

A return to wage discrimination: pay equity losses through the privatization of health care

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Summary and Key Findings

The BC Government's actions to facilitate health care privatization have turned back more than 30 years of pay equity gains for women working in health support occupations.

- From the 1960s to 2001, the pay equity gains won by women in hospital support work in BC were remarkable, but fair. The bargaining strategies used by health care unions were successful in bringing equity to the health support sector. During this period, a significant wage gap between female-dominated health support jobs and comparable male-dominated work was narrowed to between 11 per cent and full parity.
- This success appears to have attracted the provincial government's ire and encouraged it not only to reduce wages, but to reduce them to a point where they are the very lowest for this category of work in the country. The new rates for housekeeping (\$9.25 to \$11 an hour) are between 14 and 39 per cent lower than anywhere else in Canada and 26 per cent below the national average.
- The "partnership agreement" for the Vancouver Coastal Health Authority between the private multinational corporation Aramark and the trade union now representing Aramark's workers, the Industrial Woodworkers of America (IWA), is an example of how bad things have become for workers in the health support sector. Wages have been cut almost in half, and these workers have no pension, long-term disability plan, parental leave or guaranteed hours of work. They do not know from one week to the next how many hours they will work, when those hours will be scheduled, or what their take-home pay will be.
- These new wages are so low that they place the purchasing power of health support workers at what it was in 1968. The Hospital Employees' Union (HEU)-negotiated wage for housekeeping in 1968 was equivalent to \$9.35 an hour in current dollars.
- These new wage rates and conditions are significantly lower than what the IWA has negotiated for similar work performed by males in other contracts with other employers. Under the IWA Master Agreement (2000-03) janitors are paid \$21.92 an hour, which is 2.1 times more than the wage rate negotiated for hospital cleaners. This completely rejects the concept that women and men should be paid equally for the same work, let alone for work of equal value (pay equity).

These very rapid changes in wages and working conditions are the result of a number of unprecedented actions by the provincial government, the multinational corporations winning contracted-out health support services, and one particular trade union, Local 1-3567 of the IWA.

- Bill 29 eliminated the employment security and "no contracting-out" provisions of negotiated health and social service contracts. There are only three other occasions in Canadian history where governments infringed on statutory or collectively bargained job security provisions. In all three cases, government interventions were intended to limit or foreclose future bargaining on job security. They did not void collective agreement provisions during their term.

- The negotiation of “voluntary recognition agreements” between multinational service corporations (Aramark, Sodexo and Compass) and IWA Local 1-3567 is highly unusual. These agreements were completed before the corporations had signed contracts with the health authorities, before the HEU members had been laid off to make way for contracting-out, and before any new workers had been hired. The agreements eliminate workers’ right to choose their own union and to vote on the contents of their collective agreement.
- These so-called “partnership agreements” are for an unprecedented six years and include highly irregular commitments by the union to “joint responsibility” with the employer for corporate profitability levels.

The provincial government has justified its actions by claiming that hospital support workers were overpaid.

- While it is true that health support workers in BC achieved higher wages than elsewhere in Canada, these wages were in line with BC’s higher general labour costs and higher costs of living. These wages were also comparable to those paid for similar work done by male workers in the direct public sector.
- Before privatization, wages for hospital housekeepers were slightly higher than those paid in the private hospitality sector. These modestly higher wages reflected the more challenging nature of hospital work. The new wage rates (at \$9.25 to \$11 an hour) are dramatically lower than even the lowest negotiated contract in the hospitality sector.
- The province has pursued an ideological goal of shifting health care provision to the private sector. Health support workers, who are lower down on the health care hierarchy, are the most vulnerable. Most of these workers are women, and a higher than average proportion are older or from visible minority or immigrant backgrounds.

The province’s actions will have broader implications, both in BC and nationally.

- Rolling back pay equity gains through privatization sets a precedent for other provinces. Both Quebec and Ontario very recently passed legislation giving their governments the power to override existing collective agreement provisions, as was done by the BC Government with Bill 29. The legislation in Quebec and Ontario will be particularly detrimental for working class and visible minority women who have benefited from pay equity gains in the public sector.
- Privatization in BC is happening at a time when concern about the spread of hospital-acquired infections is high. Other jurisdictions (such as Britain and Scotland) are bringing cleaning work back in-house because of cleanliness and infection control problems that resulted from a privatized workforce that was poorly trained, inadequately paid and had high turnover rates. Prior to privatization of health support work in BC, the availability of steady employment at reasonable wages with decent benefits created a stable workforce that contributed to overall patient care. This is no longer the case.
- The privatization of health support work seriously undermines the economic security of a significant number of workers. Despite the fact that it is a predominantly older female workforce, HEU members share many characteristics typically associated with primary male wage earners. More than 50 per cent have one or more dependent children and one quarter support dependent adults. Many are either sole support parents or live with partners who do not have access to extended health and/or pension benefits.
- The repercussions are likely to go well beyond the public sector. As women’s wages in health and other public services are reduced as a consequence of Bill 29, it is a signal to the private

sector that they too can set aside arguments about the need for decent wages for women's work.