

## FOREWORD

The volume *Energy Cooperatives in Selected Countries of the World: Legal and Economic Aspects*, published by Adam Mickiewicz University in Poznań, Poland represents an important step towards a better understanding of the role cooperatives play in addressing global challenges related to energy production and distribution. Once again, the cooperative model—combining economic as well as social goals of its members and based on recognized cooperative principles and values—proves its adaptability and usefulness in diverse corners of the world.

The global reach of energy-related challenges and the search for effective solutions in transfer to renewable sources allows the authors to explore the legislative, economic, technical, as well as social aspects of this complex trend from broad geographic point of view. How related legislative environments develop, including from a historical-constitutional perspective and whether or why there are differences between the approaches adopted by countries are also questions that provide rich material for discussion and recommendations. European and European Union legal systems are the primary area of study, including Poland, Germany, Bulgaria, Spain, and Greece. Asia and South America, through studies of energy cooperatives in Taiwan and Brazil, respectively, are also represented. While there is no single definition or model of energy cooperative or “energy community”, and no single legal solution, studies like those in the volume highlight the importance of challenges faced and bring us closer to jointly defined solutions.

The International Cooperative Research Group (ICRG) is the research and development (R&D) arm of the U.S. Overseas Cooperative Development Council (OCDC) which brings together U.S.-based cooperative development organizations. The ICRG carries out rigorous research programs in support of OCDC’s overall mission to advance and improve cooperative development as a pathway to a more prosperous and inclusive future for all.

The argument for cooperatives goes beyond simply contributing to climate, energy, and environmental targets and those countries that can afford to make the switch from traditional to renewable energy. The idea of locally led community organized energy cooperatives has positive effects beyond energy independence.

A successful energy cooperative movement represents lower energy prices, combating energy poverty, and a grid that is more responsive to the needs and desires of the community. It also serves to create more jobs as community-led energy cooperatives tend to hire local firms, use local banks, and reinvest profits into their community. They maximize local value and contribute to a “circular economy” where investing in the energy cooperative leads to a cycle of social and economic well-being of the community. These positive effects are seen in all communities where they exist, demonstrating that cooperatives are a unifying and equalizing factor, accessible to all, regardless of the economic status of their community.

Studies conducted by the OCDC/ICRG under funding from the U.S. Agency for International Development (USAID) provide evidence of the U.S.’s track record with energy cooperatives. The study *What Difference Do Cooperatives Make (WD-DCM)* found that cooperative members, including those in energy cooperatives, tend to be better off economically and have greater overall well-being than those who are not members. This was found to be true in the four countries studied, including Poland, Philippines, Kenya, and Peru. In the United States, National Rural Electric Cooperative Association (NRECA) International, a member of OCDC, reports that cooperatives power 56% of the nation’s landmass serving 42 million people and 21.5 million businesses, homes, schools, and farms in 48 states. As businesses owned by members, energy cooperatives lead the way in searching for effective energy solutions, including renewables, and contribute to the communities in which they are located.

We are pleased to introduce this important work on energy cooperatives and hope that further research and uptake of the cooperative approach will follow in different parts of the world for the advancement of the cooperative movement.

*Paul Hazen*

Executive Director,  
U.S. Overseas Cooperative  
Development Council,  
Washington, DC, USA

*Dr Judith A. Hermanson*

Director, International  
Cooperative Research Group,  
Washington, DC, USA

*Dr hab. Barbara Czachórska-Jones*

Learning and Training Manager,  
International Cooperative Research  
Group, Washington, DC, USA

## INTRODUCTION

In recent years, the social economy in general, the cooperative economy in particular, has attracted a renewed and strong interest of actors at all levels. This is not least due to the financial and ensuing economic crisis during the first decade of this century, as well as the growing awareness of the flaws in the economic and social policies which emerged during the COVID-19 pandemic. Indeed, the interest in the cooperative enterprise model and with it in cooperative law has increased considerably. A number of indicators attest to that. For example, more and more, cooperatives are being recognized in policy documents as significant actors in society; more and more, cooperative law at the national and regional levels is being aligned with the universally recognized cooperative principles of the International Cooperative Alliance; the 2021 biannual Report of the Secretary-General of the United Nations on Cooperatives in social development dedicates one out of three main chapters to cooperative law; among others, the 2023 Report links cooperatives and cooperative law to sustainable development; only thirteen years after the United Nations International Year of Cooperatives in 2012 there will be another such year in 2025. These are clear signs of recognition of the role cooperatives play beyond the financial and economic dimensions of our all lives.

Energy cooperatives, especially electricity cooperatives, are a result of this resurgent interest. While they are not a new phenomenon, the rationale for their rapid reemergence in many countries has changed as compared to that of the late nineteenth and early twentieth century. Then they were established in reaction to the slow progress public authorities were making in providing country-wide, financially affordable electricity for the majority of the people. This rationale continues to be valid for many parts of the world. In addition, financial affordability has become a world-wide problem and energy cooperatives are now determined to contribute to the energy transition, an essential aspect of sustainable development.

Today's energy cooperatives represent a new type of cooperative as they bring together elements that used to be kept separate: producers and consumers, public and private interests, members and other stakeholders with heterogeneous interests, social and professional backgrounds, etc. Obviously, this poses challenges for lawyers and it requires that law meet economics, an uneasy yet indispensable match at times. By discussing the practical and theoretical, economic

and legal aspects of energy cooperatives in many countries, the book edited by Aneta Suchoń and Tomasz Marzec takes this challenge up and it masters it well. The readers will join me in my judgment. Countries not covered by the book might look on the examples they find in this volume as models for solutions to some of their own energy problems.

*Professor of the University of Helsinki Dr iur. Hagen Henry*