

Open Research Online

The Open University's repository of research publications and other research outputs

Policies to promote environmental responsibility in SMEs: a case-based review

Conference or Workshop Item

How to cite:

Monaghan, Adrian; Blundel, Richard and Thomas, Christine (2012). Policies to promote environmental responsibility in SMEs: a case-based review. In: 18th Annual International Sustainable Development Research Conference, 24-26 Jun 2012, University of Hull.

For guidance on citations see [FAQs](#).

© 2012 The Authors

Version: Accepted Manuscript

Link(s) to article on publisher's website:
<http://www.hull.ac.uk/isdrc18>

Copyright and Moral Rights for the articles on this site are retained by the individual authors and/or other copyright owners. For more information on Open Research Online's data [policy](#) on reuse of materials please consult the policies page.

oro.open.ac.uk

Policies to promote environmental responsibility in SMEs: a case-based review

Adrian Monaghan

University of Salford

Richard Blundel

The Open University

Christine Thomas

The Open University

ABSTRACT

Governments around the world are beginning to respond to the complex challenges of sustainable development. Until recently, much of the emphasis of policy-makers was around the 'greening' of larger public and private sector organisations. However, over the last two decades there has been an increasing interest in enhancing the environmental performance of SMEs. Many different policy tools have been introduced in an attempt to control against environmentally damaging economic activity on the part of SMEs, and to encourage them to adopt more environmentally benign ways of operating¹. While some of these interventions have proved effective in their own terms, better integrated approaches are now required to address complex and deep-rooted sustainability challenges. It is also necessary to:

- clarify the purpose of each intervention, taking into account potential interactions and trade-offs;
- select appropriate tools based on an informed review of the available options;
- address geographic, sectoral and firm-level characteristics;
- recognise that environmental responsibility is a product of multi-level interactions involving SME owner-managers, their enterprises, and contexts in which they operate.

Environmental policy for SMEs is a vast arena, which extends from relatively modest local conservation projects to ambitious 'green new deals' that span national and regional economies. This paper provides an overview of the main types of policy developed in the last 20 years. Its aims are to:

1. Introduce the main options available to policy-makers seeking to influence the environmental performance of SMEs and entrepreneurial firms;

¹ See, for example, Parker *et al.* 2009, Parrish and Foxon 2009.

2. Review available evidence on the effectiveness and impact of specific interventions;
3. Stimulate debate on the framing of future policies in this area.

The paper draws primarily on examples of environmental policy-making in European countries, but its arguments have a more general application. The main focus of the paper is on waste management and climate change mitigation, two key environmental policy arenas in which there are significant implications for SMEs. The remainder of the paper is organised as follows. Section 2 considers the context in which policies are framed, arguments presented in support of intervention, and the main policy options. Section 3 examines four case-based examples, analysing their policy context and drivers, summarising the tools selected and evaluating their impact, highlighting potential strengths and limitations. Section 4 discusses the main implications for environmental policy and practice.