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PRECONCEPTION

NEVA MAKGETLA: Public servants not to blame for state's budget crunch

Blaming union resistance for the failures of government officials reinforces the preconceptions of politicians, journalists and academics

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A municipal worker walks through a waterlogged parking area after heavy rains. File photo: THE TIMES

We've recently seen a resurgence of the argument that public servant pay is central to SA's fiscal shortfall.

But it's too easy for government officials to blame their mistakes on public sector unions. If you blame union resistance for your own failures, few politicians, journalists or academics ask for evidence because it just reinforces their own preconceptions.

Yet, the public pays a price if public servants become the whipping boy. The vast majority of public servants are teachers, nurses, policemen, corrections officers and soldiers. Cutting numbers and alienating them through public abuse and unrealistic negotiations leads to worse service.

In any event, public service staffing levels in SA are on the low side for upper middle-income economies. Moreover, public and private workers have almost identical earnings if we control for age and qualifications. Education, health, police, corrections and defence constitute about 85% of total public service employment.

SA's public services are not overstaffed. In the mid-2010s the ratio of teachers to students in SA was about half the average for upper middle income countries, according to World Bank data. So was the ratio of physicians to the population, although SA had about 40% more nurses per person than its peers.

The budget shows that since 2015, public service growth has lagged far behind the population. Projections put population growth at 1.7% a year. While the public service expanded 2.2% a year from 2011 to 2015, it is forecast to shrink 0.3% annually from March 2016 to March 2019 and to grow just 0.6% to March 2020.

The fiscal stimulus that responded to the 2008 global financial crisis saw the public service climb from 1.16-million to 1.28-million in 2011, and its numbers peaked at 1.4-million in 2015. But the budget shows that since then the public service has shed 11,000 jobs.

Most health and education employees are teachers, nurses and doctors. About 200,000 provincial health workers are professionals, or 61%. Almost 400,000 public school teachers constitute about four out of five employees in the provincial education departments. This reality affects pay comparisons. If we compare groups with the same age and qualifications, public and private workers report essentially the same earnings. However, well over a third of public servants have a degree, compared to under a tenth of formal private workers. Public servants tend to be older, so as a whole they earn more.

If the public service is neither bloated nor overpaid, why do we keep hearing that it threatens the budget? Part of the answer lies in how public service pay is managed. The government introduced annual notches of over 1% over a decade ago. Internationally, if you get a notch it usually provides the main annual increment, while the overall pay scale rises by inflation.

The government is, however, still hiking the pay scale above the increase in the consumer price index, which in effect doubles the annual increment. Then, in times of austerity, it budgets for a minimal increase without engaging strategically with labour over the fiscal realities.

More fundamentally, the main social services still model their work organisation and skills norms on much richer countries. Qualification levels are often unnecessarily high, while jobs for semiskilled workers are scarce.

You can't blame public servants for wanting the same pay as their private sector peers. If the government wants to control costs, it has to take on the tough task of reviewing work organisation to meet resource realities while addressing the persistent inequalities between rich and poor communities.

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