

# Subcontracting in South African mines undercuts workers' wages and conditions

Our correspondent  
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More than one in ten miners in South Africa are now on short-term contracts, a new study has found, and are routinely required to work longer hours, under more dangerous conditions than ordinary miners.

The study, *Undermining Labour: Migrancy and Subcontracting in the South African Gold Industry*, was released this week by the Southern African Mining Project (SAMP) and is published by the Institute for Democracy in South Africa. Within a single decade, the gold mining industry has cut more than 50 percent of its workforce, from more than 500,000 workers in 1987 to 240,000 in 1998.

The study estimates that in 1995 there were more than 3,000 brokering agencies providing labour-only subcontracting. These agencies supplied more than 100,000 workers at any one time. The National Union of Mineworkers (NUM) and the Chamber of Mines reached an agreement in 1995 to share information on subcontracting, but the agreement has never been implemented.

"The main players seem to know, or will admit to knowing, very little. The government knows even less. Neighbouring states that depend on mine migrancy to South Africa are also in the dark," the study reports. "Our impression was that the mines are extremely reluctant to divulge the full extent of their subcontracting relationships."

SAMP explored the working conditions and experiences of ordinary miners on contracts in Lesotho, based on interviews with a sample of workers, recruiters, managers and subcontractors. The report argues that sound and reliable information on the whole subcontracting phenomenon is urgently needed.

The study found that the rise of subcontracting has created tensions between regular and subcontract workers. Together with retrenchments, it has also

contributed to a decline in union membership. About 70 percent of those interviewed report that contractors discourage union participation and 40 percent say workers are threatened with dismissal if they join a union.

The authors draw four other conclusions from their research:

- Subcontract employment is a relatively new experience for most miners, but nearly two-thirds of subcontracted workers are simply retrenched miners with previous mine experience. Some contractors do hire workers new to the industry, mainly because those with experience are more reluctant to accept the decline in working conditions.

- Subcontractors prefer foreign workers since they are more likely to accept wages and working conditions that South Africans shun. The proportion of foreign labour in the subcontracting sector is rising and is now above 30 percent. The larger contractors favour workers from Mozambique and Lesotho.

- The employment of subcontracted workers is highly unpredictable, irregular, insecure and unstable. The uncertainty is acute when workers are retrenched. The vast majority receive no severance package, and almost half are given no notice. They are required to leave the workplace and hostels within a matter of hours. Mines typically give full-time workers a month's notice. Only 14 percent of those retrenched by contractors were given one month's notice.

- Working conditions and compensation of subcontracted miners are generally worse than those of regular miners. As many as two-thirds of miners interviewed said they were not advised of the terms of

their contract before starting their job and had not been paid the promised wages, benefits and bonuses. Some 52 percent said they were routinely paid late, 10 percent said they were not paid in full and 70 percent reported earning less than 800 rand a month, compared to 48 percent of regular miners. Others reported that agreed accommodation was also not made available.

In the Vaal Reefs disaster of 1995, mineworkers on temporary contracts were not covered by death benefits and their families received very little by way of compensation. A special disaster fund was established and through this each family was given 5,000 rand. The families of regular mine employees, however, received 60,000 rand each.

The study's authors—Jonathan Crush, Theresa Ulicki, Teke Tseane and Elizabeth Jansen van Vuuren—conclude that the rapid growth of subcontracting in the South African mines has virtually been ignored to date, and that policies on it require far more information to be made available. But they warn that the conflicting interest between labour and business means that this is unlikely to happen voluntarily. They have urged the government to launch their own investigation instead and for the Department of Labour to consider prosecutions to bring subcontracting into line with the basic conditions of the Employment Act.

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