



*Employers entrusted to deliver
Sustainability Growth Innovation*

Position Paper

CALL FOR EVIDENCE - RIGHT TO STAY STRATEGY: YOUR REGION, YOUR FUTURE

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Introduction

SGI Europe welcomes the European Commission's initiative to develop a Right to Stay Strategy and strongly supports its central ambition: ensuring that all people in the European Union can live, work, raise a family, and age with dignity in the place they consider home.

Freedom of movement is one of the Union's fundamental achievements. But for that freedom to be meaningful, citizens must also enjoy the genuine freedom not to move. Mobility should remain a choice, not a necessity imposed by unequal access to job opportunities, essential services, or decent living conditions.

This approach resonates with the "Freedom to Stay" idea, as highlighted by Enrico Letta in his report *Much More Than a Market*. It reflects a growing understanding that the European project must go beyond market integration alone. Citizens must be able to thrive in the communities where they feel rooted, whether urban, rural, remote, border, island, or outermost territories. This vision is also echoed in Mario Draghi's report on the future of EU competitiveness, which underlines that widening territorial and socio-economic disparities weaken social cohesion, Europe's long-term competitiveness, productivity and resilience.

At the heart of this challenge lies access to Services of General Interest (SGIs). Healthcare, education, housing, transport, energy, water, digital connectivity, childcare, local and regional authorities, postal services, and other essential services are the foundations of economic vitality, territorial cohesion, democratic trust, and social inclusion. They are also productive infrastructures that enable labour market participation, business environment, investment, innovation, skills development and regional competitiveness. When they are weakened, territories face depopulation, reduced investment, labour shortages, housing stress, weakened resilience, and growing disconnection from the European project.

The Right to Stay Strategy, therefore, arrives at a critical moment. Europe is confronted simultaneously with demographic change, regional inequalities, labour and skills shortages, climate pressures, geopolitical uncertainty, and the need to strengthen competitiveness. Demographic change is transforming territories in different ways: some regions are ageing and losing population, while others face rapid population growth, housing shortages, pressure on schools and childcare, transport congestion, and overstretched local infrastructure. Addressing these challenges requires a comprehensive territorial vision that links economic development, cohesion, resilience, sustainability and quality of life.

Recent evidence reinforces the urgency of such an approach. As of 1 January 2025, more than one-fifth of the EU population was aged 65 or over, and long-term projections point to a shrinking working-age population across most Member States, with clear implications for labour supply, productivity, and service demand (Eurostat, 2025; Bruegel, 2025). A credible Right to Stay Strategy must therefore be understood as an economic strategy for Europe's future.

For SGI Europe, the Right to Stay Strategy must become a strategic framework for territorial resilience, inclusion and competitiveness, with Services of General Interest, as a whole, at its core.

Our vision for the Right to Stay Strategy

SGI Europe believes that the Right to Stay Strategy should be conceived as a comprehensive and cross-sector European framework built around six mutually reinforcing priorities:

- **First, the Strategy should establish the “freedom to stay / right to stay” as a European objective**, complementing freedom of movement and reinforcing the Union’s commitment to territorial cohesion, equal opportunities, and upwards social and economic convergence across all regions. This would help ensure that the Single Market delivers for all territories, that Europe’s competitiveness agenda is rooted in balanced development, and guarantee that the One Europe, One Market roadmap is truly comprehensive and exhaustive.
- **Second, SGIs should be recognised as a fundamental enabler of the Strategy**. Access to high-quality, affordable, resilient, and SGIs is a precondition for economic security, social inclusion, demographic sustainability, and citizens’ trust in the European project. It is also a precondition for competitiveness: companies cannot innovate, recruit, or invest where reliable transport, energy, water, broadband, housing, and care services are missing or fragile.
- **Third, the Strategy should explicitly recognise SGIs as a core driver of competitiveness across all EU regions and territories**. Competitiveness strongly depends on the everyday enabling environment that allows workers to participate in the labour market, families to settle, and businesses to operate efficiently. SGIs provide that enabling environment. A long-term, bottom-up approach is therefore needed to support the providers and infrastructures on which local and regional economies depend. In this sense, SGIs should be recognised as part of Europe’s competitive infrastructure, because they create the conditions that allow businesses to invest, innovate, scale up and create quality jobs.
- **Fourth, the Strategy should adopt a strong place-based and territorial approach**. European action must be sufficiently flexible to support tailored territorial responses reflecting local realities, demographic trends, labour market conditions and skills, housing needs and infrastructure gaps. Strong consultation and involvement of economic actors rooted in local territories should be ensured throughout the process, alongside strengthened support for the exchange of best practices, local innovation, and cross-regional cooperation.
- **Fifth, the Strategy should be fully embedded in the Union’s broader policy and governance architecture**. Its objectives should be aligned with cohesion policy, the European Pillar of Social Rights, preparedness and resilience frameworks, industrial and competitiveness policies, State aid and public procurement rules, investment and the future funding instruments. Greater coherence across these frameworks is essential. In practice, the Union should avoid situations in which strategic objectives call for investment in essential services, while financing, regulatory, or procurement rules make delivery slower, riskier, or less viable.
- **Sixth, the Strategy should be supported by a robust monitoring framework capable of assessing territorial disparities and citizens’ effective access to conditions that make staying a real choice**. This should include the development of proportionate indicators embedded in existing frameworks such as the EU Semester, and based on the collection of relevant data and evidence-based tools to assess access to SGIs, investment gaps, demographic pressures, labour market effects, and territorial competitiveness over time.

These elements are essential to ensure that the strategy is built on the understanding that territorial cohesion and competitiveness are mutually reinforcing objectives.

A concrete answer to meet citizens' expectations

The proposed Right to Stay Strategy responds directly to citizens' growing expectations for a European Union that delivers not only economic integration, but also security, resilience, fairness, and quality of life across all territories. According to the Eurobarometer survey published on May 8th, nearly three-quarters of Europeans consider that their country has benefited from EU membership, demonstrating continued strong support for the European project. At the same time, citizens are increasingly concerned by geopolitical instability, economic uncertainty, and the rising cost of living.

The survey shows that the cost of living remains the dominant concern for Europeans, cited by 52% of citizens at the personal level and by 36% at the national level. Concerns linked to global instability are also growing significantly. At the same time, perceptions of the economic situation have weakened, with only 44% of Europeans considering the EU economy to be in a good state. Against this backdrop, citizens increasingly expect Europe to invest in the foundations of economic security and social resilience. More than two in five Europeans (41%) identify employment, social affairs, and public health as the main priority for EU budget spending, followed by security and defence (38%) and education, training, youth, culture, and media (37%).

The Right to Stay Strategy, therefore, represents an important opportunity to reconnect the European project with citizens' concrete realities. By ensuring that people can access quality jobs, affordable housing, healthcare, mobility, education, digital connectivity, and other essential services wherever they live, the Strategy can strengthen territorial cohesion, reinforce democratic trust, and demonstrate that Europe's competitiveness and resilience depend on the vitality of all its regions and communities.

A Strategy that enables providers of Services of General Interest to deliver their mission

The Right to Stay Strategy should establish a clear enabling framework that allows providers of SGIs to continue fulfilling their essential mission: guaranteeing access to the services that underpin daily life, equal opportunities, territorial cohesion and economic activity across the Union.

Across Europe, SGI providers are operating under growing structural pressure. They are expected to maintain universal, continuous, high-quality, affordable and increasingly resilient services in contexts marked by demographic changes, low population density, ageing infrastructure, labour and skills shortages, rising energy and operating costs, uneven digital connectivity, and growing exposure to climate and security risks. In many regions, particularly rural, remote, and sparsely populated areas, these conditions make service delivery economically fragile and increasingly difficult to sustain. In some territories, population decline and ageing reduce the user base, increase unit costs, intensify health and care needs, and make it harder to recruit workers. In others, demographic growth, tourism pressure, or changing household patterns are driving up housing costs, stretching schools and childcare, increasing pressure on transport and water systems, and creating new infrastructure needs. In both cases, the challenge is the same: service provision must adapt to profound territorial transformations while remaining accessible and affordable.

At the same time, SGI providers face rising investment requirements. They are expected to modernise infrastructure, decarbonise operations, improve preparedness and security, and digitalise services, while coping with ageing assets, rising construction and operating costs, workforce shortages, and uncertainty over long-term financing conditions. Europe's competitiveness will suffer if essential infrastructure in parts of the Union remains underinvested, fragmented, or vulnerable. Without adequate support, stability and predictability, there is a growing risk that SGI provision becomes harder to sustain precisely in the territories where it is most critical for economic resilience and social cohesion. This is particularly visible in energy systems. Affordable,

secure and resilient energy supply is not only an essential service but also a prerequisite for industrial competitiveness, investment decisions and the attractiveness of territories for both businesses and citizens. Another meaningful example is digital connectivity. High-capacity broadband and modern backhaul infrastructure are now basic conditions for economic participation, remote work, innovation, education, and access to public and private services. Supporting their deployment, especially in underserved areas, is therefore not only a cohesion objective but a competitiveness imperative. The same applies to resilient energy and heating systems, affordable clean mobility, and efficient local water and waste services, all of which shape the investment climate for households and businesses alike.

The Strategy should therefore explicitly recognise that SGI providers are not only service operators, but key actors of competitiveness, territorial development and public value creation. Their activities generate significant positive externalities in terms of social inclusion, regional attractiveness and competitiveness, labour market participation, health outcomes, education, crisis resilience and local economic development. These broader benefits are too often underestimated when SGIs are assessed through a narrow short-term cost lens.

For this reason, we call for a more supportive, coherent, and predictable framework that enables SGI providers to deliver on their obligations under fair conditions. This includes comprehensive, stable and appropriate funding mechanisms, greater legal and regulatory certainty, and investment conditions that properly reflect the long-term and capital-intensive nature of many essential services.

It also requires stronger coherence across relevant EU frameworks, including those governing State aid, public procurement, cohesion funding, climate and energy support, and industrial transformation. Where market mechanisms alone are insufficient, public intervention must remain possible, proportionate, and workable in practice.

A more enabling approach should also better recognise that ensuring access to essential services is a strategic investment in Europe's economic and social fabric. In several sectors, transition and resilience require support not only for capital expenditure, but also for operating costs linked to ramp-up, modernisation, affordability, and continuity of service. This matters in particular where providers must maintain universal service obligations, invest ahead of demand, or operate in territories where service delivery is structurally more costly. A strategy that seeks to make staying possible must take these realities seriously.

The Right to Stay Strategy should also help strengthen territorial resilience and agility. European regions and SGI providers must increasingly adapt to demographic transitions, technological developments, climate pressures, changing labour markets and evolving economic conditions. In an increasingly volatile global environment, competitiveness depends not only on resilience but also on the capacity to anticipate change, respond rapidly to emerging challenges and seize new opportunities. A successful Strategy should therefore support adaptive capacity, innovation and long-term preparedness across all territories.

The Strategy might therefore promote a new policy mindset, one that fully integrates the positive externalities of SGIs into EU economic, cohesion, and investment policies. This means moving from a logic of cost containment towards a logic of enabling investment, long-term value creation, and territorial return on investment.

In addition, the European Union should preserve sufficient flexibility for Member States, regions, and local authorities to define, organise, finance, and entrust SGIs in line with territorial needs. The diversity of territorial models across Europe is a source of richness. A successful Right to Stay Strategy should therefore be consistent with the established EU principles governing services of general interest, including subsidiarity,

neutrality as to ownership, and the possibility to adapt service provision to local conditions where the market alone cannot ensure continuity, affordability, quality, or universal access.

In this context, the Commission should elaborate an Action Plan on Services of General Interest that promotes a systemic approach to mobilising coordinated reforms and investments across sectors. Such an Action Plan should help create the legal, financial, and policy conditions in which SGI providers can deliver their mission, support Europe's competitiveness, and ensure that no territory is left without the essential foundations of economic and social life.

Conclusion

The Right to Stay Strategy offers a timely opportunity to strengthen the economic, social and territorial foundations of the European project.

For SGI Europe, the central message is clear: there can be no meaningful right to stay without strong Services of General Interest. Access to high-quality and affordable essential services is a condition for territorial cohesion, labour market participation, economic competitiveness, resilience, and democratic trust.

The European Union must therefore ensure that all citizens, regardless of where they live, can access the essential conditions needed to build their lives and futures locally. This requires a long-term political commitment to investment, territorial cohesion, resilient infrastructure, regulatory coherence and sustainable SGIs.

If designed with sufficient ambition, the Right to Stay Strategy can help ensure that the promise of European integration remains meaningful for all citizens, businesses and territories. It can show that Europe's competitiveness is strongest when every region has the capacity not only to connect to the Single Market, but also to contribute to it.