Social services of general interest and the challenges for territorial cohesion

― the role of Cohesion Policy

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1. SGI delivery in Europe

A large part of the European economy:
SGI account for:
- 25% of added-value
- almost 30% of employment
- 22% of all investments

They are an important stabilising factor in periods of economic crisis

Targeted by competition policy, important for cohesion

- Public intervention in the field of SGIs define Europe’s ‘social market economy’
- Currently, the judiciary promotes economic liberalisation at a faster speed than the regulators can preserve social and territorial cohesion
- Strong tendency towards privatization, now also in health and social services
- In parallel, social entreprises and NGOs assume an increasing role
1. SGI delivery in Europe

Central territorial cohesion issues:

- Improve outsourcing practices
- Build PPPs that preserve the general interest in the best way possible
- Capitalise on social entrepreneurship
- Deal with demographic polarisation / shrinking
- Cross-border integration of SGI delivery

2. Current ESIF contribution

General observations:

- ESIF support SGI investments, rather than SGI provision
- There are no specific regulatory provisions for SGI-related projects
- Significant role of Transnational ETC programmes in transfers of good practice for innovative SGI provision.
2. Current ESIF contribution

**Intervention logic involving SGIs**

Example: Social housing in Malta

- **Regulation**
  - TO 9, IP 9b: Providing support for physical, economic and social regeneration of deprived communities...

- **PA**
  - Increase of the share of social housing, with new social housing built as energy neutral buildings

- **OP**
  - Regeneration of public open spaces and public social housing
  - Integration of deprived families through the upgrading of public social housing

- **Rationale at OP level**
  - Social housing within the Harbour area in a state of decay.
  - Significant impact on quality of life
  - Adequate housing infrastructure is a basic need.

**Shortcomings:**

- Critical approaches on how SGIs may contribute to regional development need to be further developed
- ESIF mainly contributes to infrastructure investments
- ESIF mostly follows a sectoral logic
- Mainstream ESIF programmes do not support innovative SGI provision
3. Policy options

Current programming period

- Awareness-raising
- Disseminate good practices with the help of ETC programmes
- Encourage the use of existing instruments for integrated investments

Perspectives beyond 2020 (1):

- Use ESIF to define ‘public interest’ in more collaborative ways
  - by sector of activity
  - by geographical area
- Approach ESIF as a complement to competition policy
- Make ESIF contributions to SGI less sectoral and more cohesion oriented
3. Policy options

**Perspectives beyond 2020 (2):**

- Monitor SGI provision at the sub-regional level
- Promote SGI-related EGTCs
- Organise transfers of good practices in the field of SGI provision
- Improved assessments of the added-value of SGI provision in remote areas
- Ensure that social economy initiatives benefit from ESIF support