

SOCIAL FIRMS – A MODEL FOR POVERTY REDUCTION?

**Social Cooperatives of Limited Liability (KOISPE) to combat poverty :
the Greek model of social firms for people with psychosocial
problems.**

***Moving from de-institutionalisation to social integration and job
creation***

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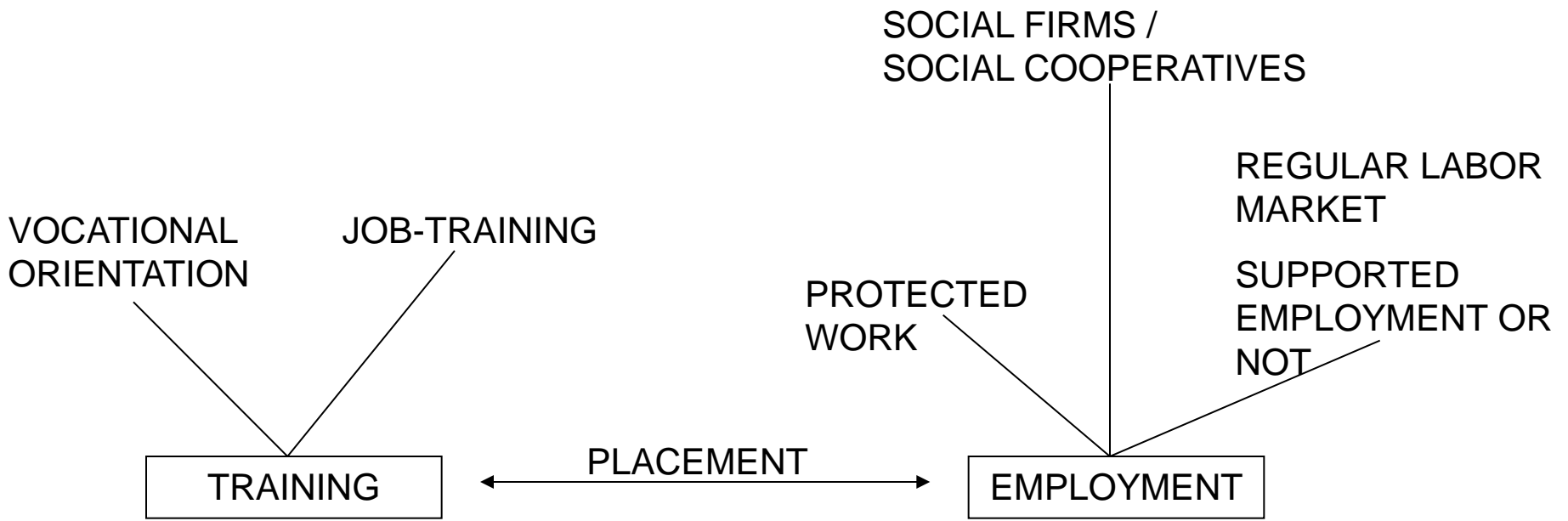
The creation of Social Firms – Social Cooperatives, was due to :

- The closing down of the psychiatric hospitals
- The second world war, the oil crisis, the percentage of people who lost t heir job has increased. Consequently, the employment market has become difficult in employing people, even more the disabled individuals.

DE-INSTITUTIONALISATION

SOCIAL INTEGRATION

JOB CREATION



FRAMEWORK OF SFE CEFEC (1997)

An overall view of Social Cooperatives of Limited Liability in Greece, (Koi.S.P.E) *(Seyfried, Ziomas, 2005)*

The KoiSPE are based on the law 2716/1999 that was created by the Greek Ministry of Health and Social Solidarity. The general purpose of this law was the growth and modernisation of the services for people with mental health problems. The development of the KoiSPE is part of the psychiatric reform in Greece.

The Social Cooperative is a specific form of cooperative which is underpinned by a specific aim, serving both therapeutic and entrepreneurial purposes. It protects and promotes the interests of its members. Each member has a limited obligation to the KoiSPE it belongs. In particular, social cooperatives provide the opportunity for their members to regain “unused” skills or to acquire new ones through the on-the-job training and work experience and eventually to acquire a permanent job in a somehow “protective” environment or in the regular labour market.

At the same time, members of the cooperative learn to work on a collective basis and take some responsibility relating to the performance of the cooperative's activities. It should be pointed out that in these cooperatives, work activities are carried out by both individuals with psychosocial problems or not, thus avoiding the creation of a "sheltered" work situation. Furthermore, this initiative has begun to paving the way for similar legal arrangements to be made in order to facilitate the establishment of social cooperatives by other vulnerable population groups and, in general, the development of the social economy sector in Greece.

The main innovative elements characterising the KoiSPE :

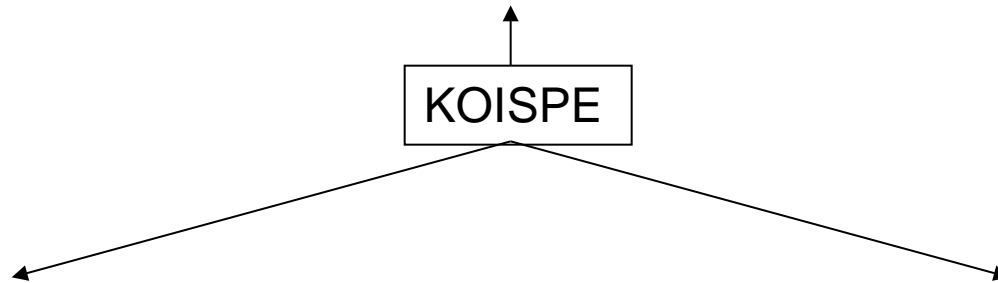
- It is a new organisational form
- It ensures compatibility between economic and social objectives
- It strengthens and promotes partnership relations and arrangements
- It enhances the mobilisation of the local actors and the local community at large
- It facilitates and promotes a “bottom-up” approach
- It constitutes part of the de-institutionalisation process of mentally ill persons
- It is underpinned by an integrated approach
- It exploits the potentiality of social capital development in a specific territorial context
- It gives the opportunity to the professionals working in the KOISPE, to offer the specialized skill-based approach concerning the needs of people with psychosocial problems and other vulnerable groups. That leads to the existence of strong humanitarian element and ethics in the work culture of KoiSPE
- It recapitalizes its profit in order to increase working positions

- It gives the opportunity to gain immediacy in communication with the customer and supplier. Thus, it reinforces the relationship with the customer through quality products and quality services. As a consequence the preference of the client nurtures mutual respect and creates an obligation to the KOISPE to create and support jobs and a safety net for the unemployed and other vulnerable groups. This behaviour further reinforces social network installation.
- It gives the opportunity to mental health institutions (public, NGO's) to train their staff on issues that correspond to the current needs of the labour market and to the needs of the people who compose the vulnerable groups.
- It contributes to the cooperation, networking and solidarity among the members of the civil society.
- It educates the local community (the potential employers) to combat the stigma associated with mental illness, with vulnerable groups and the subsequent social exclusion.

Composition of membership

The potential members of the social cooperatives are divided into three distinct categories :

A. The individuals with psychosocial problems above the age of 15 years old represent at least 35% of all members of the social cooperative.....



B. The mental health professionals and, in general, those working in the area of mental health. Members of this category cannot exceed the upper limit of 45% of the total numbers of members

C. 20% Other persons as well as legal entities of public or private law.

A. Irrespective of diagnostic category, the stage of illness and their residence without the requirement of them being capable of legal transactions or not. These members can be employed by the KoiSPE and get paid according to their productivity levels and time of work. In the event of them receiving some form of pension, allowance or other form of benefit, they do not lose these benefits but continue to collect them concurrently and in addition to their KoiSPE salaries. If they are not insured, the social cooperative provides insurance for them in the respective insurance agency.

B. Mental health personnel like psychiatrists, psychologists, nurses, occupational workers, trainers and other mental health professionals. Public servants, psychiatrists or psychologists working at the NHS (National Health System) can also be members of the KoiSPE. These members can work at the social cooperatives full-time or part-time. Specifically, the KoiSPE-members that work in a Mental Health Unit (MHU) of a Mental Health Sector that collaborates with that particular social cooperative can work concurrently in both services (MHU and the KoiSPE) or be internally transferred to that KoiSPE. In case they are internally transferred they do not get paid by that KoiSPE.

C. Agencies and organisations such as local authorities, hospitals, public organisations, etc., as well as individuals such as : unemployed persons, persons form other vulnerable groups, etc. Particularly the participation of the municipalities give space for the social and economic development of the local communities.

Employment arrangements and regulations in the social cooperatives

The individuals with psychosocial problems can be employed in the social cooperatives and get a salary in accordance with their productivity and the hours worked. This salary is added to any benefit or pension that category A is entitled to receive. If the person is lacking social insurance, the social cooperative is required by law to provide social insurance coverage.

Cooperative shares

Compulsory cooperative shares : Each member receives, upon enrolment, a compulsory cooperative share as defined in the Articles of Social Cooperatives of Limited Liability. The cooperative share is the same and of equal value for all members.

Optional Cooperative shares : Each member has the option of obtaining up to five optional shares and legal entities of public equity or non-profit legal entities of private equity (public or private sector) have the option of obtaining an unlimited number of optional shares, if there is such a provision in the KoiSPE articles.

Organisational Aspects / Management

The managing bodies of the KoiSPE are the following :

- a. The General Assembly, which is the highest decision-making body for all matters concerning the KoiSPE, composed of all its members
- b. The Management Board (or Administrative Council), which is composed of seven members from each category, elected by the general assembly and which is responsible for the management and operation of all activities of the KoiSPE
- c. The Supervisory Council which is composed of three elected by the General Assembly and which is responsible for the supervision and monitoring of the activities of the management board

It should also be stressed that all social cooperatives are based on the principle of democratic management, which in turn is based on the clause 'one member – one vote'

Resources

- Funding from the Regular State Budget or the Public Investment Program exclusively for co-funding programs from the European Union or International Organizations
- Funding from National Organizations, the Investment Program, Development Programs, E.U. or International Organizations
- Legacies, donations and surrender the use of property
- Incomes from economic activities of the KoiSPE
- Incomes from KoiSPE property utilisation

Association with legal entities of public law

The state, public organizations, local authorities as well as their respective legal entities are supplied with goods and receive services from the KoiSPE. In that case, the supply of goods/services offered can take place by contracting with the KoiSPE. The above-mentioned bodies are allowed to give away to KoiSPE, for the purpose of use only, assets (landed property or real estates) and any other form of facilities.

Tax Reductions

KoiSPE are exempted from any kind of taxation, direct or indirect, except VAT.

DEFINITION

The KoiSPE function in the framework set by the SFE CEFEC, in Linz, Austria, 1996.

- The social firm is a business created for the employment of people with disabilities (disabled) or other disadvantages in the open labour market
- It sells its own competitive products and services in the market in order to continue its social mission
- A significant number of employees is disabled or disadvantaged persons in the open labour market
- Each employee is paid to an employment relationship corresponding his or her job, regardless of capacity
- The employment opportunities should be offered equally to disadvantaged and non-disadvantaged, as everyone should have equal employment rights and obligations

In a global deep and subversive socio-economic crisis, people seeking employment are added to those who due to physical / mental disability or because of family / social problems, are already in the same situation. Hence, the need for support, advice and encouragement to existing social firms, enterprises and the creation of new social business is great.

Numbers to be presented

In 2005 the KoiSPE were evaluated by the European Union as best practice for the following characteristics :

- For motivating the local community where the KoiSPE are functioning
- For the bottom-up decision taking procedures
- For the holistic approach to the processes of inclusion of people with psychosocial problems

Since 2011, Greece has a law on Social Economy and Social Entrepreneurship. It provides structure and operational capacity to the non-profit, social and cooperative economy. It gives the opportunity to the KoiSPE to offer its expertise to other legal forms of social firms and cooperatives.

Today in Greece, there is a total of 23 KoiSPE. And more to come. The 2nd grade association, see Federation → POKOISPE, of the KoiSPE was founded in 2011, providing for their collective representation.

The Panhellenic Federation of social cooperatives POKOISPE, is the 1st organisation established in the sector of social economy.

The Federation's main purpose is the overall representation and coordination of the entrepreneurship on the socio-economic inclusion and employability of people with psychosocial problems and other vulnerable groups of people. The Federation is the voice of the KOISPE at national and international level on what concerns decision – taking policy level.

Video + examples