

**The Public Sector: A Prerequisite to Health and Social Equity**

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**2022 Brent Gawne Memorial Scholarship Essay**

**Word Count: 2038**

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### **The Importance of a Strong Public Sector**

Statistics Canada refers to the public sector as the government's involvement in the provision of goods and services whose characteristics are such that it is difficult or impossible to offer through the private channel (Statistics Canada, n.d.). This includes activities such as national defence, justice, civil order and the regulation of economic and social actions. Governments are also involved in providing services such as education and health, where public intervention is in the general interest of society (Statistics Canada, n.d.).

Cutbacks, privatization, and the contracting out of public services have serious implications for various aspects of our lives, our communities, and our society. Public services not only provide the necessities for a functioning society but also work to reduce health inequities that can impact our entire lives. Health inequity refers to the health differences that individuals and populations experience resulting from longstanding social injustices and unfair distribution of resources (Marmot et al., 2008). To tackle these inequities, it is essential that we see a wider distribution of power through building and maintaining a robust public sector (Marmot et al., 2008).

Neoliberal ideologies are the driving factor leading governments, such as the United Conservative Party (UCP), to initiate profound and devastating cuts to the public sector. This ideology postulates that reducing state interventions in economic and social activities and deregulating labour and financial markets can liberate enormous amounts of capital (Navarro, 2007). However, this ideology often only considers the interests of corporations, shareholders, and the wealthy, while workers and communities are left to suffer. When public services are privatized, profit becomes the primary motive, not the labour or community they serve

(Governance, 2020). The transition from public to private delivery of services is often accompanied by layoffs, job loss, lower wages, loss of benefits, and loss of pensions and ultimately creates a downward wage pressure (Governance, 2020), just as we are seeing in Alberta today.

### **Privatization, Cutbacks and Contracting Out in Alberta**

Since the UCP took power in 2019, it has been clear that its goal was to dismantle public services in pursuit of a neoliberal agenda. It began with the infamous MacKinnon report (Government of Alberta, 2019), which the government used to justify massive cuts to health services and the rest of the public sector. The report was criticized by its own internal experts as being inaccurate and relying heavily on reports from the Fraser Institute (Alberta Federation of Labour, 2019). On Boxing day 2019, the UCP announced cuts that would lead to the job loss of 750 RNs, 70 pharmacy and health information positions, 850 positions via the privatization of Alberta Precision Labs, 1000-2000 housekeepers, 350 administrative support, 250 general support, 235 laundry staff, 200 auxiliary nursing staff, 200 homecare service staff, 165 food service employees, and 2500 public sector jobs such as Service Alberta, community and social services (Friends of Medicare, 2020).

The government's plans to cut public services were somewhat delayed due to the Covid-19 pandemic and the vital role that these workers and the public sector played in keeping our province safe. However, as soon as a sense of normalcy resumed, they were quick to return to their plans with little regard for the efforts and risks taken on by these essential workers.

The post-secondary education sector is one area that has seen substantial cuts in recent years. Between 2018 – 2022, post-secondary institutions have seen cuts of 18.8% from their operating budgets (Shakespeare, 2022). These cuts resulted in thousands of employees laid off,

increased workloads for remaining staff, teaching contracts cut, academic programs removed and, ultimately, tuition rising beyond the reach of many and increased student debt (Shakespeare, 2022).

The UCP aims to repurpose Post-Secondary Education through austerity and performance-based financing (PBF) (Schroeder et al., 2022). The former, implemented through four consecutive UCP budgets and counting, puts institutions on track for a startling 20% reduction in operational costs paid for by the government by 2023–2024 (Schroeder et al., 2022). Considering inflation and enrollment growth, these decreases total more than 30% for each full-load comparable student. Performance-based financing, which the UCP adopted in 2020, is a new tool to use against financially strapped institutions that are prepared for compliance (Schroeder et al., 2022).

Universities are also being forced to only give priority to those studies that result in employment in a relevant sector after graduation (Schroeder et al., 2022). Universities are also being pressured to concentrate on expansion, which calls for more and more private funding. (Schroeder et al., 2022), only furthering the neoliberal agenda.

We have already started to see some pushback on these cuts from workers in post-secondary education. In early 2020 the faculty of Concordia University went out on a 12-day strike, and shortly after, the University of Lethbridge faculty followed suit with an even more prolonged strike (Schroeder et al., 2022).

Health Care is another major sector that has been targeted for cuts and privatization, and privatization appears to be at the top of the government agenda. The UCP is aiming to impose American-style health care on Canada, which would result in a split healthcare system for regular Albertans, with money being diverted from the public to private, for-profit providers.

The UCP introduced the Alberta Surgical Initiative with the promise of assisting in the reduction of surgical backlogs (AUPE, 2022). Private practitioners performing surgery rather than public facilities have been a critical component of the Alberta Surgical Initiative. The UCP is currently expressing the aim that the percentage of private procedures would quadruple, from 15% to 30% of all surgeries in the province, accounting for roughly a third of the total number. (AUPE, 2022) The shift to privatized procedures has been attempted before, and it has failed miserably. Similar plans were tried in Saskatchewan; while they initially did shorten surgical wait times, they were quickly followed by rising backlogs that are now the longest they have ever been (AUPE, 2022).

Alberta's lab services have also been targeted with privatization. Over the past three decades, several privatization and fragmentation experiments have been conducted on Alberta's laboratory services. The chronic neglect of public laboratories, understaffing, and a lack of equipment upgrades has been a strategy used to lower the quality of service offered and support the case for privatization (Parkland Institute, n.d.) The bulk of Alberta's lab services, which had been centralized under Alberta Public Laboratories, will now be contracted to a single for-profit firm, Alberta Health Services, stated in September 2019, under the instruction of the United Conservative Party (Parkland Institute, n.d.). The UCP government remains adamant about privatizing lab services, even though doing so contradicts historical and comparative data and would provide minimal savings. In June 2021, AHS made a discreet announcement that DynaLIFE had been awarded the contract and is set to take over lab services in December 2022(Parkland Institute, n.d.). Ultimately, in this transaction, Albertans will lose. The DynaLIFE contract provides negligible savings, a reduced and demoralized workforce, a significant

infrastructure deficit, and a system with no accountability in place of a modern, sustainable lab system created for Albertans (Parkland Institute, n.d.).

Hospital laundry services are another group of workers that are frequently targeted for cuts and outsourcing. In July 2021, Alberta Health Services announced that approximately 334 laundry workers would lose their jobs due to outsourcing of in-house laundry work (CBC, 2021). By April 2022, K-Bro Linen Systems will take over all hospital linen services in their private, off-site location (CBC, 2021). One of the proposals in the 2019 EY report, which the government commissioned to look for potential cost savings and operational improvements for AHS, was to outsource all linen handling (CBC, 2021). The report claimed that outsourcing hospital services, such as laundry and food, would save between \$100 and \$146 million a year (CBC, 2021). However, outsourcing may negatively impact the rural communities where laundry workers will face job loss. Many workers may be left with no alternative career with equivalent pay in their community, which will remove that income that would have been spent in the area. Hospitals could also face potential linen shortages when road conditions are poor, as laundry is being transported all over the province rather than being serviced locally (CBC, 2021).

These examples are only a few of the many public services that have faced cuts, privatization, and outsourcing over the past few years, but there is hardly a public service left unscathed. Other public services facing cut and privatization include; childcare, parks and recreation, justice, seniors care, municipalities, social programs and more.

### **Conclusion**

While some sectors could be legitimately left to private, such as entertainment, luxury items, or anything that is not essential to the population's well-being, I would argue that any essential services would best be left to the public sector. Healthcare and Education should be

viewed as a fundamental human rights. Equal access to quality education and healthcare can serve to reduce health inequities and ultimately result in long-term cost savings through a reduction in chronic illness, poverty, and crime (Marmot et al., 2008).

By maintaining public services, there is also greater accountability to the community. Private services will often focus on growth in an effort to force their competition out; this results in large monopolies that have no accountability to the people they serve. (AUPE, 2022). Another point to consider is that the driving motivation of a private company is profit. How do they often create such profit? Cutting wages and laying off workers results in degrading service, often with additional costs to the taxpayer (AUPE, 2022). When services remain public entities, taxpayers have a say in how they are run, and transparent processes and regulations must be followed. When services are privatized, this removes accountability and public input (AUPE, 2022). The public sector serves a vital role in our provinces delivery of the services we depend on. Rather than shrinking those services and selling them off to the highest bidder, we must protect them and encourage growth if we wish to develop a truly equitable society.

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