

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

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with the support from Young Scholars' Initiative members

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# INTRODUCTION

The conference [Shifting Narratives: The Political Economy Of Public Spending, Services And Production \(PSSP\)](#) 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:

- Education and Research Institutions: 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).
- Global union federations and international social movements: 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](#)"

27 June 2022

# 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

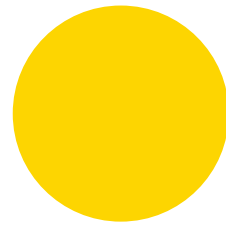
Dr. Tue Anh Nguyen [UCL-IIPP](#) ; Dr. Vera Wegmann [UoG-PSIRU](#) ; Prof. Nana Akua Anyidoho [UoGhana/CSPS](#) ; Prof. Esteban Castro Conicet/[Waterlat](#) ; Zico Dasgupta [Azim Premji Univ](#); Ritta Thandeka Mbisi [PSI/ Denosa](#) ; Alana Dave \_\_\_\_\_

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

The three keynote speakers 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





## 5. Public finance

- [Public finance for climate change: renewables and transition](#)

Prof [Jomo Sundaram](#)  
Bjarne Steffen  
Joshua Ryan-Collins  
David Boys

Kazanah Res Inst, Columbia Univ, Internat Islamic Univ  
[ETH Zurich](#)/MIT  
UCL-IIPP  
PSI

The climate finance conundrum  
[State ownership and renewable energy](#)  
Financing the green new deal  
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 [depends on public finance](#): corporations, IFIs and mainstream policy-makers want to use this to give tax relief incentives to private investors, but in practice [public sector utilities are much more likely to invest in renewable energy](#), 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.

- [Taxation](#)

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:  
Kate Bayliss SOAS/Leeds:  
Joao Pedro Braga Sorbonne Paris Nord  
Hulya Dagdeviren University of Hertfordshire  
Amitabha Sarkar JNU New Delhi

Financing public transport  
PPPs: perpetual failings  
New Development Bank (NDB)  
Austerity and debt in UK+  
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.







## 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.

- [Chile](#)

Alexander Panez Pinto Robinson Torres Salinas Amaya Alvez (video) Carolina Espinoza	Universidad de Bío, Universidad de Concepción Universidad de Concepción PSI	Community campaigns   Union perspective
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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 Montezuma Andrea Restrepo-Mieth Damiano Tagliavini	Universidad Autónoma Metropolitana University of Pennsylvania Universidad de Buenos Aires	Water campaigns and reforms in Mexico Covid and water accessibility in Colombia 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 Water in El Salvador had to be cancelled due to political repression by the government]

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.

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# Closing plenary and follow-up action



30 June 2022

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 [Reclaiming Public Services](#), organising global conferences on 'The Future is Public', d (ears h.1 (the c)14 (onbal )0.5 (R)pors, c)14 ts nd (ea041 (F)t hbi2e-5 (d r)15 (a.8EMC8g )

## 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	E-Campus University	Revamping the political role of public services through e-government
Elizabeth Ballantyne	Univ of British Columbia	Re-framing affordable housing as municipal infrastructure
Karthik Manickam	Jawaharlal Nehru University	Rethinking Student Loans: a post-Keynesian approach to Higher Education
The Vinh Mai	UCL-IIPP	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 [UCL-IIPP](#);  
Wol-san Liem ITF;  
Rodrigo Echeopar GI-ESCR;  
Aderonke Ige CAPP 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.

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## 12. 'Shifting Narratives' network

- Agreement to create a SN network



## 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-focused 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.