

# ORGANISING IN THE ZIMBABWE HOSPITALITY SECTOR

LABOUR AND ECONOMIC DEVELOPMENT RESEARCH INSTITUTE OF ZIMBABWE (LEDRIZ)



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## Contents

|   |    |
|---|----|
| Overview of the sector .....  | 2  |
| 1. Value of the sector .....  | 2  |
| 2. Levels of Employment.....  | 7  |
| 2.1 Forms of Employment .....   | 9  |
| 2.2 Ownership .....   | 9  |
| African Sun Limited.....  | 10 |
| Rainbow Tourism Group .....   | 10 |
| Cresta Hospitality Group .....  | 11 |
| Meikles Limited .....   | 11 |
| Chief Executive Officers .....  | 12 |
| 2.3 Industrial Relations.....   | 12 |
| Overview of unions and union density in the Zimbabwe Hospitality Sector ..... | 15 |
| 3.1 Collective Bargaining Arrangements.....                                   | 15 |
| 3.2 Existing Strategies and Challenges .....                                  | 16 |
| 3.3 Capacity and Education Needs.....   | 18 |
| 3.4 Useful Campaigns to the Sector .....                                      | 18 |
| Conclusion and Recommendations .....  | 18 |
| References .....  | 20 |



## Overview of the sector

### 1. Value of the sector

Tourism is one of the key economic sectors of the country and the sector's contribution to economic empowerment, employment creation, foreign currency generation and infrastructure development continues to be significant. To this end, the government has earmarked tourism as one of the country's strategic sectors for economic growth and development. It is one of the vital pillars for transforming the country's economy. Tourism is the face of the country, the image and perception builder.

Zimbabwe boasts 5 United Nations Educational, Scientific and Cultural Organisation (UNESCO) Natural World Heritage sites; the Victoria Falls, Matopos National Park, Mana Pools National Park, Great Zimbabwe and Khami ruins. 11% of the country is designated as National Parks, which are home to some of the country's 550 bird and 100 mammal species. The most famous place in the country is the Victoria Falls, which is one of the Seven Wonders of the World, with an array of activities and sightseeing. In the Hwange National Park, one can spot the big five as well as one of the largest surviving groups of the endangered African Wild Dog. Matopo National Park has the highest concentration of ancient rock art in Southern Africa. The Southern Lowveld consists of Gonarezhou National Park, famous for its large-tusked elephants and nearby Save Valley Conservancy is home to rhino conservation. The Great Zimbabwe Ruins is the largest ancient stone construction south of the Sahara. The Eastern Highlands present a completely different Zimbabwe, with cool temperate climates, perfect for hiking, fishing and birding. The capital city Harare is a great place for buying African souvenirs.

Apparently, the economic meltdown during the decade to 2008 had triggered a significant fall in tourist traffic into the country. Notwithstanding the country's vast natural attractions, very limited tourism development occurred during the crisis period to 2008 due to challenges associated with perceived country risk, lack of working capital, poor domestic services, and deteriorating infrastructure. The situation worsened in 2008 when major source markets, such as USA, UK, Japan and Germany, issued travel warnings against travelling to Zimbabwe. Zimbabwe's hotels also lacked most essentials, including food, and the pricing had been skewed by an impractical exchange rate prevailing then. As a result,

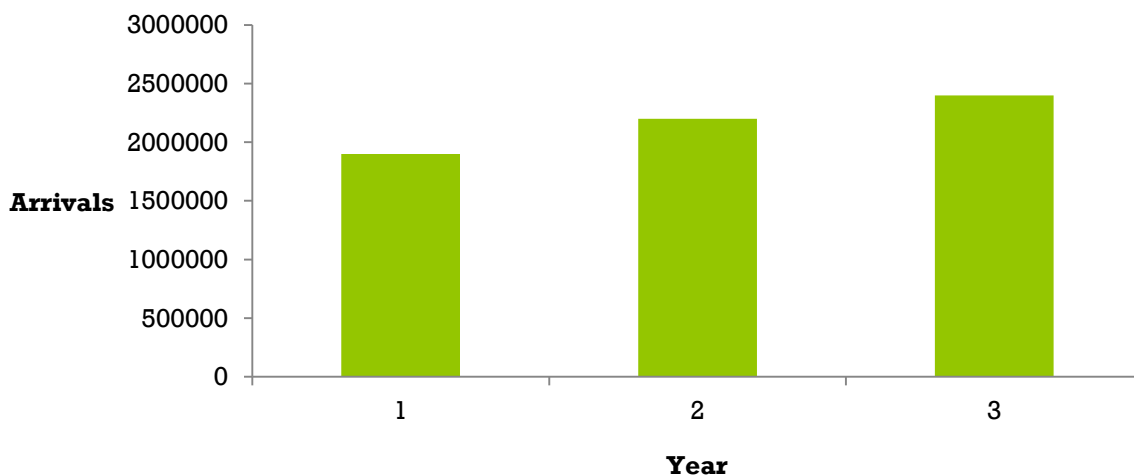


tourists shunned Zimbabwe because of widespread shortages and an overpriced tourism product.

After the lost decade, Zimbabwe's hospitality sector, the biggest casualty of the country's decade-long economic and political crisis that ended in 2009, is on a rebound helped by stability brought about by the adoption of a multi-currency regime in 2009 that ended an inclement hyperinflationary spell on the economy, as well as a political settlement between political foes, ZANU-PF and the two MDC factions, to form an inclusive government in the same year that halted political violence across the country. Once plagued by a record economic crisis that triggered widespread commodity and foreign currency shortages, the sector appears to be on the verge of turning the corner to its former status as a key contributor to economic recovery.

The removal of travel warnings also opened doors for the revival of the sector. Since then, the country has witnessed growth in tourist arrivals. Figures from the ZTA show that tourist arrivals into Zimbabwe surged to 2.4 million in 2011, from 2.2 million in 2010, which is again a surge from 2009 arrival figures of 1.9 million.

FIGURE 1: TOURIST ARRIVALS (2009 - 2011)



Growth in tourist arrivals continued this year. The ZTA reports that arrivals in Zimbabwe increased by 18% in the first quarter of this year to 346 299, from 294 198 recorded in the same period in 2011. During the first half of 2012, tourist arrivals are expected to have improved by 7.5% from 657 302 in 2011 to 688 288.



FIGURE 2: TOURIST ARRIVALS

|                 | <b>1<sup>st</sup> Quarter</b> | <b>1<sup>st</sup> Half</b> | <b>3<sup>rd</sup> Quarter</b> |
|-----------------|-------------------------------|----------------------------|-------------------------------|
| <b>2011</b>     | 294 198                       | 657 302                    | 637 300                       |
| <b>2012</b>     | 346 299                       | 688 288                    | 768 000                       |
| <b>% Change</b> | 18                            | 7.5                        | 17                            |

Source: ZTA 2011 Annual Report

These are astounding figures which highlight the value of the tourism industry to the Zimbabwean economy. The growth clearly shows the softening of perceptions about Zimbabwe, which is now being viewed as a competitive tourism destination in the region. This has been due to the aggressive marketing efforts by the Zimbabwe Tourism Authority and also because of the economic recovery of the country as evidenced by the 8% economic growth in 2011, and the increased trade within the region especially considering business tourists and indirect transits through the country to and from South Africa. Zimbabwe is regaining its status as one of Africa's destinations of choice, as tourism arrivals continue on an upward trend, opening up vast opportunities for investment in the process.

But much of the arrivals, however, have not been from the high-spending developed nations.

Africa was the country's major source market in this quarter, accounting for 308 646 visitors during the year, from 258 388 during the comparative period the last year. South Africa had contributed the bulk of these visitor numbers. Overseas visitors numbered 37 653 during the first quarter, up from 35 810 during the comparable period in 2010, while 9 901 tourists visited the country from the US, up 28% from the previous year's comparative quarter. Visitors from the European market, one of the biggest source markets for Zimbabwe before the decade-long crisis to 2008, went up 16% on the previous comparable quarter to 16 829 during the first quarter of 2012. Asia, the Middle East and Oceania arrivals into the country dropped by 23%, 37% and 7% respectively during the quarter.



There was slight improvement from 30% in 2011 to 31% in 2012 in the hotel bed occupancy rate. Average hotel room occupancy level remained constant at 52% mainly because increases recorded in some regions were offset by decreases in other regions. Beitbridge, Victoria Falls and Hwange rose in their occupancy levels with the greatest increase being Victoria Falls which rose by 4%. Bulawayo and Midlands fell in their room occupancy levels by 2% and 1% each during 2011. There is need for aggressive marketing in these regions in order for them to experience growth. The national average lodge room occupancy level experienced a 2% increase from 32% in 2010 to 34% in 2011 while the average lodge bed occupancy level rose by 3% from 26% to 29%.

FIGURE 3: TOURIST BED AND ROOM OCCUPANCY: 2009-2012

|                              | 2009 | 2010 | 2011<br>Est | 2012<br>Proj. |
|------------------------------|------|------|-------------|---------------|
| <b>Average Bed Occupancy</b> | 24%  | 31%  | 30%         | 31%           |
| <b>Room Occupancy</b>        | 46%  | 52%  | 52%         | 52%           |

Source: Mid Year Fiscal Review Statement, 2012; ZTA 2011 Annual Report

Tourism receipts ended the year 2011 at \$662 million, up from US\$634 million in 2010. The increase in receipts in 2011 is attributed to the increase in foreign tourist arrivals and improved activities in domestic tourism. Confidence in business has totally been due to the stabilization of the economy brought about by the introduction of multicurrency since 2009. In 2012, receipts are expected to increase by 11.2%, reaching US\$736 million, with the bulk coming from high spenders of European and American markets.



FIGURE 4: TOURIST RECEIPTS (US\$ MILLION): 2009-2012

|                         | <b>2008</b> | <b>2009</b> | <b>2010</b> | <b>2011</b> | <b>2012 Proj.</b> |
|-------------------------|-------------|-------------|-------------|-------------|-------------------|
| <b>Tourist Receipts</b> | 294million  | 523million  | 634million  | 662million  | 736million        |

Source: Mid Year Fiscal Review Statement, 2012; ZTA 2011 Annual Report

In 2011 the Zimbabwe Tourism Authority directed players in the hospitality industry to come up with packages affordable to locals in order to boost domestic tourism. Zimbabwe has been facing challenges to boost domestic tourism due to poor disposable incomes that limited people from visiting leisure sites. ZTA public relations officer Sugar Chagonda said the packages would enable people to visit most resorts in the country at reasonable rates to promote domestic tourism in the country. Presenting the 2012 Mid Year Fiscal Review Statement, the Minister of Finance said the Government will also put more effort in promoting domestic and regional tourism, which has potential to earn up to 50% of total receipts.

Zimbabwe's successful co-hosting of the 20<sup>th</sup> Session of the United Nations World Tourism Organisation (UNWTO) General Assembly in 2013, with Zambia, should facilitate showcasing the potential of our tourism products, facilities and infrastructure, spurring prospects for further growth. This event provides a golden opportunity to resuscitate and launch the hospitality sector to greater heights. The event has also left industry players hopeful of good times ahead as the market looks forward to benefitting from international exposure. Zimbabwe has already attracted world attention after winning the bid to co-host the world event. As the figures increase, so are the investment opportunities. Tourism and Hospitality Industry Minister Walter Mzembe said his ministry recognised and planned to leverage all the social and economic roles of tourism to advance Zimbabwe's interests.

UNWTO forecasts continued growth in international tourism in 2012 although at a slower rate. Arrivals are expected to increase by 3% to 4%. Arrivals in Africa are expected to rise by between 4% and 6% and Zimbabwe is expected to ride on this positive trend in 2012



considering the improvement of the country's image and the expected positive results of the new destination brand: "*Zimbabwe: A World of Wonders*". The new Zimbabwe tourism brand was officially launched by the Minister of Tourism and Hospitality Industry, Engineer Walter Mzembe in November 2010. This was a way to promote Zimbabwe's reputation internationally and also help improve the country's competitiveness. The objective was to generate foreign revenue and create employment opportunities, thereby increasing the contribution to the Gross Domestic Product (GDP) from 5.6% in 2009 to 15% in 2015.

The country's only United Nations- recognised tourism event, the Sangana/Hlanganani World Travel Expo business forum was held from the 18<sup>th</sup> of October 2012 to the 21<sup>st</sup> of October 2012 at the Harare International Conference Centre (HICC). The Sangana/Hlanganani fair has continued to grow over the years and has witnessed a 26% growth from last year with the total number of stands increasing from 206 in 2011 to 257 in 2012. A record 1 200 exhibitors are took part in this year's restructured fair, a 61% increase from last year's 746. Of these, 85 were foreign exhibitors, a 254% increase from 24 in 2011, which is a clear indication of growing international appeal. The travel expo was rebranded in 2008 to Sangana/Hlanganani World Travel Expo to transform the mainly local travel fair into a global tourism fair that compares favourably with or better than other international tourism fairs across the world. The expo which was riding on the theme "Tourism for all by 2015", also saw the launch of Township Tourism in the home of the country's liberation struggle, Highfield in Harare. The fifth edition of the Sangana/Hlanganani World Travel and Tourism Africa Fair generated business deals in excess of \$250 million.

Tourism is now a major driver of the economy and is an employment creator and a major foreign currency earner. Latest figures from the World Travel and Tourism Council (WTTC) show that over the next decade, Zimbabwe's tourism industry will contribute 8.2% to the country's GDP. This makes Zimbabwe the second fastest growing tourism industry in the world after China. The sector is expected to grow by 3.9% in 2012, following growth of 4.3% in 2011. In 2013, the sector is expected to grow by about 4%, underpinned by the hotels and restaurants sector.

## **2. Levels of Employment**

Zimbabwe's hospitality sector is a major employer, especially for the communities around resort and historical areas and provides opportunities for under-qualified people as well as



those who are highly qualified. The sector generates greater employment than many other sectors, with relatively low skill levels, thereby spreading the benefits more evenly. Tourism provides relatively labour intensive opportunities, that is why it generates greater employment than many other sectors. It is more intensive than manufacturing and non-agricultural production, although it is less intensive if compared to agriculture. Total contribution of tourism to employment was 8.7% of total employment in 2011 and was expected to increase by 2% in 2012. Direct employment in travel and tourism amounts to 19 000. Catering employs about 17 640 workers.

The hospitality sector is pre-dominantly a female dominated sector; it has higher employment rates of women than most economic sectors. According to the Ministry of Tourism and Hospitality Industry's 2009 estimates, of the 28% women employed in the sector, 11% are in leadership positions. This goes to show that women's participation in the sector is still limited to micro levels whereby women own lodges, restaurants and concentrate on crafts and interior-deco, of which such businesses usually have no potential for growth and operate at the same level for long periods. Very few women are into large enterprises such as hotels, luxury lodges, boat cruise, wildlife concessions for hunting and eco-tourism. Studies have also revealed that women are less likely to own formal sector businesses than their male counterparts. African Sun, Cresta Hospitality and Rainbow Tourism Group are making good progress in terms of the employment of women. African Sun Limited has a gender policy and the Rainbow Tourism Group (RTG) has a female representation of 69.3%. In terms of decisions making, women still occupy the lower ranks and tend to be in low occupations with low career development prospects. Top managerial posts are still male-dominated. The study conducted by the Ministry of Women Affairs, Gender and Community Development in the tourism sector also revealed that at board level women are under-represented as there is only 1 woman in 8 people in the Zimparks board, 2 women out of 13 people in Zimbabwe Tourism Authority and 2 women out of 8 people in the Rainbow Tourism Group.





FIGURE 5: DISTRIBUTION OF RESTAURANTS AND HOTELS: EMPLOYEES AND EARNINGS

|           | 2009     | 2010      | 2011      | March 2012 |
|-----------|----------|-----------|-----------|------------|
| Employees | 75 700   | 77 700    | 68 900    | 71 100     |
| Earnings  | \$55 100 | \$119 400 | \$112 700 | \$117 700  |

Source: ZimStat Quarterly Digest, 3<sup>rd</sup> Quarter 2012, October 2012

FIGURE 6: ACCOMMODATION AND FOOD SERVICE ACTIVITIES

| Category  | Male | Female | Total     |
|---|------|--------|-----------|
| % Distribution of Employed Population aged 15 years and above | 41.5 | 58.5   | 30<br>215 |
| % Distribution of Share of Women in Wage (Paid) Employment    | 55.3 | 47.7   | 15<br>934 |

Source: ZimStat 2011 Labour Force Survey Table 5.6 and Table 5.10, May 2012

### 2.1 Forms of Employment

The hospitality sector mostly employs general labours and sales workers. This includes managers, cleaners, housekeepers, caretakers, receptionists, waitrons and cooks. Most of the employees in the sector are low skilled and low-paid, with managers, cooks, receptionists and waitrons being the designated skilled workers. Waitrons and cooks have to go through trade tests first before they can occupy such positions. General labourers are low skilled. Until the Economic Structural Adjustment Programme (ESAP) employment was permanent but since the onset of the economic crisis in Zimbabwe, casualization of labour is cropping up. Since the hospitality industry depends on seasonal peaks, which often leads to exploitation, casual, temporary, seasonal and part-time employment is predominant. No children are employed and very few problems are experienced regarding workers' health and safety. However, some companies may not be taking the necessary precautions to protect their workers.

### 2.2 Ownership

The Zimbabwe hospitality sector is owned by a variety of (mostly private) players, ranging from large multinational companies to relatively small family ventures and the Government through the Zimbabwe Tourism Authority. Community-based tourism currently plays only a



marginal role. There is also an emergence in Chinese investments in the country due to the Look East Policy. Anhui Foreign Economic Construction Company (AFECC), a Chinese construction company has almost completed the construction of a US\$300m 300-bed hotel in Harare. US\$580 will be pumped into a giant shopping.

There are three main hotel groups in the hospitality sector which are African Sun Limited, The Rainbow Tourism Group (RTG) and Cresta Hospitality group. There are also many other hotels, lodges, restaurants, bed and breakfast facilities which are mostly privately owned. There are about 29 hotels in Zimbabwe.

### **African Sun Limited**

African Sun Limited has developed considerably from being just a Zimbabwe-based hospitality management company to a Pan-African entity. It was established in 1968. In Zimbabwe, African Sun is the leading player in the tourism and hospitality industry, with the Zimbabwe operations currently forming the largest business under the African Sun. African Sun operates 18 hotels in several SSA countries, including Ghana, Nigeria, South Africa, and Zimbabwe through lease and management contracts. The Zimbabwe operations portfolio currently comprises 13 hotels and 3 resorts across the nation. Except for the South African hotels, The Grace in Rosebank and The Lakes Hotel and Conference Centre in Johannesburg, all foreign hotels are operated through management contracts. These include the Obudu Mountain Resort, Amber Tinapa and the Nike Lake Resort in Nigeria. The group also manages the Holiday Inn Accra Airport in Ghana.

The group's revenue went up by 16% to US\$26.19 million in the year ended 31 March 2012; RevPAR went up by 24% to US\$46. Occupancy grew by 10% to 52%, and profit for the period was US\$743 259. The group has an estimated staff complement of over 2 250.

### **Rainbow Tourism Group**

The Rainbow Tourism Group (RTG) is Zimbabwe's second largest hospitality company. Rainbow Tourism Group was established in 1992 as part of the Government's commercialization programme. It is a quasi-parastatal. The group operates four distinct quality hospitality brands which are Rainbow Resort Hotels, Touch the Wild Limited (which operates four lodges), Tourism Services Zimbabwe and Rainbow Hospitality Business School. It operates 6 hotels in Zimbabwe, 2 hotels in Zambia and 1 in Mozambique through



lease and management contracts. It has placed itself as the leading provider of Unique African Hospitality.

During the half year ended June 30, RTG recorded a before-tax loss of US\$2.3 million. Revenue increased to \$27.3 million for the year through December 2011 from \$20.7 million the previous year. As part of efforts to contain costs, it plans to retrench close to 200 employees. The group has an estimated staff complement of over 1 000.

### **Cresta Hospitality Group**

Cresta hospitality group is one of Southern Africa's leading hotel management groups operating business and resort hotels in Zimbabwe, Botswana, Zambia and Nigeria providing the true warmth of African hospitality. The Cresta Hospitality Hotel Group was started in Zimbabwe in the mid 1970's, with only 2 hotels, which were owned by TA (Tobacco Auctions). Cresta boasts of 4 hotels in Zimbabwe, 8 hotels in Botswana, 1 hotel in Zambia and 1 hotel in Nigeria. Cresta Hotels in Zimbabwe are namely, Cresta Jameson, Cresta Oasis, Cresta Churchill and Cresta Lodge. It is a wholly owned subsidiary of TA Holdings, a company listed on the Zimbabwe Stock exchange. The group has this month entered into a lease agreement with the Gardini family for the operation of Sprayview Hotel in Victoria Falls. The hotel would be rebranded Cresta Sprayview. Currently Cresta boasts of 15 hotels in the Group. Cresta Zimbabwe's revenue in 2011 stood at \$11 794 776, RevPar went up by 23% to \$42 and occupancy rates were 62%, up from 58% in 2010. Cresta Hospitality's profit before tax in 2011 was \$1 203 530 up from \$802 918 in 2010.

### **Meikles Limited**

Meikles Limited is a leading conglomerate whose operating businesses form one of the leading retail and hotel groups in Zimbabwe comprising: TM Supermarkets; Meikles Hotels; Tanganda Tea Company, the largest grower, packer and distributor of tea products in Zimbabwe; and Thomas Meikles Stores, trading under the names of Meikles, Barbours and Greatermans. Meikles Hotels in Zimbabwe operates Meikles Hotel, and in partnership with African Sun Limited, the Victoria Falls Hotel, and in South Africa the Cape Grace Hotel. The group employs about 4 905 workers.



## Chief Executive Officers

| Company Name          | Name       | Surname    | Gender |
|-----------------------|------------|------------|--------|
| African Sun Limited   | Shingirayi | Munyeza    | Male   |
| Rainbow Tourism Group | Pascal     | Changunda  | Male   |
| Cresta Hospitality    | Glenn      | Stutchbury | Male   |
| Miekles Limited       | John       | Moxon      | Male   |

### 2.3 Industrial Relations

During the transition to independence, the country was rocked by nation-wide strikes stemming from a crisis of expectations. Zimbabweans wanted to see political independence immediately translated into an improvement in their status and conditions of employment and life. In response, government propagated the Minimum Wage Act of 1980, and to avoid retrenchments related to the new minimum wage policy, the government introduced an Employment Act of 1980, according to which, no retrenchment could take place without ministerial approval.

Most labour market relations are regulated according to the Labour Relations Act, including very detailed directions for trade unions, employer' organisations and federations. The 1985 Labour Relations Act provided for workers committees to be set up at each workplace and to negotiate with management on a wide range of plant-level matters, excluding wages. The committees exist alongside trade unions, and are legally independent of them. With the 1993 Amendment to the Labour Relations Act, the Works Councils, composed of the management and workers committees, were given powers to negotiate collective agreements or employment codes. These can override industry wide agreements reached by the National Employment Councils, also called industrial councils, made up of unions and employers.

All members of the workers committees as well as most staff in the hospitality sector are members of the Zimbabwe Catering and Hotels Workers Union (ZCHWU), an affiliate of the Zimbabwe Congress of Trade Unions (ZCTU). ZCHWU has a cordial relationship with the



companies and negotiates salaries on an annual basis at the National Employment Council (NEC).

However, the union faces challenges from government and police interferences with regards to the right to strike. An example is when 4 workers' representatives at the Victoria Falls Hotel were severely beaten by police, and 69 employees subsequently lost their jobs further to a sit-in to protest at the incident in 2010 for holding a workers committee meeting.

The evolution of the Chinese investments in the country is also affecting unions. Union officials expressed dissatisfaction with the growth of Chinese investments in Zimbabwe. Chinese employees treat workers badly and hire workers on short-term contracts, making organising difficult. Chinese firms are not covered by employer's councils, they also fail to pay minimum wages, and negotiate only with the government. The Chinese do not abide to Zimbabwe law and are well-protected by the political powers which makes it difficult for the union to represent their workers. Chinese employers are exploiting workers in full view of the government, which shows no interest in taking action and simply want to encourage investment. Workers employed by the Chinese feel that they are not protected by the union therefore they are not willing to become members of the union.

The controversial Chinese diamond mining company, Anjin Investments, dismissed about 1500 employees who engaged in industrial action in August 2012 and reportedly replaced them with card-carrying Zanu (PF) youths. The workers went on strike because their salaries were lower than local diamond industry standards of \$650 a month with the lowest paid worker getting \$235. Over the last two years, Anjin workers have gone on strike 8 times. It is alleged that the Anjin managers live at The Golden Peacock Villa Hotel in Mutare, while the Zimbabwean workers live in wooden shacks near the plant. Workers at Anjin Investment have also reported cases of Chinese managers forcing them to give them homo sexual favours, and if they refuse they lose their jobs. This is just an example of the effects of Chinese investments in the country and how they are politically protected leading to the exploitation of local labourers.



### **2.3.1 Wages and Working Conditions**

The success of the sector depends on staff commitment, loyalty and efficiency. Therefore wages and working conditions are important elements that contribute to the success of the sector.

#### **2.3.1 Working conditions**

There are health and safety measures put in place in the sector. No children are employed, therefore there are no cases of child labour and very few problems are experienced regarding workers' health and safety. However, some companies may not be taking necessary precautions to protect their staff.

Working hours in the sector are not very long, although some employers may make employees work overtime without compensation. Workers usually work for 45 hours per 6 day working week. There are night shifts which sometimes may be compensated. Where there is no provision of transport some employees who knock off late at night face many difficulties when trying to get home.

#### **2.3.2 Sexual harassment**

Sexual harassment is the second most common challenge women in Zimbabwe are facing in the work place. Within this challenge, women face different forms of abuse including verbal abuse where males in the workplace often make 'dirty' jokes about them to more serious offences such as male colleagues, particularly managers, expect sexual favours from them. Denial of such favours would result in victimization. It is usually difficult to report such incidences as it is difficult to provide proof and sometimes such cases are not reported because the victims fear losing their jobs. In the hospitality sector where employees must interact with various types of clients there is likely to be more cases of sexual harassment. An interview with union officials revealed that sexual harassment is not pronounced in the sector. This may however, be due to the fact that there may be cases of sexual harassment which may not have been reported for fear of victimization. There is stigmatisation of female hospitality workers, particularly waitresses, which may be viewed as having loose morals and may be viewed as unintelligent sexual objects by some of their managers.



### **2.3.3 Wages and benefits**

The minimum wage in the sector is \$175 per month. This is too little considering that the Poverty Datum Line is around \$576. Apart from the wages, they also have benefits other than leave, such as training, transport and accommodation allowances; contribution to medical aid for permanent employees; annual bonus, and full pay for those on maternity leave. Transport allowance is about \$30 a month where there is no provision of transport, while accommodation allowance is about \$45 per month. There is also provision of a decent meal for workers on duty.

There is a very huge wage gap between directors and shop floor workers considering that directors' fees range between \$10 000 and \$20 000. The remuneration of senior executives includes share-based schemes and school fees allowance for their children in elite schools.

## **Overview of unions and union density in the Zimbabwe Hospitality Sector**

### **3.1 Collective Bargaining Arrangements**

In order to assess its potential for growth, any affiliate needs to know what proportion of the workforce in the sector it has recruited at any one time. This is what is referred to as union density. An interview with the Zimbabwe Catering and Hotels Workers Union (ZCHWU) indicated that there are 9 700 members of the union represented in the hospitality sector of which 3 500 are females and 6 200 are males. The gender data shows that there is need to re-double efforts to recruit female workers, and it also shows that there is still a long way to go in achieving gender equity in employment itself. Women are still under-represented in terms of union membership in the sector.

The sector has quite a lot of shop stewards and organizers which are full time, workplace SST committee is a programme which is undergoing. There are about 9 organizers and about 30 shop stewards in the catering and hospitality sector. However, there are only 3 female organizers. A union official expressed that they face challenges in terms of female membership and leadership because female employment is not stable and their employment is mainly for an attraction basis than skill. The duties of the shop stewards



include representing the union in the workplace, membership recruitment and mobilisation, as well as grievance handling if possible.

Our economy continues to rely substantially on low pay. Low pay is not only bad for workers, but it is also bad for the sector and the economy as a whole. Poverty wages contribute to the downward spiral in consumption and therefore production, and the upward spiral in unemployment. The minimum wage in the sector is currently at US\$175.00. The union negotiates annually. It does not just negotiate on wages only but they also negotiate on housing allowance, transport allowance and provision of meals. Collective bargaining agreements in Zimbabwe according to the Labour Act are negotiated by registered or certified trade unions, employers and employers organizations or federations. Collective bargaining is done at the National Employment Council (NEC) and relationship with employers is at the NEC. The scope of bargaining also covers casual workers. There is need for an honest assessment of strengths and weaknesses in workers' engagement in collective bargaining.

## 3.2 Existing Strategies and Challenges

### **3.2.1 Organizing Challenges in the sector**

As a union ZCHWU faces a number of challenges such as the following;

- Intensified membership recruitment and mobilisation, most workers are unwilling to join unions for fear of victimization at the workplace by employers.
- There is a new NEC for tourism which is causing confusion.
- Continuous deadlock in collective bargaining.
- Lack of financial resources for information dissemination to workers in remote places since workers are geographically scattered.
- Political intervention
- Short life of some restaurants since there is no stability in the sector, which makes it difficult to organize such workers.
- The emergence of Chinese investments which do not abide by the law and are well-protected by political powers.





- Casualization of labour and retrenchments affects the income base of the union.
- Difficulty in recruiting young workers because they have low awareness levels and do not know the benefits of joining a union.
- Leadership turnover (because of retrenchments and closures) gives crisis to administration.
- Flight of shop stewards for greener pastures or because of retrenchments, victimization and being taken on by management.

The Zimbabwe Catering and Hotel Workers Union, has also sought exemption from paying subscriptions citing the non-payment of dues by companies in the sector. The union noted that all the big players in the industry were defaulting on paying their subscriptions and were also not paying their workers NEC agreed wages claiming business in the catering industry had seriously diminished.

### ***3.2.2 Challenges Faced By Workers in the Sector***

Workers in the hospitality sector face a number of challenges in workplace. Some of these challenges are given below;

- Low wages.
- Pathetic working conditions in some cases.
- Night shifts which are not compensated for.
- Politicization and victimization of union members.
- Low level of awareness of workers' rights.
- Attitude of managers towards them.
- Challenges caused by colleges releasing poorly trained students who then face problems in finding a job for which they are qualified for and end up being exploited by employers.
- Stigmatization of female workers because they are regarded as having loose morals (waitresses).



### **3.2.3 Strategies**

The union has not come up with useful strategies to deal with the existing challenges. However existing strategies are capacity building at shop floor level, skills development and workshops educating workers on their rights. The union relies on shop stewards to stand up and demand their rights.

### **3.3 Capacity and Education Needs**

There is need for capacity building and education within the union in this sector especially in the following areas;

- Negotiating skills development.
- Administration and management trainings.
- Shop floor representatives' development.
- Research and training
- Information gathering
- Worker consciousness

### **3.4 Useful Campaigns to the Sector**

The hospitality sector needs awareness and recruitment campaigns in order to increase its membership base and increase union density. According to ZCHWU some of the campaigns which would be useful to the sector are the Decent Work Agenda (DWA), and occupational health and safety. The Decent Work Agenda is very critical in that it covers many aspects such as decent pay, decent working conditions, social protection and social dialogue. The DWA will be useful in raising awareness on workers rights. There is need to effectively use mass action, media, and other means to mobilise support and opinion for these campaigns.

## **Conclusion and Recommendations**

The Zimbabwe Hospitality Sector which had been severely affected by the decade long crisis which ended in 2009 is on its recovering path. This has been due to the economic stability brought about by the multicurrency regime introduced in February 2009, and the



formation of an inclusive government which halted the severe political violence which was further crippling the economy. Aggressive marketing efforts by the Zimbabwe Tourism Authority and also the rebranding of Zimbabwe's destination brand to 'Zimbabwe: A World of Wonders,' has helped improve the country's competitiveness as a tourist destination. Tourist arrivals and receipts as well as the bed and hotel occupancy rates continue to increase showing the softening perceptions on the country's image as a competitive tourist destination. Hence, the hospitality sector continues to be one of the country's strategic drivers for economic growth and development as well as employment creation.

Although the sector is on the rebound this has not benefitted much to the union and workers. Because of the economic crisis, workers in the sector had become increasingly vulnerable to abusive work practices. There is still instability in terms of employment because of casualization of labour. This has affected the union's membership base. The union therefore needs to disseminate information to workers, educating them on the benefits of joining a union. There is need to develop a strong membership with understanding and a vision to fight for workers' rights to be realized. The union should train and educate shop stewards and organizers for them to be trainers as well. The union needs to build its capacity to challenge employers in representing workers. There is also a need for links with the international world to get information and ideas on capacity building and strategies to deal with existing challenges. Shop steward committees should be strengthened so that they will be able to stand up for themselves in the workplace.

The union should also address the issue of financial constraints which it is facing in order to be able to recruit more members. The union requires investments which will support and boost its financial base. There is need for improving training and qualifications with in the sector. The union should come up with strategies and skills development to promote decent work. There is need for political and economic improvement in the country to enable the union to function efficiently; however, the union also needs to come up with measures to adapt to the changing economic and political environment so as to lessen its impact on the union's operations.



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