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“Services of General Interest, pillar of the European model”

What future for the Services of General Interest?

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Argument

As a result of increasingly widespread liberalization, Services of General Interest are either being left aside or redefined as business opportunities.

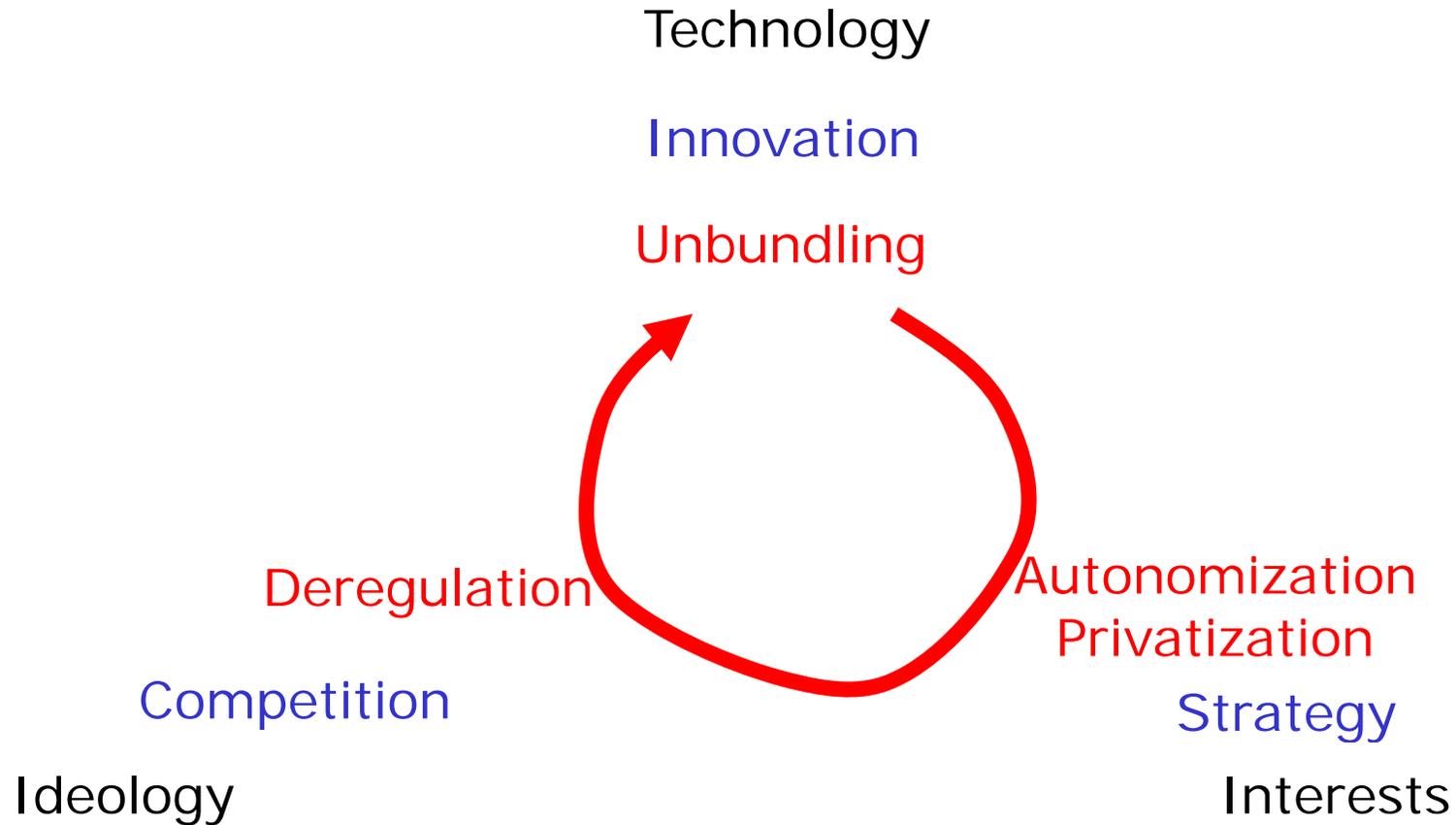
Current efforts by supranational entities – in particular the European Commission and the World Trade Organization – For dealing with this problem, display a technocratic approach to Public Services, and will ultimately lead to the fact that the State and the public interest it stands for will increasingly become *instrumentalized*.

Democratizing regulation – by multiplying levels and stakeholder involvement – appears, in my view, to be the only Possible answer to somewhat keeping this evolution at bay.

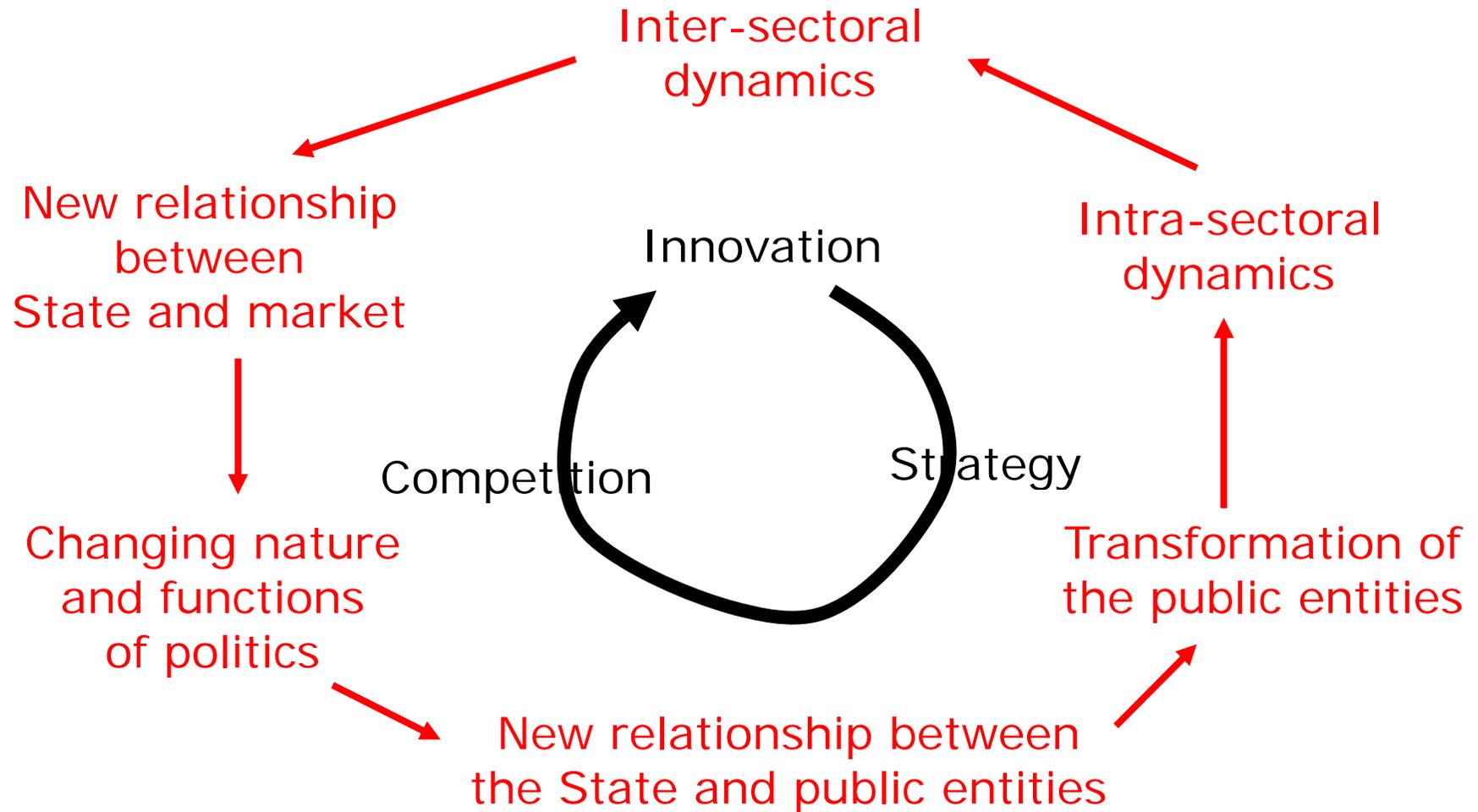
Structure of the presentation

- Recall how it all started
- The so-triggered current dynamics
- What the different actors try to do in response this dynamics:
 - the European Commission
 - WTO
- The danger of instrumentalizing the State
- The challenge of “democratizing regulation”

How everything got started



Operators dynamics



What the European Commission tries to do in response

Dynamics as a means of *integration*:

- Common regulated market
→ competition regulation
- Integrated (physical) networks
→ technical regulation (norms and standards)
- Common management of resources
- Consumer protection
→ Universal Service regulation (standards)
- What future for Europe?
→ "Regulatory Europe" as *consumer protection*
- What role for the State? → Implementor of supra-national rules and norms, and as such a simple "instrument"
- What role for the services of general interest? → could be an additional means of integration, but are, as such, dependent upon some kind of "European State" function and financing

What the WTO tries to do in response

Dynamics as a means of further economic *growth* and expansion:

1. So far a gradual process of deregulation of goods (GATT) and services (GATS)
 2. The growing need for technical standards (harmonization) and societal checks
 3. Mobilization of private and public actors for setting these standards (e.g., ISO)
- What future for the world?
 - global competition regulation as *investor protection*
 - What role for the State
 - enforcer of competition rules and provider of funds for private operators and investors (incl. World Bank)
 - What role for the services of general interest?
 - a business opportunity for investors and operators

Future of the Nation-State and its public economy/enterprises

State as implementor & instrument (EU)

State as enforcer & biz-opportunity (WTO)

Public enterprises as legitimized vehicles of a general interest

Public economy as a market for *private (and public) operators*

In both cases, the State as being instrumentalized for supra-national (business) purposes !

Instrumentalization of the State

- The State as a **source of money** (outsourcing, PPPs, privatization, contractualization; in particular Services of General Interest)
- The State as a **guarantor of monopoly revenues** (delegated management)
- The State as a **bearer of risks** (e.g., loans, infrastructure risks)
- The State as a **guarantor of stability** (legal security, political and economic climate)
- The State as an **“instrument”** to implement (supra-nationally defined) norms and standards

Possible answer: “Democratizing regulation”

1. Identify the main *functions* of regulation
2. Define the appropriate *levels* of such regulation
3. Involve the relevant *actors*

