

## Start-ups as drivers of sustainable economic transformation



March 24<sup>th</sup>, 2022



Prof. Dr Klaus Fichter, Dr Matthias Hausmann, Massimo Privitera

As Europe strives for a sustainable transformation of its economy, start-ups and their innovative capacity play a key role in addressing climate change and challenging the political decisions of today. Prof. Dr Klaus Fichter, Dr Matthias Hausmann, and Massimo Privitera joined the Climate Talk #1 to discuss the vivid landscape of startups that shape our future.

Massimo Privitera explained the four necessary actions towards ESN's mission to strengthen the European startup ecosystem: 1) clarifying key definitions such as target groups and understanding data, 2) enabling talent acquisition, 3) connecting different ecosystems and involving actors from various sectors, and 4) policy advising to member states. He also listed the most important challenges found in green startups, stressing especially on the importance of customer acquisition, where he pointed out the strong need to create an enabling framework for Greentech. He refers to Bill Janeway's idea that innovation occurs as an outcome of a strong feedback cycle between market, financial system and policy. Fighting climate change can be considered as a war without shooting, suggesting that it has the legitimate mission to invest on. He does question, however, if the European Green Deal will be enough - and whether fighting climate change is still given a political priority, due to other recent issues

like the pandemic and concerns of war.

Prof. Dr Klaus Fichter remarks that although the dynamics of the economy have been dependent on entrepreneurs, the pure economic perspective is outdated - we need to perceive startups not only in the economic sense but also as contributors to help and find solutions to pressing challenges like climate change or energy demand. While there is no unified definition of a "startup" in Europe, Prof. Dr Fichter considers the following criteria to determine "green startups": whether the project brings innovation through their new product or service, the willingness to grow, and of course a true motive and benefits for the environment or society. He introduces three key numbers from the Green Startup Monitor: firstly, more than one-third of all startups in Germany are considered green. It is no longer a niche market - the trend is clear internationally. Secondly, one-third of all startups are coming directly out of universities and research organisations. Technology, science and research are driving knowledge-based startups. Thirdly, green startup ratios vary across sectors - only 20% of the startups in finance and construction sectors are considered green, while more than two-thirds in the energy sector are green. Politics should acknowledge more on how solutions offered by startups, such as energy

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efficiency services and products, could greatly benefit important political agendas like energy independence.

Dr Matthias Hausmann introduced the project Scale-up4 Sustainability, in which three universities and nine companies from the Netherlands, Sweden and Germany participated. As a research project, it explored two dimensions – first being the starting and scaling up of sustainability ideas with students within the cooperative framework of a company and university. The second dimension was to study the industry as a learning space for students and enabling hands-on challenges that they may encounter in companies while trying to propel sustainability ideas. Dr Hausmann notes that many educators are modern and encouraging, willing to try new ideas and break out from bureaucratic ways.

The three further discussed how universities can be a breeding ground of solutions

for society, and that there should be spin-offs from these institutions. Ideally, the entrepreneurial mindset should be introduced to people at an earlier stage in their lives so they can better foster the idea. Another trend seen recently is that startups now tend to pursue both profitability and societal impact. Although the percentage of female entrepreneurs are still low, marking only 16% in all startups and 20% in green startups, a mixed team of male and female are proving to be more successful in the entrepreneurial scene. The percentage of female entrepreneurs are expected to grow. Furthermore, solidarity is shown to Ukraine by entrepreneurs and startups; the startup scene offers both direct and indirect ways to make an impact on the war.

The role of startups is proving to be increasingly important.



Relevant websites:

<https://europeanstartupnetwork.eu/>

<https://www.borderstep.de/>

<https://www.cewe.de/>

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