



**Datar**



**COESIONET**

**EUROPEAN COHESION AND TERRITORIES RESEARCH NETWORK**

## **Minutes of the workshops**

**13 December 2010**

### **First workshop**

#### **« Services of General Interest and Cohesion »**

##### **Definitions of the services of general interest (SGI). Mapping of the SGI in Europe**

##### **“Mapping of the Public services in the European Union and in the 27 Member States”**

**David Anciaux, CEEP, Pierre Bauby, RAP, Mihaela Similie Popa, RAP**

##### ***1. Defining services of general interest in Europe***

Services of general interest represent a shared value in Europe. The Lisbon Treaty in its articles 14, in the Protocol 26 on Services of General Interest (SGI) and in the article 36 of the Charter of Fundamental Rights specify the role of SGIs, and their contribution to social and territorial cohesion in Europe.

A SGI in Europe is « market and non-market services which the public authorities class as being of general interest and subject to specific public service obligations ». Therefore such missions or activities do not obey only to market rules but norms, criteria and rules aiming at reaching three objectives:

- guaranteeing access of each inhabitant to these services
- establishing solidarity relationships, economic, social and territorial cohesion
- addressing market failures.

One important contribution of SGIs to cohesion is due to the fact that prices of public services are frequently disconnected from the market rules.



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This concept covers diverse realities in Europe. But one conception is common to all EU countries: the functional conception of the public services even though legal approaches vary from one country to the other. One common feature is shared by SIGs across Europe: unity, diversity and subsidiarity.

## ***2. Need for a mapping of the Public services in the European Union and in the 27 Member States***

A study called “Mapping of the Public services in the European Union and in the 27 Member States” was launched because:

- it was necessary to better know the specificities of SIGs in the different EU Member States
- reliable and up-datable statistics were needed
- the creation of statistics on SIGs sectors in EU 27 was required (2006 represented the reference year for the study).

## ***3. Contribution of SIGs to the economy and to cohesion***

The contribution of SIGs to the economy is significant. A few figures illustrate that:

- on average 26% of the GDP with important discrepancies among the Member States.
- They represent 6.4% of the total investment (water, electricity, telecommunications and postal services)
- They account for 30% of the labour force in Europe (28.5% in the South of Europe, 38.7% in the North). Jobs in the public services used to be differentiated by their “special status”, but in many SIG sectors this “special status” is gradually eroding. Public and private status of the public services jobs are now coexisting in most countries and sectors as well as a varied system of collective bargaining (more or less limited/developed, more or less centralised according to the countries).
- Over 500,000 companies of public services provide more than 500 million European citizens with public services.

The services provided are strategic, central for the well being of the citizens. As such they contribute to social integration and cohesion in Europe.

## ***4. Public services and the crisis***

Public services can be considered as stabilizers and shock absorbers during the crisis. The crisis didn't lead to job reduction, they even maintain their turnover.

## ***5. Structuring trends of SIGs in Europe***

- Europeanisation process: some competences of national States in terms of public services are transferred to the EU level regarding definition, organisation and norms of public services.
- Importance of sectoral approach: despite the same Treaty applicable in the 27 Member States, health, education, electricity or transport can't be organised following the same organisational pattern.
- Importance of the history and national traditions and institutions: eg. 15 years after the EU directive on electricity, this sector is still organised differently across Europe.

Each State tries to defend national interests while building also European interests.

## ***6. Six main approaches***

There is no one single model, but rather public services can be defined according to six different modes of organisation and regulation:

- the model of public administrations and national companies,
- “all public” (Central and East European countries before 1989),



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- local autonomy,
- delegated management and externalisation,
- “New Public Management”,
- regulatory agencies.

### ***7. Contradictory trends of the public services***

Public services can also be defined by their contradictory trends:

- between national and European interests with a tendency for national governments to use EU construction to explain reforms they have difficulties to endorse at national level.
- between political aims and economic construction of the public services at EU level
- tensions between market and social market economy

## **Public services and territorial cohesion. From Amsterdam Treaty to Lisbon Treaty** **Robert Savy, Former President of the Regional Council of Limousin, Senior Member of the Council of the State**

### ***1. Introduction of territorial cohesion in a European treaty***

Territorial cohesion should be considered as economic and social cohesion. All EU policies impact the territories and the cohesion. But before the notion of territorial cohesion could be considered as such, political decision makers had to be convinced about the necessity of its recognition in the EU treaties. Studies have been carried out by the Assembly of European Regions. The notion was supported by Michel Barnier, who used to be Ministry of foreign affairs and who contributed to introduction of the concept in the Amsterdam Treaty which grants an official recognition of the notion of territorial cohesion even though it can't be separated from economic and social cohesion. But now territorial cohesion has become part of the European vocabulary.

### ***2. How to translate the principle of territorial cohesion into the reality of the policies?***

Several initiatives should be taken in order to avoid a rupture between the territories:

- European policies need to be evaluated together with their territorial impacts: this is made difficult by the fact that it is hard to defined precise objectives that the policies need to reach and on the basis of which they can be evaluated.
- The planned consequences of the policies need to be evaluated and therefore adapted indicators need to be developed.
- Public services present in the territories are not only a way to guarantee equality between citizens but they also represent an important contribution to the competitiveness of a territory. Therefore they need to be maintained in the territories.

### ***3. Conclusions***

Considering the progress achieved, two main conclusions can be drawn:

- from a political perspective: territorial cohesion is a strong component of the European model of social organisation. Therefore the European Union represents as such a space of social cohesion where discrepancies are not as high as in other economic spaces. As such cohesion constitutes also an element of economic competitiveness to be found at all different levels (from EU to infra-regional level). But it has to be noted that EU structural policies do not always lead to increasing cohesion in Europe when we consider the different inside the countries. Indeed the lower the level of development of a EU country, the greater the regional discrepancies (see, for example, the growing discrepancies in Central and Eastern European countries). The EU policies didn't always lead to greater cohesion but rather to increasing regional differences. Thus the interventions of EU and national authorities are questioned together with the governance of these policies. It also raises the question of allocating resources to infra-regional authorities.



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- From the infra-regional perspective: each region is confronted with the cohesion inside the regional territory showing strong and weak territories. The question is therefore how to address all territories and not only the metropolis of the region (even though it is relevant to have some concentration process in some sectors such as research). As such territorial cohesion requires a strong public intervention.

***Some references:***

- Claude Husson, *L'Europe sans territoire ; essai sur le concept de cohésion territoriale*, Editions de l'Aube, 2002
- Actes du colloque 1998 de l'Association Europa – *La cohésion territoriale et les services publics en Europe*, Presses universitaires de Limoges
- Robert Savy, *Emergence d'une région. Le cas du Limousin 1986-2004*, l'Harmattan, 2010
- Report « Mapping of the public services» can be downloaded : [www.ceep.eu](http://www.ceep.eu), [www.actionpublique.eu](http://www.actionpublique.eu) and [www.europaong.org](http://www.europaong.org)

## **Second workshop**

### **“Crises and territorial cohesion” Group**

#### **Geography of the crises, geography of the resilience. What can be said two years after the 2008 crisis?**

#### **I. Territorial cohesion facing the crisis. How do indicators address newly the issue?**

**Maria Prezioso, Rome II University**

Cohesion will influence the choices for the future implementation of EU 2020 priorities concerning climate change, migration, sustainable development, innovation, environment etc.

Territorial cohesion in front of the crisis is strictly linked to competitiveness and sustainable development. Solidarity can only be reached if the market and economic competitiveness enable it.

Territorial cohesion represents an innovative capability to have a creative situation in social and economic fields so as to mix the public and private spheres.

Assessing territorial cohesion means also to measure efficiency and deficiency of administrative and programming system as well as the use of funds, performance, improved planning and accountability. Therefore indicators are needed in order to enable a dynamic vision of cohesion not limited to a rigid vision in time and geographical scale system.

The 5<sup>th</sup> report limited the discussion to 4 topics: globalisation, demography, climate change and energy but it doesn't present an integrated vision of the problematic of cohesion.

A meta-model has been developed on the basis of a multi-criteria approach in order to assess territorial cohesion. It is composed of 116 indicators.



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## **II. The crisis and our territories, first impacts** **Laurent Davezies, Paris XII University**

### ***1. How to measure the economy of a territory?***

In order to measure the impacts of the crisis on the territories, the economic and social situation of the territories prior to the crisis has first to be measured. The approach of “territorial base economy” has been used to evaluate the situation of the French territories. This approach measures the income flows entering a territory based on three types of “economy”:

- production activities
- State public salaries
- “Residential economy” including pensions, tourism revenues, incomes of people living in a territory but working elsewhere and social transfers

### ***2. Territories and crisis***

There has been a combination of crises:

First, in 2006-2007 in France, there was a first step towards the awareness of the environmental crisis. Second, at the beginning of 2008, the prices of raw materials increase dramatically which questions the relation between the companies and the territories.

Third, in fall 2008, the Lehmann Brothers disaster led to the financial crisis and the collapse of the prices of raw materials which positively impacted consumption.

Nowadays, the prices of raw materials are increasing again.

This combination of complex crises makes the public policies difficult. Therefore “old school” recovery plans were preferred to longer term adjustment plans including environment questions for example.

### ***3. Lessons drawn from previous crisis***

Over the last few years, there has been a series of different crises, what lessons have been drawn?

- First that previous crises have strongly impacted metropolis regions strongly characterised by their interconnection with international trade and with a long industrial history.
- Resistance dimension: either territories impacted were able to resist to the crisis with a good recovery afterwards: this concerns mainly the metropolis activities. Or territories stagnate and don't manage to re-launch growth and therefore decline. This evolution concerns mainly some territories characterized by more traditional industrial sectors (but not aeronautics, food sector and car industry).
- In the three previous crises, metropolis regions have more suffered from crisis but their recovery was quicker.

### ***4. Features of the 2008-2009 crisis***

In this respect, the 2008-2009 crisis was different:

- Metropolis regions have less suffered than during the previous crises,
- modern metropolis sectors and high added value sectors have even kept creating jobs,
- territories with a strong “residential economy” have resisted well,
- territories with traditional industrial activities have experienced one of the most important shocks since the second World War with heavy job reductions. These territories represent small employment areas with few or no other alternative and no public employment. They are the most vulnerable and the least attractive ones,
- the crisis has therefore heavily impacted the most fragile territories.



## 5. *Conclusions*

Future evolutions of the territories will be put under stress test because of:

- the evolution of the prices of raw materials
- the public expenditure crisis (public job cuts and austerity plan for public expenditure)

What has been developed in the presentation is valid for France but does not apply at European level (for example the mobility is not developed and supported in the same way in other EU countries).

## *Reference*

Davezies L., La crise et nos territoires, premiers impacts, 2010. Can be downloaded: [www.adcf.org](http://www.adcf.org)



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