

European manifesto project : In favour of a new EU approach on social services of general interest (SSGI)

The acute economic and social crisis affecting all the Member States of the EU accentuates existing problems of precarious work and unemployment, of poverty and social exclusion, of income inequality and of access to social rights.

Social services of general interest (SSGI) have an important 'shock absorber' role in addressing the crisis, but also a social innovation role. The internal market cannot develop efficiently, or even function correctly, without strong social infrastructures in the areas of :

- services to older people, people with disabilities, and young children;
- helping people get into the labour market and stay there;
- inclusion of immigrant populations ;
- accommodation and social housing ;
- and more generally, assistance with accessing fundamental rights recognized by the Treaties.

These are of crucial importance to attain the fundamental objectives of the EU such as social, economic and territorial cohesion, a high level of employment, social inclusion and economic growth.

SSGI are an integral part of the European social model.

The Lisbon Treaty and the inclusive growth pillar of the EU2020 Strategy offer new windows of opportunities to make sure that SSGI will have a decisive contribution to the achievement of the EU headline targets on employment, poverty reduction. In that regard, long-term and ambitious financing schemes should support the provision of affordable and quality SSGI.

SSIG should ensure that all citizens can take their place in society, and guarantee social cohesion at the local level. They are also the motor of cohesion across the EU. It is an important sector in terms of jobs and contribution to GDP: social and health services represent around 10% of paid employment in the EU27.

For a new EU approach to SSIG

The directive on free movement of services in the internal market, the regulations on state aids and the European directives on public markets directly affect the implementation, regulation and financing of SSGI, and yet they currently do not benefit from a positive definition in European law.

Faced with the uncertainties of Community law, with the significant variations in national application of the services directive, with the growing risk of public collectivities having recourse to the regulation on public procurement and European control of public aid granted to services of general economic interest (SGEI), SSGI

are increasingly under discussion only in relation to policies of standardization with reference to corporation law, internal market regulation and competition. The consequence for social services is the absence of recognition of their social objectives as a guarantee of fundamental social rights.

For social services put in place by social economy actors, there is a risk that they will lose their significance, and will suffer from a lack of visibility between the for-profit sector and public authorities, losing their role as partners of the public authority in the evaluation of needs and how to respond to them.

Today it is necessary to go beyond the – extremely reductive – European policy of standardization, **towards a community policy aiming to develop SSGI**, to raise awareness of their specific contribution in all Member States, and to raise the visibility of good practices, in particular those of the social economy.

>>> This is why we demand that an institutionalised European policy be put in place to recognise, promote and develop SSGI of high quality.

Proposals

1) Establish a European resource centre for SSGI

The European resource centre would be the technical reference point between Member States, the Commission (and other EU organs) and representatives of Civil Society at European level. It would facilitate dialogue between the parties.

- It would push for European policy for the development of the sector and would support stakeholders' initiatives.
- It would contribute to promoting a European legal framework, which would provide security for all actors and support the development of the sector.
- It would put in place the conditions to facilitate investment in the sector. The resource centre would organize and support communications campaigns to promote SSGI in the EU.
- It would formulate and publish conclusions and opinions on specific subjects relating to the SSGI sector, either on its own initiative, or at the request of the European Parliament, the Council, the Committee of Regions, the Economic and Social Committee or the Commission. It would be obligatory to consult the agency on any regulatory or legislative initiative with a direct or indirect impact on SSGI.
- It would contribute to exchange of best practice, to the establishment of programmes promoting new economic and social models in the EU, and training projects.
- It would coordinate monitoring of the national situations (statistical, economic, legal, fiscal, etc) and comparative studies between Member States on SSIG. It would finance studies and research on the sector.

2) Establish a European fund for social innovation which aims to support and develop civil society organizations and local authorities' capacity for experimenting and innovation in relation to SSGI. This would be a first concrete step in stimulating an increase in social innovation in Europe called for by the President of the European Commission in the frame of the EU 2020 strategy.

3) A specific new EU financial instrument, Structural Funds and a Renewed **PROGRESS programme** should ensure access to affordable and quality SSGI by improving local infrastructures for local communities, with particular support for lagging regions.

4) Apply the principle of proportionality in a systematic manner when implementing the European regulations on competition and the internal market.

5) Adapt the European regulations on state aids for SSGI, which are a form of service of general economic interest (SGEI), in the light of their weak impact on intra-community exchange, and create a specific *de minimis* threshold for SSGI/SGEI of \in 500 000 over three years, thereby excluding them from EU control and exempting them from the need to conform to rules on public aid.

6) Promote diversity in forms of contract and financing between public authorities and civil society actors with respect to SSGI, and guarantee stakeholders' initiative rights and the absence of obligation to have recourse to European rules relative to public markets.

7) Provide Member States the opportunity to expand the field of reserve markets to non-profit providers of SSGI and integrate special rules to reinforce the social dimension of public markets.

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