

Annex 10 a to SeGI Scientific Report

Case Study Report | Austria (Eastern Austria)

Draft Final Version, September 2012



This report presents a more detailed overview of the analytical approach to be applied by the project. This Applied Research Project is conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

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1. Introduction to the case-study report

The present case study report provides an overview of the current territorial situation of services of general interest in Austria and is one of 9 case study reports compiled in the frame of the SeGI project. The report offers an insight of the national situation in Austria and furthermore a detailed look on a certain region within the country.

Besides a multitude of data and information from secondary sources also outcomes of two primary sources are fed into this report. First, a standardized questionnaire to the municipalities of the case study region and second, six expert interviews with stakeholders and key persons in terms of services of general interest have been conducted.

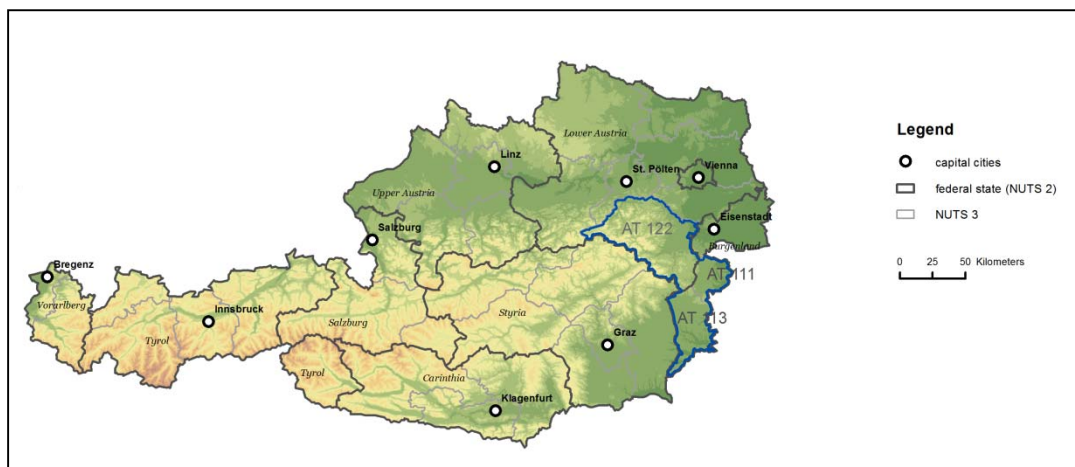
The case study report is arranged in 3 chapters: The first chapter is a general introduction, describing the country of Austria mainly in terms of territorial, geopolitical, socio-demographic and economic structure. Aspects that are important in the context of services of general interest are mentioned giving a frame for the following analysis. Also the case study region is presented in the first chapter. Chapter 2 & 3 are focusing on services of general interest. While in the second chapter the level of consideration is the national state, the third chapter completes the report with a scaled down view on the case study region.

The conclusions should give an overall summary on how services of general interest are organised in Austria and how the territorial distribution is. General trends and developments as well as expected future developments are described.

1.1. Austria – general introduction

The population of Austria counts approximately 8.4 Mill inhabitants (1st of January 2011), out of which 1.7 Mill settle in the capital of Vienna. More than 60% of the country's surface (83 880 km²) is mountain- and wasteland. Consequently, the relatively small amount of population still results in a density of 258 inhabitant per km² on permanent settlement area and around 100 on the total area with huge regional differentiation. The Austrian population is growing around the agglomerations, such as Vienna, Graz or Salzburg, as well as in valleys with a high share on tourism or other businesses, while peripheral regions (e.g. border regions or mountainous region with less touristic infrastructure) register population losses. The population growth can mainly be explained by immigration, the natural growth has a marginal share. In the year 2011 the Austrian population increased by 0.5% (38 766 persons). (See also LICHTENBERGER 2000, STATISTIK AUSTRIA 2010, STATISTIK AUSTRIA 2011b).

Austria is organized as Federal Republic with nine autonomous Federal States (Bundesländer, identical with the 9 NUTS2 and grouped into 3 NUTS1), comprising a total of 99 districts (grouped to 35 NUTS3) and 2.357 municipalities (LAU2 level). The capital City of Vienna is both, Bundesland and municipality. Further elaborations on the functioning of the Republic will follow in chapter 2.1.

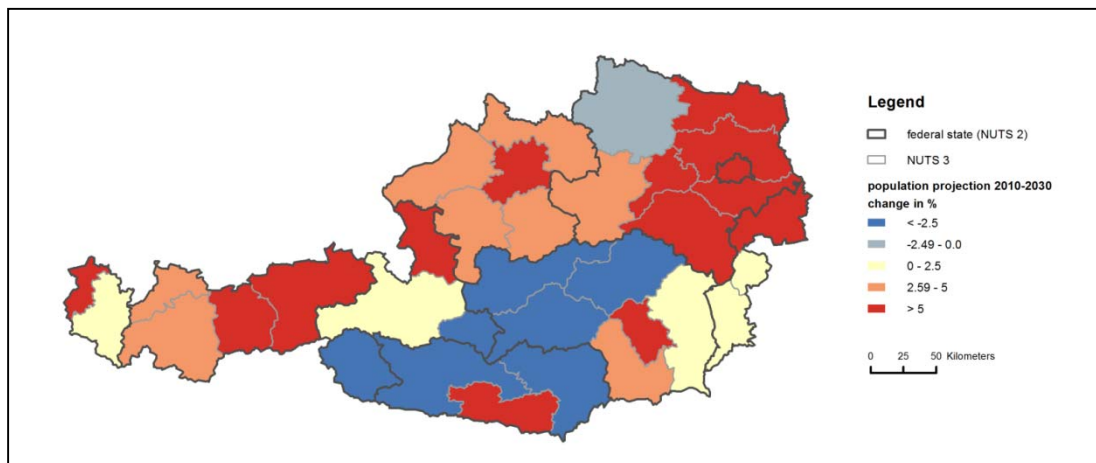


MAP 1: Overview of the Austrian territory and the case study region (Source: UNIVIE)

Austria is member of the European Union since 1995. At that time at the eastern border of the EU, in the meanwhile the country is – besides the borders to Switzerland and Liechtenstein – surrounded by EU member states and basically has no Schengen outer border anymore.

Within the European transport network, Austria is having a fairly central position and serves as East-West as well as North-South transit route. Intra-state connections on lower ranked level are relatively hindered by the Alps. Accessibility is therefore a critical point. The ESPON Territorial Observation No. 2 (ESPON 2009) dataset tells that 17 of the Austrian NUTS3 regions are below and 18 NUTS3 regions are above ESPON average multimodal potential accessibility. In terms of settlement patterns, Austria is characterized by rural areas and small sized towns – besides the big exception of Vienna. Because of this prime city situation, the ESPON Project 1.1.1 calculates a fairly low degree of polycentricism for Austria compared to the ESPON space.

The population of Austria is in a process of aging and – regionally different – growing. As already stated, especially peripheral regions are facing population decline while more favoured regions appear to have population growth through both, natural growth and a positive migration balance. Still, the main driver of the Austrian population development is migration – in-migration regions show a growing population with a younger age structure, while out-migration regions have a higher share of older population and stagnating population figures. Also international migration is highly important: In 2010, ca. 4% of population were foreign EU-citizens, another 6.7% foreign non-EU-citizens. The population prognosis in MAP 2 shows the regional disparities of population development within the Austrian territory.



MAP 2: Population Prognosis for Austria 2010-2030 (Source: ÖROK 2011b, UNIVIE)

The figures show a positive picture of the Austrian economy: In the last ten years unemployment rates were very low, although recently the numbers have been rising. According to EUROSTAT, the monthly unemployment rate in the first half year of 2012 in Austria ranged from 4.1 to 4.5 % (EU27: 10.2 to 10.7 %) (AMS). With a share of 30% production sector and 68% of service sector, the country shows a similar path as many West European states. The importance of tourism for the Austrian economy is exceptionally high.

Austrian households and businesses are dependent on foreign energy resources. The balance between fossil (oil, gas, coal) and renewable energy (water, wood, wind) is ca. 3:1 with growth for the latter one. While in total, 65% of the energy is imported, this counts for fossil energy only. The sector of renewable energy is the future potential: growing share and all internally produced. Still, total fossil free energy consumption seems to be out of reach. A politico-historic feature of Austria's energy management is the ban of nuclear power, though it might be imported indirectly today – e.g. via electricity from France.

The state budget raises concerns but is less problematic than the overall EU situation. Following the Maastricht criteria, Austria has debts in the amount of 67.5% of the GDP in 2009 (EU wide: 74%) and the yearly public expenditures exceed 50% of the GDP, which is a bit higher than EU average. After reforms in the public sector, since 2008 only 12.7% of the total jobs in Austria derive from public employment (like teacher, police...). In comparison, the European OECD member states reach a share of ca. 16%.

According to the newly approved, strategic Austrian Spatial Development Concept 2011 (ÖROK 2011a), the main future challenges for the country will lie in the following: (1) to support regional and national competitiveness

(accessibility, R&D, qualification of labour force), (2) to enhance solidarity and plurality in society (integration, services of general interest), (3) to adapt to climate change and be more energy efficient (independent energy regions, natural hazard management, sustainable settlements and mobility) and (4) to improve cooperation and activity structures (regional cooperation, agglomeration policy, European perspective).

1.2. The region “Eastern Austria” – a general introduction

The Austrian case study region consists of the three NUTS3 regions AT122, AT111 and AT113, located in the federal states Lower Austria and Burgenland. The case study region “Eastern Austria” has a rather unfavoured position within Austria. On the one hand the eastern part is situated at the long time “dead” border to the new EU member states of Hungary and Slovenia and is lacking any real regional centre. The western part is mainly alpine area with heights up to 2000 meters. The topography creates an inner periphery within the Austrian territory. Further, the region can be described as peripheral in relation to the agglomeration of Vienna.

The characterization of types of territories given by DG Regio and ESPON describe the different NUTS3 units within the case study region as “mountainous” (mainly the south western part of NUTS AT122), “rural but close to a city” (mainly the northern part of the case study region) and “border region” (mainly the NUTS AT111 and AT113).

The central transport links that connect the region to important centres are foremost the highways “A2” and “S6” – leading from Vienna direction south to Graz, as well as the “Südbahn”, the railway connection from Vienna towards south. This accessibility pattern is not too bad on a rough scale but going into more detail, big parts of the case study region show bad accessibility due to described topographic and settlement structures. The south of the case study region is – due to missing traffic links – rather badly accessible. Along the southern highway and railway the highest population densities within the region can be found. Generally the population densities are rather low, due to the topographic situation as well as a high share of forest and farm land. In 2010, the region counted 388 262 inhabitants on an area of 3 962 km² (STATISTIK AUSTRIA). This makes up a population density of ca. 98 inh./km². Within the region there is a high heterogeneity of settlement structures. The agglomerations close to Wiener Neustadt are rather densely populated as well as the central axis along the highways, but especially the more peripheral parts (in the mountainous areas as well as close to the borders) show low population densities. Some parts of the case study region show a very disperse settlement structure, especially in the region “Bucklige Welt” (in AT122) but also in the southern part of the Burgenland (AT113).



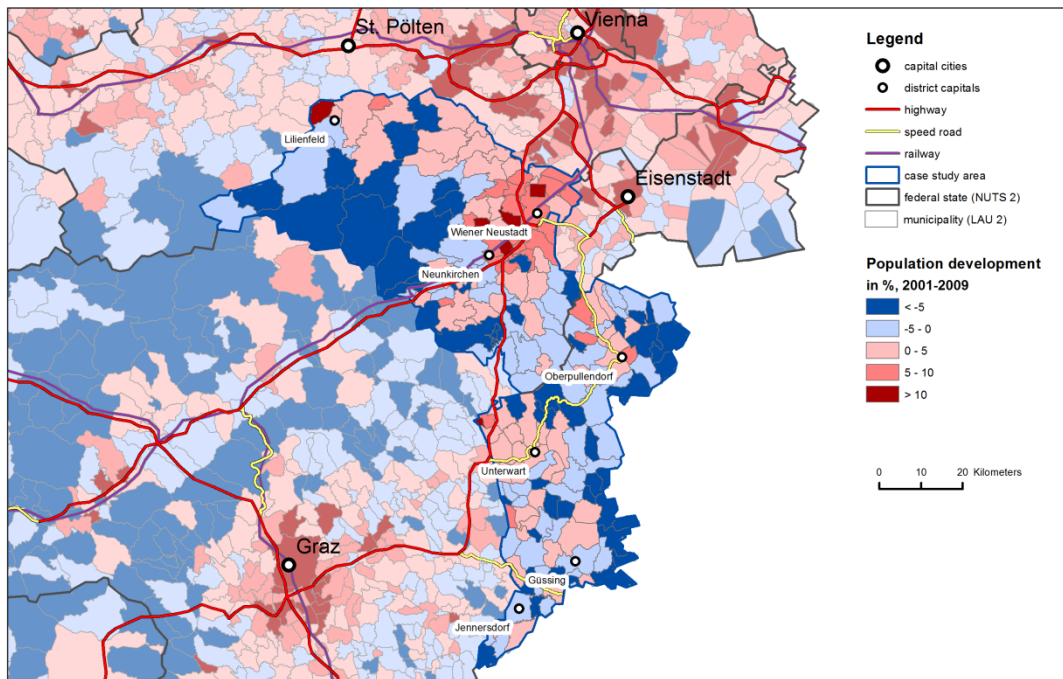
MAP 3: Overview of the case study region (Source: Teleatlas, UNIVIE)

The development of the region in the past was rather contested, as also the structure within the region is today. Along the central southern axis there used to be a lot of economic development, in terms of industry and

production. Although companies preferably settled close to Vienna along the railway connection that was built during the 19th century, a lot of production also happened within the case study region. The region south of Vienna (AT122) is till today called "Industrieviertel" and also till today industrial companies have a high importance for the regional economy, although the shifting towards external production areas with lower wages lead to the shutdown of a lot of manufacturing bases. The parts of the region situated in Burgenland (AT111, AT113) used to be of high importance of agriculture and until today the importance is high compared to the rest of the country. Only in the 1920ies the federal state of Burgenland became part of Austria and actually the urban centres stayed part of Hungary. So the Burgenland was also known as "land of the villages" having basically no regional centres. In the 1960ies a belated industrialization was realized, with a high concentration of the textile industry. In the 1970ies the federal state was majorly hit by the economic crisis and also textile industry moved away soon to cheaper production areas worldwide. Till today, Burgenland, especially the south (which is part of the case study region) is lagging behind economically. This is also expressed by being the only NUTS 2 area of Austria being eligible for Structural Funds Objective 1 area (Phasing out 2007-2013). The funds were mainly used to develop infrastructure projects, but also for fostering the new economy sector. Especially investments in tourism and technological businesses were attempted. Within the region, tourism industry is of high importance. The southern part of Burgenland specialized on spa tourism, which could also be realized with the support of structural funds. In the mountainous areas of Lower Austria, winter tourism is more important – especially around the traditional tourism destination Semmering, sport is an important economic factor. Generally, the area offers a lot of natural potential which can be used for tourism and recreation. The proximity to the agglomeration of Vienna offers a lot of potential customers, especially for short trips to the nature.

The situation of the job market is in most parts of the region still poor. Many inhabitants are forced to commute, even over long distances, which can also result in a permanent change of the place of living. Also young people are often forced to go over long distances for educational reasons. Especially the southern part of the case study region and also the mountainous areas are very unfavoured in this respect.

The population development of the region is in total seen rather stable. Looking at single municipalities, there are some with dramatic losses of population, next to others with a positive development (see map 4). Some municipalities lost almost 50% of their inhabitants since the 1970ies, while others were able to double the number of inhabitants. Municipalities that have positive population growth are usually those with good accessibility to urban centres outside the case study region. The region around "Wiener Neustadt" shows a high population growth. Those municipalities gain population mainly through in-migration. Municipalities with negative growth are rather bad accessible, like in the southern borderland and the mountainous regions. In the western part natural population growth is still relatively high compared to Austrian average, whereas in the south of the region the natural growth is in most of the municipalities negative. In some municipalities there is a high amount of secondary homes: The municipality of Semmering has the highest percentage of secondary residence homes compared to permanent residents in whole Austria (there are more people registered with secondary than with a permanent address).



MAP 4: Population development in the case study region (Source: Statistik Austria, UNIVIE)

As already mentioned, the number of inhabitants per square kilometres in the case study region is mostly relatively low. Especially in the mountainous parts the settlement areas are usually spread over the valleys leading to long distances between the different settlement areas of a municipality. In the areas with even topography the settlement areas are usually more compact but instead smaller in size and bigger in number. Generally in formerly predominant rural areas houses are built within greater distances.

Although the region differs according to its structure and development, there are mainly the following challenges detected: Depopulation, predominantly in areas of bad accessibility, as well as aging, especially in the regions experiencing negative population growth, as mainly the young people move away. The on-going population loss leads to a smaller number of inhabitants followed by a smaller demand of services of general interest. Also as tax revenue is becoming less, keeping up infrastructure is difficult for a lot of municipalities. An aging society furthermore leads to different needs according to services of general interest. Accessibility is also a major challenge within the region, especially under the circumstances of aging.

2. National analysis of services of general interest

After a short description of the Austrian welfare regime the following chapter will give an overview of services of general interest in the country. The main goal is to line out who is responsible for the organisation of services of general interest, who is financing the services and how is the availability according to the territorial distribution throughout the country. In general, an insight should be given which services are more dominantly public or private organised and for the public organised services also the level of competence is important: Services can be mainly organised on the national state level, the federal state level or the municipal level. The overview given in the national analysis is understood also as introduction to the regional analysis that should give a deeper specific insight into the organisation of services on a lower scale. The services of general interest are divided into two subgroups: Services of general economic interest and social services of general interest.

For the national analysis different sources were used for the report. In many cases the responsible authorities, such as ministries, provide detailed information. For services that are organised on a national level there is often better data availability. In some cases also the Austrian Statistical Office is collecting data on certain topics (such as education for example). Also publications from other research institutions or public institutions (such as the Austrian Conference on Spatial Planning or the Federal Institute for Less Favoured and Mountainous Areas) were used to give a good overview of the situation in Austria. Furthermore the findings of the expert interviews were integrated in the text.

2.1. Description of the welfare regime of the country and its particular effects on various services

The development of the welfare regimes originates in the industrial revolution, having its starts in the 18th century that in some cases, as also in the case of Austria, happened rather late only in the 19th century. Rapidly growing cities and the negative impacts of economic growth as well as changes in the societies had the effect that the national states started to take over duties and responsibilities in the production of public goods and services, such as water supply, canalisation, transport infrastructure, education, health care and so forth. The development started in the cities, where the urgency in taking those measures was high. Only in a later step also rural areas were included. The development of the welfare states was fully displayed with different dimensions in the countries. In the 20th century and foremost in the 1970ies the budgets already started to be burdened by the costs of the system. Until today the question of the responsibility of the state or in return of the market is of high relevance (ÖROK 2006).

Even recent administrative and economic reforms towards less deficit spending and neo-liberal efficiency weakened the classic model of "corporate social welfare state" from the past decades Austria can still be assigned to this group of social welfare models (see ESPING-ANDERSEN 1990, SAPIR 2005). The public expenditure quota in the year 2011 was 51.76% (STATISTIK AUSTRIA), which is, despite the Scandinavian countries, a relatively high value.

In Austria the constitution regulates the power relations of the three governmental levels (state, federal states (Bundesländer) and municipalities). The highly federal regime declares the 9 Bundesländer as equal partners to the state and both levels have legislative rights. Competences over various policy fields are explicitly given to the national level or – if not mentioned in the constitution – are within the responsibility of the federal states. In fact, the most powerful policy fields (for example finance and taxes, foreign affairs and security or education) are in the hand of the national level. The supra/inter-national level of EU has gained influence as well. As a consequence, there are sometimes complex multilevel patterns of political responsibilities, which holds true also for fields of services of general interest (see details in chapter 2.3).

High share of public expenditures (based on an extensive tax system), public fiscal equalizing scheme between and within governmental tiers, strong trade and labour unions and a rather conservative policy in terms of society and family are key features of the functioning of the Republic. Public income via tax rising is being re-distributed on the basis of population figures for municipalities, receiving more budget the higher the number of inhabitants is.

For policy practices in Austria, the so called social partnership model ("Sozialpartnerschaft") is applied throughout most decision making processes. This model is mainly based on informal or unwritten laws, creating strong

interaction between political persons and parties in charge with economic, trade and labour unions. Principles of compromises and unanimity are being sought for.

According to the distribution of services of general interest, it is a clear public duty and responsibility to maintain and/or improve all regions on a functional level, which goes in line with the EU Cohesion Policy. Clear standards (for example minimum requirements) are in many terms not defined. The organization of services, especially according to services of general economic interest has been influenced by EU directives in the past. Liberalization of former state monopolies led to new structures in certain sectors, for example in terms of energy supply. Forthcoming, a detailed description is given before all general developments will be summed up later on.

2.2. Overview of all services of general interest in the country (economic and social SGI)

In this chapter, a national overview of the various services is given. The structure of the chapter follows the subdivision of services of general interest into services of general economic interest (SGEI) and social services of general interest (SSGI).

2.2.1. Services of general economic interest

This category of services of general interest comprises technical infrastructures and services of mobility and communication.

Energy Supply

Since October 2011 the electricity market in Austria is fully liberalized as a consequence of the creation of an internal energy market in line with EU objectives. Also the gas market started to be liberalized according to EU directives in 2002. Still the national electricity and gas market is characterized by a high share of public ownership and many linkages between the players: the majority of the market participants are also – directly or indirectly – involved in other market participants concerning ownership. For major clients the Energy Alliance Austria (a company founded by main players of the Austrian electricity market) regarding to electricity and the Eongas for gas supply are the main actors on the market. The majority of the private households are obtaining energy from the regional providers. Before the liberalization there was only a certain provider – according to the location – available. In the case of Vienna for example WIEN ENERGIE AG, in most parts of Lower Austria the EVN and in most of the Burgenland BEGAS provided the population with energy. Although since the liberalization there are more providers available most customers didn't change from the original one – so the regional division of the energy market has not changed much since the liberalization. Still, the liberalization brought a reduction of energy prices. In the frame of liberalization of the energy market, the so-called "E-control" as an agency for taking care of fair market mechanisms was established in 2001. E-control is also providing information for customers about changing energy providers and is the host of the national electricity and gas networks. (E-CONTROL AUSTRIA, 2011). The legitimation of the E-control lies in state law.

The energy internally produced in Austria is mainly (by 78.1%) obtained from renewable energy resources (especially from water power and biomass). The inland energy production contributes to 35.7% to the energy use. The rest of the energy has to be imported in the form of gas, oil and electric energy. Oil has the highest share of the imports with 48%, followed by gas with 33%. Since the oil crisis in the 1970s the imports from OPEC-countries has minimized and Austria is obtaining most of its gas now from Russia and Norway. Austria shows a dependency on foreign energy higher than the EU-27 average.

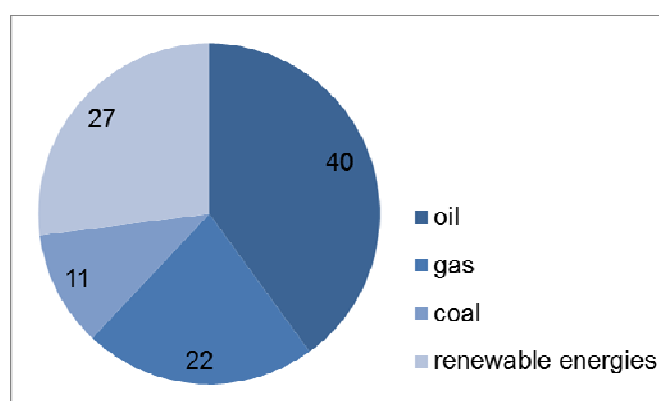


IMAGE 1: Energy use in Austria by resources (in % of total use) in 2009 (Source: STATISTIK AUSTRIA)

The imports as well as the demand of energy have been rising steadily in the last years. Energy is used mainly for transport (33.8%), the production sector (29.1%), private households (24.7%), the service sector (10.3%) and agriculture (2.1%). The use of energy in the transport sector has been rising by 71% between 1990 and 2009 caused by a rise in the car stock of 41% and the rise of airplane use by 110%. In the transport sector oil is the dominant energy mean. In the production sector electricity and gas show a high importance. Also in the private households electricity and gas, but also renewable energies and oil products are mainly used. Oil is mainly imported from Kazakhstan, Iraq and Libya. There are two companies extracting oil in Austria: the OMV and RAG.

In private households most energy is used for heating and water heating systems. In total 28% of the energy in Austria is used for heating. Renewable energy (in the form of wood, pellets or wood chips) is dominant with 25.9%, followed by gas (21.8%) and community heating systems (19%), which is increasing strongly.

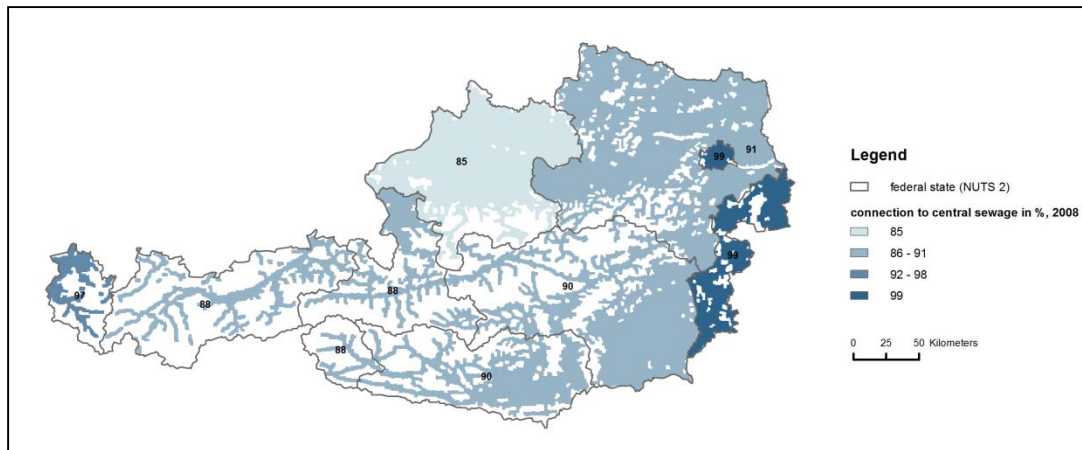
Austria is contributing 1.3% to the total energy production of the EU-27. Of the renewable energies it is 5.8%, which makes Austria the 7th biggest producer of renewable energies in the EU-27. According to water power Austria is on place 4 of the ranking. Water power is the dominant power production of electric energy. Since the 1960s the share of water power to electricity has quadrupled. 62% of the inland electricity production is generated through water power. Also other renewable energies are used for the production of electricity: Wind energy and biomass power plants show a share of 8% to the electricity production. The electricity is mainly used by the industry (52%) and by the households (23%).

Water and sewage

90% (7.44 Mill) of the Austrian population is connected to central water supply facilities, the other 10% have own springs or fountains for water supply. The Austrian drinking water is either groundwater (50%) or spring water (50%). The public water supply is regulated by the Austrian water law and lies in the responsibility of the ministry of agriculture, forestry, environment and water management ("BMLFUW"), and is hereby a matter on the national state level. The 5500 water supply facilities are organised either on the municipal level (community facilities) or as co-operations of those (BMLFUW). The drinking water is brought to households by a wide network of pipes. Until the water counter the water supply companies guarantee the quality of the water, within the house the owner is responsible. The evaluation of the quality of drinking water is in the responsibility of the ministry of health ("BMG"). For private springs and fountains there is no responsibility of the state.

Each year 77km³ of water is available in Austria, the demand is around 2.5km³ - so 3% of the forthcoming amount. Approximately two third of it is used by industry and businesses (7% for agriculture) and one third for private households. The average consumption of a person per day in Austria is around 135 litres. In the private households the water is mainly used for showering and bathing (34%) and for flushing the toilette (22%), only 3% is being drunk or cooked (BMLFUW).

In 2008 around 93% of the Austrian population was connected to public canalisation and sewage. All settlement areas with more than 2000 inhabitants in Austria are connected to a central canalisation or sewage, which are also organised by municipalities or co-operations. The percentage of connection has been rising in the past years, due to better technical possibilities but also an on-going urbanisation and the connection of rural areas to central facilities. The rest of the population organises the sewage disposal with sinkholes or house plants – mostly houses in peripheral positions are not connected to the public facilities (BMLFUW). Sewage disposal is controlled by the Austrian water law and plenty of additional regulations. Infrastructural measures taken for sewage facilities are funded by the national state as well as by the federal states (BMLFUW 2010).



MAP 5: Population connected to central sewage facilities in the federal states, 2009 (Source: Umweltbundesamt, UNIVIE)

Waste disposal

Since November 2002 Austria has a national waste law ("Bundesabfallwirtschaftsgesetz 2002"), that regulates parts of the waste management within the country. The new law is mainly valid for dangerous waste and sets general rules for municipalities about the organisation of waste collection (for example the minimum supply of waste collection facilities). The ministry of agriculture, forestry, environment and water management ("BMLFUW") is due to the law also obliged to provide a waste management plan every 6 years, containing a status quo report and general goals and guidelines for waste management in Austria. Also every federal state in Austria is having a law on waste management, containing rules and guidelines how waste disposal has to be organised within the municipalities and also plans on disposal facilities. Also on the federal state level, waste management plans are generated, partly even on the regional level. The laws on the federal state level consign the municipalities with the waste disposal. Some municipalities fulfil their activities organised in co-operations – also sometimes being a forced co-operation by the federal state. The waste disposal is mainly financed by the fees charged by the municipalities and from the budget of the municipalities. The costs differ within the municipalities, also as the services differ (BMLFUW 2011).

In 2009, ca. 52 Mill kg of primary waste were produced in Austria. Only looking at the private households, each inhabitant produced 466 kg waste in the year 2009. The waste appearance is quite different in each federal state. The federal state of Vorarlberg only had an amount of 306 kg per inhabitant, a person living in Vienna produced on average 531 kg in 2009. The federal state of Burgenland (321 kg per capita) has been below the Austrian average, Lower Austria with 522 kg per inhabitant above it. Waste produced by private households has been increasing in the last 5 years by 13.9%. Generally an increase of the population but also an increase of single households and rising demand of instant meals in small packs has impact on the sum of waste. Waste is disposed und dispatched in 2200 facilities – with a high share of it being incorporated in big companies. The main facilities are dump grounds (63%), where the waste gets conditioned und disposed. 14% of waste is thermally treated in facilities. Disposal facilities are mainly owned by municipalities or organised as public-private-partnerships, mostly being small companies. Thermic facilities are often owned by energy supply companies (which are on the other hand owned mostly by the federal states) (BMLFUW 2011).

Transport

In matters of transportation the Austrian ministry of transport, innovation and technology ("BMVIT") has the national competence throughout legislation in most concerns. It is responsible for the coordination of the single modes of transport, the creation of a development plan of the national infrastructure modes and the provision of a prognosis of the Austrian traffic for the years 2025+. On the national level the road network of highways and national roads (speed roads), the Austrian railways, airports and shipping on the Danube is organised. The network of lower ranked roads and public transport besides the Austrian railways is mostly organised on the level of the federal states or (one or more) municipalities. Several laws (on national or federal state level) regulate transportation in the Austrian state.

Road network

Depending on the rank of the road the national state, the federal states or the municipalities have competences concerning the road network in Austria. On the national level the ASFINAG ("Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft") is responsible for planning, financing, building, maintaining and tolling the

national roads ("Bundes- and Schnellstraßen") and highways. The ASFINAG is by 100% owned by the BMVIT and was founded 1982 as a company of the national state (BMVIT).

Not all speed roads are in national responsibility; some are also taken care of as well as planned and built by the federal states. The federal laws on transport are regulating the road and street networks and the competences within the federal states. For federal roads the administrative authorities of the district is responsible in first place, in second instance the federal state government. For all other public roads that are not taken care of by the federal state, the municipality with the mayor as highest instance is responsible.

Railway

The Austrian Federal Railways (OBB) is a formerly state owned company separated into several corporations like for personnel and good transport and for rail-infrastructure since the liberalization but still supported through the state budget. The liberalization of the OBB started in 1998 with the liberalization of the transport of goods and in 2010 the transport of personnel was also liberalized. Especially this sector is showing negative numbers according to the budget. Especially for sustaining the 5.000km infrastructure and for keeping up peripheral, unprofitable connections – for guaranteeing a certain minimum standard of the service "transport" to all inhabitants – state funding goes to the OBB (to the infrastructure cooperation as well as the transport cooperation). Still, some routes had to be closed down due to small demand and high costs. In some cases the federal state took over with private investment (see regional analysis). In December 2011, a first private competitor has joined the Austrian national rail transport market. A consortium of private investors from mainly Austria, Switzerland and the French railways CNF are offering personnel transport along the route Vienna-Linz-Salzburg.

Public transport

As already stated also in the case of the Austrian railways, public transport is mainly organised and financed by the public. For agglomerations the offer of public transport is a necessity in terms of economic viability but also for making a city work in terms of traffic (as a high share of individual traffic in a city brings problems of traffic jams and so reduced mobility). For rural regions public transport often is a matter of social justice, as it guarantees mobility especially for people that are not able to get around by individual means (like a car). The Austrian railways are covering the majority of the long distance traffic with almost no alternative offer. In the short distance traffic, different regional concepts throughout Austria can be found. Mainly short distance public transport is organised in transport associations – a cooperation of transport companies, municipalities, cities and federal states. Different funds from the national level, federal state level and municipal level are financing public transport. The amount earned by selling tickets is far not enough to finance public transport systems, especially in peripheral regions. In rural areas especially school children are depending on public transport services and often bus lines are extra chartered to facilitate their commuting. The means of public transports are mainly busses, in some cities tramways and in some agglomerations regional trains. There are regional transport associations covering the whole Austrian territory (see more in the regional analysis).

Aviation

The ministry of transport (BMVIT) is also the highest aviation authority. The state owned company Austro Control is a private organised company in charge for safety as well as economic concerns in the Austrian aviation. There are 6 international airports in Austria, with Vienna being the largest and also the only one with night operation.

	2009	2010	2011
cars (per 1000 inhabitants)	521.8	530.3	537
rail passengers (in Mill)	239.7	242.0	n/a
flight guests (in Mill)	22.7	24.5	25.8

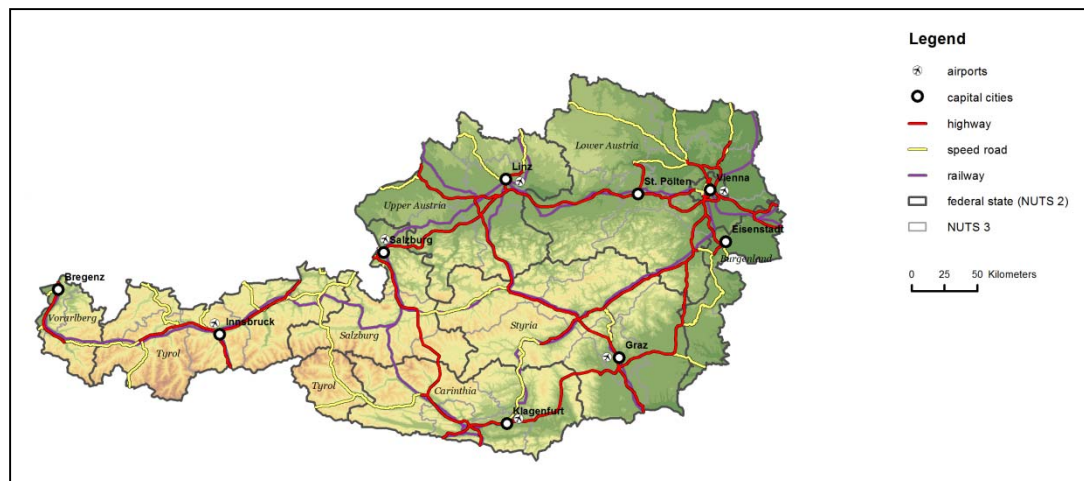
TABLE 1: National figures on personnel transportation (Source: STATISTIK AUSTRIA)

Shipping

The Rhine-Main-Danube Canal is an important water way connecting the Northern Sea with the Black Sea. The transport by ship is increasing, although there are still some milestones to be taken: not all international laws are so far harmonized according the transport of goods. Also in some areas extensions and deepenings are needed for better usage of the water route. The "via donau" was founded in 2005 by the ministry of transport in order to improve the Danube as a water way and develop ship transport. The company is owned by the Austrian state and regulated by the water way law (VIA DONAU).

	2009	2010	2011
Road (only Austrian companies)	336.6	331	344.7
Railway	98.9	107.7	107.6
Airplane	0.2	0.3	0.2
Ship	9.3	11.1	9.9

TABLE 2: National figures on goods transportation (in Mill tons) (Source: STATISTIK AUSTRIA)



MAP 6: Austrian Transport Network (Source: Teletlas, UNIVIE)

Postal services

The national law on postal services states in its first paragraph that it acknowledges postal services as a universal service and it guarantees access, affordability and high quality service to all citizens and businesses. Since liberalization of the post market, the formerly national postal office in the meanwhile is a privatized business registered at the stock exchange and is in competition with other private companies. Still, some basic tasks – those that can be counted as being “universal service” – are treated separately in the law: The delivery of ordinary letters and packages to every household and especially the delivery of official mails from different authorities like courts or town halls is still fulfilled by the national post office, which is still market leader on the post sector. Private operators are mainly serving express post services and parcel services. Also newspapers are delivered by private operators. The liberalization is mainly visible in these fields. For the regulation of the post sector the ministry of transport, innovation and technology (BMVIT) is in charge.

The liberalization of the post market in Austria is also connected to the closing of a lot of local post offices and changes in the post infrastructure. Since 1989 the number of post offices per inhabitant has decreased: While in 1989 3 299 inhabitants on average were served by one post office, it was 5 279 in 2006. Of course the rising importance of electronic communications has influence on the demand of postal services. The closure of most post offices took place in rural municipalities, which for those meant a loss of infrastructure. New models, substituting traditional post offices, were introduced in many municipalities, for example the post partner offices or the post service points. In such cases, other services like a municipal office or a shop took over the duties of the former post offices and some municipalities had the chance to maintain this infrastructure up in the municipality. Also mobile services were introduced.

Electronic communications and ICT

Like the traditional mobility and communication infrastructures transport and postal services, also telecommunication is part of the agenda of the Ministry of transport, innovation and technology (BMVIT) and since 1998 a liberalized service. For regulation of the market and to stimulate competition the RTR (“Rundfunk und Telekom Regulierungsbehörde”) was installed, which is 100% owned by the state. The television market is comparably low competitive with the prime provider of the Austrian national TV (ORF) and its departments in the federal states (BMVIT). Only a few private stations appeared in the last years. The radio market is more diverse, at least regarding regional broadcasting. Still the highest shares of the market are in the hand of the ORF. Also for fixed telephone lines the former state monopoly is market leader. The provision is given for the whole country as it is also defined as universal service of telecommunication and by this a state’s obligation. In the mobile telephone sector there used to be several providers, although a lot of them have been merging in the past years. The networks have been constantly developed although in some areas, due to topography, connection is still limited or only given by single providers. In the last years the number of telephone connections are rather stable -

with 2.12 Mill connections, around 58% of all households have a fixed telephone. For companies the penetration rate is 217%. The cost for phone calls from a fixed telephone to another fixed telephone is around 3 cent a minute. To a mobile phone the costs are on average 10.6 cent per minute (RTR 2011).

The number of sim-cards being used in Austria (representing the mobile phone use) is increasing steadily also as mobile broadband access is more commonly used – the penetration rate is 148%. In the 2nd quarter of 2011 for 5.56 Bill minutes mobile phones were used for phone calls and 1.78 Bill short messages were sent. The data volume consumed was 8 712 terabyte (an increase of 60.3% compared to the second quarter of 2010). Most of the customers in Austria are having a permanent contract (68%) and around a third (32%) is having a pre-paid sim-card. There are 4 companies that offer services in the mobile phone sector: “A1 Telekom Austria”, that derived from the former state owned telecommunication company, has the highest share of the market with 41.2% of all customers, “T-Mobile” with a share of 30.9%, “Orange” with a share of 18.4% and “Hutchinson 3G, Drei” with 9.5% (RTR 2011).

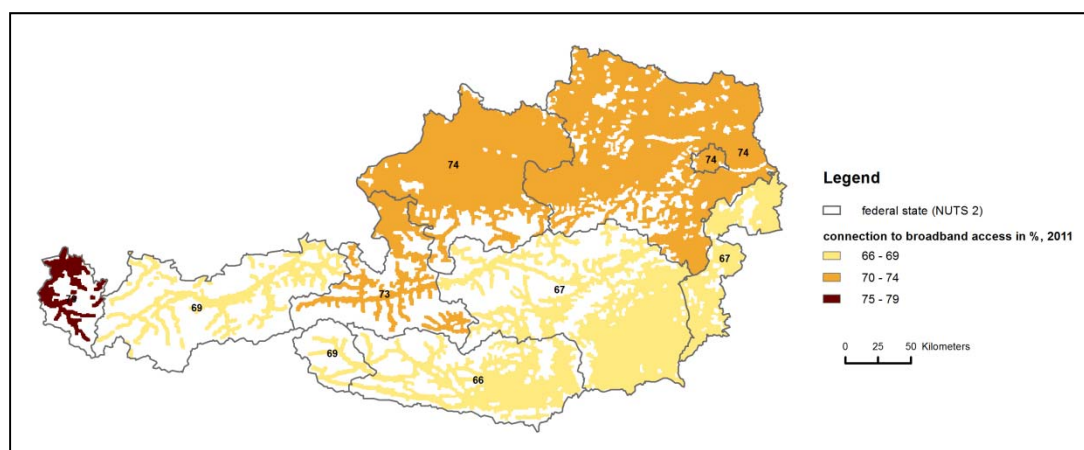
Extension of infrastructure in terms of electronic communications is mainly pursuit in terms of internet connection, especially broadband internet. Financial funding by the national state and the federal states are pushing this development. According to a questionnaire conducted by the Austrian statistical office 75% of the private households have access to internet, and 72% of them a connection via broadband (57% a fixed connection with DSL, cable, fibre glass, satellite, WLAN or similar and 32% a mobile broadband like UMTS or HSDPA) (STATISTIK AUSTRIA). The share of households using a broadband connection has been rising in the last years (see table 3). The increase can to a high extend be explained by the use of mobile broadband (“smartphones”). One fourth of all broadband connection is via a mobile phone (RTR 2011).

	2003	2004	2005	2006	2007	2008	2009	2010	2011
% of households	10,3	15,9	23,1	33,1	46,1	54,5	57,8	63,7	72,0

TABLE 3: Percentage of access to broadband internet of all households with internet connection (Source: STATISTIK AUSTRIA)

For companies internet connection is even more important than for private households. The questionnaire, that has also been conducted on internet use of companies, showed that out of 35 202 companies, 34 860 are using a computer (which equals 99% of all companies) and 34 570 are using the internet (meaning 98.2%). Most of them (89.4%) are having a broadband access (STATISTIK AUSTRIA).

The “broadband initiative 2013”, supported by the ministry of transport (BMVIT) as well as the ministry for agriculture (BMLFUW) and the federal states is aiming at the expansion of broadband internet access especially in peripheral and less populated areas, as also in parts of the case study region. The ministries published a master plan for expanding the broadband network throughout the country, where rural peripheral areas are still disfavoured in comparison to the urban centres. The objective is to gain potentially access to high speed internet (min. 25 Mbit/sec) for every household by 2013. This expansion/upgrade of the internet infrastructure is co-financed by the European Agricultural Fund for Rural Development (EAFRD) as rural parts of the country are main target areas. In the frame of the integrated and strategic “ICT objective plan” of the ministry, the e-readiness of Austria’s society and businesses should be enhanced – e.g. by offering e-government services.



MAP 7: Percentage of households with broadband-internet access in the federal states, 2011 (Source: STATISTIK AUSTRIA, UNIVIE)

Retail stores

For the supply of households food supply is a basic service and since the percentages of households living from agriculture has been decreasing to an enormous amount as well as a process of specialisation was introduced in the agricultural sector, also for rural and peripheral areas local retail stores are the main infrastructure for food supply. Retail stores are traditionally organised privately and so depending on supply and demand. The structure of the retail industry in Austria has been changing a lot over the last decades: From the 1970ies to 2003 the number of retail stores has been shrinking from 20 310 to 6 083. At the same time the average size of a grocery store has been increasing tremendously. In 1980 the average size was around 300 m² and in 2000 around 5 000 m². While in the 1970ies 98% of all shops have been 150 m² or less of size it was in 2003 only 41%. Supermarkets with a sales area of 400 to 1 000 m² have been growing most (ÖROK 2006). The trend of shopping centres outside the city or village centres with accessibility by cars only has been changing the shopping infrastructure in Austria in the last decades. Especially in rural areas the car is the dominant mean of transport for going shopping.

For a viable retail store the full spending capacity of 700 to 1 000 inhabitants is needed (ÖROK 2006). Small municipalities thus have difficulties on preserving a location for a retail store and in many Austrian municipalities there is nowadays no local possibility for food supply. Since the older population is often dependent on local food supply in some municipalities public funding is used to obtain a local retail store. Also supply in the form of mobile services is getting more common in rural areas in Austria.

2.2.2. Social services of general interest

The category of social services of general interest comprises social infrastructures and services in fields like education, health, care or also recreational services. Social services of general interest are especially requested by private households, although in a broader sense also important for businesses (e.g. education and training for employees).

Education (including child care services)

The Austrian school system can be mainly structured in the following stages: 4 years of primary school (ISCED 1), 4 years of lower secondary education (ISCED 2) and 4 years of upper secondary education (ISCED 3). At the age of 6 years the compulsory education starts and ends after 9 years. The level ISCED 0 is defined as pre-school education and is mainly provided by parental education but also in the kindergarten and in pre-primary schools. Since 2010 the attendance of one year (the last year) of kindergarten is obligatory in Austria. Pre-primary schools are mainly attended by children that are already in the age of compulsory schooling but not yet ready for school. Tertiary education in Austria is mainly achieved at universities and academies, like universities of applied sciences. In image 2 the school system of Austria is illustrated and will be further explained in the following text.

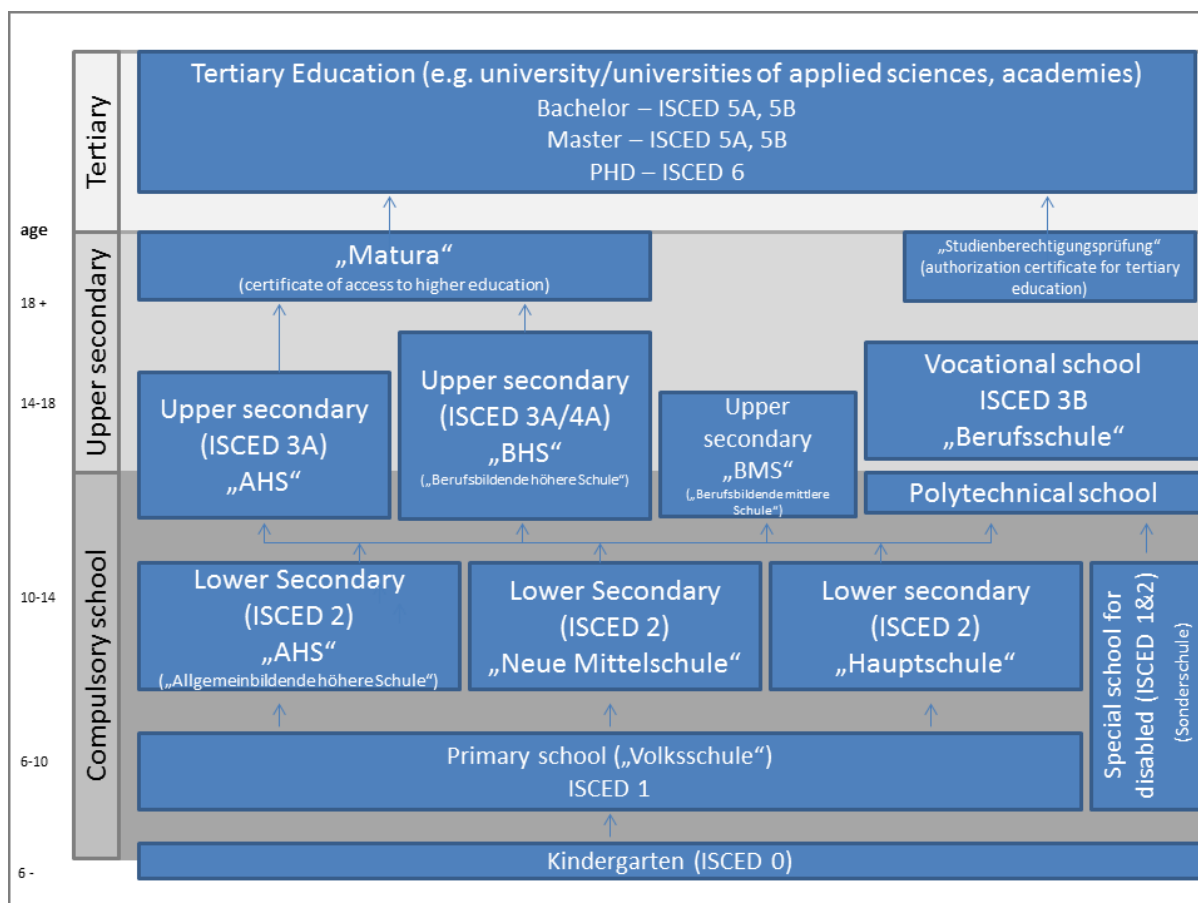


IMAGE 2: Austrian educational system (Source: BMUKK)

The broad majority of the Austrian children attend the so called “Volksschule” (primary school) at the age of 6 years. Only a few children are taught at home and a small share of 2% is attending other school forms (like Waldorf Schools but also special schools for handicapped children are falling into this category). So only after 4 years the first differentiation in the school system starts. Three school types can be attended after finishing the primary level: The “Hauptschule”, the Neue “Mittelschule” or the “AHS (standing for Allgemeinbildende Höhere Schule)”. Hauptschule is the most common form of lower secondary education, being or going to be replaced by the Neue Mittelschule. In the Hauptschule classes are divided in different advanced levels, depending on the talent of the pupils. The Hauptschule ends after 4 years. The AHS combines lower secondary and upper secondary education. Pupils can attend the AHS from the beginning or later change from a Hauptschule to an AHS (in the 9th grade). In the Sonderschule (school for handicapped children) primary education and lower secondary education is combined. Compulsory schools are arranged into certain parishes (“Schulsprengel”), so every child is related to a certain school. This territorial measure is also helping for guaranteeing the service of compulsory education within certain areas.

The upper secondary education system (from the 9th to the 12th grade) is again more diverse than the lower secondary. The schools are divided into those that end with a general qualification for university entrance (called “Matura”, similar to a German “Abitur”) or to those focusing on learning a profession. The AHS is a school that has additional 4 years of upper secondary education and ends with a Matura. BHS (“Berufsbildende Höhere Schule”) is a school that additionally to a Matura is providing the pupils with education in a certain profession. BHS have different specialisations (like gastronomy or tourism, technical or economic) and last for 5 years. Similar to the BHS, but not ending with Matura are the BMS (Berufsbildende Mittlere Schulen). After 3 years students have knowledge (again in the fields of gastronomy, tourism, technics economies or other) but graduate without Matura. If the pupils decide to learn a job at a company they can do this after one year of polytechnic school – the school serves as intermediate school in order to fulfil the obligatory school (of 9 years). During the apprenticeship at a company it is obligatory to attend schools, orientated towards their professional education, called “Berufsschule”.

For those who graduate from school with Matura, the higher education in a university or similar is possible. In Austria, everyone with a degree that qualifies for higher education is allowed to study, with the exception of a few study disciplines as for example medicine (where there are entrance exams). Since 1999 almost all disciplines started to change their curricula according to the Bologna protocol, so most studies in Austria are finishing with a Bachelor degree after 6 semesters and a Master degree after another 4 semesters. The doctorate degree is the highest formal educational degree (ICED 6). The oldest university in Austria is the University of Vienna, founded in 1365. Later Graz (1669) and Salzburg (1622) also became university locations and in 1669 the University of Innsbruck was founded. In the 18th and 19th century modern techniques started to become more important, also being manifested by the foundation of technical universities in Vienna (1819), Graz (1815) and Leoben (1840). In the 1960ies the expansion of education locations was enforced and also new universities were founded in Klagenfurt (1964) and Linz (1966) and existing ones were enlarged. In the 1990ies the higher education system in Austria was expanded by universities of applied sciences ("Fachhochschule") featuring more profession oriented study programs. The regional supply of tertiary education was amplified and furthermore universities of applied sciences were located more decentred (in comparison to universities), so tertiary education was carried into new places. Today, in every federal state there is a location for tertiary education with in total 22 public universities, 13 private universities and 26 universities of applied sciences. With 9 public universities, 5 private universities and 6 universities of applied sciences Vienna is the most important location for tertiary education.

Not only social, economic and cultural background of the family and individual competence und interest are steering education. Also the regional offer is influencing the educational behaviour. Generally, the distribution of locations is reflecting the structure of the central places: primary education should be available close to the place of living, secondary education in the next biggest municipality and tertiary education in the regional capitals. As settlement patterns and the demographic development are changing there is the need for continuous adaption. In the 1950ies there have still been regions that showed a strong under-supply with schools on the upper secondary level. In the 1960ies and 1970ies a large education expansion was undertaken to create same chances for all the population in terms of education and to overcome regional disparities for the achievement of higher education. Until today there is still a geographic dimension in the school type choice: the school form of AHS is still rather represented in bigger cities and less situated in peripheral or rural dominated areas. The regional disparities in Austria can be expressed for example by the regional patterns of tertiary enrolment. Half of the students in tertiary educations are from the very eastern part of Austria, where also most of the universities are settled. More than one fourth (75 000) of all Austrian students are from the city of Vienna.

The need of the expansion of the school system was in many peripheral parts of the countries contrasted by the need of closure of schools. As an effect of the lower birth rates the number of school children has been decreasing and population in the age of compulsory education has – after a small increase in the 1990ies – dropped in the last years: In 2000 there have been 394 000 children in primary education and in 2010 it was 328 000. It is predicted that the number of school children is not further shrinking and as an effect of a small rise in the number of births the number of pupils enrolled in primary education will grow again. Still the low birth rates will have an effect on the number of pupils, in a next step for secondary schools. The decrease has also a regional dimension: The western part of Austria is having a higher share of young population, while the east and the south show a lower share than the average. The case study region is one of the parts of Austria with the lowest shares of young population within Austria. The decline of the population in younger age groups led to the closing of primary schools in some municipalities. Especially for smaller municipalities this was a big loss in terms of services of general interest. In tertiary education the number of students is rising almost constantly every year. Only the introduction of study fees in the year 2001 made the number of students fall massively, but since then a continuous growth has been observed. Also foreign students are attending universities in Austria to a high extend. Around 75 000 international students are attending a university in Austria – most of them coming from Germany (37%), then South Tyrol (Italy) (8%) and Turkey (5%). Most of the international Austrian students are from a European country (88%) followed by students from Asia (8%). The high share of foreign students, but also the age structure of Austria have the effect that by 2010 there were more people in tertiary education (around 350 000) than in primary education (327 000) – additionally also the tertiary education is covering a broader age group than the primary (STATISTIK AUSTRIA 2012a).

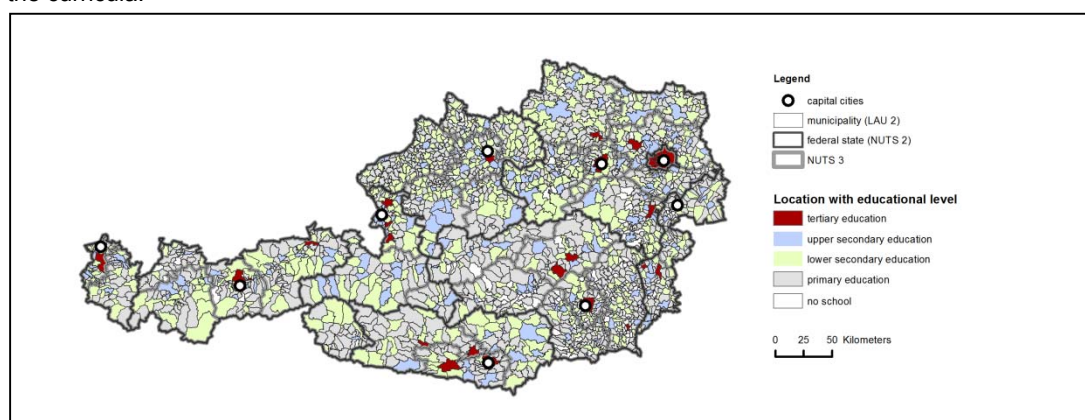
Most of the Austrian schools are public schools. The share of private schools is relatively small – a bit higher though in the upper secondary school type than in the compulsory schooling sector. Private institutions are more important in terms of child care and kindergartens: 75.6% of all kindergartens were public in 2010, the rest private. The share is relatively stable. Important private providers are for example church communities, even more private association and to a small extend also companies providing child care services for their employees.

In almost 99% of the cases the municipality is in charge of the kindergarten, when it is a public one. In the age of 3 the share of children attending a kindergarten was around 60% in the school year 2009/10. Of all 8 057 child care services most of them are kindergartens (4 694), then baby cots (1 208) followed by mixed age day cares. Child care services are more often privately organised and the number of private institutions is also raising to a higher extend than public ones. Since 1990, private baby cots showed an increase of 15 200 children and public ones only by 3 600. In general, institutions for child care have experienced a rising demand in the last years. The relative share of children at the age of 3 years being in child care has been 45.3% in 1995 and is now 95.5%. For children at the age of 4 it is now 96.4% (compared to 86.3% in 1995) and for children in the age of 5 it was 83.6% in 1995 and is now 96.4%. 17% of the children in the age group 0-2 years are in child care institutions (which used to be a share of 4.6% in 1995). 9 out of 10 child care service institutions are open all day (with a minimum of 6 hours), 26 are also open on Saturday and Sunday. Usually the services have holiday weeks (only in Vienna there is a concentration of facilities being open throughout the year) in summer and over Christmas. Although the relative shares of children in day cares are rising, the absolute number of children at the age of 4 and 5, that is being taken care of in day cares has reduced. Still, the increase of the share of children in day care services suggests generally a rising demand in the child care sector. The demand derives from a higher labour market participation of women and changes in family and household structures (STATISTIK AUSTRIA 2012a, 2012b).

While at the primary school level and at the level of lower secondary education the enrolment rates are driven by the demographic age structure, the enrolment rates in the upper secondary level are also depending on the educational participation as the compulsory education ends at the age of 15. The general trend shows that in the upper secondary level the BHS gains pupils and the schools accompanying professional education lose pupils. After compulsory education around 70% of the population 15-19 continued in school (according to statistics from 2010). The EU average is 86.2%, so Austria is below the average. Also for the population 20-29 years old Austria is with around 23% below the EU average (26%). From the population aged 18-20 (which is the general age were a study is commenced) 54% decided in 2009 to start studying at a university or another academic institution. Despite an increasing tendency Austria is still below EU average (59%) in this respect which to some extent also depends on different European definitions of tertiary education and academic degrees.

The competence in terms of financing and organising of the educational system in Austria is described in the following. The responsibility for all schools for compulsory education, as well as child care services are mainly obtained by the federal states and the municipalities. All schools that are leading to higher education, as well as universities and other institutions for tertiary education are in the responsibility of the national state. Still there is also financing of the lower levels involved. The total expenditures for education in the year 2009 were around 15.7 Bill Euros, with the national state financing the biggest share. Out of 14 types of educational institutions, Volksschule (2.0 Bill Euros), Hauptschule (2.1 Bill. Euros), AHS (1.6 Bill Euros) and universities (3.3 Bill Euros) got main parts of the budget. The total expenses represented 5.4% of the Austrian GDP (STATISTIK AUSTRIA).

On the level of the national state the Ministry of Education, Art and Culture (BMUKK) as well as the Ministry of Science and Research (BMWF) are responsible. The BMWF in this case is taking care of the tertiary level, while the BMUKK is responsible for primary and secondary level – also defining schedules and the general contents of the curricula.



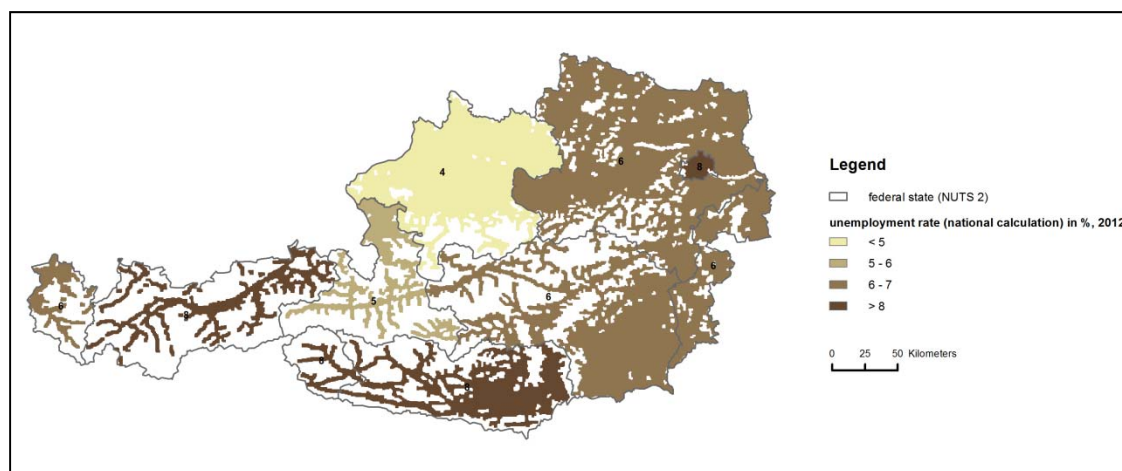
MAP 8: Distributions of schools and universities in Austria, 2011 (Source: STATISTIK AUSTRIA, UNIVIE)

The indicator for live-long-learning measures the share of population aged 25-64 that is participating in further education and training. The EU set a minimum share of 12.5% as a goal for 2010 that Austria has reached

already in 2005. In 2010 on average 13.7% of the population was involved in further education. Most of them visited a course or training at a so called “Volkshochschule”, which is the most visited facility of that kind, having organized 46 830 courses in the school year 2009/10 with 465 332 participants. There is a dominance of female participants.

Labour market services

The central agency for organizing the labour market services is the so-called Arbeitsmarktservice (AMS). Since 1994, this agency is separated from the Ministry of Labour, Social Affairs and Consumer Protection (BMASK) but still owned by the state. Main duties are to register and re-integrate unemployed people, distributing unemployment benefits, offering vocational trainings and in general to support the labour market policy of the government. Also, the aforementioned social partnership model in chapter 2.1 is applied by integrating various unions and associations into the strategic planning. 99 regional offices of AMS are steered by 9 Bundesländer offices and on top the national office. As to the territorial distribution one can say that every NUTS3 region has got at least one AMS office.



MAP 9: Unemployment rate (national figures) in percent, May 2012 (Source: AMS, UNIVIE)

Business and other management consultancy services (incl. monetary intermediation)

Business consultancies with kind of public service obligation are found in different strands of formality in Austria. Firstly, there are the legal agencies of notaries and business accountants. Both are organized in chambers and the single certified offices have a certain territorial range. Notaries and accountants are often compulsory actors when it comes to bigger contracts and trades, e.g. trade of land, firms, issuing of credits, legal inheritances... They have the license to certify legal documents and to verify accountancies of businesses, support in legal, financial and taxation issues. Also, in correspondence with courts, notaries and accountants serve as mediators (NOTAR, KWT).

Secondly, the Chamber of Businesses (Wirtschaftskammer Österreich WKO) does have regional departments that offer consultancy, help-desk and support for regional businesses. Membership in WKO is obligatory for every business (except agriculture and some self-employers). This makes WKO an important lobby and service platform for businesses. The federally organized and in 7 fields of businesses separated WKO runs decentralized departments in quite every district of Austria and offers support free of charge in fields of jurisdiction (like taxation or EU-law) for its members and informs them about possible funding etc. On the national level, WKO is a strong lobby in national politics and also represents opinions of the businesses in many fields, e.g. spatial planning or foreign policy (WKO).

Thirdly, the Regional Management Austria (RMA) has regional departments with different foci. In most cases, matters of tourism, industry and businesses are on the agenda. The overall aim however is to foster regional development and especially to introduce EU Regional Policy into the region, their citizens and businesses.

Public administration and defence (incl. fire safety activities)

According to the constitutional structure of Austria (see also chapters 1.1 and 2.1) public administration is needed on the national, federal state and municipal level. Additionally, many agenda points of the national and the federal state level are applied decentralized in district-offices. Still, the district level is no governmental level in the original sense but only a decentralized organizational tier of the national level. All state and ministerial institutions

are located in Austria's capital city, Vienna. Every federal state has its governments in the respective federal capitals. On municipal level, self-governmental rights are still strong but mostly due to budget constraints many small scale municipalities seek for co-operations with neighbouring municipalities and share not only technical or social infrastructures but also join administrative units of the bureaucratic apparatus – irrespectively of their political independence.

Jurisdiction (Ministry of Justice BMJ), police (Ministry of the Interior BMI) and military (Ministry of Defence BMLV) are under the responsibility of the national level and of course a purely public task. While courts and police stations are multi-level hierarchically structured down to the local level, military camps and headquarters follow their own territorial hierarchical structure with a division of air and land forces. The fire brigade is, especially in small rural municipalities, often organised as a voluntary activity, serving not only the fire safety but other environmental, ecological and social community tasks and also the organisation of community events. In bigger cities professional fire brigades are located.

Cultural and recreational services

The field of cultural activities and financing is highly divers. Besides the ministry (BMUKK), also the federal states and the municipalities are supporting cultural happenings and heritage in one or another way. Additionally, many initiatives and funds come from the private sector e.g. in terms of charity foundations. Clear responsibilities of the public sector can be stated for public museums, theatres, libraries and so forth. Religious institutions and facilities are self-organized.

Recreation facilities like sports halls or playgrounds are basically organized by the municipal level, often in cooperation with private investors or NGO's. Tourism infrastructures like ski lifts of course lie within the private sphere, although also often owned or semi-owned by municipalities or in the case of Lower Austria even the federal state acts as an owner. Generally the public funding is very important to most of cultural and recreational services. Very important for the Austrian society and also funded by public money are registered associations. Especially in rural municipalities a lot of the social life is carried out by memberships in one or more associations.

Health care & social security

The social security system in Austria consists of health insurance, accident insurance and retirement pension insurance. Depending on the occupation there are 22 different insurance agencies that supply the population with insurance. In these sectors insurances are obligatory and regulated by different laws on the national level. This obligatory insurance is seen as the corner stone for a care system based on solidarity and affordability. For some occupations there are own agencies existing: For example for workers in the agricultural sector or for workers of the public sector. Most of the Austrian population is insured by the "Gebietskrankenkasse", representing the general insurance agency. The financing of the insurances is based on a pay-as-you-go system. The taxes of the population actively contributing are given to the population that is not active anymore. The changing age structure is challenging this system as the strong "baby-boom"-cohort will change from being a contributor to being a receiver in the next years according to the pension insurance and also for the health insurance a higher receiving is expected due to a rise of the share of people in older age groups (SOZIALVERSICHERUNG). In Austria, there is obligatory health insurance for everyone. Even more, citizens are distributed to a certain health insurance agency, depending on main residence and employer. There is no possibility of choosing one's own insurance agency. E.g. people working in national public administration have an insurance at BVA (Bundesversicherungsanstalt), (self-)employees in the agricultural sector have their own agency etc. Otherwise, people are distributed to agencies of the federal state (e.g. Wiener Städtische Versicherung). Additionally to the obligatory insurance, ca. 30% of citizens do have an additional private insurance.

Social security not only contains health insurance but also other benefits aiming the prevention and avoidance of poverty. In 2010 253 200 persons in Austria received financial support – 171 100 living in private households and 76100 living in elderly homes. The expenditures of the GDP vary between 28% and 30% (between 1995 and 2008), which are above the EU-27 average. Aside the insurances (health, accident and retirement), which are in competence of the national level, the federal states and the municipalities are organising social security (for example in terms of social housing, child allowances and so on). For social security the ministry of social affairs is in charge (BMASK).

Elderly care

The demographic trend of an aging society is not only a challenge in matters of financing. Since an expected change of demand for health care services is expected, the demographic development is seen as a central determinant for the health care system. The life expectancy in the last decades has been rising, which doesn't necessarily cause a higher demand for care services to be expected as also the life expectancy in good health

has been rising, according to surveys conducted by the Austrian Statistical Office. Still, the high share of elderly population will have impact on the demand of health and care services. Also changing family structures had an influence on the demand of care services. In 1993 the system of elderly care has been reformed. Since then there is a legal right for monetary support from the state or the federal state. Additionally the federal states were committed to develop the elderly care services further.

Around 471 000 Austrians are in the need of care, whereas the type of care needed depends a lot on the individual living situation. Around 44 000 are not receiving any support with more women falling into this group, as men are being in most of the cases taken care of by their wives. Women are often been nourished by their daughters or other relatives. Only a small group of the Austrians in the need of care are using social care services: 9% of the men and 19% of the women. 433.880 people were receiving financial support by the state and/or the federal state (STATISTIK AUSTRIA 2011a).

According to an estimation of the ministry of social affairs ("BMASK") there are 850 elderly care homes in Austria with around 75.000 places. Elderly care is in the responsibility of the federal states, so there are no national statistics on this topic available. The high demand of elderly (care) homes is often also covered by private institutions (for example by the church or other confessional groups), as the federal states are mostly unable to comply with the rising demand. In table 4 all elderly homes (including care homes) are listed, based on Statistics from the BMASK. In some federal states there is a higher share of private elderly homes than public ones.

Federal States	public	private	confessional	in total
Burgenland	7	30	5	42
Carinthia	25	39	6	70
Lower Austria	58	39	14	111
Upper Austria	99	13	17	129
Salzburg	66	12	1	79
Styria	40	141	16	199
Tyrol	66	13	3	82
Vorarlberg	33	19	2	54
Vienna	9	63	13	85
in total	403	369	79	851

TABLE 4: Elderly (care) homes in 2010 (Source: STATISTIK AUSTRIA, BMASK)

Health care

The ministry of health (BMG) is the national body in charge for health care and therapy. While on the national level, the basic laws are made and finances are co-ordinated, the federal states have shared competence in this sectoral policy and e.g. are in charge for hospitals. There is a state contract between national level and federal states regulating the competences and finances. This sectoral policy is in fact in a wider governance structure, strongly involving the 22 social insurance agencies (on national or federal level) and the Chambers of Doctors. As a consequence of this multi-actor sector, there are coordinative bodies on both governmental levels. "Bundesgesundheitskommission" (national commission on health) is part of the "Bundesgesundheitsagentur" (national agency on health), comprising actors of the national ministry, federal states and health insurance agencies. "Landesgesundheitsplattformen" (federal state platforms on health) are part of the respective "Landesgesundheitsfonds" (federal state funds on health), comprising national representatives, federal state representatives, health insurance agencies and the Chambers of Doctors.

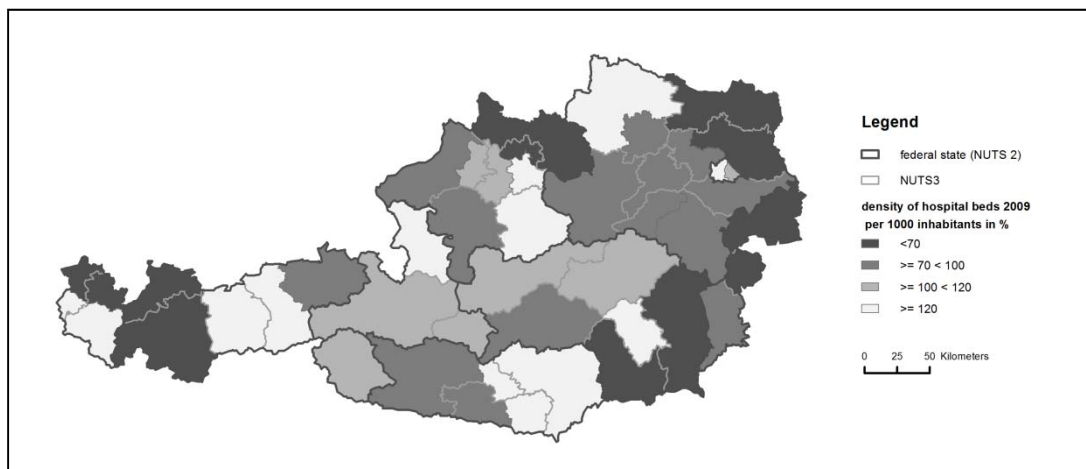
The main service provision in terms of health care is done by hospitals. According to the law, three versions of hospitals exist (public, quasi-public i.e. non-profit and private). The federal states are in charge of the territorial organization. Quasi-public hospitals are e.g. driven by charity or religious organization and have to help to fulfil the public service obligation. Private hospitals still get funding from the insurance agencies and have to fulfil quality criteria but are not obliged to follow certain administrative-structural prerequisites.

Doctors and physicians are actually private actors but ca. 30% have a contract with respective insurance agencies. The Chamber of Doctors is in charge of territorial organization. For first health care the doctors, respectively the general practitioners, are a cornerstone of Austrian health care. In the end of 2010 16 191 doctors (not including dentists) were practising in Austria, whereas 6 460 were general practitioners and the rest medical specialists. 7 019 had a contract with one or more of the health insurance agencies

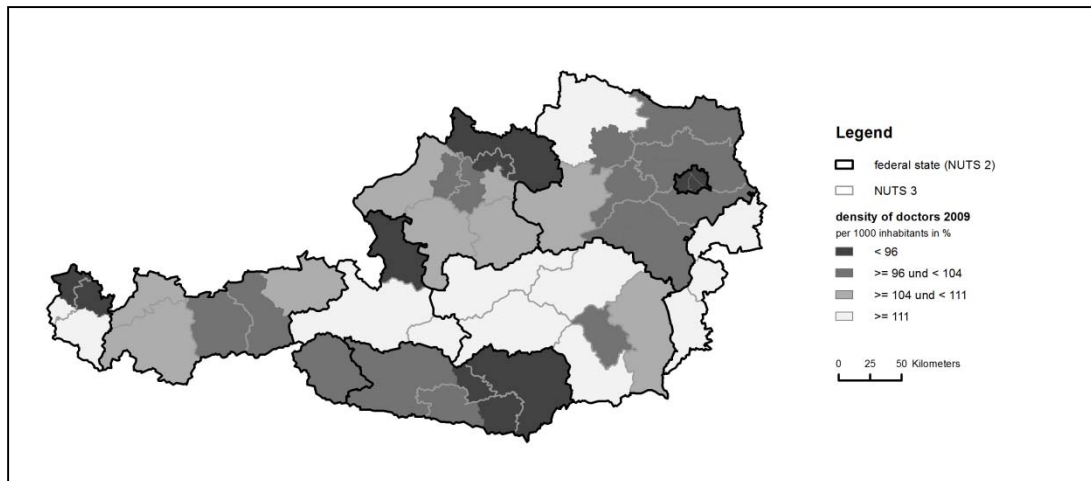
In the sector of rehabilitation and therapy, private institutions are getting stronger. They get funding from the health insurance agencies. For side-duties of health care, like emergency transport, the Red Cross and similar organizations are important.

Throughout the Austrian territory 1 276 pharmacies existed and additionally 950 doctors and 46 hospitals had an in-house pharmacy. This means that on average 1 pharmacy is supplying 6 573 customers, however there is a regional differentiation: In Vienna, the supply of 1 pharmacy only had to cover 5 467 customers, in the Burgenland it was around 7 500 customers. 770 hospital beds per 100 000 inhabitants are available in Austria. Health care is by 45% financed by budgets of the health insurance agencies (basically fed by employers and employees contribution), 33% public money from the state, the federal states as well as the municipalities, 17% by households and a few percentages from private insurances or other sources. Between 1990 and 2009 the costs have been rising by 5.3% on average every year. Around 11% of the GDP (in 2010) – in absolute numbers 31.5 Bill Euros – are spent on the health care system (BMG).

For a more integrated territorial organization of health care, a national wide strategy was set up. This „Österreichische Strukturplan Gesundheit OSG 2010“ (Austrian Structure Plan on Health) is the reference for all further planning. Juristically not really binding, it still provides the frame for all further, regionalized and detailed strategic planning in the sector of health care. The 9 federal states create a regional structure plan on basis of the OSG. Within the OSG, also the territorial dimension is regulated. On upper level, there have been created 4 zones of provision (basically groupings of NUTS2 regions) and 32 regions of provision (ca. NUTS3 regions). In the 9 regional plans, the concrete locations of hospitals and provisions for the 32 regions are written down. With this a more efficient co-ordination between hospitals – e.g. when it comes to special equipment – is aimed at. There are minimum travel times for citizens mentioned in the OSG, as well as minimum number of beds per hospital, both differentiated according to type of hospital. There is a procedure of evaluation written down in the OSG, based on indicators. Evaluations and monitoring reports go back to the national commission and from there initiate adaption/continuation of the OSG. According to OSG, there are regional differences in health care provision. The following two maps show basic indicators according to the planning regions on health care. Maybe surprisingly, the number of beds per inhabitants is rather lower in central and capital regions and higher in peripheral regions with lower population density. While hospitals are under spatial planning competence of the federal states, and therefore more equally distributed, the location of the private actors, practitioners and doctors, shows higher concentrations per inhabitants in urban areas.



MAP 10: Density of hospital beds, 2009 (Source: GESUNDHEIT ÖSTERREICH 2010)



MAP 11: Density of doctors, 2009 (Source: GESUNDHEIT ÖSTERREICH 2010)

Social housing

Social housing, seen as part of social protection is provided autonomously by municipalities. Some municipalities and cities owe and provide achievable flats for their inhabitants. Preconditions mostly have to be fulfilled, as for example a certain age, income, as well as minimum length of stay in the municipality that provides the flat and sometimes also this service is only available for Austrian citizens. Especially urban areas have a high share of social housing, mainly in the shape of providing flats: In the city of Vienna around 30% of the housing sector are flats that are subsidized by money of the city. As also residences in the form of flats is demanded more and more in rural areas, municipalities started to react by providing living space – especially for young people and young families.

Another instrument that aims at supporting people with not enough income to fulfil their need for housing is the “Wohnbauförderung”. It is a cheap loan provided by the federal state. Another form of social housing is that non-profit associations build flats. Those are receiving funds from national or federal states in order to supply housing for the public and nowadays in most federal state took over the duty for social housing from the municipalities.

Funeral services

By Austrian law a funeral is obligatory. Laws by the federal states are regulating the procedures. Generally, only burials or cremations are allowed in Austria – with the possibility of exceptional rules. Cemeteries are owned either by municipalities or by religious communities. A funeral can only take place organised by an official undertaker. Funeral homes in Austria are private companies, sometimes also owned by a municipality or city (e.g. “Bestattung Wr. Neustadt”, a company in the case study region). A grave has to be owned in order to have a funeral being allowed (HELP SERVICE).

2.3. Analysis of the national context

The public is to a high share participating in the provision of services of general interest in Austria. In many cases, especially according to services of general economic interest, liberalization processes have been taking place and state-owned companies in the traditional sense don't exist anymore. Liberalization has to a high extend been happening as a result of EU directives encouraging a liberal market. Different models of public-private-partnerships exist.

Generally the provision and finance of services of general interest is an evolutionary grown system and radical changes have rarely taken place. The oil crisis in the 1970ies has been a starting point for re-thinking the Austrian energy supply, as the Austrian economy was hit hard back then. The current economic crisis has raised thoughts on belt-tightening-measures, but so far no extreme consequences for the country of Austria have occurred and thus no extreme measures taken.

Developments impacting the provision of services of general interest are in many aspects happening on a regional scale: Undersupply and oversupply is happening at the same time – which is also a legitimation for having a deeper look at the provision of services of general interest with a regional focus. Generally, agglomerations show a good provision with services of general interest, while peripheral regions that experience population losses are having problems to keep the standard or to finance it. A shrinking population size for most

services of general interest mean higher costs per remaining inhabitant – especially services organised on a lower level can overburden the budgets of the municipalities.

More general trends, with a regional differentiation though are for example population aging, changing life styles (according to family structures, work-life-balance and new mobility and communication behaviours that effect services of general interest. Among social services of general interest the demand for care services (for elderly as well as child care) is rising as the provision by the family is getting lesser in the future. Also technical improvements are requiring a reconditioning of the existing services of general interest.

As already stated, regional differences cause different regional challenges and demands according to the provision of services of general interest. In the following chapter 3 the perspective from the national level down to the regional level will highlight the circumstances for the chosen case study region.

3. Regional analysis of SGI

The regional analysis of services of general interest focuses on a selected case study region within Austria (that has already been introduced in chapter 1). In the following chapter a general overview of presence, distribution and organisation of services of general interest within the case study region will be provided. All services already described in chapter 2 will now be characterized again with a regional focus. The general overview will always be given in respect to the national context. Not for all services a focus on solely the case study region was possible due to data and/or literature availability as well as tiers of competence. Besides literature and information from the federal states or statistical offices, the findings of a survey that was conducted in the case study region will help to describe services of general interest according to availability and quality. Further information on the survey is given in chapter 3.3. Also findings from in-depth interviews with experts are integrated.

3.1. Services of General Economic Interest (SGEI)

Energy

Electricity is, like postal service and telecommunication (fixed telephone line) understood as universal service, so its supply should be guaranteed throughout the whole state. Thus energy supply is generally an ubiquitous good in Austria. Still there is a difference which kind of energy is used especially in terms of heating systems for households. Within the case study region good examples can be found, underlining new trends in Austrian energy supply and also best-practice example for the production of energy from renewable resources.

For substituting fossil energies, as for example gas, especially for heating systems, but also for electricity production in many municipalities in Austria (also in Lower Austria and Burgenland) biomass power plants have been erected – for the production of heat in the form of district heating system and also for electricity production. Biomass power plants are producing energy in the form of heat by controlled burning of wood. The company BEGAS is even planning to produce wood gas that could be fed into their gas network (BEGAS). A controlled cremation in a biomass plant is showing a lot of advantages compared to – in many places existing – a lot of detached furnances in the individual household. Overall, less emission has to be mentioned as advantages, but of course also energy supply that is not depending on imports but is locally fixed when comparing to oil or gas systems (HEIZWERKEVERBAND BGLD).

Biomass is most commonly used for the production of heating in the form of district heating system. The idea is a local heat production, mostly out of local biomass that supplies the households with heat. Not only a more CO²-neutral energy is produced but also a contribution to the local creation of value is made by using biomass energy. In the federal state of Burgenland 37 biomass district heating systems, also with support of objective 1 funding by the European Cohesion Policy, have been installed and 3 500 inhabitants are being supplied with heat from biomass district heating systems - most of them being situated in the south of the Burgenland, within the case study region. There is still a lot more potential. Ca. 40% of the area in Burgenland is forest (compared to 22.3% in total in Austria) and the marketing opportunities – besides the energy production – are rather limited. The goal is to double the amount of biomass use in Burgenland (HEIZWERKEVERBAND BGLD).

In the south eastern part of the case study region the district Güssing is situated, which is the Austrian region with the highest density of heat production on biomass-basis. The municipality set its goal being a model for regional economic improvement by the strategy of de-centralised, local energy production with all renewable resources, available in the region. The city of Güssing with this strategy became energy-self-sufficient - today even showing a surplus in the production compared to the consumption. The goal set in the 1990ies to reduce the fossil fuel use by 100% was pursued by building a biomass heating plant (at that time the largest biomass heating plant in Europe), a biodiesel production plant as well as a biomass power plant. The European centre of renewable energy was founded and Güssing is today a well-known region in terms of renewable energy use, also with a slight share of eco-energy-tourism. The future plan is to develop even further in this sector. Also the neighbouring municipalities are taking part now and the whole district of Güssing is planning to become a model region for renewable energy use (EEE). Also other forms of renewable energy, besides biomass, are focused on such as solar energy. The concentration on the renewable energy sector in the region was also an important impulse for the local labour market. It is said that 1 000 jobs were created – directly or indirectly connected to the energy sector – within the region (ECREAG).

Also in Lower Austria a focus on renewable energy in the last years was visible. Wind energy but also biomass heating systems was launched. Until 2015 Lower Austria aims at producing 100% of the demanded electricity with renewable energies and until 2020 50% of the total used energy to be created from renewable energy. There is the goal to have 20 000 new jobs launched in the green energy sector (NOE 2010a). In the case study region for example the “Bioenergie Bucklige Welt GmbH” is supplying energy for three municipalities in the region. (BWWB). Within the mountainous area of the case study region district heating systems on the basis of biomass are not only a substitute to other energy forms as for example gas heating, but partly even the only possibility for a central heating system. A big share of the municipalities is not connected to a central gas supply and the development of district heating systems in the area is an alternative concept (NOE 2010a). For the mayor of Lichtenegg renewable energy production is a major point to focus on in terms of the SGI provision. The municipality is currently a testing place for wind energy production within the region. One wind power plant is already producing energy. For the future, further investigation should help for efficient renewable energy use. Comparing the micro-censuses between the years 2003/04 and 2009/10, a permanent rise of district heating – in whole Austria, as well as the federal states Lower Austria and Burgenland – and a decreasing number of households using gas or in house furnaces can be stated (STATISTIK AUSTRIA).

As already stated, electricity is a universal service for the whole population, so it is not surprising that only 3 municipalities in the survey stated that around 20% of the households have no connection to electricity supply (which can be for example single detached houses or farm houses). The connection to a central gas line or other form of central heating system looks quite different: Only in 6 municipalities all households have access to a form of central heating system. In 8 municipalities around 10% don't have access. In 4 municipalities 10-30% have no access and in 8 cases more than 50% have no access to a central heating system. So in the case study region it is still quite common that households are having their own energy supply in terms of heating, for example by wood furnaces. As already stated, the introduction of biomass district heating system can have advantages especially in terms of emissions and is getting more and more common also for municipalities in the periphery. Still in most of the cases there was no need seen for improvement in terms of gas lines or other heating supply (in 5 cases a built from scratch was said to be needed and in 10 cases an expansion of the capacity was said to be needed). And also in terms of electricity most mayors said there was no need for improvement (in some cases again expansion was said to be necessary).

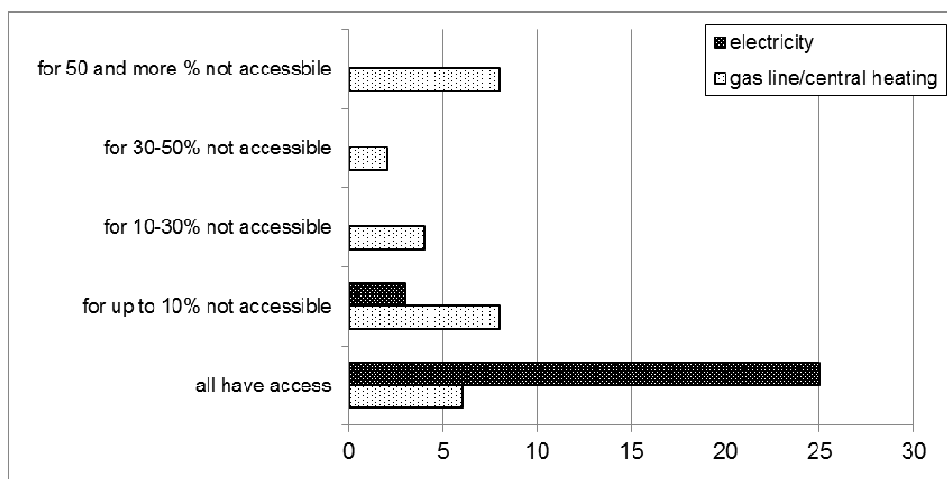


IMAGE 3: Accessibility of electricity/central gas line or other central heating (source: questionnaire)

In terms of energy use also mobility is an important factor especially as it is showing a high dependency on fossil energy. Recently a focus on electric mobility is initialized. The use of electro-cars and electro-bikes is stated to be a good solution also for peripheral regions as an alternative to cars depending on fossil energies. In Lower Austria 40% of all car drives is shorter than 5 kilometres, so a distance that is well suitable for electro mobility. Electro-cars or -bikes can be a possible solutions for the “first” and the “last mile” that bring the user to a public transport hub (as park and ride sites) (VCÖ). Also in Burgenland e-mobility is promoted as a form of transport that is not depending on fossil energy, again in the form of electro-car- or electro-bike-sharing. Roman Michalek from the platform “b-mobil” stated that the trend for individual mobility is not predicted to be decreasing in the next years, so electro mobility can be a solution for an alternative individual traffic.

Water supply

In terms of water supply there are some general differences in the case study region compared to the national trends. Most information on water supply and facilities are available on the level of the federal states only, not on municipal level, so in the following the two federal states where the case study is located (Lower Austria and Burgenland) will be referred to.

In Lower Austria there is generally enough spring water available. The mountainous part of the federal state – where also the case study is located – is supplying the capital city Vienna with fresh water. Still, the water is not equally distributed all over the area of the federal state. In some parts supra-regional water pipes have to bring water, as it is not locally available. Central water supply facilities are especially challenging in areas with disperse settlement structure, as we have it in parts of the case study region. Also extreme climate conditions (dry periods and floods) are challenging in parts of Lower Austria. (NOE). 600 settlements in Lower Austria are still exclusively supplied by private fountains (NOE 2010b). In some municipalities of the case study region, especially in mountainous areas, there is only half of the population connected to a central fresh water supply and the rest is getting fresh water from private springs or fountains. For the future, the private supply will still be important for parts of the country – also for the municipalities in the case study region that are located in the alpine space. Lower Austria is attempting to increase the connection to public water supply from 90% to 95% (NOE).

In the federal state of Burgenland a big difference in comparison to the national state is that all of the drinking water within the state is ground water – in the case study region most of it from deep ground water sources. Another difference is that today in Burgenland only 1% of the population is not connected to central water supply facilities. While in the 1950ies water supply in the whole area of the federal state was mainly provided by private fountains or communal fountains (only 6% of the population was then connected to central pipelines), big investments in a central water supply achieved an improvement of the drinking water quality. Most of the population is supplied by facilities that are co-operations of more than one municipality (as for example the WVB (“Wasserverband Mittleres Burgenland”). All water supply associations of the Burgenland have founded together the interestgroup “IG Burgenländische Wasserverbände”.

The public water supply in Austria is generally working very well all over the country and Austrian water is of high quality. So it is not surprising that also the evaluation of the water supply in the survey given by the mayors was overall very positive. More than 70% said the presence of water supply in their municipality was very good and except one municipality that found the water supply satisfactory, all others evaluated with good. The evaluation of the quality of the water supply was a bit less positive, but still most said the quality to be very good. The not so positive evaluation can be explained by the need for renovation or expansion of the public water supply in some parts – as it was stated also in the questionnaire. Also, building of new infrastructure for water supply was once seen a need for. In one municipality, according to the questionnaire results, 30-50% of the population have no access to a central water supply. In 15 cases all households are connected and in the other 12 municipalities up to 30% have no access to central water supply. Still in some parts of the case study region there are households not connected to a central supply and have no drinking water from the tap available, as ground water not always has drinking water quality due to high agricultural land use.

Waste disposal

As already stated in chapter 2, waste management is organised by the municipalities, with high regulations on the national state as well as on the federal state level. Every federal state is having its own law of waste management, and is regularly publishing a report about the development of waste disposal and management. In many cases municipalities have co-operations or associations for waste management and disposal. Lower Austria is divided into 5 disposal regions. The municipalities of the case study region are situated in the region “Niederösterreich Süd”. In this region two main facilities for waste disposal are situated: In Wiener Neustadt and in Breitenau. Wiener Neustadt was launched in 2005 and is having a depository facility as well as a thermic treatment facility. The thermic treatment is run by the EVN, the regional electricity company for Lower Austria. Also in Breitenau both treatment facilities are available for waste disposal. In a survey conducted by the federal state government 90% of the survey participants (from a sample of 1 000 persons) stated to be very contented with the waste disposal. Lower Austria is collecting data about the waste situation in the single municipalities every year by a questionnaire (NOE 2011). In the federal state Burgenland there are 4 regions of waste management: Within the case study region it is the district Oberpullendorf (AT111) organised as one and the 3 districts Oberwart, Güssing and Jennersdorf (AT113) cooperating. All waste produced in households of Burgenland is conditioned in Oberpullendorf. There are several dumb grounds in the federal state. Difficult waste is being taken care of at a waste disposal in Vienna (BGLD, 2006).

Also mentioned in the survey conducted with mayors and other municipality representatives from the case study region, there is generally a very positive evaluation of waste disposal. More than half of the representatives stated that the presence as well as the quality of waste disposal is very good and almost all the others said it was good. In single cases it evaluated to be satisfactory and neither presence nor quality was ever stated to be bad or very bad. Waste disposal was evaluated to be the most accessible infrastructure within the municipalities. Only in 3 municipalities it was said that up to 10% of the households don't have access to the central waste disposal. According to the very good evaluation it is also less surprising that a share of almost 80% of the representatives said that there is no need for improvement of the service of waste disposal. The rest (3 municipalities) said there is a need for expansion of waste disposal facilities.

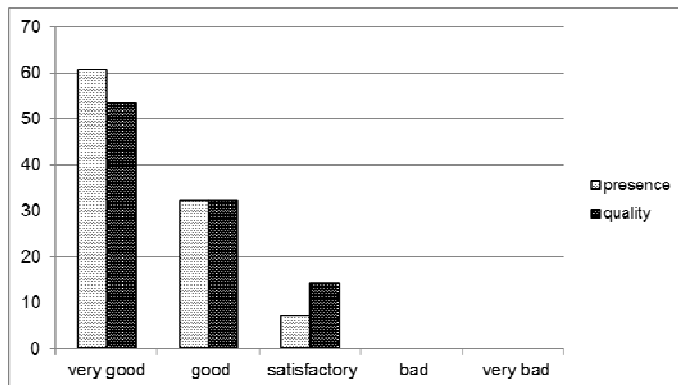


IMAGE 4: Presence and quality of waste disposal (source: questionnaire)

ICT

As broadband internet will be discussed separately in the forthcoming chapter, in the following the outcomes of the questionnaire according ICT infrastructure without broadband internet will be presented.

The presence of fixed telephone lines was evaluated to be mostly very good (13 times) or good (8 times). 2 municipalities evaluated the fixed telephone lines to be badly present and the rest was satisfied. The evaluation of the mobile phone network showed a bit worse evaluation. While 11 representatives stated the mobile phone infrastructure was good and 8 said it was very good, 1 municipality declared it to be very bad and 4 evaluated it as bad. Especially in mountainous regions in Austria it can happen that the signal for mobile phones is not available or that just one provider's network is working properly. Also in border areas the use of mobile phones is sometimes difficult as the signal of the network from the other side of the border might be stronger.

Post

The closing of post offices in the year 2005 affected to a big amount small municipalities. In Lower Austria and Burgenland around 50% of the post offices were closed. Some new solutions on guaranteeing postal service have been figured out together with the municipalities, for example locating the post office in a local supermarket or in the municipality building (so called "Post partner offices" or "service points"). Not all could be replaced by other means of postal services though.

Also in the case study region post offices had to be closed. In the municipality of Lichtenegg, with 1 073 inhabitants (in 2012) the post office was threatened to be closed already in 1995. The municipality therefore integrated the post offices into the municipality building and so the municipality still is having a local supply with postal service in form of a "post partner". For the mayor of Lichtenegg solutions like this play a major role in areas with rather low density, as it is given in a lot of municipalities within the case study region. The public bodies of the municipalities are getting more and more to act as a private agent and by this services of general interest can still be supplied for the local population.

In the survey, the representatives of the municipalities that conducted the questionnaire gave a quite positive evaluation on the supply with postal services: 50% of the municipalities evaluate the presence of postal services (so the availability as well as the accessibility of the services) to be very good. Only in one municipality of the sample the presence was said to be bad. The quality (i.e. opening hours but also offer of services) was evaluated to be good by most municipalities (see image 5).

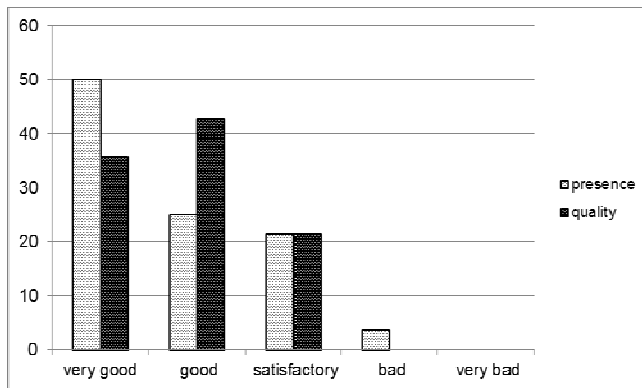


IMAGE 5: Presence and quality of postal services (source: questionnaire)

Retail

As already stated in the national analysis, the structure of the retail industry in Austria has been changing a lot in the last decades from a rather high number of small stores to a smaller number of bigger stores, generally speaking. In the case study region there is a high share of municipalities with less than 1 000 inhabitants – the full spending capacity of 700 to 1 000 inhabitants was said to be needed for the viability for a local retail store, so it can be assumed that not all municipalities have enough population in order to keep a store alive.

According to the questionnaire the presence and quality of retail stores is anyway evaluated quite positively: More than half of the representatives stated that the presence of local retail stores (for food supply and also bakeries) is very good. Only 2 municipalities stated that the presence was bad. In the municipality of Lichtenegg the local retail store is since 2010 funded by the municipality in order to have guaranteed local food supply for the population. It is an example that for some services the public has to act as private agent in order to keep some services viable (ÖROK 2006).

3.1.1. Detailed Analysis of selected SGEI in the region

For a more detailed analysis, sewage facilities, transport and broadband internet were chosen in accordance with the other European case studies and will now be elaborated further.

3.1.1.1. Sewage systems & sewage treatment facilities

Until 1971 only around 50% of the Austrian population was connected to a central sewage system. For reaching better hygienic standards and for water protection an extension of a public sewage system was inevitable. Today around 92% of the Austrian population is connected to a central canalization (by the end of 2006). Access for a 100% of the population seems unrealistic due to the amount of detached houses and the disperse settlement structure. As already shown in the map 5 in chapter 4 the number of households connected to canalization varies in the 9 federal states and similarly in the case study region: The Burgenland has with 98.4% the highest percentage of connection to canalization besides the city of Vienna. In Lower Austria the value is with around 90% lower than the Austrian average. In total, the central canal system has a length of around 81 995 km of canal in Austria – so around 10 m per inhabitant. In Burgenland, showing a rather low population density, the meters of canal per inhabitant are with 14.3 m exceeding the Austrian average, as well as in Lower Austria with 12.4 m. It is tempted to keep the canal length short as with every meter of canal additional costs are occurring. For this reason also in peripheral areas the construction of canals is not always the most efficient solution (FENZL 2011).

In Lower Austria the connection to canalization was to a high extend achieved in the last 30 years – while in the 1980ies less than 40% of the population was connected to the central sewage system, for the year 2018 a number of 95% is planned. A higher extend is due to the costs per inhabitant not seen as economically feasible and the sustaining 5% should further have sewage disposal in the form of sink holes. For further constructions there has been a priority list elaborated so the most needed projects will get built first and respectively get the funding first. Regions with the highest risk potentials (due to serving as water supply areas) have top priority. Also in Lower Austria the new building of canal- and sewage systems has priority to the extension of already existing ones (NOE 2003).

In the federal state Burgenland, where the sewage network is already reaching most of the population, the extension of capacity is in focus. In 2011 in the Stremtal a new sewage treatment plant was commissioned. The

capacities of the facility existing before were during rain fall not able to filter all the water and the river Strem in this case was polluted. The costs of 3.7 Mill Euros were by 1/3 covered by the national state and the federal state Burgenland. The rest was divided between the 15 municipalities using the facility (ORF BGLD).

In Austria both systems of sewage disposal are common: The mixed collection of rain water and waste water from households or industries and the separated sewer system. While the mixed system generally shows lower costs (as there is only one canal to be built) there is a greater need of maintenance involved. The advantage of the separated system is that the sewage facility system doesn't receive as big amount of water as with the combined sewer system as rain water can be directly brought back to the receiving waters. In Burgenland and Lower Austria in the past the building of combined sewer systems was more common, mainly because more dense settlement areas have been equipped with canalization. At the moment the separated sewer systems are favoured. As in the last years rather peripheral locations with low densities were connected to canalization, it was custom to build only one canal for the wastewater and the rain water was brought to drain locally.

Exactly half of the municipality representatives that filled in the questionnaire stated that in their municipality there is no need for improvement according to sewage systems and sewage treatment systems. In one case sewage infrastructure was said to be needed to be built from scratch and in the rest of the cases expansion or renovation was demanded. A central sewage system for the total population was only available in 11 out of 28 municipalities. In most municipalities (13) for 10% of the population no central sewage disposal was accessible and in the other municipalities up to 30% had no access. The presence and quality was overall in most cases evaluated to be very good or good, as shown in image 6.

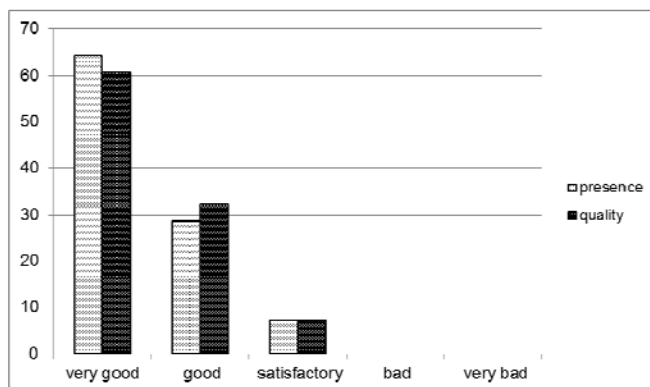


IMAGE 6: Evaluation of presence and quality of sewage facilities (source: questionnaire)

3.1.1.2. Transport

As already shown in chapter 2 the case study region is rather unfavoured in terms of transportation. Only three high ranked road connections are connecting the region with centres such as Vienna or Graz (the speed roads S6, S31 and the highway A2). Municipalities close to these central axes are rather well connected but otherwise, the accessibility to centres outside the region is low. Still the connection by individual transport for some parts of the case study area is very good. Mostly the areas with good accessibility also show positive migration balances.

Throughout the whole case study region the supply with public transport is not satisfactory. In the south there is mostly no train connection at all – as the region has formerly been part of Hungary train connections to Vienna or Graz have never existed and the East-West-connections don't exist anymore. In the northern part the main North-South connection in Austria (between Graz and Vienna) is leading through the case study region. Wiener Neustadt, as a regional centre is situated on this axis and serves as a connection hub for the region. The accessibility with local public transport for the majority of the region is rather bad.

The majority of the municipalities of the case study region are since 1997 belonging to one transport management company ("Verkehrsverbund NÖ-BGLD"). Founded as a company serving the peripheral municipalities that not belong to the transport management company of the VOR (including Vienna and its bigger region, with parts of Lower Austria and the Burgenland) in 1988, it was enlarged at the end of the last century and by this all municipalities in Lower Austria and the Burgenland now belong to a transport management company. The goal is to have a common tariff system and a coordination of time tables. Since 2001 the harmonization of the two transport management companies ("VOR" and "Verkehrsverbund NÖ-BGLD") in Lower Austria and Burgenland is enforced (VVNB).

The service of public transport in the case study region is facing more than one obstacle. Disperse settlement structures and low population densities make it difficult to serve the area with a fully integrated and connected transportation system. Furthermore, low prices of land in peripheral areas and longer accepted commuting distances might even suggest there will be a gain of importance of individual transportation. In the mountainous areas with low population density the valleys can serve for canalizing transport routes but in areas where the settlement is spread this canalization is difficult if feasible at all. Realistic options for the development of a higher share of public transport thus seem to be focusing on shared mobility concepts. Serving the hub function at the “first/last mile” for example could be fulfilled by car sharing or bike sharing systems as stated by Roman Michalek. Electro mobility is in this respect also an important topic. Also fostering of cross-border public transport is an issue for the region. In the questionnaires it was mentioned by mayors that more connections towards Hungary are important for the future of the case study region. In the project “GreMO Pannonia” potentials for future connections are sorted out and it should serve as a start up for a bilateral regional mobility management with a focus on rail and bike traffic leading towards a better connectivity of the case study region. The “Raaber Bahn” is a private train company that is connecting Eastern Austria and Hungary. In the future even more connections than the already existing ones are planned and train lines that are not served anymore are bought and renovated by the company that is to a large part owned by the national state of Hungary and Austria (GYSEV RAABER BAHN).

Public transport is mainly a service that is financed (and also mostly owned) by the public. In cases where private companies operate the transport service on behalf of the state, they get highly funded by the national and/or the federal state level. Local transportation is a duty of the municipalities. In any way the costumers’ fees are not sufficient for covering the costs. When the costumer pool is limited, as it is in the case study region, the customers’ fees even play a less important role and attraction for private competitors is only due to the funding from the public. The trend in the case study region is therefore often towards models based on voluntary services. For example some municipalities started own non-profit public transport for local means, as a municipality bus. Also giving vouchers for inhabitants for taxis is quite a common individual measure taken by the municipalities in the sub-region Pinkatal-Stremtal 5 municipalities organize a local bus line. The very low dense area with small villages make it not profitable for private companies to serve the region with public transport, therefore the municipalities are financing this service. In the municipality Markt St. Martin a taxi service on a weekly basis has been organized, addressing mostly the elderly population. The taxi is bringing the people from remoter settlements within the municipality to the main village, so elderly population or population with no driving license can do their shopping, visiting doctors, pharmacies or other businesses.

In the survey conducted, public transport by train was the service ranked with the lowest accessibility for the population – as parts of the case study region cannot be reached by train at all. Over 30% of the mayors stated that more than 50% in their municipality have no access to train transport. The public transport by bus was said to be better available. Still the evaluation of presence in terms of transport underlines the deficits in the region. Image 7 shows the evaluation of the presence of transport infrastructures (high ranked roads, local roads, public transport by train and public transport by bus). Especially the evaluation of the public transport infrastructure is to a high amount not in the positive scale.

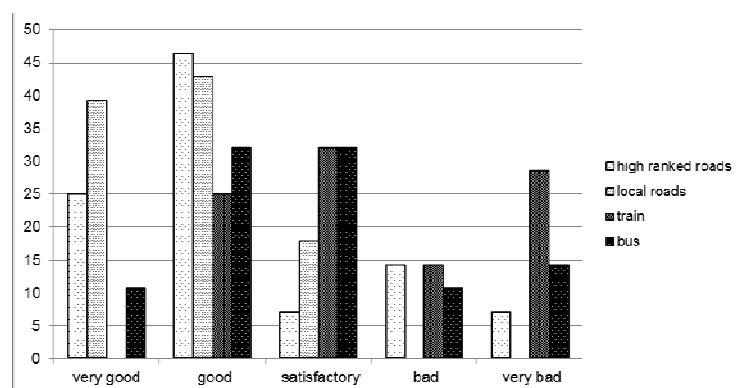


IMAGE 7: Evaluation of presence of transport in the case study region (source: questionnaire)

A good transport connection was by the majority of the representatives mentioned as crucial for fulfilling the needs of companies – especially the accessibility via roads was mentioned. Also for private households the

accessibility via road was mentioned as well as a public transport system was said to be crucial for inhabitants. Over 80% of the municipalities stated that an expansion of the bus system would be necessary.

3.1.1.3. ICT (broadband/internet)

In the survey conducted in the case study region representatives of the municipalities were asked which are the most important services or infrastructures – on the one hand for businesses and on the other hand for families. Broadband internet (or in general internet or communication infrastructure) were often mentioned in this respect. For businesses 11 out of 28 municipal representatives mentioned broadband to be very important and by that the second most mentioned infrastructure, right after road accessibility. Also for private households the representatives stated the importance of high speed internet.

Only in 8 municipalities that conducted the survey broadband internet is accessible for the total population, in most cases the survey participants stated that 10% of the population has no access to high speed internet. In 7 cases 10-30% has no access and in 3 municipalities 30-50% of the population has no connection to broadband. The presence of the broadband infrastructure was 2 times evaluated to be very bad and 3 times to be bad. Still most of the representatives (11) evaluated the presence to be good. The expansion of the service was stated to be needed by the majority of representatives (75%) – the rest sees no need for improvement.

The broadband initiative 2013 was already presented in the national analysis. For the case study region this initiative promises improvement in terms of broadband access. Many municipalities of the case study region are eligible to the funds, as the criteria are a population density less than 150 inhabitants per km² as well as a low access to broadband so far (meaning less than 80% of the households having a broadband access). Suppliers that apply for investing the infrastructure get funded by means of the initiative. The rapid rise of the households connected with broadband internet in the last years (see table 5) can be an evidence that the initiative is successful but also a rise in mobile broadband internet in the last years has been taking place.

ICT use in households/companies	2009	2010	2011
households with internet access	70%	73%	75%
households with broadband access	58%	64%	72%
companies with internet access	98%	97%	98%
companies with broadband access	76%	76%	82%

TABLE 5: Use of internet/ broadband internet (source: STATISTIK AUSTRIA)

3.2. Social Services of General Interest (SSGI)

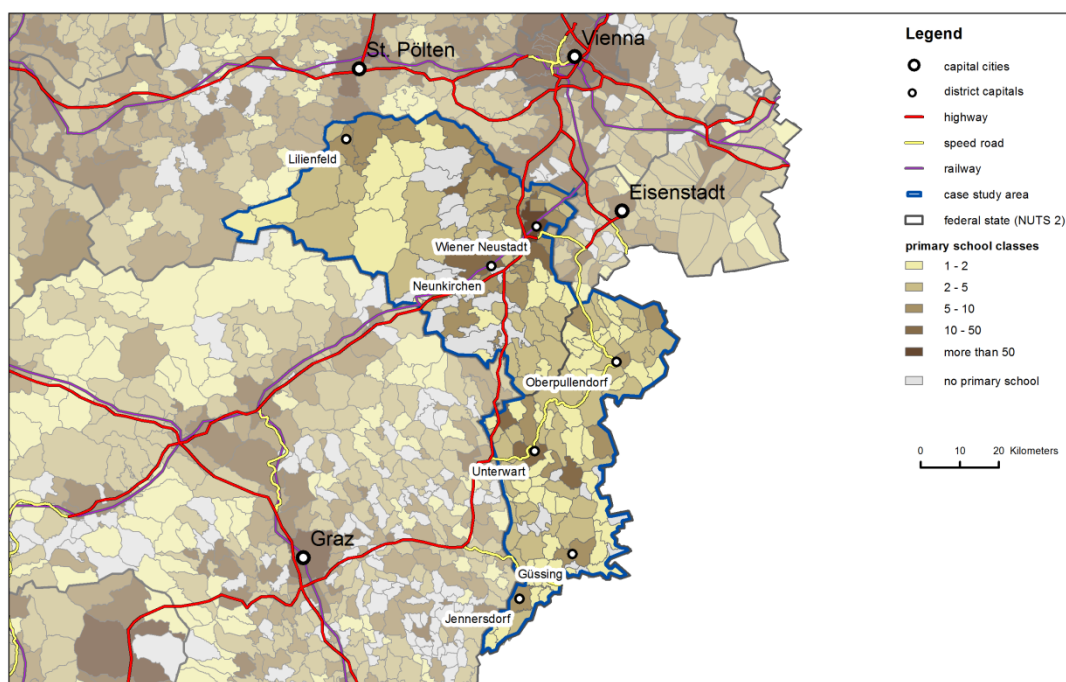
Education

As already outlined in chapter 2 there are regional differences in the educational attainment throughout the Austrian territory. While the attainment in the secondary and tertiary level can be explained by social, economic or cultural differences, as well as the distribution of schools, the changing number of pupils in the primary schooling sector is mainly a product of demographic changes through time. The regional analysis of secondary and tertiary schools will be described in a detailed analysis. In the following the general educational situation in the case study region, with a focus on primary education, will be elaborated.

In the last decades the number of pupils in primary education has reduced as a result of decreasing fertility rates. In some regions fertility decline has been more pronounced than in others – especially in regions with a negative net migration the number of children has reduced even more dramatically. In the federal state Burgenland the total population growth in the second half of the last century was modest. The share of younger population reduced remarkably: In 1981 the share of the population aged 0-20 was 29%; in the beginning of 2011 it was 18.7%. The decline of 31.6% in this age group was one of the strongest throughout the whole country, in line with the federal states Styria and Carinthia. Also in Lower Austria the population in younger age groups declined: In the beginning of 2011 the age group 0-20 counts 1/6 less than in 1981. In total the share of the age group is 20.9%, the number of children in primary school reduced by 16% (STATISTIK AUSTRIA 2012a)

For the future there is a constant decline of children in the age of primary education predicted by the Austrian Statistical Office. For the school year 2016/17 a decline of 0.6% is predicted (with the base year 2009/10) – by this the lowest level is supposed to be reached. The only federal state that is experiencing a growing number of children in the age of primary education is Vienna, due to a high level of migration. Within the federal states there are also big differences in the development in the number of pupils to be expected: Regions with a growing population can expect a growing number of pupils. In peripheral Regions strong decline has to be expected (STATISTIK AUSTRIA 2012a).

Most parts of the case study region can be described as such peripheral regions with outmigration. Already in the past years the decline of school enrolment in primary education had the effect that the number of schools had to be reduced. In the municipality of Mischendorf, in the southern part of the case study region, already in the year 2004 the number of pupils was too small to keep the 3 schools and so it was reduced to one location. As shown in map 12 the number of classes in total in each municipality is especially in the Burgenland very small. The federal state is trying to reduce the number of schools, as the costs per pupil are rising enormously but for many municipalities it is of course important to keep a primary school within the municipal borders in terms of service provision.



MAP 12: Number of primary school classes per municipality, 2011 (source: STATISTIK AUSTRIA, UNIVIE)

Primary schools and kindergarten (or other child care facilities) were mentioned by representatives of the municipalities in the conducted survey to belong to the most important needs of private households. As municipalities try to attract families with children it is obvious that it is of big importance that good availability of a primary school and a kindergarten is guaranteed. The municipalities that have been taking part in the survey seem to be content with the situation regarding primary school and kindergarten: In both cases more than 70% of the representatives stated the presence of those services was very good and the rest evaluated with good. According to this evaluation the case study region is, even being a peripheral area and with a decreasing share of school children, well equipped with primary schools and kindergartens.

In pre-primary education the federal state of Burgenland has an attainment that is over the Austrian average: 98.8% of the children aged 3-5 years are enrolled in a child care institution. In Lower Austria the pre-primary attainment matches the Austrian average at the age group younger than 3 years old (16.7% in Lower Austria and 17.1% in Austria). The attainment of the children aged 3-5 years is above the average with 95.2% of the children being enrolled in child care institutions.

A specific feature in the south of the case study region is the obligation of schools having classes in the languages Croatian and Hungarian, as in the Burgenland there are respective minority groups. The presence of schools (in the compulsory schooling sector) with classes held in those languages is regulated by law. In newer times for some municipalities the bilingual lessons hold the potential that also children living in Hungary can possibly visit schools in the Burgenland and so schools in proximity to the border that have only few classes and are threatened to close down can enlarge their ranges. In Oberwart also the AHS is bilingual, so also upper secondary education in both languages is possible.

Labour market services

As already described in the national analysis the national labour market service in Austria is called AMS, operating offices for labour market assistance throughout Austria. Generally the offices are located in central municipalities with mainly one office serving a district. In the case study region it is mostly the district capital where the offices are located, in single cases also other larger municipalities. The AMS is offering a lot of services also online. By the implementation of e-jobrooms and online contact with the offices face-to-face appointments (as it is usually when being registered at the AMS and receiving financial support in the case of unemployment) can be reduced, which can also be an advantage in terms of long travel times to labour market service facilities (AMS).

Business and other management consultancy services (incl. monetary intermediation)

Business accountants offices are located around 220 in NUTS AT 122, with more than half of offices in or around the city of Wr. Neustadt., in Burgenland, there is less quantity of these offices, AT 111 having ca. 35, AT 113 ca. 55. Licensed notaries are ca. 10 in AT 122, 2 in AT 111 and 6 in AT 113 and mainly seated in municipalities with district courts, like district capitals. (NOTAR, KWT)

Departments of the Chamber of Businesses WKO are located in the district capitals of the case study region: AT 122 (Lilienfeld, Neunkirchen and Wr. Neustadt), AT 111 and AT 113 (Oberpullendorf, Oberwart, Güssing and Jennersdorf). While in the office in Wr. Neustadt there are 7 employees, in Jennersdorf there are only 2. (WKO)

The Lower Austrian part of the case study region is supported by the Regional Management Industrieviertel (10 employees), the Burgenland part is within the area of Regional Management Süd-Burgenland (8 employees). Both have quite special foci. While in Lower Austria, lots of business support is provided by the office of the federal state as well, RMI is very much into social and regional development as a whole. In Burgenland, the RM office is strongly interlinked with issues of EU Regional Policy, since NUTS2 Burgenland is an Objective Convergence Phasing-out region. (RMB, RMI)

Public administration and defence

As already stated in chapter 2 on municipal level, self-governmental rights are still strong but mostly due to budget constraints many small scale municipalities seek for co-operations with neighbouring municipalities and share not only technical or social infrastructures but also join administrative units of the bureaucratic apparatus – irrespectively of their political independence. An own municipality building is still in the vast majority of rural municipalities existing, even with a very small number of inhabitants, as the autonomy of a municipality is held up high throughout the Austrian state. Still the financial situation of municipalities led to some co-operations, as not all municipalities can fulfil anymore all the services they are obliged to do: For example register offices, accountant staff or administrative staff is sometimes shared by multiple municipalities in order to save costs.

As police and defence is organised on a national level there is no competence on the municipal level. The allocation of police stations is decided on a national level; in the case study region, not every municipality has a police station. Fire safety is, especially in small rural municipalities, often organised as a voluntary activity, serving often not only the fire safety but other community tasks, as cleaning activities and also the organisation of community events. In bigger cities professional fire brigades can be found. Basically every village has its own voluntary fire brigade in the case study region.

The public administration and also the fire brigade are not only general infrastructures or services for most municipalities but actors of identity. A loss of those services due to financial cuts is feared by many inhabitants or representatives as it would be a sign of erosion for the village communities. In the case study region there are municipalities with around 1 000 inhabitants, having more than one fire brigade, as it is an important association – not only guaranteeing fire safety but also other voluntary services as well as the organisation of cultural events for the community. Still co-operations also in public administration and fire safety activities are getting more and more common due to the high financial efforts to be taken.

Cultural and recreational services

Associations (for cultural or sports activities) are an important social factor for many village communities in small municipalities in Austria and also in the case study region playing an important role. Fire brigade, football club, village renewal association and so forth are not only important as they fulfil duties for the whole community but also as they serve the social life and the informal communication. (ÖROK 2006) Associations are generally non-profit organisations on a voluntary basis, receiving funds by the municipalities but also earning money by organising festivities.

In the questionnaire the evaluation of the presence and quality of cultural associations and services was asked on the one hand and on the other hand the evaluation of presence and quality of sports facilities. There is generally a better evaluation for sports facilities than for centres of cultural activities. Most representatives evaluated the presence to be good, in single cases though it was bad and for cultural services even very bad one time.

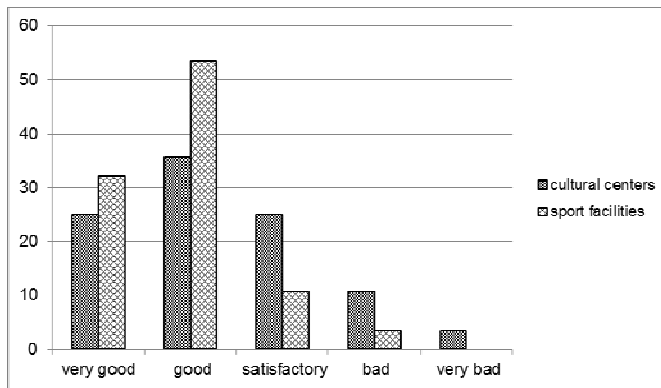


IMAGE 8: Evaluation of the presence of cultural centres and sport facilities (source: questionnaire)

Cultural and recreational services are seen as a very important factor creating an identity of the population for their home municipality or region. Especially in outmigration areas this identity is often said as an important factor to still make people stay in a region or make them come back after having been educated or having worked somewhere else. Associations are organised on a voluntary basis and often take over certain services (as for example the fire brigade) that on a professional basis in rural area would be too costly. The voluntary commitment is in many municipalities essential for supplying the population with services.

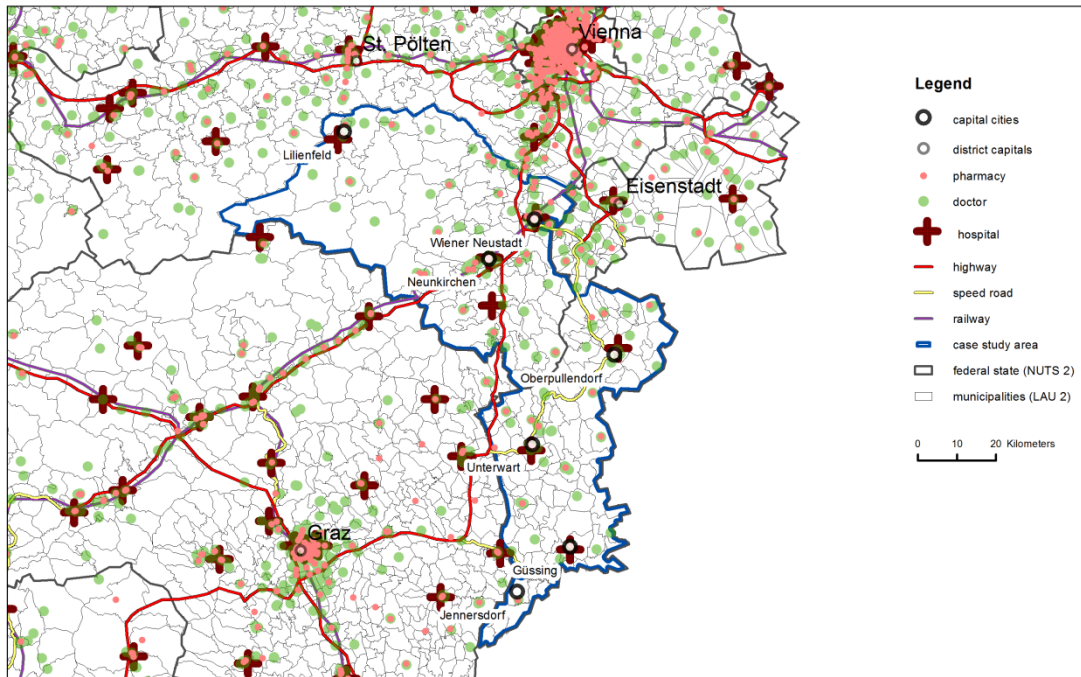
Restaurants are also said to be important for informal communication – in many rural areas restaurants had to close down, not only due to a lack of demand but as successors were missing. In the case study region, especially in areas where there is at least some touristic activity, the presence of restaurants is relatively good, as also stated by the municipal representatives: More than half of all representatives evaluated the presence of restaurants to be very good and most of the rest stated the presence was good.

Health & care services

In map 13 hospitals, doctors and pharmacies in the case study region are illustrated. The hospitals in the case study region are located in the district capitals of Lilienfeld, Wr. Neustadt and Neunkirchen plus a special-hospital in Hohegg (in AT 122) and in Oberpullendorf, Oberwart and Güssing and a special-hospital in Hirschenstein (in AT 111 and AT 113). As hospitals will be discussed in a detailed analysis in the following other aspects of health care and care services are carried out.

The regional configuration of competences and planning on health issues are based on administrative borders matching roughly the NUTS delimitations. Two regional structural plans on health (from Lower Austria and from Burgenland) are referring to the case study region. NUTS AT 122 is part of the regional plan of Lower Austria and belongs to one planning region together with the southern Viennese sub-urban area (AT 127). AT 111 is together with northern Burgenland (AT 112), while AT 113 is an own planning region. In the regional plans provision of services for health care are organised and planned.

In the recent years, especially the organisation of elderly care has received a lot of attention. The share of older population is getting higher and the care activity from the side of the families is getting lesser. There is a high demand for elderly care. Especially in the Burgenland, but also in the south of Lower Austria there is a high share of population in old age groups in many municipalities.



MAP 13: Hospitals, doctors and pharmacies in the case study region, 2009 (source: Teleatlas, UNIVIE)

3.2.1. Detailed Analysis of selected social SGIs in the region

For a more detailed analysis in all case study regions secondary and tertiary education, hospitals and social housing were chosen in accordance with the other European case studies and will now be elaborated further.

3.2.1.1. Secondary and tertiary education

In the 1960ies and 1970ies the Austrian educational system expanded massively, especially in terms of secondary and tertiary education. New schools for secondary education and universities were founded, also outside the central areas. More population got access to higher education and the population enrolled in secondary and tertiary education was rising, as well as the shares of population with a degree in higher education. In the 1960ies and 1970ies the number of pupils was rising by 25% compared to 1951. The longer stay in school education of the population 15+ compensated at first the decline of pupils that happened due to fertility decline. Today the majority of the population stays in school after compulsory education (so after the age of 15). In (upper) secondary education especially the school form of BHS and AHS gained a huge popularity in the last decades: Between 1951 and 1998 the number of pupils in the AHS raised by 350%. In the BHS in 1951 there were 7 500 pupils and in 1998 113 000 – no other school form has ever established so well in Austria (ÖROK 2006).

The development of the educational attainment in the federal states Burgenland and Lower Austria, where the case study region is situated, was also characterized by a huge catching-up process. In image 9 the development of educational achievement for the federal states Burgenland and Lower Austria as well as the national average is plotted – the labels show the value for the whole country. In the year 1981 in the federal state Burgenland the majority of the population was only enrolled in compulsory education, this changed very rapidly between 1981 and 1991. In 2009 the educational achievement in the upper secondary education is even higher than the Austrian average. The population with only compulsory education the other way round was decreasing in the last 30 years and now a share lower than 20% in Austria is only holding a degree of compulsory school. The share in Burgenland is still a bit higher, explained by the lower amount of people that achieved tertiary education.

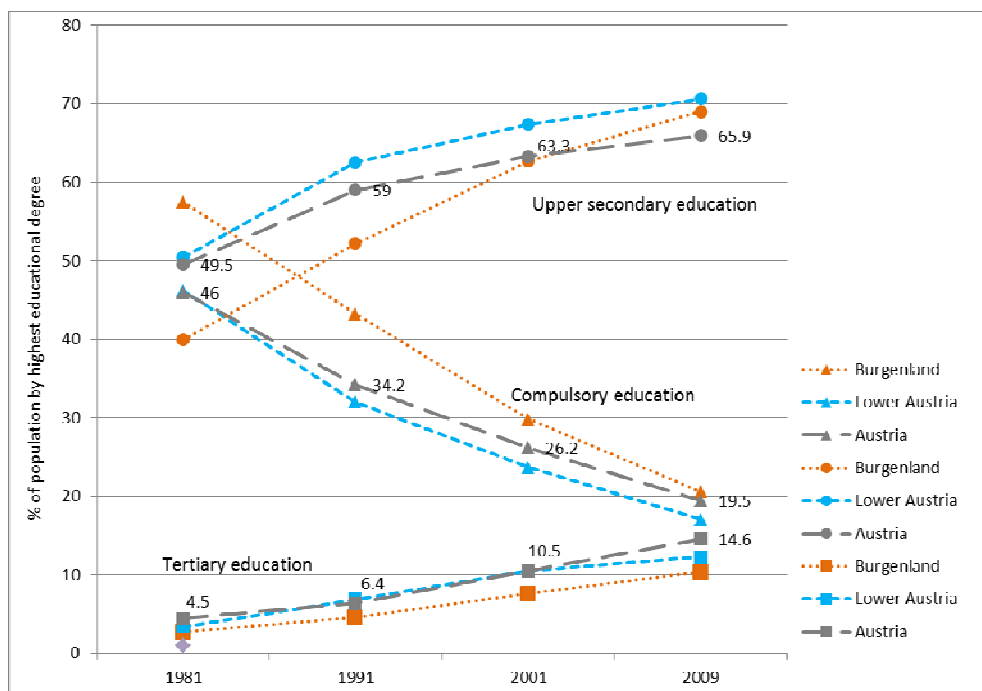


IMAGE 9: Development of educational achievements in Austria, Lower Austria and Burgenland 1981-2009 (source: STATISTIK AUSTRIA)

Secondary education

In the Lower secondary education most differences occur between AHS and Hauptschule. As already described in chapter 2, Hauptschule is the general school for lower secondary education and ends after 4 years at the age of 14. AHS is a school that combines lower secondary and upper secondary education. As the AHS is a school that leads to a “Matura” (general qualification for university entrance) and the Hauptschule a school for generally all pupils (also the ones that are not planning to be enrolled in further education) in locations where both school types are available the AHS mostly presents the school form with higher requirements for the pupils. AHS is furthermore a school with a higher centrality and not so well distributed, but rather centralized in bigger agglomerations. As already stated in some places there are big differences in terms of quality and requirements between AHS and Hauptschule. As the differences in the past years even got bigger and the reputation of the school form Hauptschule, due to a big run on the AHS, got worse a new school type was introduced to the Austrian school system: the Neue Mittelschule.

The Neue Mittelschule (the new secondary school) is aiming to be a better school form for the lower secondary education for all pupils at the age of 10 to 14. Following the curricula of a AHS, but still having a strong focus on individualization and differentiation this school should be an “in-between” of AHS and Hauptschule. Anyway, for the future this new secondary school should replace the school type Hauptschule until 2015/16. Also a higher extend for afternoon school is approached in this new school form. Usually schools in Austria end the classes in the early afternoon and there are not enough possibilities for day care for school children. In the case study region there will be 52 new secondary schools be introduced in the school year 2012/13.

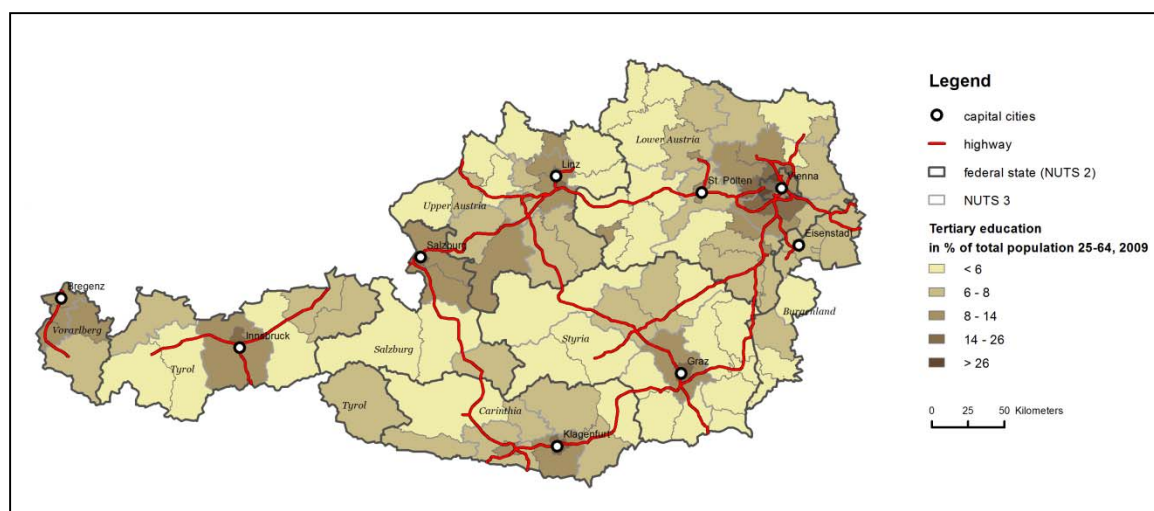
In total schools for upper secondary education in the case study region are available in 23 municipalities. Pupils from the rest of the case study have to commute for receiving upper secondary education. In the last years not only more Hungarian pupils go to Austrian schools in the border region, but also pupils from Austria commuting for upper secondary education to Hungary – close to the border in Sopron there is an upper secondary school (AHS) that has a bilingual class.

Tertiary Education

Locations for tertiary education are generally central locations, such as the capital cities of the federal state or in clear primary position with the offer in tertiary education the capital city of Austria. In total 14,6% of the Austrian population hold an academic degree – received from completing a study at a university, a university of applied science (“Fachhochschule”) or other institutions where tertiary education can be achieved (for example also teacher academies or different study courses). The distribution of academics in the Austrian territory is not equal. As just stated around 15,6% of all Austrians have gained tertiary education, in Burgenland it was only around 10

% of the population that hold an academic degree. In map 14 the share of population with tertiary education is pictured. Within the case study region the shares are relatively low compared to agglomerations like Vienna and its outer skirts. The distribution of population holding academic degrees is of course not only caused by the availability of universities or other institutions where academic degrees can be received but by the availability of academic jobs in a region.

The closest universities to the case study region are located in Vienna and in Graz. A lot of young people leave the case study region in order to study in one of those cities. Lower Austria and Burgenland show the highest enrolment rates of students in universities of applied science, which can be also explained by the fact that the presence in the federal states is higher than in others (also in relation to other tertiary education institutions). For the case study region, as also for other peripheral regions it is a problem that people with higher education have no good chances to return, as most jobs that require tertiary education are in central areas. The labour market in the case study region is rather focused on jobs in the secondary sector as well as tourism and also agriculture is still of higher importance compared to other parts of the country. The achievement of tertiary education is in this respect also a push factor for migration from the case study region. There are attempts though to target the foci of the tertiary education closer to the regional labour market. For example in the health sector in the Burgenland, where a spa cluster has been realized in the last 30 years also studies on this topic are available. Yet there is lot of potential left to align the foci of tertiary education and regional labour markets.



MAP 14: Population with tertiary education in % of the total population aged 25-64, 2009 (source: STATISTIK AUSTRIA, Teleatlas, UNIVIE)

3.2.1.2. Healthcare - Hospitals

In the case study region, every district capital is equipped with a hospital. This follows the central place scheme and is due to spatial planning competence of the federal states over this SGI. Therefore, minimum accessibility of all inhabitants is basically assured; e.g. in whole Lower Austria, for more than 95% of the population it takes less than 30min to the next hospital. In the part of Lower Austria, Wr. Neustadt is the main hospital within the region, in the part of Burgenland it is Oberwart.

District-hospitals	inh. of resp. district 2011	beds	occupancy	in-patients	out-patients	staff
Güssing	44 067 ¹⁾	140	74%	9 100	20 600	284
Oberwart	53 618	402	78%	20 500	61 000	822
Oberpullendorf	37 522	180	79%	13 200	18 400	330
Lilienfeld	26 555	160	n/a	7 300	n/a	n/a
Wr. Neustadt	216 140 ²⁾	860	n/a	46 000	n/a	2 300
Neunkirchen	85 667	360	n/a	14 800	n/a	n/a

¹⁾incl. district of Jennersdorf; ²⁾ incl. District Wr. Neustadt Bezirk

TABLE 6: Key figures (2010/2011) of the hospitals in the case study area (KRAGES, LKNOE; STATISTIK AUSTRIA)

In average there are ca. two to three times more treatments of out-patients than in-patients. Occupancy rates are on a reasonable percentage, with some capacities left. In average, ca. 20% of staff are doctors.

The number of beds has generally decreased in the last years, while occupancy rates have grown. In Austrian comparison, the availability of the SGI hospital per inhabitant is rather higher. There is no obvious disadvantage for consumers/patients of this SGI in the peripheral, mountainous case study region compared to more central areas.

Importantly to mention is that these hospitals in the periphery fulfil crucial tasks for first medical aid and service. E.g. most hospitals run a pharmacy and provide the opportunity of first aid especially at late hours and weekends, when accessibility of pharmacies and doctors is limited.

Strategic plans for rural-peripheral hospitals in Austria foresee a modification of tasks in terms of more integrated health centres, providing the patients not only with common hospital service but further medical and health treatments especially in the frame of health prevention.

3.2.1.3. Housing

As already stated in chapter 2 social housing was usually rather common in urban agglomerations, as for example the city of Vienna is showing a high share. In the case study region also in some urban agglomeration – especially those having been locations where a lot of industrial companies settled – there are also flats built by the municipality with lower rents available. Especially for young people those are very attractive. Thus in the municipality of Ternitz, actually showing a negative population development in the last years, the demand for flats financially supported by the municipality is higher than the supply.

For supporting people with lower income in rural areas the support of (re-)construction or purchase of housing or living space is more common, also as single family houses are the more common housing type. As already described in chapter 2, this financial support called “Wohnbauförderung” is carried out by the federal states, so there are slight regional differences. In Burgenland Austrian citizens (or equally, as equally treated, EU-citizens) can apply for this loan with low interest rates and a long current time for people with a low income and the need for housing. It is valid to apply when building a new house as well as when renovating an already existing one or also when buying a flat. Not only private persons can apply for the loan but also municipalities, associations or companies in certain cases. There are some general goals that have to be fulfilled when applying for the loan additionally to the already mentioned ones, especially in terms of energy use (for heating systems) and also building sizes. In Burgenland there is an additional bonus for building or renovating at central locations, in order to contain sprawl and to have compact settlements (BGLD 2012).

Also in rural areas the demand for flats (instead of single houses) has been rising and the supply was mostly been complied by housing associations serving the public good. In Burgenland more than 70% of all flats are in possession of those associations showing one of the highest shares in Austria. Unlike private housing companies those associations are constraint by a national law in profit making and profits being made have to be invested in further housing measures. For tenants certain quality standards as well as a secure housing situation are guaranteed. The associations are funded by public money and nowadays mostly replace the traditional social housing (in the form that the municipality is owner of the flats). In total there are 190 building associations existing in Austria and in total 815.000 flats that are administrated by them – 20.080 in the Burgenland and 62.920 in Lower Austria (GBV).

An example for a housing association in the case study region is the „Oberwarter Siedlungsgenossenschaft“ OSG. It is the biggest association in the federal state Burgenland. In 1964 the company started with building flats in the very single-family-house dominated federal state Burgenland. Today the company is building and holding houses in 138 municipalities of the federal state. Also in smaller municipalities the association is active and sees the action of building flats also as a measure to prevent outmigration. Also in projects for building flats for elderly people the company is involved in co-operation with municipalities and social care organizations (OSG).

Before the single findings of the services of general interests in the case study region and the national analysis are concluded, a summary of the questionnaire survey that was already been referred to several times is following.

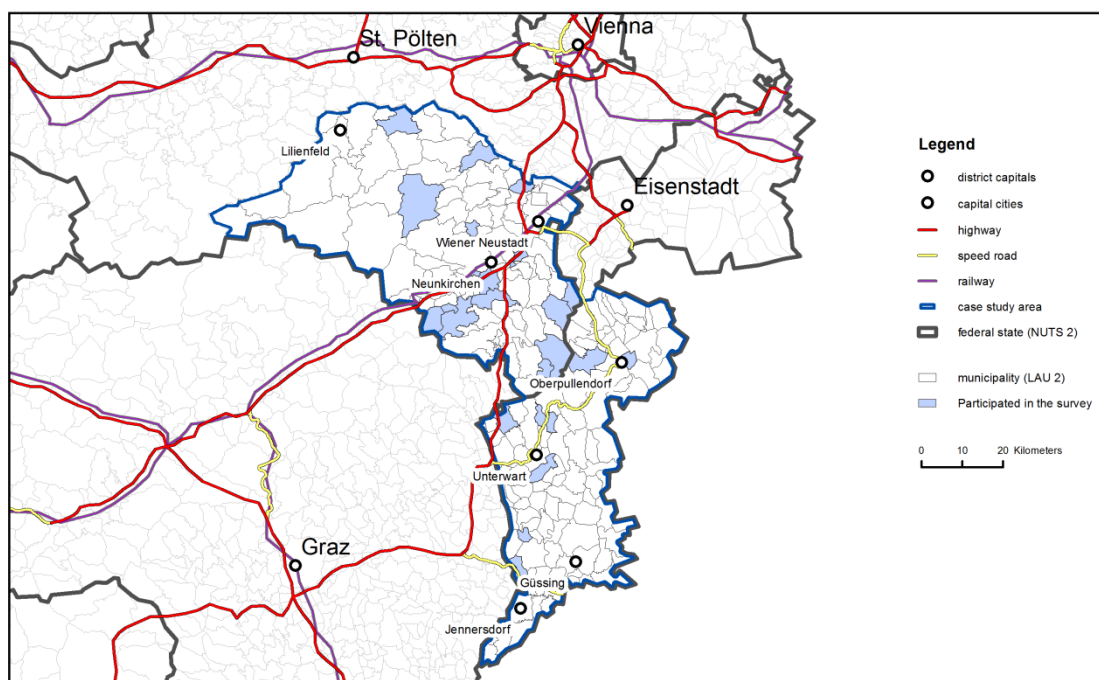
3.3. Summary of the general results of the questionnaire survey

Between March and May 2012 all of the 202 municipalities of the case study region received a questionnaire via email and were asked to contribute by this to the case study report. The questionnaires designed by Activity 4 were a common method to explore the organization and provision of services of general interest in the region. 27 municipalities in the case study region completed the survey, which represents around 13% of the total municipalities. In map 15 these municipalities are displayed and it shows a fair distribution over the case study region's territory. 2 municipalities filled in the survey without giving the names in order to stay anonymous. Around 70% of the surveys were provided by the federal state of Lower Austria and about 30% of the federal state Burgenland. The mayor or the municipal manager was asked to fill in the questionnaire. In some cases also other persons working at the municipality gave the answers. The questionnaire was sent to all municipalities per Email with an invitation to an online questionnaire and also the survey attached. In some cases municipalities of a certain size or location were contacted by telephone, in order to have the survey in some way representative for the whole region. The average size of a municipality referring to population is 1 922 inhabitants. In the survey the average population is 1 799. In order to not only have big municipalities represented in the survey this number was always kept an eye on. Nevertheless, only few municipalities with a population size less than 1 000 inhabitants took part. Especially in the federal state of Burgenland it was rather middle-sized municipalities attending the survey. The outcomes might differ with smaller municipalities represent.

Another indicator of interest is the population development of the municipalities that have been taking part in the survey in comparison to all municipalities in the case study region. In the case study region there are 120 municipalities (out of 202) with a negative population development, so almost 60% in relative terms. From the municipalities that took part in the survey around 50% show a negative population development. The share of municipalities with a population decline is thus not as big as in the case study region in total but it gets close and it is positive for the representativeness that not only municipalities with a growing number of population and thus maybe a growing number of demand for services and infrastructure are represented in the survey.

The questionnaire presented to the municipal representatives was provided by the activity leader of Activity 4 and translated into German language. Besides the pure translation of the survey also some change of the structure has been done in the Austrian version of the questionnaire, as well as the re-design of certain questions, still measuring the same outcome. Also there was an additional question added.

A total-population survey would have been desirable but turned out not to be feasible within the time period of 3 months and with the method of questionnaires. Especially small municipalities, of which there are a lot in the case study region, are often being able only to afford a small number of employees, were difficult to be reached and made to fill out the survey. With the return of 13% the project team is though satisfied, as the expected return was around 10%. Furthermore the answers given show results that are compatible with the outcomes of the literature analysis, done beforehand, so the quota seems to represent the case study region.



MAP 15: Municipalities participating in the survey (Source: Teletlas, UNIVIE)

Presence and quality of services

The first block of questions was investigating on the presence of services of general interest – representing more or less the social services of general interest, like schools, health care services, public authorities and private services like shops or restaurants but also from the side of the services of general economic interest postal services. The question according the presence was supposed to measure if the service was within a reach that could be considered as “very good”, “good”, “satisfactory”, “bad” or “very bad” – so generally the presence stands for availability and accessibility. A very good presence doesn’t necessarily mean a service has to be within the administrative borders of a municipality. Another question aimed at evaluating the quality of the services or infrastructures – trying to find out if certain services or infrastructures might not fulfil the expectations of the representatives in terms of quality or for example opening hours. The possible answer categories were again ranging from “very good” to “very bad”.

In general, most of the services were, according to their presence, evaluated by the representatives to be very good or good. More than 70% of the municipalities rated the presence of schools, kindergartens and municipal offices being very good, not a single municipality stated the presence of those 3 services to be very bad. Half of the municipalities find the presence of restaurants, shops (like supermarkets and bakeries) and also bank services very good. Also for these services the category “very bad” was never ticked, although in some municipalities the situation was described as “bad”. The presence of health care services, like hospitals, doctors, health centres and pharmacies also show the majorities of questions being answered with either “good” or “very good”. Most municipalities seem to be more satisfied with the presence of doctors, than with the presence of services with a higher centrality (like hospitals and health centres). For the presence of schools for secondary education most of the municipalities ticked the category “good”. The presence of universities was - not very surprisingly - evaluated rather negatively, which is of course explained by universities being a high centralized service and not really present in the case study region (except some colleges for tertiary education). The evaluation of care services for elderly showed a quite diverse result. While 9 municipalities stated the presence of the service to be very good, 8 evaluated it with “good” and 9 municipalities only find it satisfactory. Two out of the total sample considered it as “bad”. These diverse opinions show that in some municipalities there is still a need to create more services for elderly people. Not all the communities were able so far to build elderly homes and similar, but the demand is rising. Also the evaluation of cultural services and libraries are differing within the municipalities: answers were given in all of the five categories from “very good” to “very bad”. Still the mode value for these services is both times “good”.

According the quality of the services, the answers show lower scores in the category “very good. While the services primary school and kindergarten scored around 70% in the category “very good”, according to presence, only around 60% scored this value in terms of quality. The municipal offices are showing a very good evaluation

in terms of presence: with around 70% of the representatives evaluating their service to be “very good”. The answers show that there is a general satisfaction with the quality of the services as it is mostly considered to be very good, or good. There was no case where the majority of answers were given on the negative part of the scale.

Presence and quality of infrastructure

The second part of the survey asked about presence and quality of infrastructure, so generally on services of general economic interest. In the first question the representatives of the municipalities were asked to evaluate the availability of the infrastructure – again with the 5 levels ranging from very good to very bad. The presence of infrastructures was in general not as good rated as the services. According to the survey the infrastructure of water supply and sewage, as well as waste disposal is – in most of the municipalities – very good available (and in no case it is bad or very bad). Also the infrastructure for telephone supply was by most municipalities said to be very good, although scoring not as high as the previously mentioned. The municipal road network as well as electricity supply infrastructure were by most municipalities evaluated to be good and no one of the representatives ticked bad or very bad for those categories. For the high-ranked roads the situation looks different: some municipalities evaluated the presence of speed roads or highways as very bad - still the modus value for this category is “good”. A lot of representatives also assessed the public transport to be very bad. While public transport with busses still can score some 10% of “very good” the public transport by train has in no municipality stated it to be “very good”. Big differences between the evaluations of the municipalities are in the categories gas supply, internet/broadband and mobile telephone. It seems the availability in the municipalities differs quite a lot. In terms of quality (here meaning mainly the condition of the infrastructure) the picture is quite even to the trends before but also as already observed for the services the scores on the positive scale range are a bit lower than for the presence.

Accessibility of infrastructure & services

For measuring the availability of infrastructure in the case study region the questionnaire contained another question. The representatives were asked to give an approximation on the percentage of population in the municipality that has no access to a certain infrastructure.

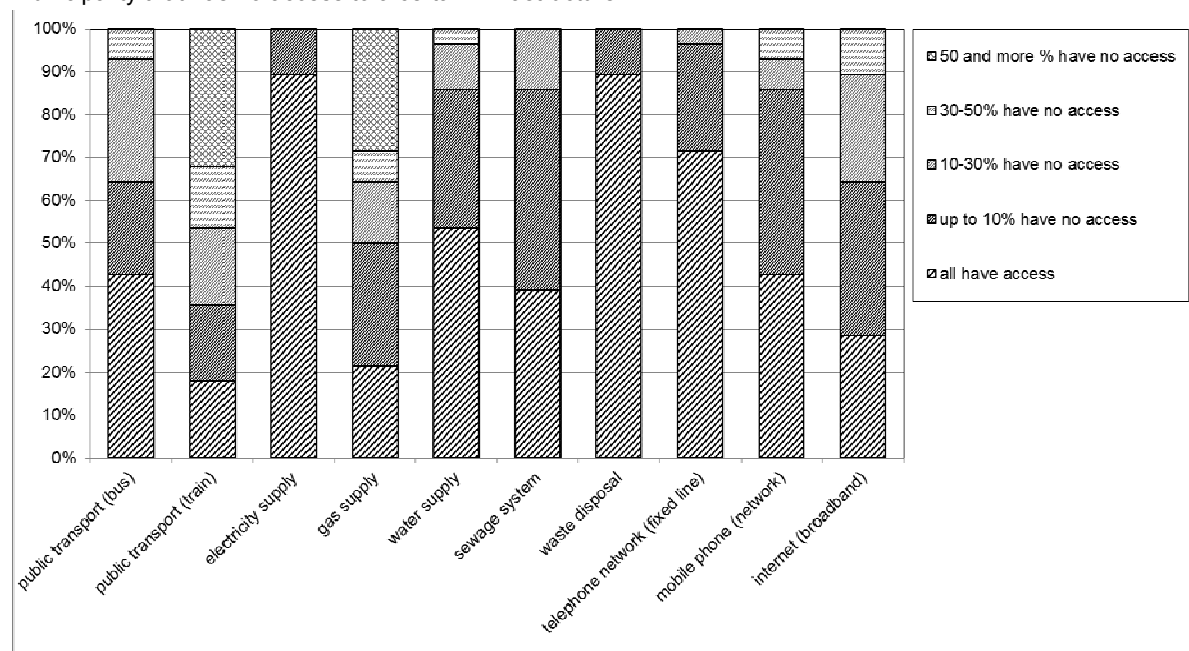


IMAGE 10: Accessibility to infrastructures and services of general economic interests (source: questionnaire)

As shown in image 10 in most municipalities electricity supply, waste disposal and fixed telephone lines are almost ubiquitous available. Also concerning water supply and sewage system in most municipalities the share of people without access is quite small and is never exceeding 30%. For mobile phone network and internet (broadband) there are some municipalities where up to 50% of the inhabitants have no access to. In around 30% of the municipalities more than 50% of the inhabitants don't have access to gas supply. This can be explained by the settlement structure but also by the fact that in the case study region other forms of energy supply is quite common (e.g. biomass). The least accessibility was stated for public train transport – only in 5 municipalities it

was stated that all inhabitants have access to this service. The public transport by bus is comparably good accessible.

Information about the availability was also provided by the question about the need for investments into certain services. For fixed telephone lines, waste disposal and electricity supply a big majority doesn't see a need for new investments and if so than rather on improving infrastructure, that is already there. Sewage system and water supply show similar shares in the categories. As described in chapter 3 there is in some parts of the region no availability of central water supply nor/or canalisation, so some mayors see this as a need for building from scratch and some see the need for renovation or expanding. Still around 40% see no need for investments. Mobile phone network and internet broadband seem to be available almost everywhere (only some mayors ticket broadband connection had to be built from scratch) but the majority thinks investments for expanding those networks would be necessary. Most investment for building new infrastructure was said to be needed for ensuring gas supply. It was already mentioned that not all households are connected to central gas lines, which is also clear as a lot of households use other forms of energy (for example biomass/wood for heating). Also in the transport sector most mayors said investments could be made.

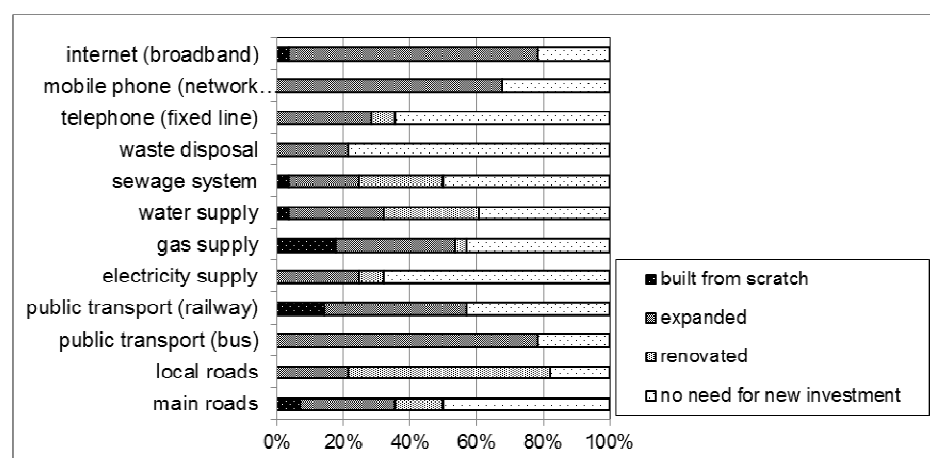


IMAGE 11: Necessary investments into services and infrastructures of general economic interest (source: questionnaire)

To measure which services are important for businesses or for families in the Austrian design of the questionnaire there were open answer categories asking the representatives to write down the most important services or infrastructures a) for businesses b) for services in their opinion. For the businesses the answer given most often was that access to a road network (especially higher ranked roads like highways were explicitly mentioned). 17 times the accessibility via roads was mentioned. Also the public transport, in particular the train network, was mentioned as an important need for businesses, with 6 answers not as often as the access via roads. Other important infrastructures for businesses were said to be communication infrastructures, like broadband internet, as well as mobile telephone network. Internet, in particular broadband internet was mentioned 11 times and was the second most given answer. Some representatives also mentioned energy supply and water and waste disposal as crucial for businesses. For families and households the answers were more diverse than the needs for businesses. On the one hand quite often the importance of energy supply (7 times mentioned), water supply (8 times mentioned), sewage system (6 times mentioned) and waste disposal (6 times mentioned) for families and households was reported by the municipality representatives. Also it was stated once that these infrastructures can be seen as basic requirements for households. Infrastructures guaranteeing mobility were again the answers given most: 9 times the representatives stated the road network as most important infrastructure and also 9 times the public transport. The public transport in this respect seems to be more important for families and households than for businesses. Also internet (especially broadband internet) was mentioned 8 times, as well as mobile telephone network (5 times). From the social services of general interest (primary) schools, kindergartens and doctors were mentioned. With less frequency (1 or 2 times) restaurants, elderly homes, banks, post offices and municipal offices were mentioned.

Another point of interest was if there were groups of persons who are more constricted to the availability of certain services or infrastructures. In the Austrian questionnaire this question was also designed as an open question. One constraint that was mentioned from the representatives of the municipalities is rather a product of the settlement structure: It was stated that people living in peripheral locations have generally a minor provision of infrastructure. In many municipalities in the case study there are houses outside of the village centres or off the

main village roads. Those disperse and low dense settlement structure mean a difficulty in the provision with general services (even fresh water supply or sewage treatments) as it implies expensive investments (if the investment is calculated per inhabitant). For some infrastructures, especially newer infrastructures like broadband internet but also for example gas supply, the availability for households in peripheral exposures is rather low. Also related to the (rather low dense) settlement structure within the case study region there are certain population groups that are constricted more than others in the use of services of general interest. The representatives were answering that elderly population, as well as young people, people with low income and people with disabilities have a disadvantage in using services of general interest. There is a clear connection to the first constraint mentioned as these are also population groups that depend more on public transport than the rest of the population and the minor supply of public transport is often explained by a low demand due to the absence of a critical mass. The deficit in the provision of public transport is for certain population groups a greater disadvantage than for others.

Conclusions

Although the survey cannot give a complete overview of opinions of the representatives from all municipalities it is a valuable primary information source for the analysis on the regional level. In comparison to secondary information sources, the returned questionnaires can give a representative overview of the case study region. Although a higher share of small municipalities with the problem of population loss might have given a bit more negative evaluation in some cases of services of general interest but the final outcomes are in line with findings from other sources.

Generally the evaluation of services of general interest is in most cases very positive. Especially services that are mainly provided by the public had very good evaluations. Transport occurs as a big challenge in the case study region. Especially public transport is not as much provided as demanded and evaluations of this service are not always satisfying. In times of population aging this challenge will get bigger attention as also elderly were stated to be more depending on public transport (together with children and teenagers) than other population groups.

3.4. Political contextualization of services of general interest in the region

The provision of services of general interest is of course not only a question of supply and demand in the majority of the cases. As there is a high involvement of the public of course the political context is from high importance for this topic. As already stated, Austria has a welfare system with a high quota of public expenditures. The Austrian territory shows a high diversity. The topographic situation and accessibility is creating more and less favoured regions. Intervention from the side of the public is thus needed in order to compensate disparities.

Austria's economy in the 1960ies and 1970ies was characterised by prosperity with a high extend of regional differences. Regional policy was implemented in order to reduce the level of imparity with a focus on equal opportunities according to the labour market but also the supply of services of general interest. Investments in social and technical infrastructures were made and regional centres were equipped with services, as for example hospitals or schools. With a booming economy in the back the plans seemed to work. Industrial settlements in regions that lagged behind were realized and new services and infrastructures were rapidly implemented. The development in most terms was not regulated in terms of spatial planning but rather based on political rationality. With the slowing down of the economic growth the ambitious goal of downsizing regional disparities was contested. With the market downturn in the 1970ies the polarization of agglomerations and peripheries even intensified and additionally new regions with economic problems occurred. A shift in the regional development policies in Austria took place. Not the goal of cohesion itself was put into question but on how to achieve this goal. Not the strategy of big investments into infrastructures and services was trailed but the activation of potentials and innovations in the regions were stated to be the more sustainable development strategy (GRUBER 2011).

Regional development is in most cases carried out by the federal states with a highly professional approach. Different regional scales (in the form of different regions) with different organisation forms and goals are all contributing to the very general topic of regional development. Also sector policies are carried out by the federal states. Regional development and spatial planning is in Austria closely connected.

Since 1995 Austria is a member of the European Union which had effects in terms of regional development policies. The EU structural policy is a very important policy area with the second highest yearly budget after the agriculture policy. For Austria the setting for regional policy changed completely with becoming a member.

Almost all regional development policies are adjusted in order to be in line with a general Austrian strategy ("STRAT.AT") that has been drafted as a consequence of a common programming of all member states. Austria has been receiving EU funds from different objectives since the admission.

The federal state Burgenland was since 1995 eligible for Objective 1 funding and the financial means could contribute also to the provision of services of general interest. By stimulating the regional labour market in the region also the construction of services of general economic interest was of great importance as a prerequisite. Investments in education and innovation had effects on the economic performance of the federal state.

Also co-funding by other objectives had and still has influence on the development of the case study in terms of SGI provision. Already mentioned in the report for example was the broadband initiative 2013. Funding of the national state and the federal states are highly important also without co-funding from the European Union: For example in terms of public transport. EU policies are also carried out on a smaller scale, for example in the establishment of Leader groups, which is a grant programme under responsibility of the EU Agricultural Policy.

For a holistic regional development approach the regional managements, administrated by the federal states, are of high importance. In Lower Austria the regional development co-operation "Regionalmanagement Industrieviertel" ("RMI") is concerned with the development of the western part of the case study region. Several Leader regions and inter-communal co-operations are developed further consolidated by the RMI. The institution is set up as a communication platform and network hub for including different stakeholder into activities. Securing basic infrastructure is one of the principal goals of the institution. For the Burgenland the "Regionalmanagement Burgenland" ("RMB") is in charge with a similar function.

Generally, as the provision of services of general interest is in many cases a question of cohesion, a political commitment is definitely needed in terms of an equal distribution of services of general interest. A close co-operation of regional development and spatial planning is a promising context for a sustainable and viable organisation of services of general interest.

3.5. Conclusions of the regional case study and elements of prognosis

The Austrian case study region "Eastern Austria", consisting of the NUTS3 regions AT122, AT111 and AT113, situated in the south of the Austrian federal state of Lower Austria, as well as in the South of the Burgenland is a region that is in a rather peripheral situation. The western part is situated in the alpine space, still in proximity to Vienna in the East, but with an inner-border due to the topography to the West. The eastern part of the case study region is bordering to Hungary. This border for a long time was a closed border. Especially in Burgenland regional centres only had to be developed over time, as it is the youngest federal state of the Austrian territory and former central places and capitals had been cut off.

In peripheral regions in Austria, as also in the case study region, a lot of infrastructure and services only had to be developed in the last decades. The development of infrastructures like central water supply or canalization, as well as of schools for further education or transport routes can be characterised as a catching-up process of the case study region. In recent years, new services and infrastructures gained importance. Broadband internet for example from the side of the services of general economic interest and on the side of the social services of general interest care services can be mentioned. Child care and elderly care have in the past mainly been performed by the family. Due to shifts in the family structures there is a high demand for institutionalized care services. In rural regions in Austria this shift processed slower than in agglomerations but nowadays also beyond the city borders modern lifestyles are diffusing. In the case study region the demand for elderly care is due to the demographic figures even more present than in other parts of the countries. The process of aging is, in some municipalities, going faster due to a high extend of outmigration of young people. Also in the rest of Austria (as well as in most of the other European countries) growing life expectancies and lower fertility rates lead to a growing number of population in older age groups. In municipalities, where especially young people emigrate, aging is happening even faster. Population aging has an effect on the provision of services and infrastructures. For the elderly services like a public transport system or retail stores are probably more important than for the young, mobile population.

While the catching-up-process for some services of general interest has not even been finished and the demand for new services is rising, simultaneously an adjustment is happening in the sense of abandoning services and/or infrastructures that are no longer profitable as for example post offices, primary schools, retail stores or public

transport lines. The case study region is losing population in some parts. For private companies (as for example a retail store or a bakery) doing business in areas of outmigration is unprofitable. Primary schools had to close down or consolidated with another school as the number of pupils was decreasing and also public transport needs a critical mass in order to be a viable service.

The Austrian questionnaire contained an extra question that should find out about the expected future development in the municipalities in terms of the developments of services of general interest. The municipal representatives could decide whether they expect an increasing, a decreasing or a not changing supply of services of general interest. They were further asked to give an explanatory statement. Image 12 plots the results of the given answer for the question. Only 3 representatives are expecting a decrease in the supply of services of general interest. For a peripheral region, where already first cuts in the supply have been taking place, this is a value lower than expected. One of the representatives explained the predicted development by the expectation that the local retail store is going to close down soon.

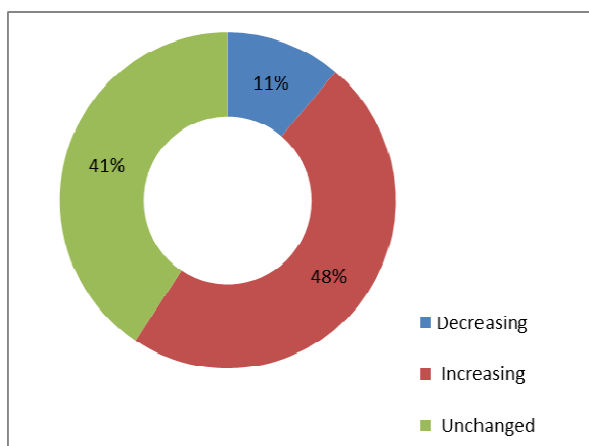


IMAGE 12: Estimation of the further development of services of general interests (source: questionnaire)

The other representatives expect a constant supply of services and the majority even an increase. The expected increase was explained in most cases by new services or infrastructures being built (like broadband internet facilities, child care institutions or care homes for the elderly). Also the need for a further development of public transport systems was addressed here. An expected unchanged development was mostly explained by a restricted budget. In this respect it was understood that more investment in services of general interest could be done if there were more financial means. Some representatives also explained that at the moment everything is well equipped and to keep this standard will be challenging enough (in order not to have a decreasing offer of services).

Decrease and increase of services of general interests will be happening at the same time with different emphasis and also on a very different scale at different locations. Both developments (the decrease as well as the increase) can be seen as adaption processes that services of general interest are permanently exposed to as the society is changing. Thus a big challenge in this respect is not the adaption per se but finding the balance on where to cut and where to glue. In postmodern societies there are out-differentiated demands and needs and it gets, especially for small municipalities with a limited budget, close to impossible to fulfil all of them. The demand of the society, according services of general interests is rising – “we hit the borders of financial feasibility” a mayor stated in the questionnaire. A discussion on how to find this balance of serving everyone’s needs and not exceeding the budgets seems to have just begun within the Austrian municipalities.

4. Conclusions

The case study report in hand describes in detail the provision of services of general interest in Austria and gives a closer insight into the distribution of services and infrastructures in a selected case study region located in the south eastern part of the country. Austria can be categorized as a typical European welfare state with a high degree of public interference in provision, financing and regulating services for the population.

The case study report is divided into 3 big chapters: The first one giving a general overview of the structure of the national state in terms of economic, demographic and political developments, as well as a characterisation of the chosen case study region "Eastern Austria". In the second chapter the provision of services of general interest within the country is explained. The services were distinguished in "services of general economic interest" including energy supply, water supply, communication infrastructures, transport infrastructure, sewage facilities and similar. The "social services of general interest" on the other hand were schools and other educational facilities, health care institutions, care services and so forth. The third chapter, offering the same structure, takes a closer look at the case study region and compares the supply of services of general interest in a rather peripheral region to the general picture in the state of Austria.

The provision on services of general interest in Austria is in general on a very high level. Regarding many services the vast majority of the population is adequately supplied. The case study region that can be characterized as a border region (in the south eastern part) and a mountainous region (in the western part) is in comparison to the total Austrian figures that indicate the supply with services of general interest lagging behind in terms of density of provision. The area is comparably low densely populated, so it is obvious that in larger agglomerations there is usually a higher extend of provided services. As the overcome of regional disparities is a clear set target in the Austrian spatial development objectives the focus on catching-up, especially in rural areas, is still pursued. At least an orientation on the central places and on central transport axis is achieved and reasonable.

Services of general economic interest usually trace a supply rate of 100%. Many services of general economic interest present infrastructures that in the best case should be available in or for every household: water supply, energy supply, connection to canalization and sewage facilities, telephone connection etc. For most of the Austrian inhabitants supply from central providers is reality but in some cases costs are too high to give access to everyone. The case study region is a good example for a region where not 100% of the population has access to the infrastructures just listed. A disperse settlement structure resulting in low population densities make the installation of network infrastructure challenging especially in terms of financing. Individual supply (in terms of sewage, heating and even water supply) occurs, especially in remote settlement areas of the case study region.

Social services of general interest are usually concentrated in central locations, while "centrality" is a matter of scale and range of the service. In terms of education, for example, primary schools (with a low range) are available in almost every municipality (still being mainly situated in a central and well accessible location), secondary schools are usually located in the bigger villages or settlements and universities are located in big central agglomerations. The distribution of social services of general interest is thus orientated on locations.

Transport, described as service of general economic interest, is one of the most interesting services. Not only it can be observed by the level of provision itself but also it provides connectivity to social services of general interests. Outside of agglomerations, where public transport is a very important mean, the organisation and financing of public transport is rather difficult. The transportation by car (on the individual level) is of high importance and in some rural areas, as also in the case study region, an integrated system of busses and/or trains is missing completely. The lack of alternatives to car driving was in many respects described as one of the biggest challenges for peripheral regions in general and also for the case study region in particular during our observations.

While some services and infrastructures are still in the phase of being developed further, changes in settlement patterns caused by demographic changes (fertility decline or outmigration) effected on the degree of capacity utilization and resulted into abandoning of certain services in certain places. In some parts of the case study region primary schools were closed as the number of children was too small for one school; retail stores in many cases had to close down due to a modified shopping behaviour as well as the missing of the critical mass. By

this, service supply in regions that already were equipped to a lesser extend get thinned out even more and a negative development is induced that is almost impossible to counteract.

At the same time the supply with services like broadband internet or elderly care institutions is just expanding within the territory of the case study region, as well as in the territory of the whole state, as the demand is rising. The provision of services of general interest is thus a continuous process, always adapting to the society's needs, as well as to population patterns (in terms of age structure as well as settlement patterns).

As already stated, the main provider of services of general interest in Austria is the public – either on the level of the national state, the federal state or the municipalities. Usually a mix of different stakeholders is involved, for example national ministries or federal governments giving general guidelines and regulations on the national state level and on the local level the provision is fulfilled. Also in terms of liberalization the market is not responsible solely but restricted by the public due to national laws or even influenced by public ownership. Public-private-partnership models are very common in the organization and provision of services of general interest.

In the political discussion according to the provision and organisation of services of general interest the main issues at the moment are minimum standards and the regional distribution of services. Especially for regions, where a critical mass is no longer been reached the search for strategies and instruments for a budget-friendly and user-friendly adaption is demanded. Functioning spatial planning instruments like central place systems or integrated zoning must support an efficient territorial organization of services of general interest. (ÖROK 2011a).

The society is often perceived as a user only but by decisions on where to consume and where to live the society in the end is also shaping the patterns of services and infrastructure. With lesser people deciding on shopping in the local store and instead going to a shopping centre, the number of local retail stores will decrease. The reason for emigration of course is in many respects a more complex decision but in the end with similar effects. The question of "what is happening to those who remain" in regions of out-migration is the one to raise and the answer will have to be given by the society itself. How much do we want to invest for locations where the critical mass is missing and how much do we want to invest for keeping those places viable? For politics this of course is a difficult question and at the moment not really faced. If so, then rather the aim to keep places supplied and as much services as possible maintained is the answer. Adaption processes in some cases will be unavoidable though in stagnating or shrinking regions.

In both cases, for regions with over-supply as well as regions with limited supply, the potentials of more efficient organization and provision of services of general interest must be explored under the heading of public financial means. Public budgets need to be distributed in a way that upper tiers are empowered to strategically steer processes and lower tiers are empowered to influence service provision on local scale.

Civil commitment of the population will in the long run be needed, especially in regions unattractive for private market forces. This should not mean that the society will take over the public duties in terms of organisation and provision of services of general interest but rather that the role of the state as a general supplier will continue to change – in some places more, in some places less. A shift from the public as a general organiser can be for example substituted by the perspective of the state as an enabler, for example for civic engagement. Finding new, place based and flexible ideas in terms of organisation and provision of services of general interest will be a challenge for the future, as well as the ability on identifying them and make them possible from side of the public authorities.

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RMI (Regionalmanagement Industrieviertel): <http://www.industrieviertel.at>

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Expert interviews

PP2-1

Roman MICHALEK (Eisenstadt, 02 May 2012)
Mobility platform Burgenland (www.b-mobil.info)

PP2-2

Andreas WEISS and Annemarie TROJER (Katzelsdorf, 03 May 2012)
Regionalmanagement Industrieviertel (www.industrieviertel.at)

PP2-3

Marianne VITOVEC (St. Pölten, 07 May 2012)
Office of the Federal State of Lower Austria; Dept. of spatial planning and regional development (www.noe.gv.at)

PP2-4

Franz RENNHOFFER (Lichtenegg, 30 May 2012)
Municipality of Lichtenegg (www.lichtenegg.gv.at)

PP2-5

Ulrike SCHERMANN-RICHTER (Vienna, 03 July 2012)
Ministry of Health (<http://bmg.gv.at>)

PP2-6

Alexandra DEIMEL and Georg SCHADT (Vienna, 11 July 2012)
Chancellor's Ministry, Dept. IV/4 – policy co-ordination, spatial planning, regional policy (<http://www.bka.gv.at>)