

SEI - Sportello contro l'Eccessivo Indebitamento (Over-indebtedness Help Desk)

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1 The initiative and its organizers: SEI, a project by Mag Venezia

The experience of SEI – *Sportello contro l'Eccessivo Indebitamento* (Over-indebtedness Help Desk) started in 2006. It is an initiative carried out by *Mag Venezia*, a cooperative working on ethical finance. It is located in Mestre, a neighbourhood in the Municipality of Venice, in the North East of Italy and is part of a broader Mag network spread in the North of Italy, including seats in Verona, Milan, Turin, Reggio Emilia, Florence and Rome. Mag network is the first Italian experience of ethical finance. Mag stands for *Mutua Auto Gestione* (Mutual Self-Management).

Mag Venezia was founded in 1992 and operated for almost 10 years only on a voluntary basis up to 2001 when the first employees were hired. The organization envisages a board, responsible for the strategic lines, and an executive structure, in charge of the day-to-day management. The members of the cooperative are almost 500 and 10 of them work in the organization. The annual budget is 3 million €.

The main activities of *Mag Venezia* include microfinance and investment (financing projects of individuals, local organizations, start-up), advice/counselling (administrative services for associations and cooperatives, start-up of social enterprises) and training (providing guidance to ethical finance, environmental education, support to household budgeting).

In 2006, Mag started the experience of SEI, a service oriented towards all citizens with problems of over-indebtedness living in the Province of Venice, including the unemployed with economic difficulties. Its main aim is to activate local networks (familiar, social, institutional) to sustain indebted people supporting them in understanding, rethinking and possibly renegotiating with banks and financial companies their debt position.

SEI is co-financed 50% by the Municipality of Venice. It collaborates with the municipal *Osservatorio Politiche di Welfare* (Observatory on Welfare Policies, OPW), a public organization with the function of monitoring local trends, sustaining local networks and promoting new initiatives. It also has contacts, to deal with the most complex cases, with the six social services' offices decentralised by the Municipality in Venice neighbourhoods.

2 Basic information on the local context and the emerging problems

SEI is implemented in Mestre, one of Venice's neighbourhoods. It is in the North East of Italy, in the so-called "Third Italy", characterised by medium and small-sized companies. This territory has been considered for many years as a model of economic success and a driver for the rest of the Country, until a long and slow decline started from the Nineties onwards. This was due partially to delocalisation of industrial production abroad and scarce investment in other economic sectors.

This process has heavily affected two important pillars in the Province of Venice's economy: a) small and medium-sized companies, that are struggling and many of them even failed; b) Porto Marghera, a big port and shipyard, started to dismiss many workers due to decreasing production. The effects of this economic decline have become more evident in the last years and they combined with the effects of the international crisis in 2008.

The joint consequences of the two increased remarkably unemployment and all related problems. From 2007 to 2013, the unemployment rate raised from 2.1% to 6.5% (Italy: from 6.1% to 12%) (Istat, 2013).

The Italian protection against unemployment is not universalistic and only some categories are covered, namely permanent workers of the public sector and of private companies with more than 15 employees. All other workers are excluded, such as "para-subordinated" and "self-employed" workers. While the measures against dismissals have disadvantaging criteria for permanent workers hired in companies under 15 employees. The recent labour market reform (L.92/2012) hasn't demonstrated any remarkable effect on the economic context and actually a new reform is again being discussed. Considering its economic characteristics, the Italian North-East, is especially exposed to problems linked to unemployment of non-protected categories. It must be also reminded that Italy has not a national minimum income measure. This means that they can't just apply for a national social assistance measure, but only for some local, often discretionary, measure at the social services provided by the municipalities.

This explains the importance of family support within the organization of the Italian welfare state. It acted as long as there was one breadwinner in the family – as a protection against poverty and social exclusion.

Italian households are traditionally characterised by a culture of savings. Private savings can be considered as a relevant resource for the familistic Italian welfare system, as often citizens with economic problems are supported by their relatives. The Italian long-term industrial decline and standstill in productivity eroded these resources and over-indebtedness became an emerging problem (D'Alessio, Iezzi, 2013). The 2008 crisis further worsened this situation and a law consenting debts' renegotiation (following some pre-defined conditions) was recently introduced (L.3/2012). The indebtedness' rates have increased: +36.5 from 2007 to 2012 in Italy and +32.7 in the Province of Venice, which is the thirty-third most indebted of the 110 Italian provinces (CGIA, 2013a). Part of this debt belongs to households who can sustain it, but it concerns also economically weaker families.

According to the Bank of Italy (Magri and Pico, 2012), in 2010, the 5,5% of indebted households had more than 90 days delay in payments. They represent 1,2% of the total households (about 300.000). The over-indebted households, considered as defined by the Italian laws (with delay in payments and objective difficulties in repay debts), were about

160.000; they represented the 0.6% of the total indebted households and represent the 3% of the total debt. The majority of these families (90%) has a medium-low income, below the median; over 3/4 are in the first quartile of income. Approximately 68 thousand households asked to have access to the moratorium for mortgages on the house of residence, being affected by at least one of the following conditions: loss of job, reduction of employment or death of the borrower.

Even with decreasing loans assigned to families in the last years, with rising unemployment and the consequent income reduction, this situation is supposed to worsen (CGIA, 2013b). This means local welfare has to make a stronger effort to support an increasing number of citizens that face new problems of impoverishment and downward social mobility. More specifically, over-indebtedness is an emerging problem, not adequately addressed by public services. Private agencies can obviously support just people who can pay, while poor citizens have no access.

Difficulties due to personal and familiar over-indebtedness turned out to be hardly perceived, since the local territory is interested by the emergence of various new poverty problems linked to the crisis.

3 Genesis of the initiative

The idea to establish an over-indebtedness help desk mainly comes from two Mag's recent experiences.

First of all, it is linked to its microcredit activity. Dealing with microcredit projects, Mag conducts deep inquiries on clients applying for loans, considering not just their economic situation but also social aspects and resources. These analyses increasingly highlighted that clients had economic difficulties due to over-indebtedness: they had asked and obtained multiple loans by banks or financial companies and/or consumer credit cards without adequately considering their economic situation; or their economic position changed due to life events (e.g. job loss, health problems or divorce) so that they could not pay their bills or loans anymore; or, for any reasons, their consumptions were not balanced with their income. The causes and consequences of over-indebtedness were often braided in multidimensional and cumulative processes involving economic, social, psychological, familiar, health aspects. These clients were at risk of poverty and needed to be supported in managing their debt position, increase their awareness of over-indebtedness problems, deal with their causes and consequences and generally re-think their own lifestyle.

Secondly, an important experience prepared the field to SEI's creation: an initiative of the Municipality of Venice, called *Cambieresti?* (Would you mind changing?). It aimed at supporting voluntary families in changing their lifestyle by reducing consumptions, energy and environmental impact. One of this project's results was an increase of savings both in families'

and in public budgets. This experience is important for two reasons: first, it increased also Mag's awareness of the close relationship between economic costs and social and environmental-friendly lifestyle and, secondly, it reinforced the relationship with the Municipality, preparing the field for their collaboration on SEI's implementation.

Mag was able to involve the Municipality in the project highlighting two issues: firstly, underlining the possibility that citizens supported by welfare subsidies could use them to overcome their over-indebtedness condition, so that the intervention was effective; secondly, arguing that financing the legal and economic interventions could interrupt cumulative poverty pathways and allow savings on more complex social interventions.

Working on microcredit and family budgets and ecological lifestyles, Mag's professionals identified over-indebtedness as an increasing social problem and decided to open, in 2006, a help desk to support people with this kind of difficulties.

The absence of services to resolve this problem was evident: in fact, social services had not the competences to address financial and legal issues (it is not considered as part of their mission and they were not specifically trained for that), while private services did not address social issues and they obviously asked clients to pay for their intervention, so that poor people couldn't be assisted.

Based on all these reasons, the help desk opened in 2006, mainly financed by Mag's own resources. In fact, the initial contribution of the Municipality was just 1.500€ and the same contribution was provided by the Province of Venice. In the following years, the Province retired its contribution because of a change in the political leanings of the new local government, while the Municipality increased its contribution.

The *Consumers' Movement* of Veneto Region also contributed by providing legal advice, but this partnership ended up too after the first year of SEI's activity. Actually, the project is equally co-financed by Mag and the Municipality of Venice.

Another important change occurred in 2008, when SEI's professionals realized that, in order to guarantee the quality of their intervention, the accesses should be contained and regulated. Thereby a first agreement between Mag and the municipal social services were signed to better manage with complex shared cases.

In 2010, the demand of intervention has started to increase substantially, due to the prolonged duration of the economic crisis and consumption of households' savings. In the next years, it is expected to go on growing, so that Mag has started new projects on over-indebtedness, oriented to prevention and aimed to increase institutions and citizens' awareness, by public meetings and even artistic initiatives on this topic, and reinforcing their competences with courses of financial alphabetization. For these reasons, the agreement is currently re-negotiated.

4 The activities and organization of SEI

The help desk is located in an office provided for free by the Municipality in a building called *Casa delle Associazioni* (literally *House of Associations*). This choice was aimed at identifying a place that was not targeted to poor people, avoiding the stigmatization effect discouraging citizens to get in touch.

Its running costs are around 20-25.000 € per year, financed equally by Mag and the Municipality of Venice. This expenditure covers two professionals, who have to deal with financial, social and legal aspects related to indebtedness. They have to listen to people, to understand their social or health problems, but also to conduct a technical analysis on their economic conditions. Thus they have to apply multidimensional competences and skills to examine the cases, to elaborate solutions and negotiate proposals with the users, balancing support and individual activation, on the emerged problems, to mediate with other organizations to implement them.

The access to the help desk can be direct or mediated by the local social services. Sometimes, even banks or financial companies sent citizens with most relevant difficulties. In 2008, in order to guarantee an adequate quality of the service, Mag decided to regulate and limit access to about 70 people per year, 50% of them can be sent by the social services. The intentions were: 1) firstly, to avoid an overload of cases, and this is also the reason why SEI has never been advertised and the information is just due to the words of mouth; 2) secondly, to elude the labelling effects due to the high number of clients sent by the social services and allow the direct access of not assisted citizens.

The service is free of charge for citizens, except in some very rare cases where SEI's intervention has made claimants obtain a consistent sum of money.

SEI's activities can be synthetically described as follows:

- Support of over-indebted people/families, raising awareness on the causes and consequences of this problem, building capabilities to redefine economic and lifestyle, assisting the household budget planning, redefining the debt positions, giving legal advice on the subscribed contracts, helping to understand and interpret them or to calculate the interests and so on;
- Conduct negotiations with banks and finance companies, even working on relationships between the citizens and the financial organizations, to obtain a reduction of debts, share a plan of pay down and so on;
- Activate familiar, social and institutional networks to sustain people in dealing with the causes and consequences of over-indebtedness, connected with job, income, house, health conditions and family relationships.

SEI does not offer pre-defined solutions but tries to promote citizens' empowerment with personalised interventions, in order to obtain durable effects. It aims at stimulating their

awareness on their problems and helping them to find a more effective balance between consumptions and resources, suggesting changes in their lifestyle. If there are the conditions, it supports them in activating the procedures to obtain the application of laws on private insolvency and negotiating the most favourable conditions with the banks or finance companies. It provides them with competences and tools to manage their household budgets better, also with periodic individual meetings. It involves, if possible, familiar and social networks to build a more durable support founded on relationships. It does not provide direct financial support but for example, it can help clients who have the right to apply for a pension or supports them in asking assistance to the social services (for example to find an accommodation) or to the health services (for example to resolve problems of gambling or compulsive buying). If it is considered as the right intervention, they can also have access to Mag's microcredit opportunities. In sum, there are not pre-established procedures or standard activities, but the interventions are adapted to the cases' needs and resources.

SEI's target is people and families with problems of over-indebtedness. It is addressed to the whole Province of Venice and deals with about 70 people per year and from its establishment, it has assisted almost 500 people.

According to the last available annual report elaborated by Mag, on 67 people supported in 2012, 36 were sent by the social services, 31 had free access. This proportion is the result of the already described agreement with the Municipality, aimed at preserve the help desk quality in Mag's intent.

Data describing the users show they are a very mixed population. Considering the selected characteristics, it cannot be individuated a prevailing profile. Probably more detailed research could go in deep in understanding their life conditions (for example, what is or was their job and type of contract, if they are owners or rent their houses, if they live lonely or have minor children) and describe common pathways toward over-indebtedness.

Anyway, data reported by Mag show that:

- 48% were women (52% were men);
- 83% were Italians (17% were foreign citizens);
- they were singles (28%), couples (41%), divorced people (22%), widowers (5%);
- the majority (almost 3/4) was between 30 and 60 years old, many (about 1/5) were over 60 and young people were few (6%).

Some other interesting data concern users' economic situation:

- single earners represented the 78%, while 16% were double earners, only 6% were no-earners.
- the average household income was 870,00 Euros per month; the average debt was 42.872 Euros; the average instalment was 656,28 Euros per month.

Data relating to the causes of over-indebtedness are not reported for 2012, but in 2011, they identified mismanagement for 60% of cases; loss of a source of income for 22% (included loss of the job) and other reasons for 18%.

Specific data linking over-indebtedness and unemployed were not collected. However in the opinion of the interviewed employees of MAG and participants to the focus group, unemployed represent a consistent target for the help desk (and for the social services too) and they are supposed to grow in the next years, because of the ongoing economic crisis and private savings being eroded.

5 The socially innovative dimension of the initiative

As suggested by the literature about social innovation, SEI's experience has been analysed through three basic components (Gerometta, Häußermann and Longo 2005; Moulaert *et al.* 2005a, b): a) the satisfaction of basic social needs (content dimension); b) the transformation of social relations (process dimension); c) and the empowerment and socio-political mobilization (linking the process and content dimension). This indication has been applied to SEI's innovative experience.

5.1 Content dimension

- SEI addresses an emerging social need (over-indebtedness) which is not tackled neither by the State nor by market actors. As already highlighted before, social services in general and social workers in particular have not the technical knowledge about legal and financial details to provide adequate responses to this need, which is not considered as part of their mission. At the same time, private agencies (for profit) just provide a support on debts problems without paying attention to the social dimension; furthermore, their services are obviously not free, so that poor people do not access them.
- The help desk succeeds in reaching a target excluded by welfare: vulnerable citizens who would otherwise address social services only in case of an even deeper crisis. This happens because Mag is not identified as a "place for poor people" so that the stigmatizing effect is avoid.
- The intervention aims at the promotion of (individual) citizens' empowerment, reinforcing their awareness and competences to resolve their own problems, change their economic lifestyle and activating local networks to address them. SEI supports the contact of multi-problematic citizens with the necessary local services (e.g. health services, social services) to encourage them in starting complex pathways, not just to resolve their debts problems, but also acting on their causes and consequences.

5.2 Process dimension

- The collaboration between Mag and the Municipality in this project provides an interesting case of active subsidiarity.
- SEI activates operative local networks to support over-indebted people in related aspects of their economic problems and resources (e.g. unemployment, health, family, house).
- Banks and finance companies are occasionally involved in the process, through negotiations and attempts to stimulate positive relationships and awareness raising. The contacts are informal and based on individual cases, but it happened that some of them have sent their clients in difficulty to the help desk. This is a good feedback for Mag and a good potential for future contacts.

5.3 Empowerment dimension

- SEI is a bottom-up initiative. It was born by the need analysis emerged during Mag's microcredit activities, listening to people's stories and changing needs.
- It aims at the empowerment of individuals and families asking support on indebtedness, giving competences and tools instead of ready solutions and trying to produce durable effects.
- Build on SEI's experience, Mag started new projects aimed at prevention, aimed at raising public opinion and citizens' awareness on the problem of over-indebtedness problems through cultural and artistic projects and even alphabetization courses.
- The involvement of the Municipality in the project has increased public functionaries and civil servants' awareness on the problem of over-indebtedness and on an innovative solution. They have had the opportunity to identify a new social need and actually, they are working to create new solutions for citizens who cannot have access to the help desk.
- About the possibility of a political collective intervention, it must be reminded that while banks and financial companies' governance systems are acting at super local (often national or global) levels, *Mag's* action is limited at the local level dimension. The cooperative argues that to conduct negotiations on financial organizations' rules or strategies and obtain systemic solutions or structural changes, it would be necessary to act at the same levels where decisions on these topics are taken. *Mag Venezia* is part of a broad *Mag network*, which probably has a better potential in acting on these issues as a network. However the attention to over-indebtedness has risen only at the local level, as no other help desk has been activated in the network, which probably selected other priorities.

6 Institutional mapping and governance relations

As already anticipated *Mag Venezia* is part of a wider *Mag* network, diffused in the North of Italy and working in the field of ethical finance. At the local level, the associated individuals

and organizations, as part of the cooperative, participate to define, finance and support its programs and projects.

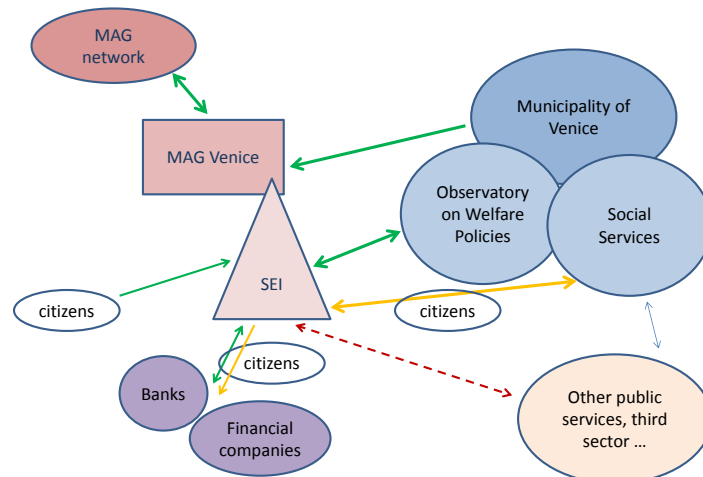
The Municipality of Venice is the main partner of Mag Venezia in the realization of the SEI. As explained before, it finances 50% of its cost, provides a free office to space for the help desk and supports its development, its integration in the governance system and its collaboration with the social services through the local *Observatory on Welfare Policies*, which is part of the Municipality too.

At practical level, SEI has contacts with banks and financial companies to discuss and renegotiate citizens' debts, but they are due exclusively to practical aims. Common procedures or consolidated partnerships have not been established. Sometimes financial organizations knowing the project (especially for previous good experiences) send problematic clients to SEI. On the one hand, this is considered as an important result on sensitisation. On the other hand, the financial organizations are supported for free in dealing with time-consuming and difficult clients. Banks and financial companies' governance systems act at super local levels, thus it is not possible, for local actors (as Mag Venezia), to conduct negotiations on their rules or strategies, obtain their collaboration and having solutions on systemic problems.

The local social services send to the help desk citizens with problems of over-indebtedness and, vice-versa, SEI sends them people with social problems. The established shared protocols are actually being re-negotiated, with the mediation and support of the OWP. The review is firstly caused by Mag's intention to limit the access to the help desk to preserve its quality and to contain the number of clients coming from the social services to avoid a "stigmatising effect" (as a service reserved to poor and excluded people) and discourage the free access. Secondly, common privacy policies and procedures have to be established to regulate citizens' passages and sharing of information through the services. Third, the protocol provides that SEI professionals work directly with the users, and this is difficult to be accepted by social assistants, which consider implicit in their mission to accompany or ask to attend the meetings between them. Mag considers this procedure as reducing users' responsibility and curbing their potential activation. Actually Mag accepts only 50% of its users are citizens coming from the social services, leaving space for direct access for other citizens. The selection of shared cases or cases exclusively in charge of the help desk depends on professionals' decisions, while the protocol is still in discussion.

The contacts with any other local organizations working on poverty problems (public, private, third sector organizations – TSO) are rare, practical and occasional. The help desk, mainly concentrated on the operative tasks and aims, looks like not really interested in being part of the local services network.

Fig. 1 – SEI in the local governance system: actors and relationships



Source: our elaboration from desk analysis, interviews and focus group

7 The governance challenges in SEI's experience

In the following part, the governance challenges to social innovation in SEI's experience are identified. They are described as they emerged from the documents and the fieldwork carried out.

7.1 Mainstreaming social innovation

Although the emerging issue of over-indebtedness is expected to become more and more substantial in the next future, SEI's experience is not expected neither to grow (in terms of resources and number of supported cases) nor to spread in other contexts (not even using Mag's network). The demand of intervention is increasing and complicated, thus Mag decided SEI has to limit the access and avoid the advertising to prevent an overload and preserve the quality and personalisation of interventions (see challenge #5). Actually both mainstreaming and up-scaling processes look like frozen. As emerged by the interviews and focus group, Mag assigns the responsibility on the unmet demand and systematisation of solutions to the Municipality, as public responsible of local social welfare. While it considers already accomplished its own mission, as third sector organization, in highlighting an emerging issue and indicating an effective service. It is its own responsibility to go on in experimenting: actually, it is working on prevention of over-indebtedness, increasing public awareness through public debates, artistic performances and courses of financial alphabetization. Considering this view and the increasing demand, the Municipality is looking for new solutions for people who cannot have access to the help desk (risk of fragmentation: see challenge #2), but the lacking of resources makes not easy to extend the intervention. For the same reason, public local policies are especially concentrated in social emergencies and problems, while prevention is scarce.

7.2 Governing welfare mix: avoiding fragmentation

The local third sector is described (in interviews and focus groups) as diffused, active and usually open to the collaboration with public institutions. As already highlighted, this is not the case of SEI's experience, whose contacts with any other local organization working on social problems (public, private, third sector) are occasional and related to individualized practices. Thus, SEI's activity looks like isolated, partly self-centred and concentrated on operative aspects, while working on building or consolidating relationships with other local organizations is defined as "a waste of time". A strong distrust on public institutions has to be highlighted, despite the Municipality's active role in the SEI's realization and in creating links with other local actors and shared practices with social services. It was argued that while the public functionaries cannot take relevant decisions, the political part is often absent and scarcely interested, so that the adaptation to social change and answers to new requests are slow and ineffective. Excluding the consolidated relationship with OWP, SEI's contacts with other local organizations are not structured. In Mag professionals' vision, their attempts to set up networks with other third sector organizations failed. With the support of OWP, Mag is now looking for a continuative support of a voluntary lawyer from TSO to improve the Help Desk service limiting the costs, but this attempt has failed until now. This gives the idea of a fragmented local network. The Municipality is therefore looking for new strategies to support people with problems due to over-indebtedness who cannot have access to the SEI. It has to avoid the risk of overlapping initiatives and waste of expertise and know how due to fragmentation. Mag would be available to expand the service's capacity, if the Municipality could increase the provided resources; but the last argues there's not this possibility and aims at a low cost expansion, preferably involving volunteers.

7.3 Governing welfare mix: developing a participatory governance style

As already explained, the diffusion of over-indebtedness is quite new in Italy, thus there is not much awareness about this issue in institutions and citizens. There' is not a collective representation of over-indebted people, excluded the general representation of consumers' association, quite weak in the Country.

SEI's intervention is aimed to resolve individual difficulties and empower citizens in managing their own economic issues, reinforcing their capacity in dealing with their own budget and bills.

Mag Venezia also works on prevention about the risks and pathways toward over-indebtedness and increasing public awareness on the topic. Having a long experience in social economy, it is more oriented to an operative attitude toward social issues than to rights' claims or collective advocacy or representation.

Furthermore, acting at the local level, the actors involved in SEI's experience have a definite perception of the impossibility to influence the rules on indebtedness and on over-indebtedness in favour of citizens. By "naturalizing" the problem of indebtedness, they do not offer forms of participation to change the roots of the problem. In fact, the negotiations on these topics, involving banks and financial organizations, are allocated at national and super-national levels, thus they are not within their reach. As better explained in challenge #8, the possibility of advocacy for local actors in these topics is very weak, thus it is considered as not belonging to their aims and tasks.

7.4 Equality and diversity

It does not emerge any problem concerning equality and diversity. Already presented SEI's data highlight the diversification of the client typology, thus doesn't emerge any problem concerning equality and diversity. SEI's clients are really varied and, with regard to diversity, the individualization of intervention is a core aim for SEI. It is pursued through the elaboration of a complex pathway not only aimed at resolving the problem of debts but at multidimensional needs, a negotiation with the citizens asking support aimed at increase their competences in deal with their situation, the involvement of local services competent on health, social or economic problems depending on the case. The only problem in accessing the service (as it will be explained in challenge #5) could concern part of the population risking to be excluded due to some limitations established to preserve the quality of the service.

7.5 Uneven access

It has been already highlighted the strong attention in avoiding the "labelling effect": the access is free for all the citizens with problems connected to over-indebtedness and the service is placed in in a building used by many different associations to realise activities and cultural events. The demand of intervention is high and increasing and supporting people with personalised projects is complicated and takes time. To preserve SEI's quality, Mag decided to limit the number of accesses and not to promote the service, so that information circulates mainly by word of mouth. It was also decided to limit the access to citizens sent by the social services to avoid the idea that the help desk is reserved to poor and excluded people. This is supposed to discourage other citizens' demand. In any case, due to these strategies, part of the population in need is excluded. Mag is available to increase the number of accesses, but the Municipality cannot provide more resources.

7.6 Avoiding responsibility

The interviews and focus group have highlight that the Municipality of Venice has traditionally given relevant attention to social issues, allocating enough resources (albeit decreasing). As already explained, its role in supporting SEI is very active, through co-financing, providing an

office for free and supporting its integration with local services. Furthermore, the Municipality has assigned to OWP important functions in integrating the local welfare mix and supporting social participation: monitoring the changes in social needs, working on local social plans, reinforcing local networks, connecting delocalised services and supporting institutional and social innovation. In the same direction, but with more operative tasks, is oriented the so called Complex Operational Unit - UOC, a multi-professional team working on social projects, systematising local resources and building collaborations and shared practices. This gives the idea that the Municipality is aware of the importance of an active subsidiarity and of the necessity of governing the welfare mix system, avoiding fragmentation and promoting and supporting innovation. Thanks to SEI's experience, the Municipality has focused an emerging problem and an effective solution and it is planning new strategies to support over-indebted citizens.

7.7 *Managing intra-organizational tensions*

No tensions were reported into Mag Venezia's organization.

It must be highlighted that the first promoters (Mag and the Municipality) of the project are still the same from the beginning, thus they appear to have constituted a consolidate relationship. Only the Province has left the group, due to the change of political majority after the elections and consequently to a different orientation to these kind of initiatives.

As already mentioned, some tensions were reported between Mag and the social services in sharing information and elaborating common protocols of intervention, but OWP was already mediating on this problem and working on the integration of their practices to avoid the fragmentation of citizens' pathways.

7.8 *Enabling legal framework*

As already explained, the problem of over-indebtedness is an emerging issue in Italy. A recent national law on the conditions for facilitating debts-negotiations has been established. The welfare services have not the right competences to support citizens with this kind of problems, as this has been not traditionally considered as part of its mission, thus they lack of the professional (legal and financial skills) and they are not able enough to re-adapt themselves to this change due, at least partially, to insufficient resources. A local the third sector organization, *Mag Venezia*, shows a better capacity of adaptation and opens a help desk on this issue in 2006.

The Municipality, as responsible on local social policies, is one of the financers of the project. It also tries to build common protocols to connect public social services intervention to the intervention on over-indebtedness. The mediation is conduct by the OWP. A first attempt to reach this aim failed and the agreement had to be re-discussed. The process of negotiation is

complicated and has not yet concluded. The problem is that the practices of intervention are different and difficult to be integrated, also due to social services decentralization in the six municipal neighbourhoods.

The banks and financial companies are usually not interested in problems related to over-indebtedness (excluding ethical and small local banks). Furthermore, their governance systems act at super local levels, thus it is difficult to conduct negotiations and obtain their collaboration. For these reasons, it appears not easy for *Mag Venezia* (or for the Municipality) to conduct negotiations with these organizations on their systemic strategies or rules. The local actors can intervene on the consequences of over-indebtedness but not on its causes, elaborate limited solutions and concentrate on individual cases.

The possibility for SEI, and probably in general for small organizations, of influencing super-local governance decisions, passing from practical management issues and tasks to elaborate more general political statements on macro-issues, is weak. To do this, they would need time, resources, competences and tools to elaborate an analysis on mechanisms and causes, formulate proposals about them and build super-local networks to sustain their ideas. This would allow them also to raise awareness and frame new, emerging problems in a specific way. Of crucial importance would be the identification of the mechanisms responsible for financial poverty. The lack of this problem definition limits the empowering potential.

While poverty risks increasingly depend on global dynamics, macro-mechanisms and super-national decisions, welfare systems are supposed to find solutions, increasingly at the local level. This may weaken the overall capacity of intervention on poverty and social inclusion, if public institutions do not create effective vertical governance mechanisms to connect the different levels and if local civil society organizations do not develop strategies to diffuse their visions and ideas on problems and solutions.

It will be interesting to understand if similar consideration can be made on other Italian and European cases of social innovation analysed within the ImPRovE research.

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Appendix - The Italian pilot case study: methods, tools and a final balance

The methodological framework

As established in the ImPRovE methodological paper on social innovation (Kazepov *et. al*, 2013), the field research aims, through a complex transdisciplinary and integrated methodology, to analyse the conditions influencing the rise of innovative experiences on poverty problems and their potential of mainstreaming in different welfare models.

To better define the methods and test the adequacy of the research's tools to be applied to 30 case studies foreseen in ImPRovE-WP14, the team of research decided to start realising 3 pilot case studies in different European Countries: Austria, Belgium and Italy.

The research design has defined the following actions of research to be conducted for each of the study case:

- 3 qualitative interviews with most significant referents, to describe the innovative experiences: their aims, genesis and development, the involved actors and relationships, the contextual conditions where they are placed;
- 1 focus group with (possibly) 10-12 actors involved in the realisation of the innovative experience, as belonging to the leading organization and other relevant partners: the aim is to analyse the governance challenges posed by and to innovation in the context where it is placed;
- Analysis of documents, data (e.g. annual reports about SEI and Mag's activities and services' data elaborated and provided by Mag) and publications (e.g. newspapers and web articles) concerning the innovative experience and aimed to individuate useful information about its working and development. Analysis of institutional documents, data and researches to describe the local policies and poverty conditions in the framework where the experience is realized (e.g. local social plans containing needs analysis, implementation programs and evaluation reports).

In a following phase, a comparative analysis, transversal to cases, will be conducted, to identify and describe, for same and different welfare models and policy areas, typologies concerning:

- The potential of developing social innovation
- The capacity of up-scaling social innovation
- The types of social innovation
- The governance challenges

Finally, the emerging issues will be analysed in integration with the quantitative analysis of poverty and social exclusion coming from the other ImPRovE work packages.

The Italian case study

The case study selected as pilot project for the Italian context is *SEI – Sportello sull’Eccessivo Indebitamento* (Help Desk on Over-Indebtedness), realised by *Mag Venezia*, a cooperative working on ethical finance. This experience was selected considering the following criteria:

- It individuates an emerging problem, as the diffusion of over-indebtedness in Italy, partially related with unemployment and expected to increase in the next years, due to the duration of the economic crisis (CGIA, 2013b);

- It proposes a solution aimed at citizens’ activation and empowerment, raised within the third sector and realised by a third sector organization with the support of the local Municipality.

Between October and November 2013, the University of Urbino team conducted:

- 4 qualitative interviews involving the responsible and coordinator of the project and a professional working at the help desk; referents of the *Observatory on Welfare Policies* and *Social Services* of the Municipality of Venice; the interviews aimed at describing in depth the project, its genesis and potential, its organization and network, the characteristics of local poverty and social exclusion, the policies and the problem of indebtedness;
- A focus group involving 5 referents: the responsible and two professionals of the *Observatory* and two professionals of *Mag Venezia* working at the SEI project;
- Research and analysis of: local social plans and other institutional documents describing local welfare policies; researches, data and needs analysis on local poverty and social exclusion; publications concerning the SEI’s experience and service’s data about its clients.

Conducting the Focus Group through a swot matrix

As indicated in the already quoted methodological paper, the SWOT matrix had to be tested as a research tool to conduct the focus groups. This tool is considered in this research as a tool for analysis, not oriented to decision making.

The aim of this field action is to address the issue of governance challenges (Oosterlynck *et al.*, 2013) to social innovation, as emerging in the case studies. This means to describe the processes of innovation to understand how the innovative organizations’ specificities and the contextual conditions are combined and interact and how this interaction can affect social innovation rise and diffusion.

The SWOT matrix helps to do this, focalising the attention on the characteristics of the organization (in terms of strengths and weaknesses) and of the context (in terms of threats and opportunities) and reflecting on their relationships (connections, similarities, differences, complementarity) having a complete vision in a synthetic table.

In the Italian case study, the SWOT matrix was used to conduct the focus group, simply asking the participants to build a shared list filling in the four boxes composing the scheme: they were invited to indicate the strong and weak points in their experience (e.g. difficulties, obstacles, problems, resources, ideas, networks) and to assign them to the different boxes. The list was compiled on a billboard so that everybody could visualise the emerged issues and comment them. This helped to structure the discussion, go in depth in the topics and cross link them, highlighting the connections among the boxes' contents.

This procedure allowed to better focalise the aim of the discussion, sharing with participants the task to fill in a scheme so that the dialog was less dispersive than a free conversation. It also allowed to hold an operational and concrete level of abstraction in the discussion, close to the daily professionals' experience, not theoretical and abstract, as it would be in a generic reflection about governance processes and challenges in more general terms.

During the focus group discussion, the relationships between the innovative organization and the context in the process of innovation were described through the identification of strong and weak points (and their relations and overlapping). Just in a following phase, the researchers elaborated these contents identifying the governance challenges in the descriptions of the contents, processes and context as explained by the actors engaged in the innovative experience.

Two more reflections about the research strategy can be useful for the continuation of the fieldwork:

- The procedure described in the methodological paper was more complicated: it foresaw to ask participants to write on post-its their own ideas about strong and weak points and then attach them in the billboard. This procedure wasn't applied in this case for two reasons: first of all, the participants had not much time available for the discussion and this decision allowed us to cut the time for the explanation of procedures and leave more space to discussion. Second, it was possible to conduct the focus group just with five people (the lead-partner considered them as the only relevant in the innovative experience's realisation/implementation), so that it was not useful to apply a complicate devise to favourite anonymous opinions. The simplified procedure did not produce any problem, so that it can – if everybody agrees – become the shared procedure for the next case studies, replacing the previous one.
- The use of the SWOT matrix as a tool of analysis didn't create (at least apparently) an atmosphere of evaluation or any conflict in the group, as the researchers might have expected. On the contrary, at the end of the discussion, the participants asked to have back the analysis considering it as a useful way to start a reflection on the project's improvement. In any case, it should be noted that the focus groups aim at asking people belonging to different organizations to discuss about their own relationships, roles, dynamics, etc. (as the final aim is to define, starting from the

concrete experience, the governance system and processes and to identify the challenges to social innovation). This request on its own implies the possibility to rise a conflict in the group, but this does not depend on the SWOT matrix. The researchers conducting the focus groups have always to take in account and be prepared to manage a potential conflict.

The content's elaboration

The contents' elaboration follows the structure defined in the methodological paper. It was added a short paragraph with some background data and information to help to contextualise the innovative experience in relation with the local poverty problems and recent changes. It has to be considered if adding similar paragraphs in the next case studies reports. The SWOT contents produced by the focus group was integrated with information coming from interviews and documents, so that the result is a one-page analysis of strong and weak point of the case study. In our opinion, it is a good way to summarise this data, to support the following phase of comparative analysis.

In fact, the SWOT matrix provides a homogeneous and synthetic scheme, allowing to have a general vision, in terms of strengths and weaknesses, of the contents and processes emerged about the case study. Thus the relationships between the innovative organizations and their contexts can be analysed starting from the single boxes' contents, making more easily to individuate similarities and differences among the contexts and policy areas we consider (activation, education and migrant children, social housing).

To make a final balance, the SWOT matrix can be useful in conducting the focus groups because:

- it allows to analyse the relationships between an organization (or network) and the context (governance challenges), without suggesting a pre-defined selection of governance challenges;
- it gives participants the task to fill in a scheme thus helps to focalise the discussion;
- it provides a more friendly (lower) level of abstraction for the discussion through a practical perspective;
- it can be a good tool to "give back" participants information, useful to reflect about their own experience, as this is one of the research's aims.

It is also useful in the phase of elaboration of the contents because:

- it allows to sum up in a synthetic scheme the concrete points to be analysed through to the lens of the more abstract governance challenges;
- it provides a homogeneous and synthetic general view to make the comparison more effective.

ImPRovE: Poverty Reduction in Europe. Social Policy and Innovation

Poverty Reduction in Europe: Social Policy and Innovation (ImPRovE) is an international research project that brings together ten outstanding research institutes and a broad network of researchers in a concerted effort to study poverty, social policy and social innovation in Europe. The ImPRovE project aims to improve the basis for evidence-based policy making in Europe, both in the short and in the long term. In the short term, this is done by carrying out research that is directly relevant for policymakers. At the same time however, ImPRovE invests in improving the long-term capacity for evidence-based policy making by upgrading the available research infrastructure, by combining both applied and fundamental research, and by optimising the information flow of research results to relevant policy makers and the civil society at large.

The two central questions driving the ImPRovE project are:

How can social cohesion be achieved in Europe?

How can social innovation complement, reinforce and modify macro-level policies and vice versa?

The project runs from March 2012 till February 2016 and receives EU research support to the amount of Euro 2.7 million under the 7th Framework Programme. The output of ImPRovE will include over 55 research papers, about 16 policy briefs and at least 3 scientific books. The ImPRovE Consortium will organise two international conferences (Spring 2014 and Winter 2015). In addition, ImPRovE will develop a new database of local projects of social innovation in Europe, cross-national comparable reference budgets for 6 countries (Belgium, Finland, Greece, Hungary, Italy and Spain) and will strongly expand the available policy scenarios in the European microsimulation model EUROMOD.

More detailed information is available on the website <http://improve-research.eu>.

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