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Introduction to CES SI in honour of Prof. Oleh Havrylyshyn

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Our colleague and friend Prof. Oleh Havrylyshyn passed away in his Ottawa home on September 20, 2020. To honour his work and life, the Association for Comparative Economic Studies (ACES) and the Centre for Comparative Economics (now renamed as the Centre for New Economic Transitions) at SSEES University College London (UCL), with the support of Natalia Havrylyshyn, organised a conference focusing on some of Oleh's core areas of interest. The conference which was held at UCL on Monday 20th and Tuesday 21st of June 2022 included two keynote talks, and a special tribute session, which allowed friends and colleagues to reminisce about their experiences of working with Oleh, benefiting from his mentoring, feedback and friendship. This special issue includes a selection of papers that were submitted to our open call for submission. Some of these papers were presented at the conference in June 2022, others were submitted only for publication in this special issue. Finally, we would like to express our appreciation to Nauro Campos, editor of *Comparative Economic Studies*, for making this issue possible.

In this introduction, we want to first pay tribute to Oleh's career and contributions, second, recount some aspects of the conference held in his honour and finally introduce the papers included in this issue.

1. Remembering Oleh

Oleh Havrylyshyn was born in Chortkiv, Ukraine in 1943. As the western part of Ukraine got squeezed between Hitler and Stalin, his family fled their home shortly after his birth. After staying at a camp for Internally Displaced Persons in Germany, they emigrated first to Brazil and then settled in Canada. He studied at Queen's University in Canada, gaining a BA in Economics, and later earned his PhD at the Massachusetts Institute of Technology (MIT). He then embarked on a multi-faceted career in economics that took him to many academic and public service positions in Canada, in the US and in the newly independent Ukraine. We mention here a few of the positions he held; the list is far from exhaustive. From 1992 to 1996 he served, first as Ukraine's Deputy Minister of Finance for International Affairs and then as Ukraine's Alternate Executive Director at the IMF Board of Directors. In 1996, he was appointed Deputy Director of the EUR II Department of the IMF. After retirement from the IMF in 2007, he returned to teaching and research. Over his career, he worked at Queen's University, George Washington University, University of Toronto, Kyiv Mohyla Academy, among others. At the time of his passing, Oleh was an Adjunct Research Professor at the Institute of European, Russian, and Eurasian Studies at Carleton University, a Senior Fellow at CASE Research Institute in Warsaw, and a member of the Scientific Committee of the Dubrovnik Economic Conference.

Oleh is best known for his work on Ukraine and on the transition experience generally. He had a special interest in the states that emerged from the former Yugoslavia dating to his time at MIT when he worked for the Croatian economist, Branko Horvat. At various stages of his career he provided support to the governments of Poland, (then) Czechoslovakia, Tunisia, Morocco, Columbia and more. He had a profound and diverse interest in economic development and nations, and had a wide influence on colleagues around the world.

Oleh was fiercely active in his last few years, often reflecting on the first decades of transition which he knew so well from his own experiences. *Present at the Transition: An Inside Look at the Role of History, Politics and Personalities* was published in 2020. In a review in *Perspectives on Politics,* Wittenberg (2021) indicates that "Havrylyshyn provides a bird's eye view of the economic transition [… with] a full-throated defence of swift and extensive privatization and marketization" (p.1369). *The Palgrave Handbook of Comparative Economics,* published in 2021, which Oleh edited with Elodie Douarin is a tour de force that includes 36 chapters covering every aspect of the first 30 years of transition experience.

Oleh was a stalwart at the annual Dubrovnik Economic Conference attending almost every conference from its inception. His comments on each and every paper were taken seriously and always appreciated. He worked hard to mentor authors at the Dubrovnik Young Economists Seminar and held forth with one story after another at dinner and at the beach. He was most proud of how a Dubrovnik conversation led to a 2014 Croatian National Bank monograph, "ECONOMY OF RAGUSA, 1300 – 1800; The Tiger of the Medieval Mediterranean", written with Nora Srzentić (Havrylyshyn and Srzentić, 2014) and later expanded into a book: Havrylyshyn and Srzentić (2016). In it, they explored the degree to which institutional quality could explain the economic success of medieval Dubrovnik. Though in the shadow of powerful Venezia, Dubrovnik was an independent state of growing economic importance and with good welfare outcomes for the local population. He later re-explored this work in a handbook chapter (Havrylyshyn, 2021).

The research Oleh carried out in the first stages of his career, before he entered public service, is also worth noting. Indeed, in his early work, Oleh focused on aspects of growth and issues relating to labour economics. He thus published work on "world income and growth" (Hagen and Hawrylyshyn, 1969), and capital intensive-biases in technology choices in less developed countries (Hawrylyshyn, 1977b and 1978b). He also published on migration flows in Yugoslavia (Hawrylyshyn, 1977a and 1977c). But the work we believe he was the most attached to relates to valuing household work (Hawrylyshyn, 1976 and Adler and Hawrylyshyn, 1978a). Oleh often mentioned his single-authored piece in which he surveyed the methods typically used to estimate the value of services, compared the results, and analysed the key trends regarding the value and intra-household distribution of household services based on time use studies (Hawrylyshyn, 1978a). This article, although nearly 50-years-old, continues to be cited, and it was an area that Oleh wanted to return to, especially as, to him, the pandemic offered an added motivation to do so.

These early contributions need highlighting because younger scholars may not know that Oleh wrote them due to the different spelling of his name. Further, mentioning them, in this very brief review of his work, also allows us to illustrate a key characteristic of Oleh's work (and one career advice he liked to share with younger colleagues): he always considered his research as 80% done, leaving the remaining 20% to be revisited. Indeed, academics sometimes struggle with finishing their pieces, trying to provide a definite answer or a complete picture on a specific issue. But for Oleh the objective was always to write a piece that was innovative enough to be contributing new knowledge and thus worth reading, but which also explicitly invited future work and investigation. This is how he kept his enthusiasm and motivation towards future research: there was always something he wanted to revisit, to elaborate on, to improve.

Another reason for which Oleh liked to revisit his past work was because he was keen to hone his arguments. His writing was pedagogical, he wanted to sharpen his arguments in response to the criticisms he had received. Those who disagreed with him certainly knew of the disagreement, because he would try to convince them again and again, but at the same time he accepted divergent views and had great respect for other points of view. This contributed to make him both a prolific scholar and a true gentleman. This also meant that, over the years, his writing on transition became more authoritative, building on both his hands-on experience with reforms and on years of explaining what worked, what did not and why. But this also made him a fantastic mentor for younger scholars, because beyond the academic soundness of an argument, he would support younger colleagues in questioning and strengthening their approach, and in valuing their own contribution. He is remembered for his great teaching skills and the time and quality of the feedback he provided to junior colleagues.

2. The June 2022 conference

In an effort to be faithful to Oleh's multiple interests, the call for papers for the conference we held in his honour focused on three themes: namely policy making in transition, comparative economics and economic history. Keynotes by Sergei Guriev and Marko Škreb allowed participants to reflect on two further dimensions of his work, namely the political economy of reforms and the production of policy-relevant research leading to effective policy advice. These themes allowed us to gather a diverse group of scholars who had either worked with Oleh, received his mentoring or had simply benefited from reading his work.

First, Oleh was passionate about promoting policies that were both economically desirable and politically feasible. This was reflected in his role as policy-maker in Ukraine in the 1990s, but also when he was working for the IMF, and later on as a scholar as he reflected on the transition paths taken over the post-communist region of Eastern and Central Europe and Central Asia (see his books, Havrylyshyn, 2006 and Havrylyshyn, 2020, as well as his numerous working papers, reports, chapters and articles on the topic). His approach to advocating policy change was embedded in solid empirical evidence, but also mindful of people's will, and, more broadly, the political economy of reforms. We thus invited contributions aimed at producing sound policy advice for development, recognising political economy issues and building on lessons from transition.

Oleh, while an expert on the post-communist experience of transition towards markets and democracy, understood policy change, not as deriving from immutable laws promoting economic efficiency, but as feasible changes towards improved welfare or wellbeing. As a result, he was very keen on promoting truly comparative analyses. Indeed, he recognised the importance of context, in particular institutions and historical legacies, and of learning from a multiplicity of disciplines, such as politics, history, and also sociology or anthropology, to build a full picture of what works, where and why. This approach was emphasised in the *Palgrave Handbook of Comparative Economics* he coedited (Douarin and Havrylyshyn, 2021).

Finally, Oleh had also increasingly shown interest in applying a comparative and institutional approach to understanding long-term persistence of historical legacies or the reasons behind specific historical performance. Accordingly, we sought submissions that illustrate the relevance of an institutional or systemic lens to understand historical outcomes or long-term persistence.

The conference's sessions thus included papers presented by old friends of Oleh (e.g. Marek Dabrowski, whose paper is now available as Dabrowski, 2023), more recent acquaintances (e.g. Yuemei Ji, and Alexandru Cojocaru whose papers appear in this special issue, or Jan Fidrmuc, who proposed a framework to assess whether transition economies were still in transition) or long standing interested readers (e.g. Richard Pomfret, whose paper also appears in this special issue, and William Pyle who presented a paper on the long run legacies of the early transition economic shock in Russia). One session included a paper by a young scholar who had greatly benefited from Oleh's feedback on his earlier work (Luca Uberti whose paper is now available as Uberti, 2022), and work in progress presented by Randolph Bruno and Hiroaki Matsuura. Finally, a session on economic history included papers that investigated the economic costs of socialism (by Michael Brzezinski), revisited historical growth figures in Russia from the 1690s to the 1880s (by Elena Korchmina) and discussed the fertility transition in 19th century Europe (by Tomáš Cvrček).

In his keynote presentation, Marko Škreb former Governor of the Croatian National Bank and IMF advisor spoke about policymaking in Croatia from within, focusing on the 2004 EU expansion and the role of the EU as "external anchor" for institutional and policy change. The title of his presentation makes for a succinct summary: "Faces of transition: Thank you EU". In the second keynote, Sergei Guriev presented work in progress on the links between corruption and firm growth, based on a global dataset. Thus both presentations focused on themes dear to Oleh: practical policy advice and the relevance of institutional quality to economic development.

3. Papers in this special issue

We now turn to briefly introducing the papers included in this issue, noting that they represent a variety of views and interests, in recognition of Oleh's understanding of academic work as a dialogue among peers, where you invite others to reflect on gaps, respond to criticisms and concerns and progressively build knowledge.

Cojocaru (2023) investigates the origins of policy preferences regarding redistribution. He argues that beliefs about the fairness of access to key life opportunities shape expectations towards upward mobility and when mediated by lower access to connections, to more demand for redistribution.

Pomfret (2023) describes the elites of the Central Asian countries and Azerbaijan, arguing for their unique nature and the specific political economy of these countries. In doing so, Pomfret offers a further nuancing of the discourse on the divergent paths of reforms and institutional change in the post-transition region detailed in Havrylyshyn (2020), arguing that beyond the contrast of Central and Eastern Europe with the oligarchic capture of Russia and Ukraine, a third path needs to be recognised.

Ivanov (2023) revisits the drivers of populism in Europe by investigating the joint role of economic insecurity and institutional trust. Ivanov posits that while economic insecurity is a credible driver of populist voting, its role is likely to be moderated by the degree to which voters trust national and supra-national institutions, as this trust can support a view that their insecurity will be addressed and also moderates their support for parties typically aiming at weakening these institutions. He concludes that greater insecurity is associated with a greater propensity to vote for populist parties, with a compensating moderating effect of institutional trust, except for the most economically insecure voters whose behaviour is unaffected by trust.

Ji (2023) develops a simple model linking short-term policy effects to expectations regarding future reforms, to address the question of appropriate sequencing of reforms. Assuming a simplified reform package including price liberalisation and competition policies, Ji argues that forecasting is more likely to relate to business cycle effects than rational expectations, and large short-term shocks can then significantly impact future reforms. She concludes that sudden and extensive reforms may thus not be desirable in contexts with adverse initial conditions.

Drishti et al. (2023) focuses on the life satisfaction costs of different types of deprivations, namely objective deprivation (being poor), subjective deprivation (feeling poor) and relative deprivation (living in a community with large economic disparity) in Eastern Europe, Western Europe, and Turkey.

They conclude on the importance of all these forms of deprivations but note that they matter more in Eastern Europe. The authors link this pattern to low social mobility aspiration and lower institutional quality in this region.

Ivanovic et al. (2023) presents an empirical analysis of political business cycles in Serbian elections. They find clear evidence that fiscal deficits increase prior to elections; however, this is the case only for regular (scheduled) elections and not so for snap (early call) elections.

Finally, this symposium issue includes one paper that was not part of the conference but was, instead, presented at the 28th Dubrovnik Economic Conference in July 2022. Škrinjarić (2023) explores the techniques developed at the Croatian National Bank to forecast the Basel gap (the deviation of the credit to GDP ratio from trend) which is an important indicator used by European bank regulators to set counter cyclical capital buffers.

4. Conclusions

Oleh will be dearly missed, because he was a knowledgeable economist who over decades taught us about the intricacies of transition, because he enjoyed debating and honing his arguments with us while always respecting and valuing the views of others. He had the respect of those who agreed and of those who disagreed with him, because he had diverse experience and also wanted to embrace a diversity of points of view, making him a true advocate of inter-disciplinarity in research and friendly, collegiate debates. He was kind, generous and supportive to all, especially younger scholars. He disappeared too early and has left a gap as a great colleague and friend.

We hope that this small collection of articles and our introduction will serve to keep Oleh's spirit and enthusiasm alive and remind future generations of the pertinence of his work.

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