



DRIVING OR DRIVEN: SMEs IN THE GREEN AND DIGITAL TRANSFORMATION

21 June 2021

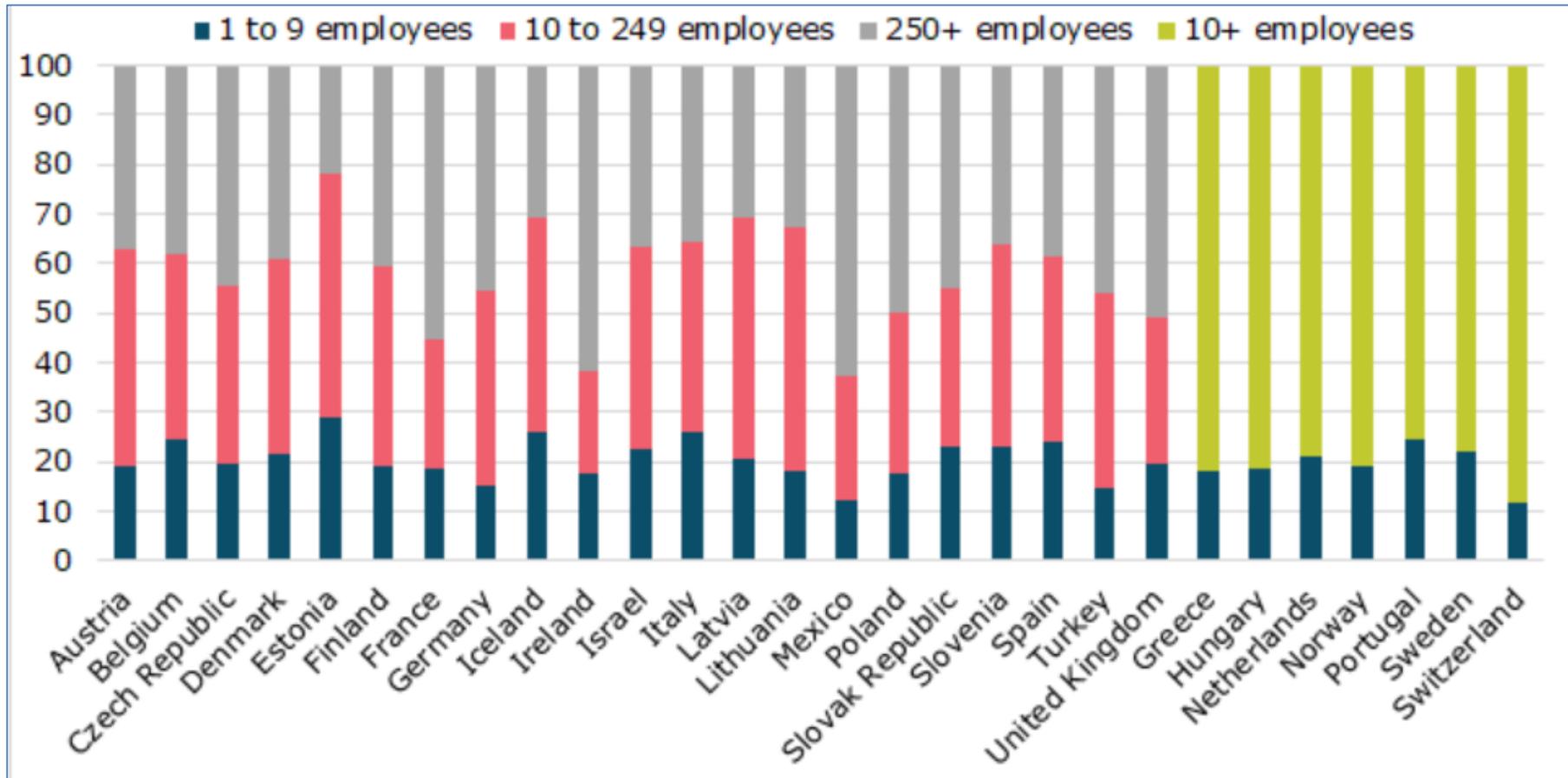
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SMEs are essential to the twin transition

Value added in the non financial business economy, by firm size (%)
2017 or latest available year

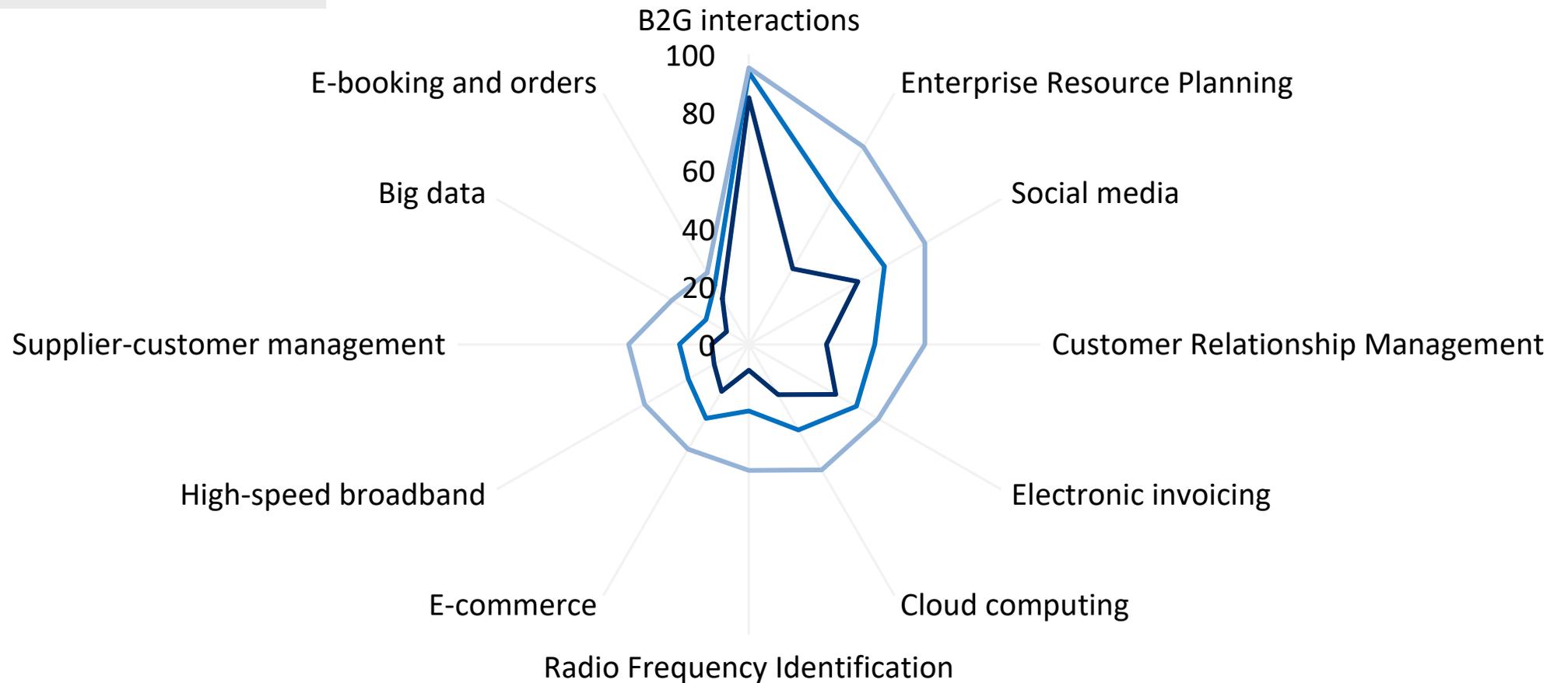




SMEs have been lagging in the race to digital

Average technology diffusion rates, OECD median, by firm size, 2015-18

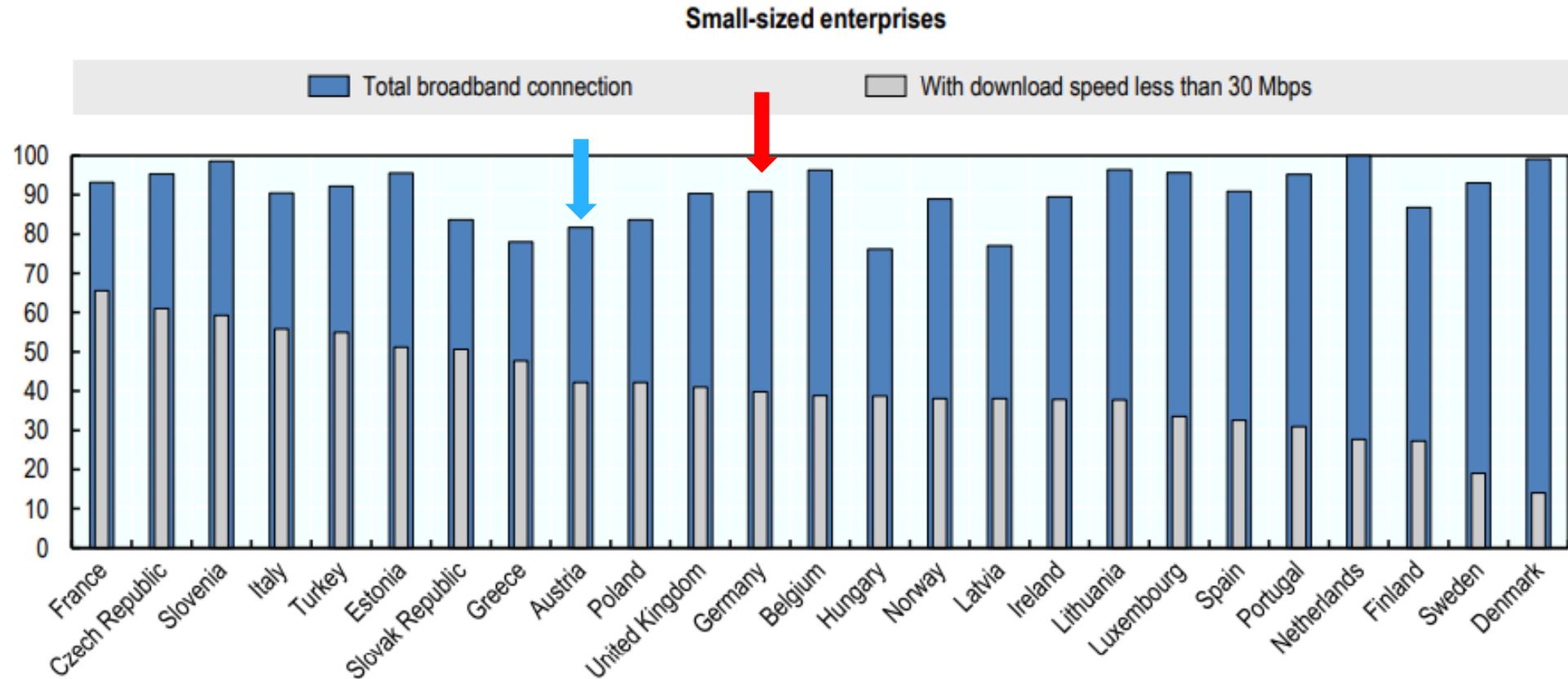
— Small — Medium — Large





Access to high quality digital infrastructure differs markedly

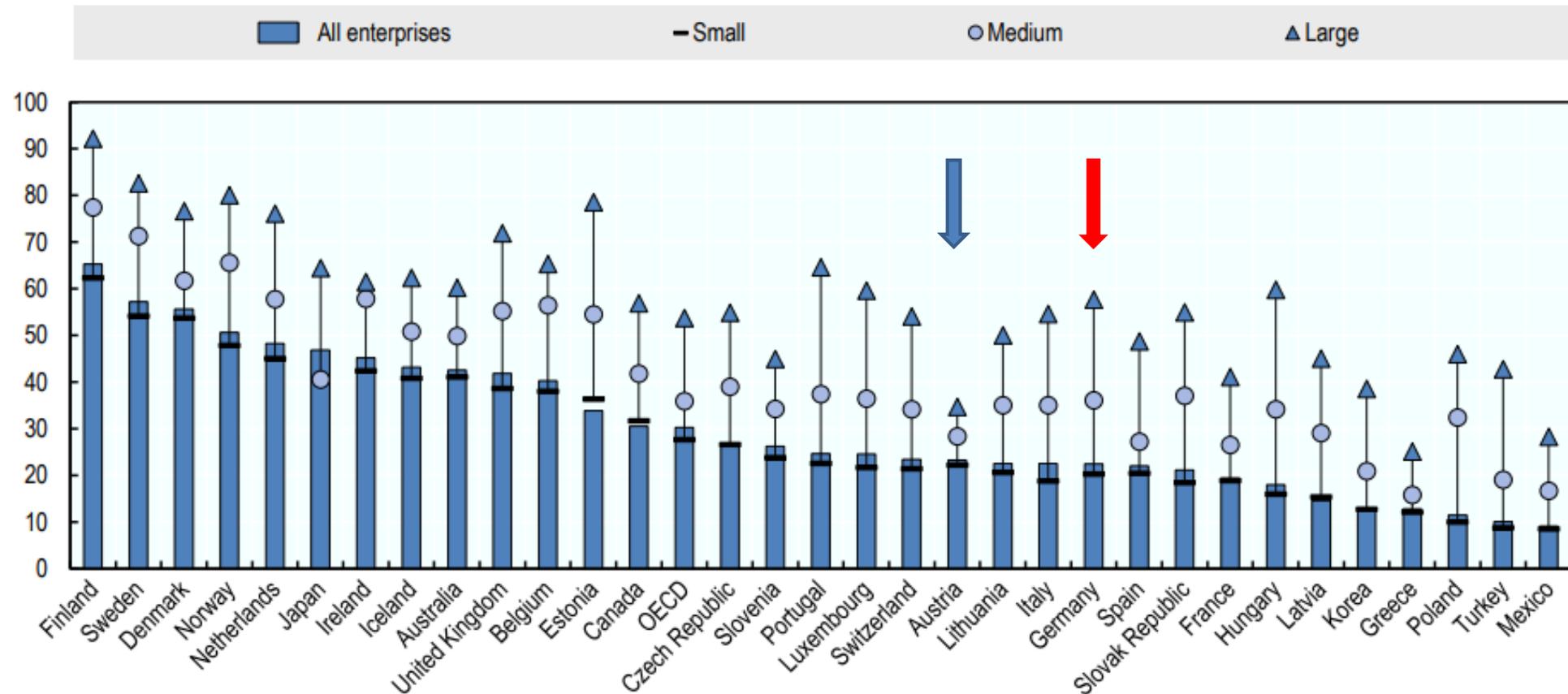
Small and medium-sized enterprises with broadband connections, by speed (%), 2019





SMEs are half as likely as large firms to use cloud computing...

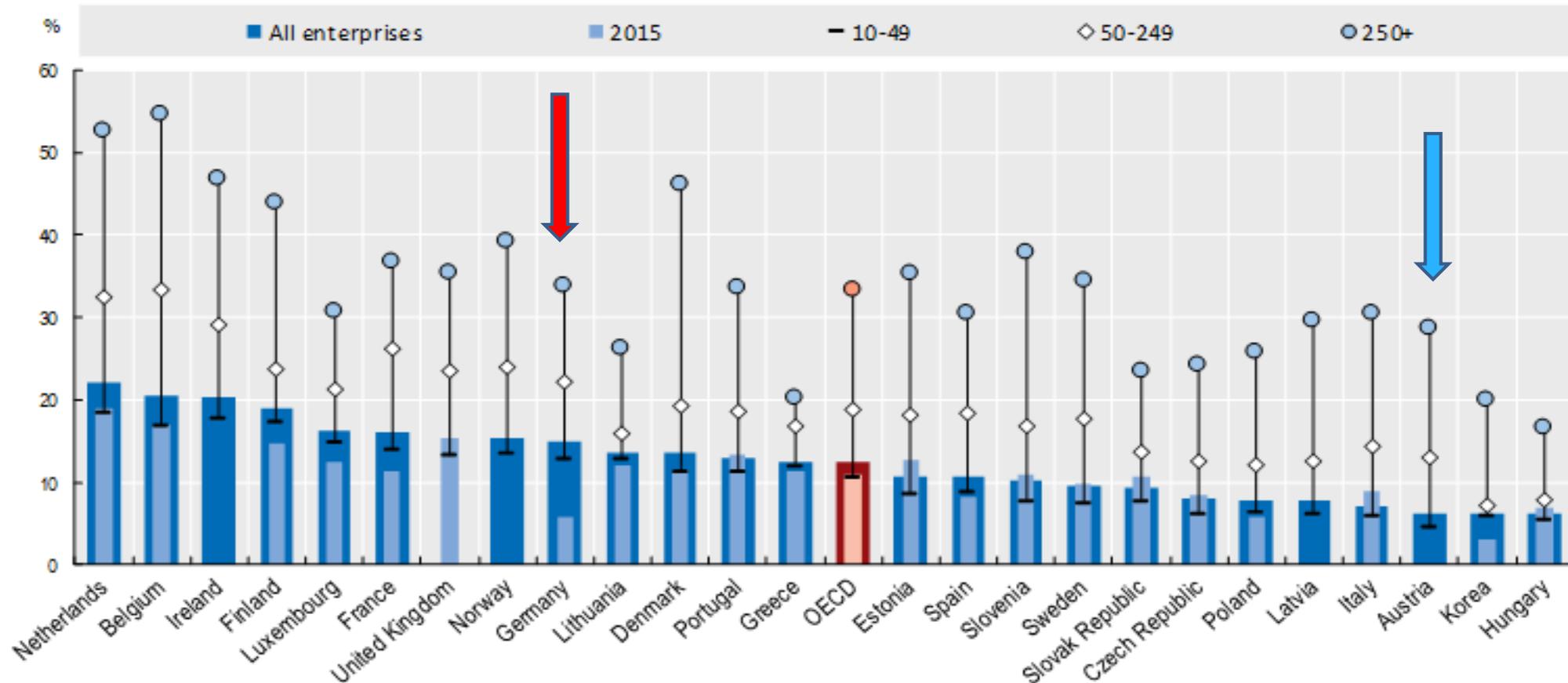
Enterprises purchasing cloud computing services, by size (%), 2018





... and the gap widens further for data analytics

Enterprises undertaking data analytics by size (%), 2017



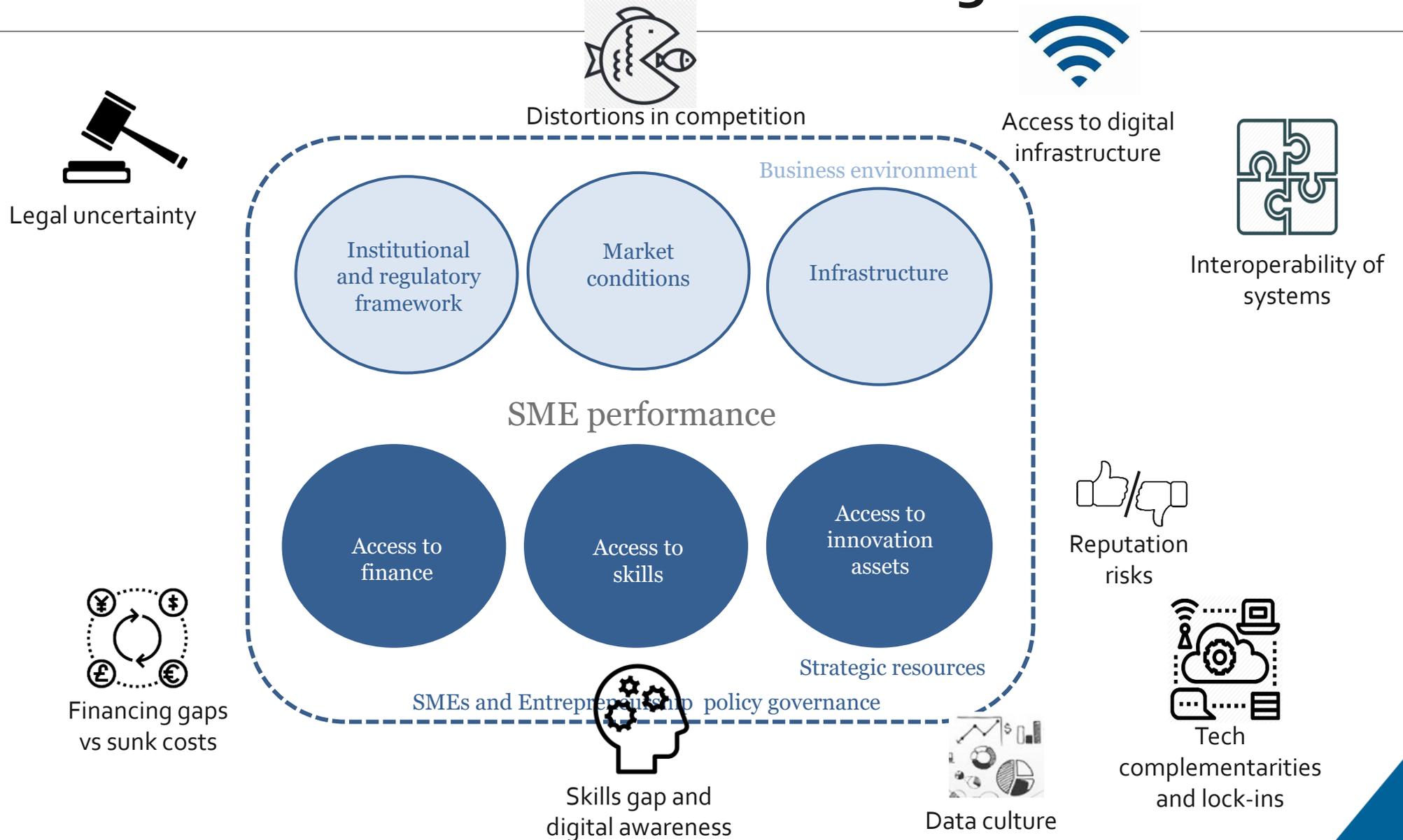


While supply of digital solutions expands, structural weaknesses in SME demand remain...

- Lack of awareness
 - Relate digital adoption to business needs and long-term strategies
- Lack of digital culture, organisational and technical competences
 - Capacity to plan, absorb, adapt and innovate
- Risk aversion and lack of trust
 - Data security



... compounded by challenges in the business environment and obstacles in accessing resources ...





... although there is large diversity in the population of SMEs, with some leading the transformation

How AI is changing the landscape for SMEs



How blockchain ecosystems can serve SME



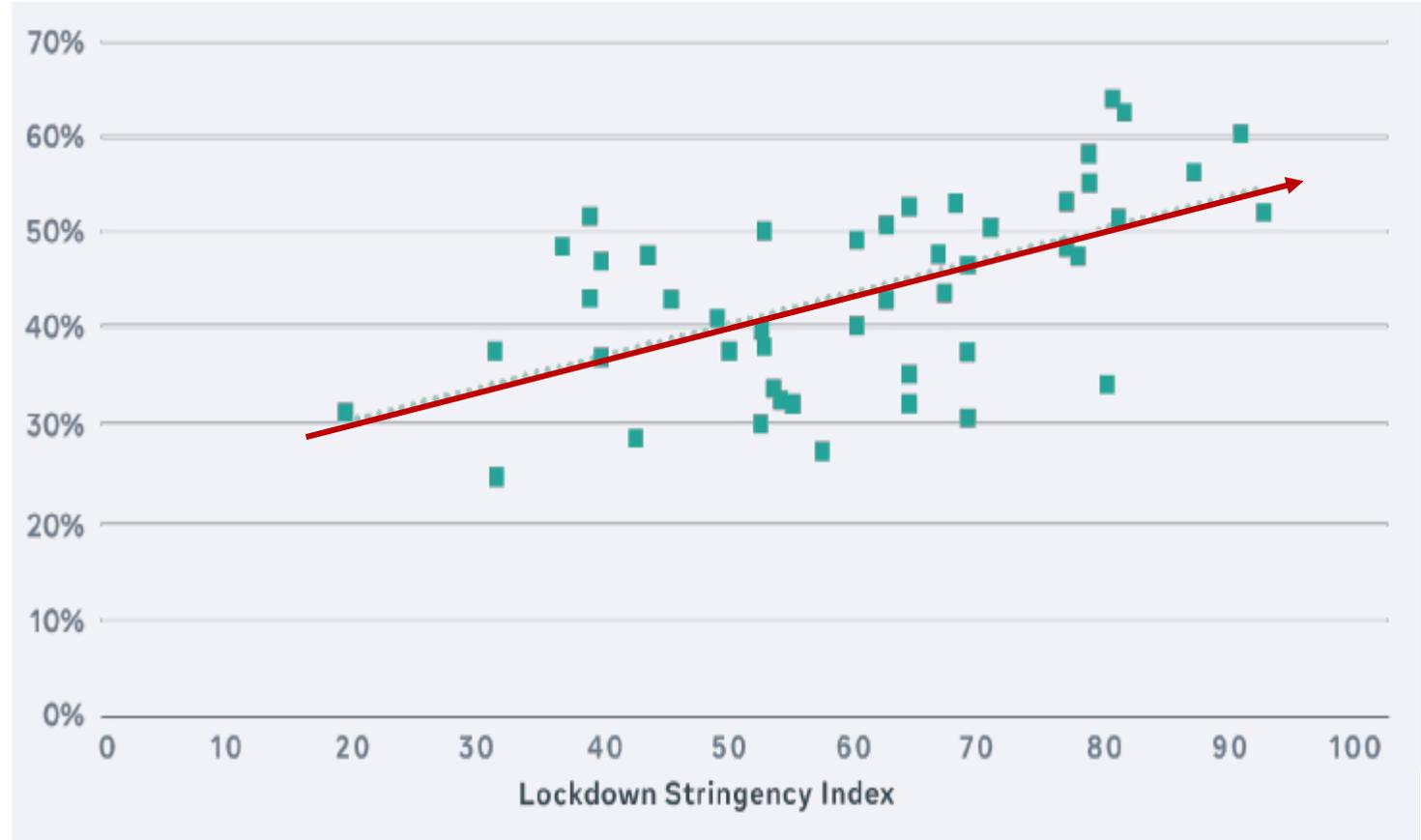


... and the COVID-19 crisis marked a leap in the SME digital transformation

70%

According to business surveys worldwide **up to 70% of SMEs** may have adopted new digital practices

Percentage of SMEs that made more than 25% of their sales through digital channels, by lockdown stringency, June 2020





The digital acceleration opens up new opportunities towards the low-carbon transition

- Digital technologies can help reduce **the aggregate environmental footprint of SMEs** (e.g. 60-70% of industrial waste)
- And generate **new market opportunities for green entrepreneurs, sustainable products and businesses**

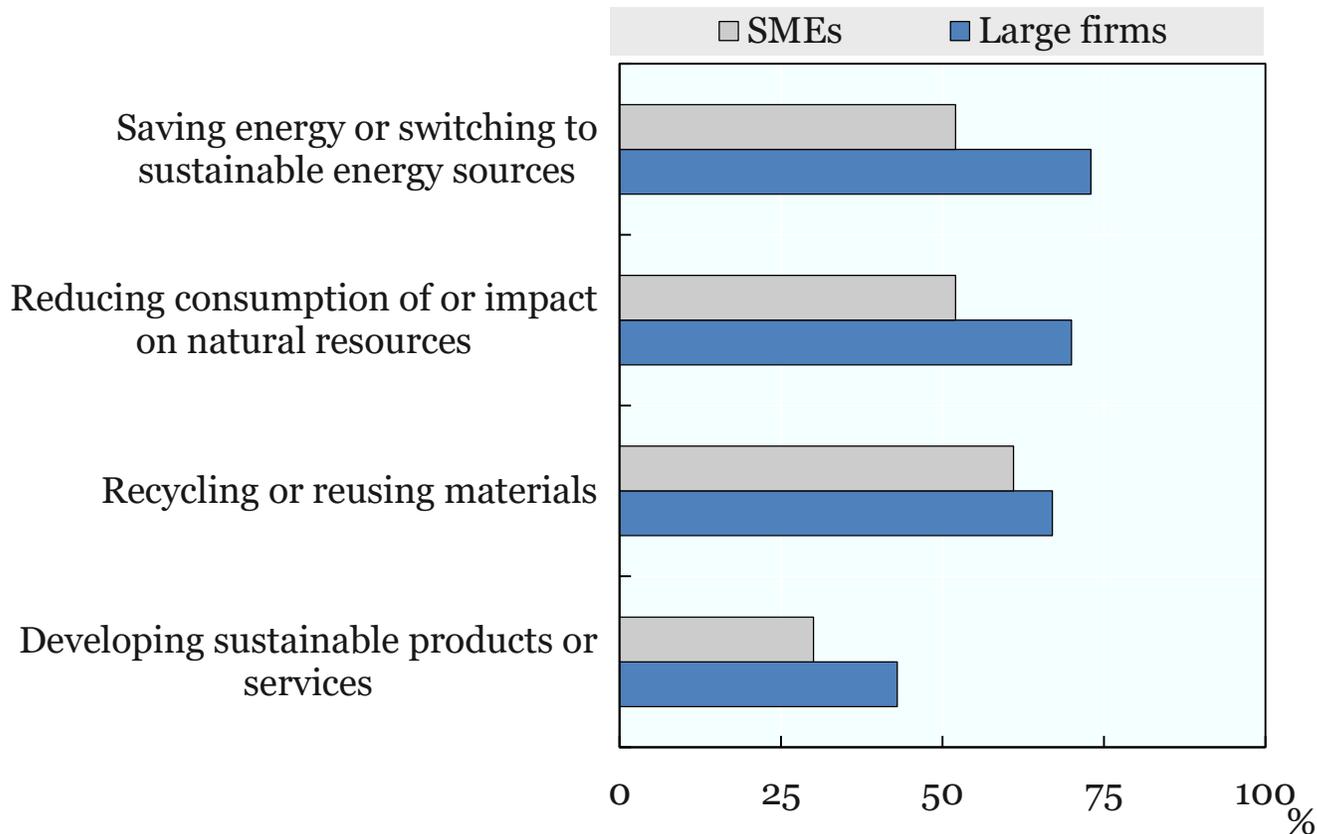
Resource efficiency, enhanced transparency around ecological practices, eased adoption of circular economy models, effective channels for education and communication

- *Carbon footprint testing technologies*
- *Tracing of sustainable materials in supply chains through distributed ledger technology,*
- *Use of ecological sensors connecting with IoT devices to promote ecological practices through social media.*
- *Etc.*



SMEs and entrepreneurs are already “greening” but more action is needed

Which of the following actions is your enterprise actively taking?



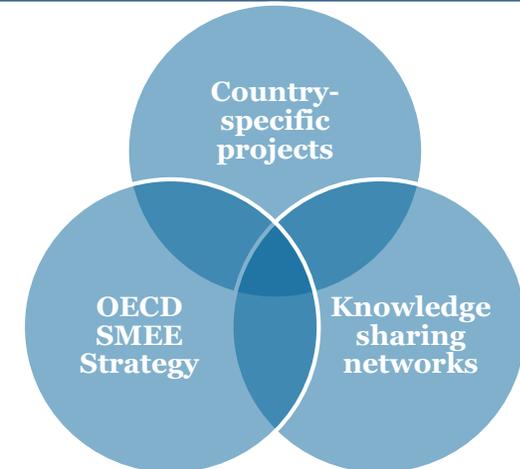
Areas of work

Green entrepreneurship

“Greening” of SMEs

Financing “green” businesses

Activities and outputs





Finance for sustainability is crucial for SMEs to take part in the green transition

Lack of financing is one of the main challenges that SMEs face in the green transition





The digital and green transformation is central to recovery plans in the EU, with diverse emphasis

	Digitalisation	Greening
Belgium	SMEs and cybersecurity, skills	SMEs in Circular economy
Denmark	SME Digital Transition and Exports	-
Finland	Fostering links between small and larger firms	SMEs and hydrogen
France	Dedicated support MSME digitalisation	Dedicated support MSME greening
Germany	Focus automotive, Mittelstand Digital	SME Innovative for resource efficiency
Greece	Including SMEs in support programmes for digital transformation, skills, innovation	-
Italy	Transizione 4.0, skills	Supporting SMEs and start-ups in eco-innovation
Lithuania	Support digital capabilities of start-ups	Fostering eco-innovation start-ups
Poland	Support for SME teleworking and blockchain	SMEs in Circular economy
Portugal	Targeted support SME digitalisation and e-commerce	-
Slovenia	Targeted measures on SME digital capacities, links SMEs/start-ups and large firms and procurement	Targeted measures to support SMEs (cooperation with EEI, adoption EMS, awareness, energy efficient buildings etc.
Spain	SME Digitalisation Plan, with measures to support SMEs in skills, cybersecurity	SMEs and hydrogen



Think Small First to Build Back Better

- Whereas emergency support had a strong SME focus, recovery packages are more generic
 - Make sure that recovery measures take the circumstances and needs of SMEs and entrepreneurs into account
 - SME consultation in recovery plans and SME tests remain essential



Digital for SMEs an OECD Global Initiative



Platform for governments, large and small businesses, financial institutions, industry experts and associations on how to enable all SMEs to seize the benefits of digitalisation.



<https://www.oecd.org/going-digital/sme/>



- [One year of SME and entrepreneurship policy responses to COVID-19: Lessons learned to build back better](#)
- [SME and Entrepreneurship Outlook 2019](#) (new edition June 2021)
- [Financing SMEs and Entrepreneurs. An OECD Scoreboard](#)
- [G20/OECD High-level Principles on SME Financing](#)
- [The Digital Transformation of SMEs](#)
- [OECD Digital for SMEs Global Initiative](#)
- [The Missing Entrepreneurs. Policies for Inclusive Entrepreneurship](#) (new edition October 2021)
- [OECD Declaration on Strengthening SMEs and Entrepreneurship for Productivity and Inclusive Growth](#)



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