

Unfair and Illegal Wage Payments to Immigrant Workers: A Case Study of Wage Payment in Thai Restaurants in Las Vegas, Nevada, USA

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ABSTRACT

This study examines the issue of unfair and illegal wage payments of immigrant workers employed in Thai restaurants in Las Vegas, Nevada, USA. The study aims to uncover the prevalence and consequences of wage exploitation in this sector of the service industry. The research utilizes a documentary and in-depth interview approach, including surveys, interviews, and analysis of legal and labor documents. Findings revealed that a significant number of immigrant workers in Thai restaurants were subjected to unfair and illegal wage practices, such as wage theft and below-minimum-wage payments. These violations have detrimental effects on the well-being and economic stability of the workers and contribute to the perpetuation of their vulnerable status. The study calls for increased legal protections for immigrant workers and improved enforcement of existing American labor laws to ensure fair and just compensation for all workers, regardless of their immigration status.

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INTRODUCTION

The Thai restaurant industry in Las Vegas, Nevada, serves as a particularly relevant case study due to the high number of Thai restaurants and the significant presence of immigrant workers in this service sector. The exploitation of immigrant workers' labor rights poses significant ethical concerns and has legal ramifications for the employers involved. Additionally, these wage violations contribute to perpetuating income inequalities and reinforcing vulnerable labor conditions and well-being.

The objective of this research is to shed light on the systemic issues that contribute to the prevalence of unfair and illegal wage payments in Thai restaurants in Las Vegas. By conducting an in-depth study of the workers in this industry, this research seeks to analyze the various factors driving these exploitative practices and propose potential solutions to address the issue. This research aims to fill the existing knowledge gap regarding unfair wage practices and their impact on immigrant workers, highlighting the specific challenges faced within the Thai restaurant industry. By examining the issues specific to Las Vegas, this study seeks to provide evidence-based insights into the dynamics of labor rights violations and the factors contributing to such practices.

Through original research, including data analysis, literature review, and interviews with key stakeholders, this study aims to generate a comprehensive understanding of the unfair and illegal wage payments experienced by immigrant workers in Thai restaurants. The findings of this research will offer valuable insight into the reasons behind these exploitative practices, the industry's role, and potential strategies to address and prevent such violations in the future.

Ultimately, this study aims to create awareness about the plight of immigrant workers in the Thai restaurant industry, prompt discussions about labor rights, and inform policymakers, restaurant owners, workers, and relevant stakeholders about the urgent need to address these issues. By promoting fair wage practices and protecting the rights of all workers, societies can move towards a more equitable and just labor environment.

LITERATURE REVIEW

Informal Economy

Informal economy was first introduced in the 1970s and for more than four decades discussion has revolved around the causes of informality around the world as well as the definition and measurement of informality. ILO defines informal economy as all economic activities by workers and economic units that are in law or practice not covered or insufficiently covered by formal arrangements (*Definitions of Informal Economy, Informal Sector and Informal Employment Informal Economy, Informal Employment and Employment in the Informal Sector: International and Operational Definitions*, 2019). Shadow economy activities are those kinds of economic activities that revolve around government regulation, taxation, or observation. Shadow economy includes monetary and non-monetary transactions of a legal nature which include all productive economic activities that are generally taxable if reported to the state authorities (Medina & Schneider, n.d.).

Non-Standard forms of employment (NSE) consist of four different employment arrangements. They are namely temporary employment, part time or on call work, multi-party employment

relationship and disguised employment or dependent self-employment (International Labor Organization, n.d.). Further, informal employment is a job-based concept and is defined in terms of the employment relationship and protections associated with the job of the worker.

Temporary employment can be fixed term contract, including project or task-based contracts, seasonal work, and causal work, including daily work (International Labor Organization, n.d.). Part time and on call work normally has shorter working hours compared to full time work and can also be called marginal part time employment and includes zero contract hours. Multi party employment relationship which is also known as 'dispatched', 'brokerage', and 'labor hire' and is a basically subcontracted labor or temporary agency work. Disguised employment or dependent self-employment is dependent on self-employment and is considered misclassified self-employment.

To understand the wage payment in the restaurant sector we can look at the three contrasting explanations of informal economy. The three perspectives to explain informal economy can be modernization perspective which suggests that the informal economy decreases as economies modernize and develop, neo – the liberal perspective that informal economy exists as a direct result of high taxes, public sector corruption, and state interference in the free market and political economy perspective that informal economy is an outcome of inadequate levels of state intervention in work and welfare that lead to the workers being unprotected (Williams, 2015).

Wage theft in the context of the United States of America is either an underpayment or non-payment either from wrongly compensated overtime, denied or foreshortened breaks, and off-the-clock violations. This further involves underreporting the number of hours worked, the creation of a complex set of challenges for workers' centers and other organizations seeking to recoup these wages. Researchers also discuss wage theft as the deduction of illegal fees for food, lodging, supplies, and other services provided by the employer.

Immigrant Workers

Any worker who is traveling to a foreign country in search of work and employment or for better job opportunities is an immigrant worker. Immigrant workers are traveling from their countries to a foreign land with the belief that it will help improve their living standard, give them better access to opportunities for a satisfactory income, and help them expand their horizons.

Approximately a million people travel to a foreign land from their countries in search of job opportunities as well as for a better living standard. Some of them travel legally while some of them travel illegally. This leads to disparity in immigrant workers being treated favorably or unfavorably in the working environment. The primary reason for individuals migrating is to get a decent job. The United States has been a major target destination for individuals seeking jobs in the past and today (de Castro et al., 2006).

Wage Payment

Wages are a part of the job system where a certain individual gets paid for what they do. Depending on the amount of work done or a certain number of hours spent working wages are paid by the employers. The employees receive wage either in the form of cash or in kind and as per the rules and regulations of a certain country as well as the regulation of the organization (Aaronson et al., 2008; Card & Krueger, 2000; Mashevska, 2020b).

Service Industry

The service sector produces intangible goods, more precisely services instead of goods, and according to the U.S. Census Bureau, it comprises various service industries including warehousing and transportation services; information services; securities and other investment services; professional services; waste management; health care and social assistance; and arts, entertainment, and recreation. Countries with economies centered around the service sector are considered more advanced than industrial or agricultural economies.

(E.J.W. Gibb memorial series, 1928)

RESEARCH METHODOLOGY

The study was undertaken to understand the situation of Thai workers in the restaurant industry in Las Vegas, Nevada, the United States of America. This is a qualitative study and involves the use of both primary and secondary sources of data collection. Initially, secondary sources of data were collected including going through news articles, government documents, ILO reports and journals, and past literature. Thereafter, the focus was on identifying restaurants that employed Thai workers either on a full-time or a part-time basis. Then, a depth interview with seven workers was conducted to validate the research.

DATA ANALYSIS

Upon comprehensive examination of the practices surrounding employment within the restaurant industry in Las Vegas, it is evident that there are notable observations to consider. Out of the 20 restaurants surveyed, a substantial 17 establishments do not provide compensation for overtime work. It is concerning to note that all 20 of these restaurants resort to cash payments daily for their kitchen staff. This discrepancy raises questions about fairness within these establishments and begs the issue of equitable treatment across all roles. Moreover, the intricacies of managing taxes within these dining establishments appear to add another layer of complexity to the employment dynamics.

Findings from surveys, phone calls, and undercover investigations shed light on these prevailing wage practices throughout an extensive 8-month period, I undertook a comprehensive study of employment practices across six distinct Thai restaurants in Las Vegas. Through firsthand experience and meticulous observation, a concerning pattern emerged regarding wage differentials among employees occupying the same positions within these establishments.

The contention that the tax management of these restaurants is more convoluted could potentially shed light on possible irregularities or challenges faced by both the employees and employers regarding tax compliance. Furthermore, the existence of 6 restaurants that offer daily cash payments to both kitchen staff and servers without requiring work permits or tax contributions underlines a concerning practice of under-the-table employment. This situation not only undermines the integrity of the workforce but also perpetuates a cycle of exploitation for those without legal work status or tax obligations. It is disheartening to acknowledge that unlicensed employees, compelled to work overtime without proper compensation, find

themselves in a vulnerable position due to their inability to negotiate fair wages. The oppressive nature of such circumstances accentuates the need for greater scrutiny and regulation within the restaurant industry to ensure the protection and fair treatment of all individuals involved in the labor force.

Summary of Relevant Data

1. Number of restaurants surveyed: 20
2. Number of restaurants not providing overtime compensation: 17
3. Number of restaurants paying kitchen staff daily in cash: 20
4. Number of restaurants paying both kitchen staff and servers daily in cash, without work permits or tax contributions: 6

DISCUSSION AND RECOMMENDATIONS

The research conducted sheds light on a pervasive employment issue affecting Thai individuals in the United States, particularly within the context of Thai restaurants. Drawing a comparison between employment practices in Thailand, where daily wage payments are commonplace, and the US, where hourly wages are the norm, the study underscores the unique challenges faced by Thai workers in navigating labor regulations and wage structures in a foreign country. One prominent finding of the research is the prevalence of daily wage payments for Thai workers employed in Thai-owned restaurants in the US. It was observed that these workers often put in extended hours, surpassing the legal limits stipulated by US labor laws. Despite the legal requirement for hourly wage payments in the US, the practice of compensating Thai workers daily suggests a deviation from standard labor norms within the industry.

The study aimed to provide insights into the experiences of immigrant workers, specifically focusing on the issue of unfair and illegal wage payments. While the research centered on Thai restaurant workers, it acknowledges that similar challenges may exist across a broader spectrum of restaurants in America, signifying a systemic issue that warrants attention and intervention.

One notable revelation from the research is the reluctance of Thai workers to file complaints with the US Department of Labor regarding unfair wage practices. This reluctance can be attributed to various factors, including a lack of work permits, language barriers, and a desire to maintain a sense of community and camaraderie within their workplace. Despite facing dissatisfaction with their wage payments, these workers exhibit resilience and a willingness to continue working under subpar conditions due to the complexities of their circumstances. In conclusion, the research illuminates the complex landscape of employment challenges faced by Thai workers in the US restaurant industry, underscoring the need for greater awareness, advocacy, and enforcement of labor regulations to ensure fair and just treatment of immigrant workers across various sectors.

The Thai government should establish an organization to support the Thai food industry by creating skilled labor to work abroad. The most popular Thai businesses overseas are the Thai Food industry. This is how Thailand uses soft power to extend its influence on other countries. Soft power is a way to improve international relations between Thailand and other countries. It's formed through food and culture. It extended society's movement slowly by using soft power. Thai food is very popular in the United States of America as we know the most popular dishes are Pad Thai, Tom Yum, Khao Soi, Massaman Curry, and Pad See Ew is gaining in popularity in the United States as more consumers experiment with global flavors. There are many reasons why Thai food is popular, flavor, health, and variety.

Unfair wage payment is a pervasive issue affecting Thai workers in Las Vegas, exacerbated by a lack of awareness, language barriers, and fear of retaliation. Addressing this problem requires concerted efforts from government bodies, community organizations, and the broader public to ensure fair treatment and just compensation for all workers.

However, efforts to combat unfair wage practices require a multifaceted approach:

- **Legal Protections and Enforcement:** Strengthening labor laws and ensuring strict enforcement can deter unfair wage practices. Regular inspections and penalties for non-compliant employers are crucial.
- **Awareness and Education:** Providing Thai workers with resources and information about their rights can empower them to stand up against exploitation. Community organizations and embassies can play a pivotal role in this regard.
- **Support Services:** Establishing support networks, including legal aid services and helplines, can assist workers in reporting wage theft and seeking justice.
- **Community Engagement:** Encouraging collaboration between Thai worker communities, local advocacy groups, and labor unions can create a unified front against unfair labor practices.
- **Policy Reforms:** Advocate for stronger labor protections and comprehensive immigration reform to safeguard migrant workers from exploitation.
- **Educational Initiatives:** Develop educational programs and materials in Thai to inform workers of their rights and available resources.
- **Support Infrastructure:** Strengthen support systems such as legal aid, hotlines, and community centers to assist workers facing unfair wage practices.
- **Research and Monitoring:** Conduct ongoing research to monitor the prevalence of wage theft and evaluate the effectiveness of measures implemented to combat it.

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