

**Dr Chowdhury, thanks for joining us today. It's great to be able to share with our members the insights you've gained working as an economist across the globe at universities, and several roles at the United Nations.**

**There's been a trend over the last 30 years in Australian schools and universities, in particular among female and low socioeconomic background individuals. One potential cause of this is that young adults might not think that there are good reasons to choose to study economics, instead of the enormous range of other subjects that are now available.**

**So, why should students consider studying economics today?**

You raise a very important question. As you say this trend has been happening over the last 30 years — gradually declining enrolment in economics. This is to do with what has happened in society at large and in the intellectual domain. What we see in the last 30-40 years is the rise of corporate interest and, as a result, universities have also become corporate entities. It's no longer the old world where we went to university as place of learning, it has become a production place for multinational companies. They are producing so-called labour inputs for the companies, they are not producing learned people for the society.

The faculty of economics no longer exists, now it is the business school. And so, it's not the fault of the students, nor people coming from low socioeconomic background, nor female students, it is the overall environment in which you are very aware that you're working [at university] for a job. You're not coming to the university to learn. In the old days, if you were looking for a job, you went to TAFE or a polytechnic that would prepare you for the job market. That doesn't mean the university didn't 'produce' for the job market, but that was a secondary consideration. You came to the university to debate issues, to open up your mind. Why call it 'university'? ... Universe, it's a bigger picture. That has disappeared.

I can give one example. In the old days, when you were doing a PhD, there was, of course, some kind of time limit that universities expected you to finish within; three, four or five years, just as an expectation. But by and large, the majority took longer than that. Why?

Because you are just wandering in the university, going around, talking to your peers, listening to lectures, searching for knowledge. And there was no pressure on you as long as you were presenting your ideas and interacting, and, in the end, you would finish. On average, we used to say it took four to five years to finish the PhD.

But today, the PhD has become just like an undergraduate degree where you have to finish in 3 years. If not, the supervisor is penalised, the students are penalised, the scholarship ceases.

There is now a set program. You download data from the internet, you have something called econometrics, even if you don't know what it is, all the packages are there, you put inputs in one end and you get out results from another end, and the many new students can't even explain the result. They don't know what those data are and can't even define those data. This is the situation.

Now, your question is why should students consider studying economics? Students should consider studying economics because, as I said, it can broaden your horizon, your understanding of society, how it interacts, how various interest groups interact. (The interest of the multinationals, the interests of the consumers, interest of the state). A central question is: how do they interact?

## Interview with Anis Chowdhury

If you are a conscious individual, you should be interested in economics and these questions because you all vote and have the responsibility that comes with living in a democracy. Australia is a unique country where voting is compulsory, so we need to understand and ask: 'is my vote based on information?', 'is it informed?', or 'am I just voting as if I was in a herd of sheep?'

So, students should be coming to university to learn, but again, unfortunately, now the majority of the students are working [alongside their studies]. And why? Because the university system, the funding system, the scholarship system, they are now all in some way profit based. I don't know how you can change the global or societal environment, but if you want to campaign and try to convince students this is the point we have to say: don't think [of study merely] in the professional or job sense.

If you study accounting you become an accountant and there is a connotation or definition of what an accountant does. You don't have to explain that definition to a prospective student. If she goes to study law she becomes a lawyer, and people know what lawyers do and what the jobs are. And if you are doing marketing, you immediately know what marketing jobs are.

If you study economics, you become an economist. What is an economist? What do they do? Immediately it triggers that question.

Economics broadens your mind and gives you an analytical ability so that you become a specialist in more than one field. An accountant becomes a specialist only in one field, a lawyer becomes a specialist in only one field, but, as an economist, you have multiple skills. So it gives you more options in terms of your portfolio of opportunities in the future. That is another attraction.

To summarise, we have very difficult circumstances. The external environment, the environment in which our students make decisions about their education and career path is set against economics. In the sense that we understand it, the science of economics is a social science, it makes students more conscious about society so that your decision about your voting rights and all the other rights becomes more informed. We have to present this perspective of economics to these prospective students; that you don't just become one professional.

It is even more important now because the job market has become more uncertain, the world has become more uncertain, and so if you are stuck with one profession, what happens if, for some reason, every accounting job becomes standardised and [computer] package based? There will be no need for accountants. But there will be a need for someone to analyse things behind the scene. And who provides that analytics? The economist who has trained and enhanced their analytical ability.

**At Rethinking Economics, we're committed to reforming the economics curriculum so that it reflects the pluralism of current research. What would an ideal economics curriculum look like to you? and, if it's different to the current curriculum, why do you think it's important to make the adjustments you would advocate?**

This links to what I was just discussing earlier. Economics is a social science, a behavioural science. But the way economics has been taught for the last 40 years is as if it is physics or maths. Even with physics, when I have a law of gravity, the physicist knows that the law of gravity should be adjusted based on whether you are at a high or low altitude, but unfortunately, the economist, [despite] thinking they are scientists like physicists, do not want to change their

## Interview with Anis Chowdhury

'law' of price adjustment. Everything has to gravitate towards equilibrium. If it doesn't it's the fault of society and not the fault of the model. *The model is immune.*

And so, [an economics curriculum] basically disjoint with what is happening in society results in disinterested students. They might come to class, but they can't relate it with reality. And why should they come?

This has been done deliberately because corporations don't want people to understand the power relations, the social values, that go into business. If you become conscious, if you learn to think, then you will be questioning those relations and values. And they don't want you to understand that. They don't want you to know that lowering tax rates does not bring an avalanche of investment because there are so many other factors that affect the investment decision, not just the tax rates. But every time an election comes you have to reduce the tax!

If people cannot analyse this [with what they are being taught now], the curriculum has to go back to its roots as a social science. We have to mix our economics degrees with politics, anthropology, sociology, and we have to bring back, most importantly, history.

A country has a history, and we know that development is path dependent. Why are all the colonies more or less still underdeveloped? Why are all the colonial powers developed so? Is it because somehow they have superior institutions? But how did those superior institutions come about? Are those other countries made up of lesser people, is their civilisation inferior? Some of these poor countries have very, *very* rich civilisations—thousands of years of civilisation. We cannot say that these are all 'uncivilised' people because they are underdeveloped.

Economics over the last 30-40 years, when a particular idea or class got more powerful, systematically eliminated these kinds of subjects from economics. [Prior to this era,] when we went to the university and did a PhD, history of economic thought and economic history, both these two subjects were compulsory. Now we go to the universities and there's no history of economic thought, there's no economic history. All that is taught is some mathematical economics, some econometrics, how you can fit this or that into game theory. Or you do an RCT to show that people are poor because of incentive problems; [you theorise that] they're lazy so you experiment how you can incentivise them. They're poor not because of history, not because of past exploitation.

Everything is just like in a lab, where you do a chemistry lab or physics lab, all the external environments are removed, and then you test. Like Pascal's Law where you put a feather in a vacuum jar to test the gravity, where you've removed the resistance of air. [You ignore that] your behaviour is conditioned by where you were born and how you were raised and in what environment you were.

We have to redesign our courses to link economics with the reality of the world, how the real world functions, and how the different agents in society interact to produce economic goods, social goods, and benefit each other. We have to make these things interesting.

I'm not against learning economic theory, but economic theory enables us to be more analytical and to be more consistent, more logical. Beyond that, what is more important is understanding social forces.

I can give an example, I am an editor of a journal to which people submit papers that immediately use a complicated model to get results, and then start explaining the results. But it doesn't make any intuitive sense why one variable reacts after say eight years or periods and why the other reacts in some other time frame. Maybe there's a valid reason, but these papers

## Interview with Anis Chowdhury

just don't say. This goes up, this goes down, this goes up, this goes down... But why does it go up? why down? what drives it?

Majority of the theses you look at nowadays are like this. Majority of the economic papers that come out are like that and they have no relevance. if you look at big journals, you look at publication length, when it was submitted and when it was published, every two to three years lag. The world has changed. If you publish something on how to deal with COVID, and it comes out three years later, COVID is gone! Who is going to believe your results? We don't even believe in our own results. The journal ranking is a dog chasing its own tail. You can't catch it. But if you look at the science journals, sometimes they publish without peer review. They say, 'it's not peer reviewed but some results have come out, please have a look at it. It may be useful.' We don't do that. Why should people trust economics, because the results we bring are all four to five years old? You go to a policy maker and you tell them of five-year-old results, they'll throw you out from their room. Tell me what I can do now, I need them now, this is my problem of today.

So we have to make our subject more interesting by linking whatever we are teaching with the actual world and encouraging our students to understand economics intuitively. What do you see around you? Does it make sense? Do you really behave that way — morally, spiritually? Look at your own family, does your family behave that way? If prices go up, you stop buying, or if prices go down, you rush to buy things. Yes, we do, but do we do it to the extent that the theory is predicting? How do we adjust the theoretical predictions with actual behaviour? I'm not saying that theory is entirely wrong, it's speaking of something of my behaviour, but I cannot ignore the rest of it that is not being picked up.

**Much of your work and research has focused on macroeconomics and development, especially in the Asia and Pacific regions. (Perhaps atypically of some academics) you've published extensively in a variety of mediums: several books (including *The Newly Industrialising Economies of East Asia* and *The Political Economy of East Asia: Post Crisis Debates* which you co-authored with Professor Iyanatul Islam), G24 policy briefs, academic journals, as well as op-eds and VoxEU.**

**Across these topics and mediums, why should students be interested in your research?**

The main thing is, as I have been saying, my research covers a very wide variety of issues. I have written on intellectual property rights, I am today writing on vaccines, the booster vaccines. What does it mean? How does it work? Why should we have it to begin when the majority of people don't even have one shot? Why should I have three shots? What does it mean in terms of fairness? And even in terms of common sense, can I be saved by having three, four, five boosters, when new variants will continue to mutate and become deadlier and deadlier. Is it not a mad thing to do that? Why is it happening? I am trying to understand this — what kind of psychology is affecting people of the rich countries to believe that somehow they can be protected, when others are not? How does the media play a role? How does the multinational drug companies are shaping our thinking through, so called, big data? They are all connected. My social media data can be used to control my psyche, to influence my thinking. I am trying to expose these things — this is not traditional economics. As I say, trying to understand the social forces.

## Interview with Anis Chowdhury

If students read my research, of course they will get some idea of macroeconomics, some idea of why a financial crisis happens and how to respond to that, such as how we handled it in the past, even if it was not 100% the same problem. How can we learn from the past? All these things, they will learn. But more interestingly, they will get an understanding of how the social forces interact with each other, ask 'what is the power relationship here?', to get a broader picture of society. That is, the different forces that act, especially various interest groups. You can't capture this with simple game theory because game theory treats both sides as equal. The only thing you don't know is what is going on in the other side's mind. You can guess and find a Nash equilibrium where both parties can be happy with. But it's not a psychological game between two parties, I'm playing a power game! I simply don't have the power to negotiate, especially now with the gig economy, where even individuals with degrees become individual contractors.

This is another thing that has happened in society that has an influence on how you decide on your university courses. Even if you become a doctor, you are not being employed as a doctor. You are employed as a contractor. You are not employed as an accountant, you are employed, again, as a contractor. You become your own company and you supply your own services, and if anything goes wrong, you are owned by yourself.

Say, for example, Woolworths does not employ you, but gets you through a hiring company. But even the hiring company doesn't employ you — they employ your company. All these industrial relations changes have happened to dilute the power of the working class, and common people, even the middle class. If an accident happens on the floor of Woolworths, Woolworths is not responsible for your workers' compensation, because you are not a Woolworths employee. The hiring company is also not responsible, because it did not employ you. They contracted your company, and your company employed you, so you employed yourself, even though you're working for Woolworths! In the process, this hiring company is a rent seeker, they're not doing anything, but just claim the rent. The middle person claims the rent, Woolworths is making a profit, but what happens to your wages? Your wages continuously go down because, from your wage, part of it goes to the hiring company.

Why are wages not rising? Why is inequality rising? If you ask a traditional economist, even the central bank governor Philip Lowe — I have a lot of respect for him — has said that it's because of migration. He is thinking in terms of demand and supply, not in terms of what happened to the industrial relations. Industrial relations play a big role in the setting of wages and in bargaining. What is also happening is that with employers, who are now big companies, you have a monopsony which means they can dictate how much labour they are going to hire and how much they are going to pay. You have a monopoly in the product market and a monopsony in the factor market. What is the result? If you follow Joan Robinson, she said it very clearly, that there will be disparities because monopolies will jack up prices and make abnormal profits and monopsonies will exploit the workers. You have rents from two ends. One from higher profits, one by paying lower wages.

That is what has happened to farming communities because Woolworths and Coles have some kind of collusion against farmers who have no choice but to sell to these big companies. The farming community is almost decimated because of what's happened with deregulation and privatisation, the farmers' cooperatives are broken. Once you weaken a farmers' cooperative, you're an individual farmer. How can an individual farmer negotiate with Woolworths and Coles? You go to the rural areas, rural people are angry, and they are voting people like Trump without knowing that Trump is part of the game. He is exploiting the anger against migrants and ethnic people because it's easy for them to divert the anger that should have been against capital. Against those exploiters. If you can divide the community, it is easy to shift the anger to another direction. This is a very old technique, nothing new.

## Interview with Anis Chowdhury

We are academics, but we also have a responsibility to society. We have to devote ourselves in organising society, being part of the society, educate the people, try to organise social and political movements against what is happening. Come election time, we should not be sitting at home and doing nothing. As much as we can, we should be very active in society. Otherwise, the game is lost.

Imagine in a time like this, when countries are struggling against this pandemic, a pandemic that has increased the wealth of billionaires by around 70%. The 10 top richest people made \$500 or some billion dollars of profit during this time. The IMF did an estimate. With \$50 billion dollars, they can buy enough vaccines to vaccinate the whole world and get out of this pandemic and restart the economy. They still don't have that \$50 billion dollars. No one is willing to give the IMF \$50 billion dollars. No rich country, no rich men in the world, have decided to save the world. Instead, they have decided to go to space — Jeff Bezos and Branson. What an obnoxious act and contempt of the common people. Our leaders could not do anything. They are all caught by them. They pay for their election campaigns. This is not democracy. That is what's China is saying — your democracy is a pseudo-democracy. I'm not saying something in favour of China, but when they say it, you can believe it. When the votes are being sold and bought and distorted, I don't mind if they want to go to space, stay there and leave your money here. And we have given them tax breaks, and they all take their money to tax havens.

You can Google, about 8 to 9 years ago, 'Sydney Airport did not pay tax'. After 10 years of privatization, Sydney Airport made \$8 billion dollars but did not pay a single cent of tax to the government. On top of it, they got half a billion dollars tax credit. This is what privatization has done. The governments are ever in debt, and they are not raising revenue, but are cutting services and chasing poor people from social security — RoboDebt. They are not chasing the big businesses who are not paying tax. This is a very distorted society. Not just in Australia, but everywhere in the world, because the world is now ruled by 2750 billionaires. Only 3 companies control the entire agricultural market in the world — the seed market, the pesticides, and so on. Rupert Murdoch owns 60% of the big media, so he can change public opinion easily. Mark Zuckerberg has got half the world's population under him. He now says, 'I want to introduce my own currency, my members will trade using my currency.' What are sovereign governments going to do? Your money will have no value because 3 to 4 billion people will be trading using Zuckerberg's money. One person will get all the rents from issuing the money because issuing money doesn't cost you anything. There will be some cost, but very little. But people will have to get that money by paying something.

Do governments not have a role? If governments lose money, can they apply monetary policy to tackle crises? Why are our so-called democratic governments not thinking? We are China-bashing, but the Chinese people have already captured the digital money. China's central bank have it. Why are we behind? We have all the technology? And now we complain that China has all the digital money. This is what Zuckerberg was trying to do, we pre-empted it. This is the job of the government who still cannot tax them, but are taxing you and I. It's very unfair.

Why should students read my research? From my research, they will get these insights. They will not get insights about econometrics, about mathematical modelling, instead, they will get insights about the gross injustice and inequity that is in the world. To try to learn as much as we can.