

Public affairs

- the “res publica”,
the *chose publique*,
the *öffentliche Sache* –
should be decided
by all, not by a few...

Change comes slowly.

Sometimes *it accelerates, in a surprising way.*

It is under the pressure of situations
that people can be awakened by circumstance
and begin to take an interest in their own affairs,
“public affairs.”

The CULTURE of a society
can either discourage or encourage this.

CIVIL SOCIETY, as we see it, requires a CULTURE of
participation, where as many as possible are committed,
engagé, engagiert. To be committed means also to learn, to
communicate. It means to act, to intervene.

Urban Self-rule

*"Yes" or "no"? And if "yes" -
From "below" or from "above"? By the many or by
the few?*

*Another German debate – though not necessarily a debate restricted
to the German context – concerns what has been called “the
endangered municipal self-rule” of German towns, threatened, some
say, by numerous political decisions of the States, the Federal
Government, and the European Community.*

Stephan ARTICUS, the managing director or ‘caretaker’

*(Hauptgeschäftsfuehrer) of the German municipal association, the
STÄDTETAG, recently alluded to the fact that 70 percent of all decisions taken
by the European Commission, the federal or state governments in accordance
with European rules and regulations are affecting the cities.*

*And Petra Roth, the Christian Democrat mayor of Frankfurt (Main) expressed
her concern that, on the local level, the citizens are “losing influence when it
is being left solely to the market how they are supplied with energy and water.”
Partial privatization of public utilities might in fact lead to cost-saving, she
claimed. But in this way, the ability of the cities to formulate and shape urban
development would be reduced.*

Let's briefly look back:

It was in the nineteenth century that liberal reformers and social-democratic reformists teamed up to create municipal water works, tram companies, bus companies, and power plants.

The thrust at the time went not in today's main direction, but in exactly the opposite direction. Private utilities and transport companies had been formed in many major cities on the European continent, often with foreign capital. No matter how important their contribution may have been for some time, they soon turned out to be more interested in reaping a considerable profit on their investment than in improving services, at reasonable rates.

As with railway companies, which were "nationalized" for similar reasons (in Britain, Germany, France, and so on), the municipal transport, water, and energy "market" proved not as effective as promised and was largely taken over by city governments.

It is only at a time of extremely neo-liberal "monetarism," that towns, subjected to the pressure of federal budget cuts, tax reductions, shrinking allocations of federal tax money to municipalities, and a destructively enforced compulsion to "tighten their belts" and reduce expenditures, have begun to sell transport, energy, and / or water companies (as in Berlin).

With tight budgets, the priority seems to be "cost cutting."

Theaters are closed or their budgets shrunk, so as to make their work frequently next to impossible. Schools and universities have faced cuts and personnel shortages for years, already – and more cost-cutting is due, for university institutes not deemed immediately beneficial for the economy, that is to say, the interests of big business. There was a wholesale closure of publicly supported youth clubs (especially in the German states that once formed the G.D.R.). The upkeep of vital health and traffic infrastructure is poor, if not scandalous, promising huge repair bills once the time comes that such repairs can no longer be postponed. All this has happened in one of the richest countries on earth, in a country where private wealth – in a few hands – is amassed at an accelerated pace and in historically unparalleled proportions. Public coffers are empty and vital services cut, because it is deemed essential to strengthen the competitiveness of German capital by reducing taxes. At the same time, the government is exerting pressure on trade unions to accept wage restraints and it is encouraging a relaxation of labor laws that

limited night shifts and work on Saturdays and on Sundays. German corporations, although financially sound, need more money, the reasoning goes, to invest in the modernization of the 'productive sphere' and increase productivity. All this is to counteract the 'profit squeeze' due to international competition among major globally active corporations. The result is that with productivity increase people are made redundant – often at a faster rate than new, and better-paying jobs are being created in new sectors of industry. The rest is expected to take up unqualified, badly paid “service jobs“ (McDonald's, etc.) or accept long years of being on the dole. Needless to say, many of the added financial resources German capital owes to this policy of redistribution from public to private coffers (and from below to above) goes into speculative ventures. Rather than in the sphere of production or in the important commercial sector (international trade, etc.), it is above all property speculation, currency speculation, the stock market etc. that the really big profits seem to be made – although, of course, in cyclically varying fashion.

How does that all relate to the privatization of, for instance, public utilities that the EC (and not only the EC) seems to encourage, and that some municipalities like Berlin were eager to carry out already?

It relates to it because the acquisitions of such utilities by private investors are really conceived as large speculative ventures.

Giorgio Bocca, who writes for L'Espresso, noted that the same privatizations were carried out in Italy. They concerned profitable, well-run enterprises, he says. And no where did monopolies disappear for good. Instead, new monopolies were created. Bocca says, “I don't see what advantage was entailed in privatizing the two [big] Italian electricity utilities. [...] It didn't make sense, economically. Except simply in so far as the stratum of 'owners' wants to rule unconditionally [...]"

He maintains, “[...] these privatizations achieve nothing, in economic terms, while they entail a lot in speculative terms. It's always the same people who snap up the objects of privatization. If you privatize television, it doesn't end up in the hands of the citizens but in those of powerful groups who can afford to buy it.”

As far as we can see, the privatization of British Rail did not encourage the necessary investment that the Thatcher government had been neglecting for years in the most irresponsible manner, in order to 'balance the budget.' It did not improve safety. Private investors want to make money, and rail/road/air competition do not allow for an 'unlimited' increase in fares. Thus, cost-cutting is the rule, at the expense of safety. Modernization is insufficient, resembling more of a face-lift. The government's reasoning is that they wanted to get rid of a rail network they did no longer want to 'subsidize.' Now, they really have to pay for big subsidies demanded by private rail companies, financing rail safety plus private profits. A one-time flow of money into public coffers at the moment of privatization will cost the tax-payer a lot, in the long run.

The public support for privatization found in some corners is of course not entirely based on ignorance. Neglected public companies like British Rail were in bad shape, due to permanent underfunding. (SNCF is in much better shape, by comparison.) The main reason however is that for the public, at a first glance, the difference between a public company and a private company, is not tangible. Both operate according to the logic of profit. The municipalities see in electricity, gas, and water companies mere tools that flush funds into their depleted coffers. The idea of a non-profit public utility, a company founded to render a service to the community at the lowest possible charge, has long vanished from the minds of professional politicians. Many consumers, on the other hand, seem to be unconcerned. As if they were saying, "If we are going to be scalped, it doesn't matter whether it's a public or a private company that does it. The private company, being exposed to competition, may even be cheaper." They forget two things: In private business, mergers and acquisitions will bring about new oligopolies (or in fact, local and regional monopolies) sooner or later. After a period where corporations are battling for market share, prices will go up again. Secondly, The higher prices paid to your community were not entirely lost money; they were money used, for instance, in part to finance your school system. Because of the higher price for gas, water, or electricity, you paid lower local taxes than you would otherwise pay, or you got better service.

*In other words, even in economic terms, a point can be made for municipally, regionally, or state-owned public utilities. From the point of view of local democracy, the economic considerations are not the only ones that are of importance. A democratic say in local affairs presupposes enlarged control of a community's citizens over their living and working conditions. Of course, as it is, the local company is not independent of the world market price of gas or oil. But it is free to say no to nuclear energy, if it wants to. It is free to push for energy saving construction of houses, because in operating the utility, there is no profit motive at the root of all of their considerations. They do not need to increase output; they might be very happy to decrease it by encouraging and subsidizing household appliances that are energy-saving, as well. They may diversify energy production, encouraging the use of wind and solar energy. They benefit from little loss of power when power is generated locally and no long-distance overland lines are bringing in the bulk of the energy used. Rational production is local production for local needs, to the extent that this is possible. Of course, production is social production, of course it undeniably entails exchange relations, between industries, between regions, as well as nationally and internationally. But where production is serving mainly the needs of profit accumulation instead of the needs of people, a lot of irrational, avoidable, unnecessary trading develops. It swells the bank accounts, it creates movements from account to account, from port to port, warehouse to warehouse – but it doesn't generate additional wealth, in the real terms of products, tools, cultural goods for the people. It enriches trading corporations, financial institutions, it makes international corporations grow to vast proportions – but the people are not better off. The environment suffers. Waste is entailed. **We need a lot more municipally and regionally owned and controlled companies, a “mixed economy” where the people of the community, via their direct votes and their local and regional democratic bodies, have a say, and where the employees have a greater say (in terms of co-participation, co-determination of what is produced, when, why, under what circumstances). And this not only in the transport and energy sector but in all sectors.** **The contrary movement, to privatize municipal utilities in the water, gas, electricity, and transport sector, is a development pushed in the***

interest of the few investors who have no stake in the community except an interest to make as much money as possible in the shortest possible time. In the same instance, it robs local citizens of a chance to steer and control their future – not under entirely free conditions, but under conditions that give them more of a say than the prevalence of private utilities does. In other words, if a public sector is maintained, communities are offered a chance to supply citizens under conditions laid down by these citizens in a more autonomous way than would otherwise be the case. If public utilities in many towns appear as ‘alien’ and even ‘hostile’ suppliers to many customers today, public ownership at least gives citizens the legal lee-way to change this and push for the right to plan independently, rationally, and according to humane principles. It is not only private, profit-oriented business; municipal bureaucracies can also be a source of alienation and disempowerment; local grass roots activism for increased urban democracy means an effort for increased empowerment of citizens across the board. It means that the ordinary silent majority can discover its ability to speak up, and that the underprivileged can be encouraged and can themselves find the courage to challenge undue privilege and demand compensatory justice.

This is necessary if we want a rational, humane modernization of our society.



We have finally to begin restructuring our democratic institutions, especially by making sure that ordinary people can join into the political decision-making process, with sufficient hope of making a difference. We have to increase elements of direct democracy on all levels, starting with the local / regional level and starting (especially) with the sphere of economic activities, the employment sector. The new German Act Concerning the Constitution of Companies (BVG or Betriebsverfassungsgesetz) that foresees workers’ delegates in even the smaller companies is a good, but a rather modest, first step in this direction. Winning the struggle against abolishing the public sector and introducing a new, invigorated sector of mixed ownership is a second step, which implies and necessities further democratization. In a ‘mixed economy’, the public sector should

play an increasing role next to the present private sector; it should be a vanguard of democratization and democratic, rational (instead of bureaucratic) planning. And its democratization might well rest on mixed ownership, with unsellable shares held by employees, by municipalities, and by regions. (The latter should be run democratically and they should be able to delegate trade union people, delegates of grass roots organizations, and pro-grass-roots experts to the 'board of directors', and into local and regional planning committees which should be linked internationally and which should, on the other hand, be required to have their suggestions discussed and amended by the assembly [or 'plenum'] of plant employees.)

Is there a lobby of the ordinary citizen?
If yes, are ordinary citizens more than marginally represented – or is **their influence** (except on election day) minimal?

Municipal self-rule is not a value in itself.

Let's look at its history, taking the German case as an example.

When it took on its modern, institutional form in Germany during the 19th century, it provided an instrument for the so-called propertied classes to formulate their interests, often by reaching compromises between various factions such as the bloc of industrialists, the commercial bourgeoisie, homeowners, and so on.

Today, even the Frankfurt (Main) Christian Democrats defend municipal self-rule.

But which interest groups, in a city like Frankfurt, are best positioned to make use of it?

Local politicians complain that self-rule is too limited, that it becomes well nigh meaningless if it is emasculated by shrinking budgets, if state, federal, and European interference leads to reduced legal competence.

Their point is a valid point.

But do they not forget another point

That limits and stifles local democracy?

In whose service is self-rule, in Frankfurt today, if not in that of the banks, the property developers (often, merely a subdivision of banking and insurance corporations or pension funds), the Airport Corporation (FAG), the Chamber of Commerce and similar organizations acting as pressure groups for trading companies, holding companies owning department stores, corporations with important offices or company headquarters in Frankfurt, and so on)...

A question remains: Who is the « ordinary citizen »?

