

Potential Wider Role for the Co-operative Enterprise Model in Ireland - Forfás

Forfás today (Thursday, 6 December 2007) published a profile of the co-operative enterprise sector in Ireland and internationally. The report, *Ireland's Co-operative Sector*, forms part of a review of the legislative and organisational framework for co-operatives in Ireland being undertaken by the Department of Enterprise, Trade and Employment. The report identifies some of the key challenges and opportunities for Irish co-operatives for the future.

Speaking at the launch of the report, the Minister for Trade and Commerce, Mr John McGuinness, TD commented, "The co-operative movement has played an important role in key areas of economic and social development in Ireland to date, most notably in the development of the agricultural sector and the credit union movement. Internationally, co-operatives operate very successfully in a wide range of sectors including banking, insurance, retailing and agriculture. International evidence suggests that there is further potential for the development of the co-operative approach in Ireland based on an up-to-date and supportive regulatory framework".

Irish co-operatives vary in size, structure and range of activities. In 2006, there were 1,040 co-operatives registered in Ireland with over 270,000 members. The sector generated approximately €3.8 billion in sales revenue¹ and employed over 38,000 people. The vast majority of co-operatives in Ireland are agricultural and account for 98% of the total turnover of co-operative sector. Globally, it is estimated that there are over 800 million members of co-operatives, with co-operatives providing jobs for over 100 million people.

However, in comparison to other countries, the role of the co-operative model in Ireland is limited. Martin Cronin, Forfás Chief Executive said, "While the co-operative movement is confined largely to the agricultural sector in Ireland, its significance internationally suggests that the co-operative model could play a greater role here, particularly in a social context. In other countries new co-operatives have emerged and are meeting social needs in important areas such as healthcare, childcare, housing and environmental protection. For example, childcare co-operatives currently account for two thirds of day care centres in New Zealand, Canada and Sweden and housing co-operatives were responsible for 16% of all housing units in Sweden in 2002."

The Forfás report identifies a number of issues to be considered in the forthcoming review of regulation of the sector including:

- providing a conducive framework for the full potential of the co-operative model to be realised, including in areas such as childcare, education, housing and healthcare;
- ensuring a level playing field between co-operatives and the other legal options for structuring enterprise activities; and,

¹ 2005 data - does not include Credit Unions which are registered with IFSRA

- promoting a greater appreciation of the co-operative model as a distinct form of organisation.

Minister McGuinness concluded, "Co-operatives are the expression of the idea that people can agree to work together on an equal basis and share equally in the results of their work. This concept fits well with wider societal objectives, such as those of social cohesion and of increasing the stock of social capital. The continued development of the co-operative model could be valuable in providing an additional dimension to social partnership in Ireland. For example, co-operatives may have the potential to play a role in addressing social policy and quality of life issues such as those arising from long working days, commuting, isolation and lack of community facilities, by filling market gaps, providing public and community services, and developing community assets."