



RE-EMPOWERING public services in a time of COVID-19

BY DANIEL BERTOSSA, PUBLIC SERVICES INTERNATIONAL (PSI)

Around the world, frontline public service workers continue to receive praise and support for their vital role in responding to the COVID-19 crisis. Yet these underfunded public services and brutal working conditions are not inevitable. They are the result of decades of deliberate erosion of our public services through budget cuts, privatization and understaffing.

Undermining the quality and accessibility of public services has been part of a deliberate strategy to loosen the deep political commitment our communities have to protecting them. This has involved the creation and promotion of many myths: that public services are inefficient, wasteful, poor quality, harm economic growth and are protected by public servant elites for their own benefit.

But as economist Mariana Mazzucato pointed out, many of the world's extraordinary recent innovations, such as advanced medicines and the technology behind smartphones, owe more to government spending, research and development than to private sector ingenuity.¹

Meanwhile, the relatively few public sector failures are relentlessly promoted as a sign that government cannot provide solutions. If this same standard were applied to start-ups, which have a notoriously high failure rate, private business as a whole would be deemed an unmitigated failure.

The old narrative has supported the promise that cutting public services would create a more efficient world – and no one would pay the cost. As COVID-19 deaths approach a million and the global economy collapses, this lie has been tragically exposed.

But neither facts nor applause will alone address this crisis. We must also channel this growing support into a new, relentlessly positive vision of re-empowered public services which generate value across our societies by providing things that the market simply cannot. Services which ensure all people can fulfil their essential needs – not based on ability to pay but because these are their rights. Services that strengthen human rights and allow people to live free from fear. Services which promote equality and build a stronger safety net for us all – and build more resilient societies, better able to respond in moments of crisis.

In short, these services put people over profit.

Yet the great survival strategy of our current system, as seen in the aftermath of the 2008 global financial crisis, is its ability to incorporate the language of dissent during crises but guard the system's foundations to ensure real change never arrives.

Even as the pandemic rages, those who benefited from the way things were before are trying to undermine the possibility of a better post-COVID-19 world. The World Economic Forum's call for a Great Reset –

¹ <https://www.nytimes.com/2020/07/01/opinion/inequality-government-bailout.html>

instead of a Global New Deal – sets the beat.² Blaming public institutions, scapegoating migrants, attacks on the WHO and calls for government aid to go to large business provide the chorus.

Yet the experience of COVID-19 means most people understand that the recovery cannot be a return to the past. Now is the moment to harness this understanding in order to build a new popular narrative with re-empowered public services as the key driver of our recovery. But if a new popular narrative is needed to create the political will, what are the practical steps we must take?

We must make sure these services are well financed. Over US\$ 20 trillion in assets are currently held offshore – enough to end global poverty nine times over. We need a better global tax system to ensure corporations and the very wealthy pay their fair share and do not use their economic power to exercise undue influence over public policy. The major tech companies who have seen their profits soar during the pandemic, must finally be taxed and regulated. The data which they exploit for advertising revenue or to manipulate democracy must be governed in the public interest to inform better policy responses and better public services.

The huge hole that tax avoidance and evasion has left in public budgets has contributed to the need for governments to turn to debt spending to fund the crisis response. We cannot let this essential spending be used as an excuse to impose privatizations and austerity. Instead we must promote debt cancellation for least developed countries (LDCs), debt relief for developing countries and the removal of artificial debt to GDP ratios for developed countries.

It is outrageous that as the pandemic still rages, private law firms and multinational corporations are gearing up to sue governments for vital life-saving interventions which may have impeded on their future profits. The trade agreement mechanisms which make this possible – including the notorious Investor State Dispute Mechanisms (ISDS) and the

EU's rebranded Multilateral Investment Court (MIC) – must be ditched once and for all, along with Trade in Services Agreements which restrict policy space.

Instead of undermining vital policy interventions, we must rebuild the capacity of our public administrations to design good policy: independent and in the public interest. Relentless cuts to these government departments have created a reliance on private consultants and industry groups to provide policy solutions. Not surprisingly the advice they offer supports their interests and undermines the ability of governments to generate coherent and coordinated policy responses, which are essential in moments of crisis. As COVID-19 has shown, bad policy kills.

Re-empowering public services requires re-empowering those who provide them. Even before COVID-19 struck, the UN estimated a shortfall of over 20 million people in the health workforce by 2030 – and highlighted the need for improved conditions and remuneration in the sector. Some of the worst outbreaks of COVID-19 have been tracked to frontline staff who could not afford to stay at home if they were sick and spread the virus to multiple workplaces because one job was not enough to survive. Ultimately however we must take back what was always ours.

When a hospital's building maintenance, finance, parking, diagnostics, cleaning, catering, and security is all privatized, its ability to respond to patient need – particularly in times of crisis – is undermined. When the majority of nurses are employed via agencies and doctors are forced to turn to private practice to pay the bills, there is little “public” left in many so-called public hospitals – except the opportunity to blame the public sector for private sector failures.

COVID-19 has shown that re-municipalizations are not anywhere as hard as we are told. From healthcare facilities and care homes, to industrial production of medical supplies and PPE, re-municipalization and strong public intervention have saved countless lives.

² <https://www.weforum.org/great-reset/>

We must support a New Urban Agenda.³ The municipal or local government level is where people have the most direct interaction with public services – from water, energy, transport, education, social housing and beyond. This is also where many services are governed – and where the potential for democratic change is strongest.

The remarkable wave of re-municipalizations around the world shows how possible – and popular – these struggles can be. When the public is given a say over their services, the results are overwhelming: 83 percent voted in favour of taking Berlin’s energy services back into public hands; 98 percent voted for stopping the privatization of Thessaloniki’s water supply. Since 2000 more than 2,400 cities in 58 countries brought services back into public control.⁴

3 http://www.world-psi.org/sites/default/files/documents/research/en_psi_position_on_habitat_iii_0.pdf

4 <https://www.tni.org/en/futureispublic>

PSI and the global umbrella organization United Cities and Local Governments’ recent statement “Strong local public services for a safe world” provides a clear overview of both the risks for local authorities and the strategies needed to build a better system of empowered local government.⁵

But most of all, COVID-19 shows that a new world with quality public services is needed now more than ever. To achieve this world, we must build a relentlessly positive vision of public services which improve our lives and build stronger communities, create the conditions and channel the growing wave of support into making this world a reality.

5 <https://www.uclg.org/en/media/news/strong-local-public-services-safe-world-uclg-psi-joint-statement-context-covid-19>