

Mr Charles Michel
President of the European Council

Copy to:

Mrs Ursula von der Leyen, President of the European Commission
Mr António Luís Santos da Costa, Prime Minister of Portugal
Mr Janez Janša, Prime Minister of Slovenia
Mr Emmanuel Macron, President of France

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Dear President Michel,

A year after the surge of the COVID19 pandemic and the unprecedented response you initiated to drive the EU leaders' decision-making, we now support you in ensuring a truly fair and sustainable recovery.

It is in that spirit that we are here conveying to you the recommendations of providers of services of general interest (SGIs) from all around Europe.

The response to the pandemic must lead to a new paradigm

While the instruments for building a sustainable recovery have been set up, it is now of crucial importance to deliver along those lines. Looking beyond the Next Generation EU recovery plan, it is crucial to find the right balance between investments and reforms, between green growth and digital development, while ensuring the fairness of the twin transition.

SGI Europe calls in that regard for building up a new paradigm, based on high-quality services of general interest. It has become obvious in the last 12 months that SGIs have a stabilising function for the European labour and internal market during crises. In that context, we call for reinforcing our understanding of the role of SGIs in Europe and their contribution to the economy.

In policy discussions of recent decades, services of general economic interest have often been treated as economic activities working in parallel from the private sector. European sectoral legislation as well as policies on public procurement and state aid have tried to create a level playing field. However, as economic and social needs are changing, services of general interest in a global economy are also in transformation. They have an important stabilizing role for the economy and society, which should be better acknowledged, recognised and integrated.

The need to prepare for the day after

By its violence and suddenness, the COVID-19 crisis acted as an electro-choc for our economic model. It has also reignited the debate on what kind of economic growth is desirable, what actually matters for human wellbeing in a world of finite resources and on the need for **new metrics to measure progress beyond GDP growth**. SGI Europe is committed to contribute to the debate, and we hope that the Porto Social Summit will be a key opportunity to engage in an honest and frank discussion on this topic.

It is also important to promote and develop an **innovative approach to the single market**, where SGIs can play a significant role. The green and digital transition is calling for new and innovative societal changes. New jobs are emerging, new skills are needed, and a particular attention needs to be given to ensure the fairness and inclusiveness of the transition for all citizens and territories.

The contribution of public services and SGIs, and particularly local public enterprises, to the economy needs to be better recognised. An example of such recognition would be to address the current definition of small and medium-sized enterprises (SME) under EU law, which do not recognise local public enterprises as SMEs due to the “ownership criterion”, limiting their access to financing opportunities and preventing access to administrative simplification measures.

The perception of public services and SGIs enterprises has considerably evolved in recent years. Perceived as a cost for the society for a long time, the crisis highlighted that **they have more than a merely supporting function to private growth**. Their growth and job creation potential now needs to be recognised as such, and be integrated in the overarching EU economic policies such as the reform of the internal market, the new industrial policy, the digital roadmap, the various investment plans or the trade agenda.

The necessity to anticipate the digital transition

Achieving a more digitalised, human-centric, and resilient economy, employers and providers of services of general interest are key players in the digital environment, by contributing to develop professional skills, modernising their processes and ensuring the inclusiveness of the digital transition. **Digitalising public services and services of general interest should be a priority, providing the basis for economic activity and accelerating investments in technical innovations across different sectors.**

By setting clear targets and putting forward pathways to success by 2030, the European Commission showed the way forward. We now call on Member States to bring to life this ambition, and ensure a truly inclusive digitalisation across Europe, which leaves no one behind. With our members, we stand ready to contribute to the success of this Digital Roadmap, by contributing to the 4 strands put forward by the Compass.

The inclusiveness of the process as key to success

One year after the trigger of the COVID19 crisis in Europe, now is the time to bring to life the ambition for the future of the EU. In the last 12 months, significant steps have been taken to propel the EU into the green and digital age.

Ensuring the inclusiveness of this process will now be key. **The Conference on the Future of Europe must be the platform for bringing social partners, civil society and citizens on board through an open and sincere conversation on the way forward.**

As social partners, SGI Europe and its members stand ready to contribute to this debate, living the door open to treaty changes and making sure that the Conference on the Future of Europe translates into the instrument that will bring the new paradigm into life.

Yours sincerely,



Pascal Bolo
President



Valeria Ronzitti
General Secretary