



Europäische Union Christlich Demokratischer Arbeitnehmer  
European Union of Christian Democratic Workers  
Union Européenne des Travailleurs Démocrates-Chrétiens

## **Services of general interest- important for people, important for business**

**In favour of European framework regulations that bind  
together economic, social and regional criteria**

### **The EUCDW's Fundamental Position**

Access to 'Services of general interest' is indispensable both for citizens and for companies.

The EU Commission's Green Book defines the standards that Services of general interest must ensure, namely "that certain services are made available at a specified quality to all consumers and users throughout the territory of a Member State, independently of geographical location and, in the light of specific national conditions, at an affordable price".

**It is acknowledged that "some services of general interest are not fully satisfied by markets alone (...). Therefore, it has always been the core responsibility of public authorities to ensure that such basic collective and qualitative needs are satisfied (...) wherever market forces cannot achieve this".**

The following points can be derived from these two statements:

- Defining Services of general interest and the manner and means by which they are provided is more than anything a question of subsidiarity, in which the European level is the last, not the most important, link in the chain. The EU must not reduce the ability of their member states to act.
- Provision of these services can undoubtedly occur via the markets and competition; indeed, this should be the preferred route. In the end, however, responsibility for securing such services lies with the State as the protector of the common good.
- Thirdly, as well as the price that has to be paid for Services of general interest, their selection also has other criteria: these can roughly be paraphrased with the term "ensuring social and regional cohesion" (although, in some cases also extended to take in ethical aspects).

On this basis, it follows that it could be useful as part of a Europe without frontiers if a framework was created for Member States' activities in this area, which dealt with questions of securing and ensuring the quality of 'Services of general interest'.

However, for the reasons mentioned above, this framework must view internal market criteria as only one element amongst many. The demand for privatisation as a principle already infringes in this very area on the spirit of existing EU treaties; a fact that will in future be strengthened further by incorporation of the Charter of Fundamental Rights (Article 36).

All regulations applicable to the internal market, competition and State aid must come second to the aim of ensuring that the public and the economy are provided with these services to a high level of quality and at affordable prices.

Only then will the goal be achieved, to which the EU Convention also aspired: the European Union as a community of peoples, an area in which people live their lives together. More than an internal market - a community of common values. It is therefore to be welcomed, that the EU Convention regards the active role played by not-for-profit institutions, voluntary associations and humanitarian organisations as an important component of the European social model.

Set against this background, there is a serious contradiction to be found in the Green Book. On the one hand, it points out the great importance of ensuring the supply of services, of affordability, quality and safety standards, user and consumer rights, and the environmental regulations that need to be adhered to (and determines that, in principle, these areas are to be regulated by Member States), while on the other hand there's the irrefutable reference to the dominance of the treaty's competition provisions. And in connection with this, the talk is then only about the Member States' 'regulatory freedom', no longer about general regulatory legislation.

The discussion that has now started about this is therefore doing some good. It ought to clarify terminology, standards and criteria. And lead to framework regulations that – in terms of Services of general interest – will also apply to the internal market, competition law and government aid legislation.

However, these framework regulations should not enter the legislative process until the European constitution has finally been adopted, as the constitution has to act as the ultimate renunciation of a purely economic Europe and thus form the foundation for an EU, in which people can live their lives and companies can produce goods competitively.

## ANSWERS TO THE QUESTIONS BY THE EU COMMISSION

Some of the 30 questions submitted by the EU Commission require an answer from the "social midfield", too, and in particular one from the Christian workers' movement.

1. Services in the general public interest or public services must be added to the "objectives" and the "Community presence" and need to be equipped with the corresponding competences. On the one hand, a legal basis must be created to lay down the guidelines and to determine the duties of general services, while on the other hand a legal basis is required to apply the coordination and the instrument of cooperation also to the services of general public interest.
2. It must be clearly stated who will be in charge of what in order to define the various competences and to prevent ambiguities. The European Union is responsible for (maximum) objectives, coordination, (minimum) standards, embodiment into the law and the realization of guidelines through cooperation. The member states assume the execution of these guidelines, through organization and funding as well as through controls and approval (ratification). Suitable "anti-regression clauses" need to prevent member states from curtailing the responsibilities of the general services. Conversely, the member states must be given the opportunity of setting standards which exceed the European minimum requirements. For example, the impact of services in the public interest on trade must be evaluated and factually determined. Exemptions may be granted *a priori*. Compulsory registration *post factum* may be introduced.
3. The answer to this question depends on the exact definition of and the distinction between public services and services in the general public interest.
4. See questions 1 and 2. The state shall be responsible for safeguarding competition and regulating the market, either through its own offices and institutions or through (appropriately authorized) independent bodies. In view of the overall state of deregulation and integration, the establishment of a general cross-sectoral regulation authority would seem inappropriate. It would seem, on the other hand, that community-wide networks of regulating bodies for the individual sectors could serve to exchange data and experiences, create a framework for comparisons, communicate and agree some of their strategies.
5. The public service dimension of network area services which are in the general public interest comprises the security of supply (energy sector), quality, safety, general availability, accessibility, affordability, consumer protection, network access, interconnectivity and pluralism (media).
6. The member states shall be allowed to deregulate and to determine the nature of public services. Under these circumstances, however, it will not be easy to define the impact of sectoral regulation. Intensified cooperation will help to broaden the pertinent knowledge and to facilitate the evaluation of the frame of reference.

7. A more adequate and more precise system than one operating with terms such as 'market-oriented' and 'tradeable' will need to be developed to define the difference between services of general economic interest and other services. It is important not just to define the role of non-profit organizations, but also to preserve it.
8. The answer to this question would require another Green Paper.
9. See question 5. In view of the fact that certain public services have been approved but not made compulsory, the effectiveness will be subject to the regulations in the individual member states. The impact of European Law is relatively small. Besides, several guidelines still need to be ratified.
10. Public services must, *per definitionem*, apply to services of general public interest, and public services conceived on a European level (with their cross-border dimension) shall apply – above all – in network sectors.
11. See question 2. Objectives and minimum standards on a European level. Not: organization, funding, control and approval (ratification).
12. See questions 6 and 9. Besides, in the event that the European Union authorizes the member states to prescribe certain public services, these will not be public services decreed or coordinated on a European level. This is more about the "authorization of public services".
13. See under 8. In the educational, health and welfare sectors etc., the role of non-profit organizations must be recognized, appreciated, protected and supported.
14. The European Union will have to make a contribution to guaranteeing the secure supply of electricity and natural gas – if possible, through negotiations and on friendly terms, otherwise through legislation.
15. The European Union shall have to contribute to the construction, expansion and maintenance of cross-border pan-European networks through the pertinent agreements (on a Community level) and financial support.
16. The public service dimension of the energy sector, for example, will need to comprise the economic use of energy, recycle energy sources and the coupling of heat and power generation. This shall equally apply to social and ecological obligations in the transport sector.
17. In view of the current situation and the latest developments in the audiovisual media of certain member states, the protection of pluralism, once 'merely' a laudable proposition, has become a vital necessity. See under 8.
18. See under 6 and 9.
19. See under 1 and 2. Examples are affordability in the energy sector and accessibility in the transport sector.

20. The exchange of data and experiences as well as the comparison of methods and results is the business of the European Union (through the Statistical Office of the European Communities) and equally the business of the individual member states, the markets (the companies), research institutions and the social midfield, including the social partners, environmental groups, consumer associations, welfare organizations and other associations such as anti-globalization campaigners etc. This requires the active participation not only of 'shareholders' but of all 'stakeholders' (citizens, workers etc.). Those groups of the population who are most at risk and who would be the first to feel the impact of lower levels of public service must be enabled to make their voices heard.
21. See under 6 and 9.
22. The funding and organization of public service duties must remain the responsibility of each individual member state (bearing in mind the competition and the rules of the market).
23. Ditto
24. Ditto
25. The enlargement and the exchange of data and experiences, the definition of indicators and the comparison of methods and results must – on the basis of cooperation and coordination – lead to an adequate and accurate evaluation of the services in question.
26. Services of a general public interest must be evaluated on the basis of economic as well as social and ecological criteria. Economic criteria include a comprehensive cost-benefit analysis. Social criteria include the effects on employment, salaries, working conditions and personal economic security. Ecological factors include the emission of greenhouse gases (heavy duty transports), noise abatement and odour control (road traffic), landscape conservation (wind energy, high-voltage cables and pylons), waste (nuclear energy), water and soil pollution.  
The evaluation of public services must also be based on cultural criteria such as the use of language in the media.
27. Local, regional, national and Community-wide surveys can serve to provide information about the views and opinions of consumers. Counselling services (provided by experts as well as by representatives of organizations from the social midfield) complete the picture. The information supplied by arbitrators and offices in charge of registering complaints will also have to be considered.
28. The Statistical Office of the European Communities can verify the reliability and comparability of the data compiled by the individual member states.
29. The European Union shall have to resist the pressure to integrate a non-reversibility clause, a necessity test, a method of settling disputes and a compulsory avoidance of subsidies into the global trade agreement, also with a view to the services of general public interest.

30. The European Union can use projects, programmes, associate membership treaties, the European Investment Bank (EIB), pan-European networks and other Community initiatives to organize network sectors and to fund public services in the developing world.

The European Union of Christian Democratic Workers (EUCDW) consists of 23 workers' organisations from 15 countries and is an association of the European People's Party (EPP). Elmar Brok MEP, President; Christoph Weisskirchen, Secretary General.  
Tel 0032 2 285 4164, Fax 0032 2 285 4141 e-mail: [euCDW@evppe.be](mailto:euCDW@evppe.be), homepage: [www.euCDW.org](http://www.euCDW.org)