

CEEP Newsletter

YOUR PARTNER FOR THE GENERAL INTEREST

Interview of Mr Filip Kaczmarek, Member of the European Parliament

On the eve of the debate on Social Europe, Mr Filip Kaczmarek, Member of the European Parliament, gives us his vision of the situation of services of general interest in Poland.

“Services of General Interest are a very important component of the social model with a significant influence on the quality of life of European citizens”

The UK Presidency will be holding an informal European Council meeting at the end of October to discuss the future of the European Social Model. How do SGIs influence this discussion in Poland?

F.K.: Services of General Interest are a very important component of the social model; They significantly influence the quality of life of European citizens. In Poland people clearly distinguish economic services like gas, telecommunications and energy from social services, that is education, or health care and culture. Citizens accept that economic services need to be paid and that the price is not a nominal one. In view of the current labour market situation, social services will have a crucial impact on the sustainability of the model. Let us take education for example. Despite all the discussions going on, Polish municipalities still do not regard expenses in this area as an investment. There is a lack of educational strategy and policy at local level in this area. Due to the low fertility rate, money is saved on primary education but this money is not invested in the quality of education but used to cover other needs.

The ad hoc initiatives and actions do not give adequate results but municipalities are very often reluctant to invest in areas which do not bring immediate results. The labour market situation will always require a flexible, highly skilled workforce and

children should be able to acquire those skills at an early stage in their education.

Another extremely urgent issue is the elaboration of the strategy of caring services. The population is getting older, the fertility is going down, and women, who are traditional carers, are naturally excluded from the labour market. It is not only the question of lack of adequate financial resources but rather a structural problem: the lack of interdisciplinary approach to social problems. The European Social Model incorporates the fight against social exclusion. The gap between the poor and the rich is growing and what is even more urgent is that we already face the heritage of poverty. Appropriate social services are the response to this issue.



Filip Kaczmarek, MEP

How do you perceive the current conditions of SGI providers in Poland?

F.K.: The financial conditions of providers of services of general interest in Poland are not bad. Of course they differ significantly from one branch to another, depending on whether the enterprise has an impact on the prices of the services it provides or not. They are also linked to the size of the municipality.

Recently, service providers burden individual users with investment costs, which, I consider, is a highly negative practice. When the fixed part of the payment increases, it is the poorest, who try to economise on the individual part of the payment which is related to real usage, who suffer the most. Polish citizens also disapprove of exaggerated sponsorships or the investment in advertising of companies which anyway have the monopoly in the market.

Brussels, 29 November 2005

8th European Conference of Local Public Enterprises Serving the public: How important is this to local public enterprises?

Organised in three sessions on the following themes:

Serving the public: the contribution of local public enterprises

Local services of general interest and European legislation: one year's developments

Public/private partnerships and concessions: towards a Community legal framework?

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“The gap between the poor and the rich is growing and what is even more urgent is that we already face the heritage of poverty. Appropriate social services are the response to this issue.”

What about the quality of SGIs in Poland?

F.K.: The value for money definitely needs to be improved. However, we need to bear in mind that the quality of the services provided is the result of a long term policy. It strongly depends on the technology used by service providers and therefore bigger companies, taking advantage of the economies of scale, tend to provide services in a more efficient way. Those companies that went through the privatisation process which resulted in a shift in management have much better results than the others.

Do you see any challenges that providers of SGIs in Poland will have to face in the forthcoming years?

F.K.: The ongoing privatisation process as well as the growing competition in the sector will certainly challenge some of the companies. Especially those that did not make an effort to adjust to the market requirements may face substantial difficulties in new circumstances. Clients always look for the best service for the most reasonable price, therefore fair competition is positive for all market actors. The provision of public services is the State's obligation,

whether of central or local administration. Finding a balance between economic calculation and social interest is always a difficult task. I am glad to notice that some municipalities are starting to think in terms of efficiency and cost reduction. The heritage of the former political and economic system is the excessive employment in departments not really related to service provision; the costs are much higher than they should be and all users pay for it.

What about foreign competition?

F.K.: I do not perceive foreign investors as a threat in this area. I see them rather as facilitators, benchmark examples of effective public service provision. Polish local enterprises miss the modern management culture and public companies from EU 15 are often examples to be followed. The issue worth underlining is the growing quality of labour force in Polish local enterprises. This is not only due to the improvement in the level of education of the Polish labour force in general but also because of new technologies that are implemented in those enterprises that need well trained, professional staff. Standards of SGIs in Poland are steadily coming up to the European level. It is also thanks to EU funds, both pre accession and structural ones. Substantial investment has been made in the water sector and transport infrastructure.

Interview by Malgorzata CZAPKA
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Social Dialogue Summit

European Social Partners call on Europe's political leaders to take action in order to take Europe out of lethargy

On 29 September, at the Social Dialogue summit convened to celebrate the 20th anniversary

of the European Social Dialogue, CEEP and the other Social Partners called on Europe's political leaders to take action in order to take Europe out of lethargy and announced the start of negotiations on a work programme for the European Social Dialogue 2006-2008.

They discussed how they could jointly contribute to the modernisation of the EU social model.

Current affairs

“Service Directive”: Services of general interest at the heart of the debate

CEEP welcomes the work achieved by the Parliamentary Internal Market and Consumer Protection Committee on the “Service Directive” and is very pleased about the place given to services of general economic interest (SGEIs) in the debate. Indeed, whilst the European Commission tends to minimise the impact of this proposal on the organisation of SGEIs in Europe, the Members of the Parliament have not neglected this matter: 182 amendments have been tabled in this regard. CEEP supports the amendments requiring the exclusion of SGEIs from the scope of application of the text, in accordance with the commitments made in the White Paper on SGIs, and thus ensures a true coherence in that matter, and allows the strong

specificities of SGEIs to be taken into account in the framework of the freedom of establishment and of provision of services.

However, CEEP is particularly concerned about the report adopted by the parliamentary Economic and Monetary Committee (see press release of 20 September), as it is an attempt to call into question the “acquis communautaire” regarding services of general interest.

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Coname Case: Transparency does not mean call for tender

The Court of Justice of the European Communities passed a ruling on 21 July 2005 regarding the conditions for granting service conces-

sions, in this instance the concession of the management of a gas distribution public service, which reinforces the Telaustria case law of December 2000. That decision indicates, once more, that the application of the principle of transparency to the granting of service concessions does not AUTOMATICALLY involve a tendering procedure. CEEP welcomes that clarification. Indeed, CEEP regularly promotes the diversity of possible means to ensure transparency when entrusting missions of services of general interest in order to avoid exclusive use of calls for tender, but rather to take account of local realities and the diversity of public service missions that must be carried out.

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Demographic change: CEEP calls for the setting up of adequate infrastructures to face the challenge

CEEP considers demographic change to be one of the key challenges facing European societies and economies as well as public employers and all services they provide. CEEP is convinced of the importance of the availability of elderly care facilities as the population ages. However, the provision of elderly care differs from one country to another because of different social standards and practice and therefore needs to be discussed within the framework of the national

policy debate in order to respect such cultural specificities.

CEEP acknowledges that, on the one hand, national governments are in particular responsible for: ensuring basic and further education systems, providing flexible labour market conditions, ensuring the co-ordination of pension benefits and taxation systems, providing a framework for health and safety policies, designing effective active labour market policies to prevent unemployment and to promote the re-integration of older workers. On the other hand the European Union should encourage target setting and policy co-ordination in full respect of the principle of subsidiary.

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Draft regulation on public passenger transport services by rail and road: first outcome of the transport working group of CEEP

During its last meeting, the working group supported the principle of the Regulation. It had reservations about the clarity and application of certain aspects of the text. The Transport Committee of CEEP should present a draft CEEP opinion based on the group's reflections by the end of 2005.

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CEEP Project

From Pre-retirement prevention to an innovative management of people over 55

CEEP is the European partner of a project focused on the management of active ageing, which represents one of CEEP's priorities in the field of social affairs.

The main task of the project, funded by the European Social Fund is, in the framework of sustainable development policies, to evaluate and promote strategies for the management of ageing in the

labour market and in the workplace that would avoid early retirement and encourage the employment of older workers. Its target is to evaluate the competencies and skills those workers could bring to enterprises. Moreover, it aims to improve the way employees over 55 use their competencies to support the entrance of young people into labour market.

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Upcoming Events

- 8th European Conference of Local Public Enterprises in Brussels on 29 November 2005
See above
For further information please contact: Thierry Durnerin (t.durnerin@federationdessem.org)
- Meeting of the Tourism Group in Gothenburg on 6-7 October 2005
The 2nd European Tourism Seminar – "Local Public Enterprises for sustainable development" takes place in Gothenburg, Sweden, on 6-7 October. The background is to promote and give even more recognition to the sectors of tourism, culture, sports, to contribute to the aims of the Lisbon-strategy: growth, employment and sustainable development

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News from the General Secretariat

Bengt Hedenström, Senior Advisor, specialist in environment, water in particular, and local enterprise issues, and link person between the Swedish CEEP members (which are mainly local authorities) and CEEP headquarters in Brussels since 2001, will continue to work with the General Secretariat until 2008.

Steffen Tippach recently joined the team and will be working in particular on transport and the macro-economic dialogue.