

## Case Study of Green Economic Networks

Vermont Sustainable Jobs Fund

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Vermont Sustainable Jobs Fund (VSJF) is a public non-profit 501(c) 3 corporation that is committed to catalyzing a sustainable economy in Vermont. The organization sees its mission to “operate as a center for sustainable development through its innovative programs, grant making, and by providing technical assistance to entrepreneurs, networks of businesses, communities and non-profit organizations.” The concept of VSJF emerged at a meeting of the Vermont Businesses for Social Responsibility after a group of small businesses voiced the concern that there was a void in the efforts of the state to promote small businesses. VSJF was launched in 1995 through an enabling legislation passed by the Vermont General Assembly with the primary goal of addressing of fulfilling this need. VSJF is motivated by the aim of “maintaining economic vitality and quality of life in Vermont” through “creating quality jobs and conserving and protecting Vermont’s social and natural environments.”<sup>i</sup>

VSJF seeks to intervene in shaping Vermont’s development trajectory along three dimensions – economic, environmental and social. It occupies a unique location as a

hybrid organization that straddles public and private sectors and that performs non-profit work with the for-profit small enterprise in mind. As a result VSJF is in a position to leverage not only state governmental resources (which it has to the tune of \$2 million per year) but also receive considerable funds from other private sources (\$12 million have been raised from other sources included \$1.1 million in direct grants, \$2.2 in matching and in-kind contributions and \$8.6 million in grants to funded projects). The strategic position that VSJF occupies is key to the success of its efforts. It has access to state-level policy makers and also considerable legitimacy with various business, non-profit and community interests. VSJF has used the funds it has raised to “provide grants to 2,130 networked businesses and several communities.” VSJF is proud that its efforts have ensured that small businesses it has worked with have retained or added 426 local jobs that are committed to Vermont’s continued economic prosperity and its social and natural environment.<sup>ii</sup>

VSJF, as a resource catalyst for sustainable economic development, leverages funds, disburses critical seed grants and provides technical assistance that assist start-up and existing green businesses. VSJF has established a presence in several green economic sectors such as renewable energy, forest products, wastewater systems, sustainable agriculture and environmental technology. Some selected cases of successful intervention are Vermont Cheese Council, Island Pond Woodworkers Inc., Cornerstone Project, Vermont Quality Meats Cooperative, Vermont Organic Seed Project and Renewable Energy Vermont. In each of these cases, VSJF has supported these startup business networks or entrepreneur initiatives through grants and technical assistance.

Each of these cases are hallmarks of VSJF's commitment to the triple bottom line – economic development, community involvement and sustainable natural resource use.

Vermont Cheese Council is a network of artisan cheese producers in Vermont that seeks to develop a range of specialty cheeses for the upper-end USA market and in the process help preserve and make more profitable the state's small farms that produce these cheeses. The Cornerstone Project is a recent effort by VSJF that seeks to encourage large institutional purchasers of forest products in Vermont to buy from Vermont-based timber producers so that the state's ailing forest products industry is supported and the circulation of dollars is increased within the local economy. Another effort that obtained the support of VSJF is Renewable Energy Vermont (REV), a trade association of renewable energy providers in Vermont. VSJF supported REV with a small grant for developing a strategic plan for growing green jobs that produced clean and small energy units for a more energy independent Vermont.<sup>iii</sup>

As it makes interventions of this kind, the VSJF's efforts are informed by three broad principles that represent the essence of sustainable development – “stewardship of the natural environment, social justice and the integration of ecological principles into manufacturing processes and business practices.” These guiding principles have been realized within the business strategy VSJF has adopted. Six core business development principles that form this strategy are – cooperation, value addition, market development, sustainable resource use, local connections, and education. VSJF support those ventures that embody this business philosophy.<sup>iv</sup>

VSJF sees cooperation or network building as a primary requirement for growing a successful small business within the rapidly changing social and economic environment. Apart from the obvious advantages such as organizing joint ventures, gathering market information, understanding policy changes and speaking in one voice, networking and cooperation according to VSJF is a force multiplier for small individual businesses as they grant economies of scale and help combat stiff international competition. VSJF has helped form numerous Vermont based networks and associations including Vermont Biofuels Association, Vermont Builds Greener, Vermont Businesses for Social Responsibility, Vermont Cheese Council etc. A second principle of VSJF is to assist businesses in producing and marketing high-quality, value added products as well as to assist businesses to adopt sustainable processes in production through training, process redesign, and access capital from funders seeking triple bottom line returns. A third principle in VSJF's strategy is to identify and build new markets for value added products that are produced by small Vermont businesses. Market development is motivated by the "aim to grow a sustainable economy" and by the "long-term strategy for job growth and economic security in isolated rural communities like those found in Vermont."<sup>v</sup>

VSJF is proud of its commitment to guide businesses in the sustainable use of Vermont's natural resources. To that end, the VSJF is guided by an optimistic and pragmatic notion of sustainable development that seeks to guide economies in ways that sustain the natural environment and community linkages. A fifth commitment of VSJF is the energizing community development through creation of sustainable economies. VSJF employs diverse means to revitalize communities, for example through sustaining local dollar

flows by connecting local producers and local consumers, building social capital and capacities through creation of community networks that provide a base for economic regeneration of the community, identifying opportunities which could spur future community economic development, and through the provision of long-term technical assistance to start-up community economic ventures and for supporting entrepreneurs. The final principle that VSJF articulates through its efforts is to provide opportunities for co-learning through sharing of best practices and experiences within and across networks.<sup>vi</sup>

### Equity and Sustainability

An appreciation for equity and sustainability issues is evident in the work that VSJF does as well as the ambitious aims it seeks to accomplish. The VSJF's organizational vision has sought to "support the ongoing development and vitality of communities and maintain healthy ecosystems for the benefit of all Vermonters." In keeping with its vision, VSJF has sought to develop an approach that is marked by a realistical localism – where economic development solutions are sought through local measures that are mindful of the needs articulated by the concerned community as well as the environmental resources in the area. Two broad strategies offer ways to incorporate equitable community development within a sustainable resource based economy. These strategies have been both reactive and pro-active in their approaches.

The reactive strategies have sought to revitalize dislocated communities that have suffered from the exodus of a major employer due to the pressures of globalization.

Island Pond is one such community that suffered an economic downturn as a result of the closure of a major furniture manufacturer that was a major source of employment for the community. VSJF provided critical support for a business plan proposed by the workers from the closed plant to begin a worker-owned company, Island Pond Woodworkers Inc. This initiative spurred several parallel efforts including a community visioning exercise. VSJF was instrumental in hiring a “business coach” who worked with over 60 area entrepreneurs to help them start or expand their businesses.

An range of pro-active efforts have sought to transform and revitalize depressed communities in the state. The VSJF offers its services to assist communities in facilitating community revisioning and regrowing efforts within a participatory framework. The town of Alburg in northern Vermont, whose median income was below the county average, was one such stigmatized community that through VSJF could tap into funds and technical assistance for a revitalization plan. The VSJF has also worked to identify and create an inventory of state-wide dependent communities in Vermont which are disproportionately dependent on large employers/businesses that are susceptible to flight. The inventory hopes to anticipate problems from dependency in the vitality of at-risk communities and so ensure their survival through some preventive measures to regrow at-risk local economies to forge greater local linkages.<sup>vii</sup>

## Policy Issues and Recommendations

The example offered by the Vermont Sustainable Job Fund raises several issues that have policy relevance to achieving sustainable development at the community level. One important goal is the commitment to reach across governmental hierarchies for a sustainable economy that integrates local economies with sustaining local social and natural environments. Another issue is the institutionalization of a resource catalyst (such as the VSJF) for regrowing a local sustainable economy. Given its hybrid nature, the Fund could function effectively despite straddling several boundaries (private-public and for-profit/non-profit boundaries) – boundaries that are ideological minefields. Achieving a balance in the spirit of deliberation is an important ingredient in its effectiveness. Equity is another issue that requires close attention when economic and community development agendas are revisioned. Of prime concern here is a commitment to social justice and community empowerment by focusing on poorer and other marginalized sections of communities. Policy recommendations that try to create opportunities for remaking a sustainable economy need to be mindful of equity considerations in a complex multivocal society.

Yet another important area of promise offered by initiatives like the Vermont Sustainable Job Fund is to address a problem that has recently surfaced in the national media: the exodus of young, well educated people from Vermont in search of employment and a better quality of life than they find in the state at present. An issue for those who think about the future of environmentally sustainable economies must include attention to the

range of social and cultural resources that make towns, cities and regions interesting places to live. It may be that the quest for sustainability could be an important element for enhancing the mix. But other key features – the arts, research facilities, the diversity of the local populace, public spaces, and a sense of cultural vitality – are also key elements. Thus, there are dimensions other than “greening” that need attention if Vermont and similar locales are to become sustainable in the fullest sense.

## Endnotes

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<sup>vi</sup> Vermont Sustainable Jobs Fund. 2005. Community Development. Retrieved February 26, 2006 (<http://www.vsjf.org/sd-process/community-dev.shtml>); Vermont Sustainable Jobs Fund. 2005. Benefits of Sustainable Development. Retrieved February 26, 2006 (<http://www.vsjf.org/sd-benefits/default.shtml>).

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