socialplatform

To: Commissioner Barnier
Commissioner Andor

Brussels, November 26, 2012

Re: Social Platform calls for the exclusion of social security systems from the scope of the public procurement directive

Dear Commissioners,

We welcome the Commission's proposal for a directive on public procurement, as it shows some progress in the recognition of the specificities of social services. However, we are concerned that social security services are included in the scope of the directive, even if they are included in annex XVI that lays down a simplified regime for social, health and other services to the person.

Until now, compulsory social security systems have been considered by the EUCJ as Services of General Interest which are "non-economic" and therefore not subject to the Treaty rules concerning the internal market and competition. This interpretation has been confirmed also by the Commission in its Communication on Services of General Interest of November 2007[1].

We support the article and recital currently proposed by the Council of the European Union which specifically excludes non-economic services of general interest from the scope of the directive. This should therefore explicitly exclude compulsory social security systems from the scope of the directive.

Why?

- If it is left to member states the faculty to open up compulsory social security systems to competition, this is likely to change the jurisprudence. This would push the Court of Justice to no longer consider these systems as non-economic services, even in those countries where they have been traditionally considered non-economic.

- Especially at a time when poverty has never been so high (currently 116 million people are experiencing poverty in Europe) and when unemployment has reached a record level of 10.6% in the EU, the EU institutions should defend with all means the European social model, whose social security systems represent a fundamental pillar. The exclusion of compulsory social security schemes from the scope of the public procurement directive is one way of preserving the European social model, to rebalance the internal market objectives with the ones on social cohesion and inclusion, and to create a tangible "social market economy".

- The Council has just voted that the scope of the directive shall not include non-economic services of general interest.

- We consider that access to mandatory social security services to the private sector would increase the segmentation of the European population, going against the objective of social cohesion.

[1] COM (2007) 725

Across Europe people expect that the EU and member states jointly commit and show solidarity with those facing the worst social situation since World War II. This can only be achieved with a strong social cohesion policy that rebalances internal market and competition objectives. Therefore we strongly encourage you to integrate our concerns and proposals in your final decision on the public procurement directive.

Yours sincerely,

Conny Reuter
President

Pierre Baussand
Director

Social Platform is the largest civil society alliance fighting for social justice and participatory democracy in Europe. Consisting of 45 pan-European networks of NGOs, we campaign to ensure that EU policies are developed in partnership with the people they affect, respecting fundamental rights, promoting solidarity and improving lives.