

Why Privatization is a Women's Issue

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La privatisation a fait reculer les acquis de l'égalité des sexes en éliminant les bons postes de la fonction publique occupés par les femmes et les services qui leur laissent du temps pour leurs responsabilités de mères de famille et de maîtresses de maison. Les gouvernements qui font la promotion de la privatisation, ignorent les conséquences de cette politique sur les sexes et sur les groupes ethniques.

The privatization of public services has tremendous implications for women who account for the majority of public sector employees whose jobs are being privatized, especially in the health and social service sectors. Governments are keen to privatize almost any public service, claiming greater efficiency will be achieved through the private market. Rarely, however, do Canadian governments consider the gender implications of this policy direction. Yet there is alarming evidence that privatization is eliminating and eroding good jobs for women in the public sector as well as a range of public services designed to support women's participation in the labour market (Armstrong et al.; Bakker; Broad and Antony; Gaffney et al.; Hall and de la Motte; Leys; Martin; Prokosch and Dolan). Nowhere is this more evident these days, than in the case of sub-contracting health services in British Columbia (Cohen and Cohen).

Privatization not only undermines good paid employment for women, it can also make women's life at home more difficult by intensifying, if not increasing, domestic labour and household relations, for which women are primarily responsible. We need more gendered analyses of the implications of privatization to identify the consequences of this privatization on gender equality. This is particularly important with the privatization of health and social services since the nature of work in these sectors is most similar to the unpaid, domestic reproductive labour by women in the home.

We also need analysis that explores the racial implications of privatizing public services. We need to know how

women of colour are being affected by this process. Are there differences based on race, and, if so, what are they? What are the patterns of subordination, exploitation and exclusion that can be revealed through a gendered and racialized analysis of the process of privatization? But first, what do we mean by privatization? And how is it affecting women workers? Below, we look primarily at the gender implications of different forms of privatization.

From Keynesian Welfare State to Neo-Liberal State

Privatization represents a major shift in public policy that started in the 1970s in the United Kingdom with Margaret Thatcher's steps to strengthen the market and to sell off public enterprises in transportation, telecommunications, and utilities to private, for-profit companies. Since then privatization has spread like a global virus to Canada and throughout the world and has multiplied in the forms it takes.

The term privatization is used here to refer to a range of practices that transfer state assets and activities to private actors. Typically this involves transferring the operation and sometimes the ownership of public enterprises, assets or services to a private, for-profit company or consortium of companies. In this article, privatization also includes the transfer of paid work, mainly by women providing public services, to the private, domestic sphere of unpaid, care-giving work in the home.

Below we examine these dominant forms of privatization and their gender implications. It is argued that privatization of work through sub-contracting or outsourcing as well as the transfer of work from the public, paid sphere to the private, unpaid domestic sphere are both forms of lowering labour costs. The case of privatization through sub-contracting or outsourcing is a means to lower labour costs by downloading or transferring work to a cheaper, labour force within the formal labour market. Privatization, by downloading or trans-

ferring paid work into the home or to community volunteers, lowers labour costs even more, through women's unpaid domestic labour. Both forms of privatization have serious consequences for women's equality at work and at home.

Privatization is Fundamentally Changing the Nature of the State

At the level of the state, privatization represents the shift from a Keynesian welfare state to a lean, mean, neo-liberal state where public services are reduced and the private sector plays a much stronger role in their delivery. Privatization is a key element in the transition from a Keynesian welfare state to a neo-liberal state, as the notion of collective, social or public responsibility is weakened and as a market system based on labour flexibility and individual, self-reliance is strengthened (Cossman and Fudge 4).

The transition from the Keynesian welfare state to neo-liberal state involves a process of renegotiating what we think of as public and private at another level—in the relationship between private households and the state, particularly around the provision of public services. As the state withdraws or weakens public services in favour of greater individual responsibility, another form of privatization is encouraged—the transfer of formerly paid work in the public sector, often performed by women, into unpaid work in the home.

The process of renegotiating the relationship between the state and the private household is complicated and mediated by the growth of the community or voluntary sector, sometimes also called the “social economy.” The community sector has grown as new services have been developed and as the state devolves the operation of some services to non-profit, community and volunteer organizations. A full analysis of the transfer of public services from the state should involve monitoring changes at the level of the community as well as the household. Given the limits of this article, it is not done here.

Does Privatization Translate into More Domestic Labour for Women?

To what extent are we seeing a transfer of women's work, first from the home into the state, primarily through the growth of public services that characterized the Keynesian welfare state and now from the state into the home through the processes of privatization?

A close examination of the data on the amount and nature of unpaid work in the home is needed. A quick look at the trends suggests that the amount and gender based patterns of distribution of unpaid work in the home remains fairly stable. Women continue to perform more unpaid, care-giving work in the home than do men and it tends to be of a daily nature. However this needs further examination, especially as the privatization process deep-

ens to see whether domestic labour increases and/or intensifies for women.

Studies already show that working mothers are bearing a heavy burden from combining paid and unpaid work and, as a result, are the most stressed out in the population. Analyses of the Statistics Canada's 1998 General Social Survey report on the “Overview of Time Use of Canadians” showed that Canadians experiencing the greatest stress are married women, aged 25-44, who have full time jobs and children at home (Fast and Frederick; Zukewich 1998). Part of the explanation for this lies in the amount of time

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this group of women spends on domestic labour. Women do more unpaid (domestic) work than men even though most women are working outside the home as well. This is true even when both parents hold full-time jobs, particularly during the early years of childrearing (Jackson).

Women aged 25 to 44 made up the largest share of providers of most types of care, including all forms of childcare, personal care to household adults as well as transportation, assistance, housework and cooking and other unpaid help to adults in other households. Not only are women more likely to perform unpaid care giving, but they also spend more time than men doing so (Zukewich 1998).

Women normally do the daily housework of cooking, cleaning and laundry. Men normally do the occasional chores like household maintenance, car repairs and yard work. Even time spent with children is gendered, with fathers spending more time in play or leisure-type activities while mothers do more custodial and routine work related to caring for children (Zukewich 1998).

Almost two-thirds (64 per cent) of all informal care giving in the home was carried out by women, mainly due to their disproportionate share of child care. Most of this was related to physical, personal care. Care giving work accounted for 18 per cent of total unpaid work (Zukewich 2003).

The estimated value of this unpaid, domestic work by women is staggering. Using one method, the value of unpaid informal care giving was estimated at \$50.9 billion in 1998 if parallel services were purchased on the market. That is more than the labour income generated by the health care and social assistance industry (\$42.1 billion), education services (\$40.1 billion) or the finance, insurance and real estate industry (\$43.4 billion). A small portion of the unpaid informal caregiving by women in the home is help and care to adult households. That was worth \$5.3 billion, close to the value of labour income of

the arts, entertainment and recreation industry (\$5.8 billion) (Zukewich 2003).

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 annual hours women spend in the home providing medical care for example, to those discharged quicker and sicker from hospitals—this would be equivalent to approximately 77,000 full-time jobs (Zukewich 2003: 18). Imagine what moving that small part of what women do in the private household sphere to the paid labour market could do to improve women's economic status and free up time for women outside of paid work.

How is Privatization Affecting Women's Paid Work?

From the post-World War Two period up to the early 1970s there was tremendous growth in public services such as health care, education, social services and childcare. Partly because these new jobs resembled women's unpaid work in the home, many women were hired to provide these public services. In this way, the Keynesian welfare state assumed responsibility for some work that had previously been unpaid work done primarily by women in the home and over time public services grew.

Direct government employees are highly unionized, as are employees providing public services such as health care, education and some social service. Over time, given collective efforts, these public sector jobs became a source of good jobs for Canadian women workers. Public sector jobs are by far the main source of unionized jobs for women. Three out of four women in the public sector are unionized. In contrast, only one in seven women in the private sector are unionized (Jackson) (This is particularly due to the growth of the private, non-unionized service sector including private services like banks, insurance companies, McDonalds, Walmart, and many other fast food and retail outlets).

Women's involvement in their unions resulted in higher wages in the public sector than for women on average, better benefit and pension plan coverage, paid sick leave and vacations and other rights in the workplace for these women. For example, unionized women make on average, \$5.44 per hour more than their non-union sisters. And over two-thirds of women in the public sector have a pension, compared to less than one-third of women in non-union jobs (Jackson 25-27).

Privatization undermines these union advantages for women working in public services by rolling back these gains women workers made over the past 20 to 50 years, largely as a result of collective action through their union.

Sub-Contracting Used to Roll Back Working Women's Gains

Privatization often refers in Canada to the practice of

sub-contracting the delivery of part of a public service to a private firm: for example, to have the cleaning of a hospital, school or university building performed by employees of a private contractor, who periodically bids for the contract to do the work. "Outsourcing" is another term for sub-contracting or contracting out, most often used when referring to the practice in the private sector, when a large company decides to move part of its production process to another company who supplies the needed product or service.

What are the implications of sub-contracting or outsourcing for women?

Plenty. Public and private sector employers are using sub-contracting and outsourcing to drastically lower women's wages and benefits and turn back the clock on pay equity gains. The two most glaring examples currently are: 1) the impact of sub-contracting health care support services (cleaning, laundry, food services) on women workers' wages and benefits in British Columbia; and 2) the outsourcing of Bell Canada operator jobs to another private company over the past decade to avoid having to pay female employees higher wages because of federal pay equity legislation that applies to Bell.

In the British Columbia case, the provincial government paved the way for regional health authorities to decide to contract out support services in hospitals and long term care centres by passing legislation that gutted key job security provisions from the provincial collective agreement of the Hospital Employees Union (part of the Canadian Union of Public Employees). The government's legislation eliminated previously negotiated protection against contracting out and other job security measures.

The effect of sub-contracting health care support services has been to roll back the clock about 30 years on the gains made to women's wages through their union's collective bargaining and pay equity efforts. British Columbia hospital workers had high wages partly due to a multi-million dollar pay equity settlement their union won through an arbitration award in the fall of 2000. The union received \$100 million in retroactive pay equity adjustments that brought their members' wages in health care facilities into line with those of comparable workers employed directly by the province of British Columbia (Stinson).

The move to sub-contract cleaning, laundry and food services in certain health regions caused the wages to drop drastically from the highest in Canada to the bottom for comparable unionized jobs. This affects mainly women workers. Many of which are immigrant women of colour.

The change in service delivery meant thousands of mainly women workers lost their jobs as the services they provided now had a new intermediary—a private company. The multinational companies that won the large cleaning contracts, cut hourly wages for hospital cleaners in half, from over \$18.00 to \$9.00. Coverage for extended

health care benefits and pension plan coverage was lost with the old collective agreement. And many jobs were cut from full-time to part-time with less defined hours of work—a key feature of “flexible labour,” such an important element in reducing labour costs through privatization (Cohen and Cohen).

Bell Canada used out-sourcing as effectively as British Columbia hospitals used contracting out, to lower women’s wages and avoid pay equity gains. Bell has been battling a multi-million dollar pay equity case for over ten years. It is being pursued under the *Canadian Human Rights Act* by the telephone operators’ union (now CEP) and Action Femmes. It has taken over ten years from the date of filing the pay equity complaint to get Bell Canada’s lawyers in front of a tribunal that will hear the merits and decide the outcome.

The Bell pay equity case is clearly one of “justice delayed is justice denied.” Over the years of resisting the case, Bell has slashed the workforce through sub-contracting to an American-based company that paid about half the wages, technological change and attrition. When the union filed the pay equity complaint initially, it covered over 5,000 telephone operators. Now there are only a few hundred telephone operators left working with Bell Canada, many getting into their 50s and 60s. Some have retired and others have passed away without ever getting the money they were entitled to under the law (Stinson).

In both cases of B.C. health services and Bell telephone operators, contracting out or out-sourcing was used to drastically lower women’s wages by terminating established employment relationships where workers had made significant gains over time, in favour of using a private contractor who could provide those services with a new, cheaper workforce.

Gendered Implications of Outsourcing in South Africa

These Canadian examples of privatization’s impact on women’s employment, involve predominantly female workforces. A recent study of privatizing municipal waste collection in South Africa, analyzes the impact of privatization on a workforce that is both male and female. This case study provides gendered insights into the impacts of privatization on women’s employment.

The South African study was the product of a trade union research project and of global union solidarity. The research was led by SAMWU (the South African Municipal Workers’ Union) and supported by CUPE (the Canadian Union of Public Employees), its sister union in Canada, among others. The South African study is an important example of how we can learn from experiences with privatization in other countries to inform our analysis of the gendered implications of privatization here. Significant differences between conditions in South Africa and Canada make direct comparisons difficult. But

examples from other countries such as this can help to raise important questions for analyzing the gendered impact of privatization in Canada.

The 2003 report by Melanie Samson, called *Dumping on Women*, found that privatization of waste management took advantage of inequalities between men and women, and often made these even worse. Privatization affected both men and women workers badly, but because of the gender division of labour in the workplace, community and home, they were affected differently. In most cases black women workers and community members suffered most.

Because waste management work, like so many other industries, was divided along gender lines, there were different impacts on the gender-based work groups. Men collected the garbage using the trucks, women performed the manual street cleaning (picking up the garbage and sweeping). Strong gender stereotypes, revealed through interviews of co-workers and managers, kept women in street cleaning. They felt it was a good job for women because it’s women’s job to clean and sweep at home. It was “natural” for women to do this work. Women weren’t considered strong enough to load bags and bins into the garbage trucks. And some argued men are perceived to work better with technology and trucks.

This gendered division of work extended into the home and community too. Women were expected to be responsible for cleaning at home and in their neighbourhoods. Women waste management workers were likely to start their day by sweeping their yard and the street in front of their homes and then go on to do the same work for pay elsewhere.

The case studies showed that private waste management companies cut costs wherever possible, but again, there was a differential impact by gender. For example, women were less likely to have change and cleaning facilities, access to toilets, protective clothing, and proper equipment. The women’s needs for these things were considered less important than providing them to the male workers. The female street cleaners were the hardest hit by staff cuts. Garbage collection, where men were employed, was more highly valued than street cleaning and therefore cut back less.

The collective bargaining council did not cover the women workers because it was for the trucking industry and therefore only applied to the male workers who worked on the garbage trucks. As a result, the women workers had lower wages and less protection against arbitrary treatment.

Privatization brought changes to how their work was organized. The women street cleaners were no longer assigned the same routes and neighbourhoods. Instead they were sent wherever they were needed. As well, they worked alone more. The combination of working alone and not in a regular neighbourhood increased their exposure to the risk of assault and rape.

Some of the women's work was transferred to community volunteers, also female, who did this work on a largely unpaid basis. This did not happen to the male work of garbage collection, although there were examples of their work being sub-contracted again to workers who were not employees but part of an informal economy.

While a different system of waste collection exists in Canada, the findings raise important questions about what the gendered implications of privatizing and sub-contracting public services are in Canada and indicate the insights that can be gained by integrating gender into an analysis of the impacts of privatization.

Conclusion

Privatization is an attack on the high rate of unionization in the public sector and the wages and working conditions that have been won there through trade union struggles and pay equity legislation. Privatization not only threatens women's economic equality, it also threatens greater equality in gender roles by shrinking welfare state social programs. Privatization is eliminating and eroding public services that women in particular rely on to aid with social reproduction—like childcare, health care, education, and a broad range of social services (Bernhardt and Dresser).

These social support services were designed to encourage and support women's entry into the paid labour market, especially during child-bearing years. Now, while women are participating in the labour market in unprecedented numbers, these social supports are being withdrawn and weakened. How can women be expected to continue to "do it all" without these supports?

It is essential that the restructuring of the state and the privatization of public services doesn't occur on the backs of women, with women bearing the greatest costs in terms of worsened labour market position—less unionization, lower wages, fewer benefits, weaker workplace rights, more precarious employment, uncertain work hours—more onerous unpaid, domestic labour and more intense responsibilities for family and household work and relations because of the elimination and deterioration of public services.

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