



Original research article

# Realizing the social acceptance of community renewable energy: A process–outcome analysis of stakeholder influence

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## ABSTRACT

This study shows how stakeholders influence the development of community renewable energy (CRE) schemes and how they are influenced by their outcome. It relies on information collected during 41 structured interviews with local people involved in CRE initiatives in seven regions of Europe. The interviews were thematically analyzed to identify different types of stakeholder influence. The findings show that stakeholder influence on CRE schemes take place at three distinct levels: macro, intercommunity and intracommunity. In addition, key stakeholders can support or hinder the development of a project according to whether or not they perceive that the output of the project may benefit or harm them. The study contributes to the research on local renewable energy (RE) development by showing how stakeholders take on multiple roles and how their roles may change from process to outcome. Furthermore, the study reveals the importance of two stakeholder groups: intermediary organizations and local champions. These were groups whose positive influence was crucial in the implementation phase and for whom ad hoc policy could be established.

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## 1. Introduction

In light of the threat posed by climate change, many are advocating a rapid transition to a sustainable energy system relying completely on clean energy. To achieve this transformation, however, a number of questions need to be addressed. Some of them include whom to involve, how to distribute the costs and benefits in a fair way and on what scale energy provision systems should be designed.

The experience of the last two decades of renewable energy (RE) deployment has demonstrated that large-scale projects led by commercial companies have sometimes been criticized for the way the benefits are distributed and for the lack of fairness in procedural development [1]. These factors have often resulted in opposition by local groups of stakeholders, especially in the case of wind power generation [2]. As a result, a community-based approach to RE generation has recently gained in importance. This approach is generally characterized by small- to medium-scale projects carried out by groups of citizens. According to Walker and Devine-Wright [3], a community approach includes some form of public involvement

in the decision-making process and some type of benefit for the local people. In addition, it can also encompass a form of collective control through ownership models such as a social enterprise or co-ownership with a commercial company (Walker [4]).

Most of the studies in the field of community renewable energy (CRE) development have focused on determining whether or not community involvement leads to less opposition to RE deployment [5–9]. Other research has tried to understand if small-scale RE initiatives can contribute to a significant increase in RE capacity [10] or promote capacity building (Walker and Devine-Wright [3]). Yet another stream of research has investigated how local stakeholders perceive the community benefits presented by wind power developers [11–13] and how in turn they contribute to the economic development of rural areas [14–17].

Despite this growing body of research, the literature still contains little knowledge about the role and the influence of the stakeholders involved in the establishment of CRE schemes. Finding this information is relevant because the success of a project depends to a great extent on the identification of key stakeholders and the management of the relationships with them [18]. Earlier attempts have already been made to address this gap. For example, Walker and Devine-Wright [3] identified two dimensions on which the influence of relevant stakeholders in CRE development could be studied: process and outcome. Nevertheless, more

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research is needed to identify and understand the interplay of the actors involved in community projects.

In this study, we carry out a stakeholder analysis to identify the people, groups or organizations that may influence, or be influenced by, CRE schemes. More specifically, we answer the question of how stakeholders influence the development of CRE projects (the process dimension) and how they are influenced by their outcome. To accomplish our research task we apply descriptive stakeholder theory (see [19]) and arrive at a stakeholder classification that explains the roles and the factors that make stakeholders assume certain roles in CRE development. We use stakeholder theory for two main reasons. First, in many cases it has proved useful in recognizing and managing relevant stakeholders because it explains “who and what really counts” to an organization ([20], p. 853). Second, in the context of CRE projects, a stakeholder approach to systematically study the roles of key actors has not yet been adopted.

## 2. CRE and stakeholder influence

### 2.1. CRE: concept definition

Although there is growing scientific interest in CRE development, to date no clear definition has been presented of what the term community should include. In general, a community renewable energy project can be described as “an installation of one or more renewable energy technologies in or close to a rural community, with input from members of that community” ([16], p. 4217). In the literature this approach is often called community energy [21] or community renewable energy (Walker and Devine-Wright [3]). In this paper we use the term community renewable energy (CRE), by which we mean RE projects that are highly open and participatory and that aim to deliver their benefits to a local community, as suggested by Walker and Devine-Wright [3]. Consequently, those initiatives started by municipalities or local businesses that were not participatory or that did not aim expressly at benefiting local people are not considered here.

### 2.2. Stakeholder influence

Since the publication of Freeman's [22] *Strategic Management: A Stakeholder Approach*, the focus of stakeholder theory has been on the interaction and interdependence between a company and its stakeholders [19,23,24]. In the light of stakeholder theory a firm can only exist through the interaction, transactions and exchanges carried out with its stakeholders [24]. We adopt a general definition of stakeholders as “any group or individual who can affect or is affected by the achievement of the organization's objectives” ([22], p. 46).

Within stakeholder theory, one stream of research has focused on studying stakeholder influence from two perspectives: how stakeholders influence companies [25] and which strategies companies apply to influence stakeholders [26]. In this study, because we are applying Freeman's original stakeholder definition we take a look at both how stakeholders influence CRE and how they are influenced by it.

Concerning stakeholder influence strategies [25], tied stakeholder influence to resource dependency theory. He suggests that the resource relationship determines which of the four types of strategies (direct withholding, direct usage, indirect withholding, or indirect usage) will be used by stakeholders. Others have followed this approach from different perspectives and examined, for example, stakeholder influence on financial performance [27,28], stakeholder influence on decision making [29] and how stakeholders may influence companies indirectly through networks [30]. The study of [20] implied that the salience of

stakeholders depends on the possession of one to three stakeholder attributes: power, legitimacy and urgency. These attributes define the stakeholder's salience to managers, and thus its influence possibilities.

The question of how stakeholders are influenced by companies has received less attention. Instead, the research has examined the situations in which the stakeholders feel that their stakeholder group interests or stakeholder group identities are jeopardized and how this experience may lead to mobilization of stakeholders [31]. In addition, studies have looked at cases of how stakeholders may experience the negative (environmental) impact of corporate actions [26,32]. Furthermore, studies have shown how stakeholder power and influence may have a pivotal impact on a project's success or failure [18,33]. Berardi, for example, pointed out that the most significant barrier to the adoption of new energy-saving technology is the low influence-capacity of highly motivated stakeholders on the decision.

Freeman [22] and Mitchell et al. [20] proposed another interesting aspect connected to stakeholder influence: stakeholder dynamics. Freeman suggested that stakeholder influence is not static but changes over time according to how stakeholders' stakes change. Mitchell et al. [20] added that stakeholder positions can change from one class to another when their salience increases or decreases.

According to Walker and Devine-Wright [3], the understanding of CRE revolves around questions of both process and outcome. In this study we adopt a stakeholder framework based on this understanding and look at stakeholder influence with regard to both the process and outcome dimensions of CRE schemes. The process dimension refers to the actors that are involved during the implementation of the project, and the outcome dimension refers to the actors that are influenced by the results of the project. In Walker and Devine-Wright's study, these two dimensions are encapsulated in questions of “who is involved and has influence” in the development of a project and “who it is that benefits in economic and social terms” (p. 488). With respect to the latter question, we look at project outcomes in terms of who could possibly benefit from CRE schemes as well as in terms of who could possibly be negatively impacted by them.

### 2.3. Stakeholder influence on CRE

Prior studies in the wider context of environmental management have revealed the strong stakeholder influence on any environmental project in traditional business [26,34–36]. However, in CRE deployment a comprehensive approach to stakeholder analysis has not yet been taken. Though not studied systematically before, some research on CRE has already revealed three types of stakeholder influence.

The first type of influence has been shown by some studies that focused on how CRE projects may be triggered by stakeholder influence, especially by government policies, energy-market factors and local community cultures. When Bomberg and McEwen [37, p. 436] looked at government policies, they observed that the phenomenon is simultaneously supported and hindered by “structural resources”, a term which refers to the broad political context for community energy mobilization. This is supported by Walker et al.'s [38] more positive view, which suggests that especially social enterprise models in CRE projects have been purposely favoured by government policies in the UK to foster the development of the RE market without controverting EU rules on state-aid.

Energy-market factors that trigger CRE projects have been discussed by Buchan [39] and Okkonen and Suhonen [40]. Okkonen and Suhonen reported that Finnish energy co-operatives were established in the early 1990s when the heating services

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