REGIONAL POLICY AND THE ENVIRONMENT:
SUMMARY AND CONCLUSIONS OF THE LILLEHAMMER SEMINAR

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Paris 1994
Preliminary Note

1. This report on regional policies and the quality of environment synthesises the presentations made in Lillehammer as well as the conclusions drawn from the Seminar.

2. This Seminar that took place from 15 to 17 June 1993 has been organised by the Norwegian Government and the OECD Directorate for Science, Technology and Industry, in collaboration with the Environment Directorate. The attached report has been written by Mrs Corinne Larrue, Tours University, rapporteur to the Seminar.
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I. INTRODUCTION

1. The relationship between environmental quality and regional development is a new issue for Working Party No. 6, as J.P. De Gaudemar emphasized when introducing the international seminar on "Regional Policy and the Environment", organised by the OECD and the Norwegian Government on 15-17 June 1993 in Lillehammer.

2. The purpose of the seminar was therefore to reach a better understanding of this relationship -- in order to take fuller account of the environmental dimension of regional policies, and also to gain deeper insight into the very mechanics of regional development, which is the chief task of Working Party No.6.

3. To accomplish this, the seminar was organised around three topics -- three major questions that arise from regional development as it relates to environmental quality:

   -- Is environmental quality a factor in decisions to locate people and activities in a given area? More precisely, is environmental quality an advantage? If so, for what kind of region and for which activities?

   -- What impact do regional policies have on the environmental quality of the regions and nations involved? Have regional policies helped protect the environment or, on the contrary, have they contributed to its deterioration?

   -- And lastly, to what extent do environmental constraints help shape regional development policies, and to what extent can they?

4. Initial reactions to the three questions were first presented by the rapporteur, Corinne Larrue, based on a questionnaire that was sent to Member countries and that drew responses from about a dozen Delegations. This was intended merely as a preliminary overview which was to be developed extensively during the rest of the seminar. Accordingly, each of the three major topics was then covered by summary presentations which reported on current thinking on the subject, as well as by several contributions relating the experience of OECD Member countries and associates (see the seminar programme in Annex 1).

5. These instructive contributions and the fruitful discussions that ensued may be grouped into two major topics revolving around: (1) the ambiguity of the relationship between environmental quality and regional development; and (2) the place the environment ought to occupy in regional policies.

II. THE RELATIONSHIP BETWEEN REGIONAL DEVELOPMENT AND THE ENVIRONMENT

6. As the rapporteur stressed at the outset, the relationship between regional development and quality of the environment is complex and, at times, indeterminate.
7. Generally speaking, then, contrasting situations are to be found within the various OECD countries. In some cases, environmental quality seems to constitute an advantage for regional development; this has been the experience, for example, of regions with resource industries, tourism and advanced services, as well regions of urban overflow.

8. In other areas, however, a deterioration of the environment would seem to deter inflows of people and businesses. Examples of such regions include declining industrial or urban centres, certain densely populated urban areas and very poor outlying areas.

9. But there are also regions that are seemingly unaffected by environmental quality or the deterioration thereof. The first group consists of areas whose meager development stems from poor accessibility due to terrain, climate or geographical isolation that is inadequately offset by transport and communications infrastructures. The others are expanding areas of industrial or urban concentration in which environmental deterioration does not seem to be a determining factor.

10. Similarly, with respect to the environmental impact of the regional policies carried out by OECD Member countries, the rapporteur also concluded that situations vary from region to region. Whereas aid for regional development has had positive effects on the environmental quality of the assisted regions and in those where attempts are being made to alleviate congestion, regional policies can also cause environmental damage inextricably linked to economic development by underwriting activities (e.g. tourism, farming, industry) that may generate pollution.

11. Yet these complex interactions can be clarified in the light of the seminar’s contributions, with the identification of four major types of relationship between regional development and the environment, as illustrated in Diagram 1:

   a) In certain cases, the environment is an advantage for regional development;
   b) In certain cases, the environment is a victim of regional development;
   c) In certain cases, regional development is a victim of the environment;
   d) In certain cases, regional development is an advantage for the environment.

12. To sum up, it can be said that each of these two dimensions can have either a positive or a negative impact on the other.

   a) The environment as an advantage for regional development

13. Even if, as Keith Clement’s paper shows, environmental considerations do not distort competition significantly enough to sway investment location decisions, they can have some influence on where economic activities are located.

14. The flight hypothesis, which was put forth in the United States in 1979 and holds that strict pollution control laws would trigger a mass exodus of manufacturing industries seeking to avoid the additional costs of such standards, has not been borne out. The environment cannot be singled out as a meaningful factor in business location decisions, since any costs generated by strict environmental protection laws are usually more than offset by the costs of relocating, and also by the lack of adequate
infrastructures which often goes hand in hand with "pollution havens". Similarly, subsidies for environmental protection seem to have little influence on the destination of investment; for that matter, the same could be said for regional development grants.

15. But it is true that few studies have explicitly built in all these aspects of the environmental factor. Some light should soon be shed on the subject by the work currently under way at the University of Strathclyde (United Kingdom) at the request of the French regional and environmental agency DATAR (Délégation à l’Aménagement du Territoire). Nevertheless, as Rémy Prud’homme pointed out, the environment’s pollution and quality-of-life aspects seem to be a binding factor if they are poor, whereas if they are good, and if regions are well endowed with infrastructures and other elements that businessmen consider essential, they can be the decisive factor in a business location decision.

16. Furthermore, large firms’ growing enthusiasm about "green marketing" should help make environmental considerations more important to companies. Recent surveys, conducted in the United Kingdom in particular, confirm that a large number of firms are developing their own environmental policies in anticipation of strict regulation on the horizon. In this regard, the proclamation of a stringent regional policy for the environment might be a draw for such companies.

17. Lastly, as Shigeyoshi Ohara mentioned, the impact of environmental quality on the quality of life for individuals can be used as an argument by programmes to relocate economic activities. Such promotion underlies the "resort offices" concept currently being developed by the Japan Industrial Location Center, which was set up to ease congestion in the Tokyo area. By referring to the example of Wakayama Marina City, the speaker showed how the surroundings in which employees live can be a persuasive argument to relocate activities to outlying areas.

b) The environment as a victim of regional development

18. Nevertheless, as various speakers have demonstrated, the environment can be a victim of regional development, for reasons such as an expansion of tourism, population growth, industrial or agricultural development, or special events such as Olympic games.

19. This negative impact is well illustrated in Paul Messerli’s discussion of the development of tourism in Alpine regions. As it has developed to date, tourism in the Alps has left visible and invisible scars on the natural environment and the landscape. The pressures of tourism have led to environmental damage, some of it irreversible, which now constitutes an obstacle to tourism. Damage has been inflicted not only on the physical environment, but also on the social environment of the Alpine valleys, which could not withstand the modernisation of its ways of life. This represents yet another threat to the environment, since the agro-pastoral sector lacks the manpower and the know-how to perform the land preservation and/or maintenance services it traditionally supplied.

20. This relationship is discussed by John DeGrove as well, with a focus on Florida, where demographic pressure is severely straining the urban environment. In the 1970s and 80s, the population of Florida rose by 350 000 people a year, for a net gain of three million people per decade, creating strong demand for housing and transport in particular. Without proper planning, demand of that magnitude leads to harmful social, environmental and tax revenue effects.
21. The discussions of the countries in transition -- with I. Csacagovitz reporting on Hungary, Jacek Szlachta on Poland and Vladimir Yegorov on the Moscow region -- provide the most disturbing examples of how industrial activities can harm the environment. Without an effective environmental policy, certain regions are simultaneously subjected to water and air pollution, toxic waste and other dangers whose consequences for nature and for public health are alarming. In this regard, the example of Moscow is significant: the region, whose income ranks second in Russia, is bombarded with pollution and waste from agriculture (livestock effluents), transport (air pollution), and industries and households (air and water pollution, waste production), which among other things accentuate infant mortality. In some of the region’s districts, infant mortality runs at triple the average death rate.

22. The case of the Doñana district, presented by R. Perez Villota, provides another example of environmental damage to a region that has considerable ecological importance. But this time, the problem is not so much demographic or industrial pressure as a radical change in farming practices. This Andalusian region is one of Europe’s largest wetlands, but it is also a farm area (farmers represent 60 per cent of the labour force) whose massive development of irrigation in the 1980s enabled it to specialise in growing strawberries for export. This expansion runs counter to the preservation of the region’s natural riches, and particularly its landscapes and water supplies.

23. Lastly, the environmental damage inflicted by regional development is also at the centre of the presentations relating to the Olympic games (by Mr. Schremmer, Mr. Courtemanche and Mr. Selstad). The extent to which these major events damage the environment depends on whether they are held in urban, rural or natural settings, whether they are scattered or concentrated in one or more areas, the kind of infrastructures they generate, etc.

24. For example, the Innsbruck Winter Olympics of 1964 and 1976 apparently had less of an impact on the natural environment because of the region’s urbanisation: Innsbruck, the Tyrolian capital, is a city of nearly 200 000 inhabitants and makes active use of the facilities that were built for the games. On the other hand, the Albertville and Lillehammer Olympics look more controversial in terms of environmental impact: the construction of their facilities has had a greater effect on the natural surroundings, some of which (like the Saisies pass in the French Alps) are remarkable.

25. Many economic activities, then, share some blame for the deterioration of the environment.

26. More generally, as Rémy Prud’homme has highlighted, there is a clear contradiction between the requirements of balanced regional development and the need to preserve the living environment, prevent pollution and minimise the consumption of resources. This conflict is due mainly to what Prud’homme calls the “clean up” effect, the density effect, the “spot” effect and the transportation effect.

27. Indeed, it is now believed that concentrating activities is less harmful to the environment than spreading them throughout an entire area. Concentration lowers the cost of treating pollution (the clean up effect) and minimises the consumption of natural resources and energy (the density effect), whereas dispersal tends to increase the number of natural areas disturbed (the spot effect) and to multiply the need for people and merchandise to travel (the transportation effect).

28. This same transportation effect was featured by B. Lenntorp in an evaluation of the life cycle (construction, use, destruction) of a single-family house in four Nordic countries. This empirical study also stressed the importance of transport as the chief source of environmental damage during this life cycle. The materials and services used to build the four houses in question came from some 300 different locations, making transportation responsible for nearly 80 per cent of the energy consumed over the life cycle of the dwellings.
c) Regional development as a victim of the environment

29. Nevertheless, the relationship between regional development and the environment must be viewed over time: for example, once a certain threshold of environmental deterioration is reached, regional development can become a victim of the environment.

30. Undeniably, the countries in transition provide the most glaring examples of how a worsening environmental situation can limit economic growth. It was seen that certain regions of these countries are so polluted that an environmental clean-up is needed before regional economies can be revived. This is one of the lessons to be learned from the presentations of I. Csalagovits (Hungary), Jacek Szlachta (Poland) and Vladimir Yegorov (on the Moscow region). In Poland, for example, 27 regions are considered to be particularly devastated (i.e. with pollution emissions that are at least double the authorised levels), representing nearly 11 per cent of the country’s area and 36 per cent of its population. These "endangered" regions are also the ones whose environmental situations have improved the least in recent years, as compared with regions with low pollution, even though, generally speaking, the production of pollution has declined more steeply than national income.

31. Pollution’s threat to regional development is of particular concern in regions such as south-west Poland that are polluted by other countries or by other areas, making remedial measures more complicated to enact.

32. Another example of how the environment can hamper development is expounded by Nicola La Marca, who refers to recent Italian study showing a high correlation between low "quality of life" and regional poverty, in southern Italy in particular. A low level of social wellbeing can limit the establishment of economic activities in such regions, leading to a vicious circle in which underdevelopment further reduces wellbeing, and so on.

33. Lastly, Paul Messerli shows how tourism activities in Alpine regions can fall prey to the same environmental deterioration that they themselves inflict. Tourists are increasingly looking for quality, demanding that the environment be better preserved -- in terms of landscapes but also in cultural terms, which is something intensively developed resorts cannot always deliver.

34. Moreover, another environmental factor that can restrict regional development can stem from a (too) strong desire to preserve nature in a pristine state. Although this topic received less attention than the others in the rest of the presentations, it is nonetheless dealt with by R. Perez Villota. In some cases the "natural" contradictions between environmental protection and agricultural and/or tourism development cause areas to be "frozen" in forms such as national parks, as with the Doñana district. This sort of freeze can be considered a handicap for the development of the regions involved, even if shifts in the demands of tourists (towards higher quality) make it more of an advantage.

35. More generally, then, environmental protection can (or must) be considered a vital component of regional development.

d) Regional development as an advantage for the environment

36. And it can be especially advantageous since, in many cases, environmental protection is strengthened by regional development policies, as a great many examples illustrate. First, in France’s case, Rémy Prud’homme reminds us that the DATAR’s local land-use planning activities, such as the "new towns" and regional parks policies and coastal development projects, have had positive effects on the environment. Thanks to government involvement, development and planning have been closely controlled, minimising the environmental impact in terms of quality of life, pollution, consumption of resources and,
to a lesser extent, bio-diversity. The environmental damage would undoubtedly have been greater if market forces alone had prevailed.

37. The same may be said for Italy, as Nicola La Marca’s paper shows: government support for disadvantaged regions has enabled environmental protection efforts to be stepped up. More generally, then, one of the potential environmental benefits of regional-policy-related infrastructure outlays is their contribution to restoring the interregional balance of facilities, and particularly plants to treat pollution. This offsets the additional costs of locating in an outlying area and/or the low funding capacity of the local authorities involved.

38. Furthermore, as James Robertson points out, aid to regional industrial expansion increasingly involves support for technological development, and this has positive consequences for the environment. In the United Kingdom, for example, the reform of regional industrial policy in the 1980s switched the focus from direct employment subsidies to assistance in improving regional attractions such as skilled labour, services to business enterprises, technology transfers, etc. Two consequences of the shift were to cut support for companies that were heavy polluters and to enhance corporate productivity and thus diminish consumption of natural resources (energy, water and soil).

39. Even exceptional events like the Olympic games, whose environmental impact is so hotly debated, seem to have helped improve the environment in the host regions. This is what D. Courtemanche reiterates in his discussion of the Albertville games, which led, for example, to a considerable upgrading of water treatment facilities in the entire Tarentaise valley, as well as to the rehabilitation of landscape black spots in the vicinity of the road network. More generally, Olympic games have been criticised so much for their impact on the environment that they necessarily cause environmental policies to be strengthened in host areas: this is also the lesson to be learned from T. Selstad’s presentation on the Lillehammer games, which seem to be making special allowance for environmental protection.

40. Lastly, the countries in transition probably furnish the most convincing example of how regional development policies can advance environmental protection. Today, restoring the environment is viewed as one of the essential tasks of regional policy -- so much so that in Hungary, the Ministry of regional development is also in charge of environmental protection. Accordingly, regional policy resources are channelled above all into rehabilitating and protecting the environment (particularly in conjunction with the PHARE programme and EBRD assistance). For these countries, however, as Jacek Szlachta emphasized, the move to a market economy has produced "natural" benefits for the environment. In Poland, for example, the drop in production has considerably cut air and water pollution (with CO emissions down 40 per cent and untreated effluents reduced by 27 per cent between 1989 and 1991).
41. Both regional policy and regional development, then, have had positive effects on the environment of the regions involved.

42. But it is difficult to determine the relative importance of the positive and negative relationships between regional development and the environment, due chiefly to a lack of quantitative research. While the Lillehammer seminar was very useful in clarifying these relationships, it did not fully establish the respective weighting of the various factors involved. Efforts to do so should certainly be undertaken.

### III. THE ENVIRONMENT’S PLACE IN REGIONAL POLICY

43. That said, the seminar did demonstrate a number of ways in which the positive environmental effects of regional development can be amplified and its negative impact prevented. The question therefore arises as to what is the environment’s rightful place in regional policy.

44. One of the conclusions from the presentations made during the seminar was that a great deal of the environmental damage that has been caused directly or indirectly by regional development policies could have been avoided if more attention had been paid to such considerations. Moreover, this was one of the messages conveyed by Gabriele Scimemi at the start of the seminar.

45. The speakers therefore explored a number of avenues by which to integrate, or at least better co-ordinate, environmental protection and regional development policy. These avenues focus on: (a) the roles of the people involved in shaping policy on regional development and the environment; and (b) the tools to be set in place.

#### a) The people involved in integrating environmental protection and regional development

46. Many speakers stressed the importance of co-ordination between regional policy and environmental policy decision-makers.

47. It has become clear that the people involved in environmental policies cannot act without the help and co-operation of other decision-makers. The current revival of environmental policy in most OECD countries is based chiefly on making environmental concerns a more central aspect of other government policies. As a result, formal co-ordination and co-operation must be organised at various levels.

48. First, it must be done internationally, since, as Nobuo Tanaka pointed out, the current trends towards economic globalisation have repercussions not only for the conditions of regional development, but for the environment as well. Establishing an international policy to harmonize these conditions, including from an environmental perspective, has become a pressing issue. Moreover, pollution knows no boundaries, whether national or regional; as A. Kohlbacher emphasized in winding up the seminar, repairing environmental damage will require multilateral co-operation that takes regional and local levels into account more than is currently the case.
49. Co-operation is also needed on the national level, as O. Graham proposed for Norway. A detailed analysis of what each (national, but also local) institution can do for different sectors (mainly transport, energy, industry) highlights the level at which environmental constraints are not adequately taken into account. The Canadian Green Plan, adopted in 1990, suggests a similar procedure, that aims at improving global co-operation and partnership among all actors involved with issues of economic development and environment.

50. Such analysis can also be used to improve vertical co-operation among different levels of government, especially local and central. H. Alstadheim tells us that in Norway, a working group on the environment and resource management was set up at the Ministry of the Environment’s initiative; it includes representatives from seven (out of 19) counties and from the various national institutions involved (environment, agriculture and fisheries, local authorities Ministry, and regional and industrial development funds). The group’s role is to propose ways to make the environment a more important consideration in areas such as regional planning. One of its main proposals -- the involvement method -- is to get everyone more deeply involved by seeing to it that they gradually adopt the same goals, so that the administration of all areas, and particularly the environment, is co-ordinated.

51. It is probably at the decentralised level that the co-operation seems the most unsatisfactory, and therefore the most needed. Several speakers recalled the lack of horizontal co-ordination between different local governments with significant environmental consequences. According to J. DeGrove this is the case of the United States. It is for this reason that he favours strengthening the regional level. For J. DeGrove, air quality, transport, drinkable water, processing of waste-water, protection of sensitive zones, housing, and economic development are among the fields that could not be managed at the level of a single town, county or district. Inter-municipalities’ co-operation should be organised and the regional level seems the most appropriate for this purpose. Therefore, greater centralisation is required for growth management, taking into account environmental issues.

52. In addition, one might well ask, along with Noralev Veggeland, if it is not necessary to define new, "functional" regions which would be better suited to managing environmental problems. Indeed, there are currently emerging new functional entities such as the "Barents" region, which encompasses northern regions of Norway, Sweden, Finland and Russia. The underlying idea is to devise a new system of co-operation built on horizontal integration of the regional authorities involved and seeking to exploit the region’s natural resources "ecologically", to develop trade, resolve environmental problems and maintain peace and security.

53. T. Selstad’s example of the Lillehammer Olympic games shows us that others involved with the environment, such as environmental protection associations, must also be part of the co-operation. Indeed, it was the founding and inclusion in the decision-making process of a working group set up by the Norwegian Society for Nature Conservation and called "Environmentally Friendly Olympic Games" that is behind the integration of environmental concerns at every stage of the decision-making process.

54. The reports by O. Graham and H. Alstadheim reminded us of the importance of teaming up with the groups targeted by regional development and environmental policies -- namely, business enterprises. Co-operation and consensus must be extended to private partners, whose behaviour has a strong influence on environmental quality.

55. There exist a number of tools by which this co-operation can be established and implemented, among public institutions as well as private partners.

b) The tools to integrate environmental protection and regional development
56.Contributions to the seminar highlight three types of suggested tools that can better factor in the environmental dimension of regional development. First there are planning tools, then evaluating tools and, lastly, tools of a more economic nature, which enable the costs of environmental deterioration to be internalised.

-- Tools of planning

57. Several contributors consider planning to be an effective tool for making allowances for environmental factors a part of regional policies.

58. Such is the case with H. Alstadheim, for whom the County Plans formulated every four years by Norway’s counties and approved by the national government constitute one of the key elements in factoring in environmental concerns. These plans cover a great many policy areas, including industrial, regional and environmental policies. According to the author, these plans make it possible to define and obtain a consensus between local governments and the national government on an ordered list of political priorities. In that ranking, environmental protection occupies a high position in order to help foster sustainable growth.

59. The same can be said for the "growth management systems" in the United States, as presented by John DeGrove. The systems, which were instituted in several American states in the 1970s and reformed in the mid-80s, seek to tailor land use and urban growth and thus to strike a balance between development and environmental protection. The author feels such a system requires that the regional level be strengthened, particularly as concerns Regional Planning Councils.

60. In the United Kingdom as well, as James Robertson demonstrates, land use planning helps to rehabilitate fallow land and limit urban expansion.

61. Another example of how planning can serve to factor in the environment is given by R. Villota’s case study of the Doñana district. The plan for the area’s long-lasting development obviously attempts to resolve the conflicts between the region’s development and the protection of its environment. The plan is based on an assessment of the situation, a pinpointing of strengths and weaknesses and a definition of concrete goals with respect to water management, the development of agriculture and tourism, roads, economic promotion and training.

62. But planning offers only a "potential" response to the problem of harmonizing regional development and the environment -- one that is effective only if put concretely into practice. Yet in the opinion of speakers at the seminar, this does not always happen.

-- Tools of evaluation

63. The second type of proposed tools for taking better account of the environment is connected with prior or subsequent evaluation of projects or policies.

64. The first suggestion for such a tool is cost-benefit analysis. James Robertson mentions it as one that will be increasingly integrated into the definition of regional policies. Despite the inherent difficulties, which were reviewed during the discussion, it is becoming increasingly necessary to make these analyses more operational. In this respect, the work discussed by B. Lenntorp provides an interesting case of evaluation, since it shows how the regional and environmental impact of certain economic activities can be measured simultaneously.

65. Also, government assistance for regional development, if selective, can choose the projects that are best suited to environmental protection as well as to regional development. This is what the OECD
Environment Directorate calls cross-compliance for aid allocation. As the rapporteur stated, this kind of process could be expanded and strengthened: in most countries, the attribution of regional aid to enterprises, for example, is not subordinated to compliance with pollution control standards. If proposals were examined jointly from an economic and an environmental perspective, it would constitute a genuine tool for integration. By way of illustration, the EBRD’s environmental protocol shows how, and at what stage in the decision-making process, it can be ensured that due consideration be given to the environmental impact of financially assisted projects.

66. Similarly, Canada’s experience with environmental assessment must be mentioned here because of its comprehensive and systematic nature. Since 1992, the Environmental Assessment and Review Process has been mandatory for any federal government project or programme. The procedure not only calls for prior evaluation of a project’s harmful environmental impact but also requires a public audit of the project or programme, along with a public inquiry. All these features should combine to minimise environmental impact, if not to rule out projects that are too harmful. Moreover, monitoring and a system to control environmental effects are compulsory for major projects. The same procedure is also applied to the federal government’s regional policies.

67. Policies for regional development may therefore choose to favour projects that enhance environmental quality: they can contribute directly to the environmental management of regions that lack adequate funding; they can assist in the development and transfer of clean technologies, etc. More generally, regional policies can try to encourage win-win solutions by supporting projects that simultaneously promote the interests of regional development and environmental protection.

-- Economic tools

68. Lastly, in the view of such bodies as the OECD Environment Directorate, internalising environmental costs constitutes an efficient tool for integrating the environment. So-called economic tools offer the advantage of sending the right messages about the scarcity and opportunity costs of environmental resources.

69. But the impact of widespread use of these tools for regional development is a subject of controversy. For example, imposing taxes on the use of congested roads would internalise the costs of congestion in urban areas to the benefit of the quality of life and, indirectly, regional development. But on the other hand, taxing transport so as to internalise costs may penalise outlying areas. Research in this area is therefore necessary, since this approach has so far been geared towards a sectoral integration of environmental constraints (in the areas of energy, industry, transport, etc.), and less towards spatial integration.

70. Therefore, while environmental concerns can -- or must -- be more closely integrated into the formulation and implementation of regional policies, that process must at the same time cause regional concerns to be factored into the formulation and implementation of environmental protection policies.

IV. CONCLUSION

71. To conclude this summary of contributions to the seminar, it can be reiterated at the outset that the relationship between environmental protection and regional development is a complex one: the environment and development are not necessarily in conflict, but neither are they necessarily in harmony. Speakers have clearly demonstrated that both these dimensions simultaneously give rise to positive and negative relationships: the environment is both an advantage for and a victim of regional development,
which in turn inflicts damage and creates opportunities, for pollution abatement in particular.

72. There are deep contradictions, however, between regional development and environmental protection, including conflicts over resource consumption and transport. These contradictions must be acknowledged and more precisely researched and quantified. Resolving them will probably involve strengthening environmental policy more than integrating environmental constraints into regional policy.

73. Nevertheless, it may be concluded that while these two objectives may conflict, they can also be reconciled, if only enough resources are made available.

74. Along these lines, a number of possibilities were explored during the seminar. These must now be studied more methodically, which in the future should result in an alignment of regional policies with the requirements of sustainable development. Action should also be taken to improve co-operation among all parties involved in the environment and regional development, but also to bring private partners into decision-making processes. A variety of tools were proposed, relating to planning, evaluating or pricing, even though some of these need to be made more operational.

75. More generally, the environment must not be considered as a constraint, but as a factor that can be beneficial and that must be managed and preserved -- in line with local conditions, but in accordance with overall conditions as well. Factoring in environmental aspects can be expected to enhance the efficiency of regional policies.
Annex

Programme of the Seminar on Regional Development and the Environment
(Lillehammer, Norway)

Tuesday, 15 June 1993

08:30 Registration

Session 1: Opening Session

09:00 Welcome address by:
Mr. Oddmund Graham, Secretary-General, Ministry of the Environment (Norway).

09:15 Introductory remarks by:
Mr. J.-P. de Gaudemar, Chairman of the Working Party on Regional Development Policies, OECD.
Mr. N. Tanaka, Director, Science, Technology and Industry, OECD.
Mr. G. Scimemi, Deputy-director, Environment Directorate, OECD.

10:00 Regional Policies and the Environment: Some Key Issues.
Mr. Oddmund Graham, Secretary-General, Ministry of the Environment (Norway).

10:30 Articulation between Regional Policies and Environmental Concerns and Policies: the Experiences of OECD countries.
Mrs Corinne Larrue, Rapporteur.

11:15 Coffee break.

11:30 Discussion.

12:10 End of session.

Session 2: The Environment and Quality of Life in Regional Development Context.

Chairman: Mr. J.-P. de Gaudemar, Chairman of the Working Party on Regional Development Policies, OECD.

12:15 The Role of the Environment and of the Quality of Life in Business Location Decisions.
Prof. Keith Clement, University of Strathclyde, Scotland.

13:00 Lunch.

15:00 The Florida Experience.
Prof. John DeGrove, University of Florida (United States).

15:30 Why the Environment is a Crucial Location Factor?
Mr. Sigeyoshi Ohara (Japan).
16:00 Balancing Regional Development and Environmental Protection in Particular Attractive Regions: the Dilemma of the Alps.
Mr. Paul Messerli, University of Berne (Switzerland).

16:30 Coffee break.

17:00 Experiences from Other OECD Countries.
Discussion.

18:00 End of session.

Wednesday, 16 June 1993

Session 3: Regional Policy and the Environment.

Chairman: Terje Lind, Director, Ministry of the Environment (Norway).

09:00 Environment as a principle of regionalization in Europe.
Prof. Noralv Veggeland, NordREFO, Copenhagen (Denmark).

09:45 Impact of regional planning policies on the environment, the case of France.
Prof. Remy Prud’homme, University of Paris (France).

10:30 Coffee break.

11:00 Environmental concerns in local and regional planning in Norway.
Prof. Havard Alstadheim, Institut of Economy, Technical University of Norway.

11:30 Case Study on the Spanish Experience.
Mr. R. Perez-Villota, Ministry of Economy and Finances (Spain).

12:00 Discussion.
Thursday, 17 June 1993

Session 4: Environmental concerns in regional policies

Chairman: Prof. Noralv Veggeland, NordREFO, Copenhagen (Denmark).

09:00 Integration of Environmental Concerns in regional Development and Planning l’aménagement du Prof. Bo Lenntorp, University of Lund (Sweden).

09:30 Interaction between Environmental Policy and Regional Development Policies:

09:35 - 09:55 The case of Italy
Prof. N. La Marca, University "La Sapienza" of Rome (Italy).

09:55 - 10:15 The case of the United Kingdom
Mr. J.A.S. Robertson, Director Department of Regional and Industrial Economies, Department of Trade and Industry (United Kingdom).

10:15 - 10:30 Discussion.

10:30 Coffee break.

11:00 Environmental Concerns in the Financing of Regional Development Schemes in Central and Eastern European Countries.
Mr. A. Bulkaï -- European Bank for Reconstruction and Development (EBRD).
11:30 The relationship Between regional Development and Environmental Enhancement:

11:30 - 11:50 The Hungarian Experience
Mr. I. Csalagovits (Hungary)

11:50 - 12:10 The Polish experience
Mr. J. Szlachta (Poland)

12:10 - 12:30 The Russian experience
Mr. V. Yegorov (Russia)

12:30 Summing-up and Conclusions of the Seminar.
Mr. A. Kohlbacher, Vice-Chairman of the Working Party on Regional Development, OECD
Mrs C. Larrue: Rapporteur of the Seminar.

13:00 End of the Seminar.