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Co-operative bank system: the Spanish case

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*Paper prepared for presentation at the 99th seminar of the EAAE
(European Association of Agricultural Economists),
'Co-operative bank system: the Spanish case', Orihuela, Spain, August 24-27, 2005*

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CO-OPERATIVE BANK SYSTEM: THE SPANISH CASE

Abstract:

In practically all European countries, co-operative credit societies have evolved towards a system which is comparable to other financial groups. This paper explores the recent evolution of Spanish credit co-operatives and especially rural savings banks. The creation of “Group Caja Rural” in 1989, has meant the greatest commitment to the integration of Spanish credit co-operatives in the face of the challenges of economic globalisation and the great changes in the national and international financial system. The running of this Group is through a vertebrate structure, in co-ordination and representation aspects as well as in operative functions.

Keywords: Co-operative bank, credit system, financial groups, rural savings banks, Spain

JEL: G 21, Q 13, Q 14

1. Introduction

Credit co-operatives are financial entities which have traditionally dealt with financing an important group of entities within the social economy. They have also been the motor for the co-operative sector in general and particularly for the agrarian sector. Such is the situation that occasionally the role played by credit co-operatives within their area of influence has exceeded the financial framework. According to Carrasco and Alvarez (2004), the co-operative character endows to credit co-operatives of a wider role in regional development than the rest of credit institutions.

The co-operative credit system is well established in Europe. We cannot forget that the roots of this system are to be found there, where it was first developed and at presents it represents a vital and dynamic reality.

As a consequence of the liberalisation phenomenon experienced within the European Union, there is high competitiveness in the banking sector. In order to confront this competitiveness, credit co-operatives have opted for integration strategies and interco-operation between entities in order to operate in the financial market, without losing the competitive advantage of personalisation, the key to their functioning, and combining universal banking and specialised banking principles.

A co-operative banking Group is an organised whole, interrelated, co-ordinated and formed by credit co-operative partnerships and other legal entities, which act under common and mutual principles. They adjust their behaviour to the policy of the banking group, which is based on the establishment of common guidelines and on respect for independence of decision by member entities of the group. (Palomo, 1995).

The co-operative bank, as a financial intermediary, competes in market conditions with any class of bank. The companies which constitute it base their activity on co-operative principles, democratic management and orientate their activity towards customers and partners.

Banking activity requires a certain dimension which makes commercialisation of a group of products and services viable, which in turn require operative and advanced technical means in accordance with the level of customer demand.

2.- The Main European Co-operative Banking Groups

In the majority of European countries, including Spain, the co-operative banking groups established are comparable to other financial groups. The level of development of each is not homogenous, since some have a greater tradition and others, as in the case of Spain, have been established more recently. The co-operative system has been developed fundamentally in France, Holland, Finland and Germany (Palomo, 1999). Figure 1 includes some of the main European banking groups.

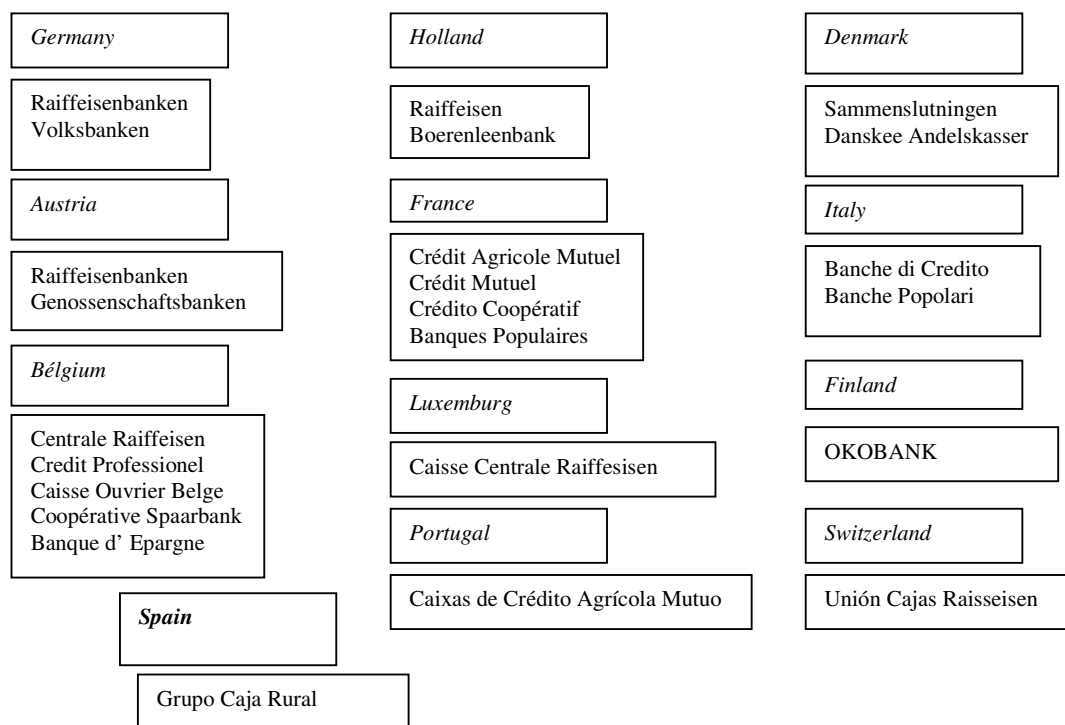


Figure 1. European Banking Groups

The co-operative bank is represented through various organisations among which we can highlight; the “Groupement”, established in 1970, the “International Raiffeisen Union” (IRU), established in 1968, the “World Council of Credit Unions” (WOCCU), founded in 1970, and the “Confederaciones Internacionales del Crédito Agrario y del Crédito Popular” (CICA y CICP), the first credit co-operative was established in 1950.

The “Groupement”, whose statistical figures for the most important member organisations are presented in detail in Table 1, dated 31 december 2002, is one of the most important representative organisations of the Economic and Monetary Union. Its basic mission is to promote the common interests of its members and to do so; it analyses the financial and monetary problems which affect co-operative banks, applies community programs for financing different sectors, such as agriculture, fisheries, traditional customers of co-operative banks, exercises a representative function and defends the group’s interests within a framework of the European financial area.

The co-operative bank model has 3,700 local and regional banks, more than 51,300 branches, 37 million partners, almost 106 million customers, 572,000 employees and a 17% market share of deposits (UNACC, 2003).

In some countries the co-operative bank has achieved clearly a significant market share of deposits and credits, such as Holland with 40.0 and 30.0% respectively, Finland with 32.7 and 32.0%, Austria with 31.3 and 27.4%, France with 39.1 and 40.0%, Italy with 28.5 and 22.3% and Germany with 18.8

and 11.3%. In other countries, like Spain, the relevance of the co-operative bank is much less, 5.0% market share for deposits and 5.1% for credits (Table 1).

The two countries which have the greatest concentration of European co-operative entities are Germany and France. Germany, in fact, has the greatest number of co-operative banks, 1,489, which comprise 40% of the members of the European banking co-operative, 28% of the customers, 31% of the branches of the employees. Its balance represents 20% of the consolidated total, while customers deposits and credits are 26 and 23% respectively.

With regards to France, its 122 co-operative banks comprise 28% of the branches 37% of the partners, 33% of the customers and generate 35% of the employees. Its balance is 41% of the consolidated total, whereas deposits are 32% and credits 35%.

Spain, with a basis of 84 co-operatives, only 8.5% of the branches, 4% of the partners, 8% of the customers and 2.8% of the employees. While, its consolidated balance is 1.7% of the total, deposits comprise 2.7% and credits 2.4% of the European banking co-operative. Obviously, the significance of this in absolute and relative terms is not so important, but they are entities which have an important role in the rural area and which are gradually becoming more secure, expanding their activity to new and different sectors, which are not so traditional.

The dimension of the branches (business volume) is not very high, but high fragmentation, to a certain extent, guarantees their continuity, since their extensive network of branches established in rural areas gives them a competitive advantage, and at the same time serves as an entry barrier for their main competitors (Melián 2004).

The specialisation which characterises credit co-op movement in Spain is apparent in the type of entities it is made up of. There are three types: rural savings banks, popular savings banks and professional savings banks, depending on whether the principal orientation of activity is directed towards one particular sector or another. Rural savings banks have been closely linked to the agricultural sector, although they are expanding their activities to other sectors.

Spanish rural saving banks, professional saving banks and the general savings banks are all members of the “Unión Nacional de Cooperativas de Crédito” (UNACC) (National Union Co-operative Credit) which is committed to its institutional representation on a national and international level. The UNACC is a fully recognised member of the European Group of Banking Co-operatives.

The European co-operative banking systems, with the exception of Greece, Ireland and the United Kingdom, have a central co-operative bank which has a pyramid structure. In Spain that central co-operative bank is the “Spanish Co-operative Bank” (Banco Cooperativo Español, BCE), 85% of its capital in proportion to assets is owned by member rural savings banks.

Table 1. The “Groupement”. Statistics for member organisations (31-12-02)

Member Organisations	Regional and local banks	Bank Branches	Partners	Customers (1)	Employees	Consolidated Balance	Deposits in millions of euros	Credits in millions of euros	Market share deposits	Market share credits
Belgium										
Crédit Professionnel	n/a	n/a	n/a	16,643	74	2,250	450	1,480	n/a	n/a
Denmark										
Sammenslutningen Danske Andelskasser (b)	37	80	55,000	110,000	480	1,070	850	660	1.00	1.00
Germany										
Deutsche Genossenschaftsbank	1,489	15,866	15,184,846	30,000,000	169,000	560,336	396,655	340,682	18.80	11.30
Ireland										
ACCBANK (b)	1	47	n/a	150,000	624	3,314	2,165	2,319	2.00	1.50
Irish League of Credit Unions (a)	n/a	534	2,068,631	2,068,631	1,700	4,301	3,657	2,709	6.5	6.90
Spain										
Unión Nacional Cooperativas de Crédito	84	4,331	1,492,601	8,670,007	16,402	49,419	41,438	35,344	5.00	5.10
France										
Crédit Agricole	45	7,232	5,600,000	16,100,000	102,259	580,795	270,164	273,212	20.60	16.30
Crédit Mutuel	18	4,749	5,800,000	13,200,000	54,306	347,481	126,021	143,521	12.20	15.60
Banques Populaires	25	2,274	2,200,000	5,700,000	39,200	220,744	83,200	101,800	5.80	7.60
Crédit Coopératif	34	242	140,000	287,500	2,724	9,011	4,287	5,847	0.50	0.50
Greece										
Association of Co-operative Banks of Greece	15	72	114,670	114,670	568	926	682	721	0.60	0.80
Italy										
Asso. Nazionale fra le Banche Popolari	92	7,020	1,130,000	7,500,000	50,500	362,800	211,700	171,300	20.95	16.91
FEDERCASSE	461	3,206	648,140	1,305,138	24,420	95,842	76,339	57,097	7.50	5.40
Luxembourg										
Caisse Centrale Raiffeisen	35	71	4,765	116,000	419	2,958	2,677	1,447	10.00	10.00
Netherlands										
RABOBANK	349	1,918	1,108,000	9,100,000	59,096	374,720	171,632	225,252	40.00	30.00
Austria										
Österreichische Raiffeisenbanken	602	1,655	1,694,411	3,600,000	28,404	114,200	68,041	72,856	25.50	22.10
Österreichischer Gennossenschaftsverband (b)	70	594	650,000	700,000	5,044	29,359	16,413	14,658	5.80	5.30
Portugal										
FENACAM (b)	132	592	300,000	1,600,000	3,670	7,501	6,477	5,020	5.00	3.00
Finland										
OKOBANK	244	692	1,042,000	3,023,000	8,937	31,625	19,932	24,319	32.70	32.00
Sweden										
Landshypotek (a)	10	10	69,216	69,216	107	3,787	n/a	3,602	n/a	n/a
United Kingdom										
The Co-operative Bank	n/a	133	n/a	2,230,000	4,247	13,264	10,537	6,694	2.00	2.00
TOTAL UE 15	3,743	51,318	37,237,717	105,660,805	572,181	2,815,703	1,513,317	1,490,540		

Source: UNACC, 2003. Review Banca Cooperativa, 29: 35. Monetary figures in millions of euros (a) Figures for 2000. (b) Figures for 2001 (1): Estimation. (n/a): Not available

3.- The Co-operative Credit System in Spain :The Rural Savings Bank Group

There are three entities which make up the finance system in Spain, banks, which are legally established as a limited company, savings banks which are foundations and credit co-operatives which are legally established as co-operative companies. The latter are the least significant with regards to importance per institution, but they have achieved a greater increase in their activity, taking market share from the banks (Bank of Spain, 2004).

Credit co-operatives in Spain have achieved the level of activity of their European homologues, but the process of bank homogenisation means that they act more frequently in sectors which are complementary to the traditional sectors. We cannot forget that their origins can be found in the agricultural unions in rural areas and guilds in the service and industrial sectors. It also points out the importance of the rural savings banks in the whole of the credit co-operative sector, which at present represents 93% of entities.

The finance Group “Caja Rural” (Rural Savings Bank Group) was created in Spain in 1989 by 24 rural savings banks. The aim was to establish strong links between credit co-operatives, allowing for an improvement in the structures, the running and organisation of the banking system.

At present Spanish rural savings banks form a co-operative banking system which is formed as a model of a federate bank similar to other European systems. From the time it was established until now the intercooperation strategy has become consolidated. At this moment, there is no question that Group Caja Rural in Spain is one of the most important Spanish banking groups.

Thanks to the Group, entities work through mixed organisational formulas, keeping individual structures for traditional business and developing the federate banking model at a Group level. The basic characteristics of this model of federate bank are based on fulfilling principles of decentralisation, subsidiarity, solidarity, intercooperation and territorial (Palomo, 2002).

Credit co-operative partnerships which are the basis of European co-operative banking systems participate in the decision making of central co-operative banks through their representatives. To be exact, in Spain, rural savings bank own 85% of the share capital of the “Spanish Co-operative Bank” (Banco Cooperativo Español, SA, (BCE)) in proportion to the its volume of assets. The remaining 15% belongs to the Deutsche Zentral-Genossenschaftsbank (DZ Bank), the German central co-operative bank.

Central co-operative banks in the main developed countries are partnerships through shares, which have are legally established as mainly limited companies, whose shareholders are credit co-operatives which form each respective system of co-operative banking.

On the other hand, European co-operative banking systems consist of specialised institutions which offer centralised banking and parabanking services to credit co-operatives, such as insurance, funds management, infrastructure and logistics as well as centralised processing of information. Thanks to economies of scale in the management of a volume of operations, this permits the profitability of such processes and a decrease in the excess of cost of offering these services individually. The “Spanish Co-operative Bank” offers centralised banking services to entities of the Group. In some way a combination of representative functions and other operative functions is established with a greater technological component.-

The “Spanish Co-operative Bank” was created in 1990, joining to the above mentioned Group. Two other companies also joined “Seguros RGA” and “Rural Servicios Informáticos” (RSI), both established in 1986. Although the “Spanish Co-operative Bank” follows the same line as its European homologues, it stands out among them for its youth and the fact that part of its share capital belongs to a central entity of another nationality.

The institutional framework of the group is the following (Ibarrondo, 2002):

1)The “Asociación Española de Cajas Rurales” (AECR), constitutes the instrument for coordinating and representing the Group which rural savings banks are linked to. Through this association the Group fixes its objectives, strategies and exact lines of action.

2)The “Spanish Co-operative Bank”, (BCE) as mentioned above, is the banking centre for member rural savings banks. It co-ordinates the financial policies of the rural savings banks, acts as an agent in some operations and supplies specific financial services.

3)“Rural Servicios Informáticos” (RSI) is the company in charge of defining and establishing an automatised system for dealing with information. It has one central office for IT services for all entities.

4)“Seguros RGA” is the insurance entity for all the rural savings banks. It was created with the aim of expanding the range of products offered by these entities and introduced them into the field of insurance.

The “Spanish Co-operative Bank” joined the “UNICO Banking Group” in 1998. This Group was created in 1977 and is made up of the central entities of the most important European banking groups. The members of this group, whose legal set up is as an “Group of Economic Interests”, are the DZ Bank (Germany), the Raiffeisen Zentralbank (RZB) (Austria), the Group KBC for banking and insurance (Belgium), the OKOBANK (Finland), the Caisse Nationale de Crédit Agricole (CNCA) (France), the RABOBANK (Holland), the Unión Suiza de Bancos Raiffesisen (Switzerland) and the Instituto di Credito delle Banche di Crédito Cooperativo (Italy). Its aim is to achieve international co-operation of the European co-operative bank.

The “Group Caja Rural” includes 96% of the Spanish rural savings banks (74 of 77). Only three entities (rural savings banks) have not joined the Group. The popular and professional savings banks (6 in Spain alone) operate without any stable relationship with each other or with the system of rural savings banks.

Therefore, in Spain there are two types of associations between credit co-operatives, as previously studied. On the one hand, the “Unión Nacional de Cooperativas de Crédito” (UNACC), created in 1969 which is the father organisation of the sector, around which the rural savings banks, the popular savings banks and the professional savings form a federate structure, that is to say, all credit co-operatives. And on the other hand, the “Asociación Española de Cajas Rurales” (AECR), created in 1989 as a private association which acts as a constitutional framework for associated rural savings banks.

Table 2 gives a detailed evolution of the principal magnitudes of “Group Caja Rural” in the last six years, as well as the relative importance which it has had in all credit co-operatives. The fact that the number of entities which belong to the group decreases is due to fusion processes and absorption which the sector has experienced in this period. However, the volume of business has grown and the Group’s balance of total assets on the 31 December 2003 is 41,639 million euros, 78% higher than at the start of the period studied. The customer credits or credit investment rises to 31,781 million euros, doubling the figure in 1998, while the total for deposits achieved is 34,485 million euros, a growth of 79%. Subscribed capital is almost triple and reserves have increased by 85%. Profits alone at 26%.

The group concentrates 96% total assets of rural savings banks and deposits, 97% credits, 98% subscribed capital and 92% reserves, also representing 96% total profit. With regards to credit co-operatives, rural savings banks and popular and professional savings banks as a whole, the volume of activity of the Group is 75% total assets, 77% credit, 75% deposits, 71% capital, 71% reserves and 72% profit.

For more detailed information of the evolution of balance and an account of the Group’s results for the six year period 1998-2003, see Table 3 for assets and liabilities broken down into the main items it covers and Table 4 for an account of the results.

Table 2. Evolution of “Group Caja Rural”. Relative importance in credit co-op movement in Spain

	1998	Δ	1999	Δ	2000	Δ	2001	Δ	2002	Δ	2003
Nº entities	83		81		79		77		75		74
Total assets	23,364,448	10.8	25,890,132	11.6	28,901,479	15.4	33,340,484	10.9	36,986,187	12.6	41,638,772
% s/Rural Savings Banks	95.6		96.3		96.1		95.4		96.2		96
% s/Credit Co-operatives	75.6		74.1		74.4		73.8		74.8		76
Total Credits	14,119,018	21.6	17,173,885	17.7	20,210,698	15.5	23,343,037	17.2	27,365,825	16.1	31,781,292
% s/Rural Savings Banks	95.5		97.0		97.1		96.6		96.9		97
% s/Credit Co-operatives	76.4		77.8		77.8		77.0		77.4		77
Total Deposits	19,286,382	11.8	21,560,281	11.9	24,121,018	14.8	27,692,418	12.0	31,028,267	11.1	34,485,805
% s/Rural Savings Banks	95.8		96.5		96.2		94.9		95.9		96
% s/Credit Co-operatives	76.5		76.7		74.8		73.7		74.9		75
Subscribed Capital	341,735	13.9	389,126	23.4	480,263	9.1	524,046	29.1	676,606	32.8	898,783
% s/Rural Savings Banks	96.0		97.8		98.1		94.3		98.5		99
% s/Credit Co-operatives	62.0		62.6		64.9		62.6		66.7		71
Reserves	1,288,173	16.1	1,496,175	14.7	1,715,835	12.8	1,929,080	11.4	2,148,892	10.6	2,376,862
% s/Rural Savings Banks	90.6		91.4		92.2		92.6		91.9		92
% s/Credit Co-operatives	67.9		68.9		69.9		70.4		70.4		71
Profits	249,660	5.9	264,416	0.0	264,553	4.8	277,194	4.4	289,527	8.9	315,160
% s/Rural Savings Banks			96.2		95.8		95.8		95.3		96
% s/Credit Co-operatives	69.0		68.4		67.1		68.5		70.9		72

Source: UNACC, several years and drawn up by author. Data in thousands of euros

Table 3. "Group Caja Rural". Evolution of balance

ASSETS	1998	1999	2000	2001	2002	2003
1. Cash and deposits in central banks	470,496	582,848	472,775	977,524	576,523	653,775
2. State Debts	1,947,285	2,286,187	2,117,629	1,892,102	1,747,557	1,316,381
3. Credit entities	5,241,258	4,044,317	4,092,392	4,644,314	4,696,337	4,782,426
4. Customer credits	14,119,018	17,173,885	20,210,698	23,343,037	27,365,825	3,1781,292
5. Bonds and other values at fixed interest	420,949	433,997	485,183	643,934	690,047	996,259
6. Shares and other securities at variable interest	108,675	132,801	159,400	147,013	113,154	321,693
7. Holdings	149,508	139,044	132,726	183,971	274,353	145,550
8. Holdings in group's companies	5,331	11,057	40,058	64,597	50,654	54,767
9. Immaterial assets	8,258	11,572	10,519	10,943	18,262	22,560
10. Material assets	566,550	600,129	645,124	709,330	818,655	904,100
11. Expenditure pending contributions	6	0	0	275	191	154
12. Own contributions	234	22	201	74	0	1
13. Other assets	131,327	264,635	284,478	467,872	393,607	441,666
14. Periodization accounts	195,551	209,638	245,219	235,006	241,022	218,128
15. Losses from financial period	0	0	5,077	492	0	0
LIABILITIES						
1. Credit entities	1,706,730	1,395,392	1,402,485	1,726,766	1,663,846	2,266,571
2. Customer debits	19,286,382	21,560,281	24,121,018	27,692,418	31,028,267	34,546,005
4. Other liabilities	78,618	305,924	366,033	498,002	450,028	479,842
5. Periodization accounts	143,305	142,517	183,851	220,478	233,095	231,656
6. Provisions for risks and expenses	167,027	218,808	211,160	225,298	210,277	213,650
6. A. Funds for general banking risks	66,346	72,197	73,867	76,546	90,573	94,474
7. Financial year profits	249,660	264,416	269,630	277,686	289,527	315,160
8. Subordinate liabilities	4,580	13,579	50,546	148,706	148,501	168,286
9. Subscribed capital	341,735	389,126	480,263	524,046	676,606	898,783
11. Reserves	1,288,173	1,496,175	1,715,835	1,929,080	2,148,892	2,376,862
12. Revaluation reserves	30,237	31,717	26,791	26,535	51,144	50,211
Results from previous financial years	30	0	0	- 5,077	- 5,569	- 2,716
Total Assets- Liabilities	23,364,448	25,890,132	28,901,479	33,340,484	36,986,187	41.638.784

Source: UNACC, several years and drawn up by author. Data in thousands of euros

Table 4. "Group Caja Rural". Evolution of the results account

	1998	1999	2000	2001	2002	2003
1. Interests and assimilated profits	1,381,619	1,0281,206	1,494,354	1,822,541	1,850,366	1,821,489
2. Interests and assimilate charges	- 527,022	- 375,560	- 503,466	- 685,608	- 614,706	- 529,268
3. Profit from the portfolio of variable interests	4,640	5,606	6,081	7,737	8,950	9,383
A) Broking margin	859,237	911,252	996,969	1,1455,670	1,244,610	1,301,606
4. Perceived commissions	135,366	158,167	190,901	221,481	264,166	286,650
5. Paid commissions	- 30,573	- 34,609	- 42,061	- 45,821	- 53,473	- 52,197
6. Results from financial operations	19,365	11,894	- 3,431	- 11,613	- 12,736	26,060
B) Ordinary margin	983,394	1,046,704	1,142,378	1,308,717	1,442,567	1,562,118
7. Other exploitation products	4,399	5,203	4,886	4,974	5,878	7,108
8. General administration costs	560,450	- 592,242	- 642,837	- 726,267	- 811,581	- 866,595
9. Repayment and reorganisation of assets	- 50,605	- 58,603	- 63,182	- 67,403	- 73997	- 86,608
10. Other exploitation charges	- 20,026	- 22,360	- 23,853	- 26,943	- 32,738	- 35,482
C) Exploitation margin	356,713	378,702	417,392	493,078	530,129	580,538
15. Repayment and provisions for insolvency (net)	- 58,893	- 28,468	- 103,650	- 156,078	- 183,263	- 207,833
16. Reorganisation of financial immobilisation (net)	186	- 15,842	- 17,266	- 14,816	- 15,844	- 14,660
17. Endowment to funds for banking risks	-7,416	- 2,599	- 397	- 2,072	- 14,036	- 3,864
18. Outstanding profits	46,332	44,255	68,085	69,291	85,592	78,759
19. Outstanding losses	38,483	- 61,280	- 59,274	- 70,525	- 74,383	- 63,252
D) Result before tax	298,439	314,768	304,890	318,878	328,195	369,688
20. Profit tax	- 48,778	- 50,351	- 40,336	- 41,676	- 38,658	- 54,527
21. Other taxes	0	- 1	- 1	- 8	- 10	-2
E) Result of the financial year	249,660	264,416	264,553	277,194	289,527	315,160

Source: UNACC, several years and drawn up by author. Data in thousands of euros

4.- Conclusions

The Spanish financial system, as in the majority of developed countries is made up of banks, savings banks and credit co-operatives. The latter, which are legally established as a co-operative society, are classified according to traditional specialisation as in rural savings banks, popular and professional savings banks. The rural savings banks are more established at all levels in Spain, territorial presence, number of entities and volume of business

In this way, in practically all European countries, co-operative credit societies have evolved towards a system which is comparable to other financial groups. The co-operative bank model has 3,700 local and regional banks, more than 51,300 branches, 37 million partners, almost 106 million customers, 572,000 employees and a 17% market share of deposits.

Spanish credit co-operatives do not achieve the market share of other countries, where this system is very important, such as in Germany, France, Finland or Holland, with figures of 19, 21, 32 and 40 % of the market of deposits, in fact, they only reach 5%. This percentage in itself, which is not very significant quantitatively, is of particular importance as it grows every year, winning the market share from the rest of the financial entities which they are in competition with, banks and savings banks.

In Spain alone rural savings banks have constituted a co-operative banking system. The “Group Caja Rural” carries out co-ordination between the entities which have adopted this system of federate banking. This Group presents traits common to its European homologues, although it has not reached such a strong level of cohesion as in other countries such as France and Holland

The creation of “Group Caja Rural” in 1989, which 96% of rural savings banks belong to, has meant the greatest commitment to the integration of Spanish credit co-operatives in the face of the challenges of economic globalisation and the great changes in the national and international financial system. The Group carries out the task of co-ordinating individual interests and common interests, which makes the Group more aware. The running of this Group is through a vertebrate structure, in co-ordination and representation aspects as well as in operative functions.

The Spanish co-operative banking system materialised through the “Group Caja Rural” is similar to that of the principal European co-operative banking systems. The functions of co-ordination and representation correspond to the “Asociación Española de Cajas Rurales” and the operative functions to the “Spanish Co-operative Bank” and other specialised entities which offer central banking services such as insurances and informatics.

The effectiveness of the system of association is apparent in the yearly increase of its market share. Therefore, the balance has grown around 12% a year in the last six years. With regards to broking activity the total amount of credit investment given has increased on average by 18% yearly in the said period and deposits achieved by 12%, while profit is somewhat less at 5%.

The main European co-operative groups, are linked to the financial Group UNICO, the top exponent of the European co-operative banking system. “Group Caja Rural” through the “Spanish Co-operative Bank”, where it owns 85% of the share capital, is among these groups.

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