

ORGANISING THE HOSPITALITY SECTOR IN NAMIBIA



Prepared by Ntwala Mwilima for the
Labour Resource and Research Institute (LaRRI)

November 2012

Contents

Introduction.....	2
Methodology.....	2
Section one: Economic contribution of the sector and ownership structure	3
1.1. Overview of the sector.....	3
1.2. Value of the sector.....	4
1.3. Ownership	5
Section 2: Employment profile of the industry.....	5
2.1. Levels of employment	5
2.2. Forms of employment in the sector	7
Section 3: Industrial relations and working conditions	8
3.1. Pre and post-independence industrial relations in Namibia	8
3.2. Industrial Action	9
3.3. Working conditions	10
3.4. Wages and benefits.....	11
3.5. Discrimination and victimisation at the workplace	12
3.6. Health and safety	13
3.7. Sexual harassment.....	14
Section 4: Collective Bargaining	14
4.1. Provisions in the Labour Act	14
4.2. Collective Bargaining in the industry.....	15
4.3. Existing strategies and challenges.....	15
4.4. Capacity and education needs of the union.....	18
4.5. Useful campaigns to the sector	18
Section 5: Conclusion and recommendations.....	18



Annexure 1: Industrial Actions in 2012	19
References.....	20

Introduction

The aim of this paper is to look at trade union organising in the hospitality sector. A review of the literature on trade union organising strategies in the hospitality industry in Namibia revealed that there is none available. Indeed, a study that comes close to looking at the issue was conducted by the Labour Resource and Research Institute (LARRI) in 2007 as part of the broader Social Observatory project which looked at the working conditions in the hospitality sector, focusing mainly on Kalahari Sands and Casino, a subsidiary of the Sun International Group. Given this gap, this study attempts to highlight the current working conditions in the industry which could inform trade union's organising strategies in the sector. In this regard, a focus group discussion was held with shop stewards from three hotels in Windhoek which include Kalahari Sands and Casino, Windhoek Country Club (WCC) and the Hilton Hotel. In addition, a telephonic interview was conducted with Deputy General Secretary, Ms. Wilma Angula. The findings of the focus group discussion and telephonic interview are discussed in the subsequent sections of the paper.

The paper is laid out as follows: Following the introduction is a discussion of the methodology and a profile of the respondents in the focus group discussion. Section 1 provides information on the overview of the sector, the value of the sector and the ownership structure of the sector in Namibia. Section 2 outlines the employment profile of the sector. Section 3 and 4 provides a discussion of the industrial relations and collective bargaining in the industry, respectively, while the last section contains the conclusion and recommendations.

Methodology

As alluded to in the introductory section, the study used a qualitative method in the form of a focus group discussion to gather primary data from shop floor representatives. In addition, a survey was administered on the shop stewards to gather additional information. In this connection, seven (7) shop stewards participated in the discussions as follows: Hilton hotel (3), Windhoek Country Club and Resort (3), and Kalahari Sands and Casino (1). In terms of gender segregation, the focus group consisted of 4 women and 3 men. The ages of the key respondents in the focus group discussion ranged from 28 years to 41 years old. The lowest education qualification obtained by the respondents is a junior secondary certificate whilst the highest is a diploma. In terms of the number of years of employment at the current workplace, this ranged from 17 months (respondents from the Hilton hotel which started



operations in 2011) to 17 years (mainly workers from the Windhoek Country Club and Resort). All the shop stewards who were interviewed are employed as permanent workers who have employment contracts.

In addition to the focus group discussion, a telephonic interview was conducted with the Dep. General Secretary as stated earlier. In addition, the study collected secondary data from various reports which include National Accounts, Labour Force Surveys, Household Income and Expenditure Surveys, Affirmative Action report 2010/11, collective bargaining reports, newspaper articles and research papers and journals.

Section one: Economic contribution of the sector and ownership structure

1.1. Overview of the sector

The hospitality industry is one of the pillars of the Namibian economy and is recognised nationally as one of the key sectors capable of balancing the national wealth through income redistribution and job creation. To this effect, the central government has consistently supported efforts to develop local conservancies for disadvantaged communities as a means for poverty alleviation. Similarly, two of the government's development programs, namely the Targeted Intervention for Employment and Economic Growth (TIPEEG) and the National Development Plan 4 (NDP4) identified the tourism sector as one of the priority sectors that can accelerate employment in the country. In line with its importance, the hospitality sector makes significant contribution to both national Gross Domestic Product (GDP) and employment creation.

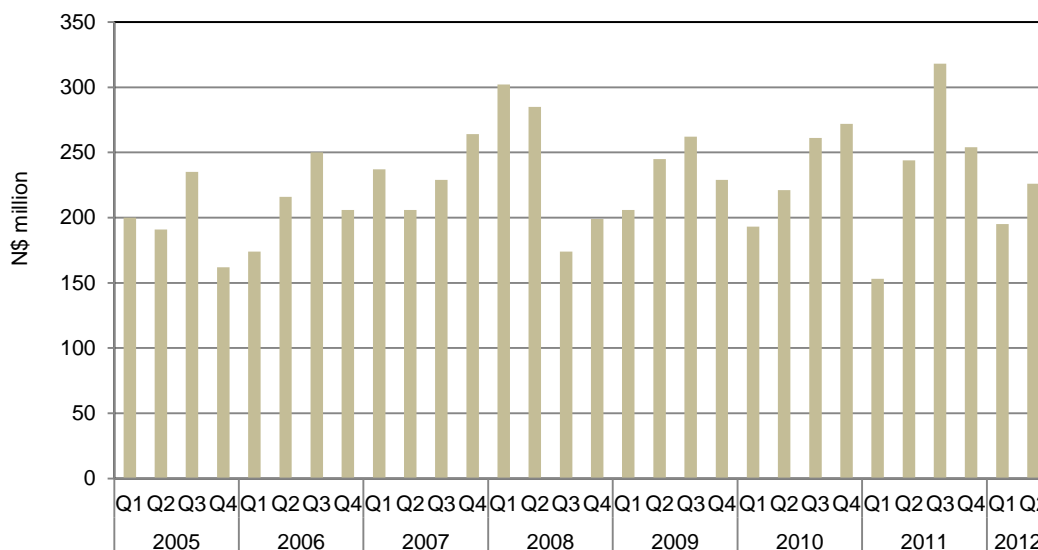
The comparative advantages for the Namibian hospitality sector draws from low population density, excellent environmental management, stability in the country, good infrastructure, high wildlife population and pristine scenery. Of late the country has seen increased diversion by landowners from traditional livestock farming towards setting up tourism establishments. Another key characteristic of the local hospitality sector is that it is highly reliant on foreign tourists as the component of domestic tourism remains very small, especially in terms of value. This unfortunately makes the sector susceptible to exogenous shocks, so that its economic performance varies in tandem with the international economic cycle. It is, therefore, imperative to develop domestic tourism to serve as a buffer during the downturn of global economic conditions.



1.2. Value of the sector

According to national statistics, the real value addition by the hotels and restaurants sector amounted to N\$969 million in 2011, thus contributing 1.7 per cent to national GDP (Chart 1). Similarly for the first two quarters of 2012, activities in the hotels and restaurants sector generated a sum of N\$421 million, i.e., 1.5 per cent of real GDP. Further, NDP4 (2012:92) postulates that the combined direct and indirect contribution of the tourism industry - a proxy for the hospitality sector - to GDP stands at 15.5 per cent. That is, the sector has a significant multiplier effect in that tourism activities induces further supply and consumption expenditures in complementary industries such as transport and logistics as well as other support services.

Chart 1: Hotels and restaurants - contribution to GDP

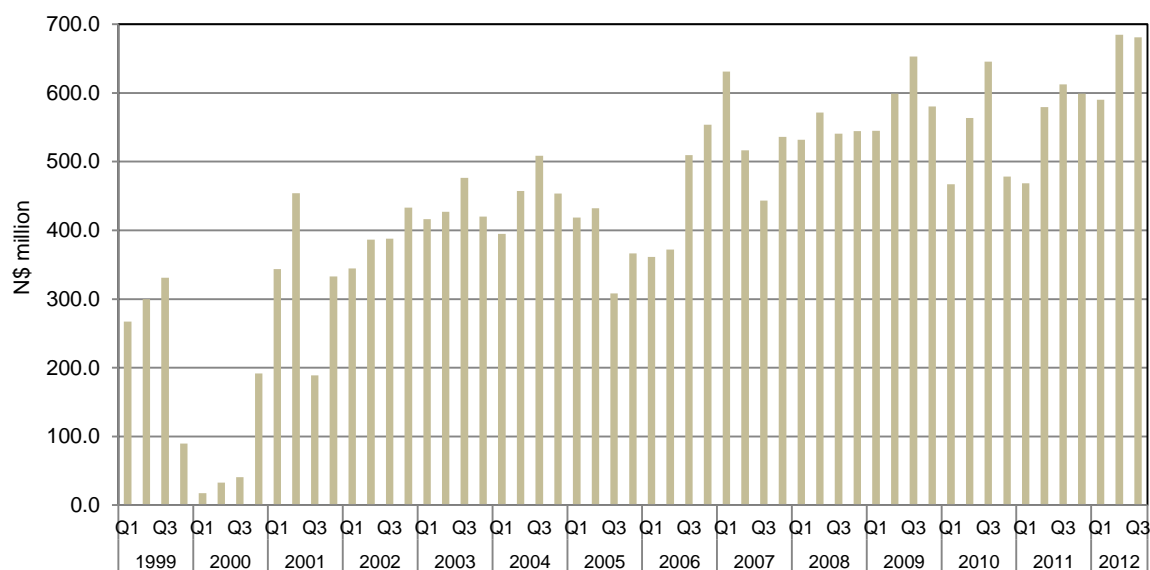


Source: NSA

Furthermore, the travel & tourism sector is a major exporter of services with international visitors injecting foreign exchange directly into the economy. As Chart 2 shows, travel services consistently posted a surplus balance, increasing from N\$987.4 million in 1999 to N\$2,259.4 million in 2011. Lastly, the tourism sector also plays a major role with regard to accumulating capital assets in the country and investing in infrastructure.

Chart 2: Net export of travel services





Source: Bank of Namibia

1.3. Ownership

The economic situation in Namibia and the country's social structure in many ways still reflect the legacy of the apartheid regime that reigned prior to 1990. The hospitality sector is not exempt from this legacy as it continues to be owned predominantly by whites and foreigners. The participation of black Namibians in the sector is mainly in the form of employment, while partaking in terms of ownership remains highly limited. This is mainly because most hospitality establishments are located in previously white-only areas, while there are few tourist establishments in the former homelands where most black people reside. According to Moseley *et al.* (2007:9), there is little opportunity for black Namibians to break into the tourism industry as service providers due to their lack of education, financial constraints as well as lack of exposure to the sector. This finding is supported by the findings of the Occupational Skills Assessment Survey (2006) which shows that that most of the hotels and restaurants which formed part of the survey were foreign owned (NOSAS 2006).

Section 2: Employment profile of the industry

2.1. Levels of employment

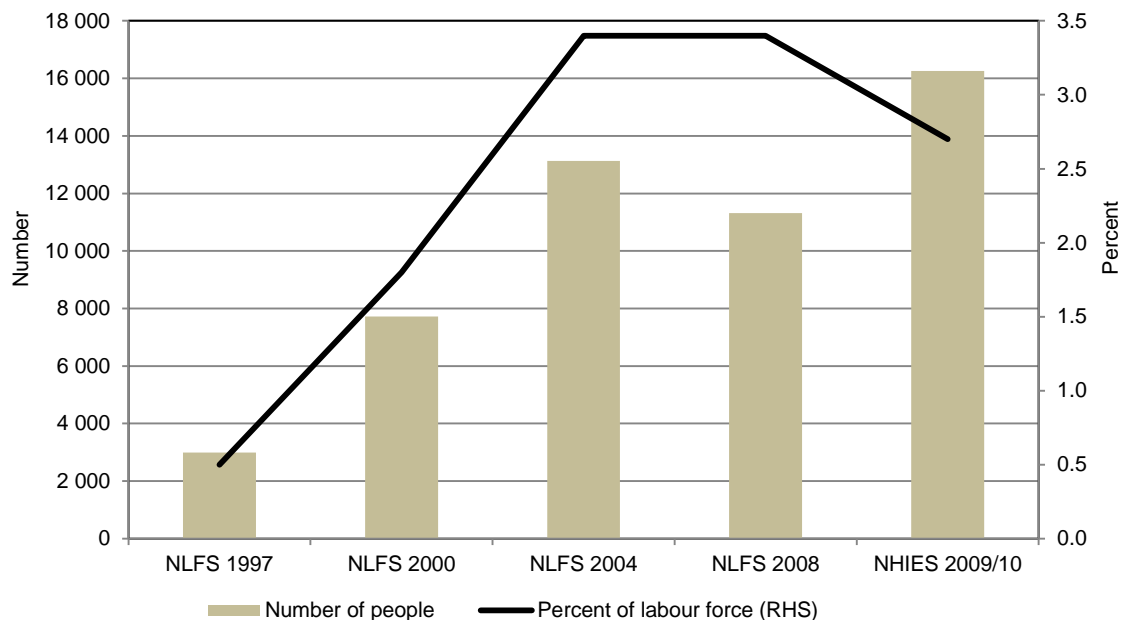
As stated earlier, the hospitality sector in Namibia is one of the key sectors when it comes to employment creation. This stems from the labour intensive nature of this industry. It is for this reason that tourism was identified as one of the priority sectors under TIPEEG and NDP4 to drive employment creation in the country. With regard to its performance to date, the National Household Income and Expenditure Survey (NHIES) 2009/10 shows that 2.7 per cent of the Namibian labour force is absorbed by the hotels and restaurant sector. In absolute terms, this is equivalent to about 16,257 people, much higher than employment offered by the mining and quarrying sector or that absorbed in the financial services sector. A gender



analysis of the employment profile shows that it is a female dominated sector as more than half (59.8 per cent) of the workers are female. The gender profile of the sector is in line with other country workforce profile as revealed in the European Foundation for the improvement of working and living conditions report on the working conditions in the hotels and restaurant sector in the EU (2004).

In terms of trend, employment in the hospitality sector has maintained a steady upward movement, as can be seen from Chart 3 below. The number of people employed rose steadily from 2,988 in 1997 to over 16,000 in 2009/10, thus reflecting a net gain in employment well in excess of 10,000 people over 10 years. This means that unlike other sectors of the economy, growth in the hospitality sector has been employment enhancing.

Chart 3: Employment in the hotels and restaurants sector



Source: NLFS 1997, 2000, 2004, 2008 & NHIES 2009/10

With respect to the skills and training compliment of employees in the hospitality sector, there is a high degree of heterogeneity (Table 1). In contrast to other sectors which are skewed towards specialised and/or technical skills, the hospitality sector offers a wide variety of employment ranging from elementary occupations to professional and managerial careers. According to the labour force surveys, between 2000 and 2008, the hotels and restaurants sector employed on average 1.7% of employed Namibians with no education, 2.5% and 3.8% of people with primary school and secondary school education, respectively.



Meanwhile, only 0.8% and 1.4% of individuals with tertiary and postgraduate education, respectively, were absorbed by the hospitality sector.

Table 1: Employment in the hospitality sector (by level of education)

Year	No education (%)	Primary school (%)	Junior Sec School (%)	Senior Sec School (%)	Education after Std. 10 (%)	University (%)	Teachers Training (%)	Postgraduate (%)
2000	1.6	1.3	2.8	1.7	0.7	1.8	0.0	1.0
2004	1.9	3.4	4.0	4.5	1.6	0.0	0.0	1.9
2008	1.6	2.9	4.7	4.2	1.8	0.7	1.3	1.3

Source: NLFS 2000, 2004, 2008

These statistics evidence that a large portion of jobs in the hotels and restaurant sector are not highly specialised, thus the absorption rate for people with little education is relatively high. This also then means that the level of understanding is limited thus there is ample room for employee exploitation. Accordingly, the hospitality sector is one in which there is a need for union representation of the workers.

A racial examination of the employment profile of the industry reveals that the sector employs more people from previously disadvantaged groups than previously advantaged groups. Notwithstanding, a scrutiny of the employment profile of the industry employed in decision making positions such as Executive Management to Middle Management reveals that people from previously advantaged groups are disproportionately more in such occupations. This observation, together with the trend observed in ownership, rather reflects the products of the apartheid regime which excessively favoured skills development among the previously advantaged groups. In total, there are 99 non-Namibians employed in the sector in various positions ranging from Executive Directors level to Semi-skilled level (Employment Equity Commission (EEC) 2010/11).

2.2. Forms of employment in the sector

According to the NLFS (2004:54), the hotels and restaurants sector being in the services industry mostly employs general labourers and sales workers. This includes professional waitrons, housekeepers, cleaners, receptionist and cooks. The data shows that these occupations accounts for as much as 70% of total employment in the sector. It is, however, worth noting that most of these employees are retained on a permanent basis (See ECC annual report 2010/11). There is, however, an exception as the tourism industry in most



countries is highly seasonal and Namibia is no exception. In this regard, there are peak seasons which require an increase in the use of temporary employment and casual labourers. Notwithstanding, it has been argued that seasonal work counts for much of the problems related to the nature of work in the sector. For instance, when business picks up, many temporary employees have to be attracted, who then have to be let go as the peak season subsides. Creative strategies are required to address challenges emanating from the cyclical nature of the business such as the spread of holidays, prolonging seasons and the promotion of short stay holidays outside the traditional peak seasons, are often applied (European Foundation for the improvement of working and living conditions, 2004). Another possible remedy would be to encourage domestic tourism so as to smooth out the seasonality introduced by international tourists.

Section 3: Industrial relations and working conditions

3.1. Pre and post-independence industrial relations in Namibia

Understanding the current industrial relations in Namibia requires a revisit of the apartheid era. During this period, industrial relations were adversarial mainly on account of the lack of respect of workers' rights by the apartheid regime (Klerck, 2008). Work relations at the time were based on 'master and servant' relations and were characterised by the oppression of workers' rights. This gave rise to the formation of trade unions, who struggled to get recognition from the regime of the time. Indeed, the Namibia Food and Allied Worker's Union (NAFAU), which organises in the hospitality industry was the first union to be formed in Namibia in 1986. The systematic violation of worker's rights was key in the struggle against apartheid as workers fought against the native contract labour system, of which many of the national leaders were employed in.

In order to redress the injustices and suppression of workers rights in the past, when the country drafted its constitution at independence, workers' rights were entrenched in the constitution by recognising trade unions and the right to collective bargaining. Two years later, the labour Act of 1992 was passed, which drastically improved the rights of the workers through the provision of minimum conditions of employment, the recognition of trade unions as representatives of the workers and established the requisite structures and procedures for dispute resolution. The Labour of Act of 1992 was subsequently replaced by the Labour Act of 2007. The Act, among others, "provides for entrenching fundamental labour rights and protections; regulates basic terms and conditions of employment; ensure the health, safety and welfare of employees; protect employees from unfair labour practices; regulates the registration of trade unions and employers' organisations; regulates collective labour



relations and provides for the systematic prevention and resolution of labour disputes” (Labour Act 2007: 2).

In addition to legislation, structures were put in place at the national level to facilitate improved labour relations. These include the Tripartite Labour Advisory Committee which comprises of the Government, Employers and Workers Organisations, institutional structures such as the Ministry of Labour and Social Welfare, Employment Equity Commission, Labour Commissioner’s office, Labour Courts and Social Security Commission. At the shop floor level, workers committees were formed, especially at places where the trade unions have recognition agreements with the Company.

To a larger extent, the period after independence up until the early 2000s was characterised by improved labour relations in many workplaces as conditions of employment drastically improved for some workers (especially those in the public sector and professional workers) in comparison to the colonial era (Klerck 2008). In contrast, less skilled workers, mainly in elementary occupations, remain vulnerable as their conditions of employment have not changed much. Studies conducted by LaRRI shows that some workers have not had the opportunity to enjoy the gains made in the early years after independence (see LaRRI’s study on farm workers 2006, LaRRI study on domestic workers 2008 and LaRRI’s study on security guards 2012). This could be attributed to the impact of the neo-liberal agenda which has systematically eroded workers rights globally by introducing flexible forms of employment in order to maximise profits (Klerck 2008). In this regard, the late 1990s to the early 2000s was characterised by a rise of the use of casual labour, which was later institutionalised through labour brokers (LaRRI 2007). Casual labourers are not only deprived of benefits, but also earn low wages and are not organised by trade unions, which makes them vulnerable to abusive and exploitative working conditions.

3.2. Industrial Action

The worsening working conditions can be reflected in the rise in labour unrest in the country. To illustrate, rampant industrial actions have occurred in the country of late. These include both unprotected and protected strikes in the private and public sector. In 2012 alone, industrial action or threats thereof were reported at the Namibia Broadcasting Corporation, Agribank, Air Namibia, Kalahari Sands Hotel, Windhoek Country Club, Polytechnic of Namibia, Namibia Dairies, Coca Cola, Nampower, TransNamib, Ministry of Health and Social Welfare and the Ministry of Education, among others (see annexure).

The main causes of the strikes were salary increments and benefits and unfair labour practices. “It’s always a struggle to get a salary increment” (shop steward focus group discussion, 13.10.2012). Some of the industrial actions were prevented when management



decided to give in to the demands of the workers. The recent industrial action in the hospitality industry which almost took place was held by workers at the Kalahari Sands Hotel over unfair labour practices and discrimination (see Namibian newspaper article, titled: “Hotel workers demonstrate”, dated 8 March 2012). At the same time, NAFU reported that 10 disputes were filed with the Labour Commissioner’s office against hotel management at the WCC over the slow implementation of wage agreements and restructuring at the WCC hotel (New Era newspaper, 10 May 2012).

The rampant and frequent occurrence of industrial strikes should be a great concern to policy makers and the labour movement because it shows that industrial relations in the country are on a downward spiral. Furthermore, recent incidences of workers defying their unions in South Africa in the mining sector and the teachers and nurses in Namibia show that workers are turning against their unions and ‘taking matters in their own hands. This could mean that workers are losing or have lost confidence in the unions or their unions’ ability to effectively represent them. Addressing these new developments require the need to re-evaluate the effectiveness of the institutions which were established to facilitate labour relations in the country.

3.3. Working conditions

The working conditions of workers in the industry are regarded as substandard. This is because workers in the industry earn low wages and minimal or no benefits, work long hours with limited adherence by employers to minimum health and safety standards. With regards to the long working hours, the ILO 2010 report attributes this to consumer demand patterns in hotels and restaurants which require working conditions that are frequently characterized as “unsocial and irregular working hours in the form of split shifts, weekend shifts, nightshifts, or work during holiday periods. These working conditions heighten stress on workers with family responsibilities, particularly women who carry the majority of the care burden for children and the elderly as well as for household chores” (ILO 2010:14).

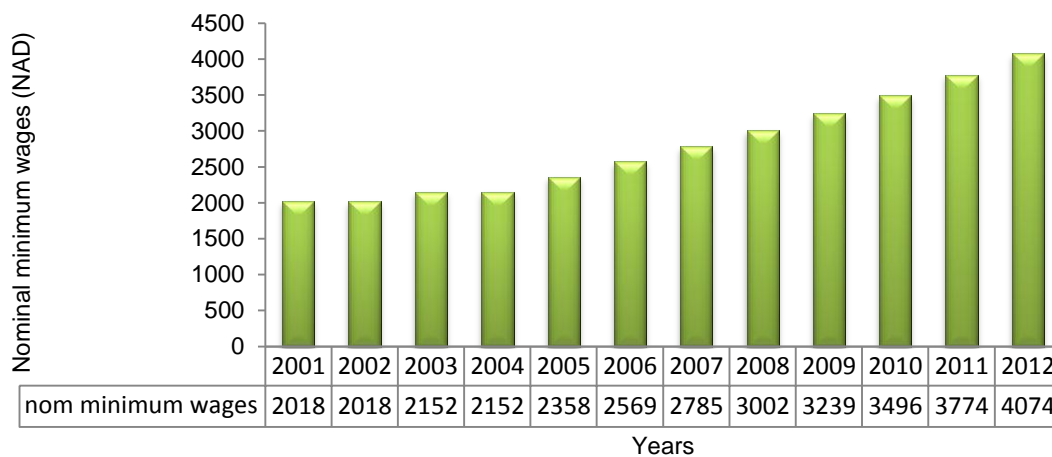
Given the seasonal nature of the hotels industry, the sector also relies on the use of casual workers during periods when there is a boom in the business cycle. At the same time, about 70 per cent of the workers in the industry are employed in elementary occupations. The use of seasonal or casual workers presents a number of challenges for trade unions and even for improving the working and living conditions for such workers. For trade unions, it is difficult to effectively organise such workers because of the status of their employment. At the same time, such workers are not likely to join trade unions due to a number of reasons which include: (a) lack of knowledge and information about trade unions; (b) lack of interest in joining trade unions; and (c) fear of victimisation/being fired by the company, among others.



3.4. Wages and benefits

Namibia does not have a national minimum wage. Therefore, wages are determined primarily at the company level by management and through collective bargaining. As such, there are high disparities in the wages levels of workers in various industries, with the unskilled and unorganised workers getting disproportionately low wages. As highlighted prior, the wage levels of workers in the hotel industry are low. Moreover, the reliance of the sector on international tourism makes it highly vulnerable to external economic conditions. Indeed, between 2008-09, workers in countries such as Japan (-31.5 per cent), Singapore (-6.1 per cent), Thailand (-3.7 per cent) and the United Kingdom (-0.7 per cent) experienced declines in their average monthly incomes (ILO 2010). In Namibia, despite not having conducted an investigation on the impact of the global crisis, average minimum wages in the industry remain low, although rising moderately over time as shown in the chart below¹.

Chart 4: Nominal minimum wages in the hotel industry



Source: Authors calculations from collective bargaining reports

In order to establish an indication of the wages and salaries of the workers in the industry, two main sources were used in the study. The first include an administration of a mini survey among the shop stewards who formed part of the focus group discussions. The second source of data (see chart 4) was comprised collective bargaining agreements of between NAFU and the WCC and Kalahari Sands hotel. The survey revealed that the monthly salaries of the

¹ The data on the chart is derived from minimum wage reports from the Kalahari Sands and Windhoek country club. Actual data was available from 2001 – 2007 (Kalahari sands) and 2001 – 2008 (Windhoek country club). In order to get the growth rates for the years in which actual data was not available, the researcher obtained an average percentage increase and estimated for the years in which the data was not available. Therefore, the nominal wage increases from 2008 onwards should be treated with caution as it does not represent actual increases, but rather estimated increases under the assumption that workers at Kalahari Sands and Windhoek Country club received average annual increases ranging between 7 and 10 percent respectively.



workers range between a minimum of NAD 2,500 to NAD4, 500 per month. Given that some of the shop stewards have worked in the industry for more than 15 years, it can be concluded that the relationship between the number of years in service and income is very weak.

The nominal wage increases, as highlighted in Chart 4 shows that, on average, nominal wages in the industry increased by approximately 6.6 per cent during the period under review. It should be noted though that this is based on an assumption that workers received annual increases in the years in which the actual data was not available. Notwithstanding, the actual wages as shown in the chart conforms to the information obtained from the focus group discussions which shows that minimum wages in the industry are around NAD 2,500 per month.

When one takes into account the cost of living in Windhoek, using the cost of housing² and transport³ as indicators, it can be concluded that such salaries are insufficient. In the words of one shop steward “people in the industry have been working for a long time but their lives have not changed so much. You get people working but they cannot afford to buy even houses” (focus group discussion 13.10.2012). In addition to the inadequacy of the salaries, workers at the Windhoek Country Club alleged that the salaries and benefits at the hotel are determined in an arbitrary manner by the heads of departments because there is no Human Resources department. This has resulted in inconsistencies in the salaries paid to workers who perform the same type of work.

In terms of benefits, the workers indicated that they receive statutory benefits such as annual leave, sick leave and compassionate leave. The workers are also registered with the social security as required by the law. In addition, the companies offer medical aid, housing allowance, pension, transport and a bonus⁴. The workers reported that there are big discrepancies in the benefits provided to management and the workers, with management getting more benefits than staff members.

3.5. Discrimination and victimisation at the workplace

The focus group discussion revealed that the relationship between management and workers is poor. At the same time, the workers claimed that there is widespread victimisation of workers who are mainly outspoken. It was reported that such workers have been unfairly dismissed without the opportunity to a fair disciplinary hearing. Specifically, worker representatives at the Hilton Hotel face challenges when it comes to being allowed to

² The latest housing index shows that a small house on average cost NAD 261,667, whilst a medium house costs NAD 541,900 (FNB housing price index, February 2012).

³ Public transport cost, as indicated by the cost of a taxi costs NAD 18.00 per return trip.

⁴ Workers at the Hilton Hotel do not have pension and bonus as benefits.



represent workers during disciplinary hearing sessions. When this happens, they are told that “you are hired by the company and not the workers”, hence you are here to do the company work rather than represent workers (focus group discussion 13.10.2012). Nonetheless, in the absence of documented evidence or interviews with actual victims, the study could not establish the validity of the claims.

With regards to racial discrimination, the focus group discussion revealed that it does exist at their workplaces as people from previously advantaged groups mainly occupied higher positions while people from previously disadvantaged groups mainly occupy low positions. It was further alleged that in instances where black people are promoted into higher positions which were previously occupied by white people, the salaries are lowered. The discrimination continues to take place because the Government (Ministry of Labour and Employment Equity Commission) are not sending the inspectors to the company premises to inspect and ensure that the companies are implementing and adhering to the provisions of the Labour Act. Financial and capacity constraints at the two institutions are the main reasons for irregular and less frequent workplace inspections. This leaves the workers to be represented by the unions only. The challenge is that NAFU cannot adequately represent all workers in the industry because they have limited staff members.

3.6. Health and safety

The discussion revealed that the Kalahari Sands and Casino and the Windhoek Country Club somewhat pay attention to Health and safety issues. For instance, it was established that there are committees and health and safety officers at both companies who were provided with training. Moreover, workers at both hotels are provided with protective clothing. The only weakness reported on the matter is that of lack of attention and measures to protect the workers who work in the Casinos, who are exposed to verbal and physical abuse. It seems the company does not want to risk losing the money from the clients as they do not stop the clients from coming to the Casino even in cases where they have been abusive to staff members.

In contrast, it was reported that the Hilton Hotel pays very little attention to issues of health and safety. This is illustrated by the fact that the company does not have a committee and neither does it provide training or protective clothing to its workers. The lack of attention health and safety issues could be attributed to the lack of union presence and recognition agreement with the hotel (at the time of the interview, the company had not yet signed the recognition agreement with the union).



3.7. Sexual harassment

The data on the employment profile of the industry as highlighted earlier shows that the industry is dominated by female workers. Given the low levels of education of the majority of workers in the industry, it is likely that they are employed in unskilled or semi-skilled work, doing the most vulnerable jobs. This makes them more likely to experience poor working conditions, inequality of opportunity and treatment, violence, exploitation, stress and sexual harassment (ILO, 2010). Therefore, despite the absence of data on matters pertaining to sexual harassment, it is likely that such incidents occur as was recently revealed in a recent Newspaper report of an alleged 'rape incident' at the Hilton hotel⁵.

Section 4: Collective Bargaining

4.1. Provisions in the Labour Act

The Labour Act of 2007 adequately makes provision for the process of collective bargaining in the country. Once a trade union has attained recognition at a workplace, the trade union is given the right to represent the workers and negotiate conditions of employment on behalf of the workers. The general terms and conditions of recognition agreements provides for regular consultations between the Employer and the trade union over workplace issues that affect industrial relations or the welfare of members. In addition, provisions are made which allows access of union officials to the workplace to perform any of their functions in terms of the Labour Act, the constitution of the union or the recognition agreement. Provision is also made in some workplaces to form workers committees on the floor; appoint workplace union representatives provided they fall in the bargaining unit; whose responsibilities mainly include representing workers at disciplinary hearings, grievance meetings and appeal hearings.

Once a union has gained recognition at a workplace, the union gains the right to collectively bargain on behalf of the workers. Collective agreements which are concluded are legally binding to the parties who signed them and at the same time, the provisions of a collective agreement pertaining to the terms and conditions of employment change every contract of employment between an employee and an employer (Labour Act, 2007). Collective bargaining in Namibia is mainly conducted in a decentralised manner, except in industries such as the construction, protection services and the agriculture sector. As stated earlier, decentralised collective bargaining disadvantages unskilled and unorganised workers. Klerck (2008) argues that "decentralised bargaining in Namibian means that the distribution

⁵ It was later established that the sexual encounter between the victim and the hotel visitor was consensual (see informante newspaper dated 17th May 2012 for a fuller exposition on the story).



of economic rewards between profits and wages largely reflects the balance of powers in the workplace” (Klerck 2008:

4.2. Collective Bargaining in the industry

The Namibia Food and Allied Workers Union (NAFAU) is the trade union responsible for organising workers in the hospitality industry. In addition to the hospitality industry, the union also organises workers in the food, fishing, wholesale and retail sectors. It is estimated that the number of employees in the sectors organised by the union was approximately around 56 000 in 2009 and the union has 15,000 paid up members (Sakaria 2009, Telephonic Interview with Deputy GS of NAFAU, 15.11.2012). This translates into a unionisation rate of 27 per cent⁶. Collective bargaining is decentralised. In this regard, the shop stewards who were interviewed in the study were of the view that collective bargaining should be centralized so that workers can have similar conditions to employment in the industry. This would not only lead to the standardization of working conditions, but could also result in the union saving in terms of time resources given the limited human resources capacity. The union has recognition agreements with all the three hotels, of which the agreement with the Hilton Hotel was recently concluded (Telephonic interview with the Deputy Secretary General of NAFAU, 14.11.2012)

4.3. Existing strategies and challenges

A number of studies conducted on challenges facing trade unions in Namibia reveal that there are a number of common constraints faced by the labour movement. Nonetheless, the unions have not come up with concrete strategies to address such constraints in many instances. The challenges can be grouped into external and internal constraints.

External challenges

Workplace restructuring, which occurred as a response to avoid trade unions and maximise profits has been at the top of the constraints as non-standardised employment has grown at the expense of standard employment. The issue here is that Namibian trade unions only organise workers in formal employment and not workers in atypical forms of employment. According to Klerck (2008), two decades after Independence, many trade unions still find it hard to gain recognition in many workplaces. The trend therefore has been a decline in employment in high union density sectors (i.e. mining) and a growth in casual jobs in sectors where trade unions have traditionally been weak (i.e. retail sector). In order to reverse the rampant growth of casual labour through labour hire companies, trade unions supported the

⁶ The unionization rate is calculated by dividing the number of paid up members over the approximate number of workers in the industries which the union organizes in. In this case, the approximate number of employees in the sector was obtained from the LaRRI report 2009.



Government's move to outlaw the use of labour hire companies⁷. Should this withstand the challenges in court, it would be a major success to unions, particularly union such as NAFU who organise workers in sectors where the use of casual workers was rampant (i.e., food, retail etc.).

Experience from elsewhere shows that many trade unions have low levels of unionisation (Spineux et al, 2001, cited in ILO 2010). This is particularly the case in the hotel and restaurant sector, because of the typical structure and organisation of this sector. Organising in the sector is difficult because of the heavy presence of part-timers and temporary employees (students, etc.), who have minimal interests in a protection system (ILO 2010).

In addition, unions seem to struggle when it comes to attracting and recruiting young members. This was highlighted by the Deputy SG of NAFU who stated that attempts by her union to recruit young workers have proved futile. She attributed the lack of interest among young workers to the lack of understanding of the benefits of joining a trade union. Notwithstanding, the union does not have a strategy in place to address this challenge.

Internal challenges

Another challenge facing trade unions is their organising strategy, which according to Klerck (2008) “reinforces the division by pursuing strategies of exclusion as a means of protecting the interests of their members”. The unintended consequence of such a strategy is that “advantages secured by the powerful groups may be at the absolute or relative expense of weaker groups” (Klerck, 2008). This requires an organising strategy which takes cognisance of this aspect and finds ways to address it.

Some trade unions have improved their financial position by venturing into union investment. However, some, mainly those with a small membership base still face financial constraints, which results in a deficit in human resources as well. That is, some trade unions do not have the financial resources beyond membership fees to enable them to employ and retain staff in critical positions such as organisers. This challenge in turn, has a multiple effect as the limited resources also leads to the inability of the trade union to provide key services to the members such as education and even representation at the shop floor level and recruiting new members. To illustrate, NAFU shop stewards stated that the members are not getting

⁷ Section 128 of the Labour Act of 2007 was amended to replace the original section which made the practice labour hire a crime. Rather, the amended act of 2012 creates a disincentive for an employer to high workers through a labour hire agency as such an employer would still be required to treat such an employer as if they were hired directly by them. This means, among others, giving the employee the same benefits, rights and salary as those workers employed directly by the employer.



adequate services because of the human capacity constraints in the union. For instance, the workers reported that there are only two regional organizers responsible for the central region.

Due to capacity and financial constraints, union representatives are unable to make frequent visits to workplaces, which are leading members to wonder if the union is really interested in their issues. The lack of union leadership presence at the grassroots has almost resulted in some workers wanting to withdraw their membership because they feel that they do not get any benefits from the union. At the same workers are frustrated as they feel that the cases which are taken to the labour court are taking too long to resolve. In this case, the workers would like to see the union doing more to expedite the resolution of such cases.

Another challenge facing the union is the in-fighting among the leadership. In Namibia, this has been observed at the NUNW Federation level⁸ and NAFAU's congress which was held in October 2012. The issue here is that in-fighting among trade union leaders has an adverse effect on the level of confidence among its members while at the same time implies that union leaders spend less time on worker issues and more time on their internal fights. This was clearly articulated by the shop stewards who reported that the workers (at their workplaces) were unhappy about the in-fighting among trade union leaders which they continue to read in the newspapers.

Finally, it seems that a culture of consultation among unions and the leaders has been on the decline with unions taking unilateral decisions on behalf of the members without consultations. The interview with the shop stewards supported this assertion by stating that there are instances when the union organisers took unilateral decisions on behalf of the members without seeking the mandate of the workers or providing feedback. Sometimes the negotiators do negotiate without asking the financial statements of the companies which results in them settling for low increases for workers (focus group discussions). According to a LaRRI report (2004), this creates a perception that there are conflicts of interests as the collective interests of workers have at times been compromised for the personal ambitions of individual union leaders. The resultant effect is the loss of confidence in the union leadership of the unions. A case in point is the recent unprotected strike of the teachers in Namibia who decided that their union leaders were not serving their interest in the wage negotiations with Government and decided to go on an unprotected strike. Similar cases have been observed

⁸ The Secretary General of the Federation was summarily suspended by the CEC while he was on leave in November 2012 whilst the President of NAFAU took the Secretary General and the Union to court to try and stop the congress, which was held in October 2012, from taking place (See Newspaper articles for a fuller exposition on the stories).



at the Namibia Airports Company and the Roads Contractors Company where workers diverted to a rival trade union, in the hope that it will be more sympathetic to their pleas.

4.4. Capacity and education needs of the union

The telephonic interview with the Dep. SG revealed that one of the challenges the union is facing pertains to a lack of an Education Coordinator, despite having established an Education Department. The purpose of having an education officer would mainly be to identify the required courses which the union leadership and shop floor representatives can attend, amongst others. Therefore, the absence of such a resource person has resulted in the union not delivering adequate and frequent education services to its leadership and members. In this regard, the starting point of addressing such a challenge would be to find resources to employ a full time education officer. In terms of the education needs of the union, the Dep. SG stated that the type of training the union requires include training in collective bargaining, negotiating skills, understanding basic economic indicators and reading financial reports. Given that this industry is dominated by females, a course on gender, especially for shop stewards and organisers is a requisite for the industry.

4.5. Useful campaigns to the sector

The hospitality industry is not homogenous and hence requires multifaceted awareness and recruitment campaigns which would be used to target small establishments and big ones. A starting point would be to look at the campaigns that the union has undertaken of recent and devise a plan based on that. In this regard, the union recently concluded a recruitment campaign in the retail sector which targeted the Shoprite retail shops country wide. It should be noted though that such a campaign strategy might not work for some establishment in the hospitality industry given that they are located in rural areas, but could work for hotel chains in the country such as the Protea hotels which has hotels in different parts of the country.

Section 5: Conclusion and recommendations

The steady growth in employment recorded in the sector presents an opportunity for NAFAU to grow its membership base. This opportunity, however, can only be realised once the union understands the nature of the industry and devise an organising strategy which reflects the nature of employment in the industry and the characteristics of the workforce. For instance, the strategy should include the seasonality dynamics of the industry, the dominance of female and young workers in the industry, among others. At the core of any organising strategy is the issue of resources, both human and financial. As highlighted earlier, NAFAU has limited financial resources, a factor which undermines its ability to attract and retain requisite staff members to carry out its activities. Going forward, the union would require addressing this constraint as it is a prerequisite to successful organising. At the same time,



the union should understand the full impact that the external economic environment has on the industry in order to come up with measures to mitigate the impact thereof. In order for the organising strategy to be relevant, it should be dynamic and adaptive to reflect the current economic and industrial relations at the national and global level.

Be that as it may, the current industrial relations landscape not only threatens the gains made through collective bargaining but also raises the need for unions to reflect on their role and the future of labour relations in the country. A particular issue to take account of is that of workers defying their trade union leaders and undertraining unprotected strikes. At the same time, it is emerging that more and more young people are not interested in joining trade unions. This begs asking the following questions: (a) why are workers (seemingly) losing confidence in the ability of their leaders? (b) Are the structures which were put in place to improve and facilitate labour relations still effective?; and (c) Can trade unions re-invent themselves and become attractive to young members?

Taking account of the above, the following recommendations are made:

- There is a need to increase the capacity of the union and the labour inspectors as a means of improving the overall working conditions of workers
- Given the limited resources, NAFAU should consider introducing centralised collective bargaining for big employers in the industry
- NAFAU should identify and come up with services which are attractive to their current and potential members (females and young workers). This should be informed by a fact finding investigations
- On-going training should be provided to shop stewards and organisers on the Labour Act, disciplinary hearing procedures and gender in the workplace, negotiation skills, financial report reading to improve their capabilities
- Trade unions should devise measures to restore the confidence of the workers in their leadership abilities. This could be achieved by establishing clear TOR's for the operations of union leaders and representations on boards

Annexure 1: Industrial Actions in 2012

Name of institution	Month of action	Reasons for the strike/protest
Namibia Broadcasting Corporation	August 2012	Salaries
Agribank	September 2012	Salaries



Air Namibia (strike averted)	November 2012	Salaries
Air Namibia (pilots)	16 November 2012	Salaries
Kalahari Sands Hotel	March/August 2012	Unfair dismissal, discrimination
Windhoek Country Club	May 2012	Unfair labour practices
Polytechnic of Namibia	September 2012	Salaries
Namibia Dairies	October 2012	Working hours (shifts)
Coca Cola	June 2012	Salaries
Nampower	November 2012	Salaries
TransNamib	September 2012	Salaries
Ministry of Health and Social Welfare	October 2012	Salaries
Ministry of Education	October 2012	Salaries

References

- Employment Equity Commission (2010/11). Annual Report. Employment Equity Commission. Windhoek, Namibia
- European Foundation for the improvement of working and living conditions. (2004) hotel and restaurant sector: Work and employment conditions
- First National Bank. (Feb 2012). FNB housing index. FNB. Windhoek, Namibia
- International Labour organisation (2010). "Developments and challenges in the hospitality and tourism sector". Issues paper for discussion at the Global Dialogue Forum for the Hotels, Catering, Tourism Sector (23–24 November 2010. ILO.
- Klerck, G. 2008. Industrial relations in Namibia since independence: Between neo-liberalism and neo-corporatism? Department of Sociology, Rhodes University, Grahamstown, South Africa
- Labour Resource and Research institute, LaRRI. 2007. Labour Hire in Namibia. LaRRI. Windhoek, Namibia.
- Moseley, J., Sturgis, L. & Wheeler, M. (2007). "Improving Domestic Tourism in Namibia". An Interactive Qualifying Project Report Submitted to the *Faculty of Worcester Polytechnic Institute*.
- Namibia Labour Force Survey 1997, 2000, 2004 and 2008. *Ministry of labour and Social Welfare*. Windhoek, Namibia.
- Namibia Occupational Skills Assessment Survey. (2006). Ministry of labour and Social Welfare. Windhoek, Namibia.
- National Household Income and Expenditure Survey 2009/10. *Namibia Statistics Agency*. Windhoek, Namibia.
- Sakaria, I. 2009. Namibian workers in times of uncertainty: The Labour movement 20 years after Independence. LaRRI. Windhoek, Namibia

