



*Employers entrusted to deliver
Sustainability Growth Innovation*

Opinion

**SGIs as the foundation of
territorial cohesion, competitiveness and resilience**

Opinion adopted on 17th July 2026

Executive Summary

- **SGI Europe has consistently championed the Freedom to Stay** as a natural next step in the evolution of the European project, bringing together the need for a competitive, resilient and cohesive Europe.
- Services of general interest (**SGIs**) are **central to this ambition**. They are also key drivers of economic participation, productivity, investment attractiveness and territorial resilience, creating the enabling environment that allows citizens to stay and enterprises to grow.
- Building on Enrico Letta's vision of a Single Market that is "much more than a market", SGI Europe has argued that the **success of the EU should be measured both by citizens' ability to move and to remain** and thrive in the places they consider home.
- The Freedom to Stay **responds to one of the defining challenges facing Europe today**: ensuring that all citizens and enterprises, regardless of where they live and are established, have access to the conditions necessary to build their lives, develop their skills, raise their families and participate fully in economic and social life when it comes to citizens and produce services and goods when it comes to enterprises.
- This challenge has become increasingly urgent. As Europe faces profound transformational challenges, some regions struggle with depopulation and ageing while others face rapid population growth, rising housing costs and increasing pressure on local infrastructure and services. In this context, the **Freedom to Stay is also a key component of the EU's competitiveness**.
- Europe's economic performance depends on its ability to ensure that all territories can attract and retain people, skills, investment and economic activity. **A competitive Europe requires vibrant communities, resilient territories and strong local economies throughout the Union.**
- SGI Europe welcomes the European Commission's decision to develop a **Right to Stay Strategy**. The initiative **offers an opportunity to translate the vision of the Freedom to Stay into a coherent European policy framework**.
- The success of the Strategy will depend on six priorities:
 - Recognising the Freedom to Stay as a **horizontal enabler of the completion of the Single Market**;
 - Placing **SGIs** and their providers **at the heart of the Strategy**;
 - Adopting a **European Action Plan on SGIs**;
 - **Integrating the Freedom to Stay into** the next **Multiannual Financial Framework (2028–2034)**, the future **Action Plan on the European Pillar of Social Rights**, the **Anti-Poverty Strategy** implementation and the implementation of the **Preparedness and Resilience** agenda;
 - Creating a dedicated **Freedom to Stay indicator within the European Semester**;
 - **Promoting social dialogue and territorial partnerships** to address labour and skills shortages and strengthen territorial attractiveness, talent attraction and retention, and stable financial frameworks as enabling conditions required to deliver SGIs over time.

A call for six actions

1. Recognise the Freedom to Stay as a horizontal enabler of the Single Market

The Freedom to Stay should be an integral component of implementing the "One Europe, One Market" agenda. A successful Single Market cannot depend exclusively on mobility and concentration of economic activity. It must also create the conditions that allow citizens and enterprises to remain and prosper in all territories. The Freedom to Stay should therefore be recognised as a horizontal enabler that simultaneously contributes to competitiveness, resilience, territorial cohesion, and balanced economic development.

2. Put services of general interest at the heart of the Freedom to Stay

The Freedom to Stay can only become a reality if citizens have access to affordable, resilient and high-quality SGIs. SGIs are the practical enablers of the Freedom to Stay. They provide the infrastructure, services and conditions that allow people to live, work and invest in their communities. The forthcoming Strategy for the Right to Stay should therefore explicitly recognise the contribution of SGIs to competitiveness, labour market participation, social inclusion, territorial resilience and democratic trust.

3. Adopt an Action Plan on SGIs

The Commission should elaborate a comprehensive Action Plan on SGIs. Such an Action Plan should provide a systemic framework to mobilise coordinated reforms, investments and policy initiatives across sectors, while strengthening the enabling environment for SGI providers. It should also contribute to implementing Principles 16 to 20 of the European Pillar of Social Rights by adopting a more coherent and integrated approach to access to essential services.

4. Embed the Freedom to Stay across key EU policy frameworks

The Strategy on the Freedom to Stay should not remain a standalone initiative. Its objectives should be streamlined into the next Multiannual Financial Framework (2028-2034), the future Action Plan on the European Pillar of Social Rights, as well as the implementation of the Anti-Poverty Strategy, the European Semester and the Preparedness and Resilience agenda. Only through such streamlining can the EU ensure consistency between its political objectives, regulatory frameworks and investment priorities.

5. Create a "Freedom to Stay" indicator embedded within the European Semester

The European Semester should include a dedicated indicator to measure citizens' effective access to the essential services and conditions that make staying a genuine choice. Such an indicator would support evidence-based policymaking, improve monitoring of territorial disparities and strengthen the visibility of SGIs within the Semester governance processes.

6. Promote social dialogue and territorial partnerships

The Freedom to Stay cannot be delivered through public investment alone. It requires the active involvement of SGI providers, employers, workers, and public authorities. The Strategy should therefore support social dialogue, workforce retention, skills development and territorial partnerships capable of designing place-based solutions adapted to local realities.

Making the Freedom to Stay a European reality

The six priorities outlined above represent SGI Europe's recommendations for translating the Freedom to Stay into a concrete European agenda.

SGI Europe has supported the Freedom to Stay from an early stage, recognising its potential to connect the economic, territorial and social dimensions of the Single Market. From our perspective, this approach offers a useful framework for addressing territorial divides while strengthening Europe's competitiveness and resilience as reinforcing priorities.

Delivering this ambition requires more than a dedicated strategy. It requires a shared understanding of why the Freedom to Stay matters for Europe's future, why SGIs are indispensable to its success, and how this objective can be embedded across the Union's policy, governance and investment frameworks.

1. The Freedom to Stay: the next step to complement the freedom of movement

Introduced by Enrico Letta in his report *Much More than a Market*, the concept of Freedom to Stay reflects a simple but powerful principle: the success of the European project should be measured by citizens' ability to move across borders and to remain and thrive in the places they consider home.

For decades, European integration has focused on creating opportunities through mobility. The Single Market has enabled citizens, workers, students and enterprises to move more freely, generating unprecedented economic and social benefits across the Union. Freedom of movement remains one of the EU's greatest achievements and a cornerstone of the European project.

Yet mobility should always remain a choice. When citizens feel compelled to leave their communities because they cannot access affordable housing, quality healthcare, education, childcare, employment opportunities or reliable infrastructure, the freedom to move risks becoming a necessity rather than a genuine freedom.

The Freedom to Stay is the right complement to the Freedom to move. It recognises that people should be empowered with the choice to both move and stay. It acknowledges that thriving communities and resilient territories are essential not only for social cohesion but also for Europe's economic future and competitiveness. It reflects a broader understanding that prosperity cannot be measured exclusively through aggregate growth indicators but must also be assessed through citizens' ability to participate fully in economic and social life wherever they choose to live.

The urgency of this debate is increasingly evident. The EU faces profound **demographic transformations**. Many regions are experiencing population decline, ageing and labour shortages. Others face rapid demographic growth, increasing housing costs, pressure on schools and childcare facilities, overloaded transport systems and growing demand for healthcare and social services. At the same time, geopolitical uncertainty, climate change, technological transformation and growing global competition are creating new pressures on citizens, enterprises and public authorities.

These challenges are often addressed separately. However, **the Freedom to Stay offers a framework capable of bringing these issues together within a common vision for Europe's future.** It provides a bridge between economic development, social inclusion, territorial cohesion, competitiveness and resilience.

Most importantly, it **reconnects the European project with citizens' everyday realities**. The European Commission's decision to develop a Right to Stay Strategy, therefore, represents a welcome opportunity to transform this vision into a concrete policy agenda. For SGI Europe, however, the success of that agenda will depend on one essential condition: **recognising that the Freedom to Stay can only be achieved through affordable, accessible and high-quality SGIs**.

2. SGIs: The foundation of the Freedom to Stay for a competitive and attractive EU economy

The Freedom to Stay can only become a reality if access to high-quality and affordable services of general interest is guaranteed to all EU citizens and companies. SGIs constitute the foundation of Europe's social and economic model. They ensure access to healthcare, housing, education, childcare, transport, energy, water, waste management, digital connectivity, public media, postal services, and many other essential services that enable individuals, families, and enterprises to prosper wherever they choose to settle. These services are often taken for granted until they become unavailable, unaffordable or inaccessible.

Yet their contribution extends far beyond the provision of essential services. **SGIs are part of the social infrastructure**, promoting equal opportunities, social inclusion, quality of life, and social cohesion. **They are also territorial infrastructure** because they allow communities and regions to remain connected, attractive and resilient. **They are competitive infrastructure** as well, because they create the conditions that allow enterprises to invest, innovate, recruit, and grow.

In this sense, SGIs are not merely support mechanisms for economic development. They are among its fundamental preconditions. This contribution is becoming increasingly important as the European Union seeks to strengthen its competitiveness in a rapidly changing global environment.

Discussions on competitiveness often focus on industrial policy, innovation, research or regulatory simplification. While these elements are undoubtedly important, competitiveness also depends on the everyday enabling environment that allows people and enterprises to flourish. Competitiveness depends on much more than industrial capacity alone. It also depends on the strength of the social, territorial and economic ecosystems in which enterprises operate.

The Freedom to Stay requires a renewed recognition of the strategic role of SGI providers in creating public value, supporting labour market participation, strengthening regional attractiveness, and building long-term resilience. Indeed, employment and economic activity provide the foundation for sustainable local development, while high-quality SGIs are an essential enabling factor that supports attractive and resilient communities.

In this context, digitalisation should also be recognised as an important enabler. Digital technologies can significantly improve access to services, strengthen resilience and reduce dependence on geographical proximity, particularly in sparsely populated, rural and remote areas. The forthcoming Right to Stay Strategy should place these realities at the centre of its approach.

3. Freedom to Stay: The missing dimension of the Single Market

For decades, European integration has successfully focused on removing barriers, facilitating mobility and creating opportunities across borders. This remains one of the Union's greatest achievements and a foundation

of European prosperity. However, a Europe that guarantees only freedom of movement is no longer sufficient to meet today's challenges. **The EU must provide a framework to ensure that citizens enjoy both the freedom to move and the freedom to stay.**

A successful Single Market cannot depend exclusively on the concentration of economic activity in a limited number of areas or rely solely on the assumption that citizens will relocate whenever opportunities emerge elsewhere. **Europe must complement its mobility agenda with a territorial agenda.** The Freedom to Stay should be understood not only as a cohesion policy objective, but also as a horizontal enabler of the "One Europe, One Market" agenda.

As some regions lose population, skills, investment, and economic activity, they face increasing difficulties in sustaining labour markets, maintaining public services, and attracting enterprises. Over time, these dynamics weaken both territorial cohesion and economic competitiveness.

The Freedom to Stay provides **a framework through which territorial cohesion and competitiveness become mutually reinforcing objectives.** By ensuring that all territories possess the conditions necessary to attract and retain people, skills and investment, Europe strengthens its economic base while reducing territorial disparities.

This is particularly important in the current geopolitical context. **Strengthening Europe's resilience** requires reducing internal vulnerabilities and ensuring that all territories contribute to the Union's economic, social and strategic objectives. Regions that are left behind become sources of economic inefficiency and social frustration. The completion of the Single Market must therefore be accompanied by a renewed commitment to ensuring that all territories can participate in and benefit from European integration.

For SGI Europe, **the Freedom to Stay is the missing dimension of the Single Market.** It is a vision capable of reconnecting economic integration with citizens' everyday realities and of ensuring that Europe's competitiveness is anchored in territorial cohesion, resilience and shared prosperity.

4. Towards an Action Plan on SGIs

If the Freedom to Stay is the vision, SGIs provide the means to achieve it. For this reason, SGI Europe believes that the forthcoming Right to Stay Strategy should be accompanied by **a comprehensive European Action Plan on SGIs.**

For many years, **SGI Europe has called for a more systemic approach to SGIs**, reflecting their unique contribution to social cohesion, economic development, competitiveness and territorial resilience, while acknowledging the different models of provision and funding co-existing across the EU. The growing political recognition of the Freedom to Stay now offers a unique opportunity to translate this long-standing objective into a concrete European initiative.

Today, policies affecting essential services continue to be developed largely in separate policy silos. Housing, healthcare, energy, transport, digital connectivity, education, water services, childcare and social services are often addressed independently despite their strong interdependence.

Citizens, however, experience these services as a single ecosystem. A shortage of affordable housing affects labour mobility and labour market participation. Weak transport connectivity limits access to education, employment and healthcare. Insufficient childcare and care services affect labour supply, gender equality and

productivity. Limited digital connectivity constrains innovation, economic development and access to public services. Energy insecurity affects both households and industrial competitiveness. Underfunded Public Service Media affects access to trustworthy information and resilience in times of crisis. **A European Action Plan on SGIs should provide the strategic framework necessary to mobilise coordinated reforms, investments and policy initiatives across sectors to respond to the interconnected challenges that citizens face.**

Such an Action Plan should:

- identify investment gaps affecting essential services across European territories;
- improve coherence between European funding instruments and strategic policy objectives;
- strengthen the enabling environment for SGI providers;
- support the modernisation, resilience, preparedness and digitalisation of essential services;
- facilitate the exchange of best practices between Member States, regions and SGI providers;
- improve the visibility and recognition of the contribution of SGIs to competitiveness, social cohesion and territorial development;
- support evidence-based policymaking through improved monitoring and data collection.

The Action Plan should also contribute to implementing Principles 16 to 20 of the European Pillar of Social Rights by promoting a more coherent and integrated approach to access to essential services throughout the Union.

At the same time, it should help ensure that the legal and regulatory framework governing SGIs remains fit for purpose and supportive of the public service mission entrusted to providers. **This includes preserving the principles of subsidiarity, neutrality as regards ownership and the ability of Member States, regions and local authorities to organise, finance and entrust SGIs according to territorial needs.**

The Action Plan should therefore become the operational backbone of the Freedom to Stay and provide the long-term framework needed to support citizens, territories and service providers alike.

5. Embedding Freedom to Stay across EU policies

The Freedom to Stay cannot be delivered through a single strategy alone. Its objectives must be embedded across the Union's broader governance, investment and policy architecture. Only a cross-cutting approach can ensure consistency between political ambitions, regulatory frameworks and financial instruments.

5.1 The Multiannual Financial Framework (2028-2034)

The Freedom to Stay should become a guiding principle for the next Multiannual Financial Framework. Future European investments should contribute to strengthening territorial resilience, access to essential services and balanced territorial development throughout the Union.

SGI Europe welcomes the mention of the "Right to Stay" as one of the specific objectives of the NRPPs. In this context, **SGI Europe believes that clear measures to strengthen multilevel governance and the role of local and regional authorities in partnerships related to the Right/Freedom to Stay must be inserted as well.**

The future MFF should recognise that investments in SGIs are investments in Europe's competitiveness, productivity, resilience and strategic autonomy. The Freedom to Stay should therefore serve as a horizontal lens through which territorial impacts are assessed and investment priorities are defined.

5.2 The European Semester

SGI Europe also welcomes the clear mention of the Right to Stay in the EU Semester Spring Package 2026.

The European Semester remains the Union's principal framework for coordinating economic and social policies. **SGI Europe therefore calls for the development of a dedicated Freedom to Stay indicator that measures citizens' effective access to the conditions necessary to remain and thrive in their communities.**

Such an indicator would strengthen evidence-based policymaking and improve the visibility of territorial cohesion and access to SGIs within European governance processes. It would also help identify territorial disparities, monitor progress and support targeted policy interventions.

5.3 The European Pillar of Social Rights

The Freedom to Stay is closely linked to the objectives of the European Pillar of Social Rights. Access to healthcare, housing, childcare, long-term care and essential services forms the practical foundation upon which the Freedom to Stay rests. **The future Action Plan on the European Pillar of Social Rights should therefore explicitly recognise the contribution of SGIs to the implementation of the social acquis and to upward social convergence across the Union.**

5.4 The Anti-Poverty Strategy

Access to affordable and high-quality SGIs is one of the most effective tools available to prevent exclusion and reduce inequalities. The forthcoming Anti-Poverty Strategy implementation should therefore recognise the contribution of SGIs to combating poverty, promoting equal opportunities and strengthening social inclusion.

For example, the **2023 update to the Commission Report on Access to Essential Services and the Proposal for a Council Recommendation on easier and integrated access to services, which the Commission has promised for 2027 as part of the Anti-Poverty Strategy, should clearly mention the importance of a systemic approach to SGIs as a crucial enabler of the Freedom to Stay.**

Addressing poverty requires not only income support but also access to affordable and high-quality housing, healthcare, education, transport, digital connectivity and other essential services. On top of that, long-term poverty reduction is closely linked to employment and labour market participation, which further underlines the importance of the labour market dimension.

5.5 The preparedness and resilience agenda

Recent crises have demonstrated the central role played by SGIs in ensuring societal resilience and economic continuity. Healthcare systems, energy networks, water services, transport infrastructure, digital connectivity and local public services constitute critical infrastructures that underpin Europe's preparedness capacity.

SGI Europe stresses that preparedness is not only about infrastructure and crisis response. It is about keeping territories attractive and functional so people can live and work where they are most needed. Ensuring the "freedom to stay" is a crucial element of Europe's social and territorial resilience. **The implementation of the Preparedness and Resilience agenda should therefore explicitly recognise SGIs as essential pillars of**

Europe's ability to anticipate, withstand and recover from future crises. Preparedness, resilience and the Freedom to Stay are closely interconnected.

Communities can only remain vibrant and attractive if they are supported by resilient essential services capable of operating under increasingly challenging conditions.

6. Social dialogue and territorial partnerships

The Freedom to Stay cannot be delivered through public investment alone. It requires the active engagement of SGI providers and employers, workers and public authorities, with social dialogue playing a central role in the design and implementation of the forthcoming Right to Stay Strategy. Employers and workers bring invaluable expertise on labour market challenges, demographic trends, skills needs and service delivery constraints, helping to ensure that policy responses are effective and adapted to local circumstances. **As the European social partner representing providers of SGIs, SGI Europe believes that social dialogue can make a decisive contribution to turning the Freedom to Stay from a political aspiration into a practical reality.**

Particular attention should be paid to labour and skills shortages, which increasingly affect many sectors responsible for delivering essential services, including healthcare, care services, energy, transport, water, waste management, housing, local SGIs and digital infrastructure. These shortages weaken service provision, while undermining territorial attractiveness, economic development and social cohesion.

The implementation of the Freedom to Stay initiative should include measures supporting workforce retention, skills development, lifelong learning and the attractiveness of careers linked to the provision of essential services. At the same time, **territorial partnerships should be encouraged** to bring together public authorities, social partners, service providers and other relevant stakeholders around shared local development objectives. By identifying local challenges, mobilising resources and designing place-based solutions, such partnerships can help respond to the specific realities of individual territories.

Ultimately, the success of the Freedom to Stay initiative will depend on Europe's capacity to mobilise all relevant actors around a common objective: ensuring that citizens can genuinely choose where they wish to live and build their future.

Conclusion

The Freedom to Stay has the potential to become one of the defining political projects for the future of the EU. Just as the Single Market transformed the freedom to move into a tangible reality for millions of Europeans, the next challenge is to ensure that citizens also enjoy the genuine freedom to stay. **For SGI Europe, this ambition can only be achieved if SGIs are recognised as its foundation.** There can be no meaningful Freedom to Stay without access to affordable and high-quality healthcare, affordable housing, reliable transport, resilient energy systems, digital connectivity, education, care services, water services and other essential services that enable individuals, families and enterprises to thrive. The European Commission's forthcoming Right to Stay Strategy offers an opportunity to translate the vision first articulated in the Letta Report into a coherent European policy framework, with full respect for the EU's and Member States' respective competencies.

To succeed, **the Strategy must place SGIs at its core, recognise the Freedom to Stay as a horizontal enabler of the Single Market and be supported by a comprehensive Action Plan on SGIs.** It must also be embedded across the Union's broader policy architecture, including the next Multiannual Financial Framework, the European Semester, the future Action Plan on the European Pillar of Social Rights, and the implementation of both the Anti-Poverty Strategy and the Preparedness and Resilience agenda. By doing so, Europe can demonstrate that competitiveness and cohesion are not competing objectives, but mutually reinforcing ambitions. It can build a Union in which every territory has the capacity not only to connect to the Single Market, but also to contribute to it. It can strengthen citizens' trust in the European project by ensuring that opportunities are not concentrated in a limited number of regions but are accessible throughout the Union.

Above all, it can ensure that every European citizen enjoys both the freedom to move and the freedom to stay. **The Freedom to Stay is not an alternative to the Single Market; it is the condition that will allow all Europeans to benefit from it. For SGI Europe, it is not simply a territorial objective, but could be the next chapter in the completion of the EU Single Market.**