

Editorials

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VIEWPOINT

Public problem could have 'private' solution

By James W. Harris

Columbus officials are warning residents to prepare for some tough choices. A growing demand for local government services, coupled with reductions in federal funding, may soon leave citizens facing painful tax hikes or equally painful service cutbacks.

Neither of these choices is particularly pleasant — or necessary. Instead, Columbus should explore a proven, viable third option: privatization.

Privatization — turning over some government services to private enterprise, on a competitive basis — is a trend sweeping the nation with enormous success. At the local government level, particularly, it has

taken off like wildfire. Well over 100 billion dollars of public services are now being provided by the private sector, at tremendous savings to taxpayers. And the privatization trend is just getting underway.

What kinds of services are being privatized? You name it. Garbage pickup, grounds maintenance, recreation services, data processing, animal control, street sweeping, road repair, traffic signal maintenance, fire protection, sewage treatment, waste disposal . . .

Virtually every conceivable government service is being handled privately, somewhere — and the resulting savings are often astonishing. A number of studies indicate privatization can bring savings rang-

ing from 10-20 percent to over 50 percent.

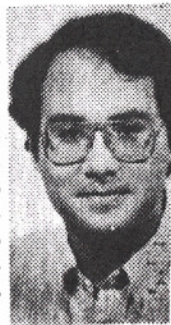
For example, a 1984 study by the U.S. Department of Housing and Urban Development examined 20 cities and found that city-provided street cleaning was 43 percent more costly than the same service provided by private firms; janitorial services, 73 percent more costly; traffic signal maintenance, 56 percent; tree pruning, 37 percent; refuse collection, 28-42 percent; asphalt repair, 96 percent; and lawn care, 43 percent.

Similarly, a massive 1976 study found that, in cities with population over 50,000, it cost municipal sanitation departments 68 percent more on average to collect garbage than private collection firms. An Illi-

nois Department of Transportation study showed that private firms under contract could provide cities with paramedic serv-

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ices for half the cost of government-maintained units.

Other studies, and thousands of individual examples, indicate similar savings. In fact, the National Center for Public Analysis — a Dallas-based free market research institute that has extensively investigated privatization — estimates that most cities could cut their budgets fully 50 percent by careful use of privatization.

Such dramatic savings occur not because of lower quality service — indeed, service is often better when privatized — but because of private sector efficiency, the spur of competition and the greater accountability of private firms under contract.

How could Columbus benefit from privatization? Consider a few success stories from other communities. Norfolk, Va., cut the cost of its bus service by 60

percent after contracting it out to a private company. Detroit found that private firms could handle street tree-trimming and tree removal chores at one-third the cost of using city workers.

Orange County, Calif., turned its data processing chores over to a private company and saved 30 percent. A private fire department provides Scottsdale, Ariz., with the highest quality fire protection at under half the average national cost.

Los Angeles County saves taxpayers over \$50 million each year through a variety of contracts with private firms.

These examples just hint at the possibilities. The Local Government Center — a California institute specializing in privatization research — has documented thousands of similar examples across the country. Many could apply directly to Columbus.

Clearly, Columbus Council should investigate the enormous potential benefits privatization

offers. One way to do this would be to form a committee of public officials and private citizens to study the possibilities.

There's plenty of information — books, newsletters, databases, policy studies — on the subject. There are think tanks that can supply speakers, research, and nuts-and-bolts information.

And of course, dozens of private companies are ready and eager to provide the actual services. Many will happily supply information, speakers and cost estimates to interested local government.

With privatization, we can have quality services and actually reduce taxes. An effective privatization program could make heroes of our city council members and set the agenda for other cities and towns across Georgia.

Communities all across America are benefiting enormously from privatization. Let's take advantage of it ourselves. The time has never been better.
