

Austria : local public companies challenge the crisis

Present in numerous sectors of the economy, local public companies and other public structures represent an important strength in Austria. Employing about 11 % of the working population, they helped to counter the crisis by maintaining jobs and by « investing locally 1,1 billion euro in 2009 » explains Heidrun Maier de Kruijff, general secretary of the austrian Association of Local Enterprises (VKÖ).

« By managing profits as well as losses, Austrian local public enterprises prevent that profits go only to the private sector and the expenses only to the taxpayers », comments Heidrun Maier de Kruijff, general secretary of the austrian Association of Local Enterprises (VKÖ).

Present in various sectors of the economy, from electricity to public transports, health (laboratories and hospital centers), tourism, heating, water distribution, waste management, telecommunications, economic development and funeral, the Austrian public companies « have succeeded to limit the consequences of the financial crisis by maintaining jobs locally and by keeping to invest ». The general secretary of the VKÖ explains that « the amount of investment in the development of infrastructures was 1,1 billion euro in 2009 ».

In this country of 8,4 million people, local public enterprises (Lpc) and other local public structures represent not less than 1 450 companies and 44 000 jobs, which is about 11 % of the working population. Their number has increased during the last years, especially because of the growing transformation of state-owned company in enterprises ruled by private legislation.

The austrian local public companies are still most of the time 100% public, often with a single local collectivity in the capital, but also sometime with other public partners, like the federal state, other collectivities or even other public companies. This last scenario tends to increase in a context of strategic alliances.

« Although belonging to the collectivities, austrian local public companies are run according to the law of the market but always taking care of the interests of the community », adds Heidrun Maier de Kruijff. The status of limited liability company is the most frequent because of its flexibility and its capacity to combine public control and private management.

Very present in the larger cities, Austrian Lpc also plays a key role in the most isolated and the least populated places of the country, even if it is more difficult there to make profit. « They are involved, for example, in the development of public transports or high-speed Internet, explains Heidrun Maier de Kruijff. In the austrian province of Tirol, in the Alps, they invest, also, in the building and maintenance of an underground electricity network, very important for this tourist region ».

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