

Executive Summary

The entrepreneurial acceptance of climate protection regulation

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Summary

The European Union has set the goal of making the European economy climate-neutral by 2050. Germany aims to achieve climate neutrality in its economy five years earlier. The ecological transformation of the economy, necessary for this goal, is supported and propelled by a series of regulatory measures.

Companies have a wide range of strategic options available to respond to these regulatory requirements: from reactive responses such as relocating operations, to simply complying with minimum standards, to proactively exceeding regulatory requirements. The effectiveness of the regulatory measures—and thus the success of the ecological transformation—also depends on how companies respond to the regulation.

High identification with climate protection goals

Our results show that the surveyed companies and associations identify with the regulatory goal of climate protection and are willing to do their part to ensure its success. They are guided partially by intrinsic motives, such as the personal conviction of the executives, and partially by extrinsic motives, such as customer pressure and regulatory requirements. Additionally, Mittelstand enterprises feel a responsibility due to their regional ties.

Effective regulations require acceptance

Many companies find it difficult to accept the specific nature of the regulations. However, acceptance is crucial in determining how companies ultimately respond to the policies. Some of the recent regulations have made companies significantly more critical, as the continuous introduction of new regulations disrupts routine processes and requires additional time to adapt to the new requirements.

Barriers to the acceptance of climate regulations

Primarily, a lack of discernible meaningfulness, excessive detail, frequent changes, and short implementation deadlines, as well as an excess of certification requirements, lead to unnecessary costs and, particularly, additional bureaucratic burdens, which disproportionately affect the Mittelstand enterprises. Furthermore, individual operational circumstances are not taken into account, and existing entrepreneurial innovation potentials remain untapped. As a result, a stance of rejection can emerge among Mittelstand enterprises. There is a risk that companies may resort to avoidance strategies.

Effective climate protection requires a reliable regulatory framework

Climate-friendly regulation should focus on a limited number of reliable instruments with maximum effectiveness. Companies should be granted flexibility in achieving regulatory goals. This is best achieved through incentive-based regulations and largely refraining from specific requirements. This requires a stronger trust in the sincerity of entrepreneurs and the abandonment of mandatory audits