

Activity Report **2020-2021**

The Austrian Association of Public Services and Enterprises – VÖWG – represents the interests of the public economy, especially in the area of services of general interest. The VÖWG as a section member is thematically closely interwoven with CIRIEC's scientific contributions on the public, social and cooperative economy and represents companies and institutions that are owned by, hold shares in or are commissioned by local authorities to provide those services of general interest. The term "services of general interest" covers not only the provision of public infrastructure - above all the supply of energy, transport, water - and waste disposal, but also economic and financial policy governance and the supply of housing, health and social services.

The VÖWG represents interests at European and national level and works in the above-mentioned fields with the objective of improving networks between municipalities and public enterprises and institutions from politics, business and science. In this context, we analyze specific legal issues for our members (e.g., cartel and public procurement law) and advocate for their concerns in the form of professional communication and public relations work.

As the Austrian section of the European Centre of Enterprises with Public Participation and Enterprises of General Economic Interest in Brussels – SGI Europe – VÖWG is part of the European social partners and is directly involved in the creation of legislation. In this way, it safeguards the interests of its members and contributes effectively to shaping European economic and social policy.

The reporting period 2020-2021: marked by the Covid 19 pandemic

The 2020-2021 reporting period was marked by a devastating health crisis that posed major challenges, especially to services of general interest and critical infrastructure. The lockdowns triggered by the Covid-19 pandemic and the capacity constraints particularly in the health sector underlined the short-sightedness of the neoliberal dogma that has demanded austerity policies in these areas for decades. In view of these circumstances, when this health crisis erupted, we argued for a "golden rule" (lifting of the strict fiscal rules) and called for a fiscal upgrade of the general interest sectors to build the necessary resilience for future crises. Furthermore, we at the VÖWG feel confirmed in our positions, which have always criticized the underfunding of critical infrastructures and promoted more

public funding for the education and health sectors. In the following section, we would like to give an overview of the specific activities for Ciriec that we have carried out in the reporting period 2020-2021.

Specific activities in our scientific network CIRIEC

Even with the adverse circumstances during the Covid 19 pandemic, we were able to realise some specific activities with our scientific network CIRIEC. Driven by the guiding principle of "expanding resources and condensing networks", we as the Austrian section of Ciriec developed new collaboration platforms. As an example, we founded the German-speaking scientific advisory board of the VÖWG, as described in the next subsection, with the aim of promoting exchange within the scientific community, attracting new projects and giving new impetus to the concerns of public and non-profit enterprises regarding the Sustainable Development Goals (SDGs). Apart from the establishment of the scientific advisory board, we would also like to present in the following sections a research project that was conducted as part of the cooperation between CIRIEC and VÖWG and finally a focus on the topic of long-term care in Europe, which is being worked on in our scientific advisory board and at the VÖWG.

Foundation of a German-speaking Scientific Advisory Board

On 19 October 2021, the first meeting of the German-speaking Scientific Advisory Board took place at the JKU Business School. The agenda of the day included: (I) a welcome by the Managing Director of the VÖWG, MMag.a Heidrun Maier-de Kruijff; (II) a presentation of the idea of a scientific advisory board by Univ.-Prof.in Dr.in Dorothea Greiling; (III) a keynote speech by Univ.-. Prof.in Dr.in Christina Schaefer, Helmut-Schmidt-University Hamburg, on the topic "Public and non-profit enterprises as promoters for the realisation of the Sustainable Development Goals" and finally (IV) an exchange of experiences and creation of a working agenda on the topic presented in the previous paragraph.

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In future, the scientific advisory board will bring together German-speaking scientists for joint research projects. A first thematic field or issue for future research projects has already been

narrowed down: social economy and cooperative enterprises, public and regulated enterprises and thus the service provider of services of general interest in the multi-level governance context for the realisation of the SDGs. It is composed of scientists and science-related practitioners and meanwhile comprises an extended list of almost forty-five people, who are, for example, from well-known universities or prominent cooperatively organised companies or alliances and initiatives.

Study in cooperation with CIRIEC/VÖWG: What are EU cities doing against poverty? Municipal strategies and measures to reduce poverty

A successful research project that started in 2019 and was completed in December 2020 is a large-scale study on poverty reduction measures in European cities. The study was financed by the Jubilee Fund of the Austrian National Bank [17648] and it is characterised by a very extensive empirical part.

About the content of the study: The starting point for the project was that poverty has solidified as a permanent challenge in the European Union (EU) since 2008. The current Corona pandemic will further intensify this. Questions of distributive justice have become more explosive. The European Union will fall well short of its "Europe 2020" target of reducing the number of people affected by income poverty and social exclusion by twenty million. In six EU countries, the multi-year trend in urban poverty is higher. These are Belgium, Denmark, Germany, the United Kingdom, the Netherlands and Austria. To gain an insight into the municipal approaches, the municipal strategies, programmes and measures for poverty reduction were examined in twenty-two cities. The capital cities were included (Amsterdam, Berlin, Brussels, Copenhagen, London and Vienna). The other focus municipalities were Antwerp, Arhus, Birmingham, The Hague, Duisburg, Ghent, Glasgow, Graz, Innsbruck, Cologne, Leipzig, Linz, Liège, Norwich and Utrecht, all cities with more than 100,000 inhabitants. In terms of content, the project contributes to comparative welfare research and thus to municipal practice in poverty reduction in the national multi-governance and municipal multi-actor context.

Research questions and methodology: Based on the research questions: (I) How do municipalities define poverty and how is municipal success in poverty reduction measured? (II) What are the main causes of poverty from the perspective of municipalities and what are the (economic) challenges in municipal poverty reduction? (III) How do the network actors interact at the municipal level? (IV) What are the characteristics of successful municipal strategies and measures?

Method: In addition to an extensive literature analysis, a mixed-method approach was chosen for the empirical part, consisting of an extensive document analysis and 182 interviews with predominantly municipal actors (city administrations and non-profit organisations),

supplemented by expert interviews at higher levels (federal states, ministries, EU) as well as with representatives of academia. The 182 interviews served as a basis for identifying successful municipal approaches to poverty reduction from the perspective of municipal actors. In view of the relevance of the national welfare state context, the document analysis also referred to the respective welfare state arrangements in the focus countries with regard to the provisions in the area of means-tested social assistance/minimum income as a tax-financed benefit, unemployment benefits (as a voluntary or compulsory social insurance benefit), financial support for families with children and the situation of social housing. In addition, statistical trends regarding poverty and social exclusion as well as labour market inclusion were analysed based on EU statistics and the national semester report of the EU Commission. As the municipal scope for action also depends on the distribution of competences in poverty policy-making and social service provision, the division of labour between the levels of government was considered. Within the federal states (Belgium, Germany, Austria), Belgium has the most regionally contextualised welfare state system. Denmark, the Netherlands and Belgium are centralised contextualised welfare state systems.

Publications: Based on the study, an Executive Summary and several publications were developed, among others in the peer-reviewed scientific journal "Review of Applied Socio-Economic Research (REASER)". For a broad audience it was published in the popular science magazine "ÖGZ - Österreichische Gemeindezeitung". In addition, a book contribution (Decision Making in the Public Sector) and a Ciriec Working Paper (2020/10) were produced.

Focus topic: Long-term care in Europe - development of a strategy paper and call for a working group

A key issue that was also discussed within the scientific advisory board (see previous section) is the increasing problem of long-term care in Europe. In this context, the VÖWVG has conducted a problem analysis as to whether profit-oriented nursing home operators are making profits under the guise of non-profit status? The topic is seen as very relevant within the scientific advisory board, as there are more and more private providers of residential and nursing homes in Europe who are able to develop their business models in a very tax-friendly way through tax loopholes (e.g., non-profit law). In the strategy paper, the quality of care of for-profit nursing homes with non-profit sponsorships was evaluated. This analysis showed significant differences in quality, especially in the lower price segment. If one directs the analysis to the EU area, it becomes apparent that a steadily growing part of state expenditure on care is flowing into transnational companies. This means that public and non-profit infrastructures are being privatised through the back door. If one considers the forecast that the costs for long-term care in Europe could double from the current 1.7% to 3.9% of

economic output, the question arises whether there should be increasing privatisation in this area.

On the part of the VÖWG, the increasing privatisation of once public institutions, as exemplified by residential and nursing homes, is assessed very critically. On the one hand, we fear a deterioration of quality in residential and nursing homes as well as rising prices. Furthermore, we are of the opinion that central areas of services of general interest should be used for the common good. Especially the reports from private nursing home operators about poor working conditions and unpaid overtime make us sit up and take notice. A strengthening of the trade unions active in this segment - such as Orpea - should be strengthened in their concerns. For this, however, it is important that relevant basic research is conducted for political decision-makers. Within the framework of the scientific advisory board, it was suggested that working groups for new research groups be formed based on the internal strategy paper.