

1. Special track: “Towards the green economy through innovative developments”

2. Title: *Incentives and barriers to eco-innovation in Mexico*

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4. Abstract:

Eco-innovation is currently positioned as a topic of the highest political relevance. A number of high-level political forums (UNCTAD, UNFCCC, OECD, UNEP, ASEM) have created manifold expectations around the potential of eco-innovation to become the engine to the green economy and a prime solution to global environmental pressures such as resource degradation, biodiversity loss and climate destabilization (Montalvo et al 2011). In this context, a better understanding of government incentives for the removal of barriers to eco-innovation is seen an area of primary concern for research and policy analysis (Ekins 2010). For the Mexican case, the only available policy review found no explicit policies for eco-innovation support (Leflaive, 2008). More critically, to date there is insufficient evidence about what specific incentives or impediments to eco-innovation diffusion in this country (c.f Montalvo 2002, Diaz Lopez 2009).

It is against this backdrop that the authors present exploratory results from an on-going research project with the aim to identify and to analyze existing incentives and barriers to eco-innovation conditioning the up-take and wider diffusion in Mexico Following on from Kemp, Diaz Lopez et al (2013), incentives and barriers to eco-innovation can be classified in five categories: institutional, technological, market, organizational and behavioural. Regarding the incentives, the authors focus on the set of policy programs sponsoring innovation managed by the Mexican Council for Science and Technology (CONACYT) and the Ministry of Economics (Villavicencio 2012). On the side of the barriers, this research focuses on institutional and behavioural barriers such as legislation, fiscal regime, intellectual property, company perception of environmental pressures and/or economic risks, etc. The effect of market barriers can be perceived both, as incentive or as a barrier. For the Mexican case, we put forward the hypothesis that the perceived effect might of a barrier. This assumption is due to the low level of development of the national system of innovation (Villavicencio 2009) and the insipient market formation of the eco-industry.

The empirical exploration of this article follows a twofold strategy: (1) it attempts to identify the types of eco-innovations developed by companies in different sectors; (2) it looks at the perceived effect of incentives and barriers to eco-innovation in Mexico. Availability of data is rather restricted since there is no statistics for this topic in the country. However, the classification of stages (according to the life cycle of innovation) and scope (incremental vs. radical) of eco-innovation are based on information directly taken from different public programmes supporting innovation in firms. Descriptive statistics and content analysis of such information will be

presented as part of the exploratory results offered by this paper. Future research will offer further insights on determinants and barriers to eco-innovation in Mexico by analyzing data from in-depth interviews and case studies of companies with eco-innovation potential in a specific sector (e.g. recycling and waste).

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