

## CHAPTER 7

### **STRUCTURAL AND FUNCTIONAL PROBLEMS OF COMMUNITY DEVELOPMENT CO-OPERATIVES IN THE IRISH GAELTACHT**

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#### **Introduction**

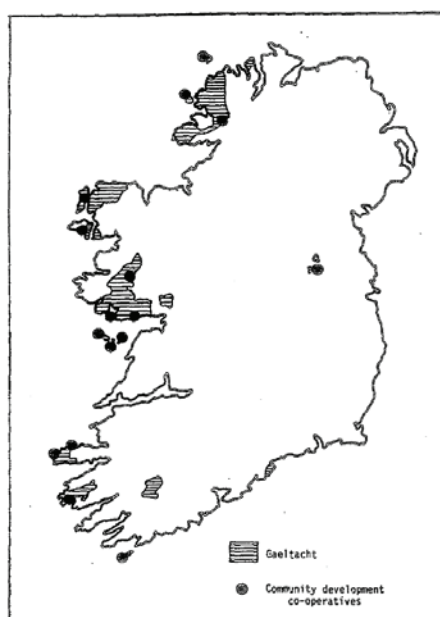
The Irish-or Gaelic-speaking areas of Ireland (collectively known as the Gaeltacht) are mainly scattered along the western seaboard (Map 1) and currently account for only 2.5 per cent of the national population. Since the acquisition of political independence in 1922, the preservation of the Gaeltacht has held a prominent place in Irish national ideology. However while a considerable amount of financial resources has been directed towards achieving this objective, it can be suggested that this has not been matched by an equal amount of imagination. Over the last twenty years, the bulk of these financial resources has been focussed on the economic development of the Gaeltacht, in an effort to stem the rapid population decline which was seen as the principal problem facing the Gaeltacht areas. As with the remainder of the west of Ireland, economic development of the Gaeltacht, as far as the Government was concerned, was essentially equated with industrialisation, and a special state agency (previously Gaeltarra Éireann, now Údarás na Gaeltachta – the Gaeltacht Authority) was established to promote the setting up of manufacturing industry in the Gaeltacht. Initially, the main focus was on attracting externally-based (usually foreign) firms into the Gaeltacht, although in recent years, growing emphasis has been placed on stimulating industrial enterprise indigenous to the Gaeltacht itself. Again, this change of emphasis reflects what has been happening at national level

In terms of employment creation, the performance of Gaeltarra Éireann/Údarás na Gaeltachta appears to have been relatively successful by national standards, particularly during the current recession, despite a clear-out of ailing firms following the transition from Gaeltarra to Údarás in 1980. This has been linked, to some extent, with the reversal, in the 1970s, of the long-established pattern of Gaeltacht demographic decline, although clearly many other factors have contributed to recent population growth, such as return migration from a depressed British economy, and the extension of dormitory-type commuter settlement into the hinterland of Galway City.

However, despite this recent economic and population growth, the indications are that the process of language decline continues to operate

within the Gaeltacht, suggesting that while such growth may be a necessary condition of Gaeltacht preservation, it certainly is not sufficient to attain this purpose. Indeed, in at least some instances, it may be that the very policies which have brought about economic improvement have contributed to the process of linguistic decline (Mac an Iomaire, 1983; Keane et al., 1983). There appears to be little evidence of serious thinking in official circles concerning the complexities involved in the maintenance of a minority language and culture: movement towards the development of the type of comprehensive policy required in this context seems to be minimal. Údarás na Gaeltachta had been expected to have a much wider brief than its predecessor, Gaeltarra Éireann, which had functioned almost exclusively as an industrial development agency: indeed, such had been envisaged by the official report which initially recommended the establishment of Údarás (Gaeltarra/SFAOCO Working Party, 1971). However, having already gone through one full five-year term of office, not only has Údarás not acquired any significant extra functions as compared with Gaeltarra, but it has not, apparently, asked for any, as it had been expected to do at its inception in 1980. While there has been an amount of movement into supporting areas of economic activity apart from manufacturing industry, there have been no major initiatives in such areas as education policy, physical and social planning, and community development.. The most recent Údarás Annual Report, for 1983, shows that sums of £85,000 and £40,000 were spent on language and community development, respectively, which, combined, amount to less than one per cent of total spending in that year.

Map 1: Locations of Gaeltacht community development co-operatives



### **Community development co-operatives: Origins and spread**

It would be tempting to perceive the community development co-operative (henceforth CDC) "movement", which spread through the Gaeltacht in the late 1960s and the 1970s, as a grass-roots reaction to the failure on the part of Government to introduce the wide-ranging policies required for effective Gaeltacht conservation. Certainly, most CDCs have a strong commitment to the Irish language; in addition, most can claim the involvement of the great majority of the households in the areas which they serve. In many cases, CDCs can count among their "leading lights" individuals who regard the CDCs as more appropriate vehicles for Gaeltacht development than the methods employed by state agencies. Be that as it may, it is clear that Gaeltacht CDCs have failed to develop their full potential as "alternative" development agents, and, indeed, have suffered considerable set-backs during the current prolonged recession, with many cutting back on their activities, and some closing down altogether.

The aim of this paper is to review, briefly, the operating experiences of Gaeltacht CDCs, with particular reference to the difficulties they have encountered, both internally and externally. From this review, some suggestions are developed as regards how the CDC "movement" can perhaps, be placed on a better footing.

The first Gaeltacht CDC was registered in West Kerry in 1966. Its basic organisational structure, whereby shares were sold to as many households as possible within the "community" which the CDC aimed to serve, has been reproduced by all subsequent CDCs. This structure served two main aims: it facilitated, at least hypothetically, involvement of the "community" in its own development, while at the same time creating a "co-operative"-type entity which would allow CDCs to avail themselves of a management grant provided by the Department of the Gaeltacht specifically for co-operatives. However, as shall be seen the actual structure involved community co-operatives outside the Gaeltacht did not seriously get under way until similar forms of state aid were introduced in recent years as part of the state's effort to stimulate small firm formation. However, despite the availability of the management grant, the state agencies (Gaeltarra/Údarás and the Department of the Gaeltacht) have never taken an active role in promoting CDC formation, by contrast, for example, with the comprehensive programme introduced for this purpose by the Scottish Highlands and Islands Development Board in the late 1970s. Indeed, as will be argued later, one of the key problems faced by Gaeltacht CDCs has been the lack of committed support on the part of the state agencies. The spread of the CDCs, therefore, may be seen largely as a spontaneous development, involving a mix of local initiative and the "demonstration effect" provided by the previous establishment of CDCs in other Gaeltacht areas.

The establishment of the proto-typical CDC in west Kerry in the mid-1960s coincided with the gradual articulation on the part of the less developed west of Ireland for a greater share in the rapid national economic growth which was taking place at this time. This so-called "Save the West Campaign" was given an added vibrancy and sharpness in the Gaeltacht by the emergence of a Gaeltacht Civil Rights Movement, many of whose members became actively involved in the creation of local development groups, which in some cases formed the springboard for subsequent CDC formation. The Government responded to this agitation with a vigorous policy of western industrialisation, implemented, in the case of the Gaeltacht, by Gaeltarra Éireann. This, however, did not halt the impetus for CDC formation, which continued through the 1970s until by 1977, a total of 16 in all had come into existence (Table 1).

One of the distinguishing characteristics of Gaeltacht CDCs has been their emphasis on the development of indigenous natural resources, including agriculture, forestry, fishing, tourist resources (including the Irish language itself), and traditional handcrafts (For further information on the activities of Gaeltacht CDCs, see Commins et al. (1981), Johnson (1979), and Trevelyan (1980)). Consequently, their focus has been quite different from that of industrial development agencies, with their emphasis (at least until recently) on imported firms producing consumer and high-technology goods. One could, therefore interpret the development activities of the CDCs as *supplementing* those of the state; alternatively, one could suggest that the CDCs' preoccupation with natural resources simply reflects the confined nature of traditional horizons and skills among the Gaeltacht population. At the same time, there is no doubt that for many CDC activists, the preference for natural resource development is ideological: i.e. that the development of indigenous resources under indigenous control offers better prospects for the preservation of the distinctive cultural characteristics of the Gaeltacht.

Apart from natural resource development, a second major dimension to the activities of the CDCs has been service provision, thereby making up for deficiencies in this respect on the part both of the public and private sectors. Thus, many CDCs have become involved in installing and maintaining piped water supply systems, generating electricity (especially on offshore islands), supplying agricultural and hardware requisites, running retail shops, and providing community facilities. While these have, in many cases, contributed in a major way to improving the quality of social life in the Gaeltacht, they have also facilitated economic development (e.g. better tourist facilities and power supply for industry). Many CDCs are also directly involved in cultural activities (e.g. music, dancing, drama, Irish language classes).

Table 1 shows the level of fulltime employment provided by the Gaeltacht CDCs as reported in their latest returns to the Registrar of Friendly Societies. The amount of jobs involved is modest, relative to a total Gaeltacht population of 80,000 and a total of 4,000 jobs created with the assistance of Gaeltarra Éireann/Údarás na Gaeltachta. However, survey data indicate that Table 1 understates the actual amount of employment directly created by some CDCs via subsidiaries, joint ventures, direct spin-offs, etc. However, what is disturbing is that the two CDCs with far and away the best employment creation record – Comharchumann Chois Fharráige and Comharchumann Forbartha na nOileán – both ceased operations in 1984 due to financial difficulties. The loss of the second of these was particularly significant in that it had become the main local source of employment in a remote area where Gaeltarra/Údarás has made little impact. In addition, whereas a new CDC has been established to replace Comharchumann Chois Fharráige and continue some of its functions, such has not been the case with Comharchumann na nOileán.

It would be a mistake, however, to equate the economic impact of the Gaeltacht CDCs with the number of full-time jobs which they have provided. Much of this impact has been felt in terms of expanding the income-generating ability of existing local producers (e.g. land reclamation, agricultural marketing) or reducing their costs (e.g. agricultural supplies), and in providing part-time employment (e.g. bog drainage, provision of accommodation for Irish language students, home knitting). As regards the latter, CDCs may be seen as adapting themselves to the established pattern of occupational pluralism in Gaeltacht areas, thereby contributing to cultural conservation, in contrast to the preoccupation of Gaeltarra/Údarás with the provision of full-time employment, which can occasion difficulties of cultural adaptation (Regan and Breathnach, 1981; Breathnach, 1985). One may also mention a number of other less direct and less quantifiable, but not necessarily insignificant, benefits accruing from CDC activities, including the boosting of community morale and confidence and the inculcation of technical and organisational skills within the Gaeltacht population (Breathnach, 1984a).

### **Operational problems experienced by Gaeltacht CDCs**

The development impetus generated by the Gaeltacht CDCs in the 1970s has largely petered out during the current prolonged recession, dating from about 1980. No new CDCs have been established since 1977 (there is still some scope for additional CDCs), existing COCs have had to cut back on their activities, and, as seen already, two of the largest CDCs have gone out of business altogether. Their most recent returns to the Registrar of Friendly Societies showed nine of the sixteen CDCs reporting a net loss over the previous year's operations, while only seven of the fifteen which provided relevant information had accumulated reserves, the remainder having accumulated losses. Indeed, the financial

Table 1. Gaeltacht community development co-operatives: Shareholdings and employment

<i>Name of CDC</i>	<i>Year of Found-ation</i>	<i>Latest accounts</i>	<i>No. of share-holders</i>	<i>Paid-up share capital (£,IR)</i>	<i>Share capital per member (£,IR)</i>	<i>Full-time employees</i>
CHORCA DHUIBHNE	1966	1983	891	40,320	45.3	9
IORRAIS	1967	1981	846	13,346	15.8	19
CLEIRE	1970	1983	505	10,916	21.6	8
DHUICHE SHEOIGHEACH	1970	1980	511	9,083	17.8	7
ACLA	1970	1981	734	8,962	12.2	4
THORAI	1970	1983	56	1,400	25.0	-
ARANN	1971	1980	375	15,215	40.6	8
CAOMHAN	1971	1983	184	6,820	37.1	13
CHOIS FHARRAIGE	1971	1981	596	21,586	36.2	43
RATH CAIRN	1972	1983	837	15,000	17.9	7
NAOMH FHIONAIN	1973	1982	244	17,001	69.7	10
LEITH TRIUGH	1973	1983	156	857	5.5	2
LAR THIR CHONAILL	1974	1979	480	6,516	13.6	2
INIS MEAIN	1976	1983	123	5,426	44.1	20
NA NOILEAN	1976	1981	1,389	35,708	25.7	47
ARAINN MHOR	1977	1980	172	8,050	46.8	7
<b>TOTAL</b>			8,099	216,206		206
<b>AVERAGE</b>			506	13,513	26.7	13

- (1) As supplied to Registrar of Friendly Societies.
- (2) May not include employment in subsidiaries and associated companies.

position of many CDCs would be even worse were it not for considerable assistance from the Department of the Gaeltacht. While many of these recent difficulties are due to factors outside the control of the CDCs, there is no doubt that the situation has been greatly aggravated by a number of potentially avoidable inadequacies in their operational environment. Some of these will now be discussed, with a distinction being made between those problems considered to be internal to CDCs themselves, and those of an external nature although, as will be seen, there may be considerable interaction between the two.

#### *Internal problems*

The spontaneous development of Gaeltacht CDCs has meant a reliance on local activists with few of the formal skills required in administering business organisations; the peculiar nature of the CDCs meant that, in addition to the technical skills involved in running a "normal" business enterprise, further skills in the realm of communications and

interpersonal relations were needed given the fact that shareholders, employees, and clients were, for the most part, all embraced by the same close-knit community framework. Thus, organisations requiring a wider range of administrative skills than normal usually found themselves under the control of individuals with few formally-acquired skills at all. This applies not only to the elected management committees, but also to the appointed professional managers who, in the majority of cases, seem to have been selected either from among the initial groups of enthusiasts involved in the establishment of the CDCs, or from among outsiders whose primary motivation was a commitment to the Gaeltacht or the Irish language. In either case, a lack of formal management training appears to have applied, with the result that, whatever their broad principles may have been, they quickly became preoccupied with the detail of day-to-day management, with little time, or energy, left over for overall appraisal of how, or where, things were going. While one may suggest that the latter was a function which was primarily the responsibility of the management committees, it is noteworthy that the tendency was to appoint managers with strong personalities who may, whether wittingly or unwittingly, have been inclined to dominate their management committees who, in turn, may have tended to adopt a "let things alone" attitude, particularly when, at least during the 1970s, most of the CDCs were doing well commercially.

The main point here is not so much that the CDCs were incompetent in terms of day-to-day management – although this may have been the case occasionally – but rather that there were serious defects as regards overall long-term planning. This applies both to the setting, and monitoring, of broad objectives, and the formulation of specific plans in order to achieve these objectives. As regards the first of these, one may note two problem areas in particular: (1) firstly, within management committees, differing views concerning what the overall goals of the CDC are, or should be, giving rise to conflicts which frequently remain unresolved, and may not even be brought out into the open, due to the lack of interpersonal skills on the part of those involved; and (2) secondly, an absence of unity of vision as between manager and management committee, with the manager frequently taking the lead either because of his (all CDC managers are men) strong personality or because he, at least, has a clear view of where the CDC is going.

The absence of rigorous medium-term planning also appears to have been a deficiency which has come home to roost for many CDCs in recent years. The expansionary environment which prevailed for much of the 1970s encouraged them to over-extend themselves, where, with hindsight, a more prudent approach would have been more advisable. In this respect, it is noteworthy that it is mainly the most ambitious CDCs, with the widest range of activities, which have encountered the most severe difficulties in the current recession, leading, as noted already; to closure in two cases. It may be that these particular CDCs aimed to

become rival development agencies to Gaeltarra/Údarás in their respective areas: whether or which, their subsequent failure constitutes a considerable set-back to the CDC movement in general.

It would, however, be unfair to expect the CDCs to meet these deficiencies from within their own resources: they are, after all, small organisations with limited financial, technical and personal resources, which have emerged in localities which, because of a long history of underdevelopment, are themselves resource-deficient. In order to achieve their full potential, therefore, they need various types of assistance from external sources. In relation to the problems identified above, for instance, there is a need for various forms of education and training relevant to the very specific needs of CDCs. In this respect, one may draw attention to the programme for fostering CDCs operated by the Scottish Highlands and Islands Development Board (henceforth HIDB). This includes in the present context, training seminars for managers and management committees, availability of expert advice from HIDB personnel and consultants, assessment of medium-term development plans which must be produced by CDCs and sanctioned by the HIDB before HIDB financial aid is forthcoming, regular (in some cases, monthly) reporting of accounts, and the formulation of a training programme designed to provide a supply of people with skills geared to the specific management needs of CDCs (Breathnach et al., 1983). While further references will be made to the HIDB's CDC programme, it is worth noting at this stage that this programme was formulated after an examination of the Irish experience of CDCs, and was designed to overcome many of the problems, such as those identified above, which were seen to arise in the Irish case.

Apart from factors outside their control, and the possibility, in some cases, of managerial inadequacies, there is one aspect of the organisational structure of the CDCs which has contributed to their financial difficulties. This is that, in order to allow as many households as possible in each community to become shareholders, while maintaining the traditional feature of co-operatives that each shareholder has an equal share, the cost of shares has been kept at a low level which, in turn, means that CDCs have been faced, from day one, with a very narrow equity base. Table 1 shows that the average amount of share capital per shareholder is less than £27 which, given that the average CDC has just over 500 shareholders, means that the average level of total share capital is £13,500 – a rather modest base upon which to build. This means that CDCs have had to resort to a lot of loan capital in order to finance their activities, and while this was tolerable in the early 1970s when interest rates were low and economic expansion the norm, the combination of high interest rates and economic recession in more recent times has meant that, in many cases, these loans came to act as millstones around the necks of the CDCs.



Again, learning from the problems apparent in the Irish situation, the HIDB, in its CDC programme, introduced the concept of an establishment grant, whereby the HIDB provides an initial grant equivalent to the amount of share capital raised by a new CDC which, apart from encouraging CDCs to maximise the cost of their shares (which, on average, are about four times the level of the Irish CDCs – see Breathnach, 1984a) makes a substantial contribution to the avoidance of over-indebtedness in the crucial early years of operation. The Department of the Gaeltacht recently made available a similar scheme, on a once-off basis, to apply to additional share capital raised by Irish CDCs.

Perhaps an ironic aspect of the shareholding structure of CDCs is that, while designed to facilitate community involvement in their activities, the indications are that it is failing as regards this objective. The available evidence (Breathnach, 1984b) shows that most residents of the areas served by CDCs, although positively disposed to the efforts being made by them, take little interest or active involvement in CDC affairs, and that this applies almost equally to shareholders as to others. This cannot be regarded as surprising, because apart from their initial capital contribution, and attendance at general meetings, little opportunity for ongoing involvement is provided for ordinary shareholders.

It is on the basis of the latter observation that it was remarked earlier in this paper that the status of CDCs as true "co-operatives" is doubtful. Indeed, one of the central tenets of co-operative theory – i.e. that benefits should be distributed in accordance with the input of each member – clearly does not apply to CDCs. In the case of the Gaeltacht CDCs, these benefits can conceptually be divided into two categories: those that are distributed widely through the community (such as electricity supply" piped water supply, land reclamation and bog development, agricultural supplies, and provision of accommodation for students attending CDC-run Irish language colleges) and those that are more narrowly focussed (such as horticultural and fish-farming projects, handcrafts and printing). Not surprisingly, the evidence is that while the first category of benefits is widely appreciated within the "client" communities, the same does not apply in the second case and, indeed, complaints have been voiced by shareholders when other families, and not their own, have obtained employment from these more narrowly-based projects (Breathnach, 1984b, 1984d). Accordingly, in order to maintain at least the "community", if not the "co-operative", nature of the CDCs, it may be suggested that they should confine their activities to those of the first category above (i.e. of broad community benefit), with the more narrowly-based projects of the second category possibly being set up as independent workers' or producers' co-operatives, financed and operated solely by those directly involved (with levels of share capital being set realistically in relation to anticipated returns) – although even

here the CDCs could have an important promotional and supporting role (Breathnach, 1983b).

Apart from restricting the range of their activities, one might suggest that some CDCs could restrict the geographical area which they are currently attempting to serve. This refers to those CDCs which possess a core area of intense community identification and a wider operational area (Breathnach, 1984b, 1984d). Exclusive concentration on the core area may help to maximise mutual identification between community and COC, with consequent benefits in terms of community support. Instead of serving neighbouring communities which do not themselves have a CDC, existing CDCs might be better off to encourage CDC formation therein, with the possibility of subsequent inter-CDC co-operation where considerations of scale economies warrant it.

#### *External Problems*

Perhaps the key area of dissatisfaction concerning their external relations voiced over the years by the Gaeltacht CDCs has been the nature of the support provided by state agencies, particularly the Department of the Gaeltacht and Gaeltarra Éireann/Údarás na Gaeltachta. There *has* been a considerable flow of financial aid from these agencies to the CDCs, running at about £500,000 (i.e. over £30,000 per CDC) per annum in recent years. However, most of this aid is of an *ad hoc* nature, and much of it is in reaction to crisis situations at individual CDC level. Unlike the HIDB, the Irish state agencies have no comprehensive programme for promoting and supporting CDCs as such which would, for example, relate the provision of aid to progress along agreed medium-term development plans. Apart from financial aid, CDCs have various other requirements regarding, for example, marketing, product development, and legal and accounting advice which they cannot provide themselves due to their limited resources. Again, in the Scottish case, the HIDB has been providing such support services to a considerable extent, whereas, for the most part, the corresponding Irish agencies have not. The situation for the Irish CDCs is rendered all the more difficult by the division of grant-aid functions between the Department of the Gaeltacht and Údarás, which makes the formulation of coherent policies regarding the CDCs all the more problematical.

Ultimately, the essential complaint of the CDCs is that there has not been recognition at official level that they have a special, and potentially central, role to play in achieving the essential goal of Gaeltacht preservation. The strong community bases and networks which they seek to foster provide, in their view, the best prospects for cultural vibrancy and continuity. Simultaneous development in the economic, social, and cultural spheres, which the CDCs also aspire to, is of particular significance in this context, and contrasts with the fragmented and partial approaches of the relevant state agencies. At the moment, many CDCs are attempting to act as both economic and socio-cultural development

agencies, and argue that Údarás na Gaeltachta, due to its traditional orientation towards dealing with specialist business personnel from externally-based firms, finds it hard to deal with such broad approaches to development. In addition, there is a feeling that Údarás personnel, being used to dealing with hard-nosed business people, are at best suspicious, and in some cases dismissive, of the "amateur" nature of those involved in running the CDCs. Once again, there is a strong contrast here with the HIDB, where key personnel are quite sympathetic to the special character of CDCs, and tolerant of the inevitable mistakes they make in striving to establish themselves as viable entities.

These problems are likely to continue as long as Údarás remains essentially a business-support agency rather than an agency for general socio-economic development of the Gaeltacht. The lack of comprehensiveness in Údarás's functions means that a wide variety of other state agencies – most of them centralised and operating along functional lines – also impinge upon Gaeltacht development, and consequently upon the CDCs: indeed, having to deal with what at times appears to be a bewildering array of such agencies itself can place a considerable strain on the already overworked managerial resources of the CDCs. It may be that the status of the CDCs in official eyes might be greatly enhanced if they became linked with a reformed local government structure wherein more power was placed in the hands of local communities. A model has been suggested elsewhere (Breathnach, 1983b; see also Commins, 1982) in which CDCs would be recast as the "development arms" of a comprehensive network of Gaeltacht community councils with real powers and funding to match. However, while there has been much talk over the years about local government reform along these lines, there has been absolutely no corresponding action, and this situation is likely to remain so as long as representative politics in Ireland remains focussed on the cultivation of local power bases rather than national issues.

A possible alternative approach to the provision of support services to CDCs would be for them to join together in a co-operative federation. There already exists an association of Gaeltacht CDCs (which is not comprehensive in its membership) but this has functioned mainly as a medium for the exchange of information and as a lobby for placing pressure on politicians and state agencies. Its development has been constrained by the lack of time available to CDC managers to devote to it, due to the myriad other pressures under which they work. The development of a federation with a central office providing specialist information, and exploiting economies of scale in areas such as bulk purchases and transport services, would need an initial input of support from outside. In Scotland, the HIDB is currently exploring the possibility of establishing such a federation covering, at least initially, the Outer Hebrides, with the aim of thereby transferring to the CDCs themselves many of the services currently being provided by the HIDB, partly in

order to encourage the CDCs to move out from under the protective wing of the HIDB (and partly as a cost-saving exercise at a time of cut-backs in budgets of state agencies). It is doubtful that, even if all the existing Gaeltacht CDCs in Ireland were to join together in federation, between them they would have the scale of operations to justify a sophisticated system of support services. This raises the possibility of co-operation with the growing number of similar organisations, with similar needs, in non-Gaeltacht areas. However, there would be even greater problems here of finding an appropriate agency to perform the necessary initiatory functions. Unfortunately, the Irish Co-operative Organisation Society, to which many CDCs are affiliated, remains an organisation dominated by large agribusiness co-operatives, with little time to devote to the peculiar needs of "small fry" such as the CDCs.

A final external problem experienced by many CDCs has been that, despite their heavy dependence on loan finance, they have had difficulty in some cases in raising this finance, mainly because of a suspicious attitude on the part of the commercial banking system to what are unusual business enterprises. Ireland is virtually unique in Europe in not having a co-operative banking system, attuned to the specific needs of co-operatives, and CDCs probably have suffered particularly from this deficiency. The Credit Union system may have the potential to fulfil this function, and there have been some interesting experiments in attempting to link this system to community development initiatives, but as yet this potential remains largely untapped.

### **Summary**

This paper has been concerned with examining the operational experiences of community development co-operatives (CDCs) in the Irish Gaeltacht. Emerging initially at a time of growing agitation concerning the lack of development in the west of Ireland in general in the mid 1960s, their subsequent growth and spread continued despite a major programme of western industrialisation sponsored by the state, until eventually sixteen in all had come into existence. In terms of their focus on the development of indigenous resources and service provision under community control, their simultaneous pursuit of social, cultural, and economic development, and their tendency to provide opportunities for multiple income sources, the Gaeltacht CDCs make a sharp contrast with the approach to development associated with the principal state agency involved in Gaeltacht development, *Údarás na Gaeltachta*, with its emphasis on an "urban" model of providing full-time employment in manufacturing industry, with a heavy reliance on externally-sourced resources of capital, enterprise, and materials.

Many Gaeltacht CDCs have been experiencing operational difficulties over the years, and particularly during the current recession. Some of these may be seen as internal, and some external, to the functioning of the CDCs themselves. Among the principal internal problems identified

were a lack of appropriate management and administrative skills among those involved in running the CDCs (this observation by no means applies to all CDCs or all those personnel involved); among the problems deriving from this area of weakness, particular attention was placed on deficiencies relating to the specification of clear objectives and the implementation of proper planning procedures. Other internal problems identified included undercapitalisation arising from the peculiar shareholding structure of CDCs; lack of real involvement on the part of the "community" with respect to what are supposed to be "community" co-operatives; unequal distribution of benefits within the community (at least with respect to some CDC activities); and over-extended areal coverage on the part of some CDCs.

As regards external problems, the main focus of attention was the lack of adequate support mechanisms from, in particular, state agencies. This was attributed largely to a lack of commitment on the part of the main agencies involved to the CDCs as having potentially a key role to play in pursuing the common goal of Gaeltacht preservation. The lack of comprehensive powers on the part of any single agency with respect to Gaeltacht development – defined in the broadest manner – leads to a lack of coherence in attitudes to *inter alia* CDCs, as well as producing a proliferation of agencies which places strains on the meagre administrative resources of the CDCs. The unusual nature of CDCs also generates credibility problems, not only with respect to state agencies, but also with respect to financial institutions, which has proved to be particularly problematical given the dependence of the CDCs in the past on loan finance.

A number of possible solutions to many of these problems were put forward. However, perhaps the single most important need is for a single state agency with a range of powers and functions to match the range of aspirations of the CDCs themselves. Only then is one likely to get an institutional perspective capable of comprehending the diverse nature of the CDCs, and in a position to provide a cutting edge to the CDCs in the pursuit of their objectives. Indeed, one could then envisage the CDC as acting, in many ways, as the local agents of this real Gaeltacht Authority a function which would be greatly enhanced in the event of an effective devolution of significant local government powers to the level of the local community.

At the same time, one is wary of community development groups – of whatever make-up – becoming too dependent on state support. Hence the need for closer co-operation between CDCs themselves, both to form an effective political lobby (so crucial to the way public resources are allocated in our particular type of "democracy") and to provide central support services. The possibility of joint action between Gaeltacht and non-Gaeltacht CDCs was also raised in this context.

Some reorganisation of the internal functioning of CDCs was also proposed. In particular, a distinction was made between activities of broad community benefit, which should be maintained as appropriate activities of "community" co-operatives, and activities whose benefits are more narrowly distributed. As regards the latter, whereas CDCs could continue to promote and foster such activities, it was suggested that they be constituted as producers'/workers' co-operatives, in which case there would be a more direct link between contributions and benefits. Finally, it was suggested that CDCs might restrict their activities to their "home" areas, in order to foster a closer identification between co-operative and community.

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