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ETUC and CEEP Joint Statement on a European framework for services of general interest

ETUC, the European Trade Union Confederation, and **CEEP**, the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest, on the occasion of the 50th anniversary of the Treaty of Rome, congratulate Europe on the achievement of fifty years of peace, economic prosperity and social welfare. The establishment of the Single Market with a social dimension, of the Single Currency and the enlargement to 27 countries are elements of that achievement. The Lisbon strategy has brought about new political momentum in terms of growth, jobs and sustainable development. Now it is also high time to provide a legal basis for services of general interest in the constitutional treaty. ETUC and CEEP are both concerned that European internal market and competition policies are not balanced by an adequate legislative framework for modern, efficient and sustainable services of general interest.

CEEP and ETUC agree that high-performance services of general interest are a key factor for sustainable growth in Europe, for better competitiveness in the European economy, for more and better employment, for greater social and territorial cohesion in an enlarged Europe, for addressing the demographic challenges and for improvement of the quality of the environment, in short: for sustainable economic, social and environmental development.

ETUC and CEEP have already undertaken several joint actions in order to stress the need to place services of general interest at the heart of the European *acquis communautaire*, e.g. our joint proposal for a European Charter on Services of General Interest in June 2000. CEEP and ETUC have on several occasions asked the European Commission and the Member States to pursue a proactive strategy towards these services, in order to improve them and help them to evolve for the benefit of the public who use them; and also to gain better recognition for the fundamental principles of the general interest - e.g. solidarity, universality, affordability - and for the need for subsidiarity in their application.

After the European Commission's White Paper on Services of General Interest in 2004, the recent response of the European Parliament to that White Paper, the 'Rapkay report', and the proposed European Constitution in 2004, which would have established a more democratic, social and subsidiarity-oriented foundation for Europe's SGIs, **ETUC and CEEP are in full agreement that further action at European level is urgently needed to secure and guarantee**

services of general interest.

ETUC and CEEP have noted that the European Commission is planning to table a communication on “A European Strategy for Social Services of General Interest” and a “Community Framework for safe and efficient Health Services”. They underline that in their view a general framework on services of general interest, such as proposed by CEEP and ETUC, is necessary to clarify general principles, such as competencies, financing, and subsidiarity, before further sectoral initiatives are proposed.

At the beginning of 2006, both organisations decided to put forward concrete proposals on how to secure and to improve the position of these services within the European legal system.

After in-depth discussions within their organisations, CEEP and ETUC presented their proposals for how services of general interest should be framed in the future. ETUC approved, on 20 September 2006, a proposal for a “European Draft Framework to Guarantee and Develop Services of General Economic Interest”, and CEEP agreed, on 27 September 2006, on the adoption of “A European Policy for Services of General Interest” including an example of a framework for services of general interest.

The leading ideas of both proposals are

- 1 .The principle of subsidiarity and the responsibilities of the public authorities at all levels (national, regional and local) to determine how services of general interest are provided should be safeguarded.
- 2 .In cases of conflict between competition and internal market law and general interest objectives, the general interest shall prevail.
- 3 .A set of fundamental principles should be followed when it comes to specific rules on services of general economic interest, such as accessibility, availability, continuity, solidarity, affordability, sustainability, transparency, democratic control and non-discrimination and equality of treatment. Observance of the Charter of Fundamental Rights should also be included among these principles.
- 4 .Free choice of service provider, including the possibility to provide services “in-house” or via inter-municipal services, must be guaranteed for all authorities in charge.
- 5 .The responsible authorities must have the right to provide financial support for services of general economic interest and there must be clear rules on compensation granted to providers of services of general economic interest.
- 6 .Evaluation procedures at all levels could be appropriate instruments to enable authorities to assess the performance of services of general interest and to assure a continuous improvement of these services for the benefit of the public.

Moreover, ETUC and CEEP agree that good governance and social dialogue, meaning among other things the involvement of workers and/or their representatives as well as of other

stakeholders, are important for the successful operation of services of general interest.

ETUC and CEEP invite the European Commission, the European Parliament and the Council to accept their offer to work together to establish a sound future for services of general economic interest in Europe. They think that their proposals, approved by the members of two European representative social partners, are good examples of how to achieve workable results on controversial issues within the European Union.

The next step has to be taken by the European Commission, which should not simply restart the whole procedure by tabling a communication, to be followed by another report of the European Parliament confirming the reports of 2001, 2003 and 2006. Further progress, delivering a more ambitious response, is necessary now.