

Innovation and Entrepreneurship Center

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Chasing Eco-advantage: Unraveling Who Creates and What Determines Radical Eco-Innovations in Brazil

Abstract:

The recognition of global-scale environmental threats gained room into international discussions since the second half of the 20th century, and with it much attention goes to how businesses address their environmental concerns. This paper draws a map of eco-innovative activities within Brazilian firms, their motivations, processes and results, based on data from an unprecedented survey carried out with 98 Brazilian firms in 2012. The purpose of the paper is to describe the profile of firms according to their approaches to eco-innovation; in special, we want to highlight what factors contribute to the occurrence of radical eco-innovations. Besides a descriptive analysis of the outcomes of the survey, this study used a PROBIT econometric model in order to test what determinants of eco-innovation improve the probability of having a radical outcome of the innovation. Results show that market-driven regulatory determinants, along with R&D activities focused on environmental outcomes increase the probability of radical innovations to take place. Two main conclusions are worth stressing: first, that radical eco-innovations take place in firms with a focused strategy to attend a specific niche market of technological innovations. By providing alternatives to the existing technology and production methods, those firms will make possible the transition towards a new paradigm of production, in a greener, carbon free economy. Second, the regulatory push seems to be helping create markets for the new, environmentally beneficial technologies or products, and should therefore be strengthened in order to allow an even broader dissemination of greener production practices.