
**The Res Publica:
Re-assessing the role of the
public sector and the public
interest**

**Policy implications: a differentiated picture of
the private and the public**

A short input for the IFIP Annual Conference, 8 June 2017

Michael Getzner

Central questions

- Classification of goods and services along the public finance literature
 - Public – private – club goods – commons
- How can we classify goods/services provided by the government exactly (besides theoretical/,heuristic'/ verbal argumentation)?
- Can we classify core public tasks?
- Is there a clear-cut differentiation between „public“ and „private“
- Are there different degrees of „publicness“ of public goods and services?
 - How may indicators or measurement units look like?
 - What are the policy implications for provision, funding, and regulation of (public) goods and services?

The „Res Publica table“



Description (positive) Who are and were the actors?			Justification (normative) Why <i>should</i> the state intervene?		
State	Civil Society	Market	Equality	Morality	Efficiency
Provision					
Funding					
Regulation					

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Local infrastructure: water provision



- Is water provision a public service?
 - Public goods, external effects (public health, environmental benefits, scarce resources)
 - Natural monopoly, scale/scope economies, bulk good
 - Unique quality, essential for life
 - Access to water is a basic human right

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Europe's municipal water provision systems



Regulatory Formats and the Pattern of European Institutional Choices

Weighted Average of European Water Management Systems, based on EURAU Classification

	63.5%					20.5%			16%	
	Government Department	Public Enterprise (PE)	PE & Corporatized & Commercial	PE & Service Contract	PE & Management Contract	Leasing Contract	Concession Contract	Built, Operate Transfer	Private Ownership & Operation	Community Self-help Buyer Integration
Asset Ownership	Public	Public	Public	Public	Public	Public	Public	Public	Public	Private/Common
Investment Planning	Public	Public	Public	Public	Public	Public	Public	Public/Private	Public/Private	Public/Private
Regulation	Parent Ministry, Economic, Quality, Environment, Regulators, NGOs		Parent Ministry, Economic, Quality, Environment, Regulators, NGOs		Parent Ministry, Economic, Quality, Environment, Regulators, NGOs		Parent Ministry, Economic, Quality, Environment, Regulators, NGOs		Parent Ministry, Economic, Quality, Environment, Regulators, NGOs	
Financing Fixed Assets	Public	Public	Public	Public	Public	Public	Private	Private	Private	Private/Common
Working Capital	Public	Public	Public (Revenues)	Public (Revenues)	Public (Revenues)	Private	Private	Private	Private	Private/Common
Operations & Maintenance	Public	Public	Public	Private	Private	Private	Private	Private	Private	Private/Common
Managerial Authority	Public	Public	Public	Public	Private	Private	Private	Private	Private	Private/Common
Bearer of Commercial Risk	Public	Public	Public	Public	Public	Private	Private	Private	Private	Private
Basis of Private Compensation	n.a.	n.a.	n.a.	Fixed Fees	Incentive Contract	Incentive Contract	Incentive Contract	Incentive Contract	Incentive Contract	Incentive Contract
Typical Duration	No limit	No limit	No limit	Less than 5 years	Less than 5 years	Less than 15 years	Less than 30 years	Between 25 and 30 years	No limit	No limit

Source: Boscheck (2002) based on EurEau (1997)

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Services of municipal water provision



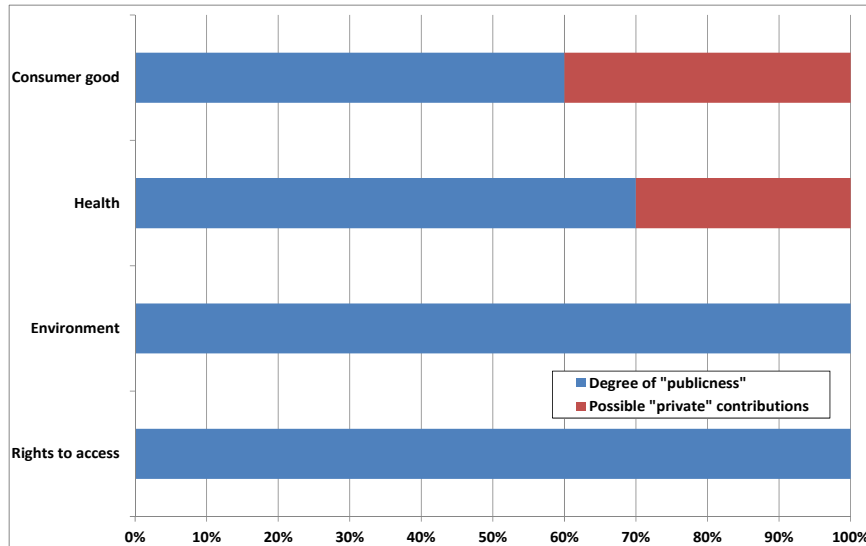
- **Consumption**
 - Water as a consumer good (drinking water, cooking, showers...), fair prices (affordability)
- **Health**
 - Clean and fresh water for securing personal health
 - Public health: quality control/guarantee, prevention of diseases and costs to social security systems
- **Environment**
 - Conservation of natural resources, planning of infrastructure and waste water treatment
- **Rights to access**
 - Access to water should not depend on the ability to pay

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Degree of „publicness“ with respect to services



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Policy implications I



- Provision
 - Public services → public? (ownership, management, operation/maintenance)
- Funding
 - Fees & private contributions, subsidies?
 - Ability to pay, affordability
- Regulation
 - Regardless of whether public or private
 - Public: Public law
 - Private: Competition law
 - Even in the most privatized sector: regulation is public and is necessary

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Policy implications II



- Policies – politics
 - Which frameworks are in place?
 - How are frameworks made?
 - Interest groups, lobbying, „neoliberal mainstreaming“
- Financialization
 - Logics of financial markets applied to public infrastructure
- Re-communalization / re-nationalization
- „Wehret den Anfängen“
 - Returning to public provision is hard once a system is privatized

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Thanks!

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