Services of general interest in Europe. Green paper

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The committee adopted the own-initiative report drawn up by Philippe HERZOG (EUL/NGL, F) in response to the Commission's Green Paper. It stressed that services of general interest are complex and constantly evolving, and that the organisation of these services varies widely among the Member States according to cultural traditions and geographical conditions. MEPs agreed that European citizens should receive comprehensive, high-quality services of general interest at affordable prices or, where the social situation makes it necessary, free of charge. The decisive factor was not who provided services of general interest but that quality standards and an equitable social balance should be maintained, with reliability of supply and continuity being fixed as the criteria of provision. It should be freely decided whether services of this kind should be performed by the public sector or by private undertakings. The report added that a good many services of general interest can be provided under fair competition and stressed that private and public-sector undertakings must be dealt with on equal terms in that connection. The committee pointed to the positive impact of the liberalisation already initiated in areas such as transport, electricity and gas, saying that it had resulted in better quality at more reasonable prices. It recalled that services were generally poor prior to market opening, and was concerned that there should be no return to monopoly provision. MEPs noted the success of sector-specific regulations and said that this approach should be expanded into other sectors. They were sceptical of the value of a general framework directive which, they said, did not appear to offer any proven benefits over a sector-specific approach. The committee wanted the distinction between services of general interest and services of general economic interest to be made clear, while acknowledging that, for many services, the "economic/non-economic" distinction was extremely difficult. It suggested various criteria to be used to distinguish between economic and non-economic services, such as: purpose of provision and supply (commercial or non-commercial); percentage of public-sector funding; level of investment; profit-motive, as distinct from covering costs; benefits of local supply provision as opposed to a Europe-wide tendering requirement; commitment to guaranteeing social rights and furtherance of social inclusion and integration. Bearing in mind the fact that forms of financing and organisation at present vary widely in the Member States, the committee hoped that the Community legal framework would guarantee the coexistence of different financing arrangements, such as the grant of exclusive rights, subsidies, tariff averaging and operator-financed funds. Lastly, the report called for regular evaluation to be carried out of services of general economic interest, and urged the Commission to draw up a paper on the criteria for consistency between EU trade policy and the options for services of general interest.