



Towards a European Pillar of Social Rights

Access to essential services

Essential services are those necessary to ensure the full social inclusion of people in society and on the labour market. They concern various sectors, such as telecom, electronic communications, transport, energy and financial services, for example bank accounts. Public intervention is at times necessary to ensure availability, quality and affordability of provision. Such public intervention can take the form of regulated services or the inclusion of public services obligations.

Challenges

Essential services are not always available or accessible to everyone, for example due to lack or poor quality of infrastructures where fewer resources are available. The financial crisis and structural reforms have put pressure on financing and delivery of essential services in both the public and private sectors.

Such services may sometimes be difficult to afford. In those cases, some people face barriers to certain job opportunities. For example, public transport plays a crucial role in the social inclusion of vulnerable and disadvantaged groups, affecting their access to education, particularly in case of secondary school pupils, and to employment, especially for young people or people living in rural areas. Young people are the most likely to use urban public transport (35% vs 19% for those above 25). Access to electronic communications and a payment account is increasingly enabling basic social and labour market participation.

Moreover, persons with disabilities face difficulties in accessing essential services, a lack of accessible vehicles and transport stations, poor quality pedestrian environments, and inadequate transport information systems.

Situation at EU level

According to Article 151 of the Treaty on the Functioning of the European Union, the Union and the Member States shall have as their objective proper social protection and the combating of exclusion.

Legislation has been adopted on electricity, transport and telecommunication. The definition of a specific 'Universal Service Obligation' (USO) - set at European level - was an essential component of the smooth and gradual opening up to competition of the electronic communications, energy and transport sectors.

In the field of electronic communications the Universal Service Directive¹ provides for a social safety net of basic services for consumers, particularly if they live in areas which are difficult or costly to service, or who have low incomes or disabilities.

¹ Directive 2002/22/EC on universal service and users' rights relating to electronic communications networks and services.

In the energy sector, the Electricity and Gas Directives² contain clear provisions on public service obligations and consumer protection, including the protection of vulnerable customers. Measures adopted by Member States on the basis of these directives must be in the general interest, clearly defined, transparent, non-discriminatory and verifiable, and guarantee equality of access of EU electricity and gas companies to EU national consumers and vice versa.

The Directive on payment accounts, which requires Member States to ensure that all consumers have access to payment accounts with basic features,³ is another example of concrete Union action to allow for affordable essential services.

In so far as they are services of general economic interest, essential services benefit from special treatment in the application of State aid rules which provide greater flexibility and simplification than in other areas.

Situation in the Member States

Most services are regulated but the right to access, their management and their scope varies significantly among Member States, depending on geographical and cultural traditions, as well as specificities of the activity concerned. As a consequence, access to these services is extremely diverse in Member States.

There are encouraging examples of initiatives reinforcing consumer's rights, for example in the energy sector where recent initiatives in Ireland and Latvia give energy consumers the right to choose suppliers and use the best offers on the market, or the roll-out of smart meters (an electronic device that records consumption of electric energy in intervals and communicates that information to the utility for monitoring and billing) to improve consumer empowerment in Finland, Italy or Sweden.

International dimension

In the negotiation of trade agreements, the Commission includes solid guarantees to fully protect essential services, in so far as they are public services. This ensures that Member States remain entirely free to organise and manage such services as they wish, for example by setting the quality standards that suppliers have to meet. They are protected in trade agreements in two ways: through a positive list where each EU Member State specifies the kinds of service it will open up to foreign suppliers, or through a negative list where EU Member States exclude foreign suppliers from delivering certain services.

² Directive 2009/72/EC on common rules for the internal market in electricity and Directive 2009/73/EC on common rules for the internal market in natural gas.

³ Directive 2014/92 on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features.