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Narrative Change and Public Services Spending and Provision - final report

by

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Follow-up conference on narrative changes on public services, spending and provision

An online conference will take place in 2022, organised by the Institute for Innovation and Public Purpose, UCL and PSIRU, University of Greenwich, and funded by OSF. For further information please contact Tue Anh Jenny Nguyen tueanh.nguyen@ucl.ac.uk

- **Acronyms**

BLM	Black Lives Matter
BRI	Belt and Road Initiative
COP	UN climate change conference ('Conference of the Parties')
CSO	Civil Society organisation
FTA	Free Trade Agreements
IFIs	International Financial Institutions
ILO	International Labour Organisation
IMF	International Monetary Fund
ISDS	Investor-state dispute settlements
LMIC	Low and middle income countries
MDB	Multilateral development bank
MNC	Multinational corporation
OECD	Organisation for Economic Cooperation and Development
PPP	Public Private Partnerships
PPP	Public-private partnership
PSSP	Public spending, services, and provision of services
SDG	Sustainable Development Goals
SM	Social movements
TINA	There is No Alternative
UN	United nations
UNCTAD	United Nations Committee on Trade and Development
WEF	World Economic Forum
WHO	World Health Organisation
WTO	World Trade Organisation

0. Executive summary

A. Key learnings

Table/chart 1.Key learnings

	Key learnings
1	Constant local dynamic of contests over PSSP
2	Unchanging hostile position of IFIs and consultants: neoliberalism, austerity, privatisation, private finance
3	Narrative gains at global level: human rights, sectoral policy e.g. health/water, resisting trade policies
4	Importance of local SM relations with political parties, co-ops, and religious groups
5	Hostile narratives: PSSP is inefficient economic burden, state/planning are problems
6	Positive narratives: Human rights, equality, anti-corruption, democracy/sovereignty, remunicipalisation
7	Opportunities: Covid, climate change favour positive narratives on PSSP
8	Influence of global powers: USA and positive narratives in American Jobs Plan
9	Influence of global powers: China and BRI, with less policy conditions

- **Local dynamic of contests over PSSP, no change in global position of IFIs**

There are constant dynamic contests over policies and narratives on PSSP at national and local levels, involving power holders, politicians, business interests, social movements, media and citizens, which are the key levels for implementation of policies. The results of these contests vary from time to time and place to place. These contests are framed by the historical context in different countries and regions, with the history of colonialism, including slavery, of paramount importance; also the historic role of socialism, communism and independence movements; and of various religions e.g. Islam, Catholic Christianity, etc. This history, and these factors, are not uniform across different regions and countries e.g. in east Asia, south Asia, Africa, Latin America. There is also constant activity at global level, centred around the policies of the IFIs and of the UN and its various agencies.

- **Unchanging hostile position of IFIs and consultants**

The narratives used by the IFIs concern core issues both about how economies work and the role of PSSP, including the levels of government spending, the role of international private finance in infrastructure and services, and the relative role of market and state in provision of services.

The IFIs, along with business interests and consultants, have remained committed to the central principles of the neoliberal programme for over 30 years and continue to promote them and include them in conditionalities. It is possible to win a public debate around these narratives and policies, e.g. the role of PPPs. Yet, these arguments have resulted in very little significant change in key policies towards PSSP, especially in relation to the central role of the private sector.

The global activity of private consultancy firms – McKinsey, KPMG, Deloittes, PWC, E&Y – provide a constant parallel use of anti-PSSP narratives both at global and national levels. These institutions are highly influential and represent only the interests of private business, and so, even more than with the IFIs, there is no evidence that engaging with the consultants can move them away from anti-PSSP narratives.

- **Narrative gains at international level: human rights, sectoral levels, trade policies**

At global level, despite the IFIs intransigence, establishing the various human rights to health, education, water, housing etc, and the establishment of the MDGs/SDGs, has successfully shifted debates onto the development role of PS and the importance of universality. The continuing coordinated international campaigns on specific sectors, especially healthcare and education, can claim steady success from repeatedly showing the beneficial effects of services which are universal, free at the point of care, equally available across gender/class/ethnicity. Trade agreements have been a major and continuing battleground for much campaigning and because the damaging impact on public services, and the democratic sovereignty of countries to choose their own policies on PSSP, have been key narratives in these campaigns. These campaigns have blocked the WTO initiative for a general agreement on trade in services (GATS) halted or weakened a number of proposed free trade Agreements (FTAs), including the Transatlantic Trade and Investment Partnership (TTIP), and blocked provisions in a number of trade treaties for investor-state dispute settlements (ISDS: these clauses allow companies to demand compensation for changes in public policy which affect their profits).

- **Positive relations with political parties, co-ops, and religious groups**

Interaction between various types of organisation— including social movements (feminism, Black Lives Matter (BLM), Climate emergency, etc), trade unions, political parties, co-ops, community groups, religious organisations - are a key part of developing and using pro-PSSP narratives. SMs have played a key role in the creation of new parties, for example Syriza in Greece, Podemos in Spain, Castillo in Peru, Morena in Mexico, Movimiento al Socialismo (MAS) in Bolivia, and Aam Aadmi Party in India. However, pro-PSSP narratives may also be adopted by other parties, including broadly conservative parties, where there is clearly an electorally significant level of popular demand for such services. Religious leaders have spoken out for public services and shaped narratives, for example on debt relief and water as a human right.

- **Hostile narratives against PSSP: market economics, weak state**

The core economic and political narratives hostile to PSSP, promoted by the IFIs and business consultants, are that private business and markets are economically superior to the state, public provision and democratic planning, and so there is no alternative to privatisation and PPPs.

Table/chart 2.Dominant (hostile) narratives on PSSP

	Categories of dominant narratives
A	Austerity: PSSP is economic burden
B	Small role for state
C	Public sector problems
D	Private sector virtues
E	TINA ('there is no alternative')

The IFIs also see post-Covid recovery as an opportunity to encourage infrastructure spending, but through the creation of PPPs based on private finance providing a flow of private profit, and not to build public sector capacity by increasing public employment, based on higher levels of taxation for international companies and the rich.

- **Pro-PSSP narratives: Human rights, equality, anti-corruption, democracy/sovereignty, remunicipalisation**

SMs have developed a set of counter-narratives supporting PSSP.

Table/chart 3.Broad categories of pro-PSSP narratives used by social movements.

	Pro-PSSP narratives: broad categories
A	Human rights and social justice
B	Inequalities and segregation
C	Corruption and link to privatisation
D	Democracy and sovereignty

• The narrative of human rights and social justice has been powerful across many sectors and at global and national levels, including campaign successes e.g. for water as a human right, against school fees, and in favour of public healthcare provision. In some cases, human rights to public services have been enshrined in national constitutions e.g. in South Africa, Uruguay, Iceland.

• Inequalities have become a major narrative for social movements, and now even mainstream development agencies (World Bank, EU, Regional development banks etc.) are using narratives of inequality when it comes to access to public services.

• The privatisation of public service provision has often been a core vehicle for corruption, and so anti-corruption campaigns repeatedly link to PSSP issues e.g. a big nationwide anti-corruption campaign in India led to the formation of the Aam Aadmi Party now implementing very positive policies of expanding publicly financed education, healthcare and other public services in Delhi, and in Armenia, the velvet revolution of 2018 was primarily an anti-corruption and pro-democracy uprising. However, anti-corruption narratives are politically ambiguous, and can also be used to enhance privatization, especially by international organisations and neoliberal politicians.

• The loss of democratic control or sovereignty as a result of privatization has been a core theme for anti-globalisation and anti-privatisation movements, across both global North and South. The narrative of restoring public ownership at local level (re-municipalisation) or national level (re-nationalisation) is a unifying narrative that captures different experiences across the globe and includes other pro-PSSP narratives mentioned above.

- **Covid, climate change, BLM are new factors favouring positive narratives on PSSP**

Table/chart 4.New factors creating opportunities/favourable conditions

Trends and factors	
Covid-19:	Collective action, role of state, universal healthcare, 'essential' workers
Black lives matter	Demand for equality, democratisation
Climate change emergency	State planning, public transport, just transition
Biden: American Jobs Plan	Planning, public investment, public finance, workers
China and BRI	No conditionalities, flexible financing

Covid has created a strong impetus in favour of narratives supporting PSSP. This includes a strengthening of narratives about the importance of the role of the state, including organising collective re-shaping of social and economic life, large public spending on measures to deal with the pandemic, public investment in developing and administering vaccines, and large-scale intervention in the economy as a whole, including paying wages of workers. But the development of economic recovery policies remains contested, with the IFIs favouring a rapid return to market-based policies with a small role for the state and PSSP, and austerity e.g. by insisting that expansion of healthcare must be financed by reduced public spending on other services.

Climate change narratives around just transition, and the importance of public transport, are also pro-PSSP, with the 'Green new deal' set out as part of the American Jobs Plan, centring on the creation of new well-paid and union-organised jobs.

Campaigns such as BLM also generate demands supporting PSSP on education, youth programmes, health services and arts versus police and prisons, and for democratic control over PSSP.

- **Influence of global economic powers: USA and China**

The narrative within the USA itself has now changed dramatically under Biden, notably in the 'American Jobs Plan', in favour of state planned, tax-financed renovation and expansion of both infrastructure services and new public services such as social care. Biden has also called for all countries to introduce a global minimum corporate tax rate. It remains to be seen if the USA's policies on international development will support similar programmes in LMIC countries, but it creates an opportunity for social movements to use the internal USA narratives in their own countries and in relation to IFIs.

China's international development strategy of the Belt and Road Initiative (BRI) generates finance on commercial terms, through state-to-state agreements, but is neutral on public or private sources, and explicitly promotes the absence of economic policy conditionality as the 'Five no's', including no interference in countries' choice of development path. The growth of the BRI thus reduces the dominance of IFIs in LMIC infrastructure finance, and so reduces the influence of their anti-PSSP policy conditionalities.

Table/chart 5.Potential positive narratives emerging from Covid-19, climate change, BLM

Potential positive narratives emerging from Covid-19, climate change, BLM, American Jobs Plan	**Challenges mainstream hostile narratives (see table 2)**
Key role of state for economy and public services	*Small role for state*
Key role of international action via WHO	*Small role for state, private sector virtues*
Importance of public healthcare systems	*Public sector problems, PSSP is economic burden*
Public sector capacity is superior to outsourcing public services to the private sector	*Public sector problems, private sector virtues*
Public employees as essential workers, needing PPE, sick pay, public support	*Public sector problems*
Need and opportunity to 'build back better'	*TINA ('there is no alternative')*
Drive for 'green new deal' requiring planning and public economic activity	*Small role for state, TINA*
Drive for equality: Black Lives Matter, feminist campaigns, youth movements	*Small role for state*

B. Countries providing opportunities for developing narrative change supportive of PSSP

Regional analysis of narratives in Africa, Asia and Latin America identifies selected countries whose current dynamics provide opportunities for developing narrative change supportive of PSSP.

Table/chart 6.Countries providing opportunities for developing narrative change

Region	Countries providing opportunities for developing narrative change	Features
Africa	Algeria	capacity to reverse privatisation, regionally substantial
	Ghana	political structures which retain receptiveness to pressure from social movements for PSSP, strong social/labour movements
	Rwanda	used public sector systems to effectively manage Covid, potential regional influence due to international attention
Asia	Armenia	anti-corruption movements changing government, , potential regional influence because of due to international attention
	India (New Delhi)	electoral support to political parties favouring PSSPS , anti-corruption movements changing government
	Vietnam	used public sector systems to effectively manage Covid, evidence of civil society activity in country with classic communist system, potential regional influence due to international attention
Latin America	Argentina	electoral support to political parties favouring PSSPS, strong social/labour movements, regionally substantial
	Chile	social movements winning a constitutional assembly, , strong social and labour movements, regionally substantial
	Mexico	electoral support to political parties favouring PSSPS, strong social/labour movements, regionally substantial

Countries have been identified where media reports, and advice from social and labour activists, shows there has been an actual change in electoral support to political parties favouring PSSPS (such as Mexico, Argentina, or India/Delhi); or evidence of other major political impact of pro-PSSPS actions (such as the social movements winning a constitutional assembly in Chile, or anti-corruption movements changing government e.g. Armenia, Delhi); or evidence of political structures which retain some receptiveness to pressure from social movements for PSSPS (such as Ghana) or at least capacity to reverse privatisation (e.g. Algeria) or have used public sector systems to effectively manage Covid (Rwanda, Vietnam).

The countries selected are politically or economically substantial enough to have impact in neighbouring countries, such that the trends in these countries can become regionally significant (e.g. because of the attention paid to them by international institutions e.g. Rwanda for its public health management of Covid, or Armenia as a country whose geo-political significance is much greater than its relative size)., and there is evidence of social and/or labour movements, either directly associated with the political changes identified under the first criteria (e.g., as in Mexico, Delhi, Chile), or capable of taking advantage of these dynamics (as in Ghana, and, possibly, in Vietnam).

C. Categories of actors and tools to affect narratives

The report identifies and categorises the main actors involved in the constant dynamic contests over policies and narratives on PSSP at global, national and local levels, and the main tools used by them to do so.

Table/chart 7.Actors and their tools to shape and influence narratives

Category	Actors	Tools
IFIs	IMF	conditionality, loans, SDRs, policy advice, technical assistance, research and reports, database and statistics, training
	World Bank Group (IBRD, IDA, IFC, MIGA, ICSID)	conditionality, loans, grants, guarantees, direct investment in private sector, policy advice, technical assistance, research and reports, database and statistics, training
	MDBs (ADB, AfDB, CAF, EBRD, EIB, IDB, IsDB)	conditionality, loans, grants, policy advice, technical assistance, research and reports, database and statistics, training
	New MDBs (NDB, AIIB)	sovereign and non-sovereign loans
Other international economic orgs	OECD	data and stats, research, reports , policy toolbox (environment, investment, public procurement), training, meeting
	WTO	trade agreements and rules, corporation with IFIs for economic policy-making, data and statistics, research and report output, dispute settlement, training
UN bodies	Economy: UNDESA, UNCTAD, UNDP, ECOSOC (SDGs)	policy analysis, platform for high-level talks and proposals, training,
	Human Rights: UNHRC, OHCHR	Inter-government sessions, investigations into complaints
	Other UN agencies: UNEP, UN Habitat	data and statistics, documents, training, policy advice
	Autonomous Agencies: FAO, ILO, UNESCO, WHO, COP	advice for government and public, technical guidance, research output, campaigns, data
Country donors	Western donors: USA, UK, EU, France, Germany, Sweden	trade agreements, ownership and control of IFIs, development aid, conditionalities, special scholarships, emergency support
	Asian donors: Japan, China, S. Korea	grants and aids, bilateral agreements, loans
	Powerful countries: G20/G7	Call to Action, bridging access to finance by SMEs, high-level working groups, development policy,
	Developing countries: G77	discussion forum, regional association, solidarity, publicity
Global Business/ Banks	Institutions: WEF, sectoral bodies (e.g. WWF)	forums and summits, reports,
	Corporations: MNCs, finance capital	finance, reports, policy advice to govts, global events, media
	Consultancies: KPMG, PwC, Deloitte, EY, McKinsey…	policy advice to govts & international bodies, global events (G20, WEF, OECD, COPs etc), corporate clients, media, reports
	Lobbyists	finance, strategies
Social Movements	Union federations: PSI, ITF, UNI, ITUC	participation in global events and bodies e.g. WHO, ILO, OECD, UNCHR; publication of reports; organising coordinated action
	Global CSOs: Oxfam, ActionAid, TNI, Eurodad, GI-ESCR, GJN…	participation in global events and bodies e.g. WHO, ILO, UNCHR, UNCTAD, WTO; research reports, choice of policies and practices, advocacy and campaigning, outreach to public
	World Social Forum	dialogue for movements
Others	Religious groups	aid network, community outreach, provider of community (education and health services), publications, faith-based policy advice, public interventions, teaching
	Foundations: OSF, Ford, Rockefeller	projects ToR, funding decisions, selection of partners, advocacy
	Global Media	reports, conversation

	Academics (mainstream, heterodox)	research, publications, talks, support and policy advice
	Think tanks	reports, policy advocacy
	Political Parties	policy debate/implementation, election campaigns, engagement with public, SMs

1. Dominant narratives about public services spending and provision (PSSP)

This section addresses the key questions about the dominant narratives about public services spending and provision (PSSP); their origins; lessons from attempts to change narratives; and Covid-related shifts in narratives. It starts with the question of origins, to emphasise the importance of understanding narratives through the historical context and dynamics from which they emerged.

- **Origins**

The currently dominant policies and narratives favouring austerity and privatization have dominated the last 35 years, globally. These narratives hostile to PSSP are related not only to current conditions eg the 2008 financial crisis, but also part of long-term political contestation over the role of democracy, the state and public services in the economy, and part of the colonial relations between rich countries of the global north and countries of the global south.

But they have not been dominant throughout that period, nor have they been successful in the long-term. Public spending has grown steadily as a proportion of GDP for more than 100 years. The main narratives successfully driving this growth of PSSP were socialist (including municipal socialism), developmental, liberation and, more recently, feminist and green political narratives, around equality, solidarity, decolonisation, democratisation, nation-building, economic development, and environmental protection. The current dominant narratives are thus also an attempt at holding back the cumulative political and economic impact of these 'progressive' narratives.

The narratives of the current global establishment were developed as part of the cold war rhetoric of the superiority of the 'market' and 'liberal democracy' over the communist regime of the USSR, and the IFIs began to exercise their financial power to re-assert economic dominance of the rich countries. These narratives were seen as having 'won' the cold war, and became the new framework for the IFIs under the 'Washington consensus', and as the new orthodoxy for rich countries.

- **Dominant narratives**

It is possible to categorise and classify narratives in various ways. Classification by subject can generate (differing) long lists of arguments and issues, detached from context and actors and actual effects. It also makes the issue look like a debate between two academic theories rather than a political economy process.

The section suggests a simplified grouping based on an initial assessment of **narratives which have had the greatest impact on (a) the policy-making processes, and (b) the environment for political organisation and public debate around PSSP.** The groups are clustered under 5 simple messages which have impact, each of which have subsidiary narratives which reinforce the message. Thus under Austerity, subsidiary narratives include 'we can't afford it', 'public employees are unproductive', and 'taxes are burdens on companies'; TINA includes narratives that 'socialism and planning has failed', and 'only economists and bankers and accountants have the expertise to understand economics, ordinary people cannot understand it, they just tell stories'.

Table/chart 8. Dominant (hostile) narratives on PSSP

	Categories of dominant narratives
A	Austerity: PSSP is economic burden
B	Small role for state
C	Public sector problems
D	Private sector virtues
E	TINA ('there is no alternative')

- **Lessons**

Lessons from previous attempts to change narratives draw on experience in four categories: human rights narratives; global sectoral campaigns; trade campaigns; and attempts to change IFIs' policies. The point of using narratives about PSSP is not simply to win an argument in a debating sense, but also to achieve actual change in policy and practice with respect to PSSP – and so these are the criteria for drawing lessons about success or failure.

The narratives on HR, sectoral policies for universal public education and healthcare, and campaigns against the impact of trade liberalisation on public services and democracy, can all be assessed as successful to some extent at different levels.

It is harder to identify successful change to IFIs' narratives. One reason may be that they differ from other global institutions in that they have no formal responsibility for economic policies. Rather, they have acquired power to dominate these policies and hence PSSP policies.

- **Covid impact**

The section identifies 6 ways in which narratives are being changed in ways hostile to PSSP as a result of the experience with PSSP and state support for the economy during Covid-19 (changes in ways positive to PSSP are covered in section 2) .

Governments and IFIs and MNCs are focussed on restoring the economy in broadly the same structure as before Covid. Plans so far, eg in the October World Economic Outlook (WEO), focus on restoring the fortunes of existing companies, and not on any restructuring of the role of public and private sectors, or balance of public services. There may well be increased state spending to support business, but by default that will be at the expense of public spending on other services.

Table/chart 9. Potential narratives hostile to PSSP arising from Covid-19

Narratives hostile to PSSP arising from Covid-19
Tax reduction necessary for company survival
Economic recovery = recovery for pre-existing companies
PS only as spending on infrastructure projects, PPPs
Finance PPPs etc by long-term public debt at low interest, not tax
PS continues to be constrained by austerity
Health policies distorted by corporates seeking contracts

2. Emerging alternative narratives: pro-public spending and services

This section addresses the questions on 'alternative and emerging narratives', focussing on the global level.

- **Origins of alternative narratives at global level and impact on IFIs**

The period since the 1990s has seen the global role of CSOs on PSSP evolve in response to actual developments and dynamics. Established CSO involvement in international policy development in healthcare and education, and CSO work on human rights under the UN framework, continued, but policies of austerity and privatisation both disrupted this work, and provoked new campaigns and issues.

At global level the diverse origins of these campaigns generated different narratives, partly reflecting different global institutional focuses. But the IFIs became a common focus for all these strands, because their activity, and their austerity/privatization ideology, grew more dominant in nearly all areas: their policies and conditionalities were affecting human rights, and the development of health and education services, as well as employment.

The IFI, however, have responded only by modifying narratives to incorporate concepts such as community development and anti-poverty strategies, but structural adjustment, privatisation and PPPs have remained as immovable core policies. The IFIs thinking on post-Covid recovery also shows little sign of movement from the approach adopted in 2009 after the financial crisis. The need for a recovery plan is seen as an opportunity to encourage infrastructure spending, but through the creation of PPPs, and explicitly avoiding any commitment to increased public spending on building capacity by employing more public sector workers.

- **Core groupings of alternative narratives**

The table offers a grouping of the range of concepts used in 'alternative' pro-public global narratives in recent years. Within each broad grouping there are a number of sub-narratives. For example, under 'equality' it identifies 'Redistribution by service provision, economic equalising'; 'No gender, race, regional, etc discrimination'; 'Equal access to PS employment'.

Table/chart 10. Categories of alternative narratives

	Broad category
A	**Universality**
B	**Equality**
C	**Democratic**
D	**Public goods**
E	**Human rights**
F	**Development: social and economic**
G	**Production & workers**
H	**Finance**
I	**Policy initiatives**

- **Emerging collective narratives: the CSO view 2020**

The November 2020 online workshop organised by a number of international NGOs including GI-ESCR, TNI, Action Aid, discussed a range of issues, including the potential for 'building a narrative around public services'. The key points from the workshop fall under four broad headings: identifying the targets for such a narrative as both the public and policy-makers; creating a vision of a different kind of economy based on care and sustainability; challenging the privatisation arguments; and based on a shared analysis of the structural problems of capital. The working group has added that the collective narrative is intended to be 'a political manifesto', used as an advocacy and campaigning tool adaptable to different regions and sectors, and should connect with others such as feminist and ecological movements.

- **Covid narratives**

The experience with the public response to Covid-19 has generated a number of opportunities for positive narratives on public spending and public services and public employees can be identified {note: narratives emerging from Covid with potential negative effect on public services are discussed in section 1.

Table/chart 11. Potential positive narratives emerging from Covid-19

Potential positive narratives emerging from Covid-19
Key role of state for economy and public services
Key role of international action via WHO
Importance of public healthcare systems
Public sector capacity is superior to pop-up outsourcing to private sector
Public employees as essential workers, needing PPE, sick pay, public support
Need and opportunity to 'build back better'
Drive for 'green new deal' requiring planning and public economic activity
Drive for equality: Black Lives Matter, feminist campaigns, youth movements

3. Framework

This framework section addresses the following question: What are the different spaces or levels of narratives/norms around public services spending and provisions? Specifically, we thereby consider different scales (Global, Regional, National, and Municipal/Community) and how these narratives are reproduced at these levels as well as what stops the reproduction of these narratives?

- **Discourse analysis**

Narratives/discourses are processes of meaning making that shape social reality. In other words, there are no social events or practices without representations, conceptualizations or theories of them. In turn, narratives/discourses cannot be analysed in isolation from the actors driving them. Put simply one cannot reduce everything to discourse as discourse does not simply act upon people, rather people within their institutions act through discourse. Yet, discourse can shape and justify action/social practices. In this research project on the narratives on public sector spending we offer a normative and explanatory critique of narratives, that goes beyond describing narratives by also evaluating and explaining the processes and dynamics of them. We thereby follow a Cultural Political Economy (CPE) approach to Critical Discourse Analysis and enhance this conceptual framework with feminist and anticolonial theories.

The study of narratives of public sector spending requires some categorisation of narratives and identifying hostile narratives to public sector spending as well as the conditions under which specific pro-public-sector-spending narratives have worked. Those results are then used to assess which countries and organisations seem well placed in the near future to advance the politics of public sector spending by using positive narratives and other means.

- **Scales of narratives international, regional, national, local**

Narratives are used and contested at international, regional, national, local levels. However, even for international activity and the use of general global narratives, the national level is the key level in terms of impact and policy implementation whether positively for example in relation to public healthcare, or climate change, or negatively, for example in relation to economic policies on public sector spending and public employment.

- **Actors: institutions and groups**

Actors are based at international, regional, national or local level, or some combination. They can broadly be categorised as follows:

Table/chart 12. Categories of actors by level and functions

Level and category	Actors
Global institutions	Internationals Financial Institutions (IFIs) such as the World Bank (WB), International Monetary Fund (IMF), United Nation agencies, such as the World Health Organisation (WHO), UNCTAD, International Labour Organisation (ILO), World Trade Organisation (WTO)
Global business	Global business: examples include multinational companies (MNCs), finance capital (banks), advisors such as Deloittes, Pricewaterhousecoopers (PWC), McKinsey

Global civil society organisations (CSOs)	e.g. Transnational Institute (TNI), Action Aid, Oxfam; includes international trade union federations, such as Public Services International (PSI), International Transport Workers' Federation (ITF),
Regional institutions	Regional institutions, such as African Union (AU), European Union (EU) ASEAN, EU, Mercosur;
Regional banks	e.g. ADB, AfDB, IADB; European Investment Bank (EIB), Andean bank;
Regional civil society organisations	Regional civil society organisations, such as Asia-European Peoples Forum (AEPF), European Public Service Union (EPSU);
Regional arms of global bodies	e.g. WB/UN regional offices, local offices of global NGOs
National and local governments	National and local governments:
National and local CSOs	National and local CSOs, unions, political parties, campaigns
National and local businesses	National and local businesses, including national/local branches of MNCs/banks/advisers

It is important to consider that actors may act at various levels other than their base, for example the French national government acts globally as member of IFIs, UN, COP; regionally in EU; nationally in France, also other countries esp. former colonies; locally in France regions/cities/municipalities. Furthermore, these organisations are not static. There is an ongoing fluid creation of organisations, actions and campaigns. For example, different organisations might come together in short or long-term alliances, unions and political parties. Also, different organisation might work together around specific international, regional or national policies, such as education of girls or water privatisation.

- **Dynamics, political economy, context and factors.**

Narratives are part of a process, in relation to other political and economic issues as well as public services. Narratives are always contested. Consequently, factors for or against the success of pro-public-service narratives are in part conditioned by the strength of unions, community organisations. But they are also influenced by the credibility of existing public sector institutions.

The narratives around other issues can be consciously reflected in public sector narratives, For example:

- 'Green new deal', in which public sector is relevant both for the energy dimension and the employment potential; and
- Black Lives Matter, which relates to equality, democratisation, and relation to specific PS including police, justice, etc.
- Covid-19, and the narratives around essential public services and essential workers delivering those services.

Specific narratives may work differently in different public services for example narratives about human capacity and personal development have more impact in health and education than in waste management, public transport.

Furthermore, narratives can only be understood in their cultural, political and economic regional contexts and their respective histories. For example, narratives of sovereignty/our culture our rights of indigenous people

in Latin America would have very different connotations in Germany. These narratives must be understood in their historic economic contexts of imperialism, post-colonialism, extractivism and Nazi Germany respectively.

- **Target audience**

Analysing the dynamic role of narratives should include identifying the target audience. Narratives may be aimed at:

Table/chart 13. Potential target audiences for narratives on PSSP

Mobilising popular support for specific or general campaign, via a 'vision'
Socio-economic classes or groups eg workers, peasants, women, BAME
National or local or international publics
Government officials and politicians at international, regional, national or local level
Specific professional groups such as doctors, teachers, engineers
Specific political party and supporters
Business executives, financial investors
Specific events and groups eg G20, IMF/WB

4. Actors and stakeholders

A. Actors and historical materialities

This chapter sets out the main actors promoting narratives hostile to or supportive of public services. Specifically, it asks what/who are the key actors and stakeholders needed to effect narrative/norm change around public service spending and service provision. The section thereby sets the foundation for section 5 on International Financial Institutions (IFIs) and section 6 on social movements. The section also offers the classification of other actors, not listed in section 5 and 6, that are crucial in shaping the narratives around public services spending.

In the previous sections, we have identified dominant narratives around public sector spending that favoured austerity and privatization for 35 years (see section 1) and alternative narratives (section 2) brought forward by diverse campaigns that generated different multiple narratives, partly reflecting different global institutional focuses, and different regional and historical contexts. We have shown that these narratives have developed as part of long-term political contestations over the role of democracy, the state and public services in the economy, and have also been shaped by colonial relations between rich countries of the north and countries of the global south.

Considering that narratives are outcomes of struggle the power imbalance, meaning that some actors are much more powerful than others, need to be highlighted. We acknowledge that conventional economic theories (including Narrative Economics by Shiller or Economics as Narratives by Gibbard and Varian), are inadequate as they suggest an equal playing field of narratives. Conversely, we agree with the neo-Gramscian historical materialist approach which accepts that the agency of actors is constrained and enabled by specific historical materialities. Nonetheless, actors have always various possible courses of action at their disposal and are therefore not pre-determined by these historical materialities. This approach offers explanations for seeing changes of narratives and actions, while at the same time seeing the persistence of global capitalism (Bieler and Morton 2001).

This section addresses:

a. *Mapping the different levels (Global, Regional, National, and Municipal/Community)*
b. *How do these stakeholders influence these narratives?*
c. *To what extent have publics' views shifted during COVID-19?*

- **Mapping key actors and stakeholders: global, regional and national level**

The table sets out a suggested core list of main global actors (see table 1). The Internationals Financial Institutions (IFIs), such as the World Bank (WB), International Monetary Fund (IMF) but also China which has emerged as international financial intuition, are powerful in promoting narratives that are hostile to public sector spending (see section 5).

While global civil society organisations (CSOs) and international trade union federations, such as Public Services International (PSI), International Transport Workers' Federation (ITF) have been agenda setting in promoting alternative narratives that favour public services that are accessible to all rather than just a few (see section 6). These narratives have been diverse, in conflict with each other and in times be co-opted by actors that promote hostile narrative to public services.

Global actors including IFIs, UN bodies, union federations and international forums promote narratives that all their country members and members in their networks while social movement organisations, foundations, parties and corporations use a more case-sensitive approach, selective to each case or country. Their tools also vary according to what each national or regional office find approachable and legal. In cooperation with global actors like the WB and UN, developed countries like the G7 could push forward further changes in policies via multiple channels that they are involved directly (via bilateral agreements or multilateral trade deals), or indirectly (via forums, meetings, affiliations and financed initiatives). Multi-level actions if being coordinated well could make a bigger difference. For example, China, pushing forward the idea of emerging nationalism, combining market orientation with state eminence, would combine their country's own political and foreign affairs strategies, with high-level BRI promotion, as well as long-term investment into new IFIs, while raising their stakes in the WB (as top biggest debtor and increasingly large shareholder).

- **How do these stakeholders influence these narratives?**

These different actors influence each other, use and enhance each other's narratives, and indeed co-opt and alter the meetings of these narratives. For examples, under the same narrative of universality of the sustainable development goals (SDG's) is used by some actors to advocate for more private sector involvement[i] while others and even the UN itself have warned that privatisation prevents the SDGs from being universal.[ii]

As such we see a constant contested dynamic between public/collective and social/economic interest versus corporate/institutional power that privileges wealth for the few. I this way for narratives to be influential it needs to go beyond winning hearts and minds of a benevolent technocratic government/elite, they need to gain mass appeal. Antonio Gramsci' referred to a "common sense" (senso comune) as a disparate set of ideas and beliefs that are held commonly, yet vaguely, by the broad mass of people within a certain community (Crehan, 2016).

While social movements continuously create and strengthen favourable conditions for adoption of pro public sector spending policies/narratives, there are also contestations between different movements and actors, for example when environmental concern deepen inequalities by making services to expense and therefore inaccessible for many results in reduced wages and/or job losses for workers, hence alliance building is crucial for shifting narratives (see section 6). Broad alliances between various social movements can be very influential in shifting or creating common sense. The contradictory dynamic of political action for public sector spending is also shaping relations between social movements and political parties. There might be scepticism regarding parties/state and/or there may be support for existing left parties, there might even be appetite to create new party.

Core tools for creating broad alliances and shifting narratives are:

- *Organizing*: multi-dimensional including workers, community organising and specific segments of society (eg by gender, race etc)
  A key part of organising is multi-level by coordination, for example international as well as local information exchange on content as well as impact of action
- *Action around specific issues:* campaigns, strikes, demonstrations, legal action, referenda
  These actions may or may not have any effect on outcome of formal event (for example IFIs meetings, elections etc) but they may also alter narratives and the common sense of societies
- *Influencing political discourse*: media work, political parties, courts, webinars, teaching, research, educate using celebrities and influential figures to disseminate ideas

The influencing of political discourse is mainly local but can be multi-level discourse, for example IFI spring meetings, UN rapporteurs, national/local elections, state/national/EU referenda

Yet these tools are not always effective:

- no technical certainty: 'good' campaigns may fail, repeatedly
- critical events/factors affect impact, may provide opportunities
    - critical events may be global (2008 crisis, Covid, climate change) regional, national (BLM) or local (tsunami/Fukushima)
    - often not foreseeable, nor is their impact always clear

Table/chart 14. Actors and their Tools to shape and influence narratives

Category	Actors	Tools	Tools to influence/impose narratives	Examples of tools used in low-income countries
IFIs	IMF	conditionality, credit line, lending instruments, policy advice, research and report output, training courses	conditionality, policy advice, research and report output, training	Extended Credit Facility (ECF - protracted balance of payments), Rapid Credit Facility (RCF - urgent need), Standby Credit Facility (SCF - short-term needs), Policy Support Instrument (advice), Debt Relief, Capacity development programme for government officials
	World Bank Group (IBRD, IDA, IFC, MIGA, ICSID)	conditionality, benchmarks, loans, credit/grant, guarantee, direct investment, risk mangament products, advisory services and analytics, research and report output, database and statistics, training	conditionality, policy advice, research and report output, training	IBRD Flexible Loan (35 year maturity, market based interest rates), Contingent Financing (rapid finance), Credit Enhancement (private financing through policy-based guarantees), Program-for-Results (build capacity in design policies), Development Policy Financing (Poverty reduction and growth focus loans)
	MDBs (ADB, AfDB, CAF, EBRD, EIB, IDB, IsDB)	sovereign and non-sovereign loans, grants, policy advice and technical assistance, research and report output, training, data and statistics	conditionality, policy advice, research and report output, training	Project-Specific Cofinancing, Trust Funds, Results-Based Lending for Programs (disbursements linked to results, not upfront expenditure)
	New MDBs (NDB, AIIB)	sovereign and non-sovereign loans	support policy-based lending by WB and ADB	(proposed but not undertaken yet)

Other international economic institutions	OECD	data and statistics, research and report output, policy toolbox (environment, invesment, public procurement), training and meeting	investment policy toolkit, new emerging narrative report	
	WTO	trade agreements and rules, corporation with IFIs for economic policy-making, data and statistics, research and report output, dispute settlement, training	membership accession, GATT, Competition Policy, public education, research	WTO Public Forum, Trade monitoring reports, Model WTO used for training,
UN bodies	Economy: UNDESA, UNCTAD, UNDP, ECOSOC (SDGs)	policy analysis, platform for highlevel talks and proposals, training,	training, forum, handbook for investment and development,	New INFF Knowledge Platform, Financing for Development Forum, Investment Fair , infrastructure assets handbook for local and national governments
	Human Rights: UNHRC, OHCHR	intergovernment sessions, investigations into complaints	membership accession, investigations	visits by rapporteurs
	Other UN agencies: UNEP, UN Habitat	data and statistics, documents, training, policy advice	data and statistics, documents, training, policy advice	accrediting organisations consultative status if rules are met
	Autonomous Agencies: FAO, ILO, UNESCO, WHO, COP	advice for government and public, technical guidance, research output, campaigns, data	campaigns, commentaries	environmental surveliance report, Independent Oversight and Advisory Committee for the WHO Health Emergencies Programme (IOAC)
Country donors	Western donors: USA, UK, EU, France, Germany, Sweden	trade agreements, development aid, special scholarships, emergency support	Funding decisions and conditionalities	US Aid, Regional Comprehensive Economic Partnership (RCEP)
	Asian donors: Japan, China, South Korea	grants and aids, bilateral agreements, loans	Funding decisions and conditionalities	Association for Aid and Relief Japan (AAR), AIIB infrastruture loans

	Powerful countries: G20/G7	Call to Action, bridging access to finance by SMEs, high-level working groups, development policy,	Funding decisions and conditionalities, bridging access to finance by SMEs	Low Income Developing Countries Framework, Global Partnership for Financial Inclusion (GPFI)
	Developing countries: G77	discussion forum, regional association	Solidarity, publicity	ASEAN
Global Businesses and Banks	Institutions: WEF, sectoral bodies (eg WWF)	forums and sumits, reports,	high-level meetings, report	Davos, Trade Multistakeholder Conversation
	Corporations: MNCs, banks/finance capital	financing tools and derivatives, reports	policy advice to govts, global events, corporate clients, media, publishing reports,	
	Consultancies: KPMG, PwC, Deloitte, EY, McKinsey…	G20, WEF, OECD, COPs etc etc	policy advice to govts, global events, corporate clients, media, publishing reports,	International Development Assistance Services (KPMG - strategies and consultancies in development projects)
Social Movements	Union federations: PSI, ITF, UNI, ITUC..	reports, policy advice and conversation	participation in global events and bodies eg WHO, ILO, OECD, UNCHR; publlication of reports; organising coordinated action	information, advice and support for affiliated unions
	Global CSOs: Oxfam, ActionAid, TNI, Eurodad, GI-ESCR, GJN…	research reports, choice of policies and practices, advocacy and campagining, outreach to public	participation in global events and bodies eg WHO, ILO, OECD, UNCHR; publlication of reports; organising	Decolonising Development Narratives (Oxfam),

			coordinated action	
	World Social Forum	dialogue for movements	publicity, internationalism	
Others	Religious groups	aid network, community outreach, provider of community (education and health services), public interventions, teaching	publications, public interventions, faith-based policy advice	Education Initiative, Catholic Church as World's second largest aid network
	Foundations: OSF, Ford, Rockefeller	finance, advocacy	ToR for projects, funding decisions, selection of partners	
	Global Media	reports, conversation	reports, conversation	
	Academics (mainstream, heterodox)	publications, public talks, policy advice	publications	
	Think tanks	report, policy advocacy	report, policy advocacy	
	Political Parties	policy discussion and implementation, financing priority, civil engagement	civil engagement, policies	Kerala
	Lobbists	finance, strategies		

B. New factors creating opportunities

Some key recent and current factors provide opportunities/favourable conditions, as summarised in the table.

Table/chart 15. New factors creating opportunities/favourable conditions

Favourable trends and conditions	Factors
Global trends towards more protectionist domestic politics	right-wing populism, stronger state
Covid-19: desirability of multiple dimensions of PSSP	Collective action response to pandemic
Black lives matter	Demand for equality, democratisation
Climate change emergency	Mass demonstrations, demands for just transition

China and BRI alternative financing and models	No conditionalities, flexible financing
Biden: American Jobs Plan -state plan, investment, workers	Planning, public finance without PPPs, workers

- **Global developments towards more protectionist domestic politics**

Partly driven by right-wing populist parties and politicians, it's an emphasis on the stronger state. At the same time, social movements and trade unions push more for increased local economies. Examples are:

- Right-wing nationalism, for example the former president Trump in the US, Erdogan in Turkey, Modi in India, all use narratives of local/national/social protection
- New left parties are created who have their origins in social movements, for example Syriza in Greece, Podemos in Spain, Aam Aadmi Party is a political party in India, Peru Libre (Free Peru) in Peru.

- **Covid reinforces desirability and practicality of multiple dimensions of PSSP and public sector control and ownership**

This includes:

- large scale rapid spending, planning for socio-economic policies including employment
- universal public cooperative action becomes crucial part of policy, more conducive to public sector solutions
- failure of supply chains: public sector supplies Personal Protective Equipment (PPE), tests, vaccines etc.

- **Other parallel campaigns and topics of great public concern that relate to PSSP**

- Black Lives Matter and the abolitionist movement, highlights the injustices in public sector spending, in particular public sector spending on (privatised) prisons versus schools, community centres etc.
- Climate emergency, especially young people have taken strike action and large protests in the last few years to highlight the climate emergency. Also, trade unions have increasingly taken action for a just transition.

C. The powerful role of great powers: China and BRI, USA and Biden recovery plans

- **China's BRI: lean financing for LMICs, alternative development narratives, 'no conditionalities'**

China's international development strategy of the Belt and Road Initiative (BRI) generates finance on commercial terms, through state-to-state agreements, but is neutral on public or private sources, and explicitly promotes the absence of economic policy conditionality as the 'Five no's', including no interference in countries' choice of development path. The growth of the BRI thus reduces the dominance of IFIs in LMIC infrastructure finance, and so reduces the influence of their anti-PSSP policy conditionalities.

Through the end of 2018, China's loans to 68 heavily indebted developing countries doubled[iii], virtually matching the amount of World Bank lending to the same nations[iv]. China's formidable rise restores some of the old 'cold war' balance where the West creates welfare states partly to counter attractions of Soviet/Communist model.

China is offering a new-era economic development model that combines communist political thoughts with market-based economy, i.e. heavy state intervention, long-term planning with focus on infrastructure development combined with focus on domestic private sector development. In 2020, despite initial struggles with Covid-19, China showcased its quick bounce back as the result of clear, strict disease management strategies that most Western liberal democracy heavily criticised but later had to reluctantly adopt. Their control over the crisis further enhances communist/solidaristic states and communal structures.

China uses its Policy Banks as key lending institutions[v]. The two main development banks are China Development Bank and China EXIM Banks. Beside them are Bank of China, China Construction Bank, Industrial and Commercial Bank of China. All of them are state-owned. Their state-ness means that loans are often led or associated with geopolitical and foreign affairs objectives.

Yet, they also incorporate market-oriented-ness in such loans, behaving much like commercial lenders, lending at market terms and non-concessional rates. To put into perspective, China's ODF is relatively costly, interest rate at average of 3.5%, in comparison with IMF's 0.6% and World Bank's 1%. BRI loans provide future incomes for Chinese entities, not only the direct financiers (state-owned banks) but also opportunities for labour and material supply from China (private entities). Under a BRI plan to support Angola to build a hydropower plant that provides half of its total electricity output, state-owned Gezhouba Group in 2017 secured a contract worth $4.5bn.

- **New narratives in Biden's 'American Jobs Plan' March 2021**

At the end of March 2021 President Biden published the "American Jobs Plan" - a programme for investment of at least $2 trillion in infrastructure and other public services and labour conditions.

The plan also shows a number of significant differences from the dominant narratives of the last 30 years. These differences concern some core themes and issues, including:

- the role of the state.
- the adoption of a wide range of public missions as 'infrastructure investment'.
- the use of public finance through tax, with no role for PPPs.
- the repeated and central commitment to increased wages and union rights for workers

It remains to be seen how and to what extent the plan will be implemented, but some of the central policies and the narrative shifts are already of some significance in their own right. One simple notable feature of the AJP is that it's a plan. Planning has been scorned as a failed Soviet style approach since the 1980s, but the AJP is Biden's second plan - the first was the 'American Rescue Plan', in January 2021 - and the tax policies to finance the AJP are presented as a third, the 'Made in America Tax Plan'. The role of the state as a strategic and directing actor in the social and economic future of the country is thus at the centre of the whole programme.

The language of the market, competition and incentives, by contrast, is much less used, and often as an area of weakness rather than a source of solutions.

- Competition is mainly used in the sense of competition between countries, and when it is mentioned in the context of inter-company competition it is as a problematic area, whose solutions include releasing the potential of the public sector or addressing gender equality
- The 'market' is mentioned only 10 times, often as an area of problems or to emphasise the power of state spending

- tax breaks are the main form of 'Incentives' but notes that such incentives may be perverse and damaging. Private investment gets mobilised by the plan through better tax breaks, but this mobilization is surrounded by conditionalities.

The $2 trillion programme will be fully funded by raising the corporate tax rate to 28%. So, it will not involve extra government borrowing. Nor will it make any use of private finance through PPPs. [vi] Firstly, because it shows that the use of public finance for infrastructure is feasible for any country. This entire infrastructure investment programme is being funded by higher taxes, both equivalent to 1% of GDP – a level of increase in taxation and spending which any country in the world can aspire to. These taxes will not only pay for the infrastructure plans but will continue to provide extra income for the government "on a permanent basis". Secondly, the USA actively wants other countries to do the same, so that there is no incentive for companies to avoid taxes by just relocating themselves. Taxing US multinationals is no longer something opposed by the US government, it is welcomed.[vii] Thirdly, the US government shows fear that they cannot profit from the biggest infrastructure investment programme in the world, because it is all funded, simply, from taxation. The financiers operating 'infrastructure funds' with $655bn were hoping for an infrastructure programme based on PPPs, with government guaranteeing long-term high returns over 25 years to investors in PPPs.

In Comparison with China's 5-year plan, Biden's Job Plan shares some similarities in timing but at a different implementation pace. Some of the fundamental public missions are the same, notably climate change, social care, and employment.

- The Biden AJP was published in the same month that China approved its 14th 5-year plan.
- The summary of the Chinese plan is of similar length to the AJP, at 13000 words[viii]
- The AJP covers a longer time-span - 8 years rather than 5
- The AJP is on a relatively smaller scale. The investments of the AJP will amount to about 1% of GDP per year, whereas China's infrastructure investment has been running at over 5% of GDP. [ix]

5. International financial institutions and public service spending narratives

For over two decades, the World Bank and IMF have faced a growing legitimacy crisis as their policy prescriptions have failed to bring economic growth or improve living standards. There have been several attempts at rebranding— adopting concepts like good governance, institutional reforms, poverty reduction, and targeted social assistance. However, the discussion on greater fiscal space has been very inconsistent, and the core narrative emphasising fiscal and monetary restraint remained intact. Prior to the pandemic, a debt crisis among developing countries had resulted in significant spending cuts. Between 2010 and 2018, external debt payments as a percentage of government revenue grew by 83 percent in developing countries. Between 2014 and 2018, public services spending fell by 18 percent in Latin America and 15 per cent in Sub-Saharan Africa.

Since the pandemic began, the IMF has made several bold and far-reaching pronouncements regarding the vital role for public services in dealing with the crisis and has proposed measures like a wealth tax to fund public services spending. However, to date the bold statements have not been translated into the IMF's program design. Despite the fact that the IMF stated it was ready to offer up to $1 trillion in financial assistance, to date very few countries have taken up the loans. Besides fearing the conditionalities and surveillance that come with IMF loans, countries have not taken up the loans for fear of the harmful effects of market ratings. The IMF's support for stimulus spending is mainly aimed at advanced economies and a small number of emerging economies. For most emerging market and low-income economies, the IMF has generally promoted fiscal consolidation as the main strategy for recovery once the crisis is over. 90 percent of countries requesting loans planned spending cuts in 2021, and 100 percent by 2023.

Since the 2008 financial crash, the IFIs have made an extensive effort to reorganize public services around partnerships with global finance. Through PPPs an array of public services, including transportation, infrastructure, health, welfare, education packaged into investible projects. PPPs involve contractual arrangements where public services are built, financed, and managed by the private sector, while the state takes on the risks and guarantees the payment flows to PPP operators and investors. This renewed emphasis on public sector via PPPs can be seen as public sector spending via de-risking. The World Bank has led the call for recovery from Covid-19 centred on extending and deepening the role of private finance into public service delivery and supply chains.

The Western-dominated multilateral system has been challenged by the rising power of China and the BRICS. Being the world's largest creditor on its own, China, its policy banks and major contributions to the new development banks including AIIB and NDB have chosen a different set of financing approaches (market-oriented and case-sensitive approach) that many developing countries that avoid policy influences from WB and IMF would want to go for.

A major programme for restructuring and cancelling existing debt, such as UNCTAD's call for a "global debt deal" is necessary for a public-sector led economic recovery. This section explores examples where debt restructuring has led to increased public sector spending in Iceland, Argentina and Ecuador. Moving beyond the crisis, there is a need for the notion of a global debt deal to be incorporated into calls for a global green new deal.

6. Social movements narratives

This section sets out in what way social movements shape norms and narratives around public services spending and provisions.

Social movements are not homogenous. In relation to public sector spending there are broad global, regional national and local collaborations and alliances between different segments of social movements. However, there can also be contradictions, conflict and tensions between different parts of social movements.

The section also draws on the relations between social movements and:

a) progressive political parties. Across the world new left parties emerged at least in part out of social movements, for example Syriza in Greece, Podemos in Spain, Aam Aadmi Party in Dehli, India, and Peru Libre (Free Peru) in Peru;

b) cooperatives and the commons. Especially in Latin America but also in Asia and Europe a lot of communities started to self-organise to manage natural resources and supply public services;

c) religious groups. Many influential leaders and religious movements have spoken out for public services and significantly shaped the narrative, for example on debt relief and water as a human right.

While narratives and norms are to some extend always context specific, there are cross-regional, cross-sector and cross-thematic narratives that stand out. By drawing on expert interviews with representatives of PSI, ITF and TNI we have clustered the main narratives of social movements around public services spending and provisions under 4 categories, namely: A) Human rights, B) Inequalities and segregation, C) Climate change, D) Democracy.

A. Social movements and alliances

- **Social movements, political parties and public services**

There can be interesting cross-fertilisation between political parties and social movements in terms of narratives on public sector spending. Indeed, new left parties are created who at least in part have their origins in social movements, for example Syriza in Greece, Podemos in Spain, Aam Aadmi Party in Dehli, India, and Peru Libre (Free Peru) in Peru. Also, in the UK the campaign group We Own it and the transformation of the UK Labour party with the rise of Corbynism put public services and public sector spending in the forefront of the public debate.

Recent developments in Bolivia show that powerful social movements can influence governments in the face of a potential backlash with the World Bank and IFIs. The Bolivian water war in the year 2000 has shaped the social justice Party in Bolivia, which is advocating for more social and environmental protections. Evo Morales extended his advocacy to the UN General Assembly where he won by consensus a proposal to celebrate 22 April as 'Mother Earth Day'[x]. Bolivia's case shows how social movements could work alongside political parties for change. At the same time, the changes can be held back by entrenched institutional and structural bottlenecks which are inherent in the system which they seek to change. These challenges can frustrate activist and their allies, which can lead to apathy and reversal of the gains.

Also, in Ghana in 2000, a right-wing opposition party, New Patriotic Party won the national election with the support of left leaning parties. One of its major policy was the introduction of social insurance to replace World Bank driven cash payments in the health sector. The previous health policy known as "cash and carry" in

Ghanaian, drove down the use of hospitals and clinics by 25% (Biritwum, 1994). Ghana now has a health Insurance which came out of the alliance between community activists professional bodies and opposition political for change to form "Alliance for Change".

In Delhi the two established parties, Congress and the BJP, were completely defeated in the 2015 Delhi elections by the newly created Aam Aadmi Party (party of the common man), led by Arvind Kejriwal. Kejriwal (a former activist in the global campaign against water privatisation), who first became known in India as leader of a huge national anti-corruption campaign in 2011. The AAP and Kejriwal moved rapidly to provide universal and improved public services and halted privatisations, including in healthcare, schools, water and energy. In February 2020 the AAP once again won the elections, by a similar landslide.[xi] Delhi illustrates that narratives over public services can be used by a progressive party to win elections and gain power, and then implement improved services through public sector delivery. It also shows that the city managed to introduce significant progressive changes and increased participation (for example by establishing school management committees with over 14,000 parent representatives) despite the fact that many of the AAP plans were blocked by the Indian government. However, recently the AAP has been criticised by social movements for failing to adopt a more progressive way of doing politics.

- **Social Movements and cooperatives**

Public-community water partnerships have played an important role in Latin America, for example in the case of water in Bolivia and Columbia. Lack of access to drinking water and distrust in the state is viewed as an institution that is facilitating extractivism led to public services outside of the state in forms of cooperatives. These struggles were connected to the fight for land (as mining companies etc take away the water and the land). In some instances, trade unions and communities managed to create alliances. For example in Columbia the fight for public water included different tactics: a national referendum campaign to make water a constitutional human right; public-public partnerships (PuPs) to strengthen service utilities; and public-community partnerships such as labour-community (Belanger Dumontier, M. et al, 2014). However, on the other hands trade unions have argued that co-operatives could also be another way to outsource the public services and thus mark a way of privatising through the back door.

The insights and tensions of cooperatives are closely related to the narrative around the commons. Commons are understood as the self-organising of local communities to manage natural resources and supply public services. The concept is based on the distrust of the market as well as the state as the main suppliers or guarantors of access to essential goods and services. This concept first became popular through Elinor Ostrom, the winner the Nobel Prize in Economics, in 2009 and has since then been used by many social movements around the world (Chavez, 2018).

- **Religious social movements and public services.**

Several religious leaders with global impact, such as Bishop Desmond Tutu, Malcolm X, Martin Luther King to Dala Lama, spoke out on issues pertinent to social movement causes. There are countless less famous religious leaders who stand by social movements to fight their cause. Additionally, there are several social movements which have its roots from churches, mosque, temples etc. There are instances where the leadership of religious bodies have supported the voice of movements at the behest of the proponents of privatisation. For example, a number of anti-privatisation groups have had support from the Muslim Brotherhood to Universal Unitarian Mission to local churches, temples and mosque. Churches were also instrumental in the success of the Jubilee 2000 campaign calling for the cancellation of Third World Debts *"Churchgoers were the bedrock of the activist base, many inspired by the biblical principle of Jubilee "(Buxton, 2004).* The legacy of this campaign changed the behaviour of the World Bank, donor governments and bilateral lenders towards financing public

services. Both multilateral and bilateral donors introduced ringed fenced sponsoring of public services such as education, sanitation and health through debt forgiveness. This is a major departure from insisting that southern countries have to find savings within public services in other to meet the payment of their debt obligations. With COVID19 impacting negatively at the economies of southern countries and threatening the sustainability of public services, there are calls for debt cancellation some stakeholders outside the church. There is a potential in this call if the actors link up with the churches once more.

B. Key narratives around public services spending and provisions

- **Social justice/human rights**

The Human rights discourse was first used in regards to water and then generally in regards to utilities from the early 2000s onwards. Later it was also increasingly used in the narratives around education and health care as human rights.

Another historic example which might be of renewed interest due to possible lessons learnt for the Covid-19 pandemic is the way social movements used a human rights narrative in the Treatment Action Campaign in South Africa which campaigned for the right of South Africans to use generic drugs for the treatment against HIV/AIDS (TAC, 2020). The trade union (COSATU) and the South Africa government worked together and successfully sued pharmaceutical companies so that the country could use generic HIV/AIDS drugs (Lethbridge, 2009).

Also in South Africa in terms of education social justice/human rights narratives have been successful in national context in rolling back commercialisation in the forms of fees as the case of "fees must fall" in South Africa (Fihlani, 2019). In Dominican Republic, the "Yellow Umbrella" campaign forced the pollical elite to implement *"General Education Law 66- 97 on budgetary matters which e stablishes 4 percent GDP investment in school education"* (Green, 2017). This win happened after the state used repressive means and judicial review to stop the campaign.

In India, the People Health Movements held public health providers accountable using the National Human Rights Commission. They managed to improve the health services and demonstrated that the public sector could be made to deliver better services. The success of the movements intervention pushed the national government to set up a scheme called National Rural Health Mission to mimic the work of the movement.

- **Inequalities & Segregation*:***

Inequalities have become a major narrative and for social movements, NGOs and INGOs as well as mainstream development agency (World Bank, EU, Regional development banks etc) are now using narratives of inequality when it comes to access to public services. Distinctions are made between inequality between persons (for example Income inequality) and/or Inequality between subgroups (for example racial inequality) (Jasso and Kotz, 2008).

Feminist movements developed a narrative of how women are particularly affected by privatisation due to its impact on women's safety and the consequences for social reproduction. Known as feminism of the 99% (Arruzza et al., 2019) new massive feminist mobilizations emerged and the international women's strikes gained momentum around the world. The movement aimed to offer an alternative to the liberal feminism and addressed the issue of pubic services. For example, the Association for women's right in Development (AWID) which advocate for feminist, women's rights and gender justice movements. AWID campaigns that "The future must be public - and it must be feminist" (AWID, 2020).

- **Climate Change and 'Just transition'**

From 2019 onwards the narrative of 'climate emergency' was used by of global student strikes #FridaysForFuture to demand radical action on the unfolding ecological emergency. It seems that one year of global climate strikes had more impact on global governments than decades of scientific warning about climate change. However, it would be simplistic to dismiss the contribution of the scientific community and previous campaigns led by organisations such as Green Peace, Friends of The Earth, Oxfam, PACJA etc.

Narratives around the Just Transition played a big role in the energy sector as well as public transport sector. In particular in the transport sector, narratives around the just transition and the electrification of transport are shifting with active involvement of the International Transport Workers Federation (ITF). While the Just Transition was first a narrative that was used in the global North also trade union movements in the global South are now embracing the language of just transition. The narrative shift also indicates that while workers movements traditionally weren't strong in actions around climate change, they are now increasingly active as they see how climate change is affecting their work (for example air pollution and extreme weather conditions). But also, because they realise that by not only addressing jobs but addressing climate change, they can get more allies for example the city governments.

- **Democracy and public ownership**

Movements across the world have highlighted the inherit corruption when public services are run by profit rather than in the interest of the public good. Numerous reports of trade unions, NGO's and progressive think thanks have highlighted the corporate greed and the lack of accountability and transparency that is part and parcel of privatisation. Therefore, movements have focused on democratisation and public ownership to increase efficient spending for public services.

7. Key learnings on Public Sector Spending and Provisions Narratives

The key learnings have been incorporated into the executive summary at the start of this paper.

8. Regional Review and Countries ready for Public Service Spending Narrative Change

This section wraps up the landscape analysis of existing narratives and historical development of global and regional narratives around public service budgeting, spending and provision. It particularly expands on the regional analysis of narratives in Africa, Asia and Latin America addressed in the background papers prepared at the start of the report, and identifies **selected countries whose current dynamics and sectors provide opportunities for political and economic support for public service narrative change.** These dynamics and narratives are expected to continue evolving, especially in response to Covid-19 and the climate change emergency.

Table/chart 16. Countries providing opportunities for developing narrative change

Region	Countries providing opportunities for developing narrative change	Features
Africa	Algeria	capacity to reverse privatisation, regionally substantial
	Ghana	political structures which retain receptiveness to pressure from social movements for PSSP, strong social/labour movements
	Rwanda	used public sector systems to effectively manage Covid, potential regional influence due to international attention
Asia	Armenia	anti-corruption movements changing government, , potential regional influence because of due to international attention
	India (New Delhi)	electoral support to political parties favouring PSSPS , anti-corruption movements changing government
	Vietnam	used public sector systems to effectively manage Covid, evidence of civil society activity in country with classic communist system, potential regional influence due to international attention
Latin America	Argentina	electoral support to political parties favouring PSSPS, strong social/labour movements, regionally substantial
	Chile	social movements winning a constitutional assembly, , strong social and labour movements, regionally substantial
	Mexico	electoral support to political parties favouring PSSPS, strong social/labour movements, regionally substantial

- **Purpose of the analysis**

Whilst Wagner's law[xii] suggests that the trend of increasing public sector spending is resultant of higher per capita income, a plethora of theoretical and empirical literature increasingly show that public sector spending in general, and expenditure on public services (including education, healthcare, and public infrastructure) contributes positively to economic growth and sustained development, with more significant effects in low to middle-income countries[xiii]. This 'investment expenditure'[xiv] made by state-owned agencies and government bodies are often considered as 'productive expenditure' that yields long-run effect.

Academic literature is increasingly supportive of the contemporary rise of alternative narratives – ones that contested the dominant narratives favouring austerity and privatization. The dominant narratives are not only in response to the 2008 financial crisis but also in line with long-term political and economic contestation over the role of the state in the economy, and as result of colonial legacy between the Global North rich countries and the Global South. Alternative narratives, emerging since the 1990s, are gradually gaining ground both in formal and informal discussions, in white papers and policies in response to dynamics in international policy development, institutional changes and social movement campaigns globally, regionally and nationally.

Realising that narrative changes depend on the resultant balance of dominant vs. alternative narratives in each nation means that there has to be deep-dive analysis into the relevant contexts and frameworks in combination with on-the-ground experiences of experts and insiders. The choices of countries that provide opportunities for developing narrative change, and the more detailed case study analyses are the outcome of this approach. The paper then hopes to shed light on suitable exemplary countries and sectors that could embrace the alternative narrative changes, and whether these changes could be amplified or have spill-over effects onto other areas.

- **Methodology for choosing countries and case studies**

The selection of countries has been structured around the three criteria specified in the terms of reference. These are to identify 1-3 countries per region which

- provide opportunities for developing narrative change
- 'can influence public services spending and service provision norms/narratives regionally'
- (implicitly) have social/labour movements with some capacity.

The first of these criteria has been interpreted as meaning countries whose observable political, economic and social dynamics currently favour increased political support for PSSPS. The methodology for identifying these – and for applying the other criteria - has been to use media reports, and advice from social and labour activists, to identify countries where has been:

- change in electoral support to parties favouring PSSP (e.g. Mexico, Argentina, or India/Delhi);
- or evidence of other major political impact of pro-PSSPS actions (such as the social movements winning a constitutional assembly in Chile, or anti-corruption movements changing government e.g. Armenia, Delhi);
- or evidence of political structures which retain some receptiveness to pressure from social movements for PSSPS (such as Ghana) or at least capacity to reverse privatisation (e.g. Algeria) or have used public sector systems to effectively manage Covid (Rwanda, Vietnam);
- or countries which retain a classic communist system of government, but where there is evidence of significant civil society activity in relation to PSSPS (such as Vietnam, both before and during Covid).

The second criterion has been applied by selecting countries which are politically or economically substantial enough to have impact in neighbouring countries, such that the trends in these countries can become regionally significant. This group also includes countries with potential regional influence because of the attention paid to them by international institutions e.g. Rwanda for its public health management of Covid, or Armenia as a country whose geo-political significance is much greater than its relative size

The selected list has also applied the third criterion by requiring evidence of social and/or labour movements, either directly associated with the political changes identified under the first criteria (e.g., as in Mexico, Delhi, Chile), or able to take advantage of these dynamics (as in Ghana, and, possibly, Vietnam).

A. Algeria

Algeria stands out for having a successful publicly run waste management system. The system is financed by central government and a 'junk removal tax' paid by each household to the municipality [xv]. It has one of the highest waste collection rates in Africa: in urban areas, roughly 90 per cent of the waste is collected, and 65-70 per cent in rural areas, very high compared with e.g. 10 per cent rural waste collection in neighbouring Tunisia. Despite this, IFIs and international donors are pressuring Algeria to open the way for more private sector involvement. [xvi]

Algeria has also shown the political capacity to reverse water privatisation in the capital, Algiers, where water had been run by the French company Suez since 2005, but is being re-municipalised in 2021 and will be run by the state-owned Water and Sanitation Company of Algiers (SEAAL). Algeria is also investing in three desalination plants and one wastewater treatment plant. [xvii]

B. Ghana

This brief set outs the rationale and approach for the case study on public financing of education in Ghana. Education expenditure averages 4% of GDP and 20% of government revenue. Ghana currently has a literacy rate of 93% amongst 15-24 years old, with less than 1% difference between boys and girls. This happened as a result of campaign and advocacy efforts by civil society backed by funding from overseas. Historically progressive public spending policies such as universal access to education do not vary much with ideological differences, as political parties see the electoral gains from the policies. Also donors such as World Bank accept the concept of free public services when there is united voice in a country for such policies. Ghana prides itself on having 'soft power' in the sub-region – it was the first country to gain independence. Public sector institutions are function relatively well compared to other countries like Nigeria.

C.Rwanda

Rwanda is ahead of most African countries when it comes to universal health coverage [xviii]. The government promoted free healthcare services for pregnant women and children under five, has got 81.6 % of the population covered by health insurance schemes, [xix] achieved a two-thirds drop in infant mortality, and almost universal coverage of primary school enrolment[xx]. When COVID19 struck, the public health system enabled the government to make available handwashing facilities in all public spaces, especially at public transport hubs; free testing for all; isolation facilities; health workers at all border points and airports.[xxi]

It has also shown political capacity to reverse privatisations carried out in line with the narratives of the IFIs and donors. In 2003 public services of water and electricity were privatised but the contract was terminated and taken back into the public sector two years later [xxii]. The public company "Water and Sanitation Corporation" sees itself as part of the story to the new Rwanda, and the country can now boast of 84% water coverage.

Rwanda has shown that a low income African country can support public financing of public services, and that this has economic benefits. Economic growth exceeded 10% in 2019 largely due to public investment in its national strategy transformation, with spending on public sector at 12.3% of GDP [xxiii].

D. Armenia

In 2018 the velvet revolution ended the authoritarian regime of Serzh Sargsyan, who served as president since 2008. This government continued, however, with Armenia's neoliberal paths of privatisations and reduced public spending Samson, and in autumn 2020 the conflict over the Nagorno-Karabakh region flared up again, with thousands killed and displaced, and now dominates political debate.

Since the collapse of the Soviet Union the IFI's (in particular the World Bank, the IMF and also the EU) are very influential in Armenia economic planning. The country has loans of US$332 million from the IMF, which dominates economic policy decisions. IMF staff advised in 2021 that: *"structural reforms need to be accelerated to achieve faster, inclusive, and private-led growth in Armenia"* [1].

However the major of Yerevan, Hayk Marutyan, who took office after the revolution in 2018, introduced several re-municipalisations in Yerevan, including waste collection and street cleaning, [2] parks and green spaces maintenance, and the public transport system. [3] And the government has surprisingly decided to take the operation of the postal service back in-house, for reasons yet unknown[4].

There are conflicting narratives on PSSP. The belief that private is better than public is still dominant because of the negative experience under state ownership of public services in the Soviet Union. Corruption however is a crucial narrative, as the demand for more transparency and less corruption was one of the key drivers behind the velvet revolution, and privatisation is associated with corruption as the key and profitable services are in the hand of oligarchs and/or the political business elite. Under Covid-19 most people piled up personal debts to pay for health care, rather than going to hospitals people paid for health care workers to come with ventilators to their home: but it is also an opportunity to demand good quality publicly owned health care.

E. India (New Delhi)

Delhi is one the biggest cities in the world with over 28 million people. In 2015 the two established parties, Congress and the BJP, were completely defeated in the Delhi elections by the newly created Aam Aadmi Party (party of the common man), led by Arvind Kejriwal, who first became known in India as leader of a huge national anti-corruption campaign in 2011. The AAP and Kejriwal have provided universal and improved public services, including in healthcare, schools, water and energy. In February 2020 the AAP won the elections again, by a similar landslide. It has also created an institutional system for public participation in schools and elsewhere. [xxiv]

This shows how a large city in a developing country can use its revenues to develop universal public services, with clear relevance for dominant narratives about such services being unaffordable, or about 'corruption' being an insoluble systemic problem. It is also a case where the narratives over public services are used by a progressive party to win elections and gain power, and then implement improved services through public sector delivery. [xxv] The AAP has however been criticised for failing to use stakeholder participation and involve the social movements who have supported its campaigns, so that e.g. all five ministers are men, and instead

[1] 'The IMF Stand-By Arrangement Helps Armenia Cope with Shocks and Maintain Macroeconomic Stability', *Arm Info*, 26 April 2021, https://finport.am/full_news.php?id=43973&lang=3

[2] Constance Léon, 'We Want a Clean City": Why Yerevan Is up in Arms about Waste Management', https://www.opendemocracy.net/en/odr/we-want-a-clean-city-why-yerevan-is-up-in-arms-about-waste-management/, *Open Democracy* (blog), 8 October 2019.

[3] Lusine Sargsyan, 'Desperately Seeking a More Comfortable Ride Public Transportation Reforms in Yerevan', *Evnreport* (blog), 3 December 2019, https://www.evnreport.com/raw-unfiltered/desperately-seeking-a-more-comfortable-ride.

[4] (National Trade union official..

using a more populist approach. [xxvi] An academic analysis suggests that the AAP has articulated a different 'left' populism from the BJP, using the concept of "*aam admi"* ('the common man') as a more traditional left concept of the people as a socio-economic body, contrasted with a corrupt political elite. The AAP narrative is thus different from the right-wing nationalist concept of the people, usually defined by contrast with some dangerous "other", and rather like the Marxist notion of 'plebs'. [xxvii]

F. Vietnam

Among southeast Asian countries, Vietnam has the consistently highest level of government expenditure (approximately 30% of GDP in comparison to 20% average) [5] - also a remarkable change since 1990, when public expenditure only accounted for around 8% of GDP [6]. In 2017, 62% and 77% of citizens expressed satisfaction/confidence in healthcare and education services respectively, in comparison to 71% and 68% in OECD countries. The country's response to Covid-19 has been extremely effective, increasing its universal healthcare by offering free treatments for Covid-19 patients, free centralised quarantine facilities for incoming travellers and suspected cases.. [7]

The government continues to use human-development-centred narratives including 'ho tro nguoi dan' (support the citizens) and 'nang cao chat luong' (improve service quality) when it comes to public sector reforms. Its national policy objectives in the public sector include 'improve effectiveness', 'improve citizen trust' and 'improve responsiveness to citizens/businesses'.

The state still maintains ownership and management of strategic sectors through SOEs, but they have been increasingly corporatized since pro-market reforms in 1990, and education, healthcare and energy are strategic sectors that have seen major changes in the scale of private participation.

Since the 2010s, Vietnam allows financial and administration autonomy in hospitals, which means hospitals no longer depend on direct budget for its operating costs, but can also use 'phong kham tu nguyen' (pay-per-spontaneous-service clinic) for anyone who can afford a faster service. This mixture results in a widening gap in living standards between the urban rich and the rural poor.

In relation to environmental policy a new legal framework was introduced in 2020 allowing private firms to utilise forests, sea and other natural resources for private benefits for a fee that is paid directly to the National Environment Fund. These changes have resulted in conflicting public opinions, with NGOs playing an important role in raising public awareness, and using environmental issues to trigger political disputes, which the government sees as creating "untraditional security problems".

G. Argentina

Argentinian President Alberto Fernández elected in 2019 is showing a clear commitment to re-establish state control over the provision of essential services, including significant investments, particularly in the context of the pandemic. He has attempted to bring under state control the running of private health utilities (during the pandemic), but this attempt failed owing to the successful pressure of powerful multinational and national business actors (and likely the IFIs and foreign governments). Another important experiment has been the launching of a state-owned alternative to Mercado Libre (Latin America's Amazon). Correo

[5] OECD and Asian Development Bank, 'Vietnam'.
[6] Dinh, 'The State and the Social Sector in Vietnam'.
[7] OECD and Asian Development Bank, 'Vietnam'.

Compras supports small businesses and consumers, including a public internet payment system, and if successful could support the development of a state-owned logistics and distribution network to be used for the common good. Finally, an attempt to nationalize a bankrupt large agribusiness company (nationalization could contribute to secure public control over key food production and exports activities) also failed owing to similar pressures.

H.Chile

In Chile, constitutional reform became the rallying cry for massive popular protests that swept the country in 2019. Notably, labour unions had not previously been very vocal in criticising privatisation, but the political landscape has been drastically changed by demonstrations sparked by a fare hike on public transport. The initial protests were expanded to express discontent with privatization of water supply, healthcare and pensions— all enshrined in the much-criticised constitution approved during the military dictatorship of Augusto Pinochet. Social leaders envision a new constitution that will not only dismantle the privatised systems, but also incorporate clauses guaranteeing funding and access for a range of public services including health care, education and water. The sweeping victory of progressive candidates in the May election indicates a major significant changes are in the pipeline. If the process is successful, it could have important spill-over effects across the region including in Colombia, where the imposition of regressive tax has similarly given rise to massive popular protests. Following the constitution, the crucial issue will be ensuring that constitutional changes in public services can lead to extensive and sustained changes in how these services are funded and organised.

I.Mexico

In 2018, Mexican President Andrés Manuel López Obrador (AMLO) won a sweeping electoral victory on a platform of opposition to neoliberal privatisation and corruption. A key priority for AMLO's presidency has been reversing the privatisation of the energy sector, restoring public healthcare and public banking. The move towards energy sovereignty in particular represents a major victory for the longstanding labour and social movement campaign to end energy privatisation. In particular, the electricity workers union, SME, represents a rare and important example of a non-corporatist, democratic public sector union has been strongly opposed to privatisation since the layoff of over 44,000 workers under president Calderón. In the past decade, a strong and growing civil society movement to restore energy sovereignty has developed in response to the privatisation of the national oil company, Pemex, in 2012.

Notes

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[ii] http://www.world-psi.org/sites/default/files/documents/research/en_sdg6paper_hqp.pdf
[iii] Nikkei Asia, 'China Doubles Loans to 68 Nations, Further Tightening Grip - Nikkei Asia', Nikkei Asia, 6 August 2020, https://asia.nikkei.com/Politics/International-relations/China-doubles-loans-to-68-nations-further-tightening-grip.
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[v] Muyang Chen, 'Beyond Donation: China's Policy Banks and the Reshaping of Development Finance', *Studies in Comparative International Development* 55, no. 4 (1 December 2020): 436–59, https://doi.org/10.1007/s12116-020-09310-9.
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