

Series Introduction

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The Nature and Purpose of this Series

This is the first volume in a series. The purpose of the series is to provide a convenient way for people of various interests and backgrounds to familiarize themselves with intellectual developments in areas in which important, everyday human concerns (about, for example, happiness, justice, or the health of the ecosystem) significantly influence, and are influenced by, economic behavior. The first such area, surveyed in this volume, is Ecological Economics; later volumes will survey such topics as The Consumer Society; Definitions and Assessments of Human Welfare; Sustainable Development; Meaningful Work; and Economic Power.

We have identified these topics as issues on the frontiers of economic thought because they share three characteristics: (1) they are subjects which, we believe, have extremely important implications for the nature and the consequences of human economic behavior; (2) these topics have not been treated as central to the discipline of economics as now defined; and (3) they have a strong intrinsic interest for other areas of intellectual endeavor in addition to economics.

These Frontier areas are also the focus of considerable intellectual liveliness. Many individuals, recognizing the centrality of these issues for the world of the late twentieth century, have been thinking and writing about them. Among these:

(1) Some are trained economists; of these, some have retained their identity as professionals within this discipline, but many others have found their concern with the "frontier issues" to be incompatible with the systems of rewards and recognition in the field, especially in the United States.

(2) Some people who think and write about ecological economics, the consumer society, sustainable development, and other frontier issues come to these subjects from other disciplines such as anthropology, sociology, geography, political science, history, and philosophy.

(3) Other Frontier thinkers are hard to place; they cross the usual lines between "intellectual" and "activist," as well as the disciplinary lines between, for example, economics and philosophy, or sociology or ecology. As often occurs, some of the needed new theory is being pioneered in practice before it is generalized and abstracted conceptually. Thus there are also writers in what we have identified as Frontier areas who are more readily identified as activists than as academics.

As an economist myself, I first began to think about the six Frontier areas listed above primarily in relation to the discipline of economics. From that perspective it seemed that there would be great value to the creation of a practical and convenient method for economists of all kinds to become familiar with work being done in areas that should be—but are not now—studied within the core of the discipline. As the research into the first Frontier area progressed under the leadership of Rajaram Krishnan, it became increasingly clear that everything about the project is

interdisciplinary. We found it necessary to search far beyond the borders of economics for work on any one of the Frontier topics, and to read work by authors from the wide range of disciplines suggested above; we also recognized that the results would be useful to people with quite varied reasons for being interested in areas where economic concerns overlap issues that are more often thought of as environmental, psychological, ethical, etc.

The method used in this project is a novel one, providing not just new information, but a new *genre* of information presentation. It is, perhaps, most similar to the collections of abstracts of articles in a given area that are available in various disciplines; however, the summaries that will comprise the largest part of each volume in this series are very different from abstracts. They are considerably longer, since they are designed not only to list the topics that are covered in each paper, but also to present, in a readable, abbreviated form, the most important arguments made about those topics. As compared to more complete bibliographical listings, the Frontiers volumes are selective, representing the judgment of well-informed research teams about which are the critical writings in each area.

How do we expect these summaries to be used? Clearly, reading a summary of two or three pages is not the same as reading the original article, which might be anywhere from five to fifty pages long. Some lines of thought will be compressed; others will be omitted. Initially, we wondered whether there might be a danger that the Frontiers summaries would be read *instead of* the articles that they describe. In one sense, that may be true: someone who would not have the time, patience, or research knowledge to read 100 articles in ecological economics might, nevertheless, read through the approximately 100 Frontiers summaries in this area. However, just as radio technology increased the purchase of musical recordings by introducing listeners to new music that they then wanted to hear again, we believe the net result of the Frontiers publications will be an increase in the number of articles read. Where the reader finds something of special value or pertinence, s/he is likely to want to go to the original to grapple with the details and to get the full context. Someone who is interested in one of the Frontiers topics but does not know where to begin can browse through that volume, find the sections of greatest interest, and locate therein the articles that s/he will then search out to read in full.

The primary purpose of each volume in the series will be to provide a good overview of one of the areas we have identified as on the frontier of the field of economics. As an overview, the intention is to address such questions as: What is included in contemporary understandings of this area of thought? What is the research agenda? Which, to date, are the most important writings in the area?

Regarding the last question, the research team for the Frontiers series takes responsibility for determining "importance" on two grounds. One of these is the ultimately subjective decision of which papers will add to the collection valuable ideas that are not readily found—or that are not so well expressed—elsewhere. The same principles are true of the selection of *which* arguments within a given article are to be summarized - and which will be left out. That is to say, particularly in the case of long articles, some parts will only be mentioned, while more attention will be paid to the sections that help to round out the volume's presentation of the whole Frontier area. Thus, the subjectivity of the judgment used in compiling the volume must again be acknowledged; nothing but individual judgment can be used to determine which are the

"critical" ideas. This is noted without apology—indeed, if anything, the reverse; a large part of the value of this project depends upon the fact that critical judgment has been used in selecting and summarizing the articles included herein.

Our second criterion for determining the "the most important writings" is somewhat more objective; here "importance" refers to the impact that an article has had upon other thinkers in the area. This is in part inferred by noting which articles are most frequently referenced in the literature. Additionally, near the beginning and the end of the research work for each volume we communicate with a few (perhaps a dozen) outstanding writers and thinkers in the area to request their comments on the project. At the beginning we ask them for bibliographies of works they have found especially useful or illuminating; at the end we request their reaction to our final selection list.

In attempting to provide an overview of each Frontier area, we have found it helpful to break it down into parts. Each part is preceded by an essay that analyses the state of that part of the field—what it has to offer, where it is perceived to be weak, where we feel that additional research is most needed, etc.

The users of the Frontiers volumes are expected to include people from the following groups:

(1) *Researchers coming from the discipline of economics* who are working on—or are curious about—the particular Frontier areas dealt with in each volume. These will include those who think of themselves as in the "mainstream" of neoclassical economic thought, but who are interested in what is going on at what they regard as the margins of the field. It will also include others who have already focused on the areas of our summaries and who may regard them as the proper core of economics. (We hope that the term "Frontiers" is meaningful from both points of view.)

(2) *Researchers in other academic areas.* We are especially aware of connections among the social sciences (sociology, anthropology, geography, political science, history, etc.). This series will provide a source through which such researchers can understand and thereby contribute to the analysis of issues on the margin between economics and their own fields without having to penetrate the barrier of the language and techniques of neoclassical economic presentations.

In addition to social scientists, we expect to find other academic readers such as philosophers (especially philosophers of science), as well as some engineers and natural scientists who have a professional interest in the various areas of intersection with economics that will be surveyed in the Frontiers volumes.

The project is undertaken on the assumption that this segment of our audience will have as much to contribute to the development of a more appropriately contextualized economics as economists have to contribute to their fields.

(3) *Teachers and students at the graduate and undergraduate level* who can use the Frontiers summaries as a basis for interesting reading and classroom discussion on alternate viewpoints.

(4) *Activists* seeking to understand academic arguments in a nontechnical form.

(5) *Foundations, government agencies and other sources of research support and employment of economists* who can view the volumes as guides for shaping research agendas. Characteristics of the Frontier areas selected for this project include novelty and contentiousness: the old borders of economics are being stretched because some thinkers, both inside and outside of economics, believe that there are critical subjects not being adequately served by the existing paradigm. The mainstream is bound to resist such redefinitions, and the process of redefinition will inevitably be accompanied by differences among the new thinkers. The Frontier project aims to hasten the process of sorting out the leading contributors to the new ideas.

The Need for New Approaches to Economic Theory

This section of the Series Introduction will lay out, in more philosophical terms, the reasons why we believe that the areas we have identified as Frontier issues are, themselves, of critical importance at this time; and why we have chosen the method of these volumes for giving wider currency to intellectual developments in these areas.

What matters? That first question of philosophy should also be the first question of economics; for if the study of economics is to be of value to society it must stress the aspects of economic behavior that matter the most.

This series, *Frontier Issues in Economic Thought*, arises out of the conviction that while the focus of economic theory has shifted over time, it has not done so in ways that, as of the 1990s, have brought it abreast of the most important aspects of economic behavior. A number of critical areas which should be at the center of the mainstream of thinking about economics have, instead, been left to the margins. It is arguable that those margins, viewed by the most conservative members of the mainstream as "fringes," are more properly seen as the "frontiers" of economic thought. They include the topics we have selected for this series: ecological economics; the consumer society; definitions and assessments of human welfare; sustainable development; meaningful work; and economic power.

How—and why—has the content of the field of economics diverged from the subjects that are of prime economic importance in evolving modern societies? A full answer to that question, as well as a defense of the premises on which it rests, would require a much longer exposition than is possible here.¹ In suggesting some of what would be included in a fuller argument, I will start with some perceptions of what economics was about in the eighteenth century.

Adam Smith, for the titles of his two great works—*The Theory of Moral Sentiments* and *An Inquiry into the Nature and Causes of the Wealth of Nations*—chose three of the concepts that were of paramount importance in his time—*morality*, *wealth*, and the *nation*—as an especially appropriate level of analysis for economic thought. In the eventful two centuries since then (with an appreciable part of that eventfulness attributable to Smith's influence) some priorities have shifted. For example:

(1) The role of the nation is different, its singular importance challenged by supra- and sub-national allegiances and powers. Some examples include multinational corporations, the Bretton Woods institutions, newly energized religious movements, the as yet hardly realized impact of the mega-cities (those with over 10 million inhabitants), and a variety of local movements and ideologies (some, but not all, formalized in NGOs).

(2) Wealth—the power to command resources—has different meanings depending upon the type of need or want for which it is sought. When the most pressing needs are directly related to survival, then acquisition of the necessary resources for survival requires no explanation; survival and the means for survival are so clearly and obviously connected that it hardly seems necessary to make a means/ends distinction. However, when the basic needs have been secured, then another issue arises concerning the acquisition of wealth. Wealth must be regarded as a *means*—to what end? One word used to indicate the end, or purpose, of wealth is *well-being*.² To the extent that progress (or development, or the accumulation of capital, etc.) brings people to a state of affluence where their individual and family survival appears assured, wealth as an end in itself should cease to be the focus of economics. The coexistence of unprecedented affluence with extreme poverty,³ as well as the impacts upon our environment and the implications thereof for the future, strongly suggest that the focus of economics should shift from wealth per se to the purpose of wealth.

(3) Morality was assumed by Smith as an essential backdrop for all human behavior; this was not less so in economic behavior than in other areas. As the discipline of economics developed, subsequent writers increasingly looked only to *The Wealth of Nations*, forgetting that its author wrote it in the context of *The Theory of Moral Sentiments*, and also downplaying the moral arguments that thread through *The Wealth of Nations*. This is a topic which has not become less salient for economic behavior; however, it has been pushed to the fringes of the field of economics.⁴

It is interesting—and perhaps a little depressing—to see how the evolution of the field of economics has diverged from the evolution of economic issues and realities. Take, for example, Adam Smith's focus on the nation. As taught in colleges and universities, economics is generally viewed as composed of two approximately equal halves: micro- and macroeconomics. The field of macroeconomics, essentially invented by John Maynard Keynes at the end of the depression of the 1930s, accepts Smith's assumption of the nation as an especially appropriate level of analysis for economic thought. Microeconomics, by contrast, focuses on what are regarded as individual economic actors, such as families, firms, labor unions, etc. There is no developed field of global economics; trade theory, for example, is largely based on standard micro and macro concepts. By now the field of macroeconomics is in considerable disarray, as successive attempts to make tight logical connections between micro and macro have failed. However, economics curricula have not yet been changed to reflect the fact that the old micro-macro division no longer works.

The failure by economists to elevate the concept of *well-being* to an importance equal to that given to *wealth* is related to the loss (from most writing in economics since the time of Alfred Marshall) of an appreciation of the salience of *moral issues* to economic behavior. It may be

said that the basis of human morality is human values—our identification of *what matters*. In the mainstream, neoclassical economics paradigm the single value admitted to is efficiency. Efficiency, however, is only a means. When pressed to name the end to which efficiency is a means, neoclassical economists offer the maximization of utility. In practice, most economic writings admit that utility is undefinable (or, at least, unobservable and immeasurable). They therefore use as a proxy goal the maximization of consumption—and thus of production—within feasibility constraints. The growing recognition that the feasibility constraints must include such ecological issues as carrying capacity and sustainability has not succeeded in changing neoclassical economics' orientation to growth in production and consumption. That orientation can only be affected by a much deeper alteration in our appreciation of what constitutes human well-being, with renewed attention to both the individual and the societal goals whose realization promotes well-being.

The Mainstream and the Frontiers

The foregoing description of changes in economics since Adam Smith provides a very cursory look at some of what we believe to be missing from the contemporary mainstream paradigm. Within this synopsis may be seen the germs of the ideas that have been developed into what we are calling Frontier areas.

The definition of "Frontier" areas implies, by contrast, the existence of "core" or "mainstream" areas. Any body of knowledge that has received systematic academic attention develops a mainstream following. A mainstream represents a core of knowledge, theory, methodology, approach, and point of view which is widely accepted. At the same time, it imposes a degree of conformity upon views and methods; indeed, it may so take for granted large parts of its—world view (i.e., the bundle composed of knowledge, theory, methodology, approach, and point of view) that it would deny that it possesses them—just as some people deny that they have any kind of accent in their speech: an accent (or an approach, or a point of view) is what *other* people have.

The mainstream determines the boundaries of the discipline within which debate is acceptable—given a methodology, the fundamental questions to be asked, and the areas of investigation; however, it precludes serious debate about the methodology, the fundamental questions and the areas of investigation. That part of the literature which asks and answers questions on these fundamental issues constitutes the frontier of a discipline. A frontier area whose existence questions the premises of the mainstream and develops different analytical frameworks is likely to be marginalized and ignored by the mainstream until something like a paradigm shift occurs (approximately along the lines suggested by Thomas Kuhn's 1962 book, *The Structure of Scientific Revolutions*).

This conception of what constitutes a "Frontier" area both permits and justifies this project. It permits it because mainstream areas tend to be so well explored, and to have generated such a large literature, that it might not be feasible to survey any comparable mainstream area in the depth supplied in the Frontier volumes. The only comparable efforts in the field of economics—for example, the abstracts published quarterly in the *Journal of Economic Literature*—are far briefer, and are narrowly focused on subjects that fit within the methodological approaches and

subject categories currently in (mainstream) fashion. While modern information technology is likely to make it progressively easier to stay current even in areas that lie on the edges of disciplinary divisions, technology cannot substitute for the selective judgment essential for this project. Right now, and for at least a few years to come, it will be feasible to gain an overview of the Frontier areas we have identified because, while the expansion of new areas and new kinds of economic thinking is very rapid, this development is of recent origin, and the material to be surveyed in these areas is still of a comprehensible volume.

At the same time, this project is justified by its focus on fast-changing Frontier areas where there is a special need for clarification and systematic comparison and sorting out. The Frontiers volumes will have an exceptional value in this period, when so much is, so to speak, up for grabs. While the very foundations of economics (the psychological assumptions, for example, upon which the whole system of theory is axiomatized) are being questioned and reevaluated, new thinkers cannot turn to the standard body of accepted knowledge as background for their original work. The question, "where shall I look?" then becomes exceptionally poignant; guidance in finding individual answers to that question is more needed now than in times of less questioning and seeking.

Many thoughtful commentators now perceive a need of great scope; in the end, what is required may be nothing less than one or more whole alternative systems of economic theory. Any alternative that is to be adopted must be able to show that it can, under reasonable goal definitions, rival the achievements of the currently dominant paradigm—achievements which represent the efforts of a vast amount of human talent, operating cumulatively over all of this century. To take on the task of erecting a viable challenge to the existing economic paradigm, each thinker needs as much assistance as possible. Even if, in normal times, few expect to find what virtually every researcher would always like to have—a volume of extracts surveying his/her area of interest—such an aid will be of exceptional significance in this transitional era.

Another justification for this project is the growing number of scholars from all disciplines who believe that the future of the social sciences must include a strong move toward interdisciplinary team work. On the one hand, they point out, we encounter ever growing scale and complexity among the human problems that the social sciences are designed (in their applied form, and in the theory formulated to underpin their application) to address. On the other hand, expansion of the knowledge which could conceivably be used in addressing these problems invites ever more minute specialization as the only way for a single individual to be master of all the information in a single (ever more narrowly defined) area. Only by integrating the masters of many specialties into teams, and by developing creative new models for interdisciplinary social science teamwork, can we take advantage of all the information needed to deal with problems of growing complexity.

It is worth exploring whether the Frontiers publications may be able to play a useful role in allowing individuals who wish to make connections with disciplines beyond their specialty to take the kind of quick survey that will allow them to decide where and with whom they could most usefully connect. If this project can, indeed, give this kind of assistance, it will also strengthen the argument for working on the technology that might make it possible to continue publications of this sort even in mature fields.

Finally, given that this is a time of exceptional ferment and creativity in the field of economics, there will also be an historical value to the *Frontiers* publications. They have the potential to be viewed, in the future, as critical records of a pivotal moment in the history of economic thought—one of the interdisciplinary periods when traditional disciplinary boundaries are reevaluated and redrawn.

Conclusion

In concluding this Series Introduction a few explanations and disclaimers are in order.

In order to make the *Frontier* summaries as readable as possible, we have tried to minimize direct quotations from the articles being summarized. Where we have used quotations from the original it has been either because the author stated an idea so succinctly and precisely that it seemed any other wording would be much inferior, or else because a particular phrase or expression is so distinctively associated with its author that direct quotation was important to give the flavor of the article. We have tried to be scrupulous about using quotation marks to indicate when a summary includes material quoted directly from the original. We have generally omitted articles that describe specific techniques and articles that are empirical in nature, as they are very difficult to summarize in a manner that would make sense to the general reader.

The pool from which our selections were drawn was not, as we would ideally have liked it to be, a global one, since our resources did not permit us to undertake a multi-language survey. We are aware, however, that this limitation makes the survey less complete than we would have wished. We do not assume that articles omitted because they were not printed in English are necessarily of lesser importance than the ones to which we had ready access.

Even within the universe of articles printed in English, our selection is fairly US-centered. Although, after publication, we will undoubtedly discover additional papers that we never knew existed, and that we wished we had read before going to press, we nevertheless feel that we have made a quite comprehensive survey of the literature in ecological economics that has been current in the United States in recent years and decades. Where we have encountered English-language papers on ecological economics that were written or published outside of the United States we have included these in the pool from which we have drawn our final selections; but we have not made the kind of systematic search outside the United States that we made within this country. Again, we do not claim any better reason for this than limitations of time and resources.

We have especially regretted that the necessity to draw boundaries about what we could survey has caused us to make the somewhat arbitrary decision to summarize articles, but not whole books. In some cases, where it seemed especially salient, we have summarized an individual chapter out of a book, and we have felt free to summarize individual articles from collections published in book form. However, the task of reducing the content of a whole book to a few pages is very different from that of summarizing even a long article; for this *Frontiers* volume, at least, we decided not to undertake it.

Finally, while considering what we have left out, we should mention the historical classics in the field—works like Ronald Coase's "The Problem of Social Cost" (1960), Garrett Hardin's "Tragedy of the Commons" (1968), or Allen Kneese's "Analysis of Environmental Pollution" (1971). In deciding not to allocate research time to reading and summarizing the variety of writings that one would have to consider for this category we were influenced by our awareness of how much movement there has already been in this Frontier area. The works just mentioned were written when ecological economics was not yet thought of; the principal reference point was neoclassical economics, with its emerging subfield of "environmental economics." The latter, as a neoclassical offshoot, essentially applies the tools and approaches of the mainstream paradigm to issues of environmental importance. It does not include any dramatic shift of world view, such as the ecological economics view of the world's economies as being embedded within the earth's ecologies, rather than vice versa—an assumption that radically reverses the neoclassical view of reality. The "classics" cited above made great contributions in establishing the importance of environmental issues. However, they are no longer on the ecological economics frontier of the discipline of economics.

Mention was made earlier of the element of subjectivity involved in selecting and summarizing papers for this work. It is important to add that the determination by the Frontiers research team of the most important ideas does not necessarily connote agreement with those ideas. In fact, members of the team have strongly disagreed with some of the papers which are nevertheless represented in the present volume because it was felt that they articulate ideas which are important in the present development of ecological economics.

A related point should be made. Ecological economics, like the other Frontier areas, is rapidly evolving. Among the ideas which we believe to be central to the area now, it is almost certain that some will, over time, lose their salience, while others that do not seem so important now will come to command greater attention. It would be surprising if the team of researchers that has been deeply immersed in this topic for nearly three years did not possess opinions as to which ideas deserve to drop out and which should be given more attention.

We have tried to be moderate in our representation of these opinions, steering a middle course between, on the one hand, a positivist view that there is an objective reality to the existence of the area of study called ecological economics; and, on the other, a relativist recognition that such conceptual categories are created in the minds of people, including ourselves. Positivistically, we have included in this volume ideas and papers with which we do not necessarily agree, but we feel that they are important to a generally held definition of the area. Relativistically, we have tended to give somewhat more emphasis to the ideas that we feel will or should increasingly define this area in future, and less to those that seem to us due to diminish in influence. This balance is evident in the essays introducing each section as well as in the selection of papers summarized.

Our definition of what constitutes a Frontier in relation to economics is highly dynamic. We expect that the boundaries of the whole discipline will continue to evolve, both because of progress that has been made in the field and because of changes in the real world. We hope that our project may contribute usefully to an evolution of economics wherein some subjects that

now constitute the Frontiers of the field will continue to move closer to its core. We perceive considerable tension between the methodology and general approach of the existing core, and the topics which - partly because they are not so amenable to analysis through the neoclassical approach and methods—have been left out of the core. For this reason we anticipate that the field may have to undergo some difficult, even wrenching, changes if it is to adapt as suggested here. It is comforting to find such a possibility anticipated by so eminent an economist as Sir John Hicks:

Our theories, regarded as tools of analysis, are blinkers. . . . Or it may be politer to say that they are rays of light, which illuminate a part of the target, leaving the rest in darkness. As we use them, we avert our eyes from things which may be relevant, in order that we should see more clearly what we do see. It is entirely proper that we should do this, since otherwise we should see very little. But it is obvious that a theory which is to perform this function satisfactorily must be well chosen; otherwise it will illumine the wrong things. Further, since it is a changing world that we are studying, a theory which illumines the right things at one time may illumine the wrong things at another. This may happen because of changes in the world (the things neglected may have gained in importance relatively to the things considered) or because of changes in ourselves (the things in which we are interested may have changed). There is, there can be, no economic theory which will do for us everything we want all the time.⁵

We are not more optimistic than Hicks that any economic theory—even one that took full account of all of the important issues now lying on its frontiers—could do everything one would want for all time. However, we believe that an economic theory that is to be truly useful and appropriate for the times just ahead will need to take account of the Frontier areas described in this series.

In stressing the importance of these areas we do not regard them as of concern only to economists. We offer this project to our colleagues, to researchers, activists, and the intellectually curious, with mingled conviction and humility. We hope that we are contributing to movements that will not only change some disciplinary boundaries and broaden the real-world usefulness of economics, but will also assist in the development of more fruitful teamwork and interdisciplinary research. However, whatever intellectual structures, or disciplinary boundaries, emerge from this transitional era, we have to anticipate that a time will come when they, too, will no longer be able to keep step with changing circumstances, and will need to be challenged and changed anew.

Notes

¹See Neva R. Goodwin, *Social Economics: An Alternative Theory, Volume 1: Building Anew on Marshall's Principles* (London: Macmillan, and New York: St. Martin's Press, 1991). See also Neva R. Goodwin, Silvio O. Funtowicz, Jerome R. Ravetz and Bruce Mazlish, *Intellectual Trends into the Future: Neoclassical Social Science and the Possibility of Social Progress* (in preparation).

²Another word, favored by many economists, is utility. In its most general sense (where it means something like "whatever it is people want"), utility is, if anything, less well defined than "well-being." When a

more concrete definition is needed, utility is often defined as consumption of goods and services. That definition also has its problems (see below).

³Given that the absolute size of the human population is now about five times greater than it was when Smith wrote, and that approximately one-fifth of all people now alive suffer from severe deprivation of the basic requirements of life, it is evident that the absolute number of people for whom "wealth" is a simple survival issue is larger than it was in the eighteenth century. At the same time, however, far more human beings than at any previous time in history are now enjoying sufficient command over resources that they can consider other goals of wealth than simple survival.

⁴See Neva R. Goodwin, "Economic Meanings of Trust and Responsibility," in *As If the Future Mattered: Translating Social and Economic Theory into Human Behavior*, ed. Neva R. Goodwin (Ann Arbor: University of Michigan Press, forthcoming).

⁵John Hicks, Wealth and Welfare: Collected Essays on Economic Theory, Vol. 1 (Cambridge, Massachusetts: Harvard University Press, 1981), 232-233.