

**Il Dipartimento di Economia
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**Reaping Whose Fruits? Institutional
Spillovers and Venture Capital Investments
in the Solar Photovoltaic Industry**

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Abstract:

In recent years, governments in a large number of countries have introduced formal institutions, such as feed-in tariffs or renewable portfolio standards, that support the diffusion of environmental technologies. Besides trying to reap the ecological benefits associated with the use of these technologies, a key motivation behind such deployment policies has been to foster venture capital (VC) investments in domestic firms to stimulate the emergence of domestic high-tech industries. Currently, however, little is known about whether institutional demand-side support actually benefits domestic firms to a larger degree than firms abroad. To address this question, in this paper, we draw on a unique, global dataset to investigate the role of institutional spillovers for VC investments in firms active in the solar photovoltaic industry. We show that both domestic and foreign deployment policies have a strong, positive influence on the number and value of VC deals in a country. The impact of foreign deployment policies on the number of deals, however, is significantly lower than the one of domestic deployment policies. Our findings indicate that, by attracting VC investments, formal institutions can play an important role in supporting entrepreneurial activity. However, our findings also suggest that stimulating VC investments through market support is connected with international spillovers, which limit the efficiency of deployment policies as entrepreneurship policy. We discuss the implications of our findings for the literature on institutional theory, entrepreneurship, and environmental policy.

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La partecipazione è aperta a tutti gli interessati