

## Austrian Section of CIRIEC, activities 2014-2016

---

1. The ongoing crisis and the lack of investment - Socio-economic and political framework conditions
--

The previous years (2015-2016) were a work-intense period for the Association of Public Services and Enterprises Austria (VOEWG) – acting as the Austrian Section of CIRIEC – due to several socio-economic and political framework conditions.

In the last two years the members of VOEWG faced multiple difficulties between the economic recovery and the refugee crisis which hit Austria in the late summer of 2015. The public companies had to find ways to cope with the increased demand in services of general interest while still facing austerity measures.

Given the situation, VOEWG and its manifold members (Environmental affairs, Public-Transportation, Social affairs, Energy, Infrastructure, etc.), put emphasis on a public-economy perspective, highlighting the comprehensive role of public service supply. Not just societal progress and welfare are in the focus of our members, but also the prerequisites of sustainable economic recovery. One must bear in mind that public activities are a cornerstone of competitiveness and viable economic growth. Therefore, we clearly stated that austerity must not be the sole answer to an unprecedented challenge, eroding the fundament of the European social model and political stability in general

Therefore the provision of public services in the field of water-supply, energy, social-housing, public transportation, health, social policies, culture and media is not just a necessity to counterbalance growing inequality and economic uncoupling of broad levels of the population. Even more important, it is also an economic prerogative to bring our economies and investments back on track and foster economic growth. Nevertheless, in the light of public debt and strict money supply rules, public spending is necessary to generate needed multiplier effects, that proved their value-added on a permanent basis. Without such public spending it will not be possible to promote legitimacy of innovative ideas and concepts with potential to foster economic prosperity while also considering social and ecological considerations aside.

2. Events
-----------

In order to underline important aspects and implications of public services supply, VOEWG organized a variety of events. Besides attaining media-coverage and public attention, we were able to bring together like-minded

representatives, organizations and institutions. Therefore our events fostered the network of experts and scholars active in the various aspects of public service supply.

- Who wants the free trade agreement with the USA and for whom is it a benefit?

The VOEWG in cooperation with the Austrian Association of Cities and the Austrian Federal Chamber of Labour organized an event in order to discuss the impacts of the Transatlantic Trade and Investment Partnership (TTIP). The joint tenor: Public services, public welfare and the social security of employees must be ensured. The event was well-attended and showed that there is criticism of the USA as well as Europe regarding transparency and contents of the TTIP-conferences.

- Using the chances of the new allocation-package – Reducing risks

After long proceedings the European legislators published at the beginning of 2014 new legislative proposals for a European Public Procurement Package. VOEWG was engaged during the national implementation period to represent the interest of the supplier of public services and to prepare the members for the new framework conditions. Therefore VOEWG together with the Union of Municipal Employees and the Association of Austrian Cities organized a discussion meeting with workshops on themes such as Intercommunal collaboration; Aids and concessions; Public procurement law – implementation-impulses. The event increased the awareness about opportunities of the European legal framework and was an important contribution to ensure an appropriate application of the complex public procurement law in Austria. The well-attended event with experts from administration, politics, economics and sciences was very successful and answered uncertain questions and issues, raised by the participants, regarding the new Public Procurement law.

### 3. Expertise

- Free Trade Agreements (TTIP/CETA/TISA)

Currently the EU negotiates two major free trade agreements – CETA (Canada) and the TTIP (USA). VOEWG stresses risks for public enterprises and service providers. First and foremost there is no protection for public services at all. Furthermore the planned Investment Protection Agreement is another gateway for additional charges on compensations payments and aids. Therefore VOEWG is strongly committed at the European as well as Austrian level to advocate for the interests of our member companies. In addition the VOEWG in cooperation with the Vienna Chamber of Labour and the Association of Austrian Cities assigned the Economic University of Vienna with the investigation of the impacts on public services of the

Free Trade Agreement CETA. This study provides evidence that CETA substantially affects all areas of public services. VOEWG will continue to raise awareness of the potential impacts of the free trade agreements and to mitigate critical provisions.

- Public Procurement Law - Amendment

At the beginning of 2014 new guidelines for public procurement were agreed. The approved provisions foresee the enforcement of the "best bidder principle" and need to be implemented by the member states by April 2016. In Austria, a revision of the Federal Procurement Law (BVerG) has been sent out for assessment. In this context VOEWG exchanged views with the legislators, the Federal Administration and political actors. Of particular importance was to accompany the transfer of enhancements in this first section through the reorganised European law framework into Austrian law. Furthermore VOEWG strongly advocated at various occasions for its members to ensure an appropriate transfer into national legislation.

- Energy Efficiency Law

In July 2014 the implementation of the EU-Energy-Efficiency-Guideline into Austrian law was decided by the Austrian Parliament. Austria committed itself to save 310 PJ of energy consumption in total through energy-efficiency-measures. VOEWG joined this process and stressed a feasible implementation of the European directives. In 2015 VOEWG supported the members during the period of implementation. In cooperation with an external provider the VOEWG set up a platform for cost-efficient trading with energy-efficiency-measures. Our members can now inform themselves about supply and demand and are able to exchange information. Especially for small enterprises, this is a significant facilitation.

- Working Time Directive

In 2014 the revision of the working time directive was announced by the European Commission. The directive determines minimum standards for all member states regarding working time related to health protection and safety of employees. VOEWG participated as the Austrian section of the European Centre of Public Employers (CEEP) and also directly at the open consultation of the European Commission. Our aim is to reconcile the modern demands of health protection with the demands of public economy.

- Circular Economy Package

In December 2014 the European Commission withdrew a proposal from the former Commission and announced the publication of a new and revised package. Measures of the expected package should contribute to close product lifecycles through more recycling and reutilization providing benefits for the economy and environment. Furthermore, the Circular Economy Package should foster energy saving und reduce

greenhouse gas emissions. By 2030 the Member States should recycle 65 percent of all household waste. First analyses of the package provided evidence that some passages could negatively affect our members as well as consumers. VOEWG is strongly committed to provide a profound solution.

- Fourth Railway Package

A further emphasis of the work of VOEWG was liberalisation measures of the European Commission in the railway sector. Negotiations for the fourth railway package developed quite positive in our point of view. Especially, concerning the admission of rolling material and regarding the issuance of security certificates there should be a distinction between transnational and national railway transport. VOEWG is engaged into the ongoing negotiations at European and national level to provide appropriate framework conditions for the work of our members.

- Erasmus +

Since Erasmus + has been launched VOEWG is pursuing its developments at the national and supranational level. The program focuses on education at all areas and fosters mobility, transnational cooperation projects as well as educational activities from enterprises. Within various events of Erasmus+, experiences were exchanged and therefore VOEWG participated to support projects fostering the cooperation between universities and enterprises.

#### 4. Publications

The *Institut für Kommunalwissenschaften (IKW)* in Linz (Upper-Austria) is an active contributor, in line with the agenda of CIRIEC-Austria, of scientifically profound evidence in the field of welfare and the provision of local-authority services of general economic interest. Accordingly, the IKW-Chair Dr. Friedrich Klug is a member of the Scientific Council of VOEWG. The series of publications of the IKW constitutes a platform for detailed analyses and enhanced understanding of the challenges of the public economy. For the years 2015-2016 the following publications should especially be mentioned:

- KLUG, Friedrich (Pub.): Reform der Gemeindesteuern, IKW-Schriftenreihe Nr. 127, Linz, 2015
- KLUG, Friedrich (Pub.): Reform des Magistrates der Landeshauptstadt Linz, IKW-Schriftenreihe Nr. 128, Linz, 2016
- KLUG, Friedrich (Pub.): Vergabe von Eisenbahnverkehrsleistungen, IKW-Schriftenreihe Nr. 129, Linz, 2016.