

The Global Development and Environment Institute at Tufts University (GDAE) announces the publication of two new working papers by Jonathan Harris and Julie A. Nelson and a teaching module on the gulf oil spill:

## **THE MACROECONOMICS OF DEVELOPMENT WITHOUT THROUGHPUT GROWTH**

**by Jonathan Harris**

Serious discussion has begun of policies to promote the goal of increasing well-being without material growth. Moving towards this goal requires a profound reorientation of macroeconomic theory. Importantly, the call by ecological economists to move away from traditional growth-oriented models comes at a moment when standard macroeconomics is in considerable turmoil. The financial crisis of 2008/2009 seriously undermined the basis for mainstream macroeconomics and brought renewed attention to various forms of Keynesian analysis and policy previously regarded as outdated. There is a close complementarity between new Keynesian and ecological perspectives. Moving away from the neoclassical goal of inter-temporal utility maximization allows for pluralistic economic goals: full employment, provision of basic needs, social and infrastructure investment, and income equity. These goals are compatible with environmental preservation and resource sustainability, whereas indefinite growth is not. But they require a revitalization of the sphere of social investment, seriously neglected (indeed often omitted completely) in standard models.

## **DOES PROFIT-SEEKING RULE OUT LOVE? EVIDENCE (OR NOT) FROM ECONOMICS AND LAW**

**by Julie A. Nelson**

Many believe that firms are driven to maximize profits, and therefore are not allowed to take actions that would benefit their workers, communities, or the environment if these actions would reduce profits even slightly. This essay shows that this belief is supported neither by sound economic evidence and arguments, nor by United States statutory and case law. The roots of this belief are, instead, to be found in a centuries-old desire of economists to make our discipline look like Newtonian physics. Among scholars and the public alike, the dualistic "love or money" view is appealing because of its simplicity and congruence with cultural gender norms. Reexamining the evidence, rather than adhering to common ideologies, this essay offers an unconventional analysis of corporate behavior and commodification.

**Download [the Working Papers](#), See other [GDAE Publications](#)**

Teaching Module also available from GDAE:  
**THE GULF OIL SPILL: ECONOMICS AND POLICY ISSUES**

**TOPICS INCLUDE:**

- Environmental and Economic Impacts of the Accident
- Economic Valuation Issues, including Use and Nonuse values
- Economic and Legal Frameworks for Assessing Damages
- Dealing with Risk, Uncertainty, and Technological Change
  - The True Costs of our Dependence on Oil
  - Policies for Reducing Reliance on Oil

The module is designed for classes in such subjects as economic principles, environmental policy, policy analysis, and energy economics. A background in economic theory is not required. The module is intended to be covered in one or two class meetings. Find more information and to [download the module](#).

All GDAE teaching modules are [available for FREE download](#)