

Interview with P.N. (Raja) Junankar

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Emeritus Professor Raja Junankar was interviewed by Judie Cross on February 28, 2017

Raja Junankar's academic career began with an education at the London School of Economics (LSE) and Political Science where he studied for a Bachelor of Science degree, specialising in Economics, Analytic and Descriptive. As a Masters student at LSE, Raja specialised in Advanced Economic Theory, later going on to specialise in Development Economics and, in particular, the economics of Indian Agriculture, and subsequently in Labour Economics, especially on unemployment and immigration. His first full-time academic appointment was at the small but well established University of Durham in the North East of England from where he later moved on to the newer University of Essex. Whilst there he published his internationally renowned book entitled *Investment: Theories and Evidence* (1972). He has also been a Visiting Assistant Professor at Northwestern University (USA), Visiting Associate Professor at Queen's University (Canada). He moved to join the Public Policy Program, Australian National University in 1988. Subsequently he was Head of Department at the Western Sydney University from 1998, and is now an Emeritus Professor in the Dean's Unit in the School of Business; as well as an Honorary Professor in the Industrial Relations Research Centre, School of Business at UNSW Australia.

How do you see your role as an Emeritus versus Honorary or substantive Professor?

I was at the University of Western Sydney (now known as Western Sydney University) as a Professor in the School of

Economics and Finance but as an Emeritus Professor (since 2009) my influence is perhaps not as clear or positive as one would imagine from the prestige the title suggests; i.e. excellent academic credentials with extensive experience and hence, someone whose opinions we would value. When I was working at WSU, I worked in a large school of Economics with a research group that was doing very well – even outperforming Accounting and Management and better than Macquarie University despite Western Sydney's relatively new status. In short, there was no obvious reason for cutting Economics so harshly. Before I left, many of my colleagues were made redundant (three out five professors plus several lecturers) resulting in my disillusionment and early retirement. When a new VC was appointed a few years later, I went to see him and he listened to my concerns; as well, he seemed sympathetic, but nothing actually happened that reversed the effective demolition of this once thriving Economics school.

There has, however, been a token acknowledgement instituted for emeritus professors in the form of an annual dinner to which I am invited. Another benefit of the role of EP is that I retain my email and library access for life, which is wonderful: I can thus continue my research albeit without access to research funding or financial support to attend conferences. An Honorary Professor, on the other hand, a role I was fortunate in being offered by the School of Economics at UNSW and then in the Industrial Relations Research Centre of the Business School, UNSW. These Honorary positions are fixed term appointments and provide access to all University facilities (including a shared office). Interestingly, not only do I not have access to an office at UWS any more, but all academics there are now accommodated within an open plan space, which may be regarded as being feasible economically and even facilitate teamwork, but I do not think it is an appropriate arrangement for academics at all. Where, for example, can our personal libraries be stored? Our digital environment should not mean books are redundant. As a result,

as an Emeritus Professor my contact with UWS is limited although I still value my communications with former colleagues. (Btw, both emeritus and honorary roles are unpaid.)

It seems that in this twenty-first century, people in charge of universities are more concerned about publication in journals rather than scholarship or the subject *per se*: many universities are now treating education as a “commercial product” where profit is the dominating factor. A few years ago, the Government removed caps (quotas) on student enrolments as this measure (instituted by the Gillard government) did result negatively for Western Sydney. Managers are now ruling the roost in universities and these managers are instigating consultative processes that are often consultative only in name; in reality, management tells staff what is going to happen and then receives comments and/or feedback without being obliged to listen or act accordingly. The logic is the dollar: universities are now a factory “producing” graduates. Foreign students are a vital source of revenues for many universities and also provide significant export revenues for the country.

In short, universities have been affected by modern approaches to education and cost cutting; as I mentioned earlier, communication tends to be only one way (i.e. from the top down), using a course design/syllabus determined from the beginning of the semester so that it is virtually set in stone and is not as flexible as it used to be.

Whose work has had the biggest influence on your own research and thinking over the years?

During my undergraduate days I was fortunate enough to be taught by Professor Richard (Dick) Lipsey, who was a fantastic and enthusiastic lecturer, impressing upon me the importance of applied economic (and econometric) research. Another important influence on me in these formative years was Dr

Bernard Corry who taught the History of Economic Thought, which covered the great masters such as Adam Smith, David Ricardo and Karl Marx and hence, I appreciate the value of studying great thinkers of the past.

Although I took a different path from that promoted by two other excellent lecturers of mine (while I was a Masters student at LSE); i.e. Professor Bill Phillips of Phillips Curve fame (a graph which describes the relationship between inflation and employment) and Professor Harry Johnson. Their lectures instilled in me a love for Macroeconomics. Further, while continuing with my Masters study, Dr (subsequently Professor) Meghnad Desai was another scholar (not a teacher of mine) with whom I discussed the role of technology in Indian Agriculture. Perhaps these scholars sowed the seeds for my later specialisation in Development Economics and, in particular, the economics of Indian Agriculture.

The next major influence in my life was when I was a Visiting Assistant Professor in the Economics Department of Northwestern University in Evanston, Illinois, USA (1972-73); while there I became influenced by Marx's economics. I subsequently taught a course on this when I returned to Essex University. In turn, this led on to my book, Marx's Economics (1972) which was highly regarded by Marxist scholars like Paul Sweezy as well as Monetarists like Milton Friedman. Chris Archibald was another colleague (a tutor) who was important to me in terms of my interest in welfare economics. Although I did not get involved in the essence of Marxism, it did influence my research in development economics, as evidenced by the several papers I published on Indian agriculture. These publications were critical of neoclassical explanations, arguing instead that the economic power of large landlords meant that models based on competitive markets were seriously mistaken. In particular, some of my ideas, based on my research into Investment and my reading of Marx, affected my later research on the economics of labour markets and,

specifically, (long-term) unemployment.

While at Essex, I was impressed by Professor Frank Brechling, a leading Labour Economist who was visiting from Northwestern University. At the Australian National University I was fortunate to renew the friendship of Professor R.G. (Bob) Gregory who is a world renowned Labour Economist. He has been an important influence on my work on labour economics.

One last person I'd like to acknowledge is Professor/Sir Tony Atkinson, a wonderful and close colleague of mine from Essex, who subsequently went to LSE and then Nuffield College, but who died relatively recently. He wrote extensively about inequality, welfare and social justice – themes close to my heart.

How has your work evolved over the years and what is the common theme in your research?

In summary, my interests evolved from micro to macro-economics, then Marxism and finally, the labour market with a focus on unemployment. My first published paper was on investment in the UK and this led to my receiving a very attractive offer (since I was a very green young scholar) to work with the UK Treasury; despite being chuffed by this offer it was declined as I wished to remain an academic.

Although my education at LSE was based on neoclassical economics, I have always been critical of the views advocating totally free markets; I do not agree that free markets necessarily work to provide what is optimal socially. Lipsey and Lancaster argue that if there was a constraint that prevented the achievement of the equality of marginal costs with marginal revenue in any one activity, it would no longer be socially optimal to attempt to achieve that goal in other activities. In short, if competitive conditions are not clearly satisfied in some areas, then the public sector need not imitate competitive rules; that is to say, when markets do

not provide a satisfactory outcome, the government should intervene to help the greater society. I am moved by the concept of externalities and became so whilst studying Welfare Economics.

Social justice is, in fact, the common theme in all my work.

Nonetheless, my research has gone through various stages, beginning with studying the determinants of Investment, before moving on to Indian Agricultural Economics and Development Economics in general, following on by research into Marx's Economics. These studies have developed into my long and continuing interest in the Economics of Unemployment as well as Labour Economics in general and then the related area of the Economics of Immigration.

Your research has focussed on the challenges in the labour market facing immigrants in Australia. What would you say are the three most significant ones?

Even though I have always been concerned about immigration issues, it was not until I joined the Australian National University that I began my research into the impact of Immigration on the Australian economy. I met with Professor David Pope, a leading scholar on Immigration, while at the ANU in the Research School of Social Sciences. My fortuitous meeting with him led to a significant collaboration; for example, one of our research projects explored whether immigration flows led to increased unemployment in Australia and we demonstrated, conclusively, that it did not. David and I conducted this important research jointly with Cezary Kapuscinski and, in more recent years, I have also collaborated with Dr Stephane Mahuteau on the problems faced by migrants who have just entered the Australian labour market.

New migrants face extra difficulties when endeavouring to find employment: poor English language skills, limited knowledge of

how the Australian labour market functions and, most importantly, lack of networks (family, friends, and previous colleagues). As a result, when new migrants do find employment, it is often in poorly paid jobs that do not recognise or make use of their acquired skills, experience or education. In short, they get “bad jobs” and it takes time (often years) if they are to move on to “good jobs”. Moreover, a major problem faced by non-Anglo-Celtic migrants is that employers (indirectly) discriminate against them, either as a consequence of prejudice or ignorance of the value their skills and knowledge that they can bring to the workplace. There is statistical evidence that lends credence to my comment that discrimination is very real here; for example, Australian indigenous people have always been discriminated against and have had an extremely difficult time finding appropriate employment, poorer educational opportunities, incredibly greater health risks, a shorter life-span and a disproportionately higher rate of incarceration.

In short, the three major problems faced by migrants in the Australian labour market are:

1. Inadequate recognition of overseas qualifications and skills;
2. Lack of experience or opportunity to gain such in relevant Australian work contexts;
3. Discrimination by employers whether due to prejudice or being recorded as “statistical discrimination”.

Young people have traditionally been at the bottom of the employment scale: last-in-first-out. The recent decision of the Fair Work Commission to reduce Sunday penalty rates, will impact women and youth even more than other workers as they are the ones more likely to work on Sundays because they are casual, short-term workers already on the lowest wages. Another worry is the knock-on effect and the danger that more of the most vulnerable workers will be affected.

What are you currently working on?

Many international employees come here on our famous 457 visas and I would like to research what happens to these people over time. This is applied research and I really need to collaborate with others, such as Professor Breunig at ANU and/or receive a research grant for this because a lot of data will need to be formally accessed and then analysed. Government contracts are increasingly shrouded in a lot of red tape that prevents information being freely available. Although we had hoped the GFC would be a turning point and that governments would intervene when necessary, in fact the power of the corporation, along with inequality, is still increasing and hence, impacting on the ease with which one can undertake research. Socialist democracies, as in Scandinavia, are perhaps the closest model to an ideal political system that can facilitate a more just and equal society for all.

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