

An Interview with Sanjay Reddy

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Note: This interview was conducted as part of the special issue of the New School Economic Review honoring the legacies of Professors Duncan Foley and Anwar Shaikh and the broader tradition of political economy at the New School for Social Research. The interview took place on June 24, 2023. The transcript has been lightly edited for clarity.

Are there any words you would like to say, as current Chair of the Economics Department at the New School, to introduce this issue?

This special issue of the *New School Economic Review* celebrates the work and careers of two scholars who have made remarkable contributions to advancing political economy in recent decades: Professors Anwar Shaikh and Duncan Foley.

It would be foolish to attempt to capture in a few short pages the astonishingly varied thought and insights of Anwar and Duncan (as I will refer to them). The rest of this volume attests to these. In lieu of attempting a full description of their contributions, I would like to situate Duncan and Anwar within a context I know well: that of the economics department at the New School for Social Research (NSSR) and its long tradition of political economy.

Do you recall your first encounters with the works of Profs. Shaikh and Foley and did they influence your decision to come to the New School?

One of the great gifts of being at the NSSR has been the opportunity to learn from Anwar and Duncan. I had heard quite a lot about them before I actually met them. For me, as for many students of economics who didn't have the benefit of studying at a place like the New School but were still interested in alternative currents, it was most valuable to learn of their perspectives.

I came across Duncan's writings as an undergraduate, having read his *Understanding Capital* soon after it came out. Later, as a graduate student, I heard of the economics department at the New School and in particular, of Anwar's leading role within it. I remember walking with a friend of mine, an economist inspired by Marxism, at an ASSA meeting in Boston, who pointed Anwar out to me in rather hushed tones.

My first job teaching economics was at Barnard College of Columbia University, the department Duncan Foley had recently departed to join the New School. He left a sizable legacy at Barnard of precedents and traditions, which he had shaped as an influential faculty member and then Chair. That department put great emphasis on the study of the history of economic thought, which I deepened my understanding of through teaching Theoretical Foundations of Political Economy (a class not very different from our NSSR Historical Foundations course). Duncan had taught that course when at Barnard and he shared his class notes with me. His approach was boiled down to be digestible for undergraduates, rather more than I would have done myself, but his materials and approach nevertheless influenced my own teaching.

As for Anwar, when I had done my early work on global poverty estimates, more than twenty years ago he invited me to the NSSR to give guest lectures in his World Political Economy course and to participate in workshops and conferences that he helped organize. He was helpful and encouraging,

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and he appreciated the ‘guerrilla’ aspect of my work on poverty estimates. It was at a Conference on Globalization with the late John Weeks where I first encountered Anwar’s ideas on absolute as distinguished from comparative advantage in international trade, which opened a new way of thinking to me. When I was considering whether to join the NSSR, the friendliness and enthusiasm with which I was approached, in particular by Anwar, helped draw me in.

What do you think, today, are the important contributions that students of the New School can learn from the personal and intellectual lives of Profs. Shaikh and Foley?

There is much to be learned from Duncan and Anwar, not just from the scholarly work they produced but in the lives they led. The first lesson is the enormous importance of following your own star—to choose the pathways and to build the perspectives that seem to you to be most authentic, insightful and true. Both Anwar and Duncan are fine examples of personal and intellectual integrity that students, colleagues, and readers immediately recognize and admire. They have always possessed a high degree of alignment between their personal values and their intellectual framework.

They both had other options. By all accounts, Duncan was a *wunderkind* who garnered early acclaim, finishing his PhD rapidly, and was entirely equipped with the tools and connections required to be a grand success in mainstream economics. This path, as we know, offers a life full of financial recompense and societal influence. Anwar, too, was a student of Gary Becker’s at Columbia, although he was radicalized somewhat earlier.

Although they bore a cost for blazing their own paths, it did not dissuade them. In fact, it possibly strengthened their resolve. Breaking with mainstream doctrines surely required enormous fortitude, will-power, and courage—the courage to do, say and think what they believed in, without regard to how others may have responded. Every student at the NSSR (and elsewhere) can learn from that. Courage is not something that is directly valued in academic life, but it is the heart of real intellectualism. This remains one of their exceptional achievements, worthy of reflection by all students at the New School.

Duncan and Anwar have also possessed a very particular intellectual style. They have each been intellectuals first and foremost, and have not sought societal influence or high office or political power. They have, all along, focused on the fundamental questions as they saw them, as theorists. They have not sought to foreground policy prescriptions, but instead to first offer a challenge to existing ways of thinking, and to gain an intellectual purchase on the workings of the system as a whole. While they would agree that the possibility of applying ideas in the world is ultimately important, they see theory and concepts as being crucial to developing any alternative and view their focus accordingly. This is another thing students can learn from: the idea that one should take theory seriously, even if one is interested in action. Political commitments, and the desire for action, may influence aspects of one’s thinking, but theoretical reflection must be approached on its own terms. A third lesson one can learn from them is the importance of being disciplined by evidence. They have both made the case that the theories they oppose do badly with regard to the evidence and that the theories they propose do well. This is despite operating at a certain level of abstraction and generality. It matters in our subject to seek such alignment with evidence, because in the end we are concerned with the world. Finally, they have always been flexible and open in their use of empirical methodologies. Both have been deeply interested in using modern methods to make the perspectives of classical political economy alive and relevant. Whether that’s been in the form of updating national income accounting in the case of Shaikh, or by using statistical Bayesian methods to understand profits, wealth, and income in the case of Duncan, they have both strived to be up-to-date and to use what tools, techniques, and methods make sense of the world best. They have done so while simultaneously maintaining an underlying affinity to an underlying “vision” (to use Schumpeter’s term) of classical political economy (and in particular their inspiration from Marx in viewing the capital-labor distinction as central). Students can learn much from this approach: to maintain allegiance to one’s vision while being supple, flexible, pragmatic, and imaginative in bringing that vision to the data and the analysis of the contemporary world.

Do you think there is a distinctive “New School tradition” of political economy, and if so how would you describe it? What do you see as the department’s key contributions to the field of political economy?

It is fair to say that Duncan and Anwar have been exemplars of the New School economics tradition.

There are different points of view on what constitutes this tradition, but a Marxian perspective is an important strand. Marxian political economy does not by any means exhaust our department's approach, since we are a pluralist department, but it has a force and presence in the department's intellectual life. Duncan and Anwar have been the twin pillars of this aspect, enabling it to survive and thrive. Yet they also represent many other strands of the New School tradition that have maintained a certain degree of continuity. The first is the importance of the history of economic thought. The NSSR Economics Department has always taken seriously the idea that the economics discipline needs to be reflective and reflexive—that is, self-aware and in dialogue with itself. The influence of economic ideas has always depended on underlying social, political, and economic forces. We cannot understand the rise and fall of various ways of thinking without reference to that. Economic ideas are shaped by society. The history of thought matters in making sense of economic ideas of the present as well as of the past. Even though it has been marginalized elsewhere, it remains central to our department.

The second is the idea of pluralism. At the New School, one finds multiple schools of economic thought, often in internal disagreement. This has been true of every generation, since the institution's founding. The critical dimension has also grown in prominence. We have had Marxians, Sraffians, Post-Keynesians, and Institutionalists, among others, represented here. The impression of a 'hundred schools of thought contending' has always been one of the more important aspects of our tradition. At the same time, there are themes that are cross-cutting to a considerable extent. For instance, the idea that labor and capital can have different interests, even if they may also be overlapping at times, animates our quest to understand the dynamics of the capital-labor relationship: the conflicts, resolutions, and forms of regulation that we must analyze to make sense of the economic system. The idea that distribution, growth, and productivity are all interconnected parts of a single process is also very crucial to the New School economics tradition, and a theme in both Anwar's and Duncan's work.

Third, Anwar and Duncan have both demonstrated innovatively how to bring the vision of classical political economy together with contemporary methods, also a tradition going back to the earliest figures in the department.

Of course, the New School economics tradition has evolved. There are faculty today who are concerned more with policy issues and issues of contemporary American political economy. Yet the grounding of the New School's intellectual tradition in theory, which Anwar and Duncan very well represent, remains crucial to what makes it powerful. We have never been interested simply in influencing policies, but in building upon rigorous frameworks that can ensure that approaches to application will prove efficacious. We are interested in training students in ways of thinking and not merely in arriving at particular conclusions or wielding specific techniques (at least I hope so) and students want to learn to think too, which is one reason that they were eager to study with both Anwar and Duncan.

What do you think the future of the New School tradition will be?

The faculty and students of the NSSR must try to carry on the extraordinary intellectual legacy to which Anwar and Duncan have so greatly contributed. This will involve developing further contemporary workings-out of visions and concepts that have roots in classical political economy and of ideas generally not adequately represented elsewhere.

As an example, the post-Keynesians in our department seek to understand Keynesian ideas in a modern setting—to bring to light the deeper insights of that tradition which have not been defanged, and which still pose a very important challenge to conventional thinking in the discipline. This includes, for instance, questions of the role of fundamental uncertainty or the role of distribution in aggregate demand. There are other issues which have come to the center of attention which we could say more about—ecological questions, for instance.

As this volume indicates, numerous individuals and organizations around the world have been influenced by and taken inspiration from the lives and works of Duncan and Anwar. I hope that we can continue to engage, with support from our institution and our alumni, with a broad network of scholars and thinkers. Such networks help to maintain the vitality of the institution, to prevent it from becoming an island unto itself, and instead to maintain the healthy life that comes from conversation with many different influences. At its best, the New School economics department has not only participated in but also been central to such a conversation.

Anwar and Duncan contested and built upon mainstream propositions and, like them, we should aim to be in dialogue with mainstream economics as well as with other social sciences and related fields. We must also view the scope of our concerns and our audience as global and not merely national. We have always spoken to the biggest questions and with the biggest possible audience in mind. The future of the New School tradition depends on doing so in a new and vital way.