

HARRIMAN INSTITUTE
ORAL HISTORY PROJECT

The Reminiscences of

Padma Desai

Columbia Center for Oral History

Columbia University

2016

*This interview has been slightly edited for coherence and clarity.

PREFACE

The following oral history is the result of a recorded interview with Padma Desai conducted by Christina Pae on October 3, 2016. This interview is part of the Harriman Institute Oral History Project.

The reader is asked to bear in mind that s/he is reading a verbatim transcript of the spoken word, rather than written prose.

Session #1 (audio)

Interviewee: Padma Desai

Location: New York, NY

Interviewer: Christina Pae

Date: October 3, 2016

Q: Today is October 3rd, 2016 and I'm at Columbia University with Padma Desai, who is the Gladys and Roland Harriman Professor of Comparative Economic Systems Emerita, and Director of the Center for Transition Economies at Columbia University.

We always start with some biographical information, but it's not that often that we interview someone who has written such a captivating memoir (*Breaking Out: An Indian Woman's American Journey*, MIT Press: Cambridge, 2012) as you have. So I'm just curious, based on the descriptions in your book and your clear love of literature—you include literary references throughout your work—how did you go to Harvard and why did you decide to study Economics rather than Literature?

Desai: I had been ambitious from childhood. And I had this great desire to go to America from childhood. In those days, young Indians were sent to England, to [University of] Cambridge, [University of] Oxford and London School of Economics, and the parents footed the bill. But this money was spent on boys, not on girls. Besides, my father didn't have that kind of money; he was a professor who had dedicated his life to education and to social reform and had no money anyway. So, I knew that if I were to go abroad, it would have to be on a scholarship, which I would have to secure myself with my academic success. So I worked hard and was

always in the library—making my mother lament “who will marry her?”—and made sure that I never lost my first rank.

While I loved mathematics and this, in turn, fed my fascination with economics, as I will explain in a moment, the Russian love started, on the other hand, because my father had been to England for two years in 1926, 1927 studying English Literature. T. S. [Thomas Stearns] Eliot was among his professors. And he got his BA [Bachelor of Arts] degree in English Literature from Cambridge. And he brought tons of books from England. And all that I did in my summer vacations was to read those books. And among those books were not only the novels of [Charles] Dickens and [Thomas] Hardy but also the English translations of [Fyodor M.] Dostoyevsky and [Anton P.] Chekhov. And when I read Dostoyevsky’s *Crime and Punishment*, I was completely unnerved. I couldn’t sleep. And my mother was worried. And I said to myself, I’m going to read this in Russian. I have to read this in Russian.

I went to Harvard [University], on a Fellowship in 1955, over six decades ago, and joined the Economics Department. But I also registered then as a student in the Slavic Department, and started learning Russian.

But before that, why Economics? Well, as I write in my memoirs, my sister did English Literature, and that prompted me somewhat to try something else and major in a different subject in my hometown college in Surat. And we had a very able set of professors in my college in Surat in mathematics and in economics, even in those days. I’m talking about almost seven decades ago. And I learned mathematics and scored very well in my pre-college “matriculation”

examination. Out of two hundred, I scored 197 marks—I lost the top rank by three marks, I don't know why [laughs]—and so mathematics came naturally to me. And then combining it with economics, I found it a magical combination even as I was in college in my hometown of Surat.

Q. How did you manage to get to Harvard University?

Desai: As luck would have it, I got a fellowship to go there in 1955 and pursue my dream of studying Economics at Harvard University. And my whole life changed after that. And I remember in the very first term, I got three A's in my courses at Harvard. And the dean of Radcliffe College, Bernice Brown Cronkite, even invited me to a dinner at her home so it made me feel good in a dramatic change from India. I had found self-esteem. Self-esteem was not what girls had in India in those days, and it is still lacking in the way girls feel about themselves in rural India today. Girls find it hard to be themselves, to develop and fulfill their goals, their ambitions. And I wanted to have that self-esteem and do what I wanted to, and be an academic star, and all that. And Harvard gave me that. So it has a very special place in my heart.

My knowledge of Russian led me then, not just to read Russian literature in the original, but to use it to do research on the Russian economy. It gave me a great advantage, as few economists specializing on the Russian economy knew the language!

Moving into proper research on the Russian economy led me to write a number of pioneering articles on the Russian economy, with important articles using modern econometric and analytical techniques, which were published in leading professional journals such as the

Quarterly Journal of Economics and the *American Economic Review*. I had splendid research assistants to whom I gave joint authorship, which gave them a leg up in their own professional careers. I recall in particular Ricardo Martin from Argentina who was a doctoral student at MIT. But there were others, including friends such as Professor Bronwyn Hall (now at Stanford) who gave me their time and computational expertise freely.

Q: I am curious that, because you did start out your career instead as an economist working on the Indian economy, and you even wrote a book together with your husband about the Indian economy, at what point did you say, well, I'm going to stop doing that, and shift to writing on the Russian economy? Why did you decide you were going to make that transition?

Desai: That takes me partly back to the question of how we women need to develop our own persona, to find our true selves. The joint book with Professor [Jagdish N.] Bhagwati, now my husband and University Professor at Columbia University, was our joint effort where I had put in a lot of my time and research. But I had to ask: how much credit would I get for that? That was the question in my mind because he's better known. He's a celebrity. And it would be known as his book. And I would always remain as a subsidiary author, many assuming that I must have been a junior author who had helped him with *his* book.

Moving into my own field of specialization, i.e. Russian studies, would guarantee that no one could even seriously allege that my husband was helping me: his knowledge of the Russian language and the Russian economy is not something to write home about!

And because, as I said, I had learned Russian at Harvard, I knew the language. I had also lived in Russia, in Odessa as far back as 1964, when [Nikita S.] Khrushchev was still the leader in the summer of 1964. My elder sister's husband was the Indian Consul in Odessa, so I stayed with them, and I got on top of the language, and we traveled. And that is how I began with my Russian journey, you know: the economy, the language, the culture, and everything else.

Q: In your memoir, you talk about your early visit to Odessa, and how it was a little depressing because it wasn't the city of Pushkin, and it wasn't like the Paris of Russia anymore. Did you still love it even though it was sort of down and out?

Desai: Oh, yes, I did. Because, among other reasons, I used to wear a sari. I was young and attractive. And the Russians had never seen an Indian woman. As soon as I got out on the street with my two young nephews, who were six and eight years of age, we got so much attention. Photographers appeared, and they took my pictures with my nephews, and came again and gave me the pictures. That is how my love affair with Odessa began, even though it was no longer the exciting city that [Alexander] Pushkin, [Leo] Tolstoy, and other literary giants had visited in their time.

Again, my sister and I traveled to Moscow, and we traveled to St. Petersburg and Kiev by car. And I remember that in Kiev, my sister said at a gas station that she wanted to have tea. So the driver said, "Well, let's get some hot water." And we both got out of the car, wearing our saris, and a whole crowd of women appeared from I don't know where. And they started asking us questions, Oh, Indian women, when did you start wearing saris? Does everyone wear a sari?

When did you get married? Did your mother get married when she was fourteen, fifteen? They were asking us all kinds of questions. They really wanted to find out everything about India.

Then we went on to St. Petersburg, which is now Leningrad. Here, a young man took charge of us. I remember something he said as we were walking on the square, looking at the parliamentary buildings. He said, “*Kazhdyy kamen’ zdes’ dishet istoriyu.*” “Every stone here breathes history.” He talked about: Lenin, the revolution, the German blockade of Leningrad, for two years, how many children died and much else. Then, in 1985, Mikhail [S.] Gorbachev became the leader. And everything changed. The country became more open. He tried to introduce market reforms in a very limited fashion. Boris [N.] Yeltsin came after him, succeeding him in, I think, 1991. Yeltsin called his young reformers, “my kamikaze crew.” Among them were Yegor [T.] Gaidar, Boris [Y.] Nemtsov, and Anatoly [B.] Chubais. Anatoly Chubais was his favorite. In his interview with me, Boris Yeltsin mentions that. They moved fast and privatized all assets.

And the striking thing about Russia is that, each time, the Russian humorists went to work. Thus, in one joke, an oligarch takes a foreign visitor to his country home, and shows the foreign visitor three swimming pools. The one with hot water, he says, is for those who want to swim in hot water. The next has cold water for those who want to swim in cold water. And the one without water is for those who do not want to swim. So the joke ridicules the craze for meaningless equality. Again, we had Khrushchev’s dilemma. The Russian astronaut, Valentina Tereshkova, was sent in outer space in Khrushchev’s time, in 1964. She comes back pregnant. So Khrushchev’s dilemma is that he has to accept the notion of Immaculate Conception, or he has to

allow that Americans got out there first. [laughs] I can never get over Russian humor. It is very topical, and at the same time very intellectual. By contrast, American humor is very folksy and you can relate to it right away. With Russian humor, it is subtle and you have to think a little to figure it out.

But my research on Russia's economy was a serious business—I like to deal with data sets; I feel very much at ease with numbers, and I pioneered the analysis of the Russian economy with explicit modeling, using quantitative data. I asked questions like: how does one explain the decline of Soviet economic growth after Second World War? Or how would one explain it now, when the economy is not doing well? You don't just write a journalistic article. Rather, I wanted to model the situation involving GDP [Gross Domestic Product] growth rate, the budget deficit, the investment rate as a percentage of GDP, and relevant features of the economy. Russia currently suffers from what we call stagflation. We have stagnation of the growth rate: this year, for example, I doubt if the economy will grow at all. Maybe a quarter percent. That is stagnation. And “-flation” refers to the inflation rate. While our Federal Reserve [System] here worries about a two percent annual inflation rate, the Russian inflation rate is in the range of seven to nine percent, which the Central Bank chairwoman, Elvira Nabiullina, worries about. Modeling and analyzing Russian stagflation requires professional expertise, not the journalistic assertions that are too frequent.

Q: I read in your memoir that, despite your professional expertise in publications in leading journals, you were sort of typecast as a Russia specialist, and that you didn't get enough credit in

the economics profession for all of the quantitative and theoretical work that you do. So I was wondering if you think that being a Russian scholar hurt you in your work.

Desai: There was certainly a tendency to think that my work, even though professionally first-rate and published in the leading journals such as the *American Economic Review*, the *Quarterly Journal of Economics*, and the *Review of Economics and Statistics*, was “area studies,” and not quite kosher.

I did achieve also a huge public presence, however, as I managed to also write in leading newspapers like the *New York Times* and appear on the best TV shows. I appeared on the MacNeil/Lehrer NewsHour six times. Last month, Bloomberg TV invited me as Vladimir Putin was being interviewed by them. He gave a very long interview, three to four hours long. In New York City, Bloomberg wanted me to react to some of his comments. And at some stage he was saying the Russian economy is stable. And I said, no, he is wrong. It is not stable. It has a declining growth rate, and inflation is very high. There is a shortage of consumer goods. And because of the sanctions imposed by the European Union countries and by the United States, there are not enough imported consumer goods getting into Russia. So it is a tough call for Russian citizens.

However, Putin’s popularity rating is still 87 percent. How does he manage that? He manages it because he’s very smart. He plays the geopolitical card very effectively. He seizes Crimea, and the Russians say, Ah, yes, Crimea always belonged to us. So the Russian people give him big approval. The differences of opinion with the United States on Syria are another area where

Putin is on a different page from the United States. For Putin, [Bashar Hafez al-] Assad, the Syrian president, is Russia's friend. Remember that there are also quite a few hundred Russians settled in Syria. So, the Russian position on some of these foreign policy issues is quite different from ours. Again, Putin is quite eager to grab the Donbass region from Eastern Ukraine and make it a part of Russia. And he could well send his army or his tanks there, and it would likely increase his popularity at home.

The people of Russia think, Ah, we have a very strong man in charge of the country. And he knows how to deal with the Americans and the Europeans. And so his popularity rating is quite high.

Q: You know so much about Russia. You speak the language, you've traveled there extensively. And you also use your knowledge about Russian history and literature to advantage your work. You know however, that there was some debate in the '80s and '90s that area specialists were no longer "with it" for economics. I'm curious to know how you view that issue.

Desai: The United States—and I speak as an American, I've lived here for sixty years and I feel very American—has to deal with issues arising with very many countries: Russia, China, India, several Asian, African, and Latin American countries also. Because the United States is the world's most powerful country and one of the world's largest economies, it cannot avoid playing that kind of role. To do so, we have to train and create experts who know these countries thoroughly. For example, how do we deal with China? China wants to build islands in the South China Sea! I was listening to the Navy secretary, [Raymond Edwin] Mabus [, Jr.] two months

ago at the Council on Foreign Relations. And he was saying that we were following every move that the Chinese make in the South China Sea. This of course means that we need expertise on China in the State and Defense departments.

The United States has, therefore, to create experts who will deal with similar issues arising with a whole set of friendly and not-so-friendly countries in the future. So we will need to continue training people in Russian studies, Chinese studies, Indian studies, and so on.

Q: So just bringing it back to the Harriman, do you think the Harriman still plays a role in doing that in Russian studies?

Desai: Oh yes. I think the Harriman Institute is doing very well. Today, we are probably the leading center for Russian Studies. We have many of today's best young political scientists: Tim [Timothy M.] Frye, Alex [Alexander A.] Cooley, and Kim [Kimberly] Marten. We also have historians and scholars in literature. We are a very distinguished faculty here with a tremendous range of expertise. This enables us to provide a very broad and deep training to our students, equipping them to deal with Russia in a holistic fashion. Thus, if you are an economist, you will be limited in your understanding unless you also know about Russian and Soviet history and culture. And so it is very important that there is a total training. I mean, as an economist specializing on Russia, you don't just learn economics and apply it to the Russian data. You have to know the country, going back into the past, if your policy prescriptions are to be meaningful.

Q: So if you don't mind, I'd just love to go back a little bit in time to your time at the Russian Research Center, which you write a little bit about in your memoir. But I was wondering if you could tell me what that experience was like and—

Desai: At Harvard?

Q: At Harvard, yes.

Desai: Well, it was wonderful. I was at the Russian Research Center from 1968 to 1980, almost thirteen years. And Abram Bergson of the economists group was the leader. Abram Bergson was the scholar who created the first Russian Soviet national income data. He enabled us to answer questions like: how large is the Russian economy in the year 1939 compared to 1914? But apart from Bergson, there was Franklyn [D.] Holzman, who worked on the Russian tax system, and estimated Russian defense expenditure. And a few years later, Mikhail Gorbachev cited the same number. And I have no doubt he got the number from Holzman's analysis.

What was good at the Russian Research Center at Harvard was that we met every Wednesday over lunch. By "we," I mean people from the surrounding colleges. Frank Holzman was at Tufts [University]. Joe [Joseph S.] Berliner was at Brandeis [University]. Leon Smolinski was at Boston College. But all these people came for lunch, and some of them even got appointments at the Russian Research Center, so they were there most of the time. And so it was a truly remarkable and congenial group. And then there were giants in the other fields also. Adam [B.]

Ulam was there; Richard E. Pipes was there. So was Merle Fainsod. And so in those days, '68 to '80, it was a very exciting place to be.

And Marshall [I.] Goldman, who was at Wellesley College, organized every year a conference at Arden House, which was the [W. Averell] Harriman family's estate, and we all went to Arden House, stayed there overnight for two days, and discussed Russia and the Soviet economy. And if I remember correctly, Averell Harriman and Pamela [B.] Harriman came once to the meeting. And these Arden House conferences happened for at least two decades. They were important in another way: Marshall Goldman made them joint conferences between Harvard Russian Research Center and the Harriman Institute.

Q: Were you involved at Harriman Institute in organizing those conferences?

Desai: No, I was not. Marshall Goldman, whom I had long known from my years at the Russian Research Center, ensured, however, that I was invited. Now that Marshall has retired, these Harvard-Columbia Arden House Conferences have come to an end.

This is a pity since I remember that many interesting people with interest and competence on Russia came to the Arden House conferences. For instance, a Ford Motor Company representative came because Ford had established a plant in Russia. And so he was invited to talk about their experiences. We really had a wonderful time. Kathleen [Lanier Harriman], the daughter, lived just outside and I remember her riding once on her horse.

Q: When you were at the Russian Research Center, you refer to it as, “The glory days.” Was it because of all those scholars who were there? Or was it because of what was happening in the Soviet Union?

Desai: Well, it’s all the wonderful scholars in different fields; but it was also because we were all sort of scavengers [laughs] digging into data sets, trying to find information on different aspects of the economy, and the twists and turns of the political situation. Life for us changed with Yeltsin becoming the president in 1981; but by 1980, I had already shifted to Columbia. [Phone rings.]

[INTERRUPTION]

Q: Okay, so you were just talking about Yeltsin and how things changed. So I’m curious to know whether—so when you were at the Russian Research Center at Harvard, was your interaction with the Harriman Institute through Arden House?

Desai: I believe so. Everyone in Russian Studies at Harriman Institute was invited. Marshall [D.] Shulman and Robert Legvold were often there, maybe even John [N.] Hazard.

Q: So how did it come about that you ended up here at the Harriman Institute in the ’80s?

Desai: Well, during 1968 to 1980, when I was at the Russian Research Center, I did not have a professorial appointment at Harvard or MIT. I had only a research appointment at the Russian

Research Center at Harvard. But Columbia came up with a professorial appointment for me. I was offered the professorial slot that had earlier belonged to the great Abram Bergson and then to the distinguished Alexander Erlich who had just retired. My husband and I decided to move to Columbia: he was offered the prestigious Arthur Lehman Professorship ([Zbigniew] Brzezinski held the Herbert Lehman Professorship). We have been here since 1980; it's been almost thirty-five years. And it has worked out well.

The New York City location helps, because there are frequent visitors who then get invited at the Harriman Institute, and we all participate. So it's a very active place. And now they have even a program for students to present their work. I believe that we are now ahead of Harvard in terms of both research and teaching.

Q: Speaking of speakers, I understand that you were responsible for bringing quite a number of important Russians to speak at the Harriman Institute; people like Yegor Gaidar and Grigory Yavlinsky. Can you talk about that a little bit?

Desai: I did succeed in getting them to Columbia. For instance, Yegor Gaidar spoke three times at Columbia; I believe that Boris Nemtsov spoke twice. When they came, there was a lot of excitement. These were the leaders, the reformers. I could not get Anatoly Chubais to come out to Columbia but he gave me an interview in the hotel in New York City where he was staying. Many came also to our apartment on Claremont Avenue. Why? Because they knew my work on Russia and respected it. Russians have always respected intellectuals; this is in their culture. They produced some of the world's greatest literary figures, such as Tolstoy, [Ivan S.] Turgenev,

and Chekhov. And also musicians like Stravinsky and Shostakovich. And so they also respect intellectuals who write insightfully on their economy. So they came when I invited them. Gaidar came to my seventy-fifth birthday celebration in the Rotunda even though Yeltsin had just died; and Chubais sent a lovely unsolicited message. So we had a very, very close, personal relationship.

But I had to work hard, when I wrote my *Conversations on Russia* book. I spent five years tracking them. I would go to Moscow and I had, luckily, friends in the Indian embassy. In particular, the Deputy Indian ambassador would put me up. And she said, “Padma, take Valodya, the chauffeur, wherever you want to go.” And she invited many of the reformers to dinner with me at her residence as well.

Q: I was truly fascinated by that book, *Conversations on Russia*. First of all, being an oral historian, it’s full of interviews. And it’s the back and forth between you and changemakers. I thought it was fascinating. So where did you come up with the idea for that book?

Desai: Because I had come to know many of them, I thought I should interview them and keep a record of what they had tried to do and why. It was hard work. I had to formulate the questions well ahead of time, and to make the interviews compelling, I had to be well prepared.

There were many telling episodes. Thus, for example, even interviewing someone like Strobe [Nelson Strobridge] Talbott [, III], the assistant secretary of state here in Washington. I would interview him in his office in Washington for almost half an hour. And there would be a knock on the door: “The White House. The White House.” So he would tell me, “Padma, the president

wants to see me.” I said, “Strobe, I can’t come again. Could we talk for half an hour more right now?” And so he would indulge me and we would talk for a little bit more. And then we hear another knock on the door: “The White House.” So finally he had to go. And so I went again to Washington to interview Strobe Talbott. Again, George Soros gave me a couple of interviews in his office. And they all talked quite freely, openly with me. And I recall interesting remarks, like Strobe telling me that President Bill [William Jefferson] Clinton’s directive to him was: “Yeltsin drunk is to be preferred to any alternative sober. Keep in touch with Yeltsin. Chase that fellow. Ignore the rest of the crowd.”

So it was wonderful to get to know intimately many of these players on Russia. And I suppose people feel quite at ease being interviewed by a woman. The one mistake I made was when I saw Mikhail Gorbachev, I took my *Perestroika in Perspective* book for him. He showed the cover on the jacket with him dragging Russia uphill to his translator, Pavel Palazhchenko. He was so happy. And I did not have a recorder with me! I forgot it! And so we talked for a while. But he was not talkative. He would just say, “Yes,” “No,” to my questions. So the lost interview with him was not much of a loss. But he is now in retirement, and a sad retirement; he is worried about his country and where it is going.

Q: Are you still in touch with him, or, no?

Desai: No, I am not in touch with him. Because of my outspoken views critical of Putin, I am advised not to travel in Russia by myself. Besides, I feel I have done my bit. I succeeded because you have to have a certain scholarly stature to get into these people’s offices and tell them, “I

want to interview you.” And they were very eager, because they realized that when I published the interviews, it would get a lot of publicity for their views and their role in the unfolding saga of Russian reforms.

Q: Which it did.

Desai: Yes, it’s a great book, *Conversations on Russia*.

Q: So I’m curious, whether you had policy influence. I know that you worked as a U.S. Treasury advisor to the Soviet economy, 19—well, I guess it was Russia, 1995. You were there with people who were really making a difference. So could you talk about that a little bit?

Desai: No, I should not claim that I had policy influence. The Russians I interviewed were very smart people. Their advisors (Gaidar, Nemtsov, Chubais working with Yeltsin when Yeltsin was the president) knew what they were doing. In my last letter in the *Financial Times*, maybe six months ago, I talked about stagflation, that maybe the economy will stagnate, the growth rate will go down and inflation will move up. Maybe they read it. But I’m not going to say that therefore, the Central Bank chairwoman, Elvira Nabiullina, whom I have shaken hands with, was influenced by what I wrote. The Russian policymakers today are themselves aware of the situation. If you follow some of the Russian discussion, which I do in various sources here, now they are all worrying about budget making—the finance minister, the Central Bank chairwoman and Vladimir Putin: what should be the size of the budget deficit is the big issue. And that is

what they are discussing. These are clever, smart people. They don't need any foreign advisors to tell them what to do.

The first question which I asked Anatoly Chubais in my interview therefore was: how did you become a market-friendly economist? And “What sort of a question is that?” was his response. So I said, “Please, settle down. My readers would like to know that, since you grew up in a planned system, how did you become a market economy enthusiast?” “Oh, that. Okay.” And he said, how as youngsters, they read [Milton] Friedman and [Friedrich A.] Hayek, all in Russian translation, and then they would get together in St. Petersburg and Moscow—Gaidar, him, Nemtsov—and then decide that they had to do something to reform the declining Russian economy. And the mayor of St. Petersburg, Anatoly Sobchak, was also a big reformer. So that's how the group became closer and more effective.

Q: So maybe you didn't feel that you had influence on the Russian side. Did you feel you had any policy influence on the American side with your work?

Desai: Well, the Russian reformers did read and appreciate my writings. But pretending that I was an “adviser” would have been an ego trip. On the U.S. side, I again worked to influence policy through the media rather than by working for any politicians. For instance, I appeared, as I said, six times on the MacNeil/Lehrer NewsHour.

Q: So you were at Harriman of the '80s, which was the time when the Harriman Institute received the big funding from Averell Harriman. Do you remember what that was like? What the mood was at the Harriman Institute, which was—the Russian Institute at that time?

Desai: The excitement was palpable. The total gift was twelve and a half million dollars, of this two and a half million was for the Harriman professorship, which is what I got in 1992, having come here in 1980. Marshall Shulman brought in the endowment and this provided a great boost to the Institute's forward progression. So, we have emerged as the leading place for Soviet and Russian Studies and we have remained as the leading place.

As for me, the experience was unhappy and marked by discrimination. I was even denied an office on the 12th floor, with Mark von Hagen, when he was Director, going so far as to tell me that “nobody likes you and nobody wants you here.” All this because I had offended Marshall Shulman by rejecting his advances and von Hagen and Legvold were his “attack dogs.”

Q: Can you tell me a little more about that?

Desai: Well, it's not very pleasant. For instance, once we were returning from Arden House to New York, and Marshall said, “Padma, come. I'll take you on my motorcycle.” I said, “No. I'm going to go by the bus with everyone—thank you, Marshall.” He made more provocative suggestions. When you keep rejecting such advances, you can become a persona non grata. And that's what happened to me. I decided to ignore all this and keep writing my books, eight of which have been on Soviet/Russian economies. A woman's life can be problematic. One has to

keep one's head functioning and not worry about the venal or stupid behavior, occasionally from male colleagues. I did report the incidents to the SIPA Dean at the time but he laughed it off, believe it or not. This would not happen today.

Q: So do you think that changed over time for you? It sounds like it was more issues outside of your academic work.

Desai: Oh, yes.

Q: Was that always the case?

Desai: Well, in the early days, I was treated as an outsider to the Harriman Institute. Marshall Shulman, then Robert Legvold, and Mark von Hagen were a tough set of “opponents” and keen to keep me out of the Harriman Institute. Fortunately, they are all gone now and I am still around and going from one scholarly success to another.

Q: Was it different when [Richard E.] Ericson was the director? He was an economist as well.

Desai: Ericson? I have great respect for him. Ericson has a first-rate mind for abstract, analytical formulations in economics and therefore the Soviet/Russian economy. But I think he became overly-competitive with me when in fact we could have been a great team with complementary skills. Thus, he would not keep my books and articles on his reading list, whereas I kept his articles on my reading list for my students. And then, of course, he left New York. I think his

wife wanted to settle outside of New York. But there's also the fact that, in academic life you have to have a lot of tenacity to chase ideas and to publish in professional journals. That is what keeps you ahead. And I managed that. And Ericson, despite his great talent, dropped out of that process.

Q: So did you ever have any interest yourself in being more in the leadership of the Harriman Institute?

Desai: I was interested in being an intellectual leader, to be remembered for my scholarly contributions, for the books I have written, for my ideas. At one time, I did express an interest in becoming the director of the Harriman Institute. But the legacy of the Schulman-von Hagen-Legvold era of earlier times led to my losing out to another candidate whose academic distinction was vastly inferior to mine. It was however a blessing since the directorship of the Harriman Institute would have been very time-consuming. I much prefer chasing ideas and doing my research. So, I'm better off chasing ideas and doing my research and teaching. I like teaching. Keeping in touch with students.

Q: So do you keep in touch, still, with some of the students you have taught?

Desai: Some of them, certainly. The picture of four students in my memoirs: they were at Harvard College, I think. I did talk with three of them recently. It was wonderful. Again, students sometimes run into me in a New York City shop and say: "Professor, you were my teacher." So it's a rewarding experience.

Q: Have any of your students on Russian Studies gone on to do the same work that you do?

Desai: It's hard, because, to become a Soviet area specialist, you have to invest so much of your time, energy, learn the language, learn history, learn its political system. Even if you're an economist, because you can't just do the economic part without having some background of where the country comes from.

Q: Let's talk about the transition. So you have been here since 1980. So you experienced the collapse of the Soviet Union here at the Harriman Institute. So how did you manage that transition? Did your work change?

Desai: Indeed, my work changed. In the earlier phase of my research, at the Harvard Russian Research Center, I and others like Bergson, Holzman and Berliner were focusing on illuminating the obscure anatomy of the Soviet Union. When the Soviet Union started falling apart, however, I changed my research with the times and I focused on an analysis of the attempts to introduce market-oriented reforms in the Russian economy. Ken [Kenneth S.] Rogoff of Harvard University has remarked that I was the only prominent economist working on the Soviet Union to have made this transition.

The "new" issues extended also to the fact that Vladimir Putin, on becoming president of Russia, declared that the collapse of the Soviet Union was "the greatest political tragedy of the 20th century." This was a strange statement because he surely must have known that the Soviet Union

was held together by force. Tajikistan, Uzbekistan, Kazakhstan, and Turkmenistan were not voluntarily members of the Soviet Union!

But Putin was naturally worried about issues like whether hostile foreign powers and their institutions like NATO might establish missile systems in the “breakaway” nations such as Uzbekistan. Would we not worry similarly if a hostile Russia were to put a missile system into Mexico? And remember how President Kennedy reacted in the Cuban crisis. Not surprising again, Putin’s actions on Ukraine were disturbing to us but also predictable. An independent Ukraine, possibly yes. But a Ukraine that had become a member of the European Union: that was unacceptable to Putin. Hence, possibly, his intransigence over the eastern part of Ukraine, the Donbass region where there is a significant Russian minority. That invoking this minority to “take on” Ukraine was reminiscent of Hitler’s depredations prior to the Second World War was a nicety or nuance that escaped Putin and cost him worldwide credibility.

Q: When you wrote your book, *Conversations on Russia*, and even in your memoir, you were fairly positive on Russia, and it sort of slowly becoming on its own terms a market economy. Do you still believe that to be the case?

Desai: Well, while progress towards a market economy has been slow, we must recognize that Putin has not reversed many of the reforms undertaken before he assumed power. E.g., he has not re-nationalized any privatized companies. Nor has he behaved in a drastic way in regard to fiscal policy and monetary policy, for example. The privatized companies are allowed freedom to produce and invest where they find it profitable. But they are watched: and that is particularly

true of big Russian companies like Rosneft and Gazprom. Unlike in the United States, their political activities are watched and monitored: they are not free to intervene in politics, a constraint that some oligarchs such as Khodorkovsy have ignored to their great cost.

Q: Given these constraints, do you think that Russia will ever attract foreign investment in a way that will be significant?

Desai: This is a good question. The political constraints I have mentioned apply equally to foreign investors in Russia. In addition, they will worry that their investments are unsafe, especially relative to the many other attractive destinations like India and Singapore, even Chile. We have to factor in also the sanctions imposed by the West, especially the United States. They must make investing in Russia somewhat dicey, especially, as I have written in a Letter to *The Financial Times*, the Russian population reacts to such sanctions by making Putin even more popular: he is seen as standing up for Russia to blackmail.

Q: It seems as if, with sanctions making it difficult to import many goods now, the Russian economy is turning to substantial import substitution, reverting as it were to the autarky of Soviet years. It is as if Russia is moving back in time.

Desai: Yes, indeed. When it comes to production, enterprises now try to produce themselves whatever they need to keep production going: machines and components may be produced by firms because they are not available through imports. This is, of course, highly inefficient—but

what else can they do? It is a result of “involuntary” autarky, not autarky by choice as in the Soviet era.

Q: A related question: how do you compare the Russia of today with the Russia of the Yeltsin era?

Desai: Well, there was some liberalization in the Yeltsin era. E.g. you could now get imported products such as bottled water from Finland and cookies from the United States.

Q: Let us now talk about your shifting from studying India (where you come from) to studying Russia. In your memoir, you write about your career, and you say, “I’ve crossed some hurdles and fought a few professional battles.” And then at some point you ask, “Might it have been easier if I had continued working on India?” Do you still think so? Could you talk about that a little?

Desai: Would I want to work on India? First of all, as I remarked earlier, my husband works on India and is a celebrity, so I wish to keep my distance from him in my research so I am not considered to be his “assistant” even though I am an equal partner.

At the same time, I have also written my memoir (*Breaking Out*), which of course begins with my childhood, youth and misfortunes with my first marriage in India. I found and published (*From England with Love*, Penguin Press) letters written by my father almost a century ago from Cambridge, England, where he studied in 1926 at Fitzwilliam House (now a proper College).

This was also a journey of discovering India through my father whom I adored greatly: he was an early reformer who opposed dowry payment and had great integrity.

Both books have attracted much attention, especially in India. Countless women in India have written to me poignant letters saying how my memoirs spoke to their own experiences. Recently, I have become interested also in the problem of minorities assimilating in a majority culture. This has been a question that has had immediate relevance to me, both in Russia and in the United States. Especially, in Russia, when I tell Russians that I am a (naturalized) American citizen, they react with some wonderment but more with an attitude: what is this brown woman talking about?

Q: Well, I am curious to know more about that and how your ethnic identity as a “brown woman” affected you in Russia, and then also in the United States.

Desai: Well, a couple of incidents can illustrate. When I went to Tashkent, my American student, Peter Kramer, told me that pantsuits were out in their male-dominated culture. So I borrowed my daughter’s salwar kameez (which apparently had come with the Moghuls in this region to India!) and the Muslim men in Tashkent loved it! They accepted me as one of them. [laughs] But the punchline is that, when I then went to Moscow wearing my salwar kameez, and entered the elevator, a couple of Russians who were in the elevator kept staring at me. And one said, “*Otkuda ona?*” Where is she from? “*Kakiye chornyye glaza.*” What black eyes. “*Dlinnyye volosy.*” Long hair. And then the other said, “*Ona tsyganka.*” She’s a gypsy woman. So I said to

them, “*Bolshoya spaciba. Dos vidanya*” [“Thank you very much. Goodbye”]. [laughs] So they knew I understood what they were saying.

Did I also tell you how Russians reacted when I said, at dinner in Moscow: “I have to go now, because I am catching a plane tomorrow morning to go home. So one of them asked me, “Where is home?” So—did I tell you this story?

Q: No.

Desai: And so I said, “America.” “*Kak tebye stidna.*” “You brown woman, America is your home? You should be ashamed of yourself.” [laughs] That’s what one of them said. It’s just crazy. When I went with former vice president, Walter Mondale, to talk to four hundred Soviet city council members in Moscow, his staff told me: “Tell them how the United States fiscal arrangements work, from the federal to the state to the city level, taxes, subsidies, back and forth. Explain to them, Padma.” “Okay.” But one of them said to me in the plane, “The vice president said that you are an American citizen. So you should begin by saying what America means to you.” I said, “Okay, I have no problem.”

So I got up and I said, “Ever since I was a little girl, I wanted to go to America, study at Harvard University. And I fulfilled my dream, and I got my PhD from Harvard University. And I come today to talk to you as an American citizen on how American financial arrangements work. And I’m so proud of it.” And then the entire American delegation, including the vice president, got up. And they started clapping. And the Russians, they were staring at me. You know, what is this

brown woman talking about? She's proud to be an American citizen? [laughs] They are not—I mean, they love their country—*mat' dushka Rossiya* [darling mother Russia]. That foreigners come to love America, they find it a little strange.

Q: But did you feel that there were barriers for you, to accomplishing what you wanted to?

Desai: Here?

Q: Here, or in—

Desai: I told you about the problems that I encountered at the Harriman Institute, where I was even denied an office on the 12th floor and abuse was directed at me. But I persevered against this situation by concentrating on my research, publishing several books and many op eds. I also appeared on the leading TV shows: I was on MacNeil-Lehrer six times. The abusive and discriminatory leadership of the Harriman Institute could not suppress me as I grew more prominent in public life and eminent in scholarship than they.

But how did the Indian diaspora react to my TV appearances? Many Indians said: you should wear a sari, not a pantsuit. But I wanted to be identified as an American scholar on Russia, not as an Indian scholar on Russia.

Q: And how did you feel about having to think about what you were wearing?

Desai: I was happy wearing a pantsuit; and I would wear it even when I went to Delhi. The sari is a lovely dress and I occasionally wear it on special occasions, as when I met with the Indian Prime Minister, Narendra Modi, last December.

Q: I just wanted to ask you a little bit about a couple of things that happened in the last few years. In 2007, there was a conference in your honor here at Columbia. Can you talk about how that came about, and what that was it like to have everyone here?

Desai: Yes, that was very nice. I think it was my seventh-fifth birthday. Some of my former students got together and put together with my husband, the celebration, consisting of a big event in the Low Library Rotunda and a scholarly event prior to that.

The main reformers, especially Yegor Gaidar came even though Yeltsin had died the day before and the organizers thought he would cancel. Anatoly Chubais sent a lovely, unsolicited message also. These were messages from Martin Wolf of *The Financial Times* and Prime Minister Manmohan Singh of India who was intimately aware of my intellectual role in the reforms that began in 1991 and have now taken India to great heights. The two events, one public in the Rotunda and the smaller, scholarly one earlier, were a major tribute to me that I treasure.

Q: So was that under the Harriman umbrella? Or was it just a separate—

Desai: No, it was separate and President [Lee C.] Bollinger was very supportive. Given the Harriman Institute's history of systematic discrimination against me, led by the directors

handpicked by Marshall Shulman, Harriman Institute could hardly have been expected to assist in these celebrations.

Later, when the Harriman leadership had changed and my eminence as arguably the leading scholar on the Russian economy was no longer at issue and Provost John Coatsworth had recognized this fully, it was a different story. So Ron [Ronald] Meyer and Alla Rachkov helped organize a splendid retirement party for me in the Faculty Room behind the Rotunda. The Economics Department also joined in; and Provost Coatsworth, David Weinstein [chair of Economics Department] and others from the Harriman Institute spoke and gave me a wonderful farewell.

Q: And that was 2010?

Desai: No, it was two years ago.

Q: Oh, two years ago, okay.

Desai: Yes, 2014.

Q: And then I also noticed that you have now endowed a fellowship in your name at the Harriman Institute.

Desai: They give summer support to students going to Russia. We gave \$200,000 for this endowment and the income from that funds the Padma Desai Fellowships for students to go to Russia in the summer, so they learn the language. Because I do believe you can't work on Russia unless you know the language. And the easiest thing is to be there and get on top of the language and also the culture.

Q: Great.

Desai: Recently, they gave me the names of two students who had been chosen as recipients of the Padma Desai Fellowship.

Q: The ones who are going?

Desai: Yes. And one of them had a Chinese name and possibly had a Chinese nationality.

Q: Really?

Desai: Yes.

Q: Wow.

Desai: So that's good. I do not believe we should place any restrictions on who is chosen. All students should be welcome to apply.

Q: Yes, absolutely. I'm just looking through my notes to see if I've forgotten anything. I guess maybe one final question would be, do you have any regrets about coming to Columbia to spend your time?

Desai: None at all, despite the early discrimination and hassles at Harriman Institute, which are now behind me, I am happy to say.

Q: Did your career turn out the way that you had hoped?

Desai: Oh, yes. It's always hard and you persevere and not give up. And this is a great city. New York offers many advantages like great restaurants, foreign films, and the opera. Just this Saturday, we went to the Metropolitan Opera and saw Don Giovanni.

Q: Great!

Desai: We have been lucky in having Dean Merit Janow as a dear friend over many years. We therefore are part of her opera group, which sees up to eight operas on Saturday matinees every season. So we have now many American friends, both in Boston where we spent over 12 years before coming to Columbia and now some in New York also. We have good friends in the Indian community here; but we do not believe in sinking into an Indian ghetto as many Indian immigrants seem to prefer.

Q: So it sounds as if, even in retirement, you continue studying Russian and the Russian economy. What is your next project, if any?

Desai: Yes, I keep thinking about the Russian economy and even researching on it. I had a splendid research project on the Russian economy, and had persuaded great economists like Nobel Laureate Pete Diamond of MIT, an expert on social security to work on it. It did not cost much; but strangely the Harriman Institute's research director, a political scientist, turned it down; maybe the non-economists are uncomfortable with economists (though this is certainly not true of Tim Frye, who was one of my students here).

However, I have continued writing shorter pieces in *The Financial Times* (Letters) and even was asked by Bloomberg to comment on a long interview with Vladimir Putin where I countered his assertion that the Russian economy was doing well.

Q: Did Putin know that you were commenting on him?

Desai: He must have been told later. He must have received a full transcript.

Q: So do you think he is a fan of yours?

Desai: Clearly not.

Q: What topics interest you now?

Desai: I am planning to write a couple of essays in the Harriman Review, where Ron Meyer is a superb editor and has published many essays of mine over the years.

Q: Well, I thank you so much for spending this time with me.

Desai: Well, it was very nice.

Q: And you know, if we can think of some other topics, we may come back.

Desai: Yes. No problem.

Q: But it's been a real pleasure talking to you about your career.

Desai: It has been a pleasure talking with you.

Q: Thank you so much.

Desai: Thank you for interviewing me.

[END OF INTERVIEW]