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Pathways to social integration for people with mental health problems: the establishment of social co-operatives

Comment Paper, FEANTSA



on behalf of



European Commission
DG Employment, Social Affairs
and Equal Opportunities





Social Cooperatives :
A good model for the social integration through employment of people who are homeless with mental health problems?

Introduction:

FEANTSA is the European Federation of National Organisations Working with the Homeless. It was been invited by the European Commission to be a part of this peer review, in order to bring the perspective of service provider organisations working with people who are homeless to the debate on the establishment of Social Cooperatives in Greece.

Homeless people are a group with a very high prevalence of mental health problems, of varying degrees of severity. In some cases, mental health problems may have been among the trigger factors leading to homelessness and in some countries, deinstitutionalisation has gone hand in hand with an increase in homelessness. The stressors and chaotic lifestyle associated with homelessness also means that many people who are homeless develop mental health problems. What is more, the incidence of mental health problems among people who are homeless is further complicated by the fact that many of them also suffer from physical ailments and diseases, and may have problems of addiction and substance abuse. These multiple health issues add up to a high aggregate of vulnerability across a range of interacting needs. It is certainly true that mental health problems can be a significant barrier to reintegration for people who are homeless, but people who are homeless may also experience stigma due to their homeless situation. Thus is true to say that people who are homeless face a double exclusion: mental health problems may be a source of exclusion, as has been highlighted in the discussion papers on this policy; but the experience of homelessness also leads to forms of discrimination and of stigma that are a further obstacle to inclusion and reintegration.

The FEANTSA Health and Social Protection Working Group has been working on issues related to health and homelessness for two years. It brings together service providers and health workers from the UK, Denmark, Greece, Hungary, Portugal, Estonia, Germany and Italy. It was this working group who undertook to review the Greek policy establishing social cooperatives, with a view to evaluating its applicability for people who are homeless in their countries. The group drew on its knowledge of the complex needs of people who are homeless in order to consider the potential of this policy in relation to the re-



integration of this group through employment using social cooperatives. This is especially useful given that the intention in Greece is to extend the social cooperative model beyond the process of deinstitutionalisation and the target group of people with mental health problems who are making a transition to community-based care, and to make it available to other vulnerable groups. It will be necessary to reconsider the provisions of the policy in order to meet their needs.

Employment and meaningful occupation have an important role to play in relation to the well-being of people who are homeless and to their full participation in society. Professor Erwin Seyfried highlighted the importance of employment for the creation of a time structure; as well the role work plays in uniting people in striving for collective goals and in creating a feeling of belonging in society, with a social status and sense of identity. It is also important to note that work can lead to the building of a new social network and contacts. For people who are homeless, whose social networks may have completely broken down, this is a very important aspect. Stable employment may help people who are homeless to be reintegrated and to avoid recurrence of homelessness. However, in applying this policy to people who are homeless with mental health problems, who may be outside the mental health care system, there are certain important factors to be taken into account. This paper will briefly examine the following issues:

- The role of housing in relation to employment
- The requirement of a diagnosed mental illness
- The problem of dual diagnosis and multiple needs
- The need for carefully constituted groups
- The importance of avoiding the creation of a ghettoised employment market

It will finish by highlighting the strengths of the Greek approach in relation to the experience of social cooperatives in other countries:

- No loss of benefits or disability allowance
- Commitment to economic viability
- Participatory approach
- Networking of cooperatives



Factors to be taken into account when using the social cooperatives model to help people who are homeless with mental health needs to access employment:

The role of housing in relation to employment

In his paper on the Social Cooperatives, "The Social Cooperatives of the LAW 2716/99: An initiative to create a favourable framework for the growth of social entrepreneurship in Greece", Dr Dimitri Hatzantonis, advisor to the Ministry of Development, highlights several times that social cooperatives "offer real working conditions and, by extension, dignified living conditions". However, studies carried out by homeless service providers have shown that access to dignified living conditions is not something that comes about "by extension" of access to employment. On the contrary, stable and dignified living conditions are a prerequisite to being able to access and maintain employment. The insecure and temporary nature of hostel accommodation for example makes it extremely difficult for people who are homeless to work. In a recent report "No Home, No Job: Moving on from Transitional Spaces" produced by FEANTSA's UK member "Off the Streets and Into Work" this problem was highlighted: "A quarter of respondents reported that the main barrier to employment related to housing issues, such as a lack of suitable accommodation or hostel costs." Other significant barriers to employment also result from this precarious housing situation, such as "Difficulties in opening bank accounts, adverse effects of noise levels and poor nutrition, particularly for people living in hostels".¹

In the context of the Greek national reform programme Psychargos, many of the people suffering from mental health problems, who are/will be involved in social cooperatives, have come from asylum structures and have made the transition to supported housing in a community-based structure. Though it is not considered in the provisions of the law on setting up social cooperatives of limited liability, it is clear that this accommodation of people with mental health problems in supported housing has an important role in enabling them to be involved in social cooperatives. Without this support and stability, it would not be possible for them to assume the extra challenge and responsibility of taking up employment within the framework of a social cooperative. For people who are homeless to be successfully involved in similar initiatives, it is equally vital that their housing needs be met in a supportive structure.

1 Off the Streets and Into Work: "No Home, No Job: Moving on from Transitional Spaces", www.osw.org.uk



FEANTSA's member organisation "Association Rauxa" in Catalonia in Spain has developed a programme for helping people who are homeless with a range of health, mental health and addiction problems to be reintegrated into employment in social enterprises that the organisation runs. This programme is a successful one, and it is based on a clear approach through five phases. The initial phases focus entirely on bringing the people who are homeless that are involved in the programme into a supported housing structure and on helping them to manage and bring under control their health problems. Only when this strong basis is established, is it possible for them to take on an active role in the social enterprises run by the organisation. These include a restaurant and café and have proved robust and economically viable.

Thus it is clear that employment cannot be considered in isolation as a pathway to integration. It can only be successful if the person's other needs are also met within the framework of a holistic approach that takes account of housing and health needs.

The requirement of a diagnosed mental illness

In the Greek context of mental health system reform, it is understandable that the requirement for a diagnosis of mental illness from a public health institution has been put in place within the framework of the law establishing social cooperatives of limited liability, in order to make sure that the social cooperatives really do reach those they are intended to target. However, it is likely that this requirement would be a barrier to certain people who are homeless, who despite being vulnerable and suffering from mental health problems, might not receive the required level of diagnosis.

The diagnosis of mental illness from a public health institution implies what, in the UK context, has been designated a "severe and enduring mental illness". This would include such mental health problems as manic depression and schizophrenia, but not certain learning disabilities, personality disorders, depression etc. Thus, despite a history of mental suffering, some people who are homeless will simply not make such a diagnosis and will be considered as suffering from low-level mental health problems. To include only people with a major mental health diagnosis is to exclude many people who are homeless with low-level mental health needs.

However, as was mentioned in the introduction, these mental health needs are likely to occur along with other significant health problems, that mean the



person is vulnerable and in need of a supported work situation in order to have any chance making the transition into employment. In order to avoid excluding chaotic and vulnerable people who are homeless with low-level health needs, it would be necessary to “lower the bar” of the diagnosis and make the social cooperatives more accessible.

The problems of dual diagnosis and multiple needs

The problems of dual diagnosis and multiple needs directly relate to the issue of low-level mental health problems that was highlighted in the preceding section. The low-level mental health needs such as depression, anxiety, learning disabilities and certain personality disorders, that are very prevalent among certain parts of the homeless population, have not been seriously worked with in many countries, and as a result, some people who are homeless have “self-medicated” on unprescribed drugs and alcohol and have developed addictions and substance abuse problems. The result is people who are vulnerable across a number of interacting needs in addition to their mental illness. Additionally, most people who are homeless do not just present with mental illness, perhaps complicated by substance abuse, but also physical illness, particularly if they have been sleeping rough.

People with dual diagnosis (that is both substance abuse problems and mental illness) find it particularly difficult to access the treatment that they need. They will not be accepted into mental health services and schemes because of their addiction problems; and their untreated mental illness makes it difficult for them to successfully undertake detoxification programmes. Thus they may be passed from service to service, without any engaging with them. It is important to overcome this vicious circle of dual diagnosis. The major problem is the lack of services that can work with several needs. Nor has cooperation between different specialised services helped to fill this gap – indeed people who are homeless find themselves “falling between two stools” within this networking approach. In the UK now consideration is being given to the approach of “dually training” those who work with people who are homeless with dual diagnosis. Certainly this type of training would better equip services to meet their needs.

These different layers of complex needs mean that a multi-disciplinary approach would have to be developed in order for the social cooperatives model to be a useful one for helping people who are homeless access employment – simply



focussing on mental health would not be enough. It would be necessary for the structures to be characterised by an understanding of multiple needs. All presenting needs would need to be supported and worked with in a holistic way. It is vital that the working environment be arranged in a way that means it is possible to react flexibly and quickly to the needs of people experiencing problems with their mental or physical state of health.

The need for carefully constituted groups

There is a clear attempt in the provisions of the law on social cooperatives to ensure that a good balance of different types of employees within the structures is put in place and maintained. There has to be a certain percentage of people suffering from mental health problems included in each social cooperative in order to ensure that this vulnerable group is reached by the programme. At the same time, the percentages of other types of employee are also set out, with a view to avoiding the creation of sheltered employment workshops.

The fact of bringing together people with mental health problems and people who have no history of such problems should not be a problem for either. This mixture always was and is an important part of the work of therapeutic communities. It can be a good way for each to learn from and support the other. On a practical level, it is important to maintain a workforce which can deliver the aims of the business in order to ensure an adequate cash flow and, ultimately, profit. An added advantage is that those who do not have mental health problems can gain a greater understanding of mental illness and see the skills and abilities that people with mental illness have. This helps to challenge discrimination in the workplace and in the wider community.

While the mixity of groups is certainly a strength, it can also be a potential source of conflict and problems. Mixing groups can work well where there is a well-balanced environment, good organisation and professional support. However, where such conditions are not put in place, there will be conflict and backlash. Practical issues, such as state of health (diagnosis, medication, possible physical symptoms such as dizziness or problems of coordination) must be taken into consideration when planning the work to be undertaken by the members of the cooperative, whose state of health must be adequate to the task they are expected to carry out. A person's motivation and social skills must be taken into account. Challenging behaviour could be a problem for some people who are homeless and those working with them would have



to be able to cope. A strong and reactive support framework is also a fundamental part of creating sustainable groups.

The importance of avoiding the creation of a ghettoised employment market

In order to be successful and viable economic enterprises, the social cooperatives must avoid developing into an alternative and substandard employment market. Should the perception develop that it is a form of sheltered employment targeting only people with mental health problems, this may undermine the social cooperative. In Estonia and in Hungary, there are established sheltered workshops for people who are mentally ill. There is often a very negative perception of these workshops, with people seeing them as offering inadequately paid, repetitive work, and targeting only those with severe mental disabilities, who would not be able to work in another environment. In order to remain an attractive workplace, the cooperatives must avoid this type of label.

In Scotland, many of the social enterprises that have been put in place there operate without strongly assuming the title of a social enterprise. They compete with private companies on the open market and wish to be seen as being like any other form of employment. There is also an expectation that the employees should be reliable workers, despite their history of mental illness, though of course there is a strong framework of support for those who may be experiencing difficulties. A considerable strength is the ability to understand why a person may find it difficult to be at work in times of crisis, therefore providing a supportive environment. However, it is a difficult balance, as such enterprises are, and should be, businesses. This takes careful handling in order to achieve the double bottom line of genuine supported opportunities, but also making profit.

In Italy there has been strong investment in social cooperatives. Considerable resources are made available to the bodies that set them up. There are many social cooperatives in place and the number went up with deinstitutionalisation. There are a number of people who are homeless involved in these cooperatives. It is clear, however, that the cooperatives are only useful and viable, if they are part of a process leading to integration. The danger is that the cooperatives become little institutions, replacing the large structures that were closed down. The risk is that a parallel employment market for the excluded comes into being, one that offers only a marginalized role and a very low salary. If the



cooperatives serve to create and maintain a sector that is marginalized from the market in general and from society in general, they will simply reinforce exclusion.

The question of salary is a problematic one. On the one hand, dignity means earning a fair wage for the work that you do. As Professor Erwin Seyfried and Dimitris Ziomas highlight in their discussion paper “Where an individual chooses to take up employment, remuneration should be according to the regular wage standards, which may vary from country to country.” On the other hand however, cooperatives often do not have the resources initially to offer the minimum wage for example, and, as will be mentioned in the final section of this paper, one of the strengths of the approach in Greece, is to allow people to maintain their existing benefits and possible disability allowances. This aspect should be the focus of careful consideration however, as the right balance must be achieved order to arrive at a payment system that is seen as fair and attractive to potential workers in the social cooperative.

Overall, it will be a challenge to the social cooperatives to retain a fresh and positive image and to ensure that their structures to not become a source of exclusion and marginalisation in themselves.

Strengths of the Greek approach in relation to the experience of social cooperatives in other countries:

No loss of benefits or disability allowance

One of the strengths of the Greek approach in relation to the experience in other countries is the specific provision in the law that sets out that those who are employed in a social cooperative may maintain their social security payments, as well as any other benefits, such as disability payments, that they may receive. This means that the transition to work may be seen as less threatening and potentially disastrous by people who are afraid that they may not succeed in employment. It also does away with a disincentive to work, by removing the possibility that those who become involved in the social cooperatives might find themselves worse off than before.

In the UK for example, loss of benefits on taking up employment can be a real problem, particularly for people who are homeless who are living in supported



accommodation. This type of accommodation is costly and without benefit payments to cover it, people who take employment find it very hard to earn enough to cover the rent.

Another strength of this approach is that it allows a cumulation of benefits and salary that adds up to a fair wage. In Greece, the payment of the supported housing, social security allowance and possible disability allowances, as well as the remuneration from work in a social cooperative will work out approximately equivalent of the minimum wage that would be earned in mainstream employment. This is a more dignified and attractive package that helps to compensate for the fact that many social cooperatives in Greece are not yet in a position to offer a full wage.

Commitment to economic viability

The creation of a special legal framework for social cooperatives aims to facilitate effective and sustainable ways of working that will move towards economic viability over time. The tax benefits; possibility of using publicly owned premises, where this is feasible; and possibility of securing public contracts are all helpful forms of support that may help social cooperatives to succeed and to avoid too heavy a dependence on loan finance.

The aim for cooperatives to be economically viable and even profit-making helps to balance the therapeutic function of helping people with mental health problems to be reintegrated into the employment market. Where this balance is maintained, there is less likelihood that the cooperatives will become stigmatised and perceived as sheltered employment; or that they will become small institutions replacing those that were closed.

Participatory approach

The provisions of the law establishing social cooperatives of limited liability seek to ensure that the cooperatives will be strongly participatory and democratic structures. This creates a strong feeling of involvement and of having a stake in the overall cooperatives on the part of those that are working there and this will certainly help the cooperatives to succeed and to dynamically meet the needs of those that they employ.

Participation of two people with mental health problems on the administrative boards of the cooperatives is a good way of ensuring that the focus on their



needs and on creating a good working environment for people with mental health problems, will not be lost. It is also a good forum for an exchange of views and ideas on the cooperative.

The creation of a system of shares is also a good way of ensuring that people feel they have a real place and a stake within the cooperative. It creates a sense of ownership towards the cooperative and strongly reinforces that notion that it is indeed a “cooperative” with an input from all. It also ensures that the cooperative will function in a way that is democratic and transparent through the system of voting in the General Assembly.

The enormous value of close involvement of users of homeless services in decision-making is something that has been highlighted by FEANTSA’s members in a recent consultation on this question. The benefits of participation highlighted in the extract below will certainly be felt as well in the social cooperatives that make participation an essential part of their working:

“Close consultation and cooperation with service users results in better service provision.” It is also a way to “empower (service users) to exercise their rights as citizens in society. It can be an attempt to build meaning in relation to this period in the service user’s life and to highlight the importance of being present where decisions are taken. Thus participation is a vital part of social reintegration. “²

Networking of cooperatives

Networking of the cooperatives in Greece should be a good way of strengthening them in the long term. It means that there will be good possibilities for mutual learning and exchange of experiences that will help to develop and refine the social cooperatives model.

In Scotland, there is an organisation called “Forth Sector” that runs five social enterprises. The work done by the various enterprises is complementary and serves to strengthen the range and capacity of the organisation as a whole. It also seems that spreading the risk across several enterprises means that those that are less stable and may be loss-making can be supported through difficult times by enterprises that are more successful.

2 FEANTSA: “Involving People who are homeless in Decision-making affecting the services that they use: An overview of participation practices among service providers in Europe” www.feantsa.org



Thus close cooperation and operation in a network can be a good and effective way of strengthening the social cooperatives and increasing their capacities.

Conclusion :

FEANTSA warmly welcomes this policy from the Greek government. It is somewhat too early still to judge what the outcomes of the social cooperatives being put in place now will be, but certainly the basic elements have been put in place to make social cooperatives a sustainable solution for people with mental health problems. There may well be a need to rework elements of the policy and of the legal framework as the social cooperatives become more established, but it seems that there is scope for this reactivity. If the policy is extended to other vulnerable groups, such as people who are homeless in the long-term, it will also be important to take account of their specific needs within the social cooperative framework.

It is also important to bear in mind that not all homeless people or mentally ill people have the capacity to take on the challenge of employment. Social cooperatives may prove a good and sustainable solution for those who are able for this type of activity, but viable solutions must also be put in place for those who may not be in a position to benefit from access to employment in a social cooperative, but who might derive benefit from meaningful occupation, for example.

FEANTSA supports the focus on integration through employment. The benefits and the therapeutic aspect of employment for people with mental health problems are undeniable. However, employment is not the only vital element for integration and indeed, that it is to a large degree dependent on the others being put in place. The importance of access to secure and adequate housing, as well as to health and social services, should not be underestimated. A holistic and multi-disciplinary approach is fundamental if integration through employment is to be a real possibility.



Annexe 1: Members of the FEANTSA Health and Social Protection Working Group

The members of FEANTSA's working groups are chosen at the General Assembly and have a two year mandate to work on the chosen policy area. The Health and Social Protection group has been active since 2004, working on a variety of issues related to health and homelessness. One can consult the working documents prepared by the group on the Health and Social Protection page of the FEANTSA website.

At present, the group has eight members:

Chair:

- **Stefano Galliani**
(National Umbrella Organisation on homelessness: FIOpsd, Italy)

Members

- **Pip Bevan**
(Homeless Link UK)
- **Giannis Kakoulas**
(Klimaka, Greece)
- **Rogério Pastor Fernandes**
(Santa Casa da Misericórdia do Porto, Portugal)
- **Imbi Eesmets**
(Tallina Hoolekande Keskus, Estonia)
- **Therese Villars**
(Salvation Army, Hungary)
- **Werena Roseke**
(National Umbrella organisation on Homelessness BAGW, Germany)
- **Arne Jacobsen**
(SBS 94, Denmark)

The coordinator of the group is **Dearbhal Murphy** from FEANTSA (dearbhal.murphy@feantsa.org)

Also involved in the Shadow Peer Review of the Greek policy on social co-operatives was **Sue Irving** of the Aberdeen Cyrenians in Scotland, who is an observer in the FEANTSA Health Working Group.