



Privatization of Public Services: What does it Mean for Women?

Jane Stinson

Women, in Canada and around the globe, have a lot to lose with the privatization of public services. Good jobs for women in the public sector are being replaced with insecure employment at about half the pay, a heavier workload, and fewer union rights. Public services such as child-care, health care, and education, designed to support women's participation in the labour market and society, are being dismantled and eroded by market principles. Privatization is also increasing women's household responsibilities by intensifying, if not increasing, the amount of time spent on domestic labour and household relations. The privatization of health and social services is particularly problematic for women since the nature of work in these sectors is most similar to the unpaid, domestic reproductive labour done by women in the home.

Despite the drawbacks for women, many governments around the world are embracing the privatization of public institutions such as hospitals, schools, and recreation centres, and of infrastructure such as roads and water delivery systems. This global trend is buoyed by claims that greater efficiency can be achieved through the market. Privatization is being pushed by powerful, global corporations keen to increase their market share and their profits. Supranational organizations like the World Trade Organization are promoting, entrenching, and enforcing privatization and deregulation of the public sector, especially through the ongoing negotiations of the GATS (General Agreement on Trade in Services).

We hear a lot about the power of global capital but less about the power of global solidarity by women and men who oppose privatization and who favour greater public ownership and control of our economy and common wealth. But people's movements against privatization are strong and gaining force as new bonds are formed for sharing information and developing strategies to fight it. As global corporations have grown stronger, fortunately so too have networks of global solidarity.

My union, the Canadian Union of Public Employees (CUPE) — Canada's largest, with over 500,000 members, of whom more than half are women — is frequently in touch with those engaged in anti-privatization struggles in other countries. For example, a visiting Colombian member of parliament inspired delegates to our national anti-privatization conference in March 2003 with a riveting account of how the municipal workers of Cali, Colombia, stopped the privatization of municipal services by occupying their local government offices. They were successful because for years they had offered their services freely to the poor in the barrios to compensate for the lack of government assistance. This laid the foundation for the community support needed for success in their occupation.

In the area of health care, CUPE follows closely what is happening with privately financed hospitals in the UK. It uses horror stories from the UK experience to argue against embracing this model of privately financing, owning, and operating hospitals and other public institutions in Canada. CUPE is also monitoring the struggle against privatizing our municipal water systems, as part of a global struggle by unions, citizen groups, environmental activists, women's groups, and social justice organizations.

From Keynesian welfare state to neo-liberal state

Privatization is a general term that covers many specific practices whereby public services are reduced and the private sector takes on a much larger role in their financing and delivery. Private financing of public services may take the form of individuals paying more for public services, for example through user fees, rather than having the costs covered by taxes. It also includes encouraging corporations to pay for developing or renewing the infrastructures of public institutions such as hospitals and schools. Governments like this form of public-private partnership because it reduces public debt even though it costs more in the long term and often means loss of public ownership and control. Probably the most common form of private delivery is the transfer or sub-contracting of the operation of a public service, such as the cleaning of a school or hospital, to a private company. A gendered perspective reveals another important form of privatization — the transfer of paid, public-service work, which is mainly provided by women, to the private sphere of women's unpaid, care-giving work in the home.

Privatization undermines a key element of the Keynesian welfare state — the notion of collective, social, or public responsibility; argue Brenda Cossman and Judy Fudge in their book on women and privatization. This is replaced by a market system based on labour flexibility and individual self-reliance. The transition to a neo-liberal state affects what we think of as public and private, especially in the relationship between private households and the state. As the state withdraws or weakens public services in favour of greater individual responsibility, labour costs are lowered through women's unpaid domestic labour, job cuts, and contracting out.

The post-World War II period to the early 1970s saw tremendous growth in public services such as health care, education, social services, and childcare. Many women were hired to provide these public services, not only because the strong growth of the economy required more workers to enter the paid labour force but also because these new jobs resembled women's unpaid work in the home. The Keynesian welfare state assumed responsibility for some previously unpaid work, primarily of women in the home, and it expanded the range of services available. Thanks to collective efforts on the part of unions, such public sector jobs became a source of good jobs for Canadian women workers.

In Canada, as in many countries, public-sector jobs, including health care, education, and some social services, are the main source of unionized jobs for women. Feminist and union organizing has significantly raised wages in the public sector above the private sector norm for women, and has improved benefits such as pension plan coverage, paid sick leave, and vacations. As a result, unionized women in Canada make, on average, \$5.44 an hour more than their non-union sisters. And over two-thirds of women in the public sector have a pension, compared to fewer than one-third of women in non-union jobs.

Privatization undermines these union advantages by rolling back the gains made through collective action over the past 20 to 50 years. Nowhere do we see this more clearly in Canada than in the contracting-out of health care services in the west-coast province of British Columbia (BC).

Sub-contracting used to roll back working women's gains

The BC provincial government paved the way for contracting out support services in hospitals and long-term care centres by legislating the cutting of key job-security provisions from the collective agreement of the Hospital Employees Union (part of CUPE). The change to private service delivery meant that thousands of workers, mainly women, lost their jobs as the responsibility for the services they delivered was transferred from health care institutions to private, multinational companies. Hourly wages for hospital cleaners were cut in half (from over \$18.00 to \$9.00 an hour), demoting these workers from the highest to the lowest paid in Canada for comparable unionized jobs. Hours of work were reduced and employment became more insecure. Pension-plan coverage was eliminated and workers paid more for extended health care benefit plans. Most of the workers affected were immigrant women.

The Hospital Employees' Union, which represents these workers, has fought back, launching a successful drive to recertify those workers who are now employed by private contractors. HEU seeks to raise wages and benefits, and strengthen workplace rights for these workers through collective bargaining. But broader political action is also necessary. The union is engaged, together with the BC labour movement and other popular organizations, in a campaign to mobilize voters to dump the current government in the provincial election of spring 2005. Public scrutiny of the experience of privatization, including the implications for patient health and public safety, is another weapon in the union's public relations arsenal. The inadequate training and heavy workloads associated with privatization raise concerns about increasing the spread of infections and of diseases like SARS.

New forms of international justice

Almost halfway around the globe, our sister union, the South African Municipal Workers Union (SAMWU), has also been fighting privatization. With support from the union's Global Justice Mondiale Fund, CUPE is working with SAMWU and a team of academics in an action research project called the Municipal Services Project (MSP), that looks at the consequences of municipal privatization. The work of MSP in documenting the consequences of water and electricity privatization in South Africa has been valuable in informing strategy in Canada and elsewhere.

Another MSP project examines the gender consequences of privatizing municipal waste collection. It recently concluded with publication of a popular book entitled *Dumping on Women*. This study found that privatization of waste management took advantage of, and often worsened, women's lower social status. Privatization affected all workers negatively; however, because of the gender division of labour in the workplace, community and home, men and women were affected differently. In most cases, black women workers and community members suffered the most.

Waste management work in South Africa is organized along gender lines, with men using the trucks to collect the garbage and women performing the manual street cleaning (picking up the garbage and sweeping). Privatization changed how the women's work was done. The women street cleaners were no longer assigned fixed

routes. Instead, they were sent wherever they were needed and they worked alone more often. This increased their exposure to the risk of assault and rape. Some of the women's work was transferred to community volunteers, also female, on a largely unpaid basis. This did not happen to the male employees, although their work was sometimes contracted out.

Women were less likely to have facilities for changing and washing, access to toilets, protective clothing, and proper equipment, their needs being considered less important than the needs of male workers. Women street cleaners were hardest hit by staff cuts since garbage collection (men's jobs) was more highly valued. As well, women workers had lower wages and less protection against arbitrary treatment because they were not covered by the truck industry's bargaining council, which only covered the male garbage truck workers.

The same gendered division of labour does not exist in Canadian waste collection. However, these findings still raise important questions about the gendered implications of privatizing and sub-contracting public services in Canada for women's paid and unpaid labour.

Does privatization translate into more domestic labour for women?

We need to know more about how privatization is affecting the amount and complexity of women's unpaid work in the home. Statistics Canada tells us that married women aged between 25 and 44, with full-time jobs and children at home, experience the greatest stress of all Canadians. This is partly because women, in addition to working outside the home, do more unpaid (domestic) work than men, especially during the early years of childrearing. Women aged 25 to 44 provide most types of care, including all forms of childcare and personal care to household adults, as well as transportation, housework, cooking, and other types of unpaid help to adults outside their own households. Not only are women more likely to perform unpaid care giving, but they also spend more time than men doing so.

The value of this unpaid domestic work by women is staggering. Statistics Canada has estimated it to be \$50.9 billion in 1998, if comparable services were purchased on the market. That was more than the labour income generated by the health care and social assistance industry (\$42.1 B), education services (\$40.1 B), or the finance, insurance, and real estate industry (\$43.4 B).

If even a small portion of these hours of informal care were shifted from the home to the paid labour market — for example, the 156 million hours women spend annually in the home providing medical care to those discharged prematurely from hospitals — it would be equivalent to approximately 77,000 full-time jobs. Imagine what moving this informal caring work to the (paid) labour market could do to improve women's economic status and to free up time for women.

Building a global movement to stop privatization and improve public services

Privatization threatens women's economic equality by attacking the higher wages and working conditions won in the public sector through trade union struggles. It also threatens greater equality in gender roles by cutting welfare state social programs. Privatization is eliminating and eroding public services that women, in particular, rely on to aid with social reproduction — child care, health care, and education.

To prevent this outcome, we will need to build a strong resistance to corporations and government that want to privatize public services. This resistance needs to be firmly rooted in our communities but it must also reach out, around the globe, to others engaged in similar struggles. Success in the fight against privatization is firmly rooted in community struggles but these also benefit from provincial, national and international links.

Given our direct involvement, as workers, in witnessing the changes that privatization brings, we and our unions can play an important role in exposing the negative consequences of privatization. Unions need to call attention to the impact of privatization on the quality as well as the quantity of services. Identifying the practical implications of privatization policies, for both workers and the public, is important in order to encourage greater community involvement in countering privatization and improving public services.

A gendered analysis of the changes introduced by privatization — changes that lead to disproportionately negative consequences for women — is also needed. Developing a more precise and nuanced understanding of the implications of privatization can build a foundation for reaching out to concerned women and women's groups that want a change. It is crucial to press policy makers to assess privatization in terms of other social goals, such as equality and equity, by focussing on the consequences for disadvantaged groups. And while it's important to show who is paying the price for privatization, we should also show who is benefiting — i.e., the corporations that make profits by privatizing public services.

However, we have to be careful not to let governments off the hook by focusing only on the role of global corporations. Corporations are guilty of many things, but it is essential to keep the focus and pressure on governments — local, provincial and national. Elected governments, not corporations, are the ones making the decisions to privatize public services. Corporations push for and make use of international trade agreements, but it is our national governments that are opening the door to privatization and establishing the rules for carving up the public-sector pie globally. We need to find ways to be more effective in influencing our governments' decisions. We need to develop broad, locally based coalitions to push governments at all levels for more information, public debate, and transparency on decision-making in relation to the privatization of public services.

It is essential that the restructuring of the state and the privatization of public services doesn't occur on the backs of women. Women must not be made to bear the greatest costs of declining labour market conditions — less unionization, lower wages, fewer benefits, weaker workplace rights, more precarious employment, uncertain work hours. Moreover, women must not be forced to take on more onerous unpaid, domestic labour and more responsibility for family and household work because of the erosion of public services. If we are to advance the cause of women's equality and equity, men must take more responsibility in the home. This would also allow women to become more engaged in community organizing and political action in order to lobby for more and better public services. Trade unions have an important role to play, along with women's organizations and other social justice groups, in building broad community-based coalitions to oppose privatization. Such coalitions must also press for the improvement of public services in order to promote greater social and economic equality.

Further Sources

Canadian Union of Public Employees. Check www.cupe.ca for many articles about privatization and public services.

Cohen, Marjorie Griffin. "Destroying Pay Equity: The effects of privatizing health care in British Columbia". www.heu.ca. 2003.

Cossmann, Brenda and Judy Fudge (eds). *Privatization and the Law, and the Challenge to Feminism*. Toronto: University of Toronto Press, 2002.

Samson, Melanie. *Dumping on Women: Gender and Privatization of Waste Management*. Municipal Services Project (MSP) and the South African Municipal Workers' Union (SAMWU). <http://gsilver.queensu.ca/~mspadmin/> 2003.

Statistics Canada. "Stress and Well-being". *Health Reports* 12(3), 2001. Cat. 82-003-XIE.

Zukewich, Nancy. "Unpaid Informal Caregiving," *Canadian Social Trends*. Statistics Canada, Autumn 2003. Cat.11-008.

Jane Stinson is the Research Director for CUPE. Her research interests focus on promoting equality and fighting privatization.

Published in Women and Environments International Magazine www.utoronto.ca/iwsgs/we.mag/