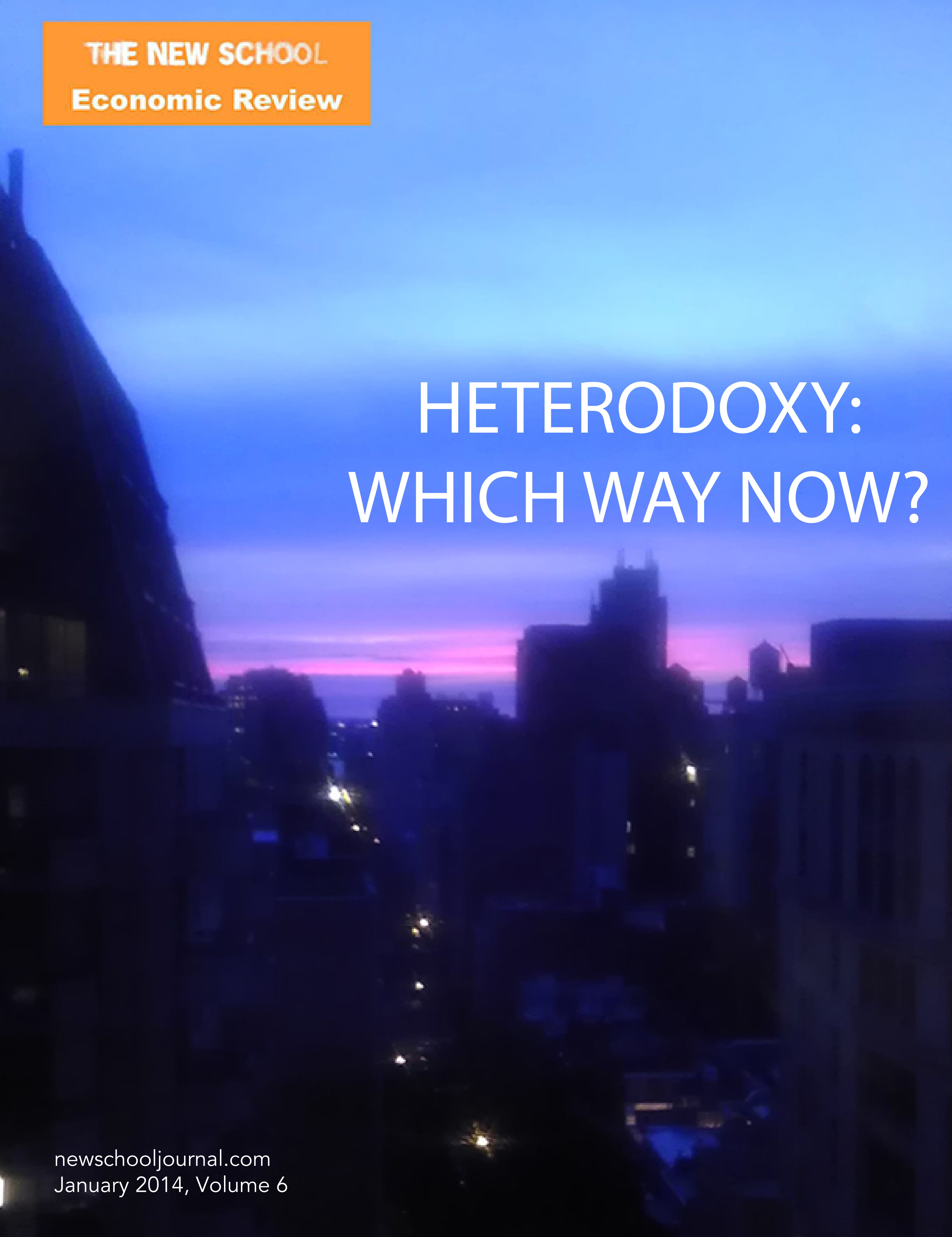

THE NEW SCHOOL
Economic Review

HETERODOXY: WHICH WAY NOW?

newschooljournal.com
January 2014, Volume 6

LETTER FROM THE EDITOR

When I tell people I am completing graduate work in economics, I always feel the need to qualify the type of work I do.

If I am talking to someone who took an Introduction to Economics course and then left it for a softer social science (which usually seems to be the case), I tell them "but we actually think about capitalism instead of just assuming it." If I am talking to someone with no background in economics, I tell them "but not all this austerity business that got us into trouble after the crash." If I am talking to another economist, it is likely we won't have much to talk about so I typically change the subject.

What I mean when I make these qualifications is that I don't do "mainstream" or "orthodox" economics. That is the tradition of economics that takes the reigns in most institutions and is characterized by neoclassical theory, rational expectations, subjective expected utility optimization, perfect (and sometimes imperfect) competition, or diminishing marginal returns of production.

Some of my peers use some of the mainstream tools; most don't use any. Instead, we tend to think of individuals as satisfizers or we consider the many goals people might have (as opposed to solely wealth generation and utility maximization). Some of us are trying to understand race and gender inequalities. Others are exploring successful development strategies. Some are struggling with how to dampen the shocks of an inherently unstable system. Others aspire to contextualize our economy through the lens of history instead of reducing our history through the filter of economic theory. For my part, I don't consider GDP the be-all-end-all goal of a nation-state and I think about well-being more than conducive environments for capital. While my peers, professors, and I all differ in our strategies and goals, we work to be honest and moral in our work by exploring the potential approaches to economics in as much depth as possible.

We study the classics, including Marx and Engles. We know that Adam Smith meant more than just "the Invisible hand." We know that Keynes was more than the IS-LM curve and that, though he inspired it, he did not create it. We know what Say's Law is and what J. B. Say said. We study our contemporaries and work to build applicable and insightful models. We observe trends in data and use rigorous methods and sound theory to justify or explain our findings.

Ours is a tradition of good scholarship. It is because we live in a world where one particular theory of economics reigns supreme that we refer to our studies as "heterodox" economics.

It is in the pursuit of good scholarship that we involve ourselves in a continuing, self-reflective conversation. What models should we use? What data should we look at? Which assumptions can we justify? Which don't we need at all?

This conversation has been continued over two recent student-led conferences from which we draw our material.

The first was a panel led by Lisa Selca, graduate student in our department in Spring 2012. The panel was entitled "Visions in Heterodox Economics," which, as Lisa will explain, motivates our present inquiry. The speakers were professors from our department and it was primarily addressed to students of our department.[1]

In 2013, we continued the conversation under another light: the New Economics movement. "Universities for a New Economy," was a conference put together by a student group led by Keith Harrington. While it was student-led, it was partially funded by the New Economics Institute, leading to some confusion among other members of the Economics Student Union. Speakers were brought in from institutions around the United States and the audience was drawn from a variety of schools in the area.

After Lisa Selca situates our discussion, Duncan Foley helps to define our subject matter; Rose Espinola and Chris Crews tell us about the power of activism within the university, encouraging us to put our money where our mouth is; Gar Alperovitz reminds us of the powerful community presence a university holds; Returning to our academic pursuits, Christian Proaño reminds us that we can't rule out methods with probabilities greater than zero; Susan Arterian-Chang informs us of new methods of conceptualizing economies that are informing the direction of the financial sector; Sanjay Reddy fuels the fire of academic integrity; and, finally, Anwar Shaikh shows us how the future of our discipline has roots in our past and gives us hope that there is room growing for economics outside orthodoxy.

Because there is disagreement about the use and meaning of "heterodox" to describe the work we do, and because there was significant skepticism among students of the Economic Students Union regarding our involvement with the New Economics Institute, this journal also includes commentary from students regarding the Universities for a New Economy conference and the meanings of heterodoxy.

Brandt Weathers, associate editor, and I would like to thank all of the people working to imagine a brighter, intellectually honest, and all-the-while practical future for the discipline of Economics.

In particular, we would like to thank the authors for their thoughtful contributions, the students who offered their feedback, Nadia Hashmi for her help in transcription and early decision-making processes, the Economics Student Union for their support and, more broadly, the faculty and students at The New School for Social Research Department of Economics for doing the good work despite the difficulties this entails.

Finally, we would like to thank you, our readers. We hope you find this edition to be enlightening and provocative.

Alexandria Eisenbarth
Executive Editor

[1] The panel can be viewed online at: http://youtu.be/I-gPi18gp0c.

Contents

Alexandria Eisenbarth
Executive Editor

Brandt Weathers
Associate Editor

Cover photo is the view from the NSSR-Econ shared corner office c.o. Alexandria Eisenbarth

INTRODUCTION

Lisa Selca

Initially presented at the Visions in Heterodoxy panel in April 2012 at The New School, New York.

Before we officially get started I'd like to thank Mary Borrowman and Lauren Schmitz, as well as Barbara Herbst and Brigitte Fischer for their help in organizing this event. We would also like to offer a special thanks to the Schwartz Center for Economic Policy Analysis for providing a videographer so we are able to document this occasion.

This panel is motivated by student interest in opening a constructive dialogue of ideological differences and common interests related to the vision and future of heterodox economics.

To quote Robert Heilbroner and Will Milberg, "It is vision, including its value-laden aspect that provides much of the creative impetus for understanding social life. Consequently, vision should be the subject of open debate. It is not the presence of, but the persistent denial of vision that robs economics of social validity and that leaves contemporary economics so limited as a tool for understanding social life."

Our hope is that the issues discussed in this panel will shape the context of a student conference being held next fall and inspire a future debate with faculty and students going forward.

As you can tell from the faculty bios, our small department has much diversity of interest, so with that in mind, we'd like to pose the following two questions to the faculty: First, what defines us as heterodox economists today and how would you define your work as heterodox? Also, has the crisis created more space for heterodox economics in academia and can we find a common vision for expanding the presence of heterodox economics?

Thank you.

WHAT DO WE TALK ABOUT WHEN WE TALK ABOUT HETERODOX ECONOMICS?

Duncan Foley

Initially presented at the Visions for Heterodox Economics panel in April 2012 at The New School for Social Research, New York

I thought I would say a couple of things that I have said before about the phrase "heterodox economics" and then talk about where where economics in general or heterodox economics might go.

The first thing is that I'm not a big fan of the phrase "heterodox economics," partly for the reason that Ed [Nell] mentioned, which is that it doesn't have any content. But I am also uncomfortable about it because it verges toward inaccuracy or maybe even intellectual dishonesty when it becomes a code word for left-wing critiques of economic theory and policy. Strictly speaking, Austrian economics is just as heterodox and just as excluded from the mainstream and from orthodox thinking as post-Keynesians or Marxists or Structuralists.

The other reason I'm wary of the term "heterodox economics" is that I think it's very poor branding. This wariness comes out of my own experience in trying to discuss economic methodology and theory with a wide range of people. The term "heterodox" means something within the economics profession, and maybe to a few people outside of it though in fact many orthodox economists don't have the foggiest notion what heterodox economics is and view "heterodox economics" as a rather mysterious term. For these mainstream economists, economics is just one thing, that is, pretty much what Ed [Nell] and Anwar [Shaikh] were outlining as orthodoxy.

When you talk to people about the things that heterodox economists are interested in—things like stability of markets, stability of employment, distribution of income, unevenness of world development—they tend to be extremely interested in those topics and want to hear more about them. But if you talk to them about "heterodox economics", their eyes tend to glaze over pretty fast and they lose interest. So I think one of the things we might spend some time on is thinking creatively about other ways to explain and advertise the kind of economic research and teaching we're trying to promote with a better story, better phraseology and in general better packaging.

I've been thinking about what we're calling the "vision question" quite a bit for some reason over recent months. It seems to me that as critical economists we have to go back to some bedrock issues about the way the modern world works and the way we got to the point where we're at. I would characterize the modern world as basically a mixed economy system. It's a system that is built on what Marx called capitalist-commodity production, based on a division of labor mediated by markets. The dynamics of capitalist-commodity production are pretty well understood at least in their basic elements from the classical political economy that Anwar [Shaikh] was mentioning.

Now, it used to be that the vision of some critical thinkers was a re-organization of either national or world political economy that gets rid of the commodity and capitalist form and, as a result, money and monetary mediations of the organization of the division of labor altogether through a socialist transformation of the economy. That socialist project was associated with a model of revolutionary change in the 20th century. This socialist vision motivated a great many people both in terms of economic research and social activism. I think one of the first things that people are going to have to come to terms with is the question of whether the pursuit of that type of socialism is a credible position anymore. If you don't think this "good, old-fashioned socialism" is a credible position, your answer to the question of what you do think is a credible vision of economic organization is going to be fundamental to your program for a critical (or even "heterodox") program of economic research and teaching.

I think Anwar Shaikh and Ed Nell are right in diagnosing the distressing thing about orthodox or mainstream economics as its complacency in assuming that those fundamental questions have once and for all been answered and that there is no point in discussing them anymore. So one responsibility for "heterodox" or, more broadly, critical economics is to continue to raise those questions and continue to pose them in as acute and poignant fashion as we possibly can.

But you can see that there is a broad spectrum of possible attitudes towards the mixed economy that people could take up. For example, Anwar Shaikh characterized Keynes and Keynesian economics and many versions of post-Keynesian economics as a particular way of thinking about the mixed economy that overlaps with a central idea of orthodoxy: the "neoclassical synthesis." The neoclassical synthesis is the idea that the market can take care of the allocation of resources as long as some state agency takes care of the utilization of resources through regulating the level of aggregate demand.

There's a good deal to be said for that post-Keynesian point of view. I think it's a somewhat limited point of view that leads to a rather ironic stance on the part of many post-Keynesian economists, which is that it's their job to tell the bourgeois economists how to run the system better than the bourgeois economists are doing it. That's not too hard to do given the mess that the bourgeois economists have made of running the system. You could do a lot better in a lot of dimensions. But, on the other hand, it's a rather limited point of view in critical terms. Running the existing mixed economy better does not address many questions that are important in Marxist political economy and in other critical economic traditions about how we ought to live our life—what's a good life to live or how can we move towards living a better life.

My view is that you're going to have to put up with mixed economy more or less in its current form, at least for some time. I'm something of a Fabian or a gradualist in that respect, or at least an evolutionist rather than a revolutionist. On the other hand you would certainly like to nudge and push evolution in certain directions. You would like to push evolution in a direction that is more empowering of human development, more egalitarian, and more sustainable.

Finally, let me raise another set of issues. "Heterodox economics" seems kind of stuck, intellectually. It’s not completely stuck, since there have been important advances recently in areas like endogenous cycle theory, technical advances in the use of statistics, in understanding various modeling problems. But to a very great degree, heterodox, post-Keynesian, and Marxian theory bear the marks of their historical origins, which in the case of Marxian theory was 19th century industrialization and industrial capitalism, and in the case of Keynesian theory was the tremendous failure of the financial system and aggregate demand regulation in the 1930s.

We know that those questions haven’t by any means gone away. But, we have some other ones that are also extremely important. We now have a world population of 6.5 billion, not 2 billion or so. We are pushing up against limits of resources of energy availability of climate change, which “heterodox” visions ought to be addressing. Let's not leave those things out of the critical economics research program, in a fixation on managing the mixed economy to maximize output, material standard of living, and employment. Thank you.

DIVESTMENT AND RESPONSIBLE INVESTMENT: PART I

Rose Espinola

Initially presented at the Universities for a New Economy conference in May 2013 at The New School, New York.

I'm going to start off by offering a definition. Then we'll have an opportunity to think through how university divestment and responsible investment can build alternative economies.

What is divestment? Divestment is when people take back money that they had loaned to somebody, generally for a moral reason. Students sometimes ask their universities to take millions of dollars out of certain companies, so that the companies meet specific demands coming from different communities.

There are a number of campaigns for divestment currently happening at universities. Students are asking their universities to divest from fossil fuels; big banks; land grabs and illegal settlements; prisons; and companies accused of worker rights violations.

There have also been a lot of critiques, folks saying that divestment doesn't work.

I'm going to explain why divestment does work. I'll start by telling a story.

I became involved in a divestment campaign in 2008, when I was a sophomore at the University of Pennsylvania. The University of Pennsylvania was invested $15 million in a company called HEI Hotels & Resorts – a company accused of labor rights violations like requiring housekeepers to clean many more rooms than is average at unionized hotels– resulting in serious health conditions, yet many workers said they couldn't afford the healthcare plan being offered by HEI. By the way, the letters HEI doesn't stand for anything; it's just the name of the company. Some workers tried organizing. HEI has been accused of firing workers who organized.

So students organized in solidarity with workers. At Penn, we were the second university to make a public statement that we would divest from HEI.

My father says that when I went to college I became brown. What he means is that I became Xicana–an identity based on a mixed race consciousness and a commitment to organize. As I organized, my father told me stories. During the first 18 years of my life, my father had never told me these stories. So he cried, a lot.

We built this deep love based on consciousness – undoing years of my father's shame for being immigrant, brown, and a worker; undoing centuries of colonial and neo-colonial rule; undoing years of my father's sexist, violent yelling at me; my father's absence. Today my father marches with workers demanding a living wage in the fields in Florida where he once worked. My father barely reads and writes, but today he has a critical systems analysis that he applies – with terminology – to the situations he confronts on a daily basis.

I wanted to tell you the story of who my father has become because it has to do with divestment. When we organize at school, at home, and in our communities, we are building another world.

Divestment works because it is a tool for organizing, for building other worlds, and other economies.

First, divestment works because it gives students a way to stand in solidarity with communities in resistance.

It is the poor who are most in need of alternative economies. The poor systemically includes people of color, womyn, immigrant, children, and trans folks. And our communities can speak for themselves. We practice popular education, from a young age, because we have to. So we dream our own utopias based on our own experiences. But often, students attempt to come up with solutions for other peoples' problems.

Divestment is a way that students can strategically work in solidarity with communities that have organized themselves and made specific demands.

Let's use the Move Our Money campaign as an example. Young people are asking universities to take money out of big banks because big banks have cashed in big by imprisoning immigrants and people of color; foreclosing a record number of homes; engaging in mountain-top coal removal; and through student debt. At the same time, worker-owned cooperatives and communities that have benefited from fair-rate housing loans, are asking for more money to be invested in credit unions and community banks. Students are able to act as allies then, organizing their own bank divestment and community reinvestment campaigns at their universities.

In this way, divestment teaches allies that we must take direction from the most-directly affected communities, while still organizing strategically within the university. So divestment is a tool for creating economies that are truly alternative – being built from the base upwards.

The second reason that divestment works is because divestment gives students and other allies a spectrum of asks.

The truth is, divestment is a long-term goal, or a long-term demand.

A common misconception is that students only want divestment. Really, students want a company to meet certain demands that have been established by frontline communities. For example, on the HEI campaign, workers had specific demands for more just treatment.

In turn, what we students wanted from our administrators was that they place pressure on a company to meet community demands.

On our way to winning divestment, students present many other asks: as a student organizing on the HEI campaign, my student group presented smaller asks alongside our demand for divestment.

While maintaining that we ultimately wanted Penn to divest from HEI, we asked administrators to find compromise with us in the interim: could they arrange a meeting between students and HEI executives? Our administrators made the Vice President of HEI come to Philadelphia to talk to students. Could they write a public letter calling out HEI's labor practices? Administrators said okay to that as well.

By demanding divestment, we students were able to push our university to become active owners in a company. Our Executive Vice President was required to engage with HEI. If HEI had met workers' demands at that point, we would have stopped our campaign. But workers continued to accuse HEI of abuses.

During our third year organizing, we continued to demand divestment, with few other asks remaining. Our Executive Vice President agreed that Penn would not reinvest in HEI. Our investments would phase out. We would divest! Administrators also put out a public statement that we would not reinvest in HEI – and explained that it was due to student and worker concerns. As a result, workers who had been fired for organizing were rehired and paid tens of thousands of dollars in back pay.

Divestment had presented universities with a spectrum of ways to engage as active owners in a company. There could be more options depending on the company: University committees like ACIR can propose shareholder resolutions, vote on proxies, and speak at shareholder meetings – all with the understanding that if the company does not meet community demands, the university will eventually divest.

Divestment campaigns require that companies reform or lose face – and profit. In this way there is a shift of capital out of exploitative economies, and an economic shift towards a more sustainable future.

The third reason that divestment works, is that divestment builds student power.

One of the major challenges to this work is the belief that victories must be institutionalized. The Zapatistas have an idea that change is like a snail – it comes slowly but surely. It comes through constant and consistent organizing towards utopia.

Through divestment campaigns, students build power – the ability to constrain other peoples' actions – and they become aware of that power. As young people gain power, we look not only at divestment, but the reinvestment of that money.

We place greater demands on our universities to contribute to alternative economies. Our organizing has shown us that another world, and certainly other economies, are possible.

The Fossil Free campaign has become about both divestment and reinvestment. Students are telling their universities not only to divest from fossil fuels, but to reinvest that money in projects that are sustainable, community-led, and preferably local.

Divestment works because it is divestment is solidarity, divestment is a spectrum, and divestment builds student power. Divestment works.

I'd love to talk more with anybody interested in organizing for alternative economies through the university.

DIVESTMENT AND RESPONSIBLE INVESTMENT: PART II

Chris Crews

Initially presented at the Universities for a New Economy conference in May 2013 at The New School, New York.

Most of what I'm going to talk about today is a little bit about what we call the ACIR or the Advisory Committee for Investor Responsibility, which is the university's advisory committee (as it might suggest) that tries to make decisions about how we should spend or not spend or invest the university's endowment here at The New School. When I started here in 2008, there had been student movements going on for a while, mostly having to do with who was on the board of trustees, who was making investments and decisions about investments, and where were we being invested. So at the time, SDS, the Students for a Democratic Society (which doesn't exist on campus anymore but did then) was particularly focused on Robert Millard, who was working for Lehman Brothers at the time as well as L3 communications (which, for those who aren't familiar, is one of the big defense contractors that makes everything from unmanned aerial drones to all sorts of guidance missile technology and advanced warfare).

We can't really talk about issues of justice or democracy in the university in general or in the bigger picture if we don't know where the money is going. So we want to know, our money and our mouth, are they saying two different things? And part of what ended up happening in the fall of 2008 (for those of you that are from the New York area, you probably know) there was a student occupation that ended up shutting down the university for a while. The faculty voted no confidence in the president (who was Bob Kerry at the time). All of this led to one of the demands that we needed to have financial transparency. On the plus side, we got an investment committee out of that—one of the negotiated demands. On the down side, we still don't have financial transparency. So, some successes and some losses, but out of that came this advisory committee that I'm one of the student members of. Effectively, we have a committee now that has students, faculty, staff, and two board of trustee members who all sit and meet approximately once a month and we talk about what are we doing with the university's money.

So, I want to highlight a few of the things that we've done just to give folks an idea of what The New School, based in the global context, is doing. One of the first things we've done was developing a series of sustainability proxy voting guidelines. The university's endowment is in mutual funds either mixed or comingled and we don't have a lot of direct holdings but where we do have voting proxies, we'd like to have some say about how these proxies are voted. For people who aren't familiar, if you own shares in a company (usually every year in the spring), there's a proxy voting season. People make motions, say "we'd like this company to do X" and shareholders then vote yay or nay and then something happens. One way to do that as part of a bigger campaign around sustainability was to develop our own guidelines so that when our fund managers actually go to the share holder meetings and vote in funds that we own shares, then we would have guidance for them about how they should vote. After about two years of back and forth negotiations with the board of trustees, we finally had a series of guidelines that were adopted and are now in place. We just had a meeting about two months ago where we went through and looked at all the proxy statements and sent our recommendations to the fund managers. So we don't know how all those have come out yet but that's sort of one step so thinking about if you had direct holdings, engaging in that way.[1]

Another one, unfortunately which was a failure, was an attempt to develop a proposal to do community investment. We had set a proposal to the board of trustees saying we would like some of the university's endowment to be put into community investment whether it be banks, credit unions, or other sorts of similar experiments and the response we got back from the board of trustees was: sounds great, but this is beyond the scope of the endowment of the trustees and their management particularly around share responsibilities. They suggested talking to the president to see if there's some extra money in the capital budget. You can do it that way, but we're not going to

[1] We did have an update (as of January 28, 2014) from our Finance office that, although the managers considered our proxies, they did not vote following any of them and only voted with management. So at least for the proxy season last year they were not successful and it is too early for this coming year's season to know how it will pan out.

consider it out of the endowment, because the endowment's pretty much just there to get a return on investments not to do social good (as some of them saw it). So, that's an example where there has been some attempt to engage but was not successful.

Another one has to do with political spending. Particularly this has been a big issue with the SEC, Securities and Exchange Commission, and others thinking about transparency and corporate political spending whether this has to do with campaign finance reform or other laws. We've been engaged with REC (Responsible Endowments Coalition) and others in different universities trying to get pressure put on the SEC to change some of the laws having to do with corporate political spending.

And the last part that I want to touch on in terms of concrete pieces has to really do with knowing what your endowment is, if you have access to that information; how it's being spent. Part of what we've been slowly doing with our research assistants is going through and looking at where is our money actually invested, looking at the mutual funds that we do have access to. Looking at the holdings and trying to think about in the bigger picture: whether were talking about environmental justice, racial justice, social justice, gender justice, animal rights, whatever the question might be, where is our money invested in relation to these different issues? So as we've been going through those, some of the things we've been starting to come up with is thinking about—well, there's been two challenges here. One is, unfortunately, when you have a lot of money in a mutual fund, you don't necessarily have the ability to control individual holdings within the fund. You can have a fund with a hundred holdings and you may object to 3 or 50 of them but that doesn't mean you can actually change what those holdings are in that fund. That's a decision that the fund managers, at best, control or sometimes the company itself and not individual managers. So, we asked ourselves well, how do we actually engage in some of these issues? Can we change some of these fund holdings? And if not, then what do we do?

As an example, some of the research we've been doing, trying to put this in a bigger context is: okay, so, L3 Communications, Robert Millard, who is still involved with that company, was one of the original protests that came out of what we're doing here. He's not on the board anymore, so his affiliation with that is sort of gone—we don't have any direct holdings that we know of in L3 communications. But we do have Rockwell Collins, which is one of the companies that makes GPS and electronic technology for drones and unmanned aerial vehicles so if we want to think about the current context of US occupations, things going on in Iraq and Afghanistan and Pakistan and other areas, where drones are actively being used by US military, is that something we want to be invested in as a university endowment? And if not, then how do we go about making those sorts of changes. Well, we need to know if we're invested in those sorts of companies in the first place before we can have a discussion about should we be investing there or not.

Another example has to do with diamonds and rare earth metals. We have a number of investments particularly in South East Asia and parts of East Africa that are in diamond trade or in rare earth metals or in heavy minerals. So, if we are worried about whether we're talking about conflict diamonds, we're talking about environmental conditions, labor conditions around mineral extraction, how do we address those through our funds? Well, again, first we need to know if we have them. But the challenge then becomes, if we have let's say one fund with 50 different holdings and there's 7 or 8 of these that we know might be questionable or that we know are in certain industries. We've gone through and said let's pull out and flag everything that has to do with natural gas extraction, with natural resources whether it be coal, oil, fossil fuels in general.[1] Then, we can make a list of all our holdings and say: we have this much in these areas. But then how do we go about making a change when our fund managers aren't willing to rearrange those funds and the board is not willing to pull the money out of those funds?

Well, it looks like we can either divest completely from those funds with those companies and try to reinvest in other areas, or we can use the funds that we do have holdings in or that we might have votes in if shares come up and try to push for changes in practices in those areas. One strategy is to divest completely. Another strategy is to use your role as a shareholder to engage on those issues. And both of those have been used effectively in different historical periods and in different campaigns. This has come up for those who have been involved in the fossil fuel divestment movement with 350 and others. In the last six months, that's been a big issue. But obviously we can look across this board. So, we can talk about *Sodexho Marriott*, Correctional Corporation of America (CCA), and other companies that are invested in the prison industrial complex. We can talk about whatever the issue is that we're interested in—they all connect back together. So the challenge is to think about how we first a) get engaged with holdings whether they're endowments directly or other investments and then b) how do we create political campaign around engaging with some of these issues.

Additional Information:

As of January 28, 2014, one of the firms the university works with just gave an additional disclosure about the fossil fuel holdings in the endowment, which has been part of the fossil fuel divestment campaign. Chris Crews notes that this is very exciting news, and is definitely one positive step towards ACIR's larger goals. Those documents are now on the ACIR website here:
http://www.newschool.edu/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=99489&libID=99500

[1] This focus has now become the center of the ACIR's work on fossil fuel divestment, by trying to get all of The New School endowment out of fossil fuels. The committee currently has a 5-Step Climate Change Action Plan that we are working to get approved by the Board of Trustees.

ACIR website:
http://www.newschool.edu/acir/
Go Fossil Free New School Petition:
http://campaigns.gofossilfree.org/petitions/the-new-school
Carbon Tracker Initiative - Stranded Capital Report:
http://www.carbontracker.org/wastedcapital

THE UNIVERSITY AS AN "ANCHOR INSTITUTION"

Gar Alperovitz

Initially presented at the Universities for a New Economy conference in May 2013 at The New School, New York.

In 1977, I worked with steel-workers and a community-based ecumenical coalition to attempt to convert a large steel mill to worker-community ownership in Youngstown, Ohio—and we ultimately lost that particular battle. But part of what we're talking about is a progression over time and how the idea of worker-ownership—and community-ownership—developed and has since that fight (and in part because of the fight) spread throughout the state of Ohio and how it relates, now, to universities as institutions:

What happened over time was the idea spread, and then there were additional innovations, so that now much more sophisticated things are underway:

Probably the easiest way for me to explain it is by illustration, using the experiment now underway in Cleveland with the Evergreen Cooperatives. This initiative is in a very poor part of the city of Cleveland—40,000 people, mostly black, 40 percent unemployment, median household income of $18,000. So it's extremely poor. But right in the middle of it are universities and hospitals. They are the so-called "anchor institutions."

Why "anchor"? Because they can't go anywhere. Unlike big corporations that come and go on the basis of tax concessions, universities and hospitals are in fact anchored in the community. And there they sit! They have a lot of money; they purchase a lot of goods and services; they hire a lot of people; and they are non-profit corporations, for the most part. Important point here: non-profit corporations get their non-profit status legally by virtue of the fact that they perform some kind of public service. So, a claim can be made on them, in addition to the education claim or the health care claim, that they should serve the local community. And indeed in some of them there are people who want to help the community and people who care about the community; they are not a closed door.

In that area of Cleveland, there are now a group of worker-owned cooperatives but they are not free-standing. They are integrated into a non-profit community-building structure. I'll come back to this and talk about it in terms of some of the other implications in due course…

What does that mean: that they are integrated into community structures? There is a non-profit corporation to which [the worker-owned cooperatives] are linked. They cannot be sold off without the permission of the non-profit corporation because the notion is community building not simply worker-ownership. So, it is worker ownership, it is worker self-directed management, it is what Rick Wolff is talking about, but it is also linked integrally to a community building structure. And there are reasons for that.

There are three self-managed firms right now. One is a very large 3.25 acre hydroponic greenhouse—the largest one in the United States in an urban setting—and it produces 3 million heads of lettuce a year, plus other greens. Another is the most ecologically advanced laundry company in the Midwest. It uses about a third of the heat and a third of the water of other laundries. And the third is a solar installation and weatherization company. At some point in the future, the non-profit corporation hopes to be able to create one or two new cooperative businesses a year (which particular areas of development are now a matter of review.)

This complex structure also involves a revolving fund: the companies put ten percent of their profits back into the community via the revolving fund so that it can start more worker-owned companies. Now, note that this is a community building argument. And it's worker self-management, too. … It integrates community, and the idea that the community as a whole is part and parcel of this. With the idea that the self-managed work is self-managed and self-controlled. But the anchor institution is answerable to the whole community, not just its own workers—in part because financing comes from the central organization, in part because the goal is also much broader than any one firm. It is to build this very poor community.

One of the advantages of this is that the cooperatives can go to these anchors and to the government—the city government—and others and can legitimately say we're trying to build this community and we're trying to do it in a way that changes everything else. Help us. And viewed in this larger light, it turns out that they have good reason to want to help you.

First: Part of it is that neighborhood is pretty violent and wouldn't it be good for business if it was a little better and the middle-class people could come in? That's a narrow version. It turns out that many of these people would also like to help the community, as well. They're not opposed to the notion. They have to buy somewhere, why couldn't they buy from local worker co-ops? No one had ever put the question to them.

To do any of the things we're talking about requires an organizing project, but in the process of organizing this particular project one hundred and forty (140) interviews with procurement officers and others were undertaken. What do you buy? And if it were produced here, would you buy it here? And how do you do it? What could we do? In other words it's really nitty gritty. And people have to do that kind of work to get them involved. There's a whole other political process to get the top managers involved. It's a complex thing. But once you're talking about worker self-management or any of these things, you're talking about actual practical business and it gets very detailed. And it requires a lot of detailed skills and a lot of hard work.

Nonetheless, the fact that we are building something to help the entire community is a powerful argument. And indeed, these institutions, universities and hospitals—universities in particular because students can make some of this happen by internal agitation or an internal plan—often these guys just have never thought of it. So, knowledge and ideas are very important. This place—where we are holding the conference--probably buys an awful lot of supplies—every university does—and particularly food services, for instance, could be bought from greenhouses that are owned and operated by workers. We can give you details of what can be done. And you can build a structure—particularly if you're saying we're doing something much larger than only trying to help one firm. Now, I'm not against one cooperative firm. I'm just telling you that this is a larger project.

And furthermore—and here's how it gets really interesting—the people who are procurement officers in this place or any other place do the buying every day. "I've got to get so many computers and so many pencils and so many desks." They're used to pressing a button and buying from the guy they've always bought from, because that's the easy way; that's normal human behavior. I've been buying from this guy forever and let's just do it. Why buy from the new worker owned co-ops? Well, it turns out that the University of Pennsylvania, which has pioneered some part of this, has been working on to this for 30 years now. And they have worked out, in great detail, how you incentivize procurement officers. They have a whole system so that [procurement officers] get points if they buy from the local community rather than the guy they used to buy from. They can tell you how they've done it—you can train procurement officers, it's efficient, and the economics of it works out. But the institutional part of it is: how do you get to those people and make this happen?

Any university and any hospital can begin the process of saying: we are non-profit corporations that have a public mission to become anchors that help rebuild the community as a whole. The other part of it is universities have big endowments (or little endowments). They've got to invest them somewhere.

People have begun to make the connection that: "where do you get the capital to do the development of alternative businesses?" is not an easy question. You can't just jump over that. My friend David Ferris—who used to work with us and is a grad student here now—started a co-op and it's not easy to get the capital. There are many different sources; some of them credit unions and so forth, but one of them is your university. They don't like to take risks investing in this kind of thing but it is a demand that can be made: "shift out all of that climate poisoning stuff you're investing in and put at least some of it in this kind of developmental work." And we're discovering there are even some business school professors who actually have some skills with this who will help you with practicalities. Not everywhere, but some places are getting interested in the practicalities of how you actually do this kind of developmental work.

So that's the general model. We've seen anchor institutions—universities, and hospitals primarily, but also museums—getting into this, and city government is also an anchor institution. It can't go anywhere. It buys a lot of things. It has capital. I t has the power of eminent domain. It has a big cash flow and can set up a bank. Or at least put money in community-focused banks—rather than ones that will never invest in this kind of thing. There's a whole politics of this to support; city government can be very helpful and they look good—the mayor of Cleveland looks great right now because he's been doing this creative work.

It's not just Cleveland; I'm giving you the Cleveland model because it's the most advanced in this regard. There are at least 10 cities now considering doing this and several are actively underway. Something like this has launched in Springfield, Massachusetts. Atlanta is probably going to be the next one. They're well along in building a model. Pittsburgh is another one. There is one close to launch in the Washington, D.C. area. There's one in Amarillo, Texas—a very conservative community, but there it is.

And one of the reasons for all of this is that the system is forcing problems on communities they cannot solve by the usual means. So, either they try something new, or the problems get worse. And that affects the population, workers and citizens, and they get angry and start making demands. It also affects anybody in charge of any kind of anchor institution including city government. So, city governments are open to using the power that they have and the federal resources that they have to help in this direction.

I discussed this in *America Beyond Capitalism* but in the new book, *What Then Must We Do?*, there's a whole section about Adam Smith and the government. If you look closely at what government has been doing for business, you'll see that they've been doing just about everything for business now: loans, loan guarantees, regulations, technical assistance, you name it. There is no "free market." The techniques of using government to the advantage of business are extremely well developed–and they were developed by the conservative business community, for business. All of these techniques are available to a co-operative or worker-owned business, too. So, very interesting ways to use public policy can be found—and can and are being used—in support of a totally different direction.

Another piece of this is how you describe it: What you're talking about is people who are working hard; they're investing; they're building the community; they're not asking for a handout; and they're doing something creative. We find that people at the local level—not the national public relations reactionary ideologues, but many at the local level—support these models even though they think of themselves as conservatives. I find this very positive. We find retired businessmen wanting to help figure out how to do the accounting, and they do it for free. Americans locally are not as stereotypical and ideological as many people think: it's an appealing vision for lots of people to engage in this kind of work.

So, this is an interesting schema that's beginning to develop: the growing pain and disillusionment is forcing a development that there is no answer [for] in traditional politics or in traditional economics. There is no answer. The pain continues unless you innovate. And that's the context.

Capitalism is organizing this, that's another way to say the same thing. I think the reality—without going into a long analysis of stagnation theory—is that this is not a collapse context and it is not a reform context. It is one of a long period of pain which permits this kind of developmental strategy. Reform can be defined as allowing the businesses to keep the capital and finding ways to clean up around the edges. That's "reform." Revolution is an overthrow. So for this new phase we need a new term. The term I've been using is "evolutionary reconstruction." You are changing the institutional base of the system but you're trying to do it in an evolutionary way.

So within this large frame, anchor institutions are probably critical in terms of the developmental process in many areas... You can do this here, probably, though New York City is a challenge to anybody so I leave that to you. Nonetheless, here's where we are, every airplane lands some place, and we landed here. You can't do this in the abstract; you do it where you are.

Let me say a few more things about the system level. A worker-owned company operating in a market economy is subject to market pressures and it begins, in our experience, to replicate capitalist features of exploitation, including [in] co-ops. So, for instance, in the United States (particularly with plywood co-ops because they've been studied) these kind of companies may begin to say, "hey we got a good deal here, we're doing fine (this is the worker co-ops) maybe we'll hire a few other people as cheaper labor to come in but not as members." You've got to know that's also a tendency in the worker-owned model in a market economy which puts severe pressures on everybody.

The Mondragon structure that [Richard Wolff] mentioned and that we're both great admirers of—is a complex community building structure, called the Mondragon Corporation [with] 85 worker-owned co-ops. But the thought is, if one of them goes down, the others will help you out and you can go work for one of the others in this structure. So it is a collective community operation, not free-standing cooperatives. The community as a whole should be part and parcel of the institutions we are trying to build: a collective worker-community effort potentially begins to bring in community-wide interests–we're building a community, not just helping a couple of workers who are going to make rich. That's the larger frame.

I believe this has ecological implications as well. A worker-owned company, subject to market pressures—and I'm a fan of worker-owned companies, I've been supporting them for 35-40 years—worker-owned companies subject to market pressures nonetheless have to externalize costs, they have to pollute, if they are facing competition. Ultimately, the only way to survive in a competitive market is to dump their costs onto the community. Either they do that or they die. So, they are not intrinsically ecologically sustainable.

A community-wide structure where there is ownership both by the community and the workers is different: technically speaking, it can internalize externalities. That's economist talk for saying, "if we pollute, we're polluting our own environment and that's kind of stupid because it's the community as a whole doing this to ourselves." So, a joint community-worker structure internalizes externalities: that's the second strategic point.

A third piece is possibly—and this is one of the goals—that community-wide structures that integrate workers may begin to generate a culture of community that is broader than the culture of workers in just one company. This a cultural question we all have to face as well, in addition to the ecological one I just posed.

A competitive market economy is so far what's mainly been discussed, except when you begin to stabilize by using the procurement of institutions. That's a quasi-planned market. Take note: public procurement or quasi-public procurement is a market with planning, not just a free market. You can still use the free market to keep the worker-owned company honest, but public or quasi-public directed purchasing begins to define a planning system of support to the firm.

This is critical for the ecological question: worker-owned companies, if they operate in a free-market context—and here's the technical part—commonly also operate in a context where there are economies of scale available. What that means is if you get bigger, you can make things cheaper. That's not true in all situations but generally, in manufacturing, if you've got more and more machinery, and as a consequence you can produce the widget for ten cents less than the next guy, you will blow everybody else out of the business. When there are economies of scale, there's enormous incentive to invest. And the other companies have to do it too, because they are going to be blown out of the water unless they do so. Accordingly—and this is brutal logic—when there are economies of scale available, any firm, worker-owned or not, which is operating in a free market, must expand and keep expanding: and this makes the system intrinsically a growth system. When you have a system where companies have to both externalize costs and grow indefinitely, you have an environmental problem. It's imperative, in our view, to build a structure that keeps larger, significant scale firms within some kind of community-controlled frame. And this in turn points to stabilizing the market through the kind of quasi-planned purchasing we have been discussing.

We can start with things like universities and hospitals. Larger scale amplifications of this principle are also possible: high-speed rail, mass transit, are very significant public purchases: why not think about large scale public enterprises that could carry out these contracts?

I don't know if you noticed but we nationalized two big auto companies and the largest insurance company in the world, AIG. When the next crisis comes, we might do it again, and maybe next time we will have learned enough that we won't give it back over to private ownership with after having been saved by the taxpayer. Capitalism is generating these kinds of crises, so we may get a chance at this sooner than we think!

So, we start with the small local model we can do today—where a university or hospital serves as an economic anchor, but we aim for ultimately for larger scale, with production units, making, say mass transit equipment under some sort of quasi-public market and designed as part of a community/worker strategy. You might imagine, say, General Motors being redesigned along these lines at some point.

For lots of small firms, worker-ownership, I think, absolutely makes perfect sense in many sectors. But I think as you get to more significant scale, these larger more complex structures and planning structures are going to make more sense. And the way to experiment and develop models is by using universities and hospitals.

Another way of saying this is: how do you change the system? Think about the pre-history of the New Deal. Many of the programs that became the New Deal were developed in the "laboratories of democracy"—state and local laboratories—and then the principles were applied at higher levels. So talking about a university is not just talking about a university or hospital as helping support a few worker-owned firms. It's talking about beginning to learn and develop principles that might be applied at larger scale over time. It makes it doubly important that we get very sophisticated both about the analysis and the also the practicalities about how to do this work and how to do it right.

UNIVERSITIES FOR A NEW ECONOMY

Student Perspectives

In anticipation of the 2013 student-led conference, Universities for a New Economy, students of the Economics Student Union held a variety of opinions regarding its significance. The spectrum of opinion ranged from excitement to offer an in depth look into a specific economic approach, characterized by the New Economics Institute, to concern that the specificity of the conference did not accurately reflect the breadth of subject matter and motivations in which our department specializes. Due to the wide range of perspectives, we felt it was important to include anonymous student feedback regarding the conference.

Our faculty members weren't [at the Universities for a New Economy conference] and that's strange... Maybe part of it is because we don't have anything to actually present. If someone asked you what's happening in the economic department here, do you think we have any sort of ideology to present? We do have different schools of thought here, people represent their own ideas, but what's "New School?" We haven't talked about that enough... Maybe it's not the job of the students but I think conferences should focus on [what is New School] to some extent... That's why I cannot blame the organizers because [they focused on] what they think is important. But what's important for NSSR or the Econ department or the Economic Students Union? We haven't defined that clearly yet.

The conference was a helpful and interesting contribution to an important movement that we need to begin building on campuses across the country: a movement to reverse the long-term retreat of pluralist economic thinking in economics departments and to blaze new trails in the development of a more progressive curriculum and more economically progressive policies for our universities and colleges. It was great to be a part of it and I look forward to staying engaged with these issues moving forward.

How do we radicalize economics education beyond the few heterodox strongholds, such as the New School economics department? This seems a very important topic for us to discuss, since change will only come if students demand it. However, definitions of radical economics vary and some go beyond what the "New Economy" movement espouses.

I didn't go for lack of interest. The organization caused controversy, so I'm glad I kept myself out of it.

I think the conference did much better at attracting younger students (particularly undergrads) than older ones (i.e. graduate students) for many reasons: they have more time, more open minded, less critical of outside organizations, etc. I wish it had integrated more panels organized by graduate students, but life isn't perfect and it was good to see some new blood in the department mixing it up.

I didn't attend the conference because I had something else to do and even though I could have postponed what I had to do, I didn't think it was worth it because I hadn't heard such good things about the way this whole thing was organized, so I didn't really think it was worth it.

The whole thing about calling it heterodox economics is, as long as you keep calling it economics, you're still in economics and you still are subjected to a certain set of methodologies that, mainstream or heterodox, are the same. And you are talking about the same object [e.g. GDP, growth] that is very ill-defined at the end of the day. But call it something else. My word of choice has always been societal sciences. It's not social sciences, it's not sociology, it's societal sciences. Science in the original latin meaning, *scientia*, knowledge. Science is a term that has to be reclaimed all over the world. It's all knowledge. McCloskey said it's all rhetoric but actually its all knowledge. Everything we do brings us a certain type of knowledge.

I thought the conference on the New Economy provided a unique and inspiring perspective on how the economy ought to be. I found the discussion on ethical inconsistencies in mainstream economics education and ecologically sustainable community structures to be especially thought-provoking.

Look, I really take my hat off to all the people who organized the conference because they worked really hard to get it all together, but what started to take shape really wasn't what everyone wanted to support. People thought the ideas weren't aligned with the department's and the emphasis wasn't on heterodox economics as it is practiced at NSSR. There really wasn't much support leading up to the last days before the conference, so not many people attended from the department, and it was more something that was being advertised for more external ideas from our economics department at NSSR.

MODELS AS TOOLS, NOT TRUTHS

Christian Proaño

Initially presented at the Visions in Heterodoxy panel in April 2012 at The New School, New York.

To my fellow colleagues: thank you very much. I appreciate this initiative by our student body to organize this debate; I think we should be doing this on a regular basis because, indeed, it is very difficult to define what heterodox economics or heterodoxy is, primarily because of so many different schools of thought which are considered as heterodox do not share a common basis.

My fellow colleagues have given us some detailed definitions of what heterodox economics might be, I think it will be fun for me—and more thought-provoking for you—to take a more provocative role and be some kind of devil's advocate. People who know me will know that I love to take this stance.

The main question that we had to address in this panel was, "what defines us as heterodox economists?" But I think actually, that a better question that we should think about is: why is it important to make the differentiation between heterodox and orthodox economics? In other words, what is so particular about being heterodox economists? Is it just that we are rebels and not in the mainstream? Does it have to do with the assumptions that we make in our models, in contrast to what orthodox models or the orthodox framework does? Does it have to do with the methods we use? Do we maybe go more into philosophical grounds or dimensions instead of only the specific, purist, quasi-physics related framework? Or is it the topics that we are interested in?

Of course all of these are important and all define what heterodox economics is, however, we should always remember that since we don't have the luxury of validification which for example chemist and physicists have, our models and theories are just made-up stories; castles in the air, and nothing else. We will never know what the actual data generating process is or what the actual true model of the economy is, so there is no point in arguing that orthodox economics is wrong and that heterodox economics is right. The possibility that RBC [Real Business Cycle] approach is right is not zero. It is positive. It may be marginal, but it's positive. We can't completely say it is not correct. In the same way, we cannot say that a particular heterodox approach is correct, as there is a non-negligible probability that it is wrong. There is a danger, in my opinion, when people start to believe that these castles are real. Some humility is about our own approach is good. We need to have some distance from what we do or believe in.

If this is the case, why should we do this? Why do we engage in this modeling approach or this profession? It has to do with our will to change this world—at least that is what motivated me to take this path. I think that is how it works for most of us;

we have a vision of how we would like the world to be and we hope that through our work we can contribute to make this vision a reality. In other words, though this may not be that academic, it is the driving force for many of us: we have a political agenda and our theories are just the tools we have to win the game. And that's it.

The question is how good are the heterodox tools? How do we find what "good" is? I will come to this in a moment, but these two questions I just outlined, lead me to the second of the main panel questions, which is "has the crises created more space for heterodox economics in academia or not?" In this respect, I would like to make a differentiation between heterodox ideas and heterodox modeling. I think with respect to the former—and particularly concerning the need for a stronger control on the financial markets and the need to have a more equitable distribution of income—I think that right now a change of minds is taking place, as even within the mainstream, economists have started to think it is worth taking a look at and improving on these ideas. In that respect, the crisis has had, even though this is dark, a positive effect on heterodox economics.

With respect to modeling, even though the crisis made obvious many failures of orthodox theory, I am not sure to what extent the models that we consider as in the heterodox tradition may do a better job of explaining the crisis. I know this is a very slippery slope, so I will talk only about my research agenda and perhaps you can make some connections to the state of heterodox modeling by yourselves.

When I was in Germany, I worked very closely with Peter Flaschel—on disequilibrium macrodynamics. There are reasons of course for assuming the economy is in disequilibrium and so while I don't want to get into that, I want to point out that during my Ph.D., I read mostly DSGE [Dynamic Stochastic General Equilibrium] literature. I was very concerned with what orthodox macroeconomic modeling was doing. And I tried to compare the disequilibrium models that we were doing in [Germany] to what actually was all this mainstream DSGE modeling.

I visited the DSGE summer schools and it was very obvious that I was the weird guy who disagreed with them on a continuous basis, but they respected me because I knew their language, and I could criticize them on their grounds and on their language. So my point is that we need to find or to build up our bridges with respect to orthodoxy and we need to be able to talk their language, and eventually even be able to put up our ideas in that framework.

I think that what a good economist does is that he chooses the level of math that he needs to make one point—his point—not more and not less. But we have to admit that whatever reasons they are, the language of, at least, macro and econometrics or statistics is math. So even if it is to bring forward an argument or idea that you have, why not use it? It doesn't hurt. It will help you to sell it better. And through that, you get better publications, better job offers and more influence, which in turn will help you to have a greater impact in this world.

As for the evolution of my work, I realized at some point that most models in the Bielefeld tradition do not concentrate on expectations. They were very mechanical and that seems to be something common with other Post-Keynesian models you may be more familiar with. So what I started to do was incorporate heterogeneous expectations within that framework and then analyze the stability of that system and the role of monetary policy, assuming the role of that agent has expectations different from rationality but that they have these behavioral rules for forecasting.

I was very pleased when I heard Rajiv Sethi talking in [the Heterogeneous Expectations and Economic Stability conference at Columbia in 2011] about precisely this: that people in mainstream economics have started to notice that this is a very important field to do research in. It is puzzling to me that Post-Keynesian economics, which has the foundation on Keynes's work, does not have a proper modeling on expectations because I feel expectations were more key [in Keynes's work] even than the aggregate demand constraint.

To finish my remarks, I think that while we understand ourselves to be more critical of the orthodoxy, we should also be more critical about our own work and through that we will be able to improve our lines of argumentation, and by extension, our impact in the world. Thank you.

CURRICULUM FOR A NEW ECONOMY: FUTURE OF FINANCE

Susan Arterian-Chang

Initially presented at the Universities for a New Economy conference in May 2013 at The New School, New York.

I just wanted to add one more thing that's not in my bio… I spent 7 years as the founder of a community newspaper in White Plains, New York and during those years I learned an awful lot about what's missing in local economies. It was a tremendous learning experience and helped me transition into what I'm doing now and I'll tell you a little bit about that. I'm not an academic, I'm a writer, so I'm going to be talking to you from a somewhat different vantage point than my fellow panelists here.

First let me tell you a little bit about Capital Institute. It's a small, not-for-profit exploring how finance can be transformed to support a more just and regenerative economy, and was founded in 2010 by a former JP Morgan director, John Fullerton. We see the story of finance today as being about too-big-to-fail banks and out-of-control capital markets trading. We see our financial system in a state of overshoot. The financial system is driving the economy rather than being supportive of the economy and its demanding short term results from companies and exponential growth from natural systems that cannot support them. We see our role at Capital Institute as trying to help to rewrite the story of finance.

At Capital Institute we like to talk about a regenerative economy rather than a sustainable economy. It is a distinction we only recently started to make because we feel that what we've seen in terms of sustainability initiatives are really just incrementalism and they're just not sufficient to address the really critical challenges that we're facing in today's economy. We see regenerative as related to natural systems and that we must work to transform our financial system using the lessons learned from our observations of natural systems. Most importantly, there's a healing and resilient quality to nature that we need to start to imbed in our business forms and in our economy in general.

I want to tell you a little bit about the Field Guide to Investing in a Regenerative Economy project, which is a project we started a couple of years ago at Capital Institute. We felt that we had a general sense of what a regenerative business model was but we weren't *exactly* sure—we had sort of a gut instinct. So we started looking at business that we, on a gut level, felt were regenerative businesses and we started doing a series of case studies on them. We wanted to get closer to them and really be able to understand their qualities. So, so far we've done four case studies and I really do hope you'll all visit our website and take a look at them because we hope that they are going to be the basis some day for the case studies you may study in your economics programs.

The first is The Grasslands, which is a custom grazing business in South Dakota and it uses a very unique method of grazing cattle which actually promotes soil enrichment, biodiversity and, most importantly, the sequestration of carbon

Second was the Evergreen Cooperatives, and Gar Alperovitz's Democracy Collaborative was one of the principle visionaries behind that. Gar is too modest to say that but that project was a wonderful one for us to examine and explore. Many of the people who are worker owners of the Evergreen Cooperatives are former felons who couldn't find a job anywhere else and now they're taking charge of their lives and becoming owners of companies. To talk to these people is one of the most inspiring things you can imagine.

And the third story—and we do like to call them stories we don't like to call them case studies because we're trying to rewrite the story of finance and the story of the new economy—the third was the Patient Capital Collaborative, which is a group of angel investors who have gotten together to pool their capital to invest in start up enterprises that have triple bottom line missions.

The fourth is the Manufacturing Renaissance Campaign, which is equally as exciting, I think, as the Evergreen Cooperatives. And it's a partnership between the city of Chicago, Chicago Public Schools, Chicago labor unions, and a group of small manufacturers who have been unable to fill jobs in their companies because the schools just aren't training kids with the skills to fill these jobs. So they started a polytechnical high school in an inner-city community in Chicago where there are many many shuttered factories due to the impacts of the post-industrial era and they're training these students not just to work but to become leaders and eventually owners of companies.

I would say we learned a few things from doing these projects about what a regenerative economy looks like and I think the main things we learned are… the need to have the economy be as place-based as possible. This idea of re-importation; that we start to do things more locally. Of course we continue to have trade—but we're trading in ways that make sense for a resource-constrained economy being impacted by climate change. The other is again related to natural resource constraints. … We have to think of every single economic model, every single business model as something that needs to minimize the amount of throughput of non-renewable resources. We have to just drill that in to every single business—those that exist now and those that we will be nurturing in this new economy.

We also need to explore new types of corporate forms. And most importantly—and we discovered this at Evergreen and also at the Manufacturing Renaissance—is that these new corporate forms are going to not only need to promote a just distribution of the new wealth that they create but they're also going to allow people to work in a democratizing way within their companies. Ted Howard, who is one of the leaders of the Evergreen Cooperatives, said to me once, "you know most people check their democracy at the door when they go into the workplace," and that's got to change. We need to learn how to operate as a democracy inside the work place so we can maintain our democratic institutions outside.

The other thing we talk about, and it's a new concept, is that we need what we call an "ecotone" in an economy. And that's a term we learned from a man named Bill Reed who is, I guess you could say, the father of regenerative design. So, an ecotone is a term from ecology that describes where different natural habitats that are very different come up against each other like a wetlands and an ocean. What goes on in the ecotones are really interesting when you get up close to them, because they're rich in creative destruction but, in the end there's new ways of cohabiting arising because these diverse groups have learned to work together. We think that the new economy needs to be an ecotone—that part of our problem is that we've isolated ourselves so much from one another by demographics, by social classes, we've separated ourselves as human beings from nature and we need to start developing new ways in our economic systems and our business models to create more collaboration and more innovation across diversity.

So, I think what we also learned from our Field Guide research and storytelling is that finance needs to be transformed, not reformed. Because what we discovered from these wonderful businesses—and each of them are just remarkable in different ways—is that they're being held together right now by basically a patchwork quilt of subsidies from government, subsidized loans from banks; they are accessing grant money from foundations and they are also accessing money from high network individuals who are well-meaning. But the vast pools of capital that they should be accessing are really just… closed off to them. Because our modern finance theories are in turn locked up in outmoded and flawed tools like modern portfolio theory, the capital asset pricing model, discounted cash flows, which discount the future and important things like climate change… In some cases, they don't even incorporate these things [like climate change]. They certainly have a hard time incorporating the natural capital and human capital, which are really the foundations of these new projects.

So how do we change that? That's something that we look at at Capital Institute. In fact, our next Field Guide series is going to be focusing very strongly and very sharply on finance and the new financial structures we see coming up into the world. And what we want to see in what we are calling a holistic finance system would be a system that incorporates natural and human capital values into investment decision-making. We want to see a system that gives investors the opportunity to engage directly with enterprise to shape the economy of the future and we want it to encourage long-termism and not be driven by expectations of infinite exponential growth because science tells us that we cannot continue to grow at exponential rates without destroying the planet. That's just simply a fact of science and we need to face it and our economy needs to face it.

So, I wanted to just touch on two, what I'm calling, bookend holistic financing techniques… There are a lot of them out there and a book I would recommend highly to you if you're interested in cutting edge ideas for local economy financing—not the actual models of the new economy but the financing of it, which I feel is so important right now—this is a great book its written by Michael Schumann. It's called *Local Dollars, Local Sense*. I highly recommend it. One of the techniques that he mentions in this book is called the direct public offering. This actually allows a small investor to maybe put $100 or so into a local business that they really believe in. There's an organization called Cutting Edge Capital out of the west coast that's really at the forefront of trying to help local businesses tap into small investors… I won't go into too much detail about it but you can go to the Cutting Edge Capital website and learn more about it.

The other one that we're really excited about—and it's at the other end of the bookends—is the Evergreen Direct Investing model for pension fund investing. We discovered this model through our networking process at Capital Institute. A man named Tim McDonald who has made his career as a limited partnership attorney, of all things, came to us because he was looking to create a mechanism that would allow investors to bypass the capital markets and avoid boom and bust cycles. He said he's never been comfortable with the rhythms of capital markets. So he's created this really really interesting Evergreen Direct Investing model that will allow large pension fund investors and other stewardship investors to engage directly with an enterprise to share cash flows arising from their business. We're talking about big businesses now and not the mom and pops but this model could eventually trickle down and, when we get a proof of concept, could become a model that could be used on the local level as well. There are two things that are wonderful about it. The returns from the equity splits don't come from speculation in the stock market, they come from a contractual agreement between the investor and the enterprise. And even more interesting is that ESG outcomes can be embedded into the contract terms, sort of ESG 2.0.

Very quickly, about sustainable finance graduate courses… Obviously there's a lot of cutting edge stuff going on in curriculum development at the Johnson School, Cornell, Duke, and the University of Michigan, I'm sure going on here at The New School... There's Bard College, Marlboro College, and Bainbridge… I talked most recently to two professors at Presidio. One is Scott Fullwiler, who is a professor of sustainable management, and the other is Steve Crane, in managerial finance… In essence, they're trying to speak in the old language of finance, teaching their students the capital asset pricing model, portfolio theory, etc. But they're also recognizing that not all values can be monetized and those values that can't be monetized need to be part of how we look at investments because if we don't incorporate them we will not have an investible future. So these guys are at the new frontier of finance. They're doing exciting things. I really do hope that many more of you will think about studying finance because it is really where the rubber hits the road in the new economy.

ECONOMICS AS A FREE DISCIPLINE AND THE UNIVERSITY AS A FREE SPACE

Sanjay Reddy

Initially presented at Universities for a New Economy conference in April 2013 at The New School in New York.

I am Sanjay Reddy and I am a recovering economist; the recovery process never ends! First of all, let me thank the students of The New School for this invitation. I feel very honored by it because it is from the students, and because I think the topic of this conference is very important. I hope to touch on two different themes that I think could be a part of the students' motivation for the conference. One of them concerns the way in which the economics discipline has perhaps contributed to our having an economy which is not working very well for most people around the world and in the United States and how that can be changed through curricular reform and through reform in our understanding of economics as a discipline. I also want to talk a little about the way in which universities have shifted in their workings over time and how that in turn has implications for how we imagine such a project.

First of all, let me begin with reflecting on the discipline of economics with those of you who, like me, have had the misfortune, or good fortune, of having studied some academic economics and feel that it is disconnected from reality. You are not in fact wrong about that. I think we should be much more honest about it than we are. Even in those departments of Economics, such as The New School's, where there has been, to some extent, a critical sensibility, there can be a tendency to take the notion that what we are doing is worth doing in its current form for granted. Heterodox economics, as much as orthodox economics, has some sins to answer for. Among those are what one might call a kind of techno-fetishism: a focus on technical methods and their absorption in graduate studies and their application in research, almost as an end in itself. Such methods have their place, and have many insights to offer, but must also be kept in their place.

All of you know that when you open a standard economics textbook it is almost impossible to find a reference to many ideas which one might think would appear. An example is that of power, which scarcely finds mention notwithstanding the fact that power and its application has an enormous role to play in explaining economic and social life. The fact that it is difficult to define it perfectly does not make it less so. Instead, what one will find is an abstracted understanding of economic life in which many of the things which many of us would think to be relevant play no role. It was not entirely inappropriate, even if somewhat "politically incorrect," for French students some years ago to have referred to the economics discipline as being autistic. This is not because the discipline is not good at doing certain things; in fact, it is quite good at doing the particular things that it does. The trouble is that its preoccupations are very detached from what is required to explain real social processes and to play a helpful role in creating a better society. Moreover, the economics discipline, certainly in the mainstream, has been very unconcerned with this fact and inattentive to all social cues, being quite happy with a hermetically sealed world in which one could engage in abstracted exercises.

Now, I don't want to personalize this too much, but it can be instructive to think about examples of individuals such as Larry Summers. I mention him not as an individual but as a historical phenomenon. So, in some sense, when I use the phrase "Larry Summers" you can think of a placeholder for anybody else who could have played that particular role. If he did not exist, he would have had to be invented, so to speak. Some years ago, the New York Times had an article about the supposed intellectual and institutional rivalry between Jeff Sachs and Larry Summers. They were both described as "applying the mathematics of rocket science to the economy." This is how the New York Times described dynamic optimization. In fact, as many of us know, the mathematics of rocket science, at the level at which the economists apply it, is not in fact all that new or impressive. The idea that Larry Summers is "the smartest guy in the room"—a phrase which follows him everywhere—is supported by a myth-making enterprise that the discipline of economics, as a whole, underpins. Closely linked to the celebration of such "whiz kids" is the way in which the discipline has been constructed as a highly technical, abstruse subject that requires specialist understanding that is hard to arrive at.

Now, just yesterday, as it so happens, I was talking to somebody who had some insight as to why it was that Larry Summers was appointed by President Obama in his first term to a position of considerable influence—notwithstanding, in many respects [that] he represented continuity rather than change. The explanation [that] was given, which will not surprise any of you at all in the least, is that he enjoyed the confidence of Wall Street. So, it is the particular coalescence of two facts: the possibility that he could be represented as the "smartest guy in the room," whether or not that was in any real the sense the case, and the fact that he enjoyed the confidence of Wall Street, which in turn reflects particular social and institutional facts about the individual and the processes by which he came to have a place of prominence; that explains his ubiquity.

I think that this is an all-important point about the relationship between economics and power; economic ideas have functions and, among the functions that they have, are to provide rationalizations and justifications. This is not to say that economic ideas cannot confer insight but it does help us to understand why economic debates are—to use a phrase Robert Skidelsky used in a panel on economics and power a week ago in Hong Kong at a conference for the Institute for New Economic Thinking—interminable. [By the way you can find his remarks and the recording of the entire panel on the web[1] if

[1] http://ineteconomics.org/economics-and-powerful-inet-hong-kong

you want to watch it.] I think it is a rather interesting panel, because it shows in some sense that it has become rather mainstream, after the crash of 2008, to recognize that economics has had at times a sometimes unholy relationship with power. I think Skidelsky has correctly diagnosed this particular point. I don't think all his diagnoses are correct but this particular point is—namely that economic debates are never resolved in the way in which they are in the natural sciences—and for a very good reason. Economic ideas are closely tethered to—not necessarily in a fully self-conscious way nor in a narrowly functional way—the social positions and social purposes of the particular social groups that generate them in particular conditions at particular moments in historical time. As long as there exists a diversity of such social groups with distinct and perhaps conflicting interests, then economic debates will continue. There has never been to my knowledge a decisive econometric refutation—commonly accepted as such—of a proposition in monetary economics or in any other field of economics. Much as some of us may have our allegiances in regard to such ideas and wish for such refutations, this is the uncomfortable fact, which reflects *inter alia* the place of economics as a rationalizing, justifying discipline, needed to argue for specific ends.

Economists have been called "yes men (and women) in the halls of political economy." This is certainly true of many of them, even if not all. Althusser ascribed ideology as being something that was "secreted" by, what he called in a fancy phrase, "ideological state apparatuses," which is a way of capturing the unintentional and even unconscious nature of much discourse production that is in conformity with ideology.

If we ask the question, "why has economic history, and even more so, the history of economic thought, been displaced from the study of economics," the answer, of course, has very much to do with the fact that economists by and large don't want economic students to know (and the world at large to know) that there is such a relationship, and that, indeed, debates are indeterminable, because they get restated in different epochs in distinct but parallel ways, each time reflecting the particular social interests that undergird them. One need only go back to the debates between Malthus and Ricardo, which anticipate current debates on the appropriate response to economic recession, to see this. One of the curricular reforms that is needed, therefore, puts economics and economic ideas in their proper historical context, so as to understand these connections without at the same time trying to altogether do away with the possibility of autonomous economic insight, i.e. that which is not simply a reflection of social interests.

Another point that I would like to make is that economics (and I think this is true about heterodoxy as well as orthodoxy) is, to a degree at least, too status quo-ist. It is focused on the question of how to analyze "what is" and, if we are more critically-minded, to understand what is wrong with "what is" and why "what is" is wrong. We don't spend enough energy and attention thinking about how things could be otherwise. We are often caught in a "low-level equilibrium trap" (to use a neoclassical metaphor) as a result in part of our own failure of imagination. A crucial task of critically-minded and progressive, transformationally-minded thinkers is to think about what it would be needed to shift to institutional regimes which are perhaps far enough away to be substantially different and even to constitute their own self-reinforcing system. To do this, we have to look beyond local examples, beyond local seeds of hope and, I think, involve ourselves in an exercise of institutional imagination, which by its very nature can seem outlandish, but for that is all the more necessary. This is, for example, to ask the question, "what would it be like to have a market economy which consisted of worker-owned and -managed enterprises?" as opposed to asking the question, "what is it for an individual worker-owned or -managed enterprise to survive or to thrive in surroundings which are conventional?" This is an important and legitimate intellectual question and one which we are not encouraged to ask because it seems to be too speculative in nature. Yet, precisely such speculation is demanded if we are going to realize the possibilities of progressive thought, and to discipline the progressive imagination by thought. I think for instance about the good example provided by a book on the question I just mentioned by Jacques Dreze—a rather, in some ways, neoclassical economist in terms of the methods he employed—which tried to understand the properties of a general equilibrium consisting of worker-owned and -managed enterprises, offering a stylized representation of how those would be motivated and what they would do.

Let me now shift, since I have almost no time left, to my second theme, which is the question of how universities will have to be institutionally different in order to support a reformed enterprise of academic economics. As you know, Thorstein Veblen was associated with this university at its very inception and one of his books, which is a wonderful book, extremely wry and hilarious as many of his books are, was called *The Higher Learning in America*. I actually first encountered this book through John Kenneth Galbraith's references to it in his writing; I only recently read it. It is a wonderful attack on the corporate university in America. Of course, he was speaking of the corporate university in America before we had that phrase. In his book, the description of the distortions which are present in the American university system of his day is very much in relation to the role of big business interests as represented by the trustees, not so much in demanding of the university that it provide a direct return to business, but in championing a rather simple-minded and simplistic idea, even a vocational one, as to what it is that learning is good for, thus representing the worst side of the American culture of pragmatism as against the best side perhaps represented by Veblen.

I think when I listen to discussions in universities today, including in The New School, that there is much too much of this. We don't think about universities first and foremost as spaces of free learning, free contention of ideas, free speech, harboring and representing a value system centered on these principles—which has not given sufficient space nor are sufficiently secure in other domains in our society including in the corporation. Rather, we view universities increasingly as places that ought simply to serve the corporation—or functional purposes attributed to society. We tend to reward particular parts of the university and even particular faculty members by criteria such as whether or not they can generate grant revenues, engaging in a wholesale confusion between means and ends.

One of the things—here I will end—that progressively-minded students can do in institutions such as this one is to educate themselves as to how such a field of distortion is created within their very institution—and at large—and to combat it. Thank you.

HETERODOX ECONOMICS AS A TRUE ALTERNATIVE: GOING BEYOND THE OPPOSITION BETWEEN "PERFECT" AND "IMPERFECT" BEHAVIORS

Anwar Shaikh

Initially presented at the Visions in Heterodoxy panel in April 2012 at The New School, New York.

I want to start by saying that if you look at what heterodox economics is, it seems to be largely defined at least in terms of "departures" from some aspect of orthodox economics. The orthodoxy furnishes the core assumptions and heterodoxy focuses on departures from them. Core assumptions: selfish behavior; departure: social behavior. Core assumption: optimal outcomes; departure: non-optimal outcomes. Perfect knowledge: imperfect and asymmetric knowledge; rational choice: bounded rationality; perfect competition: imperfect competition; rational expectations: adaptive expectations; stochastically determinate futures: non-ergodic futures; passive interactions: strategic interactions (game theory); automatic full employment: possible unemployment; all outcomes internal to the market: some outcomes may involve externalities; the ideal function of the state is to protect property rights and free markets: the state should regulate some market outcomes.

What is interesting is that many of these departures are now also part of orthodox economics because they're viewed as *extensions* of the basic theory. The core assumptions define the basic theory; the departures allow you in every textbook to have a chapter or two on real world applications. So, Becker's theory of the household allows you to introduce some limited social interactions. Simon's focus on bounded rationality relaxes the assumptions of rational choice or perfect knowledge. Stiglitz focuses on asymmetric knowledge, especially in the financial institutions. Krugman focuses on the implications of economies of scale and heterogeneity of preferences in theory of international trade. Behavioral economics in general focuses on the departures from the notion of rational econometric man. And game theory focuses on small scale and maybe larger scale strategic interactions.

What is most striking about this core/departure set is that these departures cannot be added up into a general theory. *There is no general theory of departures*. The departures have to start from the core theory and they all consist of modifications that are local to that set of assumptions. So, you take a proper textbook in orthodox economics today and for every description of one of the core things, there will be a departure. But when you get to the end of the textbook you still have the core theory because the departures are presented as embellishments.

The effect of all of this is that the core of the theory remains central to the discourse, in a literal sense, the point of departure. Hence it maintains its hegemony. For that very reason, I would argue that heterodox economics should not operate in this manner because it in effect keeps the Pope in place while allowing for some doubts about individual priests. This is not a good way to construct a proper alternative.

What then should define heterodox economics? I think it is that it should be grounded in an altogether different theoretical foundation. Now of course you'll come back to the same issues and you may come back with the understanding that markets are not optimal, they're not efficient, and all that, but it shouldn't be done by means of starting from the general theory of orthodox economics and then moving away a little bit at a time.

And here there are really only two basic options in terms of general theories, though there are many other specific subsets of each. First is Keynesian theory. What is important is that it is constructed differently from neoclassical theory. It is not to be derived by putting imperfections in neoclassical theory; it's really a different theory. And Keynes, particularly, saw himself clearly as proposing a different foundation for economics, not merely a modification of standard theory. He saw himself as overthrowing the standard theory and creating something else, which is why he called it *The General Theory*. The key point in Keynes' argument is that aggregate demand is the ultimate limit to production and employment. Unemployment may well be a normal state of affairs in a capitalist economy. Kaleckian theory starts from the same foundation as Keynes, but then grounds it in a theory of "imperfect competition"–-something Keynes himself refused to do. Keynesian theory (and Keynes himself in particular) was strongly pro-capitalist which makes it much more acceptable to the powers that be. The market and the state together will supposedly achieve the promise that the orthodoxy locates in the market alone, e.g. full employment growth and price stability. That was a powerful motivating force for the early Keynesians and I still think it is today. From this comes a fundamental understanding of role of the state as regulator of the market—the state as a potentially neutral referee. And obviously these differences from the orthodoxy have important implications for policy. I would say that Keynesian theory is the dominant point of view within the heterodox tradition.

But there is another set of theories, which are in a sense older than Keynesian theories and here I want to call them Classical Political Economy. The theories of Smith, Ricardo, and, especially, of Marx, are different from Neoclassical orthodoxy but also different from Keynesian and Kaleckian theory. Capital and labor are not viewed as equal. Class is a fundamental social relation. Race, gender, and ethnicity are bound within the matrix of class relations and that's a very important point: they're not separate, they're bound in that matrix. The emphasis in this framework is on turbulent patterns of market forces. Markets don't achieve equilibrium, they achieve a rough balance by overshooting and undershooting and the disorder is the means to the order; they're not separable. Emphasis in this tradition is on competition as the root of the powerful gravitational forces of political economy. The dominant incentive is the profit motive. It dominates all others because it's central to the operations of capital and hence to the business sector. The system is viewed as inherently expansionary, and this expansionary drive is in turn rooted in the very nature of capital, which is to put money (M) in to get more money out (M' > M). And of course you need to keep putting more in to keep getting even more out. This expansionary character of capital shows up in its geographical expansion as well as in its expansion to new applications all the time. So capital spreads not only across the globe but also into increasing numbers of other areas of life. Mechanization and industrialization are intrinsic features of the system from this point of view. And unemployment, if you especially follow the argument in Marx, is a necessary outcome. It's not an option, not a possibility, it is a necessity. The system has mechanisms to create and maintain a ready pool of unemployed workers. All of this is of course on a *global* scale, not national scale, because the markets operate on a global scale. So you cannot speak about national employment in the US as if it is unrelated to unemployment in Latin America or to employment in Germany as if it is unrelated to unemployment in Italy or Spain or Greece. The last point is that the state, from this point of view, can be a potential regulator, but is subject to two sorts of limits: a political limit (something which has long been emphasized in the Marxian tradition, as in Sweezy, Magdoff and Lenin); and a profit limit, because a state runs up against increasing resistance if it impinges upon the profit motive. I am clearly in the Classical tradition.

Has the current global crisis opened up space for heterodox economics? I think the immediate reaction to the crisis and to the clear bias that the state has exhibited everywhere—absolutely everywhere except for some Latin American countries—has been a local and political revolt. And it's growing and it will continue to grow because I think that things are not going to get better in any near future. But there's also a reaction within the dominant capitalist institutions themselves that market fundamentalism (which these same institutions have been enforcing on the rest of the world and on the center countries, too) has been flawed. Dominique Strauss-Kahn, at that time the Managing Director of the International Monetary Fund (IMF) said at the first INET conference in Cambridge that "we" have been misled by the standard models. Now *this* was a voice speaking from the center of power. So there are potential new spaces for alternatives to orthodoxy. And even in political circles and official circles, there has been a comeback of Keynesian economics because, in practice, the state has had to return to Keynesian practices. As seen in practice, when you engage in so-called austerity, things get worse for many segments of the population.

But in universities across the world, most economics departments are still under the control of the Ayatollahs of Economics. That is just a fact. At the same time the wall that they have erected is cracking. It is cracking less in the United States than it is in Europe. And it is cracking more in Latin America than it is in Europe. So, where does one look for new economics? I would say that one would look in Latin America more than Europe, and in Europe more than the United States. The US lags furthest behind in terms of this opening space. The space is there and it will likely open further, though there is no guarantee of that. But I can say that this is a hopeful time for all of us who have long argued against the orthodoxy and have long emphasized its grave deficiencies.

ABOUT THE AUTHORS

Gar Alperovitz, the author most recently of *What Then Must We Do? Straight Talk About the Next American Revolution,* is currently the Lionel R. Bauman Professor of Political Economy at the University of Maryland and is a former Fellow of Kings College, Cambridge University; Harvard's Institute of Politics; the Institute for Policy Studies; and a Guest Scholar at the Brookings Institution. He is also the president of the National Center for Economic and Security Alternatives and is a founding principal of the University of Maryland-based Democracy Collaborative, a research institution developing practical, policy-focused, and systematic paths towards ecologically sustainable, community-oriented change and the democratization of wealth.

Susan Arterian-Chang is Director of Capital Institute's *Field Guide to Investing in Regenerative Economy* digital storytelling project. As a financial writer she covered the evolution of derivatives and risk management for a variety of investment and corporate finance publications, produced white papers on international taxation issues and performance management for financial consulting firms, and worked as a foreign exchange analyst and on the strategic trading desk at MHT Bank. The Capital Institute can be found at www.capitalinstitute.org

Chris Crews is a Ph.D. candidate in the Politics department at The New School for Social Research and former adjunct faculty member in the Political Science department at Fordham University. He is the student co-chair of the New School Social Justice Committee (SJC) and, as a member of the New School's Advisory Council on Investor Responsibility (ACIR), he has worked to promote an environmentally and socially responsible engagement with the university endowment. You can read more about his work at www.chriscrews.com.

Rose Espinola is an organizer with the Responsible Endowments Coalition (REC) and began organizing around endowment issues as a student at the University of Pennsylvania. She supports students and faculty on both divestment and responsible investment campaigns. Rose Espinola can be contacted at rose@endowmentethics.org

Duncan Foley is the Leo Model Professor of Economics at The New School for Social Research.

Christian Proaño is an assistant professor of the economics faculty at NSSR. Much of his work has been focused on applied macroeconomics, monetary policy and international finance, but his research interests also include currency and financial crisis, income distribution, non-linear macro econometrics and behavioral macroeconomics.

Sanjay Reddy is a (tenured) Associate Professor of Economics at The New School for Social Research and is Co-Academic Director of the India China Institute at the New School. His areas of work include development economics, international economics, and economics and philosophy. He has conducted extensive research for development agencies and international institutions.

Lisa Selca is a graduate student in Economics at The New School for Social Research.

Anwar Shaikh is a Professor of Economics at the Graduate Faculty of the New School in New York City. His work in political economy has focused on the economic theory and empirical patterns of developed capitalism.