Services of general interest in Europe. Green paper

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PURPOSE : to present a Green Paper on services of general interest. CONTENT : the European Commission has adopted this Green Paper on services of general interest. The Green Paper consists of five main parts plus an introduction and an operational conclusion. The first part outlines the background, the second part discusses the scope of Community action in the area of services of general interest, the third part provides a number of elements for a possible common concept of services of general economic interest, on the basis of existing sector-specific legislation, the fourth part looks at issues related to the way services of general interest are organised, financed and evaluated, and the fifth part addresses the international dimension of services of general interest. The Green Paper is accompanied by an annex which sets out public service obligations in more detail, as derived from existing sector-specific legislation and the policy instruments available to ensure compliance with these obligations. Firstly, the reality of services of general interest which include services of both general economic and non-economic interest, is complex and constantly evolving. The organisation of these services varies according to cultural traditions, the history and geographical conditions of each Member State and the characteristics of the activity concerned, in particular technological development. In conformity with the principle of subsidiarity, the European Union respects this diversity and the roles of national, regional and local authorities in ensuring the well-being of their citizens and in guaranteeing democratic choices regarding, among other things, the level of service quality. This diversity explains the various degrees of Community action and the use of different instruments. Since the second half of the 1980s a number of sectors in which mainly, or at least also, services of general economic interest are provided, have gradually been opened up to competition. This has been the case with telecommunications, postal services, transport and energy. Liberalisation stimulated the modernisation, interconnection and integration of these sectors. It increased the number of competitors and led to price reductions, especially in those sectors and countries that liberalised earlier. Although there is as yet insufficient evidence to assess the long-term impact of the opening to competition of services of general interest, there is, based on the available information, no evidence supporting the thesis that liberalisation has had a negative impact on their overall performance, at least as far as affordability and the provision of universal service are concerned. Initial fears that market opening would have a negative impact on employment levels or on the provision of services of general economic interest have so far proved unfounded. Market opening has generally made services more affordable. For consumers in the lowest income brackets, for example, the percentage of personal income needed to buy a standard basket of telephone calls or a standard volume of electricity consumption has fallen in most Member States between 1996 and 2002. The impact of market opening on net employment has also been broadly positive. Job losses, particularly amongst former monopolies, have beenmore than compensated for by the creation of new jobs thanks to market growth. Overall, the liberalisation of the network industries is estimated to have led to the creation of nearly one million jobs across the European Union. The debate that this Green Paper intends to launch raises questions with regard to : - the scope of possible Community action that implements the Treaty in full respect of the principle of subsidiarity, - the principles that could be included in a possible framework directive or another general instrument concerning services of general interest and the added value of such an instrument, - the definition of good governance in the area of organisation, regulation, financing and evaluation of services of general interest in order to ensure greater competitiveness of the economy and efficient and equitable access of all persons to high-quality services that are satisfying their needs, - any measures that could contribute to increasing legal certainty and to ensuring a coherent and harmonious link between the objective of maintaining high-quality services of general interest and rigorous application of competition and internal market rules. Lastly, it should be noted that comments should be sent to the Commission by 15 September 2003 at the latest.