

# THE PAINS OF PRIVATIZATION

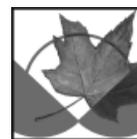
How Contracting Out Hurts Health Support  
Workers, Their Families, and Health Care

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## SUMMARY AND KEY FINDINGS

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Download the full report, *The Pains of Privatization: How Contracting Out Hurts Health Support Workers, Their Families, and Health Care*, at [www.policyalternatives.ca](http://www.policyalternatives.ca)

# Summary and Key Findings

Since 2003, British Columbia has witnessed the most sweeping privatization of health support services in Canadian history. To date, 8,500 public sector jobs have been eliminated and the work contracted out. Pay rates for the affected positions have been cut by more than 40 per cent. The newly privatized jobs in BC hospitals and nursing homes are substandard in all respects: low pay, meagre benefits, heavy workloads, poor training, and no job security. The clock has been turned back on a sector that formerly offered good compensation, decent working conditions, and respectful teamwork.

The workers who perform these cleaning and food service jobs are usually women with children; many are immigrants of colour who also support family members abroad. They are a vulnerable group with few employment choices. The corporations who employ these workers are foreign owned and are global giants in their field.

This study investigates the experiences of 24 of these workers using qualitative, interview-based methods. The workers are employed in housekeeping and food service jobs in the Greater Vancouver area and represent the demographics of the workforce.

This study raises pointed questions about privatization: What does a society give up – and take on – when cleaning, laundry, food, and security services in health care facilities are outsourced to transnational corporations? What are the implications for the individual workers and their families? Are there hidden costs for patients, workers, and communities? If so, what are these costs, and where and how are they likely to surface?

The study concludes that conditions of work for these privatized workers are unacceptably harsh. In most cases, income from the job leaves families living below the poverty line. Contracting out not only endangers the health of these workers, but the well-being of their families and the patients they serve. Detailed findings are outlined below.

## Economic and Ethnic Status

- Most of the workers interviewed were immigrant women born in the Philippines, India, and other countries of the south. The majority of them have post-secondary educational credentials that would qualify them for better-paying jobs but for systemic barriers that limit employment opportunities for internationally educated professionals. Many are over 45 years old and are concerned that their job offers no pension. A higher-than-average percentage are single parents compared with the BC workforce.
- A privatized health support job in BC is virtually synonymous with poverty. All but one of our study participants have serious income problems; more than three-quarters have incomes below Statistics Canada 2003 Low-income Cut-off (LICO). Single parents are automatically condemned to poverty by privatized wage rates. For example, a 47-year-old Indian-born woman, the sole support for her two daughters, earns \$1,426 per month at her hospital cleaning job. Her family is approximately 44 per cent below the 2003 LICO of \$30,744 per year.
- Housing is a critical issue for many: some have trouble paying their rent, others are coping only because they live in subsidized housing. Several workers live with their extended family to keep costs down. Many are unsure how they will survive in the short and long term. They talk about living hand-to-mouth, looking for additional work, or hoping for more hours.
- Over 40 per cent of participants have at least one other job to help make ends meet. Over half are sending money overseas to their children, siblings, parents, grandparents, nieces or nephews. They are determined to honour these family commitments, though they can ill afford to do so.

## Working Conditions

- Almost all participants describe their workload as hectic, exhausting, and stressful. They deal with unpredictable assignments, frequent interruptions from remote call centres, and routine under-staffing when the company fails to replace absent employees. They often feel too rushed to work safely and take shortcuts that put them at risk for needlestick and other occupational injuries.
- Hours of work are problematic. Half of participants work between 20 and 37.5 hours a week, a twilight zone between full and part-time employment. Half are dissatisfied that the company does not offer them more hours: they need the money and resent being cut back by several minutes or hours a week, with no parallel reduction in workload.
- Relations with company supervisors are often strained. Many participants view their supervisors as unsympathetic, ill-informed, powerless, and unlikely to help with problem-solving. Many supervisors assign tasks without detailed explanations and cannot be relied on to provide training. Although relations with nurses and other facility staff are usually quite positive, privatization has introduced elements of distrust and isolation. Privatized workers are exposed to frustrations about corporate service quality; at least one company forbids direct communication with nurses and other staff, and disallows coffee breaks in the same room.

- The relationship between workers and patients/residents is sharply diminished under privatization. Three fifths of participants want more time for patients/residents, yet excessive workload eliminates time for contact and, in some facilities, the company prohibits talking with patients. The net effect is patients/residents with less human contact than before, and workers with few opportunities to express their caring nature.

## Impacts on Workers' Health, Well-being, and Family Life

- Exhaustion, pain, illness, and injury are commonplace, with over four fifths of participants reporting that their physical health is adversely affected by the job. Their discomfort goes beyond a reasonable level of after-work fatigue. Soft-tissue pain, numbness, headaches, and other ailments were cited. Over 60 per cent of participants got sick or injured on the job (though three-quarters had been on the job less than nine months); almost half of them took time off due to these injuries. Others, however, were reluctant to stay home for fear of being dismissed. With no job security and substandard sick time – two days over six months, and no accumulation of unused days – it is not surprising that people come to work unwell.
- Their emotional and spiritual well-being is in decline. Three-quarters of participants describe feelings that range from depression to anxiety, powerlessness, frustration, and anger about their circumstances. Workload is the biggest cause of emotional distress; disrespectful treatment from supervisors is another key source. Among workers who are former in-house employees of their facility, many are dispirited by the severe drop in pay and benefits, loss of rights, separation from coworkers, and increased workload. The most common response to all these feelings was to bottle them up.
- The combination of heavy workload, insecurity, emotional stress, and inadequate income has repercussions for family life. Participants describe having little time for children and grandchildren, and being short-tempered or depleted at home. Several put a stop to their own or their children's educational plans due to financial problems. The majority are cutting back on fitness and recreation for their family; a quarter have dropped vacation plans. Almost all participants say their social and community connections have shrunk: low spirits and lack of money have placed friends and neighbours out of reach. Overall, the picture is one of challenged families, shrinking social participation, and involuntary exclusion from community.

This study concludes that conditions of work for these privatized workers are unacceptably harsh. In most cases, income from the job leaves families living below the poverty line. Contracting out not only endangers the health of these workers, but the well-being of their families and the patients they serve.

## Consequences

- Unsatisfactory working conditions, poor remuneration, and no job security do not invite loyalty to the job. Over half the participants in this study are dissatisfied with their job, and just under half intend to leave within six months. In contrast, support workers in

BC's non-privatized facilities demonstrate a high degree of job loyalty: 11.6 years on the job, on average. Privatization is a recipe for high staff turnover.

- At the same time, the corporations that create these sweatshop conditions are right to believe that an unhappy service worker is easy to replace. Social and economic conditions in Canada create a pool of workers, mainly female and often immigrants of colour, who have no choice but to accept wages and conditions that overtax their bodies and disrupt their families. That these factors are known to produce low morale and high turnover may not concern the corporations, but they should concern our health authorities.
- The factors that create overworked, unsupported, underpaid, and transient cleaning staff are also associated with cleanliness problems. This study is consistent with numerous others that link privatization to declining hygiene in health care facilities. Indeed, our participants expressed many concerns about the quality of service they are able to provide. Three-quarters do not believe their company employs enough staff to deliver good quality service. Many are dissatisfied with the on-the-job training they receive. (Unlike hospital house-keeping departments, private companies do not require new hires to have a Building Service Worker or equivalent college certificate.) Our participants described cleaners who are unaware of how to properly clean the rooms of patients with antibiotic resistant infections (i.e. MRSA, VRE). The exploitative and insecure nature of the work appears to be an obstacle to developing skills and competency.
- From a business perspective, high returns on investment in the service sector are predicated on low labour and supply costs. From a health care perspective, good quality services are predicated on well-trained and well-supported staff. The testimony of privatized workers gives a powerful clue as to the priority in BC today. Corporations are accountable to their shareholders, not to workers, patients, and local communities. The entrenched insecurity that workers experience is not an unintended by-product of privatization, but rather is directly tied to corporate goals of labour flexibility and low costs, in pursuit of the bottom line.
- Over time the financial costs of privatization will emerge. The costs of deteriorating standards of cleanliness in health care facilities are one dimension. Social services costs relating to the children and elderly parents of privatized workers are another. Staff injuries and illnesses are the most direct expense. Health support services are already the most absence-prone sub-sector in the Canadian workforce. From the evidence of this study, lower safety standards and decreased worker well-being are the unplanned offshoots of contracting out.

THE PROBLEMS IDENTIFIED IN THIS REPORT cannot continue unchecked. The government policy of contracting out health care support services is jeopardizing the health and well-being of workers, their families, and patients and residents in BC facilities.

The unspoken reality that allows for the degradation of these jobs is twofold: 1) service work is 'women's work,' and 2) many service workers are immigrants of colour. Privatization exacerbates the poverty trend among recent immigrants and immigrants of colour in Canada, in which relatively high levels of education are rewarded with low wages and insecurity. Governments have a responsibility to implement policies that reduce poverty and discrimination among working people, not policies that increase wage disparities and social exclusion while reinforcing historical patterns of sexual and racial exploitation.

Cheapening the role of support service workers is unwise. These workers deserve decent pay and working conditions. As a society we would do well to acknowledge the worth of the housekeepers, cooks, laundry workers, clerks, and security workers in our health care system.