



In Malta, the **Social Enterprise Act** was passed by the parliament in 2022. In 2021, there were **187 associations** and **14 foundations**.

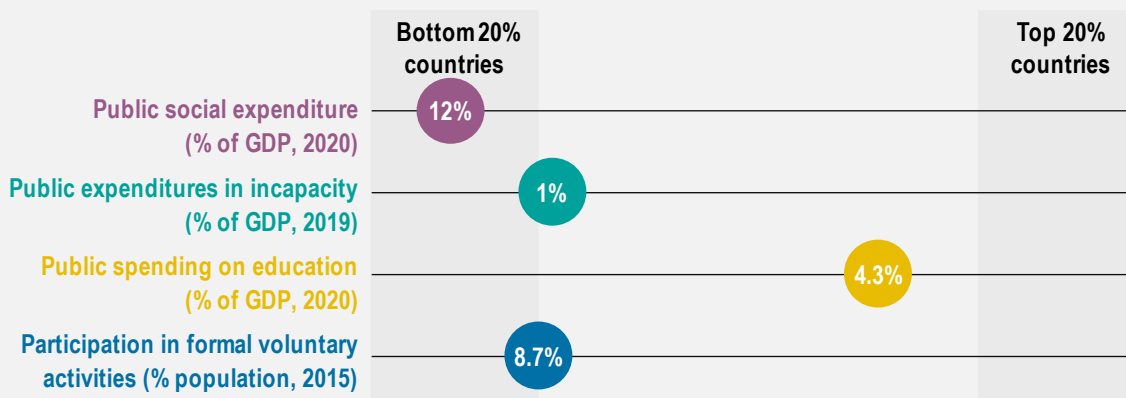
SOCIO-ECONOMIC INDICATORS

Malta is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Gini coefficient	Rural population
Malta	USD 55 162	83.7%	13.5 %	0.310 / 1	5.0%
OECD	USD 53 937	73.2%	14.8%	0.313 / 1	23.1%

Note: Data from Malta refer to 2021, except for labour force activity rate (2022), Gini coefficient (2019) and rural population (2022). Data from the OECD average refer to 2022, except for Gini coefficient (2016) and rural population (2021). See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the social and solidarity economy in Malta

The social and solidarity economy (or social economy) is not defined in any legal or official text in Malta. The country defines the term "social enterprise" as follows:

A **social enterprise organisation** is established in the legal form of a **company, a partnership or a cooperative**, and complies with the following provisions: it is established for the carrying out of any act of trade or other activity which is principally aimed, through the activity itself, towards the **fulfilment of a social purpose for the benefit of the community**, or towards the purpose of **integrating into the labour market workers with a disability or disadvantaged workers**; it is **not controlled by the Government**; and it is registered with the Regulator in terms of this Act as a social enterprise organisation.

Note: For more information, please refer to the [Social Enterprise Act \(2002\)](#), Article 3.

Institutional frameworks



Institutions

The **Ministry for the Economy, European Funds and Lands**, the **Ministry for Social Policy and Children's Rights**, the **Ministry for Inclusion, Voluntary Organisations and Consumer Rights**, and the **Ministry for the Environment, Energy and Enterprise** are responsible for social and solidarity economy policy in Malta. The **Malta Council for the Voluntary Sector Office of the Commissioner for Voluntary Organisations** oversees policy and registration of voluntary organisations in the country. The **Cooperatives Board** regulates the cooperative sector.



Legal instruments

The **Voluntary Organisations Act** was passed in 2007. In February 2022, the **Social Enterprise Act**, presented by the (former) Minister for the Economy, Investment and Small Businesses, was passed by the Maltese parliament to provide a legal framework for enabling sustainable social enterprises.



Stakeholder engagement

Not available.

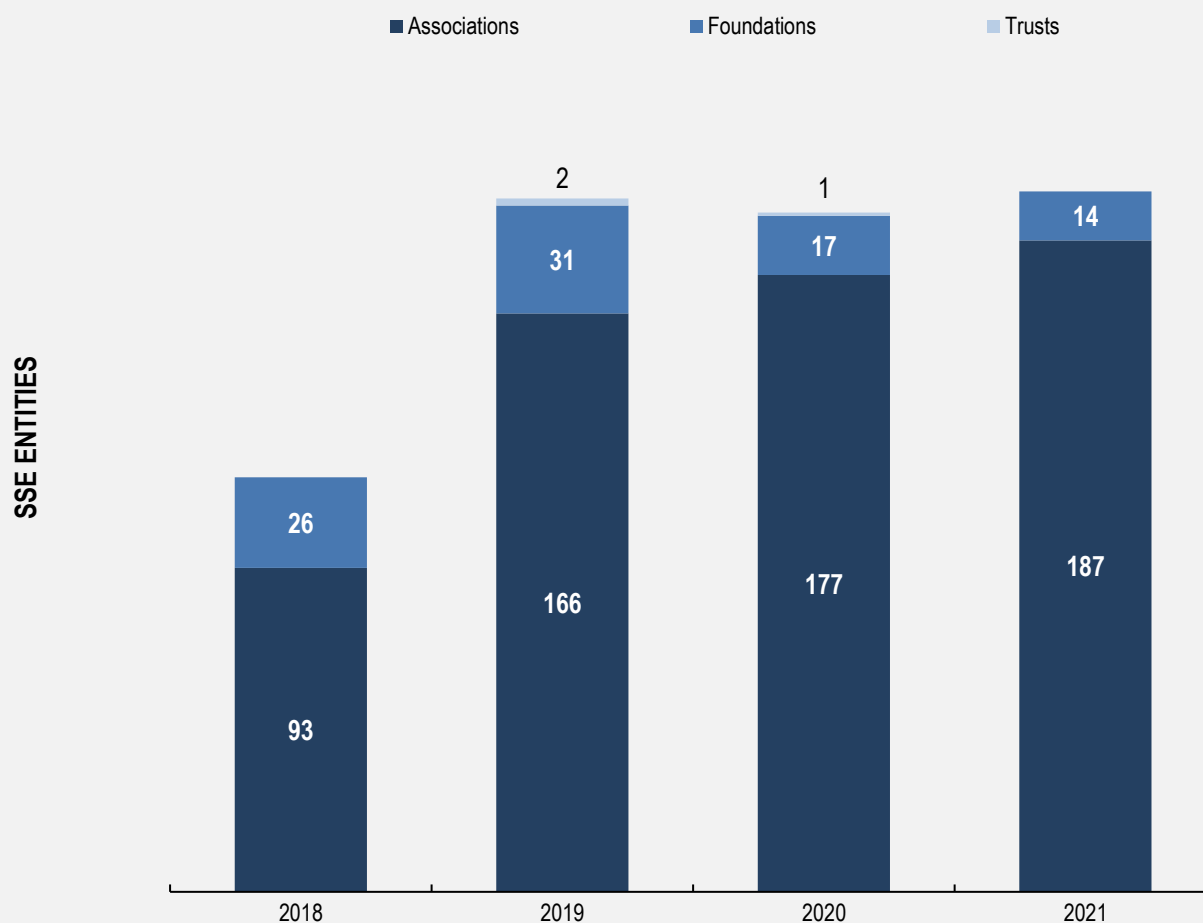
Main figures

In 2021, there were **187 associations** and **14 foundations** in Malta.

SCOPE

The data provided offer a partial view of SSE entities in Malta and cover associations, foundations and trusts.

Number of some SSE entities



Note: Data on trusts are not available for 2018 and 2021.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	<ul style="list-style-type: none"> • <i>Not available</i>
For specific SSE entities at national level	<ul style="list-style-type: none"> • Social Enterprise Act (2022) - Link • Cooperatives Societies Act (2002) - Link • Voluntary Organisations Act (2007) - Link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Malta.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors to the SSE
<ul style="list-style-type: none"> • Public benefit organisations in Malta are taxed at rates capped at 15-35% on profits, depending on the objectives of the association. • Voluntary organisations are exempted from taxes if their turnover for a given year does not exceed EUR 50 000. 	<ul style="list-style-type: none"> • Cash donations made to certain organisations by individual and corporate donors may be deducted with different caps (EUR 50 000, EUR 60 000 or in some cases EUR 100 000).

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.

 Evidence-based initiatives	 Guidance-based initiatives
<ul style="list-style-type: none"> • A review of implementation of Sustainable Development Goal 1: Malta's efforts at alleviating poverty (2020) △ National Audit Office 	<ul style="list-style-type: none"> • Social Impact Assessments as a tool for decision making in spatial planning (2019) △ Parliamentary Secretary for Planning and the Property Market (Planning Authority)



Policy Framework

- [Social Enterprise Act](#) (2022) △ Parliament of Malta

Note: Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities. Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy. Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement.

FURTHER READING ON THE SSE IN MALTA

[European Commission: Social Enterprises and their Ecosystems in Europe Malta Country Report](#) | [EU Social Economy Gateway Malta](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education) (OECD): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; NEET (Malta): World Bank, <https://data.worldbank.org/indicator/SL.UEM.NEET.ZS>; Gini coefficient (disposable income, post taxes and transfers) (OECD): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Gini index (Malta): World Bank, <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=MT>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by the Ministry for the Environment, Energy and Enterprise.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



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Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



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Email us at:

social.economy@oecd.org



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