can contribute to this vision of drastically changing the situation over the next year. So that Ukrainian economy and Ukrainian military forces become strong to really keep the defence and kick out Russians from the territory of Ukraine and for Russia really to perish under the sanctions. With this kind of goal in mind, we are trying to push more for having oil embargo or lower price gap during the next year, call for more support for Ukrainian economy during the next year for the partners. And I believe that this is felt like an achievable goal to have really different kind of situation during the next year.

Rory Cellan-Jones 35:15

Well, I'm sure I speak for everyone at the Bennett Institute in Cambridge and the Institute for Advanced Study in Toulouse in wishing you all the best and sending our extraordinary admiration for your fortitude in your struggle. Well, that's all we have time for on this episode. Thanks to Nataliia Shapoval and Tymofiy Mylovanov from the Kyiv School of Economics. If you want to keep up to date on events in Ukraine, then you can follow on Twitter, the Kyiv School of Economics that's @kse_ua. You can follow Tymofiy, he'll give you a morning and evening update and his Twitter handle is @Mylovanov. And Nataliia Shapoval is @Nataliia_Shapo. If you enjoy this programme, then do listen to our other Crossing Channels episodes, notably our recent addition on how much people care about inequality. And please join us next month for the next edition, where we'll be looking at the importance of storytelling and narrative in policymaking.