



16 October 2024

SGIs Network Joint Declaration for the High-Level Dialogue with Social Partners of 16 October 2024

The SGIs Network gathers associations representing providers and employers of services of general interest (SGIs) and public services.

The COVID-19 pandemic, the EU demographic challenges, such as an ageing population and declining birth rates, and the energy prices crisis highlighted that SGIs are a cornerstone of the EU social model and democratic societies. They have a central role in ensuring the citizens' quality of life, contributing to informed citizenship, supporting the development of European businesses, and **boosting the EU's growth and competitiveness.**

SGIs are instrumental for a **long-term and sustainable competitiveness of the EU economy**. In the meantime, they are **indispensable for the development of innovative technologies which make the green and digital transitions possible** and are crucial to the development of local and regional economies, **increasing social, economic and territorial cohesion and allowing all EU territories to benefit and contribute to the single market**

SGIs: the backbone of a long-term competitive economy

SGIs are the foundation on which a competitive economy must be built. Any investment in SGIs is a long-term investment in the infrastructures at the base of a **long-term competitive economy** and in education and health of the people who drive all growth and innovation.

In terms of infrastructure, **SGIs provide the affordable and green energy, the reliable access to water, the circular waste management solutions, the accessible and reliable delivery of goods and the transport and digital infrastructures** all over territories which other businesses need to innovate, expand and contribute to a competitive economy. Regarding people, **SGIs enable the development of a quality workforce with the right skills to meet customer demands as well as to innovate and boost Europe's competitiveness**, setting examples for others to follow. They also help address the demographic challenges by supporting a diverse workforce, implementing measures to accommodate an ageing population and attract younger talent, and ensuring that all generations can contribute to and benefit from the economy.

According to the Belgian Federal Planning Bureau's update of the Cambridge Econometrics study on public services in Europe, **SGIs and public services generated € 3,721 billion of value added across the EU economy in 2021 and employed 65.2 million people. That means that SGIs account for 28.4% of all value-added and 31.1% of employment in the EU economy.**

We call for a radical paradigm shift in EU competitiveness policies. SGIs should be recognised as structural components of competitiveness and productivity rather than as mere backstops for market

deficiencies. This shift will enable Europe to build a resilient and inclusive economy, capable of competing globally while ensuring a high quality of life for all its citizens.

SGIs: drivers of the green and digital transitions

Through their provision, SGIs are the core of the development of a green and digital economy. **SGIs enable the development of innovative technologies through the services and infrastructures they provide, whilst also independently developing both green and digital technological solutions.** For example, in public transport, railways are developing new rolling stock that uses less energy and is more recyclable, as well as trains powered by batteries and hydrogen for use on non-electrified lines.

Moreover, SGIs ensure that local and regional economies are strengthened all around the EU. By providing high-quality services and infrastructures, **SGIs also enable regions to attract the workforce which enables innovative industries in the area to grow.** For example, broadband networks provide high-speed and low-cost internet connections to all citizens, even in less populated areas where this is hard to motivate commercially. This is supported by quality postal services which enable businesses, especially SMEs and micro-enterprises, to reach their customers efficiently and reliably all over the territory.

The above highlights how **SGIs are central to a resilient, green and competitive economy.** This means that by strengthening SGIs, economic competitiveness is increased in a manner which benefits all parts of the EU. In the long run, **we call for a structured approach with consistent investment in SGIs, which is the only way in which greater competitiveness will be matched by more social cohesion in the EU and a greater quality of life for all European citizens.**

SGIs: building a competitive economy from the bottom up

In order to ensure long-term economic competitiveness, it is crucial to build competitiveness from the bottom up through the creation of stronger local and regional economies, effective critical infrastructures, and high-quality services. Therefore, **long-term competitiveness requires substantial and consistent investment in SGIs in addition to a reduction of administrative burden.**

A targeted investment plan specifically aimed at SGIs at local and regional levels is a crucial and necessary part of the EU Competitiveness Deal. Within the EU economic governance rules, local and regional public investments must be differentiated from public costs within public budgets. This will facilitate public authorities to engage in long-term sustainable investments. In addition, the EU's new investment policy (and/or future Cohesion Policy) could earmark mandatory minimum funding to local and regional public services and investments, to ensure that parts of public funding will be dedicated specifically to investments in SGIs, which in turn will allow them to innovate and improve, thus boosting the future productivity and competitiveness of the economy as a whole, but also ensure affordable access to quality public services across all European territories.

Regarding **administrative burden**, public authorities do not always have sufficient capacity to handle legislative requirements and permitting procedures. **We call for the European Commission to ensure that SGIs, at all levels, are not unduly burdened by the legislative requirements on companies or public authorities.** On top of that, **we ask for faster permitting procedures and a reduced administrative burden**, which will be critical in mobilising both public and private investments.

We call for SGIs to be included in the next Clean Industrial Deal, the initiative put forward by Ursula von der Leyen ahead of her second mandate as President of the European Commission.

The signatories:

SGI Europe



CEMR - Council of European Municipalities and Regions



CER - Community of European Railway and Infrastructure Companies



EFEE - European Federation of Education Employers



HOSPEEM - European Hospital and Healthcare Employers' Association



PostEurop – Association of European public postal operators

