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# This small German town took back the power – and went fully renewable

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The case for ambitious and transformative environmental policy is being made with increasing fervour and a series of “Green New Deals” – a reference to Roosevelt’s economic reform programme in the 1930s – have been proposed over the past 12 months in the US, Europe, and the UK. Such policies would involve massive state investment in the development of renewable energy infrastructure, retrofitting

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buildings to improve energy efficiency, and efficient and high-speed public transport.

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Reflecting the understanding that climate change demands deep systemic changes to the economy, the US version includes the introduction of a jobs guarantee: a public-sector job would be available to any US citizen that wants one. And in Europe, proposals call for public investment banks to invest 5% of GDP each year to “radically reduce Europe’s carbon emissions, constructing resilient and zero-emissions infrastructure”.

Serious commitments to decarbonise infrastructure at scale are no doubt essential. But climate justice theorists have long argued that technical fixes will be insufficient without a parallel transition to a global economy that does not rely on constant growth.

Addressing the climate emergency demands huge amounts of investment, but it also requires drastic changes to the forms of ownership and governance that underpin the contemporary capitalist economy. We need to move towards models of economic democracy, where everything from investment decisions to wages are decided democratically by workers and citizens.

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Transitioning to renewable energy can be motivated on a local, as well as national, level. Jason Blackeye/Unsplash, FAL

Confronting an abstract concept such as the “global economy” can seem like a daunting challenge. But shifting our perspective to the level of our towns and cities, innovative models of economic democracy are already empowering people to deliver real solutions to the climate emergency.

With 100% of its electricity coming from renewable sources (and more to spare), the German town of Wolfhagen is particularly demonstrative of what can be achieved when municipalities adopt innovative approaches to the ownership and governance of key infrastructure. Significant lessons can be drawn from Wolfhagen’s hybrid model of ownership, which can – and must – be applied to sectors beyond energy production.

## **Energy democracy**

Triggered by the Fukushima disaster – and coupled with long-established social movements against fossil fuels – in 2011 the centre-right German government announced it was pursuing a national policy of *Energiewende*: energy transition. Yet in Wolfhagen, a town in central Germany with a population of around 14,000, this transition was already well underway.

Back in 2005, the local authority decided to take back the power. In what became the first steps to fulfilling Wolfhagen’s plan to become fully self-sufficient on renewable energy, the city government

decided not to renew the private company E.ON's licensing agreement, instead putting a public company – *Stadtwerke Wolfhagen* – in charge. Followed a 2008 decision that all household electricity would be provided from local renewable resources by 2015, the town committed to building a solar power park and a wind farm.

Driven partly by lack of financial resources, and partly by a vision of a co-produced and co-owned energy system, Wolfhagen decided to pursue an innovative form of “cooperative participation” that would put energy into the joint ownership of the municipality and a new citizen-led cooperative - BEG Wolfhagen. Speaking in 2011, the director of the public company Martin Rühl explained:

*Through the cooperative participation we want to make the citizens not only co-owners and co-earners, but through the form of a direct participation in the Stadtwerke also co-decision-makers. For future projects, citizens and electricity customers will be at the table from the very beginning.*

Wolfhagen at Christmas. Torsten Lorenz/Shutterstock.com

Formed in 2012 by citizens who had been campaigning in favour of the wind farm development, the cooperative now owns 25% of the energy company. With more than 800 members and wealth of more than €3.9 million, the cooperative does more than just let citizens own a share in the towns energy

company – it also lets them control it. The cooperative has two of the nine seats on the board of the energy company, providing citizens with voting rights on all issues concerning electricity production and supply in the region, ranging from the setting of energy prices through to reinvestment in new capacity.

The cooperative itself also has an energy-saving fund, which receives its funds directly from the profitable energy company. Governed by an Energy Advisory Board - comprised of nine cooperative members alongside one each from the local energy agency, the Stadtwerk, and the municipality - the fund is designed to support strategies and initiatives aimed at increasing energy efficiency among its members. In practice, this means citizen-led solutions to decarbonisation have now been provided with a regular and democratically controlled source of funding.

## **A just transition**

What the experience of Wolfhagen shows is that the rapid decarbonisation of our energy supply is wholly compatible with new models of economic democracy. Strong and effective action to address the climate crisis can be met through processes of collective empowerment, without resorting to ecological authoritarianism.

Hybrid models of ownership not only have the potential to provide capital beyond that which can be provided by the state, but to do so in a way that is committed to the common interest. This flies in the face of the logic of private companies that are committed to the bottom line of delivering shareholder profits.

While national government funding is unquestionably needed, given the scale of the climate emergency, it does not have to be an absolute barrier to towns and cities taking action. Local governments shouldn't use national government as an excuse for their own inaction.

If we're really going to address the climate emergency, we're going to need to drastically expand the number and diversity of spaces for meaningful democratic engagement. This doesn't just mean engaging people in government decisions, but creating and funding spaces where citizens (along with government actors and social business initiatives) can collaborate in delivering radical alternatives across our economy.

Ultimately, the urgency and scale of transition required to meaningfully address our climate emergency demands that national governments pursue many of the ambitious plans for investment envisioned by supporters of a Green New Deal.


But Wolfhagen demonstrates that innovative approaches to the ownership and governance of utilities can not only unlock further cooperative capital investment, but also create new forms of democratic

engagement in their governance. It's precisely the creation of these democratic spaces that can enable citizens to move beyond individualistic efforts to "reduce their carbon footprint", and instead place them at the core of innovation in delivering a just transition to a sustainable and democratic economy.

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