### ECO-INNOVATIONS AS A RESULT OF COMPANIES' INNOVATION ACTIVITIES

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### Introduction

### Innovations

- key factor for socioeconomic development of regions
- source of competitive advantage
- Long-term sustainability quantitative growth and ecological aspects
- Innovations + ecology = eco-innovations
- Eco-innovations = environmental or ecological innovations

### **Eco-innovations...**

- In the second second
- ...any form of innovation aiming at significant and demonstrable progress towards the goal of sustainable development, through reducing impacts on the environment or achieving a more efficient and responsible use of natural resources, including energy. (EU – CIP Programme)
- ...can be defined as innovation that serves to prevent or reduce anthropogenic burdens on the environment, clean up damage already caused or diagnose and monitor environmental problems. (VINNOVA)

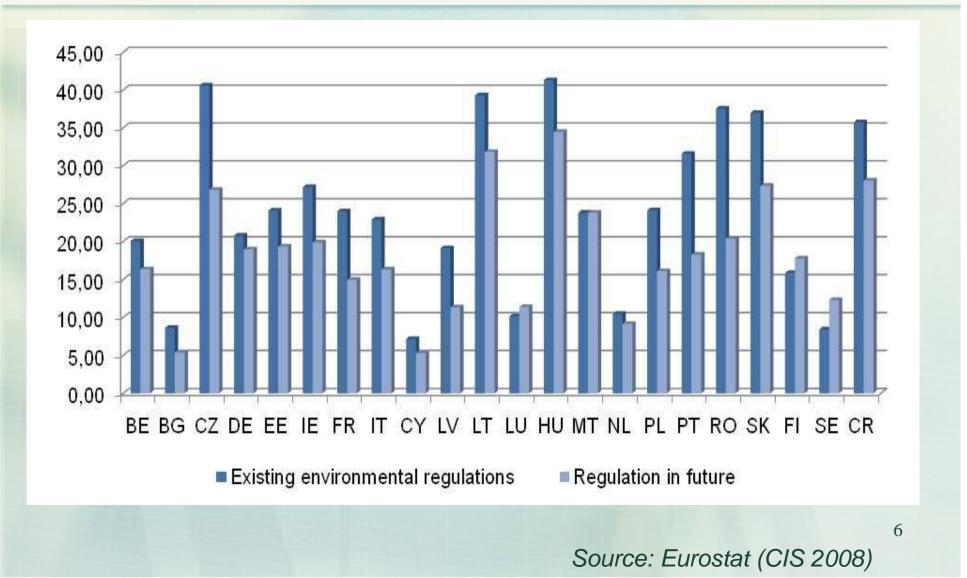
## Eco-innovations in a larger framework

- Summarizing of the definitions:
  - eco-innovations are the innovations that contribute to reducing of negative environmental impacts caused by production and consumption.
- Three important questions:
  - Who initiated development of the eco-innovation?
  - Who will appear the positive impacts of ecoinnovations at?
  - Were the environmental targets of innovations intended primarily or were they rather the secondary effect?

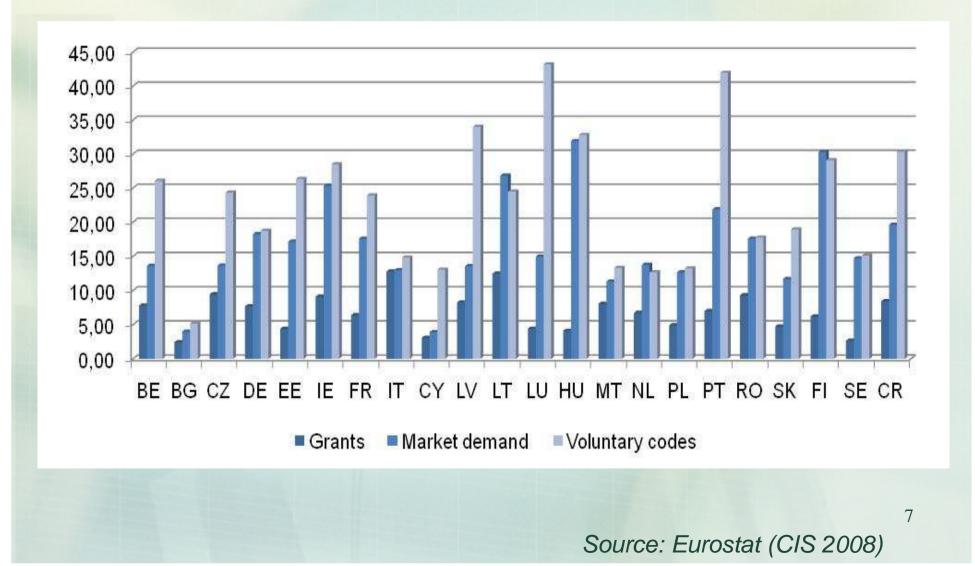
### Statistics on eco-innovations in the EU

- Community Innovation Survey
- Since the 90's
- Oslo manual + Commision Regulation
- Eco-innovations only in the last survey for the period 2006-08 (CIS 2008)
- Selected coutries of the EU + Croatia
- The figures about eco-innovations are expressed as share on the enterprises with innovation activity. 5

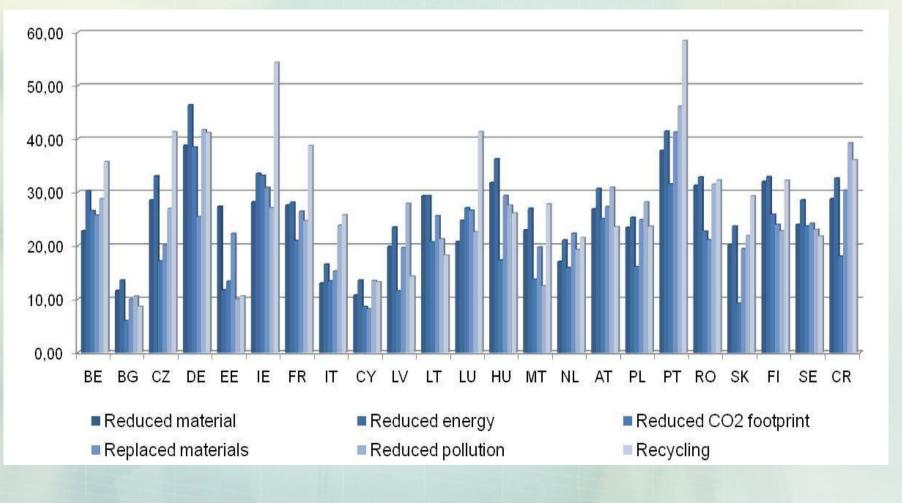
## Motivation to introduce an environmental innovation – regulation [%]



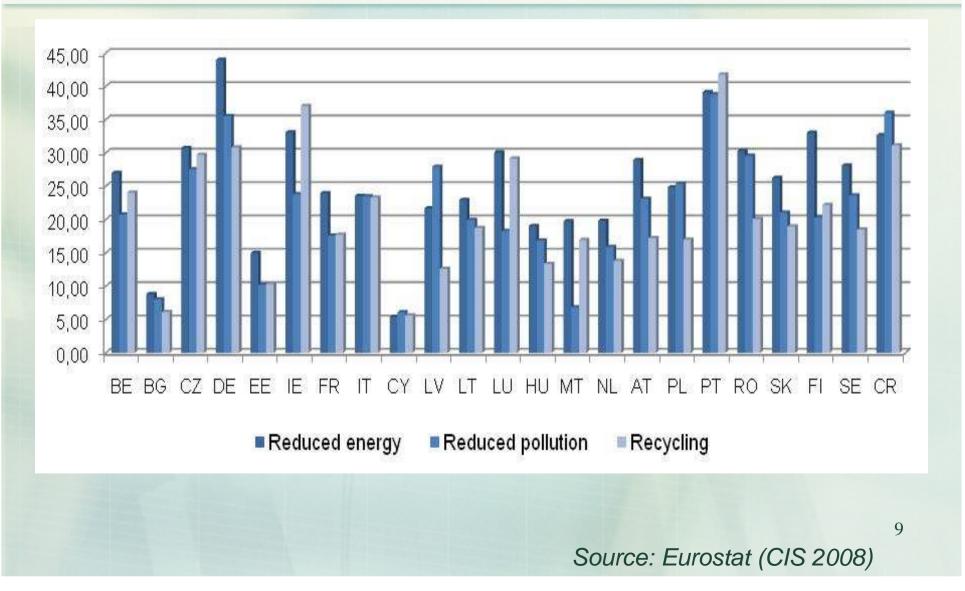
## Motivation to introduce an environmental innovation – voluntary decision [%]



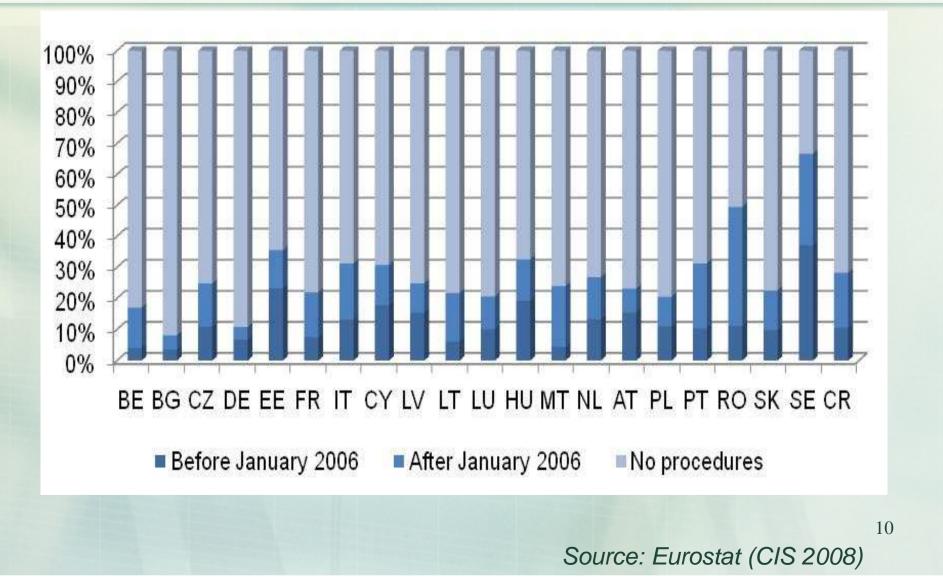
### Innovations with environmental benefits – benefits for producers [%]



## Innovations with environmental benefits – benefits for users [%]



# Enterprises with procedures in place to regularly identify and reduce environmental impacts [%]



## Influence of selected economic level indicators on eco-innovations

- assessment of relation between selected indicators of economic level of countries and partial characteristics of eco-innovations
- assumption: elementary dependence is direct relation between higher economic level and higher appearance of selected characteristic of eco-innovations
- Indicators
  - GDPat market prices (EUR per inhabitant)
  - Total R&D expenditures (% of GDP)
  - Turnover from innovation (% of total turnover)

### Correlation between reasons for launching ecoinnovations and economic level of country

#### European Union

|                     | Present regulation | Future<br>regulation | Grant | Market<br>demand | Voluntary<br>codes |
|---------------------|--------------------|----------------------|-------|------------------|--------------------|
| GDP                 | -0.51              | -0.36                | -0.11 | 0.08             | 0.33               |
| Expenditures on R&D | -0.36              | -0.11                | -0.06 | 0.29             | 0.03               |
| Turnover            | 0.16               | 0.31                 | 0.02  | 0.01             | -0.23              |

#### Central and East Europe

|                     | Present<br>regulation | Future<br>regulation | Grant | Market<br>demand | Voluntary<br>codes |
|---------------------|-----------------------|----------------------|-------|------------------|--------------------|
| GDP                 | 0.51                  | 0.57                 | 0.16  | 0.32             | 0.64               |
| Expenditures on R&D | 0.17                  | 0.40                 | 0.20  | 0.60             | 0.66               |
| Turnover            | 0.56                  | 0.42                 | 0.13  | 0.05             | -0.28              |

### **Correlation between benefits of eco-innovations for producers and economic level of country**

|                     | Reduced material | Reduced<br>energy | Reduced CO2<br>footprint | Replaced materials | Reduced pollution | Recycling |
|---------------------|------------------|-------------------|--------------------------|--------------------|-------------------|-----------|
| GDP                 | -0.05            | 0.09              | 0.52                     | 0.22               | 0.03              | 0.37      |
| Expenditures on R&D | 0.10             | 0.12              | 0.36                     | 0.23               | -0.02             | -0.04     |
| Turnover            | 0.32             | 0.29              | 0.18                     | 0.02               | -0.07             | 0.22      |

### Correlation between benefits of eco-innovations for users and existence of procedures and economic level of country

|                     | Reduced<br>energy | Reduced pollution | Recycling of<br>product | Existence of<br>procedures |
|---------------------|-------------------|-------------------|-------------------------|----------------------------|
| GDP                 | 0,30              | -0,03             | 0,33                    | 0,02                       |
| Expenditures on R&D | 0,15              | -0,08             | -0,02                   | 0,13                       |
| Turnover            | 0,23              | -0,10             | 0,16                    | 0,11                       |

Source: Eurostat, own calculation

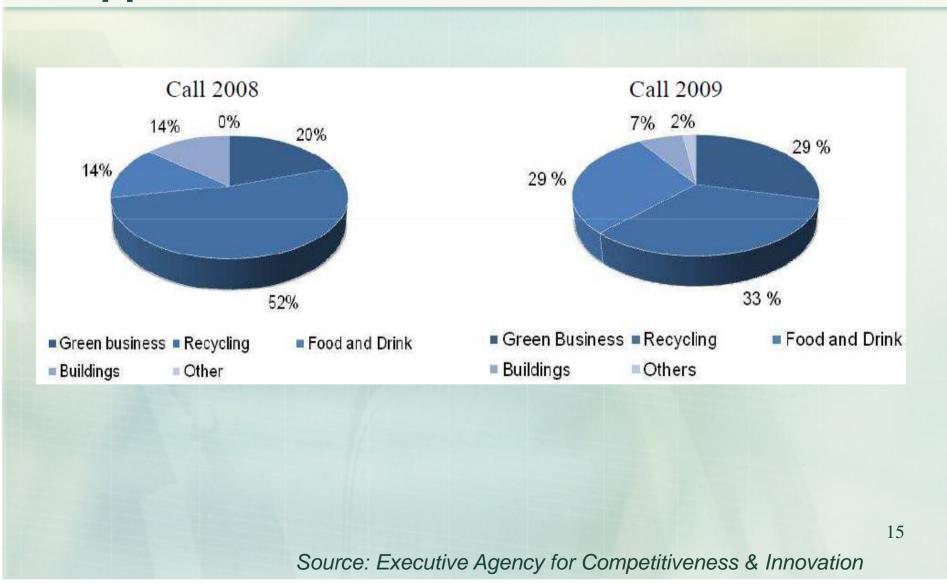
## Support of eco-innovations in the European Union

- Competitiveness and Innovation framework Programme 2007-2013
- subprogramme Entrepreneurship and Innovation Programme (EIP)
- Measure Eco-innovations (pilot and market replication projects)

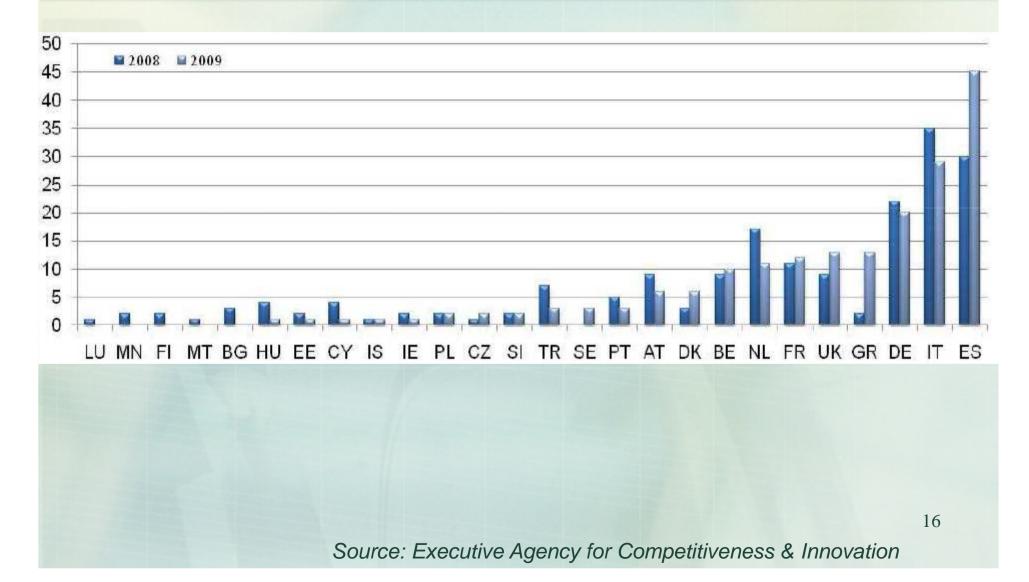
| CIP Programme – | <b>Eco-innovations:</b> | proposal of the calls |
|-----------------|-------------------------|-----------------------|
|-----------------|-------------------------|-----------------------|

|                               | Call 2008 Call 2009 |             | Call 2010   |    |
|-------------------------------|---------------------|-------------|-------------|----|
| Number of proposals           | 134                 | 202         | 287         |    |
| Number of participants        | 444                 | 614         | 895         |    |
| Requested funding (€)         | 110 000 000         | 150 000 000 | 264 000 000 |    |
| Average funding requested (€) | 830 000             | 770 000     | 921 000     |    |
| SME (%)                       | 74                  | 70          | 66          | 14 |

### CIP Programme – Eco-innovations: supported sectors



## CIP Programme – Eco-innovations: supported participants



### Conclusions

- eco-innovation is any innovation that reduces negative impacts caused by production and consumption
- environmental regulations has big influent on introducing eco-innovations especially in new member states of the EU
- the most frequent benefit for firms is possibility to recycle followed by costs reasons
- the most frequent benefit for customers is reduced energy used by the new product
- It was proved the negative relation between companies' need to satisfy requirements of present environmental legislation and GDP per inhabitant
- in countries with high share of innovative products on turnover the environmental legislation is more frequently reason for development of new innovations
- the only effects of eco-innovations for producers where some slight dependence on economic level was proved is reduced CO<sub>2</sub> production

### Thank you for your attention