

2007 Leontief Prize: Introductory Remarks by GDAE Co-director, Neva Goodwin

This year's Leontief Prize for advancing the frontiers of economic thought is very timely, following the awarding of the Nobel Peace Prize to the Intergovernmental Panel on Climate Change. Tufts can share in the world's pride in this, since Adil Najam, and Frank Ackerman have been contributing authors to the Panel's reports, and GDAE's other Co-director, Bill Moomaw, has been an important part of the process since its beginning.

The prize in economics, given by the Bank of Sweden in memory of Alfred Nobel, has also just been announced. While that group sometimes chooses well – one of our earliest Leontief Prize winners had also received the Nobel memorial prize in economics – I believe it is reasonable to suggest that, on the whole, the subjects for which the Leontief prize has been given are of more importance for humanity. Over the years we have celebrated work that deals with the economic aspects of some of society's fundamental issues, such as the human face of economic development, trade, and work; or how the economy interacts with culture, ethics, technology, and the natural world.

When I was in graduate school, a candid professor said to his class, “economics is about efficiency and equity, but we really don't know how to deal with equity, so we focus on efficiency.” It is past time for economists to address both topics, and in new ways. We will be treated to examples of the best of such thinking today.

Stephen DeCanio, an economist who has done path-breaking work on climate change analysis and policy, enhances the traditional economic understandings of efficiency and motivation with a sense of social purpose, going well beyond the usual ways of understanding rational economic man as either consumption-maximizing consumers or profit-maximizing producers.

In the 1990s Steve addressed the paradox: why do people so often pass up energy-saving innovations that have payback periods of a year or less? This question led to important work on the implications, for energy conservation, of bounded rationality and limited information theories of decision-making. He has written extensively on corporate organization and behavior as it pertains to the use of energy-efficient technologies, and has also criticized some standard approaches to the economics of climate change, such as the over-use of general equilibrium and cost-benefit analyses. This may be seen in his latest book, *Economic Models of Climate Change: A Critique*.

DeCanio received his Ph.D from MIT in 1972, and then taught at Tufts University and Yale University before joining the faculty at the UC Santa Barbara in 1978, where he is now a Professor of economics. Despite having left the Boston area more than 30 years ago, some of you will be glad to know that Steve remains an ardent Red Sox fan to this day. To give a few additional facts about him –

From 1986 to '87 Steve was the Senior Staff Economist at the President's Council of Economic Advisors. He is one of the founders of UC Santa Barbara's Computational

Laboratories Group, and since 2001 has been a member of the board of directors of the organization, "Redefining Progress." He was a member of the United Nations Environment Programme Economic Options Panel, which reviewed the economic aspects of the Montreal Protocol on Substances that Deplete the Ozone Layer, and is currently Co-Chair of the Montreal Protocol's Agricultural Economics Task Force of the Technical and Economics Assessment Panel. He brings to the economics of the environment, and his focus on climate change, a nice balance of interests and knowledge about agriculture and industry, technology and human behavior, markets and policy. We are proud to present him with a 2007 Leontief Award.

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We all understand that climate change is not just a problem up there – in the sky. It is about people and how they live. There is a growing understanding that the wealthy people in the world need to make rapid changes in how they use, and conserve, energy, and to invest in development of sustainable forms of energy production. But there are more than one and a half billion people in the world today who have no access to modern forms of energy.

Jomo Kwame Sundaram – who is kind enough, to monoglot Americans, to call himself Jomo K S – will be talking about this half of the equation: the need to balance global equity with climate change mitigation.

Jomo is the Assistant Secretary General for Economic Development in the UN's Department of Economic and Social Affairs. Prior to taking this on, in January 2005, he was Professor in the Applied Economics Department at the University of Malaya, Kuala Lumpur, Malaysia. He is the Founding Chair of International Development Economics Associates, known as IDEAs, and is on the Board of UNRISD, the United Nations Research Institute on Social Development.

Born in Penang, Malaysia, Jomo did his university studies at the Royal Military College in Malasia, and at Yale and Harvard. He has taught at Science University of Malaysia, Harvard, Yale, the National University of Malaysia, the University of Malaya, Cornell, Cambridge University, and the National University of Singapore.

Jomo's publication list is stunning. He has authored over 35 monographs, edited over 50 books and translated 11 volumes besides writing many academic papers and articles for the media. I won't try to cite titles, but will mention some of the topics of his books. He has written about a number of aspects of the Political Economy of Malaysia, and about Asia more broadly, responding quickly to the Asian economic crisis of the late 1990s. He has written about globalization, industrial policy and competitiveness, and has done interesting history of thought with a focus on development theory. Themes that run through all of his work are development and inequality. We are honored to present a Leontief award to Jomo K S.