

# **On The Outsourced University:**

**A survey of the rise of support service outsourcing in public sector higher education in South Africa, and its effects on workers and trade unions, 1994-2001**

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## **I. Introduction: university transformation and university workers**

The “transformation” of the public sector universities in post-apartheid South Africa remains at the centre of government’s political commitments, policy formation processes, and public debate.<sup>1</sup> Yet one aspect of university restructuring has received surprisingly little attention: the trend towards the outsourcing of support service functions in the 1990s. Although the conflicts arising from this process caught the public eye on a number of occasions, most notably the controversy surrounding the restructuring of the support services at the University of the Witwatersrand in 2000, there has been no thorough study of the rise and effects of support service outsourcing in South Africa. The few studies that exist tend to be brief, sometimes journalistic, and generally confined to an examination of a single institution. By comparison, issues such as curriculum restructuring, university governance, “marketisation” and the proposed mergers and disestablishment of a number of institutions have been the subject of a great deal of public analysis, not to mention political conflict.<sup>2</sup>

This paper provides an overview of the process of support service outsourcing across the public sector universities, and examines the effects of this process on workers and their trade unions. Our focus is on the period 1994 to 2001. By support services, we refer, in particular, to those manual and menial campus occupations that do not contribute directly towards knowledge production but which are, nonetheless, essential to the functioning of the universities. These occupations include catering, cleaning, grounds and building maintenance, security services and transport. The paper situates this form of support service restructuring within the context of government macro-economic policy and the international ascendancy of neo-liberal discourse, and examines the extent to which support service outsourcing can simply be attributed to the “marketisation” of sections of the higher education system.

It should be made clear at the outset what this paper does *not* examine. This paper confines itself to providing the “big picture” of support service outsourcing in public sector universities. We do not examine, for instance, whether support service outsourcing has negative or positive effects upon the quality of service provision, nor do we examine trade union responses to this process in extensive detail. Nor do we deal with the vexed debates over curriculum restructuring and over appropriate academic governance structures, except insofar as these issues impact upon the support services. Further, whilst we recognise that neo-liberalism, and government macro-economic policy, set the *broad* limits in which public sector universities have made the decision to outsource, we recognise that actual campus level dynamics may have a significant impact on the extent and actual operation of support service outsourcing, and that the practices and governing structures of outside service providers may differ significantly; again, however, these issues fall largely outside a paper designed to provide an overview of a greatly under-examined area of post-apartheid higher education transformation.

In terms of research methodology, this paper is based upon a survey of university campuses in 2001. One human resource manager and one

representative of the majority trade union amongst support service staff in each of the 21 public sector universities were interviewed at length in semi-structured interviews that examined whether support service outsourcing had taken place, and if so, when; the reasons for support service outsourcing, which categories of employees had been affected by the process; and the effects of outsourcing upon wages and benefits, working conditions, and trade union representation. With one exception, the trade unionists we interviewed were members of the National Education, Health and Allied Workers Union (NEHAWU), and so the Congress of South African Trade Unions' (COSATU): the exception was the Combined Staff Association (COMSA) at the University of Durban-Westville (UDW). NEHAWU claims 234,607 members overall, making it COSATU's biggest public sector union, and the second largest union in the federation as a whole.<sup>3</sup>

The strategy of interviewing both union and human resource management representatives on each campus had several rationales: it helped maximise campus coverage by raising the probability of achieving at least one response per institution; it provided a means, albeit a limited one, of cross-checking claims made by each of the two constituencies; and, finally, it allowed us to access data specific to a particular constituency (questions about union membership, for instance, were best answered by unionists; management's reasons for outsourcing were best explained by management). As a result, human resource managers and trade unionists were served slightly different questionnaires, although there was also a high degree of overlap on issues common to both, such as the timing of outsourcing, the numbers of employees affected, and whether other forms of support restructuring were undertaken.<sup>4</sup>

Although a 100 percent response rate is never possible in a survey on this scale, we did manage to secure a reasonably high response rate: union officials were particularly keen to participate, with the result that we were able to complete interviews with union representatives on 20 out of 21 campuses; responses from human resource personnel were also high, with 17 interviews completed. The strategy of interviewing both union and management representatives did help maximise coverage of the different campuses: only one campus, the University of Cape Town (UCT), was not covered by any interview. Fortunately this is a fairly well documented case, and we had several other materials to hand. The interviews were supplemented by an extensive survey of the relevant academic literature, newspaper and magazine articles, and, to a lesser extent, official documentation.<sup>5</sup> The research was funded by the Centre for Higher Education Transformation (CHET), based at the University of South Africa (UNISA), and based at the Sociology of Work Unit (SWOP), at the University of the Witwatersrand, and co-ordinated by Lucien van der Walt.<sup>6</sup> We would like to thank all who helped us in this research.

## **II. University restructuring and the South African macro-economic policy environment**

In 2000, there were 21 public sector universities and 15 technical colleges in South Africa, all underwritten, to various degrees, by government subsidies.<sup>7</sup> Despite the steady increase in the number of private sector providers of higher

education, state-funded public institutions remain the mainstay of the higher education sector, and the core social infrastructure for knowledge production and professional training in South Africa. This is an unusually large higher education sector for a semi-industrialised country, and one, moreover, with a distinct bias towards general academic education, rather than towards technical training.

The higher education system in South Africa has historically been divided horizontally into a tiered system of universities, technikons, and colleges, and vertically, into institutions that were, under apartheid, divided along racial and ethnic lines.<sup>8</sup> An immediate distinction must be made between Historically Advantaged Institutions (HAIs) and Historically Disadvantaged Institutions (HDIs), but further distinctions must also be made within each category along ethnic lines. Amongst the HAIs, it is useful to distinguish between Afrikaans-medium and English-medium universities, with the former historically catering for Afrikaners and closely aligned to the apartheid state, and the latter catering to the upper- and middle-class English-speaking Whites; amongst the HDIs, an important distinction must be drawn between the better-resourced University of Durban-Westville (UDW), catering to Indians, and the University of the Western Cape (UWC), for Coloureds, and HDIs designated for Africans. The latter were established by the apartheid government after 1948 for specific African ethnic groups and their respective homelands, with the exception of the University of Fort Hare. (However, Fort Hare, founded in 1916, was later incorporated into the Ciskei homeland).<sup>9</sup> The "primary function of the HDIs was to train individuals for service in the segregated state institutions of apartheid South Africa and its homelands."<sup>10</sup>

Further, racially structured funding systems and student intakes, as well as uneven staff capacities, ensured that these institutions were not only unevenly resourced, and distinguished by sharply different levels of research output and national and international recognition. The inequalities within the higher education system were exacerbated by developments in the 1980s and early 1990s. Government subsidies to the universities in general declined, in line with a general shift towards fiscal austerity and tentative neo-liberal policy by the late apartheid government;<sup>11</sup> this particularly affected already under-resourced HDIs who had less access to other sources of funding and a generally poorer student population, and which also had to cope with a rapid increase in student enrolments. Whilst University student enrolments grew from 234 000 in 1980 to 382 000 in 1996, the bulk of this occurred in HDIs, whose proportion of the total residential student population grew from 26 percent to 40 percent.<sup>12</sup>

The post-apartheid government has committed itself to the "creation of new South African higher education institutions based on the values and principles of non-racism and democracy."<sup>13</sup> This means, in particular, de-racialising the student and staff profile, transforming institutional governance so as to increase its accountability and stake-holder representation, and restructuring the sector to contribute to what Minister of Education Kader Asmal refers to as the broader agenda of "national reconstruction and development."<sup>14</sup> However, this "national reconstruction and development" is embedded within a neo-liberal macro-economic policy framework: whilst the African National Congress government was

elected in 1994 on the basis of the Reconstruction and Development Programme (RDP), which advocated a central role for the state in economic development, and advocated a neo-Keynesian framework of job creation and on-the-job training through public works programmes which would at the same time develop township and rural infrastructure, post-election government policy has been markedly neo-liberal in orientation.

The September 1994 RDP *White Paper* adopted many tenets of neo-liberal thought, omitting the RDP base document's emphasis on redistribution in favour of a focus on creating a conducive environment for private sector expansion, through fiscal austerity, economic deregulation, trade liberalisation, and independent monetary policy.<sup>15</sup> Neo-liberal trends were also evident at this stage in a range of other policy areas, notably land reform, urban policy, public housing, and welfare reform.<sup>16</sup> The adoption of the neo-liberal Growth, Employment and Redistribution (GEAR) macro-economic strategy by government in June 1996, which prioritised labour market flexibility, fiscal austerity, economic deregulation, and the privatisation and commercialisation of the public sector,<sup>17</sup> represents "the aggregate of drifts into neo-liberalism in various areas of social, economic and political policy."<sup>18</sup>

The general neo-liberal orientation of the State has several immediate implications for the higher education system. A stress on fiscal austerity implies that funding allocations for the sector will be contained within a broadly deflationary budget, within which social spending will tend to remain static or shrink as a proportion of overall expenditure. Concomitantly, the removal of apartheid discrimination within social spending would take place through reallocations *within* a budget not exceeding that of the late apartheid period.<sup>19</sup> Section 6.1 of GEAR spells out the implications of this line of thinking: referring to the education system, it argues

With spending on education at nearly 7 percent 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. This will concentrate public resources on enhancing the educational opportunities of historically disadvantaged communities.

In tertiary education, the process of re-deploying and rationalising existing resources was marked.<sup>20</sup> According to the 1997/8 Budget, tertiary institutions received an allocation of R5, 4-billion for the 1997/98 fiscal year, representing an average funding level of 65,6 percent. This was down from the 68 percent subsidy of the previous year.<sup>21</sup> HAIs such as University of the Witwatersrand, UCT, Rhodes University, the University of Stellenbosch, and the University of Natal were hardest hit with subsidy levels of only 63 percent.<sup>22</sup> However, even UWC had their funding cut. Nonetheless, the funds purportedly redirected to HDIs by this ongoing process of rationalisation remained inadequate for institutions that were already markedly under-resourced. By mid-1999, the University of Fort Hare, and the Medical University of South Africa (MEDUNSA) already facing closure or merger with stronger institutions due to "huge student debt, financial

deficit and massive cash flow problems".<sup>23</sup> However, new Education Minister Kader Asmal stated that -"given the magnitude of our other priorities"- tertiary education bodies would not receive additional resources and that his department would investigate rationalisation of the institutions.<sup>24</sup>

These issues will be discussed in more detail below. It is important to observe, however, that the GEAR vision for higher education transformation involved more than fiscal austerity. Established by presidential proclamation in December 1994 to advise the government on restructuring South African higher education to "address the inequalities and inefficiencies inherited from the apartheid era, as well as respond to the social, cultural and economic demands of a globalising world,"<sup>25</sup> the National Commission on Higher Education (NCHE) concluded that the institutional structure of higher education in South Africa was not sustainable, and unable to meet the human resource and research needs of the country. The NCHE's 1996 report recommended that the higher education sector be restructured to allow, firstly, increased co-operation between institutions themselves, and between institutions and the state, as part of a more closely coordinated higher education system, itself a component of a single national education system, secondly, increasing student enrolments, feeder constituencies and programme offerings; and, thirdly, greater responsiveness to societal needs, including a stronger emphasis on market-driven modes of knowledge production and more vocationally-orientated forms of training.<sup>26</sup>

Specifically, the NCHE report advocated what Scott and others have defined as "mode 2" knowledge production, which differs from both traditional and applied research insofar as it is, at once, applied, transdisciplinary, team-based and based in, and funded by, different organisations.<sup>27</sup> "Mode 2" is used here in contrast to "mode 1" research practices: traditional "pure" research driven primarily by intellectual concerns of academics operating within the framework of university autonomy, itself underwritten by state support and a commitment to the scientific enterprise *per se*. The NCHE recognized that these features would be implemented within the broader context of government's commitment to fiscal austerity and one of its key concerns was to ensure the viability of its proposals within this larger context.<sup>28</sup>

The final NCHE report incorporated inputs from local and international policy experts, who were included in its five working groups; it also drew on local stakeholders, who made over 123 submissions, and participated in three national consultative forums, and a number of scheduled presentations.<sup>29</sup> The resultant discussion document by the NCHE, released in 1996, was "hotly debated" by local stakeholders in 1996, including students and Africanists, who felt the recommendations were too conservative.<sup>30</sup> Nonetheless, the main amendment made to the recommendations of the report, and the *Green Paper* in 1996 was the establishment of a single Council of Higher Education rather than the complex statutory structure advocated by the NCHE.<sup>31</sup> (This amendment is also reflected in the 1997 *White Paper*).<sup>32</sup>

The Council of Higher Education then released its "National Plan for Higher Education" in March 2001. The National Plan is an attempt to concretise the NCHE recommendations,<sup>33</sup> and is best known for its recommendation that the number

of higher education institutions be reduced, a process with antecedents in the disestablishment of teachers' training colleges in the 1990s.<sup>34</sup> This assessment is shared by the National Working Group on the Restructuring of the Higher Education system appointed by the Minister of Education, which argues for a reduction in the number of universities and technikons from 36 to 21 through mergers and disestablishment.<sup>35</sup> This drive to change the "size" of the sector is tied to a programme to change its "shape": government envisages that some institutions will be downgraded to two-year community colleges, others restricted to only offering degrees up to the undergraduate, or, in some cases, masters' level; the strongest institutions will retain a strong research emphasis, and continue to offer doctoral and post-doctoral training.

In general, very little progress has been made in mergers.<sup>36</sup> Government proposals have faced substantial opposition in the sector. In mid-2001, Eastern Cape universities came out against merger proposals,<sup>37</sup> and the University of the Transkei (UNITRA) defied a Ministerial moratorium on student enrolments in 2002.<sup>38</sup> The University of South Africa (UNISA) launched a legal battle in 2001 against Ministerial attempts to merge it with Vista University and Technikon South Africa to form the "Open Learning University of South Africa."<sup>39</sup> To the extent that NCHE – or perhaps NCHE-type - recommendations have been adopted by institutions, these have largely been "responses by individual institutions reading policy and market signals ... [responses] as fragmented as they had been before 1994."<sup>40</sup> This fragmentation is framed by government economic policy, and particularly subsidy allocations; however, it has a further significance to which we will return below.<sup>41</sup>

### **III. International economic restructuring and the future(s) of organised knowledge production**

The NCHE recommendations, and the subsequent recommendations of the Council of Higher Education and the National Working Group, cannot, be *reduced* to an attempt to adapt to a restrictive fiscal context. They also include new ideas, new thinking, about the role and functions of the university system that draw upon new international approaches to higher education. These are, on the one hand, a reconceptualisation of universities as potentially profitable corporations which should be run according to the managerial principles and profit-making imperatives of the private sector; on the other hand, the growing influence of the "mode 2" paradigm on thinking about the university is also evident. The two new international approaches cannot be easily separated: "mode 2" research's reliance on multiple sources of funding and applied research in the context of declining government support necessarily implies a greater reliance upon non-governmental actors, most notably, upon corporate support, for university financing. The implementation of "mode 2" thus carries an inherent tendency towards the commercialisation of higher-level knowledge production and training, reflected in an increasingly financially, rather than intellectually, driven research and course curricula agendas. Consider, in this context, the significance of GEAR's comments on higher education reform, made three months before the NCHE report: not only should government subsidies to higher education be cut, but there should also be

a promotion of "greater private sector involvement" in the system. There is, in other words, a convergence between the "marketisation" of the university system and "mode 2" operations, although marketisation cannot be reduced to "mode 2" work.

The drive to commodify new areas of cultural and social life needs to be understood within the shifts in international patterns of capital accumulation. The sharpening competition between a relatively declining United States of America economy, whose industrial hegemony had begun to erode in the face of resurgent post-war European and Japanese capitalism, and general limitations in the size of domestic and international markets, has created a situation in which access to new markets, contributed to an international overaccumulation of capital by the mid-1970s. Competition between this "Triad" was further complicated by the emergence of a range of Newly Industrialising Countries (NICs) with complex and contradictory links to the poles of the Triad further complicating the situation. Whereas the United States provided almost half of world Foreign Direct Investment (FDI) in 1960, it provided little more than a third by 1985, whilst the share of FDI of Germany and Japan rose from 2 percent to 20 percent in the same period.<sup>42</sup> The accumulated stock of FDI increased five times between 1960 and 1993, reaching a total value of \$2, 1 trillion.<sup>43</sup> Growth in world trade between 1950 and 1973 averaged 7 percent annually; between 1973 and 1992, however, it averaged 3, 7 percent.<sup>44</sup>

The possibilities for new accumulation paths were structured by two further factors: the international centralisation of capital already evident by the 1950s meant that investment and trade strategies would be profoundly shaped by the global institutional nexus of multinational capital; rapidly developing IT and transportation technologies meant that international responses to the crisis were possible as never before. By 1993, multinational corporations accounted for two-thirds of the value of all exports, dominated FDI and played a central role in fostering international economic integration.<sup>45</sup> Neo-liberal policies increasingly gained ground as the preferred ideological and macro-economic framework for capital restructuring, gaining strength from the evident impasse of state-led development strategies, and appeal from the corporate tax cuts, privatisation windfalls, labour market deregulation and deregulation of capital and currency movements it held out. Neo-liberalism is not conservatism, but an "immense political project" whose "status as such is denied because it appears to be purely negative," a "movement toward the neo-liberal utopia of a pure and perfect market."<sup>46</sup> Further, neo-liberalism's stress on the superior ability of the market to allocate goods and services, provides an ideological rationale for the commodification of whole new areas of cultural, social and natural life, a process evocatively described elsewhere as the "new enclosures."<sup>47</sup>

Organised knowledge production is one such area, ripe for colonisation by the market. In practice this means not only the marketisation of research and curricula (as profitable activities on their own, and as activities that promote profit-making elsewhere) but the application of private sector "best practice" financial and labour management techniques to the unique work culture of the university. The "new work order" - "lean production" or "neo-Fordism" - which

seeks to combine the drive for economies of scale through standardised mass production with innovation and organisational flexibility is applicable to both industry and services. It involves, *inter alia*, and in varying combinations, the increased surveillance of labour, continual readjustments of the labour process, a focus on core business activity, name branding, outsourcing, labour market flexibility, and, to a lesser extent, labour participation and managerial decentralisation schemes.<sup>48</sup>

#### **IV. Between fiscal austerity and the market university: international experiences**

In this context, the university is being reconceptualised as a knowledge-industry, a site for the production of information commodities, a lucrative market for instructional wares, and a key source of skilled personnel.<sup>49</sup> Evidently, not every university can make the transition to a "market university": outcomes will depend on the existing resource base of particular institutions, their public image, management competence, political resistance and so forth. However, fiscal austerity by neo-liberal states provides a strong incentive for institutional restructuring, rationalisation, and, where possible, commercialisation. In this way, the hegemony of neo-liberal ideas of the supremacy of the market as economic co-ordinator, and the drive to reduce state spending and budget deficits tend to reinforce one another.

The commercialisation of institutions of higher education, variously termed the "marketisation,"<sup>50</sup> "entrepreneurialisation,"<sup>51</sup> and "corporatisation" of the university, is thus a process that has taken place, unevenly, within both core industrialised countries and the semi-industrialised countries of the "third world." Bertelsen, in discussing the rise of the "market university," underscores the extent to which neo-liberal ideas have influenced university administrators, who have welded the language of "accountability," "efficiency," "responsibility," "skills" and "transparency" to the project of university marketisation.<sup>52</sup> In this way the re-definition of university priorities, procedures, research projects, workforces and curricula along business lines, and the introduction of corporate management styles and hierarchies, projected as a neutral drive towards "excellence," rather than a more sordid commodification of thought.

Although there are limits to the extent to which universities can, in fact, become profit-making corporations – doubts that may be raised as to whether these institutions can ever become truly self-sufficient businesses- the effects of "marketisation" are profound:<sup>53</sup>

Once universities concede these terms, research which does not yield new products is pointless, and courses which don't feed job skills are a waste of time. Cost-efficiency requires that personnel be downsized; 'peripheral' activities are eliminated; high-tech distance learning replaces inefficient classroom contact, and funding is regarded as an investment decision based on short-term production goals.

High student numbers are pursued as a source of revenue, collegial decision-making processes are superseded by administrative managerialism, and decisions about academic staffing, and curricula and research priorities are over-determined by considerations of profitability.<sup>54</sup> Thus, universities are no longer simply linked to powerful elites through reproducing labour power that can later be used to generate profit, but are going further, "becoming explicit businesses ... developing and selling new technologies, often developed by unwaged student labour, through their own for-profit corporations."<sup>55</sup>

Competition is central to the functioning and planning of institutions able to develop into "market universities." Not only do these institutions compete with one another for student numbers, both nationally and internationally, both through provision of traditional onsite teaching and through the expansion of distance education facilities, but they also find themselves competing with other research institutions, again, both nationally and internationally.<sup>56</sup> National and international networks of knowledge production have become increasingly important, and the production of new knowledge is not necessarily located within universities, traditionally seen as primary knowledge creators. The "globalisation" of international economic activity is matched by the "globalisation" of student exchanges and of research and development, often through the movement of graduates and students from less innovative economies to more innovative ones, for further training, and back again.<sup>57</sup> With research innovation and knowledge production increasingly central determinants of the global competitiveness of countries, the universities become both a source of profit, and one of a set of competing research and training institutions that underpin economic development.

This "informational capitalism" requires flexible organisational arrangements that allow rapid responses to problems in a research environment characterised by competition and "mode 2" knowledge production; traditional institutional arrangements and practices are more often a hindrance than a resource for the "market university." University marketisation has evident implications for the organisation of the academic labour process. On the one hand, increasing demands are placed upon academic staff, whose security of employment and income becomes tied to their ability to generate income for the institutions; on the other hand, a secondary tier develops *within* the academic labour market itself, as a layer of academics is relegated to the role of a flexible labour force employed on a short-term demand-driven contract basis.<sup>58</sup> A 1998 report in the *Times Higher Education Supplement* indicated that the proportion of United Kingdom academics working on fixed-term or hourly-paid contracts had risen steadily from 21 percent in 1980 to 43 percent in 1997, and anticipated that the by 1999 only half of British academics would have tenured employment.<sup>59</sup>

This tendency to "proletarianise" academic labour<sup>60</sup> has corresponded to a tendency for universities to outsource support service functions. This trend seems to have begun in the 1980s in the United States, and in its implementation is usually justified by reference to two interlocking claims: support service provision by outside contractors is seen as cheaper and a more

efficient option than in-house arrangements, thus generating savings whilst allowing management to concentrate on the "core" university business of research and training.<sup>61</sup> The definition of "core" activities has tended to vary widely: "non-core" activities outsourced by universities have ranged from high-value-added functions such as IT, human resource management, library services, accounting, legal services, and teaching, to manual and menial occupations, including catering, cleaning, grounds-keeping, security, and transport.<sup>62</sup>

In a study of outsourcing in public higher education institutions in Oklahoma in the United States in the 1990s, Jeffries found that the institutions adopted outsourcing in order to expose an in-house service to competitive market forces, to award contracts that cut costs and increased revenue, to contract-out management tasks in the affected departments, and to divest non-core activities. He also suggests, that internal institutional dynamics could significantly affect the decision to outsource.<sup>63</sup> Nonetheless, the trend is widespread: a survey of two-year colleges in the United States found that only 4 out of the 456 institutions that responded had not outsourced or divested at least one function within the institution, typically for reasons of cost saving and limiting budget resources.<sup>64</sup>

Although outsourcing has had mixed success in achieving its stated goals of efficiency and cost-saving,<sup>65</sup> it is clear that it has significantly impacted upon affected employees. The effects of outsourcing upon employees tend to vary according to occupational grade: whereas the outsourcing of high-value-added tasks may provide employees with flexible hours, and well-paid consulting and freelance work, manual and menial workers tend to experience declining wages, worsening working conditions and access to benefits, growing job insecurity, and declining or increasingly ineffective trade union representation.

Recent research by the Harvard Committee on Employment and Contracting Policies (HCECP) at Harvard University in the United States illustrates the latter trend.<sup>66</sup> The HCECP found that there had been a marked increase in outsourcing on campus, notably in, but not confined to, the security services. The number of uniformed guards employed by Harvard fell from 90 to 24 workers "in recent years," whilst the number of security/ parking guards directly employed by Harvard fell from 980 in 1980 to 260 in 1996, rising slightly to 347 as of September 2001.<sup>67</sup> As of September 2001, 579 on-campus workers provided by contractors, including 525 custodial, security and parking guards, earned less than the \$10,68 per hour considered a "living wage" by the City of Cambridge.<sup>68</sup> There is also evidence that on-campus workers provided by contractors had less access to benefit schemes, although the picture is a complex one.<sup>69</sup>

Further, competition between outside contractors and in-house service providers promoted a downwards revision of the wages of in-house employees, with the median real hourly wage of in-house custodial guards fell 13 percent from \$10,96 in September 1994 to \$9,55 in September 2001. In part, this downward trend may be attributed to the pressure placed on Harvard unions "to bring down wages to the rates paid by outside contractors in several service

sectors.”<sup>70</sup> Whilst this decline in wages seems to have removed the competitive disadvantage of in-house providers, and halted the expansion of outsourcing on campus, the effect has been a general overall decline in manual and menial remuneration at the university: as of September 2001, Harvard employed 392 workers (not including casual workers), who earned less than the \$10,68 “living wage” level.<sup>71</sup> The HCECP found that “outsourcing has been used to undercut pay set forth in collective bargaining at Harvard,” although some blame for worsening remuneration must also be placed on local union leadership.<sup>72</sup>

## **V. Fiscal austerity, marketisation, and the changing nature of academic labour in South African higher education**

To what extent have similar trends manifested themselves in South Africa? Above, it was argued that the macro-economic policy environment in South Africa assumes a definite neo-liberal character; further, it was suggested that this was also reflected in the higher education policy of the post-apartheid government, specifically, in the 1996 NCHC report, the 1997 *White Paper*, and 2001 National Plan for Higher Education. However, the slow and uneven implementation of these policies, the still-fragmented nature of public sector higher education, and the contestation that has marked policy within this sector, caution one against the assumption that neo-liberal government policy is necessarily reflected in actual university policies. Further, the continued fragmentation of the system into HAIs and HDIs indicates that university policies may differ in intent and in effect.

There are, nonetheless, strong indications that the international trends towards the neo-liberal restructuring of universities have had a powerful echo within South African institutions. Several authors have identified the rise of the “market university” in South Africa.<sup>73</sup> Bertelsen has examined the “marketisation” of universities, arguing, in an influential account, that the “real transformation” of South African higher education has been the “marketisation” of the universities, with the discourse of “relevance” to “local needs” and “development” appropriated by advocates of market-led restructuring and global competitiveness.<sup>74</sup> Much of Bertelsen’s account is very general, and draws heavily on Western examples. However, it does examine how the notion of a “market university” has impacted upon UCT. UCT, notes Bertelsen, has adopted practices such as corporate branding (styling itself a “World Class African University”), corporate management styles, and an intensification of academic work combined with a usurpation of traditional areas of academic authority by a growing, and increasingly powerful, administration.<sup>75</sup>

Operating in the context of growing management surveillance, marked by the proliferation of review boards and “input/output” evaluations, the academic workforce of UCT is driven to meet the increasingly instrumental curriculum and research goals of a management enamoured of the reinvention of the university as business. This account is complemented by Orr’s analysis of the growth of for-profit research by universities, and the manner in which this process tends to break down intellectually driven research and the integration of research and teaching.<sup>76</sup> The corollary, in both cases, is the rationalisation of research, teaching and intellectual disciplines that do not meet the demand for value-added and

profitable work. One effect of the application of market criteria to university operations, Bertelsen predicts, will be an increase in the number of academic staff employed on a short-term and/ or contingent basis, and the stratification of academic staff into a tenured core and a growing, casualised, periphery.<sup>77</sup>

More recently, Webster and Mosoetsa have examined the changing academic workplace in South Africa in the latter half of the 1990s. Situating the transformation of academic work in the context of, on the one hand, the need to "transform" the universities in post-apartheid South Africa, and, on the other, international trends towards work intensification, casualisation, and neo-liberal influences upon university management. Webster and Mosoetsa date the rise of "academic managerialism" in the local university system to the mid-1990s.<sup>78</sup> Webster and Mosoetsa, who examined two HAIs, two HDIs, and one technikon, confirm a shift in the managerial culture, and working conditions of academic staff at the five institutions; the authors do, however, note that academic managerialism has had less impact on the HDIs than the HAIs.<sup>79</sup>

University administrations had increasingly adopted the language of "human resource management" whilst academics felt that their professional autonomy and status was being undermined by a welter of new controls over their time and work. Further, there had been an intensification of work. Reflecting, in part, pressure to re-design courses along vocational lines, to recruit students, to publish only in accredited journals, and to undertake growing administrative responsibilities.<sup>80</sup> For all respondents, the working week had increased, often spilling over into evenings and weekends. Competition between staff, growing insecurity, and, sometimes, a divide between full-time and fixed contract staff undermined job satisfaction and "community." Traditionally, senior management was drawn from recognised academics; today, top staff is increasingly drawn from career academic managers, and pay gaps have widened: the average wage of a Vice-Chancellor is R688, 428 p.a., well over double the highest academic salary.<sup>81</sup>

This picture is broadly confirmed by reports from individual campuses. The management of the University of the Witwatersrand, a leading HAI, has been deeply influenced by the vision of an entrepreneurial university.<sup>82</sup> The 1999 *Shaping the Future* strategic plan argued that "in order to compete" universities must become more "cost-conscious," "less reliant upon traditional and externally funded autonomy," and move from "'collegial' to 'managerial' governance."<sup>83</sup> Specifically, the plan argued that the university must aim at the "optimisation of revenue opportunities from intellectual property and from entrepreneurial activities." In late 1999, the university embarked upon a process of rationalising and merging faculties and departments, the implementation of cost-centre financial systems, and shrinkage in academic staff. Other HAIs that have restructured their managerial apparatus along these lines are Rhodes University, the University of Natal, and UCT.<sup>84</sup>

However, whereas both the University of the Witwatersrand and UCT have stressed research and postgraduate student recruitment in their marketing strategies, Afrikaans-speaking campuses have tended to focus upon massively increasing undergraduate student numbers by increasing access to vocational

programmes through English-language teaching, part-time studies and distance learning. The Rand Afrikaans University (RAU) was established in 1968 to increase access to higher education for white working class Afrikaans-speaking students. Between 1990 and 1998 its intake of African, Coloured and Indian students rose from 9 to 11,872, or from 0.02 percent to 54 percent, whilst the overall size of the student body rose from 9,055 to 22,011 in the same period.<sup>85</sup> This is to a large extent attributable to the introduction of new tuition options: these included the RAU College for Education and Health in 1994, allowing practising teachers and nurses to upgrade their qualifications; the "RAUNOX" part-time classes, phased in from 1995; English-language day classes phased in from 1997; and the inception of a Centre for Distance Education in 1998.<sup>86</sup> Similar innovations have taken place at the University of Pretoria, and Potchefstroom University for Christian Higher Education (PUK), with enrolments in the latter's distance education programme rising 25 percent from 2001 to 2002.<sup>87</sup>

The HDIs historically established to cater for Coloured and Indian students, UWC and UDW, have also made some strides towards marketisation. A "tough line" has "paid off" at UWC, according to the *Financial Mail*, with the retrenchment of 40 academics in 1997-8 contributing to a payroll saving of R36 million.<sup>88</sup> UWC hopes that an emphasis on research output, strong programmes, and "reviewing its structures and academic programmes to cut costs and to shift resources towards centres of excellence and relevance within the institution" will position it as a "major competitor" in the new university system.<sup>89</sup> UDW entered into a court battle with academic staff in 2000 after it decided to close the "unviable" departments of Drama, Fine Art and History of Art, Indian Languages and History, Music and Modern European Languages, leading to 37 academic retrenchments.<sup>90</sup> This is part of UDW's "three-year rolling plan intended to guide the university's strategic repositioning in the domestic and global environment."<sup>91</sup>

The situation is, however, starkly different at the HDIs based in the former homelands. Lacking the resources, research records and staff qualifications needed to reposition themselves as "market universities," and trapped in this position by declining government subsidies and a precipitous drop in student numbers, and enormous student debts, these institutions have tended to respond to "scissors crisis" with programmes of radical cost-cutting.<sup>92</sup> If marketisation at HAIs may be seen as an "entrepreneurial" response that meets the challenges of austerity with innovative attempts at reinvention that seek to attract new partners, new student constituencies, and new sources of funding, and hold the promise of renewed growth,<sup>93</sup> the actual situation of most HDIs is more one of simple survivalism despite an occasional veneer of "market university" rhetoric. Whilst the HAIs have been steadily "greying," the HDIs are crumbling, losing students, staff and government support, and are an evident target for government plans to rationalise sectoral expenditure on the sector.<sup>94</sup> Indeed, the February 2002 proposals of the National Working Group have drawn the ire of certain quarters precisely because they effectively involve the dissolution or merger of all the HDIs, leaving "ivy league" HAIs largely untouched.<sup>95</sup>

Problems of capacity, as well as managerial ineptitude, have marred attempts to apply the model of the market university to the HDIs, as has inertia.<sup>96</sup>

UNITRA has been subject to numerous investigations by government since 1998, all of which have confirmed that the organisation is in a deep crisis.<sup>97</sup> The institution has run large annual deficits since 1997, and could only operate in 2000 after the Department of Education secured it an additional R50 million credit line facility from private banks.<sup>98</sup> Since 1997, the institution has experienced an average decline of 17 percent in student numbers, with overall enrolments falling 46 percent from 1996 to 2000.<sup>99</sup> The majority of academic staff are at the lower end of the academic spectrum, and most do not have doctorates or established research records.<sup>100</sup>

This situation reflects UNITRA's history as a "lower grade bantustan university," its location within an increasingly impoverished region, declining government subsidies, and a continuing loss of students - particularly fee-paying and academically competent students - to the HAIs.<sup>101</sup> It has, however, been worsened by endemic conflict and instability within management: there were two acting Vice-Chancellors between 1992 and 1994 alone, senior posts in financial management, human resources, and administrative registrars remained unfilled for long periods, structures such as Council, Senate and the Academic Planning Committee have foundered in a state of crisis, "near collapse" in administrative structures, a failure to implement human resource policies, and deteriorating infrastructure.<sup>102</sup> The widespread use of patronage as a means of governance at the institution worsened the situation, as did inappropriate government intervention.<sup>103</sup>

The financial situation of the University of the North is equally poor,<sup>104</sup> and this institution has also had to, like the University of Fort Hare,<sup>105</sup> the University of the North,<sup>106</sup> and UNITRA<sup>107</sup> retrench academic staff to cut costs. The situation at the former University of Bophuthatswana, now the University of the North West (UNIWEST), was somewhat better, but was marked by a wide "gap between the ideals of the strategic plan and the actual existing conditions."<sup>108</sup> A report in 2000 described how power was devolved to faculties, only to "face collapse" due to "weakly capacitated management"; how "secretaries and administrative staff, and programme/ module developers are stranded in their own haphazard modularisation"; how management, IT, human resources are set to be centralised, but the necessary systems "are not fully functional"; and how, whilst potential growth areas and linkages are identified, staff are retrenched due to an inconsistent process of rationalisation.<sup>109</sup>

## **VI. The rise of outsourcing in South African higher education**

From the above discussion, several points stand out. Universities in South Africa have responded to a neo-liberal macro-economic policy environment either by attempting to transform themselves into market universities, or by survivalist strategies of cost cutting and austerity. The former strategy tends to correspond with HAIs, although two HDIs, UDW and UWC, do seem to have had some success with this strategy as well. This approach is informed by shifting international perceptions of the role, functioning and management of universities, a shift that is in turn associated with the widening commodification of cultural and economic life in the era of neo-liberalism. The latter strategy, the survivalist

approach, corresponds strongly with the HDIs, who lack the resource base to effectively reposition themselves in this manner, a problem exacerbated by declining government subsidies, and competition for students and staff from HAIs. In both categories, there has been a restructuring of academic staff, and a number of academic retrenchments as the institutions adjust themselves to the new environment. However, this *convergent* response reflects the very *different* effects, and *different* responses, of the two categories of university. Finally, it should also be noted that this interesting convergence is all the more remarkable in that it has taken place in the absence of co-ordination of the higher education sector by government, except through broad policy and financial signals; no national plan had been implemented in the sector before 2002, whilst the National Plan launched in 2002 is already mired in controversy.

Outsourcing is a well-established feature of the post-apartheid South African economy. A recent survey by Andrew Levy and Associates showed that 68.3 percent of companies surveyed had outsourced during the period 1994-1998.<sup>110</sup> This only affected 5.7 percent of the total sample workforce of 120,746. However, whilst 90,6 percent of workers affected were blue-collar employees, managerial and executive staff accounted for only 1,6 percent.<sup>111</sup> The three most commonly outsourced functions were "non-core" areas: cleaning (21.9 percent), security (19.3 percent), catering / canteens (11 percent) and maintenance/gardening (10.8 percent).<sup>112</sup> Respondents cited economic reasons (41.4 percent), control (37.4 percent), restructuring (17.4 percent), and new technology as the main reasons for outsourcing.<sup>113</sup>

The survey did partly vindicate research showing that outsourced services are often inefficient, and involve hidden costs, such as the need to monitor and manage relations with outside service providers, lowered productivity and loss of tacit knowledge:<sup>114</sup> slightly over half of the companies reported problems such as lack of quality and control, low morale in existing staff and initial changeover costs. However, only 15.1 percent reported additional costs as a result of outsourcing, 44.2 percent of companies reported "that they had experienced no problems with the outsourcing of personnel," 94 percent reported that they would positively recommend the process, and 65.1 percent were contemplating further outsourcing in the next two years.<sup>115</sup>

The experience was less positive for the affected workers: only 26.8 percent of workers retrenched in the process were absorbed by the new service providers, only 27.5 percent of the companies provided some kind of support to the retrenched workers (ranging from counselling to financial aid), and only in 10 percent of cases were the new terms and conditions an improvement on existing pay and benefits.<sup>116</sup> Only in 34.2 percent of cases did unions have a "negative attitude" to the process, and only in 8.3 percent of cases was industrial action reported.<sup>117</sup> On the basis of this data, Andrew Levy and Associates anticipated that outsourcing would continue, and possibly expand into "core" functions such as transport, distribution and administration.<sup>118</sup>

What, then, of the universities? It would be expected from the literature that economic restructuring in the neo-liberal period in general, and of the universities, in particular, would show a tendency towards outsourcing. Further,

the financial and ideological pressures upon South African public sector universities would be partly resolved through the widespread introduction of outsourcing. However, whilst there is a substantial literature on the restructuring of higher education in South Africa, this has tended to ignore this issue entirely, focussing mainly on curriculum restructuring, marketisation, the changing academic workplace, and, in some cases, and institutional crises. Several articles have emerged in the last few years that point to a process of university support service outsourcing in South Africa in the 1990s.<sup>119</sup> However, these are, for the most part, concerned only with individual campuses, mainly UCT and University of the Witwatersrand, and are, in the main, brief. The main union organising in the sector, NEHAWU, which is primarily active amongst manual and menial workers in the sector, also lacks detailed information on developments in the sector as a whole.<sup>120</sup>

Our research fills some of these gaps, providing a picture of the sector *as a whole*, including attempting to survey the extent to which outsourcing has taken place in the *sector as a whole*, the forces driving this process, and the effects on working people. In this section, we will examine the extent to which outsourcing has been applied in the higher education sector, and the extent to which outsourcing is associated with the different university managerial strategies outlined above: our survey examines if and when outsourcing took place in particular institutions, the reasons for the implementation, if any, of this approach, and the effects that outsourcing has had upon support service workers and trade unions on the campuses. There were already, it must be stated at the outset, strong indications that outsourcing had taken place extensively in the sector. When UCT began outsourcing its support services in 1999, it informed NEHAWU that 20 out of 23 "tertiary education institutions" surveyed in its own research had outsourced at least some support service functions.<sup>121</sup> NEHAWU's own estimate in November 1999, made when the union was considering a countrywide labour action over restructuring in higher education, claimed that the number of workers retrenched in the sector since 1994 had reached 4,000.<sup>122</sup>

Our research confirms, in large measure, these claims. Firstly, it is clear that there has been a significant trend towards the outsourcing of support service staff in South African public sector universities in the latter half of the 1990s. Using the outsourcing of at least one support service function as the date from which outsourcing may be said to have begun, Table 1 provides an overview of which universities have outsourced support service functions, and when such restructuring began. The default data used in Table 1 are those provided by human resource department respondents.

Data in brackets are from union respondents, but are only cited when they conflict with management data; such contradictions were surprisingly rare. Where union dates for the onset of outsourcing were later than those given by human resource management, the data given by management was chosen as authoritative, on the, perhaps questionable, assumption that management maintained better records of staff restructuring policies than the unions. Finally, as indicated earlier, UCT data are derived here, as in subsequent tables and

figures, from secondary literature; these are placed in square “[ ]” brackets. The use of the term “n/a” in this and other tables signifies that data was not available.

From our data it is evident that outsourcing has been strongly favoured by public sector university managements: every single public sector university in South Africa had introduced outsourcing over the last decade-and-a-half; Vista University was a partial exception in that the date of the onset of outsourcing is unknown. Further, the adoption of outsourcing took place, in the main, from 1994 onwards. Only two institutions had clearly outsourced support services before 1994: RAU and the University of Venda, which restructured in 1991 and the 1980s respectively. The University of Port Elizabeth (UPE) may also have outsourced in 1992, but the data is unclear and contradictory,<sup>123</sup> and the actual date at which outsourcing began at Vista University is, as noted, unknown. If we disregard the cases of UPE and Vista University, it is clear that there is a sharp increase in the number of institutions outsourcing their support services from 1994 onwards: one in 1994, one in 1995, one in 1996, three in 1997, four in 1998, one in 1999, three in 2000, and three in 2001, making up a total of 17 institutions. This tends to confirm the claim made by UCT to NEHAWU that most tertiary institutions had outsourced at least some support service functions by 1999, although the UCT data is not restricted to public sector universities.

Even if we continue to exclude UPE and Vista University, it is clear that 17 out of 20 institutions for which data was available had outsourced one or more from 1994 onwards. In other words, university support service outsourcing has overwhelmingly been a feature of post-apartheid South Africa. Nonetheless, it has tended to take place between national elections in the country: whilst there was only one instance of outsourcing in 1994, there were nine cases from 1995 to 1998; again, there was only one case of outsourcing in 1999, but six for 2000 and 2001. This may seem to suggest that university managements are sensitive to potentially negative publicity over university outsourcing during major election years. However, this point is purely speculative, and there is no evidence of either government or the ruling party seeking political mileage from the issue, or, indeed, of Department of Education figures identifying outsourcing as a problem in the higher education sector. On the contrary, our review of the literature and official documentation indicates that support service workers and support service restructuring are almost entirely invisible in the policy and political debates that have developed around the “transformation” of higher education.

What role, then, has government macro-economic policy played in the rise of support service outsourcing in the public sector universities? Our interviews with human resource personnel indicate that this neo-liberal policy environment has played an important role, as have imported policy models that advocate the marketisation of university activity. We defined “support services” as building care and cleaning, catering, grounds work, general maintenance, and security; we also allowed respondents to add additional categories if they considered these to be important parts of support service work.

Survey data dealing with the reasons institutions that chose to outsource their support services was available for 15 out of 21 cases, and is presented in Table 2. The 6 absent cases are either cases in which no interview with human

resource personnel took place, or instances in which these personnel were unable, for various reasons, to complete the relevant section of the questionnaire. Although the response rate was somewhat lower than might have been expected, the results were, nonetheless, highly revealing. Of the 15 universities for which data were available, 12 (or 80 percent) chose to adopt outsourcing in order to reduce costs. Slightly less than half of these institutions hoped that outsourcing would also improve the efficiency of support services (six out of 15 cases, or 40 percent). All of these institutions were HAIs, except the University of the North.

A substantial number of universities also considered their decision to adopt outsourcing to be part of a broader vision of improving the competitiveness of the institution: for eight institutions, the support services were outsourced on the grounds that they were "non-core" functions within the university (eight out of 15 cases, or 53.3 percent). Three of the institutions regarded the decision to outsource as in line with government policy (three out of 15 cases, or 20 percent); these included two HAIs (PUK and the University of Natal) and one HDI (MEDUNSA).

From the above data, it seems clear that the great majority of universities undertook support service outsourcing in an effort to reduce costs. This rationale cut across the HAI/ HDI divide, and may be attributed to the general financial squeeze on the public sector universities arising from declining government subsidies, and falling revenue from student enrolments. In open-ended questions, respondents spoke of 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." The importance of cost cutting was also reflected in the reasons given by management for its choice of particular outsourcing companies: as Table 3 shows, six out of 15 institutions for which data was available cited the efficiency of particular outside service providers as a reason for their employment; five cited the cost-effectiveness of these companies as an important factor; and four chose companies that provided the best tender.

It is also clear that the paradigm of university marketisation has had an impact on university strategy, but that this is largely confined to the HAIs: seven of the eight institutions that cited the need to focus upon "core" activities as a rationale for support service outsourcing were HAIs; the exception was UWC, cited earlier as one of the very few HDIs with the potential to develop into a market university. This seems consistent with the proposition made earlier in this paper that the historically under-resourced HDIs have found it very difficult to restructure their activities and institutional form to meet the challenges of the post-apartheid era, and that their response to the new context is better seen as one of survivalism rather than marketisation.

MEDUNSA is something of an exception, the only HDI to identify the need to be "globally competitive" as a factor in their decision to outsource. This may be partly accounted for by MEDUNSA's particular circumstances. Whilst eleven out of the sixteen universities for which data was available drew upon hired consultants and other outside experts, with MEDUNSA counted amongst this group (see Table 3), the case of MEDUNSA is somewhat unusual. The government commissioned

the KPMG consulting firm to investigate the university, and KPMG recommended that MEDUNSA focus on its core business ("teaching, research, and community services") and rationalise academic and administrative activities.<sup>124</sup>

As Table 1 shows, eleven of the 15 universities for which data was available stated that staff restructuring was likely to continue at their institutions. In eight cases, the institutions stated that this ongoing staff restructuring would involve outsourcing. Interestingly, however, many of these institutions also stated that ongoing staff restructuring would not be confined to the support services. The respondent for PUK stated that the restructuring of teaching functions might take place in future; Rhodes University stated that marketing and IT services were being restructured to improve efficiency; the University of Fort Hare is considering promotions for academic staff and the merger of Faculties; UPE was "constantly re-evaluating the situation" of the institution, as was the University of Stellenbosch; the University of Pretoria was looking at ways to restructure the administrative support services in departments and Faculties; University of the Witwatersrand was restructuring academic services, and merging departments and Faculties; and the University of Zululand was looking into the duplication of duties and reorganisation of Faculties. In other words, it is important to see the decision to restructure support services as part of the broader restructuring of university functions within the broader framework set by neo-liberalism and GEAR.

**Table 1: The spread and timing of outsourcing in public sector universities in South Africa.** *Source: HR interviews; union responses are cited in brackets where responses differ from those of HR, or are only available source; UCT data derived from secondary sources and indicated by square brackets; N/a= not available.*

	<b>INSTITUTION</b>	<b>TYPE</b>	<b>Year outsourcing began?<sup>125</sup></b>	<b>Outsourcing currently taking place?</b>	<b>Is staff restructuring likely to continue?</b>
1.	<b>Medical University of South Africa</b>	HDI	2001	YES	YES
2.	<b>Potchefstroom University: CHE</b>	HAI	1998	NO	NO
3.	<b>Rand Afrikaans University</b>	HAI	1991	NO	NO (YES) <sup>126</sup>
4.	<b>Rhodes University</b>	HAI	1994	YES	YES
5.	<b>University of Cape Town<sup>127</sup></b>	HAI	[1999]	[NO]	[NO]
6.	<b>University of Durban-Westville</b>	HDI	1997	YES	YES
7.	<b>University of Fort Hare</b>	HDI	1997	YES	YES
8.	<b>University of the Free State</b>	HAI	2000	NO	YES
9.	<b>University of Natal</b>	HAI	1997	NO	NO (YES) <sup>128</sup>
10.	<b>University of the North</b>	HDI	2001	YES	YES
11.	<b>University of the North-West</b>	HDI	(2001) <sup>129</sup>	(YES)	(YES)
12.	<b>University of Port Elizabeth</b>	HAI	1995 (1992) <sup>130</sup>	YES	YES
13.	<b>University of Pretoria</b>	HAI	1998	YES	YES
14.	<b>University of Stellenbosch</b>	HAI	1995	NO	NO
15.	<b>University of South Africa</b>	HAI	1996	NO	YES
16.	<b>University of the Transkei</b>	HDI	(1998)	(YES)	(YES)
17.	<b>University of Venda</b>	HDI	1985 <sup>131</sup>	NO	NO
18.	<b>University of the Western Cape</b>	HDI	1998	NO	NO
19.	<b>University of the Witwatersrand</b>	HAI	2000	YES	YES
20.	<b>University of Zululand</b>	HDI	2000	YES	YES
21.	<b>Vista University<sup>132</sup></b>	HDI	(Has begun, but date unknown)	(NO)	(YES)
	<b>Totals</b>		<b>21</b>	<b>10</b>	<b>11</b>

**Table 2: Reasons Cited by Management for Support Service**

**Outsourcing:** *Source: HR interviews; N/a = not available*

	<b>INSTITUTION</b>	<b>Cut cost</b>	<b>Non-core function</b>	<b>Improve Efficiency</b>	<b>Govt. Dictate</b>	<b>Seasonal</b>	<b>Improve Productivity</b>	<b>"Global competition"</b>
1.	<b>Medical University of South Africa</b>	Yes	Yes	No	Yes	No	No	Yes
2.	<b>Potchefstroom University: CHE</b>	Yes	Yes	No	Yes	No	No	No
3.	Rand Afrikaans University	N/a	N/a	N/a	N/a	N/a	N/a	N/a
4.	<b>Rhodes University</b>	Yes	No	Yes	No	No	No	No
5.	University of Cape Town	N/a	N/a	N/a	N/a	N/a	N/a	N/a
6.	<b>University of Durban-Westville</b>	Yes	No	Yes	No	No	No	No
7.	<b>University of Fort Hare</b>	Yes	No	No	No	No	No	No
8.	<b>University of the Free State</b>	Yes	No	No	No	No	No	No
9.	<b>University of Natal</b>	Yes	Yes	No	Yes	No	No	No
10.	<b>University of the North</b>	Yes	No	Yes	No	No	No	No
11.	University of the North-West	N/a	N/a	N/a	N/a	N/a	N/a	N/a
12.	<b>University of Port Elizabeth</b>	No	Yes	Yes	No	No	No	Yes
13.	<b>University of Pretoria</b>	No	Yes	Yes	No	Yes	Yes	No
14.	<b>University of Stellenbosch</b>	No	Yes	No	No	No	No	No
15.	<b>University of South Africa</b>	Yes	No	Yes	No	No	No	No
16.	University of the Transkei	N/a	N/a	N/a	N/a	N/a	N/a	N/a
17.	University of Venda	N/a	N/a	N/a	N/a	N/a	N/a	N/a
18.	<b>University of Western Cape</b>	Yes	Yes	No	No	No	No	No
19.	<b>University of the Witwatersrand</b>	Yes	Yes	No	No	No	No	Yes
20.	<b>University of Zululand</b>	Yes	No	No	No	No	No	No
21.	Vista University	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	<b>Totals</b>	<b>12 80%</b>	<b>8 53.3%</b>	<b>6 40.0%</b>	<b>3 20.0%</b>	<b>1 6.7%</b>	<b>1 6.7%</b>	<b>3 20.0%</b>

**Table 3: Reasons Given by Management for Selection of Particular Outsourcing Companies** *Source: HR interviews; N/a = not available*

	<b>INSTITUTION</b>	<b>Reason for choosing outsourced company</b>
1.	<b>Medical University of South Africa</b>	Government recommendation <sup>133</sup>
2.	<b>Potchefstroom University: CHE</b>	Cost-effective Efficient
3.	<b>Rand Afrikaans University</b>	Efficient
4.	<b>Rhodes University</b>	Best tender
5.	University of Cape Town	N/a
6.	<b>University of Durban- Westville</b>	N/a
7.	<b>University of Fort Hare</b>	Cost-effective
8.	<b>University of the Orange Free State</b>	Best tender
9.	<b>University of Natal</b>	Efficient
10.	University of the North	N/a
11.	University of the North-West	N/a
12.	<b>University of Port Elizabeth</b>	Best tender
13.	<b>University of Pretoria</b>	Best tender
14.	<b>University of Stellenbosch</b>	Cost-effective Efficient
15.	<b>University of South Africa</b>	Efficient
16.	University of the Transkei	N/a
17.	<b>University of Venda</b>	Best tender
18.	<b>University of the Western Cape</b>	Cost-effective Efficient
19.	<b>University of the Witwatersrand</b>	Cost-effective Employment and empowerment practices
20.	University of Zululand	N/a
21.	Vista University	N/a
	<b>Totals</b>	<b>Efficiency: 6</b> <b>Cost-effectiveness: 5</b> <b>Best tender: 4</b> <b>Other reasons: 2</b>

**Table 4: Did universities use consultants when considering options for support service restructuring?** *Source: HR interviews; union responses in brackets where responses differ from those of HR, or are only available source; UCT data derived from secondary material, indicated by square brackets; N/a= not available*

	<b>INSTITUTION</b>	<b>TYPE</b>	<b>Did university hire consultants when restructuring support services?</b>	<b>Details of consultant, if available</b>
1.	<b>Medical University of South Africa</b>	HDI	YES	KPMG, commissioned by government
2.	<b>Potchefstroom University: CHE</b>	HAI	YES	Individual consultants
3.	Rand Afrikaans University	HAI	N/a	-
4.	<b>Rhodes University</b>	HAI	NO	-
5.	<b>University of Cape Town</b> <sup>134</sup>	HAI	[YES]	[University Management Associates]
6.	<b>University of Durban-Westville</b>	HDI	NO	-
7.	<b>University of Fort Hare</b>	HDI	YES	Productivity Assignments
8.	<b>University of the Free State</b>	HAI	YES	Individual consultants
9.	<b>University of Natal</b>	HAI	NO	-
10.	<b>University of the North</b>	HDI	YES	Northern Consortium
11.	University of the North-West	HDI	N/a	-
12.	<b>University of Port Elizabeth</b>	HAI	NO	-
13.	<b>University of Pretoria</b>	HAI	YES	University Management Associates Price, Waterhouse and Cooper
14.	<b>University of Stellenbosch</b>	HAI	YES	N/a
15.	University of South Africa	HAI	N/a	-
16.	University of the Transkei	HDI	N/a	-
17.	University of Venda	HDI	N/a	-
18.	<b>University of the Western Cape</b>	HDI	NO	-
19.	<b>University of the Witwatersrand</b>	HAI	YES	University Management Associates
20.	<b>University of Zululand</b>	HDI	YES	N/a
21.	<b>Vista University</b> <sup>135</sup>	HDI	(YES)	N/a
	<b>Totals</b>		<b>Hired consultants: 11</b> <b>Did not use</b>	-

			<b>consultants: 5</b>	
			<b>Not available: 5</b>	

## **VII. Effects of support service outsourcing on workers and trade unions**

The limited existing literature that deals with the effects of support service outsourcing on workers, and on the trade unions that represent them, have generally portrayed the effects of outsourcing as negative. Kenny and Clarke's study of UCT indicates that security guards outsourced in 1998 earn roughly half the salary per hour of full-time UCT security guards (a minimum wage of R7 per hour as compared to R15 per hour, in 2001), whilst the wages of outsourced cleaners are similarly low.<sup>136</sup> Further, these outsourced workers lack access to employee benefits such as housing allowances, provident funds, medical aids, and thirteenth cheques.

Research by van der Walt, Mokoena and Shange at the University of the Witwatersrand indicates a similarly bleak picture. Of 613 workers retrenched at the end of June 2001, only around 250 were re-employed by the new service providers in cleaning, catering, grounds and maintenance.<sup>137</sup> Further, the working conditions and benefits of workers in the outside service providers were worse than those previously enjoyed by full-time University of the Witwatersrand support staff: wages for cleaning workers, for example, fell from around R2, 277 plus benefits, to around R1, 200 per month, with no benefits.<sup>138</sup> Further, workers reported stricter disciplinary regimes, declining work safety, a general lack of job security, and a lack of union representation in the new companies.<sup>139</sup> Johnson interviewed affected workers at the University of the Witwatersrand, UCT, and UWC and quotes a long-term, now outsourced, UWC worker as saying: "We work harder, we do more work and there is tighter control by the supervisors."<sup>140</sup> This was evidenced by the fact that in 2000, there were 20 disciplinary cases against workers and nine dismissals amongst cleaning staff. In four cases, dismissals seem to have followed workers' refusal to clean high windows without danger pay similar to that previously provided by UWC.<sup>141</sup>

Union representation had declined as well: at UWC wage bargaining had increasingly been individualised and labour relations were increasingly adversarial. NEHAWU shopstewards across the universities concurred that working conditions were "terrible" and that workers were "treated like trash,"<sup>142</sup> but it seems that the unions had had only limited success in organising the outsourced workforce. At the University of the Witwatersrand, NEHAWU is no longer represented in bargaining units for cleaners and catering workers,<sup>143</sup> whilst UCT workers had opted for an independent union, with mixed results.

This effect is, from the perspective of the organised working class, highly retrogressive: as Motloug has demonstrated, campus trade unionism in the later 1980s and the 1990s has been spurred by grievances about paternalist and authoritarian management practices, low wage levels, wage discrepancies and poor working conditions.<sup>144</sup> Further, outsourcing has tended to disproportionately affect African and Coloured manual and menial workers, and women in particular, and can be seen as a cheap labour system that provides employers with a

flexible, low-wage, often non-union, workforce.<sup>145</sup> Partly as a result of its concerns about the restructuring process and the effects of outsourcing, NEHAWU began court cases against UCT, the University of Pretoria, and University of the Witwatersrand.<sup>146</sup> Whilst the latter have not yet been settled, the union has, however, lost the former on appeal.

In the second part of our research, we wished to examine whether support service outsourcing had had similar effects on the public sector universities as a whole, examining, specifically, how many workers were affected by retrenchments, wages, benefits and working conditions in the new service providers, whether shopstewards had been retrenched due to outsourcing, and the overall effects of outsourcing upon union representation in the support services. This section of the research draws on two sources: interviews with human resource managers at the different campuses, and interviews with union representatives. The latter are, however, our main source for this section. As noted earlier, union respondents were drawn, with the exception of UDW, from NEHAWU, the main union amongst manual and menial workers in the sector.

Table 5 examines the effects of outsourcing on employment levels, wages, benefits, job security, and disciplinary regimes. Data for the number of retrenchments as a result of support service restructuring as a whole (including outsourcing) was available for all but three public sector universities, these being MEDUNSA, the University of the North and Vista University. Our calculations drew upon interviews with both human resource personnel and unionists at each institution.

As the two parties tended to differ significantly in their estimation of the number of workers retrenched at each public sector university, the figures and overall numbers have been presented separately: excluding the three absent cases, the sum total of retrenchments (including both voluntary and compulsory retrenchments) according to data furnished by human resource managers amounts to 4,912; the corresponding total according to data from trade unionists is substantially higher, at 5,660.

These differences raise questions about the reliability of some of the data. It should also be noted that respondents were sometimes somewhat vague about exact numbers, providing either ranges of figures or "plus-minus" estimates numbers of workers affected by retrenchment. Where ranges of figures were used, we have used the mean; where "plus-minus" figures were provided, we have used these figures, but stress the need for caution in utilising such data.<sup>147</sup> In addition, the figures have undoubtedly been affected by the lower response rate from management in general (17 interviews, as opposed to 20 for the unionists). Finally, it also needs to be noted that these figures do not necessarily reflect *net* job losses in the sector, as some of the retrenched workers undoubtedly secured re-employment in the new outside service providers. We were, however, unable to obtain adequate data on the numbers re-employed.

Nonetheless, the figure for retrenchments is still very high, exceeding NEHAWU's own estimate of job losses amongst support service workers in public sector universities, cited earlier. This averages at 272 workers retrenched per campus (if one uses the figures derived from human resource management data)

or 314 workers retrenched per campus (using unionist data). Table 6 develops this point further. According to the data provided by university human resource personnel, shown in Table 6, seven campuses retrenched 300 or more workers each, accounting for nearly half of the total job losses in the sector at 3,823 (or 77.8 percent of the total). According to the trade union office-bearers to whom we spoke, nine campuses had retrenched more than 300 or more each, accounting for 4,611 of the total (or 81.1 percent).

HDI's were well represented amongst the institutions responsible for the most retrenchments, with the University of Fort Hare, for instance, responsible for the single largest retrenchment, 1000 workers (or 938 according to the trade union). It is, however, important to note that relatively well-resourced HAI's were also responsible for some of the biggest job losses. The University of Pretoria retrenched 800 workers, according to both human resource management and the union; University of the Witwatersrand retrenched 623, again, according to both management and the union; PUK retrenched 400 (450 according to the union); and the University of Stellenbosch 300 (only, however, 240 according to the union). Union informants would add the University of Natal to this grouping.

This underlines the point that declining funds were only *one* of several reasons for HAI's restructuring their support services. Referring back to Table 1, two points are clear: all of the HAI's listed in Table 6, bar the University of Stellenbosch, cited cost-cutting as only one reason for outsourcing; secondly, all of the HAI's listed in Table 6, including the University of Stellenbosch, also identified the need to rationalise "non-core" functions and focus on core activities as a factor in their decisions. Interestingly, only UWC, out of the HDI's listed in Table 6, identified the rationalisation of "non-core" functions as a reason for outsourcing; all of the other HDI's in Table 6, for which data was available, stressed cost-cutting. Again, therefore, it is important to note the bifurcation of the public sector universities into those pursuing the model of the "market university" (mainly HAI's, with the possible exception of UWC) and those pursuing simple survival strategies (the HDI's, especially those based in former homeland areas).

The data presented in Table 6 also indicates that support service outsourcing had generally negative effects on support service workers' wages, benefits, and job security, and resulted in a more unpleasant working life. Despite the high response rate from trade unionists, there are, unfortunately, some gaps in the data here, affecting roughly half of the cases. Of the 11 universities for which data was available, trade unionists reported that workers earned lower wages in the outside service providers than had been the case when the public sector universities provided these jobs. In eight of the 11 cases for which data was available, support service workers had also lost access to benefits enjoyed by equivalent workers when these occupations were in university employment. Although the situation clearly varied from campus to campus, union respondents instanced housing subsidies, medical aids, and provident funds as some of the benefits to which workers had lost access as a result of support service outsourcing. This varied between companies on specific campuses – in one case, for instance, workers in catering had access to a pension fund, whilst cleaners did

not, but neither group had any access to a medical aid- but in all eight cases, outsourced workers in all groups had lost at least some benefits previously enjoyed by workers when the same services were part of the university.

Further, in eight of the 11 cases for which data was available, the trade union respondents reported that the outsourced workers' jobs were insecure, or precarious, and far more so than had been the case when the affected support services were still provided in-house by the public sector universities. In the words of one informant, the outsourced support service workers were "treated like casuals," unsure of how long their jobs would last. Another respondent stated that the limited terms for which outside service providers were hired created further insecurity, insofar as workers were not sure whether the company would be able to renew the contact or whether new tenders for the service would be invited.

Finally, we examined whether workers found working life more unpleasant in the outside service providers than had been the case when in university employ. This is, admittedly, a broad category that groups together a number of somewhat disparate qualitative considerations, ranging from whether management regulated workers' breaks more closely, whether workers felt more closely watched by management, and whether workers felt that management was more "harsh" in its approach towards them.

In eight out of ten cases for which data was available, union respondents reported that working life was in at least some respects worse than had previously been the case. It is perhaps best to cite actual cases to give the reader a sense of what these effects means for workers. 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. It was also stated, specifically, that 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 that they had worked for the university, and sometimes even longer; further, during this time, their breaks were more strictly monitored. This data provides an interesting parallel to the centralisation of power, and the implementation of "managerialism," that affects academic labour in market universities.

This data tends to support findings on individual campuses that workers' remuneration and working conditions in public sector had worsened as a *direct* result of support service outsourcing, and that this had taken place *across* the HAI/ HDI divide. Many of these effects – the lower wages, reduced access to benefits, and the stricter managerial regime – are not, it should be noted, entirely unexpected: in the absence of increased capital-intensity, or radical innovations in work design, the cost-savings and increased efficiency that so attract employers to the outsourcing of semi-skilled and unskilled manual and menial functions are necessarily *premised* on a low-wage, no-benefit, insecure, and strictly-supervised manual and menial workforce. Whilst the outsourcing of high-end, skilled, labour, may actually *increase* the market power and hence, worker benefits and remuneration, its general effect can only be to worsen the income and conditions of workers at the lower end of the labour market.

What is striking about the above data are, however, the gaps: despite a very high response rate from trade unionists in general (20 out of 21 campuses), in nearly half of all cases, on average, trade union leaders were unable to adequately describe the impact of outsourcing on wages, job security and working conditions. This becomes more explicable, however, when we consider the negative impact that outsourcing has had upon union capacity and union representation.

Most immediately, Table 7 indicates that many trade unionists representing support service workers at the different public sector universities felt marginalised in the process of support service restructuring. In four cases, the unionists stated that restructuring was still in progress, and could not yet assess the adequacy of the process. The remaining 17 cases are of great interest. In 12 cases where the process was sufficiently far advanced to allow such an assessment, union respondents felt that the union had not been "adequately involved" in restructuring. This category covers a wide range of concerns about the marginalisation of the union in the restructuring process. One respondent stated that the union was not consulted at all, but merely "briefed" by management; another felt that union "feedback" on restructuring was ignored; in another case the union participated in structures examining restructuring, but was generally marginalised; a fourth respondent spoke of union proposals around restructuring being disregarded by an "arrogant" management; a fifth said the union felt "frustrated" by the process; and a sixth spoke of management violating the substantive content of agreements reached. In two cases, the union made use of the courts to challenge the restructuring process, and stall or change the restructuring process. (These cases are distinct from the NEHAWU cases against UCT, the University of Pretoria, and University of the Witwatersrand).

In only two cases did union respondents express satisfaction with the restructuring process. In a third case, the union representative admitted that "adequate consultation" had taken place, but stated that agreement with management had nonetheless not been reached. In only two cases did union respondents express the view that the union had won substantial concessions from management in the restructuring process: at UDW, the union secured an agreement that existing support service workers would not be affected by outsourcing; at the University of Zululand, the union secured an agreement that retrenched workers would get first preference for new jobs. If we exclude the four cases where respondents felt that restructuring was still in progress, and a further case for which no datum was available, we find that only four unions out of 16 had signed an agreement with management regarding outsourcing; the remaining 12 had not signed any such agreement.

Even more seriously, support service outsourcing decimated union numbers and representation. The effects of support service restructuring and outsourcing on union structures and capacity are presented in Table 8. The figures for overall union losses as a result of support service restructuring as a whole (not just outsourcing), as provided by union respondents, total 5,473. This is in excess of the total figure for job losses calculated from data provided by management respondents in the sector, 4912, presented in Table 5. It is also not far short of

the total figure for job losses in the sector arrived at from data provided by union respondents, 5,660, presented in the same table. Further, this figure refers only to membership losses for the union interviewed, and excludes losses to other unions active amongst support service workers as a result of restructuring.

Clearly the data on overall union membership losses must be treated with a great deal of caution. Nonetheless it does indicate that support service restructuring has had a significant impact on union density in the higher education sector, and that union gains in the sector have been reversed to a substantial degree. Further, the data provided by union respondents indicates that a total of 113 shopstewards were retrenched during support service restructuring, a loss which would have a significant impact on union capacity. In open-ended questions, union respondents made it clear that retrenchments meant more than simply membership losses: union finances were adversely affected; less funds meant less resources for training shopstewards; skilled unionists were lost as shopstewards fell to the axe of downsizing; and the position of the union on the campus was weakened. 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.

Furthermore, as Table 9 shows, the affected unions had had little success in regaining lost ground by organising workers employed by outsourcing companies. Only two unions out of the seventeen for which data was available had secured a recognition agreement with at least one of the outsourcing companies employed by the university. In a further two cases, the union was negotiating with one or more outsourcing companies for a recognition agreement. In 12 cases, the unions lacked a recognition agreement with any of the outsourcing companies providing support services at the public sector universities. It might be assumed that the unions would be able, *in practice*, to negotiate some elements of workers' income and conditions with employers despite of the lack of a formal recognition agreement, but this had occurred in only one instance.

In this situation, it is perhaps hardly surprising that trade unionists were often quite ignorant about the remuneration and conditions of workers in the new outside service providers. The unions had lost much of their traditional base in university support services. Huge union losses due to retrenchments and restructuring were not, on the whole, regained through organising initiatives in the new service providers. In only three cases were the unions that had traditionally represented support service workers at public sector universities been able to negotiate on behalf of outsourced support service workers.

Whilst detailed figures are not available, there can be no doubt that trade union density amongst workers employed on campuses generally has sharply declined. Certainly, there has been a sharp decline in levels of trade union representation amongst support service workers in public sector universities, as a direct result of the outsourcing of support service functions. Further, there has

been a general decline of trade union capacity in the sector. It also seems clear that the unions have been unable to effectively respond to the general offensive by university managements entailed by outsourcing, and have failed to either halt the general process of outsourcing in the sector, or to develop an effective national strategy to regain their strength at universities. NEHAWU may, indeed, have grown to be the second largest COSATU union, but its future on the campuses that were so central to its rise in the early 1990s is far from assured.

**Table 5: Impact on employment, benefits, wages and working conditions.**

*Source: retrenchment figures from HR interviews and unions (union data bracketed); union interviews for all other data; UCT data from secondary material, in square brackets; N/a = not available.*

	<b>INSTITUTION</b>	<b>Number of workers retrenched during restructuring</b>	<b>Lower wages than in university employ?</b>	<b>Fewer benefits than in university employ?</b>	<b>More job insecurity?</b>	<b>Working life is generally worse?</b>
1.	Medical University of South Africa	Still in progress	Still in progress	Still in progress	Still in progress	Still in progress
2.	<b>Potchefstroom University: CHE</b>	400 (450)	Yes	Yes	Yes	N/a
3.	<b>Rand Afrikaans University<sup>148</sup></b>	107 (N/a)	Yes	Yes	Yes	Yes
4.	<b>Rhodes University</b>	15 (8)	No	No	No	No
5.	<b>University of Cape Town<sup>149</sup></b>	[267] <sup>150</sup>	[Yes]	[Yes]	[Yes]	[Yes]
6.	<b>University of Durban-Westville</b>	37 (300)	No	No	No	No
7.	<b>University of Fort Hare</b>	1000 (938)	Yes	Yes	No	Yes
8.	<b>University of the Orange Free State</b>	283 (275) <sup>151</sup>	Yes	Yes	Yes	Yes
9.	<b>University of Natal</b>	280 (450) <sup>152</sup>	Yes	Yes	Yes	N/a
10.	University of the North	Still in progress	Still in progress	Still in progress	Still in progress	Still in progress
11.	<b>University of the North-West</b>	60 (N/a)	Still in progress	Still in progress	Still in progress	Still in progress
12.	<b>University of Port Elizabeth</b>	20 (92)	N/a	N/a	N/a	N/a
13.	<b>University of Pretoria</b>	800 (800)	No	Yes	Yes	Yes
14.	<b>University of Stellenbosch</b>	300 (240)	N/a	N/a	N/a	N/a
15.	<b>University of South Africa</b>	20 (N/a)	N/a	N/a	N/a	N/a
16.	<b>University of the Transkei</b>	N/a (300)	N/a	N/a	N/a	N/a
17.	<b>University of Venda</b>	N/a (0)	N/a	N/a	N/a	N/a
18.	<b>University of Western Cape<sup>153</sup></b>	300 (400)	N/a	N/a	N/a	Yes
19.	<b>University of Witwatersrand</b>	623 (623)	Yes	Yes	Yes	Yes
20.	<b>University of Zululand</b>	400 (350)	Yes	Yes	Yes	Yes
21.	<b>Vista University<sup>154</sup></b>	N/a	N/a	N/a	N/a	N/a
	<b>Totals</b>	<b>4912 (5660) HR (union) N/a: 1 In progress: 3</b>	<b>Yes: 8 No: 3 N/a: 7 In progress: 3</b>	<b>Yes: 9 No: 2 N/a: 7 In progress: 3</b>	<b>Yes: 8 No: 3 N/a: 7 In progress: 3</b>	<b>Yes: 8 No: 2 N/a: 8 In progress: 3</b>

**Table 6: Public Sector Universities that Retrenched 300 or More Workers.** *Source: HR interviews; trade union interviews*

	<b>INSTITUTION</b>	<b>Type of institution</b>	<b>Number of workers retrenched during restructuring</b> (Human Resource Management informants)	<b>Number of workers retrenched during restructuring</b> (Trade union informants)
1.	<b>Potchefstroom University: CHE</b>	HAI	<b>400</b>	<b>450</b>
2.	<b>University of Durban-Westville</b>	HDI	37	<b>300</b>
3.	<b>University of Fort Hare</b>	HDI	<b>1000</b>	<b>938</b>
4.	<b>University of Natal</b>	HAI	280	<b>450</b> <sup>155</sup>
5.	<b>University of Pretoria</b>	HAI	<b>800</b>	<b>800</b>
6.	<b>University of Stellenbosch</b>	HAI	<b>300</b>	240
7.	<b>University of the Transkei</b>	HDI	N/a	<b>300</b>
8.	<b>University of Western Cape</b> <sup>156</sup>	HDI	<b>300</b>	<b>400</b>
9.	<b>University of Witwatersrand</b>	HAI	<b>623</b>	<b>623</b>
10.	<b>University of Zululand</b>	HDI	<b>400</b>	<b>350</b>
	<b><i>Totals (excluding figures &lt;300)</i></b>	<b>HDI: 5 HAI: 5</b>	<b>3,823 77.8 % of total</b>	<b>4,611 81.1 % of total</b>

**Table 7: Union involvement in restructuring process** *Source: trade union interviews; UCT data derived from secondary material, indicated by square brackets; N/a = not available*

	<b>INSTITUTION</b>	<b>Was union adequately involved in restructuring process?</b>	<b>Did union sign agreement with management regarding outsourcing?</b>
1.	Medical University of South Africa	Still in progress	Still in progress
2.	<b>Potchefstroom University: CHE</b>	Not adequately consulted	No
3.	<b>Rand Afrikaans University</b> <sup>157</sup>	Not adequately consulted	No
4.	<b>Rhodes University</b>	Consulted but no agreement	No
5.	<b>University of Cape Town</b> <sup>158</sup>	[Not adequately consulted]	[No]
6.	<b>University of Durban-Westville</b>	Yes: Secured compromises	Yes
7.	<b>University of Fort Hare</b>	Not adequately consulted	No
8.	<b>University of the Orange Free State</b>	Yes	No
9.	<b>University of Natal</b> <sup>159</sup>	Not adequately consulted	No
10.	University of the North	Still in progress	Still in progress
11.	University of the North-West	Still in progress	Still in progress
12.	<b>University of Port Elizabeth</b>	Not adequately consulted	Yes
13.	<b>University of Pretoria</b>	Not adequately consulted	No
14.	<b>University of Stellenbosch</b>	Not adequately consulted	No
15.	University of South Africa	Still in progress	Still in progress
16.	<b>University of the Transkei</b>	Not adequately consulted	No
17.	<b>University of Venda</b>	Yes	No
18.	<b>University of the Western Cape</b> <sup>160</sup>	Not adequately consulted	N/a
19.	<b>University of the Witwatersrand</b>	Not adequately consulted	No
20.	<b>University of Zululand</b>	Yes: Secured compromises	Yes
21.	<b>Vista University</b>	Union leadership consulted, but members marginalised	Yes
	<b>Totals</b>	<b>Adequately consulted: 4 Secured compromises: 2 Inadequately consulted: 11 Consulted, disagreed: 1 Other: 1 In progress: 4 Not available: 0</b>	<b>Signed agreement: 4 No agreement: 12 In progress: 4 Not available: 1</b>

**Table 8: Impact of Support Service Restructuring and Outsourcing upon Union Organisation** *Source: union interviews; UCT data derived from secondary material, indicated by square brackets; N/a: not available*

	<b>INSTITUTION</b>	<b>Net loss of union members due to service restructuring</b> <i>(Main union only)</i>	<b>Number of shop stewards retrenched in service restructuring</b> <i>(Main union only)</i>	<b>Is union attempting to unionise at least one outsourcing company?</b>	<b>Does union currently negotiate for workers in at least one outsourcing company?</b>	<b>Does union have recognition agreement with at least one outsourcing company?</b>
1.	Medical University of South Africa	Still in progress	Still in progress	Still in progress	Still in progress	Still in progress
2.	<b>Potchefstroom University: CHE</b>	297	4	Yes	In talks	In talks
3.	<b>Rand Afrikaans University</b> <sup>161</sup>	100	0	Yes	No	No
4.	<b>Rhodes Univ.</b>	5	0	N/a	No	No
5.	<b>University of Cape Town</b> <sup>162</sup>	N/a	N/a	[Yes	[No]	[No]
6.	<b>University of Durban-Westville</b>	300	0	N/a	Yes – during tendering	Yes
7.	<b>University of Fort Hare</b>	938	24	Yes	Yes	No
8.	<b>University of the Orange Free State</b>	278	13	Yes	In talks	In talks
9.	<b>University of Natal</b> <sup>163</sup>	450	2	N/a	No	No
10.	University of the North	Still in progress	Still in progress	Still in progress	Still in progress	Still in progress
11.	<b>University of the North-West</b>	60	N/a	Still in progress	Still in progress	Still in progress
12.	<b>University of Port Elizabeth</b>	150	6	N/a	No	No
13.	<b>University of Pretoria</b>	584	12	N/a	No	No
14.	<b>University of Stellenbosch</b>	300 <sup>164</sup>	10	N/a	N/a	No
15.	<b>University of South Africa</b>	0	0	N/a	N/a	N/a
16.	<b>University of the Transkei</b>	500	18	N/a	No	No
17.	<b>University of Venda</b>	0	0	N/a	N/a	N/a
18.	<b>University of the Western Cape</b> <sup>165</sup>	500 <sup>166</sup>	10	Yes	Yes	Yes
19.	<b>University of Witwatersrand</b>	623	3	No	No	No
20.	<b>University of Zululand</b>	300	2	N/a	No	No
21.	<b>Vista Univ.</b> <sup>167</sup>	88	9	N/a	No	No
	<b>Totals</b>	<b>5473</b>	<b>113</b>	<b>Yes: 6 No: 1 N/a: 11 In progress: 3</b>	<b>Yes: 3 No: 10 In talks: 2 N/a: 3 In progress: 3</b>	<b>Yes: 2 No: 12 In talks: 2 N/a: 2 In progress: 3</b>

### **VIII. Conclusion: whose transformation? The class content of public sector university restructuring in post-apartheid South Africa**

In the late 1990s, NEHAWU, the main union active amongst support service workers in public sector higher education, aspired to national-level collective bargaining in tertiary education, aiming at the formation of a single national bargaining forum for the universities and technikons.<sup>168</sup> This was in line with the union's belief that the consolidation of union power was an intrinsic part of a broader reconstruction and democratisation of South African society in the interests of black workers.

These aspirations have not come to pass. On the contrary. Not only has centralised bargaining not been achieved in the tertiary education sector, but a wave of de-unionisation has washed over, and rapidly eroded, many of the union strongholds, and union achievements in the sector. Widespread de-unionisation has taken place as a direct result of a rapid and profound drive by public sector university managements to outsource support service functions, a drive that has taken place largely in the post-apartheid era. Furthermore, outsourcing has been accompanied by massive retrenchments of support service workers. For those workers employed by outside service providers, wages, benefits and working conditions have declined markedly. The contours of a cheap labour system in post-apartheid South Africa, based on flexible and casual labour, and regulated by the market, are already discernable, not only in the universities but elsewhere.

The decision of university managements to save money, and, in many cases, to continue repositioning themselves in the market, at the expense of traditionally low-wage support service workers is partly to blame for this situation. The consistent failure of management to develop worker-friendly forms of support service restructuring in favour of the outsourcing route effectively transfers many of the costs of restructuring onto the most vulnerable sectors of the university community. The inability of the unions to effectively halt the wave of outsourcing has made matters worse, as has the absence of a systematic union campaign to organise amongst outsourced campus workers.

Thus, power relations that systematically disadvantage working class people play an important role in determining who bears the burden of restructuring. Although Vice-Chancellors earn, as noted earlier, an average of R688, 428 p.a., the manual and menial university support service workers whose salaries were typically well below R60, 000 p.a. (before outsourcing) were the immediate targets of university administrations bent upon cost-cutting.

However, the main blame for this situation must be laid at the door of the post-apartheid government, which has embraced neo-liberal policies that lead, inexorably it seems, to such outcomes. Whoever else may be counted the beneficiaries of post-apartheid public university "transformation," outsourced support service workers will not be amongst them. Instead, these workers will remain trapped in poverty, in precarious employment, in non-union jobs, a silent backdrop to debates on university restructuring that all too rarely acknowledge their very existence. It is a supreme irony that post-apartheid university transformation has brought these workers far more pain than gain, and that the

ultimate blame for this situation lies with the policies of the post-apartheid government that these workers and their struggles helped elect.

## **Appendix one: public sector higher education institutions in South Africa, 2001**

### *Universities (with commonly used abbreviations and acronyms)*

1. Medical University of South Africa (MEDUNSA)
2. Potchefstroom University for Christian Higher Education (PUK)
3. Rand Afrikaans University (RAU)
4. Rhodes University
5. University of Cape Town (UCT)
6. University of Durban-Westville (UDW)
7. University of Fort Hare
8. University of the Free State
9. University of Natal
10. University of the North
11. University of the North-West (UNIWEST)
12. University of Port Elizabeth (UPE)
13. University of Pretoria
14. University of Stellenbosch
15. University of South Africa (UNISA)
16. University of Transkei (UNITRA)
17. University of Venda
18. University of the Western Cape (UWC)
19. University of the Witwatersrand (WITS)
20. University of Zululand
21. Vista University

### *Technical colleges (technikons)*

1. Port Elizabeth Technikon
2. University of Port Elizabeth
3. Vista University
4. Border Technikon
5. Eastern Cape Technikon
6. Technikon Free State
7. Technikon Northern Gauteng
8. Technikon North-West
9. Technikon Pretoria
10. Technikon Witwatersrand
11. Vaal Triangle Technikon
12. ML Sultan
13. Technikon Natal
14. Mangosuthu Technikon
15. Technikon South Africa

**Appendix two: survey respondents by institution, 2001**

	<b>INSTITUTION</b>	<b>Human resource department interviewed?</b>	<b>Majority union representative interviewed?</b>
1.	<b>Medical University of South Africa</b>	YES	YES
2.	<b>Potchefstroom University for CHE</b>	YES	YES
3.	<b>Rand Afrikaans University (RAU)</b>	YES	YES
4.	<b>Rhodes University</b>	YES	YES
5.	<b>University of Cape Town (UCT)</b>	NO	NO
6.	<b>University of Durban-Westville (UDW)</b>	YES	YES
7.	<b>University of Fort Hare</b>	YES	YES
8.	<b>University of the Free State (UOFS)</b>	YES	YES
9.	<b>University of Natal</b>	YES	YES <sup>169</sup>
10.	<b>University of the North</b>	YES	YES
11.	<b>University of the North-West</b>	NO	YES
12.	<b>University of Port Elizabeth (UPE)</b>	YES	YES
13.	<b>University of Pretoria</b>	YES	YES
14.	<b>University of Stellenbosch</b>	YES	YES
15.	<b>University of South Africa (UNISA)</b>	YES	YES
16.	<b>University of the Transkei (UNITRA)</b>	NO	YES
17.	<b>University of Venda</b>	YES	YES
18.	<b>University of the Western Cape (UWC)</b>	YES	YES
19.	<b>University of the Witwatersrand (WITS)</b>	YES	YES
20.	<b>University of Zululand</b>	YES	YES
21.	<b>Vista University</b>	NO	YES
	<b>Total</b>	17	20

<sup>1</sup> In general, we will avoid using the term “transformation,” as it lacks analytical rigour.

<sup>2</sup> The issue of “Africanising” curricula is enormously contentious. Elements of the debate are reflected in Nico Cloete and Johan Muller, June 1998, “South African Higher Education Reform: what comes after post-colonialism?” Centre for Higher Education Transformation: Pretoria. Aspects of an “Afrocentric case” may be found in Siphoo Seepe, 2000, “Higher Education and Africanisation,” *Perspectives in Education*, volume 18, number 3 and Fhulu Nekhwevha, “Education Transformation and the African Renaissance in a Globalising World,” *Perspectives in Education*, volume 18, number 3; for a critique of Afrocentrism, see Mary R. Lefkowitz and Guy MacLean Rogers, editors, 1996, *Black Athena revisited*, University of North Carolina Press: Chapel Hill; the case for Africanisation cannot be reduced to Afrocentrism: for some of the issues surrounding indigenous modes of knowledge production, see Andre Kraak, 1999, “Western Science, Power and the Marginalisation of Indigenous Modes of Knowledge Production,” Centre for Higher

Education Transformation; for discussions on the implications of “globalisation” for higher education restructuring, see, *inter alia*, M. Breier, editor, 2001, *Curriculum Restructuring in Higher Education in Post-apartheid South Africa*, Bellville: EPU, UWC; Martin Carnoy, April 1998, "Globalisation and Innovation," mimeo.; Johan Muller, Nico Cloete, and Shireen Badat, 2001, *Challenges of Globalisation: South African debates with Manuel Castells*, Centre for Higher Education Transformation: Pretoria; and G. Subotzky, 1997, "Meeting the Dual Demands of Global Competitiveness and Redistributive Development: constraints and opportunities facing the Historically Black Universities," in N. Bak, editor, *Going for the Gap: reconstituting the educational realm*, Juta: Cape Town

<sup>3</sup> See <http://www.cosatu.org.za/affiliates.html>

<sup>4</sup> Interview schedules are available on request from the authors.

<sup>5</sup> In addition to government and Department of Education reports, speeches and press releases reports, we also made an effort to obtain “official documentation” from the universities themselves regarding their internal restructuring. Limitations of time, lack of access, and limited online availability of such materials mean, however, that we can make no claim to a comprehensive collection of university-produced materials.

<sup>6</sup> We would like to thank Nico Cloete and Jane Kabaki at CHET, and Eddie Webster and Khayaat Fakier at SWOP, for their support.

<sup>7</sup> Cloete and Muller, 1998, *op cit.*

<sup>8</sup> See, *inter alia*, Adam Habib and Angina Parekh, 2001, “Transforming South Africa’s University System: the case for strategic mergers,” mimeo. We would like to thank Adam Habib for providing a copy of this paper.

<sup>9</sup> See Habib and Parekh, 2001, *op cit.*, pp. 2-4

<sup>10</sup> Habib and Parekh, 2001, *op cit.*, p. 3

<sup>11</sup> Lucien van der Walt, 2000a, "GEAR versus Social Security," *South African Labour Bulletin*, volume 24, number 5.

<sup>12</sup> Habib and Parekh, 2001, *op cit.*, p.4

<sup>13</sup> Kader Asmal, 9 October 2001, “Speech by the Minister of Education, Professor Kader Asmal, During the Debate on the Higher Education Amendment Bill,” National Council of Provinces

<sup>14</sup> Asmal, 9 October 2001, “Speech by the Minister,” *op cit.*

<sup>15</sup> Asghar Adelzadeh, October 1994, *An Appraisal of the White Paper Discussion Document on the RDP*, National Institute for Economic Policy, Occasional Paper Series, No. 1

<sup>16</sup> See, *inter alia*, Patrick Bond, 2000, *Cities of Gold, Townships of Coal: Essays on South Africa's new urban crisis*, Africa World Press; Samuel Kariuki and Lucien van der Walt, 2000b, "Land Reform in South Africa: still waiting", *Southern Africa Report*, volume 15, number 3; Pia Zain, "A Small Process of Dying: the impact of the cancellation of the State Maintenance Grant," Nadel, Research Report No 12.

<sup>17</sup> Government of National Unity, 1996, *Growth, Employment and Redistribution: a macro-economic strategy*. Government printers.

<sup>18</sup> Oupa Lehulere, 1997, “The Political Significance of GEAR,” *Debate*, number 3, pp.73-4

<sup>19</sup> Van der Walt, 2000a, *op cit.*

<sup>20</sup> This draws upon Lucien van der Walt, 21 September 2000, “Neo-liberalism and the Downsizing of Social Security in South Africa, 1979-1999,” paper presented at Departmental Seminar, Department of Sociology, University of the Witwatersrand, to be reprinted as Departmental *Occasional Paper*.

<sup>21</sup> Andrew Duffy, 28 November 1997, "'Creative Uncertainty' Over Cuts", *Mail and Guardian*; Tangeni Amupadhi and Carien du Plessis, 14 March 1997, "Bengu's efforts too little too late", *Mail and Guardian*; South African Institute of Race Relations South African Institute of Race Relations, 1998, *South Africa Survey 1997/98*, South African Institute of Race Relations: Johannesburg, p. 137

<sup>22</sup> Tangeni Amupadhi and Carien du Plessis, 14 March 1997, "Bengu's Efforts Too Little Too Late", *Mail and Guardian*

<sup>23</sup> Evidence wa ka Ngobeni, 30 July 1999, "Cash Strapped Universities Face Closure", *Mail and Guardian*

<sup>24</sup> Evidence wa ka Ngobeni, 30 July 1999, "Cash Strapped Universities Face Closure", *Mail and Guardian*

<sup>25</sup> Cloete and Muller, 1998, *op cit.*, p. 5

<sup>26</sup> Cloete and Muller, 1998, *op cit.*, pp. 8-11

<sup>27</sup> Scott *et al*, 1994, cited in Cloete and Muller, 1998, *op cit.*, p. 5; see also Eddie Webster and Sarah Mosoetsa, 2001, “At the Chalk Face: managerialism and the changing academic workplace,” paper presented to a conference on Globalisation and Higher Education: views from the South, 27-29 March 2001, p. 10

<sup>28</sup> Cloete and Muller, 1998, *op cit.*, p. 8

<sup>29</sup> Cloete and Muller, 1998, *op cit.*, p. 6

<sup>30</sup> Cloete and Muller, 1998, *op cit.*, pp. 7, 11-12

<sup>31</sup> Cloete and Muller, 1998, *op cit.*, pp. 11-17.

<sup>32</sup> Department of Education, July 1997, "Education White Paper 3: a programme for the transformation of higher education," *Government Gazette*, volume 386, number 18207

<sup>33</sup> Department of Education, March 2001, *National Plan for Higher Education*, Department of Education, government printers.

<sup>34</sup> The Johannesburg College of Education, for instance, has been incorporated into University of the Witwatersrand, and Goudstad teachers' Training College into Wits Technikon

<sup>35</sup> Saki Macozoma, 11 February 2002, press statement on the report of the National Working group on the Restructuring of the Higher Education System by the Chairperson, Cape Town.

<sup>36</sup> Habib and Parekh, 2001, *op cit.*, p. 10

<sup>37</sup> *Business Day* correspondent, 8 June 2001, "Eastern Cape Universities Opposed to merger," *Business Day*

<sup>38</sup> *Business Day* correspondent, 11 January 2002, "Battle with Universities Takes a New Turn," *Business Day*

<sup>39</sup> *Business Day* correspondent, 11 January 2002, "Battle with Universities Takes a New Turn," *Business Day*

<sup>40</sup> Cloete and Muller, 1998, *op cit.*, p. 12

<sup>41</sup> This situation underlines an important point, the need to avoid assuming any simple translation of neo-liberal discourse and strategy into organisational practice at the level of the university. Struggles and conflict play a vital role in shaping the future of the South African higher education system: analysis must be wary of reifying "neo-liberalism" by presenting it as an unstoppable social force, or by describing it in anthropomorphic terms as a unified, conscious "actor," commentators are wont to do. Cf. Bertelsen, who speaks of "market forces" as "quick to recognise" the weaknesses of national liberation discourse in South Africa and of "the market ... raiding the and redefining the various and conflicting freedoms" of liberal democracy." Eve Bertelsen, 1998, "The Real Transformation: the marketisation of higher education," *Social Dynamics*, volume 24, number 2, pp. 138-9

<sup>42</sup> Kim Moody, 1997, *Workers in a Lean World: unions in the international economy*, Verso: London and New York, p. 51

<sup>43</sup> Moody, 1997, *op cit.*, p. 47

<sup>44</sup> Moody, 1997, *op cit.*, p. 50

<sup>45</sup> Moody, 1997, *op cit.*, p. 46-7

<sup>46</sup> Pierre Bourdieu, 8 December 1998, "Utopia of Endless Exploitation: the essence of neo-liberalism," *Le Monde Diplomatique*, English version at [http://www.aide.org.za/archives/utopia\\_neo-liberalism.html](http://www.aide.org.za/archives/utopia_neo-liberalism.html) Cf. Bertelsen: "Market discourse is infused with a spirit of drama, of engagement in bold or momentous undertakings, which serves to legitimate its terms." Bertelsen, 1998, *op cit.*, p. 136

<sup>47</sup> Midnight Notes Collective, 1990, "The Debt Crisis, Africa and the New Enclosures," *Midnight Notes* 10

<sup>48</sup> Moody, 1997, *op cit.*, p. 87; also see W. Shumar, 1997, *A Critique of the Commodification of Higher Education*, The Falmer Press: London, p.79-83

<sup>49</sup> Bertelsen, 1998, *op cit.*, pp. 130-1, *et passim*

<sup>50</sup> Bertelsen, 1998, *op cit.*, p. 130

<sup>51</sup> R. Ovetz, 1996, "Turning Resistance into Rebellion: student struggles and the global entrepreneurialisation of the universities", *Capital and Class*, p. 115

<sup>52</sup> Bertelsen, 1998, *op cit.*, p. 136

<sup>53</sup> Bertelsen, 1998, *op cit.*, p. 141

<sup>54</sup> Lucien van der Walt, April 2000c, "Wits 2001: restructuring and retrenchments," in *South African Labour Bulletin*, volume 24, number 2; Lucien van der Walt, 13 June 2000d, "Penalising the Workers," *The Sowetan*; Lucien van der Walt, 7 September 2000e, "Putting Profit First," *The Sowetan*

<sup>55</sup> R. Ovetz, R, 1996, "Turning Resistance into Rebellion: Student struggles and the global entrepreneurialisation of the universities", *Capital and Class*, number 58, p. 115

<sup>56</sup> Gibbons; Peter Scott, 1998, "Massification, Internationalisation and Globalisation," in Peter Scott, editor, *The Globalisation of Higher Education: proceedings of the 1998 annual conference of the Society for Research into Higher Education at Lancaster University*, Open University Press, pp.108-30

<sup>57</sup> Martin Carnoy, n.d., "The Globalisation of Innovation, Nationalist Competition, and the Internationalisation of Scientific Training," CHET, mimeo

<sup>58</sup> Gibbons

<sup>59</sup> Bertelsen, 1998, *op cit.*, p. 147; see also Webster and Mosoetsa, 2001, *op cit.*, pp. 2-3

<sup>60</sup> *ibid.*

<sup>61</sup> See, *inter alia*, Glenn Adler, Andries Bezuidenhout, Sakhela Buhlungu, Bridget Kenny, Rahmat Omar, Greg Ruiters, and Lucien van der Walt, 22 May 2000, *The Wits University Support Services Review: a critique*, unpublished mimeo, 43 pages. The discussion here draws on pp. 4-13. The report is available online at <http://www.cosatu.org.za/docs/2000/suprev.htm>. Hereafter cited as Adler *et al.*, 2000, *op cit.*

<sup>62</sup> Adler *et al.*, 2000, *op cit.*, pp. 4-6

<sup>63</sup> See, *inter alia*, Chris L. Jeffries, January 1996, "The Privatisation Debate: examining the decision to outsource a service," *Business Officer*

<sup>64</sup> Richard Wertz and Dennis Gribenas, 1998, *Privatisation of Campus Services at Community Colleges in the United States*, National Association of College Auxiliary Services, Charlottesville, Virginia

<sup>65</sup> See *inter alia*, Adler *et al.*, 2000, *op cit.*, pp. 6-12. Adler *et al.* make a strong case that outsourcing tends to lower productivity, worsen service, reduce organisational efficiency, and raise transaction costs. The case that outsourcing may amount to "dumb-sourcing" does, however, beg the question of the trend towards outsourcing remains so prevalent.

<sup>66</sup> Harvard Committee on Employment and Contracting Policies, 19 December 2001, *Final Report: lower-paid workers at Harvard University*. Harvard University. Hereafter referred to as HCECP, 2001, *op cit.*

<sup>67</sup> HCECP, 2001, *op cit.*, p. E-2

<sup>68</sup> HCECP, 2001, *op cit.*, p. E-2, E-3. See pp. 77-88 for a more detailed breakdown.

<sup>69</sup> See HCECP, 2001, *op cit.*, pp. 27-30, also pp. 83-84

<sup>70</sup> HCECP, 2001, *op cit.*, p. E-3

<sup>71</sup> HCECP, 2001, *op cit.*, pp. E-2, E-4

<sup>72</sup> HCECP, 2001, *op cit.*, p. E-6, also see pp. 30-33

<sup>73</sup> Notably Bertelsen, 1998, *op cit.*; see also Liesl Orr, 1997, "Globalisation and Universities: towards the 'market university'?" *Social Dynamics*, volume 23, number 1 and Dave Cooper, 1997, "The 'Market' and/or 'Development' University with Respect to UCT," in *ibid.*

<sup>74</sup> Bertelsen, 1998, *op cit.*, pp. 138-140

<sup>75</sup> Bertelsen, 1998, *op cit.*, pp. 142-150

<sup>76</sup> Orr, 1997, *op cit.*, pp. 42-67

<sup>77</sup> Bertelsen, 1998, *op cit.* pp. 151-154

<sup>78</sup> Webster and Mosoetsa, 2001, *op cit.*, pp. 2-9

<sup>79</sup> Webster and Mosoetsa, 2001, *op cit.*, pp. 10-11

<sup>80</sup> Webster and Mosoetsa, 2001, *op cit.*, pp. 12-15

<sup>81</sup> Webster and Mosoetsa, 2001, *op cit.*, pp. 6, 18

<sup>82</sup> Franco Barchiesi, 2000, "Lean and Very Mean: restructuring Wits University," *Southern Africa Report*, volume 15, number 4;

<sup>82</sup> Van der Walt, 2000c, *op cit.*; van der Walt, 2000d, *op cit.*; van der Walt, 2000e; Lucien van der Walt, David Mokoena and Sakhile Shange, August 2001, "Cleaned Out: outsourcing at Wits University," *South African Labour Bulletin*, volume 25, number 4

<sup>83</sup> Cited in Barchiesi, 2000, *op cit.*, p. 25

<sup>84</sup> Sunday Times panel, October 1998, *The Best in Higher Education*, Centre for Higher Education Transformation: Pretoria, pp. 25-6

<sup>85</sup> Chris Bolsmann and Tina Uys, 2000, "Pre-Emptying the Challenges of Transformation and Marketisation of Higher Education: a case study of the Rand Afrikaans University," paper presented to the South African Sociological Association's annual congress at the University of the Western Cape, 2-4 July 2000, p. 12

<sup>86</sup> Bolsmann and Uys, 2000, *op cit.*, pp. 12-17

<sup>87</sup> *Business Day* correspondent, 11 December 2001, "Black Universities Try to Beat the Blues," *Business Day*; Sunday Times panel, 1998, *op cit.*, pp. 19-24; also see Sibusiso Vil-Nkomo, 2000, "Confronting Change in a Globalising Society: the case of the University of Pretoria," *Perspectives in Education*, volume 18, number 3

<sup>88</sup> *Financial Mail*, 26 May 2000, "Tough Line Pays Off: they're now turning the corner"

<sup>89</sup> *Financial Mail*, 26 May 2000, "UWC Comes of Age"

<sup>90</sup> Academic Worker, 2000, "We'll See You in Court": statements and documents dealing with the process that led to 37 retrenchments at UDW (to be contested in the Labour Court)," *Academic Worker*, number 1, online at <http://www.udw-asa.org.za/see%20in%20court.htm>; see also Mbogeni Hlophe, 28 April 2000, "UDW Retrenches Thirty-Seven Arts Lecturers," *The Sowetan*

<sup>91</sup> UDW, 22 March 2000, "A Brief History of the University of Durban-Westville," online at <http://www.udw.ac.za/aboutudw/aboutmain.htm>

<sup>92</sup> This is not, of course, to argue that the HAIs are the "sole repositories of academic quality and excellence," a "myth" which Habib and Parekh correctly criticise. However, their own figures *do* demonstrate that the HAIs have a higher proportion of staff with doctorates than the HDIs in general, and the homeland-based HDIs in particular: in 1998, UDW was the only HDI to rank amongst the top ten universities in terms of staff qualifications. Further, all four of the universities with the highest research output are HAIs. Other data indicates that HAIs have higher undergraduate pass rates, are relatively more efficient in producing a desired output of successful students, and have higher proportion of diplomates and graduate students, than HDIs. See Habib and Parekh, 2001, *op cit.*, pp. 8-9; for the additional figures, see Sunday Times panel, 1998, *op cit.*, pp. 5-6, 8-9, 12, 14-15

<sup>93</sup> This distinction draws, to some extent, upon Webster and Mosoetsa, 2001, *op cit.*, pp. 17-20

<sup>94</sup> *Business Day* correspondent, 18 May 2001, "Grasping the Nettle," *Business Day*; *Business Day* correspondent, 11 December 2001, "Black Universities Try to Beat the Blues," *Business Day*

<sup>95</sup> *Business Day* correspondent, 14 February 2002, "Ball in Asmal's Court on Black Colleges," *Business Day*; *Business Day* correspondent, 12 February 2002, "Black Universities Likely to Go," *Business Day*

<sup>96</sup> Consider, for example, the refusal of Itumuleng Mosala, chairperson of the Association of Historically Disadvantaged Institutions, to admit that research output is a useful performance indicator for universities: see *Business Day* correspondent, 22 February 2002, "Asmal Takes Bumpy Path to Revamp of Universities," *Business Day*

<sup>97</sup> Adam Habib, 2001, "Structural Constraints, Managerial Ineptitude, and Stakeholder Complicity: a study of the institutional crisis of the University of the Transkei," mimeo. This paper has recently been published as "The Institutional Crisis of the University of the Transkei," in *Politikon*, volume 28, number 2. References here are to the mimeo. We would like to thank Adam Habib for supplying us with a copy of this paper.

<sup>98</sup> Habib, 2001, *op cit.*, pp. 4-5

<sup>99</sup> Habib, 2001, *op cit.*, p. 5

<sup>100</sup> Habib, 2001, *op cit.*, pp. 6-7

<sup>101</sup> Habib, 2001, *op cit.*, pp. 9-12

<sup>102</sup> Habib, 2001, *op cit.*, pp. 7-9, 12-21

<sup>103</sup> Habib, 2001, *op cit.*, pp. 15-18

<sup>104</sup> Habib, 2001, *op cit.*, p. 13

<sup>105</sup> *Business Day* correspondent, 8 June 2001, "Eastern cape Universities Opposed to Merger," *Business Day*

<sup>106</sup> Makhudu Sefara, 10 April 2001, "Academics at Turfloop Face Retrenchments," *The Sowetan*

<sup>107</sup> *Business Day* correspondent, 15 November 2001, "Unitra's financial feat keeps it open," *Business Day*

<sup>108</sup> Kiran Odhav, 2000, "From Unibo to Uniwest: a critical overview of transformation at the University of the Northwest," *Academic Worker*, number 1, online at [http://www.udw-asa.org.za/from\\_unibo\\_to\\_uniwest.htm](http://www.udw-asa.org.za/from_unibo_to_uniwest.htm)

<sup>109</sup> Odhav, 2000, *op cit.*

<sup>110</sup> Jacky Kelley, research editor, March 1999, "Outsourcing Survey 1994-1998," *The Wage Settlement Quarterly Report*, Andrew Levy and Associates, p. 1; on this survey, see also Jacky Kelly, June 1999, "Outsourcing Statistics," in *South African Labour Bulletin*, volume 23, number 3

<sup>111</sup> Kelley, 1999, *op cit.*, p. 1

<sup>112</sup> Kelley, 1999, *op cit.*, pp. 1, 5

<sup>113</sup> Kelley, 1999, *op cit.*, p. 1

<sup>114</sup> See, for example, Adler *et al*, 2000, *op cit.*; Adler, Bezuidenhout and Omar, 2000, *op cit.*

<sup>115</sup> Kelley, 1999, *op cit.*, pp. 1, 7

<sup>116</sup> Kelly, 1999, *op cit.*, pp. 1, 5, 6

<sup>117</sup> Kelley, 1999, *op cit.*, pp. 1, 6

<sup>118</sup> Kelley, 1999, *op cit.*, p. 8

<sup>119</sup> University of the Witwatersrand is one of the best-documented cases: see Glenn Adler, Andries Bezuidenhout, and Rahmat Omar, 7 June 2000, "Expert Service, or a way to avoid unions?" *Business Day*; Adler *et al*, 2000, *op cit.*; Barchiesi, 2000, *op cit.*; van der Walt, 2000c, *op cit.*; van der Walt, 2000d, *op cit.*; van der Walt, 2000e, *op cit.*; van der Walt, Mokoena and Shange, 2001, *op cit.*; on UCT, see Bridget Kenny and Marlea Clarke, fourth quarter 2000, "University Workers: exclude them out," in *Southern Africa Report*, volume 15, number 4. We have not been able to locate similar pieces for other campuses, although there are, of course, newspaper reports, to which we will return.

<sup>120</sup> Ray Jaftha, higher education sector coordinator, NEHAWU, personal communication with Lucien van der Walt, 19 March 2001.

<sup>121</sup> Mandy Taylor, Cheadle, Thompson and Haysom attorneys, personal communication, 5 January 2001. Cheadle, Haysom and Thompson act as lawyers for NEHAWU in the higher education sector. The actual UCT research document was not available.

<sup>122</sup> NEHAWU, December 1999, Application for Section 199 (LRA) Labour Action in the Higher Education Sector, submitted to the National Economic Development and Labour Council (NEDLAC)

<sup>123</sup> Although management dated the onset of outsourcing to 1995, the unionist interviewed, the chief shop-steward of the local NEHAWU branch, insisted that building care was outsourced in 1992, followed by security in 1993

<sup>124</sup> Interview, Human Resource Director, MEDUNSA, August 2001

<sup>125</sup> Uses outsourcing of at least one support service function as date at which outsourcing process begun

<sup>126</sup> Union respondent indicated that waste removal is currently being restructured. A second interview with unionists also indicated that academic rationalisation is underway, as is restructuring in the stores.

<sup>127</sup> Derived from Kenny and Clarke, 2000, *op cit.*, p. 27

<sup>128</sup> According to the Director of Human Resources. The Deputy Vice-Chancellor for Students, Strategic Planning and Transformation suggested, however, that restructuring might continue; union respondent stated restructuring was ongoing.

<sup>129</sup> No response from management. Data based on interview with unionist.

<sup>130</sup> Union respondent stated that building care was outsourced in 1992, and security in 1993

<sup>131</sup> Management respondent stated "1980s." "1985" has been chosen to allow quantification. Union respondent stated that restructuring has not involved outsourcing "at all." This discrepancy may reflect ignorance on the part of the union, possibly due to changeover in leadership or poor record keeping.

<sup>132</sup> Management respondent not available; union respondent indicated support service outsourcing occurred but lacked more information

<sup>133</sup> By this, the respondent meant that outsourcing was chosen in light of government recommendations. Respondent did not mean that government had directed the institution towards particular companies.

<sup>134</sup> Derived from Kenny and Clarke, 2000, *op cit.*, p. 27

<sup>135</sup> Data derived from union interview for Vista

<sup>136</sup> Kenny and Clarke, 2001, *op cit.*, pp. 27-8

<sup>137</sup> Van der Walt, 2000e, *op cit.*

<sup>138</sup> Van der Walt, 2000e, *op cit.*; van der Walt, Mokoena and Shange, 2001, *op cit.*

<sup>139</sup> See, in particular, van der Walt, Mokoena and Shange, 2001, *op cit.*

<sup>140</sup> Bernadette Johnson, 2001, "Labour Flexibility and the Higher Education Worker," report for Centre for Higher Education Transformation, Pretoria, p. 9

<sup>141</sup> Johnson, 2001, *op cit.*, p. 9

<sup>142</sup> Johnson, 2001, *op cit.*, pp. 10, 11-3

<sup>143</sup> Van der Walt, Mokoena and Shange, 2001, *op cit.*

<sup>144</sup> See L.A. Motloun, 2000, "Factors Related to Industrial Action in Universities in South Africa," *Society in Transition*, volume 31, number 1. These issues are examined in detail in Motloun's important thesis: L.A. Motloun, 1999, *A Sociological Analysis of Industrial Action Among Blue-Collar Workers at South African Universities with Reference to Two Campuses in the Free State*, Master of Arts thesis in Sociology, University of the Orange Free State

<sup>145</sup> Chris Bolsmann, Bernadette Johnson and Lucien van der Walt, "Support Service Restructuring in Public Sector Higher Education, 1990-2000," paper presented at South African Sociological Association's annual congress, held at UNISA, June 2001

<sup>146</sup> Johnson, 2001, *op cit.*

<sup>147</sup> Similar problems and even more omissions made it far more difficult for us to calculate the numbers of retrenched workers re-employed by outside contractors. This data has thus been omitted from this paper as far too poor in quality to utilise.

<sup>148</sup> Two interviews were undertaken in this instance

<sup>149</sup> Derived from Kenny and Clarke, 2000, *op cit.*, p. 27; Johnson, 2001, *op cit.*, pp.

<sup>150</sup> An underestimate: excludes security guards outsourced in 1998: derived from Kenny and Clarke, 2000, *op cit.*, p. 27

<sup>151</sup> Union respondent only had figures for NEHAWU union members

<sup>152</sup> Stated "400-500": used mean for quantification purposes

<sup>153</sup> Union response incomplete. Data also derived from Johnson, 2001, *op cit.*, Peter van Heusden and Lucien van der Walt, 6 July 2000, interview with Suraya Jawodien, NEHAWU Western cape Tertiary Education Branch Secretary, UWC

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<sup>154</sup> Union respondent indicated that retrenchments and support service outsourcing had taken place, the former recently, but lacked more information

<sup>155</sup> Stated “400-500”: used mean for quantification purposes

<sup>156</sup> Union response incomplete. Data also derived from Johnson, 2001, *op cit.*, Peter van Heusden and Lucien van der Walt, 6 July 2000, interview with Suraya Jawodien, NEHAWU Western Cape Tertiary Education Branch Secretary, UWC

<sup>157</sup> Two sets of interviews for some reason

<sup>158</sup> Derived from Kenny and Clarke, 2000, *op cit.*, p. 27; Johnson, 2001, *op cit.*, pp.

<sup>159</sup> Pietermaritzburg campus only

<sup>160</sup> Union response incomplete. Data also derived from Johnson, 2001, *op cit.*, Peter van Heusden and Lucien van der Walt, 6 July 2000, interview with Suraya Jawodien, NEHAWU Western Cape Tertiary Education Branch Secretary; also draws on documentation supplied by interviewee at UWC

<sup>161</sup> Two sets of interviews for some reason

<sup>162</sup> Derived from Kenny and Clarke, 2000, *op cit.*, p. 27; Johnson, 2001, *op cit.*, pp.

<sup>163</sup> Pietermaritzburg campus only

<sup>164</sup> Used data for union losses due to outsourcing as these were substantially larger than the global figures for net losses given by the respondent earlier in the interview (global figures: 100 union losses; outsourcing figures: 300 union losses)

<sup>165</sup> Union response incomplete. Data also derived from Johnson, 2001, *op cit.*, Peter van Heusden and Lucien van der Walt, 6 July 2000, interview with Suraya Jawodien, NEHAWU Western Cape Tertiary Education Branch Secretary, UWC

<sup>166</sup> Used data for union losses due to outsourcing as these were substantially larger than the global figures for net losses given by the respondent earlier in the interview (global figures: 400 union losses; outsourcing figure 500 union losses)

<sup>167</sup> Union respondent indicated that retrenchments and support service outsourcing had taken place, the former recently, but lacked more information

<sup>168</sup> Martha Molete and Karen Hurt, 1997, *NEHAWU History – the Unfinished Story: the history of the National Education, Health and Allied Workers Union, 1987-1997*, NEHAWU, Johannesburg, p. 85

<sup>169</sup> There are two campuses, one in Durban and one in Pietermaritzburg. We were able to interview the chairperson of NEHAWU at Pietermaritzburg, as well as human resource personnel at both campuses.