

SCIAS - Hospital de Barcelona, a unique co-operative experience

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Co-operativism means the voluntary association of individuals, not capital, in order to achieve an objective which it would be difficult to manage alone. The industrial revolution led in the mid-19th century to the first expression of co-operativism to see rapid development, in the field of consumer goods (consumer co-operatives): which by purchasing basic products in bulk for sale to co-operative members, workers in the new industrial factories who were losing their purchasing power (at the time inflation was higher than wage increases). Such voluntary initiatives spread to all regions undergoing a process of industrialisation.

Over the course of the past 150 years the institutional and economic context has evolved, with consumer co-operativism thus adapting to the new needs of citizens. Major traditional consumer co-operativism enterprises currently exist in numerous countries of Europe and America, both north and south.

Response to a social need

The shortage of hospital beds may be a chronic factor in any developing society. This was the case in Barcelona in the mid-60s and early 70s, when the public health system had not yet fulfilled its potential and

the private offering was limited to a number of surgical specialties in the hands of a few eminent professionals. Meanwhile, the population was now beginning to earn sufficient income to be able to resolve issues of subsistence, following an earlier phase of economic depression. One of the first such demands was for health care provision, as both the public and private health services on offer were inadequate.

It was within this context that a large group of citizens holding policies with Assistència Sanitària Col·legial, led by Dr. Josep Espriu, at that time the president of the company, decided to establish a consumer co-operative to increase the number of available private hospital beds and, as members of the institution, to guarantee themselves provision of hospital services and direct involvement in the administration of those services. With this specific mission in mind, 1974 saw the founding of Instal·lacions Assistencials Sanitàries (SCIAS, SCCL), a non-profit consumer co-operative which in 1989 opened its Barcelona Hospital on Avinguda Diagonal in the city centre.

Today SCIAS is a co-operative defined under Spanish law as a mixed institution, as control is shared by consumer members and worker



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members, the latter accounting for 788 of the total current membership of 167,254.

Barcelona Hospital is owned by SCIAS and has a total of 300 beds. In 2008 the co-operative's revenue amounted to 59.2 million euros, 86.6% through the provision of hospital services, 9.7% from the regular instalments paid by consumer members and the remaining 3.7% from other hospital earnings. The operating surplus amounted to 0.35% of all revenue, with this sum, given the non-profit status, being reinvested to strengthen the organisation's economic sustainability.

Democratic governance mechanisms

The main difference between this health service consumer co-operative and other organisations operating within the sector is how it is governed. SCIAS was from the very outset a consumer co-operative wholly owned by its consumer members. What are the current requirements for membership? New SCIAS consumer members make an initial contribution of 30 euros to SCIAS' social capital fund, which is refundable, along with a non-refundable registration payment of 12 euros. They must then pay a regular instalment of 3 euros per month. They must also hold an insurance policy with Assistència Sanitària Col·legial in order to be treated at the hospital without being billed.

Consumer membership of SCIAS means being a co-owner of the enterprise, with this status, alongside other social benefits, conferring the right to take part in the organisation's governing bodies: the General Assembly and the Governing Council. From 1989 onwards the Assembly, at the proposal of the Governing Council, approved the possibility of the organisation's workers also becoming worker members, and, as mentioned earlier, close on 90% of them now are.

What benefits does a worker member have compared with simply an employee? Involvement in the ownership and administration of the enterprise. In specific terms, worker members must, in addition to making the same contributions as a consumer, contribute a share to a specific financial fund, the minimum in 2008 being 60 euros; when possible, they contribute the amount they pay in unemployment provision. Contributions to this fund are redeemed when the member leaves the organisation.

How is representation divided between the two types of member on the governing bodies? The number of consumer members is greater than that of worker members, although the workers dedicate greater time to the organisation and assume a greater risk, since if the co-opera-

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tive were to shut down they would lose their jobs.

Given the huge number of members entitled to take part in the General Assembly, this is staged by means of a system of prior sectoral preparatory assemblies which select the delegates who will attend the General Assembly itself, one of these being reserved exclusively for worker members.

The assembly chooses the members who are to sit on the Governing Council, the supreme representative body between assemblies, comprising 15 members: 12 consumers and 3 workers.

There is another way in which worker members can become involved. This is the Social Council, a consultative body providing dialogue between the Governing Council and the worker members, essentially to deal with issues connected with their dedication to the co-operative. It is made up of 12 worker members who

are chosen by universal suffrage among the workers. Those elected cannot also be sitting on the Governing Council.

The structure and functioning of the co-operative's governing bodies reveals, as may be seen in the organisational chart, the clear commitment of the consumer members to achieve the integration and involvement of worker members within the institution.

Coordination with Assistència

From the beginning, SCIAS chose to work in coordination with the organizations that worked together to create it as a means of achieving their goals. SCIAS simply provides hospital facilities for its consumer members, but the needs of these consumer members in the field of health care are much more extensive, hence the fact that a medical insurance policy has been arranged with Assistència Sanitària Col·legial (ASC), with a total of 197,000 policyholders in 2008.

On the initiative of Dr. Josep Espriu an associate workers' co-operative was also established, under the name of Autogestió Sanitària. Its membership is made up exclusively of the doctors covering the various specialties. The initial idea was to take over the insurance operations already performed by ASC, but Spanish law did not (and still does not) allow for the existence of co-operatives in the field of insurance, and so the associate workers' co-operative was forced to take over ownership of the insurance company ASC.

The SCIAS consumer co-operative and the doctors' co-operative Autogestió Sanitària constitute the functional core of Grup Assistència, and hence of Health Care Co-operativism in Catalonia. An inter-co-operative working group was set up

by decree of the governing councils of the two co-operatives. Without formalising its legal structure, it manages a medical insurance company and a general hospital, moving a sum total of 180 million euros in 2008, providing health services to more than 197,000 people and employment to over 1,100, while also allowing more than 4,000 doctors freely to practise their profession.

The vision which lies behind this co-operative structure is Dr. Espriu's firm conviction that the two key figures in health care provision, medical users and professionals, need to enjoy a free, social, non-profit relationship free of intermediaries or other outside factors. He found in co-operativism and its values the formula allowing both groups to organise themselves freely and perform joint administration through constant dialogue within the working group.

In order to promote this philosophy and to preserve its legacy, the working group decided, together with other health care co-operatives, to set up the Espriu Foundation, the aim of which is to promote both co-operativism in general and health co-operativism in particular, both nationally and internationally.

SCIAS, a social enterprise

Services connected with the field of health are now being referred to as "relational goods", with the quality of service determined by the relationship between doctor and patient, between worker and user, by the form of governance of the organisation providing such relational goods and, of course, the social and institutional context within which the organisation operates. The result of this convergence is the emergence of what the European network

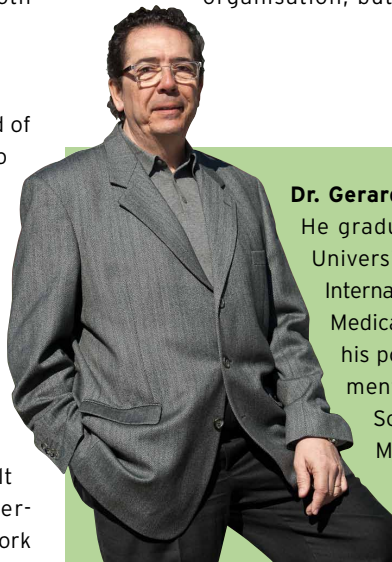
of EMESi researchers refers to as a "social enterprise".

SCIAS was born out of the initiative of a group of individuals voluntarily choosing to set up a co-operative to resolve their need for hospital services. It is today a mixed co-operative, combining professional and also voluntary resources; as an organisation it focuses on the market, giving preference to policyholders of Assistència Sanitària Col·legial. Its consumer and worker members become business owners, assuming the risks inherent in this activity. Health service markets are characterised by the existence of incomplete contracts which generate asymmetrical information, and as a result transaction costs. In order to reduce the inefficiencies generated, SCIAS opted in 1989 to convert to being a multi-stakeholder enterprise, in order to give both consumer and worker members the right to speak and vote at its representative assemblies.

As a number of authors have pointed out, this transformation means that SCIAS should no longer be viewed as a mutual assistance organisation, but essentially

a mechanism for coordination placed at the service of the users and providers of the institution's hospital services. The existence of an organisation with governing bodies where users and workers can reach a consensus regarding their (at times contradictory) interests, is the outcome of a process of building and mutually generating trust. It should be remembered that SCIAS is an enterprise governed in accordance with democratic principles, with channels for participation and no consideration given to contributions to the organisation's capital stock.

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Dr. Gerard Martí was born in Barcelona in 1953. He graduated in Medicine and Surgery at the University of Barcelona in 1979, specialising in Internal Medicine. Since 1988 he has been Deputy Medical Director of Barcelona Hospital. Among his postgraduate and specialist qualifications mention should be made of the Master's in Social Economy and Non-profit Institution Management obtained in 2009 from the CIES (Economy and Society Research Centre) at the University of Barcelona.