

An analysis of the co-operative sector in Ireland

Bridget Carroll, Centre for Co-operative Studies, O’Rahilly Building, University College
Cork, Cork, Ireland

<http://www.ucc.ie/ccs>

Email: b.carroll@ucc.ie

A paper to the:

**Ninth International Conference of the
International Society for Third Sector Research (ISTR)**

Kadir Has University

Istanbul, Turkey

July 7-10, 2010

FACING CRISES: CHALLENGES AND OPPORTUNITIES CONFRONTING THE THIRD SECTOR AND CIVIL SOCIETY

*This paper is at an early stage of development; the author would welcome any comments
or suggestions. Please consult the author before quoting.*

Introduction and aims of the study

Recent research in the field of co-operatives has recognised that an essential task in the process of examining co-ops has been the gathering of up-to-date and comprehensive data on the sector with a view to measuring the impact of the movement and expressing the continued relevance of the model (Deller et al, 2009; London Economics, 2008; Arthur et al, 2004; Folsom, 2003). To that end, various organisations such as the International Co-operative Alliance, Co-operatives^{UK} and other representative bodies as well as a number of university co-operative research centres have been engaged in gathering data on the co-operative movement in their respective jurisdictions.

This research responds to the dearth of data on the co-operative sector in Ireland, a lack which has been highlighted most recently by the national economic development authority and advisory board (Forfás, 2007) as well as the Forum for the Co-operative Movement in Ireland, the national representative body for the movement (Forum, 2007). Recent research on the co-operative sector in Ireland is limited to the 2007 report by Forfás which does not include one of the most successful sectors of the movement, credit unions and provides little information on new co-ops.

A review of the regulatory framework for co-operatives is currently being undertaken by the government in Ireland further adding to the timeliness of examining the sector.

The research is thus stimulated by:

- a lack of data on the sector

- the concerns of representatives and observers regarding the continued relevance of the movement and the perceived need for the sector to assert and redefine itself
- the current review of the regulatory regime of the sector
- an interest in linking considerations “from the ground” with theoretical concerns of contemporary related research into the evolution of the co-operative form.

Research questions

This study aims to answer the following questions:

- What are the size, scope and trends of the co-operative movement in Ireland?
- How many and what kinds of co-ops have emerged in Ireland over the last five years and what activities are they engaged in?
- What are the factors impacting the further development of co-operatives in Ireland?

Methodology

A co-operative is defined as a self-help business, owned and democratically controlled by the people who use its services and share in its benefits. There is no definition of co-operatives however in Irish law and there is no national database of co-operatives available in Ireland. Co-operatives in Ireland have traditionally registered as co-operative societies under the Industrial and Provident Societies Acts of 1893-2005. The acts have become the legislative system which regulates the formulation and general operation of co-operatives other than credit unions in Ireland, which are legislated for under the Credit Union Act 1997 (having previously also come under the former Acts). Co-operative societies are registered by the office of the Registrar of Friendly Societies. Thus the best available information on co-ops in Ireland is the reports and records of the Registrar as well as data compiled by the representative bodies of the various co-operative sectors. These are the data sets used for this preliminary research.

The Registrar of Friendly Societies does not differentiate between co-ops and other societies but according to the 2008 report of the Registrar “most” of the Industrial & Provident Societies “are Co-operative Societies”. There is no requirement to use the word “co-operative”. Neither is there a prohibition on the use of the word “co-operative” by groups which are incorporated but not registered as societies. Co-ops in Ireland may also incorporate as conventional companies limited by share or guarantee with or without share capital or as partnerships through the Companies Registration Office and thus fall under Companies Law. Co-operatives incorporated in such ways may stipulate in their memorandum and articles of association (i.e. their rules) that they are co-operatives but they are not readily identifiable from the records. Smaller or new groups may, of course, not incorporate at all.

Compiling data on the smaller sectors is hampered by a lack of classification of the categories of co-operatives as no breakdown is provided by the Registrar of Friendly

Societies for certain types of co-ops, for example, workers' co-ops, which fall under several headings.

The research to date has combined the following:

- an examination of annual reports of the Registrar of Friendly Society, annual reports and documents of representative bodies and state agencies and other relevant publications in order to establish the size, scope and characteristics of the sector
- an examination of Registrar of Friendly Society reports, relevant publications and web sites in order to establish the numbers and activities of new co-op societies
- face-to-face interviews with key witnesses from the main representative organisations as well as from the relevant public bodies and other interested organisations. Interview schedules were distributed to key informants in advance of interviews which were conducted face-to-face or by telephone between January and April 2010. This research was conducted as part of a broader project investigating co-operative legislation which questioned respondents about co-op visibility and supports.
- an examination of recent submissions to a Consultation Paper on the Industrial and Provident Societies Acts which forms part of the current review of the regulation of co-operatives in Ireland.

Limitations of the study

The research is at an early stage. Further work needs to be carried out on statistics for co-ops and on worker and community co-operatives in particular and in identification strategies for the co-ops. The work lacks international comparisons in the analysis of co-op trends. The research focuses on the situation at present and in the recent past – further analysis of the trajectory of co-ops in terms of why and how they appeared may strengthen the work.

Layout of the paper

Section 1 of the paper presents an overview of the size, shape and characteristics of the main co-operative sectors in Ireland today as well as an examination of trends in the sector. Section 2 examines the number and types of new co-operatives emerging over the last number of years while Section 3 explores issues pertaining to the promotion and development of the movement.

1. The Co-operative Movement in Ireland

Co-operatives and their members have been contributing to Irish society since 1889 when the first dairy co-operative was established in County Limerick¹. Under the guidance of Sir Horace Plunkett and following the establishment by him of the Irish Agricultural Organisation Society (IAOS) the number of agricultural co-operatives expanded rapidly. Agricultural credit societies based on the German Raiffeisen model were also set up at this time. The second stage of co-operative development in Ireland took place from the 1950's with the establishment of the first credit union. Credit unions spread rapidly from the 1960s.

Records of the Registrar of Friendly Societies as depicted in Figure 1 show the total number of Industrial and Provident Societies and credit unions over the seventy year period from 1935-2005. Apart from a decline in the 1940's and again in the 1990's this period has seen a steady if not spectacular increase in numbers.

Figure 1 Total number of Industrial & Provident Societies, including credit unions, 1935-2005

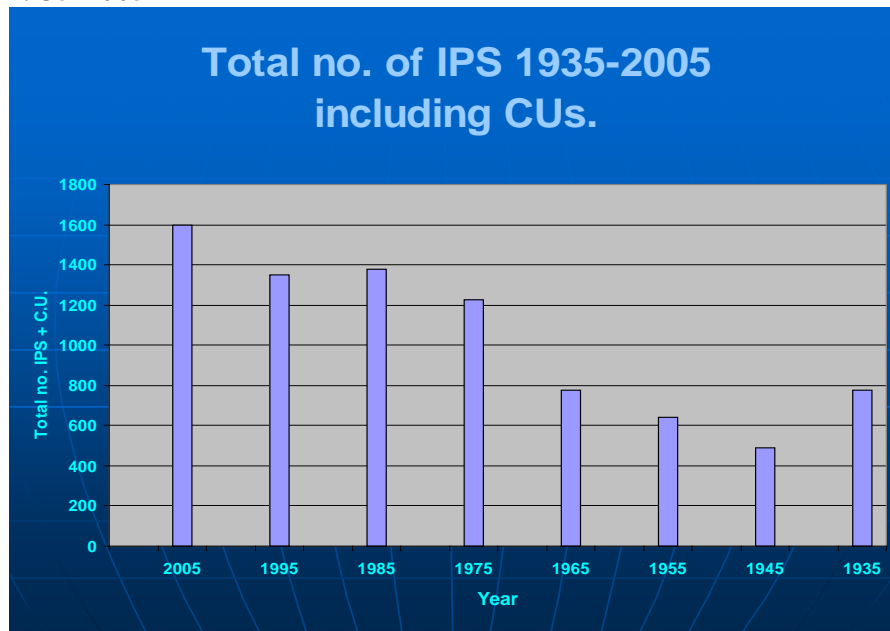


Figure 2 depicts new registrations over the same seventy year period. We can see that there was a peak in registrations in the 1970's. This coincides with a period which saw the closure of many indigenous industries and the resultant setting up of "phoenix" co-ops by workers in factories that were being closed as well as some other co-ops. There remains on average over 40 societies a year being set up over the last 30 years. By comparison, over 18,000 new companies were registered in 2007.

¹ An earlier agriculture co-op was set up in Ralahine, County Clare in 1831 but the movement did not expand in any significant way until Plunkett.

Figure 2 Number of new Industrial & Provident Societies 1935-2005

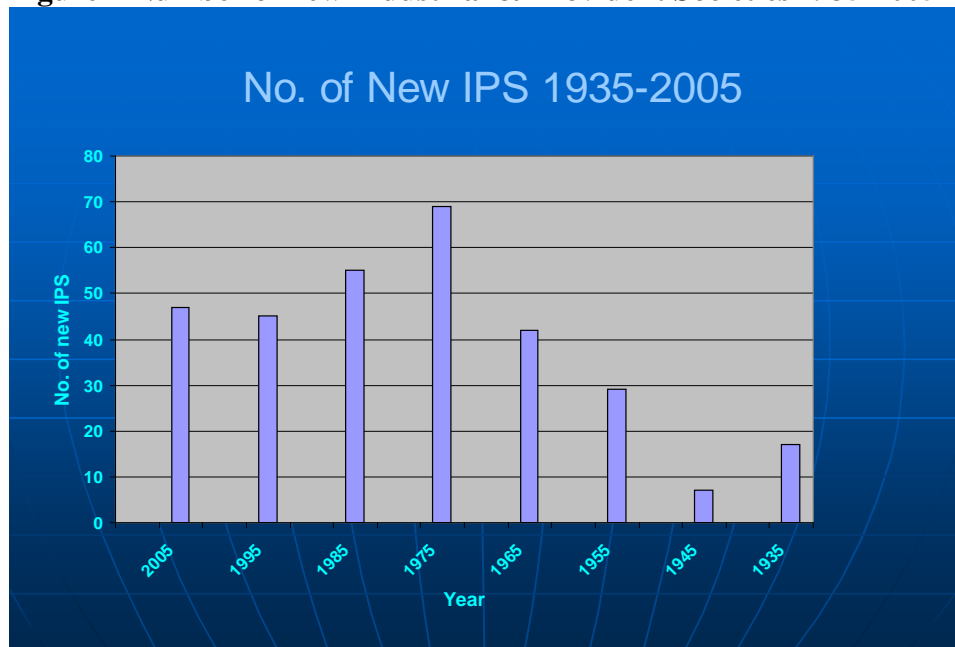
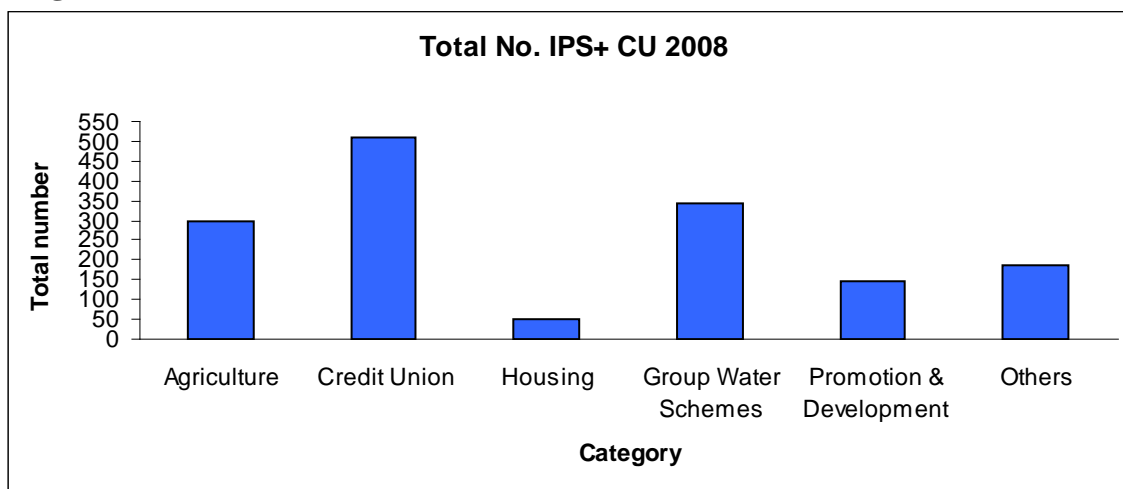


Figure 3 shows the total number of Industrial & Provident Societies by category plus credit unions at the end of 2008, which totalled 1,536. In contrast, there were 180,891 registered companies, of various types, in Ireland in 2007 (Companies Registration Office, 2008). Co-operatives therefore amount to less than 1% of the total number of companies in the country. However, over 35,000 of these were single member companies while each co-op represents many members and are distributing benefits accordingly. There are over 2 million members of 403 credit unions in Ireland (there are over 3 million accounts).

As mentioned earlier, at this point we do not know how many of the registered societies are co-operatives using our definition of a co-op although it is stated by the Registrar of Friendly Societies in his report for that year that “the majority” of them are co-operatives. It is also likely that some of these societies may be relatively inactive.

Figure 3: Total number of Industrial & Provident Societies 2008



The 2004 report of the Registrar's was the last in which a breakdown of data on societies beyond total numbers of societies was provided. This is probably related to the fact that in recent years the Registrar of Friendly Societies has been *de facto* amalgamated with the Companies Office and scaled down in terms of staff. Since the 2004 report the total number of members, sales/income, employees and assets has not been published in the annual reports (and probably not collated). There has been, however, a somewhat improved categorisation of the various societies from the 2004 report to date. For example, a more detailed breakdown of various types of societies in different sectors of agriculture has been provided, which is helpful.

Table 1 gives us the breakdown of number, members, sales/income and assets for co-operative societies for the year end 2004. Figures for all categories are not available.

Table 1: Co-operative Statistics (2004)

Sector	No.	Members	Sales/Income €	Assets €
Agriculture/ Food	373	189,191	4b	2.9b
Credit Unions	531	2.9m	10.9b (savings)	12.5b
Housing	51	1,902	n/a	n/a
Group Water Schemes	237	28,485	n/a	n/a
Promotion & Development	192	14,066	7,218,955	23,424,285
Others	196	34,359	n/a	108,033,023
Total	1,496	3m	5b	15.5b

The agriculture and food category includes both productive and distributive societies in dairying, meat processing, livestock sales, livestock breeding, egg and poultry, horticulture, fishing, farm relief services and forestry.

The credit union category includes credit unions affiliated to the Irish League of Credit Unions, which covers both the Republic and Northern Ireland, but not those affiliated to the Credit Union Development Association (approximately 15) and 6 unaffiliated credit unions.

Clearly the sectors with the largest turnover and members are that of credit unions and agriculture co-ops. For more up to date and comprehensive statistics we must turn to annual reports of the representative bodies of the various co-op sectors. The following provides a closer look at agriculture co-ops, credit unions and housing co-ops for which

we have data from representative bodies. It also examines group water schemes, promotional and advisory co-ops and worker co-ops for which less information is available.

Agricultural Co-ops

Table 2 presents statistics for co-operatives affiliated to the Irish Co-operative Organisation Society (ICOS) which describes itself as the “representative organisation for co-operatives in the food, agribusiness and rural sectors in Ireland” (ICOS, 2009). Not all co-ops involved in these sectors are affiliated to ICOS but it is estimated that many of these are relatively small and inactive societies. The figures below include dairy, fishing, livestock sales (marts), cattle and specialist breeding, pig, fishing and a number of development societies of a rural or agricultural nature. They include the National Federation for Group Water Schemes but not the individual schemes themselves which total over 300.

Table 2: Agricultural Co-op Statistics ICOS (2007)

	Total	Dairies	Marts	Fishing	Others
Number	78	30	23	7	18
Members	181,003	79,646	36,627	604	64,126
Employees	36,559	34,939	870	231	519
Sales (€000)	12,583,507	11,733,369	554,241	49,329	246,568
Net Profits (€000)	416,952	394,584	6,154	10,101	6,113
Assets (€000)	7,745,705	7,444,202	197,096	10,885	93,522

Source: ICOS, 2009.

By far the largest sector in terms of economic activity among this category is the dairy co-op sector. The Irish dairy industry is an important contributor to the economy (as is agriculture generally albeit having declined in significance in recent years) with approximately 20,000 dairy farmers, 9,000 employees in dairy processing and 4,500 people employed in support and ancillary services. Over 80 per cent of dairy output is exported annually. Exports were valued at €2.36 billion last year. 98% of milk processing in Ireland is carried out by co-operatives. Just five co-ops account for over 80% of that milk processing. In fact co-ops in this sector are more properly described as multipurpose producer co-ops as they are involved in dairy grain purchase, farm inputs, building materials and more recently property as well as dairy processing.

The co-operative share of processing and marketing in Irish agriculture is as follows:

- 98% of primary milk processing
- 80% of livestock auctioneering of live cattle and sheep
- 65% of grain purchase
- 70% of animal feed milling
- 65% of farm input supplies
- 75% of artificial bovine insemination

- Declining shares of pig meat and poultry (ICOS, 2010)

Co-ops have a small and/or declining share in other sectors of agriculture (horticulture, fishing, poultry, meat processing) co-ops.

As has been witnessed in other countries there has been a trend among a number of Irish agricultural producer co-ops towards change in the co-op organisational model in terms of ownership, voting rights and external investment since the 1980's. This has seen the development of so called "hybrid"² co-ops whereby traditional co-ops (owned 100% by farmer members) develop a PLC subsidiary which is floated on the stock exchange thereby attracting external investors. This has been described by some commentators as *de facto* demutualisation but farmers have retained significant, if declining, shareholding in these PLCs through their co-op and as individual farmers as well as retaining ownership of the original co-ops. This trend towards change of ownership has been seen as a one-way trend (Nilsson, 2001) but recent developments in Ireland have seen an attempt by one co-op to buy back the dairy processing business from the PLC. And not all agriculture co-ops in Ireland have followed this trend; some co-ops have been involved in diversifying their business (for better or worse) in an effort to supplement income for their members. Others have formed joint ventures. The consolidation of the dairy industry from a situation of many relatively small milk collectors has been called for by some commentators for many years in Ireland.

Agriculture/producer co-ops in Ireland have given farmers a certain amount of control over their businesses, ensured fair and transparent prices and delivered a range of other benefits to their members. They have helped members to stay in production, provided long-term jobs and supported rural communities for many years. Agriculture co-ops have the longest tradition of co-op organisation in Ireland and it would therefore seem logical that they would have the deepest roots. We will see in Section 2 whether these roots have spread to impact on co-op start-ups in recent years in the food and agricultural sector.

Financial Co-operatives - Credit Unions

The most common type of co-operative in Ireland is one that most Irish people do not recognise as such - the credit union. Fifty years after the establishment of the first credit union in Ireland, the sector is the envy of many countries having achieved one of the highest levels of membership penetrations amongst credit unions worldwide.

Each credit union in Ireland is an independent financial co-operative, owned and controlled by its members by means of a voluntary board consisting of members of the credit union. Membership of credit unions is based on a shared *common bond* which is usually based on a geographical area (usually a parish) or a common workplace (these are called *industrial* credit unions). Credit unions provide a range of financial services to members (only) and operate on a not-for-profit basis.

² This use of the term hybrid contrasts to that used in some literature which refers to hybrids as multi-stakeholder co-ops with, for example, producers and workers or consumers and workers amongst their membership.

Table 3 shows total figures for members, assets, savings and loans of credit unions over the five year period from 2004-2008. Figures are collated from Irish League of Credit Union (ILCU) annual reports, an all-Ireland body which “*promotes the credit union idea and ethos, represents affiliated credit unions with Government, the EU and other agencies and provides central services to credit unions*” (ILCU, 2010). Figures are for the island of Ireland (i.e. both the Republic and Northern Ireland) and for ILCU affiliated credit unions only. The current number of credit unions in the Republic represented by the ILCU is 404 with 103 credit unions affiliated in Northern Ireland. An estimated 15 credit unions are affiliated to the more recently formed Credit Union Development Association (CUDA) which also acts as a representative and development association for credit unions in Ireland. Credit unions affiliated to CUDA have a reported combined asset base of €1.5 billion and over 300,000 members.

Table 3: Credit Union Movement Statistics, ILCU (2004-2008)

	2008	2007	2006	2005	2004
Number	505	521*	521	530	531
Members	2.95m	2.9m*	2.9m	2.85 m	2.9m
Assets	€13.8b	€15.1b*	€14.7b	€13.7b	€12.3b
Savings	€11.9b	€13.4*	€13.2b	€12.1b	€10.9b
Loans	€6.8b	€6.7	€6.6	€6.5	€5.9

Source: ILCU audited annual reports

*estimated

In addition to these figures credit unions in Ireland employ over 3,000 people and are generous sponsors of a very large number of community and voluntary organisations. Also absent from these indicators are the total number of volunteers running the sector and the amount of dividends/interest paid on share accounts.

Credit unions in Ireland have clearly generated very large membership bases, savings and assets. They have helped people move from relative poverty and continue to empower individuals and communities by giving them greater control over their financial services and better consumer protection. Credit unions also provide members with an alternative to conventional banks and are the largest provider of social finance in Ireland. Credit unions offer services at reasonable rates, treat all members equally and are the only financial service provider whose interest rates are capped. Their impact in terms of the multiplier effects of their activities for the broader community and social finance provision has not been calculated. Perhaps the biggest disappointment in terms of the impact of the movement has been that they act as money collectors for the banks and stockbrokers with which they invest much of their members’ savings.

In terms of growth trends, the establishment of new credit unions in Ireland is not forbidden but is not encouraged. Irish credit unions have the highest membership density among credit unions worldwide. The sector now considers the movement to have reached saturation point and thus considers it unwise for new credit unions to be

established. This appears to be the view of the Registrar of Credit Unions also. It is more likely that credit unions will transfer their activities to other credit unions. While membership of credit unions in Ireland is very accessible to the general population in terms of geographical location of credit unions (they are to be found in most towns in the country with sub-offices located in villages or other areas of smaller populations), there may be a question as to whether credit unions are reaching the very poor or socially excluded in terms of facilitating their access to financial services.

While the credit union sector has weathered the current economic and financial crisis better than the commercial financial services sector (primarily because they did not engage in property lending, they do not rely on the money markets for capital and they are often more risk averse than banks) it is now feeling the knock-on effects of that crisis on its members through rising levels of arrears, rising debt rescheduling and reducing loan applications. This has led to the need for credit unions to raise their bad debt provisions which restricts their ability to lend and their ability to pay dividends. It is likely that now that Irish banks are again small local institutions that they will increase their lobbying and pressure against credit unions.

Housing Co-operatives

Access to and affordability of housing is a recurring issue in Ireland as elsewhere, notwithstanding the current property crash. The co-operative housing movement in Ireland comprises not-for-profit co-operative housing societies formed for the purpose of providing ownership and/or rental housing for their members and the management of housing estates or apartment blocks and local housing or building co-operatives involved in the provision of home-ownership dwellings.

The majority of housing co-operatives in Ireland are home ownership co-operatives, however the number of rental co-operatives being developed has increased in the last number of years, particularly in Dublin city and county. Table 4 presents data provided by the National Association of Building Co-operatives (NABCo), the federation serving the co-op housing movement in Ireland.

Table 4 Housing Co-operative Statistics NABCo (2007)

Number of co-operatives	20 rental -560 dwellings 5 district- 23 developments 3 regional
Total members	n/a
Total employees	22 (NABCo)
Total assets	€240m

NABCo's membership comprises affiliated co-operative housing societies. Co-operative housing societies may comprise the members in several local co-operative housing developments within a City or Town district/area or in a County / Regional area. A regional co-operative housing society may be involved in the management of several local co-operative housing developments and also provide shared common services for some district co-operative housing societies in its area of operation.

As of 2007 there were twenty rental co-operatives in Dublin providing over 560 dwelling units. There were five *district* co-operative housing societies involved in the management of some twenty three co-operative housing developments, comprising mainly rental dwellings (houses and apartments) and also ownership/purchase apartments. The co-operative housing societies are currently involved in the management of some twelve hundred rental dwellings for their shareholding/member/tenants. There were three *regional* co-operative housing societies involved in the planning, development management of more housing projects and the provision of common shared services for members, with the support of NABCo.

The market value of the co-operative rental housing stock in the ownership and management of the co-operative housing sector is approximately €240 million (NABCo, 2007). Total turnover on housing management, rents caretaking, repairs and maintenance etc. was about €3.5 million in 2006 (NABCo, 2007). (The rents of co-operative social rented housing are related to the income circumstances of the member/tenants with a top-up management and maintenance subsidy allowance - as distinct from market level rents). In 2007 there were approximately 22 direct full-time equivalent employees of the NABCo and its affiliated co-operative housing societies, including executive, housing management/administration, social service, buildings and caretaking staff.

In addition to this there is downstream or indirect contract employment generated from housing repair and maintenance sub-contracting, technical and legal professional consultancy (architects, engineers, quantity surveyors and solicitors) for new project planning/design and the on-site construction programme is also significant. In 2006 the programme of new construction at design/planning and on-site construction stages was over six hundred dwellings and the value of the work was estimated in excess of €10 million. Almost €1 million was also paid out on repair and maintenance sub-contracting in 2006 (NABCo, 2007).

The role of the co-operative housing sector has been to improve market forces in the supply of housing by providing access to decent housing accommodation for persons/families with modest or limited incomes at a price or rent they can afford. NABCo has also been actively involved in the acquisition of building land, the design/planning and financing of more new co-operative housing projects in collaboration with affiliated co-operative housing societies.

The current economic crisis has seen a withdrawal of direct capital funding to the co-op housing sector. Government housing policy for the immediate future is to support the leasing of properties as the main model of promoting social housing support as opposed to co-operative housing despite the role that the sector has played to date.

Utilities - Group Water Schemes

Just as credit and other financial services were confined to the few in Ireland in the 1950's, similarly piped water supply to homes was almost unheard of outside Ireland's towns and cities. Hard as it might be for some people to imagine now, rural communities

in Ireland relied on buckets and barrels for their daily water needs in the not too distant past. In 2009 the National Federation of Group Water Schemes represented 338 schemes which were responsible for the supply of piped water to over 64,000 households (NFGWS, 2009). The schemes are organised as co-operatives, trustees or in a small number of cases, companies. The schemes are largely funded through state subsidies under the Rural Water programme and training grants.

The Group Water Scheme sector has grown considerably as unincorporated or abandoned schemes incorporate. Figures from the Registrar of Friendly Societies annual reports indicate that the number of co-operative group water schemes was 88 in 1997 with 14,257 members. However, the Forfás report (2007) highlights that some of these may be co-ops in name only. Table 5 presents statistics on the sector for 2007.

Table 5 Group Water Schemes Statistics Year Ended 2007

Number of co-operatives	331
Total members	43,312
No. of households supplied	> 50,000
Total volunteers	> 2,500
Total employees	<40

Source: NFGWS, 2007

In addition to the significant number of households receive their drinking water from co-operative group water schemes there is also a small but growing number of employees in this sector, estimated at over 40 at present. The NFGWS directly employs ten people. Spin-offs from the sector include indirect employment through contracts for maintenance and repair of scheme infrastructure.

Bringing schemes into compliance with drinking water quality standards and monitoring regulations are among the main challenges felt by the sector following a European Court of Justice ruling against Ireland. This requires that groups become more professional in their operations and move towards the employment of paid management and staff. The membership base for some groups does not allow for this employment hence the process of amalgamation referred to earlier. The use of an umbrella model which would allow smaller schemes share the costs of paid staff has been suggested as a possible solution.

Promotional & Development Co-operatives

This category includes a broad range of societies including multi-stakeholder development co-ops, co-ops that organise cultural and heritage events such as fairs, shows, festivals and museums, leisure and sports co-ops and tourism co-ops. As indicated in Table 1, in 2004 there were 192 of these societies representing over 14,000 members, with sales in excess of €7m and assets in excess of €23m. The number of these co-ops had declined to 148 by 2008. Further research is needed to ascertain how many of the promotional and development societies are co-ops and what trends there are in terms of the activities that they are engaged in, their fiscal health, number of employees and so on.

One of the most significant categories amongst this grouping is that of community co-operatives which operate as multi-stakeholder local development vehicles, often located in remote and isolated Gaeltacht (Irish language) areas. Approximately 90,000 people live in Gaeltacht areas in Ireland with just under 3,000 living on the islands. Generally speaking these co-ops identify and fill gaps in services and amenities, they co-ordinate or facilitate community development activities and projects, and they provide advisory services to the voluntary sector in their operational areas. They play a particularly crucial role in service provision and advisory support on the islands around Ireland. Many of these co-ops were set up with the financial help of Údarás na Gaeltachta (a semi-state development agency for the Gaeltacht areas) in the 1970's. They are involved in a myriad of activities as outlined below (adapted from Ní Chríocháin, 2007).

1. Basic infrastructure

Provision of electricity and piped water supply; upgrading and maintenance of roads; operation of air-strips, piers and ferries; contractors for building works.

2. Trade

Where market failure occurs provision of petrol, diesel, oil, building materials, seed potatoes, turf, farming materials and other bulk goods and renting machinery such as tractors, dumpers, diggers.

3. Housing

Provision of new housing, for example Inis Mhór has been involved in delivering ten units of social housing. Inis Meáin provides houses for rent to new islanders and Oileán Chléire provides apartments for rent.

4. Health

Lobbying for provision of health centres and acting as contractors to build health centres. The community bus may double as an ambulance.

5. Education

Setting up secondary schools and attracting mainland children on scholarships to sustain schools. Provide Irish language summer schools.

6. Social Services

Provision of childcare, youth services and residential care for older people.

7. Transport

Development and operation of ferry services. Lobbied for reduced fares and developed community transport initiatives.

8. Leisure

Opened clubs and bars, playgrounds, football fields as well as running festivals and other cultural and leisure events.

9. Tourism

Developed campsites, walking trails, guidebooks, cultural holidays, holiday homes, diving centres and heritage centres.

10. Waste Management

Developed recycling centres, removal of large waste items and awareness-raising.

11. Alternative Energy and Sustainability

Developed solar panels and wind turbines used, for example, in desalination. Have also developed electric community transport. Provided training in organic production and sustainable farm landscapes. Some of the islands aim to be energy self-sufficient.

12. Advocacy

The co-ops provide local representation in dealing with state agencies and development bodies.

13. Promoting small businesses.

Workers' Co-operatives

The first workers' co-op in Ireland was formed in Dublin in 1956 but the sector did not further expand until the 1970's when a number of '*phoenix*' or '*crisis*' co-ops were set-up in the face of threatened factory closures (Linehan & Tucker 1983). Many of the workers' co-ops which emerged during the 1970's were attempting to maintain already ailing businesses and subsequently failed. However, at least one of these phoenix co-ops, Crannac Furniture, survived until the late 1990's.

The workers' co-op sector saw its biggest increase in start-ups in the 1980's with the number rising from 10 in 1982 to 62 in 1987 (Redmond, 1992). This increase reflected a shift in emphasis, or indeed a new emphasis, emerging around notions of community development, participation and bottom-up development and the resulting rise in community enterprise of various types. This was partly in the face of pervasive unemployment but also reflected the growth of social movements such as the women's movement.

In 1988, a state agency devoted to the development of the workers' co-op sector, the Co-operative Development Unit (CDU), was established under the auspices of FÁS (the national training and employment authority). There was a significant increase in the number of workers' co-ops in the 1990's due in large part to strategies in workers' co-op promotion by the CDU. In particular there was a spike in figures between 1991 and 1992 when the numbers rose from 47 to 73 and again between 1996 and 1998 when the number rose from 66 to 82 (Hughes, 2000).

Compiling data on the smaller sectors is hampered by a lack of classification of the categories of co-operatives as no breakdown is provided by the Registrar of Friendly Workers' co-ops fall under several headings and staff of the office cannot identify workers' co-operatives from their records. Given that the I&PS Acts stipulate a membership of seven it is believed that a number of co-ops are incorporated as

companies for which no breakdown is recorded. The situation with regard to official figures on workers' co-operatives has worsened since the closure in 2002 of the Co-operative Development Unit (CDU), the former government agency with responsibility for the development of workers' co-ops. Comprehensive official figures for the numbers of workers' co-ops established in Ireland are available up to 1996 with figures for 1998 based on estimates from the CDU. Workers' co-ops in Ireland do not have an active network or representative or trade body³.

A telephone survey conducted in 2005 (Carroll, 2005) revealed that of the 82 co-ops in existence in 1998, at least seven had ceased trading, at least nine had been privatised, at least twenty were still operating as workers' co-ops, thirty-five were unavailable at their given address or under the trading name they operated under in 1998 and the remaining eleven were still trading but their status was not determined.

An examination of the Registrar's records and knowledge of the sector by the researcher would indicate that workers' co-ops are involved in areas such as restaurants, food production, printing, audio-visual services, actors agencies and crafts.

In summary, the workers' co-op sector in Ireland appears to be a small, fragmented sector. The next stage of this research involves developing identification strategies for worker co-ops amongst public records, examination of the recipients of the Worker Co-op Fund of the ILCU and administration of a survey to ascertain the size and characteristics of the sector including the numbers of worker co-ops in existence, their geographical dispersal, the activities that they are engaged in, their financial performance, the size and composition of their workforce and issues that the sector faces.

This section of the paper examined the main co-operative sectors in Ireland. The next section of the report examines trends in new or emerging co-ops over the last number of years.

2: New Co-ops:

This section sets out to answer the following questions:

- How many and what kinds of new co-ops have emerged in Ireland over the last five years?
- What activities are they engaged in?

As can be seen in Figure 4, the total number of societies plus credit unions has declined by 32 from 1,567 to 1,535 in the decade from 1998 to 2008.

³ A Network of Workers' Co-operatives (NWC) was established in 1987. This later became the Irish Federation of Worker Co-operatives. Difficulties emerged in sustaining a national organisation and in the early 1990's an urban-rural rift appears to have split the Federation. It was based in County Clare for a number of years but became very small in terms of members and resources and the remaining members found it increasingly difficult to muster the energy or resources to animate further projects in what members considered an indifferent or even hostile climate.

Figure 4: Total numbers of Industrial & Provident Societies + Credit Unions, 1998 – 2008

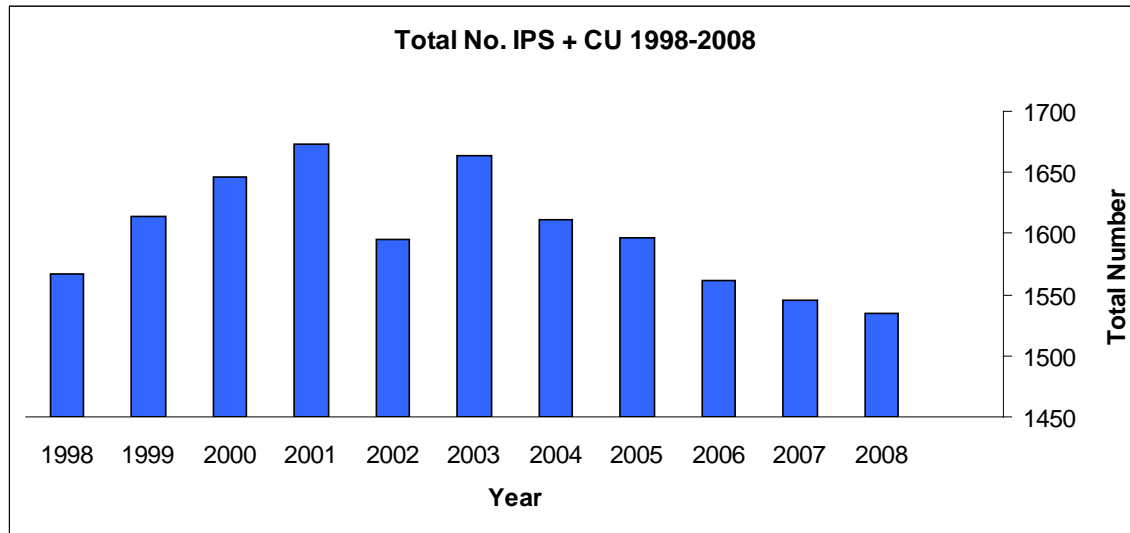


Table 7 offers a breakdown for this decade in terms of the number of societies (not credit unions) at the start of the year, the number cancelled during the year, the number restored and registered as well as the number at year end. The highest number of new registrations occurred in 2003 (76 in total) with the lowest in 2006 (30 on total). There was a considerable “clean-out” of the register in 2002 and again in 2004 with 150 and 103 societies’ registration cancelled respectively. In five of the last ten years the number of cancellations exceeded the numbers of combined registrations and restorations. However, further perusal of the reports for this period reveals that there have been a total of 21 amalgamations in this period involving 56 co-ops particularly in the group water scheme, farm relief and livestock marketing categories.

Table 7: Numbers of Industrial & Provident Societies 1998-2008

Year	No. I&PS year's start	No. registered during year	No. restored during year	No. cancelled during year	No. I&PS year end
2008	1024	31	3	31	1027
2007	1040	36	0	52	1024
2006	1066	30	2	58	1040
2005	1079	47	2	62	1066
2004	1131	51	0	103	1079
2003	1061	76	2	7	1132
2002	1138	70	3	150	1061
2001	1111	40	1	14	1138

2000	1079	56	2	25	1111
1999	1034	63	1	19	1079
1998	986	52	1	5	1034

Source: Registrar of Friendly Societies annual reports

Analysis of Registry records for the last ten years indicates that new co-ops are emerging in the areas of environmental services, the use of information technology in communications, utilities and agriculture and food. For the purposes of this paper we will examine new start-ups from 2004-2008 inclusive. Table 8 gives the total number of new societies in a range of categories.

Table 8: Total number of new IPS registrations by category 2004-2008

	2004	2005	2006	2007	2008	Total
Group Water Schemes	30	9	18	25	21	103
Worker	1	1	0	0	1	3
Promotion & Development	4	10	1	5	4	24
Ag/Food	4	15	3	4	3	29
Communications	5	3	0	0	0	8
Arts & Media	3	1	1	0	0	5
Housing	3	4	3	1	0	11
Other	1	4	4	1	2	12
Total	51	47	30	36	31	195

Clearly the most common new categories for societies are group water schemes, agriculture/food, promotion and development and housing. The activities of these co-ops are discussed below.

Group Water Schemes' activities were outlined in Section 1. They aim to deliver a quality piped water supply to households unable to connect to the public water supply through the ownership, operation and maintenance of co-operatively managed schemes. A significant part of their work is in the improvement of water treatment facilities. While a process of amalgamation between schemes continues, the sector continues to grow with over 40 schemes established in 2009 the majority of which were co-ops (NFGWS, 2009). In terms of support the co-ops are affiliated to the NFGWS which in turn is affiliated to ICOS which has developed a specific set of Model Rules for the sector.

Agriculture & Food

New co-ops in this category have included at least eleven cattle breeding societies especially for specialist breeds. Amalgamated farm relief services also feature as do amalgamated livestock sales co-ops and poultry producer co-ops. Most of these co-ops seem to be affiliated to ICOS which has significant supports and expertise available for new co-ops.

There would seem to be significant further scope for co-operative involvement in this sector. For example, the horticulture industry employs over 10,000 people and is estimated to be worth over €300m to the economy with retail sales in excess of €650m

(Department of Agriculture and Food, 2010) yet only thirteen horticulture co-ops were registered in 2008 (Registrar, 2008). In fact, one horticulture co-op recently closed having lost its contract with Tesco adding further to the argument that the supermarket multiples put unbearable pressure on smaller producers. While it is difficult to withstand these pressures independent producers of perishable foods worldwide have fared better making use of co-op structures. Further analysis of the case mentioned above might be useful.

Promotional & Development

Included among the start-ups over the last five years in this category are sports associations, several heritage societies and a number of community development co-ops such as Slieve Felim Voluntary Community Development Society in County Tipperary and Kilconnell Rural Development Society in County Galway which describes itself as the largest membership based organisation in the village of Kilconnell and aims to “be a leading force in carrying out improvements in the local area” (www.kilconnell.net, 2010). A sub-category which crosses over into agriculture and food and that has also seen growth is that of agricultural shows or fairs.

A number of the recently formed co-ops in this category have had an environmental protection remit. For example, *Muintir na Coille* co-op (which translates as tree people and is also described as the Coppice and Allied Trades Association) provides training courses in environmental and ecological trades such as coppice management and restoration. Its members are heavily involved in promoting the increase of native woodland and woodland protection. Derrybrien Development Society has objected to the construction of a wind-farm in their locality which they believe was the cause of a large bog-slide that occurred in the area in 2003. The society won a European Commission decision to institute proceedings against Ireland for breaches of EU law associated with the wind-farm. Waterford Energy Co-op aims to support farmers and other rural dwellers develop a self-supply energy system through the use of biomass. Some of these co-ops are affiliated to ICOS but most are not. The type and level of set up support that they have received is unknown.

Housing co-op activities were discussed in some detail in Section 1. Their main activities are the provision of group schemes of affordable ownership dwellings for eligible members with modest incomes and a capacity to repay a mortgage loan; the development of social rented housing in co-operative communal ownership as an option for social housing waiting list applicants who are willing to accept the responsibilities of co-operative membership and mixed schemes of suitably planned co-operative rental and ownership houses/apartments projects along with new forms of co-operative equity-sharing ownership housing/apartments (NABCO, 2007). It is unknown if all of the co-ops set up in this time period are affiliated to NABCO and therefore have availed of the set-up support available from that organisation.

A smaller category of new co-ops has been the **Communications** sector with eight new entrants in the five year period. Knockmore Community Network Society in County Mayo is an example of such a scheme which aims to bring affordable broadband access

to communities in rural areas on a non-profit basis. Community owned media is another sub-group in this category. Several of these co-ops are affiliated to ICOS. Examples are Dublin Community TV and Glenties Community Piped TV. A related promotion and development co-op is Craol, the Community Radio Forum of Ireland, which was established in 2004.

The next stage of this research is to examine new co-ops over a slightly longer time period, in more detail and in terms of set-up supports that they receive. A discussion of the factors influencing the numbers of new co-ops follows in Section 3.

3: Development of the movement:

In Section 1 we saw that co-operatives in Ireland have provided members, and by extension individuals and communities, with a mechanism for meeting a range of needs. Figures for the total numbers of co-operatives at ten year intervals over the last seventy years show reasonably steady growth. The figures for new co-operatives over the last number of years show an average of 38 new co-ops per annum. This section aims to explore the issues impacting on further development of co-operatives in Ireland. It draws on interviews with key witnesses in the sector. Three main issues are addressed:

- Visibility of the sector
- Support for the sector
- Regulation of the sector

Visibility of the sector

There is a low recognition factor of co-operatives in Ireland. The general public have a perception of a co-operative as an old-fashioned notion, perhaps a creamery that their parents or grandparents supplied milk to. Younger people are less likely to even make this association. Respondents in unpublished research by practitioner students of UCC's BSc Mutual & Credit Union Business programme reported that some employees in semi-state enterprise agencies and development companies thought that co-ops had disappeared in the 1980's (and therefore were unlikely to be in any position to give advice on the model). It seems that the significant success that co-operatives have had in serving members needs in specific sectors (such as in dairy farming in Ireland) have led to the co-operative form being associated with a narrow range of applications (Briscoe, 2005). The diversity of the co-operative form is not generally appreciated and it is unlikely that the general public and policy makers are aware of the scope of the co-operative movement. It is probably unknown that co-ops are involved in football clubs, cemeteries and actors' agencies.

While co-operatives are often perceived as outmoded, the ethos underpinning many co-operatives and indeed their record would seem to resonate with a number of concepts of importance in both public and academic discourse such as sustainability, active citizenship, social responsibility and good governance and place co-operatives ahead of their time. The scope of activities being undertaken by co-ops demonstrates the versatility of the model (although there are many sectors in which the model does not appear in Ireland) but the feeling among respondents is that there is a real need to get this across to not only policy makers and the general public but to members themselves. This

could be achieved by documenting the impact of co-operatives in Ireland to date, both tangible and intangible. The credit union movement has begun to examine the role of social reporting. Internationally, co-op bodies are developing the PR aspects of their work.

It is not seen as the job of the Registrar of Friendly Societies to promote co-operatives or provide other supports to the sector. A question remains as to whose job it is. There are no dedicated specialist agencies, development agencies or finance services for co-operatives in Ireland apart from those provided by the representative bodies. Public supports provided to co-ops in Ireland in the past (namely the Co-operative Development Unit and the Social Economy programme) have been criticised by some co-operative commentators who believe that any such support belongs in the co-op sector itself rather than being state-run. Some respondents called for funds for the establishment of an independent co-operative development agency governed by the movement.

In 2004 the co-operative movement in Ireland responded collectively to perceived challenges facing the movement and to anticipated reform of the legislative and regulatory framework for co-ops. That response led to the launch of the Forum for the Co-operative Movement in Ireland in May 2005. The Forum is made up of the representative and promotional bodies for co-operatives in Ireland including the Irish League of Credit Unions (ILCU), the Irish Co-operative Organisation Society (ICOS) and the National Association of Building Co-operatives (NABCo), as well as the Centre for Co-operative Studies, the Society for Co-operative Studies in Ireland along with a number of other groups and individuals. The Forum provides a platform for dealing with matters of common interest and concern between the co-operative sectors, including legislative and related matters at national and European levels and as such has the potential to raise the profile of the movement. However it has been inactive for some time. The *Society for Co-operative Studies in Ireland (SCSI)*, a long-established and recently rejuvenated organisation may be more likely to play a role. Finally, *Co-operative Support Services*, a fairly new player on the field offering support and advice to ethnic minorities in developing co-ops, is very actively involved (with limited resources) in organising nationwide workshops on co-operative enterprise around the country and is working with a number of groups hoping to establish co-ops.

Support for the sector:

Measures that support and promote co-ops are largely confined to academia and the representative bodies in Ireland. For example, education and training on and for co-operatives in Ireland at third level is largely confined to that researched, developed and delivered by the Centre for Co-operative Studies in University College Cork (declaration of interest: this is where the author works). This is a university research centre that promotes education and training along with independent research and consultancy in all aspects of co-operative organisation and development. Its programmes include a range of full and part-time blended learning programmes⁴ aimed at adult practitioners and include

⁴ These include the Diploma in Credit Union Studies, the BSc Mutual & Credit Union Business, the BSc in Rural Development and the MBS in Co-operative & Social Enterprise.

programmes which are aimed exclusively at co-operative organisation/business as well as those which have components of co-operative business.

Some of these programmes have been developed in conjunction with (and in some cases with considerable support from) representative bodies for co-operatives including the Irish League of Credit Unions (ILCU) and the Irish Co-operative Organisation Society (ICOS). Modules on co-operatives are also taught on other programmes in University College Cork. The Centre for Co-operative Studies is the only academic centre for co-operatives in Ireland and there are very few other courses in Irish universities that focus on co-operatives – some agriculture/food courses may cover the role or performance of agriculture co-ops. University College Dublin has recently introduced some training for credit unions as has the University of Ulster (based in Northern Ireland but delivering courses in the Republic). The author is unaware of any further significant inclusion of material on co-operatives in third level curricula. There has been an increase in interest in the broader area of social entrepreneurship.

There is little if anything by way of inclusion of co-operatives in primary or second level curricula in Ireland. Some secondary schools run a mini-credit union scheme. However, an initiative is currently being developed that would see the introduction of a module on co-operative business in the secondary curricula. Arguably, it is at earlier levels of the education system that the model needs to appear.

Other initiatives to develop management skills for co-operatives' members include training offered by the representative bodies for co-operatives in Ireland including ICOS, ILCU and NABCo. Some of this training is accredited. Training is also offered by the semi-state body Údarás na Gaeltachta; this is mainly aimed at community co-operatives.

The current role of the Registrar of Friendly Societies includes the registration of societies and the maintenance of a public office for inspection of documents by the public. Their approval of draft Model Rules developed by representative bodies is useful but this service is not readily available to all groups/sectors who may wish to avail of it. An issue of concern in terms of the repository of public records is the availability and standard of data on co-operatives for the purpose of research and analysis as has been seen in this research. Records held at the Registrars are not available electronically. Matters in terms of official statistics are deteriorating just at a time when it has been recognised by the co-op movement internationally that such data is vital.

Business support services

A wide range of support services are offered by the main representative bodies (ICOS, ILCU and NABCo) for the various sectors. However, new and emerging groups which do not fit under the remit of the representative bodies do not always have access to the supports and advice made available by such bodies and as a result may adopt other legal structures. There is no development agency for co-ops, as mentioned above. The only exception is Co-operative Support Services, mentioned above. There is some support offered by the semi-state body Údarás na Gaeltachta but only in Gaeltacht-speaking areas.

This contrasts poorly with the many supports available to those incorporating as a company and is arguably a disincentive to the formation of co-operatives. Research at the Centre for Co-operative Studies as well as key witness accounts would suggest that agencies charged with general business development as well as professionals such as lawyers and accountants are not generally well versed in the nature and distinctiveness of co-operatives and have not studied co-operatives in university (Carroll, 2007; Hughes, 2000). This may also serve as a barrier to the development of co-operatives.

Other supports/public policy:

In terms of support for co-operatives in public policy, the submission to the Consultation Paper on the Industrial and Provident Societies (I&PS) legislation by the Department of Rural, Community & Gaeltacht Affairs (now the Department of Community, Equality and Gaeltacht Affairs) regarding community and local development is interesting. It states that:

“the Company Limited by Guarantee structure would seem to be preferred as a company structure over the Friendly Society, as the full rigours of company law apply, and at the same time the company limited by guarantee offers perhaps better protection to the members of such companies than the provisions of friendly societies. There is also the fact that the Society only exists to benefit the members themselves and is not intended to benefit local communities per se.

In this way, it is possible to exclude members of the community from membership and by extension, limit the benefit to some members of a community over others.

The co-operative or friendly society has been used to good purpose in many local communities and we would conclude that the structure would not be abolished altogether in favour of the company limited by guarantee structure”.

This raises more questions that it answers – is the Industrial & Provident Societies law unclear to such an extent that a government department which decides relevant policy and funds community projects prefers another corporate structure? Are members of co-operatives not members of communities? There seems to be a tendency across a range of government programmes to encourage or even require groups to incorporate as companies. This is presumably because of the preference by government agencies to support non-profit organisations that don’t distribute surplus to members and the problem of co-ops straddling that social-economic line in the sand. Of course it depends on the nature of “community and local development” in question. Stiglitz (2010) argues that in light of the monumental failure of financial institutions in recent years we need to better understand the balance between private rewards and social returns. This could be applied to the above scenario also. Co-ops by means of their user-control, user-ownership and user-benefit model strive to achieve this balance. A recently published report portrays in detail the concentration of power and ownership in Irish society (TASC⁵, 2010). The co-op model is one way of distributing more equally across society to co-op members who are in turn members of their communities and generally by means of open membership.

⁵ TASC is “an independent think-tank dedicated to combating Ireland’s high level of economic inequality and ensuring that public policy has equality at its core”.

More discussion is needed perhaps as to what the model is suited to and whether the co-op structure is a suitable one for community development at all (as perhaps opposed to local development)⁶. The structure allows groups to trade, distribute surplus, raise capital and make incremental increases in resources. A co-op provides for community ownership but may not be the best structure for some non-profit/philanthropic activity. However there are several examples of non-profit co-ops with charitable status e.g. the housing co-op sector⁷. There has been a tendency for reliance on state funded programmes to foster dependency among community groups but this has also been the experience of community co-ops to a certain extent. Of course co-operation is also meant to be a process that sees people working together in ways that adhere to community development principles.

The views expressed in the Department's submission above contrasts with commitments made in the current national social partnership agreement *Towards 2016* in support of the role of co-ops as a result of negotiations by ICOS and NABCo, both members of the partnership structure. Admittedly the social partnership agreement has been practically torn up as a result of the current economic and financial crisis. This view also ignores the Forfás report (2007) which cited "*the need to recognise the value of the social contribution that co-operatives make*" and "*the lack of understanding of the co-operative firm*". The Forfás report also suggests that co-operatives in Ireland could play a greater role, particularly in a social context, citing healthcare, housing and environmental protection as areas where this greater role could occur but it provided little by way of recommendation with regard to the development of these sectors.

An important question is whether the co-operative remains a relevant organisational form today for people or if the values espoused by co-ops find other methods of expression and how do these expressions ultimately compare in terms of delivery. Is the homogeneity of membership of co-ops that existed in the past and that allowed for the fulfilment of clearly defined needs still present? The Commission of Enquiry into the Future of Civil Society in the UK and Ireland (2009) carried out by the Carnegie UK Trust pointed out that while civil society economic organisations contribute much, their roles are more marginal than they once were having been squeezed by both the state and the private sector. Policy considerations should foster an environment conducive to (or at the very least not hostile to) locally owned initiatives including co-ops. This echoes the ILO Recommendation 193 that requests governments to afford co-ops equal treatment with other forms of enterprise and afford them an "enabling environment". It is up to the movement however to ensure that this happens.

Regulation of the sector:

As already mentioned, there is no specific "co-operative" law in Ireland. The Acts do not provide any recognition of the distinct characteristics of co-operatives or any reference to co-operative principles. Nor is there a requirement, as is the case in the United Kingdom

⁶ For a discussion on the use of I&PS legislation for community investment see Brown, J. (2008) Community Investment, Using Industrial & Provident Society Legislation, Manchester, Co-operatives^{UK}.

⁷ For a discussion on state funding to co-ops and charitable status see the 2007 Forfás report, page 28.

that a co-op must show that it is for the benefit of the community or a *bona fide* co-op. There is no requirement to use the word “co-operative”. Neither is there a prohibition on the use of the word “co-operative” by groups which are incorporated but not registered as societies.

The Industrial and Provident Societies Acts have however according to respondents largely facilitated co-operative societies in fulfilling their objectives. They have allowed for legal incorporation with limited liability and registration. The regulatory regime has been relatively liberal or “light-touch” to date allowing co-ops a good deal of freedom in adopting their own rules. It has also been open to consultation with co-operative representatives, which has been very welcome. Proponents of minimalist legislation would be happy with it. However, the definition of activities allowed (Section 4 of the 1893 Act provides for a society to be registered for *carrying on any industry, business or trade in or authorised by its rules, whether wholesale or retail, and including dealings of any description with land*) is narrower than that of companies which may be formed for “any lawful purpose” (Companies Act 1963, s.5).

The legislation and regulatory regime have a number of drawbacks however. The legislation has been described as “dilapidated”. The Acts impose a statutory limit on individual shareholding, are narrower in terms of the definition of activities allowed in comparison with companies as outlined above and place restrictions on the raising of funds by societies. Financial reporting arrangements under the Acts have been described as “archaic” by one key witness citing a need for them to be simpler and clearer. Costs of registration and rule changes need to be the same as for companies and there is a need to provide for examinership. These are important issues with regard to the notion of a “level playing pitch” with other types of organisational regulation.

A programme of regulatory review and reform of the Industrial & Provident Societies Acts has been underway for some time. This review is in the context of the 2004 Government White Paper “*Regulating Better*” aimed at improving the quality of regulation generally for businesses in Ireland in an attempt to reduce administrative burdens. A consultation paper on the Acts and administrative arrangements was issued in April 2009 by the Department of Enterprise, Trade and Employment (now Enterprise and Innovation). The approach that the review is taking is to deal with “specific problems or difficulties” rather than undergoing a larger scale review. It is intended that a new bill amending the Acts be published this year.

Several respondents believe that the continued growth and development of the co-operative model in Ireland may require more than just addressing the issues above but explicit recognition in legislation (see also De Barbieri, 2009 and Dobrohoczki, 2008). This may be achieved by defining co-operatives within the existing or new acts and/or by giving recognition to the distinct characteristics of co-operatives in Irish law. Such a law should also be without reference to other acts such as the Companies Act for any aspect of formation, registration or governance or administration. At the very least, a change to the title of the existing acts (the Industrial & Provident Societies Acts) making use of terminology that is relevant, clear and recognisable to the public, namely use of the term

co-operative, would be a positive step. There should also be provision for restriction of the term *co-operative* in legislation. A counterargument to this is provided by Carey (2009) who wonders if co-ops as grassroots, bottom-up organisations need special recognition in legislation. Respondents want the flexibility available heretofore to societies in deciding on their activities retained and agree that too inflexible a definition of co-ops is not desirable.

The credit union movement would generally recognise that the distinct legislation for that sector is very important and indeed it was heavily lobbied for. It recognises the inherent difference between credit unions and other form of companies. This legislation also serves to safeguard the assets of credit union members. Protection of the credit union name and a clear definition of what a credit union is under the legislation have been deemed essential by credit union advocates in ensuring that the credit union reputation is maintained and strengthened. Credit union legislation, however, is much more prescriptive than I&PS legislation and the regulatory regime much stricter (partly as a result of being in the financial services sector). Any changes to the existing legislation should aim to reflect the needs of existing societies but also to protect those of smaller/emerging co-operative sectors which may not currently have the critical mass or networks to lobby for change.

In conclusion, the I&PS Acts have facilitated Irish co-ops but Ireland is still in need of a suitable modern legislative and regulatory environment for co-operatives. In summary, any changes to legislation should:

- Acknowledge the distinct nature of co-operatives and uses the term *co-operative*
- Ensure a level playing pitch between co-operatives and other incorporated entities both in terms of the regulation of their activities and in the incentives for choice of and support in adopting legal form
- Are accompanied by a comprehensive and efficient service of data retention
- Are supported by a commitment to fostering and maintaining knowledge and understanding of the nature of co-operatives amongst relevant officials.

Given that the current Acts are subject to the interpretation of the Registrar of Friendly Societies, the development of co-operatives is dependent on this person and his/her staff having sufficient knowledge, understanding and recognition of the distinct nature and relevance of mutual forms of organisation. Research by the Centre for Co-operative Studies indicates that staffs, across a range of publicly funded bodies, are ignorant of co-operatives. Legislation and terminology that distinguish the co-operative model may be a factor in helping to legitimize the model thus supporting its continued development. There has been a recent proposal to abolish the Registrar of Friendly Societies as a cost-cutting measure as a result of the current economic and financial crisis. The office has already been *de facto* emerged with the Companies Office so this may not be all that significant notwithstanding the possibility of “capture” of regimes.

Conclusion

Co-operatives have clearly been very successful in some sectors of Irish society as we saw in Section 1 of this paper. A small but steady number of new co-ops are established every year. The majority of people in Ireland have some association with a co-operative (whether they know it or not) in what is a rich and diverse movement. Society will always need organisational models that distribute goods and services and resources in an equitable and efficient way. Some will seek transformative models in the “solidarity economy”; others will seek task oriented/instrumental or pragmatic solutions to shared problems. The Irish co-op movement has work to do to disseminate the role and performance of co-ops amongst the public and policy makers. The UN has declared 2012 the International Year of Co-operatives. This presents co-operators with an opportunity to build on the achievements of the co-operative movement to date. Let’s hope we grasp it.

References

Arthur, L., Scott Cato, M., Keenoy, T. & Smith, R. (2004) Building on our cooperative advantage; an audit of cooperative activity in Wales with recommendations for policies to support the sector. Cardiff, Wales Institute for Research into Co-operatives, UWIC Business School.

Briscoe, R. & Ward, M. (eds.) (2005) Helping Ourselves; Success Stories in Co-operative Business & Social Enterprise, Cork, Centre for Co-operative Studies, UCC.

Byrne, N., Carroll, B. & Ward, M. (2005) *Artists' co-operatives and their potential to contribute to the development of the visual arts sector in Ireland*. A paper to the International Co-operatives Research Conference, The Contribution of Cooperatives to Community Culture, 11th – 14th August, 2005, Cork, Ireland.

Carnegie UK Trust (2010) Making Good Society; final report of the Commission of Inquiry into the Future of Civil Society in the UK and Ireland. Fife. Carnegie UK Trust.

Carroll, B. (2010) Implementation of the European Co-operative Societies Regulation in Ireland. National Report to the EU Commission.

Carroll, B. (2007) *The Current Scope of Co-operatives in the Irish Economy*, A paper presented to the Inaugural Seminar of the Forum for the Co-operative Movement of Ireland, Centre for Co-operative Studies, University College Cork, 6 June 2007.

Carroll, B. (2005) Co-operative Dilemmas; Case Studies of Irish Workers' Co-operatives, Unpublished MSc thesis, Department of Food Business & Development, UCC.

Carey, E. (2009) Co-operative Identity – Do You Need a Law About It? *Journal of Co-operative Studies* Vol. 42;1 (no.125) April 2009. Page 49. Manchester, UK Society for Co-operative Studies.

De Barbieri, E. W., Fostering Co-operative Growth through Law Reform in Ireland: three recommendations from legislation in the United States, Norway and Brussels. *Journal of Co-operative Studies* Vol. 42;1 (no.125) April 2009. Page 37. Manchester, UK Society for Co-operative Studies.

Deller, S., Hoyt, S., Hueth, B. & Sundaram-Stukel R. (2009) Research on Economic Impact of Co-operatives, University of Wisconsin, Centre for Co-operatives available on <http://www.uwcc.wisc.edu/impact.html>

Dobrohoczki, R. (2008) The Importance of Co-operative Law and its Interpretation in the Postnational Constellation. Paper submitted to the 2008 International Co-operative Alliance Committee on Co-operative Research Conference, Trento, Italy, October 16 -18, 2008.

Forum for the Co-operative Movement in Ireland (2007) Author's Notes from the Colloquium on Irish Co-operative Law, Dublin, Wednesday, 7th March, 2007.

Folsom, J. (2003) *Measuring the Economic Impact of Cooperatives in Minnesota*, RBS Research Report 200, United States Department of Agriculture (USDA) Rural Business Co-operative Service, Minnesota, USDA.

Forfás (2007) *Ireland's Co-operative Sector*, Dublin, Forfás.

Government of Ireland (2006) *Towards 2016, Ten-Year Framework Social Partnership Agreement 2006-2015*, Dublin, Government Publications.

Gray, T. W. & Stevenson, G.W. Cooperative Structure for the Middle: Mobilizing for Power and Identity in Lyson, T. A., Stevenson, G.W. & Welsh, R. (Eds.) (2008) *Food and the Mid-level Farm: Renewing an Agriculture of the Middle*. Cambridge, MIT Press.

Hughes, C. (2000) The Evolution of the Worker Co-operative Concept in Ireland: A Critical Analysis, Master's Thesis, unpublished, Department of Food Business and Development, University College Cork.

International Co-operative Alliance (2008) *Global 300 List: The World's Major Co-operatives and Mutual Businesses*, Geneva. ICA

ILCU (various) Annual Reports. Dublin. ILCU.

ICOS (2009), Annual Report, Dublin, ICOS.

ICOS (2010) Observations on Agricultural Producer Co-operatives in Ireland. Presentation on FE 6503. 5 March 2010, UCC.

Linehan, M. and Tucker, V. (eds) (1983) Workers' Co-operatives: Potentials and Problems, Cork, Centre for Co-operative Studies, UCC.

London Economics (2008) Study on the Impact of Co-operative Groups on the Competitiveness of their Craft and Small Enterprise Members. Final Report to the European Commission, D. G. Enterprise and Industry. London, London Economics.

Ní Chríocháin, M. (2007) *From Dustbins to Diesel, Roads to Renewables: the multi-faceted role of island co-ops*. Presentation to the BSc Mutual & Credit Union Business Summer School, University College Cork., 6th June 2007.

Nilsson, J. Farmer Co-operatives: organisational models and their business environment in Birchall, J. (Ed.) (2001) *The New Mutualism in Public Policy*, London, Routledge.

Redmond, T. (1992) *Profile of the Worker Co-op Sector in the Republic of Ireland*. Unpublished.

Registrar of Friendly Societies (various) Report of the Registrar of Friendly Societies, Dublin, Government Publications.

Stiglitz, D. J. (2009) Moving Beyond Market Fundamentalism to a More Balanced Economy. Annals of Public and Co-operative Economics. Volume 80 Issue 3, Pages 345 – 360. Published Online: 5 Aug 2009. CIRIEC. Available on: <http://www3.interscience.wiley.com/journal/122539734/abstract?CRETRY=1&SRETRY=0>

TASC (2010) Mapping the Golden Circle, Dublin. TASC.

Websites

www.creditunion.ie

www.cuda.ie

www.icos.ie

www.nabco.ie

www.nfgws.ie

www.css.coop/

<http://www.entemp.ie/commerce/cooplaws/>

<http://www.financialregulator.ie/>

<http://www.cro.ie/>

<http://www.uwcc.wisc.edu/impact.html>

<http://www.agriculture.gov.ie/>