

UNDERMINING LABOUR:  
MIGRANCY AND  
SUB-CONTRACTING IN THE  
SOUTH AFRICAN GOLD MINING  
INDUSTRY

JONATHAN CRUSH, THERESA ULICKI, TEKE TSEANE AND  
ELIZABETH JANSEN VAN VUUREN

#### ACKNOWLEDGEMENTS

This project on sub-contracting was co-ordinated and directed by Jonathan Crush, who also compiled and edited the final report for publication. The field research in Lesotho was co-ordinated by Theresa Ulicki, with the assistance of Teke Tseane, Khotso Naledi and Mohapi Bereng, and written up by Theresa Ulicki. The background research on sub-contracting was conducted by Elizabeth Jansen van Vuuren. We would like to thank the NUM for its assistance with the preliminary research and TEBA for supplying data, consenting to interviews and facilitating interviews at their offices. Particular thanks to John and Judy Gay for their assistance with the fieldwork in Lesotho. We would like to especially thank all the miners who gave of their time and shared their experiences of sub-contracting. The project was funded by CIDA through the Southern African Migration Project (SAMP).

Published by Idasa, 6 Spin Street, Church Square, Cape Town, 8001, and Queen's University, Canada.

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ISBN 1-874864-91-8

First published 1999

Copy editing and layout by Sandie Vahl

Layout of tables by Faldielah Khan

Typeset in Goudy

Bound and printed by Logo Print

Print consultants Mega Print, Cape Town

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JONATHAN CRUSH

SOUTH AFRICAN MIGRATION PROJECT 1999

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## EXECUTIVE SUMMARY

**T**he South African gold mining industry has been in crisis for over a decade. A stagnant gold price, declining reserves and escalating costs have led to major restructuring. Downsizing and large-scale retrenchments have devastated the mines and sending areas. Since 1987, the industry has shed over 50% of its workforce. However, growing numbers of retrenched miners have been re-hired by sub-contractors, often to do the same job at greatly reduced pay. The proportion of the gold mines' workforce now working for contractors is estimated at 10% and growing.

The sudden rise of sub-contracting on the South African gold mines took most policy-makers and independent observers by surprise. The National Union of Mineworkers (the NUM) sees the growth of sub-contracting as an enormous threat to its power and to worker rights. Since 1995, it has been seeking to develop a coherent and effective response to the challenge of sub-contracting.

In 1995, the NUM and the Chamber of Mines reached an agreement on information sharing on sub-contracting. The agreement has never been implemented. As a result, there is little reliable information about the character, dimensions and impact of sub-contracting. Neither party can even supply basic figures on the numbers of contractors on the mines nor the numbers of workers employed. Basic information on which to build sound policy responses is completely absent. The main players seem to know, or will admit to knowing, very little. Government knows even less. Neighbouring states that depend on mine migrancy to South Africa are also in the dark.

The Southern African Migration Project (SAMP) believes that sound and reliable information on the whole sub-contracting phenomenon is urgently needed. In 1997, SAMP initiated a research project on sub-contracting and the regional labour market in order to provide the major role players with information and insights on the impact of sub-contracting. Phase One aimed to document the dimensions and trends of sub-contracting operations, to examine the corporate organization of sub-contracting and to explain its rapid growth in the industry.

Phase Two explored the sub-contracting working conditions and experiences of ordinary miners. Lesotho was chosen as the field-site because of its accessibility but also because, along with Mozambique, it is the major foreign source of sub-contracted labour for the mines. In 1997, SAMP conducted a "companion" survey of ordinary miners in Lesotho. The resulting database makes it possible to compare regular and sub-contract workers to try and gauge whether sub-contracting is leading to a decline in wages and working conditions.

This report tests five hypotheses about sub-contracting in the mining industry. To do this, we conducted in-depth interviews with a sample of Basotho miners employed by sub-contractors. These were supplemented by interviews with recruiters, managers and sub-contractors themselves.

*Hypothesis One: Contractors do not have to train their workers, since they can recruit the retrenched miners who have been laid off in such numbers over the last decade*

Sub-contract employment is a relatively new experience for most miners, but many sub-contract workers are vastly experienced as miners. Nearly two-thirds of the sub-contract workers have been employed on a regular mine in the past, which confirms the general hypothesis that contractors prefer experienced miners. The average number of total years of mine experience is 10 although 61% have served 10 years or less. However, we found that just over a third of sub-contract workers were “novices” with no previous mine experience when they began working for a contractor. Thus contractors do hire new workers without any prior mine experience. The main reason is that experienced miners have expectations from their previous jobs, which can lead to greater worker dissatisfaction.

*Hypothesis Two: Sub-contractors prefer workers from neighbouring countries since they have fewer alternatives, are more vulnerable, and are likely to accept wages and working conditions that South Africans shun*

Sub-contractors hire their labour in three ways: directly, from labour brokers and through The Employment Bureau of Africa (TEBA). Most sub-contractors employ a mix of workers from different areas. The larger contractors tend to favour workers from Mozambique and Lesotho. Companies involved in core production activities also recruit from areas where there are retrenched miners with the necessary skills, especially in these two countries. The proportion of foreign labour in the sub-contracting sector is rising and is now just over 30%. This is still well below the figure for the regular workforce (50%). Many smaller contractors draw their labour from within South Africa.

It is difficult to determine to what degree the sub-contracting sector is involved in the hiring of “undocumented” or “illegal” migrants. The NUM regards it as a serious enough problem to demand that the practice cease. Logic, however, suggests that it is probably less pervasive than in other sectors, such as the construction and agriculture sectors. Unlike those sectors, the mining industry has legal and unfettered access to foreign workers from outside the country.



*Hypothesis Three: The pattern of employment of sub-contract workers is highly unpredictable, irregular, insecure and unstable*

In 1998, there were 30 TEBA-registered contractors with 20 or more Basotho employees. The rate of attrition and new entry of companies into the Lesotho labour market is high. Very few companies have a clear majority of Basotho workers. The number of Basotho employees varies considerably from contractor to contractor and with any one contractor over time, with dramatic swings in employment level from month to month and year to year. The high turnover of contractors and the dramatic fluctuations in recruiting levels indicate the fundamental lack of employment security experienced by sub-contract workers.

The interviewees had been employed for an average of 2.4 years with their current or last contractor, although the duration of employment ranged from one month to 18 years. While 45% of the sample were employed at the time of the interview, the remainder had been without jobs for an average of 16 months. A third of the sample had worked for contractors for one year or less and 64% had worked for only one contractor. As many as 40% had had to move from one mine to another, depending on the work available to the contractor employing them.

The uncertainty of employment in the mining industry — especially when working for a contractor — is acutely felt when workers are retrenched. The vast majority received no severance package when retrenched, and almost half were given no notice and were required to leave the workplace and hostels within a matter of hours. Mines typically give workers a month's notice. Only 14% of those retrenched by contractors were given at least one month's notice.

*Hypothesis Four: Working conditions and compensation for sub-contract miners are significantly worse than for regular miners*

Some 83% of respondents recall signing (fingerprinting) a contract, but as many as two-thirds charge that they were not advised of the terms of their contract before beginning their job. Miners complain that they are not paid the wages they are promised, they do not get the stipulated benefits and bonuses, and accommodation is not available as agreed. Recruiters may encourage contractors to meet certain standards, such as providing death benefits and a minimum wage, but there are no minimum standards that are required before they will recruit workers.

The low wages are a primary and persistent source of complaint. In addition, 52% of the respondents claim that they are routinely paid late and 10% state they are not paid in full. As many as 61% feel that sub-contracting has had a negative effect on household finances and many

men report that they do not earn enough to provide the basic necessities for their families, such as clothing and education.

Given the skill profile of sub-contracted workers, we might expect that average earnings would be higher than those of regular miners. However, 68% of sub-contract miners interviewed earn less than R800 per month (compared to 48% of regular miners). Some sub-contract workers do have the opportunity to out-earn their regular counterparts through working longer hours and productivity bonuses; 20% of sub-contract workers earn more than R1 200 per month compared to only 10% of regular miners.

Miners consider productivity bonuses as simply another form of exploitation. About 70% say that they do not receive production bonuses. Of the remainder, some comment that they are paid very little in the way of bonuses, receive bonuses infrequently or are promised bonuses that they never see. Many miners state that dangerously long hours are a prerequisite for earning production bonuses.

Sub-contract miners not only have to contend with wages below the poverty datum line, supplemented by uncertain or non-existent bonuses, but their wages are often paid late. Such delays cause numerous difficulties for miners and their families in Lesotho.

The respondents reported that they do not receive the following benefits: medical aid (74%), sick leave or injury compensation (64%), a pension (81%), severance pay (82%), free safety equipment (76%), death benefits (69%). Many do not even know whether they are entitled to any of these benefits.

The long hours and the dangerous conditions of sub-contract work lead to serious health and safety risks. These risks are taken in an environment where there is a lack of medical benefits, inadequate or non-existent compensation in the event of injury or death, and such exploitative practices as dismissal in the event of injury or sickness. In addition, many contractors are deliberately ignoring aspects of the new Mine Health and Safety Act (1997).

Regular miners are able to send home much greater amounts than sub-contract workers. The latter send money home sporadically throughout the year when they feel they have amassed enough to make it worthwhile. Households of sub-contract miners cannot rely on this income stream. Only 54% rely exclusively on mine wages (compared to 78% of regular miners' households).

Legal and transportation changes in the last decade mean that miners can go home more often. About 60% of miners now visit home at least once a month; but only 35% of sub-contract miners have the means to do so. The cost of regular journeys home often equals or surpasses the money they usually send home or even their salary itself.

Overall, the working and employment conditions of sub-contracted mineworkers are inferior to those of regular mine employees. Some groups within the gold mining industry cite sub-contracting as an efficient use of human resources, which results in higher productivity, labour flexibility and cost cutting.

*Hypothesis Five: The rise of sub-contracting has a negative impact on workplace relations and adversely affects the ability of the NUM to secure and advance worker rights*

Basotho migrant mineworkers regard the conditions under which they work as exploitative. The vast majority claim that they are working for contractors only because there are no other jobs and they have to support their families.

Sub-contracting is clearly damaging to the union. It produces new tensions within the NUM between regular and sub-contract miners, and between union members and ex-union members. Retrenchments and sub-contracting contribute to the decline in union membership. Sub-contracting also affects the way that mineworkers perceive the NUM as a structure that benefits them. About two-thirds of respondents are not union members (compared to 11% of regular miners). About 70% report that union participation is discouraged by the contractor for which they work; 40% claim workers are dismissed if they join a union. Nearly half (48%) believe that the NUM has made no attempt to assist sub-contractors' employees. Some mineworkers are bitter that the NUM has not played a more effective role in alleviating their plight.

The introduction of sub-contracting at mines sometimes leads to hostility, and even violent conflict, between regular mine employees and sub-contracted miners. Miners feel that contractors undermine the basic employment standards they have attained and that their jobs may be the next to be sub-contracted. Only one-quarter of the men we interviewed said they had satisfactory relations with regular employees; some 73% maintain that relations are conflictual.

Our analysis leads us to accept the last three hypotheses and to accept the first two with qualification. In conclusion, this study makes a number of policy-related conclusions and recommendations for dealing with the rapid growth of sub-contracting.

- Sound policy-making in relation to sub-contracting requires a far more sophisticated information base than currently exists. The fundamental conflict of interest between labour and business on the issue of sub-contracting means that co-operation on information collection and full disclosure is unlikely without

legislative intervention. Further independent research and data collection is necessary to provide the various parties and government with objective information.

- A prerequisite for comprehensive policy recommendations with regard to sub-contracting on the mines is a detailed independent inquiry into all facets of this phenomenon. For example, when mines claim that sub-contracting is the only way they can keep shafts operating and provide jobs, is it an accurate assessment? Or, is sub-contracting merely a strategy that allows mines to circumvent the unions and increase profits, as its detractors claim?
- The primary implication of this particular study is that the practices of sub-contracting require fundamental restructuring and regulation. Contractors should be required to adhere to the same regulations and conditions of employment as those set out for mines, better wages and benefits should be provided, and unions should be permitted to organize.
- Sub-contracted mineworkers have lower average wages and even the highest paid employees of contractors cannot expect to earn as much as regular miners with equivalent experience and/or qualifications. Yet sub-contracted miners are routinely required to work longer hours and under more dangerous conditions. Minimum safety and wage standards need to be established and enforced.
- The Departments of Home Affairs, Labour, and Minerals and Energy are urged to launch an investigation of the scope and impact of sub-contracting in the mining industry. This would be the necessary first step to stopping the ongoing erosion of working conditions and miners' safety that are accompanying the growth of sub-contracting. Furthermore, we recommend that the Department of Labour move expeditiously to bring sub-contracting into line with the Basic Conditions of Employment Act.

*'Contract mining has come of age in South Africa. By contracting out this function to dedicated specialist companies, efficiencies in operation and savings in capital outlays will result.'* (G. Murray, 1997)

*'Under circumstances of lack of work and starvation one usually has no alternative but to go with the contractor.'* (Basotho miner, 1998)

## INTRODUCTION

The South African gold mining industry is characterized by an unusually high degree of corporate centralization and control. For decades, a handful of powerful mining conglomerates have dominated production, the largest being the Anglo American Corporation. These conglomerates control the companies that actually produce the gold. The companies hire their black labour through a single agency, The Employment Bureau of Africa (TEBA), from throughout the Southern African region. Until recently, all miners were employees of the mining companies and lived on the property in mine-owned compounds (in the case of black workers) and mine villages (in the case of white). All of the mining conglomerates belonged to the Chamber of Mines, an influential organization dedicated to advancing their common interests and presenting a united front in dealings with government and labour.

This process of centralization can be traced back to the first two decades of the twentieth century and persisted, with minor modifications, for the next 70 years. Before 1920, the situation was rather different. Much of the early gold produced on the Witwatersrand in the late nineteenth and early twentieth centuries was mined by the recruits of fiercely competitive independent contractors who organized their own labour under contract to the mines.<sup>1</sup> By 1920, however, the mining industry had forced most of the contractors out of business. Thenceforth, they hired and organized their own labour through the Chamber of Mines.

Only in one specialized, though essential, area of mining operations did contracting persist. Shaft-sinking (because of its highly specialized and essentially temporary character) remained in the hands of independent contracting companies. The companies, in turn, constructed a special relationship with migrants, especially from Lesotho, who prided themselves on their specialized shaft-sinking skills and were seen by their employers, in turn, as in some mysterious way genetically adept or "suited" to shaft-sinking.<sup>2</sup>

The sudden explosion of sub-contracting arrangements on the South African gold mines since the late 1980s has taken most independent

observers by surprise. Few of the major studies of migrant labour in the gold mining industry published between 1987 and 1995 even mention it as a phenomenon to watch.<sup>3</sup> The dominant image of a monolithic and relentlessly controlled labour force led them to overlook or ignore the obvious lesson of history, i.e. that gold mining has always, in its use and deployment of labour, demonstrated great flexibility and ingenuity in its quest to keep labour costs down.

However, the National Union of Mineworkers (NUM) was under no such illusions. Sub-contracting was recognized very early as an enormous threat to the union's power and the hard-won rights of the 1980s. Indeed, argued the NUM, sub-contracting had developed as a managerial response to the success of the union movement in the 1980s. The union has therefore sought to develop a coherent policy on sub-contracting and, with less success, to put the issue on the bargaining table with management.<sup>4</sup>

The contentiousness of the sub-contracting issue and the fragmentation of the sub-contracting "industry" make it a difficult subject on which to gather reliable information. In 1997, the Southern African Migration Project (SAMP) initiated a two-part research project to study the role and impacts of sub-contracting on the gold mines. Phase One aimed to document the dimensions and trends of sub-contracting operations, to examine the corporate organization of sub-contracting and to explain its rapid growth in the industry. The response to this phase of the research by the major actors was instructive.

The NUM was generally co-operative, allowing researchers access to their files on sub-contracting and consenting to interviews on the subject. Mine management, on the other hand, proved far more elusive. Several mining companies consented only to answering written questions and then did not respond. Managers in at least three mines initially sounded hopeful and then cried off from interviews. Promises of information and documentation went unmet. Only one mine, Western Areas, responded to a brief faxed questionnaire asking for basic information. Our impression was that the mines are extremely reluctant to divulge the full extent of their sub-contracting relationships.<sup>5</sup>

Tracking down individual sub-contracting firms proved difficult. Most of those contacted refused to supply any information, although some of the larger firms — including RUC Mining, Shaft Sinkers, Fraser Alexander and Welkom Mining Supplies — consented to interviews and did provide general information about the extent of their operations.

The NUM has made a number of public claims about the negative impact and implications of sub-contracting on the working conditions of black miners. Our aim in Phase Two of the project was to try and

independently test the veracity of these claims. We were also particularly interested in the perceptions and experiences of sub-contracted workers, many of who are not or are no longer members of the NUM.

Lesotho was chosen as the field-site for reasons of accessibility and cost but also because Lesotho has emerged, along with Mozambique, as the major source of sub-contracted labour for the mines (as they are for regular mine labour). In 1997, SAMP also conducted a “companion” survey of ordinary miners in Lesotho.<sup>6</sup> This database allows for comparisons between regular and sub-contract workers to try and gauge whether sub-contracting is leading to a decline in wages and working conditions. All interviews were conducted in Lesotho since we felt that miners would feel freer to speak away from the mines.

Mirroring the research, this report is also divided into two parts. The first provides a general contextual overview of the background and character of sub-contracting in the mining industry, and its implications for labour and the migrant labour system.

## THE RISE OF SUB-CONTRACTING

### DEFINING SUB-CONTRACTING

**T**he terms “sub-contracting” and “contracting” are often used interchangeably. In this report we refer to the process as “sub-contracting” and the individuals and companies involved as “contractors”. Those who work for contractors are referred to as “sub-contract workers” or “sub-contract employees” (since the term “contract worker” is also widely applied to regular miners).

Sub-contracting is not a new phenomenon, but it is growing in all South African industries and globally. The International Labour Organization (ILO) proposes a basic distinction between labour-only sub-contracting and job sub-contracting.<sup>7</sup> In job sub-contracting, the terms of the contract are based on the completion of a certain task, or delivery of a product or service. In labour-only sub-contracting, the contractor is paid for the number of workers supplied and the amount of time they work. The employees of the contractor work alongside the company’s other employees, but they are paid by the contractor, the official employer.

Between the extremes of job contracting and labour-only contracting is an almost endless variety of sub-contracting relationships.<sup>8</sup> This makes generalization and the development of appropriate policy and legislation a real challenge.

Major variables within the sub-contracting sector include different skills levels, whether the work is contracted in or out, the nature of the service supplied and the formality of the contracting arrangement. The whole matter of sub-contracting is further complicated by the fact that many of the arrangements are made informally. In the South African construction sector, for example, legal businesses may use a legal contractor whose relationship with and employment of workers is informal and/or “illegal” according to the definitions of current law.<sup>9</sup>

Sub-contracting is a complex phenomenon and international opinion differs markedly on its causes and consequences.<sup>10</sup> In much of the international business literature, sub-contracting is presented in a positive light. The benefits of sub-contracting, in terms of flexibility and specialization, are emphasized. At the level of the individual company, sub-contracting supposedly allows a firm to concentrate on its area of expertise, save on management and administrative costs, and access skills and technology that it could not otherwise afford. Workers on incentive schemes often tend to be more productive. The business literature emphasizes these points and provides advice on how to avoid the pitfalls in sub-contracting relationships.

In literature that is more sympathetic to labour rights, a bleaker picture is presented of the implications of sub-contracting, especially for semi-skilled and unskilled workers. The ILO points out that many of the advantages of sub-contracting for employers are mirrored in disadvantages for workers:<sup>11</sup>

- Through sub-contracting, enterprises reduce costs by paying non-continuous workers only when they are on the job.
- The instability and insecurity of their employment means that sub-contract workers tend to have fewer employment benefits, worse working conditions and lower wages than normal workers.
- Sub-contracting can be a way for firms to deny workers the high wages and better working conditions won by unions. Workers employed by contractors are notoriously difficult to organize. This may be the result of insecurity and instability, but many employers actively discourage union membership.
- Employers may increase their use of sub-contracting to weaken union strength and numbers.

As Rees argues, in the case of South Africa, employers use irregular forms of labour such as sub-contracting “to cheapen costs, increase flexibility, and avoid unions, circumventing protective regulation and legislation”.<sup>12</sup>

Governments have responded to the growth of sub-contracting by trying to regulate sub-contracting relationships, and by spelling out the rights and responsibilities of the various parties. Such laws rarely cover



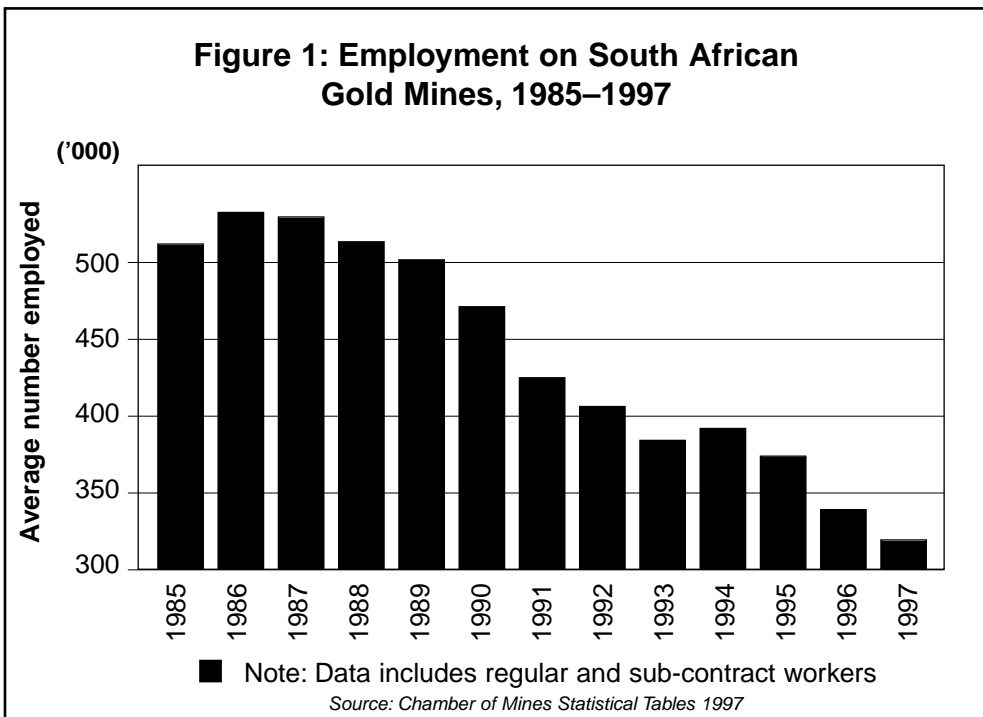
all forms of sub-contracting and may even encourage new forms of contract to circumvent the law.

## RESTRUCTURING PRODUCTION

For much of the 1990s, the South African gold mining industry has been in crisis. A stagnant gold price, declining reserves and escalating costs have led to major restructuring. The workforce, too, has not been immune since labour costs make up a sizeable and growing proportion of working costs.<sup>13</sup> While the NUM and the Department of Labour advocate a more skilled and stabilized workforce, the mines have adopted strategies that are having precisely the opposite effect.

The three major developments affecting employment levels, job security and working conditions are:

1. *Downsizing and Retrenchments.* Gold mines affiliated to the Chamber of Mines employed about 500 000 workers in 1987. By early 1997, the figure had dropped to 300 000. At the present time, after another round of retrenchments in 1998, it is around 240 000. Thus, in only a decade, the mining industry has shed over 50% of its workforce.<sup>14</sup> Throughout South and Southern Africa there are large numbers of unemployed ex-miners waiting for or looking for work.



2. *Full Calendar Operations (fulco)*. The NUM aims to win a five-day working week.<sup>15</sup> The Chamber of Mines argues that production should take place “continuously on a rostered basis, 7 days a week, 365 days a year”.<sup>16</sup> Continuous working would allow 25% more blasting shifts per month. By 1997, fulco had been implemented on 20 mines.
3. *Sub-Contracting*. Sub-contracting is a growing trend in South Africa in many industries including the mining, construction and agriculture sectors. In terms of labour-only sub-contracting, one study estimates that there were over 3 000 brokering agencies in the country in 1995, supplying over 100 000 workers at any one time.<sup>17</sup> The number has almost certainly grown since then. Critics of sub-contracting point to cases of extreme and illegal exploitation of workers through sub-contracting. Between 1987 and 1994, the proportion of the workforce on the gold mines who worked through contractors increased from 3% to 10%. The biggest increase was in the proportion of underground workers employed by contractors (at 11% in 1994). A recent sample of 27 gold mines indicates the total number of employees declined by 32,7% between 1988 and June 1996. During this same period, the rate of use of sub-contracted labour on gold mines increased by 96,8%.<sup>18</sup>

Peter Lewis argues that retrenchments, fulco and sub-contracting are closely related since all are more prevalent at marginal mines. Using Chamber of Mines statistics, Lewis argues that sub-contracting has grown fastest on fulco mines (Table 1), from 3.8% in 1988 to 17.6% in 1995, compared to from 3.7% to 7.4% on non-fulco mines.<sup>19</sup>

Underground, the rate of increase has been even faster on fulco mines (from 3% to 25% compared with 3% to 5% in non-fulco mines).

Year	All mines	Fulco mines	Non-fulco mines
1988	3.8	3.8	3.7
1989	4.0	3.6	4.2
1990	4.6	4.4	4.6
1991	4.1	5.0	3.8
1992	5.0	5.8	4.8
1993	7.0	11.6	6.0
1994	8.5	14.6	7.2
1995	9.3	17.6	7.4
1996	7.4	11.8	6.5

*Source: Peter Lewis, "Aspects of the Labour Regime", p. 24.*

In the initial phases, mines began to sub-contract “non-production” activities such as catering, cleaning and maintenance. Since 1990, contractors have increasingly penetrated core production functions underground. The larger contractors have added actual extractive mining as part of their services. Contracts range from the mining of one or more, often marginal, shafts owned by the company, to the entire mining operation, which, it is held, cannot otherwise be profitable.

The explosive growth of sub-contracting in a historically closed industry is nothing short of remarkable. From information in the SAMP migration database on sub-contracting we can identify four major types of firms:<sup>20</sup>

1. *Group A.* These are larger, more established contractors employing over 1 000 workers on a variety of mines. Some are subsidiaries of larger companies. The largest firms include JIC Mining and Construction (with a workforce of over 10 000), RUC Mining, Goldfields Cementation, Constantia Mining and Naledi Mining Services.

RUC Mining is typical of the larger contractor.<sup>21</sup> The firm works on most kinds of mine, including gold, coal, nickel and platinum. Core activities include shaft-sinking, blasting tunnels, stoping, underground excavation and ground stabilization (involving the injection of concrete and deep anchors in old, deep shafts and meshing and lacing in ordinary shafts). RUC undertakes drilling for prospectors, seismic surveys and dam sealing. The company also does work outside the mining sector, for example, constructing railway tunnels. Some work is also contracted to other, smaller contractors. RUC is owned by the construction giant, Murray and Roberts, and claims that all conditions of employment are determined by the parent company.

2. *Group B.* These are mid-range contractors (with a workforce of 500 to 1 000) offering more specialized services. Many are in a major expansion phase. There are eight of these firms in the database (Appendix A).

Welkom Mining Supplies is typical of the mid-range contractor. The firm comprises three separate registered companies operating respectively in the Free State, at Vaal Reefs Mine and Western Deep Mine. The company specializes in underground construction, haulage and maintenance. Together, the three companies employed around 700 people in 1997.<sup>22</sup>

3. *Group C.* These are smaller firms (with 100 to 500 employees) either attached to a single mine or offering mobile services across the industry. There are 33 such firms in the database (Appendix A).

4. *Group D*. These are micro-enterprises and “fly by nights” (with less than 100 workers). The distinction here is important since some are legitimate firms in start-up phase while others are fly-by-night opportunists. Most are single-service operators. Competition is extremely fierce and the numbers fluctuate considerably since there is a high rate of addition and attrition. In 1996, there were close to 200 such operations (Appendices A and B). Nearly 50% had 10 or less employees.

Smaller companies and micro-enterprises are often formed by white ex-miners. A much smaller number of contractors are black. The experience at Durban Roodepoort Deep Mining, well known for its almost exclusive use of black contractors, is instructive. According to the NUM:<sup>23</sup>

In 1994 the mine was on the verge of liquidation when it was taken over by a new group of owners. They changed the pay structure ... reducing the number of wage grades to two. Several black workers were given the opportunity to go for training as certified miners. When they came back to the mine, the management proposed that they do not simply join the ranks of the white miners but be employed on a totally different basis. Each miner would be given an area to mine, he would recruit his own workers and be paid a large lump sum for the work done. The workers would not be mine employees but employees of the miner.

The miners employed retrenched workers (some of whom were NUM members). According to an NUM shaft steward at the mine, the workers “are now doing the same work as when they had been employed by the mine, but they get no benefits”.<sup>24</sup> When four workers died at the mine, it was found that the contractor concerned had no insurance and did not want to pay compensation. After the accident, the contractor also took no responsibility for returning the bodies of the deceased miners to their families or paying any form of compensation.

The mines regularly portray their policy of sub-contracting as indicative of their commitment to small business development and black economic empowerment. In non-production functions, job sub-contracting is increasingly common. Not only do some mines employ black-owned businesses but they also encourage the large contracting companies to do the same. Emblematic is the case of 13 women from the mine township of Wedela who were given a contract to clean hostels at Elandsrand and Western Deep mines in 1992. In 1996, they formed their own registered company, Almaneg, and were given a new contract by the mine. The company employed 63 people by 1997.<sup>25</sup>

The large contracting companies claim to comply with all relevant labour legislation and union agreements. Wages, with bonuses, are reportedly sometimes higher than those paid to regular mines. They claim to provide benefits in terms of insurance and pension cover and to stick to legal shift lengths. RUC Mining, for example, says that it does not believe in the concept of an all-inclusive “clean wage”. All workers are covered by workers’ compensation and by group life insurance while they are on a mine.<sup>26</sup> They also say that they are committed to applying health and safety regulations. They claim to have civil relationships with the unions and to give them a level of recognition, depending on the membership.

Most sub-contracting on the mines falls under the category of job sub-contracting. Contractors prefer to do an entire job, supply their own workers and provide their own supervision for the workers. Labour-only sub-contracting does occur, mainly in other sectors, but it is opposed by the NUM and by TEBA in the mining industry.

The complexity of sub-contracting and the kinds of dilemmas to which it gives rise for the unions are well illustrated by two recent cases. In the first, at Grootvlei Mine, many retrenched workers in the early 1990s were re-employed by contractors such as Norkim, Fraser Alexander, RUC Mining, JIC Mining and Steelgrove. In July 1997, the contractors employed a total of 320 people on the mine in various activities: lacing and meshing, maintenance of slime dams, transport of ore, and vacuuming, sweeping and vamping. Current retrenchments at Grootvlei are the subject of negotiation between management and the NUM. An agreement was reached that in the event of retrenchments, contractors would be given notice first. The NUM presumably pushed for this to protect its own regular members. However, because the conditions for sub-contract workers were significantly worse than before, many had joined the NUM. The NUM was forced to revisit its stance and try to renegotiate the retrenchments.<sup>27</sup>

In the second case, the mine management of St Helena created a contracting company, Creation Mining (from “Job Creation Project”), as a wholly-owned subsidiary. Creation Mining was given a contract to mine areas that were unprofitable under normal operations. The mine thus re-employed 800 retrenched workers. The NUM was invited to join the board of Creation Mining and signed an agreement in March 1995 that set up a joint monitoring committee. Creation workers were organized in teams with each individual trained to perform all the tasks in that team’s work. They were given a pre-bonus salary of only 50% of that paid to regular workers and their benefits were not as good as those of regular mineworkers. The project lasted a few months, with the bonus-driven Creation teams improving productivity by 30%. In

January 1996, however, St Helena shut down the “experiment” and laid off the 800 workers, citing unprofitability and saying that Creation “got out of control because of inadequate management control”.<sup>28</sup>

## FOREIGN LABOUR SOURCING

Sub-contractors hire their labour in one or a combination of three ways: direct hiring, through labour brokers and through TEBA. Direct and labour-broker hiring is confined primarily to hiring in the vicinity of the mines themselves. Retrenched miners are known to wait around mining areas in the hope of re-employment and make up a sizeable pool of labour from which to draw.

TEBA’s involvement is significant and growing (Table 2). The advantages of TEBA involvement for the contractor include the fact that TEBA has the regional infrastructure to respond to requests for particular skills or workers from particular areas, it handles the legal paperwork, it has information on the past work history of their recruits and it is one of a small number of companies licensed to recruit outside South Africa. TEBA thus offers a variety of services that companies find useful.<sup>29</sup> TEBA both recruits workers to order at its rural offices and processes workers who come to them with employment offers from sub-contractors.

There are two common assumptions about contractors’ hiring practices. First, there is an assumption that contractors do not have to train their workers, since they recruit the retrenched miners who have been laid off in such numbers over the last decade. However, as we show below, this can also be counter-productive for contractors whose workers have often experienced better conditions in the past when they were regular mine employees.

Second, there is a common impression that sub-contractors prefer workers from neighbouring countries. This is consistent with the more widespread view that foreign workers have fewer alternatives, are more vulnerable, and are likely to accept wages and working conditions that South Africans shun. In addition, the mining industry’s penchant for matching particular skill sets with particular ethnic groups influences sub-contracting. Thus, Mozambicans are portrayed as good artisan’s aides and team leaders, the Basotho are skilled shaft sinkers and “good leaders”, and the Swazi are excellent machinists.<sup>30</sup> Thus, it is supposed, contractors, like the mining companies, prefer the foreign miner.

The foreign-labour preference theory is not fully supported by statistics. The proportion of TEBA-recruited foreign labour in sub-contracting has certainly increased recently to its present level of over 30% (Table 2), but this is still well below the figure for the regular workforce where foreign miners make up almost 50%.<sup>31</sup>

Table 2: TEBA Recruiting for Mine Contractors, 1988-1996

Country	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Botswana	0	0	0	0	0	1	0	0	0	4
Lesotho	3	13	53	57	163	210	933	1 693	3 478	5 461
Malawi	0	0	0	0	0	0	0	5	10	11
Mozambique	11	5	28	37	82	73	164	1 026	3 119	4 561
Swaziland	0	1	1	1	1	1	3	32	23	28
Sub-total	14	19	82	95	246	285	1 100	2 756	6 630	10 065
South Africa										
Eastern Cape	1	2	19	50	71	77	599	1 926	4 158	6 014
Free State	0	6	2	8	13	25	69	339	1 205	2 551
Gauteng	66	82	70	136	90	99	1 968	3 157	4 615	5 749
KwaZulu-Natal	0	0	9	8	8	13	49	417	760	1 232
Mpumalanga	0	1	112	114	117	121	146	639	947	1 063
Northern	0	0	57	399	569	513	572	777	1 067	877
Province										
North West	0	2	14	118	166	173	467	1 122	1 833	3 066
Northern Cape	0	0	0	0	0	0	0	0	0	42
Western Cape	0	0	0	0	0	0	0	0	0	16
Sub-total	67	93	283	833	1 034	1 021	3 870	8 377	14 585	20 610
Total	81	112	365	928	1 279	1 306	4 970	11 133	21 215	30 675
% Foreign	17	17	22	10	19	22	22	25	31	33

Source: TEBA.

The pattern of hiring amongst the supplier countries also differs between regular and contract companies. The mining companies recruit from four main countries, mostly from Mozambique (18.5%) and Lesotho (22.3%). Contractors order their foreign labour almost exclusively from these two countries, basically ignoring Botswana and Swaziland (Table 3).

Table 3 also shows that contractors tend to get proportionately more of their workers from areas close to the mines (28.3 % from Gauteng and the Free State) compared with regular miners (11.7%). In virtually every province where there are mines, the proportion of sub-contracted workers from that province is higher than the regular equivalent, particularly in Gauteng, where nearly 20% of all sub-contracted workers are from the province, compared with less than 5% of the ordinary workforce.

The primary reason is that many retrenched miners tend to stay around the mines hoping to be re-engaged. Workers recruited in these areas certainly do not necessarily originate from there. They are often migrants from other parts of the country, or even outside South Africa, who have settled near their potential and only source of employment on a temporary or permanent basis.

The range and diversity of hiring patterns within the sub-contracting sector is perfectly highlighted in Appendices A and B. In general, the

<b>Region</b>	<b>Sub-contract recruits (% of total)</b>	<b>Ordinary recruits (% of total)</b>
<b>Foreign</b>		
<b>Botswana</b>	<b>0.0</b>	<b>3.0</b>
<b>Lesotho</b>	<b>17.8</b>	<b>22.3</b>
<b>Mozambique</b>	<b>14.9</b>	<b>18.5</b>
<b>Swaziland</b>	<b>0.1</b>	<b>4.0</b>
<b>Sub-total</b>	<b>32.8</b>	<b>47.8</b>
<b>South African</b>		
<b>Eastern Cape</b>	<b>19.5</b>	<b>18.9</b>
<b>Free State</b>	<b>8.3</b>	<b>6.9</b>
<b>Gauteng</b>	<b>20.0</b>	<b>4.8</b>
<b>KwaZulu Natal</b>	<b>4.0</b>	<b>8.0</b>
<b>Mpumalanga</b>	<b>3.5</b>	<b>1.5</b>
<b>Northern Province</b>	<b>2.9</b>	<b>3.2</b>
<b>North West</b>	<b>9.8</b>	<b>8.9</b>
<b>Western Cape</b>	<b>0.1</b>	<b>0.0</b>
<b>Sub-total</b>	<b>67.0</b>	<b>52.2</b>
<b>Source: TEBA.</b>		



larger the company, the higher the proportion of foreign labour employed. Amongst the larger firms, foreign labour makes up 77.8% of the workforce. This proportion drops steadily as firm size decreases. In the smallest firm category, the situation is reversed with 79.1% of the labour force being South African (Table 4).

The other point to note is the relative diversity of the workforce. Most mid-sized and large firms employ a mix of workers from South Africa, Lesotho and Mozambique. Only three firms have an almost exclusively Mozambican labour force. None have an exclusively Basotho or South African labour force. Only with the micro-enterprises does the situation change, where there are 87 contractors employing South Africans exclusively. Diversity is important and encouraged by TEBA. Tensions between South African and non-South African miners have flared as jobs have become scarcer in mining. As a result, TEBA strongly advises contractors against recruiting their entire workforce from Mozambique.<sup>32</sup>

One of the primary reasons for diversity is the task-based character of sub-contracting. Most contractors specialize and choose their labour accordingly. Thus, companies involved in core production activities are likely to go to the areas where the requisite skills are to be found amongst retrenched miners – frequently in Mozambique and/or Lesotho. Those involved in non-core or non-specialized functions, which do not necessitate the hiring of ex-miners, are generally likelier to hire from closer to home. In both cases, the picture is complicated by the fact that there are many ex-miners hanging around the mining areas looking for work. Less-established companies seeking to hire on short contracts or wishing to economize by avoiding TEBA are more likely to go local.

The degree of involvement in the hiring of “undocumented” or “illegal” migrants in this sector is hard to determine. Certainly, the NUM regards it as a serious enough problem to demand that the practice cease. Logic, however, suggests that it is probably less pervasive than in other sectors, such as construction and agriculture. Unlike those sectors, the mining industry has legal and unfettered access to foreign workers from outside the country. There are legal mechanisms and TEBA is there to service the need. We also have to ask who contractors tend to employ. Some contractors, especially those in construction, employ unskilled, casual labour. This would be the primary focus of illegality. But, by and large, it is ex-miners with mining skills who are in demand. According to the bilateral agreements with neighbouring states, miners have to go home on dismissal. They cannot legally remain in South Africa and look for other work. The fact that many do makes them technically “illegal”. However, once they find a job with a contractor, they can then go home and legalize their status in South Africa through TEBA.

**Table 4: Workforce by Area of Origin, Sub-Contractors, May 1996**

Size of contractor	Number of firms	Mozambique		Lesotho		South Africa		Total
		Number	%	Number	%	Number	%	
Group A	6	7 188	43.8	6 709	34.0	6 338	22.2	19 735
Group B	8	2 045	41.1	404	8.1	2 516	50.8	4 965
Group C	32	2 825	39.6	845	11.9	3 456	48.5	7 126
Group D	187	690	17.6	125	3.2	3 109	79.2	3 924
Totals	233	12 738	8 083	15 419	35 240			

*Notes: Group A — less than 1 000 employees; Group B — 500–999 employees; Group C — 100–499 employees; Group D — 1–99 employees.*

*Source: Compiled from Appendices A and B. Note, however, that this data contains some contractors (mainly in construction) who do not work on the mines. Also, some workers are employed on contractors' non-mine operations.*

Finally, the pattern of employment of all contract workers is reckoned to be highly unpredictable, irregular, insecure and unstable. This is in marked contrast to the highly stabilized and continuous employment pattern of regular miners.<sup>33</sup> Sub-contracted miners may work on different mines in different regions for varying lengths of time, with periods of unemployment in between. The NUM has described sub-contracting as the development of a “gypsy labour force” involved in a “massive piece-work operation”. To this must be added the lack of benefits, low basic wages, and the health and safety risks of working under the pressure of a bonus payment system. The sub-contractors’ lack of commitment to compensation in case of death and serious injury can leave families worse off than before.

### CONTRASTING PERSPECTIVES ON SUB-CONTRACTING

The following reasons have been advanced to explain the growth of sub-contracting in South Africa’s mining industry:

- There is a drive in the mining industry for higher productivity, flexibility and cost-cutting. Mines are able to decrease their administrative burden and focus on their “core business”.
- Sub-contract workers are typically not unionized. The sub-contract workforce is fragmented and workers are explicitly or implicitly discouraged from joining unions. They also do not receive the wages that have been negotiated between the unions and mining companies.
- Employees of sub-contractors are generally not covered by death and funeral benefit schemes or retirement savings schemes. Some of the workers killed in the Vaal Reefs disaster, for example, were working for a contractor. While they were covered by the Workmen’s Compensation Fund, their employer had not contributed to the Rand Mutual Insurance and their families were significantly less well compensated than those of other miners.<sup>34</sup>
- Productivity is enhanced. Sub-contract workers often have their earnings entirely bonus-related and need less supervision. Most sub-contractors structure a substantial part of their employees’ wages as production-related bonuses.
- The sub-contract workforce is more flexible. Workers are generally hired as they are needed. While contracts often last a year, they may be shorter. If a contract is terminated, workers can be dismissed immediately. They are not given the same compensation as other retrenched workers.

- Contractors supposedly hire undocumented migrants to work at extremely low wages.

The trend observed in the international literature is replicated in South Africa, with business pointing out the advantages of sub-contracting and labour (in the guise of the NUM) being opposed to or, at best, ambiguous towards sub-contracting.

Industry advocates and contractors are firm supporters of sub-contracting. Fairly typically, one expert notes the following “benefits”:<sup>35</sup>

- Reduced capital costs for the mine owner, particularly for equipment but also for housing, benefits and transport.
- Equipment flexibility and matching. Contractors can move machines on and off site, match tools and jobs, and improve productivity.
- Competitive tendering. Sub-contracting is highly competitive, which keeps prices low and assures a quality product.
- Lower mining costs. Mine employees receive subsidised housing and subsistence. Contract employees “are prepared to stay in cheaper housing supplied by their employees”.
- Reduced wage bill. Mine salaries and benefits are higher than those of contractors.
- Low overheads. Contractors run lean administrative operations.
- Experience and innovation. Most contractors are highly skilled and specialized with considerable experience of mining.
- Reduced lead times. Contractors can reduce the non-productive period between project planning and implementation.
- Fewer industrial problems. “Contractors generally have fewer industrial problems with their workforce than an equivalent company operation.” There are “fewer people problems, less administration and fewer people to manage”.

Mining industry voices are also quick to emphasize the economic and social advantages of sub-contracting in an era of downsizing. It provides employment, cushions the shock of retrenchment, provides income for families and neighbouring countries, and provides a lifeline for marginal mines or shafts. Within the industry, the advantages for workforce productivity are stressed. Miners on bonus systems work harder, the administrative load is reduced and contractors offer specialized technologies. The less guarded will also admit to the advantages of hiring workers outside the “straitjacket” of labour law and agreements with the NUM.

The predominantly white Mine Workers Union appears to have little problem with sub-contracting. Many of its members have, following retrenchment, become involved in sub-contracting by either joining labour brokers or by starting their own sub-contracting companies.

For the NUM, the experience of dealing with sub-contracting has been more challenging. The initial strategy was to oppose any sub-contracting of work previously done by mineworkers. In 1995, the union laid out a more nuanced position, distinguishing between what it called “genuine contracting out” and “contracting out as an offensive against the working people of South Africa”, the basis of which was “contractors paying starvation wages”.<sup>36</sup> Genuine sub-contracting involves established, long-standing companies with a proven track record of delivery involved in large-scale construction projects and specialized work of a temporary nature. Offensive sub-contracting is something very different.<sup>37</sup>

Many of these sub-contractors are fly-by-night ventures. Mining companies facilitate the formation of these contractors, they retrench their employees and then use these same workers through the contractors to do the same job for very low wages. These contractors are used in the production line, that is in stoping, development and cleaning. They will be protected as “job creation projects”. When you go closer you find that they employ less than the number of retrenched workers and pay them between half and two thirds of the wages paid by the mining company. These contractors offer no specialized skills.

From the NUM perspective, offensive sub-contracting is:

1. an excuse to retrench workers;
2. a means to reduce employment standards negotiated with the union;
3. a pretext for limiting training programmes; and
4. a strategy to undermine the union.

The NUM argues that the shift to sub-contracting is designed to achieve workforce restructuring and productivity increases, which could well be achieved by other means. In this view, sub-contracting is not an inevitable or the only response to the gold crisis. Rather, it is a deliberate tactic to cut production costs and undermine organized labour. The irony, of course, is that a real crisis, with attendant downsizing and retrenchments, has provided precisely the kind of skilled labour pool that contractors feed off.

How and whether the union and the state can break this vicious cycle remains to be seen. The primary ambiguity is that sub-contracting does provide work and some income for workers and their dependants, who would otherwise be destitute. For local economies, the blow of retrenchment is temporarily softened, especially in those areas where contractors choose to recruit.

In 1995, the NUM committed itself to organizing and fighting for acceptable conditions for sub-contract employees. Later that year, the NUM and the Chamber of Mines reached agreement on the NUM's right to information regarding sub-contracting on every mine.<sup>38</sup> The union instructed all its branches to secure information from mines on the location and type of work, the name of the sub-contractor, the occupations and numbers involved, the extent of unionization and the level of compliance with negotiated agreements.

The level of industry compliance with the agreement has been extremely poor. Some mines supplied some of the information demanded but most gave nothing. Few if any mines have supplied exhaustive information, as required by the agreement, and the union has no reliable and systematic information on the extent of sub-contracting.<sup>39</sup> The contractors themselves were not bound by the agreement at all since few, if any, are members of the Chamber.

Also, in 1995, the NUM tabled a demand that it should be centrally involved in all sub-contract decision-making at mine level and developed a model agreement on sub-contracting (included, for informational purposes, as Appendix C). The "model agreement" was based on international standards and precedents, incorporating contracting clauses negotiated by unions in Canada (including Inco and Algoma Steel). Three years later, this document remains little more than a union "wish list". Few, if any, mines have been prepared to commit to this kind of joint decision-making. Those that have, such as St Helena's Creation project, soon changed their minds.

### ***The Slippery Slope***

*First they sub-contracted cleaning, but I was not a cleaner.  
Then they sub-contracted catering, but I was not a cook or a waiter.  
Then they sub-contracted gardening, but I was not a gardener  
Next, they sub-contracted security, but I was not a guard.  
Then the sub-contracted cleaning in No. 3 shaft, but I did not work there.  
Then they sub-contracted mining in shafts 2, 4 and 7 — not my shaft.  
Then they sub-contracted my job,  
And offered me re-employment at half the wage.  
So I went to the union to complain and make a fuss,  
But there were no members left to resist.  
They were all under sub-contractors.*

Source: NUM, "Is NUM Going Soft on Sub-contracting?", 1995.

The NUM has chosen to address the challenge of sub-contracting in collective bargaining with the Chamber of Mines and not to deal directly with contractors. This is an understandable strategy if the basic aim is to discourage and stop the “spread” of sub-contracting. But the large number of contractors, the complexity of sub-contracting relationships, the discouragement of union membership, and the transient and informal nature of sub-contracting all make organization a major challenge.

The mining companies and the union have made their positions on sub-contracting abundantly clear. But what about the workers themselves, many of who are outside union protection? A job and an income often come before union principles and demands. This is clearly evident in tensions within the union itself over sub-contracting between union office-bearers and the rank and file.

## BASOTHO MINERS SPEAK

**T**his report is the first systematic study of sub-contracting from the perspective of sub-contract employees. As such, it seeks to address three basic questions:

1. Do the positive and negative images of sub-contracting held by the institutional actors (business, unions and the state) have any resonance or meaning for the workers on the ground?
2. What are the conditions of hiring, employment and work experienced by sub-contract workers and are they markedly worse than those for regular miners?
3. What are the implications of the development and growth of sub-contracting for the future of migrant labour to the mines?

All of these questions are addressed in our case study of Lesotho, a favoured labour source for sub-contracting companies.

## LESOTHO AND THE SOUTH AFRICAN MINES

The migratory labour system is the dominant force shaping Lesotho’s social and economic life. In the 1980s, when the mining industry was in its modern heyday, an estimated 60% of Lesotho’s male workforce were migrant workers. A 1985/86 Bureau of Statistics survey found that migrant remittances were the main source of cash income for 51% of the households in Lesotho.<sup>40</sup> During the latter half of the 1980s, factor incomes from abroad averaged 46% of the country’s gross national product (GNP).<sup>41</sup> The vast majority were made up of migrant miner remittances.

The last decade has been tougher. Since the historic mineworkers’ strike of 1987, declining ore grades, escalating labour costs and

increased international competition have resulted in the deterioration of the profit margins of many mines.<sup>42</sup> The result has been large-scale dismissals, retrenchments and an increase in the use of contractors. Since 1987, when the average number of Basotho men employed at the mines was 116 000, Lesotho has experienced a 29% decline (Table 5). Today there are approximately 83 000 Basotho working in South African mines.<sup>43</sup> Despite the decrease, Lesotho remains South Africa's primary supplier of foreign mining labour, providing 24% of the total workforce on South African mines.

Year	TEBA (number engaged)	Chamber of Mines (average no. employed)
1985	71 493	97 639
1986	78 356	103 742
1987	90 847	105 506
1988	92 776	100 951
1989	93 610	100 529
1990	91 481	98 201
1991	90 074	88 281
1992	88 606	83 877
1993	83 260	79 530
1994	74 543	80 200
1995	50 625	
1996	34 819	

*Note: The sudden drop after 1994 is due to the fact that over 40,000 Basotho miners accepted the South African government's offer of permanent residence and are therefore technically no longer regarded as "from Lesotho". The reality, of course, is somewhat different.<sup>44</sup>*

Furthermore, migrant miner remittances and deferred pay funds remain crucial to households, communities and the Lesotho national economy. In 1993, approximately 51% of Lesotho's formal labour force was employed in South African mines. Remittances remain the main source of income for 42% of households. In 1996, factor incomes from abroad accounted for approximately one-third of the country's GNP. Most was made up of miners' deferred pay and remittances.<sup>45</sup>

Studies of retrenched miners paint a bleak picture of the situation for the unemployed and their dependants.<sup>46</sup> Through the sub-contracting system, some retrenched miners have managed to get some form of re-employment on the mines, though under contractual and working conditions that are vastly different from what they formerly had. The precise number of Basotho miners now working for contractors is not



known. The number, in any case, fluctuates continuously, although the overall trend is in an upward direction.

In contrast to Mozambicans (who are found at all levels of the sub-contracting hierarchy), the vast majority (83%) of Basotho men are employed by larger, established contractors. Appendix A shows that in mid-1996, just over 8 000 Basotho men were working for TEBA-registered contractors (although not all were necessarily employed on mine work). By mid-1998, this figure had risen to 10 000. These figures do not include the smaller numbers of workers contracted by other recruiters or directly in South Africa.

Hence, in absolute terms the number of Basotho miners working for contractors is around 10%. Sub-contracting certainly does not cover the number of jobs lost in the industry since 1987. Unemployment is still the lot of the majority of retrenched. But this very situation provides considerable opportunities for contractors. Desperate men with some skills and no income will be inclined to accept whatever is going.

## RESEARCH METHODOLOGY

The data for the Lesotho study comes from interviews with 93 Basotho miners using structured open-ended questionnaires in the districts of Leribe, Berea, Maseru, Mafeteng and Qacha's Nek. The interviews were conducted in Sesotho by Teke Tseane, Khotso Naledi and Mohapi Bereg. Respondents were selected at random on the basis of availability and willingness to participate. All have worked or were working for contractors at the time of the interviews between 14 April and 29 May 1998. The taped interviews were translated and transcribed from Sesotho to English.

All but two of the interviews were conducted at regional TEBA offices, which introduced possible biases to the study in terms of questions regarding legal recruitment and the larger contractors.

Nevertheless, this is still the largest survey yet of sub-contracted workers and the quantitative and qualitative data collected provides invaluable insights into the world of sub-contract workers. In addition, the sample size is large enough to permit systematic comparison with data collected by SAMP on the regular mine workforce.<sup>47</sup>

In addition to the interviews with Basotho miners, the research involved semi-structured interviews with TEBA officials, including the manager for Lesotho and Free State. We also conducted semi-structured interviews with the managers of Ribaneng Recruiting Agency and E.R. Ramsden Bleskop; and with Puseletso Selae, the co-ordinator of the Mineworkers Development Agency, an affiliate of the NUM.

## A PROFILE OF SUB-CONTRACT WORKERS

### DEMOGRAPHIC PROFILE

The men interviewed come from eight of the 10 districts of Lesotho. One-third report that Maseru district is their home (Table 6).

The average age of the 93 sub-contract employees interviewed for the study was 35.3 years, with the youngest being 21 and the oldest 58 years old. The most common age group is 30–34 years (27%), followed by 40–44 years (21%) (Figure 2).

Approximately 18% of the sub-contract mineworkers have no formal schooling: 27% have completed Standards 1 to 4, and 42% have completed Standards 5 to 7. Only two respondents are high school graduates (Table 7). These figures correspond closely with the findings of the 1997 SAMP survey of regular Basotho miners and the Central Bank of Lesotho 1992/93 survey. The one difference is that regular miners tend to be slightly older on average.

District	Sample (%)
LERIBE	16
Berea	10
Maseru	33
Mafeteng	19
Mohale's Hoek	4
Qacha's Nek	11
Thaba Tseka	4
Mokhotlong	3

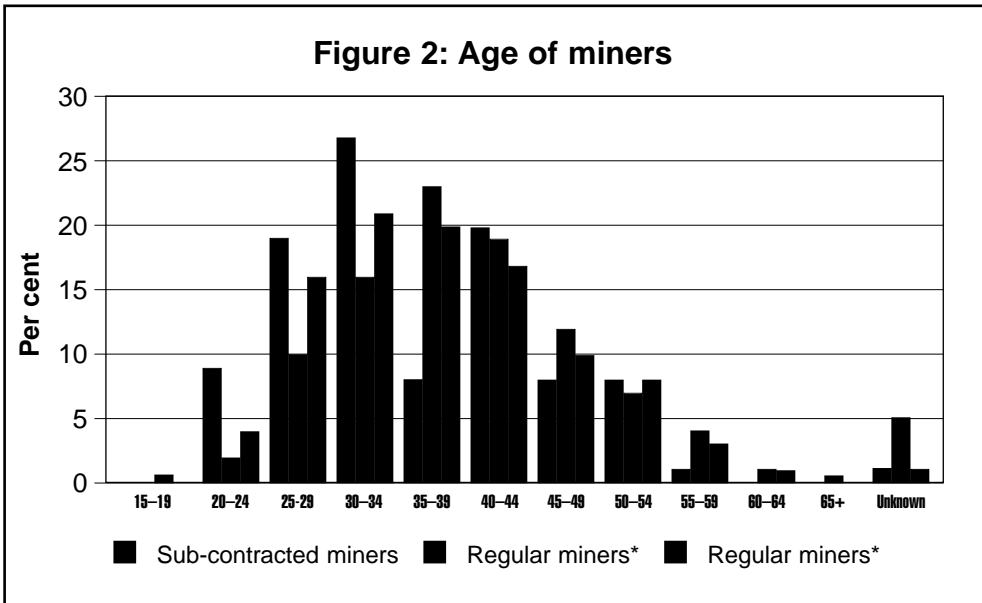
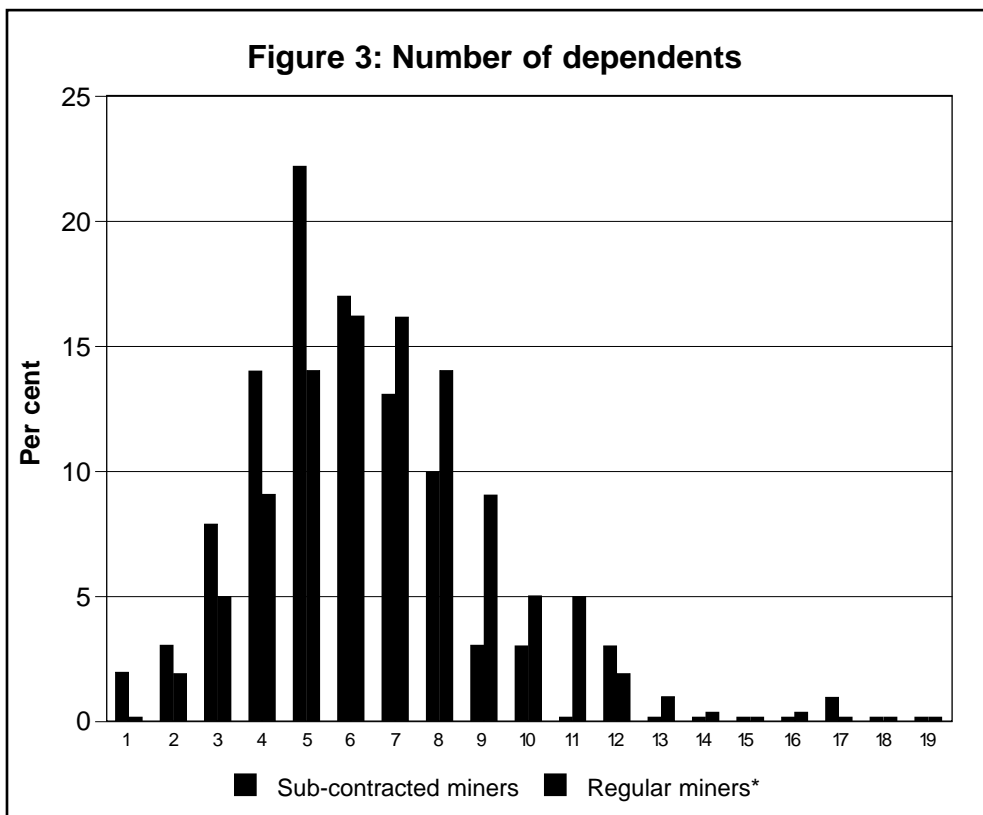


Table 7: Education Level		
Level	Sub-contracted miners (%)	Regular miners (%)*
No schooling	19	23
Standards 1 to 4	27	31
Standards 5 to 7	42	31
Form A or B	8	8
Form C	2	6
Form E	2	2
Higher	0	0
Other	0	0

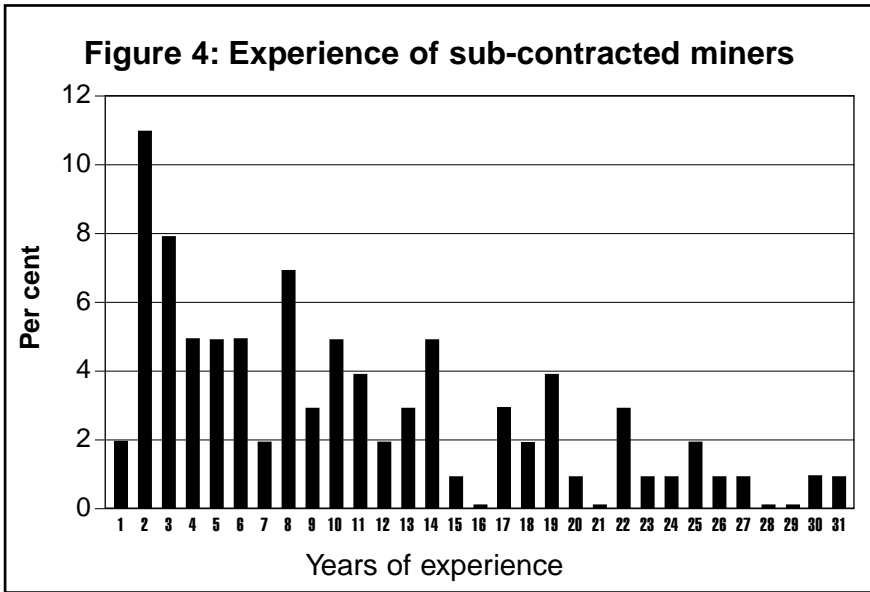
\*Source: SAMP database. Percentages in this column do not add up to 100 due to rounding.

The vast majority of the men are married (89.2%) and 62% are heads of households. They also have fewer dependants on average than regular miners (Figure 3). Some 47% have five or fewer dependants (average is 5.9), compared with 30% of regular miners (average 6.9). The difference possibly reflects the different age profiles and life cycle stages.<sup>48</sup>



EMPLOYMENT PROFILE

Sub-contract employment is a relatively new experience for most. However, many of our interviewees were vastly experienced miners. The average number of total mine experience is 10 years although the majority (61%) have served 10 years or less (Figure 4, Table 8). Only 22% of the miners interviewed have more than 15 years of mining experience on average — either with contractors and/or as regular mine employees. Most regular miners have served between 14 and 26 years on the mines.<sup>49</sup>



**Table 8: Total Years Mining Experience**

Years	Sample (%)
0-5	39
6-10	22
11-15	17
16-20	11
21-25	7
26-30	3
31-35	1

It is not altogether clear why regular miners tend to have greater experience. One plausible reason could be the “last in, first out” principle that guides some retrenchment decisions, i.e. the pool of retrenched miners from which the contractors draw could be slightly younger and less experienced than those who remain in employment.

However, as Figure 4 shows, a surprisingly high proportion of sub-contract workers have less than 2 years’ experience in mining. Of the 93 men interviewed, just over a third were “novices” with no previous mine experience when they began working for a contractor. Of these 34, only two had gone on to obtain regular mine contracts.<sup>50</sup> Thus, nearly two-thirds of the sub-contract workers have been employed on a

regular mine contract in the past. This confirms the general argument that contractors prefer experienced miners.

At the same time, some contractors obviously want workers without prior mine experience. Why would this be? Experienced miners already have the skills and contractors need to make no outlay on training. But experienced miners also have expectations from previous jobs, which can lead to greater dissatisfaction. Novices come with no such history. As one TEBA official noted:

They opt to take pure novices because they have no good understanding of how the mine works; that is, how they are going to be paid, the benefits they should be getting, unlike experienced mine workers who would say we are entitled to this and that.<sup>51</sup>

Virtually all the men we interviewed work underground in relatively skilled jobs. Our data therefore confirms the general trend towards penetration of core production activities by contractors. The largest reported occupational category is machine operator (38%), followed by winch driver (11%) and team leader (10%) (Table 9). These figures are broadly consistent with the SAMP profile of the regular workforce, with three differences. The proportion of machine operators is higher amongst sub-contract employees (38% versus 25%) and the proportion of surface workers much lower (1% versus 10%). The proportion of “other” (mainly services and construction) is also higher.

The inescapable conclusion, in Lesotho at least, is that the sub-contract workforce is indeed a relatively skilled cohort. This is consistent with the hiring pattern, described above, i.e. that it is the largest, more-established contractors that prefer Basotho labour.

**Table 9: Sub-contracting Employment Categories\***

Category	Regular workforce (%)	Sample (%)
Machine operator	25	38
Winch driver	16	11
Team leader	15	10
Driver	2	9
Lasher	5	7
Loco driver	6	5
Labourer	4	4
Spanner	5	4
Loader	1	3
Other	21	9

*\*These categories do not conform to any pre-defined set of labour categories. These categories are based on interviewees' responses.*

The other noteworthy feature here is that sub-contract employees work in virtually all of the same categories of employment as regular miners. This would tend to challenge the argument of those who defend sub-contracting as limited only to highly specialized skills and services. Although this evidence is far from conclusive, it tends to confirm the critics' argument that sub-contracting is being used to substitute labour in all job categories.

#### ECONOMIC PROFILE

Given the skill profile of sub-contracted workers, we might expect that average earnings would be higher than for regular miners. On the other hand, this could be nullified by the fact that sub-contracted workers are not paid according to industry-negotiated wage scales. The distribution of reported monthly income of miners is listed in Table 10.

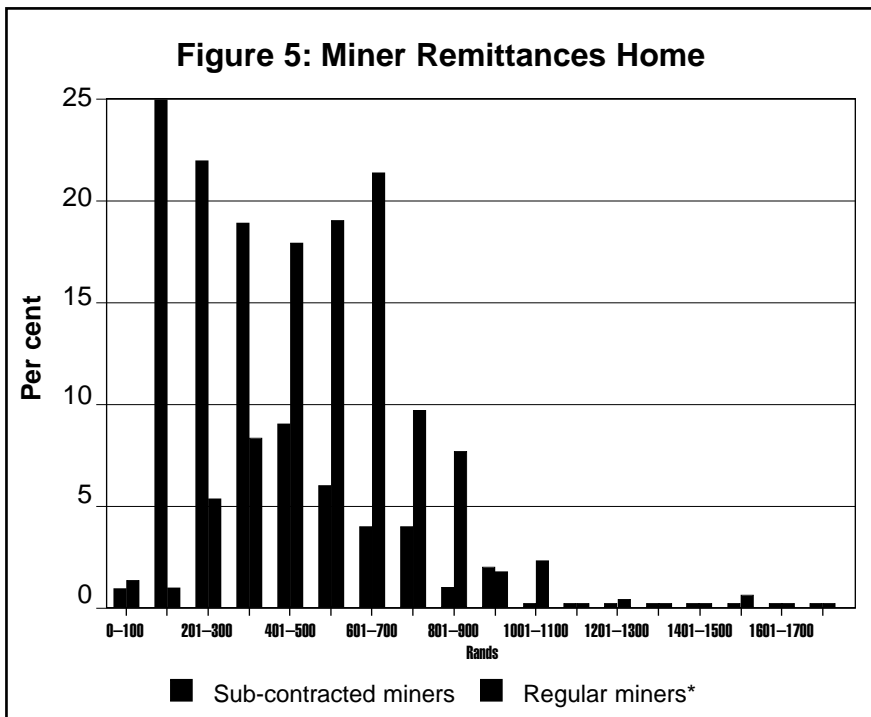
<b>Table 10: Net Monthly Income of Miners (rands)</b>				
<b>Income</b>	<b>Sub-contracted miners</b>		<b>Regular miners*</b>	
	<b>%</b>	<b>Cumulative %</b>	<b>%</b>	<b>Cumulative %</b>
<b>0–99</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>100–199</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>200–299</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>300–399</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>4</b>
<b>400–499</b>	<b>8</b>	<b>14</b>	<b>5</b>	<b>9</b>
<b>500–599</b>	<b>9</b>	<b>23</b>	<b>10</b>	<b>19</b>
<b>600–699</b>	<b>12</b>	<b>35</b>	<b>12</b>	<b>31</b>
<b>700–799</b>	<b>29</b>	<b>64</b>	<b>17</b>	<b>48</b>
<b>800–899</b>	<b>10</b>	<b>74</b>	<b>16</b>	<b>664</b>
<b>900–999</b>	<b>2</b>	<b>76</b>	<b>13</b>	<b>77</b>
<b>1000–1099</b>	<b>2</b>	<b>78</b>	<b>8</b>	<b>85</b>
<b>1100–1199</b>	<b>1</b>	<b>79</b>	<b>4</b>	<b>89</b>
<b>1200–1299</b>	<b>7</b>	<b>86</b>	<b>3</b>	<b>92</b>
<b>1300–1399</b>	<b>5</b>	<b>91</b>	<b>2</b>	<b>94</b>
<b>1400–1499</b>	<b>2</b>	<b>93</b>	<b>2</b>	<b>96</b>
<b>1500–1599</b>	<b>2</b>	<b>95</b>	<b>1</b>	<b>97</b>
<b>1600–1699</b>	<b>1</b>	<b>96</b>	<b>1</b>	<b>98</b>
<b>1700–1799</b>	<b>2</b>	<b>98</b>	<b>0</b>	<b>98</b>
<b>1800–1899</b>	<b>1</b>	<b>99</b>	<b>1</b>	<b>99</b>
<b>1900–1999</b>	<b>0</b>	<b>0</b>		
<b>2000+</b>	<b>0</b>	<b>0</b>		

\*Source: SAMP Data Base. Percentages do not add up to 100 due to rounding.

What is immediately striking is how poorly all miners are paid. Hardly anyone in either sample earned more than R 2 000 per month. The monthly income differentials between sub-contract and regular miners are not, however, as marked as we anticipated. There are certainly proportionately more of the former in the lower wage categories — 68% earn less than R800 per month (compared to 48% of regular miners).<sup>52</sup> Roughly equal numbers of sub-contract and regular miners earn less than R1 000 per month (around 76–77%). But there are clearly opportunities for sub-contract workers to out-earn their regular counterparts, and thus 20% of sub-contract workers earn more than R1 200 per month compared to only 10% of regular miners. The principle of “equal pay for equal work” is unlikely to apply, however, with most sub-contract workers on bonuses and working much longer hours.

Miners’ remittances are as varied as their incomes.<sup>53</sup> Two men remit over R900 each month. At the other extreme, one remits nothing. The average monthly remittance is R374, although the largest category of respondents (25%) only remit between R100 and R200, followed by 22% remitting R201 to R300. This figure is much less than the R538 per month reported by regular miners in the 1997 SAMP survey.

As Figure 5 shows, regular miners remit much greater amounts than sub-contract workers. The primary reason, given the broadly similar earning profiles, is the higher earnings of the former.



Many sub-contract miners say that rather than remit monthly, they send money home sporadically throughout the year when they feel they have amassed enough to make it worthwhile. As many as 35% do not remit monthly. Some 33% say they are not aware of their household's monthly expenditures.<sup>54</sup> It is not surprising, therefore, that the families of Basotho miners, who are often ignorant of the needs of their families, are not assured of a regular dependable remittance. Overall, the figures indicate that, month to month, the spouses of many of the men do not know how much will be remitted or when these remittances will come.

The 1997 SAMP survey of regular miners showed that 78% of the households have no other source of income than miners' remittances and only 10.9% report an income greater than R200 per month from other sources.<sup>55</sup> With sub-contract miners, only 46% state their households have no other source of income (although another 23% say they are not sure).<sup>56</sup> Only 15% state their households have an income greater than R200 per month from other sources. Previous studies of Lesotho show that households with a miner's income tend to be heavily reliant on that one income stream.<sup>57</sup> Retrenched miners tend to develop more diversified income sources, including women going out to work while men wait for another mine job.

Of the two-thirds who claim to know their household's monthly expenditures, only 23% say that household income is sufficient to meet monthly expenditures. Table 11 compares the household financial resources of sub-contracted and regular miners. The average wage of sub-contracted mineworkers is lower than that of the regular miners (R788 versus R836). The average regular household receives more each month in remittances and non-mining income (R607 versus R522). However, sub-contracted households have higher average non-mining incomes (R148 versus R69).

The sub-contract miners, like their regular counterparts, have few ideas for alternative personal income-generating activities. As many as 53% state they do not know what they would do if they were unable to work at the mines. Possible alternative employment ideas range from agriculture, the most popular, to stealing or selling dagga (Table 12).<sup>59</sup>

Resources	Sub-contracted miners			Regular miners*		
	Min.	Max.	Mean	Min.	Max.	Mean
Monthly net	150	1 800	788	87	2 078	836
Monthly	0	2 200	148	0	3 200	69
Monthly	0	1 000	374	0	1 600	538
Value of	0	52 500	6 284	0	100000	5 291
<i>*Source: 1997 SAMP Survey data.</i>						



## WORKING FOR CONTRACTORS

### THE EMPLOYERS

In 1996, there were 21 TEBA-registered contractors with 20 or more Basotho employees (Table 13, page 36). Two years later the number had risen to 30. Some 13 companies (employing a total of 1 606 workers in 1998) began operating in Lesotho between 1996 and 1998. Another seven operating in 1996 were no longer recruiting Basotho in 1998. The rate of attrition and change was even more dramatic amongst small firms employing less than 20 workers. Very few companies have a clear majority of Basotho workers. Several companies draw 40 to 50% of their labour from Lesotho and there is another cluster around 15 to 25%.

The number of Basotho employees varies considerably from contractor to contractor and with any one contractor over time. In the two-year period 1996–98 there were dramatic fluctuations in the numbers of Basotho employed by most contractors with only 10% showing any kind of consistency in employment profile. Some, such as African Rainbow and Shaft Sinkers, registered dramatic growth. Others, such as JIC and RUC, experienced equally dramatic shrinkage. The overall number of workers hired through TEBA actually fell by 1 800, reflecting the impact of shaft closures during 1998. Proportionally, the number of Basotho under sub-contractors still increased as regular miners were retrenched at a greater rate.

The men interviewed for our study had worked for 21 different contractors, with JIC being the principal employer (32%), followed by GFC, RUC and Naledi (Table 14, page 37).

The tables indicate that the sampling method picked up workers employed both by the larger contractors and smaller firms. While 45% of the respondents were employed at the time of the interview, the remainder had been without jobs for an average of 16 months.

<b>Activity</b>	<b>Sample (%)</b>
<b>Agriculture</b>	<b>12</b>
<b>Business/shop</b>	<b>7</b>
<b>Sell dagga</b>	<b>6</b>
<b>Piece work</b>	<b>4</b>
<b>Driver</b>	<b>3</b>
<b>Construction</b>	<b>2</b>
<b>Theft</b>	<b>2</b>
<b>Poultry farming</b>	<b>2</b>
<b>Rent housing</b>	<b>1</b>
<b>Security guard</b>	<b>1</b>
<b>Tailor</b>	<b>1</b>
<b>Diamond digging</b>	<b>1</b>
<b>Stone cutter</b>	<b>1</b>
<b>Street vendor</b>	<b>1</b>
<b>Driving school</b>	<b>1</b>
<b>Nothing</b>	<b>1</b>
<b>Don't know</b>	<b>54</b>

<b>Table 13: Contractors with Basotho Employees, 1996–98</b>		
<b>Company</b>	<b>1996</b>	<b>1998</b>
African Rainbow	0	734
Boart Longyear	0	66
Cast	33	0
Circle Labour Hire	0	27
Concor Holdings	38	73
Concor Technicrete	114	103
Constantia Mining	557	563
Contra Mining	22	0
Econotrack	57	6
Engineering Mining	54	137
Future Mining	9	179
GFC Mining	152	432
GMT Reclamation	118	2
Goldfields Cementation	441	392
Johlein Construction	12	139
JP Swanepoel Mining	0	129
JIC Mining	2 363	39
Khutala	50	0
Kleenserve	0	38
LPI Mining	10	144
Medgold	0	34
Michette Mining	125	0
Mine Mechanisation	168	0
Minroc Mining	139	0
Naledi Mining	533	987
Nigel Mining	0	157
RAK Mining	6	86
Rico Mining	0	22
RUC Mining	2 815	673
Safepass Systems	0	24
Samat Mining	64	215
Sel Mining	25	0
Shaft Sinkers	380	1254
Stopetek	41	99
Torrex Contracting	0	28
Tsiepang Drill & Mining	0	20

Table 13: Contractors with Basotho Employees, 1996–98		
Company	1996	1998
VG Con Mining	0	197
Welkom Mining Sales	4	73
Welprop Mining	0	130
Other	178	204
Total	9 011	7 202

*Source: TEBA. Table shows firms employing more than 20 workers in at least one year. In 1996, there were 37 such companies; in 1998, 63.*

Table 14: Employers of Survey Sample		
Contractor	Number	1996/8 average
JIC Mining*	30	1 201
GFC Mining*	10	292
Naledi*	8	760
RUC Mining*	6	1 744
Concor Holdings*	3	55
Minroc*	3	69
Constantia Mining*	3	560
Grinaker	2	-
Engineering Mining*	2	95
Shaft Sinkers*	2	867
Kleenserve*	2	19
Welprop*	2	65
African Rainbow*	1	367
Zwelenthueme Services	1	-
Future Mining*	1	94
Singer	1	-
LPI	1	5
Protech	1	3
Gel Mining	1	1
Johnlein*	1	75
FDL	1	k
Don't know	11	-

*Notes: contractors employed more than 20 Basotho in 1996 or 1998; 1996/8 average provided since sample includes current and past employees; blank values in the second column indicate that contractor did not hire through TEBA.*

### THE RECRUITERS

There are four official recruiting agencies licensed in Lesotho: TEBA, E.R. Ramsden Bleskop, Ribaneng Recruiting Agency and Acrol (Anglo-Colliery Recruiting Organisation Lesotho).<sup>60</sup> TEBA is the principle recruiter for gold mines, while the other three agencies recruit only for specialised tasks in gold mines, such as shaft sinking.

The most common recruiter cited by respondents was TEBA — 69% had, at some point, been “processed” through TEBA for sub-contracting positions. TEBA itself tends to recruit in Lesotho, mainly for the better-established contracting firms, but it does have a larger roster of clients.<sup>61</sup>

The other point is that TEBA is by no means the only route into the sub-contracting sector. As many as 43% of the sample work or last worked for firms that TEBA does not recruit for in Lesotho.

A distinction must be made, in terms of TEBA functions, between processing and recruiting. Although men do seek jobs at recruiting agencies in Lesotho, the more common practice is to first secure employment with a contractor in South Africa. Some 52% of the men stated that they find jobs through means other than a recruiting agency, i.e. their initial contact is with the contractor and the job offer comes directly from them and not through one of the recruiting agencies. Jobs are obtained through an informal network of friends or relatives. The migrant then returns to Lesotho and goes to a recruiting agency to have his paperwork processed and his status in South Africa legalized.

This process can create problems. In one instance related by a TEBA employee, a contractor issued documents to a “novice” who had gone to the mines seeking employment. The documents falsely stated that the man had just completed a one-year contract and was returning to Lesotho to be processed for another contract. As a novice, the recruit should not have been hired. The misrepresentation was not discovered until he had been forwarded from Lesotho to the TEBA depot near the mine in South Africa. At the time of our interview, TEBA was trying to determine how best to deal with this situation.

One of the functions of a recruiting agency such as TEBA is to clarify for the recruit the conditions of employment stipulated in the contract. This is particularly important given the high rate of illiteracy amongst Basotho mineworkers. TEBA employees claim that they do explain the conditions of the contract to all recruits. However, the TEBA contract used for contractors is the same as the regular contract used for the mines.<sup>62</sup> These standardized contracts often do not accurately convey the actual terms of employment with individual contractors. As a result, all of the terms of employment may not be specified at the time of recruiting:

If we engage these men, they are all given the same contracts. People engaged for contractors or the mines are all

given the same contracts in that on the reverse side of the paper the conditions are all the same ... The stationery that we use is all the same. It is a TEBA contract ... The information we get when we hire is not always straightforward in that we are not always told to tell them that they are not going to get this and that, they only get to realise when they get to the mine that they are not going to get [the benefits] which are offered by the mine [to regular mine employees].<sup>63</sup>

While TEBA employees probably do discuss with mineworkers the general employment conditions they will encounter, given the numbers involved they are often unfamiliar with the specific terms of employment of each contractor for which they recruit. Some 83% of respondents recall signing (fingerprinting) a contract. However, as many as two-thirds charge that they were not advised of the terms of their contract before beginning their job:

Nothing was clarified and this gives us a big problem when we don't want to do something or want to complain about the rotten food we are given. The management will always say we agreed on working under those conditions. But no one made it clear to us what conditions we would work under.<sup>64</sup>

We were not told anything about our working conditions. All we knew was that we were going to work for our children who were starving but we did not know we were going to be enslaved.<sup>65</sup>

I only knew my salary at the end of the month when I saw it. I was never even told my salary.<sup>66</sup>

One respondent with no previous mining experience stated:

I worked for the sub-contractor because I was poor and I had to survive as well as my family. Mostly though, I didn't know the difference between mines and sub-contractor. So to me I was just happy to get work at a mine not knowing that there was the difference until I got there and saw it myself.<sup>67</sup>

Even when the terms of their contracts are explained, it does not guarantee that these are the conditions the miners will experience at the job site. Miners complain that they are not paid the wages they are promised, the benefits and bonuses stipulated are not adhered to, and accommodation is not available. TEBA officials who have to deal with

miners on a daily basis are cognizant of the negative impact on their own organization:

Most of them we find they come with letters from the contractors. They are told the conditions that are explained in the contract but when they get there they get something that is far different from what they were told. We are seriously urging our management that if they can sign agreements with these contractors that they go about the terms that are stipulated in the agreement of employment and are the same as applicable to member mines.<sup>68</sup>

Nevertheless, it is reasonable to assume that even if they have never before been employed by a contractor, Basotho mineworkers find sub-contracting positions less desirable than regular mine positions:

They know themselves that working conditions at the contractors are not as good as at the mines, they know. That is why you will find they will work for 5–6 months and they come back. They will say “enough is enough”. They know that working conditions with contractors are not as good as in the mines.<sup>69</sup>

Recruiting agencies agree that the employment conditions of sub-contracted workers are inferior to those of regular mine employees and are even unfair. Interviews with officials show that while they may encourage contractors to meet certain standards, such as providing death benefits and a minimum wage, there are no minimum standards that are required before they will recruit workers.

Nevertheless, TEBA management believes there has been a definite improvement in the employment conditions offered by contractors over the years:

TEBA has learnt a lot since we initially took on contractors and over the years we've learnt what the problems are and how to solve them. We've had to educate the contractors saying, “Look, you should have a death benefit. If a man works for a mine and he dies this is what he's entitled to, if he works for you and he's working on exactly the same mine, this is what the death benefit is. We don't believe that is fair and you should do something about it and this is where you should go — Rand Mutual can offer you something, etc., etc.” It's been an education process that is still on the go.<sup>70</sup>

Despite these lessons, the lack of explanation and understanding of contract conditions, and the perception amongst workers of TEBA complicity, clearly persists.

#### DURATION OF EMPLOYMENT

The high turnover of contractors recruiting in Lesotho and the dramatic fluctuations in recruiting levels indicate the fundamental lack of employment security experienced by sub-contract workers (see Table 13). The men we interviewed had been employed for an average of 2.4 years with their current or last contractor, although the duration of employment ranged from one month to 18 years. A small number of workers have been employed by contractors for many years (probably in shaft-sinking activity). However, the largest segment of the sample (33%) had worked for contractors for one year or less and 64% of the miners have worked for only one contractor. The figures indicate that the spread of contracting in Lesotho is a recent development.

The degree of instability and transience usually associated with sub-contracting is difficult to determine from these figures. However, as many as 40% of respondents state that they have been required to move from one mine to another, depending upon the work available to the contractor employing them:

Sub-contracted workers don't settle, but are transferred from place to place if the sub-contractor itself is moving.<sup>71</sup>

I moved from mine to mine and did not stay at one mine. Reasons are contractors don't like workers to stay in one place and get too much used to it, for they think workers get involved in different businesses and this brings problems to the contractor. I worked for Constantia contractor and used to move with it every time it moved.<sup>72</sup>

While this pattern does not appeal to all mineworkers, many respondents feel they have little choice. The essentially itinerant or gypsy nature of Basotho sub-contracting was confirmed by TEBA:

[I]f a man is working for a sub-contractor in one mine he may be transferred later to another mine and then a month or two later to another mine.<sup>73</sup>

You see, the contractors keep on moving from one mine to another — a year, six months, finish the job and then they go. They are moving all over ...<sup>74</sup>

RELATIONS WITH HOME

Previous studies have confirmed that the impact of the migrant mining system on family and community life in Lesotho is deleterious.<sup>75</sup> However, legal changes in the last decade have improved the availability of transportation and adjusted work schedules have meant greater ease of travel between Lesotho and South Africa for mineworkers and their families. The 1997 SAMP survey found that 60.5% of miners visit home once a month, which is much more frequent than in the past.<sup>76</sup>

Our interviews suggest that sub-contracting has actually had a negative impact on the frequency of contact with home while miners are at work. Only 35% of our respondents visit home on a monthly basis (Table 15).

<b>Frequency*</b>	<b>Sample (%)</b>
<b>Monthly</b>	<b>35</b>
<b>After 2 months</b>	<b>22</b>
<b>After 3 months</b>	<b>16</b>
<b>After 4 months</b>	<b>3</b>
<b>After 5 months</b>	<b>0</b>
<b>After 6 months</b>	<b>4</b>
<b>Once yearly</b>	<b>1</b>
<b>Not often</b>	<b>10</b>
<b>Almost never</b>	<b>4</b>
<b>Not at all</b>	<b>1</b>
<b>Unsure</b>	<b>4</b>
<i>* Frequency is based on miners' responses not on a predefined set of categories.</i>	

Of those respondents who had previously worked as regular mine employees, 56% state that since working for contractors they cannot visit their families as often, 9% visit more often and 35% have had no change in the frequency of their visits.

The primary reason given for not returning home more often, however, is not work commitments but lack of funds. The men commonly stated that the cost of regular journeys home often equal or surpass the money they would normally send home or their salary itself:

When working for a contractor, I never came home until the contract was finished. As a regular miner I used to come home at least 6 times a year. I had money for transport, but as a contractor I had to use more than R370 for transport and food, which is approximately my monthly salary.<sup>77</sup>

Just over 40% of our respondents felt that their infrequent visits home have had a negative effect on family relationships. Many men claim that families, especially spouses, do not understand why they come home so infrequently:

I do not see my family frequently. I come home after 6 months and this is a problem between my wife and myself. She thinks I am becoming irresponsible. I was coming home more frequently when I was a regular miner —



almost after every month-end. When working with mines, I used to get a better salary that allowed me to go home and come back to work having left a satisfying amount of money to cater for family needs. With contractors, however, I could not leave any money if I came home or else I would have to borrow money in order to go back to work. It would be better to find friends going home from mines close-by who would take money home. Even if I would send the most that I could spare, my family would not be satisfied by my not coming home and would not understand when I said I could not afford my transportation. They would insist that they want to see me in person. I would not go. They would be angry at me and start thinking maybe I'm married [in South Africa] and won't come back like many others.<sup>78</sup>

Another stated that the meager salary he earned was not worth the problems caused by time away from his family:

One of the reasons why I stopped working for a sub-contractor was that my wife once wrote me a letter that I shall forget only when I die. She was bitter about my not coming home. She said she didn't understand what I was doing there because I didn't even give them reasonable money. It hurt me because I knew that it was against my will as well.<sup>79</sup>

This man's testimony of the effects of sub-contracting is fairly typical of the feelings of many of the men interviewed:

The problems are seen in the family. You go home and you find that you're more in debt than when you were not working. In the long run you end up deciding that it's better to stay home than come home to find your children hating you and your wife yelling at you about money and not coming home often enough ... Sub-contractors must remember that we are married and have families to support. We don't go looking for jobs in order to be away from our homes, but to support our families.<sup>80</sup>

#### WAGES AND BONUSES

Questioned on why they worked for contractors in South Africa, virtually all the men spoke of the extent of their commitments and the absence of choice — there are simply no other options. As one remarked:

Life is so unfair. I found myself bound to work for a contractor although it pays so little because I could not face my children and tell them I had no job, that is why I could not provide them with clothing and food. It made me feel irresponsible.<sup>81</sup>

The low wages are a primary and persistent source of complaint. As many as 61% feel that sub-contracting has had a negative effect on household finances and many men report not being able to remit enough to meet the basic necessities of their families, such as clothing and education:

Since I have worked for sub-contractors, I have been in debt all the time. I had no chance to improve my family at all. I even had to sell my truck in order to pay the debts of my family and school fees.<sup>82</sup>

It's as if I am pulling my life backwards!<sup>83</sup>

Conditions have worsened so that I can't even buy a mere chicken.<sup>84</sup>

My financial problems have increased so much that it sounds even odd to me to say I'm working. Perhaps I'm still working just for the sake of it.<sup>85</sup>

The men complain that they invariably receive less now than when they worked as regular mine employees or that they are paid less than regular mine employees:

I was not able to provide my family with its needs, which I was able to do when I was working at the mines.<sup>86</sup>

I stopped working for the sub-contractor because I was working but my family was starving like hell. Now, what use was my work? ... My head would spin around every time I got my monthly salary because now how could one divide R100 between himself and a family at home? It is a shattering idea. If now I send R100, how much is left for me? R5? What do I do? One packet of cigarettes and nothing? If I share it so that it is R50 home and R50 for myself, what do I expect to hear from my wife? That I have thousands of women here and I don't care about my family? The best, yet not better than anything, was to ignore them at home for a couple of months and send R150 the third month, which is still crazy but better.<sup>87</sup>

Many believe that contractors cheat them by making unauthorised or excessive deductions. In fact, more than one-third of the miners interviewed believe that the reason for the increased use of contractors in gold mines is so that workers can be cheated out of wages. Their frustration is revealed in the following statements:

Food is deducted from our pay, though I don't know how much. Maybe we're stupid not to push to find out how much is deducted, but I once asked them and they didn't tell me exactly how much. If you push to find out the truth you'll get expelled.<sup>88</sup>

None of this information I know anything about because I can't read and interpret the pay slips. This is one major problem that makes us vulnerable and easy to be cheated by sub-contractors.<sup>89</sup>

The documentation on sub-contracting emphasizes that while basic wages are lower than those of regular mine employees, production bonuses comprise a large part of the total earnings of sub-contracted mineworkers.

However, our interviews indicate that the men consider productivity bonuses as simply another opportunity for exploitation. About 70% say they do not receive production bonuses, but one-third of these complain that they also have no idea how much they should receive in bonuses. Of the remainder, some comment that they are paid very little in the way of bonuses, receive bonuses infrequently or are promised bonuses that they never see. The bitterness of mineworkers who believe they are being manipulated and cheated is evident:

Sometimes you work a double-shift and don't get paid. They will tell you that the work was not good, but no description how.<sup>90</sup>

One time they would tell you the bonus didn't come this month because the "tape" failed. What happens is these employers hire their allies, friends and children who are not even educated and cannot process our wages properly.<sup>91</sup>

Employers bribe foremen so that the foreman would lie to workers or cheat them in order to make workers work harder. These foremen would come and say, "We get too little money, men, but if we can get this far with this work today you will get fat bonuses." People would work themselves to hell for small prices.<sup>92</sup>

Because miners rarely know the terms of bonus work, charges of cheating may not always be accurate. Nevertheless, recruiters receive the same complaints from the men: they are not paid for all the days they work, they do not know when to expect a bonus nor do they know how much they will receive. Furthermore, sub-contracted miners claim that they work in the most dangerous sections of the mines — sections where regular mine employees and their union representatives have refused to work — but are still paid considerably less.

Because the men rely on production bonuses they often work long hours. As Peter Lewis points out:

The hours that sub-contracted workers work are not generally monitored by mine management and are, therefore, not officially known. However, since sub-contractors operate on production bonus schemes, working hours tend to be long and technically illegal.<sup>93</sup>

One mine manager stated, “They work seven days a week — I don’t know when they get a rest.”<sup>94</sup>

Many miners state that dangerously long hours are a prerequisite for earning production bonuses. One man claimed he worked from 4 a.m. to 5 p.m. to earn productivity bonuses.<sup>95</sup>

In addition to wages below the poverty datum line and uncertain or non-existent bonuses, 52% of the respondents claim that they are routinely paid late and 10% state that they are not paid in full. A variety of excuses, ranging from hijacking to red-tape delays, are given for wages that may be two days to two weeks late. Such delays cause numerous difficulties for miners, not to mention the troubles that delayed remittances must create for families in Lesotho:

Working for contractors brought a number of problems when considering budgeting. Since they don’t pay us in time, we get too much into debt hoping to pay back at the end of the month. But money doesn’t come in time and one gets more into debt, so that when the salary comes, most of it is spent on debts. The family also thinks I don’t want to send money in time because of another family where I am working.<sup>96</sup>

When wages come and they are less than they should be, or less than expected, the implications are similar:

Sometimes they would tell you that your money has declined and that is determined by the computer. How can a computer know how much one must be paid while it doesn’t know how much one has worked? Sub-contractors

result in people who are in debt in most cases because some other times you would take accounts knowing that your monthly salary is going to afford them. When it comes at the end of the month, it's half the amount. Now you must run and ask someone again to help you and he too has the same problem!<sup>97</sup>

Some contractors even attempt to evade paying their workers entirely. For instance, JIC is accused by both a recruiting agency official and a mineworker of non-payment:

The people we recruited said the people of JIC have disappeared. We phoned the Lesotho Labour Representative in Klerksdorp to investigate this. They found this particular employer at Hartebeesfontein, so he was forced to pay. He only paid them monthly pay, the benefits he refused.<sup>98</sup>

The miner claims he has yet to receive his wages:

We were often not paid on time. To this very day JIC hasn't paid us for months owed. Whoever was responsible ran away without paying us and later Saaiplaas volunteered to pay us for the last month only. We never got all our money.<sup>99</sup>

#### BENEFITS

Another major concern — shared by the NUM and even recruiting agency employees — is the lack of standard industry benefits provided by contractors. The vast majority of respondents reported that they do not receive:

- membership of a medical scheme (74%),
- sick leave or injury compensation (64%),
- a pension (81%),
- severance pay (82%),
- free safety equipment (76%), or
- death benefits (69% — another 10% state that they receive coffin and body transportation costs only).

In addition, many do not know whether or not they are entitled to any of these benefits. The differences in employment conditions are abundantly clear to the men:

Regular miners are not bathing with cold water, they are eating satisfactory food, they are given money for medical purposes, pensions, bonuses and also when one of them is dead, his family is given money.<sup>100</sup>

The only area where sub-contracted workers feel they are on par with regular mine employees is that of accommodation. This does not mean that they find the accommodation satisfactory. An overwhelming majority (87%) said that they stay in hostels, housed separately from regular miners.

One miner, who has worked for three contractors since 1993 and has a total of 26 years of mining experience, described how the provision of benefits can differ. Two of the three contractors he has worked for do provide pensions to workers over 60 years of age and some contractors he knows of compensate workers for injuries although others even deduct hospital costs from wages. In the event of death, mines provide the families with compensation. The contractors he has worked for only pay for the coffin and to transport the body of the deceased.

Of all the non-wage benefits, lack of death benefits or inadequate compensation in the event of serious injury seems to be of the greatest concern. When discussing the issue of death benefits, one TEBA official noted:

They do not inform the families about the death of the miner. A car will come to the house with the corpse and the family will ask, "what is this?". And they will be told, "this is your son" and that is the first they will hear about it and they will receive no money, no compensation. Just a dead son.<sup>101</sup>

#### TRAINING PROGRAMMES

Adult Basic Education and Training (ABET) courses are now offered on most mines, providing mineworkers with the opportunity to upgrade their qualifications. To gain entry to training to become a certified miner, workers require either Standard 5 (Grade 7) or ABET level 3. Over 40% of the men interviewed have Standard 5 education and could benefit from ABET. However, more than half said that as contractors' employees, they are either unable to attend training and literacy courses or do not have the same opportunities as regular mine employees. They report that classes for regular mine employees are either free or subsidized, while contractors' employees must pay for books and school fees.

Since contracted mineworkers augment their low basic wages with overtime productivity bonuses, they often work long hours and are not able to attend classes after work, or when they do they find it difficult to concentrate and retain information. A 21-year-old mineworker earning R400 per month stated:

I had a burning desire to attend the mine school myself.  
But I failed due to the long hours we have to work as sub-

contractors' workers. But regular mineworkers who want to can go to school.<sup>102</sup>

Another miner attended classes for a time, but could not continue:

I used to attend, but I lost courage because we went for lessons after working long hours and this is the wrong time when we are tired. I decided to quit.<sup>103</sup>

The sub-contract mineworkers are very aware of their tenuous employment circumstances and some are unconvinced of the benefit of such training and literacy programmes when they fear they will have no chance to apply them; furthermore, the job training provided by the mines is rarely applicable outside the mining industry.<sup>104</sup>

#### RETRENCHMENT

The uncertainty of employment in the mining industry — especially when working for a contractor — is acutely felt when workers are retrenched from a contract. The vast majority received no severance package, and almost half were given no notice and were required to leave the workplace and hostels within a matter of hours. Mines typically give workers a month's notice. But only 14% of those retrenched by contractors were given one month's notice or more. This practice causes numerous difficulties and complications.

Complaints focus on the inability of mineworkers to collect all their belongings in the short period of time allotted to them and the fact they must often wait until pay-day for their wages. During this time they may incur debts for accommodation and food:

Sometimes they just call you through the loudspeaker at a gathering and tell you that you must go get everything ready since you must leave within 5 hours ... You must go. But mines will always give you a month's notice. The most painful thing is the time is so small that one hasn't got time to get his belongings together.<sup>105</sup>

Workers belonging to various societies may be in danger of losing contributions:

I need to be told so that I can prepare myself. Sometimes we form some societies to try and collect money, so if they don't tell you before, you might lose your contributions.<sup>106</sup>

For migrant workers from Lesotho, such a situation provides little opportunity to search for other employment.

Overall, the working and employment conditions of sub-contracted mineworkers are inferior to those of regular mine employees. Some

groups within the gold mining industry cite sub-contracting as an efficient use of human resources, which results in higher productivity, labour flexibility and cost cutting. Basotho migrant mineworkers regard the conditions under which they work as exploitative. The vast majority state they are working for contractors only because there are no other jobs and they have to support their families. If they believed they had alternatives, most would certainly not work for contractors.

#### HEALTH AND SAFETY

The long hours and the dangerous conditions of sub-contract work lead to serious health and safety risks, which are compounded by a lack of medical benefits, inadequate or non-existent compensation in the event of injury or death, and exploitative practices such as dismissal in the event of injury or sickness. According to the Department of Minerals and Energy, in order to be recorded, injuries and fatalities must be reported by the contractor to the mine, which must in turn report to the Department of Minerals and Energy. This practice may not only result in the under-reporting of fatalities and injuries, but in the end the figures are not disaggregated by contractor and mine.<sup>107</sup>

Neither does the Chamber of Mines disaggregate its statistics. According to the Chamber's head statistician, Diane Owen Thomas, a system will be implemented in 1999 that will differentiate between contractors and mines.<sup>108</sup> Peter Lewis of the Industrial Health Research Group claims that there is a direct correlation between higher percentages of sub-contracted workers and higher total death and injury rates on mines.<sup>109</sup> One official from TEBA suggests that there are may be more injuries with contractors than are actually reported.<sup>110</sup>

The health and safety risks associated with a longer workday have been the subject of much discussion, as has the practice of productivity bonuses, which may encourage workers and supervisors to take unacceptable risks. One official reports that two years ago, men he had recruited worked for 14 days with no time off and a locomotive driver, who had fallen asleep, collided with another train and two people were killed. Our respondents recount similar incidents:

Overtime causes accidents because workers are hungry, tired and no longer concentrating on the work they are doing but only wishing to finish. As a result, accidents occur which unfortunately won't affect only the person at fault, but also his fellow workers around him.<sup>111</sup>

Workers work even when they are tired and don't concentrate on what they are doing any longer but are forced to finish the assigned work before they may have time to rest.



The result is working carelessly and causing accidents. This happened where I was working. We were working for bonus when one man's leg was broken by a locomotive as he was working and not noticing that the locomotive was too close to his leg and it was crushed.<sup>112</sup>

While working overtime, one miner recalled an accident during which a man was paralysed after being hit with a pick. While the victim was given some compensation, the mineworker who hit him had to pay for the hospitalization and was later dismissed.<sup>113</sup>

While listening to respondents recount their experiences, it became evident that aspects of the new Mine Health and Safety Act (1997) are deliberately being ignored by contractors. According to the Act, an employee must report any situation that presents a risk to the health and safety of himself or other employees to his supervisor. Furthermore, an employee has the right to leave a dangerous work place.<sup>114</sup> However, the men report being forced to work overtime, thereby creating a dangerous work environment.

Many claim that if they express concern over the risk of working in dangerous areas, they are fired. The Act states that employees have the right to receive personal protective equipment and must be provided with safety facilities free of charge.<sup>115</sup> Over 80% report that they do not receive free safety equipment and many claim the amounts charged by contractors for work clothes are much higher than that charged by mines.

Under the Act, employees must be trained and be competent to safely perform any task assigned to them. With contractors, this is not always the case:

In the sub-contractors, it doesn't matter what work you're doing. You may be given a machine to operate and you'll learn while working how to operate it.<sup>116</sup>

They give safety instructions in the mine school and ignore them at work by disobeying them and expelling those who insist on "safety first".<sup>117</sup>

Despite such reports of disregard for health and safety procedures, contractors feel it is unfair that they should be required to introduce safety measures for which companies do not compensate them.<sup>118</sup>

A high percentage of respondents (64%) are not provided with sick leave or compensation for injuries. This can lead to particularly exploitative and illegal situations. One recruiting agency official recounted the following story:

We have another man they don't want to pay at all. He is a paraplegic now. They say, "We paid for you when you were at the hospital. When the doctor discharged you and you went back home, now we do not deal with you." We are taking the matter up with the labour representative in Klerksdorp. This man is living in Mafeteng. What the contractor has to do is he doesn't have to pay this man, but he has to fill in the forms for the compensation office in Pretoria, so they don't want to fill that forms on behalf of this man — they just refuse. The compensation office in Pretoria says that the contractor must fill in the form on behalf of this man. So somewhere you can see the money has just disappeared between the contractor and the compensation office. I believe the money has been sent for the man to the contractor by compensation, but has not been sent to the man by the contractor.<sup>119</sup>

This also reveals that recruiting agencies may, at times, act as advocates of sub-contracted mineworkers who find themselves in particularly abusive or oppressive predicaments with little chance of recourse.

Some mineworkers say they sustained injuries while on the job and were then blamed and not compensated or even dismissed:

I was once blinded by cement. I went to the hospital and was all right, but I wasn't paid and was told that I did it purposely.<sup>120</sup>

My father was working for a sub-contractor when he lost one of his legs. Now I ran into expenses because JIC didn't give him any money for his accident and said it was out of his stupidity.<sup>121</sup>

I had been retrenched when I injured my foot and I wanted to be paid for it. They didn't want to pay me or take me to the hospital, so I complained about that. That's why I got retrenched.<sup>122</sup>

Some worry about the effect of a crippling injury on how they are received at home — especially if they are not compensated:

It was my fear that if I just do a slight careless mistake and get injured my wife is going to leave me. I would understand. Who can stand living with a cripple who doesn't even have money even though he had been injured at work.<sup>123</sup>

When medical fees are paid for, injured workers may be taken to “back door hospitals” where the medical care provided is poor. In instances when an accident does result in deaths and contractors are involved, the consequences for the victim’s family may be devastating. In the Vaal Reefs disaster of 1995 the mineworkers employed by contractors were not covered by death benefits and their families received very little in the way of compensation. A special disaster fund was established and through this each family was given R5,000. The families of regular mine employees, however, received R60,000 each. This caused a great deal of confusion for family members:

I have seen many people whose family members come to our office and say, “But my neighbour’s husband was working on the same mine [as my husband]. An accident happened on the same level, the same place, the same day, the same time, but so-and-so got so much. She has got R60,000 plus other benefits and even other monies for the school fees until 18 years and so forth. But my kids and myself have not been able to get that money, why?”<sup>124</sup>

A health issue that begs further investigation is the impact of sub-contracting on the spread of HIV and other sexually transmitted diseases (STDs). Epidemiological research on the issue of STDs and HIV amongst miners does not examine contractors as a separate category.

Migrant miners and women living near the mines are high-risk populations. The risks associated with regular migrancy are probably exacerbated by the short-term nature of contracting. Mineworkers move from contract to contract, mine to mine and, therefore, one high-risk STD and HIV community to another and then home to Lesotho, placing themselves and their sexual partners at considerable risk. One of the very few respondents who admits to having extra-marital liaisons states that because he visits home less frequently since he began working for contractors, he is more sexually active with a number of partners at the mines. Thus, the itinerant nature of sub-contracting work may actually magnify the risk of spreading infectious diseases.

## SUB-CONTRACTING AND INDUSTRIAL RELATIONS

### ATTITUDES TO THE NUM

The impact of sub-contracting on the unions is potentially highly damaging. First, sub-contracting produces new tensions within the NUM between regular and sub-contract miners, between union members and ex-union members. Second, retrenchments and sub-contracting contribute to the decline in unions. Third, sub-contracting affects the way that mineworkers perceive the NUM as a structure that benefits them.

A number of our interviewees believe that increased use of contractors by the mines is actually an attempt to discredit and destroy the NUM:

The mines ran away from NUM exposing their corruption and the way they cheat illiterate, poor workers just because they could not interpret a thing on their pay slip. NUM is now working for its supporters and it is not easy any longer to cheat miners. So mines made an excuse that there was no more gold, to dismiss workers and hire sub-contractors who could employ desperate people they could cheat since they won't allow them to join unions.<sup>125</sup>

About two-thirds of the respondents in this study are currently not union members. Of those who do belong to a union, the overwhelming majority (77%) are NUM members, while the remaining 23% do not know to which union they belong. Some mineworkers are registered with small and unknown unions without their consent. This is possibly an attempt to prevent NUM membership.

These findings are in direct contrast with the results of the 1997 SAMP survey, which showed that only 11% of regular miners do not belong to a union.<sup>126</sup> While there is no legal barrier to prevent employees of contractors from joining unions, 72% of the mineworkers report that union participation is discouraged by the contractor for which they work and 40% claim that workers are dismissed if they join a union:

Sub-contractors don't allow workers to join unions. That's how they can make employees work no matter what. If you want to be fired, be big-headed and complain. They will kick you the hell out of work and you're going to starve.<sup>127</sup>

According to the respondents, sub-contractors make a number of excuses in order to discourage membership: unions make workers wild; unions spoil workers' minds; unions cheat workers out of their wages.

They also claim the date for union registration has passed and may forbid union representatives access to the compounds. There are some contractors, however, that do not inhibit unions: “Management encouraged workers fearlessly in Grinaker because they knew workers had no reason to complain since they were paid.”<sup>128</sup>

Although the majority of men (52%) do not know whether or not the NUM has been affected by contractors, 82% of those who did have an opinion believe that the NUM had been adversely affected. They provide a variety of responses:

NUM is in jeopardy because many workers are being retrenched. Sub-contractors’ workers don’t use union because NUM has a hard time trying to convince sub-contractors to allow workers the freedom to choose whether they want to support unions or not. I think that since it is only a few sub-contractors that work with NUM, very soon it will have to be abolished because it won’t have anyone to talk on behalf of. A lawyer can only be a lawyer if it has someone to speak for.<sup>129</sup>

It is true NUM is affected by the increased number of sub-contractors in the mines. But we workers are the ones that give NUM no chance to work for us. Sometimes we report problems and then go to management ourselves and get defeated while NUM is still trying to go step by step. In short, NUM could be effective if we gave it the chance it deserves.<sup>130</sup>

I don’t know for sure, but sub-contracting could be one weapon by mines to destroy NUM. Sub-contractors are used to make NUM less dangerous against mines. NUM is there to see to it that workers’ rights are respected. But mines run away from respecting these rights by employing sub-contractors which don’t abide by the rules and regulations of workers.<sup>131</sup>

Perceptions of what the NUM offers sub-contract workers also vary. Nearly half (48%) believe that the NUM has made no attempt to assist sub-contractors’ employees. A further 24% feel the NUM has tried to help, while the remaining 28% do not know. Some mineworkers are bitter that the NUM has not played a more effective role in alleviating the exploitation sub-contracted workers experience:

NUM is a union which works on behalf of workers. It must meet challenges like any other union fighting for rights. If it does not meet these challenges, what work will it have to

do? Affected or not, this is a good chance for it to show what it can do for workers and not just take fees without doing work ... [But] it hasn't done enough, at all. Sub-contractors work under bad conditions and are abused. NUM knows that these workers cannot force employers to let them join, but it doesn't do anything to help them because they are not members. How can they be members while it does not help them acquire membership?<sup>132</sup>

Even some NUM members are not pleased with the job the NUM is doing:

The union itself wasn't honest with us sub-contracted workers. It was not involving us in its meetings but would come to tell us what conclusions it had reached with regular miners. Maybe it did so [in order] not to interfere with sub-contractors, but it was unfair to us to be given conclusions and not be involved in making conclusions.<sup>133</sup>

Several of the miners are, however, satisfied with the efforts of the NUM when it does intervene. One man, for instance, believes that the NUM helped him retain his job:

I was expelled from the contractor once, though I got back because I refused to be cheated on the number of days I hadn't worked while I was sick. The management fired me for a couple of days but I refused to leave until I was rehired. My union supported me. A mine would not have expelled me for such an unfair thing as that.<sup>134</sup>

## RELATIONS WITH REGULAR MINERS

The introduction of sub-contracting at mines sometimes leads to hostility, and even violent conflict, between regular mine employees and sub-contracted miners. Miners feel that contractors undermine the basic employment standards they have attained and that their jobs may be the next to be sub-contracted. Only one-quarter of the men we interviewed said they experienced satisfactory relations with regular employees. Some 73% maintain that relations are conflictual. Examples range from name calling and mockery to violent altercations:

They [regular miners] refuse to work if the conditions are bad — like if the food wasn't good — or if they think the conditions are too risky to work under. They say sub-contracted workers are stupid because we cannot fight for our rights. They are right sometimes you know!<sup>135</sup>

Regular miners despise us. They dismantle or steal mine property but they say it's us. Sometimes they go for a strike that will benefit them as NUM will be on their side, but they threaten us sub-contractors' workers that they will kill us if we go to work. We would stay and later get problems with our management for not working.<sup>136</sup>

Regular miners really hate us ... [they] say we allow our employers to exploit us and make us work in dangerous places. As a result, they are at a risk because they refuse to work like slaves. Now mines hire sub-contractors and retrench them.<sup>137</sup>

In one incident, we put clothes where they are supposed to be while washing. A regular miner came and took overalls which belonged to a contract worker. That started a big fight among contract workers and regular miners. It was unreasonable what they fought for, but usually regular miners act as if they have a right to things in the mines that contractor workers don't.<sup>138</sup>

There is also a lot of ill feeling in return. Many men feel that regular mine employees are lazy and pampered:

With the contractors, workers hardly have time to go to school even if they would like to because they work hard and come back from work exhausted so that they can only rest, nothing else. But regular miners work like kings and have most of the work done for them. So they have time to go to the school provided for them.<sup>139</sup>

Such hostilities have, at times, compelled unions, contractors and mines to enter into discussions. At West Driefontein gold mine, a desire to resolve conflict between mine and sub-contractors' employees led to negotiations between NUM, contractors and the mine. Meetings with workers revealed "the conflict [was] not driven by malice or hatred of Contractors. It [was] driven by the feeling of insecurity and jobs being taken by Contractors in the traditional production process."<sup>140</sup>

## A BLEAK FUTURE

Traditionally, young men in Lesotho — especially those with little education — have flocked to the mines. It is now increasingly difficult for such men to find employment on the mines:

Lately, sub-contractors and mines want experience before they employ you ... My question is: what will happen to

these people who need work and are not being employed because they haven't got work experience? Should they suffer because they haven't worked before? Where will they get experience?<sup>141</sup>

Several men said that young people should come to the mines in order to witness first-hand the conditions their fathers, brothers and uncles must endure:

I would like it if these many young people who are not serious about school were taken to the mines to see how it is really like there, so that they may know what we are saying when talking about sub-contractors.<sup>142</sup>

Only 30% of the men we interviewed believe they have a future as a mineworker — either with a mine or a contractor. As many as 79% do not believe their sons will ever work as miners:

There is no way I can ever wish that my son works in the mines. I know the problems and he mustn't meet them. His only key is education because even if I wanted him to work in the mines, he wouldn't get a job. People are retrenched everyday and are told there is no more gold to mine. It [the gold] still won't be there when my son gets old enough to work.<sup>143</sup>

The harsh reality of the situation facing Lesotho's migrant mineworkers was aptly summarised by one man:

I think the mining our fathers used to talk about is gone now. The government of Lesotho must see to it that we get jobs in Lesotho. There are no more jobs for uneducated people in South Africa. The only thing sub-contractors can do now is exploit us and expel us when we are injured.<sup>144</sup>

## CONCLUSION

**T**he rapid growth of sub-contracting on the South African mines has been virtually ignored to date in the mainstream research literature. Perhaps this will change in the future. Sound policy-making in relation to sub-contracting requires a far more sophisticated information base than currently exists. The Chamber of Mines, the NUM and mining houses are all implementing changes in their data collection and analysis processes to differentiate between regular mine employees and sub-contracted workers. However, the fundamental conflict of interest between



labour and business on the issue of sub-contracting means that co-operation on information collection and full disclosure is unlikely without legislative intervention.<sup>145</sup> This paper also suggests that further independent research and data collection is also necessary to provide the various parties and government with disinterested information.

The primary implication of this particular study is that the practices of sub-contracting require fundamental restructuring. However, it is not our purpose to formulate detailed policy guidelines so much as to draw attention to the system and its implications for workers' rights. Here we have sought (a) to document the growth of sub-contracting on the mines; and (b) to examine its impact through the voices of those most affected by sub-contracting. The men we interviewed have very strong views and believe the system must be transformed.

Although many advocate the abolition of sub-contracting in general, the most common responses are more pragmatic and realistic, and recognize the inevitability of sub-contracting while seeking to alter the exploitative and demeaning features of the system. Thus, they argue, contractors should be required to adhere to the same regulations and provide the same conditions of employment as mines, better wages and benefits should be provided, and unions should be permitted to organize (Table 16). The table lists 19 different suggestions to improve the system of sub-contracting, but most can be subsumed under the most common suggestion: contractors should be required to abide by the same regulations that govern mines and provide workers with the same conditions.

Clearly, these are important issues that must be addressed. As this study has shown, the conditions of employment under contractors are significantly worse than those on the mines. Sub-contracted mineworkers have lower average wages and even the highest paid cannot expect to earn as much as regular miners with equivalent experience and/or qualifications. Yet sub-contracted miners are routinely required to work longer hours and under more dangerous conditions. Mineworkers feel their rate of pay should reflect such working conditions:

[Sub-contractors] know they are cheating us and must pay us more because we even work harder than regular miners. If I were to suggest, I would insist that paying workers is the best way for sub-contractors to improve their system. But also they must review the number of hours they make workers work a day. That kills us to work twelve or more hours a day and still be paid less than regular miners who work only for eight hours but get better wages while we are doing the same job.<sup>146</sup>

<b>Table 16: Suggestions to Improve Sub-Contracting</b>	
<b>Responses*</b>	<b>Frequency</b>
<b>Same conditions/regulations as mines</b>	<b>33</b>
<b>Better pay</b>	<b>23</b>
<b>Allow unions</b>	<b>18</b>
<b>Provide benefits</b>	<b>7</b>
<b>Shorter hours</b>	<b>6</b>
<b>Better food</b>	<b>5</b>
<b>More government involvement</b>	<b>3</b>
<b>Abolish sub-contracting</b>	<b>3</b>
<b>Inform workers of conditions beforehand</b>	<b>3</b>
<b>Better accommodation</b>	<b>3</b>
<b>Don't work in overly dangerous areas</b>	<b>2</b>
<b>Compensation for death or injury</b>	<b>2</b>
<b>No changes needed</b>	<b>2</b>
<b>Take accidents seriously</b>	<b>1</b>
<b>Treat workers better</b>	<b>1</b>
<b>Provide literacy training</b>	<b>1</b>
<b>Inform workers of deductions</b>	<b>1</b>
<b>Rid sub-contractors of corruption</b>	<b>1</b>
<b>Have black managers</b>	<b>1</b>
<b>Don't know</b>	<b>6</b>
<b><i>*More than one suggestion was accepted.</i></b>	

Furthermore, the vast majority of respondents state that they are not provided with the standard industry non-wage benefits such as medical schemes, sick leave or compensation in the event of injury and/or death. They argue, justifiably, that this must change.

Few sub-contracted workers belong to unions and most claim union participation is discouraged by contractors. Some report that they have been threatened with dismissal if they join a union. Sub-contractors' hostility towards unionization is a cause for concern for many respondents who believe that unionization would improve their employment and working conditions.

A prerequisite for comprehensive policy recommendations with regard to sub-contracting on the mines is a detailed independent inquiry into all facets of this phenomenon. For example, when mines claim that sub-contracting is the only way they can keep shafts operating and provide jobs, is this an accurate assessment? Or, is sub-contract-

ing merely a strategy that allows mines to circumvent the unions and increase profits, as its detractors claim?

Without a more informed understanding of what drives sub-contracting and an assessment of the real need for sub-contracting companies, it is unlikely that the NUM's attempts to regulate sub-contracting conditions will bear fruit. Only when an accurate picture has been established can it be expected that all interested parties can meet and agree upon a set of regulations. Otherwise, it is likely that there will be an unchecked increase in sub-contracting to the detriment of regular mine employees and sub-contracted workers alike. Regardless of the findings of any investigations, minimum safety and wage standards need to be established and enforced. This will require the co-operation and involvement of the NUM, the Chamber of Mines, member mines and the governments of South Africa, Lesotho and Mozambique.

We conclude therefore with a strong appeal to policy-makers in the Departments of Home Affairs, Labour, and Minerals and Energy to launch an independent investigation of the scope and impact of sub-contracting in the gold mining industry. This would be the necessary first step to stopping the ongoing erosion of working conditions and miners' safety that are accompanying the growth of sub-contracting. Furthermore, we recommend that the Department of Labour move expeditiously, through investigation and if necessary prosecution, to bring sub-contracting into line with the Basic Conditions of Employment Act.

## APPENDICES

**A**ppendix A and B list all contractors in the TEBA system in mid-1996. The list contains some contractors who do not service the mining sector (primarily construction) and companies who work in both mining and non-mining sectors. Hence the list is not a strictly accurate representation either of the companies or the size of the workforce involved in mining. Since it has not been possible to separate out the three types of contractors (mining, non-mining and both), the appendices should be seen as illustrative rather than definitive. In addition, the data base does not contain companies not registered with TEBA and has almost certainly changed since 1996 (with new companies being added all the time and others going out of business).

## APPENDIX A: SUB-CONTRACTORS EMPLOYING SOUTH AFRICAN AND FOREIGN LABOUR, 1996

Sub-contractor	South Africa	Lesotho	Mozambique	Other	Total
AECI Mining Services	45	0	4	1	50
AEW Mining	87	0	66	1	154
Almax Engineering	42	0	6	0	48
B & C Civil Contractor	121	0	39	0	160
Billmar	94	1	33	0	128
C & B Electric	22	0	1	0	23
Cable Joint & Mining	28	0	9	0	37
Cactus Multi Engineering	23	1	150	0	174
Cast Mining	348	33	345	28	754
Cimac Engineering	15	0	15	0	30
Concor Holdings	0	38	5	1	44
Concor Technicrete	391	114	456	7	968
Constantia Drilling	113	16	57	0	186
Constantia Mining	422	557	464	0	1443
Contra Mining Services	667	22	288	1	988
Cox and Associates	0	0	100	0	100
Crown	3	0	6	0	9
Davdrill	1	0	0	0	1
Daylone	180	0	48	0	228
Desre Mining	30	2	21	0	53
East Rand Development	10	1	0	0	11

Sub-contractor	South Africa	Lesotho	Mozambique	Other	Total
Econotrack	233	57	47	0	337
Elnathan Engineering	51	0	10	0	61
Engineering Mining	35	54	20	0	109
Engman	30	1	2	0	33
Ezifit	33	1	1	0	35
Fab Erect	57	0	81	1	139
Faniekon	12	0	1	0	13
Field Services	192	0	81	1	274
Foltners	63	0	53	0	116
France Rigging	7	0	4	0	11
Fraser Alexander	165	3	0	0	168
Future Mining	0	9	10	0	19
Gel Mining	83	2	0	0	85
Genrock	6	0	22	0	28
GFC Mining	135	152	17	0	304
GMT Reclamation	143	118	156	0	407
Goldfields Cementation	649	441	148	1	1239
Grinaker Mining	81	1	1	0	83
Hairpin	4	0	9	0	13
Helam Mining	0	0	444	0	444
Hydroseal/HP Drilling	86	0	35	0	121
Improvement CC	0	0	0	1	1
Improvent CC	6	0	4	0	10
Insul-Coustic	13	0	2	0	15
Intercor	12	0	1	0	13
International Mech	31	0	1	0	32
Interstate	29	16	7	0	52
Jay Aar Engineering	6	0	1	0	7
JIC Mining & Construct	2248	2363	5953	16	10580
JCI Services	5	0	0	1	6
Johlein Services	24	12	68	0	104
JP Swanepoel	0	12	12	0	24
Keeley	0	2	456	0	458
Khutala Mining Services	858	50	0	3	911
King Civil Engineering	51	0	2	0	53
Lillie Estates	8	2	0	0	10
Lombard Construction	20	0	4	0	24

Sub-contractor	South Africa	Lesotho	Mozambique	Other	Total
LPI Mining	0	10	89	0	99
Manica	0	6	21	0	27
Manpower Electrical	20	0	2	0	22
Master Drilling	86	0	94	1	181
MCEC	1	0	0	0	1
M & N Mining Services	12	2	111	0	125
MER Project	35	0	54	0	89
Michette Mining Services	30	125	275	0	430
Mine Mechanisation	146	168	514	3	831
Minesweep	0	4	0	0	4
Minroc Mining	42	139	89	2	272
Mine Tech Industries	29	1	1	0	31
Mining & Civil Engineering	0	0	1	0	1
Mining Services	315	17	98	0	430
Mmakau Mining	7	0	64	0	71
MTC Mining Services	62	9	46	0	117
Naledi Mining Services	571	533	720	0	1824
Norkim Construction	158	1	13	0	172
Pacific Electrical	64	1	26	0	91
P & B Engineering	7	0	12	0	19
PICM Randfontein	26	0	1	0	27
Power Dynamics	3	0	8	0	11
PMA Mining	1	0	2	0	3
Professional Services	16	2	525	0	543
RAK Mining	54	6	15	0	75
Reclateth	0	0	9	0	9
Rodio	100	2	0	0	102
RSA Pipe Cleaners	11	0	1	0	12
RUC Mining	2448	2815	1103	5	6371
Rucmin Ltd	16	20	1	0	37
Samat Mining	347	64	50	0	461
Sel Mining Exploration	100	25	0	0	125
Shaft Sinkers	349	380	4	0	733
Skelton & Plumber	30	0	2	0	32
Smart Mining	17	1	23	0	41
Sovereign	105	17	442	15	579
Spectrum 2000	205	4	134	2	345

Sub-contractor	South Africa	Lesotho	Mozambique	Other	Total
Steel Services	8	0	1	0	9
Stopetek	123	41	39	12	215
Subsurface Engineering	131	0	58	0	189
Target Mining	23	1	14	0	38
Topcraft	21	0	14	0	35
Tshepang	8	7	7	0	22
Tuncon Ltd	3	13	5	0	21
Tunnelcrete	38	4	34	1	77
Vickers	24	0	1	0	25
Victor Hydraulic	18	0	12	0	30
VNT Mining	28	0	31	0	59
VTN Mining CC	6	0	40	0	46
Welco Mining	53	0	19	0	72
Welkom Mining Supplies	199	4	1	0	204
Welldone Engineering	18	0	1	0	19
Welprop Support Systems	0	0	4	0	4
Western Engineering	13	0	2	0	15
Wilson Bayly Holms	11	0	1	0	12
Wimico	52	0	29	0	81
<b>TOTALS</b>	<b>14208</b>	<b>8503</b>	<b>14629</b>	<b>104</b>	<b>37444</b>

## APPENDIX B: SUB-CONTRACTORS EMPLOYING SOUTH AFRICAN LABOUR

Abedare	1	0	0	0	1
Adrina	6	0	0	0	6
Anglo Engineering	1	0	0	0	1
Anikem	2	0	0	0	2
Arnaco Construction	10	0	0	0	10
Banko Construction	9	0	0	0	9
Barracuda Enterprises	46	0	0	0	46
Bates Mining	1	0	0	0	1
B Civil	3	0	0	0	3
Behnken Construction	13	0	0	0	13
Bennman Mining	22	0	0	0	22
Bensoon	6	0	0	0	6
Bells Construction	46	0	0	0	46
BJ Nell	5	0	0	0	5
BMK	1	0	0	0	1

<b>Boart Seco</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Bojj Construction</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Burect</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>Caplamp</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Carman Projects</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>CBI</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Cegelec</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Civcon Engineering</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
<b>Conroc Mining</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
<b>Copperton</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>
<b>CPH Sub-Contractors</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Danuvia Projects</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Delra Construction</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Digital</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Dynatech</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>East Rand Development</b>	<b>38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>38</b>
<b>ECMP</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Environmental Civil</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Envirotech</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>
<b>Expoxerits</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>Fabcon Engineering</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>
<b>Fergo Services</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
<b>Forceelo</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Frascot</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>Fredco</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Gemsys</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Gendig Mining</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>Geotech</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Gordon P. Bennett</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>
<b>Grace Deardon Cons</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Howden</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Help Seal It</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>HL &amp; H Mining Timber</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Hopline Mining</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>HPL Construction</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Industrial Insulation</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Interlam</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>JM Blasting</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>



John Byrne Recl	2	0	0	0	2
KD Machine	5	0	0	0	5
KJLV Construction	28	0	0	0	28
Kubasa Mining	1	0	0	0	1
Lenbar	3	0	0	0	3
Lighting Structures	7	0	0	0	7
Man Dirk Mining	1	0	0	0	1
M & R Gillis Mason	22	0	0	0	22
Masentle Mining	21	0	0	0	21
Mine Aid Contracts	2	0	0	0	2
Mining & Contracting	5	0	0	0	5
Mining & Construction	6	0	0	0	6
Mine Support	5	0	0	0	5
Mine Rail Systems	14	0	0	0	14
Mining Engineering & Rock	1	0	0	0	1
Murganite Construction	10	0	0	0	10
Nopline Mining	7	0	0	0	7
Norman Sellwood Elec	22	0	0	0	22
Noweco	1	0	0	0	1
Panel & Controller	2	0	0	0	2
P & H Labour Hire	83	0	0	0	83
PICM	4	0	0	0	4
Plant Technology	2	0	0	0	2
Prestige	25	0	0	0	25
Pro Gold Mining	14	0	0	0	14
Promining	52	0	0	0	52
Prosan	21	0	0	0	21
RC Civics & Construction	9	0	0	0	9
Rebotech CC	15	0	0	0	15
Rema Tip Top	3	0	0	0	3
Rightway	1	0	0	0	1
RJ Southey	7	0	0	0	7
Robbins Co	2	0	0	0	2
Roys Steel	3	0	0	0	3
Samancor	8	0	0	0	8
Schulling Construction	1	0	0	0	1
Skelton & Plummer	13	0	0	0	13
SPH Mining	37	0	0	0	37

<b>Steel Grove</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>
<b>Stevenson Mining</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>
<b>Stevens Specialized Mining</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Stone &amp; Allied</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Strathmore</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Street Construction</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>
<b>Supercraft</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Sydcor Engineering</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>
<b>Tate &amp; Nicholson</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>Tornado Plant</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Trimpley</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Trollope Construction</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Turborep</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>
<b>UC Construction</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Unidrilling</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>
<b>Utopia Mining Services</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>
<b>Venray Mining</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Ventfoam</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>
<b>V &amp; S Mining Supplies</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>West Wits Contractors</b>	<b>53</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53</b>
<b>Wil-Con Engineering</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
<b>Willard</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Winches &amp; Winders</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>Winder Controls</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>
<b>W.P. Jones</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Wren Technologies</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>
<b>York</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b>Zelmar Engineering</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>TOTALS</b>	<b>1482</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1482</b>

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## APPENDIX C: NATIONAL UNION OF MINeworkERS 1995 MODEL AGREEMENT ON SUBCONTRACTING

The Company and the Union are committed to the productive and efficient utilization of employees so as to minimize the need for the contracting out of work.

### 1. BASIC CONCEPTS

The guiding principle in determining whether work should be contracted out or accomplished by the employees is that work the employees can do, or can reasonably be trained to do, shall be performed by the employees.

When the company does contract out work, this shall not lead to the retrenchment or downgrading of any employee.

### 2. REASONABLENESS

In determining whether it is more reasonable for the Company to contract out work than use its own employees, the following factors shall be considered:

- 2.1 Whether employees will be adversely affected as a result of a decision to contract out or not contract out any work. In this regard, the Company will not contract out work that will result in the downgrading or retrenchment of employees.
- 2.2 Desirability of recalling former employees who have been retrenched in the past.
- 2.3 Availability of qualified employees (including recallable former employees) able to complete the work.
- 2.4 Availability of required equipment on hand or by lease or purchase.
- 2.5 Availability of training courses and employees, who having been trained, would be able to complete the work.
- 2.6 The expected duration of the work and time constraints associated with the work.
- 2.7 Whether the decision to contract out the work is made to avoid any obligation under existing agreements with the Union or benefits associated with Union membership.
- 2.8 In the case of work associated with leased equipment, whether such equipment is available without a commitment to use the employees of outside contractors or lessors for its operation and maintenance.
- 2.9 Whether the employees of the subcontractor are unionized and whether their terms and conditions of service are not less favourable for workers than those for employees of the company. In particular, these minimum conditions will apply for all subcontracted work.

- Those who work for subcontractors must be formally registered, not illegal immigrants.
- They must be covered by retirement, injury, medical, unemployment and death benefits that are not less favourable than those enjoyed by other mine employees.
- Wage rates and average earnings must not be less than for comparable work performed by mine employees.

### 3. JOINT SUBCONTRACTING COMMITTEE

- 3.1 Within thirty (30) days of signing this Agreement, the Company and the Union will establish a Joint Subcontracting Committee to review contracting out practices and deal with matters in connection with the operation, application and administration of this agreement.
- 3.2 The Joint Committee will be composed of three (3) representatives designated by the Union in writing to the Company and three (3) representatives of the Company designated in writing to the Union.
- 3.3 The Committee shall meet at least once each month.
- 3.4 The Company will provide the Committee, on a confidential basis, with all relevant information to allow the Committee to form a judgement on the reasonableness of contracting out any work.
- 3.5 The terms of reference of the Committee shall be:
  - (i) to establish a list of work that has historically been contracted out because of the need for specialized skills, specialized equipment and the lack of facilities;
  - (ii) to review contracted work, with the goal of replacing contractors with Company employees, where reasonable;
  - (iii) to preview work expected to be contracted out and explore possible alternatives taking into consideration the efficiency of the operations, the urgency of the work to be performed and the availability of equipment, skills, training possibilities and personnel;
  - (iv) to resolve the matter, under i), ii) or iii) above, by mutually agreeing that the work in question either shall or shall not be contracted out or, if the matter is not resolved, to submit the disagreement to expedited arbitration.

### 4. NOTICE AND INFORMATION

- 4.1 Before the Company proposes an item of work for the Joint Committee to consider for contracting out, the Union committee members shall be given notice in writing in sufficient time

for the union to develop alternative proposals (This shall not apply in an emergency).

4.2 Such notice shall be in sufficient detail for the Union to form an opinion as to the reasons for contracting out and shall include the following information:

- Location of work
- Type of work (service, maintenance or new construction)
- Description of work
- Name of the subcontractor
- Occupations and numbers involved
- Compliance of the subcontractor with the items mentioned in 2.9 above
- The extent of unionization amongst the sub-contractor's employees and their union affiliations
- Estimated duration of work
- Anticipated effect on employees during the period
- Effect on operations if work is not completed in time

#### 5. DEFINITIONS

An emergency is defined as a situation that requires immediate action to be taken to correct a serious health and safety situation, to correct an immediate environmental hazard or prevent the shut-down of an operating facility and for which qualified members of the workforce are not available to provide the required skills/service within the necessary time frame.

## ENDNOTES

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- 2 Jeff Guy and Mothlatsi Thabane, "Technology, Ethnicity and Ideology: Basotho Miners and Shaft Sinking on the South African Gold Mines," *Journal of Southern African Studies* 14 (1988), pp. 257–78.
- 3 Jonathan Crush, Alan Jeeves and David Yudelman, *South Africa's Labor Empire: A History of Black Migrancy to the Gold Mines* (Boulder and Cape Town, 1992); Wilmot James, *Our Precious Metal: African Labour in South Africa's Gold Industry 1970–1990* (Cape Town, 1992) and Jonathan Crush and Wilmot James (eds), *Crossing Boundaries: Mine Migrancy in a Democratic South Africa* (Cape Town and Ottawa, 1995).
- 4 National Union of Mineworkers, "Contracting Out in the Mining Sector" Third Submission by the National Union of Mineworkers, Commission of Inquiry to Investigate the Development of a Comprehensive Labour Market Policy, Johannesburg, 1995.
- 5 In 1995, the Chamber of Mines agreed to give the NUM the right to information about all sub-contracting on each mine. At the time of writing in early 1999, this agreement had still not been activated.
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- 17 R. Naidoo, "Labour Broking: The Smoke and Mirrors Industry" *South African Labour Bulletin* 19(1) (1995), p. 43.
- 18 J. van Wyk, "Contract Mining vs In-House Mining: A Contractor's Perspective" Paper presented at Conference on Contracting Out in Mining, Fourways, 1997, pp. 23–5.
- 19 Peter Lewis, "Aspects of the Labour Regime in the Gold Mining Industry: An Analysis of Full Calendar Operations in the 1990s" (Industrial Health Research Group, nd) p. 24.
- 20 The sub-contracting database is part of a much larger migration data base being compiled by SAMP. The assistance of TEBA is gratefully acknowledged in gathering statistics for the database on sub-contracting firms and their labour composition.
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- 22 Interview with John Odgers, Welkom Mining Supplies, 7 October 1997.
- 23 NUM, "Contracting Out," p. 153.
- 24 Interview with NUM Shaft Steward, Durban Roodepoort Deep Mine, 25 August 1997.
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- 27 Interview with Raymond Machecheoane, NUM Regional Office, Gauteng, 11 August 1997.
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- 30 Ibid.
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- 42 Some analysts have questioned the industry's claim that it must reduce its costs and argue that the current crisis of profitability is caused by a fall in revenue rather than increased costs; see, for instance David Coplan and Thoalane Thoahlane, "Motherless Households, Landless Farms: Employment Patterns among Lesotho Migrants" in Crush and James, *Crossing Boundaries*; and Natrass, "South African Gold Mining."
- 43 TEBA data for April 1998. The figure includes both mine employees and sub-contract workers. While the number of jobs reported as lost differs from one study to another, and with the actual measure used, the downward trend is consistent.
- 44 See Crush and Williams, *The New South Africans?*; and Sechaba Consultants, *Riding the Tiger*, which show that these miners still regard Lesotho as home and intend to return there when they leave mine employment.
- 45 Statistics from World Bank, *Lesotho Poverty Assessment*, Washington: World Bank, Report No. 13171-LSO, 1995, p. 47;



Sechaba Consultants, *TAMS Water Study*, Maseru, 1995;  
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- 46 Gay Seidman, “Shafted: The Social Impact of Down-scaling in the OFS Goldfields,” In Crush and James, *Crossing Boundaries*.
- 47 Sechaba Consultants, *Riding the Tiger*.
- 48 *Ibid.*, p. 2.
- 49 *Ibid.*, p. 8.
- 50 The TEBA offices in Lesotho were instructed in November 1997 not to recruit any more “novices” for contractors. The restriction does not apply to regular mine contracts although, according to TEBA, “the time for recruitment of novices is largely over.” Only about 2% of new contracts are currently given to novices; Sechaba Consultants, *Riding the Tiger*, p. 10.
- 51 Interview with TEBA Official, Maseru, 13 May 1998.
- 52 Most of the miners did not know their gross monthly pay. As a result, the section of the questionnaire requesting information on the various deductions proved to be frustrating for both the interviewee and the interviewer. Furthermore, many workers complained their pay slips were confusing and that they did not know what deductions were being made or how much was deducted.
- 53 This excludes compulsory deferred pay to which sub-contract miners are now subject.
- 54 Although many men estimated their household’s monthly expenditures, it was clear that this was pure guesswork. One interviewee claimed that his household’s fuel consumption (for heating and cooking purposes only) was R1000 per month. This is more than the average household’s total monthly expenditure.
- 55 Sechaba Consultants, *Riding the Tiger*, p. 5.
- 56 Another source of income does not necessarily indicate that a household member is employed; it may only reveal someone outside the household contributes financially at some point during the course of the year.
- 57 Coplan and Thoalane, “Motherless Households, Landless Farms”; Seidman, “Shafted.”
- 58 Estimated livestock value: cattle – R1100; horses – R1500; donkeys – R600; sheep – R175; goats – R100.
- 59 Although agriculture figures prominently, few households in Lesotho are able to successfully engage in true subsistence farming. Furthermore, agriculture in Lesotho is highly dependent upon miners’ income in order to purchase the necessary agricultural inputs.

- 60 There is confusion at times as to whether men are recruited by Ramsden, Ribaneng or Acrol. The three agencies are referred to interchangeably as Matseletsele because Ribaneng is owned by three brothers with the surname Matseletsele. Ramsden was until recently managed by one of these brothers, and one brother works at Acrol.
- 61 Interview with Chris Hector, TEBA Manager Lesotho and Free State, Maseru, 6 April 1998.
- 62 Ribaneng also use the same contract for both mines and contractors. One of the owners assured us, however, that recruits are informed of the conditions of employment with contractors.
- 63 Interview with TEBA Official, Lesotho, 13 May 1998.
- 64 Interview with MP, Teyateyaneng, 5 May 1998.
- 65 Interview with LL, Qacha's Nek, 27 April 1998.
- 66 Interview with RM, Maseru, 5 May 1998.
- 67 Interview with JC, Leribe, 11 May 1998.
- 68 Interview with TEBA Official, Lesotho, 9 April 1998.
- 69 Interview with TEBA Official, Lesotho, 13 May 1998.
- 70 Ibid.
- 71 Interview with TT, Mafeteng, 13 May 1998. Initials are used to protect the identity of interviewees.
- 72 Interview with KH, Qacha's Nek, 24 April 1998.
- 73 Interview with TEBA Official, Lesotho, 13 May 1998.
- 74 Interview with TEBA Official, Lesotho, 6 May 1998.
- 75 See for instance Judy Gay, *Basotho Women's Options: A Study of Marital Careers in Rural Lesotho* (PhD Thesis, University of Cambridge, 1980); Colin Murray, *Families Divided: The Impact of Migrant Labour in Lesotho* (Johannesburg, 1981); Elizabeth Gordon, "Easing the Plight of Migrant Workers' Families in Lesotho," In W. R. Bohning, ed., *Black Migration to South Africa* (Geneva, 1981); and Coplan and Thoalane, "Motherless Households, Landless Farms."
- 76 Sechaba Consultants, *Riding the Tiger*, p. 9.
- 77 Interview with LL, Qacha's Nek, 27 April 1998.
- 78 Interview with SM, Qacha's Nek, 23 April 1998.
- 79 Interview with NR, Qacha's Nek, 29 April 1998.
- 80 Interview, BP, Maseru, May 28, 1998.
- 81 Ibid.
- 82 Interview with ML, Leribe, 19 May 1998.
- 83 Interview with HL, Maseru, 6 May 1998.
- 84 Interview with MK, Leribe, 11 May 1998.
- 85 Interview with MP, Teyateyaneng, 5 May 1998.
- 86 Interview with LS, Maseru, 15 April 1998.

- 87 Interview with NR, Qacha's Nek, 29 April 1998.
- 88 Interview with MN, Maseru, 27 May 1998.
- 89 Interview with TT, Mafeteng, 13 May 1998.
- 90 Interview with RN, Maseru, 11 May 1998.
- 91 Interview with LR, Maseru, 27 April 1998.
- 92 Interview with MP, Teyateyaneng, 5 May 1998.
- 93 Lewis, "Aspects of the Labour Regime", p. 15
- 94 Ibid., p. 18.
- 95 Interview with DR, Mafeteng, 25 May 1998.
- 96 Interview with BM, Qacha's Nek, 23 April 1998.
- 97 Interview with TB, Leribe, 14 May 1998.
- 98 Interview with Ramsden Bleskop, Maseru, 29 May 1998.
- 99 Interview with ML, Leribe, 19 May 1998.
- 100 Interview with TM, Maseru, 16 April 1998.
- 101 Interview with TEBA Official, 20 April 1998.
- 102 Interview with LB, Qacha's Nek, 28 April 1998.
- 103 Interview with MT, Mafeteng, 25 May 1998.
- 104 See Seidman, "Shafted."
- 105 Interview with TK, Maseru, 27 May 1998.
- 106 Interview with TL, Maseru, 7 May 1998.
- 107 Information from Department of Minerals and Energy.
- 108 Personal communication, Diane Owen Thomas, Chamber of Mines, 16 July 1998.
- 109 Lewis, 1997, p. 23
- 110 Interview with Teba Official, Lesotho, 6 May 1998.
- 111 Interview with PP, Leribe, 19 May 1998.
- 112 Interview with LB, Qacha's Nek, 28 April 1998.
- 113 Interview with LM, Leribe, 11 May 1998.
- 114 F. Smith, "Contracting Mining and the New Mine Health and Safety Act," mimeo, 1997.
- 115 Ibid., p. 7
- 116 Interview with TM, Mafeteng, 25 May 1998.
- 117 Interview with BP, Maseru, 28 May 1998.
- 118 Van Wyk, "Contract Mining."
- 119 Interview with Ramsden Bleskop Employee, Maseru, 19 May 1998.
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- 121 Interview with HM, Leribe, 7 May 1998.
- 122 Interview with PM, Mafeteng, 13 May 1998.
- 123 Interview with TT, Leribe, 15 May 1998.
- 124 Interview with Puseletso Selae, Mineworkers Development Agency, Maseru, 28 April 1998.
- 125 Interview with MK, Leribe, 11 May 1998.

- 126 Sechaba Consultants, *Riding the Tiger*, p. 9.
- 127 Interview with LB, Qacha's Nek, 28 April 1998.
- 128 Interview with LL, Leribe, 8 May 1998.
- 129 Interview with TH, Mafeteng, 26 May 1998.
- 130 Interview with TQ, Maseru, 12 May 1998.
- 131 Interview with TT, Mafeteng, 13 May 1998.
- 132 Interview with ES, Qacha's Nek, 29 April 1998.
- 133 Interview with TP, Mafeteng, 13 May 1998.
- 134 Interview with DR, Mafeteng, 25 May 1998.
- 135 Interview with LB, Qacha's Nek, 28 April 1998.
- 136 Interview with NL, Leribe, 6 May 1998.
- 137 Interview with PB, Teyateyaneng, 5 May 1998.
- 138 Interview with KH, Qacha's Nek, 24 April 1998.
- 139 Interview with LB, Qacha's Nek, 28 April 1998.
- 140 NUM, "Proposed Approach to Address the Conflict between West Driefontein Workers and Contractors", mimeo, n.d.
- 141 Interview with MP, Maseru, 27 May 1998.
- 142 Interview with BP, Maseru, 28 May 1998.
- 143 Interview with TT, Leribe, 7 May 1998.
- 144 Interview with KM, Maseru, 27 May 1998.
- 145 This conflict of interest is clearly evidenced by the failure, to date, to effect the 1995 Chamber-NUM agreement on information-sharing and the inability of the NUM to secure agreements with individual mines on joint decision-making concerning sub-contracting. Neither the NUM nor the Chamber have any reliable idea how many sub-contractors there are on the mines nor the size of the labour force employed by sub-contractors; personal communications from Devan Pillay and Diane Owen-Thomas, March 1999.
- 146 Interview with MP, Maseru, 27 May 1998.

PUBLISHED BY:

SOUTHERN AFRICAN MIGRATION PROJECT  
6 Spin Street  
Church Square  
Cape Town 8001



PARTNERS:

Idasa (South Africa)  
Queen's University (Canada)  
Sechaba Consultants (Lesotho)  
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This project is funded by the  
Canadian government through the  
Canadian International Development Agency (CIDA).