

Expanded abstract

Towards a fair and inclusive energy transition: the contribution of the Social Economy to the formation of the European Energy Communities

Once again, the *great shutdown* carried out to mitigate the impact of covid-19 has demonstrated the profound relationship between our socioeconomic system and the energy model. The impact that this pandemic situation has created in the field of energy has reinforced the necessity of a transition towards a fairer and more inclusive energy model. In this context (March 2019, pre-covid), the European Commission is fostering an energy transition in which citizens should play a key role in order to achieve an affordable, safe, and sustainable energy system through the development of local energy communities. These community initiatives have government modes based on the promotion of the common good and, at the same time, they belong formally to the Social Economy (specifically, they adopt the form of cooperatives). They have the potential to shape a more resilient energy model through the relocation of energy generation, the reduction of its consumption or the location of the citizen in the center of the energy system through the socialization of the means of production.

The **methodology** of this research is based on a thorough bibliographic review and the analysis of secondary data. The **objective** of this study is to present a conceptual framework to merge Social Economy and the Commons paradigm and apply this framework to the local energy communities promoted by the European Commission. We propose the understanding of the Commons paradigm as the collective and transformative action able to generate social and environmentally just and inclusive practices. The main normative dimensions of this paradigm are the following: reciprocity, human autonomy, social justice, ecological justice, and scalability. On the other hand, Social Economy can be understood as a set of economic activities that are carried out, within the private sphere, by institutions that seek a general economic or social interest (or both) in accordance with the following principles: a) persons and the social aim take precedence over capital, b) profits obtained from economic activity are mainly distributed based on the work contributed or the service or activity carried out by the partners or members in regard to the social objective of the institution, c) fostering internal and social solidarity, promoting a commitment with local development, equal opportunities for men and women, social cohesion, the integration of persons at risk of exclusion, generating stable and quality employment, work-life balance and sustainability, and d) independence from the public authorities. The main normative dimensions of Social Economy are autonomy and freedom, democracy, being people-centered, and solidarity.

The **original contribution** of this paper is to build a dialogue between the principles of the Commons paradigm and those of the Social Economy. By doing so, this research will develop a map of different management spheres of economic activities in general, and of the field of energy in particular: public, private, social, and common, proposing the extension of some characteristics of the Commons paradigm to the other spheres. In that way, the management of public (state-owned) institutions would incorporate higher levels of transparency and participation. Organizations belonging to the social sphere (for example, NGOs) would be more independent from public administration bodies, and would include ambitious models of governance, more democratic and participative. Corporations in the private sphere could include forms of decision making which take into account not only the interests of shareholders, but also those of all stakeholders participating in the corporation (shareholders, employees, customers, suppliers, public administrations, and others). At the same time, the aim of corporations would consider the three elements of sustainability (economic, social and environmental), aligning social interests and the dignity of the human being with the interest of the corporation. In order to facilitate the previous outcomes, forms of multi-stakeholder governance could be developed in private corporations.

Analyzing specifically the case of the European Energy Communities, the European Commission has decided to promote an economic activity (generation, distribution, and supply of energy) with an objective well beyond the achievement of economic profit. In fact, the European Commission is looking for a value creation process benefitting local communities which participate in this initiative, through the configuration of an energy system that is fair, sustainable, safe, and affordable. When the legislative power in some of the EU countries has decided to boost these Energy Communities in its territory, it usually has chosen the legal form of the Social Economy. This has been so because the legislative powers have considered the Social Economy as the legal framework of organizing economic activity that is closer to the objectives of the European Energy Communities. The **implications** of this fact are based on the linkages between the Commons paradigm and the Social Economy. In other words, when activities belonging to the Commons paradigm have to be organized in an economic dimension, the legal form which is naturally aligned to them is the Social Economy. This is so because the normative dimensions of both the Commons paradigm and the Social Economy are almost fully coincident. In both cases the idea of cooperation and reciprocity in order to defend and foster the common good is highlighted. In short, cooperatives (which are part of the Social Economy) could be placed also as belonging to the Commons paradigm. In the case of the European Energy Communities, it is possible to discover this mixture between characteristics closer to the Commons paradigm (human autonomy, social and economic justice) and those which are closer to the Social Economy (autonomy and freedom, democracy, people-centered).

The **practical conclusion** of the aforementioned dialogue between the normative dimensions of the Commons paradigm and the Social Economy is to justify the adoption of Social Economy as the proper form of organizing initiatives based on the Commons paradigm, such as the European Energy Communities. This research has some **limitations**, being the main one the necessity to contrast if (or until which point) the normative dimensions of the Commons paradigm have been in fact developed by the Social Economy organizations which operate in the energy market, specifically the ones under the umbrella of the European Energy Communities.