

Fact sheet on foreign workers in South Africa

Published in April 2017 by the **African Centre for Migration & Society (ACMS)** at the University of the Witwatersrand, Johannesburg, and based on research conducted from 2012 to 2014 by the **Migrating for Work Research Consortium (MiWORC)**.

Useful definitions:

Foreign-born workers in South Africa: people of working age born in other countries who have moved to South Africa to seek work in the formal or informal sectors, or by setting up their own businesses. This includes both high skilled workers and low skilled workers; however, the focus of this fact sheet is on low skilled workers. Foreign-born workers are also called labour migrants.

Workforce: all people of working age, whether employed or not. This is from Statistics South Africa, and is particularly used in their Quarterly Labour Force Surveys.

Migrants: People who move from the area where they were previously living to live in another area. Migrants include both people who move to another country to seek asylum (commonly called “refugees” in SA), and people who move to seek work and livelihoods, from elsewhere in South Africa or from another country. Some migrants move with their families, while others leave their families behind. Some migrants never return to their original place, while other return for holidays, or return on an annual basis to their families and their permanent long-term homes. (The last example is called circular migration).

International labour migrants: People who cross international borders to seek work or livelihoods. Some never return to their countries. Migrants who are receiving incomes often send money or other goods back home on a regular basis. Money or goods sent back are called remittances by economists.

Internal labour migrants: People who have moved to other parts of a province, or to another province. They move to live in the new place because it is too far away from their original place to commute to on a daily basis. In SA they are often referred to as people who are urbanising. In South Africa many internal migrants still practise circular migration by working in another province and then returning to their original place and families at least once a year. Internal migrants also often send remittances back home to families who have remained behind.

South Africans who don't move: there are many South Africans who are not migrating at present especially in the urban areas. They and their families have remained in the same areas for many decades and they continue to seek work and livelihoods in the same urban areas where their parents and grandparents worked.

In this fact sheet, the words “South Africans” are used to refer to both South Africans who moved and those who did not move. The research questions asked whether people had moved to another place in the previous five years.

Overview based on Statistics South Africa data

Percentage of the workforce born outside South Africa

Approximately **4% of people of working age** (15 years to 64 years) **across the whole of South Africa** were **born outside SA**. Like internal (South African) migrants, many foreign-born people of working age are drawn to SA's urban hubs/cities so there are slightly higher percentages (than 4 %) of foreign-born workers in some parts of SA and similarly lower percentages in other parts of the country.

It's true: foreign-born migrants have a higher rate of employment than South African migrants

A higher percentage of foreign-born migrants are employed than the percentage of South Africans who are employed. Statistical and econometric digging into Stats SA data in 2014 compared employment rate of foreign-born workers with that of South Africans (and removed any other factors which might explain the difference like age, gender, level of education, place of residence, 'population group') The analysis confirmed this and this fact is widely acknowledged in South Africa.

But ... foreign-born migrants are also more likely to be employed in precarious work – or in the informal sector – than South Africans

The Stats SA data shows that foreign-born migrants are much more likely to be doing **precarious jobs** than South Africans are. This pattern is happening because many employers exploit foreign-born migrants' willingness to accept more precarious work. Foreign-born workers also often hope to use precarious jobs as stepping stones to jobs in the formal labour market. Sometimes this works, but often it does not as they find themselves stuck in precarious jobs.

It's very similar to the situation of workers who migrate for work in the rest of the world where they often will accept jobs with poor working conditions and very low wages. In that kind of work around the world **labour laws are not followed by employers** (for example, no or little paid leave; long hours; no notice periods; no UIF contributions paid, etc.). Workers in these types of jobs either have no contract or a very basic form of contract which doesn't have the minimum legal benefits. **The jobs do not offer stable employment and frequently are very short-term or only for some months of the year.**

The percentage of foreign-born migrants working in **the informal sector** is almost twice as high as the percentage of South Africans working there. Jobs in the informal sector – just like precarious jobs - have lower wages than average jobs. There are several possible reasons why there is a higher percentage of foreign-born migrants in the informal sector. One is that it is not expensive to get a job in the informal sector (for example, low overheads or no fees have to be paid to agencies or uniforms don't have to be bought out of one's own pocket). Another is that the majority of foreign-born migrants come from African countries with large informal sectors (while South Africa has a relatively small informal sector). They may, therefore, be doing informal sector activities which are very common in their countries of origin.

The information in this overview is based on two studies which analysed the data in Statistics South Africa's Quarterly Labour Force Survey (QLFS) undertaken in the 3rd quarter of 2012. That QLFS included specific questions about workers and unemployed people who had moved province or country in the previous five years. The reports on the research can be found at www.miworc.org.za. The information is similar to what was found about foreign-born migrants in Census 2011.

Key information about three industrial sectors where foreign-born migrants are working

In terms of industry, the main sectors where foreign-born workers are found are ■ Construction ■ Trade and retail ■ Agriculture ■ Domestic work ■ Mining ■ Hospitality ■ Education and health professions ■ Craft and related trades

The African Centre for Migration & Society (ACMS), at Wits University, led research from 2012 to 2014 about foreign workers in four of these sectors. [Useful information from three of these studies \(available at www.miworc.org.za\)](http://www.miworc.org.za) is summarised below (the fourth research project was about foreign health professionals in SA's public health service):

The domestic work sector: the demographics

From research conducted in 2013 in two towns in Mpumalanga, the research found that the majority of those interviewed were not married and said they were single, divorced or widowed. There were more single parents among the foreign-born domestic workers and many foreign-born domestic workers had left their spouses and children behind in their home countries; in contrast, most of the South African workers lived with their families. On average, the South African domestic workers (largely between 40 to 49 years) were older than the foreign-born workers (typically 22 to 29 years).

There were generally low levels of education among both foreign-born and South African domestic workers with seven interviewees having not completed primary education, 13 having primary school education but having not completed high school, four who had matriculated and only two who had any tertiary education.

The agricultural sector: bilateral agreements and labour broking

In 2013, ACMS led research which interviewed (both South African and foreign-born) Mpumalanga farm workers and Western Cape seasonal farm workers. The foreign-born workers were from Mozambique, Swaziland and Zimbabwe.

South Africa's current labour migration policy framework, consisting of **bilateral agreements** between South Africa and some neighbouring countries on the one hand, and limited legal channels of entry and job opportunities for low-skilled workers on the other hand, has created **a context in which labour brokers play a pivotal role in managing labour migration and/or employment in the agricultural sector**. Between South Africa and Mozambique, formal labour brokers facilitate the movement, recruitment and wage payment system for farm workers in Mpumalanga. In parallel, an informal system of labour-broking is also happening: it facilitates migration of foreign workers and works **outside of legal channels**. On farms in the Western Cape, **social networks and informal labour brokers** facilitate employment and logistics on a seasonal basis. The common practice of informal labour-broking outside of labour laws results in poor working conditions and widespread exploitation on the farms where it is happening.

The hospitality sector: outsourcing and precarity

The hospitality sector in South Africa is a **labour-intensive** sector. In 2012 the sector employed 567 378 people. 90% of hospitality employers are SMMEs and employ fewer than 10 people, while the remaining 10% are large companies including hotel and restaurant chains.

While statistics show growth of the hospitality sector and of employment in it, they conceal a "tightening of the belts" for low-skilled workers in this sector. From 1991, following employment trends across many sectors, hotel chains in SA began **outsourcing all non-core activities**, commonly resulting in up to a 50% wage cut for employees who were rehired as contract workers. Between 2008 and 2010, hospitality employers experienced more competition, which put pressure on many employers' profit margins. Subsequently, because workers feared losing their jobs, workers tended to accept more precarious work, such as short-term work, low or no wage increases, additional duties for no extra wages or recognition, and greater flexibility, casualisation, outsourcing, or temporary employment. In 2012, over half of hotel staff were employed by independent service providers.

The information above about precarity in the hospitality sector was obtained from research conducted on the hospitality sector in 2012-13 by E. Webster, A. Loonat, D. Budlender, M. Orkin and M. Taal (two separate studies).

Conditions of employment in the three sectors

In the three sectors summarised above, there were very similar conditions of employment reported in the interviews.

Contracts

Written contracts are still not universal in these three sectors. This is particularly problematic for domestic workers where very few have written contracts but is also a problem in parts of the agriculture and hospitality sectors. Many of the workers interviewed did not know what a contract was, why they needed a contract, or how to ask for one.

Hours of work

Across all three sectors, some employers in our samples broke the labour laws relating to hours of work, with workers frequently working longer than the hours of work stipulated in the three sectoral agreements under the Basic Conditions of Employment Act (BCEA), and not receiving any overtime pay for this. In the hospitality sector, workers said they sometimes willingly worked extra hours for no extra pay because they would receive further tips in the extra hours worked. Hence, accepting poor working conditions is a means of mitigating low wages.

Salaries/wages

Wages were inconsistent in the three sectors, with lower than the minimum wages – as detailed in the various sectoral agreements – being paid. In the hospitality sector, frequently a ‘base salary’ was paid that employers considered to be ‘fair’ (by considering the average amount of tips employers expected to be earned by a worker or group of workers). In the agriculture sector, wage inequalities were recorded whereby workers performed the same amount of work for the same amount of time but in the end were paid different wages. This was observed amongst permanent and casual workers in Mpumalanga and between locals and foreign-born workers in the Western Cape.

Lack of social benefits

In the three sectors, social benefits (e.g., pensions or provident funds, workers’ compensation, medical aid schemes) were rare. Many workers were not registered for UIF, and if they were, workers often did not have clarity about what was happening to the UIF contributions that were being deducted from their salaries, or experienced problems claiming UIF if they became unemployed. In addition, foreign-born workers are not entitled to unemployment benefits unless they have permanent resident status or refugee status. In the hospitality sector, foreign-born workers reported a lack of clarity about whether they were entitled to social benefits or not; and, if their employers were providing benefits, whether they could access pension or provident fund benefits if they returned to their home countries.

Paid leave is not universally available for all workers in these sectors

In all three sectors paid (vacation, public holiday, maternity and sick) leave was not always as universally available as it should be according to the Basic Conditions of Employment Act.

Work dynamics

Many workers reported that the relationship between employer and employee/s largely determined working conditions and had a major impact on overall job satisfaction. The majority of workers reported high levels of discrimination and exploitation by their employers. In general, workers did not want to enter a dialogue with their employers for fear of losing their jobs.