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ROUND TABLE DISCUSSION

Which basic functions for public authorities? Which new roles for public authorities?

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Intervention to the Round Table

New ways to implement general/common interest

The range of duties we are talking about is the field of services being of common economic interest. On the one hand side this regards infra-structures and on the other side citizens' basic needs.

Including:

- energy supply
- water supply and sewage disposal as well as
- railways, post, telecommunication and local public transport
- waste disposal
- housing industry
- hospitals, healthcare system
- education system
- nursery schools
- etc.

There is no general agreement within the EU as well as in Germany in which ways this services should be performed by the state itself – related to historical evolution, political objectives and basic conditions.

In contrast to other countries within the EU there are only few public monopolies in Germany, i. e. the national railway, the Deutsche Bahn, the post and telecommunication network.

The Deutsche Bahn being still in the possession of the state as a stock corporation nowadays opened up their network to competition in contrast to the post and telecommunication which are already partly privatised (at present not only just to please the shareholders).

There is no general agreement related to responsibilities in order to tackle the other tasks in services being of common economic interest in Germany.

In Germany self-governed local government is guaranteed to municipalities by fundamental law however, due to further regulation by state law the settling will be quite different.

In North Rhine-Westphalia as well as in many other German federal states nearly all public tasks on local level are transferred to local authorities.

To local authorities nearly all ranges of provision in order to secure existence have been imposed as a compulsory task in a different moulding.

There are these compulsory tasks which local authorities may fulfil on their own or have it fulfilled by private companies anyhow, local authorities are keeping their responsibility in the sense of legal obligation to fulfil these duties completely.

Among them are different tasks, for example waste disposal, which are local authority and sovereign tasks meanwhile water – and energy supply are self-governed local authority tasks in the sense of a public objective. Today, this classification has been subject to changes in values due to the fact that transitions between sovereign, public and private tasks become more and more blurred.

In Germany supply and waste disposal are generally not very centralised organised. The German water- and sewage/waste water sector comprises each approximately 7.000 companies; within the energy sector there are nearly 1.000 companies active in the electricity sector and about 750 companies for the gas supply. This variety in companies reflects the variety in which local authorities fulfil their compulsory tasks of provision in order to secure existence.

This way in some sectors the provision in order to secure existence by a public monopoly represents only one possible way – the second which becomes more and more important as an alternative to pure privatisation: public-private-partnership – a conjunction between public and private companies.

Especially due to increasing mergers on an inter-local level as well as in the context of stake in multi-economic companies the number of companies will decrease in the future. However, this does not mean that the state or municipality/local authority should withdraw completely from this sector.

By the structure of our municipal services group, the SWK Köln GmbH, combining many different ranges of services being all of general economic interest – starting with energy- and water-supply, waste-disposal, a property company, public swimming baths and ending up with public local passenger transport, the city of Cologne is demonstrating the importance of the provision in order to secure existence for all these sectors.

For sure, the effort the city of Cologne is investing in these sectors of services is not done for a reason of selfishness.

A good explored framework of services leads to a measurable increase of economic regional activities having – through the establishment of industry, commercial enterprise and service - a direct impact on the local authority's labour market and finance situation.

Today many services being of general economic interest are competing with each other – either with private suppliers or in competition with different local authorities. At the same time they offer essential economic political steering tools.

From my point of view, therefore, it is very important to offer these services to our citizens always at the possible highest technical level and at competitive prices.

Especially due to the fact that the infra-structural services realised by the department of works group Cologne being in competition with each other in the ranges of energy supply, waste disposal, telecommunication, house building, public swimming pools, local public transport, we do have the chance thanks to our commitment either to establish priorities or minimum standards which influence decisively the exterior economic appearance of our region and by this giving a crucial shape to our regional development.

For the future of our local authorities it will become more and more important – with respect to Germany's financial situation, to optimise the assets companies under a local leadership constitute instead of gaining a short-termed financial advantage by realising these assets and get them permanently efficient and competitive in order to keep these companies within the local and regional chain of added value and this way to maintain and consolidate the regional economic power.

Local authorities ought to have their own right to vote whether they fulfil services to their citizens of general economic interest on their own or have it fulfilled by companies of a private legal form, which shares belong to the local authorities, by multi-economic companies or by private companies.