

# The effects of support service outsourcing on workers and trade unions in public universities in SA

*There has been much debate around the restructuring of government subsidised universities and its effect on curricula and research. Little attention has focused on the effect of such restructuring on support service workers. **Lucien van der Walt, Chris Bolsmann, Bernadette Johnson and Lindsey Martin** look at how many of the gains made by public sector unions in the early 1990s are being eroded.*



GUY STUBBS

Much of the discussion around the restructuring or 'transformation', of government-subsidised universities has centred upon the restructuring of curricula and research: making courses and research more 'relevant' to the post-apartheid South Africa. This is where the controversy begins, because there is a great deal of debate surrounding what exactly relevance means. What sort of research should be undertaken? Are the universities ivory towers? And should they be? Does it mean training students to be more globally competitive future employees? Should African themes be more

thoroughly integrated into the course content? How can the universities relate to impoverished communities, and development more generally? How can access for poorer students be undertaken?

## **The silent partners**

These debates have been very heated but in some ways have generated more heat than light. In particular, little attention has been paid to the effects of restructuring upon the support service workers employed in the universities. Government has been cutting funding to the universities, but this has been a long-term trend, and

first emerged in the 1980s under the former apartheid government.

The Growth, Employment and Redistribution strategy (Gear), adopted by government in 1996 explicitly talks about a cut in spending for the universities: 'With spending on education at nearly 7% of GDP there is a need to contain expenditure through reductions in subsidisation of the more expensive parts of the system and greater private sector involvement in higher education.'

Today, few universities receive more than 65% of their income from government.

The decline in state subsidies has

---

**'Every single public sector university in South Africa has outsourced at least one support service function. ... The effects of this process were, on the whole, very negative for workers'**

---

had three main effects on the 21 public universities in South Africa: Firstly, a process of bifurcation takes place, where in the past, the university sector was clearly divided into a white and a black sector. The Historically Disadvantaged Institutions (HDIs), largely established after 1945, were far less resourced than their white, Historically Advantaged Institution (HAIs) counterparts. They had less research capacity, a far less qualified staff base, poor research records, and their degrees had low market value. The effect of subsidy cuts is to continue the bifurcation of the sector into HAIs and HDIs. HAIs are better able to weather the storm because they have more resources and a better market profile.

Secondly, as government support declines, all the public universities, HAIs and HDIs alike, have been under pressure to reduce costs where possible. Although government has bailed out a few universities facing bankruptcy, it is unwilling to do this on a regular basis, and would prefer to see the universities sustainable. Those who cannot make it are seen as prime candidates for closures and mergers. Thus, institutional survival requires cost cutting in the context of government budget austerity. This is typically done by reducing services and cutting back on staff costs.

Thirdly, universities have also sought to raise income from new sources wherever possible. This can be done through increasing student numbers, often through offering new, vocational courses. This can also take place through attracting private sector

investment, and establishing research partnerships with the state and big business.

It is the HAIs who are best positioned to develop new sources of income. They are more prestigious; they have more research capacity; and attract wealthier students.

#### **University workers and restructuring**

Evidently, the above restructuring has an important impact on both academics and students. An increasingly corporate management style is emerging in many universities that is reflected in an increase in the academic workload; pressure on academics to generate more income for the universities; a growth in short-term contract academic labour; and a general increase in tuition fees, which accounts in large for the general decline in student numbers in the universities over the last few years. Yet, what then of the third component of the university community, the support service workers?

Every single public sector university in South Africa has outsourced at least one support service function. The first example is that of the University of Venda, which began a process of outsourcing in 1985 to the most recent examples being the University of the North and Medunsa in 2001. Furthermore, with only three clear exceptions of the Rand Afrikaans University, University of Port Elizabeth, and the University of Venda, the process of outsourcing had taken place in the post-apartheid period. Support service outsourcing at the universities,

in other words, has overwhelmingly a characteristic of *post-apartheid* South Africa. The affected departments were typically catering, cleaning, general maintenance and grounds keeping. In a number of instances, other departments were affected: notably security, laundry and transport.

#### **Reasons for support service outsourcing**

The primary reason for outsourcing was to cut costs. This applied in 80% of the cases. The next major reason given was the need to dispense with the provision of 'non-core' services, that is, those that do not strictly fall within universities' teaching and research functions. This was true of 53,3% of the cases. The need to cut costs was cited by universities across the board, both HAIs and HDIs. This would seem to reflect the *general* squeeze resulting from funding cuts. Managers reported the need to make their institutions 'leaner', to 'do more with less', to 'reduce overheads', and to restructure due to 'financial considerations', and a lack of 'sufficient resources'.

However, all of the institutions that cited the need to focus on 'core' activities were HAIs, with the single exception being the University of the Western Cape. These institutions were informed by the vision of the market university, and were not simply cutting back, but *actively repositioning* themselves as increasingly commercialised entities.

#### **Effects of outsourcing on support service workers**

The effects of this process were, on the

whole, very negative for workers. This can be described in three ways. Firstly, support service restructuring by public sector universities has led to enormous job losses. There are two main causes of these retrenchments, namely the closure of departments pending outsourcing and the rationalisation and staff cuts in the universities generally. Discrepancies emerge with the number of job losses, with management maintaining that 4 912 jobs were lost and unionists saying that 5 660 were lost. Therefore, even if we do use management's lower figure, we are probably not looking at *not less* than 5 000 support service job losses in the public university sector, mostly since 1994. Considering the patterns of retrenchment, seven campuses retrenched 300 or more workers each accounting for 3 823 workers, or 77,8% of the total. Therefore, considering there are 60 000 people employed in universities, around 1 in 12 university employees was retrenched due to outsourcing. The actual proportion of *support service* workers is higher, as these workers are not a majority in the sector, which has a heavily professional employee base. Surprisingly, many of the biggest retrenchers were *not* financially desperate HDIs, but well-resourced HAs: so, Pretoria retrenched 800 workers, Wits 623, and Potchefstroom at least 400. These were all institutions that cited the need to focus on 'core' business.

Secondly, outsourced workers earned lower wages than workers had received for the same job before outsourcing and workers received fewer benefits than previously. The situation varied from campus to campus, and between companies: in some cases, access to medical aid had been lost, in others, provident funds, in others, bursaries and leave; in yet

others, a combination of these benefits had been lost. In general, workers felt that their jobs were more insecure. Finally, working life was in at least some respects worse than had previously been the case. To illustrate this, in one instance, the union reported that workers found it harder to take time off, and did not get paid for any sick leave that was not accompanied by a doctor's note. Moreover, work had been intensified and that, in addition to cleaning on the campus, workers were often redeployed at short notice to other sites. In another case, workers worked eight hours, as opposed to the seven they had worked for the university, and sometimes even longer; further, during this time, their breaks were more strictly monitored.

Thirdly, a process of *deunionisation* of much of the sector due to outsourcing has taken place. Very few union representatives felt the union had been adequately consulted with regards outsourcing. Others felt the union was ignored, 'marginalised', 'disregarded', 'frustrated', or even that management had violated the substantive content of agreements reached. Union membership also fell due to support service restructuring: the total union losses are 5 473 with 113 of these being shopstewards. Therefore, unions have lost loyal members, experienced shopstewards, union dues, and representation. Unions have not succeeded in regaining lost ground in the new companies. In only two out of 17 cases did the majority staff union have a recognition agreement with at least one outside

company and only one of these was a Nehawu branch.

Unionists complained that the union now had 'little strength', that its resources were 'over-stretched', that 'our fight does not have impact now', and that the union had become weakened relative to both management and conservative staff associations.

In several instances, union respondents feared that declining union membership could lead to a

withdrawal of union recognition by management, or a loss of status as a majority union amongst support service workers.

### Conclusion

University workers have lost out significantly due to university restructuring. Many of the gains in trade union representation, and remuneration and conditions, achieved by the surge of public

sector unionism in the early 1990s have been wiped out. In the mid-1990s, unions in the sector could aspire to centralised sector bargaining as part of a programme of radical transformation. The profile of the typical university support service worker is shifting from a relatively well-paid, secure and unionised worker, to a low-wage, minimal benefit, non-union flexible worker. And this is the challenge the unions need to confront.

*The article is based on a report conducted by Lucien van der Walt (University of the Witwatersrand), Chris Bolsmann (Rand Afrikaans University), Bernadette Johnson (University of the Witwatersrand) and Lindsey Martin (Rand Afrikaans University).*

