



# KEY FINDINGS

## THE COLOUR OF PRIVATIZATION:

A CUPE REPORT ON THE IMPACTS OF PRIVATIZED AND FOR-PROFIT SERVICES ON INDIGENOUS, BLACK AND RACIALIZED WORKERS AND COMMUNITIES



**Driven by the desire to make massive profits, the private sector has pushed for privatization of public services in Canada. In this report, CUPE reveals the negative consequences of privatizing public services and basic living needs for Indigenous, Black and racialized workers and their communities—a population who already faces economic disparities due to historical and ongoing injustices against them.**

This report uses five case studies featuring qualitative data from semi-structured interviews, surveys, and a focus group to document the impacts of privatization on Indigenous, Black and racialized CUPE members and their communities. Participants were asked to share their stories of experiencing privatization first-hand in their workplaces and communities. The report exposes how privatization drives down wages and creates exploitative working conditions for these workers. It also reduces the quality of services for their communities while enriching the pockets of for-profit corporations and their shareholders.

## **PAY AND BENEFITS**

Privatization results in significantly lower wages and reductions to health benefits, pensions, and paid time off. When Black, Indigenous and racialized CUPE members' jobs were contracted out, they took a hit to their wages and benefits. They received higher pay and enhanced benefits when working in house for a public sector employer.

## **WORKING CONDITIONS**

CUPE members reported harsh working conditions and heavy workloads while employed by private contractors due to chronic understaffing and increasing work demands from management. However, some members found that when their work was brought back in house, their working conditions stayed the same or they experienced minor positive changes.

## **JOB SECURITY**

Indigenous, Black and racialized CUPE members expressed concern about their lack of job security when working for private contractors. The private contractors do not guarantee long-term job stability, and when they flip contracts, workers experience uncertainty about whether they will be rehired. In contrast, members said they feel more secure when they work for a public sector employer.

## **HARASSMENT**

Most CUPE members revealed unsettling experiences of gender-based harassment, racial discrimination and favouritism when they were employed by private contractors. Yet, some argue that public sector employers need to improve their managerial practices as well since members also experience racism and sexism in public workplaces.

## **IMPACT ON COMMUNITIES**

Members reported that their working conditions impact the communities they serve. When public services are delivered in the interest of profit, it negatively impacts the quality of services for the community. Indigenous, Black and racialized communities are also struggling to access basic living needs such as housing. The financialization of housing has resulted in an affordability crisis for these communities.

# RECOMMENDATIONS

## ALL LEVELS OF GOVERNMENT MUST DO WHAT THEY CAN TO STOP PRIVATIZATION AND IMPROVE PUBLIC SERVICES

1. Governments and public sector employers must stop the privatization of public services. Halting the privatization of public services, especially the contracting out of work, would reduce the inequities experienced by Indigenous, Black and racialized workers.
2. Governments should protect the rights of workers and put a stop to the race to the bottom in wages and working conditions that privatization provokes, by expanding successorship rules (which keeps the union and their collective agreement in place) to cover contracting out and contract flipping in public services.
3. The federal government must update the National Housing Strategy to be compliant with the right to adequate housing. In addition, the federal government should: establish national standards for tenant protections; create acquisition funds for non-profit and co-operative housing; and end the tax loophole for Real Estate Investment Trusts.
4. Statistics Canada, public sector employers, and government contractors should collect and provide disaggregated data on Black, Indigenous and racialized workers and their compensation, benefits and working conditions.



## CUPE SHOULD CONTINUE ITS COMMITMENT TO ANTI-PRIVATIZATION, EQUITY, AND ANTI-RACISM

1. CUPE should strengthen its anti-privatization strategy to better challenge the privatization of public services and ensure our anti-privatization campaigns, communications and bargaining priorities are informed by the lived experiences of Indigenous, Black and racialized members.
2. CUPE should prioritize collecting data on Black, Indigenous and racialized members working for public and private employers including their compensation, benefits, and working and living conditions.
3. CUPE should continue to bargain collective agreement language related to anti-privatization, equity, and anti-racism, aim for wage parity between members in public and private sectors, and develop bargaining language related to the housing needs and rights of its members.

Other goals related to equity and anti-racism are outlined in CUPE's Anti-Racism Strategy.

