Social Economy and Social Economics
–The Situation in the Republic of Ireland

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0. Introduction ..................................................................................................................... 1
1. Methodological Considerations...................................................................................... 1

2. Ireland – A Historical Sketch ......................................................................................... 2

3. The Actors in the Field of the Social Economy – Some Developmental Lines ........... 4
   ‘Casual Cooperatives’ ........................................................................................................ 5
   Muintir na Tíre .................................................................................................................... 7
   Production (Agricultural) and Trade Cooperatives ......................................................... 8
   Credit Union .................................................................................................................. 13
   Political Cooperatives.................................................................................................... 17

4. Social-Economy in Ireland – Lost Grounds or Vivid Niches?......................................... 18

5. Conclusions .................................................................................................................... 20
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0. Introduction

Of course, when writing on any social issue it is nearly a platitude to begin by stating that the situation in one or another country is particular – by definition any social situation – as ‘the concentration of many determinations, hence unity of the diverse’ (Marx, Karl: Economic Manuscripts of 1957-58; in: Karl Marx. Frederick Engels. Collected Works; Volume 28: Karl Marx: 1857-61: London: Lawrence&Wishart; 1986: 38) – is in a way singular. This leaves the following ways open for a contribution on Social Economy:

* we can start with any general definition of social economy, looking then if, in which way and to which extent it is realised in the country in question;
* or we can begin by looking for a ‘general function’ of social economy and social economics, from there primarily
  ➢ investigating how this functional need is actually answered or
  ➢ aiming on developing a country specific definition of ‘the sector’.

Of course, all these approaches are somewhat idealtypical, and in fact applying one or the other will show as well elements of the other approaches. The focus here will be on the third option.

In order to achieve this, a very brief look at the general history of the island nation is necessary, focussing on the socio-economic development (2). A broad sketch of different socio-political and socio-economic actors will follow, reflecting the fact that the social economy is an ‘integrated’ entity (3). Following these more historically oriented remarks, an overview will be given on the current situation of the social economy (4), and a conclusion will wrap up the contribution (5). However, first of all a brief methodological remark will be made (1).

1. Methodological Considerations

As said previously (see Herrmann, this volume), the social economy can only be meaningfully understood by going beyond an institutional or a heuristic framework. The first would simply take a certain division of labour as point of reference; the second suggests a normative definition as benchmark for further investigation. To recap, the approach used here is functional, however not referring to any ‘given system’, but instead making reference to a definition of the social that is based on the three-by-four conditional factors. This means as well that the proposed approach is in a strict sense going far beyond offering a functional perspective. Decisive – and especially when looking at the matters as the social economy – is furthermore that the approach does not show the same limitations as structuralism as it focuses on the actor perspective and is actually concerned with meanings for and of people’s every day life.

Furthermore, the approach still allows very much to link to the traditional view on the three core sectors constituting the welfare mix, namely the state, the economy and informal sector.¹

Applying this to a concrete analysis of the social economy of Ireland means to search for different spaces in society, left open for securing subsistence, however understanding this as matter of four conditional factors, namely socio-economic security, cohesion, inclusion and empowerment. Here it has to be stated that these conditional factors are not seen as implementing idealtypical ‘normative’ standards. Rather, such actual standard is a ‘socio-historical fact’, relative to its time and space.

¹ Here it can be left aside that nuances in the formulation can make fundamental differences: for instances reference made to the economy, economic system, economic actors, the market or the like express each their own very specific matter in course.
Taking Adam Smith’s perspective on two paths of economic development, Ireland’s development is characterised by its hybrid character. The two ways pointed out by Adam Smith are characterised as follows:

> Without the assistance of some artificers, indeed, the cultivation of land cannot be carried on but with great inconveniency and continual interruption. Smiths, carpenters, wheelwrights, and ploughwrights, masons, and bricklayers, tanners, shoemakers, and tailors are people whose service the farmer has frequent occasion for. Such artificers, too, stand occasionally in need of the assistance of one another; and as their residence is not, like that of the farmer, necessarily tied down to a precise spot, they naturally settle in the neighbourhood of one another, and thus form a small town or village. The butcher, the brewer, and the baker soon join them, together with many other artificers and retailers, necessary or useful for supplying their occasional wants, and who contribute still further to augment the town. The inhabitants of the town and those of the country are mutually the servants of one another. The town is a continual fair or market, to which the inhabitants of the country resort in order to exchange their rude for manufactured produce. It is this commerce which supplies the inhabitants of the town both with the materials of their work, and the means of their subsistence. The quantity of the finished work which they sell to the inhabitants of the country necessarily regulates the quantity of the materials and provisions which they buy. Neither their employment nor subsistence, therefore, can augment but in proportion to the augmentation of the demand from the country for finished work; and this demand can augment only in proportion to the extension of improvement and cultivation. Had human institutions, therefore, never disturbed the natural course of things, the progressive wealth and increase of the towns would, in every political society, be consequential, and in proportion to the improvement and cultivation of the territory or country.


The hybrid character is especially typical for countries that have a semi-colonial status, being here seen as periphery within the centre. As such, the core of Ireland is marked by being for centuries occupied by foreign powers, however also

* characterised by the fact of some economic meaningless: Ireland could not offer any raw-material worth to be exploited, and up to only recently not particularly favoured by its geopolitical location

and

* remaining an independent country or at least always upholding the claim of independence and an own national status.

Looking at the more recent history, i.e. Ireland and its colonial dependency from England since the end of the 1600s and even stronger since 1800, the region proved to be an agricultural hinterland and supplier of agricultural goods for England. From here we can come back to Smith’s characterisation of the developmental pathways. Ireland followed the pathway of an internal development, however largely remaining on an agricultural stage, developing industry only to such an extent and in such a way, as it was necessary for maintaining agricultural reproduction. The agriculture itself was very much meant to be (a) self-sustenance and (b) supply for England. This meant also that there was a very early dependence on foreign markets, however, not in the way as seen by Smith as expansion after filling the own stocks which Giovanni Arrighi describes in the following words:

> More specifically, Smith conceives of economic development as the filling-up with people and physical capital (‘stock’) of a spatial container (‘country’) that encompasses a given endowment of natural resources and is shaped internally and bounded externally by laws and institutions. When the spatial container is ‘under-stocked’ and ‘under-peopled’, as in the cases of the North American

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colonies, there is great potential for economic growth – a condition or ‘state’ that Smith calls ‘progressive.’ When the spatial container is ‘fully stocked’ and fully peopled,’ as in the case of China and Holland, in contrast, the potential for economic growth, if any, is not so great – a condition or ‘state’ that Smith calls ‘stationary’ but that in contemporary language would be described as one of economic maturity.

(Arrighi, Giovanni: Adam Smith in Beijing. Lineages of the Twenty-First Century; London/New York: Verso, 2007: 49)

This specifically different pattern meant as well that Ireland never developed towards a really industrialised society and the productive sector – as far as it developed at all – remained that of a small-scale, more crafts-oriented pattern. Furthermore, this meant that Ireland is more than other developed countries even today characterised by its ‘family-structured economic basis’ – probably it is not wrong to say that at least up to the middle of the 1950s we are dealing with a kind of familiaristic economy.

Thus, the Irish economy was for a long time characterised by the following three features:
* the dominance of agriculture,
* the orientation on a closed economy and nevertheless
* the one-sided dependency from other countries, in particular from England due to the lack of raw-material and the lack of an own industrial sector.

As true as it is that in all Western-style capitalist societies small and medium enterprises dominate, this was in a particular way featured in Ireland – especially due to the lack of industrialisation the national economy was barely characterised by an overall structure. The other way round, the small enterprises had been to a large extent isolated from each other, one could say: in themselves autarkic. It is worthwhile to mention at least in a side remark that this could well integrate with the political culture of Catholic Ireland and a semi-feudal structure of society that maintained very much patterns of the non-wage/non-labour market based process of production: farm workers but even many farmers depended on hiring out much of their work (rather than labour power) away for a more or less sufficient subsistence; however, any additional income was depending on looking for kinds of ‘entrepreneurial creativity’, circumventing the market with regard to availing of any utilisable material and as well with regard to the actual use. In other words: it was necessary to find ways of enhanced sustenance without using the market. The lack of industrialisation caused consequently the – though politically unwanted – dependency of the economy from the external market(s) and the development of a quasi-autarkic and semi-feudal accumulation regime.

In terms of the social structure this meant that Ireland had been for a long time a relatively homogenous society. Though one could always find as well wealth amongst Irish people, the overall social situation had been characterised by
* more or less equal distribution of resources amongst the Irish people,
* the concentration of property in the hands of non-Irish people,
* a familiarist and parish-based, religiously controlled system of social support and
* strict control by the religious elites.

Furthermore, it is important that this system meant politically a focus on the national question (the difference between both major parties, namely Fianna Fáil and Fine Gael, is given by their different stance towards the way to Independence), the setting up of a highly centralist political system and finally clientlism as characterising the actual work of the system.

It had been at the end of the 1950s that this orientation was getting obviously outmoded as the somewhat egalitarian orientation most obviously meant nothing else than egalitarianism on a very low level of subsistence (in other words: ‘all being poor’) and a lack of a public social system being able to deal with challenges as education, health, securing older people etc. It had been in 1958 that the government changed its economic orientation. With the launch of Programme for Economic Expansion (Dublin: Stationary Office, 1959), the focus was now on establishing an open economy. Still being forced to maintain by and large the one-sided dependency from England, the opening meant nevertheless the proactive mobilisation of capital from other countries and regions. The economic policy orientation was largely contradictious, characterised by at least the following four lines:
* small and medium enterprises had been still dominant, many of them continuously following the traditional pattern, however increasingly developing as a kind of satellites of multinationals;
* multinational enterprises gained force, with the time establishing themselves as the dominant force;
* politics developed as a mix of generally laissez-faire led policies on the one hand and interventionist (but not Keynesianist) policies on the other hand. The latter had been geared at
  ➢ establishing a targeted infrastructure
general measures of proactively developing Ireland as place for investments and
more specific measures, concerned with low-tax and low-social cost policies.
Not least a canny utilisation of EU-support facilitated such orientation, not least allowing a
development that had been at least in part favourable to large groups of the population, however
without establishing a sustainable pattern of economic nor social development.

3. The Actors in the Field of the Social Economy – Some Developmental Lines

For the development of the social economy in the widest understanding of the term the following two
aspects are of special importance from the foregoing. We have first take into account the familiarist or
even privatist pattern of the economy and second a pattern that we may call a ‘cohesive social
downgrading’. Under certain conditions this appears as both: hindrance and a specifically favourable
condition for the development of the social economy. The impediment is obvious: the privatist
orientation in Irish society in general and within the economy in particular. The encouragement stems
from the fact that the entire economic constellation – the dominance of agricultural small-holders and
their low productivity and the lack of industrialisation, going hand in hand with the limited industrial
policy – supported for a long time only one way of overcoming the most severest poverty, namely the
effort of overcoming privatism at least to some extent by establishing social economic entities.
Pointing on the fact that this was only a partial effort, means that we can see that in a way the privatist
perspective continued as valid orientation even within such efforts of socialised production and
marketisation. This had been even true for a specific initiative, namely the Muintir na Tíre which will
be looked at later. The before mentioned fact of an economy dominated by agriculture is as well
relevant in the sense that with some justification it can be said that the cooperative movement in
Ireland proves its main foundation, its prevalent growth and its stability over time by and large in two
areas: the agricultural sector, though over time shifting towards a wider meaning and including
processing and distribution; and the credit unions as largely consumer oriented entities.
Patricia O’Hara comes to a classification

on the basis of their objectives, activities and operation,
(O’Hara, Patricia: Ireland. Social enterprises and local development; in:
Borzaga, Carlo/Defourny, Jacques: The Emergence of Social Enterprise;
London/New York: Routledge, 2001: 149-165; here: 152)
subsequently usefully distinguishing between
* work integration – social enterprises associated with insertion of members of
excluded groups into the labour force;
* social enterprises concerned with housing provision;
* credit unions;
* social enterprises providing personal and proximity services; and
* local development organisations

However, a functionalist-historical perspective seems to be more useful, leading to the following five
groupings in the context of the Irish social economy which will be presented in the following, namely
* ‘casual cooperatives’
* Muintir na Tíre
* production (agricultural) and marketising cooperatives
* the Credit Union
* political cooperatives as CWC.
Before doing so, it is useful to point on a general aspect, namely the relevant legal framework of social
enterprises and cooperatives – and actually it means to point on a dilemma. Although politically
occasionally favoured and verbally coddled, in economic terms and even more so in terms of providing
a favourable legislative framework we see a far-reaching lack. In short one can say that there is no
special legislation in place. With respect to the voluntary sector, company law regulates most of the
organisations – in other words they are set up as ‘company with limited liability’. This means that the
board of directors takes a very serious financial risk and faces the necessity to invest a huge amount of
work in order to limit any actual material hazard. With respect to the Company Limited by Guarantee a
handbook on Ireland’s Cooperative Sector, provided by Forfás, the National Policy and Advisory
Board for Enterprise, Trade, Science, Technology and Innovation states (with reference to the
Companies Registration Office):
A company limited by guarantee is a type of corporation used primarily for non-profit organisations that require legal personality. A guarantee company does not have a share capital, but has members who are guarantors instead of shareholders. The guarantors give an undertaking to contribute a nominal amount towards the winding up of the company in the event of a shortfall upon cessation of business. It cannot distribute its profits to its members, and is therefore eligible to apply for charitable exemption from tax if necessary. In 2005, there were 12,589 companies limited by guarantee or 7.83 percent of the total 160,707 companies registered with the CRO.

(Forfás: Ireland’s Co-operative Sector; Dublin: Forfás, 2007: 12)

There is a charity status for voluntary organisations entailing certain regulative obligations. However, availing of certain tax exemptions by applying for a charity number from the Revenue Commissioner does not require nor does it provide a special legal status. With regard to a definite specific legal status the credit unions are an exception, being subject to the Credit Union Act from 1997. There had been already earlier legal provisions for credit unions and from the latest regulation a general trend can be seen, though this is somewhat contradictory. On the one hand we find a trend towards a stricter regulation – for instance expressed in the fact that credit unions are subject to the same legal provisions as other financial institutions, underlying the regulations by the Irish Financial Services Regulatory Authority (the Financial Regulator) – this is remarkable as we find a shift from the previous situation where the responsibility was in the realm of the Registrar of Friendly Societies. On the other hand several provisions are in support of the special status of these economic entities. – It has to be brought up that current EU-regulations are threatening the development by imposing strict competition law rules (see for instance MacArthur, Julie/Fraser, Simon: Social Movements or Pseudo-Banks? Credit Unions in Canada and the Republic of Ireland; http://conference.se-es.ca/wp-content/uploads/2007/11/macarthur-ciriec-2007-paper.pdf; 02/03/08 – 6:40:14 f.)

A new development can be seen in the work on the Charities Act. The Charities Bill 2007 aims on establishing

an act to provide for the better regulation of charitable organisations, and, for that purpose, to provide for the establishment of a body to be known as an tuádra’s rialaí la carthanas or in the English language the charities regulatory authority

(An Bille Carthanas 2007: 7)

From discussions of the bill and the assessments by NGOs, the central issue is that this may actually strengthen the sector, but at the same time it may also lead to a concentration and one-sided privilege of large organisations. The ‘strengthened sector’ may thus mean nothing else than the facilitation of the control by government bodies. The way in which currently the funding of organisations in question is dealt with, is pointing into the direction that civil engagement will not be made easier.

‘Casual Cooperatives’

Although it is difficult to make a clear statement, it is probably not off the point to draw a main distinguishing line between more or less large-scale initiatives, having a more or less explicit political claim on the one hand and more or less privatist initiatives with a rather pragmatic orientation on self-help. Taking such historical perspective is more appropriate as suggested in contradistinction to does not least make sense as it allows to have a clearer insight into the fact that despite the more recent issuing of the topic, social enterprises and cooperative forms of economic activities can actually already be found at least towards the end of the 1900s – a fact that is especially true for the small enterprises. Sure, the actual concentration of capital in agriculture is only a recent development. Still, farming was especially in Ireland difficult for smallholders as the sector was for a long time dependent on English landlords, in many cases not living in the country. This meant not least that entry was already at an early stage difficult. At the same time a huge number of workforce was depending on agricultural activities. This supported the development of cooperative approaches in rural areas. Hand in hand with this, cooperatives had been even more important for the marketisation of the products, in particular milk – later these will be looked at more in detail. A form of cooperatives developed as well in the crafts- and services-sector. Though not necessarily developed in the form of cooperatives, we find as well ‘extended family enterprises’, established on the basis of ‘capital sharing’ and without hierarchical structures, as they are typical for traditional enterprises.
However, it is questionable if and to which extent we classify these different enterprises as part of the social enterprises. They are surely characterised by being self-help enterprises. They are usually characterised by somewhat democratic structures – simply because they are grounded in mutual agreement on cooperation. However, usually they are simply for profit, moreover: for-monetary profit enterprises, thus not following one of the fundamental principals of the social economy.

There are other cooperatives – though not established as family business they have still very much the character of instruments of simple capital pooling. We find as well genuine cooperatives, however not in the same way linked to a wider cooperative movement as it is the case in other countries – consequence of centralism and privatism going hand in hand, not allowing the development of a broad decentralist movement and not leaving any space for the development of a working class.

As example of the first can be a taxi-cooperative – people who could equally do their own business, regulated by the government go together and build up a commonly used infrastructure (phone-switchboard, taxi-stand, certain applications …).

An example for the more important second part are housing cooperatives. In Ireland the National Association of Building Co-operatives (NABCo) had been established in 1973. According to its own understanding it

is the representation, promotion, advice, information, training and development organisation for the Co-operative Housing Movement in Ireland

(NABCo: Objectives&Functions; www.nabco.ie/objects.htm; 27/01/06; 11:45)

In this sense there is a common platform and – according to the claim – even a movement. However, de facto it is only during the recent years that the organisation begins to play a more pronounced role and a de facto movement actually develops. One can even say that it in this sector that we find a development that counters the secular European movement. In other European countries, and in particular in countries like Austria, France, Germany and Sweden we find a large share of rented accommodation, the home ownership rate actually being relatively low. Although the primacy of home-ownership is not equally important in the different historical phases of the Irish development, the dominance of rural structures made detached housing rather prominent. An additional factor determining the housing situation can be seen in the lack of overall planning by the government. As a result we find a certain underdevelopment of large-scale rental housing, including a undersized sector of apartment buildings. In addition, even the social housing schemes had been established to a large scale in (semi-)detached houses which had been already at an early stage privatised – people living in the houses could buy the council-houses for extremely low rates. This is at least one facet behind the relatively weak position of a real cooperative housing sector. Another facet to this are the building societies – although starting as friendly societies, such organisational framework has some limitations. These are grounded in their capital structure – i.e. the need of accumulating huge amounts of capital and the maintenance of this capital which is fixed in buildings while the members are at least occasionally changing – such fluctuation are especially relevant in a country where the orientation on private ownership and detached housing (the claim for 'privacy') is dominant.

It is only in the recent years, not least as consequence of
* increasing re-immigration
* growing immigration
* mounting urbanisation and
* flexibilisation of the economic situation and with this of certain life-styles – in this instance the wish for more ‘flexible accommodation’

that we can see the emergence of a strong renting sector and the development of relevant speculative development projects: apartment buildings, often promoted by tax incentives. With a view on housing co-operatives all this simply means that this segment does only exist to a very small extent.

However, the relative importance of the collective non-profit housing sector in Ireland is not large, There were 1.46 million permanent housing units containing usual residents at the time of the 2006 census. The majority of housing units were owner-occupied (75 percent). Thirteen percent of all housing units were rented, seven percent being local authority rented and four percent in other categories. In 2006, 93,419 housing units were completed, 1,240 or 1.3 percent of which were voluntary and non-profit houses.

(Forfás: Ireland’s Co-operative Sector; Dublin: Forfás, 2007: 22 – with reference to Department of Environment, Heritage and Local Government)

The future development cannot be clearly foreseen. On the one hand we find the increasing income gap, leaving many people behind, not in a position to find accommodation on the ‘open market’.
However, increasing precarity – and with this the lack of a firm perspective to stay in one place – in conjunction with the individualising conditions of an ever increasing orientation on competition does not necessarily the readiness to favour collective forms of accommodation which are provided by co-operatives. It is thus that co-operative housing is likely to develop as a valuable means in terms of a tool addressing certain housing problems, however remaining a provision only reaching to the margins rather than providing a more general alternative form on living.

_Muintir na Tíre_

A specifically Irish feature is _Muintir na Tíre_ – the proximate translation from the Irish language is _People of the Land_. What makes this organisation or movement somewhat unique is the fact that it is grounded in ideological claims, however not in terms of overcoming the system but as instrument of (a) maintaining in general terms the Irish economic and political system and (b) generating a specific instrument in support of the catholic ideology and practice.

Still, it is difficult to assess this entity: on the one hand it is definite part of what we can see as hegemonic system in a Gramscian sense, closely linked with the state – Ray Donelly goes even so far to speak of a semi-state organisation quasi-governmental organisation (see Donnelly, Ray: British Credit Unions at the Crossroads; Edinburgh: without date [paper presented at International Cooperative Alliance Conference, Thessaloniki, 9-12 May]; http://www.som.hw.ac.uk/socialenterprise/Reports/Credit%20unions%20Cross%20Roads.pdf; 24/02/08 – 9:15 a.m.). There is as well a strong link between _Muintir na Tíre_ and the religious bodies, i.e. with the Catholic Church about which Donnelly writes

>This organisation ‘Muntir na Tíre’ came to hear about credit unions and while not in themselves promoting them provided a network by which the news about credit unions could be spread rapidly throughout the land. Further although not promoting credit unions Muntir na Tire acted as a seal of approval which allowed other influential organisations such as the Catholic Church to become supportive. (ibid.: 11).

However, on the other hand we have to acknowledge the different streams within the hegemonic block. As such – and contradicting what had been said before – Timothy W. Guinnane points on the fact that the Church hierarchy’s suspicion of the cooperative movement may have denied Ireland’s cooperatives some of the leadership that had played an important role in Germany


Of course, such statement is geared especially towards the Credit Unions – however, it shows at least the diverging strands within the Irish social economy and the different strands in fractions which make a straightforward localisation within the overall political framework difficult. And it means as well that the different entities had not been in a simple togetherness and merger part of the same integrative system. To some extent this can be explained by the fact that – while the Church simply was an ideological instrument, _Muintir na Tire_ delivered a very specific ‘service’ for those who, though not entirely destitute, had been not in the reach of other mechanisms securing their sustenance, i.e. the standard mechanisms of the ‘free market’ on the one hand and the cooperative system on the other hand. It has to be emphasised that the educational aspect within the organisation in question played a particularly important role – and what is of huge importance is the following, being characteristic for the Irish situation in general and playing a much more pronounced role as it is the case in other countries. First, this educational role was very much concerned with moral issues of educating people especially in the rural areas about issues of what a ‘good life’ is about. This includes issues of family and community building, faith and similar. Second, it had been very much as well seen as process of educational integration that took shape from above rather than being a matter of solidarity movement in the usual sense. However and paradoxically the claim is probably justified that

_Muintir na Tíre was one of the first organisations in Ireland to put into practice the principles of Community Development as defined by the United Nations in 1955:_

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“Community development can be tentatively defined as a process designated to create conditions of economic and social progress for the whole community with its active participation and fullest possible reliance upon the community’s own initiative."


Against this background, the contradictory character of a ‘grass-roots movement established from above’ may be seen in the following presentation of the six principles as stated in the 1937 constitution

1) To contribute to the ‘reconstruction and perfection of the social order’ by promoting a wider and better knowledge of Christian social principles and by securing their effective application in public and private life.

2) To organise the rural people of Ireland in a series of Parochial Guilds, grouped into diocesan and Provincial Federations, and to organise Associate Guilds.

3) To maintain and promote the traditional national culture in social and family life, especially in rural areas.

4) To assist in securing better conditions of life and work in these areas and a just recompense for the vital economic and social services rendered by the rural population to the whole community.

5) To encourage and assist the rural people to obtain such technical knowledge, skill and craftsmanship as will be of use to them in their respective calling; to assist in promoting improved methods of agricultural production and marketing, a higher standard of proficiency in domestic economy, and the increased practice of rural crafts and industries.

6) To form a well-instructed urban public opinion concerning the problems of rural life, and the importance of these problems to the community as a whole, and to secure the co-operation of urban dwellers in solving such problems and in promoting the primary aims of Muintir na Tire.


Much could be said about the orientation and even in general terms about the meaning of Community development approaches. What is of special interest here is that

Fr. Hayes [the founder; P.H.] and his committee realised that it would take years to educate [sic?; P.H.] the Irish people in the principles of community spirit. He hoped to do it parish by parish.

(Tierney, Mark: The Story of Muintir na Tíre 1931-2001 – the First Seventy Years; Tipperary: Muintir na Tíre Publications 2004: 38)

Production (Agricultural) and Trade Cooperatives

As in other countries, we can point as well in Ireland on the development of cooperatives especially in the agricultural sector, concerned with pooling production on the one hand and developing from there both, processing and distribution. It is difficult to determine exactly the interplay between a global movement of the time, connected especially with names as Robert Owen and Friedrich Wilhelm Raiffeisen, casual cooperatives as they had been described earlier and rather simple techno-economic moments of redefining economies of scale particularly in the agricultural sector increasingly opening itself and departing from simple self-sustenance.

The main point especially in Ireland was the economic issue, centrally guiding the foundation of Irish Coops, and especially linked to the name of Horace Curzon Plunkett. The situation in Ireland – not so different if compared with many other countries, well grasped in a study on Agricultural Co-operation in Ireland, stating:

During the present century Ireland has been transformed from a country of landlords and tenants to a country of peasant proprietors, interspersed, especially in some districts, with a considerable remnant of large estates. This
transformation has proceeded at varying rates and is not yet concluded. The size of holdings varies with the district, but, broadly speaking, it is fairly large in the east and diminishes towards the west, reaching its lowest point in the so-called Congested Districts along the Atlantic seaboard. Roughly half the total number of farmers own holdings of between 15 and 50 acres. These are true family farms and if hired labour is employed it is a subordinate element in the economy of the undertaking.

(Horace Plunkett Foundation: Agricultural Co-operation in Ireland. A Survey by The Horace Plunkett Foundation; London: George Routledge&Sons; 1931: 2)

In more general terms we find the situation very much being characterised by the three following moments: (1) the dominance of agriculture, (2) the dominance of smallholders – not least as expression of a lack of capital – and (3) the move of many of the workforce leaving the country. What was different, however, was (a) the repercussion of the British colonial power and (b) the monoculture, giving dairy-farming a pronounced role in the overall sectoral shape. Only slightly simplifying, one can even say that the cooperative movement went along with the foundation of the first creameries in the country.

A certain number of creameries already existed, either the property of private capitalists or of farmers’ joint stock companies. The latter, however, had in most cases been promoted by the manufacturers or sellers of dairy machinery and not a few had already collapsed. Co-operative methods were entirely new to Irish farmers and it was only after the holding of 50 meetings that the first genuinely co-operative creamery was formed, at Drumcollagher, Co. Limerick, 1898. Other creameries followed, especially in the Limerick district. By 1891 there were 17, and the Irish Co-operative Agency Society was formed in Limerick for the joint marketing of their produce. By 1894 societies numbered 60, including besides creameries a few ‘agricultural’ societies – that is, societies for joint purchase of agricultural requirement, chiefly manures and seeds. This was a necessary service, as poor quality and worthless stuff abounded and the difficulties of testing were so great that for several years afterwards seeds had to be sent to Switzerland for the purpose.


Compared with Muintir na Tíre, Plunkett’s approach was different as it was very much oriented towards an opposite turn, condensed in the expression ‘Better farming, better business, better living’ (see Johnston, Roy H W: Century of Endeavour. A Father and Son Overview of the 20th Century. Appendix 4: The Co-operative Movement and Plunkett House, http://www.iol.ie/~rjtechne/century130703/plunkett/plunkttov.htm - 23/2/08; 7:39 a.m.) – a phrase that is ascribed to Plunkett, who was from a protestant unionist background, being academically trained and coming from an upper class family. Being confronted with the most devastating conditions in particular in the West of Ireland (Shannon area) he fostered the development of cooperative structures, not least by establishing a creamery as a kind of focus and centre of economic cooperation.

His ideal Ireland would be characterised by efficient and technically proficient agriculture, and co-operative organisations of small farmers, run on sound commercial principles. It would be a society that was not only competitive and productive, but also mindful of the value of rural community and with a vision of a national life that was distinctly Irish. Although Plunkett surely had difficulty articulating with any precision his vision of ‘better living’, it was essential to his view of national regeneration.

This vision was echoed in subsequent years. In the decades after independence, Irish leaders, and probably most Irish people, did share a vision of the good life that was remarkably like Plunkett’s. But de Valera had scarcely a hint of the capabilities needed to achieve that ‘Ireland Which We Dreamed Of’. (Johnston, Roy H W: Century of Endeavour. A Father and Son Overview of the 20th Century. Appendix 4: The Co-operative Movement and Plunkett House, http://www.iol.ie/~rjtechne/century130703/plunkett/plunkttov.htm - 23/2/08; 7:39 a.m.)

Taking the overall context, the Irish pathway to cooperative structures seems somewhat particular.
Sure, in many if not all instances the cooperative movement was actually – at least at the initial phase – not a bottom-up development. However, it had been more or cooperation as well in terms of social classes and groupings. In other words, even if the cooperative movement had been based in many instances on a top-down initialisation it was from its outset linked to a political dimension of what can be seen as class-cooperation in order to overcome a society that is structured by classes. – This political dimension was to a large extent missing in Ireland.

Another important difference seems to be the fact that the Irish movement looked to establish roots in a rather limited – and thus limiting – sector of meditation:

- rather than establishing cooperation in a wider mediating area as trading of farming goods and products (as for instance many of the old German Raiffeisen coops in rural areas) or
- what may be called generic approach of having cooperatives acting as specific organisational form of a business (as for instance many of the especially small coops that are immediately active in the productive sphere)
- the Irish strategy was to establish processing companies – creameries – that aimed on bringing other companies – farms – together, thus improving business indirectly.

Against this background it would be probably more correct to rephrase the ‘Better farming, better business, better living’: actually it had been about ‘Better business, better farming, better living’. And important is as well that the better ‘business’ had the two dimensions of the actual economic improvement but equally the educational impact of the creamery functioning as mediator of communication and as well as incentive for economic discipline. Of course, there was and is as well the aspect of direct support; however, the lack of mutuality means as well that the disciplinary aspect was and is rampant – this will be taken up in the following look at the credit unions.

In the meantime it is interesting to look briefly at some quantitative and qualitative aspects. Looking at the overall figures, the result is still impressive. For instance, the 2006 report of the Irish Co-operative Organisation Society (ICOS) presents some impressive overall figures.
## Summary of Statistics 2005

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Dairies</th>
<th>Marts</th>
<th>Wholesale</th>
<th>Fishing</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Societies</td>
<td>83</td>
<td>30</td>
<td>26</td>
<td>2</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Members</td>
<td>187,727</td>
<td>82,824</td>
<td>39,249</td>
<td>29</td>
<td>723</td>
<td>64,902</td>
</tr>
<tr>
<td>Employees</td>
<td>37,694</td>
<td>35,691</td>
<td>848</td>
<td>120</td>
<td>311</td>
<td>724</td>
</tr>
<tr>
<td>Trading Performance (€ '000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Sales</td>
<td>€11,489,375.06</td>
<td>€10,749,005.28</td>
<td>€483,918.27</td>
<td>82,428.00</td>
<td>€70,505.24</td>
<td>103,518.27</td>
</tr>
<tr>
<td>Net Income</td>
<td>€371,020.42</td>
<td>€347,024.28</td>
<td>€10,873.40</td>
<td>€2,780.00</td>
<td>-€1,123.80</td>
<td>€11,376.54</td>
</tr>
<tr>
<td>Net Income as % of Sales</td>
<td>3.23%</td>
<td>3.23%</td>
<td>2.25%</td>
<td>3.48%</td>
<td>-1.59%</td>
<td>10.99%</td>
</tr>
<tr>
<td>Balance Sheet (€'000's)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>€4,536,801.46</td>
<td>€4,140,626.01</td>
<td>€87,475.07</td>
<td>€234,145.00</td>
<td>€7,792.67</td>
<td>€66,780.71</td>
</tr>
<tr>
<td>Total Assets</td>
<td>€3,323,434.94</td>
<td>€2,965,777.00</td>
<td>€98,238.20</td>
<td>€183,236.00</td>
<td>€12,138.97</td>
<td>€64,044.77</td>
</tr>
<tr>
<td>Members Funds</td>
<td>€3,088,568.10</td>
<td>€2,731,182.00</td>
<td>€97,966.36</td>
<td>€183,236.00</td>
<td>€12,138.97</td>
<td>64,044.77</td>
</tr>
<tr>
<td>Bank Borrowing</td>
<td>€2,048,303.60</td>
<td>€1,949,558.35</td>
<td>€14,312.97</td>
<td>€38,160.00</td>
<td>€7,425.13</td>
<td>€38,874.16</td>
</tr>
<tr>
<td>Others</td>
<td>€234,595.00</td>
<td>€234,595.00</td>
<td>€ -</td>
<td>€ -</td>
<td>€ -</td>
<td>€ -</td>
</tr>
<tr>
<td>% Debt/Equity</td>
<td>66.32%</td>
<td>71.38%</td>
<td>14.61%</td>
<td>20.38%</td>
<td>61.17%</td>
<td>60.66%</td>
</tr>
</tbody>
</table>

**Table 1: Data on Different Types of Co-operatives in Ireland**

However, at the same time it has to be seen that the overall picture is in several aspects unbalanced of which two deserve special mention. First it is worthwhile to highlight that the majority of entities can be found in the dairy sector. To some extent nothing else can be expected: Taking the traditions and as well economic structure this dominance seems to be palpable. Second, however, it is striking that within this sector two imbalances can be found. The one is concerned with the fact that we find four cooperatives which are particularly large, namely Connacht Gold, Dairygold, Glanbia and Kerry Group (one could say as well that a fifth entity falls into this group, namely Arrabawn). In this context it deserves more attention to analyse the performance and the relationship between of performance and membership on the one hand and employees on the other hand.

<table>
<thead>
<tr>
<th>Name of Co-op</th>
<th>Members</th>
<th>Employees</th>
<th>Turnover</th>
<th>Average/ Member</th>
<th>Average/ Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrabawn</td>
<td>8,979</td>
<td>201</td>
<td>121,966.44</td>
<td>13.58</td>
<td>606.80</td>
</tr>
<tr>
<td>Bandon</td>
<td>715</td>
<td>81</td>
<td>41,782.80</td>
<td>58.44</td>
<td>621.78</td>
</tr>
<tr>
<td>Barryroe</td>
<td>736</td>
<td>97</td>
<td>60,313.14</td>
<td>81.95</td>
<td>518.55</td>
</tr>
<tr>
<td>Boherbue</td>
<td>180</td>
<td>25</td>
<td>12,963.83</td>
<td>72.02</td>
<td>559.55</td>
</tr>
<tr>
<td>Callan</td>
<td>161</td>
<td>16</td>
<td>8,952.79</td>
<td>55.61</td>
<td>406.49</td>
</tr>
<tr>
<td>Centenary Thurles</td>
<td>1,260</td>
<td>128</td>
<td>52,030.29</td>
<td>41.29</td>
<td>467.50</td>
</tr>
<tr>
<td>Connacht Gold</td>
<td>13,800</td>
<td>584</td>
<td>273,019.00</td>
<td>19.78</td>
<td>610.50</td>
</tr>
<tr>
<td>Corcaghan</td>
<td>288</td>
<td>4</td>
<td>2,442.00</td>
<td>8.48</td>
<td>422.25</td>
</tr>
<tr>
<td>Dairygold</td>
<td>10,916</td>
<td>1,991</td>
<td>840,691.00</td>
<td>77.01</td>
<td>888.79</td>
</tr>
<tr>
<td>Doapey</td>
<td>100</td>
<td>3</td>
<td>2,666.37</td>
<td>26.66</td>
<td>290.83</td>
</tr>
<tr>
<td>Donegal</td>
<td>1,653</td>
<td>384</td>
<td>111,677.00</td>
<td>67.56</td>
<td>385.40</td>
</tr>
<tr>
<td>Drinagh</td>
<td>2,671</td>
<td>183</td>
<td>70,528.00</td>
<td>26.11</td>
<td>538.51</td>
</tr>
<tr>
<td>Drombane</td>
<td>195</td>
<td>8</td>
<td>4,668.06</td>
<td>23.94</td>
<td>843.25</td>
</tr>
<tr>
<td>Fealesbridge</td>
<td>399</td>
<td>8</td>
<td>6,746.00</td>
<td>16.91</td>
<td>477.69</td>
</tr>
<tr>
<td>Glanbia</td>
<td>18,663</td>
<td>3,831</td>
<td>1,830,012.00</td>
<td>98.06</td>
<td>548.75</td>
</tr>
<tr>
<td>Irish Dairy Board</td>
<td>70</td>
<td>3,600</td>
<td>1,975,511.00</td>
<td>28.221.59</td>
<td>190.49</td>
</tr>
<tr>
<td>Kerry Group</td>
<td>9,700</td>
<td>23,255</td>
<td>4,429,777.00</td>
<td>456.68</td>
<td>223.95</td>
</tr>
<tr>
<td>Kilsannett</td>
<td>281</td>
<td>16</td>
<td>3,583.16</td>
<td>12.75</td>
<td>622.74</td>
</tr>
<tr>
<td>Lakeland Dairies</td>
<td>4,675</td>
<td>675</td>
<td>420,351.00</td>
<td>89.91</td>
<td>363.11</td>
</tr>
<tr>
<td>Lee Strand</td>
<td>361</td>
<td>62</td>
<td>22,512.63</td>
<td>62.36</td>
<td>520.32</td>
</tr>
<tr>
<td>Lisavaird</td>
<td>1,150</td>
<td>73</td>
<td>37,983.07</td>
<td>33.03</td>
<td>799.27</td>
</tr>
<tr>
<td>Maudabawn</td>
<td>221</td>
<td>6</td>
<td>4,795.60</td>
<td>21.70</td>
<td>257.79</td>
</tr>
<tr>
<td>Mullinahone</td>
<td>82</td>
<td>82</td>
<td>21,138.56</td>
<td>257.79</td>
<td>803.34</td>
</tr>
<tr>
<td>Newmarket</td>
<td>720</td>
<td>58</td>
<td>46,594.00</td>
<td>64.71</td>
<td>750.82</td>
</tr>
<tr>
<td>Newtownsandies</td>
<td>261</td>
<td>11</td>
<td>8,259.00</td>
<td>31.64</td>
<td>750.82</td>
</tr>
<tr>
<td>North Cork</td>
<td>540</td>
<td>50</td>
<td>19,002.00</td>
<td>35.19</td>
<td>1.00</td>
</tr>
<tr>
<td>Oldcastle</td>
<td>0</td>
<td>0</td>
<td>71,737.50</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Tipperary</td>
<td>1,866</td>
<td>137</td>
<td>116,071.00</td>
<td>62.20</td>
<td>1,404.17</td>
</tr>
<tr>
<td>Town of Monaghan</td>
<td>1,500</td>
<td>120</td>
<td>168,500.00</td>
<td>112.33</td>
<td>13,665.53</td>
</tr>
<tr>
<td>Wexford</td>
<td>681</td>
<td>2</td>
<td>27,331.05</td>
<td>40.13</td>
<td></td>
</tr>
</tbody>
</table>
Credit Union

Again, we are concerned with an entity that is on the one hand very much part of an international movement, on the other hand however strictly following the principle of self-help. Looking at the large enterprises of the social economy it is definitely right to say that for Ireland – and likely for many other countries – the cooperative banking sector is despite its immense growth and seize the one which still applies to a large extent the principles and orients towards self-help and mutuality. This is well captured by Donal McKillop, Peter Goth and Noel Hyndman when they state:

> For all their distinctive features, it must be recognised that, first and foremost, credit unions are financial institutions – they primarily accept deposits (or shares) and make loans. In this regard they are similar to commercial banks. However, with commercial banks there is an inherent source of conflict between depositors and borrowers (the customers) and stockholders (the owners). The former want competitively priced financial products while the latter require as high a return as possible on their capital investment. The implicit assumption within the commercial banking literature is that commercial banks aim to maximise profits and consequently prioritise the welfare of the owners over the customers. In that credit unions conduct business solely with their members, and their members are in turn the owners of the credit union, there is a coincidence of ownership and consumption.

(McKillop, Donal/Goth, Peter/Hyndman, Noel: Credit Unions in Ireland. Structure, Performance & Governance; Dublin: Institute of Chartered Accountants in Ireland, 2006: 3)

Though in this respect somewhat comparable for instance with the French mutuelles, a major difference has to be seen in the fact that the integration of the movement into the wider political movement was in Ireland not as distinct as it had been the case in the case of the continental neighbour. This low level of the direct embedding in an explicit and broad political setting – or the embedding in a distinct Irish setting as mentioned by Eoin Reeves and Dónal Palcic (Reeves, Eoin/Palcic, Dónal: Privatization Policy and Enterprise Performance: The Case of Ireland; in: Cierec: Annals of Public and Cooperative Economics, 75:4; Oxford/Malden: Blackwell; 2004: 525-548) and Siobhan Daly (Daly, Siobhan: Mapping Civil Society in the Republic of Ireland; in: Community Development Journal. Advance Access published January 31, 2007; Oxford: Oxford University Press, http://cdj.oxfordjournals.org/cgi/reprint/bsl051v1; 02/03/08 – 6:41: 1-20 – reflects very much the late foundation of credit unions in Ireland.

During the 1950s both unemployment and emigration were at high levels, and there had been a significance increase in the activity of moneylenders who charged high rates of interest and exploited the need for credit among the people. The setting was ideal for the emergence of the Irish credit union movement.

(McKillop, Donal/Goth, Peter/Hyndman, Noel: Credit Unions in Ireland. Structure, Performance & Governance; Dublin: Institute of Chartered Accountants in Ireland, 2006: 38)

Founded in 1956/1958, the Credit Unions had been especially characterised by the political self-control and implementation of the political values of the movement in terms of one-man-one person and the fact that the political principal of self-help and mutuality had been as well applied when it came to deciding on the loans. It is thus important to recognise that the Credit Unions are strictly limited by their definition as membership organisations. They cannot do business with the general public due to charter limitations based on serving a membership that is characterised by common bond. The common bond definition is the subject of legal regulation and confers on credit unions a key defining characteristic.

(McKillop, Donal/Goth, Peter/Hyndman, Noel: Credit Unions in Ireland. Structure, Performance & Governance; Dublin: Institute of Chartered Accountants, 2006: 2)

On this basis, we arrive at an astonishing figure of members. McKillop and others suggest that – with figures for 2004 – membership totals 2,569,984 in 424 registered credit unions in the Republic of

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3 The reference made to an credit union seems to contradict what had been said before. However, the understanding of movement in the way it is used here is fundamentally different.
Ireland, with assets of over 11 million Euros. Of course, there is a tricky question about this. On the one hand one can argue that this expresses a sound anchoring of the idea of credit unions. On the other hand one can see the high number of members as well as an expression of a somewhat forced membership recruitment: the availability of certain beneficial terms is linked to membership. Of course, there is nothing wrong with this in principal terms. However, an open question then is to which extent the genuine idea of self-help and possibly of political claims can be maintained. Taking another example, critique is directed towards the German ADAC, an organisation that provides automobile roadway repair service and recruits in this way a huge number of members in Germany; at the same time it acts as association, claiming to represent the members as lobbyist for enhancing private transport. Similar issues are actually as well arising in the area of trade unions, trying to increase membership by offering services.

In any case, the political meaning and claim of the credit unions is specific: in a way it can be said that they are furthest away from the productive sector, closest concerned with distribution. As such, they are of course limited as far as fundamental political reform is concerned.

This clearly states that the credit sector is one of the last that puts immediate political claims forward. Nevertheless, it is this sector which has at the very same a crucial position that could well be used as mediating role and instrument of steering. However, it can be said that in Ireland the position of credit unions is rather distant with respect to such steering position and instead more oriented by private customers. With such an orientation, the political role is of course very limited – the orientation can best be characterised as ‘charitable self-help service’. Accordingly we find a first development in the Irish Agricultural Organisation Society (IAOS), an umbrella organisation established in 1894. The aim was to maintain agricultural business by supporting insolvent individuals. It can be said that the policy was very much concerned with the support of former tenants who received land from the landlords – these tenants being unable to build up and maintain their own business without special help. These small land banks had been a story of great initial success and a more or less slow death, leading finally in the middle of the 1930s to a virtual death (see Quinn, Anthony: Credit Unions in Ireland; Dublin: Oak Tree, 1994).

Being still – despite their failure – important forerunners, the second step is the actual founding of the credit unions, the first being established in Dublin in 1958. The background of these new organisations had been twofold – already pointed out earlier: economically the country was facing unemployment and the threat of emigration; ideologically the country was dominated by Catholicism and with this promoting a different approach towards this kind of self-help. Whereas in general the cooperative banking system was likely linked to the trade unions and beyond that showed links to the working class movement, the cooperative movement in Ireland was actually strongly supported by the church, claiming the values of the movement as being strongly linked to the values of the church. It is in this context as well that the Irish credit unions play at least in the recent time a particular role in rural areas, a point brought forward by Noreen Byrne, Olive McCarthy and Ray O’Connor who write

Douthwaite (1996) contends that conventional financial institutions, such as banks, cause rural decline because they drain the financial resources of rural communities, reinvesting these resources elsewhere. On the other hand, credit unions can play a central role in rural communities, by mobilizing local savings and reinvesting these back into the local community, thereby sustaining rural livelihoods. Credit unions and particularly those that operate sub-offices in isolated rural areas, provide a valuable service to their members. They also provide a focal point within the community where people can meet and interact socially. This function is becoming increasingly important in the context of rural rationalization in the closures of police stations, post offices, bank branches, creameries and schools.

(Byrne, Noreen/McCarthy, Olive/O’Connor, Ray: The Development of New Rural Credit Unions in Ireland within a Context of Service Racionalization in Rural Areas; in: Community Development Journal; 39/4; Oxford: Oxford University Press, October 2004: 401-412; here 402)

The specific and actually increasing meaning of credit unions actually entails as well that there is specific legislation for this are. We find two acts explicitly and solely dealing with credit unions: the Credit Union Act from 1966 and the Credit Union Act from 1997 – with this the credit unions are the only grouping within the social economy with a specifically geared legal instrument. The ‘tight legislature’ in the area proved to be beneficial as ‘tightly regulated’ actually had not been a matter of limiting the business nor social dimension but on the contrary provided the security for both sides,
namely the overall business structure and as well the members. – This formulation is somewhat hesitatingly used, avoiding the terms providers and customers. It is without any doubt that we can say that the credit unions are definitely distinct from ordinary banks and the ‘customers’ are members and such involved in a different vein than they would be as customers of any ordinary business bank. However, at the same time it will not be undue saying that some of the organisations are not factually different from for profit organisations whereas other units are truly ‘social enterprises’ with respect of the organisation of the enterprise and its ‘social program’, much of course depending on tradition and the organisation’s locality and as well charismatic activists.

It is probably against this background that the reason for very different assessments with respect to the leadership can be explained: on the one hand it had been said that there was a fundamental lack of strong leaders. On the other hand they had been concentrated in areas or organisations and branches – there was no genuine ‘leading class’ for this sector. – This will be taken up at the end of this contribution.

In the previous section it had been revealed that in the Irish sector a moment of disciplinary action is rather strong – and on the other hand there is a lack of mutuality. This can not least be seen in the mechanisms that characterises the financial structure of the Irish credit unions. This structure reflects very much the relative one-sided function of Irish credit unions as providers of loans rather than saving banks. In a comparative perspective, Timothy W. Guinnane states

*The majority of German credit cooperatives were self-sufficient in capital, making them ongoing institutions capable of surviving without government assistance. The Irish cooperatives, on the other hand, functioned as little more than relenders of funds provided by banks or the State.*


Little later he confirms

*Deposits were never the major share of loan capital in Irish credit cooperatives.*

*(ibid.: 51)*

But due to the – relative – small scale of the available funds they functioned only to a lesser extent as credit-givers if compared with their sister-organisations in other countries. Thus the economy of scale always remained in such a way limited, that the financial market for structurally relevant investment remained attractive to other financial institutions.

Taking the credit unions’ presence in rural areas, their ongoing ‘communitarian’ role in rural areas and their very specific economic attractiveness together we can probably explain to a large extent their large penetration which is shown by the following two tables.
<table>
<thead>
<tr>
<th>County</th>
<th>Number of Credit Unions</th>
<th>Total Assets (€)</th>
<th>Total Members</th>
<th>Population of County</th>
<th>Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Galway</td>
<td>21</td>
<td>594,737,605</td>
<td>138,031</td>
<td>209,077</td>
<td>66.02%</td>
</tr>
<tr>
<td>Leitrim</td>
<td>7</td>
<td>54,654,824</td>
<td>16,185</td>
<td>25,799</td>
<td>62.73%</td>
</tr>
<tr>
<td>Mayo</td>
<td>11</td>
<td>311,881,245</td>
<td>66,944</td>
<td>117,446</td>
<td>57.00%</td>
</tr>
<tr>
<td>Roscommon</td>
<td>6</td>
<td>61,393,472</td>
<td>17,002</td>
<td>53,774</td>
<td>31.62%</td>
</tr>
<tr>
<td>Sligo</td>
<td>5</td>
<td>32,887,726</td>
<td>12,285</td>
<td>58,200</td>
<td>21.11%</td>
</tr>
<tr>
<td>Clare</td>
<td>9</td>
<td>247,192,279</td>
<td>54,451</td>
<td>103,277</td>
<td>52.72%</td>
</tr>
<tr>
<td>Cork</td>
<td>42</td>
<td>1,738,675,512</td>
<td>355,675</td>
<td>447,829</td>
<td>79.42%</td>
</tr>
<tr>
<td>Kerry</td>
<td>12</td>
<td>340,917,048</td>
<td>89,833</td>
<td>132,527</td>
<td>67.78%</td>
</tr>
<tr>
<td>Limerick</td>
<td>25</td>
<td>464,337,719</td>
<td>128,897</td>
<td>175,304</td>
<td>73.53%</td>
</tr>
<tr>
<td>Tipperary</td>
<td>15</td>
<td>491,361,318</td>
<td>113,795</td>
<td>140,131</td>
<td>81.21%</td>
</tr>
<tr>
<td>Waterford</td>
<td>9</td>
<td>433,709,225</td>
<td>87,649</td>
<td>101,546</td>
<td>86.31%</td>
</tr>
<tr>
<td>Carlow</td>
<td>7</td>
<td>152,196,981</td>
<td>39,193</td>
<td>46,014</td>
<td>85.18%</td>
</tr>
<tr>
<td>Dublin</td>
<td>121</td>
<td>2,972,506,037</td>
<td>631,686</td>
<td>1,122,821</td>
<td>56.26%</td>
</tr>
<tr>
<td>Kildare</td>
<td>14</td>
<td>446,737,604</td>
<td>95,164</td>
<td>163,944</td>
<td>58.05%</td>
</tr>
<tr>
<td>Kilkenny</td>
<td>10</td>
<td>287,779,523</td>
<td>59,165</td>
<td>80,339</td>
<td>73.64%</td>
</tr>
<tr>
<td>Laois</td>
<td>9</td>
<td>122,216,001</td>
<td>31,590</td>
<td>58,774</td>
<td>53.75%</td>
</tr>
<tr>
<td>Longford</td>
<td>5</td>
<td>55,371,387</td>
<td>17,992</td>
<td>31,068</td>
<td>57.91%</td>
</tr>
<tr>
<td>Louth</td>
<td>23</td>
<td>443,422,038</td>
<td>100,412</td>
<td>101,821</td>
<td>98.62%</td>
</tr>
<tr>
<td>Meath</td>
<td>16</td>
<td>380,046,374</td>
<td>90,067</td>
<td>134,005</td>
<td>67.21%</td>
</tr>
<tr>
<td>Offaly</td>
<td>7</td>
<td>308,897,729</td>
<td>64,847</td>
<td>63,663</td>
<td>101.86%</td>
</tr>
<tr>
<td>Westmeath</td>
<td>5</td>
<td>196,137,863</td>
<td>42,572</td>
<td>71,858</td>
<td>59.24%</td>
</tr>
<tr>
<td>Wexford</td>
<td>8</td>
<td>350,986,075</td>
<td>83,952</td>
<td>116,596</td>
<td>72.00%</td>
</tr>
<tr>
<td>Wicklow</td>
<td>9</td>
<td>249,218,740</td>
<td>69,000</td>
<td>114,676</td>
<td>60.17%</td>
</tr>
<tr>
<td>Cavan</td>
<td>8</td>
<td>179,223,593</td>
<td>40,455</td>
<td>56,546</td>
<td>71.54%</td>
</tr>
<tr>
<td>Donegal</td>
<td>14</td>
<td>224,130,613</td>
<td>69,210</td>
<td>135,575</td>
<td>50.31%</td>
</tr>
<tr>
<td>Monaghan</td>
<td>6</td>
<td>279,023,827</td>
<td>53,932</td>
<td>52,593</td>
<td>102.55%</td>
</tr>
<tr>
<td>Total</td>
<td>424</td>
<td>11,419,732,358</td>
<td>2,569,984</td>
<td>3,917,203</td>
<td>65.61%</td>
</tr>
</tbody>
</table>

Table 2: Profile of Credit Unions by County (ROI)

<table>
<thead>
<tr>
<th>Number of Credit Unions</th>
<th>Total Assets (€)</th>
<th>Total Members</th>
<th>Assets per Credit Union (€)</th>
<th>Assets per Member (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>169</td>
<td>5,953,634,948</td>
<td>1,462,559</td>
<td>35,228,609</td>
</tr>
<tr>
<td>Rural</td>
<td>210</td>
<td>3,756,044,975</td>
<td>917,222</td>
<td>17,885,928</td>
</tr>
<tr>
<td>Occupational</td>
<td>45</td>
<td>1,710,052,435</td>
<td>190,203</td>
<td>38,001,165</td>
</tr>
<tr>
<td>Total</td>
<td>424</td>
<td>11,419,732,358</td>
<td>2,569,984</td>
<td>26,933,331</td>
</tr>
</tbody>
</table>

Table 3: Urban, Rural and Occupational Credit Unions
In general the wider reason explaining the success is an eclectic set of factors, described by Charles Ferguson and Dona McKillop.

The history of the development of credit unions in Ireland can be viewed, therefore, as an original amalgam of diverse factors: the seeds of failure of earlier co-operative initiatives; the pressing economic and social needs generated by the depressed economy of the 1950s; the role of committed activists as catalysts for change; the establishment of a more supportive regulatory framework; the process of diffusion of North American experiences; the support of the Catholic church.

(Ferguson, Charles/McKillop, Donal: The Strategic Development of Credit Unions; Chichester et altera: John Wiley&Sons; 1997: 34)

In any case, what had been said with regard to credit unions, maintains the thesis that the Irish social economy could well interplay with the overall privatist patterns that coin(ed) Irish society.

Political Cooperatives

Looking at the overall political development of the country and the development of different actors it is especially the lack of both, strong and meaningful syndicalism and a strong political movement of the working class that are meaningful for the development of a meaningful voluntary and community development sector. Another reason for the strong meaning of this sector has to be seen in the fact that this sector can be as well seen as answer to the fact that a social security system did not exist in the sense as we know it as ‘European standard’ – in the light of the welfare regime classification, Ireland had been frequently left unclassified or the island nation had seen as one of the Latin Rim countries, thus being together with the laggards Greece, Italy, Portugal and Spain. Thus, the voluntary and community sector in Ireland is characterised by (a) the variety of ‘replacement activities’ and (b) its high integration into the general political system. With respect to the first factor we can see, of course, as well in other countries activities by which sector activities take place in areas where the standard is that activities are undertaken by the state. However, the difference in Ireland is that activities are patchwork and at most ex post ‘strategised’, i.e. included in an overall political strategy. Looking at it from the perspective of the principle of subsidiarity, we can call the pattern that prevails in Ireland a laissez-faire policy whereas for instance the German pattern of subsidiarity can be seen as pro-active policy. With respect to the second aspect, there is at least today a feature that can be seen as exceptional: Ireland established a special pillar in the corporatist policy, representing – though with limited access and limited voice – the voluntary and community sector.

Although playing such a huge role, there is a legal distinctiveness – one can see it as indirect confirmation of the strong integrated role of sector organisations. Different when compared with other countries, these organisations do not have their own legally defined status. Although we find of course the charitable status, the standard definition of the status is based on company law and many of the NGOs are actually established as company Limited by Guarantee (see already above). This means as well that there are even on legislative level two fundamental regulative systems with some specific relevance and moreover it is important that these jurisdictions are to some extent contradicting each other at least from the broader perspective of their spirit (for some more technical issues in this context Donoghue, Freda: Defining the Nonprofit Sector: Ireland; Working Papers of the Johns Hopkins Comparative Nonprofit Sector, 28; edited by Lester M. Salamon and Helmut K. Anheier; Baltimore: The Johns Hopkins Institute for Policy Studies, 1998: 5 ff.).

However, of special importance is the fact that due to various factors some organisations fulfilling voluntary or community development tasks – tasks that would be typical for the voluntary sector in other countries – are actually organised as cooperatives; the most important in this respect is the Community Workers Cooperative. Two reasons are likely behind this. The first is the concern of organisations starting as some kind of service provider – services here clearly geared towards developing the community. As such they are both, campaigning organisations and entities implementing governmental area development plans. The other reason is the search for an alternative to establishing a pure enterprise.

In this context it is interesting to look at some results from an empirical study of voluntary organisations, undertaken by Pauline Faughan and Patricia Kelleher. Important points are summarised by Patricia O’Hara who provides the following list:
* the majority of the voluntary organisations studied had been established since 1970;
* two thirds were providing services or resources;
* one third were concerned with people with disabilities;
* less than a quarter (22%) had no professional staff, almost two thirds (63%) employed fewer than twenty staff and one fifth were dependent on temporary employment schemes for all their staff resources;
* two fifth (41 %) were serving a local geographical community;
* in more than half of the organisations (57%) studied had religious involvement in some form;
* almost a quarter of the organisations indicated that they had not formal mechanisms for participation and less than a third (31 %) had formal democratic representative structures.

(O’Hara, Patricia: Ireland; in: Carlo Borzaga/Santuari, Alceste (eds.): Social enterprises and new employment in Europe; Region of Trentino-South Tyrol, 1998: 311-331; here: 318 f.)

Such summary clearly shows that we are dealing with blurring borders but as well that the will of these voluntary organisations, i.e. the free decision making power is somewhat limited to a small realm at least as far as the scope of action is concerned.

4. Social-Economy in Ireland – Lost Grounds or Vivid Niches?

Looking synoptically on the different strands, we can get some insight by referring to the ground principals of the cooperative movement. These had been laid down in 1966 by the International Cooperative Alliance, comprising
* open and voluntary membership
* democratic control
* limited return on share capital
* disposal of surplus
* education
* cooperation amongst cooperatives.

Of special interest here shall be the meaning given to non-economic aspects – and here we find mentionable differences between the strands. For instance one important question is around the membership question. Though this is in general terms surely in all areas open and voluntary, we can see without pre-emption that some cooperatives had been in some areas well able to establish a quasi-monopoly. This is for example the case in the dairy-farming area and can equally be said for the credit unions. Non-membership equals – for certain groups – definite disadvantage. Another matter is the democratic control – as in some strands the cohesion is actually limited on economic activities and bundling the activities of individuals, there is actually a lack of democratic decision-making due to the fact of a lack of space for real decisions – many of the decisions simply follow from the overall business strategy, the real decisions actually continuously being taken on the level of the individual economic actor. In other areas as the credit unions the principle is ‘alive’ though limited. Due to the fact of the indirectly enforced membership, which makes many members simply to customers rather than members with an overall interest the execution of democratic control is limited on a more or less small group. However, especially here it is obvious that much of the role of binding members to real co-operatives rather than gaining business support depends on the additional services, not least the education and the political role. It is this the most distinct and also the most difficult to maintain feature of the entire movement. For instance, the Irish credit unions decided on their Annual General Meeting in 1992 an expended version of the international principles.

Though the Irish situation is clearly marked by several historical specificities, the overall recent development seems to be very similar to something that most likely can be seen as ‘secularisation’ and ‘economisation’ of the social economy – or is it more correct to speak of economisation and secularisation? It is most difficult to see the reasons and their sequence – in a more (Euro-)global perspective it is still very much a national matter and even a question of individual organisations. Some organisations loose their politico-ideological interest, then joining the more or less ordinary capitalist spirit which may only be slightly embellished by political claims; others cannot face the existing
economic pressure and – by being (or feeling) entirely drawn into competitive market challenges – ‘loose ground’.

Another fundamental aspect is similar to what had been said above with respect to the leadership of the sector – the lack of a broad genuine leadership for the sector. Although somewhat simplified, it is correct to say that different to other countries there had been an ongoing split between a middle class based and ‘professional’ leadership, acting socially from above or outside and the membership which needed and received guidance, being educated more along the norms of mainstream society rather than being part of a ‘state within the state’ or an organisational system ‘from the cradle to the grave’ – the typical phrases describing the social-democratic systems in France, Germany, and the some of the Nordic countries. It cannot be said for sure, but it is likely that this was at least one contribution amongst others that in Ireland a good part of a potential social economy development was faded out and/or specifically shaped: being only a different form of organising a business rather than being part of a movement. In line with this we find the limitation as well in terms of especially meaningful cooperatives on the two sectors: the one is diary farming, indirectly bound together by the creameries. The other is banking, namely the Credit Unions. – In the words of Walter Spahr, C.R. Fay pictures already in the beginning of the last century.

[b]riefly, he concludes with reference to Ireland that credit societies are not advancing; creameries are spreading rapidly and are by far the most important group of cooperative societies; agricultural societies are extending their functions and numbers.


From today’s perspective we see continuity and discontinuity at the same time: The ongoing dominance of the creameries, however now being huge and internationally operating oligopolies without being specifically identifiable by there character as entities of the social economy; a turn with respect to the credit unions – as said, their role could actually not only be stabilised but extended as consequence of the economic development and the need of loans by individuals who otherwise would not be able to avail of them. From today’s perspective an additional feature is that, though agricultural societies are negligible, we importantly find new forms of social economy enterprises, namely the establishment of businesses with the primary aim of job creation. It has to be seen in the context that during the 1990s the term ‘social economy’ also came into usage in policy discourse and three types of social enterprises were identified – community businesses, deficient demand social enterprises, and enterprises based on public sector contracts. Although the term ‘work integration social enterprise’ is not used, the main impetus for the development of the social economy in the 1990s came from local and community development initiatives stimulated by public policy responses to high unemployment and rural and urban disadvantage. The social enterprises that emerged are, in effect, WISE as they rely hugely on labour market integration programmes developed to tackle long-term unemployment.

(O’Hara, Patricia/O’Shaughnessy, Mary: Work Integration Enterprises in Ireland; EMES, European Research Network; Working Paper 04/03: 3)

Of course this means as well that with the more recent economic development on the one hand and the lacking political ambitions on the other hand these ‘co-operatives from above’ are facing problems of continued existence. This is in part due to the fact that such WISE are in an economic perspective actually somewhat fascinating ‘hybrids’. Existing in a liberal market setting they are much less than islands of Keynesian isles let alone that they would be anything near to alternative seeking vanguards. Still, they are positive instruments rather than another negative instrument as they are typical for liberal politics.

In very general terms the overview confirms what Freda Donoghue states, namely

Alongside this has been the importance of community empowerment which, in many ways, adopted many of the principles of self-help and has had quite a long tradition in Ireland. Self-help, which was according to Luddy (1995) a tenet of Protestant and secular voluntary action in the 18th and 19th centuries, was evident from the late 19th century at community level (Ruddle and Donoghue, 1995). The co-operative movement, begun in the late 19th century by Sir Horace
Plunkett, played a significant role in the development of community self-help. Co-operative societies, organized around agricultural production, were designed to counteract the exploitation of the poor. Seen as one of the paths towards economic progress, they were also a development on the part of people not in positions of formal power to wrest some autonomy for themselves. A mutual aid system, called cooring (based on a 19th century Anglicization of the Irish word comhar meaning help or co-operation), formed a very important part of rural community life. Specifically, cooring referred to exchanges of labor in agricultural work, and it involved households helping each other when an individual could not provide sufficient labor for a particular task such as harvesting or footing turf (Arensberg and Kimball, 1968; Brody, 1973). Cooring established debt, status and the circulation of goods and money. In cooring, labor was given and received, thereby protecting the farm family and making the community self-sufficient and reliant.


However, the positive stance Donoghue proposes may be qualified by another perspective: the political character, the solidarity dimension was actually rather limited and the claim was rather individualist and geared to some form of wealth-creation or at least economic improvement. This is not least evident from the fact that is put forward by Donoghue herself when she writes

self-help movements and community development organizations, however, while having their roots in the tradition of co-operation, owe much of their impetus and motivation to various developments in the 1970s. The Women’s and Trade Union Movements were instrumental in the development of citizen involvement and the strongest expression of community activism during that decade was in women’s groups, tenant groups and housing action groups. From the mid-1970s anti-poverty programs also played an important part. These emphasized an ideology of empowerment, participation and social inclusion. The right to consultation and direct democratic participation thus became guiding principles (Kelleher and Whelan, 1992).


5. Conclusions

A very important factor for developing an overall picture is to look at other facets of the societal framework, not least of a fundamentally different understanding of the public. The Irish experience – and its analysis in a European context – shows that current promotion of the social economy has to be seen with some caution. On the one hand it has surely to be welcomed – already early research and initiatives in this regard showed how valuable the social economy is in terms of building a cohesive approach towards European integration that is not solely based on a marketisation single market option – to mention only two important steps into this direction it can be pointed (though with all necessary qualification) on the White Paper on Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st Century [the “Delors White Paper” – COM(93) 700, December 1993] and the Third System and Employment (see http://ec.europa.eu/employment_social/empl_esf/3syst/index_en.htm). However, it is evident that current developments do not offer for these organisations a place in their own rights. Rather, they are seen as emergency provisions that are actually supported for some time – for instance in form of the
Work Integration Social Enterprises: WISE, as they had been mentioned above. Only seen as such the decline in times of economic regeneration comes without surprise. On the other hand, the policies on services of general interest and strict controls going hand in hand with this in terms of further pushes for economisation and capitalist rationalisation undermines such gist. If we take for instance the requirement to strictly distinguish between economic and non-economic services (see for instance Commission of the European Communities: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: White Paper on Services of General Interest; Brussels, 12.5.2004; COM(2004) 374 final; http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0374en01.pdf; 02/03/08; 6:43). This is not just a policy that evokes contemporary pressure on certain enterprises. Moreover, it fundamentally questions

the role of social enterprises, such as credit unions and cooperatives, in fostering ‘civil renewal’ and active citizens (Westall, 2005, p. 73).


This problem is confirmed by the fact that many organisations of those that link in a specifically close way the economic and the social dimension can only survive for a limited time, namely as there is not yet a market developed (see for instance O’Hara, Patricia/O’Shaughnessy, Mary: Work Integration Enterprises in Ireland; EMES. European Research Network; Working Paper 04/03: 3). Thus, the problematique is actually getting wider: then, the social economy acts not only as filling a niche but as well as antecedent for further marketisation. In other words – and this is particularly a clear lesson from the Irish perspective – a lack of an embedding in a wider political perspective leads easily into a large scale business perspective or causes the disappearance of the sector.

Being a general issue, this is actually well documented by the Irish case. Credit unions had been mentioned as main players in the finance market of the social economy. However, they are not the only relevant bodies in this respect. Other mechanisms exist and deserve special mention insofar as they are actually oriented towards supporting entrepreneurship rather than consumption. In this respect they are especially geared to supporting community development. One could say that these are in quantitative terms more or less negligible. However, such micro-finance providers are relevant as they had been at least before the development of the Celtic tiger economy part of a range of different endeavours to develop local economies (see TSA Consultancy Ltd. with Lolita Sereleas and Colin Stutt: Social Finance in Ireland. What it is and where it’s going, with recommendations for its future development; Dublin: Dublin employment Pact, 2003). All this had been part of a very specific setting, supporting Vincent Tucker who wrote what seems to be a truism but needs again and again to be highlighted.

Cooperatives are children of crisis. They first emerge in the early 19th century at a time when European society was undergoing a fundamental transformation due to the Industrial Revolution. This was a period during which a massive separation of people from land took place through enclosure. Poverty and pauperism were rife and the conditions in the towns and factories were scandalous. Unions or combinations of any form by workers were considered to be conspiracies against government and King and were outlawed. This was also a period of great social unrest, the French Revolution having generated a ferment of radical thinking and debate.


Of course, this is a generally well-known fact. And it has to be mentioned that the later heydays of such entities had been – as said – again before the current economic boom phase – not least supported by European monies as for instance available through the LEADER-program and national programs as policies like the programs of the national employment agency FÁS (Foras Áiseanna Saothair), geared to Community Enterprise Support, Worker Co-operative Development Programme and Community Employment. However, as Patricia O’Hara mentioned as well, the finance structure, the support
mechanisms and not least the reliability had been always scattered, without clear accountability and not allowing relevant organisations developing a real perspective – be it economically nor socially (see O’Hara, Patricia: Ireland; in: Carlo Borzaga/Santuari, Alceste [eds.]: Social enterprises and new employment in Europe; Region of Trentino-South Tyrol, 1998: 311-331). This points on the fundamental dilemma of the co-operative sector: Phases and settings of economic stability provide a framework that allows the grouping and streamlining of structures which is without question necessary for the stabilisation of progress. However, it means as well that the organisations are very much growing into the framework of the mainstream capitalist economy – a perspective that includes the potential failure through success: the cooperative idea is victim of the need for competitive advantage. On the other hand we are currently again – though wrapped into different episodes – an increase of patterns as described by Tucker in the quote before: a general change of relationships within the structures and processes of wealth generation and distribution with all its different facets – perhaps a new opportunity to challenge a subordinating mainstream profit-maximising systems. But one should not deny the danger of being as well a new attempt of establishing a system of ‘productive social policy’.