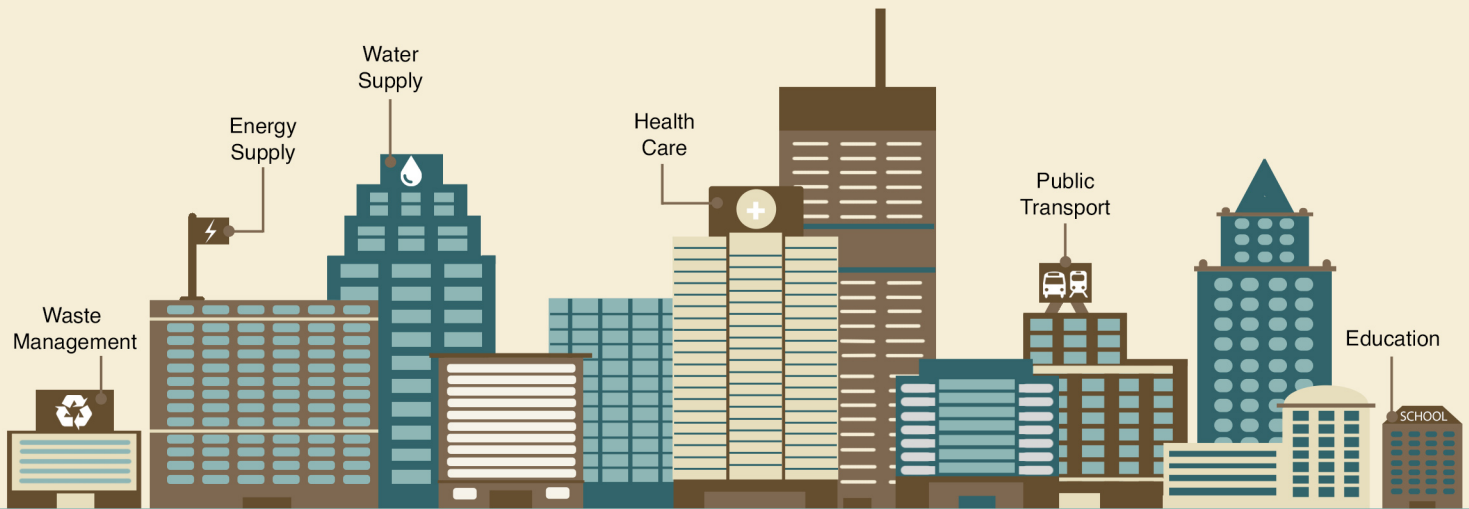


7 REASONS, WHY SERVICES OF GENERAL INTEREST SHOULD BE IN PUBLIC HANDS

Provision of essential services to the people at affordable prices



1 PUBLIC GOOD INSTEAD OF PROFIT

Services of general interest are serving the common welfare, and as such they should be available to everybody at affordable prices. However private companies wish to achieve profits. For a private provider a non-profitable service is not of interest.



2 DISAPPOINTING PRIVATISATIONS



Services should become 'better and cheaper' when provided by private operators, but frequently those promises have not eventuated. Often the results were higher prices, and poor quality because of lack of investment.

3 CLIMATE PROTECTION

Climate protection goals can be easily implemented by publicly owned transport and energy providers. Many recently started municipal energy providers use 100% green power. However private operators frequently still use fossil fuels (coal, oil, gas) or nuclear power.



4 BETTER WORKING CONDITIONS

In many cases privatisations led to job losses, as well as stress and lower pay for staff. However with public employers fair compensation at a pay schedule rate is the norm.



5 PROFITS REMAIN IN THE COMMUNITY

In contrast to a private operator any profits of a public business flow back to the people as investment, to maintain or improve the quality of the service.

6 MORE FLEXIBILITY

Municipally owned businesses offer a range of options for the population to exert political influence on the quality and cost of services of general interest.

7 RESIDENTS PREFER THE PUBLIC HAND

In the past years citizens' initiatives were formed in several European countries to take action against the sale of publicly owned assets or to demand a return to public service provision. This shows that people prefer services of general interest to be in public hands.



7 REASONS, WHY AUSTRIA IS A SHOWCASE

FOR SERVICES OF GENERAL INTEREST ... and should remain so

Provision of essential services to the people at affordable prices



1 HARDLY ANY PRIVATISATIONS

In Austria services of general interest have remained in the public sphere. In many other European countries water and power supply as well as housing or public transport were sold on a large scale to private operators. Austria has not followed this trend.

2 HIGH QUALITY; FAIR PRICES

In Austria services of general interest have above average quality when compared to the European level and at a fair price level. For example the EUR 365-annual pass of the Vienna Public Transport Authority, is internationally considered to be best practice.



3 EU TOP: RENEWABLE ENERGY

In an EU wide comparison Austria is the best performer with 72% of total power generation coming from renewable energies. Hydro-electric is the largest source for electric power, while wind and solar are increasing.



4 EU TOP: WATER QUALITY

Water quality in Austria is exceptional and continually monitored. All drinking water is coming from ground- and spring water. 90% of Austrians are supplied centrally with drinking water.



5 EU TOP: TRAIN TRAVEL

Every year Austrians travel an average of 1427km by train. Only the Swiss travel more. The Austrian Railways (ÖBB) have 88% market share of passenger train kilometres.



6 EU TOP: PUBLIC HOUSING

For more than 100 years Vienna has invested in affordable living and is considered today the 'World Capital of social housing'. 62% of the residents live in public housing or publicly supported cooperative flats.

7 HAPPY RESIDENTS

Surveys organised by the Chamber of Labour and the Austrian Association of Cities and Towns prove that Austrians are satisfied with their services of general interest. Privatisations are rejected by a large majority of people. In a 2013 referendum in Vienna, 87% of people voted against privatisations.





7 REASONS, WHY VIENNA IS A SHOWCASE FOR SERVICES OF GENERAL INTEREST ... and should remain so

Provision of essential
services to the people
at affordable prices



1 BEST PUBLIC TRANSPORT SYSTEM

With a city train system, 5 underground, 28 tramway and 147 bus lines Vienna has one of the densest public transport networks in the world. Thanks to the EUR 365- annual public transport pass, there are more pass owners than car owners.



2 WORLD CAPITAL OF SOCIAL HOUSING

For more than 100 years Vienna has invested in affordable housing. 62% of Viennese live in public housing or publicly supported cooperative flats.



3 MODERN SCHOOLS

Vienna is investing in education. In 2018 alone, 3 new schools were opened and 100 new educational rooms were created in building extensions. Also 100 schools were refurbished. In new projects, the 'Campus model' links kindergarten, school and recreational facilities at a central location.



4 HIGHEST QUALITY OF WATER



The whole city is supplied with spring water from the Alps. Since December 2001 Vienna has been the first and only city worldwide that has protected its drinking water supply against privatisation with a constitutional law.

5 CITY OF CULTURE

About 100 museums, 39 public libraries, 14 venues for opera and musical and 13 Arthouse cinemas, funded by the city, are only a few of the broad cultural offers of the city, which delight Viennese as well as millions of guests



6 GREEN CITY

50% of the metropolitan area consists of forest, open countryside and parks and gardens, most of them managed by the city. With the Donau-Auen (Danube Wetlands) National Park Viennese can relax in a National Park within the city boundaries.

7 SUMMER PARADISE

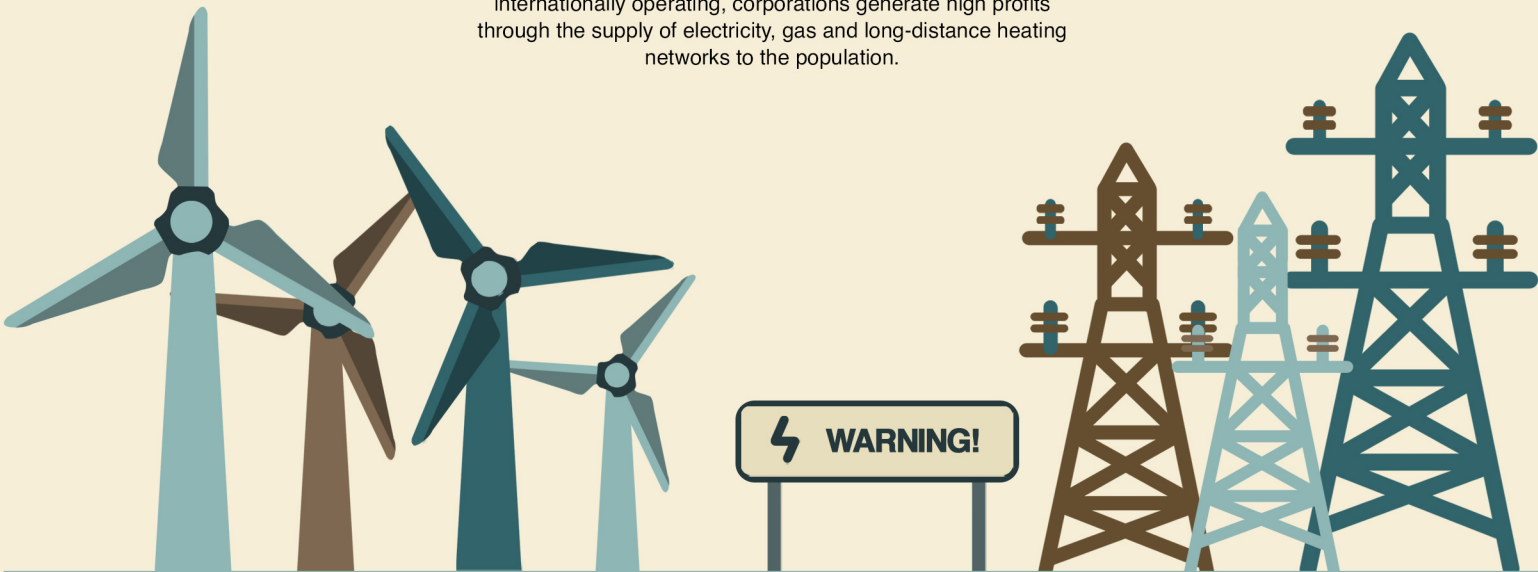
In Vienna more than 50 public swimming pools are on offer for people to swim and relax at reasonable prices. In addition, in summertime people can enjoy 17 readily accessible swimming spots with high water quality.



6 REASONS, WHY

• ENERGY SUPPLY SHOULD BE IN PUBLIC HANDS

The energy sector is a widely liberalised market, therefore it is open for the competition between various suppliers. Private, internationally operating, corporations generate high profits through the supply of electricity, gas and long-distance heating networks to the population.



1 RENEWABLE ENERGY

The energy transition, in other words the increased use of renewable energy (water, wind, solar and biomass), has been driven in the past years mainly by local government providers. Newly established energy providers in public hands have also pursued this objective.



2 CLIMATE GOALS

Because of climate change, climate targets play an increasing role in the political agenda. Publicly owned energy providers are more closely bound to political objectives. This is of importance in areas such as sustainable energy supply and determination of priority areas for long distance heating.



3 NEW TECHNOLOGIES

The public hand is an important investor in the implementation and development of new technologies. Communal providers are more readily prepared to invest in new, but risky projects and by doing so shape a sustainable future.



4 REINVESTMENT IN THE COMMUNITY

Private energy providers operate internationally. Profits made by public providers are reinvested in the community and maintain or improve the quality of the service.



5 SOCIAL CONSIDERATIONS

Private operators more readily turn off power or heating, if bills are not paid. In contrast public providers cooperate with local government authorities to find social solutions.



6 STRENGTHENING OF SMALLER LOCAL AUTHORITY SUPPLIERS

The energy transition was mainly pursued by decentralised energy provision of smaller communal enterprises. By means of small scale wind, water or solar plants they ensure ecological transformation and economic independence at the regional level.



5 REASON, WHY

WATER SUPPLY

SHOULD BE IN PUBLIC HANDS



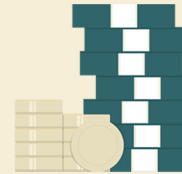
The UN member states have set themselves the goal to achieve general and fair access to clean and affordable drinking water and appropriate sanitation for all by 2030.



1 HUMAN RIGHT

Clean drinking water is a human right. As an essential and irreplaceable commodity it has to be accessible for the whole population at an affordable price.

2 WATER IS TURNED INTO PROFIT



Increasingly water is used for profit purposes. The peak of this development is that in countries of the global south, communally used groundwater is pumped off by businesses (e.g. Nestle) only to sell it to the population at high prices.

3 AFFORDABILITY



Private businesses do not manage the resource water better than the public hand. On the contrary there are manifold examples where consumer prices increased after privatisations, while maintenance of water pipes was neglected in order to increase the profits of the new owners.

4 QUALITY



Studies show that water quality is significantly better when supplies are in public hands, as more investment in maintenance and improvement of services occurs and therefore water loss through faulty pipes is reduced.

5 INVESTMENT

Private operators only take over water supplies for a limited time. Investment in infrastructure with the aim of long term protection of the service does not have priority for private owners. Many examples show that private operators do not invest sufficiently in infrastructure. This leads to higher water losses through faulty non serviced pipes and a considerably higher degree of chemically treated water.



WHY ARE REMUNICIPALISATIONS THE NEW TREND?

(Re)municipalisation is the purchase or repurchase of an enterprise through the public hand or an enterprise of the public hand.

700 REMUNICIPALISATIONS 20 EUROPEAN COUNTRIES

298 in energy supply
166 in water supply
26 in waste management
18 in other sectors

347 Germany
152 France
64 United Kingdom
56 Spain
21 Norway
17 Austria
5 Denmark, the Netherlands
8 Sweden
4 Finland, Hungary
3 Italy, Portugal, Turkey
2 Albania, the Ukraine
1 Belgium, Lithuania,
Russia, Czech Republic



1 END OF DISAPPOINTMENTS

Municipalities and the population do not want to be disappointed any longer. Services should have become 'better and cheaper' when provided by private operators, but frequently those promises have not been fulfilled. Instead the results were poor quality because of lack of investment and higher prices.



2 SCOPE OF INFLUENCE

Municipalities wish to regain the scope of influence which they have lost through privatisations. This concerns aspects such as climate protection, social aspects in setting prices, and quality.



3 LONG-TERM INCOME

Municipalities wish to regain sustainable income which they have lost through privatisations. This income can be invested in the maintenance and improvement of services, which is to the benefit of consumers. Privatisations fix budget deficits only over the short-term, as privatisation has only a one-off positive effect.



4 FIT FOR THE FUTURE

Municipalities wish to have services of general interest which are fit for the future. For this reason long-term investment in infrastructure is required. This is often neglected by private operators in the interest of short-term profit.

5 PROFITS FOR THE PEOPLE

Municipalities want profits to benefit people. Profits of publicly owned enterprises flow back through investments to the population. Furthermore communal investment increases locally added value creation and the competitive position of the location.

7 REASONS, WHY

PRIVATISATIONS

ARE DANGEROUS



1 PROFITS ARE PRIVATISED; LOSSES ARE SOCIALISED

After privatisations businesses are trimmed to achieve profits. This is meant to benefit private shareholders and not anymore the community. When private businesses take losses or go bankrupt, the public hand has to step in again as one simply cannot be without water or energy supply.

2 SHORT TERM PROFIT INTERESTS

Private businesses act short-term in order to make profits. Therefore, frequently, long-term investments are not made. If the service is returned to public ownership, municipalities have to make up for omitted investments and the community has to carry the costs.



3 LOSS OF DEMOCRATIC CONTROL



Affordable living, climate protection, social justice – entities supplying services for general interest can make an important contribution to the achievement of these political goals. Once these services and businesses are privatised the democratic influence is lost.

4 NO SOCIAL RESPONSIBILITY

Private operators do not consider the socially disadvantaged in their price structure. A socially fair price structure in the form of social tariffs is seldom seen with private businesses. However with public providers it can certainly be found. Furthermore privatisation frequently leads to reduction in employee numbers.



5 PRICE INCREASES

Experience shows that excessive price increases have frequently occurred after privatisations. This poses a serious problem for low-income households when these increases are for essential services such as water supply or housing.



6 LOSS OF QUALITY

Many privatisations are seen as failure, because services are not performed any more to the expected quality level. They are either performed insufficiently or the infrastructure is neglected. Lack of investment and maintenance leads to drastic losses in quality.



7 HARD TO UNDO

With the return to the public sector most of the time a strong and financially powerful resistance is to be expected from the previously privatised entities. In general, the costs are far higher than the income achieved from the original privatisation.



7 REASONS, WHY PUBLIC INVESTMENT IS NECESSARY FOR THE ECONOMY

Public investment in services of general interest is primarily investment in infrastructure; in other words in building and maintaining roads and transport networks, digital networks, energy and water supply, sewerage systems, hospitals, housing and educational facilities.



PUBLIC INVESTMENT ...

1 ... INCREASES PRODUCTIVITY

The performance and productivity of private businesses depend to a large extent on the local conditions. Good conditions are created through public investment and the connected services. So, for example, a company benefits from good power supply or the local transport network, and can consequently reduce costs.

2 ... INCREASES A LOCATION'S ATTRACTIVENESS

The better local infrastructure is developed in a region, the more attractive it is for businesses to establish themselves there. This in turn attracts even more businesses. A developed public infrastructure starts the ball rolling for the local economy.



3 ... IS FOLLOWED BY PRIVATE INVESTMENT



Public and private investments go hand in hand. Public investment in infrastructure does not, as often assumed, take the place of private investment. On the contrary, public sector investment attracts private investment and increases its productivity.

4 ... PROMOTES INNOVATION



The private sector has an enormous potential for innovation. However, when the prospects for profit in a new industry or for a new product are still low, it is public investment that bridges the risk. Therefore public spending assists in the advent of new technologies.

5 ... CREATES VALUE

Investment expenditure of the public hand frequently gets brushed off as 'creation of more debt'. However public investment creates an enormous long-term value to society which remains in place over generations. Furthermore public investment has dual benefits: improvement of quality of life, and support for the economy.



6 ... CREATES JOBS

Public investment is relevant for employment. Spending by Austrian municipalities creates and secures 460.000 full-time jobs. Expenditure in Vienna alone results in 250.000 full-time jobs.



7 ... CREATES ADDED VALUE

Municipal spending has a very positive impact on the creation of added value. Local Council expenditure in Austria generated a total effect of EUR 39 bn - in Vienna alone EUR 18 bn.



! Public services do not only include services of general interest for people but also for public infrastructure, and with that for the local economy and its businesses.

