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**Panel 9: Behind and Beyond the Border:
Regulation in the International Context.**

*On the emergence of a transnational regulatory framework
for public services in Europe – what regulation, and in whose interests?**

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BACKGROUND

From the post-war model of supply-led (by public monopolies), top-down public service provision to all citizens within a nationally bound territory, public services have been subject to dramatic change, especially from the 1990s.

From 1992, the internal market was consolidated, whilst political union was also put onto the agenda with the signing of the Treaty of Maastricht. These developments have had significant consequences for public services, including sectoral liberalization and de(re)regulation of these services and the privatisation and transnationalization of public corporations. Public service provider transnationalisation means that these activities have become some of the most important transnational corporations (TNCs) in the world. Today, European public service providers make up one third of the UNCTAD's list of the top fifty TNCs worldwide. The UNCTAD (World Investment Report 2003 and 2004) list included among them: Vodafone, France Telecom, Vivendi Universal, Deutsche Telekom, E.On, RWE Group, Electricité de France, Telefonica, Eni Group, Deutsche Post World Net, Endesa and so on. Ten years ago none of these companies were ranked, so the development is important. From being considered the 'ugly ducklings' of the 1980s, certain public service corporations appear to be evolving as the 'swans' "new industrial champions" at the turn of the century.

In face of global and regional integration, the need for a supranational coordinated regulatory response is becoming clearer at the citizen-consumer, corporate, industrial, national and global levels. In the case of the EU, calls for supranational regulation have emerged in parallel to the transformation of public services. This article analyses the development of the European Union (EU) attempts to develop a supranational regulatory framework for public services. This effort has been most seriously articulated in the Green Paper on Services of General Interest (SGI) in 2003, the White Paper on SGI in 2004, and the inclusion of SGI in the draft European Constitution (2004). Particular attention will be placed on critiquing the new trans-regulatory framework in particular in

regard to its emphasis on business and the consumer vis-à-vis the citizen and traditional public service obligations.

In order to critically analyse this new supranational regulatory framework for public services in terms of its evolution, content, implementation and results, a comparative approach will be adopted inspired by Pollitt's four-stage model of international public management reform. Since the new regulatory framework for SGI was originally articulated as a public service charter, it is logical to therefore compare this to the well-known Anglo-Saxon experiences.

Though there are important similarities linking the charter initiatives in the EU and the Anglo-Saxon world, there are also a number of important differences, which can be explained by the project to construct a supranational political citizenship, as well as vital institutional differences in capabilities related to EU competences and issues of governance. Though public service charters are often associated with New Public Management (NPM) reforms related to privatisation, which have been particularly influential in the Anglo-Saxon countries, they are also an integral part of the process of EU institution building, and need to be understood alongside developments such as the Charter of Fundamental Rights.

THEORETICAL FRAMEWORK

Public service charters, in particular their Anglo-Saxon variants, are generally understood as a managerial tool designed to render public services more responsive to the direct users of their products or services, by seeking to transform the culture of service delivery, focusing 'bottom-up' on the needs of users, and offering consumer guarantees to quality public services. A virtuous circle is created whereby tax-paying citizens are 'empowered' with more knowledge about the quality of public services and corresponding means to redress their grievances, whilst those who provide public services are offered incentives to improve performance, transparency and responsiveness to changing customer needs and expectations. The so-called Citizen's Charter in the UK ironically pioneered the forging of consumer rights onto citizenship (Walsh 1994, Falconer and Ross 1999). In guaranteeing consumer rights to

standards in service delivery, a substitute for market competition was created. In turn, this enabled benchmarks to be set, so that charter success could be measured using performance monitoring against specified standards (such as user surveys) and complaint mechanisms. Service charters are, therefore, associated with the spirit and practice of New Public Management (Hood 1991). Charter initiatives were pioneered in the UK in the wake of a broader privatisation programme. The Citizen's Charter (1991), introduced by John Major, was of special relevance when it was deemed that privatisation, in the traditional sense of transferring ownership from public to private hands, was neither feasible nor desirable. The OECD think tank, the Public Management Committee (PUMA), was established to promote the exchange and transfer of these innovative practices worldwide (PUMA 1996, 1997). Service charters were adopted by the 'core' NPM community, namely, Australia, Canada, New Zealand and the United States (Common 1998). Public management reform also advanced throughout many countries across continental Europe (Pollitt and Bouckaert 2004).

The seemingly rapid spread since the early 1990s of both NPM techniques in general, and service charters in particular, has given rise to increasing interest as to whether there is a 'global convergence' towards a universal managerial model, as first suggested by authors such as Aucoin (1990) and Osborne and Gaebler (1992).¹ The weight of the empirical evidence, however, suggests that a simple convergence explanation is over simplistic at best, or inaccurate, at worst. This conclusion is derived from two main and inter-related factors. First, from the outset, attempts to formulate and categorise NPM have been *ex post*. It is not surprising, therefore, that early definitions, such as the classic formulation by Hood (1991), are being substantially reworked in the light of more than a decade of unfolding management practices (Gruening 2001, Thynne 2003, McLaughlin, Osborne and Ferlie 2005). Second, much of the comparative work points to the uneven influence of NPM worldwide. Furthermore, even where NPM techniques are implemented, while there may be common trends, particularly, perhaps, in the ideological and discursive approach, often, the actual strategies, priorities, methods, styles used and outcomes produced differ substantially (Kickert and Beck Jørgensen 1995, Flynn and Strehl 1996, Hood 1996, Cheung 1997, Kickert 1997, Lane 1997,

2000, Peters 1997, Mathiasen 1999, Hood 2000, McGuire 2002, Pollitt and Bouckaert 2004, Osborne and McLaughlin 2005, Pollitt 2005, Schedler and Proeller 2005). Comparative approaches of NPM attempt to explain or frame these differences, often locating causality in diverse cultural contexts, including different public sector arrangements, government capabilities and structures, as well as path dependency, among others factors. Some analysts go even further, and claim that the uneven spread and influence of public management reforms is so great that NPM can no longer be said to have a consistent set of values and principles (Newman 2002), or, as Pollitt's (2000) metaphor teases, that the NPM Emperor is almost naked. Hood, recognised by most as the father of NPM analysis, has suggested the term has outlived its analytical usefulness at the hands of concept overstretching (Hood, 2000).

The same debate is also dominant in much of the literature on service charters. While Nikos (2002) is correct in stating that charter initiatives have been adopted in a large number of European countries (Belgium, Finland, France, Ireland, Italy, the Netherlands, Portugal, Spain and the UK), his conclusion that this amounts to a convergence of charterism *a lá Aucoin* must be questioned, and considered alongside conclusions reached by analysts comparing charterism in detail in two or more countries. Here, findings reveal both important commonalities as well as differences in ideology, practice and performance. Clarke's (2000) comparative analysis of the UK's Citizen's Charter (1991) and France's *Charte des Services Publics* (1992) concludes that, in contrast to the UK experience, French charterism was less about public service consumerism and more about the reassertion of the Republican principle of egalitarianism, which ensured that users would be placed on a more equal footing and discrimination would not be tolerated. Different public service regimes acted as filters transforming reform ideas into various practices. Shiavo's (2000) comparison of British and Italian charterism also ascribes deeply cultural specific factors, including legal traditions, as helping to contribute to the different ways in which charterism developed in both countries. Even McGuire's (2002) comparative study of charterism in the 'core NPM community' (Australia, the UK and the US in this case) concludes that policy transfer, not convergence, occurred, and the (different) timing, content and development of charters in each country are best explained through national

policy-making traditions. Comparative analysis shows that, behind the façade of a 'global trend' towards the convergence of both NPM techniques in general, and service charters in particular, lies an enormous complexity of ideas, practices, philosophies, intents, actors and contexts.

This article seeks to contribute to the ongoing debate about the evolution of NPM in general, and of service charters, in particular, by analysing the development of, and the prospects for, the Charter for Services of General Interest (SGI) from the initial project that took off in the mid 1990s, to the White Paper on SGI published by the European Commission (EC) in May 2004 and the inclusion of Services of General Economic Interest (SGEI) in the draft Constitution (EU 2004). The core contribution will be to provide an explanation of the origins, development, content and techniques deployed in this innovative supranational charter initiative, since this has received little attention in the public management literature to date. In order to facilitate comparison, however, this supranational charter initiative will be contrasted to a synthesis of Anglo-Saxon charter initiatives (derived from McGuire 2002 and from primary sources) in order to make some preliminary observations about public management reform convergence (or divergence). The results will be organised into the four stages suggested by Pollitt (2002a) for NPM comparative analysis; the discursive phase, the decisional phase, the practical phase and the results phase.

In the first section, the origins of the Charter for SGI are explained in the context of social policy reform and legitimacy requirements in the EU from the 1990s, as well as the decision to abandon a traditional approach to public services for the SGI paradigm. In the second section, major policy decisions to introduce SGI as a pillar of 'social Europe' into the Treaty of Amsterdam (EU 1997) and the draft European Constitution (EU 2004), as well as the development of several mini-charters, are discussed. Techniques such as the methodologies and strategies used to evaluate public service performance and customer satisfaction are explored in the third section. Finally, a limited analysis of the results phase is provided, focusing on how global customer satisfaction with SGI has developed in the EU-15 and acceding countries from 1997.

I: THE ORIGINS OF THE CHARTER FOR SGI

In this section, we examine the dominant discourses surrounding the origins and early development of the Charter for SGI from the mid-1990s, highlighting similarities and differences with Anglo-Saxon charter initiatives. It is argued that, if the early efforts to establish a Charter for SGI at the European level are almost the mirror image of those associated with the Anglo-Saxon variants in terms of actors, concerns and discourse, the EU's institutional response from 2000 onwards exhibited important similarities with NPM discursive practices towards public services.

The origins of the Charter for SGI are considerably different to those of the Anglo-Saxon variants. Anglo-Saxon charters originated from (largely) top-down governmental decisions to render sectors that were difficult to privatise more efficient and responsive to customers in an era of restricted budgetary resources and growing customer expectation vis-à-vis participating in public service delivery (McGuire 2002). Private sector managerial techniques, including a focus on outputs, benchmarking and voice mechanisms, would render public services more responsive and efficient. In contrast, the impetus for the Charter for SGI sprang from increasing social, rather than economic, tensions between the accelerated privatisation programmes that took off across the EU from 1993, an increasingly integrated economy, especially after 1992 with the Treaty of Maastricht and the Single Market, and a recognition that the EU had serious legitimacy problems in the eyes of its citizens (Clifton, Comín and Díaz 2003, Eriksen and Fossum 2004). The initial calls for a Charter for SGI were 'bottom-up' in the sense they originated from interest groups (led by the EU social partner representing enterprises providing SGI, the CEEP) and trade unions (led by the European Trade Union Confederation, ETUC), and were motivated largely by distrust of the growing role of private corporations in public services, a fear that was compounded by broader concerns about the effects that economic integration, privatisation, liberalisation and deregulatory policies would have upon jobs and national sovereignty. The EU's response to these concerns about the future of public services must be contextualised as part of its broader effort to bolster its own legitimacy via the forging of a 'social Europe' (Scharpf 1999).

Public services had played an important role in the historical evolution and institutional building of EU Member States, representing a different model than that found in the United States (Galambos 2000) and, although there were some differences in the regimes, there were also many common features in terms of organisation, ownership, regulation and development. One important difference was legal: public services were defined distinctly and occupied different places in the legal systems and Constitutions of various countries. In France, Italy, and Spain, citizens had enjoyed rights to public services since the nineteenth century. In other countries, such as Germany, the Low Countries and the UK, public services had a less marked place in the legal system, but were associated with specific obligations connected to the provision of public services (for instance, accessibility, quality and continuity). There were also many similarities in public services across Europe, including the kinds of activities that had been operated and managed by public enterprises, a resistance to allowing market forces to govern these activities, the introduction of similar laws on how services of public utility or of general economic interest should be run (such as monopolies, concessions, exclusive or special laws), and obligations on the operator. Rationales for public enterprises were, moreover, similar across Europe, such as the existence of natural monopolies, the lack of private initiative (particularly during reconstruction in the post war period), the strategic nature of goods or services and social justice (Comín and Díaz 2004).

The combined effect of 'neoliberal' policies at the international level and progressive European integration posed real challenges to state intervention in general and public enterprises in particular. Policy reform, in the direction of privatization, deregulation, liberalisation and transnationalisation, was gradually implemented. These policies, however, were not without their critics, who claimed that the transformation of public services must be supervised or else the quality of services provided to citizens may be allowed to decline:

'Citizens cannot understand why European construction results in the replacement of services of general interest which function satisfactorily by services of general interest which may or may not function as successfully and where responsibilities are less clearly defined. Privatization can make it

impossible for political control to be exercised, and it is not acceptable to reduce the political responsibilities of the public authorities in respect of services of general interests which were created for citizens. The political responsibility for services of general interest must continue to be clear, irrespective of the status of the service provider – private company, public sector company, inter-municipal body, public-private partnership – chosen by the public authorities to provide services of general interest.’ (CEEP and ETUC, 2000).

Public service obligations, provided mostly by state-owned enterprises, had been subject to social regulation enshrined in a Constitution. Under private ownership, if commercial interests were pursued over and above social interests, this could negatively affect universal service provision and continuity of supply. As firms in the communications, transport and energy sectors became increasingly transnational, fears were voiced by European NGOs that basic public services that once belonged to the nation would now be owned and controlled by distant foreign interests motivated by short-term profits (Balanyá 2000, Monbiot 2001). Moreover, a hostile takeover by a foreign agent could threaten closure or massive redundancies, threatening the national interest.

Calls by certain EU social partners, lobbies and interest groups mounted from the mid-1990s for public services to be protected at the local, regional, national or supranational level, through the implementation of a service charter or a framework directive. Most of these groups did not oppose market reforms such as privatization and liberalization *per se*. They insisted, nonetheless, that the EU needed to focus more on its efforts towards ‘positive’ integration, focusing on, for instance, social and territorial inclusion, rather than concentrating solely on ‘negative’ integration, linked to removal of trade barriers (Scharpf 1998). Above all, it was argued, citizens should be guaranteed access to properly working, continuously monitored services in an increasingly integrated Europe. This should come in the form of ‘bottom-up’ entitlements enshrined in a charter. CEEP and ETUC played an active role, and jointly prepared a proposal for a Charter for SGI, which was published in 2000.

Their charter proposal continuously linked the provision of SGI to the project of forging a social Europe, and it insisted that all citizens required properly functioning SGI in order to enjoy solidarity, social and territorial

inclusion, quality of life and a dynamic economy. At the heart of the proposal was the idea that all citizens should be guaranteed the following rights to SGI by the supranational body: equal access, an absence of discrimination in provision, continuously working, quality and adaptable services, universal provision, safety, fair pricing, efficiency levels that can be verified objectively, transparency, participation and democratic control. Very little was said about consumer rights, performance measurement techniques and voice mechanisms, and there was absolutely no mention of downsizing, responsiveness, contracting, user charges and other NPM buzzwords. Its focus on establishing new rights was thus more similar to the *Charte des Services Publics* than to the Citizen's Charter. Moreover, the Charter for SGI was explicitly connected to the project of establishing a Charter of Fundamental Rights, as part of the European institution building process to consolidate social and political citizenship.

While the charter proposal was acknowledged by the EC as an important contribution to the debate, it was also acknowledged that the CEEP/ETUC was only part of the constituency to which it must listen before drafting legislation. It also had to consult other important European bodies such as Parliament, the Economic and Social Committee, the Committee of the Regions, formal and informal business lobbies, as well as the open public consultation exercise. This typically inclusive approach is a slow and winding policy-making process, but in this way different perspectives are considered. Critically, between 1996 and 2000, the EC shifted its discursive practice towards SGI, from an approach focused on citizenship and rights in 1996, to an approach that fused values resembling NPM onto European citizenship in 2000. Before this shift is analysed, it is important to explain another vital discursive practice about public services that was endorsed by all actors from the mid-1990s.

During the 1990s, the official terminology and conceptualisation of public services shifted within European policy-making circles. These changes should be understood within the general framework of the EU's proclaimed neutrality as regards ownership preferences, as well as the need to respond to widespread disinterest by forging social and political integration at a time when economic integration had been consolidated. Moreover, at the international level, the World Trade Organisation started negotiations in service trade

through GATS from 1995. A decision was taken within the EU to phase out the term 'public service' in official discourse and to replace it with 'Services of General Interest'. According to the EC (EC 1996:1), this was because the term public services was ambiguous: originally, the term had been used in a dual and, sometimes, contradictory way. On the one hand, it referred to the enterprises themselves (which were usually publicly owned and managed) that were in charge of supplying the public services. On the other hand, it was interpreted as the actual services to which all citizens had equal rights to access and enjoy. Since the EU must take a neutral stance on the issue of ownership, what it wished to stress was this latter definition. It was thought that the eradication of 'public services' would indicate that EC policy was about the provision of the general interest, and not about whether the provider organisation was privately or publicly owned. The EU thus wished to show itself as neutral, for instance, as to whether a train service was provided by a privately or publicly owned firm: what was important was that the citizen-traveller had a reliable, efficient and accessible train service. Providers of the service were known as 'service managers'. At the same time, this was also related to the view that public services must no longer be deemed an exception to competition rules, but seen as an integral part of a sustainable policy of growth. Thus, an effort to start 're-balancing' the competition/public services equation was begun, in order to strive towards the so-called 'European model of society' (EC 1996). Though the EC claimed it was motivated to show its neutrality on ownership, cynics tended to interpret this new terminology as a means of attempting to clear the way for the privatization of public enterprises, on the road to establishing European champions.

With the word 'public' removed from discussion of 'public services', two new terms were introduced: services of general interest, and services of general economic interest (SGEI). Where do these terms come from and what do they mean? First, the term SGI does not actually figure in the treaties themselves but was derived in Community practice from the term SGEI, which appears in the Treaty of Rome (Article 90). SGI refers to all services that are considered to be in the general interest and therefore subject to specific public-service obligations. These include so-called 'non-market' services, which currently includes education, social protection, security and justice. Since the category is

fluid, the contents of 'non-market' services are subject to change. Within this concept is a sub-concept, general economic interest, which refers to commercial services on which specific public obligations are placed, including transport, energy and communication.

One of the problems is that SGI refers to two different sets of services, being at once generic and more specific. On the one hand, it refers specifically to the 'non-economic' services and, on the other hand, it refers to the basket of all services that affect the general interest, including SGEI and 'non-market' services. Though these new terms were introduced in order to present EU policies more clearly, to eradicate the ambiguity of 'public services', confusion has been caused by the fact that two terms are used to refer to three sets of services. The new terms not only cumbersome, they are also more confusing than the original term.

At the same time as the word 'public' was taken out of 'public services', the general 'public' was re-positioned in a novel way in the discussions about the Charter for SGI. The ways in which this was achieved differs according to the institutional author and evolves through time. The first EC Communication on SGI published in 1996 tended to take a schizophrenic approach to the general public. 'Citizens' were positioned as the public requiring protection from the supranational institution. Thus, social regulation of SGI was required in order to achieve the values of a social Europe, as well as to protect decades of diverse historical traditions and shared values. 'Consumers' were positioned on the outside, and were part of the changes confronting public services, along with globalisation, technological developments, competition and a lack of public funding. On balance, however, more attention was paid to the discourse of citizenship than of consumers.

By 2000, the sharp contradictions between the two discourses had been largely overcome, at least, at the discursive level. At the same time, the influence of NPM became apparent. In the Communication on SGI (published in 2000, the project of forging a social Europe through the social regulation of SGI to all European citizens is conflated – unproblematically – with the parallel project directed to European consumers, which contains several key elements of a prototype Anglo-Saxon NPM service charter. Thus, the Communication explains how consumers of SGI must: be guaranteed a set of basic obligations

by service providers; have the right to use complaint handling and dispute settlement mechanisms; enjoy choice of supplier; expect transparency, better service and lower prices. Moreover, future projects include implementing SGI performance evaluation, inclusive governance, enforced transparency and horizontal consumer protection legislation. Unlike the Citizen's Charter that was criticised for replacing citizenship by consumer sovereignty in order to construct rights (Walsh 1994, Drewry this issue), the EC approach has been to fuse two discourses in equal proportion: first, that of European citizenship and the construction of a social Europe; second, that of the allocation of consumer rights with similar advantages as in the Anglo-Saxon variants. Rather than using 'consumer' as a synonym for 'citizen', therefore, the intention is that civic, social and consumer rights are all offered simultaneously. This discursive hybrid unfolded at a wider level in EU discourse from the mid-1990s. As has been argued by social policy experts (Carter 1996, Guillén 1996), from the 1990s, the understanding of the relationship between economic and social policy shifted. Social policy in a broad sense was no longer perceived as being a burden on the economy, but a necessary prerequisite for sustainable economic growth. The project of a social Europe was thus necessary as a foundation for Europe's economic future. In the same way, the project to provide citizens' entitlements to properly functioning SGI was presented as being fully compatible with ensuring consumers would be served by efficient, competitive, responsive providers. The influence of NPM was highly selective in this discourse: there was no discussion of examining the role of government, downsizing, contracting, user charges and market mechanisms. These omissions can be explained principally by the lack of EU competence in these fields, its duty to construct supranational policy following the principles of subsidiarity, and the sensitivity surrounding the sovereignty of national or local bodies in the provision of SGI.

II. TOWARDS A CHARTER FOR SGI

There are various common stages evident in policy decisions regarding charterism in Australia, the UK and the US that could be summarised as: identifying the public; the production of service charters; establishment of voice

mechanisms; launching consumer satisfaction surveys; evaluating the performance of services; establishing Charter Mark schemes; and linking performance to budgeting. Within these common decisions lie a great number of differences, such as the differences between a service charter (Australia and the UK) and a customer service plan (US); the principles stated in the charters; the number and organizational logic of the charters established; and the emphasis on performance management (for a synthesis of the differences see McGuire 2002:506-7). Developments at the EU level largely correspond to these decisional phases generally conceived, however, there are also important differences, since there were developments in the EU that did not occur in the Anglo-Saxon countries and vice versa. Moreover, behind apparently similar policy decisions lie different approaches and aims, which need highlighting. In order to reduce complexity, in this section, particular attention will be focused on EU decisions to: formalise in legal terms citizen rights to SGEI; identify citizens in terms of their relationship to SGI; establish mini-charters; evaluate SGEI performance; introduce customer satisfaction surveys; and finally, coordinate voice mechanisms.

In contrast to the Anglo-Saxon initiatives, charterism at the EU level has had, from the outset, the aim of establishing citizen rights to SGEI as part of the construction of a new political citizenship at the supranational level. It is important to distinguish here between SGEI and SGI. The EU has had historically more competence in SGEI, since they were included in the Treaty of Rome, though in relation to competition law rather than to citizen rights. The EU's role in non-market SGI, such as employment and social policy, has started to increase only in recent years via 'soft policies' such as the Open Method of Coordination (Scharpf 2002, Wincott 2003). This legal development to construct rights to SGEI is an important difference dividing the Anglo-Saxon and the supranational experiences. The promotion of SGEI was not formally considered an EU objective until they were included in Article 16 of the Treaty of Amsterdam (1997).ⁱⁱ Here, they are understood as not only to be fully compatible with economic performance and competitiveness, but as a driving force of the same. They are also acknowledged as vital for social and territorial cohesion, and must be protected as such. The protocol on public service broadcasting attached to this Treaty allowed nation states to continue

subsidising the organisation in order to fulfil the remit without affecting competition in the community. Article 36 of the Charter of Fundamental Rights (2000) also mentions the EU 'recognises and respects' access to SGEI in order to promote social and territorial cohesion, and this is included in the draft Constitution for Europe under Article II: 36. Aid to activities deemed a public service is also protected from competition under Article III: 238 (EU 2004).

Despite this important difference, there are also many similarities with the Anglo-Saxon experiences. The Green and White Papers on SGI, published in 2003 and 2004 respectively, represent the EC's most serious attempt to move towards establishing a Charter or a Directive on SGI. At the heart of the debate in the Green Paper was the question of how best to manage and guarantee properly functioning public services. In particular, the debate centred around whether a single, overarching charter should be established for all SGI, or whether a series of mini-charters organised by sectoral logic would be preferable. From 2000, the CEEP critiqued the EC's position towards SGI as being *ad-hoc* and un-homogenous. It argued for a strong, unified, supranational regulation to protect all citizens via entitlements to SGI. In response, the EC offered two approaches. First, SGI could be treated as a homogenous whole by seeking to advance the 'core' characteristics of all services (universal service, continuity, quality, affordability, consumer protection and so forth) through an umbrella-type social regulatory approach. The advantage of this would be the establishment of a robust, consistent set of public service standards to which all citizens could understand and enjoy. The disadvantage was that, if an umbrella-type approach to service characteristics was adopted, in the search for common service characteristics, a 'race-to-the-bottom' might occur, and only characteristics that were core to all public services would be protected, leaving out idiosyncratic characteristics of particular services. This option would entail expanding EC competences across sensitive sectors such as social services. The second, less radical, option set out was that the EU would continue its historical approach to regulating SGI based on a sectoral basis. The EU had greater competences in some SGI activities than in others: for instance, it had established competence in the railway networks from the outset, but enjoyed relatively little competence in the broadcasting sector. In this second option, the EU would not need to be granted more competence, but would, therefore, only

have correspondingly limited and uneven power to intervene in order to protect SGI. Whichever option was selected, SGI would be subject to periodic performance evaluations. The White paper on SGI revealed how the majority of preferences had pushed for the second option of a continued sectoral regulatory approach. An expansion of EU competences was firmly resisted. The principles of public service delivery were stated as: universal service, continuity, quality, affordability, transparency, reliability, choice, safety and consumer protection (EC 2004:4).

In comparative terms, of the charters established in Australia, the UK and the US, the EU version is considerably closer to the UK variant than the others in terms of the definition of public service. However, there are also important differences. While a number of the principles in Tony Blair's *Service First* are also listed in the Charter for SGI (such as quality, information and consumer protection), the latter is more emphatic on social egalitarian principles (for instance, it insists on 'universal service', as opposed to the intent to 'encourage access' in *Service First*). In addition, important principles in *Service First*, such as innovation and partnerships, are completely omitted in the EU charter, these being matters for Member States. If the overall flavour of the New Labour charter is 'more effective use of resources' (McGuire 2002:517), the emphasis of the EU version is 'equality for all in public service provision'.

Like Anglo-Saxon charters, the Charter for SGI took the form of multiple, mini-charters. In the UK experience, some 40 national and 10,000 local charters had been established by 2001. National charters were grouped by sector (social security, business, culture, education, employment, environment, health, housing, law, tax, transport and travel).ⁱⁱⁱ The logic of the organisation of a small number of mini-charters in the EU case was primarily guided by the question of competence: detailed charters were established for electricity, postal services, gas, water, transport, broadcasting and electronic communications.^{iv} These mini-charters consist of the exercise of existing competences already enjoyed by the EU, guided by the overall principles of SGI provision.

Another decision was that of identifying the consumer and accumulating detailed knowledge of customer satisfaction with public services. In particular from 1997, in the light of the privatisation programme that took off across Europe from 1993, and the gradual liberalisation of more network services

(Clifton, Comín and Díaz 2003), decisions were taken to launch a series of in-depth, regular polls on customer satisfaction of SGEI. In total, four large-scale surveys and two in-depth qualitative studies were commissioned between 1997 and 2004. The first survey focused in particular on Europeans' perception of the effects of the liberalisation of public service monopolies in regard to improvements in price, quality, choice, universal access and consumer protection (EC 1997). Three years later, in preparation for the Communication on SGI (EC 2000a), a survey was commissioned on consumer satisfaction with SGI in terms of price, access, quality, information, contracts, complaints handling and so on for a basket of services including fixed and mobile telephony, electricity, gas, water, postal services, urban transport, and inter-city rail services (EC 2000b). This was repeated in 2002 (EC 2002a), and the following year for the then candidate countries (EC 2003a). In addition, two large qualitative studies were commissioned, on customers' attitude to SGI (EC 2002b) and European Consumers and SGI (EC 2003b). Moreover, complaint mechanisms at the supranational level were improved with the launch of the so-called 'New Consumer Policy Strategy' from 2002, which has brought about the formation of the European Consumer Consultative Group, which brings together representatives of all national consumer boards from 2003, and whose logo is 'Empowering Europe's Citizens'.^v A clearing house (EEJ-Net) for individuals wishing to make a formal complaint about services was set up to provide support and information. All these developments are very much in the line of understanding and improving customer satisfaction in the Anglo-Saxon charter variants, though the different emphases and techniques used and results produced will be addressed in the next two sections.

In parallel with this new effort to understand consumer satisfaction, progress was made with the evaluation of SGEI performance. In the spirit of the White Paper on European governance (EC 2001b), which placed greater emphasis on evaluation and feedback of policy and lawmaking, a report was presented to the Laeken European Council on SGI in 2001. While it was recognised that SGEI performance was largely up to national or local government, the EU emphasised its competence in certain areas, particularly the network services, which allowed it to introduce annual horizontal evaluations in addition to sectoral evaluations, whilst providing benchmarks for the

effectiveness of areas not covered by horizontal or sectoral evaluations if required. The Commission already conducted sectoral evaluations for maritime transport (from 1992), postal services (1996), telecommunications (1997), energy (2000), and railways (2001). A two-fold decision, however, was taken, firstly, to evaluate systematically SGEI by sector on an annual basis and, secondly, to evaluate SGEI 'horizontally' using a 'home-grown' complex analysis of results from customer satisfaction surveys and focus groups, as well as information from national governments and regulators. This horizontal approach would consider price evolution, market concentration, entry, mergers and acquisitions, and would focus on three main public service obligations, pricing regulation and affordability, access, and universal obligations. The methodology for the horizontal evaluation of SGEI was adopted in 2002 (EC 2002c), and would be used as a complement to the sectoral evaluations from 2003. This new stress on performance evaluation in the EU corresponds closely to charterism in the Anglo-Saxon experiences, however, a different methodological approach was taken in the EU, for reasons explained in the third section. Finally, in terms of performance, Charter Marks were not established in the EU, since, according to the principle of subsidiarity, each Member State must set their own standards, objectives and strategies for SGI.

As a conclusion to the analysis of the decisional phase, the charter initiative in the EU broadly followed Anglo-Saxon experiences by: establishing public service principles to which customers could aspire; establishing a series of mini-charters; launching regular surveys on customer satisfaction; and closely monitoring public service performance.

III. CUSTOMER SATISFACTION AND SERVICE PERFORMANCE MEASUREMENT TECHNIQUES

Practical convergence occurs when public sector organisations begin to work in more similar ways. In order to compare the practical phase in the case of the Charter for SGI, the use of two methodologies by the EU will be compared to their Anglo-Saxon charter counterparts: techniques used to measure consumer satisfaction and to evaluate public service performance. First, there is an undisputed convergence of techniques to evaluate customer satisfaction. The

EC started monitoring public opinion with the Eurobarometer in 1973, using standard survey techniques as a working tool in its policy-making process. Since then, techniques have developed to include 'flash' surveys (conducted telephone to ensure rapid results), as well as more qualitative approaches including focus group techniques. Among the organisations that conduct the surveys is Gallup Europe, as well as the nationally based public opinion agencies. Innovations such as the UK 'Peoples' panel' of 5000 randomly selected representative citizens have not been adopted in the EU. However, the EC commissions OPTEM to conduct focus groups involving around 700 people across the EU-15. Convergence of the content of the questions posed to customers about satisfaction with public services is more difficult to gauge, and would require a systematic comparison with a representative number of surveys and studies. However, there is evidence of a convergence of voice mechanisms with the creation of a European Consumer Consultative Group in 2003 bringing together national consumer associations.

Techniques deployed to evaluate public service performance show more durable differences. The horizontal method of evaluation adopted in the EU is evolutionary (since the definitions of SGI and SGEI are subject to shift), and combines economic analysis of market performance, analysis of public policy objectives, and consideration of consumer views. Annual horizontal evaluations have been used to complement sectoral evaluations of air and railway transportation, local and regional public transport, electricity, gas, postal services and telecommunications since 2003. This methodology was developed by the DG Internal Market in consultation with the CEEP and the Initiative for Public Service Utilities in Europe (ISUPE). A cross-section consideration of single topic or theme (such as productivity, cohesion or access) common to most or all network services is examined across the territory. Some of the main challenges faced by the evaluators are that there are gaps in statistical information about service quality indicators across the EU; there is limited experience in the horizontal evaluation of these services; and cross-country evaluation is difficult since policy objectives vary according to the Member State. Moreover, public policy objectives can be achieved via different means (access may be ensured using electricity or gas for instance). Horizontal evaluations are not, therefore, full evaluations in the traditional sense, and they

are not used to produce recommendations for specific sectors. Instead, it is left up to Member States to evaluate public service performance in the last instance.^{vi} The horizontal methodology employed by the EU is therefore not a case of practical convergence. It was not possible to use a single benchmarking methodology due to the diverse practices and definitions of universal service obligations across countries. It would have not been acceptable, politically, to use a best practice model 'top-down' for all countries. Efforts are being made, nonetheless, to work with regulators and network operators to develop and foster common criteria. In some cases, such as postal services, it has been possible to develop common service quality criteria using European standardisation bodies, but this is an exception to the rule.

IV. CUSTOMER SATISFACTION AND SERVICE PERFORMANCE RESULTS

The analysis of the convergence or divergence of performance is complex, not only because it is difficult to establish causality between NPM reform and performance results, but also, ironically, because there is a scarcity of results analysis in the public management reform literature for comparison. The challenge is compounded when comparing results across diverse countries that follow various reform aims in public policy priorities, and have inherited different public sectors. In the case of the Charter for SGI, to these methodological problems must be added the fact that the reform of public services is still in its early stages. The EU only started to consider customer satisfaction with public services in a consistent way from 1997. Moreover, to the disappointment of some social partners, the decision to establish the Directive or Charter for SGI has been postponed in the face of EU enlargement (EC 2004).

In this section, a limited analysis of convergence will be made considering customer satisfaction levels of SGI broken down by sector and country. Within country trends, special attention will be paid to the UK, the European pioneer of NPM reform, in terms of comparison with other countries. In addition, EU-15 results will be compared with those of EU-25. The five main surveys on SGI satisfaction are analysed. The first in-depth survey on customer satisfaction with public services was the Eubarometer Poll 47.1 (EU 1997). This was designed to focus on customer perceptions on the effects of liberalisation

and privatisation. From 2000, the EU took great strides to use similar methodological approaches so as to make data more easily comparable. The Eurobarometer 53 (EC 2000) and 58 (EC 2002) are in-depth surveys dedicated to the analysis of customer satisfaction with SGI in the EU-15. Another survey conducted in the Candidate Country European Barometer (EC 2003a) uses similar methodologies and is thus directly comparable. EC (2000) measures customer satisfaction with SGI using access, price, quality, information, and contract indicators. Global results are broken down into: electricity, gas, water, fixed telephony, mobile telephony, postal services, urban transport and railways. EC (2002) and EC (2003a) surveys do likewise using identical methodology, but a new indicator is added, customer service. Finally, the EC (2003d) survey returns to many of the questions of the EC (1997).

The rest of this section analyses what can be learnt about the evolution of customer satisfaction with SGI in the EU from 1997. It is beyond the aims of the analysis here to attempt to establish causality between customer satisfaction levels with the extent and spread of NPM and charterism across the EU. Instead, the aim is more modest, and takes as a general assumption that, from 1997, efforts at the supranational level have been led by ambitions to clarify and strengthen the role of SGI by increasing customer satisfaction in clearly defined areas: access, quality, price, information, contracts, complaint handling mechanisms and customer service. Thus, the intention is to establish to what extent European citizens reveal growing levels of satisfaction, and to highlight country and sectoral trends. The analysis will be divided into two parts. In the first part, customers' global satisfaction with SGI will be compared as it has evolved in the EU-15 (1997, 2000 and 2002). This will then be broken down into aspects of service: price, quality, information, contracts and customer service. Results for the EU-15 will then be compared with the corresponding data from the candidate countries (EC 2003a). The second part will focus on complaints handling, again comparing the EU-15 in 2000 and 2002 with the candidate countries in 2003.^{vii} Finally, the relative importance of quality or price is determined for EU-15 customers by sector.

The Eurobarometer opinion poll N° 47.1 posed questions about citizens' perceptions about the opening of public service monopolies to competition. Sectors included were gas, water, fixed telephony, postal services, air transport,

urban transport, inter-urban transport by coach, rail transportation and television. At the heart of the poll was the desire to ascertain consumers' perceptions of service quality, the effects of liberalisation (particularly on price and quality), and the expectation about minimum service. The first main finding is striking sectoral differences: whilst questions about SGI satisfaction reveal that 81% of EU citizens believed electricity distribution was of a good quality, only half that amount thought the same about public transport and railways respectively, as shown in Table 1. Differences in countries, as well as large percentages of 'don't know' (dk) answers in certain countries for particular sectors (such as gas in Greece, Finland and Sweden where availability was limited) should be borne in mind when interpreting results. Unfortunately, because the survey allowed those surveyed three possible answers (good, bad or neither good nor bad) it is difficult to compare these results with the following polls (where those surveyed were offered four possible options). Countries could be divided into three blocks: those with perception levels below the EU average, namely Greece (GR), Italy (I), Portugal (P) and Spain (E); those above the EU average including Austria (A), Luxemburg (LU), Netherlands (NL), Finland (FI) and Denmark (DK); and those in the middle ground, namely Belgium (B), France (F), the United Kingdom (UK), Germany (D), Ireland (IR) and Sweden (S). Despite an early start and prolonged privatisation process, and the liberalisation of many public utility monopolies, the UK does not exhibit significant differences in relation to the EU average. Indeed, the highest result was for postal services, which, in 1997, was a public corporation subject to NPM reform, whilst the lowest quality perceptions were for railways and urban transports, where liberalisation was relatively advanced.

Table 1. Perception of Quality of SGI: EU15 average of satisfaction and country differentials (1997).

	EU	GR	I	P	E	B	F	UK	D	IR	S	A	LU	NL	FI	DK
Electricity distribution	81	-28	-13	-17	-7	-1	1	4	2	15	13	14	7	16	15	16
Gas distribution	66	<i>dk</i>	-6	-22	-3	-3	3	10	9	-14	<i>dk</i>	4	5	30	<i>dk</i>	4
Water distribution	63	-24	-13	-15	-2	1	-11	-6	13	1	28	23	17	28	28	27
Fixed telephony	74	-40	-9	-16	-4	-4	6	7	2	12	17	4	10	6	20	5
Postal services	53	-6	-32	-1	-6	2	7	22	-3	28	-2	9	26	29	5	30
Public urban transport	44	-19	-21	-16	9	-2	1	-3	7	7	17	16	27	11	25	28
Intercity railway	41	-6	-25	-6	6	6	1	-8	9	16	1	17	26	17	33	37

60	-21	-17	-13	-1	-0	1	4	6	9	11	12	17	20	20	21
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Source: Elaborated by the authors using Eurobarometer 47.1 (1997) data.

Another aim of the poll was to analyse the question of the impact of liberalisation of the SGI: 61% of Europeans were aware of the opening to competition, and 70% of them considered it a good thing in regard both to service quality and price. However, the vast majority claimed they had not yet witnessed improvements in quality, choice or customers' interest protection. As regards service price, between 89% and 94% of consumers thought they still had not enjoyed price cuts in electricity, gas, water, railways or postal services. Only in telephone services was this figure lower (73%). Here, the difference with the UK is striking: only 31% of UK citizens claimed not to have noticed price cuts in telephony. In the electricity and gas sectors, whilst EU average results claiming no price cuts were 89% and 91% respectively, the corresponding figures for the UK were 76% on both occasions. These differences suggest the impact of sectoral reforms in the UK on telephony and energy, though the UK results for water, railways and postal services were very similar to the EU average.

Table 2. Citizen Satisfaction with SGI: EU15 average opinion on Quality, Price, Information, Contracts and Overall in 2000 and 2002 and EU 10 new Member States in 2003

	EU-15										EU-10 NM					
	Quality = Q		Price = P		Information = I		Contracts = C		Overall = O		Q	P	I	C	O	
	2000	2002	2000	2002	2000	2002	2000	2002	2000	2002	2003					
Electricity	92	91	56	55	75	73	68	68	73	72	95	44	82	67	72	
Gas	87	86	56	55	71	69	65	65	70	69	91	49	81	67	72	
Water	89	89	55	56	72	72	67	66	71	71	90	51	82	68	73	
Fixed telephony	91	90	50	51	76	75	63	64	70	70	84	29	75	51	60	
Mobile telephony	81	84	40	44	64	67	55	59	60	64	76	35	66	53	58	
Postal services	80	82	67	68	79	78	70	70	74	75	87	60	88	73	77	
Urban transport	66	66	49	47	70	68	59	57	61	60	70	48	77	61	64	
Intercity railway	61	59	41	38	66	62	55	51	56	53	58	38	70	54	55	
<i>Correlation index</i>	Quality		Price		Information						Q	P	I			
	0,44	0,59									0,35					
	0,51	0,69	0,88	0,89							0,69	0,81				
	0,66	0,84	0,95	0,93	0,88	0,90					0,62	0,94	0,91			

Source: Compiled by authors based on Eurobarometer 53 2000, Eurobarometer 58 (2002) and CCEB Eurobarometer (2003).

Comparing overall satisfaction rates with SGI in 2000 and 2002 in the EU-15 (calculated using the four indicators quality, price, information provided and contracts), in 2002, postal services led (75%), followed by electricity, water, fixed telephones and gas distribution (69%). Of these four highest performing SGI, there were no significant differences in the average of quality, price, information or contract satisfaction between 2000 and 2002 as shown in Table 2. Moreover, the ranking of satisfaction of quality is identical as in 1997 (bearing in mind the 1997 option 'neither good nor bad' that is not included in the following surveys). The poorest performers were urban and rail transportation and mobile telephony, but with some important differences. Firstly, not only did intercity rail service perception lag far behind the other sectors, with just only half of customers expressing their overall satisfaction, satisfaction levels actually worsened, falling 3%. Urban transport fared less badly, with satisfaction rates falling to 60% in the same period. Mobile telephony, mostly provided by private operators, omitted in the 1997 survey, was included in 2000 and 2002 and, though it was still a low performer in 2002, saw overall satisfaction rates increase from 60% to 64%. While satisfaction with the quality of mobile telephony was higher than that for postal services, however, satisfaction with price, information provided and contracts offered was quite low. The 2000 and 2002 polls are not only homogenous in methodology, permitting coherent sectoral and country comparisons, they also show consistent results about customers' opinions about different SGI as revealed in the correlation index between criteria (quality, price, information and contracts). This indicator was most significant between price, contracts and information, and between information and contracts, suggesting user concern about consumer rights. Overall satisfaction rates with SGI were very similar in acceding countries in 2003. Postal services, electricity, water, gas, urban transport and railways were rated somewhat higher in these countries, while fixed and mobile telephony generated slightly higher satisfaction levels in the EU-15 (EC 2003a:6).

Disaggregating results by price, customers were asked to state whether they believed the price they paid for SGI was fair (satisfied), unfair or excessive

(unsatisfied). Postal services performed best, with highest satisfaction levels (68%) and lowest dissatisfaction levels (27%) in 2002. Satisfaction rates of around 50% were shown for fixed telephony, electricity, gas, water, and urban transport, while mobile telephony and railways scored 44% and 38% respectively. In comparative terms, telephony (fixed and mobile), water and postal services improved between 2000 and 2002, with increases in customer satisfaction and decreases in dissatisfaction rates. The most dramatic improvement was in the mobile phone sector, which improved satisfaction levels by 4% from 2000, while unsatisfied customers dropped by 2%, reflecting technological change and price cuts. Railways and gas supply were ambiguous, exhibiting both declining satisfaction (-3% and -1% respectively) and dissatisfaction rates (-2% in both cases) from 2000. Urban transport fared worst, with falling satisfaction rates (-3%) and increasing dissatisfaction (+1%). In general, EU-15 customers are more satisfied with the value-for-money of SGEI than consumers in accession countries. The most important difference is in telephony, where 51% and 44% of customers claim that the price is unfair in fixed and mobile phone services (CCEB 2003:3). Indeed, price satisfaction is the main variable biasing the overall satisfaction rates in the 10 New Member States, indicating the proportionally larger effort households in these regions have to make to afford SGI.

As regards service quality, customers could claim SGI provided satisfactory (very good, fairly good) or unsatisfactory (fairly bad, very bad) services. Most customers were satisfied with SGI, with electricity (92%) and fixed telephones (91%) in the lead. Mobile telephones, gas, water, postal services all scored over 80%, while urban transport scored 66% and railway services 61%. Dissatisfaction rates were led by railways (26%) and urban transport (24%). Comparing the evolution of customer satisfaction with quality from 2000 to 2002, mobile phones and postal services exhibit positive trends with improvements in satisfaction and no change or slight falls in dissatisfaction. Slightly negative trends are seen in fixed telephony, electricity and gas, with a 1% drop in satisfaction combined with a 1% increase in dissatisfaction. Railways, again, are ambiguous, with a 2% drop in both satisfaction and dissatisfaction levels. Overall, quality satisfaction levels in the acceding

countries were very similar to those in the EU-15 (2002), with sectoral differences whereby telephony (both fixed and mobile) received less satisfaction levels and electricity, gas and urban transport more favourable opinions than in the EU-15.

On average, 70% of customers claim the information provided by SGI is clear, with rail services again attracting the lowest results (62%). Though the overall results are quite high, nearly all sectors have deteriorated (-1% in fixed telephones and postal services, -2% in electricity, gas and urban transport, and -4% in railways). Water alone is unchanged. In contrast, only mobile phones improved customer satisfaction rates by 3%. Dissatisfaction rates show no or slight change for all sectors. Overall, consumers in the EU-10 acceding countries were more satisfied with the information they received from service providers.

Are SGI contracts fair? Postal services (70%) and electricity (68%) lead satisfaction rates, while around two in three customers were satisfied with water, gas and fixed telephony. Satisfaction with urban transport and mobile phones were under 60%, while only half of customers thought railway contracts were fair. Dissatisfaction rates were unchanged for gas, water, postal services and urban transport, but increased by 1% for fixed and mobile phones, electricity and railway services. Mobile phone contracts failed to satisfy the largest portion of customers (27%). Levels of satisfaction with contracts are quite similar in the acceding countries, with the exception of fixed phones, where one third of consumers are dissatisfied, and only half satisfied (EC 2003a: 10).

Are SGEI staff polite, efficient, and available? Customers could indicate they were satisfied (very good, fairly good) or unsatisfied (fairly bad, very bad) with customer service. This was a new category introduced in 2002, so comparisons cannot be drawn with previous years. There is a clear sectoral/country logic to the replies. Around 70% of customers were satisfied with over half of services (fixed and mobile telephony, electricity, water and postal services). Transport and rail services had satisfaction rates of around 50%. Since customer service improvement is one of the aims of service charters, it is also relevant to consider country differences. There is a consistent trend that, the UK, Ireland, Finland, Luxemburg and Belgium achieve customer

service satisfaction rates well over the average. Conversely, Italy consistently attracts most dissatisfaction (EC 2002a).

Customer satisfaction levels with complaints handling (filtered by those who lodged a complaint to during the previous year) are compared in 2000 and 2002 (EC 2002a). Customers could describe complaint handling as being performed very well/fairly well (satisfied), or fairly badly/very badly (unsatisfied). Three main groups emerge in the results: providers where complaints levels are stable and handling is perceived to have improved; providers with more complaints but increased levels of satisfaction with complaints handling; and providers where complaints are stagnant but levels of handling satisfaction are down. In the first group are mobile telephony, gas and water, with stable complaint levels of 5%, 2% and 2.5% respectively. Of the three providers, gas exhibited a huge increase in customer satisfaction levels (from 38% to 51%), while mobile telephony and water showed more modest increases (from 50% to 52% and from 49% to 52% respectively). Postal services also fall roughly into this first category, having slightly increased complaint levels (from 5% to 6%), but also improvements in complaint handling satisfaction (45% to 47%). In the second group are electricity, urban transport and rail, where complaint levels were stable, but complaint handling satisfaction fell. In the third group, fixed telephony saw increased complaints as well as falls in levels of complaint handling satisfaction. When the EU-15 results on complaints handling (EU 2002) are compared with the equivalent data on in accession countries (2003) there are two main findings. Firstly, the level of complaints by sector is very similar to in the EU-15. Secondly, there is little significant difference evident between this indicator of customer satisfaction by sector. Indeed, on average, the candidate countries score marginally better than the EU-15. In the words of the survey, the general level of satisfaction with complaints handling across the whole of the EU is 'rather mediocre' (EC 2003a: 28).

The most recent survey on SGI in the EU-15 interviewed consumers by telephone about SGI quality (EU 2003d). The survey was conducted by the Internal Market DG, rather than the Health and Consumer Protection DG, who performed the previous surveys. The concerns here were similar to Eurobarometer 47.1 (EC 1997), that is, to evaluate the quality and performance of public services in the aftermath of opening to competition, and citizens' rights

vis-à-vis accessibility and public service obligations. Services included were identical to those in the surveys from 2002 (but excluded water and air transportation, which had been treated in 1997).

Table 3 Citizen Satisfaction with SGI: EU15 average opinion on Quality, Price, Overall Satisfaction and National Differentials (October-November 2003)

	Quality	Price	EU	I	E	GR	S	P	D	A	IRE	F	NL	UK	DK	B	FI	L
Electricity	47	46	89	-6	-4	-13	-15	-7	2	5	5	7	5	3	3	1	-2	5
Gas	39	36	92	-2	-4			1	-1	4	3	3	4	3	-4	4		2
Fixed telephony	44	51	83	-19	-10	-5	5	-3	6	-5	3	-1	8	11	7	4	5	9
Mobile telephony	43	43	87	-3	-11	6	4	5	6	5	-4	-6	2	5	0	5	2	4
Postal services	65	27	82	-10	-2	5	-5	3	1	-3	7	-4	11	8	9	-8	5	10
Urban transport	51	34	71	-11	-5	-7	8	0	-1	3	-7	7	-2	4	5	10	11	9
Intercity railway	49	34	71	1	2	10	10	17	-8	-1	3	8	-8	-8	12	19	22	12
	48	39	82	-7	-5	-2	-0	1	1	1	1	2	3	4	5	5	6	7

Source: Elaborated by authors using Eurobarometer flash "La qualité des services" (2003).

The main concern of this survey was to establish the relative importance of aspects of service quality to consumers, focusing on quality and price, given that quality and price were not highly correlated, as has been shown in Table 2. Table 3 shows that, in general, quality is more important than price in the EU-15. This overall result was biased by postal services, urban transport and intercity trains (all with the lowest overall levels of customer satisfaction). Price was only more important than quality in fixed telephony, while the importance of price versus quality is insignificant for mobile telephony, electricity and gas. As a conclusion, it could be said that price is more important than quality in those countries with a higher overall level of service satisfaction (France, Denmark, United Kingdom, Finland), but quality is more important where there is a lower level of satisfaction (Italy, Spain, Portugal and Greece).

As a conclusion, it can be said that the degree of dispersion in satisfaction levels with SGI between countries and between sectors have decreased (in terms of standard deviations), reflecting the development of a set consistent opinions about SGI from 1997 to 2003. Analysis of customer satisfaction with SGI also shows important differences depending on the sector in question. Some sectors, such as electricity, gas, water, fixed telephony and postal services, receive relatively high satisfaction indicators, which have remained stable throughout the period. In these sectors, NPM reform and deregulation is also more advanced. Mobile telephony, largely operated by private operators within the SGI regulatory framework, showed significant improvements in satisfaction levels from 2000, particular regarding quality rather than price, reflecting dramatic technological change. For the remaining sectors, public operation is still dominant, and NPM reforms are less advanced. In terms of satisfaction, however, there are different trends: postal services receive high levels of satisfaction, whilst the railway and urban transport sectors continue to be problematic, and in continuous decline.

There is evidence of increasing convergence in customers' opinions (as expressed in the pattern of standard deviation by country and sector), the main exceptions being Sweden, where there is a deterioration, particularly in electricity and postal services, and Belgium, where there are improvements in all sectors bar postal services. These countries apart, there are the following trends. First, Germany, Greece, Italy, Spain, and Portugal exhibit relatively negative performance, and do not improve significantly as regards the EU average (Greece and Portugal improved by two positions in country ranking and Germany fell by two positions from 1997). In these countries, the low level of SGI satisfaction is more concerned about quality than price. Second, Denmark, Finland, Ireland, Luxemburg, the Netherlands and the UK all show improved performance, despite repeated negative performance in urban transport and intercity railways in the UK and the Netherlands. Third, departing from an intermediate position in 1997, the UK has caught up with high performing countries. The most important sectors in this transformation were fixed telephony and postal services. Finally, although the comparisons with the new EU-10 Member States are restricted to one poll, there are similar satisfaction levels as in the EU-15. The main factor of deviation is price, particularly in the

eight transition economies with the lowest income per inhabitant, indicating problems of affordability rather than quality, information or contracts.

CONCLUSIONS AND CHALLENGES FOR SUPRANATIONAL REGULATION OF SGI.

From the mid-1990s, it has been broadly accepted that policies of privatization, liberalization and integration in the single market must be countered by a project to foster social and political integration. Efforts towards a regulatory framework for SGI is an important part of these efforts, and there is consensus on the need to provide high quality, accessible and affordable SGI to enhance quality of life for all citizens, as well as to ensure enterprises are competitive and the environment is protected. SGI, understood as one of the pillars of the 'European model of society' (EC 2004b), was mentioned on four occasions in the draft European Constitution. There is also a marked progression from the first mention of SGEI in the Treaty of Rome; SGI are now understood as a means towards social cohesion and must be supported as such as long as competition rules are not hindered.

Comparing the EU Charter for SGI with other charter initiatives has highlighted some of its vital differences. While its origins were based on discursive practices quite distinct from a NPM prototype charter, the debate being sparked by a distrust of private business ambitions, not in reverence of them, from 2000, EC discourse approximated much NPM discourse, though competence and subsidiarity were key in shaping and limiting its influence. The result was a hybrid discourse resembling both the French and UK charters, fusing simultaneously the dual concerns of citizens' entitlements and consumers' rights. Decisions to evaluate public services and measure customer satisfaction were highly similar in the EU and Anglo-Saxon approaches, again, shaped by questions of competence. In the practical phase (which is ongoing), techniques selected to evaluate performance differed importantly, and had diverse ends. Finally, customer satisfaction as measured through standard deviation is converging through country and sector, though there is no straightforward explanation to be found either in NPM in general or service charters in particular. Supranational regulation of SGI remains one of

the EU's most important and imminent challenges if it genuinely wishes to construct a supranational political and social citizenship.

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- i This 'universalist' debate was also important in the literature on privatisation (for a critique of the so-called 'British paradigm' see Clifton, Comín and Díaz 2003).
- ii. The Treaty of Amsterdam (1997) Article 16 reads: 'Without prejudice to Article 73, 86 and 87, and given the place occupied by services of general economic interest in the shared values of the Union as well as their role in promoting social and territorial cohesion, the Community and Member States, each within their respective powers and within the scope of application of this Treaty, shall take care that such services operate on the basis of principles and conditions, which enable them to fulfil their missions'.
- iii. See <http://archive.cabinet-office.gov.uk/servicefirst/index/list.htm#transport>
- iv. For a list of regulatory directives see EC 2004 annex 3.
- v. See http://europa.eu.int/pol/cons/overview_en.htm.
- vi. Interview with Dr. Francisco Caballero Sanz, Head of Unit, Economic Analysis and Evaluation, DG Internal Market, 18 February 2005.
- vii. Once access is analysed, this is then filtered in all remaining results. Most results do not sum 100% because of the 'don't know' replies.