



MC-eGov Study on Multi-channel Delivery Strategies and Sustainable Business Models for Public Services addressing Socially Disadvantaged Groups

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CASE STUDY:

**Autonomous Province of Trentino, Italy
Strategies for Delivering Services to Socially Excluded
Citizens**

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1.0 INTRODUCTION – INCLUSIVE GOVERNMENT REQUIRES ORGANISATIONAL INTEGRATION AS WELL AS MULTIPLE CHANNELS

Inclusive Government is strongly embedded in the strategy for the Autonomous Province of Trento in Italy. At the core of governance are the concepts of ‘solidarity’ and ‘social cohesion’ across all organisational structures from government, through the third sector and social partners, to businesses and citizens.

As a result the Province has used its culture of cooperative governance to build very strong integrated organisational channels¹, where the structures work together to deliver services to socially excluded people. It is in that context that the use of multiple channels occurs, where the government organisations and the intermediary partners construct service portfolios that are directed at the specific needs of individuals and groups.

The service portfolios have a dual purpose, first of addressing the exclusion needs, and second to re-integrate socially excluded people back into economic activity and social participation. Technological channels are used within the integrated organisational and governance context, and a clear lesson from Trento is that the use of multiple channels delivers value when channels utilised within a coherent policy and organisational ecosystem that involves all actors in the deliver chain.

Trento therefore develops ICT channels where they are seen to help maintain social and economic cohesion. Home automation for elderly or disabled people is not seen as something just for ‘independent living’, but it is used along with integrated electronic records to help those people become socially integrated, economically active, and it does this while encouraging them to live independently using technology tools and channels. The channel strategy therefore is emerging through the integrated social inclusion strategy, rather than integrated social inclusion being built through ICT channel availability

¹ This approach is also strongly evident in other case studies, such as MultiKulti (UK), Home Care (Belgium and UK), and Daily Work (Amsterdam, NL)

2.0 THE AUTONOMOUS PROVINCE OF TRENTO², ITALY

The Autonomous³ Province of Trento⁴ is located in the north of Italy, and contains 223 municipalities (comuni) grouped into 11 communities (comprensori), with a population of just over 500,000 people in a physically challenging area within the Dolomite mountains⁵.

The Province cites⁶ Moody's Investor Services, the global credit rating agency, as summarising the key governance characteristics that encourage Moody's to give a robust statement of financial health (the rating was Aa1/Stable Outlook) for the Province:

“Good overall fiscal flexibility and very strong operating margins. Absence of direct financial debt, and low indirect risk”, “The province also enjoys good expenditure flexibility, reflected in a well-diversified operating expenditure structure and a significant discretionary component of capital spending. Unlike normal-status regions, Trento records a much lower weight of healthcare expenditures in its budget and has historically run its hospitals efficiently without incurring healthcare deficits”

In June 2004 Moody's had identified the particular strengths of the Province⁷, ranging from the special status, political and policy continuity, good budgetary management, a wealthy and diversified economic base, and the self-financing healthcare regime.

The Province has a deeply embedded structure of social enterprises and third sector participation in the construction and delivery of services to citizens. Much of this activity is formalised in local laws.

² <http://www.provincia.tn.it/> Provincia autonoma di Trento

³ The Statute giving autonomy is at http://www.giunta.provincia.tn.it/binary/pat_giunta/statuti/nuovo_statuto_speciale.1123837117.doc

⁴ For example it can make its own laws, and while it pays some taxation to the national government it can largely determine the levels and distribution of taxes locally, and can determine the provision of services such as health, education, welfare, and infrastructure.

⁵ <http://en.wikipedia.org/wiki/Trentino>

⁶ http://www.provincia.tn.it/binary/pat/argomenti_tributi/GIUDIZIO_moody_s_ing.1171442438.pdf

⁷ http://www.provincia.tn.it/binary/pat/argomenti_tributi/PATrento_25Jun04.1171443172.pdf

3.0 THE VALUE PROPOSITION

The Province of Trento identifies four main target groups of socially exclusion challenges: Families and Children with problems; Disability; Elderly people with exclusion problems; and, adults with particular challenges such as immigrants, mental illness, homelessness, or drug dependency. Since Italy is a country with high levels of immigration the Province focuses also on strategies to ensure that cultural and ethnic diversity does not lead to a weakening of social cohesion. The Province states that it has a general duty of care to grant services for all citizens.

The high level value-proposition is that by identifying potential social exclusion problems quickly, and by proactively avoiding them emerging, a partnership between the Provincial Government and partner organisations (social enterprises etc.) will ensure that social cohesion is maintained, and economic efficiency maximised. The strategy aims to stop the social fracture points (e.g. ethnic tension, crime, homelessness, and general social unrest) emerging, rather than having to confront problems when they become serious. The phrase 'ex-ante support services' is specifically referred to.

Luciano Malfer, Head of Service for the Welfare of the Autonomous Province of Trento has described the policy for social inclusion⁸, and argues that a multi-sector partnership approach will deliver the best value, where *“the public body must work [as a catalyst] to create value in the territory working in always constructive and synergistic with businesses, research centers, municipalities, the profit strategy”*.

He notes also the value in such a relationship in very turbulent global economic times, since *“social policies contribute to generating wealth in the territory, creating employment, both direct and indirect, and creating security, strengthening of social networks and social cohesion in a world unfortunately increasingly ‘liquid’”*

The other context within which the services strategy operates is that of pressure on finances, and therefore *“the overall social utility is repaid to the system”* – in effect the value-chain must be visible to all stakeholders. This visibility also involves all participants in the value-chain, including the beneficiaries. The Province can charge people for services if they have personal resources to pay for them, for example elderly people living in sheltered accommodation. However, the motivation for charging is more one of rights and obligations than one of ensuring economic return for service provision. The Province sees value in the increase in personal dignity of people who have been excluded, in increasing the overall quality of life (by avoiding and removing social exclusions) for all residents, and also in helping to overcome prejudice where social exclusions can characterise a locality.

⁸ http://www.trentinosociale.it/trentinosociale/index.php/it/il_nuovo_welfare/e_welfare

⁹ The reference here is to the book by Zygmunt Bauman which argues that contemporary society is full of uncertainty and rapidly changing circumstances

4.0 THE POLICY FRAMEWORK

The Italian legal framework uses laws to implement policies, and the Autonomy granted to Trento gives it significant powers to initiate laws relating to governance, social policy and inclusive government.

Law n. 381/1991 established social cooperatives as being central to achieving human development and social integration of the most disadvantaged citizens, through activities such as the management of front-line service delivery in areas of education, health, and social services (these are Type A cooperatives) and in areas of agriculture, industry, trade or services (these are Type B cooperatives).

Independent information and statistical monitoring was established in 1996 to inform policy-makers objectively about trends, forecasts, and needs of citizens and businesses. Article 12a of the Law on July 8 1996, n. 4, established a non-profit organization called the '*Permanent Observatory for the economy, jobs and the evaluation of social demand (OPES)*'. This is hosted by the University of Trento.

Italian Law of 2002 104/92 concerns the social integration and the right of persons with disabilities, where disability is defined as any relevant and long-term limitation of intellectual, physical or sensory capacities which undermines learning, work, relationship and social integration.

Resolution No. 2186, 24 September 2004, relates to family policies, and was updated with resolution no 518 of 14 March 2007. This promotes integrated family support by government.

It is compulsory for all citizens to use, and to validate, a smartcard when using public transport: Article 33 paragraph 1a of Law 16/1993, introduced by Law 20/2005 art. 46.

Provincial No 310, 10 March 2005, focuses on the provision of accommodation for people with disabilities, using home automation systems and other technologies, with the goal of achieving independent living and guiding people into economic activity wherever possible.

Provincial law 3/2006 reorganised the administrative structure of the Province.

The Provincial law 13/2007 concerns Social policies. It provides for organisational change through what is termed 'institutional innovations'. This Welfare Law provides clear frameworks for action, including the promotion of workfare rather than welfare, where the objective is to help people return to economic activity in a labour market that has historically had low levels of unemployment.

5.0 LOCAL GOVERNANCE - THIRD SECTOR AND SOCIAL COOPERATIVES

The governance model of Trento is much more of a partnership than it is a hierarchy. The Autonomous Province of Trento works closely with the Trentino Federation of Cooperatives, and the Institute for the Development of Non-Profit Organisations (ISSAN) of the University of Trento. Indeed the University also hosts an independent statistical/information Observatory¹⁰, funded by the Province, and research competences are provided by University staff.

There is a strong tradition of social cooperatives, and third sector organisations, and their importance is established in local laws. In 2003 the Census reported that there was one social cooperative for every 6,700 people in the Province, and the cooperatives are organised formally through the Trentino Federation of Cooperatives. All stakeholders are included in discussions of policies and strategies, and the social partners have significant powers through subsidiarity, where provincial law grants service provision to social partners rather than providing them all centrally by through the government department.

There is also a fundamental difference between the conventional ‘third sector’ organisations and social cooperatives. While both types of organisation have high levels of autonomy, and rely heavily on the voluntary activity of citizens (both in creating and in operating them), Third Sector organisations tend to be more focused on receiving funds and grants (usually from government, but also from the public and the private sector) and distributing them to beneficiaries.

Social enterprises are more focused on the actual production of goods and services, but they do not do this in a conventional business manner – they are highly participatory organisations. This participatory nature means that the organisations can work with the beneficiaries in the design of services, and in identifying service gaps, and they can contribute resources such as labour (non-monetary resources).

Social enterprises generally are non-profit making, but can make profits for the purposes of redistribution of resource to beneficiaries, although the law in Italy states that they cannot be de-mutualised. That means that even if they see a profitable business opportunity they cannot change status, and while they can close, the members cannot claim back any funding. This characteristic can also mean that there is no guarantee that such enterprises will operate in the most efficient (businesslike) manner.

Overall for socially excluded people the third sector will tend to link them to the services they need, whereas social enterprises will often be service providers as well as being key intermediaries for socially excluded people. In addition, social enterprises can also engage socially excluded people directly through schemes such as supported employment and in training. In this way they can contribute to active citizenship and community cohesion:

“Developed outside of traditional welfare systems and frequently in opposition to the perceived rigidities of state-based social assistance schemes, social enterprises offer the potential for enhancing the efficiency and flexibility of service delivery”¹¹.

¹⁰ <http://www.osservatoriodeltrentino.it/>

¹¹ “The Social Economy – Building Inclusive Economies”, edited by Antonella Noya and Emma Clarence. OECD, Paris, 2007

The authors of the OECD Report also identify four characteristics of Third Sector and Social Enterprise organisations. They can be 'traditional' (for example a charity), 'solidaristic' (for example where they champion the cause of a particular group), 'radical' (for example where they challenge the policy environment), and 'entrepreneurial' (for example where they develop business and training activities with their stakeholders).

6.0 INTEGRATING SERVICE DELIVERY USING THE PARTNERSHIP OF THE ACTORS

Government organisations covering social exclusion issues include:

- Welfare and Social Work, with responsibilities for: Public assistance and charity; social protection; social volunteering; immigration; labour policy; housing.
- Health, with responsibilities for: Healthcare services and hospitals; retirement homes; healthcare residences.
- Education, with responsibilities for: Kindergartens, Primary and secondary education; vocational training; emigration and international relations; youth policies.

The Province is aware of the late 2008 global economic downturn, and the risks that presents to an area that has experienced high levels of economic participation, and is one of the wealthier areas in Italy. Therefore extra attention is needed to organisational efficiency and cost-effectiveness.

The Province focuses on the principle of a 'Factor Four' which hopes that any new action should introduce a reduction in costs by 50%, by doubling the efficiency of results. For example in the home automation where a range of technologies allow people who were in a residential institution to live independently in an apartment. The home monitoring is focused not just on activity surveillance, for example alerting a person if an iron has been left switched on for a long time, and then alerting monitoring personnel if nothing happens – the plug can be deactivated remotely. This simple action, however, is seen as being more than just 'assisted living', and is driven by the overall policy goals of social and economic inclusion – it is part of a process of educational and skill development for the beneficiary, and this involves a partnership between the Province, the Universities, and cooperatives working in the field of information technology and home automation.

The 'Friend of the Family' strategy encourages business (accommodation, restaurants, shops, sports facilities etc.) to identify common strategies for service improvements focused on family needs, and those businesses that achieve this will be given a form of quality mark to signify it through the Trentino Forum of Family Associations. The public services also have a role through the provision of playgrounds, bicycle lanes, safe walking routes to and from schools, and on developing parenting.

Trento gives finance to organisations that would not normally be part of the social exclusion value –chain, but they do so because they take the wider view about how overcoming social exclusion can lead to improved social cohesion and economic activity. For example, funding is given to the Student Union at the University, because the Union can then represent Youth in the social economy.

An example was discussed of how service intervention would occur for a male, aged 50, who was homeless, and had low levels of education and skill. The first point of engagement would be with the 'Comunita Solidale¹²', which is a religious foundation that has a group of four people (unita strada) who contact socially excluded people directly and then link them to the services. They have a vehicle which is a mobile contact point, and unless the person is an illegal

¹² [http://www.comune.tn.it/trento/trento65.nsf/-determinazionidatafirma/3E5DECF7772DA806C125729E0065EED4/\\$file/1500104_1.PDF](http://www.comune.tn.it/trento/trento65.nsf/-determinazionidatafirma/3E5DECF7772DA806C125729E0065EED4/$file/1500104_1.PDF)

immigrant they have an automatic right of accommodation for 30 days, during which time they will be linked to relevant services that address their individual needs, including a project of work.

For males aged 50+ (and females over 45) the employment programmes¹³ aim for what is termed 'socially useful work' and the majority of the work provided in 2007 was in the construction sector and museums and libraries, with 695 placements on open-ended contracts, and 201 on fixed-term contracts. Shopkeepers will sponsor **work scholarships** in the co-operatives because they see this as increasing retail consumption in the future when those on scholarships become full wage-earners.

All actors in the delivery chain receive training. It is a prior requirement that anyone working in the third sector in Italy is suitably qualified, and many people will study for three years in social services. Social service personnel also receive specific training in understanding beneficiary needs. Training activities cover all groups from disadvantaged people, local government personnel, and staff in the third sector organisations (in Trento these are mostly formal cooperatives). The primary aim is to enhance the quality of the human resources in the third sector organisations that are closest to the beneficiaries. Training activities cover: Planning, management and delivery of services; Improving professional skills; and on organisational strategies to achieve service improvement. Specialised training is provided where needs arise, and recent examples include services for mothers and children, and on services for those who suffer abuse or violence.

¹³ There is a multi-annual employment strategy involving social partners and the Provincial government <http://www.eurofound.europa.eu/areas/socialprotection/casestudies/it4.htm>

7.0 THE CHANNELS OF DELIVERY

The Autonomous Province of Trento has adopted a new welfare strategy which focuses on supporting vulnerable citizens in their homes, using technologies as channels to deliver services efficiently and effectively. In that context multi-channel service delivery is one of the components in the delivery-chain of services. Trento has not developed an explicit multi-channel eGovernment strategy, but the situation is more of a multi-channel delivery strategy where the 'e' is delivering important value.

There are plans to continue expanding the electronic channels that can be used by all actors in the delivery chain. This includes: moving from existing basic Internet access with email and remote assistance, to VoIP, secure email and digital signature; moving from information held in functional silos and entered through forms and accessed through databases, to electronic social care records, personalised and integrated document access through multiple channels; and, moving from agency-based eProcurement and personnel management (payment systems etc.), to interoperable data, and smart identity cards.

When considered individually the technology channels could look more like eInclusion projects. For example, the use of tele-monitoring, the design of houses and accommodation spaces for the needs of disabled people, and transport assistance. What makes them a 'governance' solution, however, is the fact that while they seem to be individual technology interventions, they are actually part of a joined-up service strategy. The building of custom-designed accommodation was done not because there was project funding to do it, but because the need for specialised accommodation had been identified, was built into the policy, and was enabled through a provincial law. There is therefore a fundamental difference in policy context between a series of eInclusion interventions where a local government hopes that the interventions will make a difference, and an eGovernance approach, where the interventions are carefully planned to deliver value throughout the social exclusion delivery chains. For example, investment is in place to build broadband access throughout Trentino by 2010, which not only will benefit citizens and businesses, but importantly will facilitate the provision of eHealth services across the province.

So, within the policy goal of maintaining the social and economic integration and the independence of elderly people, technology projects include Netcarity¹⁴, use multisensory approaches for healthcare monitoring of elderly people, and ensuring safety (for example the example of an overheating iron mentioned earlier) in their homes. People can use a telephone to call for advice and help 24/7. There is intelligent tele-monitoring of their homes and of their health. And there are regular personal visits made by people from the social partners. What makes this project eGovernance, rather than eInclusion, is the fact that the service needs of the elderly people are documented and developed within integrated 'social information files' so that (subject to privacy and data protection) the agencies involved can provide joined-up service interventions.

Then there are service interventions to design and build housing environments for vulnerable citizens, such as a project which supports independent living for people with mental problems through home automation systems.

¹⁴ <http://www.netcarity.org/About.11.0.html>

The Trento transport strategy (Muoversi¹⁵) has the needs of socially excluded people embedded in the service provision. Beyond ensuring that buses etc. are accessible to those with mobility problems, there is the provision of travel vouchers that can be used to travel on buses, or to use taxi services. There are two private taxi companies and three social cooperatives, and that combination of supply generates competition to keep prices down and service levels up. Previous to this arrangement the social cooperatives had a monopoly of supply, and services were more expensive than they are now¹⁶.

Citizens must now use public **transport smartcards**, which is not just a technology demanded by a transportation supplier, but is actually fully a part of the governance strategy to maintain and maximise citizen participation in the democratic process. The justification is given not just in the context of business or government efficiency, but considers the societal reasons for citizens to participate in a policy action. The act of validating a smartcard is seen by the Province as being a much more transparent way of paying your fare – it is a very visible action seen by other passengers.

The fact that many people did not observe the old rules was seen not only as theft of the service, but also as a behaviour that was reducing the willingness of other citizens to pay – they noted people who complain that "nobody pays", and often accuse particular groups as being more likely to not pay. There were concerns that such perceptions risked tension between local citizens and immigrant groups. For example, it was not immediately evident to people if someone entering the bus at a back door had a ticket, or was travelling illegally.

The validation of a smartcard, however, is very visible, and it would be immediately evident that someone who did not validate, but entered the bus at the back, is travelling illegally. Hence the obligation to use a smartcard to validate the journey visibly should allow a return to a virtuous circle of "I am happy because I see that all pay". In Trento, therefore, the electronic channel is seen not just as service delivery, but also as a component to maintain democratic engagement of citizens. The technology could be described as an eParticipation tool in that the integrated organisational channels see it both as a technology channel that delivers business benefits, and a democratic channel that helps to maintain social cohesion in the Province.

In addition the new policy is linked directly to a value proposition that better transport services will be planned because the smartcard will provide robust and objective data, not individual records or one-off surveys. They argue that better data will help them to reduce wastage where the services are underused and concentrate resources where demand is greater.

¹⁵ <http://www.trasporti.provincia.tn.it/>

¹⁶ This reiterates the point made earlier that provision of a service by a non-profit organisation does not directly imply that the service cost will be the lowest, and the service quality the highest.

8.0 THE RESULTING VALUE-CHAIN

There is a clear policy objective relating to the “social integration of disadvantaged groups through technology ICT”. In that context, home automation, linked to intelligent monitoring, is a component in the value chain where excluded citizens are reintegrated into the wider social structure. The various technology interventions are therefore seen as a package of support for people who are socially excluded, and by focusing on their safety, security, and autonomy, the people are re-integrated into wider social and economic activities. Consequently, the home automation project received a national award in 2005 for measures aimed at social integration of disadvantaged groups through technology ICT.

The value-chain is further emphasised through what the Province of Trento terms “the district of solidarity”. This defines an economic policy based on the use of local human resources in a context of social equity and sustainable socio-economic and environmental development. This is achieved through a partnership approach to finance, production, distribution, and consumption of goods and services. The ‘business model’ that underpins this is, consequently, a complex one. On face-value there seems to be substantial public sector involvement and funding. Indeed, the public sector is substantial in Trento. However, the ‘solidarity’ (social cohesion) characteristics also bring substantial inputs of time from citizens and third sector organisations. Furthermore, this investment is not obtained on a project-by-project basis, but is structured in the context of a governance strategy for inclusion which uses organisational and technological channels coherently.

They use a particular diagram for the value-chain:

