

Vermont's new champion

Gund Institute tries to merge environment and economy

By Sue Robinson

Vermonters can make money and grow their businesses, but keep their celebrated way of life that includes open land and green mountains and clean air. People just have to be willing to look at the whole picture, and go beyond dollars immediately saved or earned.

Eight scientists who moved from the University of Maryland to the University of Vermont in August hope to help prove that this idea is possible. These members of the Gund Institute have met with state officials and business leaders to seek ways Vermont can bring hard data to the state's battle between economics and the environment.

"The key is in the trade-offs," said Matthew A. Wilson, Gund research assistant professor. "You can't ignore the environmental and you can't ignore progress. Vermont is a perfect place to bring this debate."

Few in Vermont would reject the ideal propelling ecological economics, but some question its place in the real world where shareholders want returns and customers want lower prices. Others argue that traditional economics take into account environmental and other costs.

"This whole thing of the sustainable economy ... some of the aspects are interesting but a whole lot of them don't have to do with economics. They have to do more with a lifestyle choice," said Richard Heaps, a co-publisher of the Vermont Economy Newsletter. "If they want to do that lifestyle, that is fine; but from the standpoint of buying goods and services, it doesn't always make sense to buy locally, as they suggest, to support the economy."

Gund Institute Director Robert Costanza has spent a lot of time trying to prove traditional economists like Heaps wrong. Building a vision

In 1991, Costanza was an environmental science professor at the University of Maryland who wanted to build a program that crossed college departments. Specifically, he wanted to focus on the costs of doing business that go into social, environmental and other realms.

He began the Institute of Ecological Economics. His strategy was threefold:

`Create a vision of a world that is both well-off financially and environmentally clean;

`Analyze information through computer models, surveys and other research to show the best way to achieve that vision or that recognize the true value of what exists;

`Find ways to make it all happen.

Costanza built an institute made up of ecologists, mathematicians and economists who had conducted research around the globe. Projects ranged from calculating the value of South African ecosystems to exploring Baltimore's urban watershed. In every case, the goal was to develop a management policy to harvest the benefits and preserve the environment.

"Our main emphasis is not just being an ivory-tower theoretical institute," Costanza said. "We try to address problems on a local scale, not just regional and global, and come up with solutions."

The institute's main problem also rested solidly in the real world: money. The University of Maryland never came through with steady funding and didn't seem to appreciate the program, Costanza said.

The president of the institute's home at Maryland said Thursday the school valued the institute. The problem lay not only in resources, but also in philosophical differences with some faculty members that stymied the institute at times.

"This institute really broke new ground," said Don Boesch, president of the University Center for Environmental Science at Maryland, "but our center was not going to change its mission to accommodate his program. So, in that sense, he kind of outgrew us."

After nearly a decade, the group sought a new home. The University of Vermont responded, with its "green" reputation and a \$7.5 million gift from the Gunds, a Princeton, N.J., family whose sons attended UVM.

Now the professors are at UVM, with a new name and a \$3 million budget paid in part by the gift, in part by university money and in part by research grants. Each of the professors is affiliated with a UVM department. Each will teach and advise students on ecological economic topics associated with their department.

The majority of the professors' time about three-quarters will be spent on research, mostly with a local focus.

Professors are trying to create new forms of eco-tourism that would benefit the northern forest that extends from Maine to New York. The Institute is also thinking about projects examining the effect of people's activities everything from urban development to agriculture practices on Lake Champlain.

The institute's first project will be delivered this week. Instead of ordering metal office units with guaranteed delivery in a week, Costanza chose Vermont-made tables, chairs and bookcases made using environmentally friendly practices.

The project will pay Vermont companies about \$70,000 about 30 percent more than conventional furniture. The indirect savings pollution from transportation, soil erosion and other environmental problems from non-sustainable forestry, for example makes up for those dollars, Costanza argued.

Wayne Fawbush, executive director of the Vermont Sustainable Jobs Fund, met with the institute last week to ask Costanza to study the institute's furniture purchases to determine that one project's impact on the Vermont economy to show whether buying locally enhances the local economy.

Bruce Beeken, president and co-owner of Beeken-Parsons in Shelburne, liked the idea of having a group prove that environmentalism can make sense from a business point of view. He is overseeing the furniture project for the institute.

"What they are doing is very, very Vermont," Beeken said. Trendy economics?

Bill Sayre, co-owner of A. Johnson Lumber Co. in Bristol and chairman of a forest policy task force at the Associated Industries of Manufacturers, deals with the issue of ecological economics every day. He liked what the Gund Institute is trying to do and particularly that it is practicing what it preaches with the office furniture but said its policies should not be made compulsory.

"Different interest groups are going to assign radical values. How do you put value on non-economic aspects of decision making?" Sayre said.

Heaps worried that the institute's environmental flavor might bias the numbers.

"They seem very heavy on the environmental advocacy part and very light and trendy on the economics part," he said. He added that he has had time to take only a cursory look at the institute's past research.

"To these people I say, stretch yourself a little bit," said Donald DeHayes, dean of UVM's school of natural resources, which oversees the institute. "This is not traditional market-based economics. Even if it cannot change the market system, I think it can enlighten it. The world is changing. These things matter."

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