



European Economic and Social Committee

National Economic and Social Council

in cooperation with the

European Economic and Social Committee

Conference on "Services of General Interest"

Opening speech

by

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Mr President of the National Economic and Social Council of Ireland,
Ladies and Gentlemen,

Dear Friends,

Over the next two days, this Conference will examine a subject which is at the heart of the political debate in a large number of EU Member States – how to ensure high quality public services, both economic and social.

There has not been much exchange of experience between EU Member States on the provision of these services and the role public opinion and debate play in ensuring high levels of quality. These two days therefore give us a unique opportunity to explore the situation. Together with our colleagues in the NESC we have launched a debate that will enable us to look at what is happening, and draw conclusions for what needs to happen at EU level.

On the eve of an historic event – enlargement to ten new Member States – the European Union is pondering the future of its social model to which some one hundred million new citizens aspire, and in particular whether it should adopt, at Community level, a number of rules and principles that can be applied to all services of general interest.

As the draft Constitution drawn up by the Convention spelled out, services of general interest are at the heart of the European model of society, and they play a key role in promoting the social and territorial cohesion of the Union. They add to and extend the single market, and are essential for the economic and social well-being of citizens and businesses.

The recent EU Spring Council, in looking at EU developments in relation to the Lisbon Strategy, pointed to the present state of fragmentation of the services sector and pressed for increasing competition in order to improve the efficiency of these services and to boost production and employment, so as to be able to serve the interests of consumers. Examination of proposals that had already submitted had to be an absolute priority and the timetable needed to be respected.

Freedom of movement and freedom of establishment are firm evidence of European citizenship. Since they are entitled to enjoy these rights, citizens and businesses need to be sure they can benefit from transparent, efficient services of general interest – under the same conditions – anywhere in Europe.

The single market has played a key role in the growth of the European economy, businesses and the well-being of our citizens. Quality of life has improved as markets have gradually opened up. In several areas such as telecommunications, the number of operators and services has mushroomed, and costs have become increasingly competitive.

Some experiences of liberalisation in Europe and in the world – such as in the electricity market in California – must, however, make us pause to reflect on the complexity of services of general interest and their fragility.

Citizens' rights must be safeguarded in the name of solidarity and economic and social cohesion, which are recognised as basic principles of the Treaty. Quality must not be a victim of the liberalisation of services of general interest.

While some sectors are properly regulated, there is still no general authority to guarantee high standards for all services of general interest.

The debate launched by last year's Commission Green Paper on services of general interest called for Community-level regulation of the universal principles governing these services, and for clarification of the various tiers of management responsibility between the authorities concerned, without prejudice to the subsidiarity principle.

The fact is that services that are at the very core of our society, which are, in fact, the business card of any advanced society, and a crucial part of the economic and social life of our nations, cannot be managed without the contribution of all stakeholders.

Social and civil dialogue are key instruments for participation in the European model of society. Not only must they be an integral part of the process of defining the new legal framework for this area; they are also key instruments for ensuring good governorship of services of general interest, whose guiding principles must be subsidiarity, transparency, access and participation.

It is therefore imperative that all stakeholders should be fully involved in implementing this new legal framework, and that mechanisms and suitable procedures be provided for this purpose. This is essential if we intend to promote high quality, reliable, efficient services in order to meet the requirements of businesses, workers and users.

Furthermore, implementation of the subsidiarity principle must not be confined to the distribution of powers between the various political and territorial levels; it must also be the expression of a democratic conception of Europe and European society, and the laws and responsibilities of its citizens.

Ladies and gentlemen, over the coming months decisions will be taken which will determine the legal future of services of general interest. With regard to financing, the Committee welcomes the Commission initiative, which launched regulation of state aid to public service operators, in the wake of Court of Justice decisions in this field.

The Committee calls on the Commission to take account of all relevant factors. The European social model requires a balance between services of general interest and the rules of the single market, if we are to secure excellent public services without distorting competition.

On a general level, the draft amendment to Article 16 of the Treaty, drawn up on the basis of the work of the Convention, would provide a Community legal basis for this matter, and finally make it possible to meet the expectations of civil society.

The Commission is shortly to present its White Paper on services of general interest, based on contributions from the public consultation launched by the Green Paper. Consequently, it is now "decision time" for the Commission. It can either build on the work of the Convention and the public consultation to propose a future general framework for services of general interest, or decide to maintain the status quo.

In this regard the European Economic and Social Committee, which is the European-level body for institutional representation, consultation, information and dialogue, has expressed the expectations and need for the latter in its opinions on services of general interest.

First of all, the Committee underlines the decisive role that services of general interest play in promoting economic and social cohesion and territorial solidarity, because they are "common values" that the European Union needs to preserve and promote. This means that all services or benefits must be accessible to citizens, regardless of their social status or place of residence.

Consequently, we need to establish a body of universal principles for different services that are delivered in different ways from one Member State to another, while fully respecting the principle of subsidiarity.

In its recent opinion on the Commission Green Paper, the Committee reached some clear conclusions on certain crucial aspects of the European Union-level debate, and called on the Commission to prepare a draft directive or framework law on economic services of general interest, in order to consolidate the principles, public service obligation funding methods, assessment procedures and citizens' rights.

The European Economic and Social Committee, on the basis of European values that are shared by each Member State and culture, has identified a number of principles that are necessary to guarantee quality services of general interest. These include equality, universality, reliability, participation, transparency, simplicity, and financial accessibility.

The services themselves must comply with the principles of: profitability, efficiency, quality, and provision of an adequate service.

The responsible authorities must monitor respect of these principles and environmental protection. They should also be given the power to take back the service if needed, on the basis of the principle of reversibility.

The definition of a service of general interest must be established at the most appropriate level, with the various European, national and local levels working together. Furthermore, when defining the aims and obligations of a public service and the content of a universal service, the authorities must take account of new social needs and developments in technology, especially those resulting from the information society.

The new regulation must clearly define responsibilities, both for economic services of general interest and social services.

In respect of the subsidiarity principle, social, employment, health and education services will also have to be supported. The work of public organisations, NGOs and all the charities that provide not-for-profit social services, must be recognised for their contribution to the inalienable values of the European social model.

These bodies must continue to provide such services, because they protect the most vulnerable, create or recreate the social fabric, and call for solidarity between citizens.

The Committee believes it is obvious that social services must not be handed over to the multitude of operators that provide services of general interest. They must be protected from the logic of the market and its consequences, and application of competition rules and State aid, in order to safeguard the non-profit-making aspect of the service.

As the Committee has already emphasised in its opinions, services relating to national education systems and compulsory membership of basic social security schemes, and those provided by not-for-profit social, charity or cultural organisations, must be explicitly exempted from the application of competition rules and single market provisions – but not Community law.

This conference, which has been organised in cooperation with the Irish Economic and Social Committee under the patronage of the Presidency of the Council of the European Union, will enable us to take stock of national experience in the above areas, and to understand services which are constantly changing, taking account of new economic and social needs and progress in technology. This will enable us to make a detailed assessment of the problems and of the possible solutions. It is, therefore, a particularly important stage in the debate on the future of services of general interest in Europe.

Please allow me, in conclusion, to end by expressing my heartfelt thanks to the Irish National Economic and Social Council for its hospitality, the Irish Presidency, and all who agreed to take part. This type of meeting, which provides organised civil society with a great opportunity to meet and compare notes, is particularly important because it enables the European institutions to gain a better understanding of the expectations, requests and aspirations of European citizens, and thus be more in step with their everyday lives. This is all the more important in areas such as the one we are discussing today.

Thank you.
