Migrating for Work Research Consortium

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Making guests feel comfortable:

Migrancy and labour in the hospitality sector in South Africa

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MiWORC Policy Brief 6

A summary for policy makers, NGOs and media practitioners

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Report N°11 is part of the **Migrating for Work Research Consortium (MiWORC) Work Package 3** which explores the impact of low and high skilled migration in key sectors of the economy: construction and mining, commercial agriculture, hospitality, domestic work, and public health.

Introduction

The hospitality industry is the fourth[1] largest source of gross domestic product (GDP) in South Africa, yet **little is known about the presence and contribution of foreign labour in this sector**. Following recent focuses on the sector by international organisations, such as the ILO, South Africa has worked to improve statistics about the sector and its conditions of work in order to define hospitality jobs as "decent work"; however, the continued informalisation of the sector makes this task increasingly difficult.

In the hospitality sector, **work is labour intensive and often front-line**, resulting in conditions that require long hours of work while maintaining high levels of professional and friendly service.

Hospitality work is often perceived to be low skilled and temporary which further weakens the status of workers in the industry. There is a need to reconceptualise hospitality work as fixed employment rather than a sector for temporary or low skilled workers or students.

Migrating for work is an historical source of livelihood for many regional households and migrant labour is an important source of labour for many sectors including the hospitality industry. However, there is **no agreed labour migration policy in the SADC region or for South Africa yet**. Instead, labour migration has largely been regulated through a series of mismatched bilateral agreements between South Africa and some neighbouring countries

[1] Hospitality is calculated as a part of tourism.

The methodology of the study

The findings in ***MiWORC Report N°11*** are based on a literature review and qualitative research conducted in 2013.

The research team interviewed 49 respondents, including 35 workers in the hospitality sector, 12 managers or business owners and two key informants from the South African government. Interviews were conducted in Durban and Pretoria.

Durban was selected as the main site for fieldwork as it is a major metropolitan area with a significant domestic and international tourism industry.

Of the 35 workers interviewed, 19 were foreign-born and 16 were South African nationals. The sample of foreign hospitality workers consisted of 13 individuals from Zimbabwe, three from the Democratic Republic of Congo, and one each from Mexico, Mauritius and Mozambique.

Foreign-born labour migrants in this sector were more likely to come from urban areas such as Harare in Zimbabwe, and Kinshasa and Lubumbashi in the DRC, than from rural areas in those countries. In contrast all the South Africans had migrated from rural areas to urban ones in search of work.

in which the interests of the private sector and South Africa as the receiving state have taken precedence over the rights of workers as well as over the provisions of respective national and international labour policies and conventions. Contemporary dynamics of mobility, that seek to **limit the migration of lower skilled workers** to South Africa through a series of **restrictive immigration laws and increased deportation practices**, shape the way in which labour migration is viewed and managed.

Overview of employment trends in the hospitality sector

The hospitality sector in South Africa is a labour-intensive sector. In 2012 it employed 567 378 people[2].

In the hospitality industry, **90 per cent of enterprises are small, medium, and micro sized and employ fewer than 10 people**, while the remaining 10 per cent are large enterprises, including foreign-owned companies such as Sun International, Hilton, Hyatt, Sheraton, Radisson, and Holiday Inn[3].

While statistics on employment data and income generated from tourism and hospitality appear promising for tourism in South Africa, the data conceals a "tightening of the belts" for low-skilled workers in this sector. As early as 1991, following employment trends across many sectors, Southern Sun Hotels, for example, began **outsourcing all non-core activities**, commonly resulting in up to a fifty per cent wage cut for employees who were rehired as contract workers[4].

Between 2008 and 2010, revenue and profit figures almost doubled[4]. That apparent growth, alongside high expectations for more visitors associated with the **2010 FIFA World Cup**, led to new businesses opening or expanding, which put pressure on many companies' profit margins. Subsequently, as they feared losing their jobs, workers tended to accept short-term work, low or no wage increases, additional duties for no extra wages or recognition, and greater flexibility, casualisation, outsourcing, or temporary employment[2]. In 2012, over half of hotel staff were employed by independent service providers[2].

Many characteristics of the hospitality industry make unionisation and mobilisation difficult, including the high turnover rate of employees, the

[2] Tourism Satellite Account, Statistics South Africa, 2012.
[3] Webster, E., Loonat, A., Budlender, D., Williams, L. & Ortin, M. (2013) Vulnerable work in Gauteng. *South African Labour Bulletin*, 37(2), June/July 2013.
[4] Taal, M. (2012) *Organising in the hospitality sector in South Africa: A report on the context, challenges and strategies of organising hotel workers in South Africa*, 1–31. Cape Town: Labour Research Service.

flexibility of the labour market (many casual, part-time, and student workers), evening working hours, and the large number of young female workers[3].

The majority (60 per cent) of hospitality sector employees are between 35 and 55 years old[2]. In the sector, **"unskilled" labour accounts for one third of employees, and the other two thirds are "general workers"**. Managers are overwhelmingly (78 per cent) white while administrators fall fairly evenly across white, African, Asian, and coloured racial categories. African employees make up the vast majority of employees doing 'craft work' (67 per cent), technical work (78 per cent), unskilled work (83 per cent), and other work (70 per cent)[2].

Regulation of the hospitality industry

In 2007 hospitality was the last of South Africa's 11 industries to be sectorally organised for wage negotiations in terms of the Basic Conditions of Employment Act. While an annual increase is built into sectoral minimum wages, frequently annual wage negotiations is contested.

Vulnerabilities and opportunities posed by migration

Xenophobia and prejudice

> "When you can't speak Zulu, because that is the language for Durban, when you get there and you speak English there is a bit of tension, like, they just … they attend to you but you can pick it up like OK they are attending me because it's their job but not like they are serving me or giving me any service … The situation will be a bit tense at times." – *Foreign-born respondent*

Foreign-born respondents stated that they faced **racial and xenophobic discrimination from other workers and managers**. In some cases, language was the reason for discrimination, especially, for French-speaking (DRC and Mauritius) workers, who stated that they had to suffer comments and jokes regarding their accents. On the other hand, Zimbabweans' strong proficiency in English distinguished them from other employees and also marked them for discrimination by their coworkers.

However, most foreign workers also learned a local language, thereby illustrating their efforts to integrate into the labour market and surrounding society.

Key findings on migrating to find work

Reasons for moving

The reasons that respondents gave for leaving home were diverse and frequently were a combination of political and personal reasons. For foreign-born hospitality workers, the main motivating factor for migration to South Africa was **financial difficulties coupled with unstable political and economic situations** for those from Zimbabwe or the Democratic Republic of Congo. Both issues also affected **individuals' educational and professional**

"Well, my parents were the ones who orchestrated most of the arrangements to move to SA to study here, and they got help from my relatives, my uncles and aunts who were living here (Johannesburg) at the time. My parents are not in Zimbabwe. They are actually in England, so for them education is important. I would have probably moved to England had it not been for the [restrictions] on Zimbabweans in terms of travel. It really restricts your ability to travel there. You have to justify, you have to have certain amount of money and that's why SA became the second best option: because of the amount of requirements, as you say, they were not as difficult to fulfil as the British requirements." – *Foreign-born respondent*

mobility projects. For migrants looking for a better education system or better professional opportunities, their general goal was to succeed financially.

Social and economic difficulties were also connected to family bonds. The majority of the interviewees reported that **they sent money home to support relatives in their home countries**. A smaller number of migrants from Zimbabwe (young male respondents from stable financial backgrounds) also mentioned their desire for change and travel. Many interviewees said **that South Africa was not their first choice of destination**. They considered the move to South Africa to be a temporary situation or a means to an end; their long-term destinations were Europe or North America, but the difficulties of legal access to those places had turned out to be a strong obstacle thus far.

Choice of destination

In terms of cost of living, **Durban was perceived to be more affordable** than Johannesburg and Cape Town. Moreover, all migrant workers agreed that the low cost of living in Durban was a motivation for moving to KwaZulu-Natal; other aspects such as the city's "relaxed lifestyle" and proximity to the ocean were also important pull factors. These motivations were related to the need to balance expenses. Migrants' leisure activities often involved free activities such as going to the beach or staying at home.

The presence of (nuclear and extended family) relatives or friends also impacted migrants' decisions about a place of settlement. Only a couple of interviewees stated that they did not have any contacts in South Africa before arriving. For those few migrants who had no contacts on arrival, **integration within a migrant community** played a similar role to having an existing network of relatives.

International migrants also mentioned **"half-way" destinations** such as Botswana, Mozambique, and Namibia; according to respondents, these countries failed to fulfil their expectations regarding work and business opportunities. These perceptions resonate with South Africa's reputation as a migration hub not only in southern Africa but the whole continent.

Facilitating internal and cross-border migration

Family and friends played a strong role in helping to sponsor or support the travel of foreign-born migrants to South Africa. However, those who had no contacts in South Africa were usually those who had no help throughout the journey with travel, documentation processes, costs, or accommodation facilities; these interviewees mentioned they had organised their own

Documentation profile

The foreign-born respondents can be classified into three groups regarding documentation on arrival: (1) those who arrived in South Africa with a passport; (2) those who arrived with an emergency travel document; and (3) those who entered the country without identification documents (and justified their situation by mentioning that their documents were lost or stolen). Most respondents entered the country with valid visitors' visas and renewed, changed, or extended their statuses once they were in the country. Those who arrived with travel emergency documents or without any proof of identification turned to the asylum system once in the country; in fact, seeking asylum status was the quickest way to get a legal status which enabled them to work.

Subsequent to getting asylum seeker status, some of the migrants applied for different permits related to the work in which they were they employed. According to our informants, Zimbabwean migrants were forced to change their permits because of the Zimbabwe Special Dispensation programme introduced by the Department of Home Affairs (DHA). To do this, the migrants themselves had to organise their changes of status; very few of them — mainly those who held high positions — had their work permits organised by their employers. Foreign workers stated that their managers/ employers were willing to provide the documents needed for them to legalise their situation (contracts, reference letters, etc.), but these statements were mainly made by employees with several years of employment in their companies.

journeys.

Documentation and employers

Respondents declared that most employers do not ask for any documentation and that this is a usual practice in the sector, especially in low-cost fast-food companies. However, interviewed employers insisted that they do not hire any foreign workers without having requested and seen the proper documentation.

As indicated in the sidebar on the document profile of foreign-born workers, some employers did endeavour to assist their employees to regularise their migration status, particularly in response to the opportunities to do so that were provided by the Zimbabwe Special Dispensation programme.

Key findings on conditions of work

Wages

Depending on the status of the company (for example, whether a fast-food or fine dining restaurant), a higher or lower **"base salary"** was offered though the differences between these were not large. The base salary was established either by the company's rules or calculated by a percentage of sales (normally around three to five percent). In some cases, the tips multiplied the base salary by more than four.

In this sense, the base salary was not indicative of an average salary but was the amount of money that employers calculated to be fair, by considering the average amount of expected tips. When looking for a place to work, employees considered the possibility of tips in a given venue since base salaries and hours of work were similar across the sector.

Hours of work

Working hours were established on a weekly basis by managers with input from workers; more hours were given to those who were available to do them, but **most workers worked basic full-time daily shifts with eight hours of work a day and two days off a week**. Some workers and employers said that working extra hours did not result in extra pay but were valuable to the workers in terms of the tips received from customers in the extra time worked.

Contracts

The majority of respondents mentioned having signed at least one contract since joining their respective companies, but workers often mentioned that they could not remember renewing these contracts. Frequently, once the

"We did sign but I don't know if I can say permanent or temporary as most of the waiters that are here … it's not like they will be told your contract is finished, so it's like they will just say in three months we can see how you are doing … but I never heard that there was someone who was saying that you are no longer working here because of this and that … if this person finds something better and then he leaves or she leaves, something like that." – *Hospitality sector worker*

contract was signed by an employer, additional verbal contracts or terms were added by employers. **Some respondents mentioned that they had only made verbal agreements with employers, and had never signed a written contract.** Some workers also seemed confused as to whether their job was permanent or temporary. Sometimes when respondents stated their belief they had a permanent contract, the frequency with which new contracts were signed, for example every six months, seemed to indicate that they were signing temporary contracts.

Health and occupational safety issues

In general, **no issues related to occupational health and safety were declared** by respondents since the procedures, equipment, and mechanisms for safety and protection seemed to be known and respected by employers and workers. The hygiene and health of employees were a concern for employers since any problem regarding these issues could result in profit losses and fines.

However, foreign workers commented on the psychological pressure of the workplace. Some informants noted signs of exhaustion, depression, or anxiety in themselves or their colleagues. A factor that contributes to this pressure is the precariousness of work in the sector. Employers asserted that, if a worker was unreliable, he or she could easily be replaced by another worker. **The turnover of staff in companies was perceived to be quite rapid**, with only some workers remaining in their positions for more than a couple of years (especially in the case of waiters).

Access to social benefits

In the majority of the cases, employers did not offer any social benefits. However, two companies did have strong commitments to providing social benefits: besides providing medical aid and pension funds they also paid the school fees of employees' children and made contributions to provident funds, but these cases were unusual.

Most employers mentioned the difficulties and the costs of offering such employee benefits to every worker in the company; in some cases, medical aid and pension schemes were only provided if the employee had a specific position (usually managerial). In the instances where medical aid and/or pension schemes were offered, some workers declined them because they could not afford the deductions from their wages.

Foreign-born workers reported lack of clarity about whether they were entitled to social benefits or whether they could access pension or provident fund benefits if they returned to their home countries.

Neither meals nor beverages were provided to employees in most of the workplaces; meals were sometimes deducted from their salaries or offered at a reduction of 40 to 50 per cent of the retail price. According to some of the respondents, the practice of including meals during work hours has become less frequent than it was some years ago.

Recommendations to Government

- **Recognise that across the world internal and foreign-born migrant workers play a significant role in this sector** and that this is likely to also become the trend in South Africa in the medium to long term: therefore, the supply and skills development of migrant workers in this sector should be promoted.
- **Develop a labour migration policy that is responsive to the needs of the national economy**, mindful of the historicity of the labour migration regime and to the transnational nature of contemporary livelihoods in the region, that embarks from a strong rights-based framework, and ensures legal channels of entry and work for low skilled labour migrants.
- **Ensure better enforcement of the sectorally determined minimum wage** and ensure tips continue to remain excluded from the overall wage, taking into account international best practice which suggests this. (Department of Labour (DoL))
- **Promote the professionalisation by various stakeholders of work in this sector** through training of workers and recognition of experience and skills. (SETAs, DoL, Department of Higher Eduation & Training (DHET))
- **Facilitate the transformation of small, medium and micro enterprises in the hospitality industries** via parallel components such as access to capital and networks of supply and information, encouragement of entrepreneurship (for example, as has been done via the indigenisation of senior managerial and technical posts in some countries of Asia and the Caribbean after many years of expatriate monopolies). (Department of Small Business Development (DSBD))
- **Ratify the International Convention** on the Protection of the Rights of All Migrant Workers and Members of their Families**.**

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The Migrating for Work Research Consortium

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The research consortium was a partnership from 2012 to 2015 led by the African Centre for Migration & Society (ACMS) at Wits University between a range of academic and international partners.

MiWORC was based on a matching fund principle. The European Union, in the framework of the EU-South Africa Dialogue Facility, funded 50 per cent of the consortium. Beyond an ambitious scholarly agenda, one of MiWORC's objectives was to avail empirically-based evidence to the EU-SA Dialogue Facility, as well as to a range of key stakeholders in government, organised labour, business, and the NGO sector.