



The Co-operative Regulatory Framework in a Small State: Reviewing the Alternatives

Peter J Baldacchino^a Miraine Falzon^b Simon Grima^c

^a Head of the Department of Accountancy, F.E.M.A., University of Malta, Malta,
peter.j.baldacchino@um.edu.mt

^b Tax Advisor and Master Student at University of Malta, Malta, miraine.falzon.11@um.edu.mt

^c Head of the Department of Insurance, F.E.M.A., University of Malta, Malta,
simon.grima@um.edu.mt

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Abstract

The objectives of this research are to identify the major areas needing reform in the co-operative regulatory framework of the small state of Malta and to evaluate possible alternatives. Objectives were achieved by the analysis of the legal framework and the conduct of semi-structured interviews. Findings indicate a general yearning for co-operative regulation to be less paternalistic and to allow greater financial and operational autonomy to co-operatives and their institutions. However, results highlight the importance of upholding the distinct co-operative identity encompassed by the co-operative values and principles. The article concludes that it is the areas of co-operative financing, the distribution of returns and the role of co-operative institutions needing most addressing. Recommendations include amending the provisions relating to the redemption of capital upon member exit, removing the asset lock on ploughed-back surpluses, and updating regulations regarding representative co-operative organisations and the Maltese co-operative funding entity, the Central Co-operative Fund.