# Private sector, development agenda and women's human rights: synergies or contradictions?

## by Corina Rodríguez Enríquez (Argentina)

A very short time ago, the General Assembly granted Observer Status to the International Chamber of Commerce. This means the institution, which represents the interests of the biggest multinational corporations, will be able to sit in every session and even get the chance to speak, far more opportunities than what the civil society has. This event can be understood as yet another step in the process of consolidation of a huge influence of the corporate sector into the setting of the development agenda.

Within the UN, the influence of the corporate sector, as well as of private interests, has risen non-stop. From the late 90s promotion of Global Compact, to the more formal or informal participation of corporates representatives and philanthropists in SDGs discussions, their views are embedded in the development discourse. As Adams and Martens (2015) points out, there is "a growing reliance on corporate-led solutions to global problems", which denies that in the context of financialized globalization and the dominance of market self-regulation, the private sector contributes much more to the problems than to the solution.

The relevance of the private sector as a development actor is unavoidable in the context of capitalism. However the failure to properly regulate their activities, as well as to set up limits to their influence on public policies at the local, national and global level, constitutes a threat to the respect and promotion of human rights. In what follows I will argue in three dimensions where this can be perceived regarding women´s human rights.

The first one is the consolidation of the concept of womenomics and even the fact that some women´s organizations and agencies made it their own. The term, most familiar to the notion of smart economics , is used to refer to the idea that women´s economic advancement will improve the economy as a whole, and that this should be "the" reason to promote pro-gender equality policies. In particular, from this perspective, it is important to pursue women´s access to employment (mostly private sector employment), and income generation activities. Many entrepreneurships and microfinance programs lay on this assumption, and foster women´s participation in market activities.

Also, from this perspective, it is understood that gender discrimination and the violation of women´s rights are economically inefficient. For example, there are economic costs on gender based violence (in the form of income loss, lower productivity, etc.) and that is why it should be overcome.

There are a couple of "disadvantages" with this point of view. If economic efficiency is "the" reason to promote gender equality and women´s economic advancement, what would happen if it does not prove to be this way? For example, what shall we do if, given certain circumstances, evidence proves that the cost of violence against women is not that high? Shall we allow men to continue abusing women? What shall we do if the cost of implementing public policies to narrow gender gaps in the labour market, prove to be more expensive than the economic gains it provides to enterprises? In short, it is very risky to establish women´s economic advancement and the respect and promotion of women´s human rights just for efficiency concerns.

Inversely, the opposite can also be asserted, that gender inequality and women´s economic disadvantage is the basis of economic growth. For example, the Maquila Model, that supported economic growth in many countries in the world, is based on the over-exploitation of women´s lower labor standards.

> "... gender inequality and women´s economic disadvantage is the basis of economic growth."

The second dimension of concern is the fact that there is little evidence to assert that private investment is or will be more positive for women than public investment. The case of private-public partnerships (PPPs) is a good example. PPPs are promoted with the assumption that most governments are unable to pursue the required public investment to expand population access to basic public goods (for example on social infrastructure) that are key for women´s lives. Besides, it is considered the private sector can introduce technology and innovation to make public services delivery more efficient. It might also be a way of developing local private sector capabilities, by joint ventures between local smaller enterprises and multinational corporations. PPPs might also be a way to improve public sector institutional capacities, both by skill transfers as well as by public sector adopting business criteria on efficiency and effectiveness.

Again, this perspective is controversial from the point of view of the ability of PPPs to actually contribute to narrow gender gaps and improve women´s lives. Most of existing evaluations of PPPs are restricted to the assessment of their efficiency and effectiveness in management, their capacity to transfer technology and knowledge, their contribution to social services delivery finance. However, the revised reports indicate that it is not possible to make conclusive statements about these potential effects. (Serafini, forthcoming). On the contrary, there is evidence of the negative effects of PPPs, especially in terms of the fiscal risks (overcharges and fiscal unsustainability) that should be taken into account when analyzing the net effects. There is an emblematic case that summarizes this reality, which is the one of a PPP on the health sector in Lesotho, implemented to design, build, and begin operating a hospital. Three years after the hospital opened (in 2011), governments' expenses grew 64%, and the budget for this hospital represented half of the entire health sector public budget (Oxfam, 2014).

Finally, a third area of concern, related to the previous one, refers to the fact that corporations are in fact most responsible for the lack of fiscal space for national governments, and therefore for their inability to implement policies that would protect and promote women´s human rights. This is due to the persistent high levels of tax abuse by corporations. Taxation is the most sustainable and predictable source of financing for the provision of public goods and services, as well as a key tool for addressing economic inequality, including gender inequality. However, tax policy currently fails to generate enough revenue to fund government expenditures and to close the gaps in gender equality and women's rights financing.

After decades of financial globalization and increasing corporate power there is little taxation of capital ☞

assets and tax incentives schemes are unbalanced. Governments give favourable tax treatment to multinational companies in many countries, as a way to capture foreign direct investment. The result is that considerable revenue is forgone. When a state does not mobilize sufficient resources and has budget shortfalls it can only provide insufficient and low quality services (i.e. education, health, sanitation, public transport, social infrastructure, care services), whereby gender inequalities are perpetuated or even exacerbated, which in turn prevent improvement of women´s lives and the narrowing of gender gaps. (Grondona et. al., 2016).

In brief, private sector is a controversial actor in the development agenda. While the role of private investment in promoting economic performance is undeniable, the lack of proper systems of monitoring corporate activities and ensuring their compliance with human rights standards allows for multiple abuses. The role that corporations have been playing on the financialized globalization suggest that they are most often part of the problem rather than part of the solution. What´s more, corporate capture of public institutions and even women´s organizations and agencies is also part of this picture.

Therefore, there is an urgent need to review the naive belief in the positive synergies between gender equality and economic growth, and rather think constructively on the way to build a governance that would make the private sector accountable for women´s human rights.

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# Phambili[1] African Unity, but only for a Continental Free Trade Agreement on African peoples own terms

## by Hibist Kassa (Ethiopia)

In the aftermath of the 2008 financial crisis, and persistent multiple and interlinked crises deepening poverty and devastating livelihoods, we are witnessing a seismic shift in global politics. A multipolar world with all its uncertainties is taking shape.

Former African Union (AU) Chairperson, Nkosazana Dlamini-Zuma, in her last speech to the Executive Council of Ministers of the African Union (AU) in January, pointed to the threat that Trump poses to gender and climate justice, and the shift to increased protectionism. For Dlamini-Zuma, Africa's response is the Continental Free Trade Agreement (CFTA).

The CFTA is meant to be an instrument for transformation and integration. According to UNCTAD, from 2007 to 2011 intra African exports, were only 11% while in other regions such as Asia and Latin America and Caribbean, were 60% and 21% respectively. This illustrates a particular degree of internal disarticulation and regional fragmentation. Thirty years of neoliberal reforms have actually worked to deepen these patterns, with declining manufacturing, stagnant agriculture and intensification of extractivism.

The CFTA is an attempt to fast track an earlier process initiated in 1991, known as the Abuja Treaty. This outlined a process for successive sectoral cooperation and the creation of free trade areas, continental customs union among others. The Abuja Treaty was only pursued in a limited way and remained largely stagnant. The CFTA will take forward the free trade component. In principle, there is no doubt that integration should be pursued as a matter of urgency. But how we do this is also critical.

The CFTA, as currently framed, has taken a narrow focus on aggressive elimination of tariffs and deregulation of services while ignoring differences between countries and social groups on the continent. It is not linked to key sectors especially, agriculture and manufacturing, in a coherent manner. It assumes that aggregation of markets will overcome limitations that are more structural in nature. The problems of production and infrastructure facing African producers are not prioritised.

Without public policy that carefully works through linkages between tariff and trade related issues and agricultural and industrial policy, continental integration may actually be reduced to merely facilitating imports and therefore undermining African producers. In fact, it also has implications for commitments already made under agreements such as the Economic Partnership Agreements (EPAs) by creating a bigger market for European goods and investments. With the rise of emerging markets, it is not only the 'traditional partners' who pose a risk to African producers in this regard.

These limitations have long fed demands for structural economic transformation to rebuild domestic economies by focusing on manufacturing, value addition on export commodities, increased investment in agriculture, strengthening the productive base and linkages between sectors. This is to lay a basis for creating decent jobs, improving wages, incomes and strengthening livelihoods.

1 This means 'forward' in Nguni which is spoken in Southern Africa. In the liberation struggles, and to date, Phambili remains a word often used in slogans, protests and marches.