



SEEDS Seminar Series

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Via Voltapaletto 11

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The impact of pollution abatement investments on technology: Porter hypothesis revisited

Abstract

This paper revisits the Porter hypothesis by pursuing two new directions. First, we compare the results obtained with two complementary approaches: parametric stochastic frontier analysis and conditional nonparametric frontier analysis. They presents relative advantages and drawbacks. Secondly, we pay attention not only on the average pollution abatement effort effect but we also focus on its variability across firms and over time. We provide new results suggesting that the traditional view about the effect of environmental regulation on productivity and the Porter hypothesis may coexist. This evidence supports the idea that a well-designed environmental regulation affects positively the firm performances in some instances.