

# **Title: "Locational Differences in the Response of Pharmaceutical Companies to Environmental Regulation in Ireland"**

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## **Abstract**

This paper focuses on how pharmaceutical companies in Ireland have responded to more demanding environmental regulations that require continuous environmental improvement through both technical and organisational change. Through the Environmental Protection Act (1992), Ireland set up a national authority and regulations that are relatively demanding in the European context. Companies such as those in the pharmaceutical industry must obtain Integrated Pollution Control (IPC) licences in order to operate. Previously consent to operate was obtained from the local authority. To obtain these licences companies must now submit detailed applications to the Environmental Protection Agency (EPA). The research is based primarily on these applications.

Among the questions raised in this research was whether factors could be identified that distinguished between those companies that responded to the new regulations by adopting "end-of-pipe" means of reducing pollution, and those that adopted more fundamental, process re-engineering or re-design methods. Locational considerations, relating to the experience of the local authorities, emerged as important factors, as did firm-specific organisational capabilities.

The method used to identify the capabilities of the companies was to examine the applications of 16 pharmaceutical companies in terms of systems, measures and strategic development in the pursuit of environmental improvement. Each of the companies was given a score (on a five-point scale). While the broad research from which this paper is drawn considers a range of factors that are associated with high or low levels of capability, here we focus on location. The conclusion is that while in some respects locational factors are important, in others they are not.