



Conference on Co-creation and services of general interest  
in the field of health and well-being  
15-16 settembre 2022

**University of Debrecen, Hungary**

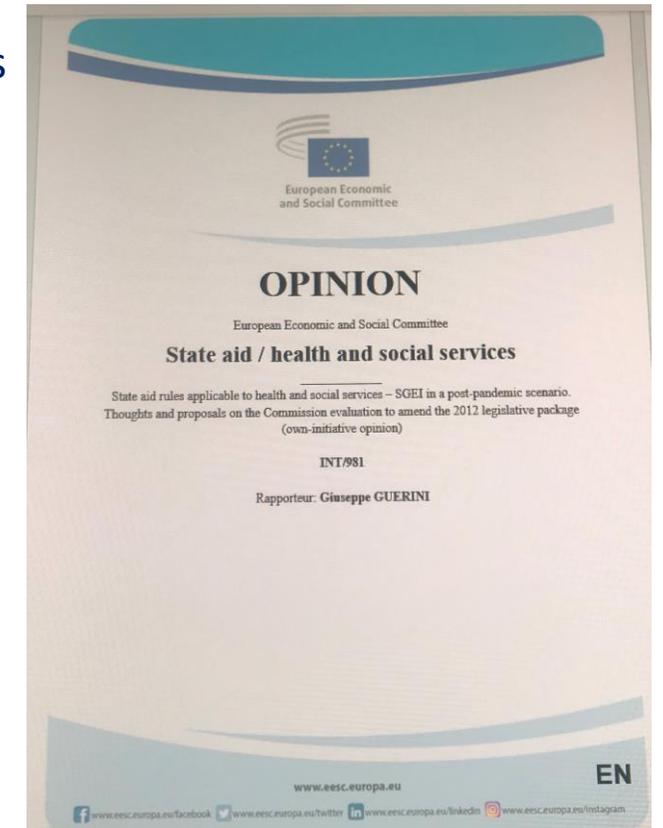
**State Aid Rules Applicable to Health and Social Services SGEI in a Post Pandemic Scenario.  
Reflections on the Commission Evaluation to Amend the 2012 Legislative Package**

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Main proposals that the European Economic and Social Committee has included in its opinion INT/981, adopted on May 18<sup>th</sup> 2022

## State Aid Rules Applicable to Health and Social Services SGEI in a Post Pandemic Scenario. Thoughts and Proposals on the Commission Evaluation to Amend the 2012 Legislative Package

<https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/state-aid-rules-applicable-health-and-social-services-sgei-post-pandemic-scenario-thoughts-and-proposals-commission>

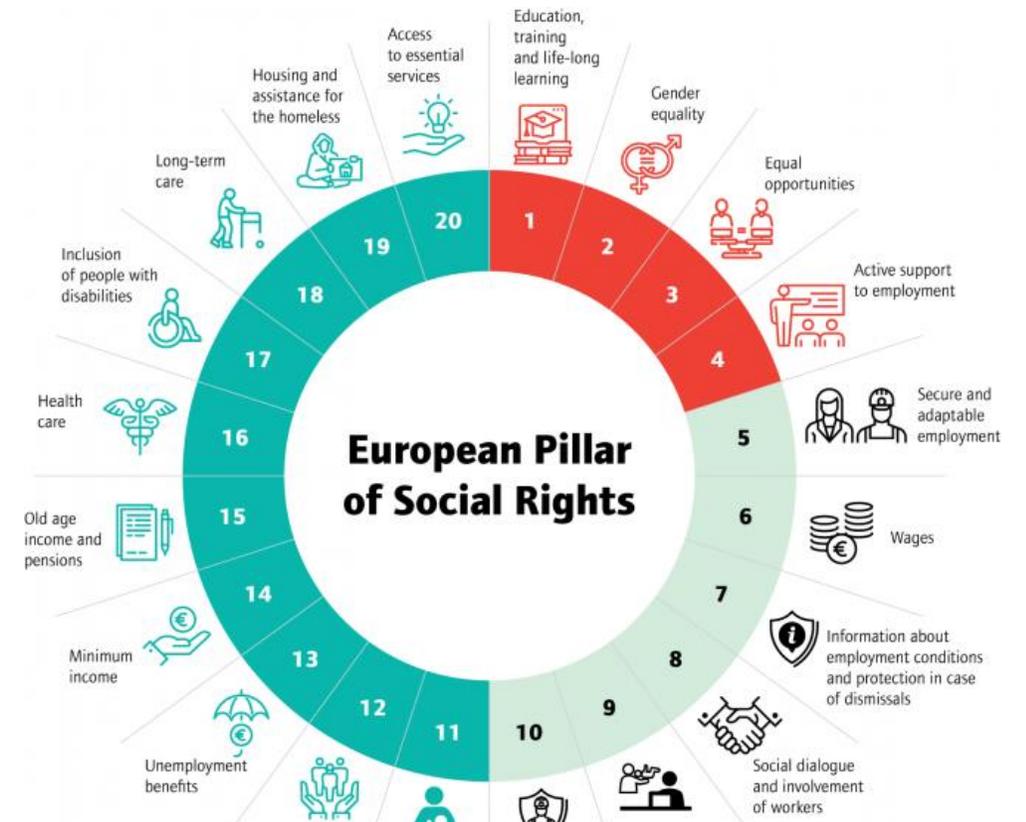


## Two important contextual points to consider before entering into the merits of the opinion

### The European Care Strategy



### The Action plan for the European Pillar of Social Right

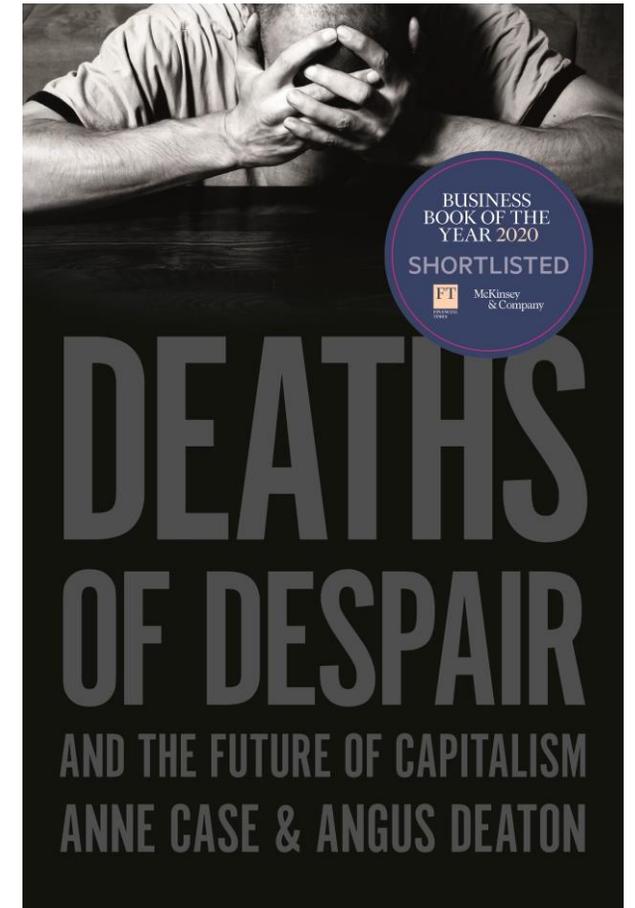


- **Health and social services such as personal assistance, home care, reintegration of disadvantaged or disabled people, childcare services and social housing are crucial to ensure social cohesion in the current post-pandemic phase.**
- **The implementation of a European strategy for care makes it necessary to adapt the rules on services of general interest (SGEIs), and in particular, those dedicated to care, health, and education services.**

- **The European rules on state aid for such services therefore play a fundamental role.**
- However, they require, from our point of view, an **update**, since although the regulation approved in 2012 with the "Almunia package" on state aid (already 10 years old) has provided positive elements of simplification compared to the previous discipline.
- On the other hand, the new European strategy for care, together with the implementation of the objectives of the European Pillar of Social Rights, require a further modernization of the rules in place to deliver a strong reaction after the pandemic.

- **The European single market is a fundamental value and represents the main key to the success of the European development model.**
- **But social care, health and education services, represent "common goods" for which traditional market rules do not always work and, in some cases, can even be even counterproductive.**

- I want to mention a book by 2 American economists Anne Case and Angus Deaton, with a very strong title, **Dead for Despair**
- The book highlights the failure of US healthcare, apparently inspired by a "free market" ideology.
- Such an ideology protects profits more than the health of citizens (monopoly power guaranteed by public regulations).
- This approach ended up determining that the US healthcare system costs too much for what it offers.



- The presence of information asymmetries that cannot be eliminated, in particular in health services, **requires a greater responsibility in regulating the market and protecting the weakest parts**, that are the citizens, starting with the most fragile ones.
- I am convinced that **the higher quality and better health conditions of Europeans are due not only to the presence of a more extensive public welfare system, but also to a better regulation of the single market** than the European Union has been able to achieve.

## **New challenges for the European society require new ways to regulate the market for care services:**

- aging of the population;
- growth of non self-sufficiency;
- fragility of families;
- educational needs;
- new forms of poverty



- **European rules on state aid should improve the margins for the new public and private investments necessary to develop social and health infrastructures.**
- **Health and social services are often guaranteed through non-economic activities and, even when performed within the market context, health and social services have a predominantly local dimension without cross-border relevance on the demand side.**
- **The local dimension is even more evident when the social and health services are managed by social economy entities with the involvement of local communities to achieve social cohesion and the public interest.**

**In particular, the rules provided for by Decision no. 21/2012, require additional clarification on three points:**

- 1. determination of the reasonable profit margin with respect to the capital employed to guarantee the service, considering the operational risk.**
- 2. determination of the fixed and structural costs that can be counted among the management costs of this kind of services.**
- 3. to what extent the distinctiveness of services and organizational models typical of social economy entities could be enhanced when they manage and implement services of general economic interest.**

## **Our main proposal is to raise the state aid threshold for care services:**

We believe that social and health services should benefit from a **de minimis ceiling** over three financial years, which should be significantly raised, compared to the one guaranteed to other SGEIs.

The role of social and health services in terms of social cohesion would justify a raised ceiling with the triple advantage of:

- 1. allow more aid in the simplified and faster de minimis framework;**
- 2. take into account the return of inflation at the macroeconomic level, which require periodic revisions of the ceilings over three financial years;**
- 3. recognize the subsidiarity and social cohesion function performed by many social economy entities.**

**This is why we want to take care of the Europe of care.**

**Thank you for your attention**



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