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# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES - MANITOBA

**August 24, 2021**

## Workers say privatizing infrastructure services costly, risking safety of Manitobans

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**F**or several years the Manitoba government led by the Progressive Conservatives (PCs) has been pushing hard to reduce the number of government workers, while transferring work and contracts to the private sector. Privatization is controversial, and for good reason, with many disasters that have harmed individuals and communities. The privatization of the rail line to Churchill and the associated year-long closure, the Phoenix federal government payroll contracting out disaster, and the Walkerton tainted water tragedy are some of the more prominent examples. In addition to a decline in service quality, contracting out to for-profit providers is also associated with worsening working conditions for workers and reduced accountability to the broader public.

We recently published a report examining the push for privatization and contracting out of design and maintenance of Manitoba's infrastructure and transportation services. The report focused on gathering the perspective of government workers currently delivering those services. We received completed surveys from 124 workers and did 15 follow-up interviews, representing approximately 10% of the workforce. These workers are or were responsible for a variety of tasks such as highway and bridge maintenance, including snow clearing, capital project planning and delivery, road safety and enforcement, including regulation of

trucking, maintenance of the provincial vehicle and equipment fleet, operation of water structures and ferries, as well as winter roads.

What we heard from workers is consistent with what the Manitoba Government and General Employees' Union has been saying on behalf of workers since these privatization efforts began, and should be of concern to all Manitobans who care about getting value for public dollars spent, the safety of our highways, and the condition of public infrastructure assets across the province. Workers reported dramatic short-staffing and a refusal to fill vacancies, putting public safety at risk, with the infrastructure department losing one-third of its staff complement since 2016. Lack of staff was then used to rationalize the selling off of assets, leaving those remaining without the equipment needed to do their jobs. Workers also reported that training offered for employees has also been reduced or eliminated. As one worker put it "they are just setting us up to fail". This has led to extremely low levels of morale, high levels of burnout, and, despite a strong commitment to public service, workers questioning their future with the Province.

A large majority, 72%, believe the proposed and ongoing changes to Manitoba Infrastructure services' delivery model and policies will lead to a reduction in the quality of service delivered, and approximately the same amount believed that asset quality would be lower after the changes. Seventy-five percent of workers surveyed questioned the impact these changes would have on public safety, with

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CCPA-MB  
301 - 583 Ellice Ave.  
Winnipeg, MB  
R3B 1Z7

phone

(204) 927-3200

email

[ccpamb@policyalternatives.ca](mailto:ccpamb@policyalternatives.ca)

website

[www.policyalternatives.ca/  
manitoba](http://www.policyalternatives.ca/manitoba)

blog

[www.policyfix.ca](http://www.policyfix.ca)

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55% believing the safety of Manitobans would be compromised. Worker safety was also a concern, with almost 70% of the workforce feeling that worker safety was in jeopardy, with 45% believing it would worsen.

Despite cost savings being the often-noted motivation for contracting out, based on the workers' experience so far, 73% of workers expected the costs to rise, and a similar percentage thought the value that government gets for taxpayers' money will fall. Workers provided many examples of private sector contractors delivering substandard work, requiring constant policing by government staff and in many cases having to redo the work.

The workers in our sample had more than 12 years of employment on average with the province and a wide array of technical credentials and hands-on experience. Over 85% of employees disagreed when asked if they had been consulted on the changes. As one worker put it, decisions were just "jammed down our throats". Some even described instances of threatening or bullying behaviour, with one group of workers being told by a senior official "I'm driving the bus, you either get on it or I'll run you over". Instead of consulting its own staff, the government appears to be relying completely on outside multi-national, for-profit finance and accounting firms with track records of promoting and profiting from privatization.

The negative views of workers are consistent with recent academic studies on the subject. Despite being popular in the 1980s and 1990s, more recently the pace of contracting out has slowed in response to privatization failures. The returning of contracted out services to public delivery is also increasingly common. There is now a general consensus that the quality of publicly delivered services often exceeds that of private provision, and more recent studies suggest cost savings are generally minimal.

Manitoba however has not learned from mistakes made in other jurisdictions, pursuing rapid and indiscriminate reductions in the civil service and the privatization and contracting out of government service delivery. None of the employees interviewed saw any evidence of the government conducting an informed internal analysis to find ways to improve on program efficiency,

something that is done regularly in progressive public sector agencies. Reviews and restructuring initiatives are important to help maintain and improve the relevance and effectiveness of public services, but public administration scholars suggest governments should be just as open to contracting services back in as a means to achieve high quality in a cost-effective manner.

Manitoba's exercise appears to preclude the possibility of such improvements, with reforms being dictated by ideology as opposed to rigorous analysis. The politically-led strategy, according to workers, has been to starve the public sector, refuse to fill vacancies, and eliminate training and performance planning. The destruction of internal capacity built up over decades will be costly and challenging to undo, and the longer it continues the more resource intensive it will be to rebuild. Manitobans, along with public sector workers, are already paying the price.

*Jesse Hajer is an Assistant Professor in Economics and Labour Studies at the University of Manitoba and a Research Associate with the Canadian Centre for Policy Alternatives - Manitoba. He was previously a senior public servant with the Government of Manitoba from 2009 to 2016.*

*Jennifer Keith is the owner and lead consultant of JDK & Associates, working primarily with Indigenous communities, and in her final year as PhD Student in Native Studies at the University of Manitoba.*

*Michael Conway is an expert in public infrastructure provision, most recently, as Regional Superintendent with the Northwest Territories (NWT) Department of Infrastructure and as the principal of Michael Conway Solutions Inc.*

The full report can be downloaded at <https://www.policyalternatives.ca/publications/commentary/fast-facts-workers-say-privatizing-infrastructure-services-costly-risking>

References available upon request.

CCPA-MB  
301-583 Ellice Ave.  
Winnipeg, MB  
R3B 1Z7

phone  
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