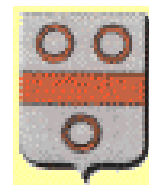




Contribution from Pergine Valdarno



The organization and the management of public services

Statement of mr. Massimo Palazzeschi,
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In Italy in the past, until the 1970's, 1980's, we had the "municipalizzateé", big business societies created by metropolitan municipalities like Rome, Milan, Turin..., in order to deal with public services like transports, delivery of water and gas, for domestic use.

This kind of management presented some problems, since the "municipalizzata" was a society created and financed by the public local administration when the income they got from customers was not enough to pay the debt of the society. This fact produced an increase in the debt of the public local body, which summoned to the national one, weighing on the national economy.

Since the 1990's, there has been a change in this system. In that year in fact, a new law was issued, the 142, which reformed the public service dealing system.

First of all the law defines the public services as the services whose object is the production of goods and the activities which aim to realize purposes and to promote the economic and civil development of local communities. The services exclusively reserved to municipalities and provinces are established by law.

Municipalities and Provinces can deal with public services in different ways :

A) In economy : when the service is small and we do not need to create a society in order to deal with it (In Pergine Valdarno, we run in this way services such as the Cemetery service, the cleaning of green areas and the routine maintenance of spring areas, which we run with our own personnel).

B) Through a third person subject : When there are important and technical reasons, as well as reasons of social opportunities. (The collection of the main local tax I.C.I on real estate is entrusted to a bank giving a certain reward to the Municipality. In this way, the municipality is relieved from many duties such as many relationships with the customers for payments. The bank, on the other hand, takes advantages from the fact that customers already use the service for their usual payments such as telephone, gas, electricity...)

C) Through a special business society, in order to manage more services which are relevant from economic point of view. (In some towns such as Florence, there are societies which deal together with services such as gas, water system....)

D) Through institution, for the exercise of social services without economic relevance. (Usually it deals with cultural services, for example libraries, given by important persons. In Florence there is the library of the died ex-president of the National Council Giovanni Spadolini. It contains many books. An institution has been created in which different public bodies, as the municipality, have been involved among which the Municipality. The institution hasn't got economic aims, but it is only a free service for students and readers.

E) Through joint-stock company or liability company, with prevailing public local capital. They have been constituted by the local body or at least the local body shares the capital. It is created when the participation of more public or private subjects is required, according to the nature of the service or to the territory the service involves.

This the comma E of the article 22 of the law 142-90. It represents the great innovation of the law, its opening to private subjects, the opportunity for the municipalities to whom the law imposes the economic balance, to enter with the largest share 51%, societies composed of privates as well. These societies have got economic relevance and tend to the production of profit from which they were previously forbidden by law.

National Governments which have been succeeded in Italy since that moment, have tried with this law and with others to balance the public administration which offered before very small productivity. They did so, by allowing municipalities to enter and manage the private society in order to increase productivity and to offer a more efficient and clear service, so that citizens are granted their rights. This law and the following ones such as 241/90, 59 and 27/97, better known as Bassanini, from the name of the minister promoting them, have created a revolution in the public administration, where we have tried with this and other laws to redistribute competences between the centre and the periphery, in order to give citizens faster answers to their requests.

The presence of these private and public enterprises has made services more efficient thanks to the larger number of professional workers and the manageriality of the service.

In our reality an important experience which sees municipalities acting together in Arezzo's province is the JOINT-Stock company for New Water, composed for the 52% of municipalities, provinces and mountain communities and the 48% of the private partner, a french society dealing with waters "Suez Lyonnaise des Eaux", to whom the european contract has been adjudged.

The fact that the aim of the society is profit and that it is forced to invest in order to ameliorate the service, has got also a negative side : the increase in costs. In our Municipality, the cost for the use of water for citizens has increased from 8% to 12%, by passing from OUR direct dealing to the private one.

The previous management in fact, wasn't economically relevant, since the economic laws until few years ago imposed on municipalities to collect from citizens just part of the whole cost for water service directly. (Until 2 years ago, it was 80% of the total amount). This produced on the one hand a cheaper service for citizens, on the other hand it increased public debt. Nowadays the Galli law, and other regional executive laws don't allow the municipality to manage the service.

Moreover, the investments for potability, for the rebuilding of water works, drainage system can be granted only by a big society and not only by the municipality anylonger. We are going towards a time when water will be considered a precious good.

Public services can be dealt with even in other traditional systems, usually reserved to municipalities which are joined together. Among these traditional ways we find :

The convehention : in order to coordinate functions and determinated services. It is the easiest way of dealing with service. For exemple a municipality owns a canteen in a school and this canteen is very important even from the industrial point of view. The other municipalities sign a convehention with it, in order to have these meals for their students. We establish the length of the convenhention in time, the way the service has to be run and the costs the public administrations have to pay.

The union : it can be promoted by municipalities and provinces, to deal with one or more services.

The difference between the convehention and the union is that the union deals with more serious services which require a dealing composed of the assembly, the administrative council, and the president, who has to deal the service, on behalf of the different sharers.

Eventually there is the Programme Agreement. It is an administraive and quite complex procedure, promoted by public bodies (municipalities, provinces, regions, central state...) to create works of regional and national interest. (for exemple the building of a highway, a national road, a dam to get water, an airport, a harbour, a good station...) All the local bodies in their respective councils, decide thier agreement with the programme, by granting their economic support. They delegated a representative, the mayor for the municipality, the minister for the national state, who has to sogn the programm, binding all the public administrations involved in it.

In conclusion we can stay that in these last years in Italy, there has been a deep transformation in the way of dealing with public services, which have become more efficient, organized and more available to answer the citizens' requests. This transformation hasrivolved the town, the big ministeries, those big public offices where thousands of people wok, where indifference and laxism were deeply rooted phenomena.

This has affected less or hasn' t affected at all small realities where the limited dimension of the bdy promoted the contact with citizens and the immediate answer to their requests. I would like to remember that in Pergine Valdarno offices are opened 6 hours a day for 6 days in the morning and twice a in all the villages which are part of Pergine' s murrupality, so that we can guarantee the citizens a better service, in particular those people who find it difficult to move because of their old age.