

Answers to the questionnaire „social services of general interest“

General Remarks

To understand measures of social housing as Social Services of General Interest is surely correct. Through the construction, maintenance and improvement of affordable housing and its environment for low-income households –for example by means of subsidies, loans and guarantees- the mission of public welfare in relation to adequate housing supply has also to be fulfilled for people who are not in position to find decent housing by themselves. The resulting understanding of state aid and corresponding reflection on exemption of social housing from the obligation of notification obligation is coherent within this context.

Also the declaration –in the White Paper on the Services of General Interest- where the Services constitute one of the pillars on which the model of European society is based on, is a correct statement. In the same way social housing appears in very different features according to the EU member states. In some countries social housing is institutionalised and consequently organised in the sense of a separated market on a sectoral basis, social housing in Germany is closely linked to the general competition market regulations. Everyone can have access to the supporting programmes by accepting the corresponding price and occupation conditions. These different systems cannot be combined or even harmonised within a European framework.

The federal system of the Federal Republic of Germany has already shown that the corresponding legislations attain the objectives by relying as closely as possible on the market regulations. There is no homogenous national housing market. The market is rather divided by a multitude of different regional separated markets. The most efficient way to concretise social housing construction support is to act at regional or municipal level, which is the market nearest level. The principle of subsidiarity can successfully be verified in this context. Following the federalism reform debate in Germany, a transfer of the full responsibility for social housing to the Länder level is being seriously discussed. There is no legitimation for the European Union to include social housing –presently subject to national responsibility- into the competence of the European Union.

The housing market, which regulates the housing supply in Germany, is completed by measures of social housing to a very limited extent (social housing support) and should therefore not be considered as a domain for the European regulations of social services of general interest.

Topic 1:

Overview of the national Services of General Interest. Which are the characteristics of the national social Services of General Interest regarding the following points:

- organisation, programme and structure (geographical and market structure, different administration levels).

The promotion of social housing is a joint mission of the Federal and the regional governments (Bund and Länder). The Federal Government is providing the funds (VV), which will be completed by the Länder and

then allocated as joint supporting programmes (so-called mixed financing). Furthermore there are municipal supporting programmes.

Social housing in Germany is supported by means of subsidies, loans, low rates credits and guarantees.

The support occurs through the Federal Government (KfW - Reconstruction Loan Corporation) as well as through the Länder (Housing Construction Supporting Institutions) and the municipalities.

Each housing company in the legal form of an association or a cooperative as well as private investors can benefit by supporting funds for social housing, provided that they meet the requirement conditions.

The obligations are generally concerning the occupation of the supported housing units by defined groups (income limits) and rent limits ("cost rent").

The definition of the obligations is defined in the respective supporting directives and in the Bund/Länder agreements.

Question 2:

Standards of quality

Please indicate how these characteristics will be developed or changed during the next years regarding the improvement of services through different consumer needs, standards of quality and financial efficiency

Today and in future the attention is and will be mainly aimed at a balanced housing stock and urban development as well as at a target-oriented city conversion. Programmes for urban development and conversion as well as social district development (Programme "Social City") constitute increasingly the focus of public support. Taking into consideration the significant number of cities and municipalities within a structurally unoccupied housing stock, the Federal Government and the Regional Governments are assisting the affected companies by helping them to reduce the number of unoccupied buildings. Through integrated urban activities of tearing down and reconversion of buildings ("Rückbau") and valorisation, the market should be made operative. Tearing down, reconversion of buildings, renovation and valorisation measures should be implemented to reactivate and revitalize the city centers and urban cores. The tearing down of the unoccupied buildings is of great significance in the scope of the Eastern urban reconversion programmes. Through the starting of this programme, the increasing number of unoccupied buildings of the housing companies could be efficiently slowed down by means of the initiated tearing down and reconversion of buildings.

Question 3:

Can these examples of services of General Interest fulfill its tasks following market mechanisms? What can be learned from these experiences?

In Germany, the market mechanisms have met the demand of housing supply to a large extent in relation to the allocation function. Social housing supply aims at guaranteeing adequate housing to citizen who cannot find a housing unit by themselves on the market. Today, the housing support is increasingly provided in the form of individual support, i.e. by means of housing allowances to the necessitous persons. The object support with occupation rights remains compulsory for the housing appliers, whose financial means are not sufficient to eliminate the market access barriers. This market-oriented approach proved to be efficient.

Topic 2

Definition of Social Services of General Interest

Question 4:

Is there any concept or definition for Social Services of General Interest or Social Services at national level?

There is no legal definition or standard concept for Services of General Interest. Social services in Germany have multiple levels. The attention is drawn to people who cannot find housing by themselves in an adequate way on the market and according to their needs which may be due to material, physical, mental or cultural reasons. The range of social services extends from merely benevolent assistance consulting and integrated support to financial aid. It may include privately organised as well as institutionalised and entrepreneurial-based actions. Stakeholders are mutually supporting groups, churches, foundations, associations, charitable organisations, companies and not to forget public institutions at any community level. These actions are generated by solidarity, ethical and religious motives and by political strategies with relation to cohesion, social political balance and equality of chances. The idea of a Stimulating Social State is gaining more and more acceptance in Germany, which generates self-help motivation and develops personal initiative and commitment

Question 5:

It has been argued that Social Services of General Interest are different from other Services of General Interest. Do you agree to this statement? Is a more detailed analysis of the differences especially regarding the network a step towards more security?

Social housing construction differs from the network-bound services by serving general interest, as it aims at the complementary compensation of market weakness.

Question 6:

If you have the opinion that Social Services of General Interest are different from other services of general interest, please indicate which elements would be relevant for a description of these specific features of social

SIG at European level, considering the multitude of tasks of Services of general interest in respect of social services in the member states?

As a difference from the network-bound services, measures related to social housing are directly focusing on specific target groups. Their legitimation largely depends on the market conditions (saturation grade, price conditions, access chances, etc.). These conditions can locally be different – within the development process and according to the context of the general economic situation.

Question 7:

Which of the different sectors mentioned under topic 1 should be investigated as a first priority at European level?

A priority scale for a study at European level cannot be carried out. First of all Social services are under national responsibility and have to be further regulated at national level according to the subsidiarity principle.

Topic 3:

Experiences with the internal market or regulation of competition within the European Union

Question 8:

Please describe precisely the services identified in question 7 regarding the EU regulations listed below (see “background document”)

A: if it has been determined that these services are defined out of the framework of this regulation (in case law or by the way of these rules)

B.: if it has been determined that these services are defined within the framework of this regulation

C: if it is unclear that these regulations for these services can be applied or if clarifications are needed

Social housing in Germany falls under the competition regulations of the domestic market as well as under the instructions of article 86 and 87 EC and the regulations on public procurement.

Regarding the notification instructions in the scope of the state aid regulations of the EU, a general exemption for social housing has been proposed in spring 2004 in the scope of the so-called Monty-Package. This regulation is relevant, important and its codification in the EU-legislation is urgent.

Furthermore, the Commission confirms that the support of social housing has no impact on international trade, taking into account that the aids are locally bound and their amount generally limited. They therefore do not comply with the conditions of free trade within the domestic market.

Question 9:

Please describe experiences regarding the effects of these EU regulations on social services of General Interest (it could be good or bad examples, e.g. have these regulations facilitated an efficient provision of certain services or have they hampered the implementation of national objectives of social policy?)

The exemption of social housing from the notification obligation is an essential precondition for the functioning of national housing construction support within the respective supporting periods. Notification procedures would possibly burst the framework of the supporting periods.

Question 10:

Are there examples where the above-mentioned EU regulations have been considered within the planning and reform of national social policy?

Not known

Topic 4:

Further steps at European level

Question 11:

Are there specific fields of the European legislation or activities which need further clarification regarding the social Services of General Interest? (see also question 8, for example:

- internal market regulations
- Art. 81 and/or 82 EC
- Art. 89 EC
- Art 87
- Regulations on public procurement
- External negotiations on trade

It is now important to implement and pass the exemption of social housing at parliamentary level (proposed in the context of the Monti-package) from the notification obligation.

Question 12:

Is the study only dealing with social Services of General Interest and concentrating on regulations of competition and certain regulations of the internal market or should the social services of General Interest of economic or non economic nature be subject to further investigations?

It is first of all necessary to delimit, define and classify the social services within the legislation of the domestic market. Further deliberations are not necessary.

Question 13:

What should be the concrete target of the communication of the Commission about social Services of General Interest including health services?

The communication of the commission should provide an overview of the different services and above all achieve clarification, transparency and commitment in the treatment of social services.

Question 14:

Do you regard the application of the open methods of coordination (existing or new) as an adequate instrument for further steps? If yes, what should be the concrete tasks of this method? (e.g. joint targets, exchange of good practices, evaluation, etc.).

This open method presents certainly adequate preconditions to become aware of the significance of social housing. The exchange of best practices as well as of benchmarks could in this way be stimulated. However, further steps on the part of the EU are not indicated.

Question 15:

The subsidiarity principle must be and remain the key word and motto in this matter. Social services are under the responsibility of each individual member state. This is not the task of the EU to provide criteria for the formulation of social services. A further commitment of the EU therefore is not desirable.