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EMPOWER!

POLICY RECOMMENDATIONS

Empower! - Empowering Migrants in Professional Welfare & Economic Rights is a project funded under a broader agreement between the Council of Europe Development Bank (CEB) and the European Commission (Directorate-General for Home Affairs) – EC-DG HOME/AMIF fund. Its
goal is to enhance migrant inclusion in EU member states by fostering new partnerships and innovative financing models.

The Empower project aims to improve the economic and financial inclusion of non-EU citizens residing in Turin and its province, supporting them in achieving economic independence. It is implemented by a public-private partnership led by Associazione Microlab, with the participation of Associazione A Pieno Titolo, the University of Milano-Bicocca, the Centro Studi di Politica Internazionale (CeSPI ETS), the Municipality of Settimo Torinese, Inventure Aps, and PerMicro, in collaboration with the Municipality of Turin and the International Organization for Migration (IOM).

Introduction

This document presents policy recommendations that have emerged after a comprehensive analysis of the Empower! project, an initiative aimed at enhancing the economic and financial inclusion of non-EU citizens residing in Turin and its province.

The first section, project context, outlines the objectives and implementation of the Empower! project. It describes the multi-stakeholder partnership established among various organizations—ranging from third sector entities and local municipalities to academic institutions and international agencies—and highlights how the project seeks to empower migrants through financial education, access to credit, and employment support. This section also situates the project within the broader framework of European migration policies, underlining the critical importance of economic integration for social cohesion and urban development.

The subsequent chapter, Policy context: social innovation and system theory, provides the conceptual underpinning for the document. It examines the current shortcomings in public service provision, emphasizing that both the crisis of the classical welfare state and the rise of social innovation have led to the emergence of new, often fragmented, service models. In this context, system theory is introduced as an analytical framework to understand and integrate the various components of a service system, setting the stage for the policy recommendations that follow.

Following this, the section Policy context: services system analysis delves into the detailed examination of the service system for financial and labour inclusion segmented it by strata. This part is structured into three distinct layers.

Beneficiaries (third country nationals): this subchapter identifies the primary target population, discusses the socio-economic challenges they face, including employment instability, limited access to credit, and bureaucratic barriers and the positive impact they have experienced thanks to the project.

First outreach organizations (partners and local network)**:** the document describes the role of frontline entities, predominantly third sector organizations and specific municipal offices, which directly engage with beneficiaries to provide tailored support and facilitate their integration underlying their main findings in terms of system of service development.

Second level organizations and regulating entities: this section examines the present and future expected contribution of intermediary actors (such as public administrations, financial institutions, and regional as well as EU bodies) whose role is to deliver formal financial services, employment support, and regulatory

oversight, thereby ensuring sustainable integration in the horizon of the stabilisation of the system of service for financial and labour inclusion.
The final chapter, Policy Recommendations, synthesizes the insights gathered in the preceding sections and offers targeted strategies across three dimensions: service implementation, service design, and the development of the service system. These recommendations aim to optimize outreach, improve the integration of services, and foster long-term financial and labour inclusion. By addressing specific challenges at each layer of the system, the document provides actionable guidelines for policymakers, practitioners, and stakeholders committed to transforming innovative, bottom-up initiatives into stable, systematic solutions.

It is highly important to underline that this document is grounded and interconnected with the UNIMIB Impact Report, UNIMIB interactive dashboard and CeSPI Capitalisation. To engage in a critical analysis and reading of Empower! project the three documents should be taken into consideration simultaneously.

Project context

The *Empower*! project, *Migrants in Professional Welfare & Economic Rights*, is a structured intervention aimed at enhancing the economic and financial inclusion of non-EU citizens residing in Turin and its province. Developed through a partnership of Associazione Microlab, A Pieno Titolo, Università di Milano-Bicocca, CeSPI - Centro Studi di Politica Internazionale, Comune di Settimo Torinese, Inventure APS, and PerMicro, in collaboration with the Municipality of Turin and the International Organization for Migration (IOM), and funded by the Council of Europe Development Bank (CEB), the project focuses on equipping migrants with financial knowledge, access to credit, and pathways to stable employment. In parallel, it engages in research and policy development to address systemic barriers that hinder migrant financial participation, seeking to create long-term structural change.
Economic and financial inclusion plays a pivotal role in the integration process, as recognized by European policies on migration. The European Commission's Action Plan on Integration and Inclusion (2021-2027) highlights how ensuring equal access to employment, financial resources, and education is fundamental to fostering both individual well-being and broader economic stability (European Commission, 2020). Similarly, the Council of Europe Development Bank (CEB) underscores the necessity of expanding financial access to migrant communities, emphasizing that doing so contributes not only to individual

autonomy but also to social cohesion, economic productivity, and reduced dependency on welfare systems (CEB, 2022). However, despite the growing recognition of these benefits, significant barriers persist. The financial exclusion of migrants in Italy remains a structural issue, particularly in urban contexts such as Turin, where access to banking services, formal employment, and entrepreneurial opportunities is often constrained by legal restrictions, precarious working conditions, and discriminatory financial practices (CeSPI, 2023). Research conducted within the Empower! project, particularly the territorial analysis of migrant populations in Turin, demonstrates the extent to which economic exclusion affects migrants' integration trajectories (CeSPI, 2023). Many migrants, especially asylum seekers and recent arrivals, face bureaucratic obstacles when attempting to open bank accounts, often due to restrictive identification requirements or risk assessments based on nationality. At the same time, employment instability is a key challenge, as many migrants are confined to low-skilled, precarious, and often informal jobs in domestic work, construction, and hospitality, lacking access to pension schemes, healthcare benefits, and long-term job security (Empower Territorial Analysis Report, 2023). The difficulties are compounded for those seeking to establish their own businesses. Although migrant entrepreneurship represents an important economic force—with foreign-owned businesses accounting for 13.4% of all enterprises in Piedmont—limited access to credit and financial support mechanisms continues to restrict business growth and sustainability (CeSPI, 2024). The financial marginalization of migrants is not only a challenge at the individual level but also a broader economic and policy issue with implications for national development. Financial inclusion is widely recognized as a driver of economic resilience, as it enables individuals to invest in long-term financial planning, facilitates entrepreneurship, and fosters local economic growth (European Commission, 2020). A recent report, *National Observatory on Migrant Financial Inclusion: Third Report* (CeSPI, 2024), supported by the Italian Ministry of Labour and Social Policies, identifies financial education, microcredit schemes, and banking accessibility as essential measures to improve migrant economic participation and integration. Moreover, research confirms that fostering financial inclusion has positive spillover effects on tax revenues, social cohesion, and local business ecosystems, creating a more equitable and sustainable economic model (CEB, 2022). In cities such as Turin, where foreign residents represent approximately 15% of the total population, targeted policies that promote access to banking, employment stability, and financial literacy have the potential to counteract economic segregation and support broader urban development efforts (Empower Territorial Analysis Report, 2023). The Empower! project, in response to these structural challenges, integrates capacity-building measures, access-to-credit initiatives, and institutional cooperation to strengthen migrant financial participation. Through mentorship programs, financial education workshops, and employment-oriented interventions, it seeks to enhance migrants' economic autonomy and their ability to navigate the financial system effectively (Empower Impact Report, 2023). Furthermore, the project contributes to evidence-based policymaking by providing analytical insights that support the design of targeted financial inclusion strategies at both national and European levels. Building on the findings of this work, the following policy recommendations outline actionable strategies for improving access to financial services, supporting migrant entrepreneurship, and fostering long-term economic resilience. By addressing these systemic issues, Empower! aims to create a more inclusive and equitable financial landscape, reinforcing the broader objectives of social and economic integration. The findings of the Impact Report underscore the project's effectiveness in fostering financial inclusion, employment, and long-term socio-economic resilience. Empower! has laid the groundwork for a more inclusive financial landscape, but future efforts must focus on bridging the gaps in public-private collaboration and expanding the reach of financial literacy initiatives to ensure lasting systemic change. Nonetheless, while the project successfully created a structured ecosystem of financial and employment support, its long-term sustainability will depend on the formalization of institutional partnerships, the continued involvement of key stakeholders, and the integration of financial inclusion strategies into broader policy frameworks. The sake of the following paragraph is to analyse the context of Empower! project and provide effective and data-driven policy recommendations.

Policy context: social innovation and system theory

The existing infrastructure intended to provide services to migrants with similar needs remains underdeveloped. This shortfall is primarily due to two factors. First, the emergence of these needs is relatively recent, and the current level of demand surpasses the capacity of available public services. Second, public provision is insufficient in both quality and quantity, while solutions offered solely by the private sector are largely inaccessible. In this context, organizations within the third sector and social economy have assumed a critical role in addressing the gap. They have introduced a range of grassroots service models designed to meet immediate needs. However, these initiatives operate in a fragmented manner, lacking systematic coordination and integration, which poses challenges to the development of a cohesive and scalable service delivery framework for migrant communities.

To fully understand the content of Empower!, it is essential to consider the conceptual framework that defines its argumentative structure: the crisis of the classical welfare state and social innovation as socio-political-economic contextualisation and system theory as epistemology.

<u>Crisis of the classical welfare state:</u> the current historical period is characterized by an increasing disparity between the demand for public (or at least highly accessible) social and cultural services and their supply, for various reasons. It is evident that public spending is decreasing both in absolute terms and in terms of its effective utilization. At the same time, the social and economic conditions of the 2020s have become increasingly critical.

<u>Social innovation and cooperation between public and private sectors:</u> in the absence of a top-down response from public institutions that can independently address these new needs originating from the grassroots of the system (i.e., the population of local territories, particularly those discussed here), the social private sector has been able to identify these emerging needs and provide immediate solutions. However, what is often seen is a scenario of emergency response that is followed by an inability to stabilize these services. Nonetheless, some virtuous networks manage to integrate experiences into a functioning system of public-private collaboration, moving beyond the purely assistive and emergency-oriented approach often stereotypically associated with the third sector. In essence, under certain conditions, this process can reduce the system's entropy and move towards a state of order. To best frame the content of Empower!, it is necessary to use as guiding coordinates the concepts that delimit its argumentative framework: the crisis of the classic welfare state and social innovation. Nonetheless, when it comes to financial and labour inclusion the issue becomes more complex as public sector and social private can not create a close structure among them, but rather have to be the enabling factors for beneficiaries to intercart(empowered) with a new part of the system <u>(purely private for profit)</u>, whose players are financial institutions and enterprises.

<u>System theory:</u> an interdisciplinary framework for analyzing and understanding the behavior, structure, and dynamics of complex systems. It focuses on the interactions and interdependencies among the components of a system, examining how these relationships give rise to emergent properties and overall functionality. For the sake of these policy recommendations the *"system of services for financial and labour inclusion"* will be the unit of analysis which the

recommendation will address. Each specific entity and layer that composes the overall system will be quoted and explained.
The concepts that populates the scenario of these policy recommendations are therefore the following:

- welfare state crisis: a situation where public service demand exceeds the available, quality supply or public system is unable to transform accordingly to ensure efficiency.
- demand for new, unprecedented services: the rising need for alternative solutions that conventional purely private or purely public supply cannot meet.
- public-private partnerships: collaborative arrangements that combine the strengths of both government and private sectors for effective service delivery.
- social innovation: the development of novel, collaborative approaches to solve social challenges
- beneficiary outreach: the process of actively identifying and engaging the target population to ensure access to services.
- bottom-up services: community and third sector organisation-driven initiatives designed to address immediate and emerging needs, that are usually not seen by public institutions and for profit organisations.
- system of services for financial and labour inclusion refers to an integrated framework of initiatives and support mechanisms designed to enable individuals—often from marginalized or underserved communities—to access financial resources and labour market opportunities. This system typically encompasses financial education, microcredit, employment assistance, job training, and mentorship, among other services.
- development of system of services: the structured organization and enhancement of multilayer and multi stakeholders networks to deliver services efficiently.
- entities: key actors (people and organisations) within the system.
- system layer: is a distinct stratum within the overall structure of a system that groups entities, processes, or functions based on similar characteristics or roles

The subsequent analysis will therefore consider four layers of the system of services for financial and labour inclusion: beneficiaries, first outreach organizations, second outreach organisations.

Type of entity	Description	Typology	Role
Beneficiaries *(circles in the image)*	Individuals or groups that are the primary recipients of services, whose needs inform the design and focus of the system	population (specifically third country nationals)	The central focus of service delivery, with their needs and feedback guiding the development and adaptation of services.
First outreach organizations *(squares in the image)*	Frontline entities that engage directly with beneficiaries to provide immediate, tailored support	Third sector organisations, some specific office Public Administration. *In *Empower!* Project also PerMicro.	Act as the primary contact point, delivering services on a local level, gathering information from beneficiaries to refine service delivery. They “empower” beneficiaries to interact with the second layer of the system and usually facilitate the connection with second level organisations.
Second level organizations *(triangles in the image)*	Intermediary or higher-level entities (including public institutions or specialized agencies) that support and coordinate the activities of first-level actors	Local public administration, for profit organisation (companies), financial institutions, large cooperatives	Serve as final providers of financial services, job placement support, and official documentation for legal regularization. They ensure beneficiaries have access to formal

			financial tools, employment opportunities, and the administrative support necessary for sustainable integration.
Regulating entities *(rhombus in the image)*	Entities responsible for establishing, enforcing, or modifying rules and standards within the system and to plan public expenses.	Region, National, CEB and UE institution	Provide governance funding allocation and adjust policies to maintain system stability and integrity.

The financial and labour integration of third-country citizens constitutes a fundamental socio-economic challenge. Consequently, the most effective strategy to address this issue is through a systemic approach that involves developing a comprehensive network of services. Originally emerging as innovative, community-based initiatives driven from the bottom up, these services must evolve into stable, well-organized, and systematic mechanisms to ensure long-term impact.

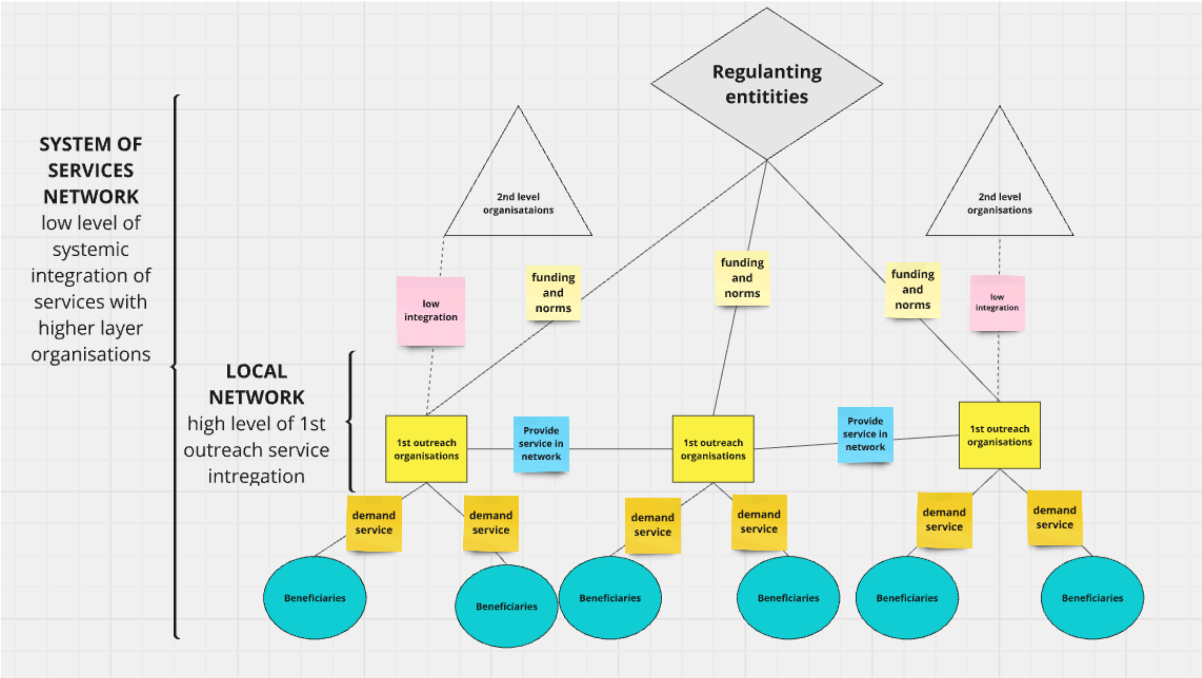

Image describing graphically the system of services.

Policy context: services system analysis

Beneficiaries (third country nationals)

Beneficiaries are the lower level of the system, and the project has been designed according to their needs and expected outcomes. While conducting the design and territorial analysis, these challenges have synthetically emerged.

- employment challenges: Migrants face high job instability (temporary contracts, low wages, limited career mobility). Migrants face difficulties in accessing labour market (lack of training, lack of network, lack of knowledge of italian language);
- limited access to credit to start a business;
- financial barriers: limited access to banking services and credit due to lack of guarantees and bureaucratic hurdles;
- unawareness of need of training and subsequent limited access to training, absence of opportunities and mentoring and orientation to plan rational personal and professional paths;

- legal and bureaucratic obstacles: Recognition of foreign qualifications remains slow and complex.

Migrants in Turin and its surrounding areas face multiple socio-economic challenges that hinder their financial and professional integration. These barriers contribute to economic vulnerability, limited career advancement, and restricted access to financial services, affecting both individual well-being and broader economic growth (Empower Impact Report, 2023; Territorial Analysis Report, 2023). A comprehensive analysis of these barriers reveals four key areas where migrants face significant obstacles: employment challenges, financial barriers, legal and bureaucratic obstacles, and digital exclusion. The table below outlines these challenges, providing a brief description and highlighting their broader impact on migrant communities.

From a quantitative perspective, the project demonstrated a strong outreach capacity and high demand for its services, exceeding several of its initial targets. 324 stakeholders received financial education training, reinforcing the local support ecosystem. Direct interventions facilitated 42 beneficiaries securing employment, 25 launching micro-enterprises, and 41 developing business plans. Inventure led the Dual Career program, successfully assisting 95 beneficiaries, while its career counseling services exceeded expectations by reaching 61 individuals instead of the initially planned 60. A Pieno Titolo supported qualification recognition for 131 beneficiaries, slightly surpassing the 130-person target, while the qualification adaptation program helped 45 individuals align their skills with local labor market demands. The financial inclusion component supported 25 individuals in gaining improved access to credit, while €50,000 in non-repayable grants were allocated to skill development and business start-ups. Training initiatives enhanced financial literacy and professional competencies, with over 100 migrants improving their knowledge of labor rights and financial management. The microcredit component provided crucial financial assistance to 27 migrant-owned businesses, primarily in retail, food services, and small-scale manufacturing, highlighting the necessity and usefulness of such interventions.

As a matter of fact the typology of services offered proved to be necessary and useful. In addition, SROI calculation provides positive results for social return on investment of such activities. Going deeper into the analysis, it is useful to recall the SROI calculation formula, which consists of a ratio where the numerator represents the total quantification of the Net Social Value (1.112.422 €), and the denominator corresponds to the investment made by CEB to fund the activities (546.417€). The final result obtained for Empower! is an SROI of 2.04, meaning that for every euro invested in the Spin Time project, there was a social return of

€2.04. Breaking down the analysis by outcomes and indicators, a substantial share of the total Net Present Value (NPV) (40.90%) is linked to improved job access, demonstrating the project's effectiveness in facilitating employment opportunities for beneficiaries. Entrepreneurial support also plays a key role, contributing 25.61% of the total NPV and highlighting its impact on business development and self-employment. The enhancement of professional tools is reflected in two main areas: professional qualification recognition and career counseling, which together account for 7.67% of the total NPV, supporting beneficiaries in securing better job opportunities and advancing their careers. Within the education sector, the improvement of Italian language skills represents 9.57% of the total NPV, while the development of hard skills, crucial for professional growth, accounts for 5.27%. Although financial education (0.69%) and soft skills training (0.38%) represent smaller portions of the overall impact, they nonetheless contribute to enhancing beneficiaries' financial literacy and personal development, reinforcing their long-term economic integration.
However, despite the strong participation rates and immediate benefits, difficulties in tracking migrants over time pose challenges in assessing whether the project will keep on generating lasting impact. While initial outcomes suggest positive advancements in financial autonomy and employment opportunities, the absence of long-term follow-up data limits the ability to fully determine the sustainability of these improvements.

Summarising this layer positive outcomes are the following:

- high levels of outreach (436 people completed at least one activity)
- variety of nationalities outreached (more than 60)
- outreach of highly vulnerable population (67% of the beneficiaries declared to be unemployed at the beginning of the activities)
- specific key performance indicators:
    - financial education training was provided to 324 stakeholders, strengthening the local support ecosystem;
    - direct interventions led to 42 beneficiaries securing employment and 25 launching micro-enterprises;
    - Inventure's Dual Career program successfully assisted 95 beneficiaries;
    - career counseling services reached 61 individuals, surpassing the initial target of 60;
    - A Pieno Titolo supported qualification recognition for 131 beneficiaries, slightly exceeding the target of 130;
    - the qualification adaptation program helped 45 individuals align their skills with local labor market demands;

- the financial inclusion component improved access to credit for 25 individuals.
- €50,000 in non-repayable grants were allocated to support skill development and business start-ups;
- training initiatives enhanced financial literacy and professional competencies for over 100 migrants;
- the microcredit component provided crucial financial support to 25 migrant-owned businesses, primarily in retail, food services, and small-scale manufacturing.

Summarising this layer, monetisation of specific outcome related to beneficiaries are the following

- improved job access accounts for 40.90% of the total NPV, demonstrating the project's effectiveness in facilitating employment opportunities;
- entrepreneurial support contributes 25.61% of the total NPV, highlighting its impact on business development and self-employment;
- the enhancement of professional tools—through professional qualification recognition and career counseling—represents 7.67% of the total NPV, supporting better job opportunities and career advancement;
- within the education sector, the improvement of Italian language skills represents 9.57% of the total NPV, while the development of hard skills accounts for 5.27%;
- Financial education (0.69%) and soft skills training (0.38%) make smaller contributions, yet they enhance beneficiaries' financial literacy and personal development, reinforcing long-term economic integration.

The high quantitative value of the indicators and the positive rate of the SROI indicates that the *services provided (despite or maybe thanks to) their level of effectiveness are demanded by the market (and not artificially created), effective and efficient in cost opportunity terms, as they generate more social value than the economic value invested.*

First outreach organizations (Partners and local network)

The context of Turin is rich in third sector organizations that deal with the deal of migration and specifically with labour and financial inclusion. As a matter of fact such a scenario has to be kept in mind. First, it has to be underlined that apart from the 7 partners (of which 2 were not directly involved in on the field activities), a network of 38 entities was involved at varying levels. Among these, 28 were engaged for the first time thanks to the project's initiatives.

- Social Economy / Third Sector Organisation 20
- Foundation 4
- Enterprise 3
- Financial Institution 1
- Public School 1
- Municipality 1
- European Consortium 2
- Informal Group 1
- Religious Organization 1
- Vocational Training Institution 1
- Region 1
- Employment Center 1

The research underscores the importance of first engaging the local ecosystem by fostering strong networks among stakeholders and partner organizations. This approach builds a shared understanding that is essential before directly targeting migrants. In this context, there is an increased awareness of the critical role played by financial education and the recognition of qualifications, newgamers which in turn has enhanced the capacities of partner organizations to support migrant integration and improve beneficiaries' skills and employment prospects.

A multi-stakeholder framework, leveraging pre-existing relationships and local expertise, has been instrumental in delivering coordinated services that are fundamental where beneficiaries are so volatile and often unaware of which service suits best their needs.

Research integration has also been pivotal; detailed analyses of financial behaviors and local needs and impact monitoring all along the project have informed tailored interventions and supported the establishment of a Territorial Laboratory on Financial Inclusion, ensuring continuous monitoring and adaptation of strategies.

In addition key lessons have emerged regarding the improvement of service implementation. Financial literacy training, traditionally perceived as abstract and intimidating, must be made engaging and relevant through interactive, real-world approaches. The project's experience with mentoring has highlighted the necessity of structured mentorship programs and robust follow-up mechanisms to address high dropout rates, thereby ensuring sustained engagement throughout participants' journeys. Moreover, a case management approach, which offers individualized support, has proven effective, and the early integration of refined competency assessment tools is recommended to better tailor interventions. Targeted outreach strategies are essential to ensure the right beneficiaries are engaged from the outset, while a stronger connection between microcredit and mentoring can create a more structured and clear pathway for participants.

Additionally, a gradual implementation approach is advised, wherein sensitization of local actors precedes direct engagement with beneficiaries. The success of these initiatives relies on a well-connected network of institutions and professionals, comprehensive and specialized partnerships, and a flexible service delivery model that offers high-quality training as well as practical support through direct grants and microcredit opportunities.

Nonetheless, a key weakness has emerged and it is also noticeable when looking at the composition of the territorial network: the majority of the entities are third sector organizations and public administration offices, employment centers, financial institutions and big companies (namely second level organizations) are not part of it.

In synthesis, positive enabling factors for a generating positive impact, that should be fostered through policy planification and program or project design are the following:

- inclusion of the network in the mapping of needs;
- presence of a solid and diversified network of first outreach organisations
- analysis and investment on innovative service that hardly accessible with regular service supply especially when market demand is high (microcredit, grants, mentoring and career coaching, qualification recognition) diversification of the consortium/network to ensure access to a variety of services;
- diversity of services within the same project;
- service integration: plan the interconnection among services rather than doing when implementation is already started;
- case management approach (personalisations of services avoid drop out).

Second level organisation and regulating entities (quiescent local network, financial institutions, regional national and EU institutions)

One of the key challenges that the project had to face was the lack of institutional involvement and network extensions: despite various strengths, the initiative faced limitations due to the lack of involvement of second level organisations such as Local public administration, companies, financial institutions, employment centers . As a result, the system remained mostly limited to first outreach organisations, whose role is basically to “empower”, namely acting as the primary contact point, delivering services on a local level to provide beneficiaries with sufficient entry resources (skills, document, basic funding) to be ready to interact with the second layer of the system, that can solve their structural problem. As a matter of fact without stronger engagement from employment agencies and financial institutions, Empower! risks remaining confined within third-sector networks, limiting its potential for broader systemic change. The big challenge *Empower!* is facing is transversal to Italian and EU context: the stabilisation of grassroots, successful but fragile services into systemic services and policies that go beyond the pure sphere of the territorial network made up of first outreach organisations. Several efforts are needed to ensure a positive experience as Empower! could provoke systemic change and inspire other similar processes that could shift service design in other contexts.

- <u>Continuity in network engagement</u>: increased policy interest is evident in initiatives like proposals to integrate financial education into public tenders for migrant reception, while sustained community engagement is maintained through structures such as the Territorial Laboratory and ongoing collaborative projects. Ensuring continuity with these mechanisms is crucial to guarantee support well beyond the formal project timeframe.
- <u>A longer-term perspective (spanning 3 to 5 years) and inclusion of second level organisation</u>, , is essential for developing mature and sustainable pathways to financial inclusion. Long-term impact strategies should therefore incorporate institutional support and extended time frames to foster meaningful change.
- <u>Engagement of second level organisation</u> and system integration: include in the network, and in the dialogue on the design and the implementation of services municipalities, regions, enterprises and financial institutions.

- Specific service integration among outreach organisations and second level organisations: to give more structure to the financial inclusion service system an open dialogue on implementation should begin. As a concrete example, the need to reinforce microcredit pathways is evident, with an emphasis on establishing a clear link between mentoring and financial services. As a matter of fact PerMicro as a financial institution played a pivotal role in the development of the system of services for financial and labour inclusion.
- It is also imperative that projects are adaptable to local socio-economic contexts, aligning interventions with regional needs, ensuring financial sustainability beyond individual project cycles, and facilitating effective public-private partnerships to drive comprehensive transformation.

Policy recommendations

After having conducted a granular analysis per stratum of the system, the following recommendations have been developed to enhance the effectiveness and sustainability of service systems for migrant integration. These recommendations are organised across three dimensions: service implementation, service design, and the development of the service system. Each category specifies which entity of the service system is targeted and outlines strategies intended to optimize outreach, foster integration among service providers, and promote long-term financial inclusion.

Policy recommendations targeting service implementation (first outreach organisations and third country beneficiaries)

This level of policy recommendation deals mostly with direct implementation of services, as a matter of fact it is meant almost only for first outreach organisations (third sector organisations, specific offices of municipalities) to improve or learn how to provide proper financial and labour inclusion service grounded on Empower! experience.

- Work on awareness, as many third countries beneficiaries are not aware of existing services (i.e.: career counselling and microcredit) or basic knowledge that foster integration (financial education);
- case management approach: personalize services to reduce dropouts, understanding of specific needs and ensure continuous support for beneficiaries;

- service integration: plan the interconnection among services prior to implementation rather than integrating them after the process has begun;
- continuity in network engagement: sustain community engagement through mechanisms like the Territorial Laboratory and collaborative projects, while capitalizing on initiatives (e.g., integrating financial education into public tenders for migrant reception) to maintain long-term support;
- link microcredit and capacity building services: reinforce microcredit pathways by establishing a clear link between mentoring and financial services.

Policy recommendations targeting service design (first outreach organisations and regulating entities):

This category of policy recommendations focuses on the effective planning and structuring of services, aiming to ensure that financial and labour inclusion initiatives, from their inception, are designed in a context oriented and effective way. The objective is to provide guidelines useful at various levels of design process (policy, program, project) that can strengthen the capacity of first outreach organizations, as well as regulating entities (such as Regions, National Institutions, CEB and EU), by encouraging collaboration and integration of efforts during the service design phase.

- network inclusion: involve the existing network in mapping the needs of beneficiaries;
- diverse outreach network: establish and maintain a solid and diversified network of first outreach organizations;
- service diversity: ensure that multiple services are offered within the same project to address a range of needs;
- proactive service integration: develop plans for the interconnection among services from the outset of the project.

Policy recommendations targeting the development of the service system (second level organizations and regulating entities):

This is the broadest and maybe most challenging set of recommendations, as it target entities in the higher strata of the system, regional and national institutions). They are divided mainly in two groups: second level organisations (enterprises, financial institutions, municipalities themselves) which are (or should be) part of the system of services for financial and labour inclusion, but a different level from the one covered by outreach organisations. Secondly, regulating entities have interest as they provide regulation and financial support.

- Invest in innovative services when they match market demand: analyze and invest in innovative services (such as microcredit linked with mentoring, grants, qualification recognition and adjustment and career support) that have high demand rates but are less accessible through purely private or public service supply. Funding institutions could apply an innovative service investment practice that rigorously assesses market demand and directs resources to high-impact, underprovided services.
- Strengthen quality of public services such for which there is a quality in the social private sector (i.e.: professional qualification recogntiion) or rather cooperate systematically.
- Plan in a long-term perspective: adopt a planning horizon of three to five years, incorporating second-level organizations and institutional support to develop sustainable pathways to financial inclusion. In the long-term move beyond planning practice that creates strategic roadmaps and secures institutional backing to ensure sustainable service evolution.
- Find a way to Include and give incentives to second level organisations as regions, companies, but mostly financial institutions and employment centers to ensure the structuring of bottom up born services and the inclusion of institutional, for profit players and financial institutions. In addition, establish an inclusion and incentive practice that offers clear benefits and structured roles for second-level organizations, promoting broader participation in the service system.
- Engage enterprises and financial institutions through Corporate Social Responsibility (CSR) initiatives. This approach incentivizes companies to actively participate in the design, funding, and implementation of financial and labour inclusion services. By channeling CSR efforts into the system, enterprises can help bridge gaps in public service delivery, support innovative community-based solutions, and foster sustainable socio-economic development. Moreover, such engagement not only enhances the overall capacity and resilience of the service network but also generates reputational benefits and competitive advantages for the participating organizations, thereby creating a mutually reinforcing dynamic between private sector commitment and public welfare objectives.
- Scale up adapting to the context: align projects with local socio-economic contexts to ensure financial sustainability beyond individual project cycles, and to facilitate effective public–private partnerships. Conduct proper ecosystem and territorial analysis to ensure context-adaptive scaling practice that tailors project implementation to regional conditions while promoting collaborative partnerships for sustained impact.

- Generally speaking, ensure the structuring of the system by reinforcing connections, service design and delivery among first outreach organizations and second level organisations.

In conclusion, these recommendations try to provide solutions at each stage of the project cycle and for different stakeholders, preserving the service system view, whose aim is to encourage the integration of these layers to enhance service coverage while ensuring efficiency and controlling costs. Financial and labour inclusion of third country citizens is a structural socio-economic issue and as such the most effective way to address it is with systemic answer and the proper development of a system of services, that were originally bottom up and innovative and community based that should become stable, structured and systematic. By fostering collaboration across different layers and enhancing coordination among first and second outreach organizations, services can be made more accessible and responsive to beneficiaries' needs without compromising resource allocation. Conversely, information about such good practices should arrive at the attention of regulating entities, so that they could improve laws and funding allocation.

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