

An excerpt from:

*Better Health & Social Care: How are Co-ops & Mutuels Boosting Innovation & Access Worldwide?*

An International survey of co-ops and mutuels at work in the health and social care sector (CMHSC14)

Volume 2: National Cases

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For the research framework, the analysis of the national cases, and other research components, including a description of the research team members, refer to Volume 1: Report.

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## SOCIAL CARE COOPERATIVES

Within Greece's health care sector, social care cooperatives and pharmacy cooperatives are active.

In 1999, as a part of a general mental health reform programme, the Greek government established a legal framework (law 2716/99, article 12) to support the setting up of social care cooperatives for the mentally ill. The Social Cooperative of Limited Liability (**KoiSPE**) is an innovative cooperative programme which promotes partnerships and equal participation among three categories of individual: those with psychosocial problems (or IPP, who may constitute as much as 35% of co-op membership);<sup>2</sup> mental health professionals (no more than 45%); and people from sponsoring institutions, or other marginalized groups, including the disabled, the unemployed, etc. (to a maximum of 20%).<sup>3</sup>

The basic aim is the socioeconomic integration of individuals suffering from severe psychosocial problems. The KoiSPE is considered to contribute significantly to the well-being of such individuals.

In terms of employment, KoiSPEs can initiate any number of commercial activities, including farming, animal breeding, apiculture, fishing, foresting, industry, manufacturing, tourism, or services. Each member has the right to buy 1-5 shares.<sup>4</sup> (The third category of member can buy more.) In keeping with cooperative principles, all members have the right to one vote, regardless of the number of shares they own.

IPP are paid according to their productivity and hours of work. Their wages, which are equivalent to a market wage, are *added* to their benefits and pensions. If they are not registered in with insurance institution, KoiSPE insures them. All members have equal work opportunities. According to the constitution and governance manual, all share the same rights and obligations. KoiSPE are considered "supported employment" under Presidential Act 60. Their profits are reinvested in KoiSPE for training and creation of new job opportunities.

KoiSPEs are at one and the same time independent trading enterprises and official mental health units. That gives them access to national health services staff and premises. Mental health workers – public employees – can work in a KoiSPE on a full- or part-time basis, according to the demands of the commercial activity. More specifically, with their consent, workers in psychiatric, general, or other hospitals can be moved from those institutions to KoiSPE or may work part-time in both situations. Their KoiSPE wage is covered by the psychiatric institution. It also may make available to KoiSPEs movable and immovable property and facilities.

KoiSPE are exempt from corporate taxes except the VAT (value-added tax).

KoiSPEs are owned and managed democratically by their members. By law, KoiSPEs fall under the supervision of the Ministry of Health and the Department for Mental Health. Each KoiSPE is

**Population** (in thousands): 11,125

**Population median age** (years): 42.47

**Population under 15** (%): 14.6

**Population over 60** (%): 25.41

**Total expenditure on health** as a % of Gross Domestic Product: 9.3

**General government expenditure on health** as a % of total government expenditure: 11.4

**Private expenditure on health** as a % of total expenditure: 32.5

governed by its 7-member executive council: two persons of the first category and five from the second and third categories. Elections take place every three years. A supervisory council is also elected, consisting of three members from the three categories. In February 2011 the Federation of the KoiSPE was established.<sup>5</sup> Sixteen KoiSPE now operate under the common brand "In Business Together."<sup>6</sup>

### Case Study

A Social Cooperative with Limited Liability (KoiSPE) has been operating since 2006 in the mental health sector of the port city of Chania, on the island of Crete (population 601,160).

KoiSPEs represent a new pathway to social inclusion for persons with psychosocial disabilities and serves both therapeutic and entrepreneurial purposes. They both broaden the career

opportunities and improve the quality of life of those suffering from mental illnesses. The main themes of the enterprising environment of the **Social Cooperative of Chania** are financial viability, social engagement, and the on-going development of quality working positions for mentally ill people.

The KoiSPE has four main activities, all in the immediate vicinity: a gift shop, a car wash, a canteen, and a site for the preparation and storage of traditional products. Its products and services are noted for their quality, ecological balance, and competitive prices. There are 129 members in the Social Cooperative of Chania. Of these, 59 are people suffering from mental illness, 46 are mental health professionals, and 23 are other individuals and sponsoring organizations.

Many organizations support the KoiSPE's activities. Among them are the Prefectural Administration of Chania, the municipalities of Chania, Kissamos, and Souda, the Municipal Enterprise of Platania, the General Hospital "St. George," the Cooperative Bank of Crete, the Cooperative Bank of Chania, and the Institute of Mediterranean Nutrition.

## PHARMACY COOPERATIVE

In Greece, cooperative wholesalers of pharmaceutical products gathered together to create a common platform in 1988. The **OSFE** (FEDERATION-FARMAKOPOION ELLADOS) was founded at the first Congress of Pharmacists Cooperatives in Heraklion, Crete. It was a response to the need for a uniform representative of cooperatives in the country, vis-à-vis the political power of the State and the private sector (farmakemporio).

In the intervening years, OSFE has managed to become a strategic focal point for pharmacist cooperatives – unique businesses, all firmly under the ownership of pharmacists and designed to support the development of Greek pharmacy.

As of 2009, OSFE owned 45 distribution centres across the country, serving approximately 5,500 pharmacies with multiple daily deliveries. It employed 1,500 partners, a fleet of 260 trucks, and worked with 150 manufacturers.<sup>7</sup> The total turnover in 2009 was \$3.4 billion USD (2.5 billion EUR). OSFE essentially controlled 50% of the Hellenic pharmaceutical market.

In 2003, OSFE developed a new service, the Information System of Pharmacists Cooperatives, to enable the pharmaceutical industry to become reliable, flexible, and adaptable to its needs. For OSFE, the issue was to have the ability, by means of an on-line connection, to inform pharmacies promptly of the movement, volume, and delivery schedule of OSFE products.

OSFE has also projected the development of a virtual pharmacy network (Green Pharmacy), as well as the establishment of a 3PL (third-party logistics) service with the company Logiscoop.<sup>8</sup> May 27, 2013 was the opening ceremony of the newly-formed logistics company **Osfe Logiscoop SA** at its facilities in Koropi, where it co-locates with the National Pharmacists Cooperative.<sup>9</sup>

Logiscoop is uniquely positioned as a point of marketing, storage, and distribution of pharmaceutical and para-pharmaceutical products throughout Greece. It collaborates with and ships products daily to the majority of private pharmaceutical warehouses and pharmacist cooperatives nationwide. Its premises measure 7,500 square meters. Its innovative and technologically advanced services are of an international standard and create the ideal environment for optimal and faster customer service.<sup>10</sup>

## SOURCES

<sup>1</sup> A more detailed version of this case is available upon request.

<sup>2</sup> To be eligible, such persons must be 15 years of age or older.

<sup>3</sup> Social Innovator. 2014. "KoiSPE, Greece." Social Innovation eXchange." Retrieved August 28, 2014 (<http://www.socialinnovator.info/connecting-people-ideas-and-resources/innovation-intermediaries/champions/innovation-champions/koispe-greece>).

<sup>4</sup> The value of each share is determined in the by-laws.

<sup>5</sup> For more details, go to KoiSPE. 2014. "The Panhellenic Federation of the Social Cooperatives of Limited Liability." Webpage. Retrieved August 14, 2014 (<http://www.pokoispe.gr>).

<sup>6</sup> For more details, see Frangouli, Athena. 2011. "The Social Cooperatives of Limited Liability (KoiSPE) of the Greek Law 2716/99. An initiative to create a favorable framework for the growth of social entrepreneurship in Greece." Merano, Italy. Retrieved August 14, 2014 ([http://promos-coop.alpenlinux.com/wp-content/uploads/2011/02/Frangouli\\_Social-Firms-and-Greek-Law.pdf](http://promos-coop.alpenlinux.com/wp-content/uploads/2011/02/Frangouli_Social-Firms-and-Greek-Law.pdf)).

<sup>7</sup> Nasioulas, Ioannis. 2012. "Social Cooperatives in Greece." *International Review of Social Research* 2(2):151. Retrieved August 28, 2014 ([http://www.irsr.eu/issue05/10\\_Nasioulas\\_p141-161.pdf](http://www.irsr.eu/issue05/10_Nasioulas_p141-161.pdf)).

<sup>8</sup> For more details (in Greek) go to OSFE. 2014. Website. Retrieved August 14, 2014 (<http://www.osfe.gr>).

<sup>9</sup> The event was attended by representatives of the Greek parliament, local government, political parties, local authorities and associations, as well as customers and partners. More details (in Greek) at (<http://www.pansyfa.gr/index.php?section=441&newsid510=42>).

<sup>10</sup> Idem.