

Beyond the inducement in climate change: Do environmental performances spur environmental technologies? A regional analysis of cross-sectoral differences

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This paper contributes the debate on the inducement of environmental innovations, by analyzing the extent to which endogenous inducement mechanisms spur the generation of greener technologies in contexts characterized by weak exogenous inducement pressures. In the presence of a fragile environmental regulatory framework, the inducement can indeed be endogenous, and environmental innovations might be spurred by firms' reactions to their environmental performances. The cross-sector analysis is focused on a panel of Italian regions, over the time span 1995-2007 and is conducted by implementing zero-inflated models for count data variables. The empirical results suggest that in a context characterized by substantial lack of regulatory frameworks, like the Italian one, environmental performances have significant and complementary within- and between-sector effects on the generation of green technologies.