

## Rethinking Economics



Neva Goodwin '62 with her daughter, Miranda Kaiser '89, and granddaughter Geneva Hayes

While Neva Goodwin '62 was earning her degree in economics, she discovered that she disagreed with some of the most basic tenets of the discipline.

In standard economic theory, according to Goodwin, there is an assumption that the goal of all societies should be economic growth. "In the short term, growth can help, but it also means use of ever greater quantities of natural resources: energy, water, raw materials," she said. "Even when we recycle used materials, the recycling in itself uses energy. What we're putting out into the environment is degraded resources of air and water and farmland. The inescapable conclusion is one that economists may not want to think about: economic growth cannot be the solution to economic problems for very much longer."

To that end, Goodwin advocates for a realignment of economic priorities, replacing the current emphasis on wealth with a greater stress on well-being. "No one says 'The GDP has gone up, so I'll go to bed happier tonight,' or 'my children will be better fed,'" said Goodwin. "What we really care about is being able to take care of our families, feeling secure, having lives that feel worthwhile, enjoying pleasures in our lives, being able to exercise our capacities for physical, mental, spiritual, and emotional activity. That's what matters to people, and those aren't the things that have been talked about in standard economics."

In light of that schism between her field of study and her beliefs, "I could have said, 'Well, then, I'll go off and do something else,'" Good-

win said. "Instead, I was sufficiently annoyed with the state of the discipline that I decided to set out on an admittedly audacious goal of reforming economics."

No small task, Goodwin concedes. "The question was where to enter that task. I felt that writing educational materials, particularly for undergrads, was going to be the most practical entry point for me. And so that's what I've been doing."

Since 1993, Goodwin has held the position of Co-Director of the Global Development And Environment Institute at Tufts University. She is the lead author of the college-level textbooks *Microeconomics in Context* and *Macroeconomics in Context*, she has also supervised the six-volume project *Frontier Issues in Economic Thought*, and edited a series called *Evolving Values for a Capitalist World*.

"The basic assumption about human nature in economics has always been that we're all rational and we're all selfish. But many people find that an inadequate description. A lot of recent research is discovering we're far less rational than we thought. And of course selfishness is a significant part of human nature, but not necessarily the only or most important part. Basing an entire science on that is unsound and, to many, repugnant."

Outside of the scope of the institute she directs, Goodwin also pursues an interest in finding ways to get corporations to behave in more socially responsible ways. In that capacity, she studies how shareholders, consumers, and advocacy groups can pressure corporations to become better stewards of the environment and to account for the other ways that their actions affect outcomes beyond their own bottom line.

Though not an easy mission, Goodwin believes the building of a different, better economy is something that we can all contribute to in one way or another—and it begins with a willingness to question the issues behind economic growth.

"What is most important is to ask yourself what really contributes to a good life for yourself and your family," she explained. "Don't let yourself be misled by advertising and media, which try to promote materialism and consumerism as the path to happiness. When people stop to think about the happy moments in their lives, they generally do not think of moments when they were spending a lot of money. Pay attention to what's real. Use your own experience, your values, and your sense of what matters as a guide. If you hang onto that, your behavior is likely to be in line with a sustainable economy."

