Gold Mining Companies in Africa:

Workers' Experiences

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Introduction: A history of social and environmental destruction

Gold mining has been one of the key industries at the heart of the colonial and imperial conquest of Africa. In many cases, industrialisation and the accompanying migrant labour system were built around gold mining activities. Over time, European capital developed into powerful mining houses in Africa, with Anglo-American being the most prominent one. Almost 80% of the world's gold is used for jewellery and as a store of wealth it underpins the financial system as a "natural" currency. Gold mining in Africa still continues, although its economic importance and dominance has declined in recent years.

It is often forgotten that most mining sites were first discovered by African small miners, who were then displaced by European prospectors and later on large multinational mining companies. These companies formed alliances with ruling elites and ensured highly profitable operations for many decades. African governments often relied on the mining industry for tax and export income and rewarded them with generous incentives such as lower tax rates, profit repatriation, non-enforcement of environmental and labour standards etc. The benefits for Africa were limited as about 90% of the wealth created from gold mining leaves the continent!

In many cases, the long-term damage caused by mining operations was greater than the benefits for the host countries. Gold mining uses large quantities of water and as a result leads to desertification of surrounding areas, making them unsuitable for agricultural production. Gold mining also requires large amounts of energy and causes huge amounts of dust, which threatens the health of mine workers and people living in the surrounding areas. Mining companies usually refuse to carry the full responsibility and costs of their operations. As a result, gold mining operations result in long-term damages and clean-up costs, which are extremely expensive, often unaffordable for the host countries.

Overall, the mining industry has consistently refused to take responsibility for the destruction of communities and ecosystems for more than a hundred years. Gold mining disturbs the landscape, the water table, and ecosystems because large amounts of earth and ore have to be removed to get small amounts of gold. Gold mining also disturbs underground water and pollutes water systems. It creates mountains of toxic waste because of the chemicals used in processing gold. Gold mining produces noise and dust, which can be toxic and even radioactive.

Gold mining takes place where the gold ore is found, no mater if it is on sacred land, on agricultural land or in an environmentally sensitive area. It uses large amounts of water, it disturbs and changes local economic systems and leaves an economic vacuum when the mine closes.

Furthermore, privatisation of gold mining ventures over the past 30 years led to large-scale retrenchments and forced many mine workers to become small-scale miners. Confrontations between those miners and the large mining companies increased as the companies often enjoyed government protection and support, even when they evicted communities and then paid them just a pittance in compensation for their crops, trees and land. When the affected people protested, their action was often violently suppressed by the army and police who acted on behalf of the companies.

The impact of gold mining on local communities, and women in particular, has been harsh. They lost access to natural resources when land use rights were awarded to mining companies; local water resources were polluted and families were destroyed when the migrant labour system drew them apart. These effects are well documented and can still be seen in many African countries today. However, mining companies refused to accept responsibility and instead were employing lawyers to protect them against legal action from communities who suffered the consequences of their mining operations.

In recent years, affected communities and activists joined forces with trade unions to jointly tackle mining companies. Various networks were established to campaign for the monitoring of mining companies; for the rehabilitation of damaged resources like water and land; and for compensation for mine workers and their communities. The networks want to ensure that economic investments are used in sustainable projects that respect people’s cultures and their right to self-determination. Other demands include equal opportunities for women (who have been overlooked by mining projects) and drastic punishment for mining companies that violate people’s rights or environmental standards. Some of these initiatives are beginning to show success as mining companies had to respond to public pressure and change their practices.

This booklet examines the behaviour of three leading gold producers in Africa, namely Gold Fields (in Ghana and South Africa), Anglogold Ashanti (in Namibia, Tanzania and Zimbabwe) and Metorex (in Zambia). Special attention is given to labour relations and working conditions, company restructuring, HIV/AIDS policies and practices; health and safety and environmental issues and social responsibility programmes.

The mining companies: a brief profile

Gold Fields Limited is one of the world's largest gold producers. It was formed in 1998 when Gold Fields of South Africa merged with Gencor Limited. Gold Fields' head office is in Johannesburg, South Africa and the company has operations in South Africa, Ghana, Australia and Finland. Gold Fields Ghana is owned by Gold Fields Limited (71%), IAMgold, a Canadian gold company (19%) and the Ghanaian government (10%). In South Africa, Gold Fields owns the Driefontein, Kloof and Beatrix mines. In Australia, Gold Fields owns the St Ives and Agnew gold mines while in Finland it owns the Arctic Platinum Partnership, an exploration venture.

Gold Fields produces about 4,3 million ounces of gold every year and is listed on the Stock Exchanges in Johannesburg, New York, London, Paris, Brussels and Switzerland.

Anglogold Ashanti Limited was formed in April 2004 through a merger of Anglogold Limited and Ashanti Goldfields Limited. The company has 25 operations in 11 countries on four continents (Africa, Australia, South America and North America) and is the world's largest gold producer with 7 million ounces annually. The company head office is based in Johannesburg, South Africa and Anglogold Ashanti is listed on the stock exchanges in Johannesburg, Ghana, New York, London, Paris, Brussels and Australia.

Anglogold Ashanti employs more than 62 000 people worldwide of whom about 80% are permanent workers. Women account for just over 3% of the company's workforce. The company's gold mines in Africa include two gold mines in Ghana (Obuasi and Iduapriem), 6 mines in South Africa (Great Noligwa, Moab Khotsong, Tau Lekoa, Mponeng, Tau Tona and Savuka), and the Siquiri gold mine in Guinea. Anglogold Ashanti also owns about 40% of shares in the Morila, Sadiolo and Yateal mines in Mali.

Metorex (Pty) Limited was formed in 1975, initially participating in the small mining sector. It is much smaller than the other two companies but increased significantly in size in 1999 when the Metorex Group was formed, controlled mostly by Consolidated Murchison Limited. The Group runs several mines in South Africa, including the Metmin, Maranda, Wakefield, Vergenoeg, O'okiep and Barberton Mines and is listed on the Johannesburg and London Stock Exchange.

Outside South Africa, the company owns 85% of the Chibuluma Mines in Zambia and has a 20% share in the Crew Gold Corporation in the UK and a 41% share in the Crew Development Corporation in Canada.

The companies' relations with trade unions

Gold Fields has signed recognition agreements with the major mineworkers unions in Ghana and South Africa. These are the Ghana Mineworkers Union (GMWU), an affiliate of the Ghana Trades Union Congress (TUC), and the National Union of Mineworkers (NUM), which is affiliated to the Congress of South African Trade Unions (COSATU). In South Africa, two smaller trade unions, jointly representing 11% of the workers were also recognised by the company.

Although Gold Fields largely complies with the recognition agreements signed in the two countries, trade unions experienced several problems. NUM shop stewards in South Africa experienced problems when trying to get time off to attend to union activities which management sometimes regards as "a waste of time". NUM also experienced that the company tried to discourage workers from joining the union. In some cases, union membership fees were not deducted or supervisors stated bluntly that they did not need workers who were union members. Furthermore, management took a very hostile stance towards workers' action in support of wage demands. The company even stalled the implementation of collective agreements and one of the smaller unions (Solidarity) took the company to the Commission of Conciliation, Mediation and Arbitration (CCMA) over the non-implementation of agreements on overtime pay, production bonuses etc.

In Ghana, the union did not yet have full-time shop stewards. When Gold Fields took over the Damang mine in 2001, it laid-off all the existing workers and hired new workers to replace them. A small number of the retrenched workers were re-employed apparently due to the difficulty to replace those with rich experience in mining. The workers complained that management was sometimes reluctant to convene management-union meetings. They also complained about management reluctance to implement some clauses in the collective agreement relating to education and medical care for mineworkers and their dependents.

Unions in Ghana and South Africa experienced problems to get access to relevant information, needed for negotiations. The company used the excuse of "sensitive information" to deny the recognised unions access to financial information, which is essential for a fair process of collective bargaining. Likewise, the company did not consult unions on workplace restructuring which was regarded as "management prerogative".

Unions operating at **Anglogold Ashanti** also experienced several problems. In Namibia and Tanzania, workers were represented by a single union, the

Mineworkers Union of Namibia (MUN) and the Tanzania Mining and Construction Workers Union (TAMICO). In Zimbabwe, however, workers were divided along political lines with the majority belonging to the Associated Mine Workers Union of Zimbabwe (AMWUZ), which is an affiliated of the Zimbabwe Congress of Trade Unions (ZCTU). The other workers were members of the Zimbabwe Mining, Quarrying, Iron and Steel Workers Union (ZIMQISWU), an affiliate of the rival Zimbabwe Federation of Trade Unions (ZFTU).

The Tanzanian union experienced the biggest problems as the company refused to sign a recognition agreement – unlike in Zimbabwe and Namibia. Instead, Anglogold Ashanti's Geita in Tanzania signed a code of conduct and access agreement but refused to negotiate wages and working conditions. They were determined unilaterally by management, which argued that it had its own system to determine wages and working conditions based on international labour markets. Thus the company undermined collective bargaining and discouraged workers from joining the trade union. Some workers were even dismissed for joining the union.

In Namibia and Zimbabwe, the company met regularly with workers representatives to discuss health and safety issues, environmental concerns and other matters affecting workers. However, no such meetings took place in Tanzania and workers there were not even allowed to carry out trade union activities at the workplace. Management even insisted on approving any information that the union want to distribute to its members.

Workers at the Anglogold Ashanti mines went on strike in all three countries in recent years. In Namibia, the reason was a dispute over pay for work on Sundays, public holidays and night shifts as well as over the unhealthy working conditions at the mill. These matters were resolved after the strike in 1999. In Tanzania, workers went on strike in 2004 in protest against the non-recognition of their union and the union-bashing tactics of management. However, the company has still not changed its behaviour and continuously undermines the union through intimidation and non-recognition.

Zimbabwean workers went on strike in 2000 to protest against the lack of safety measures and equipment. Although an agreement was reached after the strike, the company suspended and later fired several workers for taking part in the strike. In 2001, workers protested against low wages and downed tools when management refused to meet their demands. In a show of brutal force, the company called in the riot police to deal with the workers. In 2004, workers went on strike again over poor wages and working conditions and a compromise was reached.

Union-company relations are better at the **Metorex** mine in Zambia, where workers are represented by two trade unions, the Mineworkers Union of Zambia (MUZ) and the National Union of Mine and Allied Workers (NUNAW), which broke away from MUZ in 2003. The MUZ represents the majority of workers and has a recognition agreement with the company. Salaries and conditions of employment are negotiated every 2 years and the union has access to the relevant information, including production data and company accounts. However, there were tensions over wage increases and their implementation in 1999, 2000 and 2001. In all cases, a negotiated settlement could be reached and thus no strike action took place.

Overall, the mining companies seem to use some underhand strategies to weaken the unions by unilaterally terminating the deduction of union membership fees, playing out one union against the other and refusing access to financial information. The companies also use weaknesses in national labour legislation to their own advantage.

Working conditions

There were no children employed at the mining companies that we covered in this booklet. Company policies prohibit the use of child labour and forced labour but the mining companies don't force their sub-contractors to do the same. It is thus possible that sub-contractors may use child labour or forced labour when they carry out work for the mining company.

No children employed, but…

Workers at Anglogold Ashanti's Freda Rebecca Gold Mine in Zimbabwe did not earn enough to sustain their families. As a result, family members had to undertake "informal activities" to survive, including illegal gold panning on a mine formerly operated by Freda Rebecca. This is the story of an 8-year old boy:

"My father works for the mine (Freda Rebecca). I have to come down here with my mother, an uncle, brothers and sisters to look for gold. I no longer go to school because my parents told me they couldn't afford to pay my school fees. We have to wake up early so that we can rush to find a good place to dig. The older family members dig out the ore, and I have to take it to the dam (a stagnant and heavily polluted water body) to wash out the gold. I have to carry many heavy buckets (our wheel barrow no longer works). I have to carry so many buckets as everyone in our family is digging for the gold. My sister sometimes helps me, but she has to do the cooking, washing and also help my mother to dig for gold. She also has to sell some freezits (a plastic package beverage) to some of the other miners, to make some more money. I have been lucky in that I have never fallen down the deep holes made from the digging, but last month, I saw a man who broke his neck and died!"

Most companies negotiated wages and benefits with the recognised unions. In Ghana and South Africa, this took place on an industry-wide basis and covered all mining companies in the country. In Namibia, Zambia and Zimbabwe, negotiations took place at company level. The wages and benefits that workers received differed significantly between countries and companies as set out in table 1. When comparing these working conditions, we have to keep in mind that the costs of living differ across countries. Also, the general wage level in a country influences wages and benefits. Mining operations generally are capital intensive and wages usually form only a small part of the companies' overall expenses. Thus companies might pay relatively high wages but still make huge profits.

In general, wages paid by Gold Fields in Ghana and Angolgold in Namibia and Tanzania were relatively high compared to other workers in the country. However, the situation was different in Zimbabwe, where workers at the Freda Rebecca mine (owned by Anglogold Ashanti) earned far less than workers at other Zimbabwean mines. Many workers could not survive on their meagre salaries and thus resorted to additional "informal activities" to make ends meet. These "informal activities" included illegal gold panning which was very risky and resulted in many injuries and deaths. Thus mine workers at Freda Rebecca were forced to risk their own lives in search of a supplementary income. Even local mine managers earned relatively low salaries and resorted to theft to supplement their incomes.

The salaries paid by Metorex in Zambia were above the national minimum wage in the industry but below those paid to contract workers. This was a deliberate strategy used by management to entice permanent workers to become contract workers.

Table 1: Wages and Benefits

Benefits	***South Africa (Gold Fields)***	***Ghana (Gold Fields)***	***Namibia (Anglogold)***	***Tanzania (Anglogold)***	***Zimbabwe (Anglogold)***	***Zambia (Metorex)***
Wages (in U$)	328-592 (unskilled) 862-2117 (skilled)	178-308 (unskilled) 422-930 (skilled)	436 – 875 (unskilled) 1052–1240 (skilled)	150 – 750 (unskilled)	48 –61 (unskilled) 74-112 (skilled)	121-176
Retirement Fund	Yes. Employer pays 13,5% of basic wage	Yes. Workers and company contribute 10%.	Yes.	NA	NA	NA
Social	Legal	Legal	Legal	Legal	Legal	NA

Security	requirement.	requirement. Company contributes 12,5% of basic pay.	requirement. Company and worker contribute 0,9% of basic wage.	requirement. Company and workers contribute 10% of basic wage.	requirement. Workers contribute 3% of basic wage	
Medical aid/medical care	Only for those staff members who can afford the premium. Lowly paid workers rely on the mine's clinic.	Company provides free medical care for staff, their spouses and children.	Yes	Company provides clinic and covers hospital costs for workers and their dependants.	Workers are only covered for primary health care while management receives comprehensive cover.	Company covers medical expenses for staff, spouses and children/ dependants
Loans	NA	Compassionate interest-free loans are granted if criteria are met.	Interest free loans of U$ 79 per month.	NA	Study loans are provided.	Not available
Housing	Provided for all workers, sometimes of poor quality for black workers.	Company provides housing or rent/housing allowance.	Company provides housing or housing allowance.	Company provides housing allowance (15% of wage)	Company provides housing but it is of very poor quality for lowly paid workers.	Company pays housing allowance (32% of basic salary)
Transport	Provided for those living on the mine premises.	Free transportation to and from work.	Yes	Provided to and from work.	NA	Provided to all workers.
Vacation leave	30 days per year.	24 days during the first 5 years of employment. Thereafter 28 days.	Yes	28 days	20 – 28 days per year, depending on the job grade and the years of service.	30 – 37 days per year, depending on the job grade.

Sick leave	30 days paid sick leave and 32 days unpaid sick leave.	After 6 months of service, 3 months sick leave on full pay and 3 months on half pay. After 5 years of service, this increase to 4 months each. After 10 years of service, it increases to 5 months.	Yes	3 months on full pay and 3 months on half pay.	3 months on full pay and 3 months on half pay.	Yes
Maternity leave	Four months fully paid after 1 year of service.	12 weeks maternity leave on full pay.	3 months	3 months	3 months on full pay after 1 year of service.	3 months paid leave. In addition, female employees receive 1 day paid mother's day leave.
Other leave	Study leave	8 days of bereavement leave per year. 10 days unpaid leave. Study leave.			12 days special leave.	
Bonus	13^{th} cheque.	Annual production bonus.	Performance bonus	13^{th} cheque plus production bonus.	Performance bonus	13^{th} cheque.
Education & training	Training and bursaries provided	Training provided for staff; assistance and bursaries provided for children's education;	Offered by the company on various issues. School fees and boarding	Training offered on health and safety. Company contributes to national Skills	On-the –job training on health and safety, mostly for highly skilled workers.	NA

		interest-free loans granted.	fees for miners' children are subsidised.	Developme nt Fund.		
Funeral benefits	NA	Company provides coffin and assists with funeral costs.	NA	Company covers burial costs of workers, spouses and children. In addition, a cash allowance is given.	Funeral benefits provided through national body (NSSA)	Company provides funeral benefits of U$ 208.
Other benefits		One free meal per shift for each worker.	NA	NA	NA	Subsisten ce allowance of U$ 33 per month.

Huge wage gaps

A common feature of the wage structures of gold mining companies are the huge income inequalities. The average remuneration of Anglogold Ashanti's executive directors in South Africa was ZAR 5 328 000 (U$ 761 000)[1] a year and this figure increased to ZAR 7 100 000 (U$ 1 014 300) if the gains from share option were included. Non-executive directors earned about ZAR 200 000 (U$ 28 600) per year while the lowest paid mineworkers earned only ZAR 24 576 (U$ 3 511). In other words, the total earnings of an executive director were 289 times as high as those of the lowest paid mine workers who risked their lives on the job but did not earn enough to sustain their families!

The scenario was similar at Gold Fields where executive directors earned 201 times the income of the lowest paid mine workers. Neither Gold Fields nor the other mining companies had any intention to close this massive income gap, which was increasing all the time. Issues of relevance to workers were simply not given the same attention as those that were of interest to shareholders and managers.

In Ghana, a local senior staff member earned only about 14% of the salary paid to an expatriate staff member doing the same or similar work. In other words, the

[1] The exchange rate between the South African Rand (ZAR) and the US Dollar (U$) stood at about 7-1 in December 2006.

expatriate on the minimum pay scale earned US$ 3000 compared to US$ 422 for his/her local Ghanaian counterpart. This translates into a pay ratio of 7 is to 1 between expatriate and local staff who may have higher or a similar qualification.

Long working hours were one of the problems experienced by mineworkers. Gold Fields workers in Ghana worked 8–12 hours per day or 40-60 hours per week. The maximum regular working hours were 40 hours per week and longer hours had to be compensated for through overtime pay. In South Africa, Gold Fields workers were supposed to work no more than 48 hours a week (six 8-hour shifts) but many miners worked up to 14-17 hours per shift to benefit from the "performance bonus structure" that the company introduced. Workers "agreed" to long hours to achieve their targets and thus receive their bonus.

In Namibia, miners at Anglogold's Navachab gold mine worked three day and three night shifts of 12 hours per week, after which they get three days off. Thus miners worked about 240 hours each month, which was significantly more than the 45 hours per week that are legally set as the maximum normal weekly working hours. The worst case was that of Anglogold's Geita mine in Tanzania where workers were basically forced to agree on long hours of overtime, although the Tanzanian law protects workers against forced overtime. In the absence of a recognition agreement with the union, the highly autocratic management adopted a shift system that provides for 12-hour shifts per worker, thus essentially forcing them into overtime.

At the Metorex mine in Zambia, the normal working hours were 48 hours per week and miners only received overtime pay if they worked longer than that.

Health and safety

Gold Fields now seems to take health and safety issues seriously. Workers in both South Africa and Ghana said that the company has taken steps to reduce accidents, although in 2003, 32 workers lost their lives as a result of work-related accidents.

Gold Fields used different approaches to improve the health and safety conditions at its mines. This included team training and the elimination of risky behaviour. There was a health and safety committee at each workplace and a "full compliance programme" was developed for all mining ventures. The company also set up a comprehensive safety reporting system and tried to minimise health risks for its workers. However, some shaft supervisors did not take the health and safety measures seriously, thus endangering the health of some of the Gold Fields workers.

Anglogold Ashanti also has a health and safety policy that was implemented wherever the company operated. However, between 2000 and 2002 alone, 530 mine workers were killed and 10 211 injured at its operations worldwide. The company provided protective clothing and training on health and safety issues when workers were employed and also when they returned from their annual leave. In Tanzania, however, workers were excluded from the health and safety committee and thus had no say how the company policy was implemented. Workers in Tanzania complained that the company was not transparent regarding health and safety issues.

At Anglo's Freda Rebecca mine in Zimbabwe more than 120 accidents occurred between 1996 and 2003. Most workers involved suffered a loss of hearing, as the company had not provided them with the necessary protective clothing. The increase in accidents showed that the mine did not pay enough attention to health and safety issues. Workers also experienced a shortage of drugs needed to treat workers at the mine's clinic.

The Metorex mine in Zambia did not even have a health and safety committee, which hampered the implementation of measures to protect workers' health. Only workers involved in blasting operations received regular training on health and safety issues and the union wanted to negotiate better practices and policies with the company.

People living in South Africa's townships next to mining dumps experienced heavy dust on their houses and even on their food. Likewise, mine workers in Zimbabwe and Tanzania suffered from constant dust, which affected their families and people in the surrounding communities. They suffered from lung problems and chest pains. The meagre salaries earned did not allow workers to live in safer areas away from the mining site. Anglogold's Geita mine in Tanzania did not even involve trade unions in the drafting of their health and safety policy.

Restructuring

This global practice of mining companies is visible across Africa. South African workers experienced that **Gold Fields** was even outsourcing some of its core functions, namely the mining process itself! The entire production process of a shaft has been outsourced to another company. Despite recognition agreements with trade unions, management tended to take decisions on restructuring without meaningful consultations. In South Africa, unions had to declare a dispute with Gold Field's human resources department if they wanted to oppose a restructuring plan. This process was lengthy and ineffective. Even worse was the situation for contract workers who were not covered by the union's recognition agreement. Companies used this loophole to increasingly employ contract labour at the expense of permanent workers. Contract workers were often employed through labour brokers, also known as labour hire companies. These brokers retained a significant portion of the workers' earnings as their own fees, thus depriving the workers concerned of job security, benefits and income.

Likewise, Gold Fields in Ghana considered restructuring a management prerogative and relied heavily on sub-contracting. Out of the 4000 workers on the two mines, only 1141 were permanent workers. The other 2,859 workers were employed by sub-contractors. Thus, sub-contract workers constituted over 70 percent of the company's total workforce. These contact workers were not entitled to all the non-wage benefits that permanent employees received. There were, however, signs that the company might move away from this practice in future and employ particularly its skilled workers directly.

This trend could be observed at **Anglogold**'s Navachab mine in Namibia. The company initially relied heavily on subcontractors but then decided to employ more workers directly. Those employed by subcontractors were given the first option to take up the permanent job with the mining company. The move away from contract labour was assisted by the Namibian union's recognition agreement, which covered contract workers as well. Permanent and contract workers earned the same salaries and thus there was no financial incentive for the company to use contract workers.

Anglogold's Geita mine in Tanzania employed most staff as contract workers and the company took no responsibility for their working conditions. The company's hostile attitude towards trade unions was also shown in its instruction to its subcontractors which stated that they could not enter into any agreements with trade unions without Geita's approval.

Metorex' Chibuluma Mines in Zambia used similar tactics, and introduced subcontracting as a company policy. Following the privatisation of the mine, the number of workers was cut to half and the company started to employ a significant number of contract workers. These contract workers were paid more than permanent, unionised workers in an attempt to lure workers to opt for contract employment.

HIV/AIDS

Gold Fields and **Anglogold Ashanti** seemed to regard HIV/AIDS as an important issue for the company and its workers. They implemented programmes, which included prevention, providing care and treatment and community support. In South Africa, Namibia, and Zimbabwe, infected workers were provided with anti-retroviral medication. In Zimbabwe, however, very few workers received medication, as they were reluctant to declare their HIV-positive status.

In Tanzania, Anglogold funded an awareness and prevention programme for its staff and the community in partnership with the African Medical Research Foundation (AMREF). By contrast, **Metorex** in Zambia had no HIV/AIDS policy and seemed to ignore the pandemic that affected so many workers in Southern

Africa. The union was pushing the company to change its attitude and to develop an effective HIV/AIDS workplace policy, which already existed in other Zambian mining companies.

Environmental practices

Gold Fields has an environmental policy, which states that the company will attempt to improve its environmental performance and reduce or control pollution. The company also undertook to comply with environmental rules and laws and to minimise the use of resources. The policy also states that the company will recycle waste products and train its staff on environmental responsibilities. Every mining site had to develop its own environmental management plan and external audits are carried out every 2 years.

Despite these policies, the local communities around the company's mining sites in Ghana experienced serious cases of noise and water pollution in 2001 and 2002. Mining companies used the highly toxic substance cyanide to extract gold from the crushed ore. In 2001, Gold Fields spilled cyanide into the Asuman River, leading to thousands of dead fish, crabs and birds along the river. A newspaper report called this "Ghana's worst environmental disaster". However, the MD of the Gold Fields mine described the incident as insignificant and said that the company used chlorine to neutralise the cyanide in the river. The company claimed that it was committed to achieving the best possible environmental standards.

Gold Fields operations in Ghana also disturbed the farming activities in the surrounding areas and some villages were even relocated. This was sometimes done by force with the collaboration of the local police. After protests, the company promised to address the environmental problems through land rehabilitation and reforestation.

Anglogold also has a comprehensive environmental policy. Thus far, only few environmental problems were experienced in Namibia and Tanzania. In Zimbabwe, however, problems similar to those in Ghana occurred. The mine's open pit resulted in serious environmental degradation with high levels of waste which destroyed agricultural production and the vegetation in surrounding areas. People could no longer consume animals and plants raised in these areas and it was only under public pressure that the company promised to rehabilitate the environment, which it destroyed through its operations.

Social investments

As gold mining companies generally have a reputation for exploiting resources with little benefits for workers and the surrounding communities, the companies introduced "social investments" to improve their image. **Gold Fields** set up its own foundation and a trust fund which is financed through the company, which donates U$ 0,5 for each ounce of gold produced plus 0,5% of its pre-tax profit. The foundation and trust fund then use these resources for educational, health and community development projects. In South Africa these include support for schools, universities, clinics, hospitals, nursing colleges and community-based health care projects for people living with HIV/AIDS. Likewise, the company's trust fund in Ghana supports various educational and health projects in local communities. Between 2000 and 2003, the fund spent about U$ 3 million on such projects.

Anglogold has adopted a similar approach and supports various community projects (for example the Nyakabale Agriculture Project in Tanzania), HIV/AIDS programmes, health centres and schools such as the Ebenhaeser primary school in Namibia and the Chipadze secondary school in Zimbabwe. The company also provides loans for small income-generating activities in Tanzania, as well as donations for AIDS and flood victims.

Metorex in Zambia, on the other hand has no significant social responsibility investments and merely gives some support for the mine hospital.

Conclusion

The benefits of gold mining activities for African workers and their communities are still limited. In many cases, it can even be argued that the long-term costs outweigh the benefits. Women in particular bear the brunt of abuse as they are hardly considered for employment but are severely affected by the loss of land and water, brought about by mining operations. Women also carry the fall-out from the destruction of family structures as a result of the migrant labour system. In most cases, the only mining jobs open to women are those in the "informal" small mining operations where women are exposed to great dangers for their health and safety and also suffer under terrible working conditions. Thus, women have to carry most of the costs while being denied the benefits of mining operations.

Although most of the multinational gold mining companies adhere to national legislation, they do not always implement the collective agreements reached with the unions. Workers rights are best protected where unions are strong and thus are able to force the companies to respect them. However, unions have been unable to halt the alarming trend of ever-increasing income gaps between mine workers and executive managers. This should certainly be placed high on the unions' agenda in the years to come.

Gold mining companies display an almost complete blindness towards issues of race and gender in their corporate governance practices, especially in senior positions. The companies' own corporate governance codes usually ignore the concerns of workers and their trade unions and serve as a cover behind which corporate restructuring takes place. The process of corporate governance reform is top-down and excludes workers. Unions are only consulted at the end of the process – if at all – which is a clear sign of the concentration of corporate power in the industry. This is certainly another issue that labour needs to confront.

Unlike manufacturing companies, which are mobile and can relocate their production to other countries, mining companies are bound to the places where the minerals are found. This gives government and trade unions a strategic advantage to negotiate better deals in return for mining licenses. For governments, this means that they should negotiate for local processing of minerals which will create a significant number of new jobs. Governments should also utilise taxes from mining companies to increase revenue.

Trade unions can negotiate better wages and working conditions and will have to develop a comprehensive strategy on outsourcing and sub-contracting which is widespread in the mining sector. Fewer and fewer workers are directly employed by the mines as their jobs are outsourced or abolished due to investments in technology and machinery. As a capital-intensive industry, mining provides only few jobs and thus very limited relief to the burning problem of unemployment.

Under pressure from trade unions, NGOs and the general public, mining companies have started to improve health and safety standards at their operations. Significant progress has been made over the past few years but unions still need to vigorously monitor developments and ensure that the health and safety of workers is protected at all times. Unions must also ensure that health and safety is not limited to mine workers only, but includes the communities living close to the mine. They often experience health problems as a direct result of the mining operations and are hardly compensated or protected.

Unions also need to closely monitor the environment, which is often badly damaged as a result of gold mining and other mining operations. Loss of agricultural land, depletion of ground water and large-scale pollution are some of the effects of gold mining. Unions in collaboration with government, local communities and NGOs have a critical role to play in holding mining companies accountable for their environmental damages. These companies must be monitored and forced to limit their damage and to rehabilitate the environment. Strict government laws and regulations in this regard are essential.

By their very nature, mining activities are temporary and thus African countries need to gain maximum benefits during the mines' lifespan. All too often mining companies are allowed to dictate terms and derive huge incomes from Africa's resources with few benefits for African workers and their communities. Unions therefore need to campaign for a change in attitude and policies to ensure that mining benefits local communities through:

- economic linkages (building local supply chains for the mines)

- additional jobs through value addition (exports of raw materials should be limited or outlawed)
- strict environmental policies that protect Africa's resources and the health of surrounding communities
- compulsory plans for full rehabilitation after the mine closes
- plans for economic diversification to offset retrenchments at the end of the mine's lifespan.

Social investments by mining companies are important and should be welcome, but on their own, they are not sufficient compensation for the profits made by these companies and the damage caused by their operations. As long as 90% of the wealth created by gold mining leaves Africa, the plunder of the continent's resources will continue. It is high time that Africans receive their fair share!

Sources

African Labour Research Network (ALRN) 2005. ***Mining Africa.*** Comprehensive report and synthesis report (edited by Devan Pillay). Johannesburg: ALRN.

This publication contains the following chapters:

- Victor Munnik: Between a rock and a hard place: Gold mines are under growing pressure to deal with their environmental and social impacts.
- Riedwaan Baboo, Rashid Bosch and Saliem Patel: Corporate governance in South Africa: corporate veil for corporate domination.
- Tendai Makwavarara: Ashanti Goldfield' Freda Rebecca gold mine in Zimbabwe.
- Ntwala Mwilima: Assessing labour and environmental standards at multinational companies in the mining industry in Africa: the case of the Navachab gold mine in Namibia.
- John Gonza: Assessing labour and environmental standards at multinational companies in the mining industry in Africa: the case of Geita Gold Mining Company Ltd.
- Anthony Baah: Assessing labour and environmental standards at multinational companies in the mining industry in Africa: the case of Gold Fields Ghana.
- Devan Pillay: Assessing labour and environmental standards at multinational companies in the mining industry in Africa: the case of Gold Fields South Africa.
- Austin Muneku. South African multinationals in Zambia: The case of Chibuluma Mines Plc.