



MALTA CO-OPERATIVE FEDERATION



Response to the Consultation Document

“A Social Vision for Malta 2035, Shaping the Future of our Society”

issued by the Ministry for Social Policy and Children’s Rights.

Introduction

The Malta Cooperative Federation (MCF) welcomes the opportunity to provide feedback on the Consultation Document "[A Social Vision for Malta 2035, Shaping the Future of our Society](#)" issued by the Ministry for Social Policy and Children's Rights

This consultation document is part of a Government-led process that sets a number of policy goals aimed at addressing social gaps as well as future social challenges.

About the Malta Cooperative Federation

The MCF seeks to aid, advance, expand and unite and create new co-operative initiatives. The federation consists of a network of new-wave and successful co-operative businesses seeking to promote, strengthen and improve the co-operative model in Malta.

The MCF represents cooperatives which work in varied economic sectors including maritime, consultancy, transport, media, arts, tourism, sports, social, restoration and education. Four of MCF's members are social cooperatives.

What is a cooperative?

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. Cooperatives are people-centred businesses run by their members. They are ethical businesses that run on [seven internationally recognised principles](#) which include democratic member control, autonomy and independence, and concern for the community. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. Cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

More than 12% of humanity is part of any of the 3 million cooperatives in the world. Cooperatives contribute to the sustainable economic growth and stable, quality employment, providing jobs or work opportunities to 280 million people across the globe, in other words, 10% of the world's employed population. (Source: ICA)

It's about democratic decision-making and since members of a co-operative are also its owners, they actively participate in the decision-making process. The emphasis is on the person, rather than on the financial muscle of the member. Co-operative societies operate on the principle of 'one-person-one vote' in strategic business decisions

Cooperatives can be found in any economic sector and, like any other business, must run a surplus to be successful. On the other hand, by their very nature, co-operatives are socially-viable models. Co-operatives can be run by workers, producers, professionals, users, and consumers.

Members get to decide how to distribute the surpluses generated through the cooperative's economic activity. Surpluses are shared among members, reinvested in the cooperative, go to a social cause or a mix of these.

Social Cooperatives

Social cooperatives are one of the main responses to people's emerging needs. Being firmly based on internationally agreed values and principles, they additionally have their own distinctive characters. Social cooperatives may involve different stakeholders, such as worker, user, local authorities, different types of legal persons, etc. Different stakeholders are or can be members of the cooperative and jointly own and democratically control the enterprise. Social Co-operatives are an innovative contribution in developing democratic and participatory management in the social field.

A More Cooperative Economy

The Consultation Document "A Social Vision for Malta 2035, Shaping the Future of our Society" is based on social fairness and prosperity. Some of the most frequent and pertinent principles considered by stakeholders for 2035 include sustainability, productivity, innovation, resilience, collaboration, and diversity. Messages by the Hon. Minister and the Permanent Secretary include important keywords such as proactivity, social justice, inclusiveness, participation, integration and well-being. The document also rightly mentions the Sustainable Development Goals, as well as empowerment of society's members.

All these concepts fit beautifully into the concept of co-operatives. Cooperatives are based on social fairness and prosperity since they create wealth and prosperity through the cooperative's economic activity; they also guarantee social fairness by allowing members of the cooperative who are generating this wealth to claim a fair share of the surpluses, in addition to earning a fair wage. The cooperative model thus moves away from the asymmetrical shareholder-worker relationship of a traditional company which sees workers earn a wage and shareholders reaping all the profits. Cooperatives are particularly recognized as important partners to achieve the Sustainable Development Goals (SDGs), because they promote democracy, enhance income, foster social inclusion, and care for the environment.

A Radical Change in How We View Economic Participation of Vulnerable Groups

The Consultation Document states that "*Malta's Vision will also aim to provide the necessary support to citizens, in particular vulnerable groups, to participate in the economy and have access to better life chances*" (page 18).

We encourage all those responsible to implement this strategy to understand that being in the employ of others is not the only way to assist people achieving their economic aspirations. We encourage policy makers to engage with the MCF in order to understand how membership in a cooperative can significantly contribute to increasing economic participation of vulnerable groups by allowing them to own their place of work together with others. The Consultation Document lists a number of categories of vulnerable cohorts, including, among others, former inmates, victims of addiction, persons with disability and victims of different forms of abuse. While MCF recognises that different vulnerabilities need different types of support, we contend that access to membership in a cooperative should always be taken into consideration when it comes to assisting people with their economic aspirations.

The Consultation Document goes on to say that "*[n]ational economic growth is one of the most effective instruments that can reduce poverty and improve quality of life. In this regard, economic*

growth must be inclusive to provide sustainable jobs and promote equality. Thus, it is crucial to combine inclusive growth promoting policies which enable vulnerable persons to participate fully in the opportunities created and subsequently contribute within the labour market” (page 33).

MCF believes that economic growth can only reduce poverty if the wealth that is generated is distributed fairly. Economic growth where profits are pocketed by a few shareholders while wages remain inadequate not only does not reduce poverty, but rather, increases inequality.

Cooperatives allow its members, including workers, to not only get a decent wage at the end of the month but also get a share of the surpluses that the cooperative generates thanks to their members' work.

MCF recommends a paradigm shift in the way we view people who are going through a difficult phase in their life and for which they are categorised as 'vulnerable'. MCF is proud that one of its member cooperatives is run entirely by people who at some point in their life were vulnerable and had difficulties finding employment but who now own their place of work together. They work together, they earn a wage every month and at the end of the year share the surpluses of the cooperative.

Cooperatives can also be set up by professionals providing services to vulnerable groups. This increases active participation in decision-making and in the benefits of working together.

Increasing Awareness of the Cooperative Model In Schools

The consultation document states that *“Government aims to provide the necessary support for youth to thrive. Within this context, education is key to provide the younger generation with the necessary knowledge and skills which will improve life and career prospects. Within this context, Government will continue to act as an enabler in ensuring that youths are provided with the appropriate education and training” (page 45)*

MCF fully supports this statement and believes that the national curriculum should include awareness on the cooperative model of doing business. Unfortunately, there is little or no awareness among young people about the possibilities of working together and cooperate for their, and society's mutual benefit.

We therefore recommend that the cooperative model becomes part of the national curriculum as part of this Strategy.

Active Ageing

The Consultation Document says that: *“Government aspires to an inclusive society which focuses on the needs of older adults. This can be achieved through appropriate measures aimed towards maintaining wellbeing and life satisfaction in the later years, prioritising longevity and quality of life. Within this context, efforts to ensure that elderly persons remain active within the community will contribute towards better quality of life for citizens whilst at the same time mitigate against long term hospitalisation. In this regard, the provision of adequate support structures needs to take into account the diversity of older persons with a view to enable active ageing” (page 48)*

MCF believes that there is a vast pool of talent among our ageing population that can be put to good use. We firmly believe that the government should facilitate the setting up of elderly-run cooperatives which would utilise its members' varied skills in order to provide services to the

community against payment. The amount of time and work members put in can be determined by the members themselves and allow for flexibility depending on members' needs and abilities. Members, who would be paid for their work, would also decide how to distribute surpluses generated.

We believe that cooperatives run by the elderly not only promote active ageing but would also provide a high-quality service to the rest of the community.

The Consultation Document makes no reference to those elderly people who reside in care homes. MCF believes that membership in an elderly-run cooperative should be open to such people as well.

While Government should respect the autonomy of an elderly-run cooperative it could still actively support it in various ways, including administrative support, and protection of cooperative earnings made by residents of care homes.

Migration

The Consultation Document states: *"[t]he needs of the Maltese industry and economy can no longer be adequately met without migration, and in fact successful intercultural integration is the rule at most places of work. On the other hand, migrants aspire for improved quality of life and career prospects"* (page 68)

Worker-run cooperatives should be promoted among the migrant population and they should be encouraged to become full members. Membership in a cooperative will address problems such as labour exploitation, unsafe work practices, human trafficking and modern slavery.

We also recommend that an inter-agency exercise is carried out to ensure that there are no procedural hindrances for migrants to become full members of cooperatives and enjoy the benefits and safety that other cooperative members enjoy.

Implementing the European Commission's Social Economy Action Plan

The European Commission's [Social Economy Action Plan](#) aims to enhance social investment, support social economy actors and social enterprises to start-up, scale-up, innovate and create jobs.

It is pertinent to point out that according to the recently enacted Maltese Social Enterprise Act, Social Enterprises need to be first established in the legal form of a company, cooperative or partnership.

We strongly encourage that people considered as vulnerable are not just treated as 'recipients' of services provided by social enterprises, but that they can effectively be supported to run these social enterprises in a cooperative setting.

Socially Responsible Public Procurement

The European Commission's report '[Making Socially Responsible Public Procurement Work: 71 Good Practice Cases](#)' encourages all EU Member States to make use of the flexibility allowed by the 2014 Public Procurement Directives which make it clear that social aspects can be taken into account throughout the procurement cycle. According to this report, Member States are not yet fully exploiting the possibilities of public procurement as a strategic tool to support social policy objectives.

We encourage all officials involved in public procurement to move away from the misguided perception that the only criteria to award a government contract is price.

We recommend that training on Socially Responsible Public Procurement becomes mandatory for officers within the Maltese Public Service who are involved in one way or another in decisions affecting what needs to be procured and/or how it needs to be procured.

Furthermore, when awarding public contracts, MCF firmly believes that preferential treatment should be given to cooperatives that run on a not-for-profit basis where surpluses generated go to a social cause

Conclusion

The recognition of co-operatives in the Social Vision for Malta 2025 also stems from Article 20 of Malta's Constitution, which specifically states: 'The State recognises the social function of co-operatives and shall encourage their development.' The MCF believes that the recognition of co-operatives, together with a clear path of action, are a very clear and present opportunity for Malta to proactively deal with the challenges listed in the document. There is ample proof, globally, that co-operatives present an extremely viable tool for a fairer, more inclusive, empowered and resilient society. The inclusion of co-operatives provides yet another important arrow in the bow that this document provides.

We augur that the Ministry for Social Policy and Children's Rights keeps this model in mind throughout its implementation phase of this strategy.

MCF commits to collaborate with the Ministry for Social Policy and Children's Rights , as well as all stakeholders, in achieving the vision that is the heart of this important document.