

2016 Co-operative Legislation Review

Submission to the review of the Industrial and Provident Societies Acts, 1893-2014 including their operation and implementation

Centre for Co-operative Studies, University College Cork (UCC)

The Centre for Co-operative Studies is a university research centre that promotes education and training along with independent research and consultancy in all aspects of co-operative organisation and development. The Centre welcomes this review of the operation and implementation of the Industrial and Provident Societies Acts.

One of the stated purposes of the review is to ensure that the co-operative sector in Ireland has an effective legislative and operational framework that ensures “*that’s its full potential can be realised while ensuring good corporate governance practice and transparency*”. The Centre supports this aim; the legal and operational framework for co-operatives plays a vital role in their continuing development. Our recommendations are as follows:

1. Legislation and terminology that distinguish the co-operative model from other organisations help legitimise the model thus supporting its continued development. Use of the term *co-operative* in the legislation would be a positive step. This word is likely to be more recognisable to the general public as well as to groups and individuals deciding on an organisational form than that of the term Industrial and Provident society. **Use the word “co-operative”.**
2. This leads to a consideration of whether the continued growth and development of the co-operative model may be best served by *explicit recognition* in the legislation. This would require defining co-operatives within the Act, notwithstanding the difficulties that this may entail. The preamble to the European Co-operative Statute went some way to achieving this. A key recommendation of the the International Co-operative Alliance¹ is that “governments should provide a supportive and legal framework consistent with the nature and function of co-operatives and guided by the co-operative values and principles” (p.27). **Define and distinguish co-operatives from other organisational forms.**

¹ ICA (2013) Blueprint for a Co-operative Decade. Geneva: ICA.

3. Currently, a society is required to have seven members in order to register, which seems high for a range of possible start-ups. **Allow societies to register with three members as opposed to seven.**
4. **Allow societies to register and file returns online and ensure that costs of registration are no higher than for companies.**
5. **Allow societies apply for an audit exemption from the Revenue Commissioners.**
6. An issue of concern to us is the availability of data on co-operatives for the purpose of research and analysis. **Recognise employee-owned/worker co-operatives as a distinct category of co-operative and identify same in the records of the Registrar.**

We look forward to responding to any proposals for change resulting from this initial consultation and to engaging in debates on same.

Centre for Co-operative Studies, UCC.
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