



INSIDE RFF

Putting People in the Picture

Resources talks to Jim Boyd, a fellow in RFF's Energy and Natural Resources Division.

A researcher's life is devoted to learning, so it's not unusual for the quest to lead back and forth across fields that cross-fertilize. Occasionally, too, illumination lies along paths that are unconnected. Take the presidential papers of Gerald R. Ford. And the poetry of the thirteenth-century Sufi mystic Mevlāna Jalāluddīn Rumi. For RFF Fellow Jim Boyd, each of these sets of documents has been a discrete source of guidance. As an undergraduate in history at the University of Michigan, Boyd used Ford's papers to write his thesis on what was then the new federal Office of Science and Technology Policy. Today Boyd reads Rumi's mystical meditations to round out workdays spent analyzing problems from the less mystical point of view of economics and the law.

"Life is definitely a yin-yang deal," Boyd says by way of explanation. "Being an economist twenty-four hours a day is not a way to lead a balanced life, emotionally or intellectually. So, given that I definitely care about balance, it's not surprising that my profession forces me to be open to other aspects of life. Economics offers a rational view of the world, whereas my more general view is that rationality can take you only so far. It's a useful but limited perspective."

Still it is a perspective that Boyd sought out, winding up

at the Wharton Business School, although he had never taken a course in economics and had expected to earn a doctorate in public policy instead.

"I had some math aptitude and Wharton took a chance on me," he says. "I wanted to do policy analysis and realized that, if you want credibility, you need a structure for your ideas. Economics seemed the best way to do that. It is scientific in ways that other disciplines are not."

What attracted him also was that Wharton is a sort of a "hybrid," rather than a pure school of economics. While his teachers were all economists, the applied side of the curriculum opened a window onto the worlds of business and finance. The rigor of mastering a methodology while getting exposure to the way people actually behave kept him interested. It still does.

"I ended up with a skill, but it's the means, not the end," he points out. "I'm probably less interested in being an economist per se than most of the people at RFF," Boyd confesses. "I don't really like the math. The math takes you away from what economics is really talking about: namely, the real world."

If he is nonetheless committed to being rigorous in a mathematical sense, he doesn't expect other people to be. To

him it is crucial to translate his research findings into language that is uncomplicated and unfancy. "Taking what you've learned and applying it to make a difference means putting your results into terms that are useful. And they're only useful if they're understandable to people who are not economists."

How systems actually operate and how ideas play out in practice fascinate Boyd. He has spent a fair amount of time, for example, looking at how businesses come to terms with their environmental responsibilities in the course of their day-to-day decisionmaking and long-term investment planning.

As systems of regulation have matured, so too has the ability of business to anticipate and head off environmental problems in the first place rather than pay for them later when regulators call for action. But win-win opportunities to save money by preventing pollution may not be as abundant as many hope, Boyd learned through case studies he conducted earlier this year at



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several U.S. chemical firms.

If business managers don't opt for "environmental" investments, Boyd says, it is not because they are environmental villains. In fact, most of them are pretty environmentally concerned as private citizens at home, he thinks. However, as managers making investment decisions, they need to know, for example, if the benefits of an upgrade in facility efficiency will exceed a certain rate of return on the cost of capital before giving such a project the green light. Right now environmental benefits are difficult to quantify financially. A list of prices or costs usually isn't available to assign a dollar value to reduced emissions.

Meanwhile, people in the private sector often have a hard

time communicating what it is they do in their day-to-day problem solving, Boyd observes. Through his case studies, he says, he tried to shed light on accounting and capital budgeting and to explain what the private sector is worrying about when engaged in such common everyday business practices. “To best motivate action in favor of the environment, regulators need to understand how the private sector operates.”

While his interest hasn’t flagged in furthering such understanding, Boyd is turning

to other issues of concern as well, such as the difficult goal of striking a balance between economic growth and preservation of endangered habitats. He is also planning to sit at the feet of RFF’s senior water guru Ken Frederick to understand the challenges involved in allocating the resource more efficiently, especially in the West.

These areas require a whole different set of skills and perspectives than his work on business practices, economics, and the law. “But that’s one of the great things about working at RFF. There are no constraints if you have an interest in an

area and a willingness to learn. That’s basically why I’m here.”

In some respects, Boyd says, the unconnected paths he has gone down are beginning to converge. Not that he is drumming for dervishes at the office yet, but there is less of a disconnect between his professional and private lives. A big reason, he says, is the security of the tenure he received at RFF this year, which has led to a sense of liberation.

“I’m willing to take more chances on what I’m working on and how I go about it.” The case studies for the pollution prevention study are a case in

point. “Having a more secure position here allowed me to pick the method I thought was best for the purpose, rather than the safest in terms of publication.”

To some extent, Boyd has always seen himself as a kind of frustrated artist. And yet he has found that a researcher’s life is a lot like a painter’s or a writer’s, holed up in a garret somewhere. “You have to self-generate and follow your own muse. It’s also entrepreneurial. No one’s telling you what to paint. You’ve got to go out and buy your own canvas.” 