

TOWARDS A SUSTAINABLE WASHINGTON

Center for Watershed and Community Health

Bob Doppelt

Director

The Center for Watershed and Community Health

Mark O. Hatfield School of Government

Portland State University

P.O. Box 756

Portland, Oregon, 97207

503-725-8101

E-Mail: cwch@pdx.edu

www.upa.pdx.edu/CWCH

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The Benefits of “Decoupling” Economic Growth From the Growth of Environment Impacts

The Center for Watershed and Community Health, a research institute in the Hatfield School of Government at Portland State University in Portland, Oregon, in partnership with academic and private economists in Washington, is investigating the costs and benefits of environmentally sustainable business and government practices. Five major economic reports and two handbooks have been produced so far. Each found that the adoption of environmentally sustainable practices is good for the overall economy, good for individual businesses, good for government, and, almost as a side benefit, good for salmon and the environment. In short, we found that sustainability practices are often *just plain good business*.

The need to adopt more environmentally sustainable paths is certainly true in Washington. This can be understood by the fact that from 1991 to 1997 waste generation in The Evergreen State grew faster than GSP and more than twice as fast as population growth. Large amounts of waste are a strong indicator of inefficiencies in the economy and significant environmental impacts throughout the entire economic value-chain. These trends threaten to constrain the competitiveness of the economy, increase regulatory pressures and lawsuits, increase costs to business, consumers and government, increase risks to human health, and reduce quality-of-life. Endangered salmon and poor water quality are just a few of the more immediate and obvious results of an unsustainable economy.

A growing number of initiatives around the globe have explicitly chosen to “*decouple*” economic growth from the growth of environmental impacts to resolve similar problems. They have successfully begun to institute the new policies, programs and practices needed to *foster increased economic competitiveness and job creation for all citizens while simultaneously reducing environmental impacts* at their source to levels needed to maintain healthy ecosystems. Socio-economic well-being rises while environmental impacts decline: they are *decoupled*. This is what sustainability is really about.

Our research has found that decoupling economic growth from environmental impacts is possible in Washington also. For example, one research report found \$42 million in savings over a five year period and another found \$55 million in *annual* savings by Northwest manufacturing, retail and service sector firms that adopted sustainability practices. These firms also significantly reduced their environmental impacts. Our assessment of sustainable construction found a potential savings of \$90 million annually in energy, water, and construction-related costs through the adoption of these practices. Our agriculture study found that farmer’s regionwide could potentially save \$23 million annually and even increase profits by at least \$174 million through the adoption of sustainable agricultural practices. Our assessment of irrigation found that where contingent arrangements are workable and ancillary benefits are possible, the costs to increase streamflows to restore salmon can be between just -\$1 and +\$3 per acre-foot, which equates to just 0.5 to 4 percent of net farm income, or between \$1 and \$10 per capita in the region annually.

We believe Washington is primed to take the lead on sustainability. The programs in other nations focused on decoupling growth from impacts have found multiple economic, social and environment benefits. We believe this is possible in Washington also. State government must be the prime mover by establishing an overarching goal and integrated framework to guide a state level sustainability initiative. Yet, the private sector and communities must do much of the “rowing” to achieve sustainability. We ask the reader to review the materials we have developed and to then actively involve your agency, company or community in the adoption of sustainability programs and practices.