

*Wagadu: A Journal of Transnational Women's and Gender  
Studies*  
**Special Issue Volume 14, Winter 2015**

**WOMEN, GENDER AND GOVERNMENT OUTSOURCING  
IN COMPARATIVE PERSPECTIVES**

**S.N. Nyeck and Orly Benjamin, Editors**

“It was women's labor, productive and reproductive, that was being relied on as corporations cut their male workforces and national governments slashed their welfare budgets...The managers of the global economy are making use not just of women's labor, but also of feminist ideology”  
(Esther Eisenstein, 1999, p. 15 & p. 17).

Outsourcing is the policy that reformed the delivery of government services around the world since the 1970's. Since then, government outsourcing, or the process through which the state buys from private suppliers the works, goods and services it needs to fulfill its public mission, is on the rise mainly through legal reform worldwide. Although much attention has been given to the legal and institutional reform of government outsourcing worldwide, there is still no work that addresses the implications of the devolution of the state's responsibilities to private contractors on women's/gender issues. This special journal issue's aim is to initiate a conversation about government outsourcing policies and the ways in which they reshape gender relations today from an interdisciplinary/transdisciplinary perspective.

The outsourcing reforms were designed by a collaborative effort between the General Agreement on Trade and Tariff (GATT), which later became the World Trade Organization (WTO), and the Organization for Economic Cooperation and Development (OECD). According to Pomeranz, since 1961, one of OECD's major

endeavors has been to review government procurement policies to give prominence to the outsourcing of services when he notes, “in late 1967, the OECD Secretariat was requested to prepare a text of ‘guidelines’ on government procurement” (1982, p. 137). The European Free Trade Association ministries prepared working papers on this topic and in 1969, the United States submitted a draft procurement guideline text to the Working Party (*ibid.*, p. 140). Debates on the proposed tendering regulations were then moved to the multinational trade negotiation at the GATT round and in 1979 they turned into a code that had to be locally legalized. The new legal requirement on competitive tendering paved the way to New Public Management (henceforth NPM) principles worldwide.

When Pal (2012) argued that the OECD had been the major driver of the NPM, he focused primarily on the way in which one of its departments influenced the GATT 1979 negotiation where the government procurement code was defined. The first signatories of the government procurement code then agreed to a version that resulted from intense work at the OECD combining strategies for reforming public sectors (downsizing, flexibilization) with the regulation of government procurement in the form of outsourcing and competitive tendering. The long arm of the economic globalization that operated within countries' public sectors to reform the delivery of services relied on the Government Procurement Code (GPC), and the General Agreement on Trade in Services (GATS). Hence, “between 1987 and 1996 the World Bank supported downsizing programs in no less than sixty-eight developing and transitional countries in the context of its ubiquitous ‘structural adjustment’ loans” (Nunberg, 1995; cf. McCourt, 2008). Since 1995, the year the GATS agreement was signed, several other transnational organizations joined in the project including the European Union (henceforth EU). Each country interested in allowing its exporters to compete over other governments' contracts had to translate the procurement agreement into a local tendering law. These domestic laws were applied to the procurement of commodities only. In 1995 the GATS forced governments to apply them to public services including water, electricity and

transportation. But other services, gradually, were also reformed. In the areas of local municipalities, health, education and welfare services were opened up for competitive bidding. Today, there is no doubt that government outsourcing is one of the most important neoliberal reforms of the twentieth century globally.

At first sight, the global reform of government outsourcing through legal changes happened without major critique or input from feminist scholars and groups. Emphasis on economics and efficiency in the public sector initially sidelined gender concerns. But as government outsourcing expands to national and local government, the positive and negative effects on women as producers and consumers of public works, goods, and services are increasingly being documented. Yet, a lot more remains to be done as government outsourcing enters national and local government through various names (public procurement, privatization, commissioning, purchasing, public contracting...etc.). The absence of a harmonized language that captures the increased reliance on the private sector, profit and non-profit, to solve public problems in part explains the dearth of scholarship on the phenomenon. Nevertheless, given the context of economic globalization and market-based governance, government outsourcing offers new agendas for critical research that interrogates both old and new forms of women empowerment and disempowerment. Queries raised in this special issues echo previous feminist contributions to the feminization of poverty and the potential threats to women's gains as the welfare state morphs into the contractual state. Thus, we have primarily sought not to harmonize a language, but to capture the many names and contexts in which the phenomenon of outsourcing in both developed and developing countries intersects with new and conventional concerns of the political economy of gender or women's issues.

To illustrate, several authors show that practices of mixed welfare, where government and both non-profit and profit oriented organizations have been responsible for the delivery of services, operated in several countries even before government procurement began to be reformed in early 1980s (Bode, 2004). Nevertheless,

transnational trade involvement meant that contracting out of services became the dominant form of service delivery, and that contracting back-in today is increasingly harder although contemplated in some countries. While some have suggested that under conditions of fierce and continuous political resistance (Hefetz and Warner, 2006) contracting back in is possible, others contend these conditions cannot secure a reversal of momentum (Paz-Fuchs and Leshem, 2010).

Government outsourcing reforms introduce a contract based system for public works, goods, and services procurement and delivery. New Public Management emphasis on market-based solutions to public and social services delivery introduced the business contract as the organizing principle in the public sector even if some have shown its limitations (Epstein, 2013; Grimshaw et al., 2005). The reforms, often framed as adjustment strategies, replaced the consensus on the prominent role of the state and its bureaucracy in the production and delivery of public services. They were also successful in replacing the often unionized employees by flexibly employed, part time employees with no or little legal protection. In this way, cost reduction in the public sector was achieved in some countries. What is relevant to this special issue is that as economic globalization spreads, the logic of competition is committed to the promotion of equality. The commitment to equality is seen as essential as it secures the equal position of all bidders proposing to undertake the delivery of any tendered good or service. However, this notion of equality is yet to be applied to substantive issues of social justice and or equal economic empowerment of men and women in government outsourcing.

Summarizing the emerging picture, Edna Bonacich and her colleagues (2008) have argued that the new economy develops forms of exploitation that treat the women of rich countries in ways that resemble the forms of exploitation inflicted on women in poor countries. The papers in this contribution show mixed findings in terms of policy framing and implementation and according to sectors in government outsourcing in different countries. While some authors portray government outsourcing as undermining the

achievements of the women's movement, others foresee potential empowerment under certain conditions. In all cases, the contributors to this special issue agree that legal reforms are not enough to ensure actual economic empowerment where the law is friendly to women, or political representativeness for the most vulnerable. For instance, for quite some time, publicly organized government services provided women with a supportive labor market and a field of developed expertise in diverse caring areas. The neoliberal withdrawal of welfare states as women's most significant employer, especially in the developing/middle-income countries, means that strong motivations of cost reduction is likely to adversely affect women's socio-economic status. Traditionally, the state has been an employer that provided women with stable, often unionized jobs of relative high quality with a friendly approach to family obligations.

The papers in this issue address the gendered dynamics in government outsourcing at the macro and micro levels. Nyeck and Sarter present institutional and policy analyses of pressure for the reform of government outsourcing in Africa and the EU. Starting with Nyeck, a thorough review of the reform movement in the context of Africa is presented in light of women's international organizing for gender equality in the public sector. Through a review of public procurement laws and their preferential treatment of various categories, Nyeck shows a paradoxical development of gender policies in Africa: political representation does not correlate with more economic opportunities for women in outsourcing schemes. Nyeck's presents the first comparative study of the gendered dynamics within national procurement legislations in 16 countries in sub-Saharan Africa from 1995 to 2014. The paper traces the gendered trajectories in public procurement liberalization in light of the World Bank's recommendations for reform in the early 1990s. Important to this comparative study are opportunities and challenges in implementing preferential public procurement policies for women-owned or led small and middle-size enterprises. A review of sixteenth countries in sub-Saharan Africa shows that women do not appear as a normative category in outsourcing policy design. Where women are accounted for in preferential schemes, the

law is so vague that more specification is needed in terms of national policies that mitigate the potential side effects of outsourcing for women as users and producers of public works, goods and services. Nyeck's analysis also reveals the chaotic adoption of gender in public procurement laws without substantial consideration for enabling, as well as impeding factors that impact women as potential vendors to government and as users of public works, goods and services. The uneven development between political representation and economic underrepresentation is explained as an outcome of international pressure to reform without significant input from national civil society and women's organizations.

Feminist efforts have become more practical in terms of strengthening governments' commitment to the pursuit of gender equality in the EU through the emerging field of outsourcing. Sarter presents the new EU legislation on outsourcing and gender equality. In the European Union, the need to regulate measures for gender equality is problematic as 'social criteria' stand against the spirit of competition. Thus, European regulations and jurisdiction restrict the possibility to impose measures that foster gender equality beyond the limited range of those workers directly involved in the provision of services and at the time of the contract by stipulating a link to the subject matter. Long-term measures as well as measures relating to general business policies are explicitly excluded from the range of possible criteria thereby imposing limits to the range of measures that can be taken into account when tendering preferentially. After addressing the legal gap between national and EU legislations, Sarter reviews the conditions under which public tendering simultaneously fosters and limits gender equality in government outsourcing.

Beyond a macro focus, the remaining papers take on specific case studies in the context of Israel, the United States, and Kenya. One running thread in these contributions is that empowerment rhetoric aimed at improved access to public procurement-related resources and knowledge for women is yet to translate into active inclusion of women's economic and social success as strategic public policy design and goal. The programs are designed with the

thought that women consist of one monolithic category with needs that are known before they get to be listened to. As a result, homogenous programs and projects are designed on the basis of a stereotypical set of assumptions. Since Tronto's (1993) ethics of care theory, there is a consensus that care, whether paid or unpaid, for relatives or others, is work contingent upon the emerging relationship. Thus the right to care is not only the right to be able to devote oneself to family work, but also the right to build significant caring relationship with service users (Williams, 2001). A system of service delivery that is based on a contract sometimes Taylorizes and isolates care work (Baines, 2004; Theobald, 2012; Armstrong, 2013). In this issue, Benjamin examines the politics of government outsourcing in Israel and finds organizational and institutional discriminations against female workers increasingly pushed into peripheral tasks. Through a careful review of public tenders, she conducts an institutional ethnography of occupational professionalization by category to find that outsourcing renders the workers more vulnerable through deskilling. Outsourcing is based on the principle that competition in government services is enough to secure both cost reduction and better quality service. Further, outsourcing is legitimized by the assumption that NGOs have the required expertise for service delivery; that they are better able to innovate because less constrained by government bureaucracy. However, because outsourcing is based on a contract, it embeds several problems that have a particular gendered face and these are related to contract design, contract award, and post-contract regulation/monitoring. Orly's contribution grapples with the feminization of care work in Israel from the contract design stage to the implementation of subpar wages for non-core workers.

The time in which services are contracted out is one of enhanced demands for services. One important question is how knowledge, political orientation, specific cultural sensibilities and skills required for a specific category with unique needs, are taken into account in the contracting out of services. Beth Rauhaus examines this issue through the application of representative bureaucracy criterion to contracted-out services for the victims of

domestic violence. She reports that although potentially, the US democratic principle of representative bureaucracy offers the promise of an administrative state that reflects the population it serves, contracting out limits this potential. The advantages of increased legitimacy, responsiveness and active representation of under-represented populations and service providers with specific sensibilities, may be sacrificed in times of privatization. When services are contracted out, hiring practices may not incorporate diversity as a strategy to meet the needs of clientele groups. Furthermore, services design tends to ignore both the shifts in the size of a city or state population creating an overload on the service providers. Population shifts which result in a more diverse society with unique needs also tend to be neglected. Acknowledging the political and relational nature of service delivery especially in dealing with domestic violence, Rauhaus highlights the importance of shared values between contractors, the public (users), and public agencies for effective collaboration; values that start at and spread through progressive hiring practices.

In Kenya, Amadi examines the ambivalent outcomes of government outsourcing for women. On the one hand, outsourcing has empowered special groups in the telecommunication sector. However, neopatrimonialism, corruption, and patriarchy give men a competitive advantage over women through pre-existing networks of solidarities. These networks are strong challenges for women as producers of services that the government might want in two ways. First the playing field of government contractors favors politically and ethnically connected firms. Second, because women enter public procurement as subcontractors or small business-owners, they are unlikely to affect change in practice at a higher level. Thus in Kenya, the privatization of the telecommunication sector benefited women in two ways: by supporting business women, by generating more jobs and introducing community projects which facilitated women's technical training and increased income. At the same time Amadi's analytical perspective elicits contradicting evidence as to the strictly limited extent to which actual competition and transparency is applied to the privatization award selection



process. Patrimonialism, politics and nepotism remain powerful leaving women exposed to exclusionary processes so that only a minority can benefit from the promised potential allegedly embedded in government outsourcing.

Closing this special issue is Mullins and Saldivar's research note. They review major scholarly databases to track research interest on government outsourcing and women or gender. For the most part, there is an abundant literature on private sector outsourcing, but no or little work has been undertaken in the public sector. Contracting out services in Italy, India, and the US shows comparable trends with regard to women's employment. That is, collective bargaining erodes under outsourcing mechanisms in the public sector regardless of countries' GDP. In this preliminary research note, Mullins and Saldivar raise concerns about intensified job insecurity due to the rise of part-time opportunities for women and the difficulty to find work-life balance in contracted employment. The level of neglect of research on women and government outsourcing shows a retreat in social justice and safety nets for the most vulnerable segments of society. Despite this bleak realization, it is suggested that when government pursues gender equality, outsourcing policies can become important measures in the promotion of economic welfare. Several studies have documented the speedy deterioration of employment conditions, income and job quality for women employed by service deliverers in Anglo-Saxon countries and in Israel (Ravenswood and Kaine, 2015; Cunningham et al., 2014; Benjamin, 2011; Lethbridge, 2005; Escott and Whitefield, 1995, Dantico and Jurik, 1986). Nevertheless, these studies, as well as those showing the violations of workers' rights more generally in public services contracting supply chains (Hasle et al., 2014) have had very little impact on the outsourcing policies. We hope, with this special issue on women and government outsourcing to contribute to the emerging scholarship in the field. The practical recommendations in the chapters that follow foster a debate on the shifting sites for political mobilization and potential economic empowerment for women worldwide given government outsourcing. At stake in this debate are matters of social justice

(Klenk, 2015), economic opportunities, and political accountability in the management of public resources.

## References

- Armstrong, P. (2013). Puzzling skills: Feminist political economy approaches. *Canadian Review of Sociology*, 50(3), 256-283.
- Baines, D. (2004). Caring for nothing: work organization and unwaged labor in social services. *Work, Employment and Society*, 18(2), 267-295.
- Benjamin, O. (2011) Gender Outcome of Labor Market Policy in Israel. *Equality, Diversity and Inclusion: An International Journal*, 30, 394-408.
- Bonacich, E., Alimahomed, S. & Wilson, B.J. (2008). The racialization of global labor. *American Behavioral Scientist*, 52, 342-355.
- Cunningham, I., Baines, D. & Charlesworth, S. (2014). Government funding, employment conditions, and work organization in non-profit community services: A comparative study. *Public Administration*, 92(3), 582-598.
- Dantico, M. & Jurik, N. (1986). Where have all the good jobs gone: The effect of government service privatization on women workers. *Contemporary Crises*, 10, 421-39.
- Escott, K. & Whitefield, D. (1995). *The gender impact of compulsory competitive tendering in local government*. Manchester: Equal Opportunities Commission.
- Hasle, P., Hohnen, P., Tovatn, H. & Di Nunzio, D. (2014). New challenges for working conditions in European public services: A comparative case study of global restructuring and customization. *E-Journal of International and Comparative Labor Studies*, 3(1), 1-23.

- Healy, G., H., Lise, L. & Ledwith, S. (2006). Editorial. Still uncovering gender in industrial relations. *Industrial Relations Journal*, 37, 290-298.
- Klenk, Tanja & Pavolini, E. (2015). *Restructuring welfare governance: Marketization, managerialism and welfare state professionalism*. Edward Elgar.
- Lethbridge, J. (2005). Changing care policies in Europe. London: Public Services International Research Unit (PSIRU) of the University of Greenwich.
- Murphy, C. & Turner. T. (2015). Organizing non-standard workers: Union recruitment in the Irish care sector. *Industrial Relations Journal*, 45(5), 373-388.
- Theobald, H. (2012). Combining welfare mix and new public management: the case of long-term care insurance in Germany. *International Journal of Social Welfare*, 21, 61–74.
- Tronto, J. C. (1993). *Moral boundaries: A political argument for an ethic of care*. London: Routledge.