



# **ENERCOOP**

*Languedoc-Roussillon  
Good practice*



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# 0.1) FRANCE'S ECONOMIC AND SOCIAL SITUATION

## 0.1.1) France's economic situation

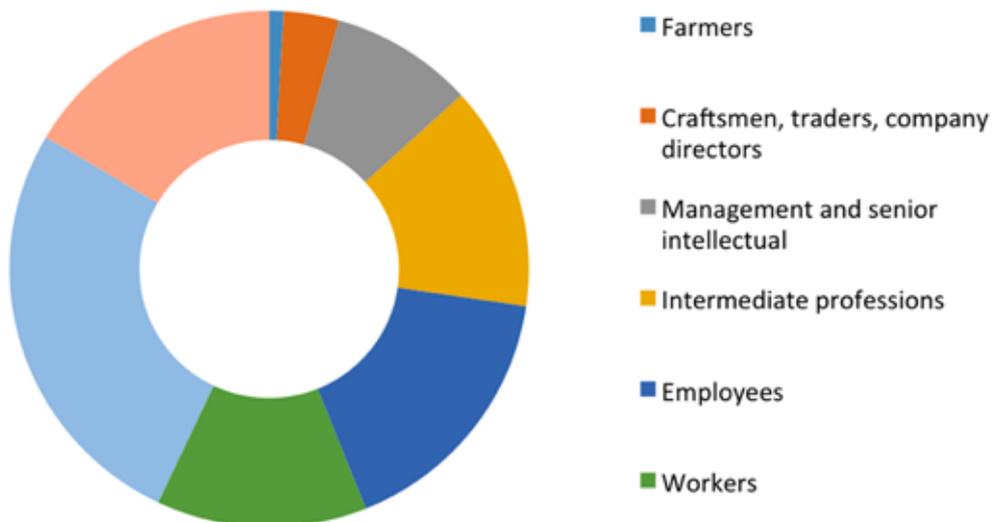
According to the latest INSEE statistics<sup>1</sup>, mainland France has 63,375,972 inhabitants, 30,690,856 men and 32,685,116 women, with a life expectancy of 78.2 years for men and 85.1 years for women.

### CHANGE IN GDP IN FRANCE

YEARS	by value	by volume
2009	-2.8	-2.9
2010	3.1	2.0
2011	3.0	2.1
2012	1.3	0.2
2013	1.4	0.7
2014	0.8	0.2

INSEE

Population aged 15 or more by socio-professional category. Total: 53,160,028<sup>2</sup>



### AVERAGE ANNUAL INCOME OF € 20,100

On average, the 24.6 million employees surveyed by the INSEE in 2012 account for € 20,100 of income (per year). With the crisis, the increase in this income has been slowed (0.2% per year from 2007 to 2012, against +0.6% from 2002 to 2007). A quarter of employees only received € 9,570 in the course of 2012. That is less than 75% of the minimum wage.

1. INSEE RP 2012

2. INSEE, RP2007 and RP2012 additional operations

## UNEMPLOYMENT IN FRANCE

*Unemployment as stipulated by the Bureau International du Travail (BIT) in mainland France*

	BIT UNEMPLOYMENT RATE (%)		VARIATION IN POINTS OVER THE YEAR		THOUSANDS
	2015 Q1	2015 Q2 (p)*	quarter	year	2015 Q2 (p)*
<i>Altogether</i>	10.0	10.0	0.0	0.3	2,852
<i>Men</i>	10.3	10.5	0.2	0.5	1,562
<i>Women</i>	9.6	9.4	-0.2	-0.1	1,290

INSEE, employment survey (p) = provisional

The figure has increased since the start of the crisis in 2008, with more than 2.8 million in 2015. Unemployment significantly affects members of the public already finding it difficult to find work. 1.1 million people have been seeking work for at least a year. Or a further 400,000 long-term unemployed between 2008 and 2013.

## 0.1.2) France's social situation

## EDUCATION

*The highest qualification in the uneducated population aged 15 or more by sex in 2012<sup>3</sup>*

	<i>Altogether</i>	<i>Men</i>	<i>Women</i>
UNEDUCATED POPULATION AGED 15 OR MORE	46,115,176	21,993,558	24,121,618
<i>Share of holders as a %</i>			
<i>of those with no qualification</i>	17.2	16.8	17.6
<i>of the certificate of primary studies</i>	9.9	7.7	11.9
<i>of the BEPC, brevet des collèges</i>	6	5.1	6.9
<i>of a CAP or BEP</i>	23.8	28.5	19.6
<i>of a baccalauréat or brevet professionnel</i>	16.6	16.4	16.8
<i>of a degree from short-term higher education</i>	12.6	10.9	14.2
<i>of a degree from long-term higher education</i>	13.8	14.7	13

France is now 25<sup>th</sup> in the world for its quality of education<sup>4</sup> according to the PISA classification, with an increase in inequalities with socio-economic origins.

3. INSEE, RP2012 primary operation.

4. <http://www.oecd.org/pisa/keyfindings/pisa-2012-results-overview-FR.pdf>

## PRECARIOUSNESS

In 11 years, the number of homeless people has increased 44%. In 2012, nearly 112,000 people were homeless, including 81,000 adults and 30,700 children. One third live on less than € 300 per month. More broadly speaking, 8.5 million people live below the monetary poverty threshold (€ 987 per month), or 13.9% of the population. Although this statistic is falling (-0.4 point), it should be noted that lifestyle is deteriorating for the French people overall.

## 1.7 MILLION RSA CLAIMANTS

In France, this is an allowance which provides people with few or no resources with a minimum variable amount of income based on the composition of their household. Between 2008 and 2012, the number of Active Solidarity Income (RSA) claimants rose 26%, to 1.7 million. More than 2 million people in France claim so-called “social integration minima”, according to the INSEE. The share of GDP earned through social services is 31.68%<sup>5</sup>, and France is no. 1 in the OECD classification, at 10% above average compared with other countries.

## INEQUALITIES WHICH ARE NARROWING SLIGHTLY

Inequalities have narrowed slightly. The lifestyle of the 10% worst off improved 0.1% in 2013, whilst that of the wealthiest 10% deteriorated 1.7%. But even so, the latter earned 6.6 times more than the former and the deterioration in overall lifestyle, rather than collective improvement, must be stressed.

## WORKING TIME

4 hours 10 minutes of working and training time per day, during the week, is used for work, the primary activity. This statistic applies to every day of the year, including weekends and leave. Logically, this figure falls considerably on Saturdays (1 hour 23 minutes) and Sundays (49 minutes).

## PRIORITY DISTRICTS

The new geography of application of city policy covers 1,300 districts, compared with 2,600 previously, concentrating efforts on the poorest districts. The new 2014-2024 urban renewal programme is dedicating € 5 billion to 200 districts deemed of national interest<sup>6</sup>. In these 1,300 districts, we note a higher concentration of single-parent families and unemployment than elsewhere in France.

## HEALTH

68% of the population declares that it is in good or very good health. This data has been stable in the last 10 years. Health inequalities are (partially) explained by income disparities. In 2012, fewer than 60% of RSA claimants declared themselves to be in good health, compared with almost 80% for those aged 18-59 inclusive. In 2013, the French spent € 186.7 billion on consumption of medical care and goods, compared with less than € 310 billion spent on housing.

## ENVIRONMENT

Environmental indicators show an improvement in the environmental situation in several ways, especially reduced greenhouse gas emissions<sup>7</sup> and a faster reduction in the last 9 years. An improvement in the quality of water<sup>8</sup>, with a 50% reduction in orthophosphate content since 1998, but stagnation of nitrates, and the air pollution

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5. SOCIAL EXPENDITURE UPDATE Insights from the OECD Social Expenditure database (SOCX), November 2014 <http://www.oecd.org/els/soc/OECD2014-Social-Expenditure-Update-Nov2014-8pages.pdf>

6. <http://www.gouvernement.fr/action/la-nouvelle-geographie-prioritaire>

7. SOEs according to Citepa, CCNUCC inventory, March 2014

8. Water authorities, 2014 – Medde. Treatment: SOEs, 2014

index has also fallen by 20 points<sup>9</sup>. We also note a reduction in production of household waste, and an increase in selective sorting, leading to a 36% increase in environmental employment between 2004 and 2012<sup>10</sup>.

## 0.2) LANGUEDOC-ROUSSILLON ECONOMIC AND SOCIAL SITUATION

According to the INSEE, Languedoc-Roussillon accounts for 5% of French territory and had a population of 2,757,558 inhabitants as at 1<sup>st</sup> January 2014. The no. 1 region in France in terms of demographic growth, 30% of the population aged over 15 is retired, 18% is unemployed and 16.4% is employed.

In 2013, the life expectancy of women living in Languedoc-Roussillon was equal to that of the national average (85 years) and that of men was slightly lower (78.8 years compared with 78.8 years)<sup>11</sup>.

*Structure of the regional population by sex and main age bracket (2014)*

	MEN	WOMEN
<i>Under 20</i>	325,874	311,428
<i>20 to 39</i>	304,162	314,723
<i>40 to 59</i>	355,062	380,215
<i>60 to 74</i>	255,682	251,587
<i>75 years upwards</i>	113,266	175,559
<i>Total</i>	1,324,046	1,433,512

*Population aged 15 or more by socio-professional category*

	2012	%
	2,234,036	100
<i>Farmers</i>	23,816	1.1
<i>Craftsmen, traders, company directors</i>	97,540	4.4
<i>Management and senior intellectual professions</i>	146,546	6.6
<i>Intermediate professions</i>	287,151	12.9
<i>Employees</i>	365,395	16.4
<i>Workers</i>	242,060	10.8
<i>Retired</i>	669,733	30
<i>Other people not working</i>	401,794	18

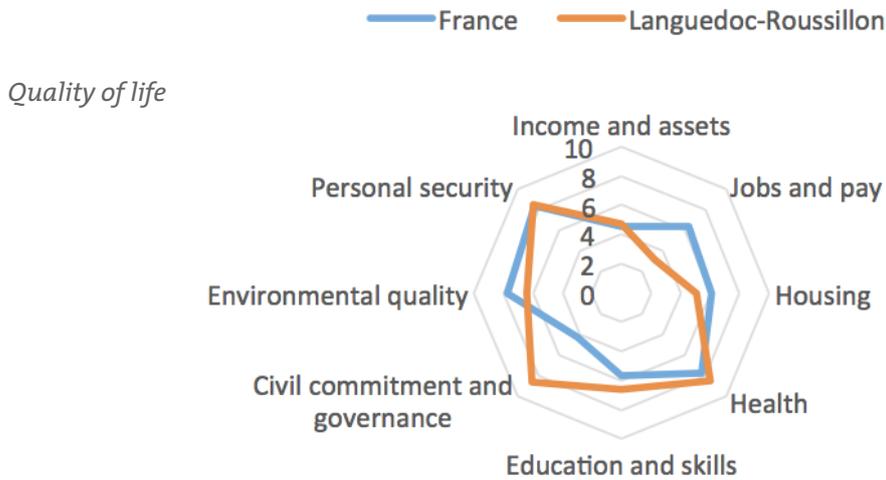
INSEE, RP2007 and RP2012 additional operations

9. National air quality database, July 2013, LCSQA

10. INSEE (national accounts, 2005 base) – SOeS, 2014

11. INSEE, Registry Office

The OECD better living indicator stresses quality of health and the commitment to civil and government affairs in the region and nationally. Although security, income and assets are at a similar level, jobs and housing tarnish the table.



### 0.2.1) The economic situation

#### INTERMEDIATE AND ESSENTIALLY TERTIARY SECTOR ECONOMIC ACTIVITY

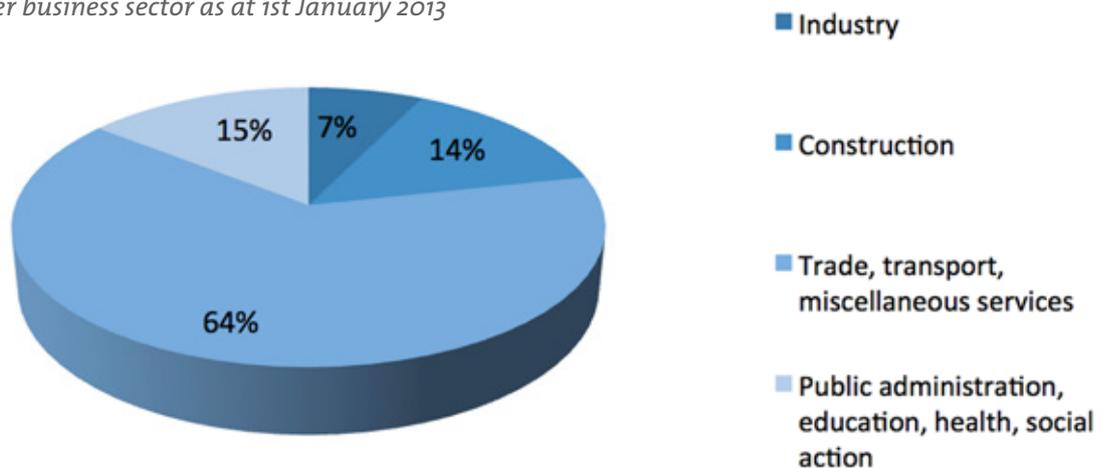
In 2013, Languedoc-Roussillon came tenth in the national GDP classification, with GDP of € 67,361<sup>12</sup>.

The economy there is mainly tertiary sector and the primary sector is larger than the secondary sector. Agriculture is of particular importance: Languedoc-Roussillon is France’s no. 1 wine producer<sup>13</sup>, France’s no. 1 walnut producer<sup>12</sup> and France’s no. 3 region for vegetable production<sup>12</sup>.

The weakness of industry explains the significance of the so-called “presence” economy, or that which seeks to satisfy people present.

The vast majority of companies are VSE, Very Small Enterprise (almost 95%).

% of establishments per business sector as at 1st January 2013



INSEE, CLAP

12. INSEE - Regional accounts, 2010 base. Semi-definitive 2012 data, provisional 2013 data.

13. Agreste - RA 2010

## A FRAGILE JOBS MARKET

Languedoc-Roussillon is the region of France most affected by unemployment, which stands at 14.2% in 2015. Average annual income in the region is the lowest in mainland France.

*Sample net average annual income by sex and socio-professional category in 2012 (in €)*

	LANGUEDOC-ROUSSILLON	MAINLAND FRANCE
<i>Men</i>	21,367	24,224
<i>Women</i>	16,524	18,363
<i>Altogether</i>	18,951	21,346
<i>Management</i>	34,833	39,692
<i>Intermediate professions</i>	22,762	24,025
<i>Employees</i>	14,010	14,941
<i>Qualified workers</i>	17,150	18,283
<i>Unqualified workers</i>	12,362	13,599

Field: place of residence; sample net average income.

Source: INSEE, DADS

## 0.2.2) The social situation in Languedoc-Roussillon

### CONSIDERABLE POVERTY

In 2011, Languedoc-Roussillon was one of the regions most affected by poverty: 19.6% of residents lived below the poverty threshold, whilst nationally, the rate was limited to 14.3%<sup>14</sup>. This regional poverty rate saw a more marked change than the national rate, with an increase of 1.5 points between 2008 and 2011, compared with 1.3 points. In 2013, the region posted the highest rate of benefit claimants on a social minimum in France, or 10.9% of those aged over 20<sup>15</sup>.

### INCREASING INEQUALITIES

The crisis has increased inequalities: 10% of the region's most modest households have seen their income fall by 3.9 points, whilst the most affluent households have seen a 1.1 point increase<sup>16</sup>.

In 2014, 10% of residents lived in one of 74 priority districts. The region also had 28 sensitive Urban Zone districts<sup>17</sup>. These districts concentrate social difficulties: the population there receives little income and often depends on social minima.

14. INSEE, Analyses

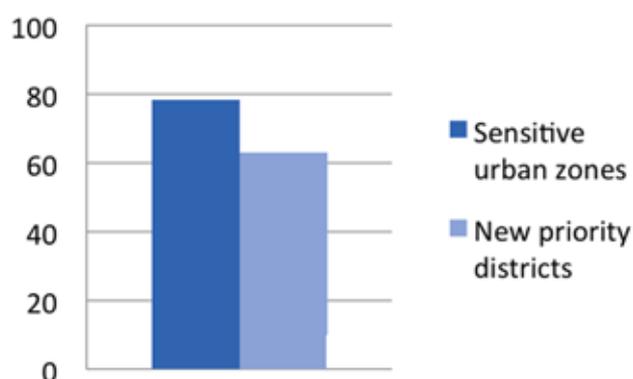
15. CNAF; MSA; INSEE, population estimates as at 1<sup>st</sup> January 2013.

16. INSEE-DGFIP, 2008 and 2011 local income available

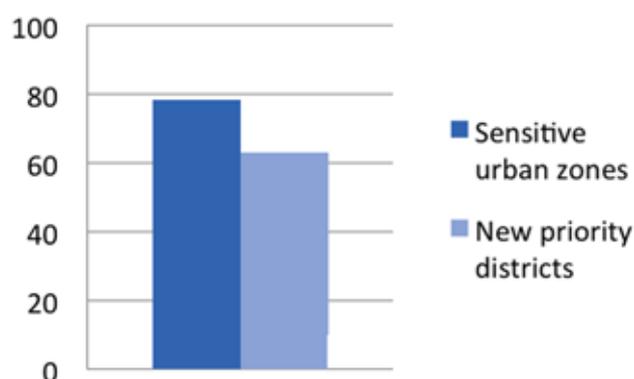
Lifestyle is consistent with income available (after redistribution) in relation to the number of units of consumption; changes are constant and in €.

17. ONZUS, SIG-Ville, INSEE

Proportion of claimants of social minima as a %



Share of the population on a low income as a %



INSEE. Districts subject to city policy in towns of 10,000 inhabitants or more in Languedoc-Roussillon

#### LEVELS OF EDUCATION IN LINE WITH THE NATIONAL AVERAGE

Levels of education amongst the population of Languedoc-Roussillon are almost in line with the national average.

The highest qualification in the uneducated population aged 15 or more by sex in 2012

	LANGUEDOC -ROUSSILLON	MAINLAND FRANCE
<i>Uneducated population aged 15 or more</i>	2,004,139	46,115,176
<i>Share of holders as a %</i>		
<i>of those with no qualification</i>	18.1	17.2
<i>of the certificate of primary studies</i>	9.3	9.9
<i>of the BEPC, brevet des collèges</i>	7.3	6.0
<i>of a CAP or BEP</i>	22.5	23.8
<i>of a baccalauréat or brevet professionnel</i>	17.9	16.6
<i>of a degree from short-term higher education</i>	12.3	12.6
<i>of a degree from long-term higher education</i>	12.6	13.8

INSEE, RP2012 primary operation.

### o.2.3) The environmental situation in Languedoc-Roussillon

According to the *Association Agréée pour la Surveillance de la Qualité de l'Air*, Air Languedoc Roussillon, Languedoc Roussillon is especially subject to phenomena of photochemical pollution caused by high temperatures and plenty of sunshine. However, in 2014, for the most part, gauges of air quality were good, with only 2% of days when the gauge was very poor. According to the *Agence Régionale de Santé Languedoc Roussillon*, in 2012, nearly 7% of samples of water taken as part of a healthcheck failed. Because of a clement climate and little industry, energy consumption per inhabitant of Languedoc-Roussillon is the lowest in France<sup>8</sup>. In 2012, renewable energies accounted for 17.5% of this consumption<sup>18</sup>.

Taking 5<sup>th</sup> place nationally in terms of the number of wind farms built and 4<sup>th</sup> place for photovoltaic solar power stations, the region has expanded its power considerably in the last fifteen years and is continuing this expansion with many wind projects on land and at sea pending.

18. Soes, the Ministry of Ecology, Energy, Sustainable Development and the Sea/CCIR LR

## 0.3) FRANCE'S SOCIAL AND SOLIDARITY ECONOMY

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France's Social and Solidarity Economy is governed by the Act dated 31<sup>st</sup> July 2014.

### 0.3.1) Definition

"The Social and Solidarity Economy is a means of manipulating and expanding the economy focussing on all fields of human activity to which legal entities under private law meeting the following cumulative conditions adhere: A target pursued not merely by sharing profits; democratic governance<sup>19</sup> and responsible management"<sup>20</sup>.

#### THE TARGET BEING OF GENERAL OR COLLECTIVE INTEREST

The structures of the Social and Solidarity Economy are defined as groups of people rather than capital, which bring about an innovative project, who reconcile collective interests and economic activities. They seek to meet requirements of populations and territories not met or insufficiently met, at the same time contributing towards local, sustainable and collective development.

#### DEMOCRATIC GOVERNANCE

Under the double-quality principle, the beneficiaries from corporate economic action are also its members. Observing the "one person, one vote" principle, structures in the SSE elect their directors and associate stakeholders to exercising power<sup>21</sup>. The adhesion of, not to mention the exit from, a structure in the Social and Solidarity Economy, is an individual choice, one which cannot be imposed.

#### LIMITED PROFIT-MAKING

Structures in the SSE ensure Man's primacy vis-à-vis capital, by adopting the following rules: limited or zero capital remuneration; control over pay scales; excesses earned partially or entirely, placed in reserves which cannot be shared, and allocated to project development.

#### TERRITORIAL GROUNDING AND CITIZEN MOBILISATION

The Social and Solidarity Economy associates all stakeholders by expanding with and for territories and focussing on all local players (territorial communities, companies, users, etc.). With a convenience economy in mind, local resources are also encouraged through short circuits, relocating economic activities and creating jobs which cannot be relocated.

#### QUEST FOR INNOVATION AND SOCIAL COHESION

Players in the SSE often help to bring about corporate innovation, since they seek a better quality of life for the community, plus organisational innovation encouraging democratic governance. Moreover, the SSE is considered

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19. Democratic governance, foreseeing information and participation, expression of which is not merely to do with their contribution in capital, associates, employees and stakeholders in what the company does

20. Responsible management which meets the following principles: Profits are mainly dedicated to the objective of maintaining or expanding company business; compulsory reserves built up, ones which cannot be shared, cannot be distributed, and in the event of a payout, or if necessary, in the event of winding up, all of the "payout boni" are redistributed to another company within the Social and Solidarity Economy

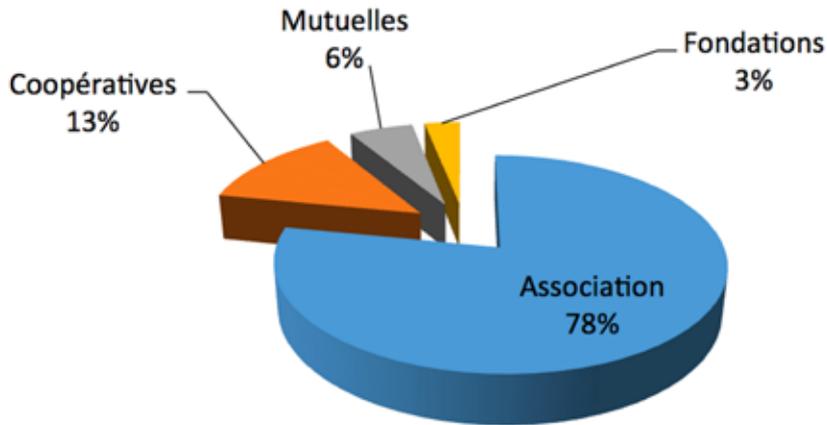
21. Employees for Scop 1, consumers for consumption or purchasing co-operatives, members for mutuals in insurance or health, stakeholders collectively for associations or SCIC...

a vector for bringing society together, indirectly by virtue of its nature, voluntarily associating members focussing on a project and directly by virtue of what it does.

### 0.3.2) The SSE seen through statistics

In France, the SSE represents 10% of GDP

Share of jobs in the SSE

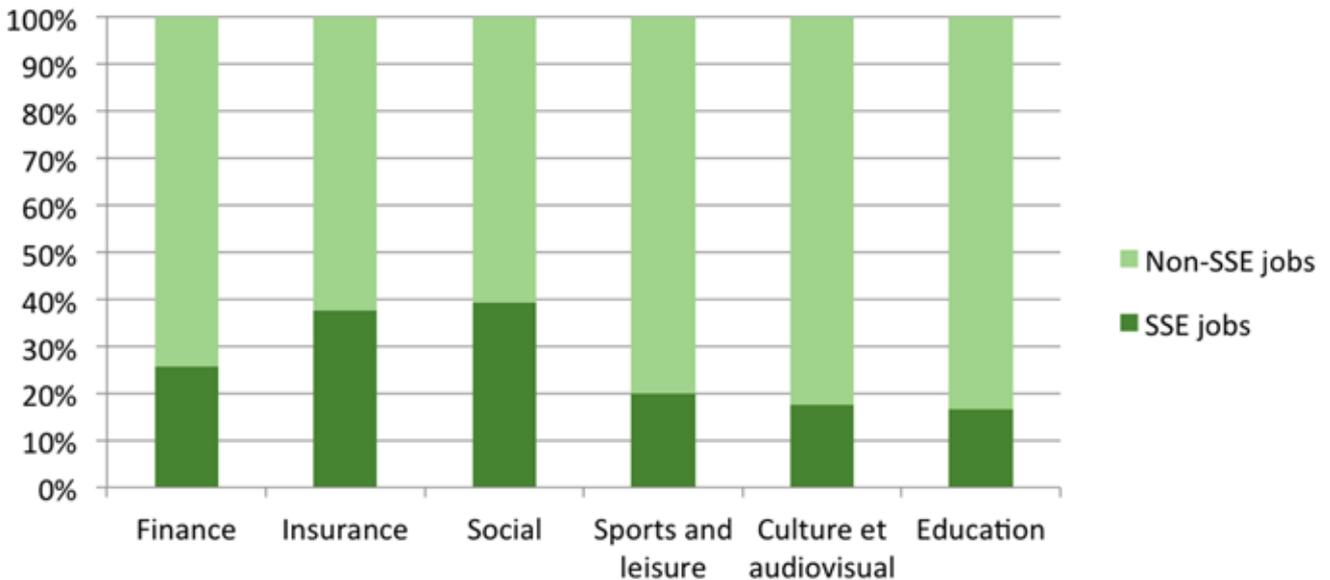


According to the SSE Observatoire national 2011

The SSE also includes:

- avoided costs
- positive externalities linked to what it does (environmental impact, etc.)

Proportion of jobs in the SSE by business sector compared with total jobs in the sector



### 0.3.3) Public initiatives relating to the Social and Solidarity Economy

In 2014, creation of the *Chambre Française pour l'Économie Sociale et Solidaire*, a new institution which brings the components of the SSE together and plays a key role in representation and dialogue with public bodies and being a player in civil dialogue.

The *Caisse des Dépôts*: Committed to supporting economic development and the Social and Solidarity Economy for about the last ten years through the *Elan 2020* strategy, it signed up to the “*Agir pour l'emploi*” convention (2008-2012), in which it undertakes to:

- assist in the creation of companies by focussing on national networks for helping to create companies;
- support the integration sector through economic activity;
- participate in the financing and steering of Local Assistance Mechanisms (DLA<sup>22</sup>);
- support and adapt financial tools dedicated to the structures of the Social and Solidarity Economy;
- manage the Corporate Cohesion Fund (FCS<sup>23</sup>).

Since 2010, the *Caisse des Dépôts* has also been the manager of part of the major loan known as “*Investissements d'avenir*” for financing the SSE (€ 100 m).

## 0.4) THE SSE IN LANGUEDOC-ROUSSILLON

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The region is 5<sup>th</sup> in France in terms of volumes and proportions of jobs in the SSE, with 101,000 employees, or 15.8% of the region's jobs. There are 9,745 employer establishments.

Languedoc-Roussillon is very dynamic in terms of mutual insurance, and is France's no. 3 mutualist region.

In the region, almost one in six private jobs is in the SSE, well above the national average (12.7%).

In terms of *counties*, Lozère stands out for being the no. 1 *county* where the proportion of jobs in the SSE is highest. In fact, 6,758 SSE employees account for 28% of jobs in the *county*. In comparison, Hérault has 38,166 employees, but they only account for 11.3% of total jobs<sup>24</sup>.

Lozère especially stands out as it has a high number of healthcare and medical-social establishments.

### 0.4.1) Public body initiatives

Companies in the SSE enjoy two special regional programmes, in addition to those aimed at any kind of company, integrated into the 2006 regional economic development plan (SERVIR).

Since 2005, the Region has been very dynamic in support, startup, structuring and expansion of, and quest for innovation of companies within the Social and Solidarity Economy to encourage the creation of jobs of considerable use to society which cannot be relocated.

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22. Advice assistance mechanism dedicated to employer associations, whose national operation is entrusted to AVISE (*Agence de Valorisation des Initiatives Socio-Economiques*);

23. The FCS is dedicated to guaranteeing bank loans to creators of VSE and joint companies, to complement the NACRE mechanism, which it co-steers and co-finances (focussing on resources from savings funds) with the Government, aid granted to the unemployed/creators in the form of 0-rated loans, necessarily including a bank loan and creator assistance for 3 years.

24. *Observatoire National de l'ESS-CNCREs according to INSEE CLAP 2008-2011*

The Languedoc-Roussillon Regional Council is working with key networks in the Social and Solidarity Economy to build tools and mechanisms dedicated to forming and developing companies in the region's SSE.

The Réalis mechanism has come about through the partnership. It is a series of innovative mechanisms, never seen before in France. The project is setting up a place for companies in the corporate economy to expand, ones which seek to welcome young enterprise to the sector, especially co-operative enterprise, over an average period of three years. The Region has also contributed towards creating other tools, to encourage entrepreneurship in society and develop the socially aware and economically high performance companies, Alter'Incub, for project priming, Coentis, for trade fairs, Coeptis, for training and Airdie for support to financial structuring and generation and duplication of enterprise jointly with Replic.

#### **o.4.2) Training**

Master 2 Governance and Administration of Organisations in the Social and Solidarity Economy is offered at the *Université Paul Valéry* (Montpellier III). It seeks to train managers, directors, project managers and even consultants, capable of directing, managing and assisting in the development of organisations such as associations, co-operatives and mutual insurance insurance.

<http://ufr4.univ-montp3.fr/>

#### **o.4.3) Financing**

Airdie is an association which provides finance for people, jobs and territories. It is the Languedoc-Roussillon representative of the national *France Active* network. It offers:

- support to projects to create companies run by financial experts,
- mobilisation of innovative joint financing to make your projects viable,
- access to banking and financial circuits.

In 2014, it created and consolidated 944 jobs, financed 457 structures and mobilised nearly € 8 million <sup>25</sup>.

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25. *Observatoire National de l'ESS-CNCRES according to INSEE CLAP 2008-2011*

# 1) DESCRIPTION OF THE SSE GOOD PRACTICE

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## **1.1) Name, Organization and/or network responsible for the practice, Location, Sector.**

Enercoop is a SCIC (co-operative and participatory association) formed in 2005, which is active across the whole of France. Enercoop is France's only co-operative supplier of 100% renewable electricity in direct contact with producers.

It was formed by a work group, made up of players in renewable energy, citizens' associations and the social and solidarity economy and met in 2004 to invent a new energy model. Greenpeace, Biocoop, Hespul, the CLER and Friends of the Earth and La Nef are the company's founders.

Since 2009, co-operatives have been formed at regional level for a decentralised approach in which possession of energy is anticipated from the citizen's point of view. It is in this context that Enercoop Languedoc-Roussillon was formed in April 2012. The co-operative is based in Montpellier, in the Languedoc-Roussillon region.

## **1.2) Proposed activities**

The company was formed by people concerned with environmental protection and renewable energy. Their desire was to create and provide a way of fully sustaining renewable energy at an affordable price. The aim was to work with a variety of operators, as, since 2004, France has opened its electricity market up to competition.

Enercoop operates all over France.

What the regional co-operative does is not confined purely to marketing Enercoop's supply of 100% renewable electricity to private individuals, businesses and local communities in the Languedoc-Roussillon region. Enercoop Languedoc-Roussillon also proposes to:

- develop renewable energy production resources by giving citizens the opportunity to invest collectively in renewable energy production
- provide services to help to control energy to reduce consumption (training, advice, group purchases, tests, etc.)
- assist local communities and players across the territory with energy transition.

## **1.3) Management model and stakeholders involvement**

Enercoop's organisation relies on democratic and participatory principles.

All strategic decisions are made by the parties concerned (network co-operatives, producers, employees, consumers, communities and partners). The Board of Directors is made up of representatives of producers, employees, partners and consumers and any client may attend the General Meeting of the Shareholders.

Every year, assessment interviews are held and every fortnight, a meeting is held to allow the team to discuss openly about daily life at work.

In parallel, Enercoop Languedoc-Roussillon has embarked on a phase to structure how it deals with its work in ethical terms. It is working towards institutionalising a democratic ethical workshop which will be tasked with defining its approach to ethical issues.

#### 1.4) Turnover and job creation/quality

Enercoop Languedoc-Roussillon sees sales of between € 150,000 and € 200,000. It employs 5 people (four men, one woman) who all work full time, apart from one person, who works three-fifths of the time, upon his request. Having been in operation for three years, no employee has left the company, so Enercoop Languedoc-Roussillon has not had to replace anyone. The last person recruited took up a newly-created post, following a traineeship in the structure, so use has been made of the knowledge acquired during the traineeship, and its expansion requirements have been met at the same time.

Recruitment criteria merely meet the structure's operational requirements. However, as Enercoop is based in a free zone so that it is exempt costs, priority is given to recruiting candidates who live in "urban free zones, in territories which trade or in priority districts of towns and cities. Thus, opportunities are created and new markets are found.

#### 1.5) Social and ecological externalities

Enercoop is the driving force behind a number of positive social and environmental externalities:

- The entry of the regional Council into Enercoop's capital stock has led to project incentives for the production of co-operative, joint renewable energy in Languedoc-Roussillon. Different companies and co-operatives could then be formed, which would create jobs.
- Following Enercoop's work, it became clear that the corporate network had been strengthened. The "Survoltés d'Aubais" project is an example of this: a photovoltaic power station will shortly be commissioned following its action. Citizens are demonstrating just how dynamic they are: through the Enercoop network, relations are forged between people and they then have consequences, outside Enercoop, with given projects seen to progress.
- the success of Enercoop Languedoc-Roussillon has increased the credibility of renewable energy and proposing ecological alternatives.

It should also be noted that the diversity of what the co-operative does reduces the number of positive externalities: things which could be considered positive environmental externalities from an ordinary company are part of the co-operative. The development of means of producing renewable energy illustrates this.

#### 1.6) Communication and advocacy

Enercoop LR provides defence through a range of projects:

- it is contributing towards the "Moissonneurs du vent" project, which involves marketing initiatives centred on wind energy from agricultural operations located in the Aude county.
  - in 2013 (or just a year after it was formed), Enercoop LR won the "Coupe de pousse" prize in the "Young promoter of the challenge of sustainable development in the territory by the region". It then obtained a € 100,000 grant from the Languedoc-Roussillon region. The grant has enabled the company to speed up its expansion and recruit new people.
  - Through the network of the national Enercoop structure, Enercoop LR serves as a reference in the development of new regional structures.
  - It also provides training to Universities, local communities, businesses and private individuals. Its training catalogue is available online (<http://enercooplanguedoc.fr/images/stories/docs/catalogue%20formations.pdf>). Every year, more than 160 engineers have trained in energy transition.
- Enercoop also focusses on its ambassadors, voluntary members trained to better understand the Enercoop model

and the French energy context for real citizens' appropriation of energy issues. The ambassadors thus promote the Enercoop Midi-Pyrénées project across the region through local gatherings and contribute towards forging ties between the future co-operative and the territories.

As far as communication is concerned, Enercoop LR has a website (<http://enercoop-languedoc.fr/>), a Facebook page followed by over 650 people (<https://www.facebook.com/EnercoopLR/timeline/>) and a Twitter account (<https://twitter.com/EnercoopLR>)

The *Libération* newspaper wrote an article on Enercoop LR, available online ([http://www.liberation.fr/terre/2015/07/05/l-electricite-plus-verte-que-celle-des-voisins\\_1343857](http://www.liberation.fr/terre/2015/07/05/l-electricite-plus-verte-que-celle-des-voisins_1343857))

### **1.7) Networking, affiliations and openness of the Good practice to the existing networks**

Enercoop LR has received support from Alter Incrub (a company which has an incubator in the Languedoc-Roussillon region) for creating its structure.

It has joined the "Group for citizen transition", which includes a number of citizens' movements which seek to encourage economic, social and ecological transition, at the same time implementing the values of the SSE such as solidarity, co-operation and respect for the environment and human life.

It is also part of the CRESS (*Chambre Régionale de l'ESS*), URSCOP LR (*Union Régionale pour la SCOP* in Languedoc-Roussillon) and the Mouves (*Mouvement des Entrepreneurs Sociaux*).

## **2) EVALUATION OF ENERCOOP GOOD PRACTICE**

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### **2.1) The economic and social impact and potential of Good practice**

The Good practice seen within Enercoop fits the SSE perfectly and its impact on the different regions is extremely positive:

#### **► CONSEQUENCE IN TERMS OF GOVERNANCE**

As Enercoop is a SCIC, which implies democratic governance, any client may become a member. Today, Enercoop LR has 650 members, so 30% of its clients may make decisions on the future of the co-operative. The Board of Directors is made up of different representatives of producers, consumers, members and communities, etc.. The voting principle is one person, one vote. So everyone can have their say on equal terms.

#### **► ECONOMIC IMPACT**

Enercoop works with local players to implement production sites (from machine manufacture to assembly) and production phases. It encourages local employment.

It seeks to relocate energy production to stimulate the local socio-economic sector through development of regional branches. More than 1,400 electricity meters are supplied by Enercoop.

Enercoop buys electricity from 14 producers: 7 are hydroelectric producers, 1 is a biomass energy producer, 3 are wind energy producers and 3 are photovoltaic energy producers.

The aim, again, is to encourage local expertise to the territory, something which has been to a large extent ignored as companies across the world have set up.

► SOCIAL IMPACT

Enercoop's aim is to offer citizens the chance to contribute towards local energy production through a regional network of co-operatives (being created constantly) and become involved in the management of these co-operatives taking a short circuit electricity supply approach.

Enercoop has received "*Entreprise solidaire*" approval, which means that the company's highest earnings may not exceed a certain threshold (3 times Enercoop's lowest earnings). All of the profits are statutorily used in indivisible reserves for 2/3 in order to consolidate the company. The rest of the profit will be used for reinvestment and possibly remuneration for the members (for example: savings accounts). The company is committed to constructing a sustainable and clean economic model, one which is not excessively profitable.

## 2.2) *The transformative impact on the territory and beyond*

For the citizens, this repossession of the energy issue is a real change of mindset. Energy becomes a common good; its production and use are determined by the citizens.

- Enercoop Languedoc-Roussillon is raising citizens' awareness through debates, conferences and projections. So some people go from an observation phase to a player phase. Some projects are inspired and stimulated such as the creation of a photovoltaic power station, renovation of a hydroelectric power station, or federation around a wind project. It is difficult to quantify this impact, but in any event, it entails several tens of people in the region who become co-ordinators of environmental projects.
- This change of mindset is also exemplified through transparency as a key value of the organisation. All of the costs of producing the electricity are discussed and analysed collectively. The sale price is also discussed during the General Meeting of the Shareholders and all of the members of the SCIC (sellers and clients) and fixed democratically.

By proposing non-polluting and co-operative energy through an energy short cycle, Enercoop has an environmental impact on the region. It has no policy for communicating its carbon footprint but its core activity demonstrates the will to do so.

Enercoop Languedoc-Roussillon also provides teaching resources to facilitate the understanding of renewable energy and reduce energy consumption. What the co-operative does relies on accurately defining renewable energy: it is flow rather than stock energy. Thus, certain renewable energy is clear, such as wind, sun, water, whilst other types are more difficult to determine. This is the case with biomass energy, which is not strictly a flow energy, but is renewed inasmuch as the storage tool is well managed. Enercoop Languedoc-Roussillon is aware that energy will always have a certain environmental impact, but it is working to encourage use of energy which will have minimal environmental impact.

## 2.3) *The impact of Good practice on policy*

Enercoop Languedoc-Roussillon's work has had a considerable impact on public policy. For Mathieu Agostini, in charge of partner policy, institutional relations and company prospects at Macif (one of the largest mutual insurance companies in France, an ESS structure), one of the factors behind Enercoop's success is its "capacity to influence decisions, influence the law on energy transition, establish its model and have a unique effect on the nation's countryside".

The co-operative has worked together with the Regional Council and this has led to project incentives. The co-operation has resulted in a very constructive exchange; discussions centred on implementing public policies have led

to the conclusion that Enercoop could have a role to play. The Regional Council then decided to dip into Enercoop's capital and thus contribute towards expansion, and has launched a project incentive to support about twelve project co-ordinators in their quest for renewable energy and short circuit citizenship. The investment constitutes support action, without seeking political interference: the Regional Council has invested the maximum anticipated in the co-operative's statutes but this has not had any impact on the Board of Directors. Currently, an investment fund is being created so that it is easier for communities to participate in projects.

#### **2.4) Practice sustainability**

Enercoop's model is applied in all the regions in which it operates. Nationally, Enercoop now has 22,000 consumers and 15,000 members; this of course includes consumers and members of Enercoop LR. The model is growing every year and is spreading to new regions in France by creating new co-operatives. In Languedoc-Roussillon, 7 new projects are being approved and 14 others are in the prospecting phase.

Over 110 GWh of renewable energy has been produced by all of the co-operatives in 2015.

This increase is a challenge for Enercoop and a major share of profits is being devoted to financing its expansion. The co-operative is making an effort to provide a quality service, at the same time managing the growth, and structuring and consolidating on the co-operative's expansion. So Enercoop is not investing in fundamentally seeking new renewable energy. However, it is actively focussing on developing resources to produce renewable energy. A tall order, support from local authorities and democratic governance which has decided to reinvest more than half of the profits are just some of the factors influencing the sustainability of this good practice.

#### **2.5) Participatory space open to the territory**

Enercoop Languedoc-Roussillon is making every effort to assess and improve what it does. It is taking part in several events such debates and projections focussing on the theme of energy which are organised at local level by associations, communities and citizens' groups. "We are all present and correct, and are providing some logistics so that we can really help the public, generally now aware, but we will do everything within our power to play our part in events for the general public, such as fairs and exhibitions, where the energy issue is not the priority. We are working in partnership, as a local structure with very local networks", declares Simon Cossus, Chairman of Enercoop Languedoc-Roussillon.

### 3) WHAT CAN WE LEARN FROM ENERCOOP GOOD PRACTICE?

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Enercoop is a very fruitful experience. Its impact on territories is consistent and sustainable at different levels: on the economic side with the creation of employment in the territories where the co-operative is based, and on the social side with its awareness and political influence roles. Finally on the environmental side, it helps to develop renewable energy and energy transition models through its lobbying and its efficiency. Thus, it is a very inspiring Best practice as it embraces the 3 main pillars of the SSE: economic, social and environmental. This new way of producing green energy is a real asset on the environmental side, and brings together many different players to work together to create economic activity in the territory.

Its success is multi-factorial:

► AN ORIGINAL OFFER

Enercoop meets a very particular energy requirement. Simon Cossus explains: “in our context, a client needs to have electricity at the touch of a button. And it is not up there that we make a difference. Further to this requirement, our clients need to feel that the money they are paying out is going where they want it to go. They want it to be known, traced. Enercoop meets this requirement for consistency and real awareness cleanly and usefully. Being useful has good reason: with simple management, consumption”.

In addition, the co-operative is not content merely to supply clean electricity: it pursues this responsible consumption approach by getting down to the nitty-gritty, with personal investment through empowerment. The co-operative enables access to tools which enable clients to become ambassadors of the values and projects on which Enercoop focusses.

► TRANSPARENT, PARTICIPATORY GOVERNANCE

Enercoop Languedoc-Roussillon has been granted SCIC status, “the legal form which most suits what it stands for. Private in form but of public interest, SCIC status (co-operative and participatory association) is very much the focus of the social and solidarity economy, an economic system which places Man, rather than capital, at the heart of projects”<sup>26</sup>.

The status makes for a transparent, democratic structure in which associates commit themselves and make joint decisions. The Board of Directors includes representatives of the six parties concerned, and every meeting is public. Simon Cossus believes that “transparency makes for trust” and that “were the meetings not public, in other words, as they are open to anyone who wants to attend them, it creates a wonderful opportunity to forge very good relationships with users, keep or gain their trust, and finally, spread the word”.

Also, the fact that it is a co-operative makes for local savings. Hugues Sibille, Chairman of the SSE Lab, says that “in Germany, co-operatives are 50% financed on equity. At a time when crowdfunding is being developed (participatory finance), we believe that clients would themselves like to finance electricity which poses no nuclear risk”. He also adds that this form encourages more acceptability amongst citizens, for example of wind energy”. Instead of projects imposed and suffered, citizens are participating and implementing projects which they have chosen and so ones which they agree to. This participatory governance is therefore appropriate to the territory’s needs, respecting the territory’s community and environment at the same time.

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<sup>26</sup> <http://www.enercoop.fr/decouvrir-enercoop/les-societaires>

► **CONSIDERABLE, CONSISTENT NETWORKING**

Enercoop Languedoc-Roussillon has managed to diversify what it does to open up to different partners and sustain them in projects, such as the development of production tools, at the same time, continuing to expand in its own right. Lessons need to be learnt according to Simon Cossus: “We cannot do anything alone”.

This networking has also led Enercoop to expand its model and acquire influence so that it has an impact on local decisions.

In parallel, it has posed a few problems, which it has been possible to manage, however: initially, Enercoop Languedoc-Roussillon had to go through major groups to provide electricity: it had no choice. Then the co-operative managed to meet favourable regulatory conditions and seize opportunities where regulations were changed, so that there would be no change of image or ethics within its projects and amongst its partners. Although Enercoop continues to rely on Government and European regulations, it believes that it is very important to remain loyal to one's values and to seek consistency.

Enercoop Languedoc-Roussillon has also managed to avoid the major trap which is poor estimation of project equity. It has managed to control its cashflow and anticipate problems which may arise when it comes to correct initial fundraising, something essential to pursuing projects and consolidating on one's work.

Finally, the co-operative has managed to prove that it has the capacity to track changes in regulations in a complex market.



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