SERVICES OF GENERAL INTEREST IN EUROPE: POLITICAL CONTEXT AND TERRITORIAL EVIDENCE. AN INTRODUCTION.¹

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¹This paper is part of the applied research project Indicators and Perspectives for Services of General Interest in Territorial Cohesion and Development (SeGI), led by the Royal Institute of Technology (KTH), Sweden. It has been financed by the ESPON 2013 Programme and this financial support is gratefully acknowledged. Texts, maps and conclusions stemming from research projects under the ESPON programme presented in this paper do not necessarily reflect the opinion of the ESPON Monitoring Committee. © ESPON, 2013.

The authors are indebted to valuable comments from the participants at the special session of Services of General Interest at the ERSA 2012 conference in Bratislava, Slovakia, in August 2012.

Special acknowledgement for support is given here to the lead partner Daniel Rauhut for his efforts in managing a successful project and scientific dissemination.
Abstract

This introductory article introduces the political notion of Services of General Interest in Europe with reference to an ESPON applied research project entitled ‘SeGI’ (‘Indicators and Perspectives for Services of General Interest in Territorial Cohesion and Development’) and also discusses their territorial connotation. A brief introduction to the seven contributions in this special issue of the Romanian Journal of Regional Science is followed by a summary of the findings made and by a discussion of the future challenges faced in respect of the provision of Services of General Interest.

Keywords: ESPON, applied research, Services of General Interest, Territorial Cohesion
JEL Classification: Y20

1. Introduction

This volume of the Romanian Journal of Regional Science is a special issue devoted to a scientific discussion of Services of General Interest. The immediate occasion for this special issue was the successful completion of the ‘SeGI’ ESPON research project. Over a two-year period, from 2011 to 2013, researchers from eleven European countries investigated the topic ‘Indicators and Perspectives for Services of General Interest in Territorial Cohesion and Development’ (Rauhut et al. 2013). The core issues of the research project were: (1) terminologies and definitions, (2) spatial analyses and evidence and (3) the territorial policy context and outlook concerning Services of General Interest. In this special issue the main project findings and contributions directly related to the three core issues are presented for further discussion.

2. Background

The normative policy term ‘Services of General Interest’ remains, at best, vaguely defined. According to numerous EU documents, services such as transport and energy networks, ICT and telecommunication as well as care and educational services etc., are potential Services of General Interest. But the list of services under the umbrella of ‘general interest’ is not strictly limited or defined. Indeed the question of whether, for example, the provision of social housing is a general interest function remains one of much dispute.

The term ‘Services of General Interest’ nevertheless has quite a long history. The Treaty of Rome 1957 introduced the term of Services of General (Economic) Interest which subsequently gained importance in relation to macro-economic functioning and Social and Territorial Cohesion as well as quality of life aspects. Services of General Interest are regarded as both, cornerstones of the European Model of Society and a necessary basis for economic competitiveness and the European Single Market. In the respective White Paper from 2004, the European Commission states that “Citizens […] rightly expect to have access to affordable high-quality services of general interest
throughout the European Union. For the citizens of the European Union this access is an essential component of European citizenship and necessary in order to allow them to fully enjoy their fundamental rights” (CEC 2004, art. 2.1).

The gap that exists between the level of political dogma concerning ‘Services of General Interest’ and the general level of knowledge on the subject is, on occasion, quite remarkable. How people across Europe are supplied with available, affordable and a qualitatively sufficient level of service is a question that cannot be easily answered. Moreover, when the national level is replaced by the regional one – in terms of the service provider – it is an indeed difficult exercise to compare service provision standards, levels and impacts in a valid way. Given their societal importance and policy relevance on the one hand and the lack of scientific agreement or general understanding about them on the other, it is not surprising that the ESPON Monitoring Committee decided to shed more light on this territorially important but vague concept of Services of General Interest by launching an international research project on the topic. Clarification was required in three areas; in relation to basic terminology, in respect of empirical evidence and of course in respect of future policy options.

The ESPON Programme is, in general, something of a special arrangement, backed by all 27 EU member states and the four EFTA members. It is financed through European Transnational Cooperation which is one of the three major strands of EU Regional Policy. ESPON provides decision makers on different European scales with regional analyses and comparative findings on contemporary political and territorial issues of European importance. In addition to policy analyses in a direct sense, basic research in the policy influencing fields of demography, the economy and the environment etc., is also undertaken with the results encompassing the whole of Europe. At the same time, ESPON also offers a platform for international academic exchange and scientific co-operation in the above-mentioned fields.

The ESPON Project SeGI (Rauhut et al. 2013) provides the focus for this special issue. As a research project SeGI brought together researchers and institutions from eleven European countries.2 Clearly, large multi-national research groups, with researchers from different regions, disciplinary backgrounds and different national traditions - in respect of the welfare regimes – present their own unique challenges. However, in order to reflect the inherent diversity of Europe such a broadly based project group is necessary. The main results of the SeGI project will be disseminated and published in various ways, namely, by means of reports, books or refereed journal articles. The following contributions are rooted in the SeGI project but go a step further in terms of

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themes, authors and scientific relevance. They are each devoted to questions of definition, accessibility, territorial impact, regional development, Territorial Cohesion, competitiveness and policy modes.

3. Contributions

In the first contribution, Bjørnsen et al. (2013) get to the core of the terminological issue. The authors declare Services of General Interest to be an artificial EU-coined term that does not originate from any specific national policy context. At the same time EU communications and legislation leave the factual definition of what is considered as a Service of General Interest to the normative understandings of individual EU member states. Given the number of possible services that could be included here this makes it even more difficult to come to a scientifically sound definition of Services of General Interest. So Bjørnsen et al. (2013) see it first and foremost as an empirical and normative task to define which services are understood as Services of General Interest. Dimensions of differentiation however can be found in relation to market function and type of services – technical or social. Scientific concepts closely connected to Services of General Interest include ‘public service (obligation)’ and ‘universal provision’. In this light, Bjørnsen et al. (2013) discuss in detail issues of ‘critical mass’ and the ‘basic level’ of availability, accessibility and/or affordability of services and conclude by assigning the provision of Services of General Interest to public as well as to private actors.

In the second contribution Breuer et al. (2013) present the results of a small-scale accessibility analysis of eight Services of General Interest of different levels of centrality in five representative European regions. A common analytical framework and comparative database over peripheral and urbanised regions in Austria, Germany, Hungary, Poland and Spain reveals a strong connection between service accessibility and (1) the character of the service and (2) the territorial status and the settlement structures. First, the distances to facilities relating to daily or frequently required services are generally shorter. Second, accessibility to services is generally easier in densely populated, urban areas. Despite revealing evidence for these rather unsurprising patterns, the detailed comparative study of Breuer et al. (2013) does find differences in service accessibility that can be reasoned in terms of different historic development patterns and the main political focus in the chosen case studies. In the outlook chapter the authors underline the challenging nature of the future task to maintain current so- levels of Services of General Interest and the need for more efficient arrangements, particularly in less favoured regions.

Given the likely challenging future faced by Services of General Interest in territorial terms, Iosif and Rauhut (2013) begin the third contribution with a discussion of how far policies relating to
Services of General Interest could be subject to Territorial Impact Assessment. Analysing 14 different services, they argue for targeted assessment according to the territorial character of the particular service involved. Transport and energy infrastructure networks, for example, have a clear spatial dimension and can therefore clearly be subject to Territorial Impact Assessment. On the other hand, social services of low centrality, like child care, impact less on spatial configurations relating instead more closely to demographic, economic and financial conditions. Nevertheless, Iosif and Rauhut (2013) see only limited applicability for Territorial Impact Assessment in respect of Services of General Interest in the current situation because both concepts remain underdeveloped while Services of General Interest and their main drivers continue to be heterogeneous in nature.

The fourth contribution in this special issue offers a comprehensive literature analysis of how the relationship between Services of General Interest and regional development is perceived in scientific contributions as well as in EU policy documents. Littke et al. (2013) emphasise that there is no ‘red thread’ in the documents of these two spheres of science and policy. Primarily, network infrastructures are considered as being directly relevant for regional development. Otherwise, there is clearly something of a mismatch between what is considered as relevant in terms of services in the scientific world and in terms of political practice. Littke et al. (2013) argue that this mismatch has something to do with the different logics of the two spheres. While in scientific terms the nature of the debate is rather stable, political priorities change, sometimes quite rapidly, on both the EU and the national levels leading to changes in the importance attributed to various services. Administrative routines and political negotiations therefore do not always meet with the scientifically argued priorities, often resulting in the sub-optimal allocation of resources in the provision of Services of General Interest.

In the fifth contribution Rauhut and Ludlow (2013) take a closer look at the most prominent policy field in relation to Services of General Interest on the EU level and ask how and by whom Territorial Cohesion policy is implemented in the area of Services of General Interest. Territorial Cohesion in this respect is considered as fostering a balanced distribution of economic and social resources among European regions. Implementing the policy goals of Territorial Cohesion, from the local to the European level, is a multi-level task. Since the implementation of Services of General Interest is the responsibility of the EU member states, European level policies remain limited. Rauhut and Ludlow (2013) nevertheless highlight the potentials of EU Regional Policy and Cohesion Policy resources when it comes to realising the aims of Territorial Cohesion through Services of General Interest. While the importance of technical-economic services is widely

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recognised, the potential contribution by social services in furthering Territorial Cohesion is yet to be fully appreciated.

Constantin et al. (2013) in the sixth article use the SWOT analysis method to investigate the potential of Services of General Interest specifically in relation to Territorial Cohesion and competition. In this respect, Services of General Interest are situated within the potentially conflicting policy goals of cohesion and competitiveness and, as such, represent an important part of ‘territorial capital’. The SWOT analysis was performed in relation to the basic trends and key challenges in demographic, economic, social, climate-environmental and political terms. Increasing global competition is identified as a central trigger for changes in the future provision of Services of General Interest. The main strengths, weaknesses, opportunities and threats in relation to Services of General Interest are fundamentally connected to the territorial assets of a region – i.e. urban-rural – as well as to the political environment.

The provision of Services of General Interest is strongly connected to the policy framework. In the seventh and last contribution Humer et al. (2013) begin by discussing the different national social welfare policies and spatial planning models outlined in the scientific literature. They continue by constructing their own innovative typology of service organisation across Europe. Both social and the territorial policies in respect of Social Services of General Interest are discussed. A cluster analysis on the basis of a primary data collection encompassing all EU and EFTA countries reveals nine types and three grand types of service organisation. The main indicators characterising the services are the modes of financing and production and the territorial level of responsibility and spatial planning. One cluster mainly consists of the well-established welfare states where the public sector and the planning approach are historically embedded. The Southern European states belong to the second cluster which can be characterised by a less well developed level of public infrastructure and the continuing importance given to the family and other ‘third sector’ actors in the provision of services. Interestingly, a distinct cluster combining all of the post-socialist countries is clearly not evident. Humer et al. (2013) interpret the absence of this explicit East European cluster as evidence of the ongoing policy convergence of, and/or mutual learning between the European states.

4. Outlook
The seven contributions in this special issue taken together offer up (1) a deeper level of knowledge in respect of the terminology and meaning of Services of General Interest, (2) how they are provided across Europe’s regions and (3) how they are integrated into the political discussion on both the EU and national levels. The common denominator here is the assumption that Services of
General Interest are of key importance both for the particular European understanding of society and for supporting market economies. However, service provision has a strong territorial dimension and significant regional differences across Europe remain.

As an issue, Services of General Interest thus remain high on the EU political agenda. Implementation responsibilities however lie within the governmental tiers of individual member states. A fully satisfactory level of provision is, moreover, only possible when market forces and private engagement are brought together into play and connected

Policy development in respect of Services of General Interest is far from complete. The future challenges facing Europe in social, demographic, economic and territorial terms define a complex environment in which the provision of Services of General Interest for all citizens, irrespective of their place of residence, will have to be undertaken. On the policy side, a stronger level of commitment towards fair provision of Services of General Interest and a common framework must be developed. Solutions in respect of the sustainable financing of services and the more efficient provision of services are urgently required but such issues remain complicated in the light of significant demographic, economic and environmental challenges.

References


