



Centre for Economic Policy Research
London, UK
Email: cepr@cepr.org

4th July 2022

To the authors of 'A Blueprint for the Reconstruction of Ukraine':

Torbjörn Becker, Stockholm School of Economics
Barry Eichengreen, University of California – Berkeley
Yuriy Gorodnichenko, University of California – Berkeley
Sergei Guriev, Sciences Po
Simon Johnson, Massachusetts Institute of Technology
Tymofiy Mylovanov, Kyiv School of Economics
Kenneth Rogoff, Harvard University
Beatrice Weder di Mauro, Graduate Institute Geneva

We were disappointed to find that the 'Blueprint for the Reconstruction of Ukraine' that you co-authored addressed only one of the three pillars required for sustainable development (social, environmental, and economic). We are concerned that this approach has the danger of not adhering to the very first principle of working in a conflict or post-conflict situation: Do No Harm.

A key notable absence in your stated project is of people. The ideas presented seem to assume that economic and fiscal policies are neutral. Yet the economic and infrastructure losses you describe, the war's impact on social security and education, has hugely different outcomes for different members of the diverse Ukrainian population. The notion that there are "no materially important problems with social/ethnic divisions" in Ukraine dismisses, for example, 400,000 Romani people who are in a deeply vulnerable position and face extreme discrimination.

We are concerned that your understanding of humanitarian aid makes no recognition of the specifics of lifesaving needs depending on age, gender or ability. Your definition of 'basic security' takes no note of sexual and gender-based violence or human trafficking, currently alarmingly being reported from Ukraine. We see this as being central to attracting the return of Ukrainian refugees and displaced. Your consideration of housing or transportation is valid, but needs to consider accessibility, given that the ongoing war is dramatically increasing the number of persons with disabilities and 30% of the population is older persons.

Your project appears to present the interest of Ukraine as if it is singular. Yet choices about infrastructure investments impact different population groups differently. Growth, the attraction of foreign investment or a productive economy cannot be discussed apart from how and with whom will they be planned and whose needs they will meet. Employment / business activity programmes need to be targeted and designed to be inclusive so that they do not increase inequality. It is for this reason that several longstanding international agreements apply to the maintenance of international peace and security.

Namely, the UN Security Council (UNSC) has adopted resolutions both on Women, Peace and Security and Youth, Peace and Security, with the specific recognition that "civilians, particularly women and children, account for the vast majority of those adversely affected by armed conflict" (UNSCR 1325, 2000). These resolutions call on all actors involved to address the special needs of women and youth for rehabilitation and post-conflict reconstruction. UNSC resolution 2250 recognises that youth can contribute to lasting peace and

economic prosperity *if inclusive policies are in place*. The resolution goes on to call for “evidence-based and gender-sensitive youth employment opportunities, inclusive labour policies, national youth employment action plans in partnership with the private sector, developed in partnership with youth and recognising the interrelated role of education, employment and training in preventing the marginalisation of youth...”. These calls for gender-sensitivity, inclusivity or partnerships are not and cannot be an afterthought. They have to be included from the beginning and placed in the center of any and all reconstruction discussions. The reconstruction of Ukraine must be owned by Ukrainians.

The coordination structures you note, the proposed EU-affiliated agency and its associated bodies, fail to include non-governmental organisations representing the diversity of people or civil society more broadly in its planning and implementation mechanisms. Consultation of the people for whom this reconstruction is essentially for is non-negotiable to ensure that those most at risk of discrimination will benefit equitably.

Proposals such as flat income taxation do the opposite. This is a regressive measure that fosters inequality. Similarly, suggesting that redistribution leads to social discord is patently false. Progressive taxation and investment in anti-poverty measures, for example, supports social cohesion.

We strongly call for any ‘ideas for the design and requirements’ of an effort ‘to help Ukraine recover from the war’ to be in line with the principle of leaving no one behind from development. Reconstruction which leads to a more equal and sustainable society is an opportunity which will not materialise without determined action – it cannot be assumed, it must be made.

Sincerely,

Eppu Mikkonen, Development Policy Adviser

Silla Ristimäki, Development Policy Adviser

Finnish Development NGOs Fingo