



## Public services underpin equality; privatization undermines equality

**H**igh-quality, accessible public services, such as education, libraries, recreation programs, health care, child care, transit, safe food and water, are fundamental to gender equality. Even more, they underpin equality for those facing discrimination because they are Indigenous or racialized, because they have disabilities or health limitations, or because of their gender identity or age.

Protecting human rights is often contrary to maximizing profit, but it can and should be a principal consideration in the development and delivery of public services. A United Nations report on the impact of privatization on human rights points out that privatization of public services adversely affects lower- and lowest-income people. Services provided to low-income residents are not likely to be profitable, and people with low income cannot afford to pay for services.<sup>i</sup> In Canada, these contradictions are illustrated by the difference in access to public and private schools, athletic programs and health care on the services side, and to public transportation on the infrastructure side.



**PRIVATIZATION:  
NOT AS ADVERTISED**

We all depend on public services every day, from **infrastructure** such as transit, water, electricity, roads, and sewers to **institutions** like hospitals, universities, schools, and libraries to **services** like long-term care, public health, child care, social housing, planning, emergency services, safety standards, and more.

Some governments and corporations call for the privatization of public services and infrastructure, suggesting that privatized services will cost less and be more efficient. CIPP has prepared a series of fact sheets to explain what privatization of public services means, why it is a bad idea, and what the alternatives are.

## Access to decent work and a living wage

**T**he majority of public sector workers are women. In Canada, “[Sixty-two percent] of all public sector workers are women. The largest number are employed in health and social services, where women account for 82 percent of the industry’s workforce, followed by education with 67 percent female and then public administration with 51 percent female. Considerably smaller numbers of female public sector workers are employed in other industry sectors.”<sup>ii</sup>

In 2019, 30% of all female employees in Canada work in the public sector; by contrast, only 17% of men are public sector employees.<sup>iii</sup>

In general, public sector jobs are decent jobs for women: they are highly unionized and therefore have better wages and benefits than private sector jobs doing the same work; they have better leave provisions to protect women dealing with family responsibilities; and there tends to be less discrimination.

Some claim, generally with the intent of inhibiting collective bargaining, that the public sector pays more than the private sector. In fact, that is the case for women and other equity-seeking groups but not for white men. “There’s a small overall ‘pay premium’ of 0.5 per cent for public sector workers, but this is entirely because of a smaller pay gap for women in the public

sector. On average, women employed in public sector jobs are paid 4.5 per cent more than women in comparable occupations in the private sector. Men in the public sector are actually paid less (-5.3 per cent) on average than men employed in similar occupations in the private sector.”<sup>iv</sup>



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The pay gap is dramatically smaller in the public sector than in the private sector:

“In the private sector, aboriginal workers earn between 30% [and] 44% less than non-aboriginal workers with the same level of education. The same is true for visible minority workers and women. Education makes only a minor difference in the wage gaps in the private sector, with university educated aboriginal workers still making 44% less than their non-aboriginal peers, university educated women making 27% less than men, and university-educated visible minority workers making 20% less than their non-visible minority counterparts. Although parity has yet to be reached for any of these groups in either sector, the public sector sees most of these wage gaps cut in half. For example, in the public sector those same university-educated workers see their wage gaps shrink to 14% for aboriginal workers, 12% for visible minority workers, and 18% for women.”<sup>v</sup>

Attacks on wages and benefits for public sector workers are attacks on women, Indigenous and racialized workers, and workers with disabilities.

Women have achieved equal representation in leadership roles in public services, but not in private companies.<sup>vi</sup> ■





## Women rely on public services in order to participate in paid labour

**W**omen and their dependents make up the largest group of users of many public services, such as child care, senior care, and social housing. This care work still falls largely on women in the home when the services are not provided publicly.

Governments seeking to reduce the costs of public services are putting pressure on families to keep severely ill and frail elderly family members in their homes and to purchase individual care services for children with disabilities such as autism. They are even reducing access to child care. Without access to public services, women cannot participate in the paid labour force and cannot achieve equality.

The Organisation for Economic Co-operation and Development and the International Monetary Fund have both noted that Canada could grow its economy and increase women's equality by providing more subsidized public child care. The cost of publicly funded child care is more than offset by the increased economic activity it enables.<sup>vii</sup>

Access to decent housing for female-led families is a necessity for achieving equality for women and their children. In Canada, female-led households are still twice as



likely as male-led households to be in core housing need, largely because of precarious, part-time, and low-paid work.<sup>viii</sup>

Access to services is often privatized by giving a subsidy or voucher to individuals or families with which to purchase the services they need in the market, often from for-profit providers. The result is that individuals and families don't get the level of service they need, such as decent rental housing or enough hours of care for children with disabilities or for parents with advanced dementia. ■

## Austerity budgets impact equality

**C**uts to public services impact different populations in different ways. Women and other equality-seeking groups rely on accessible, affordable public services to underpin equal opportunity. Women rely on public service employment. Cuts in education, health care, and social services are cuts to women's jobs, as well as cuts to services they need in order to participate in the paid labour force.<sup>ix</sup> ■





## Strong public services are crucial to human rights and equality

**A**ccessible, affordable, high-quality public services are crucial to equal opportunities for women, Indigenous people and people who are racialized, have low income, have chronic disabilities, or are members of other equity-seeking groups. Those same services are also sources of decent unionized jobs. Privatization of services, with its attendant increased costs and decreased service, undermines human rights and equality. ■



# Notes

<sup>i</sup> United Nations. *Report by the Special Rapporteur on Extreme Poverty and Human Rights 2018*. United Nations General Assembly 73rd Session, Agenda Item 74(b), September 2018. <https://undocs.org/A/73/396>

<sup>ii</sup> Toby Sanger. *Battle of the Wages: Who gets paid more, public or private sector workers?* Canadian Union of Public Employees (Ottawa, 2011) p.23.

<sup>iii</sup> Statistics Canada. [Table 14-10-0288-02 Employment by class of worker, monthly, seasonally adjusted \(x 1,000\)](#)

<sup>iv</sup> Sanger, Op Cit. p. 1.

<sup>v</sup> Kate McInturff and Paul Tulloch, *Narrowing the Gap: The Difference that Public Sector Wages Make*. Canadian Centre for Policy Alternatives. (Ottawa 2014) <https://www.policyalternatives.ca/publications/reports/narrowing-gap> p.5.

<sup>vi</sup> Global Government Forum. “Women Leaders Index 2016-17 – Gender Equality Study.” <https://www.globalgovernmentforum.com/white-papers/#WLI2016/17Report> and Canadian Women's Foundation. “Fact Sheet: Moving women into leadership.” (2017) <https://www.canadianwomen.org/wp-content/uploads/2017/09/Facts-About-Women-and-Leadership.pdf>

<sup>vii</sup> Oxfam Canada, *Who Cares? Why Canada needs a public child care system*. (2019) [https://42kgab3z3i7s3rm1xf48rq44-wpengine.netdna-ssl.com/wp-content/uploads/2019/05/who-cares-report-WEB\\_EN.pdf](https://42kgab3z3i7s3rm1xf48rq44-wpengine.netdna-ssl.com/wp-content/uploads/2019/05/who-cares-report-WEB_EN.pdf)

<sup>viii</sup> Jeremiah Prentice and Elena Simonova. *Socio Economic Analysis: Housing needs and conditions: Housing conditions of female-led households*. Canada Mortgage and Housing Corporation. (2019) <https://epdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/cmhc/pubsandreports/socio-economic-analysis/2019/socio-economic-analysis-housing-conditions-female-led-households-69509-en.pdf?sv=2018-03-28&ss=b&srt=sco&sp=r&se=2021-05-07T03:55:04Z&st=2019-05-06T19:55:04Z&spr=https,http&sig=bFocHM6noLjK8rlhy11dy%2BkQJUBX%2BCDKzkjLHfhUIU0%3D>

<sup>ix</sup> Sylvia Fuller. Auditor General. “Public Sector Employment and Gender Wage Inequalities in British Columbia: Assessing the Effects of a Shrinking Public Sector.” *The Canadian Journal of Sociology / Cahiers Canadiens De Sociologie*, vol. 30, no. 4, 2005, pp. 405–439. Fuller's study details these effects in one area.

