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Conflict or Consensus: The Challenge of Integrating Environmental Sustainability into Regional Development Programming

Sofie Storbjörk, Kaisa Lähteenmäki-Smith and Tuija Hilding-Rydevik

Abstract
Within the context of both national and EU policy, sustainable development (SD) emerges in the Nordic countries as a horizontal perspective to be systematically integrated into regional development programming. Research on this type of integration has, however, been somewhat scarce. This paper deals with the question of how the relation between environmental and economic sustainability – as part of the overall SD framework – is played out in the context of regional development programming at both the national and regional levels. Three issues are raised in the analysis, pointing to challenges of achieving environmental policy-integration. First, working with cross-sectoral interconnectedness or ending up in sectoral traps, where partnership learning processes are hampered by both a lack of responsibility for, and ownership of, the overall SD-perspective and interactions dominated by sectoral struggles where the different roles, mandates and perspectives of various key-actors are strong. Second, achieving ‘win-win’ or getting stuck in environment-economy conflicts, where the policy-rhetoric picturing the existence of possible ‘win-win’-opportunities in which environmental and economic sustainability benefit each other show some empirical support at the same time as troublesome conflicts and tough regional development priorities raise questions of where principled priority lies in practical decision-making. Third, rhetorical declarations, pockets of good practice or systematic policy-integration, where the paper highlights a focus on environmental sustainability in rhetorical declarations and through flagship win-win examples though the study does not provide evidence of any overall transformation of regional development practices taking place. Indeed, policy-integration in terms of rhetorical declarations is more common than evidence of systematic integration. Despite indications of changing patterns of interaction and learning in respect of partnerships between actors from different sectors, the conflict perspective remains more representative of the practical realities and day-to-day concerns expressed in the interviews with both national and regional representatives.

Key words: sustainable development, environmental sustainability, policy-integration, conflict, regional development programming

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1. Introduction
There has been something of a venerable tradition in the practical planning and decision-making of most western societies in respect of a sustained conflict between the supporters of growth and those animated by environmental concerns. Since the late 1980’s, the concept of sustainable development (SD) has come to indicate the potential to resolve such conflicts by focusing on the possibility of combining economic, environmental and social perspectives in practical planning and decision-making (WCED 1987). In many Nordic countries, the integration of SD at different scales and in different sectors of society has subsequently been warranted, including a focus on regions and their regional development activities (R. Skr 2001/02:172, ND 2002, Gov. 2002, MIM 2002, Council of the State 2000 and 2001, KRD 2000, MD 2003). In this sense SD emerges as a horizontal perspective to be integrated in practical regional development programming, planning and concrete development projects. Regional development is thus, in accordance with prevailing practice, expected to be environmentally, financially and socially sound. Further, regional development programming supposedly creates new opportunities for different perspectives on SD to develop through the promotion of partnerships, where actors from different fields, both public and private, meet. The partnership-approach is believed to facilitate increased policy-efficiency and coherence, accountability, inclusiveness, innovation and learning (Williams 2006, Pierre and Peters 2005, Östhol and Svensson 2002, Nelson and Zadek 2000, Westholm 1999). At the same time, regional development clearly has a long history of primarily seeking to promote economic growth and social balance, meaning that difficulties can be expected in the process of taking the new environmental perspectives and requirements on board (Sustainable European Regions Network 2004, Molitor 2003, Berger 2003, Gibbs et al 2002, Gibbs 2000). The ability to enable the cross-sectoral approaches promised by SD and to drive change through the transformative capacity of key-actors is thus put to the test (Buitelaar et al 2007, Evans et al 2006, Lehmann 2006, Williams 2006, Lenschov 2002).

Although the paper takes the challenge of integrating SD at large into regional development programming as its starting-point, this is mainly analysed in terms of what happens when environmental considerations enter into the more economically driven arena of regional development. Previous evaluations of the extent to which environmental considerations are integrated into Nordic regional development programming have shown that little progress has, in reality, been made (Hilding-Rydevik et al 2004, Clement et al 2004, Valve and Grönqvist 2003, Näringsdepartementet 2001-2004). Generally, however, research on the conditions for integrating environmental sustainability in the Nordic regional development context has been scarce. More specifically, the aim of this paper is to analyse how the relationship between economic and environmental considerations is played out in Nordic regional development programming by highlighting challenges of environmental policy-integration (EPI). Based on the empirical analysis, three particular issues are raised here, which, taken together indicate the directions taken in environmental policy-integration:

- Working with cross-sectoral interconnectedness or ending up in sectoral traps?
- Achieving ‘win-win’ or getting stuck in environment-economy conflicts?
- Rhetorical declarations, pockets of good practice or systematic policy-integration?

The actual Nordic experience of EPI in the regional development arena are also reconciled in relation to the expansive literature dealing with environmental policy-integration in other national and sectoral contexts, and the challenges of implementing sustainable development that have been identified therein. A particular focus here is placed on the extent to which policy-integration is characterised by a consensus- or conflict-oriented perspective,
introduced more thoroughly in the next section of the paper. As such, the perspective that dominates regional development programming is believed to have a significant impact on the ability to achieve policy-integration.

The paper is structured in five sections. The first section consists of the introduction in which the focus and aim of the paper is outlined. The second section introduces the concept of environmental policy-integration and some relevant analytical distinctions. The third section deals with the methods and materials used in the study as well as clarifications in respect of the choices made. In the fourth section contains an analysis of the empirical data, structured in three analytical themes. The fifth and final section of the paper outlines the conclusions reached.

2. Integrating environmental concerns: conflict or consensus?
Environmental Policy-Integration has been outlined as an essential feature of the implementation and institutionalisation of sustainable development (Lenschow 2002, Nilsson et al 2007). The basic assumption is that environmental considerations need to be made a part of the fundamental premises of policy- and decision-making in society at large in order to increase the overall possibility of achieving SD. Following the definition of Lafferty and Hovden, EPI is defined as:

The incorporation of environmental objectives into all stages of policy-making in non-environmental policy sectors, with a special recognition of this goal as a guiding principle for the planning and execution of policy; accompanied by an attempt to aggregate presumed environmental consequences into an overall evaluation of policy, and a commitment to minimise contradictions between environmental and sectoral policies by giving principled priority to the former over the latter (Lafferty and Hovden 2003:9).

EPI assumes principled priority is given to environmental concerns and supposedly leads to the minimisation of policy contradictions between environmental and economic concerns while conflicts and practical trade-offs are also made transparent. Other writers have pointed to a number of analytical ambiguities and competing perspectives within the EPI framework, calling for further clarifications and understandings of EPI to be forwarded (Persson 2007, Nilsson and Persson 2003). In outlining different versions of EPI it is clear that it can be outlined both vertically and horizontally, where the former relates to integration within specific sectors and the latter to cross-sectoral integration (Lafferty and Hovden 2003). Concrete strategies of EPI concern either mainstreaming, where environmental considerations are systematically applied across policies, strategies, programmes and activities as a whole, or pockets of good practice, where they are concentrated to specific activities (Williams 2006, Rydin et al 2003, Bachtler et al 2001). To incorporate environmental considerations by following the definition above entails that it is not enough to restrict environmental considerations to particular parts of the development programmes but that they should be mainstreamed and systematically integrated into every phase and level of such programmes (Bachtler et al 2001, Berger 2003). Furthermore, the goal of embedding environmental concerns within the regional development arena is not only restricted to programming documents but is also expected to apply to the integration process itself as well as to the administrative system and to the decision-making processes of practical regional development projects and activities. EPI also calls for a transcending of previous sectoral borders and improved interaction between the various tiers of government, organisations and actors at different levels of society (Lehman 2006, Marsden and May 2006, Briassoulis 2004).
When analysing the potential to integrate environmental considerations into sectoral policies, programmes and activities, two main – and indeed opposing – perspectives are found in current debates and research which have a bearing on this paper. First, several authors have identified a consensus-perspective which is visible in EU and national policy-documents and is based on assumptions that the principles of SD will guide practice and have the potential to overcome previous artificial boundaries and conflicts between different sectoral perspectives such as those relating to the economy and the environment (Anshelm and Hedrén 1998, Hedrén 2002b). Similar statements are also found in respect of regional development (Sustainable European Regions Network 2004). The partnership initiative requires that traditional regional development actors act as multi-level co-ordinators in the programming activities where economic actors need to consider environmental perspectives as part of their daily agendas and activities in collaboration with actors from the environmental sector. Environmental actors for their part need to rethink their traditional role as inspectors, becoming instead strategic facilitators for change (Lehman 2006, Bachtler et al 2001). The consensus-perspective also contains the assumption of ‘win-win’-solutions – where environmental considerations further growth and vice versa – potentially dissolving or at least reconciling previous sectoral conflicts. In addition, following the assumptions made in the context of theories of ecological modernization, it is strongly indicated that the existing social order is not challenged and that the environmental crisis can be overcome without leaving the familiar path of modernization (Spaargarten and Mol 1992, Hajer 1995). The political discourses on green growth and, in Sweden, on the green welfare state are prominent examples of this perspective (Anshelm 2002, Murphy 2000, Lidskog and Elander 2000, Lundqvist 2000).

Second, a conflict-perspective has been identified where integrating environmental considerations is seen as highly contentious in practice, emphasising the role of trade-offs, conflicts and troublesome priorities at the practical level rather than consensual integration. Research illustrates how the policy goals of integration are contested in practice, and what struggles take place in practice over their meaning, interpretation and implementation among various interests (Lehman 2006, Frame and Taylor 2005, Feindt and Oels 2005, Rydin 2003, Hedrén 2002b, Sharp and Richardson 2001). Substantial differences between the objectives, cultures and priorities of different sectoral perspectives create tensions and power struggles (Marsden and May 2006, Frame and Taylor 2005, Keysar 2005, Stevenson and Richardson 2003). Specifically, concerns over environmental sustainability are seen as being treated as negotiable in comparison with those for economic sustainability (Stevenson and Richardson 2003, Berger 2003, Owens 2003 and 1997a and b) indicating that principled priority lies with the latter rather than the former. Instead of environmental sustainability being a driving or dominant concern of regional development policy and strategies – as theories of EPI would suggest – a general reluctance remains in placing it high on the regional development agenda and thus, at best, it tends to feature as an important issue “to be considered” (Gibbs et al 2002 and 2003) As Gibbs so strikingly notes, there is a risk then that SD becomes a cover for “business as usual with a slight green tinge” (Gibbs 2000:15f. See also Berger 2003, Murphy and Gouldson 2000). Researchers within this tradition suggest that the real conflicts between the different perspectives represented by the economy and the environment are often downplayed by attractive consensual rhetoric but, in practical and decision-making terms, this ultimately leads only to the re-emergence of deep-seated and irresolvable clashes over environmental values. Furthermore, speaking of totalities in the sense of capturing all relevant dimensions in respect of policy-integration is not seen as realistic. Instead the way in which totalities are always, in practice, viewed against the background of certain perspectives is
emphasised (Hedrén 1998, Isaksson and Storbjörk 2005). In separating different dimensions, the risk of creating tensions between actors and sectoral interest are however prominent, which also weakens the overall conditions for more successful policy-integration (Storbjörk 2007, Stevenson and Richardson 2003, Flynn et al 2003, Zamora 2003, Valve 2000).

Taken together the two perspectives presented above encompass divergent perceptions and expectations in respect of environmental policy-integration and of the possibility of combining environmental and economic considerations in practice. The perspectives represent an important analytical distinction that will be used in analysing the views expressed among key-actors working within the regional development programming field and the practical challenges of policy-integration that subsequently emerge in this respect.

3. Method and material
The paper builds upon empirical data gathered from both the national and the regional policy and planning levels. In the first phase of the study, analyses were made of the relevant national policy and planning documents dealing with SD, particularly in respect of the interplay between the environment and the economy, and its connection to regional development policy stemming from the authorities responsible for environmental and regional development/growth issues in Denmark, Finland, Norway and Sweden. The documents studied here included strategies, declarations, propositions, action-plans, guidelines, evaluations etc. On a national level interviews were conducted in the autumn of 2003 and spring of 2004 with 14 representatives from the national authorities and ministries responsible for regional development and environmental policy in these countries. This approach aimed at providing a general overview of the ways in which the research questions were framed at the national level. Turning to the regional level, analyses of regional development programmes were first undertaken in two regions in each of the four countries (Nordjylland and Storstrøm in Denmark, Rogaland and Oppland in Norway, Satakunta and Keski-Suomi in Finland and, finally, Västra Götaland and Dalarna in Sweden). The selection of these eight case-study regions was based on the identification, by national actors, of regions seen as ‘pace-setters’ in respect of regional development programming and EPI. The selection of pace-setters was motivated by our desire to uncover the practical experiences of those actually trying to integrate environmental sustainability into regional development programming. The choice made necessarily however restricts our knowledge of how regions in general work with EPI. Furthermore, the ambition here was not to obtain a representative quantitative sample of regions but instead to attempt to delve more deeply into individual programming processes, particularly in the second phase. The analytical focus in the first phase was on the rhetoric of policy-integration and on the various goals, intentions and strategies chosen, as well as on various perspectives within these. Based on this material and including the study on relevant legislative documents, an overview was produced in 2005, comparing and contrasting political goals, statements and activities in respect of the promotion and inclusion of environmental sustainability in regional growth and development programming (Hilding-Rydevik, Lähteenmäki-Smith and Storbjörk 2005).

In the second phase of the study, focus-group interviews were conducted in November-December of 2005. The ambition here was to focus on the interaction of perspectives in partnership-processes and to go into greater depth in terms of uncovering the actual regional practices utilised. Since focus-groups are a demanding method, we narrowed down our empirical base to three of the eight regions. We chose pace-setting regions where challenges in partnership-initiatives could be expected and thus the actual integration of the
environmental and economic dimensions of SD was put to the test. In the case of Rogaland, the expected challenge related to questions of environmental sustainability vs. the demands of the oil-industry while in the cases of Västra Götaland and Keski-Suomi it related to their character as growth-regions. Denmark was not included here as the Danish case-studies in the first phase had shown that partnership-initiatives were directed more at furthering the economic and social balance of peripheral regions rather than on environmental sustainability which would have made comparisons with other regions difficult. Furthermore, the Danish regional development sector was then in the middle of a reorganisation process which would have further complicated our analysis. Focus group participants were selected from the regional organisations responsible for co-ordinating the regional partnerships, producing regional development programmes and for administration and decision-making as regards concrete regional development project applications and projects. The focus-groups varied in size. In Västra Götaland the group consisted of 16 participants, in Keski-Suomi of 11 participants and in Rogaland of 6 participants. The selection criteria used to identify prospective participants included a desire to access key-actors working in different sectors and having different roles in the regional development programming activities. The ambition here was to get a broad sample of actors, representing different sectoral perspectives and experiences in respect of the various partnership processes.

Both the individual and the focus-group interviews allowed for a focus to be placed on multiple realities, perceptions and experiences among key regional development actors (Stake 1995, Merriam 1994). The paper thus focuses on different actor-perspectives, perceptions and views which are assumed to have a real influence on the practical possibilities of working with policy-integration. The study mirrors how SD, and particularly the interplay between environment and economy, is depicted in policy documents (key texts) and among a variety of key actors at the national and regional levels in the countries involved. The ambition being to understand both what is said in policy formulations and what is done in practice, even though the latter is studied through individual and focus-group interviews, i.e. not through the evaluation of funded projects or the environmental effects of regional development programming. The interviews were semi-structured with open-ended question to open up the discussion to different views and experiences. All individual and focus-group interviews were recorded, transcribed and analysed stepwise in order to allow for both a concentration and a categorization of meaning in the discovery of analytical patterns. The thematic analysis focuses on the interplay between, and the integration of, economic and environment sustainability, whereas questions of governance, partnership-processes, organisation and power are presented elsewhere (Lähteenmäki-Smith et al, forthcoming).

It is however important here to make a conceptual clarification in respect of the relationship between SD and our focus on the interplay between the environmental and economic dimensions. The current study takes the concept of SD as a contextual starting point, meaning that it is within the context of the policy, planning and implementation of SD that our study takes place. When doing interviews the dialogue in some instances concerned all of the dimensions of SD (environmental, economic and social sustainability). In other instances the dialogue specifically focused on the challenges emanating from the interplay between issues of environmental and economic sustainability. Our analyses mainly focus on the latter. Occasionally however, it is relevant to refer to the wider SD-context. This is done, for example in section 4.1, where the discussions on cross-sectoral interconnectedness prove to be highly relevant for our understanding of the interplay between the environmental and economic dimensions. The choice to focus on the interplay between environmental and economic aspects was based on a specific interest in how the relationship between
environmental and economic issues were, in practice, handled since this has proven, in many instances, to be a problematic and unresolved relationship. We do however also recognize the need to take the social dimension of SD into account in understanding SD policy-integration more generally. Here the social dimension is mentioned in some of the quotes from our interviews, particularly in section 4.1., when the wider SD policy-framework is in focus, rather than the interplay between environmental and economic aspects alone. Experience gained in respect of the integration of the social dimension of SD is not however included in the context of this study and the analysis undertaken herein.

The analytical themes presented in section 4 are empirically generated and based on results from both the first and second phases of the study. The main focus lies with the analysis of individual and focus-group interviews though specific document-analyses are, on occasion, referred to in order to further strengthen the analysis and particularly to be able to situate policy-declarations in relation to what is discussed in the interviews and in the discussion of the level of policy-integration (section 4.3). A selection of quotes from the interviews is presented to provide some examples of the general and specific perspectives prevalent among the various actors involved in the interviews and focus-group discussions. The specific quotes are illustrations of the broader discussions which occur in most national and regional contexts. The analysis was initially based on the desire to remain sensitive to national differences particularly in respect of how the relationship between the environment and the economy is played out in regional development programming. Since such differences were less evident than those in respect of the organisational aspects of partnership-initiatives and traditions or policy-styles of centralisation-decentralisation in the interplay between national and regional actors, the thematic analysis does not focus on national distinctions. The main differences in views and perspectives are instead found among key-actors representing different sectoral perspectives.

4. The challenges of environmental policy-integration

The empirical observations emerging from the study are discussed within the context of three analytical themes. The first theme concerns working with the cross-sectoral interconnectedness of the different dimensions of environment and economy or ending up in sectoral traps. The process of defining and outlining what SD stands for is troubled by diverging actor-perspectives and the need to clarify responsibility and ownership of SD in general rather than its specific dimensions. The second theme deals explicitly with the environment-economy interface and the challenges posed by the ambition of decoupling the negative links between the two. The discussion over the need to overcome environment-economy conflicts also brings the issue of the ability to drive change by means of regional development programming to the fore. The third theme focuses on the extent to which policy-integration has come about, where empirical evidence suggests the necessity of speaking about a ladder of steps towards policy-integration in which the idea of systematic policy-integration has yet to be realised.

4.1 Working with cross-sectoral interconnectedness or ending up in sectoral traps?

National and regional documents dealing with the integration of sustainable development clearly emphasise the interconnectedness of its social, economic and environmental dimensions and the corresponding risk of treating them as separate issues (R. Skr 2001/02:172, Gov. 2002, Council of the State 2001, KRD 2000, MD 2003). This close interconnection is often emphasised in the central paragraphs of such documents and by
interviewees from the national authorities almost as a point of faith. Policy-integration in this respect is also seen as holding out the promise of combining all dimensions in practical planning and decision-making in a way that does not leave any future bills for society and/or nature to pay. The balancing of the various dimensions and interests related to environmental, economic and social sustainability is viewed as being conflict-free, in accordance with the consensus-perspective introduced previously. Whether this seemingly attractive focus on interconnectedness and capturing totalities in respect of overall SD – “getting the complete picture” – also means that these dimensions are experienced as being of equal weight and importance in practice is, however, not always clear. Most interview statements from national and regional actors referred to below on the subject do however seem to reveal a gap between theory and practice in this sense (see section 4.2). The very notion of ‘totalities’ strongly indicates that such phenomena are, in practice, viewed in a certain fashion, often emphasising sectoral perspectives rather than any notion of cross-sectoral interconnectedness per se.

Turning to definitions, some of the actors in our national and regional interviews also emphasised that the general statements made in respect of SD often reveal an inherent vagueness. Due to this vagueness almost all activities can be legitimised by, and thus can be carried out, under the banner of ‘sustainable development’, dependent upon the extent to which its various aspects are emphasised and how the balance of – for example – economic and environmental concerns is viewed. In several of the individual interviews with representatives of national authorities such as the Danish Agency for Trade and Business, The Norwegian Ministry of Local Government and Regional Development and the Swedish Business and Development Agency and in our three focus-group regions, strong doubts were expressed in respect of the vagueness and contradictions inherent in the overall concept of SD, often by representatives of economic sustainability. The point is exemplified by a quote from one representative of the business section in Rogaland:

The perspective of sustainability is not that apparent for us. *Agenda 21* is supposed to be a foundation but it has never been explained what sustainable development is.

The need for explanations that go beyond that often quoted Bruntland definition, namely, that our development should balance economic, social and environmental concerns in a way that does not jeopardize the needs of future generations, remains evident, while the need to find more thorough and operational definitions is called for in several interviews and focus-group discussions. Often expectations exist that “someone else” should explain what SD stands for. Interviewees at both the national and regional levels across the Nordic countries claim that it is difficult to fully administer and/or make something practical out of SD due to the difficulty of actually operationalizing a practical definition.

Regarding definitions it is also clear from the various national and regional textual analyses and interviews undertaken that the concept of SD is still mainly associated with environmental issues in the minds of many actors. In one breath it is expressed how SD includes three pillars and in the next SD is simply equated with environmental sustainability. Such disappointments over ownership are particularly strong among actors working with the economy and growth. The interviews with both national and regional actors also reveal a struggle over who is responsible for, or who owns, the general aspects of SD. Often in our interviews, different actors tried to push for their specific interpretation of SD. On the one hand, actors coming from the traditional regional economic and development field – dominated by the use of and focus on socio-economic and growth indicators – perceive SD to be burdened by its strong environmental focus and express the need to gain control over the
concept as it enters their arena. Our interviews with the Swedish Business and Development Agency can be seen as one illustration of this:

We work with environmental issues because they are beneficial for the economic dimension, not because of the environmental aspects per se. […] We have our main mission within the economic dimension.

In this respect the interviewees choose to emphasise the economic aspects of SD or the “sustainable growth” perspective which clarifies the fact that the environment is prioritised when it benefits the economy but not for its own sake. The burdened concept of sustainable development with its current strong environmental tone is preferably avoided in discussions, according to these interviewees. Here the concrete balancing of the different SD-perspectives is done with the economic aspects closer to mind rather than with an ambition to provide equal weight to all dimensions. On the other hand environmental actors are critical of the predominant economic focus of regional development policies. They express the need to actively push for environmental issues in the economic arena in order to promote practical action in respect of environmental sustainability. This approach is exemplified by the following statement from a representative of environmental perspectives in our Finnish focus-group:

My view is that economic sustainability is always prioritized. I am not underestimating its importance but want to emphasise the environmental and social sustainability which always ends up in the position of the fosterlings. Our organisation tends to have a strong adherence to economic sustainability as a part of regional success and competitiveness, where social and environmental aspects support economic sustainability. The three are not always combined in a balanced way.

According to this view, it is somewhat problematic that environmental sustainability is not seen as an explicit enough goal for regional development which is currently seen to have a strong focus on creating ‘balanced’ economic development. This focus is also connected to limits in respect of the indicators used to characterize regional development and specifically where the GDP measure remains the indicator par excellence even though the need to find better-suited indicators is often acknowledged. The same Finnish interviewees also emphasise the inevitability of inherent conflicts in the regional development arena. Such conflicts however tend to be ignored in the policy rhetoric of regional SD and environmental policy integration, of which clear examples include the debates around regional enlargements and the focus on increased infrastructural developments as being necessary for the future survival and development of regions (see section 4.2). In taking this perspective of the fosterlings, as stated in the quote above, emphasis is placed on forwarding environmental perspectives.

One difficulty discerned from these two opposing perspectives relates to the question of who actually has the capacity to speak for the overall SD perspective. This is an issue that often attracts much discussion in our individual and focus-group interviews. The following quote comes from a representative of a national authority, with a background in the economic arena, whose professional role it is to communicate the importance of overall SD to the regions:

We have not experienced problems in writing the words but many times there is a problem communicating what we mean by them. We may interpret it one way but we don’t have the competence for all dimensions which makes it difficult.
To conclude this section of the paper, we learn from individual and focus-group interviews that the various actors involved in regional development programming each have their different mandates and missions, which influence their interpretation of what SD stands for. The harmonious or consensual view is prominent when the content of the SD-agenda is outlined. Even if policy-declarations highlight the need to recognise the cross-sectoral interconnectedness of, for example, the economic and environmental dimensions of SD, practical discussion reveals a prominent focus on sectoral aspects. In the individual and focus-group discussions an emphasis on its general ‘vagueness’ and on the inherent contradictions surrounding it, remains. Speaking in terms of sustainable development often leads to a strong emphasis on diverging actor-perspectives related to environmental or economic sustainability rather than to consensus and to the interconnectedness of perspectives. Environmental sustainability is seen as one thing and economic sustainability as another.

4.2 Achieving ‘win-win’ or getting stuck in environment-economy conflicts?

One view that emerged among several of the focus-group participants, particularly in Finland and Sweden, was that sustainable development is often at the forefront of developmental projects furthered in the name of regional development. It was also emphasised how proactive and future-oriented municipalities and businesses have chosen to work with environmental sustainability in growth-oriented projects and that a number of positive activities in identifying ‘win-win’ situations between the environment and economic growth can thus be identified. According to this view, awareness of environmental sustainability leads to real changes in regional development agendas. The existing partnership approach is also, according to this view, believed to dissolve previous conflicts between environmental considerations and economic prosperity. Environmental considerations are discussed in terms of being potential triggers for development and future innovations, ensuring new competitive advantages and goodwill from the business community. One business-leader in Keski-Suomi explains:

Previously business saw environmental concerns as a necessary evil or something they tried to avoid to the bitter end, representing “just another cost”. Now many companies understand that it increases competitiveness. It has given us increased returns, given rise to new business initiatives and it has provided good opportunities for the future.

The persuasive rhetoric of “we know it pays off” is strong among many of the interviewees in our study and also in several national policy documents and strategies dealing with regional development (Council of the State 2004, SND 2001, NUTEK 2001, and ND 2001). It was however also emphasised in several focus-group interviews, as well as by representatives from the national authorities working with economic sustainability, that not all municipalities and businesses are particularly aware of the SD-agenda and of what gains can actually be made by working with environmental sustainability. Furthermore, those who are aware of the benefits of SD do not necessarily know how to make the ideals of ‘win-win’ concrete and operational, thus making the move from words to action difficult. In some interviews, for example those with the Danish Agency for Trade and Industry, The Norwegian Industrial and Regional Development Fund and the Swedish Business and Development Agency, doubts are also expressed about the assumptions in respect of ‘win-win’ solutions. The business response to the national rhetoric of ‘win-win’ can in this sense is summarized as a more hesitant “then-show-us-the-money-approach”. It is also claimed by, for example, national authorities in Norway and Sweden, that many business representatives rarely
experience strong market-incentives in their work with environmental sustainability, which indicates that the actual level of competitiveness introduced as a result is questioned.

In addition, according to several interviewees working with environmental sustainability at the national level or within our three focus-group regions, the type of environmental concerns that actually fit the regional development arena and those that are included or excluded in the name of regional SD is something that it is also important to clarify. Environmental actors in particular express the concern that regions may choose not to deal with the more troublesome or challenging economy vs. environment concerns such as traffic increase, dependence upon natural resources etc., but instead focus on the rather more simple gains to be had such as flagship-examples of ‘win-win’ solutions. The same singular flagship examples thereafter tend to serve as evidence that environmental considerations are in fact being addressed. In our Swedish case-study region one focus-group interviewee from the environmental secretariat proudly noted that:

The chairman of our Regional Development Board states that the environmental and economic dimensions of SD are equally important here. This attitude has made other regions raise their eyebrows since they often tend to prioritize the economy.

The same interviewee however also expresses clear doubts in adding that, in reality, whether the two perspectives are indeed equal in practice remains to be seen. Another focus-group interviewee working with regional development at the County Administrative Board in the same region confirms that troublesome decisions regarding growth and environment are a practical regional reality and one example portrayed here relates to the fact that the implementation of environmental quality norms put the connection between growth and the environment to the test. Where traffic is concerned a collision of interests is described in the interview, related to both how we choose to travel, how businesses act and how politicians make their practical priorities in infrastructural decision-making. Regarding the latter our interviewee poignantly states that:

We are supposed to make sustainable decisions that consider all aspects but there is a concrete conflict between rhetoric and practice regarding traffic. The regional development programmes are of small practical importance here. Balancing perspectives may be important on paper but in practice growth-perspectives dominate. There is no politician in the world that would go against Volvo.

It is also emphasised in many of the other national and regional level interviews how highways and infrastructural communications are seen as unquestionable growth-stimulators, making the practice of working with environmental and economic sustainability conflict-laden and a sound balance of perspectives – which is a cornerstone in the EPI literature – difficult to achieve. In our Norwegian case-study region, conflicting goals in respect of energy and the usage of natural resources are seen in particular to be at stake, as illustrated by a quote from a representative of the business section:

When it comes to difficult questions like energy-use, changes don’t come easily. Environmental demands and clean energy are discussed a lot but this does not lead to any sustainable perspectives here. We are dependent upon oil and it is not that sustainable to want to pump up and sell oil as much and as fast as possible but that is the national politics here, and something that our industries off course are very interested in.
In these respects clear conflicts are discerned on a practical level where ambitions of working with environmental sustainability are seen to be of little importance in respect of outcomes. Instead economic prosperity is seen as the central goal. That no one has started to really question the long-term potential for continuous and steady growth is, in our Finnish region at least, proclaimed as the neglected “core issue” when working with sustainable development.

The ambitions expressed in documents and interviews concerning regional environmental sustainability appear to focus in the main on somehow “leaving a smaller trace”, while, at the same time, continuing to push on with regional growth. The most obvious example here quoted in interviews and emphasised in regional development programmes in all countries concerns environmentally driven technology which is assumed to increase GNP and employment rates and – in Denmark and Norway – tourism. Some interviewees however discussed how assessments made of what is “green” in regionally funded project profiles remain rather vague. The representative of the Norwegian Industrial and Regional Development Fund stated, for example, that no readily available definitions currently exist of what constitutes an environmentally positive regional development project. Often it is left to businesses themselves to define their own green profile by putting a mark in a square in their application form that says the project “benefits environmental sustainability”. To what extent green projects are actually funded as part of implementing regional development programming however remains highly dependent on the knowledge and will of businesses and specific regional development evaluators.

The role and potential of regional development programming in actually facilitating and furthering the overall visions of sustainable development and thus overcoming the tensions between economic and environmental concerns is also an important issue for discussion and one where views among interviewees strongly diverge. Some regional actors indicate that even though there is no problem in “writing the words”, thus integrating environmental sustainability on the level of incorporating the politically correct vocabulary, regional development programmes continue to attract ‘Cinderella status’ in respect of what actually happens in the region regarding environmental sustainability and the concrete decisions that are made as part of the overall regional development agenda. One difficulty discussed in this context relates to the fact that the regional actors themselves often lack the necessary decision-making power to achieve change, something which the following focus-group interviewee from Keski-Suomi and several others openly states:

It is our role to spread knowledge and awareness of environmental sustainability but the decision-making power lies with others who may, or may not, choose to consider these perspectives.

The final decisions over whether or not to ‘factor in’ environmental sustainability are thus assumed to lie in the hands of politicians and the business sector. These are actors, whose experience of environmental sustainability – according to our interviewees – varies dramatically. Instead, as another interviewee from Kesk-Suomi puts it, “money may dictate conditions in a way that does not benefit an overall SD-perspective”. The economic importance of the regional development programming work and concrete projects stemming from this are also believed to be a minor overall factor in contributing to sustainable development. Other regional actors however emphasise that the programming process provides an important contribution in respect of the dialogue on, and awareness of, different dimensions of sustainable development. The questions are given the status of representing a clear and long-term strategy that can be used to influence politicians and business. The
programming work in this sense allows for the green ‘packaging and marketing’ of regional ambitions and efforts in relation to both national authorities and other regional actors to be successfully undertaken.

To conclude this section of the paper we thus learn from the views presented above that key actors in the regional development arena have different views as regards their practical abilities to promote change and facilitate environmental policy-integration in the context of regional development. Some hold a clear focus on the potential of identifying and working with ‘win-win’ solutions to strengthen both the economy and the environment while others stress doubts about the assumptions of achieving ‘win-win’. Related to the latter we find an emphasis on troublesome priorities and win-loose situations regarding the interface between environment and economy. A focus on singular successful flagship examples may lead to avoidance of addressing the more challenging conflicts between economic prosperity and environmental concerns inherent in traffic-policy, exploitation of natural resources etc. Critical voices also raise questions of principled priority between environment and economy, indicating that the latter often gets the upper hand.

4.3 Rhetorical declarations, pockets of good practice or systematic policy-integration?

The idea that a more systematic policy-integration must be realised is a prominent feature in many of the national policy-statements studied. Several of our interviewees however indicate that it is tough for the ideas of environmental sustainability to spread through the regional development system at large and that policy-integration often stops at the fancy goal-oriented declarations or, as indicated by the above section – at highlighting flagship examples as pockets of good practice. One focus-group participant representing the environmental sector in Keski-Suomi explains the problem of integrating the environmental aspects of SD:

SD is integrated if you read programmes and plans where it is said right at the beginning that considerations are taken but if you start looking at what the plans contain or lead to then I doubt whether integration takes place. The actual willingness to make something out of SD and what happens concretely is still an open question. Different parties must already, in the planning-phase, start thinking of SD as a part of their activities so that it is a part of their work also after the programme has been signed.

The general view expressed indicates that actual regional practice has yet to change as much as the official rhetoric suggests. Following this, perspectives on environmental sustainability often tend to be viewed as barriers that need to be forced for development to take place. Some regional representatives of economic sustainability are also clear about their lack of focus on the environmental aspects, as opposed to the economic and social ones:

Our politics focus on maintaining the region and pursuing an active regional policy. To maintain lagging societies is part of SD but we are not particularly innovative or creative when it comes to the environment, independent of whether we are speaking of business renewal or keeping the environment high on the regional business agenda.

Our empirical data of regional development programming documents supports the statements in focus group interviews by illustrating that ambitions of prioritizing environmental sustainability are discussed as general and overarching regional policy statements in all eight regions studied, though the extent to which they are made concrete in outlining specific goals varies. In Denmark environmental sustainability is less explicit in the
more concrete policies and less is said about the gains of and potentials for environmental considerations and how they strategically contribute to regional development. More explicit emphasis on such gains is found in Finland, Norway and Sweden where regional attractiveness, profiling, sustainable growth, competitive advantages and the inherent potentials of environmental sustainability are now an integral part of the regional development rhetoric among the relevant actors at both the national and regional levels. As regards the formulation and implementation of concrete regional development projects we find examples of projects where ‘win-win’ opportunities have been identified in all regions in the project-lists of the regional development programmes (Hilding-Rydevik, Lähteenmäki-Smith and Storbjörk 2005). It is however important to clarify that the existence of such ‘win-win’ projects in respect of growth and the environment do not in any way appear to dominate regional practices. In Norway, for example, projects supporting environmental technology amount to about 10-15 percent of the projects funded by the Industrial and Regional Development Fund while Finland, which seems to have the highest explicit ambition in respect of supporting environmentally beneficial projects, has set the goal of having 20-30% of the projects within the regional development projects financed under EU Structural Funds allocated to projects with ‘a positive environmental impact’ (Hilding-Rydevik, Lähteenmäki-Smith and Storbjörk 2005). We of course have to bear in mind that the Finnish percentage represents a goal, not a practical reality. In viewing these figures we also need to consider the previously raised question regarding the process of defining what is “green”. We are not then witnessing a general transformation of regional development practices and day-to-day work but instead our case-study regions choose to work with environmental sustainability when it benefits economic growth.

To conclude this section of the paper, environmental sustainability thus appears to be entering the arenas of regional development to various degrees but remains, in practice, a far from dominant theme. Though the main aim of this study was not to bench-mark the integration efforts in the Nordic regions in relation to some normative scale, it is however interesting to view our results in relation to the Lafferty and Hovden (2003:9) definition of EPI presented in section 2. From this we can draw the conclusion that environmental goals are by no means a “guiding principle” or given “principled priority” over more traditional economic regional development goals in current regional development programming work. In relation to this EPI norm, integration is not in place in the Nordic regions studied here. Based on our empirical analysis of national and regional documents and interviews we at the same time find it reasonable to speak of a “ladder” of integration. By that we mean that there seem to be certain steps that are either taken today or discussed by interviewees in terms of being necessary for the regional bodies to more fully promote environmental policy-integration. The steps in the ladder could be outlined as the following:

- Ambitions of environmental sustainability are discussed as general and overarching policy statements.
- Ambitions of environmental sustainability are made concrete in regional development documents in outlining specific goals at the regional and sub-regional levels and among various actors. Goals of environmental sustainability are also the focus for follow-up criteria and studies.
- Action is taken to promote environmental sustainability in the daily regional development work by the actors and organisations responsible for co-ordinating and implementing regional development programmes and activities.
- Ambitions of environmental sustainability guide the formulation and implementation of concrete regional development projects.
Evaluations of environmental sustainability in the region show positive results on a long-term basis, providing continuity of integration.

An important question relating to the ladder sketched above concerns when integration is actually reached and how few steps on the ladder can be taken for us to still call it policy-integration. Obviously there is an enormous difference between integration in terms of point 1 and 5. The ladder is not intended to function as a set of normative instructions on how regional development actors and organisations ought to go about their integration activities, nor is it aimed at criticizing some of the steps adopted in our case-study regions. It is however intended to contribute to our understanding of the intricate process of environmental policy-integration in the regional development programming and implementation work by reflecting the variety of understandings of policy-integration found among different regional development actors at both the national and regional level across the Nordic countries. It does so on a rather general level but does so in relation to the various steps and activities included in current regional development work.

5. Conclusions
The main question addressed by this paper has been that of how the relationship between economic development and environmental considerations is played out in regional development programming in the Nordic countries and the emergent challenges for environmental policy-integration identified in this respect. A number of conclusions can now be drawn. Taken together it is clear that environmental policy-integration is not yet in place in the regional development arena even in the pace-setting regions made the focus of this analysis. The results discussed hitherto strongly indicate the existence of difficulties in working with environmental sustainability in the context of regional development policy across the Nordic countries and among actors and organisations responsible for coordinating partnerships and regional development activities. Accordingly, a number of emerging gaps between the rhetoric and practice of environmental policy-integration have been identified. Divergent perceptions and expectations in respect of the accomplishment of EPI emerge from the analysis undertaken here, which can best be illustrated by the two opposing perspectives identified in the section on concepts and analytical distinctions – conflict and consensus.

First, the consensus-perspective includes the assumption that working with sustainable development involves the potential to promote a crossing of sectoral boundaries while also emphasising the interconnectedness of environmental and economic sustainability. According to this perspective the focus on totalities and on integrating all relevant SD-dimensions in policy, programming and concrete projects is both desirable and possible. However, when taking a closer look at the regional development programming where our interviewees discuss common practical realities and professional day-to-day concerns, the conflict-perspective is clearly more representative. In our study the perspectives and experiences of interviewees who are in the midst of trying to make the declarations of sustainable development concrete, the question of who has the capacity to speak for an overall perspective, is raised. It is clear that a focus on different sectoral roles, mandates and perspectives leads to struggles over what SD stands for in practice where each side has their own version. Representatives of economic sustainability see SD as burdened by environmental objectives while representatives of environmental sustainability see practice as being dominated by economic concerns. What constitutes sustainable development in concrete situations thus tends to be viewed against the background of either economic or environmental sustainability meaning that the question of what policies, strategies and activities benefit the economy or the environment rather than an
The intertwining of the two, as the consensus perspective would demand, is more common. Environmental and economic sustainability are thus in practice – despite the official rhetoric – often treated as separate goals. Such a separation runs the risk of creating tensions between actors, and in so doing, also weakens the overall conditions for more successful policy-integration. The interviews reveal clear difficulties on the part of the sectoral representatives to transcend their previous policy roles, moving towards an integrated and interconnected approach. The partnership approach has not, in this respect, improved cross-sectoral learning between actors representing environmental and economic sustainability in a way that strengthens the sustainable development framework.

Second, difficulties also relate to the ability to overcome the negative links between economic development and environmental considerations in the context of regional development programming. The consensus-perspective, including assumptions of the potential to diffuse conflicts between environmental considerations and economic growth, while also providing ample opportunities for a mutual strengthening of the two by ‘win-win’ solutions provides rhetorical input to central paragraphs and general policy statements of regional development programming. Indications based on our data to some extent suggest that focusing on overall sustainable development has created new arenas for interaction and new opportunities for increased understanding between different actors in a way that facilitates dialogue on regional development from a wider perspective than was previously possible. Following the general trend of using partnership-approaches as a part of regional development programming activities, several interviewees discuss the benefits of increased co-ordination and the inclusiveness of perspectives, followed by an increase in innovation and learning. The strongly worded official rhetoric of ‘win-win’ opportunities and mutually beneficial activities is thus, to some extent, mirrored in our interviews and also in concrete attempts to integrate the environmental and economic growth perspectives into practical projects. These positive vibes found among some of the representatives of economic sustainability and those in charge of working with SD in general do not, however, dominate interview discussions.

A clear difference between the consensus rhetoric and the more conflict-laden practice of environmental policy-integration, as discussed in interviews, can thus be distinguished. An important characteristic of the conflict-perspective is then an acknowledgement that policy-integration is often highly contentious and troubled by trade-offs, deep-seated conflicts and challenging priorities. Our study shows hesitations regarding the potential for ‘win-win’ among representatives of economic sustainability and practical examples where the environment is treated as a troublesome fosterling or a barrier that needs to be overcome, in the eyes of representatives of environmental sustainability. Following the assumptions inherent in the conflict-oriented perspective, environmental concerns are regarded as negotiable while the pressure to promote regional economic development in a more conventional sense is undoubtedly strong. Principled priority does not seem, therefore, to be accorded to environmental sustainability. The question of what is actually accomplished in the name of sustainable development is therefore both relevant and justified. Often, our interviews support the apprehension that more troublesome environmental aspects are not dealt with in the regional development context. Troublesome conflicts between economic prosperity and environmental considerations that can be identified concerning infrastructure, regional enlargement, and energy-use etc., are not necessarily seen as being part of the agenda. In relation to the urgent need to come to grips with the causes of climate change the measures taken to decrease carbon emissions from transportation and heating are especially important. In this respect, regional solutions remain of significant importance, particularly in a
Nordic context with its inherent need for long-distance transportation and prolonged heating during the cold winter season.

Third, one of the main conclusions from the study is that we need to refine discussions of the concept of environmental policy-integration, distinguishing, for example, between policy-integration as regards rhetorical declarations, pockets of good practice and a more systematic integration, the latter an explicit goal in the EPI-literature. Rhetorical declarations are undoubtedly strong and we see examples of ‘win-win’ projects in all case-study regions, some of which seem however to have acquired the role of ‘flagship’ examples rather than signalling a more comprehensive transformation of regional practices. Even though some signs may lead to the conclusion that environmental sustainability does in fact influence policy thinking, others suggest that environmental sustainability is not seen as a key issue in many regional development arenas. Actors working to promote environmental sustainability in fact face a constant struggle to raise the questions that are often seen as peripheral or difficult to grasp in practice. Instead of environmental sustainability being a central concern of regional development policy and strategies, there undoubtedly remains a general reluctance to place it high on the regional development agenda and thus, at best, it tends to feature as an important issue “to be considered”. We are not then witnessing any general transformation of regional development practices though environmental considerations are included when they more obviously can be seen to benefit the traditional regional economy. The study thus reveals a stark contrast between environmental policy-integration in respect of the politically correct policy declarations or the integration achieved in easily identifiable ‘win-win’ projects as opposed to integration at every phase and level of regional development programming. Furthermore, signs of movement towards a principled priority for environmental considerations in line with the above quoted definitions of EPI are largely missing.

Regional development policy and programming work is undoubtedly an important arena in terms of the integration of SD policy goals. At the same time the historical time-period of working with SD in the Nordic countries is relatively short. In our pace-setting regions we learn that environmental sustainability has entered the regional development agenda and has had an impact on policy declarations while it has also led to the initiation of some practical activities, i.e. there seems to be some momentum in favour of a change towards integration. Our study however also reveals that the existing regionally-based programming practice thus far remains hamstrung by a rather more traditional conflict perspective in respect of the environment/economy divide and that a number of obstacles continue to be experienced in daily programming work hampering a more systematic move towards policy-integration. It thus remains to be seen to what extent the current situation will continue to evolve over the coming ten years and whether the existing momentum is sufficient to sustain progress in this field.
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