Can public-private partnerships deliver gender equality?

Executive summary

Public-private partnerships (PPPs) are being actively promoted by donor governments and international financial institutions to finance social services and infrastructure projects around the world. They feature prominently as a financing mechanism for delivering the Sustainable Development Goals (SDGs). However, support for PPPs runs counter to governments’ commitments to promote gender equality and the fulfilment of women’s rights under Agenda 2030 and elsewhere.

PPPs are agreements that see private sector companies essentially replacing the state as providers of traditional public services and infrastructure, such as health and education, transport, energy, and water and sanitation. Proponents point to their value in raising resources and introducing efficiency, which in turn will lead to the achievement of social goals like gender equality. But their evidence is weak. In fact, the available research suggests that PPPs may actually exacerbate gender inequality in three ways:

1) All too often PPPs are more expensive and carry more risk than public provision, thus failing to increase the resources available to governments. Instead they risk creating additional fiscal constraints that undermine the state’s capacity to deliver gender-transformative public services and infrastructure, or to promote decent work for women.

2) Private providers are ultimately accountable to shareholders, not citizens. The pursuit of profit restricts access to services for the most marginalised, thus undermining the ability of PPP projects to contribute to social goals such as gender equality. Their lack of transparency further compounds the problem.

3) This pursuit of profit then also limits the provision of ‘decent work’ for women within PPP-operated projects. Because of gender-based discrimination women – particularly those women facing intersecting discriminations on the basis of race, for example – have less income and fewer assets and therefore do more unpaid care work. As a result, they are both more in need of social services and infrastructure, and less able to access it. In addition to increasing the quantity of provision, the promotion of gender equality and women’s rights requires gender-transformative social services and infrastructure that meet women’s practical needs and strategic priorities.

If donors and governments are to meet their obligations on gender equality and women’s rights, what is needed is a much more evidence-based approach to the way in which infrastructure and social services are financed. International financial institutions and their member governments should stop the ideologically driven promotion of PPPs and instead ensure that the financing mechanisms chosen contribute to, rather than undermine, gender equality and other social goals within Agenda 2030. This briefing aims to contribute to the growing civil society debate about PPPs.
Introduction

Public-private partnerships (PPPs) are being actively promoted by donor governments and international financial institutions such as the World Bank to finance social services and economic and social infrastructure projects around the world. Multiple initiatives have been created to change national laws and to provide advice and finance for PPP projects. Although PPPs are not new, they have recently received fresh momentum as part of the ‘privatisation agenda’, initially promoted by the neoliberal Washington Consensus – which emphasised macroeconomic stabilisation, privatisation and free market development.

In 2015, the importance assigned to PPPs was firmly established at the Third International Conference on Financing for Development. This set the financing model for the post-2015 agenda and underscored the role of PPPs, which was later expanded as part of the 2030 Agenda for Sustainable Development.

The Sustainable Development Goals (SDGs), which were agreed by world leaders at the United Nations in September 2015, specifically encouraged the use of PPPs as a “means of implementation”. For example, SDG17 includes a call to: “encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships” (SDG17.17). At the same time, the SDGs include key commitments in areas that are crucial for ensuring women’s rights and gender equality – for instance, setting goals on health (SDG3) and education (SDG4), as well as a specific goal that refers to gender equality and the empowerment of all women and girls (SDG5). The absence of a single, clear definition of PPPs has contributed to confusion and a lack of transparency in their implementation. The word “partnership” has become another “development buzzword”, which is used to describe the engagement between public and private actors (for-profit as well as non-profit). The acronym “PPP” is currently being used to identify very different types of arrangements. These range from informal and short-term collaborations between non-governmental organisations (NGOs), the private sector and/or government agencies to implement specific programmes or projects at one end of the spectrum to far more complex, formal and long-term contractual arrangements that see the private sector participating in the supply of assets and services.

In this briefing we use the term PPPs to refer to agreements in which private sector companies replace the state as the provider of traditional public services, such as hospitals, schools, prisons, roads, railways, energy, water and sanitation, and where the public and private sector share the risks associated with the project in some agreed way.

There is considerable controversy surrounding the perceived benefits and costs of PPPs. While PPP advocates claim they offer efficiency, innovation and a good source of finance, a critical analysis of the empirical and theoretical evidence reveals a different picture.

Most PPPs are an expensive and risky financing mechanism when it comes to implementing development projects, requiring long-term, complex and inflexible contracts. Their performance varies in terms of their efficiency and social impact, all too often with negative impacts on women’s rights. Ultimately, as David Hall from Public Services International Research Unit (PSIRU) describes “private sector corporations must maximise profits if they are to survive. This is fundamentally incompatible with (...) ensuring universal access to quality public services”. While there is controversy over the value of PPPs, there is some consensus that the evidence of their benefit is not yet conclusive. Until more evidence is available, this briefing argues that PPPs should not be promoted as an effective way to achieve the SDGs and other social goals.

In recent years, civil society organisations (CSOs) have been actively challenging the promotion of PPPs as a mechanism for financing public goods and services. In 2017, a PPP Campaign Manifesto was launched with the support of more than 150 CSOs and trade unions from the global north and south. In 2018, Eurodad and partners published the report History RePPPeated, which analyses 10 PPP projects in different sectors – education, energy, healthcare, transport and water and sanitation – and in different countries around the world – Colombia, France, India, Indonesia, Lesotho, Liberia, Peru, Spain and Sweden. This briefing builds on the previous work and aims to contribute to the civil society debate about PPPs. We explain why PPPs matter for gender equality and women’s rights and highlight how promoting PPPs raises a number of concerns around inequalities, particularly from a women’s rights perspective.

This briefing is structured as follows:

Section 1 presents our starting point for discussing the promotion of PPPs from a gender equality and women’s rights perspective.

Section 2 explains how PPPs undermine gender equality and women’s rights. The impacts of PPPs are unpacked by detailing three main areas of concerns: (i) the high costs of PPPs to governments and citizens; (ii) the failure of private providers to meet social goals; and (iii) the failure of PPPs to protect and promote decent work for women.

The final section presents some concrete recommendations to help take this agenda forward.
1. Why states should promote women’s rights and gender equality...

The Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) has been ratified by 189 states.\textsuperscript{11} It enshrines states’ obligations to fulfil their commitments to women’s rights and to promote gender equitable forms of development. The importance of gender equality has also been reiterated in the 2030 Agenda, which is committed to “leaving no-one behind” and includes a specific goal on gender equality (SDG5).\textsuperscript{12}

In spite of these commitments, however, an extensive body of evidence reveals the level of gender inequalities around the world, with many women facing multiple and intersecting forms of discrimination, for example, on the basis of race, ethnicity or sexuality. UN Women have documented some alarming evidence reveals the level of gender inequalities around the world, with many women facing multiple and intersecting forms of discrimination, for example, on the basis of race, ethnicity or sexuality. UN Women have documented some alarming statistics. For example, at a global level the gender pay gap stands at 23 per cent, women’s representation in national parliaments is only 23.7 per cent and women do 2.6 times the amount of unpaid care and domestic work than men do.\textsuperscript{13} Gender inequalities arise from a combination of factors including: social norms that assign prime responsibility for unpaid care work to women; macroeconomic processes that fail to consider the gender differentiated needs of citizens; discrimination in the paid workplace; and political processes that fail to give women a voice to articulate their needs and priorities.\textsuperscript{a}

Providing gender-transformative public services are part of governments’ responsibility to promote gender equality.

Governments have the duty and the capacity to promote gender equality and women’s rights. The state remains the key institution in terms of fulfilling human rights obligations such as those set out in CEDAW, which specifically seek to eliminate all forms of discrimination against women, and for articulating national development objectives towards reaching targets on gender equality outlined in the SDGs. Governments also have the ability to create conditions conducive to gender equality through public spending and investment priorities. The macroeconomic decisions they make can promote gender equality through careful gender analysis of public expenditure and investment in social infrastructure, such as schools and hospitals.\textsuperscript{14}

...and why public services are important for gender equality

As a result of the discrimination women face, they generally have lower incomes and less access to resources than men and are therefore in more need of affordable public goods and services. Their socially defined roles as caregivers further increases women’s reliance on public service provision.\textsuperscript{15} Accessible and high-quality healthcare and education – as well as improved access to water, gas, electricity and safe transport services – are all critical to advancing a gender justice agenda.

Access to public services, along with social protection systems, and sustainable infrastructure for gender equality and the empowerment of women and girls, is the focus of the United Nation’s 63\textsuperscript{rd} Commission on the Status of Women (CSW) in 2019. Improving the quantity of public services is important, but to fully contribute to the promotion of gender equality and women’s rights, it is essential that public services are delivered in ways that meet the different needs of service users. Gender differences are a critical dimension of this picture. Gender-responsive public services can be understood as those that identify “that males and females (and specific groups of women and persons with different gender identities and sexual orientation) often have different – practical and strategic – needs and priorities for what services are provided, as well as how these services are provided”.\textsuperscript{16} To give one example, transport infrastructure design needs to reflect the gender-differentiated needs of transport use. Rural roads to local market places, for example, may be used by small-scale rural producers, who are often women. Transport infrastructure can also be designed in ways that mitigate the risks of gender-based violence for female transport users – for instance, providing women-only carriages on public transport services or clearly lit streets and walkways.

The term “gender transformative” is also used to describe services that change underlying discriminatory gender relations – for example, by shifting the responsibility for care from individual women to the state. In contrast, structural adjustment programmes promoted by the World Bank and International Monetary Fund (IMF) in the 1980s and 1990s as part of the neoliberal Washington Consensus, and more recent austerity measures, have resulted in the privatisation of services and serious cuts in the public provision of services. This trend has had a disproportionately adverse impact on women, increasing their care burden and reducing access to jobs in the public sector.\textsuperscript{17}

There are three key reasons why public services are important for gender equality, which we will explore in more detail below:

i. Women’s disproportionate reliance on public services;

ii. Women’s lower income, reducing their ability to pay for private services; and

iii. Women’s reliance on work in the public sector.

\textsuperscript{a} We have used the binary terms men and women because there is no data available for those with other gender identities.
i. Women’s disproportionate reliance on public services

Public services play a critical role for women, in particular because of the gender division of labour, which means they are frequently assigned primary responsibility for care work within households and communities. This unpaid care and domestic work can include looking after children, the elderly and the sick, cooking food, collecting firewood and water, providing home-based healthcare and educating children. Some women, particularly those earning higher incomes, are able to pay for some of these tasks to be performed by others, thus freeing up their time to take on other activities, including education, and paid work. However, for many low-income women, this is not an option. The significant constraints on their time limits their ability to earn income through paid work, which makes them more reliant on public services than men (or women earning higher incomes). In contrast, good quality public services can reduce the time burden and drudgery associated with unpaid care work. A 2019 briefing by the Gender and Development Network (GADN) argues that “appropriate infrastructure can be particularly effective in reducing the time burden and drudgery of women’s unpaid care work, as improved access to clean water, cooking fuels and electricity will all reduce time spent on domestic work.”

Public services can also challenge social norms by redistributing these responsibilities from the women to the state.

In addition, unequal patriarchal power relations leading to violence against women and girls, and women’s specific reproductive needs, further mean that women are disproportionately reliant on specific public services. Examples of these, including domestic violence refuges and free reproductive healthcare services, are often the first to be cut in times of crisis.

ii. Women’s lower incomes reduce their ability to pay for services

Discriminatory social norms in the workplace, occupational segregation and the gender wage gap mean that women have less disposable income to pay for private services and so are more reliant on public services compared to men. In every country but Finland, men are more likely than women to have an income of their own. While there is variation across countries, the differences are most significant within much of the global south. For example, in Guatemala only 47 per cent of women have their own income in comparison to almost 94 per cent of men. At the same time, data from UN Women show that the global gender pay gap stands at 23 per cent and, without decisive action, it will take another 68 years to achieve equal pay for women.

To make matters worse, women are over-represented in low-paid jobs, self-employment, part-time and temporary positions – particularly in the informal sector, and without a regular wage they are unable to make monthly contributions for private services. For instance, 83 per cent of the world’s 53 million domestic workers in 2010 were women. Almost 30 per cent of these women were deprived of any labour rights and more than half of them were not entitled to earn the minimum wage. As a result of women’s insecure employment, user fees applied to social services are more likely to exclude women from access, and so further increase gender inequalities.

iii. Women’s reliance on work in the public sector

Public sector employment often represents a significant source of decent work for women. Historically, the public sector has been an important source of formal wage employment for women, providing decent pay, good employment conditions, job security linked to high levels of unionisation and opportunities for collective bargaining. In most countries, there is a higher concentration of women in the public service sector than in the private sector. Data from the International Labour Organization (ILO) show that more women work in the public sector than in any other sector in 46 out of 64 countries. The composition of the workforce within the public sector still tends to reflect the historical gender division of labour – with female workers concentrated in the delivery of health, care and education services while men are more likely to be located in the delivery of services such as water, sanitation and waste. In addition, women remain under-represented in the most senior decision-making positions in the public sector. In times of austerity, services in health, care and education are most commonly cut back and so women’s roles are often most at risk. According to UN Women, “between 2008 and 2011, governments in 27 out of 45 countries with data put in place cuts or freezes to public sector wages, including the majority of EU countries.” These cuts push many women into unemployment, precarious work or into the informal economy, with long-lasting damage to their income and assets, and in some cases widening the gender pay gap.

Women’s lower incomes and unpaid care work make them more reliant on good quality public services, and mean they are harder hit by user fees or cuts in service provision.
2. Can PPPs help deliver gender equality?

The ambitious SDGs, which were agreed by 193 countries in 2015, have prompted questions about how development initiatives will be financed. In recent years international financial institutions such as the World Bank have placed a strong emphasis on finding resources for the so-called “financing gap”, with a particular focus on leveraging private finance.31 The promotion of PPPs as a tool to finance the SDGs is based on arguments that emphasise the private sector’s capacity to deliver high-quality and efficient investments, and to reduce the need for the state to raise funds upfront.

However, a growing number of studies – including research by the IMF, academics and CSOs32 – challenge the capacity of PPPs to deliver the promises of its advocates. For instance, as we discuss below, PPPs are associated with excessive fiscal risks and often involve long-term, complex and inflexible contracts. According to a note by the IMF’s Fiscal Affairs Department (FAD) published in 2018, “while in the short term, PPPs may appear cheaper than traditional public investment, over time they can turn out to be more expensive and undermine fiscal sustainability. Particularly when governments ignore or are unaware of their deferred costs and associated fiscal risks”.33 The way that PPPs appear in governments’ accounts also obscures the true cost. Under current austerity measures, governments are under pressure to reduce their deficit and not to borrow money. With PPPs, the government still has to raise funds to make the annual payments to the company (see “government-funded PPPs” in Box 1 on different types of PPPs), or to cover for the contingent liabilities of PPPs – such as when the exchange rate of the domestic currency falls, or if the demand falls below a specified level. However, these costs often do not appear in national accounts. This practice – known as “off-balance sheet” accounting – generates a strong bias towards using PPPs, as governments select PPPs to circumvent budget constraints rather than for efficiency reasons.34

While in the short term, PPPs may appear cheaper than traditional public investment, over time they can turn out to be more expensive and undermine fiscal sustainability.

In addition, implementing PPP projects poses important capacity constraints on the public sector, particularly in developing countries. This is particularly problematic when countries have to negotiate, implement and monitor complex contracts where systems guaranteeing the public interest – including gender equality – might not be in place.
2.1 Why PPPs aren’t measuring up

There are three critical flaws with the arguments underpinning support for PPPs, particularly in relation to their impact on gender equality: the lack of data on the positive impact of PPPs, particularly on women; the narrow approach of PPPs to gender equality; and the way in which the success of PPPs is measured.

First, there is a worrying lack of data, particularly gender disaggregated data, to support any claim that PPPs effectively address gender inequalities. In fact, an increasing body of evidence suggests the reverse to be true. A 2012 literature review commissioned by the World Bank’s International Finance Corporation (IFC) on the gender impact of PPPs concluded that “despite the policy level commitment there is very little evidence of infrastructure projects taking conscious action on gender.”36 Similar points were raised by the World Bank’s Independent Evaluation Group (IEG) 2014 report on PPPs, which pointed out that large data gaps exist.37 This observation is reinforced by the lack of available evaluations on the “impact of PPPs on gender inclusion” section on the World Bank’s website.38 In addition, a 2018 IEG report on the World Bank Group’s support to health services states that IFC advisory services “are generally successful in bringing [PPP] transactions to commercial closure”, but there is insufficient information available to judge aspects of access (such as affordability), efficiency and sustainability of PPPs as projects lack a clear framework to measure long-term results.39

Second, the PPP model is underpinned by the need to ensure that the private sector profits from the provision of the service, rather than a desire to achieve long-term change. Even where gender equality goals are considered, PPPs tend to be framed and designed around managerial understandings of, for example, education and health. This results in a narrow approach to gender equality, rather than seeking to engage with the wider structural issues that stop women and girls from fulfilling their rights.40 As Oxfam highlights in its 2018 report on PPP education in Pakistan, “PPP schools are part of a ‘quick fix’ approach, rather than tackling the root causes of exclusion and low quality in the provincial education system, and therefore they are unlikely to be a meaningful or sustainable reform in the long run.”41

A third and interlinked point is that PPPs have gained prominence at the same time as “an audit explosion”42 has occurred. There has been significant emphasis placed on impact statistics, shaped by managerial and technocratic logic, and ‘scientifically determined’ forms of knowledge such as evaluations and national benchmarking, rather than grassroots and indigenous forms of knowledge. The measure of ‘success’ has thus become detached from the achievement of tangible social goals, moving away from a deeper feminist understanding of how to achieve transformative social and economic change.43

2.2 How PPPs are undermining gender equality and women’s rights

This section presents three major areas of concerns around the way PPPs are undermining gender equality and women’s rights. These are:

i. The high cost of PPPs to governments and citizens, which includes:
   a. expensive financing
   b. the transfer of risks
   c. the efficiency myth

ii. The failure of private providers to meet social goals
   a. profit maximisation creates inequality of access
   b. the difficulty of holding private actors to account

iii. The failure to protect and promote decent work for women.

i. The high cost of PPPs to governments and citizens

There is a rapidly growing body of evidence that warns against the explicit, implicit and hidden costs of PPPs to governments, and thus to citizens, and the fact that PPPs are a risky financing mechanism.44 These costs include the higher cost of capital, profit expectations by the private partners and transaction charges associated with the negotiation of complex PPP contracts, which can even allow for tax dodging practices that undermine domestic resource mobilisation. PPPs are also often surrounded by claims of private sector efficiency, which are not supported by evidence. On the contrary, cost-saving strategies of the private partner might result in a negative impact on women. This raises important questions from a gender perspective since significant amounts of money are being diverted from the public sector. The more governments pay to private firms, the less they can spend on essential and gender responsive social services that are vital to realising women’s rights.

a. Expensive financing

First, in most cases, PPPs are the most expensive method of financing the provision of goods and services. In the first place, research shows that the cost of financing is usually more expensive in PPP projects than in public sector works, as national governments can usually borrow money at lower interest rates than private sector companies, because they are perceived to have a lower risk of defaulting on loans.45 As a result, in the UK the costs of financing a PPP-operated service or infrastructure facility were found to be twice as expensive as if the government had borrowed from private banks or issued bonds directly.46 This is also backed up by a 2018 UK National Audit Office (NAO) report, which noted that the costs of a group of privately financed schools were around 40 per cent higher than the costs of a school project financed by government borrowing. The same report refers to a 2011 analysis that estimated the cost of a privately financed hospital to be 70 per cent higher than a public sector hospital.47
Second, private sector companies are generally expected to make a profit on their investment, which has to be added to the overall cost of the project. In the case of developing countries, the returns required by investors are higher than in developed countries, due to higher perceived risks.

Third, there are high transaction costs associated with the negotiation of complex PPP contracts. For instance, as the Financial Times reported in 2011, “lawyers, financial and other consultants have earned a minimum of £2.8bn and more likely well over £4bn in fees over the past decade” to implement the 700 projects that successive governments acquired under the Private Finance Initiative (PFI) scheme – a form of PPP used in the UK.48

b. The transfer of risks
A key point in the debate around the costs of PPPs has to do with the transfer of risks. When PPPs are used to deliver public services, an important question to consider is who bears the risk of the investment. While there is an assumption that the risk will be transferred to the private sector, this is not always straightforward. As a briefing paper published by PSIRU argues, “one should certainly not expect profit-maximising private sector firms to assume the risk without compensation, and indeed they do not.”49 Importantly, the state is always the residual risk-holder should the private sector company somehow fail. If a project delivering an essential public service goes wrong then the government will be under pressure to rescue it to avoid political and social disruption. Terminating inflexible contracts and operating projects under unplanned public management can have significant financial implications for the state. If a company fails spectacularly – for example, by running up debts – and the government has to bail it out, then private debts will be transferred to the public sector. This reduces the resources necessary for the achievement of gender equality. As the IMF FAD’s 2018 note shows, “the fiscal risks from PPPs are sizeable”. For instance, “a survey of 80 advanced and emerging market economies showed that the average fiscal cost of PPP-related contingent liabilities that crystallized during 1990–2014 was about 1.2 percent of GDP, while the maximum cost was 2 percent of GDP.”50

In a context where there are political demands to cut public spending, including through IMF programmes, the high costs associated with the existence of PPPs creates greater threats to the spending on public services. Unfortunately, services that benefit women are usually the first to be cut.51 As the 2018 IMF FAD note states, “while spending on traditional public investments can be scaled back if needed, spending on PPPs cannot. PPPs thus make it harder for governments to absorb fiscal shocks, in much the same way that government debt does.”52 Moreover, the fiscal implications of PPPs can exacerbate, or even create, major financial crises.53 This can result in important gendered implications. For instance, when governments have to pay the bill of failed PPP projects, as was the case of Portugal during its 2011 financial crisis,54 women are disproportionately impacted, either through increases in their unpaid work or cuts in their public sector employment.

c. The efficiency myth
PPP supporters argue that, while there are additional financial costs associated with PPPs, these are justified in terms of efficiency gains that result from private sector participation in service provision. However, as two papers published by official agencies attest, there is inconclusive evidence of these efficiency gains. A 2016 paper published by the IMF FAD stated, “empirical analyses suggest that whether or not PPPs have achieved their efficiency objectives in practice remains an open question.”55 A systematic literature review of PPPs in developing countries, commissioned by the Dutch development agency, mentioned that “one of the most striking outcomes of the systematic review is that the evidence on PPP performance is still rather sparse. Robust empirical analyses regarding the net effect of PPPs (…) are virtually absent.”56 Empirical findings suggest that efficiency gains are not always apparent and depend on the sector, the type and size of projects, and the regulatory and governance environment of the country.57 Moreover, where efficiency gains are made, they often come at a cost – for example, as a result of lack of investment by the private sector partner to deliver services to an adequate standard, or by lowering costs by cutting jobs that are predominantly held by women, in many cases.

ii. The failure of private providers to meet social goals
One of the most significant concerns arising from the involvement of the private sector in the financing and delivery of goods and services is the inherent contradiction between the quest for profits and the need to deliver social goals, which can be related to the different roles and mandates of the public and private sector. PPP projects have to be commercially viable or private companies will not sign up to them. Ultimately companies are owned by shareholders who expect a return on investment, and to whom the companies are accountable.58

a. Profit maximisation creates inequality of access
In pursuit of profit, private sector companies are attracted to the communities that are the easiest to serve, so investment tends to be skewed towards middle- and upper-class districts where people with higher purchasing power live. This leaves the public sector to deal with the provision of services to low-income groups, among whom women are disproportionately represented.

In 2018, the UN Special Rapporteur on extreme poverty and human rights, Philip Alston, warned of the deleterious impact of privatisation on human rights. He argued that, when services are provided by the private sector, decisions about the needs and capacities of individuals are often made within corporate frameworks that “reward spending reductions rather than the achievement of positive human outcomes. The poor inevitably suffer as ‘preferential selection’ approaches are used to prioritize clients with the most readily treatable problems and those who can afford to pay, while pushing those with serious or intractable problems to the margins.”59
Alston also notes how such privatised care is particularly susceptible to racial and other forms of discrimination – including discrimination based on gender. Research on privatisation in health, education and water has shown how private sector involvement has meant even greater neglect and exclusion of rural and remote areas. This means that people living in more marginal communities either go without those services or pay even higher prices for substitute services. In addition, discriminatory practices in pricing can also reinforce gender discrimination. In the case of Chile, for instance, the prohibitive cost of private insurance plans, justified by the insurance companies in terms of women’s tendency to take more sick leave than men, means that only a very small percentage of women have a private health insurance plan in their own right.

PPP’s often come with new or increased fees for users of services, which can contribute to increased inequalities, since those who cannot afford to pay are excluded from accessing the services. This is clearly the case in the infrastructure sector, where there are tolls to pay and in the water sector, where the provision of water through PPPs has often resulted in increased tariffs. While care must be taken not to over-generalise these findings, this does point to concerns around gender disparities in the ability to pay for services, particularly in a context where out-of-pocket expenditure in health is increasing. Even though some PPPs promote free healthcare services at the point of delivery – for example, through health voucher schemes that offer pre-paid vouchers covering the cost of specific healthcare services – there are frequently additional costs to pay. These may be formal charges, such as the need to pay for hospital bedding, food or additional medication, but there can also be informal costs such as the need to pay community healthcare workers.

Moreover, privatisation tendencies – including through PPPs – have profound implications for meeting social objectives. In recent years there has been a continuous process of commodification of key goods and services, such as healthcare and education, meaning that their provision is left to market forces. In the case of education, for instance, the increasing involvement of the private sector at different points of the education system contributes to a decrease in teachers’ job satisfaction and morale and results in a de-professionalising of teachers’ work. These changes have also affected the nature of teachers’ work and the quality of students’ experience in schools.

b. The difficulty of holding private actors to account

Holding private sector companies to account for meeting social goals can be particularly challenging for the public sector given the imbalance of power and capacities. Governments also face great difficulties in identifying the ownership of many corporations, which has implications when it comes to monitoring whether the companies are paying their fair share of taxes. Describing the ownership structures of British privately owned water companies, Kate Bayliss, from SOAS/University of London, demonstrates how several water companies are owned by institutional investors, which include insurance companies, nominee companies, banks, pension funds, other corporate bodies, and private and public companies. In some instances, the water companies are part-owned by what are termed “special purpose vehicles” put together by financial investors and, in most cases, listed offshore. This is also common in other sectors where multinational companies engaging in PPPs move money to low-rate jurisdictions to reduce their taxable profits, and therefore play with the rules of the system to avoid taxes. As many CSOs and women’s groups have pointed out, tax dodging practices by multinational corporations like these have a disproportionately negative impact on women, who suffer the most when national authorities are deprived of tax revenues that are needed to fund vital social services.

Furthermore, regulating private sector providers can be more difficult and expensive than regulating public sector providers. Private sector companies will always be accountable to their shareholders rather than citizens. This means they will never prioritise social goals or communities’ needs and priorities in the same way that the state must, as a result of legal obligations to meet the needs of all citizens under the Universal Declaration of Rights and other UN conventions.

iii. The failure to protect and promote decent work for women

In the pursuit of profit, private sector companies reduce wages and cut jobs where possible, frequently taking advantage of the flexibility and low wages of women workers, rather than providing decent work with good conditions and wages. Evidence from the education sector offers some important insights into what PPPs can potentially mean for women’s employment and working conditions. Several studies attest to the low rates of pay awarded to teachers, who are predominantly women, in PPP schools in India, Uganda and Pakistan. In Pakistan, Oxfam reports that low salaries are combined with the pressure of getting high scores in quality tests, and a lack of training opportunities, which means that female teachers in PPP schools are disempowered. Similar findings were reported in a comparative study of public and low-cost private schools, including PPP-funded schools, in Lagos, Nigeria, where the majority of teachers are also women. That study, led by Elaine Unterhalter from University College London, revealed that, while teachers in the public sector were frustrated by the large class sizes and lack of resources, they also felt a sense of pride at the work they were doing for society. In contrast, at the PPP-funded schools, there was a narrower focus on the particular school rather than on community goals. The same study states that teachers working in the public sector were often members of the teaching trade union whereas teachers in the private schools were not permitted to join a trade union, raising concerns about protection of their labour rights. Another study shows how private providers target unionisation, as unions tend to impact on salaries, and hence push costs up for the providers. All this evidence raises questions about the ability of PPP-funded schools to protect and promote women’s decent work and labour rights.
Conclusion and recommendations

PPPs are currently high on the development agenda as a way to finance infrastructure projects and social services, such as health and education. However, donors and financial institutions’ support for PPPs runs counter to governments’ commitments under the SDGs and elsewhere to promote gender equality and the fulfilment of women’s rights. The evidence suggests that PPPs are failing to address inequalities and, on the contrary, are exacerbating gender inequality in three main ways.

Financing mechanisms should contribute to, and not undermine, gender equality and other social goals within Agenda 2030.

First, all too often PPPs are more expensive and carry more risk than public provision and thus fail to increase the resources available for infrastructure and social services. Instead they risk creating additional fiscal constraints that undermine the state’s capacity to deliver quality, affordable and gender transformative public services, and to protect and promote decent work for women. Second, PPPs are frequently failing to deliver services that promote gender equality, as they are not addressing the problems associated either with the quantity or quality of public services. Third, PPPs are undermining accountability to citizens in the provision of social goals, and are contributing to the commodification of social services.

We argue that international financial institutions and their member governments should stop the ideologically driven promotion of PPPs. If donors and governments are to meet their obligations on gender equality and women’s rights, we need a much more evidence-based approach to the way in which social services and infrastructure are financed. Financing mechanisms should contribute to, and not undermine, gender equality and other social goals within Agenda 2030.

Recommendations

Governments and international financial institutions should carry out the following recommendations in order to honour their commitments to promote gender equality and women’s rights:

- **State responsibility**: International financial institutions and governments must recognise that states are responsible for meeting international commitments and obligations on gender equality and women’s rights, such as under Agenda 2030 and CEDAW, including through the provision of gender-transformative public services. This role must not be transferred to private corporations.

- **Evidence-based approach**: The financing mechanisms chosen to deliver social services and infrastructure should be assessed for their ability to ensure cost-effectiveness, accessibility and quality gender-transformative services. International financial institutions and governments should build the evidence base through gender impact assessments. These studies should consider impact on both the expansion of coverage (quantity) and on the affordability, accessibility and appropriateness (quality), at all stages: design, implementation, monitoring and assessment in all projects.

- **Domestic resource mobilisation**: To ensure governments have a genuine choice in finding the best financing mechanism for gender-transformative social services, donors should support the prioritisation of progressive taxation at the national and international level, curb tax dodging, and provide long-term concessional finance through soft loans.

- **Compliance with human rights standards**: When working with private sector partners, governments and international financial institutions must enforce a strong regulatory framework requiring periodic evaluations in relation to environmental, social, human rights and gender equality standards for PPPs. A guarantee of compliance with international human rights law and ILO standards, including women’s human rights, should be built into contracts.

- **Transparency and accountability**: For all PPP-funded projects, international financial institutions and governments must ensure that rigorous transparency standards are applied, particularly with regard to accounting of public funds, and disclosure of contracts and performance reports. International financial institutions and governments must also ensure broad civil society participation before and during project implementation. This should be done through informed consultations, including the input of local communities and women’s rights organisations.
Endnotes


23 UN Women, ‘Transforming Economies, Realizing Rights.’


25 UN Women, ‘Transforming Economies, Realizing Rights.’

26 UN Women, ‘Transforming Economies, Realizing Rights.’

27 UN Women, ‘Transforming Economies, Realizing Rights.’

28 UN Women, ‘Transforming Economies, Realizing Rights.’

29 UN Women, ‘Transforming Economies, Realizing Rights.’


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