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Council of European Municipalities and Regions
Europæiske kommuners og regioners råd
Συμβούλιο των Ευρωπαϊκών Δήμων και Περιφερειών
Consejo de municipios y regiones de Europa
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Joint Statement on the Role of Local and Regional Public Services and on the Green Paper on Services of General Interest

As representatives of local and regional government and public service unions, EPSU, EUROCITIES and CEMR, we welcome the publication of the Green Paper on Services of General Interest as an opportunity to contribute to the on-going debate on the role of services of general interest in the future of Europe.

As is rightly pointed out in the Green Paper 'services of general interest play an increasing role. They are a part of the values shared by all European societies and form an essential element of the European model of society. Their role is essential for increasing quality of life for all citizens and for overcoming social exclusion and isolation... Furthermore, these services are a pillar of European citizenship, forming some of the rights enjoyed by European citizens and providing an opportunity for dialogue with public authorities within the context of good governance.'

We believe that this important role of services of general interest must be at the heart of the debate at EU level as to the relationship between EU rules and the provision of these services. Fundamental to the debate is also the role played by the different spheres of government in organizing these services. We welcome the Green Paper's assertions that 'it is primarily for the competent national, regional and local authorities to define, organise, finance and monitor services of general interest' and that 'the European Union respects "the roles of national, regional and local authorities in ensuring the well-being of their citizens and in guaranteeing democratic choices regarding, among other things, the level of service quality.'

In this respect, we believe that, in accordance with the principles of subsidiarity, proportionality, local self-government and proximity, decisions as to the organisation of public services and services of general interest of a local or regional nature should remain in the hands of local and regional authorities, where democratically elected representatives are in the best position to judge the merits of different options (own/direct provision, competitive tendering etc.) on behalf of their citizens and electors. Democratic control and accountability, responsible use of scarce resources, the prevention of abuses of market power, long-term service delivery and security of supply of many services require public intervention and cannot be left to market forces only.

EPSU, EUROCITIES and CEMR assert:

· That an objective of the EU should be to respect and promote the role and value of high quality public services and services of general interest, as a vital means of ensuring that the human rights and essential needs of citizens are met, that proper social protection is afforded, and that the principle of solidarity between citizens is maintained;

- The need to ensure that public services are protected and promoted, to limit the scope of state aid rules for this purpose, and to ensure that local and regional governments remain free to decide, democratically, how to best provide services for their citizens;
- The protection of key public services delivered at local and regional levels should be far better balanced with the rules of competition and state aid;
- In line with the principles of subsidiarity and proportionality, local and regional authorities should be free to decide whether to tender out or carry out a service themselves, providing this service operates wholly or mainly within their defined territory and does not compete on other markets. In this context, the existence of private operators in relation to a particular service must not be seen as a justification for the compulsory liberalisation of that service across Europe.

EPSU, EUROCITIES and CEMR draw attention to the following:

- Local and regional government have responsibility for the provision of vital and sustainable public services (e.g. transport, environment, water, healthcare, education, social care) which demonstrably have a value over and beyond that of addressing market failure;
- Public services, including services of general interest have a social aim and are there, in essence, to ensure that citizens are provided with their basic human rights - civil and political, social and economic - and with appropriate social protection;
- Public services are essential to ensure social, economic and territorial cohesion and to prevent the development of a 'two-tier' society.

EPSU, EUROCITIES and CEMR object to:

- The growing intrusion of market definitions into the realm of public services;
- The gradual extension of competition and state aid jurisprudence into local and regional public services and to the lack of clarity as to what constitutes state aid;
- The proposals in the Internal Market Strategy paper to push for liberalisation in areas such as the water sector while at the same time there is a legitimate debate underway on SGI.

EPSU, EUROCITIES and CEMR emphasise:

- Their commitment to the provision of high quality public services at local and regional level for all citizens including, in particular, the disadvantaged, irrespective of market forces;
- That the need for high quality public services remains just as strong today as in the past, even if provision is more varied today than in previous years;
- The value of public services in providing citizens with human rights which is linked to the inclusion of the Charter of Fundamental Rights in the new Constitution;
- The link between public services and the objectives set by the European Union for sustainable development and for economic, social and territorial cohesion;
- The need to have greater coherence in EU policies which impact on public services and services of general interest (for example, by improving inter-service co-ordination).

The parties to this Joint Statement express their willingness to enter into regular discussions with each other and with the Commission on all matters related to the provision of public services by local and regional government. We would welcome the possibility to contribute further to the Commission's reflection as regards the choice of instruments to ensure that the role and value of services of general interest is respected and promoted at EU level. Each organisation is submitting a more detailed response to the Green Paper.

The **European Federation of Public Service Unions** (EPSU) is a federation of the ETUC. It represents 8 million workers in more than 185 trade unions in Europe. These workers provide public service in health and social services, regional and central administration, energy, water and waste services.

EUROCITIES is a European network representing the public authorities of more than 100 major cities and more than 100 million inhabitants in the current and future EU Member States. Services of general interest are directly relevant to citizens in cities and cities provide a significant share of public services in Europe.

The **Council of European Municipalities and Regions** (CEMR) is a European federation gathering 46 national associations from 33 countries representing some 100 000 local and regional governments.