Services of general interest. White Paper

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PURPOSE : to present a White Paper setting out the Commission's approach in developing high-quality services of general interest.

CONTENT : this White Paper follows the public consultation and debate launched by the Green Paper, which invited comments on the overall role of the EU in defining the public service objectives pursued by services of general interest and on the way these services are organised, financed and evaluated. (Please see INI/2003/2052).

The debate has revealed considerable differences of views and perspectives. Nevertheless, a consensus seems to have emerged on the need to ensure the harmonious combination of market mechanisms and public service missions. The Commission's aim here is to make a contribution to the ongoing discussion and to take it further by defining the Union's role and a framework that allows these services to function properly.

The White Paper sets out the Commission's approach in developing a positive role for the EU in fostering the development of high-quality services of general interest and presents the main elements of a strategy aimed at ensuring that all citizens and enterprises in the Union have access to high-quality and affordable services. The document focuses on just some of the key issues of the debate as it would be impossible to address all the issues raised during the public consultation. More specific issues will be addressed in the context of the relevant policies.

The Green Paper consultation has shown a broad consensus on the need to ensure the provision of high-quality and affordable services of general interest to all citizens and enterprises in the EU. It has also confirmed the existence of a common concept of services of general interest in the Union. This concept reflects Community values and goals and is based on a set of common elements, including: universal service, continuity, quality of service, affordability, as well as user and consumer protection.

In the Union, services of general interest remain essential for ensuring social and territorial cohesion and for the competitiveness of the European economy. Citizens and businesses rightly expect to have access to affordable high-quality services of general interest throughout the EU.

This document defines a number of principles which are reflected in the Community's sectoral policies and can be clarified on the basis of the results of the debate on the Green Paper. These include: enabling public authorities to operate close to the citizens; achieving public service objectives within competitive open markets; ensuring cohesion and universal access; maintaining a high level of quality, security and safety; ensuring consumer and user rights; monitoring and evaluating performance; respecting diversity of services and situations; increasing transparency and providing legal certainty.

In the debate on the Green Paper there was broad agreement that it was not necessary to bestow the Community with additional powers in the area of services of general interest. In principle, the Commission agrees with this analysis. It is of the opinion that the powers currently conferred on the Community with regard to services of general interest are appropriate and sufficient in order to ensure that well-functioning services can be maintained and developed throughout the Union.

One of the key questions raised by the Green Paper concerned the need for a framework directive on services of general interest. The views expressed on the subject in the public consultation remained divided, a number of Member States and the European Parliament being sceptical on the issue. As a result,

it remained doubtful whether a framework directive would be the most appropriate way forward at this stage. Furthermore, in the consultation, the added value of a horizontal framework as compared to the sector-specific approach followed so far has not been demonstrated. **The Commission therefore considers appropriate not to proceed to submitting a proposal at this point in time but to re-examine the issue at a later stage.** For the time being, the Commission will, as a general rule, pursue and develop its sectoral approach by proposing sector-specific rules that allow account to be taken of the specific requirements and situations in each sector. However, without prejudice to existing sector-specific Community rules, a horizontal approach will be considered with regard to a number of specific issues, such as consumers' interests, the monitoring and evaluation of services of general interest, the application of state aid rules to financial compensation or the use of structural funds for the support of services of general interest.

The Commission goes on to look at the areas of financing and awarding of contracts, where Member States' discretion to define and design the missions of services of general interest usually interact with Community law. The public consultation has confirmed the demand for greater legal certainty and predictability when it comes to the application of the state aid rules to public service compensation and the Commission outlines the initiatives it proposes.

In addition, the Commission looks at providing a clear and transparent framework for the selection of undertakings entrusted with a service of general interest.**In practice, Member States increasingly use public-private schemes, including design-build-finance-operate contracts, concessions and the creation of mixed-economy companies to ensure the delivery of infrastructure projects or services of general interest. In the public consultation, calls were made for clarity on a number of questions relating to the Community rules applicable to such schemes, and in particular on the scope and substance of the Community rules that public authorities may have to respect when they entrust a public service mission to another entity. The Commission has adopted a Green Paper on public-private partnerships in the EU (COM(2004)0327), which launches a broad consultation on the procurement aspects of public-private partnerships.**

Finally, the Green Paper raised a considerable interest from interested parties in the area of social services, including health services, long term care, social security, employment services, and social housing. Social services of general interest have a specific role to play as an integral part of the European model of society. The Commission is of the view that it is useful to develop a systematic approach in order to identify and recognise the specific characteristics of social and health services of general interest and to clarify the framework in which they operate and can be modernised. This approach will be set out in a Communication on social services of general interest, including health services, to be adopted in the course of 2005.