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Welcome to our 4th webinar on SMEs and Climate Action



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Please complete our mentimeter survey

Think about the policies that the national government in your country has implemented for the transformation to a climate-neutral economy. In your opinion, what approaches have been prioritised to date?

→ Follow the link in the chat or scan the QR-Code



Background

- Transformation to a climate-neutral economy (in Austria by 2040) as a key policy objective
- Presents major challenges for policy-making: *How to develop a suitable policy mix?*
 - In TranS4MEr, we provide **an enterprise perspective** on policy mixes for the transformation to climate-neutrality

Why an enterprise perspective?

- Enterprises are key agents in the transformation (Hampton et al., 2023):
 - **Consumers:** energy users, procurers of products and services
 - **Enablers:** providers of solutions
 - **Influencers:** advisors, employers, lobbyists
- **Yet:** very heterogeneous with respect to capabilities, policy perceptions, embeddedness, etc.



What an enterprise perspective is not

Not to be conflated with business interests or needs

- In policy discourse, there is a tendency to frame the challenge in terms of ‘business support’, ‘policy needs’, and ‘removing barriers’
- Enterprises can be both part of the solution and part of the problem!
- Transformation requires *enabling* but also *structural* and *systemic* policy approaches (cf. Scoones et al., 2020)

How we want to contribute to more effective policy-making

- 1) **Addressing heterogeneity:** segmentation of target groups based on large-scale enterprise survey (live this month)
- 2) **Facilitating learning and knowledge exchange:** 10-part webinar series
- 3) **Developing proposals towards a transformative policy mix:** workshops with stakeholders and policy experts
- 4) **Identifying gaps and shortcomings of existing policy mix:** repository of 359 policies and interviews with 21 policy experts

Identifying gaps and shortcomings of the existing policy mix

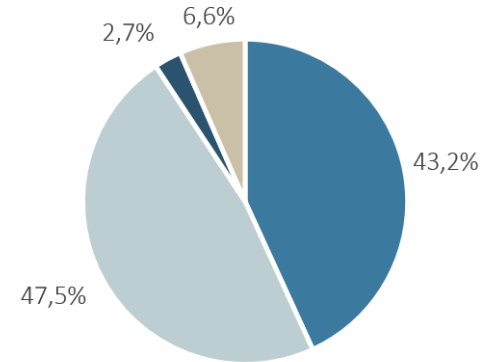
Exploratory analysis of the Austrian policy mix at the federal level



Policy repository

- Compilation of policies contributing to climate neutrality of enterprises
- policies active in 03/2023 – 02/2024
- total of 359 policies

instrument mix (n=359)



- Economic instruments
- Information-based instruments
- Regulatory instruments
- Strategies and plans

Examining the comprehensiveness and context-sensitivity of the policy mix

- The policy repository helps us to understand how the policy mix is ‘framed’: what is taken into account and what is left out
- An effective policy mix for the transformation to a climate-neutral economy...
 - provides clear direction through a focus on climate-neutrality (directionality)
 - intervenes in ways that can bring about transformative change (intervention points)
 - is tailored to the specific challenges enterprises face (target groups)

Categories used for coding policy interventions

- **Directionality:**
energy, materials, climate mitigation, climate action, environment, sustainability
- **Target groups:**
entrepreneurs and start-ups, SMEs only, large enterprises only, all enterprises, various actors
- **Intervention points:**
10 policy approaches

Towards a taxonomy of transformative policy approaches

- Derived from 17 existing frameworks of ‘transformative policy’
 - Informed judgments of how and where policy can bring about transformative change towards climate-neutrality
 - Rooted in different scientific debates and disciplines
 - Overlapping but also complementary intervention points
- Categorisation of intervention points leads to 10 policy approaches
- Each policy approach addresses a distinct set of intervention points

Taxonomy of transformative policy approaches

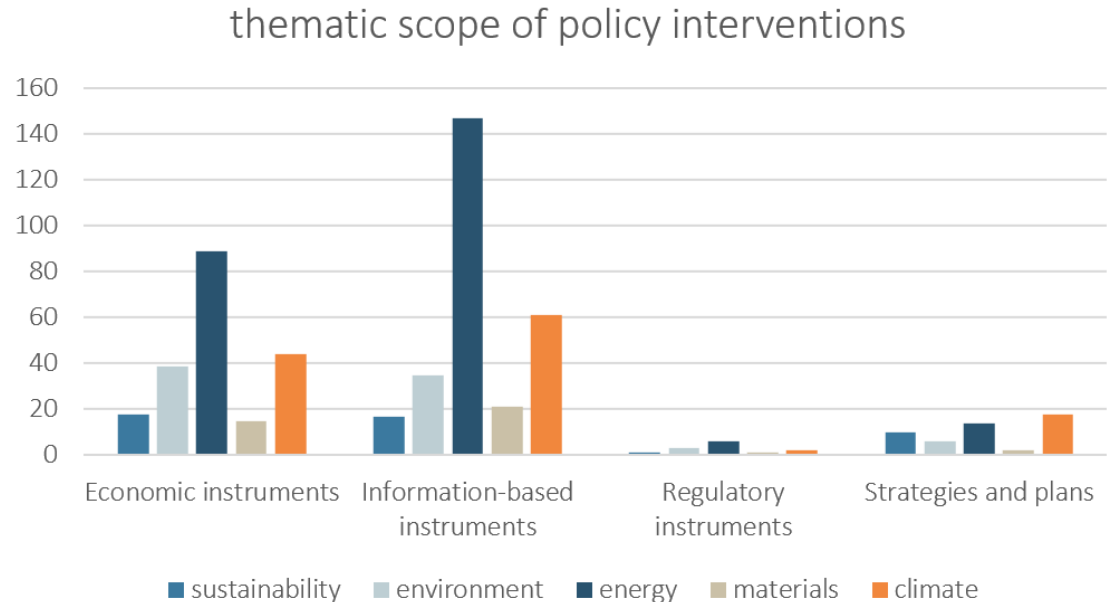
	Transformative policy approaches
1)	Reorienting towards a climate-neutral economy
2)	Ensuring a socially inclusive and just transition
3)	Shifting to transformative governance arrangements
4)	Creating favourable market frameworks
5)	Investing in infrastructures for climate-neutrality
6)	Building competitive environmental goods and services industries
7)	Stimulating eco-entrepreneurship
8)	Fostering the adoption of low-carbon alternatives
9)	Creating spaces for experimentation and collaboration
10)	Supporting businesses to reduce their carbon footprints

Taxonomy of policy approaches

	Transformative policy approaches	How enterprises are addressed
1)	Reorienting towards a climate-neutral economy	Consumers, enablers, influencers: as political agents, tax payers
2)	Ensuring a socially inclusive and just transition	Enablers, influencers: employers, stakeholders
3)	Shifting to transformative governance arrangements	Influencers: lobbyists, experts
4)	Creating favourable market frameworks	Consumers, enablers: competitors, providers
5)	Investing in infrastructures for climate-neutrality	Enablers: investors, providers of infrastructures
6)	Building competitive environmental goods and services industries	Enablers: providers of goods and services, exporters
7)	Stimulating eco-entrepreneurship	Enablers: entrepreneurs
8)	Fostering the adoption of low-carbon alternatives	Consumers: adopters
9)	Creating spaces for experimentation and collaboration	Enablers: innovators, collaborators
10)	Supporting businesses to reduce their carbon footprints	Consumers, influencers: purchasers, users

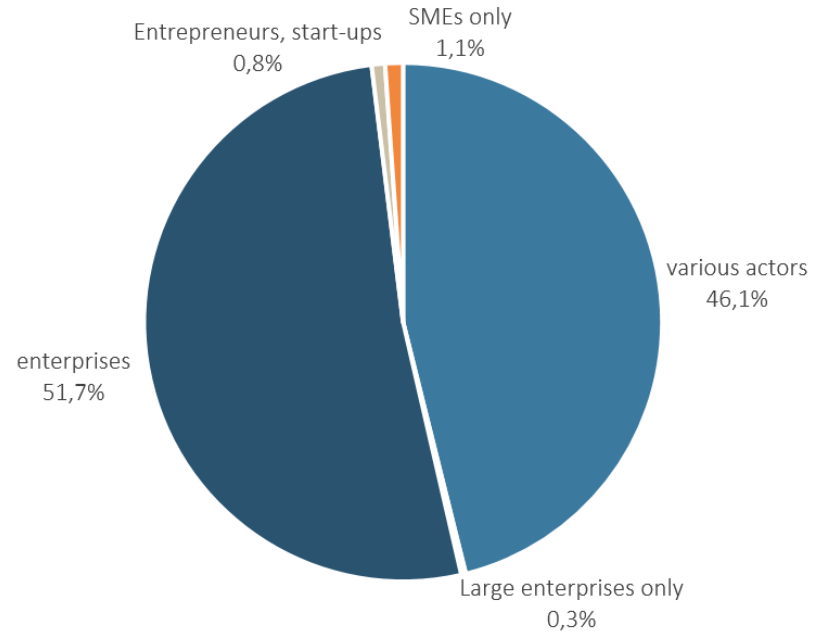
Directionality

- Policies for the energy transition predominate
- Climate mitigation is more prominent in strategies and plans: not reflected yet in implementation
- Framings differ across governmental bodies: in economic policy the focus tends to be on sustainability

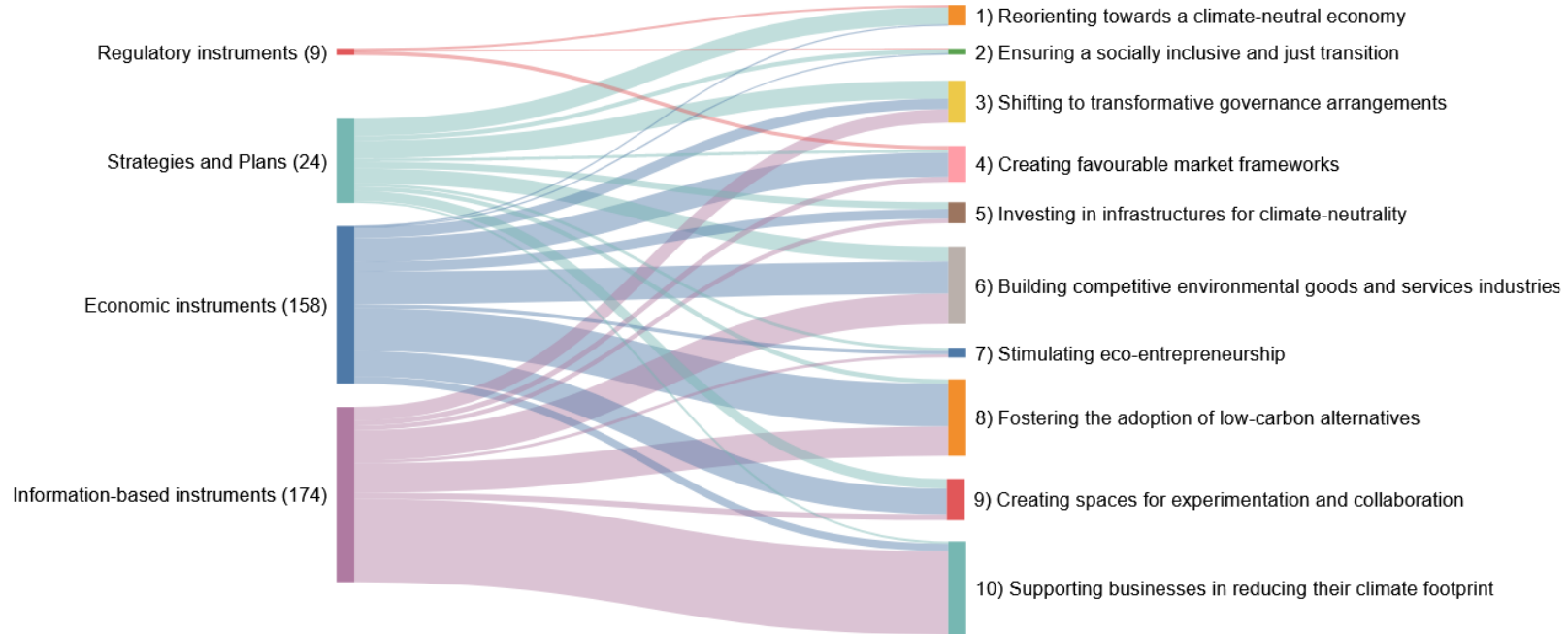


Target groups

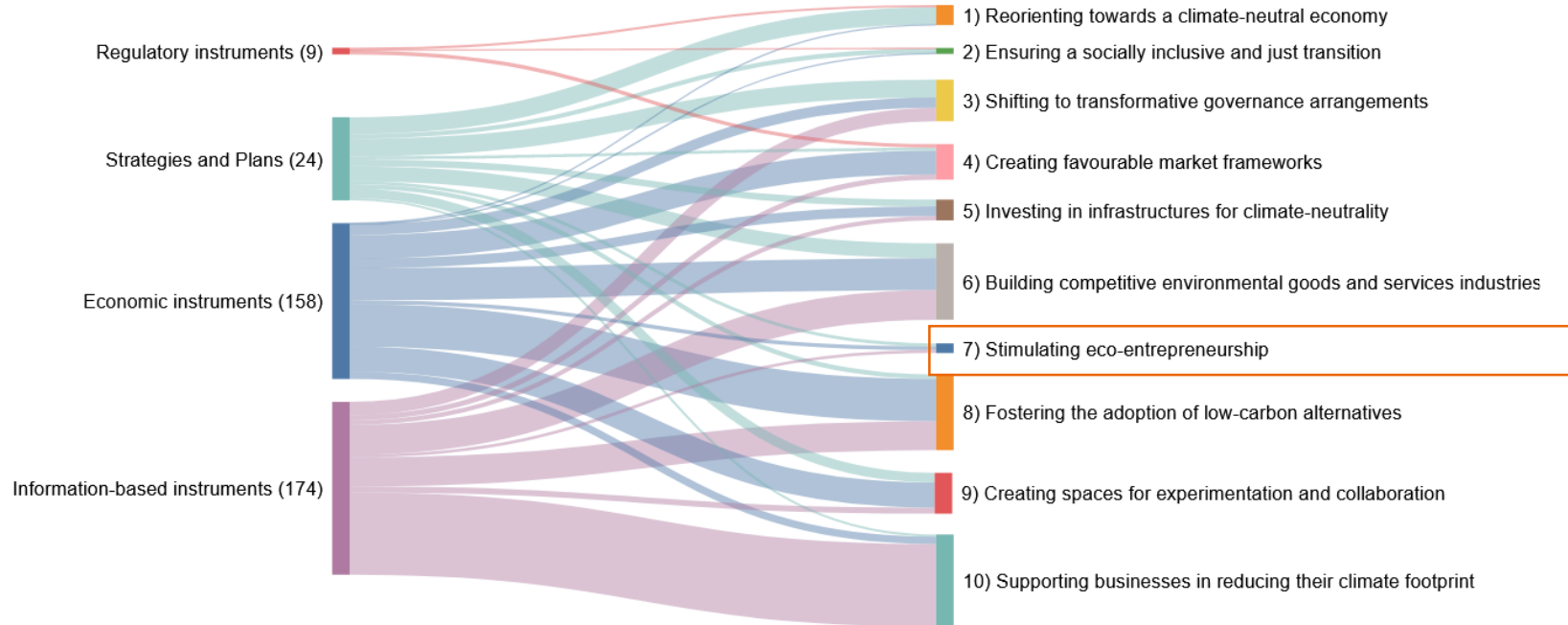
- Few policies are targeted at small or large enterprises only
- Other categories are more important:
 - Target groups are mainly defined in terms of business sectors
 - Some subsidies are available to selected organisational forms only
- No climate strategies or implementation plans dedicated to the enterprise population: unclear how public policy intends to address enterprises towards climate-neutrality



Policy approaches towards a climate-neutral economy



Policy approaches towards a climate-neutral economy



Stimulating eco-entrepreneurship

Instruments:

- Investment subsidies for 'green IP', product-to-market of environmental technologies, business ventures based on environmental technologies
- Environmental subsidies for innovative energy communities
- Greenstart: coaching for the development of green business models and awards for most promising ideas
- Award of the state for innovative energy and environmental technologies
- Climate Lab: incubator and hub for start-ups and other stakeholders
- The Green 100 fair: green finance and matchmaking with investors
- Entrepreneurship is also highlighted in some strategies

Recap

- An enterprise perspective on policies for the transformation to climate-neutrality
- Today we focused on the comprehensiveness and context-sensitivity of the Austrian policy mix at the federal level
- Core proposition: framing of policy mixes affects their effectiveness and transformative potential

Recap

- **Directionality:** most interventions are too narrow, focused on energy
- **Intervention points:** Austrian policy mix is wide-ranging but some key intervention points are neglected, in particular those related to socially inclusive and just transition processes
- **Target groups:** Frequently implicated rather than explicit targets, rarely tailored to specific enterprises

Preliminary conclusions and takeaways

- Enterprises are confronted with a large number of diverse policy interventions
- Piecemeal rather than integrated: little guidance and tailored support for enterprises to achieve climate-neutrality
- Additional policies are needed to address missing intervention points but there is also an urgent need for simplification and greater context-sensitivity

SMEs and climate action

Next webinar on May 15th 1pm (CET)

- 1) “The less than 1% club: How to reach all SMEs?” - Kevin Mole & Vicki Belt from the Enterprise Research Centre
- 2) “The ‘green to grow’ campaign: How to raise awareness for climate action among SMEs?” - Hugh Taylor & Martina Tortis from the British Business Bank
- 3) “The roles of federal governments in supporting energy efficiency in SMEs: the Austrian klimaaktiv programme“ - Petra Lackner & Gabriele Brandl from the Austrian Energy Agency
- 4) “Realising the transformative potential of enterprise policy: an assessment of the Austrian policy mix“ - Harald Wieser from the Austrian Institute for SME Research
- 5) “What next for the governance of SMEs and Net Zero?“ - Sam Hampton from the Universities of Oxford and Bath



Thank you for your participation!

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