Services of general interest in Europe

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This paper concerns a methodological note for the horizontal evaluation of services of general economic interest. The object of the paper is to make a positive contribution to the decision-making process in all policy areas related to network industries providing services of general interest by providing a methodology that can help produce precise, thorough and comparative evaluations of the performance of those network industries and the services they provide. The evaluations will be based on factual information on the evolution of those industries and feedback from citizens, consumers and other stakeholders. They will focus on the following questions: -How has competition evolved in these industries and, in particular, how important was the influence of the market opening process on these changes? This will cover the changes in the number of competitors, the evolution of prices, the degree of openness in the market in legal terms and the evolution of concentration. It will also involve investigating whether more freedom of choice has led to users changing suppliers. -Have these changes had an impact on market performance? This requires an assessment in terms of productivity, innovation, employment and growth, but also on the equally important aspects of affordability, quality and accessibility of services of general interest. -How have these changes been perceived by users? The Commission will undertake consumers' satisfaction surveys. Any discrepancy between users' perception and actual market performances by these industries will indicate the need for more transparency, better communication, and better dialogue with users about their performance. The paper describes in detail the principles that have been taken into account in preparing this methodology. These involve the need to apply the subsidiarity principle, and the requirements for transparency and pluralism. Initially, horizontal evaluations will cover the following sectors : air transport, local and regional public transport, electricity, gas postal services, railway transport and telecommunications. Finally, the Commission will produce annual reports consisting of three main parts: -analysis of structural changes and market performance; -results of the permanent consumer consultation process, and -cross-sectoral review of horizontal topics.