

**Co-operatives In Rural
Renewal:
The Case of Arranmore,
Ireland**

Gary Lewis

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Abstract

Using a remote island of the west coast of Ireland as a case, this paper tells a story of the effective use of co-operatives at the local and regional level to harness and focus the energies of community members towards reviving their remote community. It covers from the late 1970s to the present day. It shows how co-operatives had to battle indifference from the national government, but were able to use opportunities made available by the supranational European Union to advance their cause. The paper concludes with a summary of lessons for successful development, which the Arranmore experience demonstrates.

Introduction

I was aware of the valuable work being done by the more than twenty co-operatives in the Gaelic-speaking region of Ireland (Gaeltacht) and so when I saw an SBS television programme touching upon co-operative efforts by the community of the island of Arranmore (Arainn Mhór) to arrest a population drift and develop employment, I decided to go there.

My belief was that some valuable lessons might be found in the Arranmore experience, which possibly could have application in remote Australian rural communities seeking ideas to address similar problems. Parallels between the *Gaeltacht* and the preservation of indigenous Australian languages and cultures, as well as the refurbishment of ‘Outback’ communities in general, suggested themselves. Also, given the strong Irish factor in the Australian population and the many historical social and cultural traditions the two nations share, I thought that Australians working for rural regeneration might readily relate to the Arranmore experience, essentially one of an isolated community.

Background

Throughout the twentieth century Ireland’s island communities have been abandoning their homelands. A 1971 census of the republic listed ninety-four inhabited offshore islands. The 1979 census listed just eighty. Out migration, either by an individual family or finally by the remnant of the whole community, was a response to a perception that life on the mainland would be more rewarding, a perception strengthened too often by adverse conditions on the island, low incomes, under employment, poor service provision, bad housing and the general inconvenience of island life in terms of isolation, of difficulty of access to markets and services and increased cost of living.¹

The Irish islands are generally located within peripheral and disadvantaged areas within the republic and, in competing with mainland areas, are required to show a special status for any assistance they receive. Many are located in designated Gaeltacht (Irish speaking) areas, which enjoy a special status. Ireland has been unusual in recent time in that in European Union (EU) parlance the entire country has been designated as an ‘Objective 1’,

¹ Stephen A Royle, *Changing Ireland: A Dispersed Pressure Group Comhdháil na nOileán (Federation of Islands of Ireland)*, 1986; *Comharchumann Oilean Árann Mhór (Arranmore Island Co-operative) Integrated Development Plan, 1994-1999*.

or disadvantaged region. Also, until quite recently, the Irish islands, unlike many of their EU counterparts, did not enjoy exemptions, special treatment or derogation, whether financial or statutory, from the national government or the EU. They were also, surprisingly, not included in EU commissioned reports dealing with the Offshore Islands of the European Union.

Arranmore Island lies two miles off the northwest Donegal coast. It is some seven square miles in area. Much of the island is over 500 feet in elevation with upland peat bogs. The granite cliffs and hills of the north and west shelter the settled areas, which are concentrated on the eastern and southern shores. The dramatically beautiful and rugged island upland contains eight lakes which are used for angling and water supply. There are several abandoned islands in the vicinity of Arranmore, all of which are not now permanently inhabited. Arranmore is within the local authority administrative county of Donegal County Council and as an Irish-speaking area is within the remit of the Gaeltacht Development Agency *Udaras na Gaeltachta* and the government department of the Gaeltacht: *Roinn na Gaeltachta*.

A Community Association

In the 1960s the island was dying with a population of 700 and declining. The population was aging and many young families were leaving. The island was suffering from isolation and the absence of basic urban amenities, for example running water and public lighting. In the early 1960s a community association formed involving the clergy, teachers and islanders. Meetings were held every few weeks and it was decided, as most islanders were fluent in *Gaeilge* (Gaelic), to approach the *Udaras na Gaeltachta* to establish a Gaelic school. A teacher (Peter Kelly) arrived to set up the school: St Crone's College. Later in the sixties about 200 students from all over Ireland arrived to study at a Gaelic summer school to find no running water and no flushing toilets. People were required to go to the lake to fetch water to meet the sudden surge of population on the island. The community faced the prospect of the school closing down if reasonable amenities could not be provided.

Digressing briefly, it is interesting to note that Father Doctor Eugene McDermott was the island priest through much of the period discussed, from (approximately) 1969 to 1983. A radical priest, who was viewed askance by the Catholic hierarchy, McDermott is credited

with writing *My Story: by Paddy the Cope (Patrick Gallagher)*. This inspirational book relates the heroic story of Gallagher's struggle against the odds in developing the Templecrone Co-operative Society in West Donegal (still functioning and within sight of Arranmore Island). Indeed *Paddy the Cope* was an inspiration for co-operative development in many Australian rural communities in the twentieth century. The degree to which McDermott influenced early co-operative developments on Arranmore, however, is unknown. He is buried on his beloved island.²

In the early 1970s the community association secured funding from the *Udaras na Gaeltachta* and the Donegal County Council to install a water supply and filter plant. Islanders contributed about P£4 (A\$8) per person for the installation of a water scheme. The alternative was the loss of the college. The association then hired a contractor with a digger, which was brought in on a trawler, and household members dug their own drains to install pipes. The pipes were brought in on half-decker boats at high tide and involved heavy laborious work. The community volunteered with labour and chipped in to pay. A Dublin company supplied materials on credit and the banks helped with an overdraft. By 1976/1977 the whole island was reaping the benefits of a new water system.

The point for our discussion is that the islanders demonstrated a ready capacity for self-help and this was an environment in which co-operation could grow.

The Arranmore Island Co-operative (Comharchumann Oilean Árann Mhór)

The water system saw a surge of bathroom renovation and construction on the island and a new demand for housing. The Arranmore community association now investigated the idea of a co-operative, looking at examples in Cork and Aran. Assisted by Paddy Bolger, a county development officer and expert in agricultural co-operatives in Donegal (and, I think, author of *The Irish Co-operative Movement: Its History and Origins*) and Tony Barrett, from Galway, also a co-operatives expert, the islanders held a series of meetings over several weeks. Pioneers believe that, without this professional input, it is unlikely a co-operative would have been able to form. A public meeting to form a co-operative saw

² Father Doctor Eugene McDermott, *My Story, by Paddy the Cope (Patrick Gallagher)*, Jonathan Cape, London, 1939.

about 300 attend. Shares were set at P£50 (A\$100) each, a deliberately high figure reckoned to involve greater participation than a lower amount. Pensioners were exempted.

The Arranmore Island Co-operative (*Comharchumann Oileán Árainn Mhór Teo*) was registered in 1978 under Industrial and Provident Societies legislation as a development co-operative. It was organised to perform two functions:

- Operation and management of a hardware and lumber store; and
- To provide a focal point for the organisation of development projects, including agricultural development; road repairs; management of a local craft shop; and, in general, projects which would normally be managed by a county council, local authority or utility.

Unable to afford a manager, much of the co-op's early work was on a voluntary basis. The co-operative's priorities were first to build a store to warehouse and supply building materials for the island's 'bathroom revolution' and, later to supply fertilisers, animal feeds, tractors, a machinery pool including an excavator, a fork lift truck and an oil carrier. The second major priority was to create a regular ferry service. Co-operative members set about building the store themselves, bringing in materials from the mainland on half-decker boats and carrying them up the steep hills of Arranmore on a tractor, involving much heavy labouring. Again, it was a case of self-help.

The co-operative now organised applications for funding to the Department of the Arts, Heritage and the Gaeltacht. A Department of Social Welfare poverty alleviation agency assisted with a revolving fund, which provided essential seed capital. This enabled the co-operative to draw down upon an account and top it up as it could. Pioneers believe that without this financial support the co-operative could not possibly have functioned.³

The Arranmore Co-operative and community activists associated with it played a major role in community development in the following decade, enlisting the support of various public organisations for projects including:

- Construction by the county council of ten council cottages;

³ Discussions with Anthony (Tony) Gallagher, Manager, Arranmore Co-operative Limited and Charles (Charlie) O'Hara, Secretary, Arranmore Co-operative Limited.

- Introduction of a regular vehicular and passenger ferry service;
- Construction of a health centre by the North-West Health Board;
- Renovation of a community centre with the International Fund for Ireland, and
- Construction of a craft centre.

The opening of the secondary school in 1990; following a seventeen year campaign led by Arranmore Co-operative Secretary Charlie O'Hara; a still flourishing fishing industry and the introduction of a regular ferry service saw population return to the island, which climbed to about 850 people by the early 1990s.

The ferry service was an enormous boost to the island's economy. Funded by the Department of the Gaeltacht, the original plan was for the co-operative to lease and operate the vessel. Regular services began in 1984 with the co-operative organising crew and maintenance. The service revolutionised island development making easily available foods and materials previously too expensive to import. However, insurance problems relating to an inadequate pier, which exposed the ferry to huge seas in winter, and maintenance problems, saw the craft taken out of service for almost three years. The department then put the ferry service out to tender. The co-operative decided not to apply, concerned by capital costs and the ferry service passed into private hands, going on to be a great success and radically altering the nature of island life. The point is that the co-operative was instrumental in catalysing a successful 'spin-off' business.

In 1989 Anthony Gallagher, long associated with the community association, was appointed as the co-operative's first full-time manager. Soon after, early in 1990 the co-operative offered prizes for an architectural contest to design a tourist village, including ten self-catering cottages, public services, tennis courts and similar facilities. Land was purchased. In the same year, the co-operative petitioned the county council to transfer responsibility for maintenance of the island roads to the co-operative. As a registered contractor and with a machine bank, including a four-wheel drive tractor with attachments and tractor-trailers, the co-operative argued it could do the job properly under the direction of a county engineer. A positive economic spin-off would be that local residents and equipment could be used, generating employment.

Decline of the Fishing Industry and Agriculture

Some 120 islanders were engaged in fishing in 1968 with about sixty boats fishing out of the island. Because of over fishing, however, by about 1986 fishing as an industry (salmon, herrings and lobster) went into rapid decline and by the early 1990s was virtually destroyed. Agriculture also declined. In 1980 there had been 265 cattle on the island and a wide variety of crops such as potatoes, oats, kale, turnips with a considerable area given to tillage. There is now virtually no forestry or horticultural operations on the island. Farming has declined to a single activity: sheep, particularly for the French lamb market. Unemployment shot up and emigration recommenced. A craft factory designed to generate new jobs lasted for a few years, keeping some workers on the island, but with the clothing industry undergoing structural change this failed and the emigration flow continued.⁴

A 1992 survey indicated that only four households relied on fishing as a major source of income. The population was fluctuating and, generally in decline, from 740 in 1986 to 590 in 1991, for example, and hovering around the 600 mark.

The collapse of the fishery was equally devastating for most island communities. By 1993 there were only sixty-eight inhabited offshore islands left in Ireland, down from seventy-two only twelve months earlier. The population structure, typical for declining areas, showed relatively fewer younger people in comparison to a predominantly older population.

Notwithstanding impressive progress made by the co-operative, by 1996 unemployment still ranged between 52 and 59 per cent, against a national level of 11.5 per cent, and the population was decreasing. Population projections for Arranmore indicated that without a concerted development strategy the population would continue to dramatically decline. Almost all of the island households were on low incomes with pension and unemployment payments amounting to P£1.18 million per annum (A\$2.36 million).

⁴ Stephen A Royle, op.cit.; Harold Webber, *Recommendations for Development Plans for Goals, Strategies and a Plan for Tourism on Arranmore Island*, 1990.

The Federation of Islands of Ireland (Comhdháil na nOileán)

The *Comhdháil na nOileán* (the Federation of Islands of Ireland) was launched at a convention on Clear Island, County Cork in September 1984. It was registered as a co-operative limited by guarantee. Stephen Royle notes that for such introverted, independent communities to come together in this way was remarkable, particularly considering ‘sociological’ constraints, including sectarianism and linguistic differences, and the geographic and financial difficulties of convening meetings of groups scattered so widely around the coast. The problems faced by all of the islands, however, made a coming together necessary. While all islands were subject to the control of different authorities, some, by reason of their linguistic traditions, were able to call on aid not available to other islands with similar problems and needs. Irish speaking islands (including Arranmore) received considerable support from the Irish government’s language-based development agencies *Udaras na Gaeltachta* and *Roinn na Gaeltachta*, not available to other islands.

The *Comhdháil* was organised to seek better facilities on all islands, to improve standards of living and to avoid further abandonment, and sought equitable treatment for all member islands, not only the Gaeltacht islands. The original objectives of the *Comhdháil* included:

- The full development of the individual in the island community;
- The overall development of island communities, especially their social, economic and cultural development;
- To provide a forum for representation of island co-operatives and development associations which are democratically representative of their communities;
- To conduct general meetings and committee meetings for the full development of the island communities.⁵

The Federation’s ultimate goal was for the government to establish one authority with total responsibility for islands and recognise the *Comhdháil na nOileán* as a consultative body to that authority. Membership was open to co-operatives and other development associations of any coastal island off Ireland committed to the development of the islands to the satisfaction of a *Comhdháil* committee.

⁵ Stephen A Royle, op.cit..

Initially the Irish government's response to the formation of the *Comhdháil* was cool, wishing it well but rejecting the *Comhdháil's* request to set up a separate islands' authority. This rejection, Rathlin's position under separate Northern Ireland administration and inequalities in levels of support from Dublin for Irish as opposed to English speaking islands, saw the *Comhdháil* seek assistance direct to the European Community as well as 'within Ireland'. In particular, the *Comhdháil* looked to successful Scottish islander models under the European Integrated Development Programme and aid given to some continental European island communities. In a bold move the *Comhdháil* sought funding for its sixteen island affiliates (including Rathlin) from the (then) European Economic Community (EEC).⁶

After going briefly into recess in the 1980s, the *Comhdháil na nOileán* was revived and well organised by 1993, involving islands from the counties of Galway, Donegal, Mayo and Cork.⁷ The Federation's objective was now to develop policies and plans for the inhabited islands of Ireland and to promote these within local authorities, state agencies, regional authorities, national government and the European Commission. The belief was that a consensus island representative body would lessen an attitude of dependency and better represent the islands to government and semi-state bodies at all levels. Based on Inis Oirr, Arainn, the *Comhdháil* co-operative secured funding under the EU Global Local Development Initiative for a full-time development officer to provide representation and lobbying from an island perspective with common approaches and strategies.

The *Comhdháil na nOileán* cleverly included in its regional committees representatives from the National Training Authority (FAS), *Udaras na Gaeltachta*, the Department of the Arts, Heritage, Gaeltacht and (later) Islands, county councils, enterprise boards, island development societies, companies, tourism committees, community councils, women's groups, project associations, craft groups, co-operatives including: *Comharchumann Cleire* (Cork), *Innismore* (Galway,) *Arain Mhór* (Donegal), *Ghabala* (Donegal), *Innisbofinne*

⁶ ibid..

⁷ The *Comhdháil* operated with a committee of seven elected at an annual general meeting, which met not less than nine times per annum. There were also general meetings to which islands were invited to send representatives. These general meetings, held about every three months, usually on islands, provided opportunities for people from different islands to get to know each other and to talk over areas of common concern. Meetings were generally bilingual.

(Donegal) and other co-operatives from *Innis Oirr*, Tory Island and Cape Clear. Co-operative affiliates were structured to play a developmental role, akin to local councils.⁸

The Arranmore Development Plan 1993

In line with these developments, the Arranmore Island Co-operative initiated an integrated development plan for the island in 1993. Funding was provided by *Udaras na Gaeltachta* and the co-operative, itself. Formulation of the plan involved wide-ranging consultation with the co-operative's members, the island's inhabitants and relevant public bodies, organisations and individuals. Surveys indicated that the service economy then consisted of the co-operative's hardware and timber store, five small shops, a mobile shop, seven public houses, one hotel, fourteen to eighteen part-time bed and breakfast establishments (seasonal), three self-catering cottages, eight caravans, a youth hostel, a seasonal cafe, a seasonal craft shop, a ferry office and a taxi service. A small bed and breakfast industry existed to service the short tourist season of about three months and the construction of holiday houses had begun to accelerate. The surveys revealed that the value considered to be most important to the islanders was 'community'. A primary goal of the development model, therefore, was to maintain and develop the social, cultural and community values of the island. The word 'development', as employed in the plan, was intended to include social, cultural and community advancement as well as economic development. Social development and self-help were seen as integrally related concepts in guiding the overall strategy for the island's future.

The Arranmore Co-operative was designated by the *Comhdháil na nOileán* to be the appropriate representative and development body for island, a fact underlined by the co-operative's own surveys which revealed strong support from the island community and public bodies.

In arguing its position, the co-operative acknowledged the high costs to the state of maintaining and developing remote islands but added:

The state has invested considerable capital on Arranmore. The islanders would enjoy a higher quality of life on the island than off it. Additional

⁸ Stephen Royle *op. cit.*

housing, school and health services would have to be provided on the mainland. Welfare and other state payments will still have to be paid. Another Irish speaking community will have been lost. Integration into the mainland would inevitably mean cultural loss and a loss of cohesive community. A comprehensive cost-benefit analysis of these assumptions would reveal that there would be a social, economic and cultural loss to the nation if Arranmore, and indeed if any of the offshore islands, were to be abandoned.

The 1993 plan identified six broad objectives:

- Economic development;
- Employment creation and training;
- Cultural and community development;
- Population retention and expansion;
- Provision of adequate infrastructure services and housing; and
- Environmental protection.

The plan argued that employment and incomes had potential to expand largely through the provision of services and tourism. Tourism was under-developed with no approved accommodation, notwithstanding a tourism plan completed in 1990. An immediate goal to boost the island economy, therefore, was seen to be the construction of an approved holiday village. Nevertheless, successful tourism was seen ultimately as depending upon promoting a distinct cultural ambience in an undisturbed environment – not simply getting tourists in.

Targeted areas included:

Sector	Key Development Measure
General actions	<ul style="list-style-type: none"> • Appointment of an island development worker. • Subsidy to ensure affordable ferry fares.
Farming/horticulture/marine culture	<ul style="list-style-type: none"> • Commercial tree production. • Feasibility of onshore tanks for crustacean, halibut production.
Infrastructure	<ul style="list-style-type: none"> • Provision of an environmentally sensitive island ring

road/upgrading of roads.

Training/education	<ul style="list-style-type: none">• Business development/management training for tourism.
Tourism	<ul style="list-style-type: none">• Development of a twelve-unit holiday village.
Cultural/community	<ul style="list-style-type: none">• Campaign on island folklore research/compilation.
Environment	<ul style="list-style-type: none">• Formation of island environmental group.
Services/industry/inter-islands actions	<ul style="list-style-type: none">• Provision of advanced cluster units.• Islands communication network.• Transportation assistance.• Reduced/zero value added tax (VAT)/excise.• Day-care/medical centre to be completed.

The community-private sector contribution to overall development costs was assessed at approximately 25 per cent, the rest originating from EU, national and regional government sources. The measures were expected to result in sixty-eight part-time, seasonal and full-time jobs, at P£25,000 (A\$50,000) per job, helping to reduce the overall social welfare payment for the island (then running at approximately P£22,648 [A\$45,000] per week).⁹

Accessing Funds and Public Policy

The Irish government was by now benefiting considerably from EU infrastructure and integration funding programmes, amounting to approximately P£1 billion (A\$2 billion) a year for the six years after 1993. Dublin was more amenable to demands from the *Comhdháil na nOileán*. Accordingly, *Comhdháil* affiliates became expert in accessing such funding as was available. Responding to *Comhdháil* pressure the government set up an inter-departmental islands committee involving representatives from all departments, adopting a ‘whole of government’ approach. A process evolved whereby co-operatives and

⁹ The measures were estimated to cost P£1.75 million over five years to 1999. Major costs related to public infrastructure, for example P£450,000 for a road network and P£500,000 for the development of a holiday village.

development associations affiliated with the *Comhdháil* would approach ministers of various departments with proposals which would then be passed to the Minister of State for approval and a determination.

Adopting a bottom-up approach, the *Comhdháil* achieved strong participation from island constituents. Government department attitudes towards the islands changed and high-level ministerial recognition was achieved. Chronic infrastructure deficits were addressed. EU funding, targeted specifically to the islands, also gave the islands a strong voice at county level, especially in rural strategy groups and working committees in various counties. The Donegal County Council, for example, established an islands committee with representatives from each island in the county. Arranmore Co-operative Manager Tony Gallagher sat on the County Strategy Board and the County Enterprise Board. In time, an expectation evolved that the County Council Development Committee would match grants approved by Dublin's Minister of State. The *Comhdháil* and the Arranmore Co-operative had successfully penetrated the public policy process.

Programmes and Plans, 1993–2000

Between 1993 and 2000 the *Comhdháil* (Federation) administered several successful programmes, including the EU global grants LEADER II (1995), NOW (Island Women) and the Peace and Reconciliation Programme. The Arranmore Co-operative achieved several grants through the LEADER II Programme (for technical support, training and employment, tourism, small and medium enterprise development, natural resources and environment). Specifically, the co-operative was successful with programmes for music courses, certificated tourism, art courses, a picnic area, and a tinting machine and development equipment. Other successful applications from the Arranmore community included projects for lake angling, self-catering at the lighthouse, the upgrading of accommodation, hostel refurbishment, fish processing, the installation of a storage and chill room, racing currachs and various marketing costs. Co-operatives on other islands achieved funding for marketing plan expenses, certificated tourism courses, introducing web sites, craft marketing, public lighting, cleaning waste, historical research, sail making, boat building training, feasibility studies, taxation training, improvements to public amenities and renewable energy source demonstrations.

The EU's NOW Programme targeted groups disadvantaged in labour markets, particularly women, assisting development of strong women's networks throughout the islands and valuable information and experience exchanges involving women from other islands in the European Community. The EU Programme for Peace and Reconciliation has enabled the Arranmore Co-operative to install a 'pitch and putt' course adjacent to its successful holiday village, for general community recreation.

The co-operative also successfully sought funding at national and county levels. After the collapse of the fishing industry the co-operative explored mussel farming and helped to organise a small industry through a grant from the Fisheries Department (BIM). This has been modest success and about thirty fishers are now involved in an industry with considerable potential for growth. When the Donegal County Council refused to develop a ring road around the island, the co-operative approached the *Gaeltacht* and brokered a deal involving the national government and the county council. The result is construction of a high quality ring road around the wild areas of the island, currently under way and supervised by the co-operative. Because of insurance and public liability risks, however, the road is to be handed to the Donegal Council upon completion.

In response to a Donegal County Council appeal to 'keep Donegal sparkling' the co-operative approached the council and succeeded in having a garbage truck service introduced on to the island. As proud islanders will tell you, Arranmore now 'exports garbage to the mainland'. Recycling bins have been installed at the co-operative. The co-operative was also successful in approaching the minister to have additional public lighting installed throughout the island. It organised funding and contracting of work for the construction of a sea wall near the ferry port, prone to erosion. The co-operative helped to see housing grants increased from P£6,000 to P£12,000, permitting accelerated home improvement.

A major recent development has been construction of a large breakwater in the harbour allowing a more dependable ferry service. The co-operative organised a crusher, quarried stone on the island and supplied cement to Board of Works' contractors, making the project viable, while providing the co-operative with a good cash flow.

The co-operative's future plans include construction of an eight-bed respite centre, augmenting the existing health care centre. It has been driving the funding process to the Health Board and has convinced North-West Health and the *Gaeltacht* ministry to fund the project. This development will include a physiotherapy treatment room, small sitting room and a flat for locum doctor/public health nurse. Government-owned, the respite centre will employ seven staff and be maintained by the co-operative. The facility will generate employment and act as a boon to keeping families on the island.

The co-operative is in the process of constructing an enterprise centre in association with the Department of the *Gaeltach* and is preparing to offer state of the art facilities to potential employers in the form of IT skills and infrastructure. Possible uses for the centre include a call centre linked to international service industries, boat engine repairs, furniture repair, boat building, exhibitions, theatre activities, crafts and other computer and media uses.

A forty-eight week basic computer course initiated by FAS (the national training authority) and the co-operative is progressing satisfactorily. Irish language classes have drawn interest not only from returned islanders but also from locals wanting to brush up on their knowledge of the language. The *Comharchumann* is now purchasing new equipment to enable Arranmore to have its own web site and linkages to other islands, in line with *Comhdháil* policy.¹⁰

Plans are en train for funding the refurbishment of old and derelict houses on the island, enabling elderly residents to employ them for bed and breakfast purposes supplementing their retirement incomes and helping to keep families together. The co-operative is currently seeking grants, independent of the normal housing grants scheme to advance this

¹⁰ The co-operative's Infrastructure Requirements of Donegal County Council for 1999 included:

- Island ring road.
- Road extensions in village areas.
- Cranes and winches at piers and power point.
- Slipway with regard to mussel farming.
- Seawall improvements.
- Improved signposting.
- Improved ferry landing.
- Full-time environment officer and boat yard caretaker.
- Road widening at ferry landing.
- Harbour developments for moorings.

project, performing all of the paperwork necessary to enable islanders to access grant schemes. The co-operative will provide building materials and credit until grants are approved. There are about 100 derelict houses on the island and about thirty or forty of these are expected to be included in the scheme. The project will create business for the co-operative and local builders and help to introduce more tourists to the island consistent with heritage priorities.

This year (2000) the co-operative organised through the International Fund for Ireland an opportunity for seven young people from Arranmore to join fourteen young people from Larne on a special training and development programme in the United States. This is to occur in a major theme park focusing on hospitality, tourism, customer service and administration. The co-operative also organises summer jobs for youths - road maintenance, for example.

The success of the island's co-operative efforts can be gauged from the fact that international delegations are already visiting the island to inspect developmental work. For instance, recently the Institute for Rural Development, with ties to Dublin University, organised a visit by fifty delegates from many African nations to study the co-operative's achievements.

A Need for Further Integrated Development

Some uncertainty surrounds the current funding situation, however, with new programmes delayed and a current round of funding projects (eg LEADER II) about to cease. This may see the break up of a staff and effective committee organisation. Some believe that funding is quite likely to continue but it is unlikely to achieve the levels of the 1990s. Given these anticipated changes to funding formula, the formation of a credit union is mooted, seen by some as a priority.

The *Comhdháil* has applied to the Department of Agriculture, Food and Rural Development for inclusion in the National Rural Development Programme. A series of *Comhdháil* consultation meetings in 2000 preparing the application highlighted the continued need for an integrated approach to inter-island development and the need to blend socio-economic, educational and cultural development actions linked to strategic investments and funding programmes. There are currently thirty-three inhabited islands

registered with the *Comhdháil*, with populations varying from two to over 800. The work available to island dwellers continues to be inconsistent, based on small contracts and requiring multi-skilled expertise. There is still insufficient work on most islands to offer full-time employment for tradesmen. Island life is such that it requires handymen who can offer a range of services. The islands remain physically and largely technically isolated from the mainland. In addition, there are cumulative factors which make the islands uncompetitive locations for enterprise including:

- Higher transportation costs due to lack of access to mainland;
- Poor access to information on markets which could be targeted;
- Higher costs of living;
- Higher environmental protection costs;
- Difficulties with regard to planning laws; and
- Poor communications infrastructure.

The *Comhdháil* argues that governments must address these factors if integrated equality is to exist between mainlanders and islanders. Employment generation is seen to be contingent upon:

- The development of technology and structural links with urban centres possessing adequate capacity and speed of data transfer to enable enterprises to locate, or be developed, on the islands;
- Training for inhabitants, on location, in marketing, information technology, tourism; social care, development of island branded products;
- An increase in the level of tourism products offered to visitors;
- Child care services;
- Resourcing of house and Out Reach care services for the elderly;
- Upgraded services for young people;
- Continuing education services to enable life-long learning; and
- Social and cultural activities for island dwellers.

In particular, there is a need for targeted funding to advance networking and co-operation among islands in Ireland and in the EU.

With completion of EU LEADER II the *Comhdháil* has applied for a national mainstream LEADER programme directed to increasing the level of economic activity on the islands.

Objectives include:

- Creating a positive culture where islanders examine economic opportunities to increase incomes;
- Providing supports for islanders who initiate enterprise projects;
- Reducing the competitive disadvantages faced by enterprises operating on islands;
- Developing a collective brand for island products; and
- Increasing the efficiency of island enterprises.

A budget for P£2.6 million (A\$5.2 million) has been drawn under the following headings:

- Technical support to rural communities;
- Training and recruitment assistance;
- Craft enterprises and local services;
- Exploitation of local produce;
- Environmental improvement;
- Transnational and inter-territorial co-operation;
- Rural tourism; and
- Administration.

The *Comhdháil* has also applied for inclusion in the EU's LEADER + Programme. This argues that, while the islands each have different economic and social circumstances; some experiencing population growth whilst others experience population decline, for example; there are features common to many:

- High unemployment;
- Higher costs of living compared with the mainland;
- Poor social and physical infrastructure;
- High dependence on small scale farming or fishing for employment;
- Imbalance with the population in terms of gender and age profiles;
- Poor health care facilities;
- Lack of activities for young people;
- Lack of child care;
- Lack of educational facilities;
- Inadequate sewerage treatment services; and

- Short tourist season.

The proposed LEADER + Programme will develop the theme: ‘Improving the Quality of Life’; and includes as objects to:

- Further enhance the quality of life and standard of living for islands residents;
- Continue to build the motivation, skills and capacity of local people;
- Enable islanders to participate in development and to plan a future;
- Promote development in a balanced way maintaining and enhancing the quality of the cultural and natural heritage of the islands;
- Build on the transnational experience gained by the NOW project; and
- Create a forum through which the small islands of Europe might exchange information, ideas and good practice.

Factors identified by the Comhdháil as influencing the quality of life include:

- Access to employment, health care facilities and services, education and training, particularly in new technologies and handcraft skills, child care and leisure activities;
- Promotion and protection of indigenous cultures, languages and traditions;
- Availability of adequate environmental protection services;
- Quality of housing for inhabitants of the islands; and
- Equality in access to infrastructure.

The *Comhdháil's* application emphasises the continued need (and desire) for islands to be recognised as a distinct group and for islands to work together as a group. It proposes a natural sequence from the expired LEADER II and NOW programmes, which identified many areas where integrated interventions were crucial in sustaining population levels, and argues maintenance of existing structures to ensure effective programme delivery. The islands, the *Comhdháil* argues, can only develop into competitive economic areas if appropriate physical and telecommunications infrastructures are put in place. In the interim, in order to avoid a further outflow of potential economic producers; the eighteen to fifty-five year olds; the quality of life for islanders must be improved to a point where it is on a par with the mainland. While improving social services may create employment opportunities, islanders alone cannot generate sufficient income to sustain these services without external intervention. Such intervention is in line with national government development priorities and rural development strategies and consistent with a balanced,

integrated EU regional development approach. The application emphasises building the ‘morale’ of islanders: improving their confidence and ensuring an appreciation among islanders of their unique cultural heritage. A balance between islands as ‘tourist resorts’ and places where employment opportunities and educational, social and cultural life can be sustained year round is sought. Essentially, the *Comhdháil* argues that populations can be retained and ‘grown’ through the provision of increased employment, educational and social opportunities. Plans are also under way to apply for inclusion of the Irish islands as a World Patrimony Area, giving international recognition to their culture and heritage and enabling islands to attract funding from a wider range of sources.

A budget of P£2.128 million (A\$4.25 million) has been drawn up under the following headings:

- Education and training
- Informing, influencing, negotiating, networking
- Island environment
- Small infrastructural works
- Social and recreational facilities
- EU small islands network
- Comhdháil (Federation) inter-agency network
- Protection of cultures and traditions
- World Patrimony Area
- Encyclopaedia Irish islands
- Island Internet site
- Creation of locally based strategies
- Island renewal - tackling dereliction
- Alternative marine enterprises
- Administration.¹¹

Restructuring for Improved Representation

There are moves afoot to establish local councils on every island. On Arranmore, a Development Committee has recently evolved from an island women’s group and is

¹¹ Discussion Anthony Gallagher, Manager Arranmore Co-operative Limited, Charles O’Hara, Secretary Arranmore Co-operative Limited.

seeking to organise island opinion around particular projects which may challenge some of the co-operative's established functions. While the co-operative is seen to be excellent at accessing grants and efficient in its operations there are many things to which some islanders claim it is not attending. The Development Committee formed as a result of perceived lapses in the co-operative's programmes in respect of certain developments, for example a youth centre, and leisure centre, including games facilities and a swimming pool. Members of the Development Committee point out that the committee has not been set up in opposition to the co-operative, with which they seek a productive dialogue. The co-operative currently represents about 160-180 of the 250 island households and some, therefore, reasonably claim that the co-operative does not speak for them in advancing a development agenda. Unemployment on the island is still well above the national average. Some Committee members are concerned also about accountability issues and the consultation process, matters roundly rejected by the co-operative. Some believe also that insufficient benefits exist for co-operative members. 'Strangers' get exactly the same benefits as members who have supported the co-operative over many years, which is seen as inequitable. The co-operative's practice of engaging offshore contractors appears also to have hit a discordant note. The co-operative's critics are concerned by its perceived failure to refund the £50 share holding to a deceased member's estate, dismissed as nonsense by the co-operative's supporters because shares relate to 'households', not individuals. The Development Committee is also interested in introducing an element of competition into the island's infrastructure, for example, a competitor ferry. This idea has arisen in the context of a 30 per cent increase in ferry fares in the past year and a perception, valid or otherwise, that 'the co-operative and the ferry have everything sewn up'. The committee envisions the whole island 'working together' but, while preferring to work with the co-operative, is prepared to go it alone. (Postscript: in early 2001, the Development Committee launched a co-operative of its own.)

To be fair, the Arranmore Co-operative is confined in what it can achieve and is unable to do all of the things that everyone would wish of it – like councils and local authorities everywhere. The real issue seems to be representation, transparency and accountability. Ultimately, the outcome is up to the community. The possibility of declining intervention and EU assistance are likely to be the ultimate tests for the development process as experienced to date.

Limits to ‘Contrived Development’?

In their review of community co-operatives in Western Ireland, Robert Briscoe, Olive McCarthy and Michael Ward noted that while the co-ops have been very successful in providing many services normally provided by local authorities and public utilities, there are problems with the model:

- Long hours, complex duties and in many case, poor remuneration for managers;
- Problems with the succession of managers, especially considering the conditions and multi-skilled nature of the task;
- The uncertain capital base of the co-operatives;
- A lack of resources to adequately market a co-operative’s services;
- A mistaken community notion that a co-operative is a ‘charity’;
- The impossibility of restricting services to co-operative shareholders;
- Beneficiaries of a co-operative’s efforts often see no obligation to support the co-operative; and
- A culture of dependency where a co-operative showing a profit has its funding cut.

Nevertheless, the researchers conclude:

Clearly [such factors] act as a barrier to the development of autonomous, sustainable co-ops. Grants should be clearly performance-driven, while retaining a subsidy element for vital but uneconomic services. They should be designed to reward efficiency and effectiveness and to stimulate creative thinking about new approaches to co-op development.

In another valuable study of rural development on the western Irish islands, Jenny Mulvey grapples with the issue of uncertain funding for contrived development, such as has occurred on Arranmore, describing a balanced, enduring developmental programme in the following terms:

- Empowering communities while causing as few adverse effects as possible to cherished local social, cultural and environmental concerns;
- Embracing economic and social dimensions to empower a community to attain a standard of living while extending people’s access to basic services;

- Seeking to enhance the self-esteem of individuals and groups by ensuring they are provided with opportunities to participate in the development process;
- Focussing on communal and interpersonal development;
- Extending to a concern for the continuity of local cultures and other markers of separate identity;
- Sustaining and nourishing cultural diversity; and
- Co-ordinated at the local level to afford an integrated and cohesive approach.¹²

Mulvey found that islanders in her sample considered the cultural maintenance of unique traditions to be no adequate compensation for continued population depletion and employment loss. The co-operatives and other development associations she focussed upon in the *Ceantar na nOileán* (the ‘region of islands’ in the Connemara *Gaeltacht*) have played a key role in developing infrastructures and economic development programmes directed at an improved standard of living and quality of life. But, Mulvey stresses, this has been achieved *in tandem* with state initiatives, including publicly driven community employment schemes. That is, the co-operatives and the State have co-operated to achieve positive outcomes. While continued co-operation between government and co-operatives is essential, Mulvey warns that development agencies can come to see themselves as part of a perpetual process, with no end in sight. The oft quoted antidote to this - direct participation by the population and voluntary action work at community level; however, is seen as insufficient and no substitute for professionally promoted development. The real problem, as Mulvey sees it, is the lack of local employment opportunities for graduates and professionals actually *trained* in the field of local community development who have the skills to catalyse, co-ordinate and sustain developments. Mulvey concludes:

¹² Discussion Terence McGowen, Manager Arranmore Development Committee; Jenny Mulvey (*Sinéad Ní Mhaolmhiadhigh*): *Rural Development: the Experience in Ceantar na nOileán*, BA (Geography) Thesis, March, 1997; Robert Briscoe, Olive McCarthy and Michael Ward: *Serving the Periphery: Community Co-operatives in Western Ireland*, Review of International Co-operation, Vol.92, No.1, 1998, pp.7-13.

[While] contrived development has worked and is continuing to do so ... it is the responsibility now for the individual bodies and organisations involved in the process of development within the region to prepare to assert themselves to the possibility of reduced intervention on their behalf. The future of the region must continue to fall into the hands of the very people who intend to have a future in the region.

Conclusion

As Briscoe, McCarthy and Ward have found, the co-operatives of western Ireland, including the Arranmore Co-operative, have successfully served dual functions since the 1980s: those of a conventional co-operative providing a range of services and instigating local development work. The Arranmore Co-operative has functioned as a social economy business accessing funds and implementing programmes to improve living conditions while generating employment and building the community's skills base, assuming many of the functions normally served by a local council/authority. This has extended to identifying and accessing resources, negotiating agreements and supervising their progress, creating 'spin-off' businesses, improving infrastructure and creating new services, which have assisted local industry, particularly tourism. This has been in addition to the co-operative's social and cultural responsibilities, accepted on the community's behalf, in preserving the Irish language and heritage and environmental values.

The Arranmore Co-operative has played a key role in ongoing efforts to arrest a population drift and generate new employment opportunities. Though an affiliation with the Federation of Islands of Ireland (*Comhdháil*), and through the skilful penetration of public policy processes and accessing public funding programmes at county, national and EU levels, the co-operative has acted as a catalyst and organisational focus for local development – a 'social entrepreneur'.

Notwithstanding its many commendable achievements, sections of the island's population believe it is time for a reshaping of democratic processes and priorities in respect of the island's future development. This is consistent with international trends in the co-operative movement where outcomes and processes have become rather more important to a new generation of co-operators than structure *per se*. A new dialogue is developing on the island, involving the co-operative, the development committee, the *Comhdháil*,

governments and funding agencies in pursuit of renewal, new directions and appropriate structures. It is too early to predict outcomes, but it seems reasonable to suppose that the Arranmore Co-operative, specifically its members, will play a leading role in this.

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Appendix I

A 1990 development and tourism plan proposed by Canadian, Harold Webber, produced the following 'snapshot' of Arranmore:

- Co-operative Store built in 1979 with 80 per cent grant from government.

Agricultural equipment.

- Case tractor for loading gravel for road works.
- Stone crusher operated from 1980 to 1984 - now sold - ferry provided cheaper road material.
- Concrete block plant — ferry reduced cost of importing blocks and plant closed.
- Cement mixers used for local purposes.
- Knitting and crafts — sales very limited and supplied on demand.
- Holiday village — architects competition for design.
- Revolving fund — P£15,000 remains in use for financing purchases.
- Mini bus service — not economic or practical with current volume of tourists.
- Sea angling — good potential but not developed.
- Boat tours around the island — not developed.
- Lake fishing — eight lakes stocked with trout; angling competitions.
- Pony trekking — not developed.
- Roads — no asphalt roads in 1978.
- Pier restaurant.
- Pier cafe.
- Taxi service.
- Bicycle rental.
- Accommodation for teachers.
- Newsletter — no longer published by co-operative; use church newsletter now.
- Community centre (the Factory Hall).
- Day care centre — built at a cost of P£150,000 for elderly people; provides base for medical services and twice weekly meals, church services, hairdressing, etc.
- Ambulance — supplied by Health Board.
- Ferry — owned by government and leased to Cornelius Bonner as private operator.

- Garbage collection — once a week.
- Walking tours.
- Craft Centre — built in 1986 at a cost of P£50,000; open in July and August.

The Webber Report identified the following potential funding sources:

- Donegal County Council
- *Roinn na Gaeltachta*
- Donegal Development Fund
- *Bord Failte*
- International Fund for Ireland

Appendix II

By 1985 sixteen islands had joined the Federation of Irish Islands, they were:

- Rathlin (Northern Ireland)
- Tory
- Inishbofin
- Arranmore (Árainn Mhór)
- Clare
- Inishturk
- Inishbiggle
- The three Aran Islands
- Inishmore
- Inishmaan
- Inisheer
- Dursey
- Bere
- Whiddy
- Sherkin
- Clear

Their combined population was about 3,600.