

Cleaned Out

Outsourcing at Wits University

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August 2001

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Lucien van der Walt, David Mokoena and Sakhile Shange consider the consequences of the retrenchments at Wits University, South Africa, in 2000 and their link to neo-liberal anti-working class restructuring

On 2 July 2001, Norma Reid replaced Colin Bundy as vice-chancellor at the University of the Witwatersrand. Her appointment takes place a year after the retrenchment of 613 support service staff. This amounted to a quarter of Wits' 2377 employees. This massive layoff was part of the ongoing, and controversial, Wits 2001 restructuring programme.

In this article, we examine the consequences of Wits 2001 for the 613 retrenched workers, and consider whether Reid will redress the situation.

Origins of the programme

In 1999, Wits employed a team of consultants, the University Management Associates (UMA). UMA had to investigate options for restructuring the university's support services. It completed the Support Services Review, which cost R4,5-million, by early 2000.

At the same time, a Task Group on Restructuring investigated academic restructuring. On 27 September 1999, the Task Group took its recommendations to the University's Senate.

The Task Group argued for the rationalisation of academic structures. It proposed that the existing nine faculties merge into six headed by executive deans, and that the existing 99 departments collapse into 40 schools. The Senate recognised that it was 'probable' that the rationalisation 'could have staffing implications'.

Two days later, the University's Council established an Academic Restructuring Review Committee to take the Task Group's recommendations forward. This Committee's brief included the size of academic entities, appropriate staffing levels, and staff: student ratios. The University would implement the recommendations over three years.

At faculty level, Academic Planning and Restructuring Committees would propose measures for implementing the restructuring, which the new executive deans would implement.

The programme

In October 1999, Wits announced that a team was in place to coordinate the Support Services Review and academic restructuring through a programme called Wits 2001. This programme was designed to reposition and restructure the university to meet the educational challenges of the 21st century.

What would the new Wits look like? The 1999 strategic plan argued that Wits should be able to compete for funding, staff and students with other universities. Wits also had to become more cost-conscious and less reliant upon external funding. It would do this by finding new sources of funding. These include a 'university company' to generate income from intellectual property and entrepreneurial activities across the university.

Wits 2001 was perfectly consistent with the ANC's macro-economic plan, GEAR. GEAR advocates 'reductions in subsidisation' to higher education and 'greater private sector involvement'.

Focussing on ‘core’ activities

On 25 February 2000, UMA presented the key recommendations of the Support Services Review to the University’s Council. The main idea of the recommendations, already endorsed by central management, was to outsource five major support services: cleaning, catering, maintenance, grounds and transport.

According to UMA, this restructuring would save Wits about R30-million over five years. (UMA later increased this to R68 million, with no explanation for the revision). The restructuring would also bring in new management expertise, improve services and free up money for Wits’ ‘core’ activities: the potentially more profitable areas of research and education.

UMA cynically claimed that support workers would actually benefit from outsourcing. UMA argued that outsourcing would provide ‘greater career opportunities, training and accreditation’ as well as ‘a degree of employment stability’ when contractors reemploy the workers.

UMA, had to admit, however, that outsourcing had ‘human resources implications’. It meant closing down the existing support services, and retrenching all the staff.

Council approved the recommendations, and voted, in effect, to retrench 613 support service workers on 30 June 2000.

The union

A hard-fought and principled campaign was launched against the retrenchments.

NEHAWU, representing the affected workers, refused to agree to the retrenchments. The union took the matter to arbitration, arguing that the university did not consult it properly. The case is currently heading for the Labour Court.

NEHAWU’s media officer, Moloantoa Molaba, insisted the union would ‘never allow a destruction of a public asset in the narrow sectarian interests of privatisation’. NEHAWU members picketed the university on a daily basis, and held several protest marches and meetings.

Protest

Students and academics held several mass meetings about the retrenchments. The Lesedi Socialist Study Group held two meetings, whilst South African Students’ Congress (SASCO) held meetings and marches in February and June. SASCO, the Postgraduate Association and the Students Representative Council also occupied Bundy’s office on 20 June.

Splits appeared amongst the academics. The Academic Staff Union of Wits University [ASAWU] agreed to the support staff retrenchments – these did not affect its own members.

However, a ‘concerned academics group’ organised several meetings against Wits 2001. The ‘concerned academics’ also developed a detailed critique of the Support Services Review. They argued that its proposals were biased, ill-informed and would entrench apartheid inequalities as black and women workers would be the main victims.

The ‘concerned academics’ presented their critique to a special session of Council on 2 June 2000. The Council did not give the academics real rights to participate and rejected the critique. Significantly, it was Saki Macozoma, ANC national executive member and then-director of Spoor-net, who rallied Council to continue with the outsourcing.

Retrenchment

And so, on 30 June 2000, Wits retrenched 613 workers. By the end of the year, more than 30 academics were also flushed out of the system, mainly through early retirement and the freezing of posts.

There was one consequence for Bundy's administration. In July 2000, Wits University and the Greater Johannesburg Metropolitan Council co-hosted the international 'Urban Futures' conference.

It attracted substantial protests from the newly formed Anti-Privatisation Forum (APF). The APF is a merger of the Anti-iGoli 2002 Forum, a coalition opposed to the city's iGoli 2002 privatisation plan, and the Wits University Crisis Committee, opponents of Wits 2001.

Living with WITS 2001

Bundy's administration, like the UMA consultants, practically presented the retrenchments as a favour to workers. Bundy insisted Wits was providing 'generous severance packages' and a 'comprehensive social plan' to ease the impact of the retrenchments. Despite NEHAWU's pending legal action, Bundy also claimed the support service restructuring had been 'highly consultative'.

Of course, Bundy, who earned R59000 per month plus benefits, was not being retrenched. This made it easy for him to dismiss the concerns of workers and to describe the restructuring as 'no gain without pain'. The pain, after all, was not his.

Wage cuts

In our interviews with support service staff affected by restructuring, we uncovered the real pain.

It is true, as Bundy claimed, that the outsourcing companies reemployed several hundred retrenched workers. However, Bundy failed to mention the conditions under which these workers were re-employed.

As Wits employees, cleaning staff earned R2227 per month. They had access to the university's medical aid scheme and pension fund, and staff loans. Like all Wits employees, their children were entitled to study at the university for free. Workers employed by Supercare, the outsourced cleaning company, told us that they now earn R1200 per month – and this without any benefits.

This represents an enormous impoverishment of working class people. 'We are desperate. ' a cleaning worker told us. 'We are so unhappy. How can we make ends meet?'

Another worker from KwaZulu-Natal, as the sole breadwinner, sends money back to his family. These wage cuts, however, mean that it is difficult to support his family and cover his living costs in Gauteng.

A similar situation exists in the catering section. Wits workers could earn slightly over R3000 per month, in addition to Wits' benefit schemes. When Fedics took over the catering department, workers' wages decreased sharply. In the main canteen, the wages fell to R1200 in 2000, and benefits disappeared. In early 2001, as La Dulce took over, wages decreased further to R1000.

So desperate are the workers that they have nonetheless chosen to continue working for the contractors. A working mother told us ‘It is better than staying at home with kids having nothing to eat’.

Working conditions

In addition to wage cuts, workers also complain of intensified workloads, worse working conditions, unpaid lunch breaks and a stricter regime of supervision and discipline.

Cleaning workers in the student residences are particularly bitter. There, the number of workers per floor has been reduced drastically.

Some cleaners working with strong chemicals claim that inadequate safety equipment is provided to them. ‘After you have used the machines, it feels like you have flu,’ a woman worker told us.

Cleaners described the management as ‘very strict’. ‘They don’t care if you are old,’ says a woman worker, ‘they just boss you around like you are stupid.’

Workers felt very insecure in their jobs: ‘You cannot tell where you are going with these companies,’ a male cleaner told us. ‘We are just casuals and can be fired at any time,’ says another.

It is partly for this reason that workers insisted on staying anonymous in this research.

The work itself is very boring, with few opportunities for advancement. Workers complained they do not ‘have to bring their brains to work’. According to a male worker, ‘the job is highly manual, and too routine. There are no chances of growing within the job.’

Belonging to a union

One of the immediate consequences of the retrenchments was a massive decline in NEHAWU membership at Wits. Wits retrenched over 400 union members – nearly half the membership – including three shopstewards.

The effect of the outsourcing has also been that entire departments have been removed from Wits’ bargaining unit, and the effective deunionisation of a large sector of the Wits workforce. And, whilst some Supercare workers attend NEHAWU meetings, the union has not been able to recapture its lost ground.

Workers remain loyal to the union. ‘Yes,’ a worker said, ‘this union has been with us during the bad times. Even now it tries to find jobs when vacancies arise on campus.’ Many hope that the union’s pending Labour Court action against Wits will improve their situation.

MESHAWU, affiliated to the smaller NACTU, has made an effort to unionise Supercare. According to a MESHAWU shopsteward, the union does not yet have a formal agreement with Supercare. However, it has tabled demands for a wage increase. Management has made a lower offer, and, so, the matter is with the CCMA [i.e. state mediation].

The exclusion of the Supercare workers from the Wits bargaining unit, and the division of the outsourced workers into different companies, means that the possibility of a campus-wide response to management stubbornness is bleak for now.

The unemployment prison

The picture of the workers not reemployed in the outsourcing companies is even worse.

'It was painful to lose the job, not knowing where, how and when you are going to get the next one,' an unemployed former Wits worker told us. Some retrenched workers claimed that they were unable to take their children back to school in 2001. They also claim that putting food on the table, and paying for electricity was very difficult.

Several of the unemployed complained that the Wits management did not care about their situation. They believed the management thought only of themselves and the image of the university, and knew that their salaries were 'huge,' their jobs safe, and their children healthy and secure.

A former worker put it as follows: 'The inhumanity of the Wits management has shown that rich people do not care about poor people. ' She had been at Wits for 15 years, and was now in a crisis.

It was very painful to hear an older former Wits worker lament that his children would never attend Wits now, as he lacked the money to send them to the university where he had worked so many years.

No Justice, No Peace

Working class people paid the price for Wits' new image and repositioning in the market. And social justice for the working class will not be high on Wits' agenda in the near future.

Norma Reid has already advocated "working with the business and commercial sectors in mutually advantageous schemes for wealth creation" and the "commercial exploitation of intellectual property." She takes office on the eve of a process of administrative staff restructuring.

In the neo-liberal era, class war from above underlies all economic "commonsense." Social justice, evidently, is not very profitable, whether at Wits, in greater Johannesburg, in Harare, or in New York.

In this context, working class resistance and unity, and the championing of social rights and worker control of production, is a necessity. As the anarchist militant Severino DiGiovanni commented in the 1920s, 'the right to life is not given – it is taken'.

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Authors

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Lucien van der Walt, David Mokoena & Sakhile Shange
Cleaned Out
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Retrieved on 2nd July 2021 from lucienvanderwalt.com
Published in the *South African Labour Bulletin*, volume 25, number 4, August 2001

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