

Introduction (Taxation, Innovation and the Environment)

This chapter introduces why an unregulated market provides too much pollution and too little innovation, the combination of which makes environmentally related innovation doubly undersupplied. It outlines that such innovation is critical for achieving environmental targets cost-effectively. There is discussion of the process of innovation, its drivers and the role of governments and industry. The chapter finishes with a discussion about the role of taxation in correcting these two market failures.

LinkToContentAt: <http://dx.doi.org/10.1787/9789264087637-4-en>

Knowledge Type: [Thematic report](#) [1]

Other Tag: [innovation incentives](#) [2]

[pricing](#) [3]

[climate change](#) [4]

[externalities](#) [5]

[market failure](#) [6]

[pollution](#) [7]

[social rate of return](#) [8]

[innovation adoption](#) [9]

[process innovation](#) [10]

[energy](#) [11]

[research and development tax credits](#) [12]

[environmental challenges](#) [13]

[diffusion](#) [14]

[demand pull](#) [15]

Parent URL: <http://dx.doi.org/10.1787/9789264087637-en> [16]

Source URL: <https://www.innovationpolicyplatform.org/document/introduction-taxation-innovation-and-environment>

Links

[1] <https://www.innovationpolicyplatform.org/knowledge-type/thematic-report-0>

[2] <https://www.innovationpolicyplatform.org/topic/innovation-incentives>

[3] <https://www.innovationpolicyplatform.org/topic/pricing>

[4] <https://www.innovationpolicyplatform.org/topic/climate-change>

[5] <https://www.innovationpolicyplatform.org/topic/externalities>

[6] <https://www.innovationpolicyplatform.org/topic/market-failure>

[7] <https://www.innovationpolicyplatform.org/topic/pollution>

[8] <https://www.innovationpolicyplatform.org/topic/social-rate-return>

[9] <https://www.innovationpolicyplatform.org/topic/innovation-adoption>

[10] <https://www.innovationpolicyplatform.org/topic/process-innovation>

[11] <https://www.innovationpolicyplatform.org/topic/energy>

[12] <https://www.innovationpolicyplatform.org/topic/research-and-development-tax-credits>

[13] <https://www.innovationpolicyplatform.org/topic/environmental-challenges>

[14] <https://www.innovationpolicyplatform.org/topic/diffusion>

[15] <https://www.innovationpolicyplatform.org/topic/demand-pull>

[16] <http://dx.doi.org/10.1787/9789264087637-en>