

REPORT ON 2022 CONFERENCE

SHIFTING NARRATIVES: THE POLITICAL ECONOMY OF PUBLIC SPENDING, SERVICES AND PRODUCTION (PSSP)

By

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with the support from Young Scholars' Initiative members

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INTRODUCTION

The conference <u>Shifting Narratives: The Political Economy Of Public Spending</u>, <u>Services And Production (PSSP)</u>" was organised from 27-30 June 2022 by a global diverse partnership of universities, trade union confederations and social movements. Across all 4 days there were about 100 speakers - 66% from the global south, and 58% women, and over 600 registrants across the world.

It was not only an academic conference for leading research on PSSP, but also a forum for sharing information and bringing together the experience, insights and tools of academics and young scholars with the social movement activists, trade unions, media and NGOs involved in creating narrative shifts on PSSP.

It aimed to encourage collaboration between academics, trade unions and social movements, to challenge mainstream narratives hostile to the public sector, build new narratives and the power to change and define the positive economic, social and political role of public spending, services and production.

The conference partners were:

• <u>Education and Research Institutions</u>: Institute for Innovation and Public Purpose at University College London (UCL-IIPP); Public Services International Research Unit at the University of Greenwich (UoG-PSIRU); Centre for Social Policy Studies University of Ghana (CSPS-UoGhana); Azim Premji University (Bangalore, India); Conicet (National Scientific and Technical Research Council, Argentina- via the WATERLAT network; Young Scholars Initiative (YSI).

• <u>Global union federations and international social movements</u>: Public Services International (PSI); International Transport Workers Federation(ITF); Transnational Institute (TNI); Oxfam. The conference was hosted by the Institute for Innovation and Public Purpose at UCL (UCL-IIPP), and followed a report on "Narrative Change and PSSP" by the Public Services International Research Unit at the University of Greenwich (PSIRU-UoG). It was financially supported by the Open Society Foundation (OSF), with interpretation financed by PSI.

Following the conference, the partners agreed to create a continuing 'Shifting narratives (SN) network'.

The full list of the recordings can be found at "Shifting Narratives Conference"

The 2022 Shifting Narratives conference



Rejecting neoliberal narratives and developing positive analyses

1. Framing the conference

The first day opened with partners saying why the conference mattered; the report on the political economy of PSSP narratives; and keynote speakers challenging academic and institutional orthodoxy and proposing better analyses.

> Why it matters: positive narratives about public spending, services and production

Dr. Tue Anh Nguyen <u>UCL-IIPP</u>; Dr. Vera Weghmann <u>UoG-PSIRU</u>; Prof. Nana Akua Anyidoho <u>UoGhana/CSPS</u>; Prof. Esteban Castro Conicet/<u>Waterlat</u>;Zico Dasgupta <u>Azim Premji Univ</u>; Ritta Thandeka Mbisi <u>PSI/ Denosa</u>; Alana Dave <u>ITF</u>; Lavinia Steinfort <u>TNI</u>; Katie Malouf-Bous <u>Oxfam</u>; Prof. Laura Carvalho <u>USP/OSF</u>; Dr. Surbhi Kesar <u>YSI/SOAS</u>.

Each of the partners - universities, social movements, trade unions - explained why they think that narratives about PSSP are important and what they expected the conference to achieve. Their key points show a shared ambition:

• Shift narratives away from freezing workers' salaries, austerity and privatisation, to joint demands for economic redistribution and properly financed, accountable public services, with no commodification of health, water etc

- Develop a more expansive vision and agenda for social policy, beyond the minimal role of social protection
- How to build national capacity to provide universal quality public services, with investment and participation
- · Need new direction re the form of economic role for the state, to counter inequality, lack of labour rights

• Develop equitable social and economic policies, provide training and advice for governments, use academic and activist connections to strengthen marginalised voices and build a cohesive view

• Empower workers and social movements to act collectively on public transport and other services, overcome artificial separation of theory and practice, develop political education programmes to share knowledge

Focus on the representation and knowledge of communities, and their demands for responsive public services

• Understand how public services can be democratised, public energy is a key framework to understand and resist increasingly complex capitalist logics of profit, and build arguments for common goods.

· How to re-connect policy makers to academics, unions and social movements

• Create synergies to share ideas and knowledge of how to create an equal economic and social system, based on ensuring transformative universal public services, learning from examples of resilience in crises such as Covid

> The report on "Narrative Change and Public Services Spending and Provision"

Dr.	Vera Weghmann	UoG-PSIRU	Political economy of narratives on PSSP
	Alhassan Adam	UoG-PSIRU	Positive PSSP narratives in Africa
Dr.	Tue Anh Nguyen	UCL-IIPP	New narratives in the American Jobs Plan
	David Hall	UoG-PSIRU	PSSP narratives and politics in New Delhi
	Danny Bertossa	PSI	PSIComment
	Lavinia Steinfort	TNI	TNIComment
21.	David Hall Danny Bertossa	UoG-PSIRU PSI	PSSP narratives and politics in New Delh PSIComment

The conference grew out of <u>this report</u> by a team led by UoG-PSIRU, funded by OSF. It showed how hostile narratives – around public sector spending as unaffordable, and public services as inefficient – have become dominant through a political process of promotion by corporations, IFIs, consultants, politicians, and mainstream academics. This is however constantly contested by people using richer and more complex conceptions of the role of public services, drawing on different cultural understandings and social norms including dignity, solidarity, collective responsibility and the common good. These alternative narratives inspire citizen's groups, social movements, public sector workers, trade unions, and politicians to oppose privatization and develop public services. The report identified cases of positive narratives driving public education in <u>Ghana</u>, the rapid development of public services in <u>New Delhi</u>, and the economic planning for public goods embodied in the <u>American Jobs Plan</u>.



2. Keynote speakers: building new narratives for the public sector

<u>The three keynote speakers</u> challenged mainstream economic and political theories, and IFI austerity policies, which are central to the dominant hostile narratives on PSSP. The speakers advanced different ways of understanding the political economy of these processes, new frameworks for understanding the socio-economic role of PSSP, and ideas for building a stronger and more realistic role for PSSP.

> June Sekera (New School, Boston, UCL-IIPP): (Re)Discovering the Public Economy

June Sekera dissected the way in which mainstream economists have distorted our understanding of the public economy, by recasting economics as a science of exchange - and prices - rather than production. But the public economy works by <u>producing public goods</u> and <u>services to meet needs</u>, whose proper analysis cannot be based on market price-theoretic reasoning which treats public spending and services as intervention distorting the market. This intellectual market monoculture cannot address the question of how to finance and provide sustainable and high quality public services, which creates big policy problems. For example, it cannot recognise that dealing with climate change must deliver a collective public need to reduce build-up of atmospheric CO2 - instead, it encourages governments to offer 'market incentives' for companies to sell technology which claims to extract CO2" while continuing business as usual - this delivers profits to the companies, but <u>fails to reduce CO2</u>. Instead, public economic analysis and narratives must be based on recognising the need for public capacity to produce public goods, with finance to employ people.

> Dr. Abby Innes (LSE) : the Political Economy of the Neoliberal State

From the outset, neoliberalism claimed it was the only way to save countries from the fate of the late Soviet system, by weakening the role of the state and letting the market deliver perfect outcomes. But the neoliberal state's use of 'new public management' and <u>public</u> <u>sector outsourcing</u> is the mirror image to Stalinist planning – the idea in both systems is that supply and demand can be perfectly matched, via planning in one system and the price mechanism in the other. Both systems use similar methodologies of quantification, forecasting, target setting, and output-planning, and both systems fail to deal with the complex variables of public service tasks. In the case of the UK, while governments have refrained from intervening in the private sector, they enable ever greater business access to public authority and revenue. The only actual market relationships are those between the state and the outsourcing firm, and as with late Soviet planning, these incomplete contracts lead to lower quality services at higher cost and deepening problems of corruption and <u>corporate state capture</u>. The neoliberal state uses the same form of intervention as the late Soviet state, with the same form of failure to relate to economic and political realities.

> Prof. Isabel Ortiz (Columbia University): austerity and alternatives

In 2022, public expenditure <u>austerity cuts are expected</u> in 159 countries. Austerity policies include: 'targeting' social protection, cuts or caps of public wage bills, eliminating subsidies, reduction of pensions, casualisation of public employment, PPPs, privatisation, and cuts in health expenditure. There has been <u>widespread public resistance</u> to austerity and privatisation, which has been promoted by the IMF and IFIs for many years, and there is now a trend to renationalise/re-municipalise, due to problems of privatisation including poor services, high user fees, regulatory capture, monopoly profits and low levels of investment. Austerity is bad policy: counter-cyclical spending is needed for an inclusive and a sustainable post Covid-10 recovery. There are well established ways of finding the necessary revenues, including: increased tax revenue from income/wealth/corporate tax (but not VAT, which is regressive); stopping illicit financial outflows; restructuring debt, debt relief; increased social security coverage, formalising employment in the informal economy; increased transfers from richer countries; using fiscal and foreign exchange reserves; a more accommodating macroeconomic framework; diverting money from defence spending.

Major themes: democratic planning; public capacity; and public finance.

The second day addressed three of the most challenging issues around the public sector - democratic planning and employment; public capacity; and public finance. Each theme had 3 workshops.

3. Democratic planning and employment

His is one of the most conflicted areas of narratives over PSSP. Democratic decisions to pursue public missions generate public spending and public jobs, while international institutions, including the IMF, EU and free trade agreements, have promoted cuts in public policies and employment - but meeting with strong public resistance.

Employment and PSSP: IMF rules, EU strategy, the American Jobs Plan (AJP), public employment theory

David Archer Actionaid: Olivier Hoedeman CEO: Damon Silvers AFL-CIO: Zico Dasgupta Azim Premji Univ: IMF and public sector pay bill EU planning for marketisation The AJP - positive industrial policy Public employment theories

28 June 2022

This workshop criticised the negative role of two international institutions - the IMF's long-standing requirement for cuts in public sector paybills, despite the lack of evidence of benefits, and with clear damaging impacts on public services: and the European Union's steps towards "completing the Single Market," despite its negative impact on services, and the campaign against it. By contrast, the American Jobs Programme and the political processes leading to it, was presented as economic policy based on a positive role for public objectives, and Zico Dasgupta provided a much-needed theoretical framework for discussing the value of public sector employment.

> Employment and PSSP: work guarantees, fair wages clauses in procurement

Satheesha Azim Premji University:	MGNREGA and Covid
Daniel Haim Levy Institute:	Job guarantees and publicly useful work
Damaris Muhika Kenya TUC:	Universal social protection for informal economy
Prof. Aristea Koukiadaki University of Manchester:	Labour clauses in EU procurement, ILO 94, etc

The public economy can also be a vehicle for positive policies aimed at protecting and enhancing the quality of jobs throughout the economy. These include job guarantee schemes, and this workshop heard the general moral and economic reasons for such programmes, with benefits for the economy and public services as well as individuals, and how India's MGNREGA (Mahatma Ghandi Rural Employment Guarantee Act), the largest public works programme in the world, performed its role as a safety net during the Covid-19 pandemic. Another method is through labour clauses in public procurement contracts requiring compliance with prevailing wages, as set out in ILO Convention 94, which is however not universally ratified.

<u>Trade: Free trade agreements (FTAS), Investor-state dispute settlement provisions (ISDS) and impact on PSSP and public</u> policies including green new deals

Oliver Prausmuller AK Wien:	Covid, public services, and trade rules
Scott Sinclair CCPA:	Out of NAFTA into a web of FTAs?
Lucia Barcena TNI:	ISDS and climate policy: ECT and elsewhere
Faith Lumonya ex-Seatini ISDS:	Free trade agreements and BITs in Africa
Daniel Oberko (PSI Africa)	Dangers of ISDS and ECT in Nigeria and Morocco

This workshop was a panel discussion on the political economy dynamics around Free Trade Agreements (FTA) and investment treaties (BITs), and their Investor-state dispute settlement (ISDS) clauses, which allow corporations to challenge democratically adopted policies which affect their profits, including policies on public healthcare and green energy. There has been remarkable worldwide public resistance to these FTAs, especially because of their impact on public services, and these campaigns have achieved significant successes, including the end of NAFTA, weakening of the use of ISDS in Europe, and key countries such as India and Brazil refusing to agree to ISDS clauses. But the threat continues in Africa, with many cases brought against African countries, costing over \$4.6billion and blocking democratically decided public welfare and energy policies. Coordinated campaigning demands that African governments adopt standard safeguards to stop the use of ISDS against public policies.

4. Public capacity

PSSP and nation-building

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	IIPP
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Michael Kpessa-Whyte and Professor Nana Akua Anyidoho UoGhana		Nation-building and public service in post- colonial African states
Franziska Paul	UoGlasgow	Nation-building and local government in Germany: daseinsvorsorge
Gemma Gasseau	Scuola Normale Superior	Narratives on water services in Italy
MJ Romero	Eurodad	Reclaiming sustainable infrastructure as a public good
Lena Sinitsaya	Ukrainian Healthcare Center	Rebuilding healthcare systems in Ukraine

Both physical infrastructure networks to provide energy, water and sanitation, and service systems to provide healthcare, education etc., are linked with and driven by the process of nation-building or re-building. Public services were a key part of post-independence nation-building in Africa to create shared democratic values and material connections with citizens, which has since been threatened by IFI 'structural adjustment', requiring resistance to renew national PSSP. In Germany the concept of 'offentliche daseinvorsorge', meaning 'public well-being provision', expresses the democratic process of public provision of both new and established services, especially at local level. Political conflicts over the structure of water services in Italy use different narratives of water, either as an industrial sector, or as part of the commons. The need for sustainable, democratically responsive infrastructure should lead IFIs to treat infrastructure as a key public good rather than promoting privatisation, which <u>'has deepened poverty and exacerbated structural inequalities'</u>. The invasion of Ukraine has damaged healthcare facilities, and reinforced the need to rebuild an integrated system.

> Direct labour, direct production

Rosie Collington UCL-IIPP: Andy Cumbers University of Glasgow: Miriam Planas ISF: Vera Weghmann UoG-PSIRU: Osmond Chiu CPSU: Hannah Gissane CPSU: Government production Remunicipalisation Standards for water and sanitation Consultants and civil services Remunicipalisation in Australia A systematic approach to Insourcing

The Covid pandemic revealed the importance of public authorities having sufficient capacity to deal with both normal and abnormal problems. Analytical frameworks and narratives need to understand the value of the direct production by the public sector, including public capacity for policy-making, development of standards for engineering and other elements. Outsourcing of government work affects state capacity both directly through the externalisation of labour inputs, and indirectly through undermining the ability to learn. Recognition of this is one factor behind the flow of remunicipalisations which have been happening across the world, countering privatisation changes, tackling social needs rather than being driven by private profiteering. Barcelona are developing public service standards for water services, instead of accepting commercial performance criteria; European central governments need to retain their own civil service, not become dependent on outsourcing to consultants. Australia is also experiencing remunicipalisation of work, and a systematic programme for insourcing has developed in ACT.

Global manifesto

Rebecca Riddell	NY University	Global manifesto
Chiara Mariotti	Eurodad	Global manifesto
Johnstone Shishanya	Eachrights, Kenya	Global manifesto
David Boys	PSI	Global manifesto

In 2021 a group of many international NGOs and social movements decided to collectively develop a common statement of beliefs about public services, resulting in a 'Global manifesto'. This workshop discussed the importance of ensuring that the manifesto's narratives on human rights should be useful to groups campaigning in specific places on specific issues, including at international level on public finance, and at national level in relation to services, for example public education in Kenya and Tanzania. It emphasised the demand for and importance of more research on who benefits from privatisation.



5. Public finance

> Public finance for climate change: renewables and transition

Prof Jomo SundaramKazanahBjarne SteffenETH Zuri	Res Inst, Columbia Univ, Internat Islamic Univ <u>ch</u> /MIT	The climate finance conundrum State ownership and renewable energy
Joshua Ryan-Collins UCL-IIPF		Financing the green new deal
David Boys PSI		Public and green

The dominant global public mission now is to deal with climate change, which requires both huge investments, and continuing expenditure to generate renewable energy and to mitigate the effects of climate change. Countries in the global south are worst affected but least able to afford mitigation and adaptation, which so international institutions and richer countries need to provide substantial financial support to governments. The cost of developing and adopting renewable electricity generation from solar and wind also <u>depends on public finance</u>: corporations, IFIs and mainstream policy-makers want to use this to give tax relief incentives to private investors, but in practice <u>public sector utilities are much more likely to invest in renewable energy</u>, because of the driver of political commitment to green energy policies. Direct public financing retains public benefits of green new deal, protects policy autonomy of poorer countries, and enables public spending to protect workers and households.

> <u>Taxation</u>

Sue Bellino Australian Nursing & Midwifery Federation: Irene Ovonji-Odida ICRICT commissioner Africa: Danny Bertossa PSI AGS, Chair of CICTAR: Maria Ron Balsera Actionaid: Caroline Othim Kenya, TJN-A/ GATJ: Chenai Mukumba Kenya, TJN-A/ GATJ: Tax and public services Tax and public services Tax and public services TaxEd, Alliance Tax and public services Revenue for Rights Revenue for Rights

Despite the growing need for extending quality public services, the corporate sector continues to use tax havens and other devices to avoid paying billions of dollars of taxes. Research helps generate narratives and campaigns to recapture tax revenues for public needs, e.g. even private care companies receiving public payments are avoiding paying tax on their profits. The great majority of tax lost in African countries is through international companies, reinforcing poverty of households and public services: a global tax initiative is needed to change the system.

> Public finance vs PPPs for public services and economy

Wol-san Liem ITF:	Financing public transport
Kate Bayliss SOAS/Leeds:	PPPs: perpetual failings
Joao Pedro Braga Sorbonne Paris Nord	New Development Bank (NDB)
Hulya Dagdeviren University of Hertfordshire	Austerity and debt in UK+
Amitabha Sarkar JNU New Delhi	WB development finance reshaping public health policy

For the last 30 years, much development finance, including much of the funding paid by governments for climate change programmes, has been diverted into supporting PPPs, despite strong evidence of their cost and inefficiency in terms of public interests. It distorts priorities, failing to invest enough into public transport systems, for example, which are important not only as a public service but also a way of reducing inequality; or distorting healthcare policies by focusing on private health companies. Public sector development banks offer a positive alternative, including transnational initiatives in the global south such as the BRICS' New Development Bank; by contrast, the squeeze imposed by austerity policies has led some local authorities in the UK to engage in risky or counter-productive measures, such as investment in commercial private housing developments to use the excess profitability to finance other council services.

29 June 202



Africa, Asia and Latin America - the regional sessions

The 3rd day consisted of parallel regional sessions on PSSP narratives and issues in Africa, Asia, and Latin America

6. Africa: shifting narratives through multi-country campaigning

Social movements in Africa have developed campaigns for universal public services not only at national level but through co-ordinated action across countries, in education, water, and healthcare,

Education

Education Campaigns

Anderson Miamen,	COTAE Liberia
Maria Ron Balsera	Actionaid
Roné McFarlane	Equal education South AFrica
Salima Namusobya	ISER/FEHRC
Zakaria Sulemana	Oxfam

Free universal public education promotes equality, social mobility, social cohesion, and an educated workforce. But in many African countries, far too few children receive secondary education, exacerbated by austerity policies, and by privatisations driven by IFI conditionalities, as with the Bridge International schools in Nigeria. A concerted effort to promote universal public education services across African countries, led by local and international social movements and supported by academics in the global south and north, led to the adoption in 2019 of the <u>Abidjan Principles</u> on the human rights obligations of States to provide public education, now used by campaigners across Africa. Campaigns have also succeeded in <u>stopping the World Bank's IFC investment in Bridge International</u>.

Water Campaigns

Aderonke Ige	CAPPA Africa	Cross-country water campaigns
Akinbode Oluwafemi	CAPPA Nigeria	Water issues in Nigeria
Dr. Everline Aketch	PSI (Kenya + East African)	Water issues in east Africa
Fatou Diouf	PSI Senegal	Unions and water in Africa
Younoussa Abossouka	Africa Center for Advocacy, (Cameroon)	Water issues in west Africa

International corporations and IFIs, especially the World Bank, have attempted to promote water privatisation in African countries for 30 years, with repeated failures and problems. Campaigns have prevented privatisation in many places, including Lagos, Nigeria, and reversed it in countries including Ghana, Tanzania, South Africa, and Cameroon. Social movements and unions have now formed an Africa-wide campaign body <u>Corporate Accountability and Public Participation Africa (CAPPA)</u>, which calls on all African governments to reject water privatisation, including PPPs, and instead fulfil the human right to water through direct public provision, which also protects the livelihood of water workers. Equal partnerships with other public sector water providers – public-public partnerships – should be used to build capacity. The campaign also engages with international bodies – e.g. African Union, SADC – and IFIs.

Healthcare

Nicholas Orago	University of Kenya, Hakijamii	Healthcare in Africa
Perpetual Ofori-Ampofo	President of GRNMA, chair of WAHSUN	Heathcare campaigns in west Africa
Bernadette O'Hare	St Andrews University	Tax gaps and SDG progress
Anna Mariott	Oxfam	IFC and financialisation in healthcare in Africa
Alhassan Adam	UoG-PSIRU	Multinational capital in African healthcare.

Africa's health systems are underfunded, understaffed, and face a large disease burden, including communicable diseases such as HIV, TB and Malaria, nutritional deficiency and high infant mortality rates. Whereas the great majority of healthcare systems in developing countries are publicly financed and delivered, in Africa public finance barely covers ¼ of healthcare spending. The dominant official narrative treats healthcare as a commodity in a commercial marketplace, as in an influential report by McKinseys, which claims that the private sector just needs more support from IFIs. So the World Bank's IFC uses international public finance to support elite private hospital developments, which neglect public health and distort policy priorities e.g. in Kenya, and private equity firms draw on public spending to build selective, profitable, ventures. Healthcare should rather be seen as a human right and a public good, supported by public finance from adequate taxation.



7. Asia: shifting narratives on public services and public employment

The session covered contests over PSSP and austerity, rights of women public service workers, and healthcare policy.

> Contesting public services in Korea

Lee, Seungchul	Secretary of Planning	KPTU
Prof. Nah, Won Jun	Department of Economics	Kyungbook National University
Koo Junmo	Secretary of Planning	Energy Labour Society Network
Lee, Youngsoo	Senior research fellow	Public Policy Institute for the People-KPTU
Jeon,	Jinhan	Director of Policy Korean Federation medical activist groups for Health Rights (KFHR)

This workshop was developed by the Korean public service union, the KPTU, in collaboration with local academics and social movements: the KPTU has a long record of working with academics and social movements to develop pro-PSSP policies. South Korean governments of all political shades have resisted development of public services, and promoted privatisation policies and reduction of the public sector for more than two decades, resulting in a relatively low level of public spending. Accordingly, public sector workers, particularly healthcare workers, had to sacrifice to make society function well even in the global public health emergency. With COVID-19, narratives have been raised that we need better public services to ensure universal access, but a right-wing government has just come to power, pursuing market-oriented policies favouring the private sector, based on market fundamentalism and profitisation. KPTU in collaboration with CSOs and academia is proposing countermeasures in areas such as finances, energy, public transportation and healthcare.

> Employees not volunteers: CHWs in Pakistan and India

Prof Sohail Javed	Pakistan	Applied Economics Research Centre
Mir Zulfiqar Ali	Karachi	WERO/Union Park
Sister Halima Lahgari	Pakistan	ASLHWEU
Dipa Sinha	India	Ambedkar University
Manju Kamble	Mumbai India	ASHA worker
Prakash Devdas	Mumbai	President of CHW union in Maharashtra, India

In India and Pakistan, as elsewhere, community health workers – overwhelmingly women – have played a key role in protecting people from the pandemic. But in both countries, these workers have had to fight for recognition as workers, entitled to be paid wages, rather than 'volunteers'. In Pakistan, the LHWs (Lady Health Workers) started organising in a union in1994, have now recognition and payment as employees, but still do not receive equal pay with men. In India, the Accredited Social Health Activists (ASHA) are still treated as volunteers and only paid honoraria well below the minimum wage, despite their crucial role, and have taken repeated demonstrations and strike action. These struggles concern core issues of public capacity, gender, public employment, and democratic planning.

> Public and private healthcare

Susan Engel Anna Mariott	University of Wollongong NSW Oxfam	IFIs, Covid and healthcare privatisation Drivers of healthcare financialisation and impact
Sourindra Ghosh	Council for Social Development	Effect of Publicly Financed Health Insurance on In-patient Care
Dhananjay Kakade	Saathi	in India Patient rights and public healthcare
Sulakshana Nandi	PHRN and Jan Swasthya Abhiyan (JSA).	Private abuse of public health insurance

A global medical consensus that countries must develop public universal healthcare systems is a powerful evidence-based narrative. This is resisted by commercial interests wanting to expand the market for private healthcare, which is potentially very lucrative in India – and international institutions have been helping them by promoting privatisations. Over four-fifths of all the healthcare expenditure in India is private, with public spending only reaching 1.2-1.3% of GDP in health, one of the world's lowest. The state has decisively shifted from a provider of public goods and services to an enabler of the private and corporate actors in health. The private health sector comprises 64% of all hospital beds and 80 % of doctors, but private hospitals are unequally distributed and concentrated in only a few cities. The system also legitimises collusion and regulatory capture, and for patients, there is a lack of equity, access, and financial protection. Saathi campaigns to expose overcharging of patients and private waste of public money, and building a narrative of patients' rights and public responsibilities.



8. Latin America: political dynamics

Across Latin America, as elsewhere, there have developed strong campaigns to protect the community and public water resources and systems. These include remarkable collaborations between community groups and universities in Mexico and restructuring of public systems in Argentina and elsewhere.

<u>Chile</u>

Alexander Panez Pinto	Universidad de Bío,	Community campaigns
Robinson Torres Salinas	Universidad de Concepción	
Amaya Alvez (video)	Universidad de Concepción	
Carolina Espinoza	PSI	Union perspective

The development experiences of certain countries in Latin America can teach valuable lessons on the role of the public sector, public financing and management of services. Chile was the birthplace in the 1970s of neoliberalism, but has now elected a young progressive government and embarked on a public rewriting of the constitution. As shown by the failure to approve the draft new constitution, there remain tremendous conflicts, including splits between rural and urban experiences and interests, which hinder the possibility of developing progressive policies. But more inclusive development paths in Chile could also lead to a cooperative effort in the region that can re-orient Latin America towards sustainable and just developments.

Water

Pedro Monteczuma	Universidad Autónoma Metropolitana	Water campaigns and reforms in Mexico
Andrea Restrepo-Mieth	University of Pennsylvania	Covid and water accessibility in Colombia
Damiano Tagliavini	Universidad de Buenos Aires	Planificación e inversión en el nuevo modelo público de
		agua y saneamiento en Argentina.
Ariel Monzón	PSI	Water in central America: a union view
[Note: a planned contribution	on on Water in El Salvador had to be canceller	d due to political repression by the government]

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Across Latin America, as elsewhere, there have developed strong campaigns to protect community and public water resources and systems. These include remarkable collaborations between community groups and universities in Mexico, restructuring of public systems in Argentina and elsewhere. Covid provided the impetus for further development of universal water services, which have not always been followed through. In Latin America the narratives on water services fluctuate, with Uruguay – previously an example of a model public water service – now trying to create a \$250m. private water treatment PPP. These narratives are linked to conflicting political programmes.

State, services and infrastructure

Alicia Puyana	FLACSO	Mexico Public energy in Mexico and Colombia
Ariel Ocantos	CONICET/UNGS	River basin waterways
Dr. Tereza Maciel Lyra	FIOCRUZ, and Univ of Pernambuco	Healthcare in Brazil
Daniel Chavez	TNI	State & public services in Latin America
Federico Davila	PSI	State and public services: trade union view

The last decade has seen changes in the relationship between the state and public services in many Latin American countries. In Mexico a system of corrupt concessions in the energy sector has been replaced by a system restructured around public objectives, while the long development of commercial waterways in the Parana river are showing the potential and problems of regional collaboration in developing public infrastructure; development. The state has to be a key actor in climate change policies, but they also require international cooperation. The political process also requires collaboration between unions, social movements, and academics, and there are good signs that this is happening – including in this conference.

Closing plenary and follow-up action

The final day was a plenary session, with keynote speakers discussing economic recovery policies around public services, climate change, stable employment, and democratic control. This was followed by contributions from trade unionists, social activists and academics about following up the conference, and a final workshop for young scholars.

9. Keynote speakers: PSSP and progressive recovery

Satoko Kishimoto, Mayor of Suginami City

was elected as Mayor of Suginami City, in Tokyo, in June 2022 - just days before the conference started. For the previous 20 years she played a key role at Transnational Institute (TNI), creating the global Reclaiming Public Water Network which successfully co-ordinated action against water privatisation, then widening this work across other sectors, co-authoring the report <u>Reclaiming Public Services</u>, organising global conferences on 'The Future is Public', developing a global database on de-privatisation, and co-authoring a report on <u>public-community collaboration</u>. She was one of the team which produced the original 'Shifting Narratives' report.

She explained how she won this unexpected victory in Suginami City (pop. 500,000) through a grassroots driven election campaign with a positive narrative on the need for the municipality to expand and improve public service and public spending. This was in strong contrast to the on-going mainstream privatisation and austerity narrative in Japan, and Satoko's candidacy also challenged the extreme under-representation of women in politics in Japan. Her campaign policies were developed by listening to people beyond the political organisations, talking with local communities about material daily issues – how to get better day-care and childcare places; build more environmentally friendly housing; the need to de-privatise outsourced services; and about the need to stimulate the local economy, instead of austerity. The campaign was successful in deposing a right-wing mayor who had been in post for 8 years. The connection with civil society has been a great source of strength, creating an autonomous and continuous civil society platform, which can participate in the planning of public services, and make the city office truly transparent and accountable.

> Alicia Bárcena, Former Executive Secretary, ECLAC

was Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC) from 2008 to 2022. Covid showed that existing inequalities, gaps in access to water, sanitation and energy services, and bad housing made the poor more vulnerable more vulnerable to Covid, so ECLAC now argues for a transformative recovery policy centred on "investment to universalize the basic services of drinking water, sanitation, and electricity with renewable sources". This means planning and investing 2.6% of regional GDP for 10 years, with multiple positive effects including public health benefits, creation of over 4 million jobs, and reduced pollution. Responses to Covid showed the possibility, as states increased public spending on public healthcare and incomes of unemployed.

An expanded role for the state is needed in a number of ways: a welfare state for a caring society, which moves away from gender and racial inequalities by providing guarantees for income, food, housing, healthcare, education and care; expansion of formal employment, insurance against unemployment, and care infrastructure; stronger role for the state in production, through industrial policy, public investment in new technology limits on private rents, state ownership of natural resources, and provision of public goods; redistribution through guaranteed basic incomes for elderly, families, unemployed; solidarity-financed healthcare and education and care; ending tax evasion, tax reliefs, while strengthening tax revenues from wealth tax and mineral royalties.

> Professor Anis Chowdhury, Western Sydney University

was former director of macroeconomic policy at UN-ESCAP, an adviser to UNDP and the ILO, and author of many books and articles on economic policy and sustainable development. Talking about the macroeconomic and industrial policies needed for a job-rich recovery from COVID, his starting point was that the economic policies of the last 40 years, focussed on public debt, deficit and inflation, in the expectation that wealth would 'trickle down', have not worked, but led to increased inequality, reduced share of wages in the economy, and de-industrialisation. They are <u>based on a number of myths</u>: the incorrect view that government debt is linked to economic stability, for which there is no evidence; the arbitrary invention of fiscal limits of 60% for public debt, 3% for public deficit, despite evidence showing no direct crowding out of private investment; the arbitrary invention of a 2% target for inflation, which evidence shows has no relation to economic growth, but rather a problem to be dealt with by expanding supply; and <u>central bank autonomy</u>, which leads to the loss of democratic control and policies favouring banks at the expense of the rest of the economy. Policy <u>to build more equal and sustainable societies</u> should rather regulate capital flows and monopolies, support employment through job retention schemes, creating new jobs in public services, support for low-income households, support for local small business, and public investment in renewable energy.



9. Keynote speakers: PSSP and progressive recovery

Professor Mariana Mazzucato, UCL - IIPP

is Professor in the Economics of Innovation and Public Value at University College London where she is the founding director of the UCL Institute for Innovation and Public Purpose. Her work challenges orthodox thinking about the role of the state, how economic value is created, measured and shared; and how market-shaping policy can be designed in a 'mission oriented way' to solve the grand challenges facing humanity.

The Covid 19 moment showed the need for government and public sector capacity to deliver public goods. Governments need a strong mission-oriented direction to create public value, and an agenda set through stakeholder participation (at local, national or global level) , with the in-house capability to shape that directionality – not relying on consultants – and public sector capacity to deliver those public goods – as shown by Kerala, Vietnam and Togo during Covid. Public capacity is necessary for adapting and learning in face of uncertainty; aligning public services with citizen needs; resilient production systems which can tap into citizen innovation; managing data and information while respecting rights; and inter-governmental coordination and knowledge-sharing. Government should not be tinkering to 'fix' markets, they should be co-creating markets, with a multi-sectoral approach. Financial intermediation has outpaced other elements of GDP, producing an economy which is ultra-financialised, too short-termist and extractive, maximising shareholder value. There needs to be a new symbiotic partnership between the state and the private sector, with industrial policy using grants, loans and recovery funds – not the parasitical partnership of outsourcing.

10. Young scholars and activists: the INET - Young Scholars' Initiative workshop

Giorgio Caridi Elizabeth Ballantyne Karthik Manickam The Vinh Mai E-Campus University Univ of British Columbia Jawaharlal Nehru University UCI -IIPP Revamping the political role of public services through e-government Re-framing affordable housing as municipal infrastructure Rethinking Student Loans: a post-Keynesian approach to Higher Education Redefining SOEs: analysis of Vietnam's highway development 2004-2015

Moderated by Surbhi Kesar (YSI and SOAS)

This workshop was organised on the final day by YSI for young scholars to share their work, get feedback from peers, and discuss how to further shift the narrative. Giorgio Caridi discussed how the E-government system in Italy could be used to improve the sustainability of the public services; Elizabeth Ballantyne argued that a conceptual shift of how we understand housing is needed, to underpin a new narrative and unlock the existing potential to generate adequate affordable housing for all; Karthik Manickam analysed the need for a shift from a mainstream economic perspective about student loans in public higher education to a post-Keynesian theoretical narrative; and The Vinh Mai investigated the evolving role, functions, and performance of Vietnam Expressway Corporation ("VEC"), exploring a possible alternative investment and delivery model of highway development. Discussion touched on the influence of IFI lending policies for infrastructure finance, and on how the narrative framework for housing links to other issues of social reproduction and commodification.



11. Beyond the conference

> Roundtable: key issues and follow-up actions after the conference

Tue Anh Nguyen <u>UCL-IIPP;</u> Wol-san Liem ITF; Rodrigo Echecopar GI-ESCR; Aderonke Ige CAPPA Africa; Rosie Collington UCL-IIPP; Danny Bertossa PSI

The final round-table brought together six, mainly young, speakers, two each from academia, unions, social movements, to discuss what key issues had emerged from the conference and what kind of future activities should be developed in a follow-up. The discussion and key points can be summarised under these broad headings:

> Follow-up to the conference: there was general agreement that the conference should be treated as a platform to develop further opportunities for building networks and knowledge-sharing, including through further meetings, activities and conferences (including the forthcoming Future is Public conference).

> Political context: neoliberalism is not working economically or socially; traditional centre-left policies are also not working; while the new right builds fear and hostility, both against migrants, and against government action.

> Academic context: there are big divides in academic economics and politics: we need a systematic revision of the teaching of economics and politics, and new analyses and narratives re the economy and the state.

> New framework, new vision: we need to elaborate a new framework and vision - not just to return to classical economics; that vision must be international, must include the shape of a green new deal to address climate change, and have gender issues and the role of care as core elements.

> New economic framework and policies: narratives should be based on rigorous analysis; we need a positive analysis re public sector being equally or more efficient ; a public production framework of 'controlling resources'; a new analysis re public sector employment, to kill the old IMF narratives; public capacity as a key issue, recognising the weakening effect of outsourcing and pay cuts; public finance is also key, addressing the realities of debt and deficit, not just using MMT; include policies to counter inflation; use social cost-benefit analysis e.g. re public transport; and attack basics of neoliberal narratives e.g. re profits, as unions do.

> Engage and build institutions: corporations are key actors in neoliberalism, we need to criticise the impact of privatisation and the wastefulness and distortions of 'incentives' in policies; build new policies around what delivers public goods; build local frontline organisations e.g. 'community parliaments'; we must make more governments more aware of alternatives to neoliberal policies.



12. 'Shifting Narratives' network

> Agreement to create a SN network

Following the June 2022 conference, the partners who organised it agreed to create a 'Shifting Narratives' network to support and encourage activities which share the objectives of the conference, that is:

- to create collaborations between academics, trade unions and social movements
- to build new narratives and power for changing and defining a stronger economic and social role of the public sector (including public spending, services and production: PSSP).

These activities can be classified under 4 broad headings:

^o **Education**: new courses and course materials for teaching public economics and politics, including union educational programmes as well as university and school courses;

^o **Research projects**: encouraging collaboration on research issues e.g. re public employment, outsourcing, right-wing populism, concepts of efficiency (see below);

^o **Events**: organising various events , including seminars, conferences, meetings e.g. regional/sub-regional meetings of academics, unions, activists in Africa re local government; Latam regional meeting re the economic role of PSSP in macroeconomic policies; development of public good indicators for services such as water

 Publications of various kinds: one-off collections of accessible papers, reports relating to local, national, regional or global levels; academic journal articles or books

In line with the core objectives, activities should not be purely academic, but should include collaboration between academics, social movements and/or unions, and intend and/or expect to strengthen narratives supporting a stronger social and economic role for the public sector. The network will expect to organise a conference each year, though not necessarily of the same size and format as the June 20222 conference. The network itself will not formulate proposals for research funding, but may circulate suggestions for activities, and help inform potential funders of proposals developed by network members.

Membership is open to: institutions: e.g. university units, NGOs, unions; and individuals e.g. academics, writers, activists . Members will not have to pay a membership fee or make any general financial commitment.

The network is hosted by the Institute for Innovation and Public Purpose at UCL (UCL-IIPP), on behalf of the partners.

Founder members

Institution	contact
University College London - Institute for Innovation and Public Purpose (UCL-IIPP)	Tue Anh Nguyen
University of Greenwich: Public Services International Research Unit (UoG-PSIRU)	Vera Weghmann
Public Services International (PSI)	Danny Bertossa
Transnational Institute (TNI)	Lavinia Steinfort
Oxfam	Anna Marriott
Young Scholars Initiative (YSI)	Surbhi Kesar
Azim Premji University, India	Zico Dasgupta
Waterlat	Prof. Esteban Castro
University of Ghana - Centre for Social Policy Studies (UoGh-CSPS)	Prof. Nana Akua Anyidoho

Individual	Position
Laura Carvalho	Associate Professor of Economics, University of Sao Paulo
Anis Chowdhury	Professor, Western Sydney University
David Hall	Visiting professor PSIRU
Aderonke Ige	CAPPA Africa
Abby Innes	Associate Professor, LSE
Satoko Kishimoto	Mayor, Suginami City
Mariana Mazzucato	Founding director, IIPP
Isabel Ortiz	Director of Global Social Justice Program, Columbia University
June Sekera	New School, Boston Univ, UCL-IIPP
Jomo Sundaram	Khazanah Research Institute, adjunct professor IIUM



12. 'Shifting Narratives' network

> Examples of research and other activities which might be developed through SN-network

SN conference 2023 (event)

Another global conference on shifting narratives could be organised in 2023 (and subsequent years). The timescale and format could be varied from the structure used in 2022. Planning and admin should be properly resourced.

Right-wing populism and PSSP (event & publication)

There is a need to understand Right-wing populism (RWP) better and develop an alternative political narrative in which PSSP is a clear part. There could be a conference/seminar followed by an accessible publication with contributions from e.g. India, Turkey, Hungary, USA, Argentina, UK about how RWP uses but distorts PSSP, and how a different politics can be based around using PSSP to deliver jobs, equality, public goods, democratic control.

PSSP and employment (events, research & publication)

The conference included some practical and theoretical discussions about public sector employment, treated as an economic negative by mainstream theory, yet seen as 'essential' work in crises such as Covid, and central to the few historical examples of full employment. A series of seminars and papers from academics, unions and social movements could generate publishable research to generate a new analysis of public employment, including the relationship between direct employment and public capacity, as opposed to outsourcing, needs similar elaboration.

• Regional meeting: Africa (event, education, research)

Africa has strong cross-national networks of social movements and unions on PSSP, which could collaborate to encourage more positive work on PSSP by African academics, including in Francophone Africa, and the Maghreb/Arab countries, working with YSI to identify young scholars critical research work on PSSP. And to make African governments aware of the central and positive political and economic role of PSSP.

Regional meeting: Latam (event, publication)

Academics, unions and SMs in Latam could organise regional webinar(s), and maybe publication, on the economic role of PSSP in new macroeconomic policies. This can be more relevant given the recent election result in Brazil.

• Accounting and PSSP (research, education)

PSSP is usually presented in negative terms - deficit, debt, tax burden - by contrast with business data - stock market indices, profitability - presented as successes. Critical academic accountants can work with social movements and unions, both at macro-economic and company levels e.g. on how using GDP as the single simple economic criteria distorts the role of public and financial (and household) sectors, and then how to account for PSSP in terms of equality, employment, gender, climate etc.; or on how corporate accounts can be challenged and re-focussed on labour and public value. This could develop educational material for activists and public, as well as research.

PSSP and macroeconomic framework (event, publication)

Critical economists have constructed frameworks more supportive of progressive policies and a positive role for PSSP, usually within a broad Keynesian framework of general economic stimulus ('public spending'). Can unions and social movements use these alternative frameworks to support a shift to the planned rebuilding of supply chains and production capacity to achieve clear public objectives re climate change, health, equality ('public production')?

• Regional meeting: re-vitalising PSSP in CEE (event, education)

There is a specific problem in CEE with narratives re PSSP because of the historical legacy of the communist regimes. A regional meeting of groups and researchers could discuss e.g. the impact of privatisation policies on specific services e.g. housing, water, and the potential for building democratic politics in CEE around PSSP programmes for public goods, employment, climate change etc. This could generate publications, including educational material.

Educational material on climate change (education)

The network could bring together trade unionists and social movements with academics and others to develop educational material on climate change, including public and private roles in renewables, the importance of mitigation through public services, the problems and limitations of PPPs.