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## The Impact of Public Sector Reforms on Public Sector Workers

by

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Paper presented at the 24<sup>th</sup> International Labour Process Conference, London, 10–12 April 2006

Research funded by: International Labour Organization – Public Services International (PSI)

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## Abstract

This paper presents some initial findings from a survey of public sector workers, in a number of countries in Europe, Africa, North America, Latin America and Asia, and how they have been affected by policies of liberalisation in relation to wages, working conditions and other forms of socio-economic security. This survey was a joint initiative between the International Labour Organization (ILO) and Public Services International (PSI), an international trade union. The aim of the survey was to explore three themes: workers' socio-economic security; quality and accessibility of public services; and relations between government, foreign and domestic capital, trade unions and civil society.

The seven forms of socio-economic security, as defined by the ILO, cover security of income, labour market, employment, work, skill reproduction, job and representation. These were used as a framework for the development of a structured questionnaire, which tested a series of hypotheses, informed by existing research about how public sector workers have been affected by liberalisation policies. Questions focused on the experiences of specific groups of workers in five public services: health care; social care; employment services; education; and prison services.

The questionnaire was sent to a sample of Public Services International (PSI) affiliates in countries throughout the world, with some targeting of the trade unions working most closely with specific parts of the public sector. 292 questionnaires were sent out and there was an overall response rate of 26%.

Changes in labour market security, as measured by changes in labour legislation and responses to questions about lay-offs in different sectors, have been analysed by country. The analysis of labour market security, measured through changes in level of real wages and the incidence of wage arrears, is considered by country and by different parts of the public sector. Employment security is assessed through changes in the number of jobs by sector and country as well as changes in the types of contracts (permanent and short term). The experience of women workers and workers from disadvantaged ethnic groups are also considered.

## The Impact of Public Sector Reforms on Public Sector Workers

The research into the outcomes of public sector reforms has not focused on the overall impact on public sector workers (Kaul, 1997; Schacter 2000; Polidano, 1999). Public sector workers have been perceived as part of the “problem” of the public sector and so measures have been introduced to either reduce the size of the workforce or increase the “flexibility” of public sector workers (Lewis, 2000). It is these measures that have been considered in wider research into the public sector. However, there has been a growing awareness in the past two or three years, triggered by the Millennium Development Goals (MDGs), that liberalisation and privatisation of the public sector are threatening its existence, particularly because of deteriorating working conditions and the resulting depletion of the workforce (Mutizwa-Mangiza, 1998; Matheson, 2002; Steijn 2002).

Much of the research that has looked at the impact of liberalization of public services on public sector workers has been done at a national level, examining different sectors. Often commissioned or undertaken by trade unions and other groups committed to workers rights, this research provides some indication of the extensive changes that public sector workers have experienced and how it has affected their socio-economic security (Healy J and Humphries, 1998; Brito *et al*, 2001; CUPE, 2001; Stepantchikova *et al*, 2001; Wills, 2001; Lehmann and Saunders, 2003; Afford, 2003). There is a very limited body of work that has looked at the impact globally or regionally (Polaski, 1998; ILO, 1998).

The project was a partnership between the International Labour Office (ILO) and Public Services International, an international trade union representing public services trade unions. A series of working papers were commissioned on several types of public services - criminal services, education, employment services, healthcare, social care. These explored a series of hypotheses about the type and extent of change taking place in different parts of the public sector throughout the world. These formed an important source of evidence for the extent and nature of changes taking place in specific parts of the public sector (Roskam, 2006 forthcoming).

The partners felt that in the light of the evidence gathered by the working papers, there was a need for a more systematic collection of evidence on how public sector workers were experiencing processes of liberalisation and privatisation. It was decided to survey the affiliates of Public Services International (PSI) through the use of a structured questionnaire, which would be adjusted for different parts of the public sector. The ILO has a strong tradition of surveys that look at working conditions and socio-economic security, for example, Economic Security for A Better World, ILO, 2004.

### METHODOLOGIES

A series of hypotheses, informed by existing research, have been used to develop a framework for analysing how public sector workers have been affected by the liberalization of public services, as assessed through the seven forms of socio-economic security (Table 1). Several processes informed the development of a core questionnaire which was adapted to five public services.

**Table 1: Seven forms of Socio-economic security**

<b>SEVEN FORMS OF SOCIO-ECONOMIC SECURITY</b> (International Labour Office)
<b>Labour market security</b> - Adequate employment and work opportunities, through high levels of employment ensured by macro-economic policy.
<b>Employment security</b> - Protection against arbitrary dismissal, and employment stability compatible with economic dynamism.
<b>Work security</b> (Occupational health and safety) - Protection against accidents and illness at work, through safety and health regulations, regulated limits on working time, unsociable hours, and a reduction in stress at work.
<b>Job security</b> - A niche designated as an occupation or "career", the opportunity to develop a sense of occupation.
<b>Skill reproduction security</b> - Widespread opportunities to gain and retain skills, through innovative means as well as apprenticeships and employment training.
<b>Income security</b> - Provision of adequate incomes.
<b>Representation security</b> - Protection of collective voice in the labour market, through independent trade unions and employer associations and other bodies able to represent the interests of workers and working communities.

The aim of the survey was to analyse the impact of public service liberalization on workers' economic security by exploring three themes: workers social and economic security; quality and accessibility of public services; relations between government, foreign and domestic capital, trade union and civil society. Five public services were targeted: health care, social care, education, public employment and prison services.

A joint ILO-PSI steering group provided ideas on the content and design of the questionnaires as well as commenting on the questionnaire drafts. This group developed an approach to measuring change over the decade 1993-2003 which was used throughout the questionnaires. Respondents were asked to assess the changes that have been taking place, in different aspects of the public sector, by assessing whether the change was a large increase (+ 30%), small increase (10-30%), stayed the same, small decrease (10-30%) or large decrease (- 30%), during the period 1993-2003. This was considered the most realistic way of getting respondents to assess the nature of changes. It is acknowledged that this is a subjective measure.

During the questionnaire development process, there was a tension between the number of issues it was considered important to gather information on and, what was considered realistic for PSI affiliates to have time and expertise to answer. The results of a pilot project showed that the concerns about the capacity of PSI affiliates were well founded. This problem was resolved by deciding to survey a sample of PSI affiliates. This sample was created using two main criteria: : general country experience of public sector reform; reforms that started pre-1999; reforms started post-1999; population size; geographical distribution within PSI regions; adequate affiliate resources.

A total of 292 questionnaires were sent out between March 2005 and July 2005 by PSI, by e-mail and post. The breakdown by type of questionnaire and by PSI regions is set out below in Table 1. The response rates by sector and region are set out in Table 2. Responses by sector and country are set out in Table 3.

**Table 2: Questionnaires sent out by service and PSI region**

PSI region	Health care services	Social care services	Employment services	Education Services	Prison services	Total
Americas	34	11	10	6	7	<b>68</b>
Africa	46	21	4	10	7	<b>87</b>
Asia/Pacific	28	7	6	4	3	<b>48</b>
Europe	32	17	17	5	18	<b>89</b>
<b>Total</b>	<b>140</b>	<b>56</b>	<b>36</b>	<b>25</b>	<b>35</b>	<b>292</b>

**Table 3: Questionnaires received by service and PSI region**

PSI region	Health care services	Social care services	Employment services	Education Sector	Prison services	Total
Americas	8 (23%)	5 (45%)	5 (50%)	3 (50%)	2 (28%)	23 (33%)
Africa	7 (15%)	4 (19%)	4 (100%)	2 (20%)	3 (42%)	20 (22%)
Asia-Pacific	9 (32%)	1 (4%)	3 (50%)	0	0	13 (27%)
Europe	8 (25%)	6 (85%)	4 (23%)	1 (20%)	1 (5%)	20 (22%)
<b>Total</b>	<b>32 (22%)</b>	<b>16 (28%)</b>	<b>16 (44%)</b>	<b>6 (24%)</b>	<b>6 (17%)</b>	<b>76 (26%)</b>

The data collected has been analysed initially in terms of the large (+30%) changes experienced over the period 1993-2003. In this paper, several key indicators for three areas of socio-economic security will be discussed.

- Income security - changes in real wages and incidence of wage arrears by service
- Labour market security - changes in legislation and increases in lay-offs by service and country
- Employment security - changes in number of jobs and types of contract with specific focus on women and disadvantaged ethnic groups

Specific groups of workers in each service were examined, to obtain a picture of how changes were experienced by level of worker and by public, private and not-for-profit sector.

**Table 4: Target occupational groups**

Sector	Occupational groups
Health care	Doctors, nurses and therapists
Social care	Institutional care workers, home care workers
Public employment services*	Supervisors, placement workers, support workers
Education	Head teachers, teachers, teaching assistants
Prison services	Prison governors, prison officers

\* Public employment services refer to services for placing unemployed people in jobs, which may be run by the public, private or not-for-profit sectors.

Respondents are represented by their country within discussions about specific sectors. In the case of labour market security, the analysis has been made primarily by country.

## PRIVATISATION OF SERVICES AND FACILITIES

One of the main aims of public sector reform is to both introduce private sector management practices, competition and private sector providers into the public sector. The processes of privatisation often start with the contracting out of services, described as the privatization of services, moving towards the actual sale and privatization of facilities.

Respondents showed that there are differences in how these processes develop, which are perhaps most strongly influenced by the type of service. In health care, social care, education and employment services, the majority of countries have experienced some level of privatisation of services. A more detailed analysis of changes in type of service delivery show there are differences between privatisation of services and privatisation of facilities, which are influenced by the nature of the activity. In health care and prison services, both requiring substantial capital investment, there was a lower rate of privatisation of facilities.

## INCOME SECURITY

It is hypothesized that income security is one of the areas of socio-economic security that is most fundamentally affected by public sector reform. A systematic undermining of collective bargaining, minimum wage agreements and wage indexing are all part of pay reforms, introduced as part of public sector reform. This section examines some of the apparent links between increases in real wages, changes in collective bargaining rights and wage arrears. It compares them to changes reported by country and public service.

Eighteen countries did not have a defined minimum salary in both 1993 and 2003. Three countries, Chile, Romania and Uganda, introduced new minimum wage legislation between 1993 and 2003. Zimbabwe was the only country to abandon minimum wage legislation after 1993.

The not for profit (NFP) sector is the sector most likely not to be covered by minimum wage legislation. Low response levels to questions about the NFP sector suggest that trade union levels of knowledge about this sector are limited in many countries.

### Real wages

Although it might be expected that countries undergoing public sector reform may have experienced significant decreases in wages, there are several countries that recorded large increases in real wages. These are recorded in countries which have strengthened collective bargaining rights as well as in countries which have not experienced strengthening of collective bargaining rights in the period 1993-2003. Rights to collective bargaining, although influential, are not the only factor to influence wage increases.

### Education services

In Tanzania, head teachers, teachers and support staff, in the public and Not For Profit (NFP) education services, experienced large increases in real wages and stronger rights to collective bargaining. In the UK, head-teachers and teachers experienced large increases in real wages in all sectors, as well as stronger rights to collective bargaining. In Kenya and Uganda, there were large increases in real wages in the private and NFP education services but no changes in collective bargaining rights.

### Public employment services

Supervisors and job placement officers received large increases in real wages, and support staff had small increases in all sectors in Uganda, Zimbabwe, Netherlands and Norway. Except for Zimbabwe, which recorded weaker collective bargaining rights, none of the three countries recorded any changes in labour legislation for this public service.

In Jamaica, supervisors, job placement officers and support staff in public employment services all received large increases in real wages and stronger collective bargaining rights. In Bulgaria,

public and private supervisors received large increases in wages and stronger collective bargaining rights. In Georgia, private and NFP supervisors received large increases in wages but there were no changes in labour legislation recorded.

#### Social care services

In Uganda and Kenya, social care institutional and home care staff, in both the private and NGO sectors, had large increases in real wages. Uganda had stronger rights to collective bargaining in the social care services, during this period. In Japan, there were large increases in real wages, for both institutional and home care workers, in the private sector, but no changes in collective bargaining legislation.

#### Prison services

Canada recorded stronger rights to collective bargaining for prison services and in addition, prison governors and prison officers in the private sector had large increases in real wages.

#### Health care services

In public health care services, doctors, nurses and therapists received large increases in real wages in Chile, Belarus and South Africa. Although South Africa recorded stronger collective bargaining rights, Chile recorded weaker collective bargaining rights but had introduced a minimum wage since 1993. In Malaysia, there were large real wage increases for doctors in the public sector. Neither Belarus nor Malaysia had recorded changes in collective bargaining rights.

In France, Kenya and Kazakhstan there were large wage increases for doctors and therapists, in the public, private and NFP sectors. Kenya and Kazakhstan recorded large increases in real wages for nurses, in all sectors.

Tajikistan experienced large increases in real wages for doctors, nurses and therapists, in the private sector. In Korea and India there were large increases in real wages for private sector doctors. In the Philippines, there were large increases for doctors, nurses and therapists in the private and NFP sectors.

In contrast, health care staff and education staff in Argentina, all experienced large decreases in real wages, in the public and private sectors. This might be a reflection of the economic crisis that affected the country in 2001. Both these sectors recorded increases in working time, weaker rights to collective bargaining and lower or restricted pensions. In Brazil, doctors, nurses and therapists all experienced large decreases in real wages during the period 1993-2003, similarly recording more working time and lower or restricted pensions.

Some public service workers received large wage increases in the period 1993-2003. In some countries this was accompanied by stronger collective bargaining rights. There are also signs that private and not-for-profit sector workers also experienced large wage increases, which may be a reflection of the shift of resources into the private and non-for profit sectors. Workers are encouraged to move out of the public sector, with the prospect of higher, regularly paid wages. Although, as the next section shows, wage arrears are not just a characteristic of the public sector.

#### **Wage arrears**

The table below (Table 4) shows the extent of widespread wage arrears by country and public services. Wage arrears are found in both the public and private sectors and to a lesser extent the NFP sector. There is an increase in the number of countries where there are wage arrears between 1993 and 2003. The most widespread wage arrears in both 1993 and 2003 were found in Tanzania and Uganda in the public, private and NFP sectors in education services, in public employment services in Tanzania, and in the health care services in the Philippines.

Several countries showed widespread wage arrears in both 1993 and 2003. Kenya, Tanzania and Uganda show widespread wage arrears in the public sector and there were extensive wage

arrears in both the public and private sectors in the employment services and health care services.

**Table 4: Countries with widespread wage arrears in 1993 and 2003**

Countries in bold = widespread wage arrears in both 1993 and 2003

1993	Public sector	Private sector	Not for Profit (NFP)
Health care	<b>Togo, Tajikistan</b> Belarus, Kazakstan <b>Kenya, Uganda</b> <b>Philippines</b>	<b>India, Philippines</b> Chile, Argentina	Tajikistan <b>Philippines</b>
Social care	<b>Uganda, Kenya</b> Tanzania Serbia, Bulgaria	<b>Czech Republic</b>	
Employment Services	<b>Philippines</b> <b>Georgia</b> <b>Tanzania</b>	<b>Norway, Bulgaria</b> <b>Netherlands,</b> Georgia <b>Philippines</b> <b>Tanzania</b>	Georgia <b>Tanzania</b>
Education services	<b>Kenya, Uganda, Tanzania</b> Nicaragua, Argentina	Argentina <b>Uganda, Tanzania</b>	Argentina <b>Uganda,</b> <b>Tanzania</b>
Prison services	<b>Uganda, Kenya</b> <b>Tanzania</b>		

2003 Wage arrears	Public sector	Private sector	NFP
Health care	<b>Uganda</b> <b>Kenya</b> Togo <b>Philippines</b>	<b>Chile</b> Argentina India <b>Philippines</b>	<b>Philippines</b>
Social care	<b>Uganda</b> <b>Kenya</b> <b>Tanzania</b>	<b>Czech Republic</b>	
Employment services	<b>Philippines</b> Netherlands <b>Georgia</b>	<b>Norway</b> <b>Philippines</b> <b>Bulgaria</b> <b>Netherlands</b>	
Education services	<b>Kenya, Tanzania, Uganda</b> <b>Nicaragua</b>	<b>Tanzania, Uganda</b>	<b>Tanzania, Uganda</b>
Prison services	<b>Uganda</b> <b>Kenya</b> <b>Tanzania</b>		

There are several countries that record both widespread wage arrears and large real wage increases. Education services in both Tanzania and Uganda recorded increased wages but also continued with widespread wage arrears. Tanzania experienced large increases in real wages, for all types of workers in education services and had widespread wage arrears, in the public, private and NFP sectors. In Uganda, the private and NGO sectors reported large wage increases but continued wage arrears.

Within employment services, there are large increases in wages for private sector supervisors in Norway and the Netherlands but these two countries also reported widespread wage arrears in the private sector.

In the Philippines, there were large increases in real wages for doctors, nurses and therapists, in private and NFP services, but these services also reported widespread wage arrears. In



Argentina, there were large decreases in the real value of wages for health workers in private health care services, which also reported widespread wage arrears in 1993 and 2003.

This indicates that although there have been large increases in the real value of wages, it does not mean that workers in these sectors actually received these wage increases regularly. The incidence of strong collective bargaining rights does not necessarily lead to increased wages being paid.

## **LABOUR MARKET SECURITY**

Labour market security is affected by public sector reforms in several ways. The hypothesis is that the size of the public sector workforce is reduced and in many parts of the public sector, the lowest paid workers, often women, are disproportionately affected by job reductions. The number of workers involved in delivering public services through the private and non-profit sector increases.

### **Legislative changes**

Part of the process of public sector reform is facilitated by legal changes in often long-established labour legislation. Many countries have changed labour legislation in order to facilitate the use of non-union labour and temporary workers and lay-off workers.

Direct changes in labour legislation are one of several factors that influence the numbers of workforce being laid-off. Some of the changes in the number of lay-offs also need to be related to changes in privatisation of services and facilities. These also vary according to type of public services. A series of short country case studies, that follow, show some of the relationships between changes in labour legislation, trends in service provision, and the share of older people and women in the workforce.

#### Argentina

There have been changes in labour legislation in Argentina, which has made it easier to layoff workers and to use non-unionised labour and temporary labour. In the health care services, Argentina recorded large increases in lay-offs of doctors, nurses and therapists in the private sector. Argentina also recorded a large decrease in services provided by the private healthcare sector. These two changes in the private sector are related to the 2001 economic crisis, which reduced the financial resources available for people to pay for private health care.

There was a small increase in the share of older workers in the public sector workforce but a small decrease in older workers in the private sector workforce. There was a large increase in the share of women as doctors, nurses and therapists in the workforce for all sectors. These changes need to be explored in more detail.

In education services, the number of people being laid-off stayed about the same but there was a small increase in the share of older workers in the workforce. The share of women workers remained about the same.

#### Brazil and Chile

Brazil and Chile both introduced new legislation to make it easier to lay off workers and use temporary labour. In Brazil, in public health care services, there was a small decrease in the number of doctors, nurses and therapists being laid-off, but the numbers remained about the same in the private health care services. In the NFP health care services, there was a slight increase in lay-offs. In Brazil, there has been a small increase in the share of older people as doctors, nurses and therapists, in the public sector, but, the share of older people in the private and NFP sectors remained the same. The share of women in the workforce for doctors, nurses and therapists, in all sectors, showed a small increase.

Chile reported that lay-offs in the public sector for doctors, nurses and therapists remained the same for the period, 1993-2003. There was a small increase in the proportion of older people in public health care workforce. The share of women in the workforce showed a small increase in public health care services and a large increase in both the private and NFP health care services.

There are some significant differences in the balance of services provided by the public, private and NFP healthcare sectors between Chile and Brazil. In Chile, the public and private sectors are significant providers. The increase in the share of women in the private and NFP sectors, in Chile, might be interpreted as a sign that these sectors are expanding. In Brazil, the public and the NFP sectors are significant providers. The higher rate of lay-offs in the NFP sector may be interpreted as influencing levels of service provision. Both countries have ageing populations and the slight increase in older people in the public sector reflects this.

### Canada

Canada experienced significant changes in labour legislation that made it easier to lay off workers, use non-unionised labour and temporary labour. Canada reported that lay-offs in the public health care services remained the same for doctors, nurses and therapists. For the private and NFP services, there were small increases in the number of lay-offs for doctors, nurses and therapists. This suggests that changes in labour legislation, which undermine the position of workers, may have a greater influence on the practice of the private and NFP sectors.

In education services, the numbers of teachers being laid off remained about the same but, the share of older people in the workforce in education services showed a large increase, in the period 1993-2003. The share of women in public education services remained about the same.

In public employment services, the number of lay-offs in the public sector remained about the same for all occupational groups. There was a large increase in the share of older people as supervisors in the public sector and, a small increase in older people as job placement officers and support staff. There was a large increase in the share of women as supervisors, with the share of women as job placement officers and support staff remaining the same.

In social care services, there was a small increase in institutional workers in all sectors being laid-off but a small decrease in workers being laid-off in the home care sector. This may reflect the move from institutional care to home care, which is a policy shift that has been recorded in Canada as well as other high income countries with ageing populations. The share of older people in the institutional social care sector increased slightly but stayed about the same in the home care sector. This partly reflects the ageing society but a relationship between increases in lay-offs and increased share of older people in the workforce, seems to be emerging. The social care workforce in Canada is made up predominantly of women and this has stayed about the same in the last decade.

### Spain

Spain changed labour legislation so that it is easier to lay off workers and use non-union labour in the healthcare sector in the period 1993-2003. It also recorded small decreases in the layoff of doctors, nurses and therapists in all sectors. This may be interpreted as a reflection of the expansion of services provided by the public sector and a large increase in foreign owned firms providing services in the private sector. In this context, changes in service provision have had more of an impact on the pattern of lay-offs than changes in legislation.

In health care services, the share of older people working as doctors in the public sector stayed about the same but the share of older people working as nurses and therapists decreased slightly. The share of women as doctors and nurses stayed about the same, in all sectors, but the share of women as therapists showed a large increase in the public sector, and a small increase in the private and NFP sectors. This may also relate to an expansion of these services, as part of the modernisation of the Spanish healthcare system.

### Bulgaria

Bulgaria recorded changes in labour legislation that made it easier to lay off workers in the public employment services and social care services. This was reflected by large increases in lay-offs in both social care services and public employment services. There were large increases in lay-offs in public sector institutional social care services, and a larger share of older workers in the institutional sector, suggesting that younger people were being made redundant.

In public employment services, there were large increases in lay-offs of all occupational groups in the public sector and also large increases for job placement officers and support staff in the private sector. The share of older workers as supervisors in the labour force decreased a little in the public sector. In contrast, there was a large decrease in both public and private sectors of the share of older people as job placement officers and support staff. This suggests different dynamics between lay-offs and age in employment services than in social care services. The share of women in the public and private employment services showed a slight increase.

### Tanzania

Tanzania has experienced changes in labour legislation, which have affected the use of non-union labour, the use of temporary labour and made it easier to lay off workers in several parts of the public sector. It has also recorded large lay-offs in education services, employment services and social care services.

In education services, there were small increases in lay-offs in the public sector and large increases in lay-offs in the private and NFP sectors. Alongside these changes, there have been large increases in the share of older people as head teachers, teachers and support staff in all sectors, suggesting that younger people are being laid off. There was an increase in the share of women working in education services, suggesting that women's participation in the labour force is expanding.

In public employment services, there has been a large increase in lay-offs in the public sector for supervisors, job placement officers and support staff and a small increase in lay-offs for all these occupational groups, in the private sectors. The share of older people as supervisors and job placement officers has shown a small decrease and the share of older people as support staff has shown a large decrease. Once again there appears to be a relationship between increases in lay-offs and decreases in the share of older people in the workforce. The share of women as supervisors shows a large increase in all sectors. There was a small increase of women as job placement officers and support staff, in all sectors. The expansion of women in the workforce can be seen in both education and employment services.

In social care services, there has been a large increase in the share of workers laid-off in the institutional public sector and private home care sector. The share of older workers in the public institutional and public home care sector increased slightly. The share of women in institutional care, in all sectors, showed a small increase but the share of women in home care stayed about the same. Rather than reflecting an increase in women's participation in the labour force, social care is more likely to have had a high level of women's participation already.

### Kenya

Kenya did not record significant changes in legislation in health care services that made it easier to lay-off workers or take on temporary staff. It did record a change from public to private, commercial, local services. Lay-offs for doctors and nurses stayed about the same in both the public and private health care services. However, there was a large increase in lay-offs of therapists in the public, private and NFP sectors.

There were large increases in the share of older workers in the workforce of the private and NFP sectors but large decreases in the share of older workers in the public sector. This suggests that although there were little changes in lay-offs in the public and private health care services, there was a significant movement of older doctors, nurses and therapists from the public sector

to the private and NFP sectors. At the same time, large increases of women doctors were recorded in the public, private and NFP services, an indication of the greater participation in the labour force by women, but accompanied by large decreases of women nurses and therapists, in all three sectors. These decreases may be explained by increased international migration from Kenya to higher income countries.

Kenya recorded a large increase in lay-offs for employment services supervisors in the private sector, and for job placement officers and support workers in both the public and private sectors. There was a large decrease in the number of support workers laid off in the public, private and NFP sectors. Although there were no changes in national labour legislation that affected ability of employers to make workers redundant, Kenya was one of the few countries to report a change from private commercial owned local services (employment services) to public services, suggesting a reorganisation of public employment services. There were also significant increases in the share of both older people and women in the workforce for all sectors and all categories.

In education services, the share of head teachers, teachers and support staff being laid-off showed large increases in the public sector but stayed about the same in the private and NFP sectors. There were also large decreases in the share of older workers in the public sector but large increases in the share of women in all levels of the sector. Kenya reported an increase in foreign firms involved in delivery of education services.

In social care, the share of the workforce being laid off stayed about the same. The share of older people in institutional care and home care in the public sector showed a large increase. The share of women in the private and NFP sectors showed a large decrease.

#### Kazakhstan

There were large increases in the extent of public health care services as well as a small increase in private and NFP health care services reported in Kazakhstan. There was also a small increase in the share of private health care services provided by foreign owned firms. However, Kazakhstan also reported a large increase in lay-offs in doctors, nurses and therapists in the public health care service and a small increase in lay-offs in all three occupational groups, in the private sector. This does not relate directly to changes in labour legislation, affecting the health care sector, but there were increases in the privatisation of both health care services and facilities reported.

The large lay-off of staff in the public sector and the small increase in the private sector may be explained by a health sector reform programme that has attempted to change the focus of health services provision, towards a 'mixed' arrangement with public, private and NFP providers, which also involves changes in health care personnel.

#### South Africa

South Africa was the only country reporting a change from private, commercially owned services to public services, more specifically, primary healthcare services. The rate of lay-offs in the public sector remained about the same but there were large increases in lay-offs of therapists in both the public and private sectors in healthcare. There were also small increases in lay-offs of doctors and nurses in the private sector. This suggests that private health care services did not expand during the period 1993-2003.

#### **Conclusion**

Large increases in the number of workers laid off were recorded in many countries. The lay-offs were often in more than one type of public service. They occurred both where there had been changes in labour legislation and in countries where there had no legislative changes. However, there are also indications that there are some relationships between lay-offs and the share of both older people and women in the labour force. In some countries, younger people are being laid off, leaving an older workforce. In other countries, older people are moving into the private

and NFP sectors. The participation of women in the labour force is also increasing in several countries.

## EMPLOYMENT SECURITY

One of the assumptions about public sector workers that has informed public sector reform, is that their terms and conditions are inflexible, which results in higher labour costs and difficulties in changing ways of working. A number of measures have been introduced to the public sector to make the workforce more 'flexible'. These include changes to types of contracts and outsourcing of services. This chapter examines the relationship between changes in the number of jobs and changes in types of contracts as a way of assessing the extent to which the 'flexibility' of public sector workers have changed.

The findings show that countries have experienced both large increases and large decreases in number of jobs in public, private and NFP sectors in several public services. The outsourcing of jobs affects all services and sectors and almost all countries reported either, increases in outsourcing or, levels of outsourcing remaining the same. Outsourcing of jobs had taken place in public, private and NFP sectors in all types of public services. Both large increases and large decreases in the number of permanent contracts were reported.

### Health care services

In France, there were large increases in the number of jobs in all sectors of healthcare. In Sweden, there was a large increase in jobs in the public healthcare sector. In Canada and the Czech Republic, there were large increases in the private healthcare sector. In Chile and Kenya, there were large increases in the number of jobs in the private and NFP healthcare sectors but also a large increase in permanent contracts in the public sector. Togo reported large increases in permanent contracts in the private sector.

In Chile and Kenya, there was a large increase in the number of permanent contracts in the public healthcare sector. Chile, Spain, Kenya and South Africa reported a large increase in the share of women with permanent contracts in the public healthcare sector. In Kenya, there was also a large increase in the share of women with permanent contracts in the private and NFP healthcare sectors. In Tajikistan and South Africa there were large increases in the share of disadvantaged ethnic groups in all sectors in healthcare. In Kenya, there was a large increase in the share of disadvantaged ethnic groups with permanent contracts in the public, private and NFP sectors.

Belarus and Kazakhstan reported large decreases in permanent contracts in the public sector. Argentina, Canada and India reported large decreases in the number of permanent contracts in the private and NGO sectors. Czech Republic, Bulgaria and Uganda reported large decreases in permanent contracts in the private sector. In Belarus and Uganda there was also a large decrease in women's share of permanent contracts in the public, private and NFP healthcare sectors. In Uganda, there were large decreases in the share of disadvantaged ethnic groups with permanent contracts in the public, private and NFP healthcare sector.

Chile, Argentina, Korea, Sweden, Belarus, Kazakhstan, Togo and India all reported large increases in the use of short-term contracts in the public sector. Chile, Argentina, Korea, Sweden, Togo and Kazakhstan all reported large increases in the use of short-term contracts in the private sector. Kazakhstan also reported large increases in short-term contracts in the NFP sector.

Chile, Argentina, Brazil, Kenya, Belarus, and Kazakhstan reported a large increase in women's share of short-term contracts in the public healthcare sector. Argentina and Kenya reported a large increase in women's share of contracts in private health care services. Kenya also reported large increases in women's share of short-term contracts in NFP services. Brazil and

Kenya reported a large increase in the share of disadvantaged ethnic groups with short-term contracts, in public health care services.

Uganda reported large decreases in short-term contracts in the public and NFP sectors. South Africa reported a large decrease in the use of short-term contracts in the private healthcare sector. India reported a large decrease in the share of disadvantaged ethnic groups, with short-term contracts, in the NFP healthcare sectors.

The Czech Republic, Kazakhstan, Tajikistan, Bulgaria and South Africa experienced large decreases in jobs in public sector health care services. Only Argentina and Togo experienced a large decrease of jobs in the private healthcare sector. Tajikistan recorded a large decrease in the NFP health care sector.

Spain, Sweden, Chile, Kenya, India and Togo reported large increases in outsourcing of jobs in the public sector healthcare sector. Chile, Kenya, India, Philippines and Togo reported large increases in outsourcing in the private healthcare sector. Uganda and the Philippines reported a large increase in outsourcing in the NFP healthcare sector.

### Employment services

Only one country, Bulgaria, reported large increases in the number of jobs. This was in private employment services. Several countries reported large increases in permanent contracts, for example, the Netherlands, US, Uganda, Philippines reported a large increase in permanent contracts in the public employment services. In Tanzania, there was a large increase in the number of permanent contracts in private employment services.

In Jamaica there was a large increase in the share of women with permanent contracts in the public employment services sector. In Kenya, Jamaica and the Netherlands there was an increase in women with permanent contracts in the private sector. There was also an increase in the share of women with permanent contracts in the NFP employment services sector.

Georgia experienced a large decrease in jobs in public employment services. Uganda, Georgia and Kenya reported large decreases in permanent contracts in public services. Kenya and Georgia also reported large decreases in permanent contracts in private services. Georgia also reported large decreases in permanent contracts in NFP services. Georgia also reported that there were large decreases in the share of women and disadvantaged ethnic groups holding permanent contracts in public, private and NFP employment sectors.

The United States, the Philippines and Uganda reported large increases in the use of short term contracts in public services. Kenya, Netherlands, Tanzania, Philippines and Bulgaria reported a large increase in short term contracts in private services. Kenya also reported a large increase in short term contracts in NFP services.

Kenya, Tanzania, Jamaica and Georgia recorded large increases in the share of women, with short-term contracts, in all sectors. Netherlands also recorded a large increase of women with short-term contracts in the private sector. Kenya, Tanzania and the Netherlands recorded large increases in the number of short-term contracts in the private sector, which suggests that women have taken on many of these new short contracts. In Kenya, there has been a large increase in the share of disadvantaged ethnic groups, with short term contracts, in NFP employment services.

Outsourcing of jobs was widespread in employment services. Uganda, Tanzania, Netherlands, Singapore and Zimbabwe reported large increases in outsourcing of jobs from the public employment services. Bulgaria, Uganda, Tanzania, Kenya and Zimbabwe reported a large increase in outsourcing in private employment services. Kenya and Zimbabwe reported large increases in outsourcing in NFP services.

### Prison services

The Netherlands was the only country to report large increases in the number of jobs in the public and NFP sectors in prison services. There were also increases in permanent contracts in both sectors. In Kenya, there was also an increase in permanent contracts in the public sector although not an expansion in jobs. In Tanzania, a large decrease in short-term contracts in the public sector prison services was reported.

In Kenya, there was a large increase in the share of women with permanent contracts in public prisons services. In the Netherlands, there was a large increase in the share of women and disadvantaged ethnic groups with permanent contracts in NFP prison services. There were also large increases of disadvantaged groups with permanent contracts in the public prison services. Both these countries and sectors reported large increases in permanent contracts. The Netherlands reported a large increase in short term contracts for disadvantaged ethnic groups in public and NFP prison services.

Canada and Netherlands reported a large increase in outsourcing in the public sector prison services.

### Education services

In Kenya and Tanzania there were large increases in the number of jobs and the number of permanent contracts in all education services. Kenya and Tanzania reported a large increase in the number of permanent contracts in the public education sector. Tanzania reported a large decrease in short-term contracts in public education services. In Kenya and Tanzania, there was an increase in the share of women with permanent contracts, in public education services. In Tanzania, there was a large increase in the share of disadvantaged groups with permanent contracts in the public education. In Kenya, there was a large increase in the share of disadvantaged ethnic groups with permanent and short-term contracts in the public, private and NFP education services.

Kenya also reported large increases in permanent contracts in private education services. In Uganda, there were large increases in jobs in NFP education services, also accompanied by large increases in permanent contracts.

Canada and Nicaragua reported a large increase in short term contracts in public education services. Tanzania, Kenya and Nicaragua reported a large increase in short-term contracts in private education services. Uganda and Nicaragua reported large increase in short term contracts in NFP education services.

Argentina, Nicaragua and Kenya showed a large increase in the share of women with short-term contracts in public education services. Kenya, Argentina, Nicaragua and Tanzania also recorded a large increase in women's share of short-term contracts in private education services. Uganda, Tanzania, Kenya and Nicaragua recorded large increase in women's share of short-term contracts in NFP education services.

Tanzania, Nicaragua and the UK reported large increases in outsourcing of jobs in all sectors of education.

### Social care services

Large job increases reported in social care were all in private or NFP services, not public social care services. In Uganda, Kenya and Tanzania there were increases in private and NFP social care services. Kenya and Tanzania reported a large decrease in permanent contracts in the private and NFP sectors. In Tanzania, there was a large increase in the share of disadvantaged groups with permanent contracts in public social care services. In Kenya, there was a large increase in the share of disadvantaged ethnic groups with permanent contracts in the public, private and NFP social care services. This can be seen as a sign of more people from disadvantaged ethnic groups moving into the workforce.

The experience of the Czech Republic, shows the extensive changes taking place that are affecting the socio-economic security of the social care labour force. There were large increases in jobs in private sector social care, as well as large increases in outsourcing of social care services. There was a large decrease in the share of permanent contracts held by women in the private social care sector. There were also large decreases in the share of disadvantaged ethnic groups, with short-term contracts, in both public and private social care services. There were large decreases in the share of disadvantaged ethnic groups with permanent contracts in public and private social care services.

Serbia and the US reported a large increase in permanent contracts in the public sector. Bermuda and Japan reported a large increase in contracts in the private and for Bermuda in the NFP sectors. In Japan, there were large increases of jobs in NFP social care services, accompanied by increases in permanent contracts.

In social care, Uganda, Sweden and US reported a large increase in short term contracts in public social care services. The Czech Republic, Bulgaria, Kenya, Sweden and Japan reported a large increase in short term contracts in private social care services. Kenya and Japan also reported large increases of short contracts in NFP social care services.

In Uganda and Bermuda, there was a large increase in the share of women with short-term contracts in public social care services. There were also large increases in Uganda, Bermuda, Kenya and the Czech Republic in private social care services. Uganda, Bermuda, Kenya also increased the share of women with short-term contracts in the social care sector. In Kenya, there has also been a large increase in the share of disadvantaged ethnic groups, with short-term contracts, in the public, private and NFP social care sectors.

Some countries also experienced large decreases in the number of jobs, many in public social care services. In the Czech Republic, Bulgaria, and Tanzania there were large decreases in the number of jobs in public social care services.

The US and Sweden reported a large increase in outsourcing in public social care services. Uganda reported large increases in outsourcing in all sectors. Tanzania reported outsourcing in public and private services. Bulgaria was one of the few countries to report a large decrease in the use of outsourcing in public social care services.

## Conclusion

Changes in the number of jobs and changes in types of contracts can be interpreted in several ways. In some countries there have been increases in the number of jobs and increases in permanent contracts. There are even links to an increase in the proportion of women and disadvantaged ethnic groups with permanent contracts.

Many countries have also recorded increases in the number of short term contracts. This can be seen as an increase in the 'flexibilisation' of the workforce. In some cases this has meant that more women and disadvantaged ethnic groups have short term contracts, suggesting that although they are present in the labour force, they have less stability.

## CONCLUSION

The effects of public sector reform on public sector workers, as seen through changes in income security, labour market security, employment security, show that there are some broad trends, which support initial hypotheses on the impact of public sector reforms. However, some of the findings of this survey also show that there is a more nuanced picture of how public sector workers are experiencing public sector reform. Some regional trends can be identified.



Some of the most interesting findings relate to both increases in jobs and in permanent contracts. Kenya, Tanzania and Uganda report these changes in some of their public services. This is a direct contrast to the policies of the World Bank and International Monetary Fund that have recommended limiting the size and scope of the public sector.

In other countries, increases in the share of women with permanent and short term contracts can also be seen as women achieving a stronger position in the labour force. There are indications that there has been an expansion of women workers in the workforce of several public services in different countries. In others, they have felt the impact of downsizing and have a smaller proportion of both permanent and short term contracts. There is a similar picture for disadvantaged ethnic groups. In some countries, their share of permanent contracts has increased as has their role in the workforce, in others; their share of permanent contracts has declined.

The use of outsourcing in the public, private and NFP sectors in all public services is expanding or at least remaining the same, throughout the world. This is a significant trend that does not appear to be diminishing and will continue to have an impact on public sector workers.

In almost all countries surveyed, the position of workers in the public sector has changed over the past decade. In many countries, the changes are detrimental to public sector workers. In some countries, workers have experienced large increases in wages even if these increases are not always paid. There have been increases in permanent contracts for parts of the workforce. Changes need to be understood in relation to changes in legislation and the types of privatisation. This expansion of private and NFP providers is also a significant factor in altering income, labour market and employment security.

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7 April 2006

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