Services of general interest in Europe

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OBJECTIVE: to present a communication on services of general interest in Europe, calling for the Intergovernmental Conference to insert an explicit reference to these services in the new Treaty on European Union. CONTENT: the Commission's communication seeks to recognize and promote recognition of the fact that services of general interest lie at the heart of the "European social model", reflect common values and meet the interests of the citizen, while helping to achieve solidarity and equal treatment. Every citizen should be able to access these services (water, electricity, postal service, telecommunications, railways, civil aviation, radio/television etc., and also health care, housing, education and social protection) at affordable prices, without discrimination and with a guarantee of good quality. In its paper, the Commission affirms that there is no antinomy between competition policy and guarantees relating to these services, which may be provided by private enterprises or by public- sector bodies (or partnerships between the two), either as a monopoly or in competition. European policy should seek to define the tasks which managers are required to carry out and the conditions under which these services should operate within the single market, rather than draw up statutes. The Commission's main objective in its paper is to raise public awareness and call for an explicit reference to services of general interest in the Treaty under negotiation (Intergovernmental Conference). The Commission suggests that this be achieved in a new paragraph in Article 3 of the Treaty by adding a point "u" on "a contribution to services of general interest", thereby establishing that these services constitute a dimension to be taken into consideration when Union action is defined and these policies are drawn up. It should nonetheless be borne in mind that this is a predominantly national area. However, the Commission considers that there is no call to amend Article 90, which has proven its worth by allowing a balance to be maintained between the deregulation of services (mainly by abolishing monopolies) and the safeguarding of the general interests of citizens and society. The Community needs to achieve a difficult balance between the demands of free movement, efficiency and economic dynamic sought by the large European market and free competition on the one hand, and the need to take account of objectives of general interest on the other, whereby this interaction should function to the benefit of the European citizen. It therefore suggests completing the application strategy under Article 90 and defining a number of actions to be implemented to strengthen the link between "services of general interest" and "European citizenship" (which might involve amending Article 8 of the Treaty). In particular, it suggests introducing a "public services charter" on which the Commission services have been working for some time (so far without success). The Commission also reiterates its wish to see the notion of "universal service" currently applied to telecommunications extended to all services of general interest in order to guarantee quality services at affordable prices for everyone: equality, universality, continuity, adaptation and healthy management at the economic level, transparent charges and funding, controls on service providers. The Commission proposes a series of initiatives to back up its general approach and give practical expression to the notion of "universal" services of general interest: - drafting a communication on the implementation of procedures under Article 90 so that the approach to opening up the markets is transparent, gradual and concerted between the various actors and consumers; - implementing tools to evaluate the operation and the performances of services of general interest and to control the competitiveness of managers (a study is currently under way in order to provide an inventory of the types of market regulation, the ways in which the services are organized in the Member States and the financial interests at stake); - strengthening coordination of national bodies with regard, for example, to conditions for public funding and control systems (it suggests exploring the general quality of services in the Member States, the extent of user rights and possible ways of "integrating" certain general interest service sectors at European level, for example by introducing an air traffic control regulatory body); - mobilizing all Community instruments (especially in research, by placing the general interest at the top of the list of research objectives and with regard to economic and social cohesion, by mobilizing the Community regional funds in order to strengthen equal opportunities and access to services). The Commission paper also includes an analysis of the economic and social importance of the general interest services sector in Europe in terms of turnover

and staff employed. At the economic and social level in particular, public-service enterprises, which only provide some of these services, account for approximately 9% of employment, 11% of non-agricultural activity and 16% of Community investments.