

Aspects of Rural Development in the Scottish Highlands and Islands

Report of a study visit

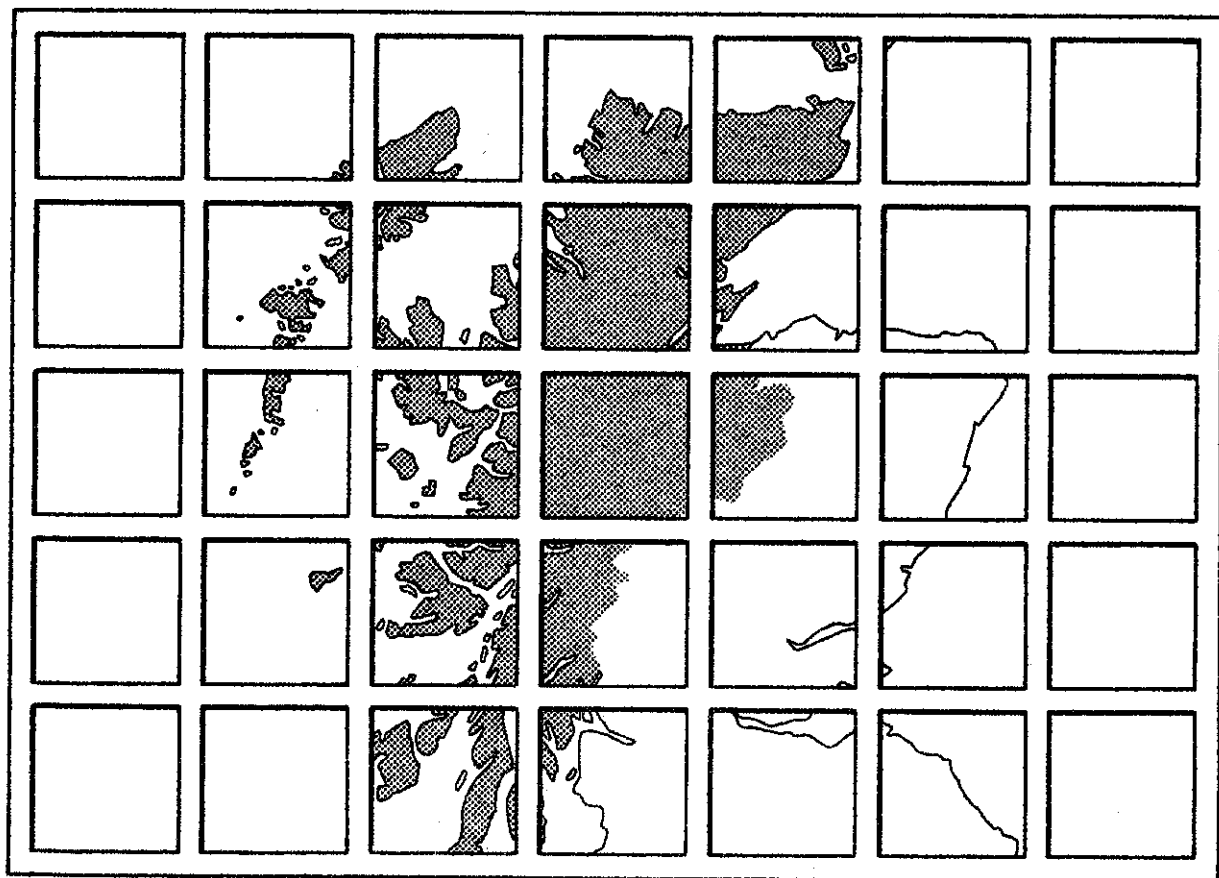
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ASPECTS OF RURAL DEVELOPMENT IN THE SCOTTISH HIGHLANDS AND ISLANDS

A review of the Highlands and Islands Development Board and its scheme for the promotion of community development co-operatives.

Report of a study visit in September/October 1982

By

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Jim Walsh, 1984.

PREFACE

The study visit on which this report is based was undertaken as part of a larger research project entitled "Rural development strategies in the west of Ireland" being carried out by members of the Department of Geography at St. Patrick's College, Maynooth, and funded by the National Board for Science and Technology. A major focus of this research project is the respective roles of, and relations between, locally-based and state-sponsored approaches to the promotion of rural development. The first part of the project concentrates on the Irish Gaeltacht, where the community development co-operative movement (representing a particularly dynamic form of locally-based development) is well established and where a specific state development agency, Údarás na Gaeltachta, (the Gaeltacht Authority) operates.

A similar situation obtains in the Scottish Highlands and Islands region, where the establishment of community development co-operatives has been promoted in recent years by the corresponding regional development agency, the Highlands and Islands Development Board (HIDB).

The principal focus of the study visit was to examine the HIDB scheme for the promotion of community co-operatives. This involved visits to selected co-operatives, and interviews with HIDB field officers and headquarters personnel, along with reviews of pertinent literature. A secondary focus of the visit was an examination of the HIDB itself as a regional/rural development agency. The following report, therefore, is divided into three parts: firstly, a brief introduction to the Highlands and Islands; secondly, a brief review of the HIDB's performance as a regional development agency; and thirdly, an assessment of the HIDB scheme for the promotion of community development co-operatives.

The authors are extremely grateful to all those who so willingly co-operated with our quest for information during the course of the study visit. We also wish to thank Paul Ferguson for the cover design, Maureen Redmond for typing, and John Sauls for reproducing and binding, the report.

A special travel grant from the National Board for Science and Technology towards the cost of the study visit is gratefully acknowledged.

PART I: THE SCOTTISH HIGHLANDS AND ISLANDSIntroduction

The Highlands and Islands of Scotland (Map 1) comprise a problem region which has significant parallels with the West of Ireland in both the nature of its problems and the strategies adopted to solve them. Located on the periphery of the U.K., generally underdeveloped, thinly populated and depopulating in parts, predominantly rural with a mostly poor land base for agriculture, it is remarkably similar to the west of Ireland. The major difference is that it is part of a state with many more resources than Ireland, so that similar problems can command a higher level of resource allocation than in Ireland.

TOPOGRAPHY

The Highlands and Islands' peripheral location is compounded by its physiography of extensive and barrier-like mountain ranges, and relatively large and substantially populated islands which are very remote from the mainland. In this regard the problems of distance and accessibility are considerably greater in the Highlands and Islands than in Ireland. Many of the problems of accessibility throughout the Highlands and Islands however, have been overcome to a certain extent by a good road system (an example of a U.K. level of service provision that has not been attained in Ireland).

POPULATION

The population of the Highlands and Islands in 1981 was 353,000. As in the West of Ireland this population is for the most part extremely scattered with 60% classified as rural. Inverness is the largest town with 40,000 people. Dunoon has 9,400 and Stornoway, 8,700. As in the West of Ireland, there is a clear lack of central places in many areas, which is important in view of the typical pattern of population change in the rural areas in favour of growth in and around the towns. 'Oil-affected' growth is important in many districts, notably in the Moray Firth region.

THE GAELIC FRINGE

The Western Isles, Syke and parts of the western mainland fringe comprise the remnants of a cultural sub-region in the Highlands - the Gaelic-speaking remote fringes that parallel the peripherality of the Irish Gaeltacht. In many respects the Scottish Gaeltacht lacks the artificial hypocrisy that accompanies the ideological maintenance of the Irish Gaeltacht, and possibly because of this the Scottish Gaeltacht seems more alive. It is also preserved by its very insularity, and opening it up to tourism could possibly adversely affect the language and cultural identity of the Isles. Unlike Ireland, this cultural sub-region receives very little special assistance for the maintenance of its cultural status.

AGRICULTURE

One of the essential differences between many of the rural communities in the Highlands and Islands and the West of Ireland is that the land seems to have been written off as an important resource in the former. Apart from the Moray Firth region, the land is generally very poor, comparable to much of the land in West Galway and West Donegal: very exposed, treeless for the most part, thinly-soiled, heavily-glaciated and peat-strewn. Agricultural land-use is basically pastoral and has become increasingly so throughout the twentieth century, in response both to population decline and changes in farming practice. In toto, the Highlands and Islands account for 34% of Scotland's sheep, 19% of its beef cattle and 6% of its dairy cows.

Peatland development is largely absent from the Highlands and Islands, and forestry is the only other major land use in the region. Forestry's employment potential has declined in the past couple of decades, but substantial afforestation has been undertaken since the Second World War.

CROFTING

Apart from their unique tenurial conditions, in simple terms, crofts are small family farms, with viability problems

similar to those in the West of Ireland. The main difference is that the essentially unviable nature of many of them (50% of holdings in the crofting counties are classified as 'insignificant') seems to be more readily recognised in Scotland than in Ireland.

The essential difference between Scotland's crofters and Ireland's small farmers lies in the fact that while security of tenure has frozen crofting agriculture in an outdated pattern of minute units, there is no outright ownership as in Ireland. But even in Ireland, with its owner-occupiers, one still has outdated patterns. So the results are the same in both areas, and the problems to be tackled in Scotland are familiar: the Crofters' Commission's objectives are to improve the lot of crofters and at the same time, to maintain the crofter population. This is identical to the Irish rural problem. In Scotland, however, the solution being pursued by the Government is of dubious merit: i.e., to make the crofters owner-occupiers on the assumption that they will then be able to raise development capital for their land. The Irish experience in the twentieth century does not support this expectation.

ECONOMIC DEVELOPMENT

In terms of employment, like Western Ireland, occupational pluralism is a common phenomenon in the Highlands and Islands. The primary sector is in decline and services (mainly in education, tourism and retail distribution) are growing - a classic peripheral profile. Manufacturing industry is small in scale and diverse in nature. Small indigenous industries are important - textiles, distilling, boat building.

60% of all employment in the Highlands and Islands is in services. Tourism accounts for a significant proportion. This has been encouraged by the Highlands and Islands Developments Board (e.g., crafts, self-catering chalets) as it can make an important contribution to employment generation in dispersed, small rural communities. Clearly tourism is a resource of vast significance for this U.K. periphery. The Western Isles, however, are generally underdeveloped touristically because of the distance factor. Tourist development, of course, also has potentially important implications, especially for the Gaelic fringe of the Highlands and Islands.

PART 2: THE HIGHLANDS AND ISLANDS DEVELOPMENT BOARD

Introduction

The Highlands and Islands Development Board (HIDB) was established in 1965 "to assist the people of the Highlands and Islands to improve their economic and social conditions and to enable the Highlands and Islands to play a more effective part in the economic and social development of the nation". The Board was vested with a range of functions and powers quite unique for a regional development agency at the time. Apart from the provision of grants, loans, and advisory, training, management and promotional services, the Board was empowered to take equity participation in private enterprises, to establish enterprises of its own, to compulsorily acquire land, and to erect buildings.

ORGANISATIONAL STRUCTURE OF THE HIDB

The Board consists of four full-time executive members (including Chairman and Deputy Chairman) and three part-time members, all appointed by the Secretary of State for Scotland for a normal term of five years. The Board normally meets fortnightly. Appointments to the Board are not overtly political, nor is political interference in the Board's day-to-day activities seem to exist. The Board normally meets fortnightly. The four full-time members have direct responsibility for the Board's eight Functional Divisions, with the current allocation being (number of employees in each division in brackets):

Chairman: Policy Research (14) and Legal (12) Divisions

Deputy Chairman: Administration (85), Fisheries (20), and Industrial and Business Development (29).

One full-time member: Finance and Management Services (74).

One full-time member: Tourism (17) and Land Development (11).

The Board's total staff complement, therefore, amounts to 262, located in the head office at Inverness and five local offices.

There is also a 31-member Highlands and Islands Development Consultative Council, appointed by the Scottish Secretary, which meets four times a year, and advises the Board on existing and proposed activities and policies.

EVOLUTION OF HIDB DEVELOPMENT POLICY

At the time of the HIDB's establishment (1965), the conventional academic wisdom concerning the economic development of rural/peripheral regions was centred round the development of manufacturing industry in growth centres, with migration thereto of previously underemployed agricultural personnel. Indeed, from the beginning, the HIDB identified three areas in particular - the Moray Firth, Great Glen (centred on Fort William), and the Wick/Thurso area - which were deemed to possess particular advantages with respect to the attraction of large-scale industrial development, and it was proposed to encourage such development in these areas.

At the same time, the Board saw it as one of their central objectives to promote economic development and thereby stabilise population and social structures throughout the Highlands and Islands region, and since the remoter areas were thought to have weaker potential as regards industrial development, policies were also developed for the promotion of other sectors - fishing, agriculture, tourism - of greater relevance to these areas. The crystallisation of these policies, however, was subject to the patient and sensitive development of lines of communication and co-operation with existing government departments which also had responsibilities concerning these sectors.

The rapid growth of oil-related activities in the 1970s, along with the general growth of government services (e.g. health, education) have tended to augment the concentration of economic growth in the favoured areas identified above and some other centres (e.g. Stornoway, Lerwick). Thus, although there has been overall population stabilisation and then growth in the Highlands and Islands since the mid-1960s following two centuries of decline, deterioration of the demographic structure has continued in many areas outside the favoured centres.

Accordingly, the HIDB, given much leeway by the fact that considerable growth had been occurring in the latter centres, has been attempting to develop policies appropriate to the conditions of the more disadvantaged areas. Thus, there has been a growing emphasis on local resources and traditional skills, multiple income sources, and the stimulation of local initiative and enterprise, within a general context of policies geared for specific groups and areas as an alternative to global policies geared to individuals and individual enterprises.

Fishing

From early on, the HIDB has devoted considerable resources to the development of the fishing industry, particularly in the Western Isles (Outer Hebrides). This has included assistance for the purchase of boats and equipment, the provision of infrastructure and processing facilities, the promotion of marketing, and development of fish farming.

Agriculture

In the realism of agriculture, the establishment by the HIDB of a separate Land Development Division in 1969 was significant in implying a recognition that the agricultural resources of the Highlands and Islands, which many commentators were inclined to discount, were worth developing. Further, whereas the conventional view of agricultural development (as reflected, for example, in the EEC's Farm Modernisation Scheme) favoured a radical policy of amalgamation of Crofts into "viable" commercial holdings, the HIDB eschewed such an approach, and opted instead for encouraging improvement of farming practice within the context of the existing landholding system. This approach suggests an acceptance of the concept of "occupational pluralism" among residents of peripheral areas, whereby income could be derived from a variety of sources, as against the model of "functional specialisation" favoured by conventional development theorists. Occupational pluralism, it may be added, also tends to comply with the traditional social structure of the peripheral areas of the Highlands and Islands.

In providing assistance for individual development projects, the HIDB has generally functioned as a "responsive" agency, i.e., it responds to people coming to it with specific development proposals. While this may be appropriate for established industrial entrepreneurs and commercial farmers, such an approach was hardly suited to agricultural development among the crofting community. Accordingly, in the mid-1970s, specific policies geared to this community were developed, including the formulation of specific schemes geared to the needs of particular areas and promotion of these schemes among crofters, including the establishment of machinery groups and syndicates for bulk purchasing and marketing. These schemes have provided for prior consultation with local crofters' groups in working out the details of the schemes' operation, which in turn has provided the basis for an organisational framework for maintaining ongoing contact between crofters and those implementing the schemes. Such an approach, it may be added, has involved systematic co-operation between the HIDB and relevant government departments and research institutes.

Tourism

The HIDB has devoted particular attention to the development of tourism: indeed, this sector now attracts a higher proportion of the Board's financial assistance than any other. Apart from helping to promote the region's tourist attractions externally, and establishing a network of Area Tourist Organisations within the region, the Board has attached special attention to supporting financially those tourist facilities likely to maximise the economic benefits of tourism to the region (mindful of the common tendency towards a heavy leakage of tourism revenues from peripheral areas). Thus, local ownership/control of such facilities is emphasised, and the use of local suppliers (of food, crafts, etc.) is encouraged.

An important initiative of direct relevance to tourism was the establishment of Craftpoint in 1978, which encourages small-scale craft production, especially in remoter areas, by providing training, technical, information, design and marketing assistance.

EMPLOYMENT CREATION

Although much of the HIDB's expenditure is orientated to expansion of income opportunities (e.g. land development) and general socio-economic development (e.g. training), nevertheless the Board does give data on employment generated (and retained) by assisted projects. In terms of fulltime equivalents (part-time/seasonal jobs = ½ fulltime equivalent), the Board claims to have created 16,045 and retained 4,777 jobs in the period 1972-81, giving a total of 20,822, although no data on jobs lost in assisted projects are provided. This gross employment creation/retention figure represents about one sixth of all employees in the Highlands and Islands. However, an annual census of employment in assisted projects, as is carried out by the Gaeltacht Authority and Industrial Development Authority in Ireland, is necessary to obtain an accurate picture of the employment impact of HIDB assistance.

The geographical distribution of jobs created/retained as a result of HIDB assistance follows much the same pattern as that for financial assistance:

TABLE 3: REGIONAL DISTRIBUTION OF JOBS CREATED/RETAINED BY HIDB ASSISTANCE 1972-81.

MOST FAVOURED REGIONS: JOBS/000 POP.	LEAST FAVOURED REGIONS: JOBS/000 POP.
West Ross 142	Nairn* 21
Uists and Barra 116	East Ross 46
Mid Argyll and Kintyre 101	Lochalsh 49
Argyll Islands 94	Inverness 50
Skye 92	Dunoon and Cowal 51

Average for Highlands and Islands: 66

Source: As for Table 2.

* Nairn adjusted to 10-year equivalence.

The amount of assistance required to create/retain a job is not generally related to the pattern of most/least regions indicated in Table 2 and 3:

TABLE 4: REGIONAL DISTRIBUTION OF HIDB ASSISTANCE PER JOB CREATED/RETAINED, 1972-81.

COSTLIEST REGIONS: ASSISTANCE/JOB £	LEAST COSTLY REGIONS: ASST/JOB £
Orkney 9,573	South East Sutherland 4,780
Argyll Islands 9,282	Inverness 5,119
West Ross 9,234	East Ross 5,520
North West Sutherland 8,250	Lewis and Harris 5,738
Nairn 8,076	Bute 6,090

Average for Highlands and Islands: 6807

Source: As for Table 2.

Thus only two of the "most favoured" regions (West Ross and Argyll Islands) appear in the list of costliest regions and only two of the "least favoured" regions appear among the least costly regions, indicating that it is not necessarily more expensive to create jobs in those regions deemed to hold highest priority by the HIDB (or vice-versa). However, by comparing directly the assistance per job created/retained for the five most and least favoured regions indicated in Tables 2 and 3, it can be seen that the cost per job is generally about 50% higher for the former than for the latter:

TABLE 5: HIDB ASSISTANCE PER JOB CREATED/RETAINED IN THE MOST AND LEAST FAVOURED REGIONS, 1972-81.

MOST FAVOURED REGIONS: ASSISTANCE/JOB £	LEAST FAVOURED REGIONS: ASST/JOB £
West Ross 9,234	Inverness 5,119
Argyll Islands 9,282	East Ross 5,520
Skye 8,118	Lochalsh 6,162
Uists and Barra 7,984	Dunoon and Cowal 6,257
Mid Argyll and Kintyre 7,633	Nairn 8,076

SOCIAL/CULTURAL ACTIVITIES

The lack of institutional support for the Gaelic language in the Highlands and Islands is particularly striking when compared with the Irish situation, where there is a separate government department as well as a specific development agency for the Gaeltacht. However, a high level of institutional support may be a mixed blessing, in that the close identification between the language and government handouts which has developed in Ireland has proved a breeding ground for cynicism regarding the language.

Nevertheless, given that its original mandate included social as well as economic development, it is surprising that the HIDB appears to have never developed a specific policy as regards Gaelic language and culture. Indeed, it would appear that it is only very recently that the Board has devoted any serious attention to the "social" dimension of its activities. This presumably reflects the common view that social development is a function of economic growth, although the relation between the two may be much more complex than this.

In any case, the HIDB has recently formed an advisory group of prominent Gaels with a view to formulating a more systematic policy in relation to Gaelic language and culture, so some improvement in this area is to be expected in the near future.

In the area of general social development, the HIDB has been increasing its profile recently, and allocated a budget of £450,000 for social projects in 1981 (cf. a total budget of c. £25m.) A main aim of the Board's social policy is "to encourage initiative and enterprise by local people to provide facilities and amenities for community use" (1981 Annual Report, p.25). As with the community co-operatives, the Board provides matching grants for approved projects, which include village halls, community television schemes, recreational and sporting facilities, cultural events and community arts, environmental improvements, and welfare schemes. Highest priority is given to remote and island communities where social facilities tend to be particularly deficient.

RELATIONSHIPS WITH OTHER GOVERNMENT AGENCIES

Given its broad remit, the HIDB necessarily comes in contact with various other government agencies in carrying out its functions. There is no formal provision for co-ordination in this respect, so this has to be achieved via informal ad-hoc negotiation, which in turn has to be carried out sensitively, given normal bureaucratic sensibilities. This can be a slow process, with the danger - especially in the case of relatively urgent items - of long delays eventually culminating in inaction. At the same time, hitherto there have been no problems of lack of co-operation by other agencies on basic ideological or policy grounds.

CONCLUDING REMARKS

In general, the HIDB would appear to be a "thoughtful" organisation, which puts a lot of effort into research and experimental projects, and which shares its thinking with the public via the annual report (which in 1981 contained 133 pages). Policy-wise, the HIDB appears to place considerable emphasis on local resource-based development in remoter areas, and seems to avoid the policy of "parachuting" enclave-type factories into such areas. However, as indicated in the following Part 3, it may be that such policies are forced on the Board by the unwillingness of external enterprise to locate in the remoter parts of the Highlands and Islands. At the same time, the broad range of the HIDB's development faculties does allow it to expend considerable effort in local resource development, by contrast with the manufacturing-orientated regional development agencies which seem to pre-dominate elsewhere. This broad development perspective, along with the absence of political interference, have enabled the HIDB to pursue the formulation of more coherent, comprehensive and long-term policies than appears to be the case in, for example, the west of Ireland.

PART 3: THE HIDB COMMUNITY DEVELOPMENT CO-OPERATIVE PROGRAMMEINTRODUCTION

The idea of promoting the development of remoter rural areas in particular through the medium of multifunctional community development co-operatives (henceforth CDCs) emanated initially from Ireland, where such co-operatives had proliferated, mainly in Irish-speaking areas, in the early 1970s. Following a preliminary visit to Ireland by the HIDB Chairman and Secretary, and a subsequent visit by other HIDB staff, a scheme for promoting CDCs in the Highlands and Islands was inaugurated. The scheme was originally focussed on the Gaelic-speaking Western Isles (pop. 30,000), which culturally, physically and economically (i.e., the economy is largely geared to crofting, fishing, knitting, weaving and services) are similar to many of the Irish speaking areas of the West of Ireland, although the scheme was subsequently extended to the entire HIDB region. Among the factors which rendered the CDC approach attractive to the HIDB were:

- (i) Strong community identity and sense of egalitarianism in the Western Isles (which can, as a side-product, have a stifling effect on individual initiative);
- (ii) CDCs can provide a flexible structure for accommodating a tradition of occupational pluralism in remoter rural areas (cf. the conventional emphasis in development thinking on the provision of full-time employment);
- (iii) CDCs can provide a good medium for identifying and developing local skills and resources;
- (iv) CDCs can provide a means of achieving economies of scale (e.g., by providing management services simultaneously for many small-scale activities);
- (v) CDCs can facilitate development initiatives consistent with local social, cultural, and environmental values;

- (vi) The revenues generated by CDC activities are more likely to be retained within the local communities; and
- (vii) CDC activities, by generating increased self-confidence within the community, may create responsiveness to other development initiatives and thereby stimulate a general development dynamic.

IMPLEMENTATION OF THE SCHEME

The CDC idea was publicised via a series of public meetings held throughout the Western Isles in the winter of 1976/77, followed by a tour by Irish experts in 1977. The local response was sufficient to encourage the HIDB to go ahead with the scheme. In November 1977 two fulltime field officers, both young Gaelic-speaking graduates from the Isles, were appointed, one for the predominantly Protestant northern islands, and one for the mainly Catholic southern islands (see map 2), with the primary function of providing information and advice rather than directly stimulating the formation of CDCs, the initiative for which would have to come from the communities themselves. Following its successful introduction in the Western Isles, the CDC scheme was subsequently extended to the remainder of the Highlands and Islands, with further field officers being appointed, one for the Orkneys/ Shetlands and one for the mainland, although in these cases an intensive promotion campaign similar to that in the Western Isles was not implemented.

The procedure for establishing a CDC involves an initial public meeting at which a steering committee is formed with the objective of preparing a programme of possible projects which the proposed CDC might undertake. This programme is then vetted by the HIDB as regards viability and, if deemed satisfactory, is presented by the committee to the community for its assessment. If the community response in terms of both moral support and share-purchase commitments is considered acceptable, the HIDB agrees on an appropriate assistance package, the CDC is registered, and the position of manager advertised.

An important factor facilitating the formation of CDCs has been the existing network of community councils (having statutory recognition and some local authority funding, although established on a voluntary basis) and local development associations which, in several cases, have provided the medium for mobilising popular involvement. It may be noted, however, that a peculiar factor in the establishment of the pioneering CDC, Co-Chomunn Nis, was the stimulus provided by a local community education project funded by the Van Leer Foundation.

HIDB ASSISTANCE

The HIDB scheme for providing financial and other assistance to CDCs was developed from a prior analysis of what the Board saw as the strengths and weaknesses attending the CDC movement in the Irish Gaeltacht. Thus the main features of the scheme include:

- (i) An establishment grant, whereby subscriptions raised locally by a new CDC are matched £ for £ (within certain limits) by the HIDB. This provides an incentive for raising local share capital, while providing the new CDC with a substantial initial capital base (cf. the Irish CDCs, most of which have been hamstrung from the very beginning by debts incurred due to initial capital shortages);
- (ii) A management grant, whereby the manager's salary and certain other administrative costs are paid by the Board at a rate of 100% for the first three years, and at a rate of 50% for the next two years. (However, the managerial salary allowed is related to the projected profitability after five years, in order that the CDC will be in a position to continue paying the same salary level from its own resources after the management grant is withdrawn. In the case of the smaller and less ambitious CDCs, this has meant low salary levels). Again this is an improvement on the Irish case where a flat grant is paid regardless of management costs and scale of operations, and whose value, eroded by inflation, is well below a normal managerial salary (although substantial improvements in this respect are expected shortly). This has had the effect of placing new Irish CDCs under additional financial pressure during the crucial teething phase of operations;
- (iii) Standard grants and loans for projects undertaken by the CDC on the same basis as for private businesses.

- (iv) Training and education services for CDC managers, employees and committee members. From an early stage, the HIDB has organised periodic assemblies of CDC members which, apart from providing opportune occasions for education/training sessions, also have the vital functions of allowing CDCs to compare notes and develop mutual solidarity.
- (v) Advisory services furnished by HIDB staff and, where appropriate, outside consultants, and involving aspects such as accounting, recruitment/training, marketing, engineering, and transport (although the level of service actually available may not match the ideal).

Thus, unlike the Irish situation, where relations between the CDCs and both the Gaeltacht Authority and the Department of the Gaeltacht tend to be continuously strained, and where CDC formation has depended largely on local initiative, the HIDB has been both stimulating and supportive in relation to local CDCs. However, whereas the HIDB approach has facilitated better planning and operating procedures among CDCs, there are also major potential problems attending this approach, particularly surrounding the long-term ability of the CDCs to stand alone independently of the HIDB.

PROGRESS OF THE SCHEME

To date (Dec. 1982) twelve CDCs have been registered (eight in the Outer Hebrides, three in Orkney and one on the mainland, and seven steering committees have been formed (Map. 2). In addition, three small single function 'quasi' community co-operatives have been established. A wide range of activities has already been engaged in by the existing CDCs embracing virtually all sectors of social and economic life, including agriculture, fishing, manufacturing, construction, tourism, and services (Appendix 1). Total employment generated to date comprises 34 full-time, 140 part-time (including outworkers) and 3 seasonal. The communities involved have ranged in population from as little as 110 to over 2,000, and have generally been self-identifying. The experiences and performances of the individual CDCs have been quite varied, as reflected in the following case studies of three of the existing CDCs.

CASE STUDIES(I) Co-Chomunn Eirisgeidh

- I. Background: Co-chomunn Eirisgeidh is located on Eriskay Island, one mile off the Coast of South Uist. (Map 2). There are 53 households on the island, giving a population of 204 of which 45 are school-going children. The land of the island is divided into 73 crofts, 23 of which are held by absentee owners. Fishing is the mainstay of the economy, with 6 boats operated on a sharefishing system.
2. Origin: The co-chomunn was formed in June, 1979. The impetus came from the Community Council, a representative body funded by the Western Isles Council. The chairman at the time was a retired local school master. 98 locals - almost 100% of adults - are shareholders, the average share being £77 (minimum £50).
3. Activities: i) A shop begun March 1980, employing two people;
 ii) Diesel supply for local fishing boats;
 iii) Haulage - truck and forklift;
 iv) Minibus - operated in conjunction with the local Youth club;
 v) Hand knitting - marketing the produce from 12 local knitters;
 vi) Generator (standby).

Total fulltime employment: 5

Plans include an office service for local businesses (including S. Uist), a new community hall and self-catering holiday cottages.

The Co-chomunn provides mainly a service function, supplying goods at a cheaper price. It has no involvement in agriculture.

4. Management: A committee of nine - 3 positions on which are open to election annually - supervises the running of the co-operative. They adopt a monitoring role, allowing the manager to assume both management and developmental functions.

The manager is from Glasgow, though with distant relatives on the island. He does not speak Gaelic.

Community involvement is limited, with little direct liaison. 40 people attended the last A.G.M. Elections to the committee are rarely contested, but there is a good turnover of committee membership, with 3 new members being elected at each of the last two AGMs.

5. Problems: (i) Due to the intense nature of local family ties, potential local factionalism/jealousy over job opportunities and services must be handled with care.
- (ii) The necessity for research/back-up facilities is obvious as the co-chomunn seeks new development opportunities. The manager himself has not got the resources to do this work.
- (iii) Agricultural development is extremely limited, with many crofts held by non-residents. Due to the croft housing grant, a disincentive to amalgamation exists. However, the island's poor agricultural environment is itself possibly the main disincentive to attempts at further development.

- (iv) Education concerning development and co-operation, both for the general community and the co-chomunn committee, is desirable. The latter also lacks administrative and financial expertise.

6. Other: The local priest plays a major role in co-chomunn affairs. His contribution is extremely positive, acting both as secretary and general handyman.

The language issue is not a priority with no evidence of its use in co-chomunn affairs (at least at a formal level).

As the co-chomunn succeeds in its projects, the local people show an increasing receptivity to its ideas.

Co-operation between co-chomuinn is regarded as a positive idea, though an informal arrangement is preferred in order to avoid bureaucracy. The cross-fertilization of ideas is seen as a major benefit.

7. Conclusion: Co-chomunn Eirisgeidh would seem to have reached a plateau in its development. Services provision is now almost exhausted with the exception of the planned community hall. Future expansion will involve more developmental projects, including tourist amenities and fish processing. To adopt such an approach will require additional financial and technical input which by necessity must be sought from beyond the co-chomunn via the state (e.g. HIDB).

The increasing possibility of conflict with local entrepreneurs is a further difficulty.

(2) Co-chomunn na Hearadh

1. Background: Co-chomunn na Hearadh covers the district of Harris, with a population of over 2,500. Crofting is again dominant, with land conditions being very unfavourable. Fishing is the main activity in the area. The co-chomunn is based at Leverburgh at the southern extremity of the island (Map 2).
2. Origins: A steering committee was set up in March 1979 which officially registered and a co-op 4 months later. A manager was appointed in December of that year and trading began in February 1980. There are now 312 shareholders (approximately 40% of the local population) averaging £35 per share. Total share capital is £11,354.
3. Activities:
- i) Coal supply, previously a local private business which has proved quite successful, employing 2 fulltime.
 - ii) Harris Craft Guild, a local organization of 200 members. The co-chomunn provides administration and a quality control service.
 - iii) An Clachan, a HIDB funded building, which houses a tea room, an exhibition centre, a craft shop (jointly run in conjunction with the Craft Guild) and a craft workshop (below).

- iv) A horticultural project, begun in June 1980, mainly to serve local need. 3 acres of land and 2 seasonal workers are involved. The project's future is uncertain.
- v) Fishing supplies: taken over from a local fishing co-op.
- vi) Craft workshop: (At An Clachan) opened in April 1981, in conjunction with an English company, to produce resin replicas. 3 full-time employees.
- vii) Building supplies, a business previously run by the Dept. of Agriculture and Fisheries in Tarbert. Now profitable, at least on a direct cost/revenue basis, it had a turnover of £70,000 in the first year. 2 employed.
- viii) Calorgas agency, taken over from a local agent in Nov. '81.
- ix) Office (One full-time employee).

Total fulltime employment is 10.

Future plans include a trial shellfish farming project with HIDB assistance. The Co-chomunn is hoping for an Integrated Development Plan (see below) grant, if successful, to cover processing also.

4. Management : A committee of 15 supervises the co-chomunn affairs of whom 5 are re-elected each year. In effect, only two members are replaced however. The manager has a good relationship with his committee, which provides ideas on new developments, along with having some useful administrative skills.

The manager, who is from Newcastle, previously worked with Heinz as an area sales manager.

His only specific training for this position was attending occasional HIDB workshops.

A major effect to improve community liaison is underway with a P.R.O. having been recently appointed and a newsletter is also planned.

5. Problems: (i) HIDB assistance (i.e. management grant), it was suggested, could be more extensive especially considering the social functions of the co-chomunn.
- (ii) Local people expect cheaper prices from the co-chomunn, not realizing the need for profitability.
6. Other: (i) Local Authority co-operation has been good.
- (ii) The co-chomunn is on target this year to break even, not including the management grant from the HIDB.
- (iii) This co-chomunn is strongly committed to inter-co-op co-operation.

7. Conclusion: Co-chomunn na Hearadh has, in the short period of its existence, acquired a range of service activities. Through economies of scale, it looks set to make these profitable overall. Attempts at productive operations have been less successful and illustrate the need for back-up research and support and, perhaps greater expertise, in this area. Community support and identification is another area for thought and policy. Compared with Eriskay, Harris is a far larger and more diverse island with its population in excess of 2,500, two small service centres, and consequently a less tightly-knit community structure.

(3). Co-chomunn Nis:

I. Background: Co-chomunn Nis operates in a more favourable agricultural environment in Lewis, the northern-most island of the Hebrides (Map 2), whose almost 100% Protestant population (as in Harris) contrasts with the mainly Catholic S. Uist and Barra. The co-chomunn is located at the northern extremity of Lewis, serving a population of about 3,000 people. Population structure is not a major problem in this area.

2. Origins: The main stimulus for the co-chomunn came from a Community Education project sponsored by the Van Leer Foundation. The co-chomunn, the first one founded in the Western Isles, was but one of a number of community initiatives that resulted from this project. The co-chomunn began operations in May 1978. There are 550 shareholders, contributing £15,790 @ £29 per share. Over 60% of local households are members. This share capital makes it the co-chomunn with the best local financial contribution of the three co-chomunn visited.

3. Activities: i) A construction division, now closed. This was a financial disaster, lacking the right equipment and management.

ii) A shop, mainly supplying clothing, veterinary products and hardware.

iii) A feedstuff/fertilizer store, with 2 vans for deliveries.

iv) Plant hire, for agricultural improvement, including a variety of machinery. The co-chomunn, alone on the island, can provide a complete land regeneration service. Extra business is expected from the Integrated Development Plan for the Western Isles, begun in 1982 and financed by the E.E.C., which, initially at least, has focussed on agricultural development.

v) A mobile snack van.

vi) A mobile shop and delivery service.

Total fulltime employment is 7.

4. Management: There is a committee of 15, which is felt to be too large by the manager. A core of 7/8 are active. Agricultural, Retail and Administration Subcommittees, which meet just before the monthly general committee meeting, help expedite the processing of business.

There has been a high turnover of managers - the present man is the third since the beginning.

The current manager previously worked with Eskimo Co-ops in Canada.

5. Problems: i) Financial difficulties due to a variety of reasons including, inter alia, the mistake of setting up the construction division and high rates charges;

ii) Limited direct benefit of co-chomunn activities to local women and children.

- iii) Intense competition regarding the supply of feedstuffs. It is hoped to form a cartel of local suppliers.
- iv) There is a local liaison problem, with both a newsletter and village meetings proposed.

6. Other:

The co-chomunn regarded the help of the local field officer, Agnes Gillies, as excellent. On the HIDB in general, they find a varying response depending on the individual involved.

There is no explicitly cultural dimension to the co-chomunn's activities as of yet.

7. Conclusion:

Due to the better agricultural land, the outlook for the area is very healthy. Development of this resource would seem to be the major priority of the co-chomunn and plenty of work seems assured.

ASSESSMENT OF THE CDC PROGRAMME TO DATE

The following assessment of the CDC programme is based on interviews with CDC managers and other involved individuals, past and present HIDB field officers, and HIDB head-office personnel, and also on a perusal of literature and documentation produced both by the HIDB and independent sources. The assessment is presented under a series of headings as follows:

(I) Factors Favouring CDC Formation

First of all it should be noted that two factors which have played a key role in Irish CDC formation appeared to be of no significance in the Scottish case viz. the Gaelic language and the provision of basic infrastructural services such as a piped water supply. As regards the latter, the general provision of public services such as

good roads, automatic telephones, garbage collection as well as piped water supply in the Western Isles, even on small islands, was at a level way above the norm in the west of Ireland. As regards the Gaelic language, this had nothing like the public or political profile one associates with the Irish Gaeltacht. Thus, although we were assured that Gaelic remains widely spoken, there were few overt indications of its presence in the form of public signposts, shop names etc., neither was it ever mentioned in the context of the motivation for CDC formation, nor was it incorporated expressly in CDC activities (e.g., no Scottish CDC operates Gaelic language summer schools, unlike so many of their Irish counterparts, although one such school is to be established on Skye by Staffin CDC). Indeed, it is only recently that the HIDB itself has begun to formulate any language dimension in its development policies.

Factors which did seem to be significant contributors to the formation included:

- (i) A need on the part of the HIDB to attempt new initiatives in areas (usually remote) where its standard approach to development was generating few positive results.
- (ii) In this context, the need for an approach which would harness community-orientated initiative given the apparent shortage of individual-orientated initiative due possibly both to emigration and an egalitarian tradition.
- (iii) At the same time, community morale appeared to be stronger in the Western Isles than in the west of Ireland, due possibly to the aforementioned higher level of public service provision, the generally more balanced demographic structure, and the higher level of educational attainment.

- (iv) However, despite the high level of public service provision, most communities were deficient as regards many "commercial" and social services (e.g., shops, public halls, garages, fuel supply, plant hire, repair services, laundry services). Remoteness and low population densities rendered most such services unattractive to the private sector, and this gap many CDCs have been attempting to fill, using shared overheads as a compensation for the other-
- (v) The strong sense of community identity has clearly been an important factor behind CDC formation in the Western Isles. The prior existence of community groups (councils, associations, etc.), itself a reflection of this community sense, was in turn an important foundation in many cases upon which to build a CDC.
- (vi) The availability of capable local figures to provide leadership has also been important in many instances, although in the long run it may be counterproductive to have individual CDCs too strongly identified with, or reliant upon, particular individuals. The HIDB, however, appears to be quite aware of the potential pitfalls in this respect.
- (vii) As noted already, the pioneering CDC emerged from a community where a community education project had been going on for some time: this suggests the possible value of prior educational preparation at the community level as a precursor to CDC formation.

(2) Assessment of the HIDB Promotional Scheme for CDCs.

- (i) As regards financial assistance, the HIDB is much more generous in the initial stages by comparison with corresponding agencies in the Irish case. Indeed, in some instances, the initial financial assistance may have been too generous in relation to the pace of growth of the CDCs in question, which, in one or two cases, have been left with cash balances which have had to be "used up" to avoid tax liabilities, a practice not conducive to proper planning (although it may be that such balances would not have arisen in the first place if the CDCs concerned had developed according to their original plans). This suggests that an alternative method of phasing the establishment grant according as new projects are introduced may be preferable to the present approach of providing a block matching grant at the beginning, although such an approach could be quite difficult to administer.
- (ii) As regards the management grant, there were some suggestions that the five-year limitation was too restrictive. Although it has been argued that an ongoing subsidy is not conducive to the attainment of managerial efficiency, it has also been argued that many of the activities of CDCs are inherently "social" in function, with no/little possibility of achieving financial viability, and that some formula should be developed for providing a continuous subsidy at least for the administration of these activities, provided, of course, that their continuation is deemed worthwhile.
- (iii) The idea of having a development plan prepared and vetted prior to CDC formation is highly commendable, as the current problems of many Irish CDCs may be attributable in part to the "ad hoc" nature of their operations, due to the absence of a coherent planning framework to which they can relate. However, it should be said that in many cases the development plans have not been strictly adhered to - following the initial securing of HIDB funding - with, as a result, an increasing incidence of ad hoc decision-making in these cases.

In addition, there have been suggestions that the HIDB's evaluation of individual projects could have been tighter than it has been. While the HIDB may be inclined towards greater tolerance of mistakes and less stringent viability criteria because of the particular difficulties and disadvantages of the areas concerned, at the same time the reverberations of project "failures" are likely to be particularly serious in such areas also.

- (iv) The role of field officers has been crucial to the promotion of the CDC scheme. The HIDB appears to have been fortunate in the quality of the first two field officers appointed. It has been suggested that once a network of CDCs has been established, the role of field officers becomes more routine and less central, and thereby less demanding in terms of input and personal qualities. At the same time, it may be that some more streamlined, institutionalised approach to training potential field officers is desirable in order to reduce the chance element in finding the "right person at the right time". This applies also to CDC managers, and is discussed further in the latter context below.
- (v) The provision by the HIDB of on-going back-up services to established CDCs appeared to be generally satisfactory, although there were complaints of poor responses in individual instances. While most back-up services are provided from head-office in Inverness, there is a full-time officer responsible for education and training for CDCs based in Stornoway. Given the small scale of operation of the existing CDCs, the availability of specialist advisory services from the HIDB is of great importance to their successful functioning. This seems to be in contrast to the Irish situation where, despite the much larger scale of the CDC movement in general and of individual CDCs, the level of support services provided by the Gaeltacht Authority and the Department appears to be meagre.

3. ASSESSMENT OF PERFORMANCE OF CDCs.

In assessing the performance of the CDCs to date, it is important to identify the objectives against which this performance should be measured, and in this respect there may be some confusion. As mentioned earlier (pp.12,13), many of the potential advantages of CDC development are essentially qualitative and not directly measurable (e.g., promotion of community confidence and development dynamic). However, in promoting the CDC scheme in the Western Isles, emphasis was placed on the more directly tangible potential benefits, viz. employment creation and service provision, which may have led to exaggerated expectations within the communities concerned. The resultant lack of clarity of definition of objectives among those concerned may lead to differing viewpoints on how well the CDCs have been performing up to now.

The main overt contribution of the CDCs thus far would appear to lie in the provision of services to the communities concerned. Their contribution to employment creation has so far been limited (an average of 3 full-time and 12 part-time workers per CDC compared with an average of about 12 full-time workers for the 16 Irish Gaeltacht CDCs, most of which, of course, have existed for longer than the Scottish CDCs), while their performance in generating income opportunities has also been modest. In addition, the financial viability of many of the activities engaged in is not yet established.

At the same time, the CDC scheme has not been particularly expensive by comparison with other HIDB activities. In relation to employment created, the expenditure of the HIDB on CDCs (according to the HIDB itself) has not been unfavourable, and this is before any allowance is made for the social value of the services provided. This suggests that, modest though their performance so far may have been, the CDCs are making a positive contribution in economic terms which otherwise would not have occurred. This is all the more significant given the apparent difficulty of the HIDB in generating economic activities through its "normal" development schemes, at least in the areas visited.

However, perhaps the most significant contribution of the CDCs is essentially non-quantifiable viz. their general developmental effect on the communities concerned. This can include such things as:

- (i) Boosting community morale and confidence;
- (ii) Identifying/developing local leadership and enterprise;
- (iii) Developing/transmitting skills to those involved in CDCs e.g.
 - (a) Organisational/management skills among committee members;
 - (b) Ability to deal with outside agencies;
 - (c) Specific skills among employees such as construction, land development, fish farming.

Even if some CDCs were to fail, many of these benefits would remain in the community. We have been impressed by the attitude of HIDB personnel dealing with CDCs in this respect: they are prepared to adopt a wider set of criteria than narrow financial considerations in judging the performance of CDCs, an approach which is rare in state agencies. Thus, although the HIDB does insist that all assisted CDCs should eventually attain financial viability, they do allow them a longer period within which viability can be achieved than would be expected from a "normal" commercial enterprise, partly in acknowledgement of the additional difficulties arising from the prior absence of commercial skills among most of those involved in CDC administration and other operational difficulties to be faced (remoteness, etc.), and partly in acknowledgement of the aforementioned function played by CDCs in developing and transmitting useful skills within the communities concerned.

We have also been impressed by the preparedness of the HIDB to adopt a long-term approach to evaluating the CDC scheme. It is acknowledged that mistakes will be made, and that both the HIDB and the CDCs themselves are still in a learning situation with regard to a very new approach to development. Indeed, given that less than five years have passed since the first CDC was registered, it is premature

to attempt making any general judgements on their performance. However, we believe that it is particularly important that the HIDB appears to have a commitment to the CDC idea, in that every chance will be provided to allow them to work.

As regards popular participation in the CDCs, there appears to be a very high level of community membership in the form of purchases of shareholdings. Committee membership, on the other hand, seems to be variable in terms of how broadly-based it is, and in turnover. Attempts to develop ongoing community participation in, and awareness of, CDC activities seem to be poorly developed, and means of achieving this through area/neighbourhood committees and newsletters might be worth pursuing. While programmes for providing education/training for committee members are being developed, it may be argued that the long-term success of CDCs depends on developing within the general membership and the community at large an understanding of the principles of community development, co-operatives, organisation/administration, etc. This in turn will require the development of appropriate community and adult education programmes.

As regards management, a problem has been that there exist no institutional education/training programmes which can produce a person with the wide range of qualities necessary for managing such an organisation as a CDC. Such qualities include:

- (i) Knowledge of, and commitment to, the ideals of co-operation;
- (ii) Technical skills, including accountancy, administration and personal management; and
- (iii) Sympathy with, and understanding of, both the people and the environment of the community in question.

Despite the suggestion that CDC managers should not be drawn from the communities themselves because of the vulnerability to personal pressures arising in such closely-knit communities, the general preference has been for local people, where available. Indeed, in order to cultivate a flow of such people with the desired qualities, the HIDB is now developing a management training

scheme appropriate to CDC management. As originally envisaged, this would have involved a three-year programme whereby suitable young local people would spend one year in in-service training with existing CDCs, one year in mainland business schools, and one year in mainland businesses, after which they would be appointed as assistant managers with CDCs, thereby creating a reservoir for filling vacancies arising in existing CDCs or for appointment to new CDCs. However, it is now thought that the time period involved is too long, and may be cut by half by the time the scheme is implemented. This programme would also provide a suitable source of new field officers for the CDC scheme.

Up to now, the appointment of managers has been on an ad hoc, "hit-or-miss" basis, given the lack of prior experience on the part of the CDCs themselves and the HIDB, and the aforementioned lack of any institutionalised training scheme for CDC managers. Accordingly, the performance of the managers appointed has been understandably varied. However, as the CDC committees and the HIDB develop the requisite experience, and as the training scheme becomes established, one expects a general improvement in management competence.

4. OTHER FACTORS INFLUENCING CDC PERFORMANCE

(i) Politics

Unlike Ireland, where party politics tend to permeate local organisations (especially in the west), there was little evidence of such intrusions in the case of the Scottish CDCs. This is partly due to the tradition of keeping party politics out of local government in Scotland, whereby, for example, virtually all the members of the Western Isles Council are - at least nominally-independent. It is also partly due to the greater powers of local government and the greater remoteness of central government in Great Britain generally, which means there is not the power vacuum at local level (conducive to local machine politics) and tendency towards clientilism which exist in Ireland. Given our own experience of the capacity for party politics to generate local divisiveness in Ireland, the Scottish CDCs appear to have a decided advantage in this respect.

(ii) Local Private Business

In some cases in Ireland, competition between CDCs and local private enterprises can be a source of friction in the community. This tends not to be the case in Scotland, largely because of the HIDB policy not to support CDC activities which would compete with existing private sector activities, where deemed adequate.

(iii) Other Sources of Local Friction

This question was inspired by, for example, continuing instances of kin-based factionalism in West of Ireland communities. However, apart from isolated cases, the CDCs visited in Scotland reported no problems arising from social divisions in the local communities.

(iv) Relations with Local Government

In the case, at least, of the Western Isles, the local authority has been quite supportive of the CDCs. This, of course, is all the more significant given the greater powers/functions of local government in Britain by comparison with Ireland.

(v) Relations with Central Government

Partly because of the greater powers of local government, and partly because of the role of the HIDB as intermediary, and no doubt partly because of their own small scale of operations, the CDCs find they have few dealings with central government agencies. This is in marked contrast with the Irish situation, where CDCs find themselves dealing with a confusing array of such agencies.

5. FUTURE PLANS/PROSPECTS

(i) Federation

At the moment, a plan to establish a federation of CDCs is being prepared. Among the purported advantages of federation are:

- (a) Bulk purchasing, joint marketing, and joint transport operations.
- (b) Provision of central specialist services, such as accountancy, legal advice, education/training.
- (c) Articulation of a common voice for all CDCs in, for example, relations with government and the media.
- (d) Cross-fertilisation of ideas/experiences.

Of these, perhaps (b) has the most significant long-term implications, in that it would allow the CDCs to emerge from the "protective wing" of the HIDB, and develop a more independent standing.

At the same time, the federation proposal applies only to the seven Western Isles CDCs, and while this has an obvious basis in cultural and communication logistics terms, one wonders whether their scale of operations is sufficient to support a central organisation of the type envisaged without continued financial support from the HIDB (although, in the initial years, such support is envisaged).

(ii) Future CDC Expansion/Development

- (a) Existing CDCs: Among the possible areas of activity with expansion potential for CDCs we would suggest:
 1. Peat development for both domestic fuel and possibly power-generation;
 2. Gaelic colleges;
 3. Rent-a-Cottage schemes for tourists;
 4. Agricultural supplies - particularly in view of the demands likely to be generated by the EEC-sponsored Integrated Development Programme for the Western Isles introduced in 1982 involving very generous grants for land and agricultural development, and which has generated a high level of interest (vide enquiries

from 1200 of 6000 circulated crofters within two months of the inauguration of the scheme).

5. Fish (especially shellfish) farming.

Apart from these commercial activities, we would also like to see the CDCs devoting more attention to general community education and also to developing the role of women, at both CDC and community level.

- (b) Additonal CDCs: Initially the CDC scheme was earmarked for those areas considered to have the greatest need for new initiatives, in that the HIDB's existing policies were proving deficient, and the greatest potential for CDC formation, arising from strong community identity and occupational pluralism. Accordingly, the most intensive promotion of the scheme occurred on the islands. In these areas, the HIDB anticipates further CDC formation. In the Western Isles, there are still some communities which would benefit from CDCs, although, with seven existing CDCs, the potential for more is obviously limited. Skye, with one established CDC and two steering committees, is just getting off the ground, but none of the other inner islands have as yet got to the steering committee stage. With respect to the latter group of islands (extending from Rhum to Arran - Map 2) it may be that a successful pioneering CDC could have the requisite kindling effect. The same may apply to Shetland, where the one steering committee has not yet evolved into a CDC. In Orkney, the first CDC was formed in 1979, but it was not until 1982 that two more materialised and, if the momentum is maintained, one or two more may be envisaged.

There are differences of opinion among HIDB personnel concerning the potential for CDC development on the mainland. However, this potential clearly exists for the remote mainland areas, as reflected in steering committee formation (Map 2) and, indeed, the first mainland CDC was registered in late 1982. Perhaps more significantly, the number of enquiries from mainland communities has been rising, despite the lack of promotional effort by the HIDB, to such an extent that existing HIDB personnel resources are being stretched (although the indications are that initial enquiries are not being matched by sustained interest).

The point may shortly be reached, therefore, where the HIDB will have to reassess the position which the CDC scheme holds in the overall structure of the Board's development activities. Should the scheme continue to be regarded as applying only to "difficult" and remote areas, or should it become a more central medium for rural development throughout the HIDB region, involving more intensive promotion and a significantly increased commitment of resources and personnel? In the context of the current recession, with government cutbacks and a decline in private sector investment, local communities may have to look increasingly to their own resources, in which case the CDC medium may attain increased significance as a vehicle for mobilising such resources.

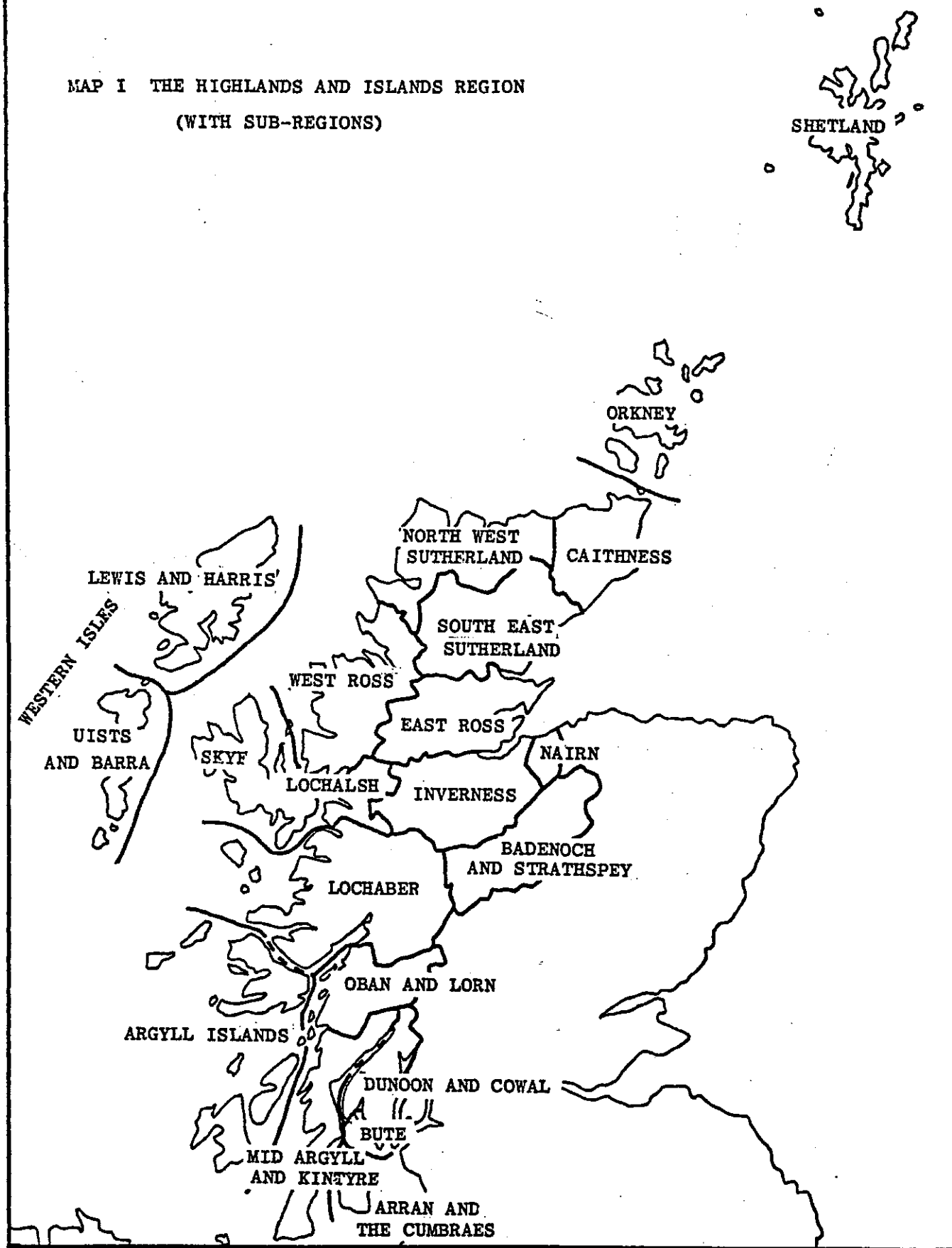
Finally, to the extent that CDCs can have the important cultural function of promoting/conserving distinctive community identities, where such exist, it may be that they could have a particularly important role to play in those mainland areas where a residual Gaelic culture has survived. One might suggest, therefore, perhaps as part of the special policy for the Gaelic language currently being prepared by the HIDB, that special provision be made for promoting CDC formation in such areas.

PART 4: CONCLUSIONS

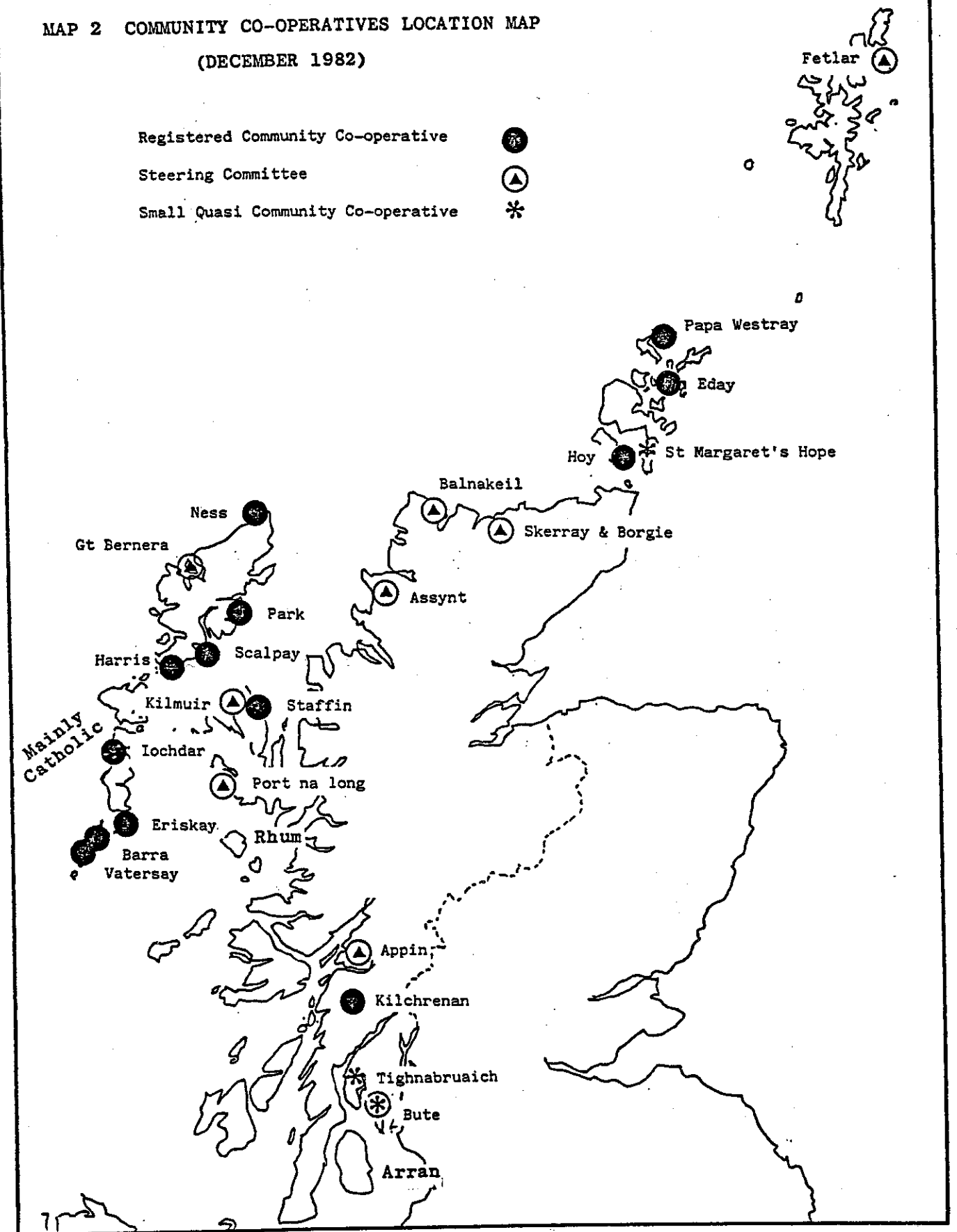
The principal overall conclusions derived from the foregoing study are the following:

- (1) A state agency with responsibility for rural development should be equipped with a sufficiently wide range of functions in order to pursue a comprehensive and integrated approach to such development.
- (2) At the same time, community-based groups, sensitive to both local needs and resources, and capable of harnessing local energies and capabilities, can make a considerable contribution to the development process.
- (3) A development strategy involving close co-operation between state agencies and community groups is both desirable and possible in this context, with state agencies having particularly significant functions in terms of the encouragement of local initiative, the provision of specialist technical advice, the monitoring of locally-generated development plans, and the encouragement of contacts and joint initiatives between local groups.
- (4) The state agencies, in this context, need to adopt a tolerant, flexible and imaginative approach, and an open-ness to experimentation with regard to new developmental possibilities. This will involve broader conceptions of what "development" means, and accordingly, different criteria for measuring success in this respect.
- (5) Finally, for their part, community groups may need to devote greater energy and attention to developing a more intimate liaison, including a broad educational dimension, with their respective communities in order to fully mobilise the development potential of these communities.

MAP 1 THE HIGHLANDS AND ISLANDS REGION
(WITH SUB-REGIONS)



MAP 2 COMMUNITY CO-OPERATIVES LOCATION MAP
(DECEMBER 1982)





Category	Enterprise	Co-operative Locations												
		Ness	Vatersay	(1) Eriskay	Pairc	Papa Westray	(2) (3) Harris	Ioohdar	Scalpay	(4) Barra	Staffin	Hoy	Eday	Kilchrenan
Land	Horticulture	•	•											
	Agricultural Plant Hire	•			•	•					•	•		
	Agricultural Requisites	•			•	•				•	•	•		
	Peat cutting				•	•				•	•	•		
	Livestock rearing		•		•	•				•	•	•		
Sea & Fish	Fish Farming				•									
	Shellfish Cultivation		•		•									
	Fish Processing													
	Fishermen's Requisites			•					•					
	Lobster holding								•					
Building & Manufacturing	Building Supplies	•												
	Building Contracting													
	Plant Hire			•										
	Manufacturing Workshop		•		•									
	Knitwear			•	•									
	Sheepskin Curing			•	•									
	Craft Marketing			•	•									
Services & Tourism	Bakery				•									
	Upholstery				•									
	Museum/Cultural Centre													
	Hostel/Guest House													
	Package Tours													
	Self-catering cottages			•	•									
	Auto worksnop			•	•									
	Retail Shop	•	•	•	•									
	Catering	•		•	•									
	Community Hall	•		•	•									
	Community Mini Bus			•	•									
Coal/Fuel	•		•	•										
Refuse collection		•	•	•										
Bicycle hire		•												
Public House														

x Projected o In operation

SMALL QUASI COMMUNITY CO-OPERATIVES ACTIVITIES

Location	(Name)	Function
Tighnabruaich	(Kyles of Bute Knitters Ltd)	Knitwear production
St Margaret's Hope	(Hope Workshop Ltd)	Craft marketing
Bute	(Brandane Co-operative Ltd)	Printing/Newspaper

Footnote:
 (1) includes activities of Eriskay Fishermen's Co-op Ltd
 (2) includes activities of Harris Craft Guild
 (3) includes activities of Harris Fishermen's Co-op Ltd
 (4) includes activities of Barra Fishermen's Co-op Ltd

Appendix I (Source: "Community Co-operatives: Facts and Figures", HIBD, Dec. 1982).