

## **Local public companies, an asset for EU**

**They are in key sectors of the European economy like energy, water, public transports or real estate. The local public companies, or more widely services of general interest (SGI) as officially named in EU, have become key actors of the economy. From Sweden to Spain via Austria, they are strongly involved in local dynamism and have helped to overcome the financial world crisis.**

With 26 % of the European gross domestic product, 500 000 companies and 64 millions employees, representing 30 % of all employment in EU <sup>(1)</sup>, the services of general interest (SGI) are a real economic wealth for the European Union. « A study shows that SGI have strongly helped to balance the economy during the financial world crisis », says Ralf Resch, General Secretary of CEEP (European Centre of Employers and Enterprises providing Public services). About 70 % of public companies didn't cut their staff and some have kept on recruiting during this difficult time ». The examples are numerous among the Europe of 27, like in Austria where local public companies « have contributed to counter the crisis by helping to keep local employment and keeping on local investment to develop infrastructures at the level of 1,1 billion euros in 2009 », confirms Heidrun Maier de Kruijff, General Secretary of the Austrian Association of Local Enterprises (VKÖ).

If, depending of the country, there can be lots of differences between local public companies, they all have in common to care of general interest with public services obligations. Partially or totally detained by local collectivities, they compensate, without neglecting efficiency or rentability, the deficiencies of the private sector where profit is the only motor. They are, for example, naturally ahead in project linked to sustainable development. That's why the Discerno label has been launched in 2005 in Europe, managed by CEEP with the help of the European Commission, to promote environmental and social responsibilities to enterprises providing services of general interest (SGI).

Local public companies are involved, in all EU, in ambitious and innovative projects which can benefit to the community. Like in Austria where they take care of an underground electricity network in the touristic province of Tyrol. Or in Sweden where, in competition with the private sector, they help people to get access to accommodation for living. In Spain, where the price of houses have risen due to speculation, they also built houses « at an affordable price for family without enough money to buy in the private sector », adds Carlos Rodriguez-Ferrer, technical general secretary of the Spanish Association of Local Public Enterprises (ELIGE).

By combining the advantages of private management with the control of local collectivities, local public companies, and other services of general interest (SGI), have shown the key function they play in Europe. To strengthen their legitimacy, the Parliament is debating now about their position in the European legislation, aware of the stake for EU and its development.

(1) In 2006, last official statistics

**Patrick Cros/Naja**