



# Maltese Stakeholder Perceptions of the Elements and Values in the Cooperative Concept

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**Abstract:** The exploration of stakeholder perceptions concerning the elements and values underpinning the cooperative concept in Malta forms the core objective of this investigation. Employing semi-structured interviews, primary data was gathered from a diverse group of participants, including thirteen representatives from cooperatives, four from cooperative institutional bodies, and five experts within the cooperative field. The analysis reveals a notable deficiency among Maltese cooperative stakeholders in comprehending the foundational elements and values of the cooperative model. This lack of understanding is attributed to ongoing challenges such as persistent misconceptions regarding the adaptability of cooperatives to social objectives, gaps in pertinent education and training, and inadequate promotion of the cooperative paradigm. The findings suggest a critical need for stakeholders to accord greater priority to the socially relevant components of cooperatives—those designed to be integral to the concept—beyond the mere generation of annual financial surpluses. Such a shift in focus is posited as essential for fostering a deeper appreciation and application of cooperative values, benefiting not only individual entities but the broader cooperative movement. Moreover, the insights gleaned from the Maltese context offer valuable lessons for cooperative movements in other small European states, highlighting the universal applicability and potential of cooperative principles for economic development and social cohesion. This study contributes to the dialogue on cooperative development by elucidating the gaps in understanding and application of cooperative values among stakeholders, thereby offering a foundation for targeted educational and promotional strategies to enhance the cooperative model's implementation and perception.

**Keywords:** Cooperative principles; Stakeholder perceptions; Malta; Socially oriented enterprises; Educational deficiencies in cooperatives

**JEL Classification:** J54, Q13

## 1. Introduction

The modern co-operative movement may be traced back in Britain to 1844, when workers in Rochdale established a shop (Smith, 2004). Furthermore, in 1848, a group of villages in Northern Germany led by F. W. Raiffeisen witnessed the creation of a co-operative aimed at alleviating the suffering of its members (Zeuli & Cropp, 2004). Exceeding one billion members and supporting 100 million jobs across the world, cooperatives have, to date, proved internationally to be resilient enterprises that play a crucial role not only in the economy but also in society and the environment (Hertig, 2012).

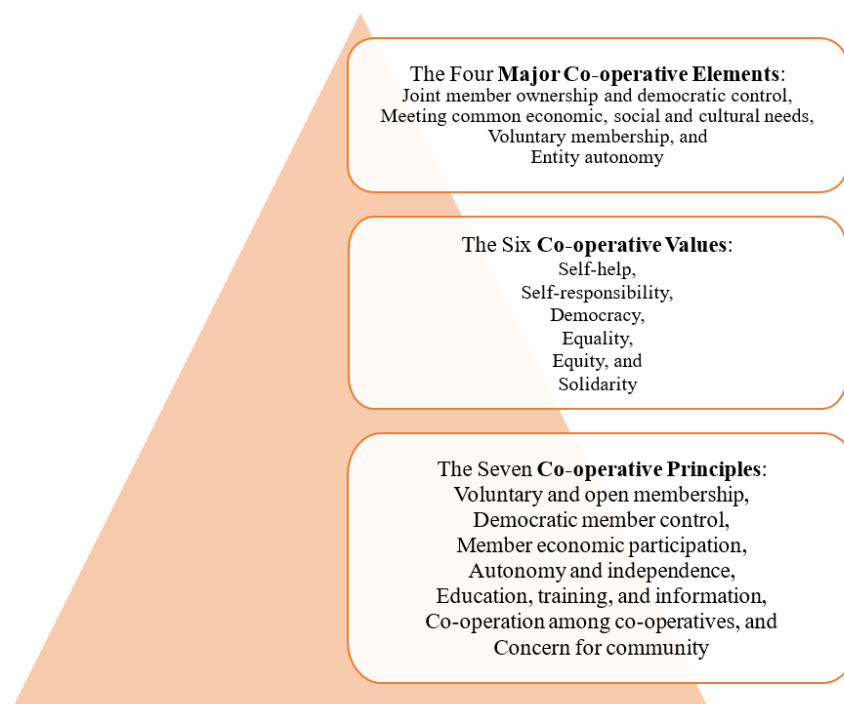
The International Co-operative Alliance (ICA) has played a pivotal role in shaping the global cooperative movement to this level, providing a unifying platform for cooperatives worldwide. The roots of the ICA can be traced back to 1895, when it emerged as alliance of cooperatives in a response to the challenges posed by rapid socio-economic transformations at the time, recognizing the need for international collaboration among such

cooperatives being having been newly set up since the above-stated beginning in 1844. Over the years, the ICA grew in scope and influence, serving as a forum for an exchange of ideas, experiences, and best practices among cooperatives from different countries and sectors. The alliance evolved its cooperative concept by defining a co-operative including its four essential elements, and also setting out the co-operative values and principles. Now, the co-operative concept increasingly emphasizes the dual relationship of co-operative members with their organization, where such members are both owners and users, serving as consumers, producers, or employees (Gijssels, 2009).

The alliance achieved its concept evolution in a dynamic process shaped by a changing socio-economic context, refining and adapting to contemporary challenges, this resulting in a guiding framework for cooperatives globally, offering them a viable and distinct alternative to conventional business models. The co-operative concept is probably best understood by first examining the main terms in the widely accepted International Co-operative Alliance's (ICA) definition of a co-operative as “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” (ICA, 1995).

As also shown in Figure 1, the following four essential elements are included in this definition: (1) joint member ownership and democratic control; (2) the meeting of common economic, social, and cultural needs; (3) voluntary membership; and (4) entity autonomy. Moreover, Figure 1 also shows the six ICA co-operative values of (1) self-help, (2) self-responsibility, (3) democracy, (4) equality, (5) equity, and (6) solidarity (ICA, 1995). These elements and values have, over the years, given rise to the principles of cooperation through an ongoing process of iteration. They have served as the foundation for the principles, which have then been tested through various practices. (Birchall, 2003).

The seven co-operative principles (also listed in Figure 1) set out by the International Cooperative Alliance (ICA, 2023) and, in the case of Malta, also enshrined in legislation (CSA, 2001) are the following: (1) voluntary and open membership; (2) democratic member control; (3) member economic participation; (4) autonomy and independence; (5) education, training, and information; (6) cooperation among co-operatives; and (7) concern for the community. The most authoritative literature on cooperative principles is the document “Guideline Notes” (GN) to such principles issued by the ICA in 2015, which involved several contributors.



**Figure 1.** The co-operative concept: elements, values and principles

Source: Adapted from Birchall, 2003

## 1.1 International and Maltese Co-Operative Movements

On its part, the Maltese co-operative movement launched much later in 1947 with the founding of the first co-operative after legislation was established to govern such corporate structures in Malta (Galea, 2012). Ten agriculture co-operatives were soon established, with the first consumer co-operative being founded in 1948.

However, a development slowdown followed in the 1950s and 1960s (Mintoff, 2015), and the number of registered co-operatives did not increase significantly even after the introduction of tax exemptions for them in 1965 (Galea, 2012), so that, by the end of the 1960s, there were only thirty-nine registered co-operatives, mostly in the agricultural and fisheries sectors. Furthermore, since the late 1980s, some co-operatives have expanded into new sectors such as transport, management and marketing consultancy, media, wholesale, health, maritime, archaeology, restoration, fair trade, lotto, tourism, youth services, and community care (MCF, 2023). Nevertheless, the total number of cooperatives by March 2023 remained small, at only seventy-two, involving 5,200 members. Over the years, four co-operative institutional bodies were established in Malta, these being Koperattivi Malta (KM) and the MCF as representative bodies for co-operatives; the Co-operatives Board (CB) as statutory regulator; and the Central Co-operative Fund (CCF) as a common fund made up of contributions by co-operative societies to further develop cooperatives and invest in more education, research, and training (Baldacchino et al., 2022; Naudi, 2020). Co-operatives contribute 5% of their surpluses to this fund (Fabri et al., 2006).

The Maltese government has attempted to embrace the ICA principles by supporting the establishment of cooperative enterprises, promoting economic participation and social inclusion. These cooperatives operate in various sectors as stated above. Even more importantly, Malta aligns its cooperative legislation with ICA guidelines, emphasizing democratic governance, member participation, and solidarity. On its part, the government also encourages education and training on cooperative values, ensuring the sustainability and growth of cooperative endeavors in line with the ICA's cooperative principles.

## 1.2 Research Question: Significance, Scope, and Limitations

The paper poses the following research question:

*How do selected stakeholders in Malta perceive the elements and values of the cooperative concept?*

This question is important in that very few studies in Malta have to date dealt with any stakeholder perspectives on such concept components. Yet, such perspectives are crucial for an evaluation of the extent of success in the application of the co-operative concept itself. Furthermore, over the years, most of the relatively small number of co-operatives in Malta have failed to show many clearly successful applications of the co-operative concept. As a result, the indications are that several improvements may need to be achieved on the part of the major stakeholders in their understanding and appreciation of this concept. However, the paper excludes consideration of the co-operative principles themselves, as these are the subject of separate studies involving the authors. Additionally, it is limited to the perceptions of co-operative representatives (coopreps), co-operative institutional body representatives (coopinstitreps), and their related experts. In fact, primary data for this research was collected through the use of semi-structured interviews conducted with thirteen cooperators, four representatives of institutional bodies, and five experts. Any references to the perceptions of other stakeholders, including the public, government, co-operative employees, bankers, and accountants, are limited to the opinions held by these three major stakeholders. Furthermore, this study has included pertinent national and international information until the cut-off date of March 31, 2023.

## 2. A Literature Overview of Co-Operative Elements and Values

### 2.1 Co-Operative Elements and Values Within the Cultural, Economic and Historical Contexts

Co-operative elements and values, guided by the ICA, take on varied meanings across cultures and economies. Notably, for example, in the Maltese small and close-knit society, such elements and values may be expected to integrate seamlessly into daily life, fostering mutual support. However, cultural attitudes towards decision-making, whether consensus-driven or hierarchical, may also influence the implementation or otherwise of cooperative democratic control: say, in this context, the more hierarchical corporate structures in Malta probably tend to bear an adverse influence on the implementation of such democratic control. On its part, economic diversity such as that prevalent in Malta also shapes cooperative models across sectors, addressing specific challenges and reflecting adaptations to local needs. As is the case in most countries, co-operatives in Malta may thus play a role in mitigating economic disparities, emphasizing equitable benefit distribution. Furthermore, historical factors, including, in the Maltese case, colonial influences and independence struggles, may contribute both positively and/or negatively to the cooperative landscape, while legal frameworks, influenced by historical regulations, may impact governance, taxation, and member rights. Therefore, ultimately, cooperative elements and values in many countries including Malta may be intricately woven into the cultural, economic, and historical fabric, influenced by both local dynamics and broader considerations such as regional ones, being the EU in the case of Malta (Altman, 2009; Baldacchino et al., 2019).

The practical application of these elements and values of cooperatives is often faced with tensions and challenges for their management and operation in view of the delicate balance between democratic decision-making and the need for efficient operational management. The emphasis on equality and democratic control may

lead to slow decision-making processes as consensus-building can be time-consuming. Additionally, ensuring active member participation and preventing power imbalances among members can be challenging, as some individuals may exert more influence owing to factors like financial contributions or expertise. Balancing the cooperative's social objectives with economic viability poses another tension, as cooperative enterprises must navigate market pressures while adhering to their commitment to caring for the community. Furthermore, sustaining a cooperative spirit among diverse member interests and goals requires ongoing communication and education efforts. Addressing these tensions requires careful management and a commitment to the cooperative principles, with adaptability to the unique circumstances of each cooperative.

Clearly, while all elements and values are meant to be implemented in the cooperative movements of the different countries and cultures, in achieving the balanced application referred to above, the relative significance placed in practice on each element and value may in fact vary in line with each country and culture.

Furthermore, in today's cooperative landscape, embracing such elements and values becomes crucial for effective management. Each element and value, together with the co-operative principles helps in guiding decision-making, fostering inclusivity, and enhancing sustainable practices, thus ensuring cooperatives remain responsive, accountable, and impactful contributors to economic and social well-being.

## 2.2 The Four Elements

One of the four elements noted in the ICA (1995) definition of a cooperative is that of joint member ownership and democratic control. A co-operative is both owned and controlled by its member-owners, and, in contrast to limited liability companies (LLCs), it typically exercises more democracy by operating a one-member, one-vote (OMOV) rule and exercising a cap on the share capital that each of its members may hold. According to Reynolds (2000), such a rule is crucial for democratic representation in decision-making and adherence to this element. Draperi (2012) also underlined that members are to actively participate in setting policies and making decisions through democratic processes. With respect to the cooperative element of meeting common economic, social, and cultural needs, a co-operative is mainly formed to satisfy some specific long-term need beyond mere profit-making, and this is commonly unlike commercially-minded LLCs, which too often focus on registering short-term economic gains. (ILO, 2022).

Such co-operative needs may include those for solving market failures and/or building long-term value and sustainability. Therefore, as Bancel (2015) pointed out, the capital contributed by members is not intended mainly for generating a return on investment but more as a pooled capital that is utilized to provide necessary goods, services, or employment opportunities to members at a reasonable cost. The surplus is allocated towards the development of the co-operative, compensation to members, or other activities approved by members. Furthermore, each member's contribution needs to be fair and reasonable according to the circumstances of the co-operative and the capacity of such a member as determined by an impartial observer. This does not imply that all members must contribute an equal amount. As for the voluntary membership element, a co-operative is expected to promote inclusivity and democratic participation (ICA, 2015), remaining open to membership with only reasonably limited restrictions and not exhibiting any prejudices against potential members. Potential members not only have to be able to join voluntarily but also to be free to leave the co-operative at any time. As for the element of entity autonomy, for a co-operative to remain strong, it is meant to be independent from third parties with whom it enters into agreements, such as governments (Birchall, 2003), international organizations (Cracogna et al., 2002), and any third parties financing it (Novkovic, 2008).

## 2.3 The Six Values

The six values are meant one of the six ICA (1995) values is self-help. The term 'co-operation' has its roots in the Latin word 'cooperari', in which 'co' signifies 'together', and 'operari' denotes 'to work' (Dastane & Thakkar, 2015). In a co-operative, individuals are expected to work together and help one another to the benefit of all, thus achieving their goals through collective effort and mutual support (Fairbairn, 1994). Another value is that of self-responsibility. This signifies that each individual member remains personally accountable for their contributions within the group. (NCBA CLUSA, 2023). As for the value of democracy, in line with the respective elements referred to earlier, this emphasizes the significance of democratic decision-making exercised by the member-owners within their co-operative. It entails the right of members to participate, be informed, be heard, and be equally involved in decision-making (Hoyt, 1996). As further explained by Fairbairn (1994), the democratic structure of a co-operative must reflect the collective will of its members, and this is their shared goal of achieving the common good as co-operative members. Thus, members are to be actively involved in the co-operative's affairs rather than remaining passive participants. Regarding the value of equality, this emphasizes the importance of treating all members equally, regardless of their gender, sexual orientation, race, religion, or any other characteristic. With respect to equity, this is a moral value that pertains to the fair distribution of resources and opportunities based on labor, not ownership of capital (Hoyt, 1996). This value recognizes that members have

different needs and abilities, which the co-operative should take into account in its decisions in addition to their individual contributions to the cooperative (Fairbairn, 1994). Finally, the value of solidarity ties up with that of self-help in that co-operation may be understood as enhancing members' capacity to act and achieve their goals by the pooling of resources and the sharing of risks, or, at least, by the pursuit of shared goals. (Spicker, 1992).

### **3. Methodology**

#### **3.1 The Research Tool**

Semi-structured interviews were deemed to be the most suitable research tool because they would be very versatile in gathering reliable and valid data to answer the research objectives (Saunders et al., 2016). The interview schedule contained both closed-ended and open-ended questions, which were standardized and asked in a systematic order so that the data collected would be comparable and evaluated statistically (Mcintosh & Morse, 2015). However, participants were offered the flexibility to provide their insights when answering open-ended questions. Probes and follow-up questions were used to stimulate the respondents to open up about their preliminary responses or to elucidate some points that arose during the interview (Wahyuni, 2012). According to McIntosh & Morse (2015), "the dual qualities of replicability and flexibility yield pertinent as well as rich data."

The interview schedule devised for this study was aimed at all three stakeholder groups. It consisted of both open-ended and closed-ended questions. For the closed-ended questions, either a five-point Likert scale setting with '0' being strongly disagree and '4' being strongly agree, or a multiple-response dichotomous setting was used. Four closed-ended questions were included. In line with the research question seeking respondent perceptions of the elements and values of the co-operative concept, two of these questions required the rating of each respondent about the extent they deemed relevant the ICA values to the co-operative concept and as to how essential they perceived to be to such concept the ICA and additional elements found in the literature. A further closed-ended question asked respondents to list which of 14 different stakeholder groups they perceived as appropriately understanding the concept while another one asked them to rate the extent to which they found each of the five Maltese co-operative institutions as having promoted the concept to date. These questions were accompanied by another five open-ended questions asking respondents on their understanding of each of the co-operative values; any further values they might deem relevant; the sufficiency of Maltese legislation provisions in clarifying the concept; their viewpoint relating to the concept being usually perceived as relevant only to specific sectors, and also their viewpoint about the circumstances in which a cooperative rather than another corporate structure should be formed.

#### **3.2 The Choice of the Sample Population and the Structure of the Interview Framework**

A list of co-operatives was acquired from the Co-operatives Board website. All coopreps whose contact details were obtained were contacted. All co-operative institutional bodies were also asked about any experts that they had available, and five names with their contact details were provided. Coopinstitreps were contacted via the information on their website. Subsequently, appointments were scheduled with coopreps, coopinstitreps, and experts.

The semi-structured interviewing process demanded a structured framework for a balance to be achieved between flexibility and standardization and also ensure replicability. In the first place, for consistency, the same interviewer was engaged to carry out all interviews. A general interview guide with topics and questions relating to the research question was prepared after adequate referencing to the relevant literature and various discussions between the interviewer and the main author were held. This guide was refined by the conduct of three pilot tests with a member of each of the three selected groups so that any ambiguities or problems with the questions/topics were identified. Probing questions were also included for a deeper exploration of topics with consistency being maintained. Interviews were recorded for accuracy and any deviations and unexpected findings were noted. The interviewer was also open to guide modifications based on participant responses, with the interview going beyond the guide wherever considered relevant. In order to aid replication, transparent reporting was ensured by the recording of any modifications to the interview guide. Furthermore, the interviewer held regular meetings with the main author to discuss the progress of interviews. Key findings were also shared with any willing participants for their feedback, the credibility of the study thus being enhanced. Overall, this approach thus ensured replicability and adaptability in the interviewing.

A total of 22 interviews were carried out. In the case of coopreps, 13 interviews were held either with one of their managers or one of their Committee of Management members. In the case of coopinstitreps, four interviews were held with representatives from the CCF, CB, KM, and MCF. In the case of experts, five interviews were held with individuals who possessed comprehensive knowledge and expertise in the co-operative sector. These were the chosen population for this study owing to their contribution and involvement in Maltese co-operative matters.



### **3.3 Data Analysis**

Interview transcripts and notes written down during the interviews enriched the data analysis. Qualitative data was sourced from the open-ended questions as well as the comments added by some respondents on their ratings of the Likert scale questions. This was analyzed using the thematic approach (Wahyuni, 2012), whereby the transcripts were summarized and the different responses were compared to identify the emerging themes.

Quantitative data was sourced from the closed-ended questions. The Chi-Square Test was used to investigate the association between the group of participant perceptions and an aspect relating to the study. The Friedman Test was used to compare the mean rating scores among a number of related statements and then conclude whether or not the mean rating scores varied significantly. The Kruskal-Wallis test was also used to compare the mean rating scores provided to a statement between the three clustered groups of participants.

The data was forming the Likert scale questions involving the quantitative part and the open-ended question involving qualitative part was triangulated for a comprehensive research understanding. Results from the different methods were compared, and convergences or divergences were identified.

Thus, findings were validated using both data types and an integrated interpretation was formulated, acknowledging discrepancies so as to draw well-supported conclusions, and also enhancing the research validity and reliability through this mixed-methods approach.

## **4. Results and Discussion**

### **4.1 The Co-Operative Concept, Elements, and Values**

The interview responses indicated that most respondents consistently attributed the highest significance to the co-operative elements of autonomy and joint member ownership/democratic control and to the corresponding values of democracy and equality. Nevertheless, most co-operative representatives were neutral as to whether such autonomy would be limited by any reliance on government financial and technical assistance. Most respondents also maintained that the other elements and values were in fact embedded within their co-operative concept. Yet, contrastingly, co-operative surplus maximization was commonly considered a more important goal than socially relevant goals such as education and training for members, retaining voluntary and open membership, inter-cooperative cooperation, and prioritizing the public interest. Surprisingly, half the respondents, mostly co-op representatives, could not clarify their understanding of the values of self-responsibility and self-help. The responses also indicated that there was as yet insufficient promotion of the co-operative model by both the co-operative institutional bodies and the government. Additionally, cooperative law (CSA, 2001) was found not to be helpful enough in clarifying the co-operative concept. Notably, most of the public was still perceived by almost all respondents as considering the co-operative concept to be mostly relevant within the primary and transport sectors. Moreover, Maltese professionals, including bankers, accountants, auditors, and lawyers, as well as most co-operative customers, suppliers to co-operatives, government entities, and co-operative employees, were also perceived by respondents to be deficient in their understanding of the co-operative concept. Furthermore, respondents indicated that co-operatives were not being formed consistently as a result of promoter beliefs in the co-operative concept but, at times, also as a way of avoiding or delaying tax liabilities.

### **4.2 Is the Maximization of Surpluses Being Over-Emphasized in Maltese Co-Operatives?**

It is therefore clear from the responses that the maximization of financial surpluses is being overemphasized to the detriment of much more socially important goals and values that go beyond the co-operatives' existing confines. In particular, while the interests of co-operative members do remain important for each co-operative to care for, the public interest seems to be unduly given less relative importance. With such an overemphasis on profit-making, Maltese co-operatives seem, as yet, not to differentiate sufficiently their purpose from that of commercial LLCs. They do not seem to be attaching enough significance to the more inclusive elements that co-operatives are meant to champion. This indicates that, in this respect, the Maltese co-operative situation has not changed much since the study of Mintoff (2015).

Notably, while autonomy, together with democracy, were declared to be given very high priority within co-operatives, uncertainty seemed to surface about the extent to which co-operatives are meant to be independent of government financial or technical assistance. Such a contradiction implies that Maltese co-operatives are not really that prepared to be autonomous. A more detailed study in this regard may shed further insight into this lingering issue.

### **4.3 Are Co-Operatives Ambitious About the Values of Self-Responsibility and Self-Help?**

The indications are that, while co-operatives and their institutional bodies do seem to understand well the major

values of democracy, equality, equity, and solidarity, there seems to be some ambiguity with regards to self-responsibility, self-help, and, again, autonomy. This became clear in that, with regards to self-responsibility, many respondents found its meaning difficult to define. Furthermore, with regards to self-help, a minority of respondents even refrained from answering the question as they were unsure as to what to say. Indeed, both self-responsibility and self-help may be seen as pre-requisites for achieving autonomy, and the lack of clarity among respondents in this respect further strengthens the impression given earlier that co-operatives may not, as yet, be serious enough about autonomy.

#### **4.4 Does the Value of Equity Result from Balancing Co-Operation and Commercialism?**

With respect to the value of equity, which was declared to be also embedded with the concept, respondent definitions differed from that of taking back according to one's needs to that of taking back according to one's efforts. Yet, such two definitions are not to be considered opposites or mutually exclusive. This is because equity involves reaching an appropriate balance between the two sides, with the former involving co-operation, including collaboration and mutual benefit, while the latter involving commercialism, including competition and individual gain. Both definitions have therefore to be taken into account, with each co-operative having to strive to achieve the right balance between them.

#### **4.5 Does the Value of Solidarity in Co-Operatives Require Co-Operation/Commercialism Balance to Be Weighted More Towards Co-Operation?**

While both co-operation and commercialism are necessary elements for the success of any co-operative, the need to include the value of solidarity in the concept package probably tilts the balance more towards co-operation. Thus, if one member becomes unable to work as hard as the other members—perhaps owing to sickness or some other cause—the aspect of co-operation should clearly take priority over commercialism so that such a member is given the needed solidarity. In these and similar circumstances, co-operative members may need to be extra generous on the basis of “you today, me tomorrow” and let commercialism take backstage.

Notably, some respondents linked solidarity either with the notion of the ‘common good’ or with ‘philanthropy’. The common good does not imply commercialism but rather a collective understanding of the importance of working collectively to ensure compassion, empathy, and social justice. In the same manner, philanthropy does not imply commercialism but refers to individuals or entities with enough resources giving donations for the sake of making a positive impact on society. In this light, when tilting the balance towards co-operation and away from commercialism, co-operatives may be seen to be acting either for the common good or philanthropically. In this connection, more study as to what actually motivates co-operatives to carry out such tilting, when actually carried out, may be helpful.

#### **4.6 Why Has the Co-Operative Concept Not Been Sufficiently Promoted to Date?**

The indications are that, to date, there has not been sufficient promotion of the co-operative concept by stakeholders. This is probably a major reason why there have been only minor developments in the co-operative movement over the years. It seems that none of the major stakeholders—KM, MCF, CB, CCF, and the government—has taken overall responsibility for the promotion of the concept. It is probable that each stakeholder expects such promotion to be undertaken much more by the others. Consequently, the public perception of co-operatives seems either missing or not formed sufficiently well. In this context, the CCF, in particular, could provide funding for new promotion initiatives to support the co-operative movement. Such initiatives could include not only the use of traditional media such as television, radio, and daily newspapers but also, more importantly, social media.

#### **4.7 Is the Co-Operative Concept Well Perceived by the Public?**

While a specific study on the Maltese public perceptions of the co-operative concept goes beyond the terms of reference of this paper, it became evident from the responses that misunderstandings by the Maltese public are thought to be common, particularly with respect to the limited application of the concept to different sectors. Unfortunately, as of yet, most of the public seems to link the relevance of co-operatives only to specific sectors, such as primary and transport ones. This again illustrates the point that intensive marketing of the concept is essential if such public perceptions are to be improved.

#### **4.8 Is the Co-Operative Concept Well Understood by the Various Stakeholders?**

The indications from the responses are that more co-operative-related information needs to be provided to

various other stakeholders, particularly bankers, accountants, auditors, and lawyers, so as to render them in a better position to improve their understanding and appreciation of the co-operative concept. Although many such professionals tend to prioritize services to LLCs over co-operatives in view of the higher prevalence of the former entities, they still need to understand the co-operative concept better, including the different co-operative types and structures. However, charity needs to start at home, and many co-operative employees themselves also need to be trained about the differences in working in co-operatives. As for the government, knowledge about co-operatives probably needs to be spread much more than within the CB.

#### **4.9 Are Fiscal Advantages Promoting the Co-Operative Concept?**

Some respondents held the belief that the existing fiscal advantages promote the formation of new co-operatives. However, such advantages are not really substantial, and any new co-operatives being formed for the purpose of obtaining such advantages may easily find themselves deluded. Clearly, in contrast to such beliefs, the minimization or exemption from taxation cannot be at the core of the co-operative concept.

### **5. Conclusions and Recommendations**

This study concludes that Maltese co-operatives and many of their stakeholders lack a clear enough understanding of the co-operative concept. The significance of socially relevant elements, which are meant to be entrenched within the concept, needs to be given more priority than the mere registration of surpluses. The acceptance of the autonomy principle by co-operatives cannot remain constrained, as at present, by their insistence on government aid. In this context, their ambiguity towards full autonomy seems to emanate from their dilemmas relating to self-responsibility and self-help. Furthermore, the study concludes that the inclusion of equity and solidarity within the concept depends on the achievement of an appropriate balance between co-operation and commercialism, with co-operation being given the major say. The concept clearly needs to be promoted further than at present, and the major stakeholders cannot continue to shy away from this. Such promotion may do away with common misunderstandings, such as that of co-operatives being formed with the main objective of gaining fiscal advantages. Consequently, both the conceptual rationale of co-operatives and their application remain beyond the full reach of those who might otherwise be much more interested.

It is recommended that (i) more emphasis be placed on the education of co-operative members, possibly through more specific schemes of the Central Co-operative Fund; (ii) more seminars be held by the co-operative institutional bodies to dialogue with professionals in order to clear up any present misunderstandings. Furthermore, more co-operative education is introduced in professional course curricula; (iii) co-operative institutional bodies make more efforts to co-operate and work together so as to pave the way for co-operatives to collaborate with each other; (iv) potential co-operative members are subject to reasonable criteria relating to eligibility for admission; and (v) the responsibility for promoting the co-operative model is allocated to a specific co-operative institution.

Only when the prerequisites of proper understanding and awareness of the concept are fulfilled will the possibility arise for it to be applied much more meaningfully and fruitfully in Malta, and this may take its time. Nonetheless, as stated by one respondent, “what at the moment may be seen as unachievable will become easily possible in the future given enough willpower by those involved.”

#### **Data Availability**

The data used to support the research findings are available from the corresponding author upon request.

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#### **Conflicts of Interest**

The authors declare no conflict of interest.

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