

DEBT COUNSELING: THE CHALLENGES OF IMPLEMENTATION DIRECTIVE (EU) 2023/2225 WITHIN THE ROMANIAN SOCIAL SERVICES LANDSCAPE

Abstract

This article examines the emerging role of debt counseling within Romania's social services in the context of Directive (EU) 2023/2225. Over-indebtedness is increasingly recognized across Europe as both an economic and a social risk, with significant implications for mental health, family stability, and social inclusion. Building on a comparative review of European good practice in France, Germany, and Ireland, together with a case study conducted in Cluj County, the paper explores the necessity, feasibility, and institutional implications of introducing debt counseling into Romania's welfare architecture.

Empirical data were collected through a county-wide survey addressed to professionals working in community-based social services. Findings reveal a broad professional consensus: 93% of respondents consider debt counseling not merely useful but essential in supporting vulnerable families to manage their financial resources and avoid long-term exclusion.

Respondents identified multiple sources of financial distress, ranging from high-cost loans and credit unions to informal borrowing and limited fiscal literacy. At the same time, they emphasized the need for specialized training and the development of a clear legal and institutional framework.

The article argues that debt counseling should not be seen as an optional service but as a core obligation of modern social protection. Policy recommendations include the official recognition of the function, the creation of a national training curriculum, pilot projects for gradual implementation, and inter-sectoral partnerships. Romania has the opportunity to turn a European legal requirement into a national commitment to social solidarity and resilience.

Keywords: debt counseling, over-indebtedness, social services, public administration, Romania, EU Directive 2023/2225.

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1. Introduction

The over-indebtedness of vulnerable households has, over the past decade, become a systemic social problem across the European Union, with direct effects on mental health, family integration and housing stability. In Romania, this phenomenon is amplified by deep economic inequalities, limited access to debt counseling, and the absence of institutional mechanisms designed both to prevent the accumulation of debt and to support recovery from the trap of excessive indebtedness.

In this context, Directive (EU) 2023/2225¹ on consumer credit agreements, repealing Directive 2008/48/EC, highlights the obligation of Member States to introduce debt counseling as a distinct intervention, integrated into the architecture of state-provided services, including those of a social nature. This form of counseling, located at the intersection of social protection, debt counseling, and psychosocial support, involves accompanying over-indebted individuals in a process of understanding, restructuring, and negotiating debts within a professional, ethical, and institutional framework².

This article starts from the hypothesis that the transposition of the Directive in Romania requires not only legislative adjustments but also a repositioning of local social services, which could become key actors in delivering debt counseling. Without such a

1 <https://eur-lex.europa.eu/eli/dir/2023/2225/oj?locale=ro>

2 Article 81 – Debt Advice Services ‘Consumers facing difficulties in meeting their financial commitments shall benefit from specialized assistance regarding the management of their debts. Financial difficulties cover a wide range of situations, such as, among many others, postponement of repayment by more than 90 days.

The objective of debt advice services is to support consumers facing financial hardship and to provide them with the necessary guidance so that they can repay, as far as possible, their outstanding debts while at the same time maintaining a decent standard of living and dignity.

This personalized and independent assistance may include legal advice, money and debt management, as well as social and psychological support. Assistance should be offered by professional operators who are not creditors, credit intermediaries or providers of credit through crowdfunding, credit purchasers or credit servicers, and who are independent from them.

Member States should ensure that debt advice services provided by independent professional operators are made directly or indirectly available to consumers at limited cost. These costs should, in principle, only cover operating expenses and should not represent an unnecessary burden for consumers who are facing or may face difficulties in meeting their financial obligations.

Where possible, consumers experiencing difficulties in debt repayment should be directed towards debt advice services before the initiation of enforcement proceedings. Debt advice services should be easily accessible to consumers, taking into account, for example, the consumers’ place of residence and the language they speak.

Member States remain free to maintain or introduce specific requirements regarding debt advice services. Creditors play an important role in preventing over-indebtedness through early detection and support of consumers experiencing financial difficulties. For this reason, creditors should have procedures and policies in place to identify such consumers and ensure that they are promptly referred to easily accessible debt advice services’.

repositioning, the transposition risks remain a purely formal exercise, with limited impact on the lived reality of those most affected by poverty and financial vulnerability.

1.2. Purpose and research questions

The aim of this article is to analyze the challenges and opportunities associated with the introduction of debt counseling in Romania's social services, in the context created by the transposition of Directive (EU) 2023/2225.

The article seeks to answer the following research questions:

1. What is the level of awareness and understanding of debt counseling among professionals working in local social services?
2. What practical, institutional, and competence-related challenges may arise in the process of transposing and implementing the Directive?
3. How can this intervention be adapted to the Romanian context, drawing on European good practice while considering local realities and specificities?

1.3. Structure of the article

To address these questions, the article is structured into six sections. The first section defines the key concepts and presents the European and national context regarding over-indebtedness. The second section analyses the provisions of Directive (EU) 2023/2225 and their implications for public administration. The third section reviews European models of good practice that have successfully addressed over-indebtedness. The fourth section presents a case study from Cluj County, focusing on the perceptions of social work professionals. The fifth section formulates policy implications and proposes concrete solutions for integrating debt counseling into social services. The sixth section concludes with a synthesis of the main theoretical and practical contributions.

2. Theoretical and normative context: debt counseling between prevention, social protection, and legal obligation

Debt counseling is a concept situated at the intersection of several domains: consumer protection, financial literacy, public policy, and social intervention. This section analyses the theoretical and normative foundations that legitimize debt counseling, with a focus on the European and Romanian context, the local roots of household economy approaches, and the implications introduced by Directive (EU) 2023/2225.

2.1. Over-indebtedness as an expression of multidimensional vulnerability in contemporary Europe

The over-indebtedness of European households reflects a form of multidimensional social fragility, in which structural inequalities, poor financial decision-making, and economic instability are increasingly intertwined (Eurofound, 2020). In 2016, 14% of EU-28 citizens were unable to meet their major financial obligations on time. Recent empirical

research highlights the role of household debt as a structural driver of financial vulnerability in Europe, showing that the rapid expansion of credit prior to the 2008 financial crisis disproportionately affected low-income households and regions exposed to mortgage mispricing (Barbaglia, Manzan and Tosetti, 2025). The same study demonstrates that regions experiencing faster growth in household leverage before the crisis faced more severe post-2009 declines in output and employment, reinforcing the need to consider debt counselling as part of an integrated social policy response to economic vulnerability (Barbaglia, Manzan and Tosetti, 2025).

Eurofound (2020) emphasized that the accessibility of debt counseling services varies significantly across Member States, while the lack of a unified framework perpetuates disparities in support across Europe. At the global level, the World Bank (2014) documented that financial inclusion is a cornerstone of sustainable development, confirming that debt counseling is not only a European objective but also a universal priority.

More recently, the COVID-19 pandemic exacerbated economic instability and household over-indebtedness, illustrating how closely income insecurity is linked to psychosocial fragility caused by threats to one's own health or that of loved ones (Eurofound, 2020). Betti and Dourmashkin (2007), through a comparative analysis, confirmed that over-indebtedness cannot be explained solely by economic factors; it requires integrated policies combining social support, financial regulation, and long-term debt counseling. These findings align with intersectionality research, which demonstrates that vulnerabilities, including financial ones, are amplified when overlapping with gender, age, disability or migrant status (Verloo, 2006; Hankivsky, 2014).

Kempson and Poppe (2018) have shown that financial well-being is a multidimensional construct: it depends not only on income, but also on individuals' financial knowledge, attitudes towards money, and the availability of institutional support enabling them to achieve well-being.

Over-indebtedness is also closely associated with mental health risks. The lack of stable income, precarious employment status, and the pressure of debt intensify psychological stress, generating a vicious circle of vulnerability (Dackehag *et al.*, 2019). Findings indicate that over-indebtedness is significantly associated with elevated physical pain and greater use of analgesic medication (Warth *et al.*, 2019).

The European Union has integrated these conclusions into its strategies, promoting debt counseling and debt advice as pillars of preventive social policy (Eurofound, 2020). Within this framework, debt counseling gains legitimacy not only as a technical tool but also as a strategic intervention designed to foster financial autonomy and reduce the risk of social marginalization among individuals and families exposed to poverty or severe deprivation (Andersson and Pozo Pérez, 2024).

2.2. Romania: between low financial literacy and a fragmented social services architecture

Recent studies indicate alarmingly low levels of financial literacy in Romania, below the European average. According to OECD/INFE (2023), only 13% of Romanian adults reach the minimum threshold of 70 out of 100 points in financial knowledge, attitudes, and behaviors. This deficit disproportionately affects vulnerable groups, where the impact extends beyond the economic sphere, also undermining mental health and social integration (OECD, 2023; Eurofound, 2020; Scholten, Van Dijk and De Boer, 2023; Andersson and Pozo Pérez, 2024).

Eurobarometer (2023) data confirm this gap: only 18% of EU citizens demonstrate high levels of financial literacy, with Romania among the lowest-performing countries, increasing the risk of over-indebtedness and financial exclusion. Affected individuals not only struggle to manage their resources but also face barriers in accessing basic financial products, perpetuating a cycle of precariousness. OECD (2020) argues that financial education and consumer protection are essential not only in times of crisis but also as structural mechanisms for preventing exclusion and limiting households' exposure to precariousness.

In parallel, social services in Romania remain under-resourced and fragmented, limiting their capacity to address economic vulnerabilities in an integrated manner. The fact that, in daily practice, social services do not systematically analyze household budgets or provide debt counseling contributes to keeping beneficiaries trapped in precariousness and dependency. Research shows that Romania's current social service system is dominated by reactive, ad hoc interventions, lacking preventive approaches (Voicu, 2019). This gap reduces the long-term effectiveness of interventions and maintains the risk of perpetuating over-indebtedness among vulnerable groups.

2.3. H. Stahl – household economy as the foundation of social intervention

Henri H. Stahl, a prominent figure of interwar Romanian sociology and professor at the Higher School of Social Work, advocated for integrating household economy analysis into social evaluation. In 'Tehnica monografiei sociologice' (The Sociological Monograph Technique) (Stahl, 1934), the household budget is approached not as mere accounting but as a reflection of social position and survival strategies. In *Nerej* (Stahl, 1939), the family budget becomes a mirror of community solidarities, while in 'Teoria și practica investigațiilor sociale' (Theory and Practice of Social Investigation) (Stahl, 1940), Stahl expands this vision toward a relational-economic integrated approach.

Although his ideas were partially recovered after 1989 (Prodan, 2006), they have not been reintegrated systematically into the training of social work professionals in Romania. Today, what the European Union requires through Directive (EU) 2023/2225 on debt counseling had already been anticipated by Stahl: the imperative of understanding poverty through the lens of household economy, with interventions necessarily supported by family budget analysis and financial education.

Revaluing this paradigm is not merely a theoretical exercise but a historical reparation. Debt counseling thus becomes not only an alignment with European standards but also a return to a Romanian tradition of attentive social intervention, unjustly forgotten.

2.4. Debt counseling between right and necessity: Directive (EU) 2023/2225 and the reconfiguration of consumer protection in Europe

Adopted on October 18, 2023, Directive (EU) 2023/2225 marks a paradigm shift in consumer credit regulation, repealing Directive 2008/48/EC and introducing robust measures to prevent over-indebtedness, with stronger accountability for creditors and enhanced consumer protection in an increasingly digitalized financial context.

A key element of the Directive is the establishment of debt counseling as an essential service. Article 81 requires Member States to ensure free and personalized access to counseling delivered by independent entities, thereby reducing vulnerable consumers' dependence on creditors (Dentons, 2023). Creditworthiness assessment is also reinforced (Article 88), and the scope extends to emerging products such as 'Buy Now, Pay Later' (Directive (EU) 2023/2225).

According to Apan (2024), implementation of the Directive necessitates the accelerated development of a national debt counseling network, integrated into social services. Articles 35 and 36 outline further obligations: promoting debt counseling, fostering responsible behavior among creditors, and strengthening the counselling service infrastructure.

In the vision of the Directive, debt counseling must be independent, adapted to individual financial situations, and oriented towards the consumer's best interest, without creditor involvement (Directive (EU) 2023/2225, Recital 71). Recital 73 highlights the economic impact of such services: every 1 euro invested can generate between 1.4 and 5.3 euros in societal benefits through the prevention of marginalization. Article 36 defines debt counseling as encompassing not only technical and legal advice but also psychological support, delivered by independent professionals.

For Romania, the Directive presents both institutional and professional challenges. It requires building a national counseling system, particularly targeting vulnerable groups such as older persons, persons with disabilities, and low-income families. Social workers in public services can become key actors in providing counseling, thanks to their established trust relationships with vulnerable beneficiaries. However, this requires specialized training and clear professional recognition to ensure compliance with European standards and genuine benefit for consumers in difficulty.

2.5. From European best practices to national necessity

Directive (EU) 2023/2225 is part of a coherent evolution of European social policy. France, Germany, and Ireland already provide functional examples of debt counseling services proven effective in preventing over-indebtedness and strengthening financial inclusion. In France, local authorities and NGOs provide early support to households in

difficulty. Germany has a public network of subsidized counseling centers, while Ireland’s Money Advice and Budgeting Service (MABS) ensures free and confidential advice, widely regarded as a European model (Apan, 2024).

These examples validate the role of independent counseling and support the transposition of the Directive into a national system adapted to Romania. The country can build on this framework and on local research to develop a debt counseling service tailored to its own context.

3. International models of financial counseling: benchmarks for an emerging policy in Romania

3.1. From national diversity to common principles

The Eurofound report (2020) and the United Nations Research Institute for Social Development analysis (2023) confirm that European financial counseling services, particularly in France, Germany, and Ireland, promote social and economic inclusion through four fundamental principles: accessibility, personalization, multidimensional approaches, and community integration. These benchmarks can guide Romania in shaping a model tailored to its own social and institutional realities.

1. France – CRÉSUS: community and prevention. The CRÉSUS model, active in more than 225 centers, integrates free counseling, financial education, and local partnerships. A notable example is the educational game ‘Dilemme’, which facilitates financial learning among young people. However, replicating this model requires a robust infrastructure, sustained financial support, and strong political will to build a coherent and unified system (Eurofound, 2020).
2. Germany – integrated public and multidisciplinary support. The German model offers free, publicly funded services within an extensive network of centers. These combine legal counseling, psychosocial support, and digital assistance. The intervention is conceived as a process of socio-economic rebalancing, aiming to restore the individual’s capacity for social integration (Eurofound, 2020; European Consumer Debt Network, 2023).
3. Ireland – Money Advice and Budgeting Service (MABS): prevention, accessibility, and local anchoring. With a network of more than sixty offices, MABS provides free counseling and debt counseling in partnership with the state. Its programs, such as ‘Abhaile’, support mortgage debtors and facilitate access to ethical finance through credit unions (Citizens Information Board, 2025; United Nations Research Institute for Social Development, 2023).

The Irish model is particularly relevant for Romania, not only for its social-community dimension but also for its institutional flexibility and financial sustainability. Its emphasis on prevention, collaboration with NGOs, and integration into local social services

provides a framework applicable in countries where the public network remains weakly developed. Unlike the French or German models, which presuppose well-consolidated institutional systems, MABS can be gradually adapted and piloted regionally, building on the infrastructure and resources already present in public social services.

In this sense, Ireland can offer Romania not only inspiration but also a viable prototype for a coherent and gradual reform of debt counseling, a reform that starts from existing structures and grows with trust, competence, and local embeddedness.

3.2. Common principles and their relevance for Romania

Comparing the three models highlights a set of universal principles of effective debt counseling, which can also be leveraged in the architecture of Romania’s social services:

1. Universal accessibility. As highlighted by Eurofound (2020), this implies free services, geographically close to beneficiaries, reducing barriers of stigma and facilitating the demand for support, particularly in resource-poor communities.
2. Multidimensional approach. Documented in the German model (Eurofound, 2020), this involves integrating legal, psychosocial, and mediation support, moving beyond the narrow logic of budgetary intervention and contributing to the overall rebalancing of beneficiaries’ lives.
3. Integrated debt counseling. Illustrated by the French model (European Consumer Debt Network, 2021), it combines personalized intervention with innovative methods such as ‘Dilemme’ or the ‘Budget Grande Vitesse’ app, to encourage autonomy and financial awareness.
4. Prevention and sustainability. Specific to the Irish model (Citizens Information Board, 2025), this entails developing long-term competencies and fostering collaboration with ethical financial institutions, such as credit unions, in an accessible and responsible support framework.
5. Community integration. Emphasized by the United Nations Research Institute for Social Development (2023), this means embedding interventions in local support networks and strengthening inter-sectoral partnerships essential for building a cohesive, sustainable, and responsible ecosystem.

For Romania, the question is no longer whether a debt counseling system will be implemented, but how it will be built—starting from local realities, adapted to a fragile and unequal context, and rooted in communities through trusted professionals.

This reform involves more than transposing a European directive; it requires rethinking the paradigm of social intervention: shifting from a strictly administrative logic to a human presence that counsels, protects, and accompanies. European models provide reference points, but success will depend on Romania’s capacity to build its own model—one that is meaningful and relevant for those who need it most.

4. Case study: Cluj County – professional perceptions of debt counseling

4.1. *From theoretical justification to empirical testing: choosing Cluj as a social laboratory*

After outlining the normative and conceptual framework of debt counseling, it is necessary to anchor the theory in a relevant empirical context to test the professional receptivity and institutional feasibility of this emerging function. In this regard, Cluj County was selected as the exploration site because it offers both the infrastructure needed for applied research and a social services network mature enough to respond to such a challenge.

The choice of Cluj has a strategic rationale. As a socio-economic hub of the North-West region, Cluj combines economic dynamism and educational infrastructure with pronounced territorial disparities between urban and rural areas and even between the center and the periphery. This structural polarization calls for innovative and tailored social interventions, and counseling, as a tool for preventing economic vulnerability, emerges as one of the possible solutions. The county's social services network is solid and diversified, being supported by the 'Strategy for the Development of Social Services 2022-2030' (General Directorate of Social Assistance and Child Protection Cluj, 2022).

Thus, Cluj is not merely an administrative space but a genuine social laboratory in which the applicability, relevance, and professional receptivity to debt counseling can be tested in the absence of formal national regulation. This research becomes a bridge between European requirements and concrete possibilities, bringing to the fore the voices of frontline professionals regarding a function that is still informal but potentially necessary in the architecture of social services.

The research has a dual aim: on one hand, to investigate the level of awareness and understanding of debt counseling among social sector specialists; on the other, to explore perceptions regarding the feasibility, usefulness, and optimal institutional form of such an intervention. Specifically, the study seeks to answer three questions:

1. What is the frequency, in current professional practice, of cases of over-indebtedness or complex financial difficulties?
2. To what extent is debt counseling perceived as necessary, realistic, and applicable within existing social services?
3. What type of training, resources or regulation do professionals consider necessary for implementing this service?

Through these questions, the study proposes a bridge between public policy analysis and the professional analysis of everyday practice in the social field, with the aim of informing institutional and legislative reflection.

4.2. Methodological approach: from the social services network to professional voices

4.2.1. Study objective

The investigation aims to map the perceptions and openness of social services specialists towards introducing debt counseling as an integrated tool for preventing economic exclusion. In particular, the research focuses on:

1. Assessing professional experience in handling cases of financial difficulty or over-indebtedness.
2. Identifying perceived barriers and opportunities regarding the implementation of debt counseling.
3. Estimating the level of professional and institutional preparedness to assume this function.

4.2.2. Research instrument

Data was collected through a Google Forms questionnaire designed by the authors and adapted to the specificities of Romania's social services (see Appendix). The questionnaire included both closed-ended items (Likert-type scales) and open-ended questions, allowing qualitative nuance in understanding the concept.

4.2.3. Target group and participant characteristics

The questionnaire was distributed in March-April 2024 to 81 town halls (local authorities) across Cluj County and to private providers in the municipality of Cluj-Napoca. 60 fully completed questionnaires were collected and used in the analysis. Respondents came from diverse areas of social work—ranging from family support and child protection to services for older adults, persons with disabilities, and social housing—reflecting the broad palette of territorial interventions.

Methodological limitations

The study is exploratory and uses a simplified quantitative instrument without extended statistical validation. Although the questionnaire was sent to the entire county social services network, distribution and responses depended on individual availability, introducing potential selection bias. The absence of a qualitative stage (interviews or focus groups) also limits the depth of understanding of expressed perceptions.

Even so, the data provides a relevant picture of professional and institutional openness towards debt counseling in a context in which Romania is set to transpose Directive (EU) 2023/2225. The study can serve as a foundation for local public policies and as a starting point for comparative or transnational research, particularly in regions undergoing transition or lacking formal regulation.

4.3. Findings: professionals' perceptions of debt counseling as an emerging function

The analysis of data collected in Cluj County outlines a diverse picture of how social service professionals understand and assess the opportunity to introduce debt counseling. Their views reflect the complexity of the phenomenon and are influenced by practice experience, beneficiary profiles, and the structural challenges faced by local communities. Although exploratory and geographically circumscribed, the results offer relevant insights for a strategic reflection on debt counseling as a new and necessary function within Romania's social services architecture.

4.3.1. Prevalence of material hardship and forms of vulnerability

An overwhelming 95% of respondents confirm that their beneficiaries frequently face material hardship. The problems are not limited to a lack of income but manifest across a wide range of precarities: unstable housing, high medical costs (especially in families with children with disabilities), lack of educational resources such as school supplies, clothing, and furniture, as well as vulnerability to informal work. The examples provided sketch a complex map of social risk: single-parent families, single mothers, parents caring for children with disabilities, young people leaving the child protection system, and older adults consistently appear as exposed groups. This points to an intergenerational and gendered dimension of financial vulnerability.

The results are consistent with the literature (Eurofound, 2020; United Nations Research Institute for Social Development, 2023), which shows that economic precariousness is tightly linked to social isolation, poor health, and educational exclusion. In this context, debt counseling is necessary and must be personalized and embedded in a broader intervention framework.

4.3.2. Sources of indebtedness and socio-economic implications

Respondents indicate that the main causes of beneficiaries' financial problems stem from debt accumulation. Approximately two-thirds mentioned bank credit and non-bank financial institutions, together with credit unions, as the most frequent sources of indebtedness. These financial products are perceived as quick and seemingly accessible solutions, but in reality, they amplify families' economic fragility. Informal debts—loans from relatives or friends—were reported by more than one-half of respondents, with social effects that are often profound: relational tensions, family conflict, shame, and the erosion of affective support.

A significant aspect is the frequent reference to debts to the state budget, including taxes and fines, which suggests not only fiscal pressure but also a lack of clear understanding of legal obligations among beneficiaries. These findings confirm that over-indebtedness is a multi-faceted phenomenon—financial, educational, and relational—that cannot be reduced to a mere lack of money. It points to the need for social interventions that combine debt counseling with basic fiscal education and psychosocial support.

4.3.3. Deficits in financial education and the impact on beneficiaries

A majority of respondents – 41 out of 60, that is, approximately two-thirds – consider lack of financial education a central cause of families' economic difficulties. They emphasize that many beneficiaries lack the knowledge required to plan their budgets, leading to harmful economic decisions such as risky loans, non-essential spending, and the absence of emergency savings. One-third of participants – 18 out of 60 – indicated that debt counseling only partially explains the phenomenon, reflecting its complexity: material hardship is often also caused by unstable employment, poor housing conditions or the absence of adequate social support. Notably, only one respondent completely rejected any link between lack of debt counseling and material hardship, signaling divergent perceptions among professionals.

Overall, financial education implemented through practical debt counseling is considered important, but insufficient. Counseling programs should not remain theoretical; they need to be practice-oriented, helping beneficiaries manage day-to-day resources and make sustainable economic decisions, alongside social support and employment measures.

4.3.4. Need for professional training and integrating counseling into social practice

Some 93% of respondents – 50 out of 60 – support including debt counseling in the initial and continuing training of social workers, arguing that the absence of dedicated modules limits the capacity to intervene in complex cases of financial vulnerability. Only four respondents, approximately 6.66%, considered such competences unnecessary, especially those working with groups in which financial difficulties do not appear directly in the foreground.

Suggested training topics are pragmatic and grounded in everyday reality: budgeting income and expenditure, setting monthly priorities, managing household resources, as well as early debt counseling for children and adolescents. In addition, several participants proposed developing simple digital tools, such as 'budget meter'-type apps, to support both beneficiaries and professionals in budget monitoring.

These suggestions confirm that professionals perceive financial counseling as an emerging competence within the social sector, one that requires institutional recognition and curricular support.

4.3.5. Implications for public policy and local administration

Although the questionnaire did not include an explicit question about the role of local public administrations, the way questions were framed – placing support counseling within the architecture of social services – indirectly suggests an expectation that these institutions should assume a central role. Responses regarding the need for training, resources, and methodological support indicate that professionals see public social services (Social Public Assistance Services and General Directorates of Social Assistance and Child Protection) as potential hubs of a debt counseling network, provided that clear regulations, occupational standards, and dedicated resources are in place.

This interpretation aligns with obligations under Directive (EU) 2023/2225 (Articles 81 and 88), which require Member States to ensure free and independent access to counseling, and with European good practice in France, Germany, and Ireland, where local services became key actors when backed by political, budgetary, and methodological support. For Romania, the Cluj case indicates the potential for local piloting that can facilitate gradual, context-sensitive implementation.

4.4. Interpreting the findings: strategic implications

The results confirm a solid professional consensus on the need to include debt counseling in the training and practice of social workers. Approximately 93% of respondents supported its integration into professional training programs, indicating that it is viewed as a primary intervention for supporting beneficiaries in managing financial resources and preventing exclusion. At the same time, the data suggests that financial difficulties should not be reduced to material shortages but understood as the outcome of a combination of factors: deficits in financial education, limited access to safe financial products, and exposure to risks such as payday lending or informal borrowing. Consequently, debt counseling is not an isolated service but a key component within a multidimensional approach that includes health, education, housing, and psychosocial support.

From an institutional organization perspective, responses point in two directions: some professionals consider it realistic to integrate counseling within existing structures, such as the Social Public Assistance Services and the General Directorates of Social Assistance and Child Protection, provided adequate training is available; others advocate for developing a distinct service with dedicated resources. This division reflects both the potential and the current vulnerability of the system: in the absence of clear regulations and resources, implementation risks are uneven and fragmented.

Therefore, the results lead to the following strategic conclusion: debt counseling can no longer be considered an optional service. It becomes a professional and administrative obligation, and its implementation requires investments in infrastructure, human resources, and continuous training.

4.5. Interim conclusion – validating the need for debt counseling

The data support, both empirically and through professional perceptions, what European regulations establish normatively: debt counseling is an indispensable component of comprehensive social intervention. Financial difficulties are closely correlated with other forms of vulnerability, educational, social, and occupational, and ignoring this reality perpetuates exclusion.

While professional consensus is clear, concrete application requires developing flexible implementation models adapted to the resources and specificities of each community. This transition – from validating the need to institutional organization – will be analyzed in the next section through policy proposals and recommendations addressed to public administration.

5. Discussion: between validating the hypothesis and shaping a Romania-adapted model

5.1. Confirming the need for debt counseling

Findings from research on Cluj County confirm the research hypothesis: debt counseling can no longer be treated as an optional service; it emerges as an urgent necessity for the public social assistance system. Professionals frequently encounter over-indebtedness and resource scarcity, and in the absence of specialized tools, institutional responses remain fragmented and reactive. In this context, the debt counselor serves as an interface between prevention, emotional support, and economic restructuring, aimed not only at resolving acute financial crises but also at supporting a durable path towards autonomy.

Introducing this service aligns with both European requirements under Directive (EU) 2023/2225 and validated experiences in other Member States, yet it requires the involvement of both local and central public administration to become a sustainable and effective practice.

5.2. European relevance and international comparison

The Cluj case study fits within a broader European landscape, where the transposition of Directive (EU) 2023/2225 hinges on three key factors: legal recognition, continuous professional training, and sustainable public funding. Models from France, Germany, and Ireland show that success stems from inter-institutional collaboration and community anchoring, but also that resource constraints or political instability can compromise outcomes. For Romania, the central lesson is the need for a gradual piloting strategy adapted to local contexts and to still fragile social networks.

5.3. Romania-specific challenges

Implementing debt counseling in Romania faces three major difficulties:

1. Lack of official recognition. Without legal regulation, the service remains an informal initiative with no clear responsibilities for public administration.
2. Limited human resources. Professionals in the Social Public Assistance Services and the General Directorates of Social Assistance and Child Protection are already overburdened; adding a new function without training and without redistributing responsibilities would increase institutional pressure.
3. Deficit in continuous training. Despite professional openness, applied programs anchored in local socio-economic realities are missing.

Overcoming these challenges requires a phased approach: local piloting, clear occupational standards, and gradual integration into social services legislation. European experience shows that these obstacles are surmountable, but only with political will and consistent investment in public infrastructure.

5.4. An opportunity to redefine the role of social services

Debt counseling can be more than an additional function; it can become a vector of transformation for the entire social services system, with three primary benefits:

1. Anticipatory intervention and prevention. This helps beneficiaries avoid economic relapse and build autonomy.
2. Inter-sectoral collaboration. This fosters partnerships among local administration, ethical financial institutions, and non-governmental organizations.
3. Genuine social inclusion. This enables the reintegration of people excluded due to debt and poverty.

This paradigm shift can transform social services from a reactive mechanism into a pillar of active solidarity.

5.5. Interim Conclusion

Romania should not view debt counseling as an external obligation imposed by the European Union, but as a strategic and ethical choice. Its implementation requires:

1. legal recognition;
2. coherent training programs;
3. integration into existing public policies; and
4. political will supported by scientific evidence.

Only under these conditions will debt counseling become not an administrative luxury, but a right guaranteed by the state and a practice embraced by professionals.

6. Conclusions and recommendations: debt counseling, from opportunity to social obligation

This research, grounded in both extensive theoretical analysis and empirical investigation conducted in Cluj County, leads to a firm conclusion: debt counseling must become an integrated component of Romania's social policy. In the European context, where over-indebtedness is increasingly recognized as a major risk factor for social exclusion, such a service cannot remain optional; it must be transformed into both a social right and an institutional obligation.

The article brings an original and applied contribution to the literature by offering a comparative analysis of European models in France, Germany, and Ireland and identifying solutions adaptable to the Romanian context. It empirically validates the need for debt counseling, highlighting both the professional consensus around this necessity and the practical difficulties encountered in the field. Moreover, it formulates strategic policy directions grounded in data, designed to support the transposition of Directive (EU) 2023/2225 and to reduce systemic financial vulnerability. In this way, the study provides an operational framework for policymakers, practitioners, and trainers, outlining the

necessary steps for a sustainable and ethical integration of debt counseling into Romania's social assistance system.

For this service to be implemented effectively, coherent strategic actions are required at both central and local levels. The role of the debt counselor should be officially regulated by its inclusion in social services legislation and occupational standards, while a national training curriculum must be developed to combine financial competencies with counseling skills, ethics, and cultural adaptation. A flexible national model, drawing inspiration from European best practices, particularly the Irish Money Advice and Budgeting Service system, should be introduced through pilot initiatives and gradually adjusted according to the specific needs of local communities. Equally important is a phased funding approach, beginning with pilot projects and later supported through dedicated budgets, to enable testing, evaluation, and scaling up of interventions. Inter-sectoral partnerships involving public administration, non-governmental organizations, and ethical financial institutions are also essential in building a collaborative ecosystem. Finally, the integration of counseling into local and county strategies, including Community Action Plans, would secure coherence across European, national, and local levels.

Beyond legislative imperatives, debt counseling represents an act of applied solidarity. It rebuilds bridges between economically excluded individuals and their communities and transforms vulnerability into an opportunity for reintegration. Romania has the chance to turn the transposition of Directive (EU) 2023/2225 into a genuine national commitment – not only in the letter of the law, but also in its spirit: to leave no one behind. To achieve this, central and local public administrations must assume a coordinating role, establish clear standards, and secure sustainable resources. European experience demonstrates that such steps are indispensable if this measure is to move beyond declarative intentions and generate tangible effects of social inclusion.

It is worth noting that the debate on debt counseling was launched at the national level within the project 'Provision of a European Platform for the Prevention of Over-Indebtedness by the Increase of Accessibility and the Improvement of Effectiveness of Debt Advice for Citizens' (PEPPI). The project was coordinated by the European Consumer Debt Network (ECDN) and co-funded by the EU, with Dr. Rodica Diana Apan serving as national coordinator for Romania (ECDN, 2023).

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Appendix A. Survey instrument – Debt counseling in social services

Please indicate your answer by ticking the appropriate box. Data were collected anonymously and processed with basic statistical methods.

1. Do the persons/families you work with face material difficulties?
 - Yes
 - No
- 1.1. If you answered ‘Yes’, please give some examples:

.....
2. What do you consider to be the main source of financial problems among the persons/families you work with?
 - Difficulties in finding employment
 - Lack of family support
 - Accumulation of debts that can no longer be paid
 - Dependencies that significantly reduce the family budget (gambling, alcohol, etc.)
3. To what extent do you consider that the persons/families you work with face difficulties due to a lack of financial education
 - To a large extent
 - To a small extent
 - Not at all
4. Within the social intervention plan, do you consider the inclusion of financial education useful?
 - Yes. The legislation I work with provides for such an obligation.
 - Yes, although the legislation does not explicitly provide for it.
 - No. It is irrelevant for the category I work with.
5. Based on the data you collect during evaluation, do the persons/families you work with have debts?
 - To private persons
 - To banks, non-banking financial institutions, credit unions
 - To the state budget (including fines)

6. Do you consider it necessary to introduce university or continuing training modules dedicated to debt counseling for social workers?

Yes

No

6.1. Please explain your answer:

.....

7. Do you have suggestions for specific topics of interest?

.....

8. What is the area of residence where you work?

Rural

Urban

9. With which categories do you most frequently conduct needs assessments?

Poor families

Older adults

Persons with disabilities

Children at risk

Note: The full version of the questionnaire (including introductory text and detailed answer options) is available from the authors upon request.