



# LED ON THE WRONG TRACK? A NOTE ON THE DIRECTION OF TECHNICAL CHANGE UNDER ENVIRONMENTAL LIABILITY LAW

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## Abstract

This note shows that polluters might opt for technical change which is inferior to other innovations from a social standpoint under environmental liability law. Polluters choose what is socially optimal under strict liability. However, we show that it is possible to have not only too little or too much technical change of a given kind but, importantly, also the wrong kind of technical change under negligence.