

**PLACER DOME WESTERN AREAS JOINT VENTURE**  
**SOUTH DEEP CARE PROJECT – TECHNICAL OVERVIEW**  
**MARCH 2003**

## INTRODUCTION

In the late 1990s the South African mining industry was undergoing major changes that would alter the shape of the entire industry. The industry, struggling with historically low gold prices, was still learning how to operate in a new, post Apartheid South Africa, new international investors were becoming interested in the industry and, globally the industry was coming to terms with the growing importance of social issues and sustainable development. This paper describes the Care Project, a groundbreaking social project launched by one of those international investors.

In 1999 the South Deep mine, located just outside Johannesburg, South Africa, underwent major changes; Canadian mining company Placer Dome purchased a 50% interest in the mine from Western Areas Ltd. and acquired the right to manage the joint venture. Plans were made for a major investment to develop a new shaft and expand operations, and short-term operational issues required major decisions - productivity and production costs, along with safety had to be improved. After looking carefully at various options management realized that it was necessary to mechanize. As a result, the overall labour force had to be reduced by 2,560 workers or 30%. This retrenchment, which came on top of industry-wide retrenchments of over 100,000 workers in the previous decade, was challenged in court by the Union. The company developed the Care Project, an innovative approach to mitigate the social and economic impact of retrenchment by working directly with retrenched workers and their families to help them develop alternative economic opportunities.

## BACKGROUND

Placer Dome, a global leader in mining and sustainable development, had a Sustainable Development Policy that established global standards for its relationship with people, communities, and the environment. After reviewing the industry standard retrenchment package of two-weeks salary for every year of service plus access to onsite skills-based training, management decided that it was insufficient. Recognizing the growing importance of social responsibility South Deep took a decision to accept responsibility for mitigating the social and economic impact of retrenchment, opting not to simply write a cheque, offer some training and say good bye to people who had provided years of service to the mine. In addition to providing the standard severance package, management committed itself to a stretch goal of assisting 70% of the retrenched workers and their families to become economically active within two years. A budget of R15 million (CAD\$3.6 million at the time) was committed by South Deep to support the initiative.



The implications of this decision were significant for mine management. It meant that South Deep needed to develop the capacity to provide socio-economic support and assistance to retrenched workers and their families in their homes, which were scattered across hundreds of villages throughout an 800km X 4,000km swath encompassing five countries in Southeastern Africa (South Africa, Mozambique, Lesotho, Swaziland and Botswana). Many of these villages were without all weather road access, telephones, electricity and other infrastructure. No one, not even development agencies, had ever attempted anything like this before. In the words of James Collins and Jerry Porras in Built to Last: Successful Habits of Visionary Companies, South Deep and Placer Dome had truly set themselves a *Big Hairy Audacious Goal (BHAG)*.

## GETTING STARTED

After establishing the target, management set about developing a plan that would allow them to achieve it. A senior manager was appointed to head the project and an initial framework plan developed. This plan envisioned a four-step process that would be delivered once in each of the five countries (South Africa, Mozambique, Lesotho, Botswana and Swaziland):

- i. Consultations with the Retrenchees in numerous locations throughout the five-country region where they lived;
- ii. Recruiting and training a group of retrenchees (~25) to be Fieldworkers to be based throughout the region, allowing them to work directly with the retrenchees and their families, and a Coordinator to oversee the day-to-day implementation of the project;
- iii. Locating and registering the retrenchees; and
- iv. Assisting the retrenchees and their families to identify and develop an opportunity that would enable them to become economically active and replace the income that mine employment had provided to their family and community. A unique aspect of this component was to allow the retrenchee to nominate a family member (proxy) as the lead person who would receive the training and support necessary to make this happen. This was significant because it represented the first time that women had ever been able to directly access retrenchment benefits.

Management recognized that partnerships with key organizations would be needed to overcome the colossal logistical and operational challenges of delivering the project across the vast region where the retrenchees lived. TEBA (The Employment Bureau of Africa) with a 100-year history of recruiting mineworkers from throughout this area was incorporated as a key project partner. Their infrastructure of offices and networks throughout the region seemed ideal for providing logistical support to the Fieldworkers and project management. MDA (the Mineworker's Development Agency), with its network of training facilities and its focus on assisting mineworkers to cope with retrenchment, was engaged to help the Care team to provide training and support to retrenchees as they identified and developed new economic opportunities. The partnerships with TEBA and MDA were structured to not only assist the Care project to meet its goals, but to also

support the organizations to improve their own capacity to undertake development programs.

The Care project's pioneering approach to retrenchment and development enabled South Deep to negotiate a unique cost-sharing agreement with the Canadian International Development Agency (CIDA). CIDA agreed to contribute CAD\$2 million (R10 million at the time) to the project and South Deep agreed to expand the project's focus on strengthening the capacity of partner organizations like TEBA and MDA and to develop an HIV/AIDS program. They also agreed to freely make the lessons learned from the project available to other mining companies, governments and other interested parties.

### **IMPLEMENTATION: *INITIAL STEPS AND CHALLENGES***

The trailblazing nature of the Care Project meant that management didn't have any sort of roadmap to follow – most of the model had to be designed and tested from scratch. Focusing on the *70% economically active* objective, the Care Project Management set out to implement the plan. Consultations were undertaken with retrenched mineworkers and other stakeholders, fieldworkers were recruited and trained, and efforts begun to locate and register the retrenchees. Quite quickly it became evident that major obstacles would have to be overcome if the project were to achieve its objective and deliver development results at the community level. Some of the major challenges included:

- Union opposition – retrenchees and the Union remained opposed to the retrenchment and therefore were not favorably disposed to the Care project;
- Industry skepticism – many in the mining industry saw the Care project as an unrealistic initiative from a newcomer to the South African mining industry;
- Working relationships between the project partners took more time to develop than expected as they worked through various collaboration issues;
- Lack of development experience – South Deep did not have experience with this type of project;
- Remoteness and isolation – finding and registering the retrenchees in their remote villages proved much more difficult than expected. Fieldworkers often spent days walking, or hitching rides with all manner of transport, navigating their way through unforgiving, and even dangerous, veld and jungle in their search for far-flung retrenchees' homes. Their frustration can be imagined on the occasions when they met with a lack of co-operation from people who thought that they were working for the police, and were deliberately misdirected. Then there were the inevitable occasions when they found that the retrenchee had simply re-located, and their search would start all over again. Natural disasters such as the famous Mozambique floods of March 2000 dispersed retrenchees and exacerbated the process;



- National borders – providing support to people close to where they lived required moving people, training equipment and other items across national borders. This often caused lengthy delays and demands for unreasonable payments from border officials;
- Fieldworker training programs – there were no existing programs that provided the training fieldworkers required. Considerable time and money had to be invested to develop and implement appropriate training to equip fieldworkers with the skills and knowledge that they needed;
- Micro-finance – to develop an opportunity often meant the retrenchee required financing. Accessing micro-finance at realistic rates proved to be extremely difficult;
- HIV/AIDS – the growing impact of the HIV/AIDS pandemic was felt by the Care project. Often retrenchees or other key stakeholders turned out to have AIDS or other medically incapacitating illnesses that made it more challenging to assist them and their family to become economically active;
- Implementation management – managing the implementation of a complex and new process, spread across such a vast area, proved to be extremely challenging. New management systems and structure had to be developed, tested and implemented in order to get (and keep) the Fieldworker team, project partners and other key stakeholders working together efficiently;
- Currency fluctuation – Expenses were incurred in seven different currencies – those of the five countries plus the U.S. and Canada – at a time when there were large fluctuations in the exchange rates;
- The education levels of the retrenchees and their families were much lower than expected. Many were effectively illiterate, unable to read, write or do basic math. This meant that additional programs and support was needed to enable them to identify and develop economic opportunities. Often the programs and support methodologies had to be developed from scratch;
- Counseling was needed to help retrenchees and their families come to terms with the retrenchment. In some cases the retrenchee hadn't even told his wife that he had been retrenched; and
- In order to be effective, the entire program (including counseling, training and support) needed to be provided much closer to people's homes than management originally expected.

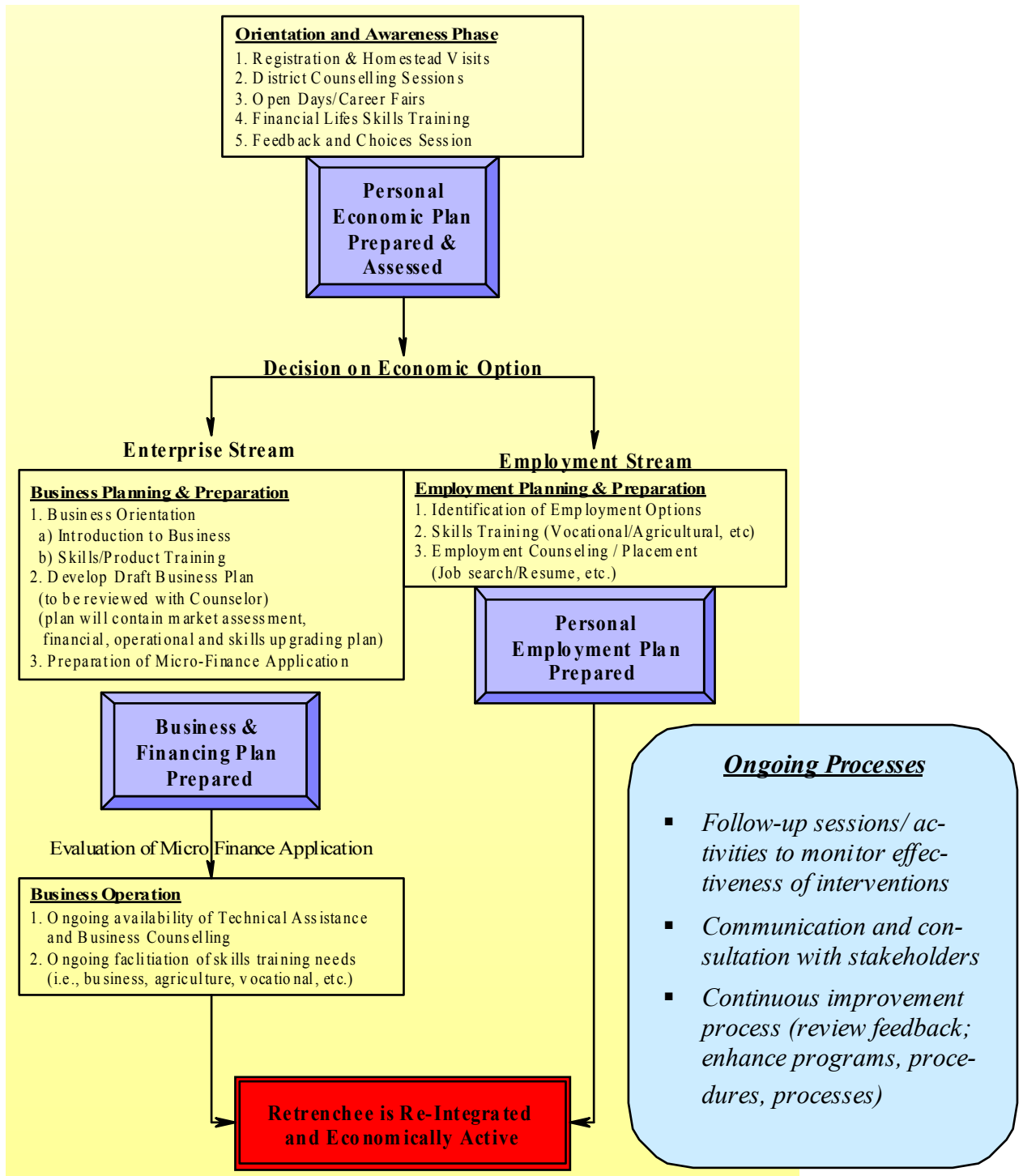


## **THE CARE PROCESS**

One-by-one, step-by-step, most of these challenges have been met. South Deep management designed and implemented practical administration and reporting processes that allow effective management of the project. The original four-step Care process, delivered once in each of the five countries, proved woefully inadequate to deal with these challenges and achieve the 70% economically active objective. Over time, through trial and error and by continually consulting with stakeholders and development experts, a workable management and development process evolved. The original four-step process grew into a complex, but effective, thirteen-step process that was delivered once in each of the 18 provinces where the retrenchees resided.

The chart on the following page provides an overview of the entire process. Short descriptions of each of the steps are presented on the pages following the Chart.

**OVERVIEW GRAPHIC OF THE CARE PROCESS**



The following paragraphs provide a short description of the each of the steps illustrated in the above chart.

1. **Registration and Homestead Visits** – The fieldworkers attempt to locate each retrenchee, visit them at their home and provide them with an initial overview of the Care project and how it can assist them to identify and develop economic alternatives to mitigate the impact of their retrenchment. At this time they establish precise GPS waypoints for the retrenchees homestead to enable them to easily locate them for future communications. The fieldworkers are sensitive to local customs and traditions and communicate with village chiefs and other stakeholders as appropriate.

Registration of retrenchees whom the fieldworker has been unable to reach previously also take place at the initial counselling sessions, Open Days/Opportunity Fairs and other events (described below). These events are advertised on local radio and other media and often attract retrenchees that the Fieldworkers have been unable to locate. At the event the fieldworker interviews the retrenchee and obtains registration information, with the exception of establishing the location of their homestead via GPS. They do, however, obtain the general location of the homestead to enable them to easily locate them later and make inquiries regarding their current economic status. The option of nominating a proxy, or other family member, is open to the retrenchees at the registration stage and on through to step 5, Choices and Opportunities, where a final decision must be made.



2. **Initial (District) Counselling** – Prior to attending an Open Days session where the retrenchees and their spouse will be exposed to a range of employment and business opportunities, they are encouraged to attend an initial (district) counselling session held in convenient district or regional locations. Retrenchees and their families are notified of the session via radio, word of mouth and runners. Professional counsellors, who have undertaken special training to allow them to effectively counsel the Retrenchees and their spouse, provide the initial counselling services. Husbands and wives are separated for some of the sessions to ensure opportunities for discussion of issues that are difficult to raise when they are together. The Care Project provides the retrenchees and their spouses with appropriate allowances to cover expenses associated with participating in the initial counselling sessions and in other activities as outlined below. (Failure to provide expenses makes it difficult for the retrenchees to stop subsistence activities and participate in Care Project activities.)
3. **Open Days/Opportunity Fairs** – In order to provide retrenchees with an understanding of the economic opportunities that may be applicable to their particular personal and family situation, the Care Project has created a career fair event



called Open Days. This event, which is somewhat like a focused career fair, brings together service providers in the training and micro-enterprise support and development fields. As well, it brings together government and civil society stakeholders in the development process. In many cases this is the first time that so many development stakeholders have come together in one location. Many of the stakeholders commented that they did not realize that so many services and opportunities were available in their region. In and of itself, this is a valuable developmental benefit, helping to minimize duplication and maximize development synergies far beyond the Care project.

An event committee or Task Team consisting of key regional stakeholders (government, development, training, etc.) co-ordinate the organization of each Career Fair. The committee meets regularly to ensure effective communications and planning. Immediately following each event a “post mortem” session is held to review the entire process in order to identify opportunities for enhancing the process and building on it to inform future events.

4. **Financial Life Skills Training and Market Research**– After attending the Open Days Opportunity Fair and receiving information on the various opportunities available to them, the Retrenchee and his wife are invited to attend a six-day Financial Life Skills workshop, which MDA developed for the Care Project. This program, which is provided in district locations (e.g., 12 locations in Lesotho alone), provides the retrenchees or his proxy with important economic life skills that will not only support their efforts to become economically active but will also provide them with invaluable household budgeting skills. The program is also designed to ensure that the retrenchees have the information and context to make an informed choice as to the opportunity they will select for detailed market research. This Market Research process is taught during the Financial Life Skills Training and is a critical step in the process. The final day of the workshop is devoted to group counselling to assist in developing a framework for gathering information. Thereafter, retrenchees and their families are expected to spend the next 3-4 weeks doing market research, considering their options and making a preliminary identification of those opportunities they find the most viable in their region.
5. **Feedback and Choices Session** – After completing the Financial Life Skills Training and spending several weeks researching and considering the various options the Retrenchee and a family member are invited to attend a Feedback and Choices session at the same location as the initial training. Here they will participate in one-on-one interviews. The instructor (who delivered the financial life skills training as well as the Field Worker who has an intimate knowledge of the area) and the regional facilitator conduct these interviews. At this point the retrenchee will work with specially trained counsellors to make a decision as to which opportunity that they or their proxy will pursue.

During this session, the market research that the retrenchee or his proxy has undertaken and documented is reviewed. If they have chosen an economic activity that many others have chosen from the same geographical area, the support team will ensure that the retrenchee or his proxy considers carefully whether they have made a viable economic choice. If it is considered that the selection of a particular field (i.e. spaza or convenience shops) is going to flood the local market with too many suppliers of the same goods and services, the retrenchee or his proxy must go back to their place of residence and reconsider their choice. If they decide to undertake a different type of activity, they must go through the market research process for a second or even third option. It is critical that they select an option that has a high probability of economic sustainability.

It is during this Feedback and Choices Session that the retrenchee has to decide whether he wants to pursue the enterprise in which case he follows the process as described in the enterprise option stream. If he decides against the latter, he may choose to be re-skilled for the formal wage sector and he receives assistance as described in the Employment Option stream.

#### **BUSINESS OPTION STREAM**

6. **Business Orientation/Skills & Product Training** – Retrenchees who have chosen to pursue a self-employment/business option will attend an Introduction to Business program to build on the learning from the Economic Life Skills program and equip them with the management skills required to prepare their business plan and launch their enterprise. They will also be provided with appropriate skills training, depending upon the particular business option they have selected.
7. **Prepare Draft Business Plan** – Working with custom designed processes and trained counsellors the retrenchees will complete a more thorough market assessment and prepare financial, operational and skills upgrading plans. These are integrated into a business plan that will guide the development of their business.

#### **EMPLOYMENT OPTION STREAM (RE-SKILLING)**

6. **Identification of Employment Options** – Care project management and other stakeholders are continuously on the lookout for employment opportunities for retrenchees. This includes general opportunities and specific construction, mining or other employment. This information is continuously made available to the retrenchees helping to inform their decisions and job-search actions;
7. **Focussed Training and Skills Development** – Those retrenchees who have chosen to pursue employment will be provided with appropriate skills training and support to secure employment in the area that they select.

**BUSINESS OPTION STREAM**

- 8. Micro Finance** – Whenever possible those retrenchees who have prepared a suitable business plan will be assisted to apply for micro-finance from a Micro Finance institution as appropriate to their business.

*Retrenchee or Proxy becomes economically active.*

- 9. Technical Assistance/Counselling**  
– The retrenchee have access to Fieldworkers and other trained personnel to provide technical assistance and business counselling during start-up and initial operation. For instance, during start-up assistance is provided to source necessary equipment and supplies, rather than providing the retrenchee with cash and leaving them to negotiate their own purchases;
- 10. Improve your Business** – After operating their business for several months retrenchees are invited to attend a session dedicated to helping them grow their business to the next level and help ensure its sustainability.

**EMPLOYMENT OPTION STREAM  
(RE-SKILLING)**

- 8. Employment Counselling / Placement** – Retrenchees who are seeking employment will be provided with counselling support to assist them in their job search. Placement services will be provided wherever possible.

*Retrenchee or Proxy becomes economically active.*

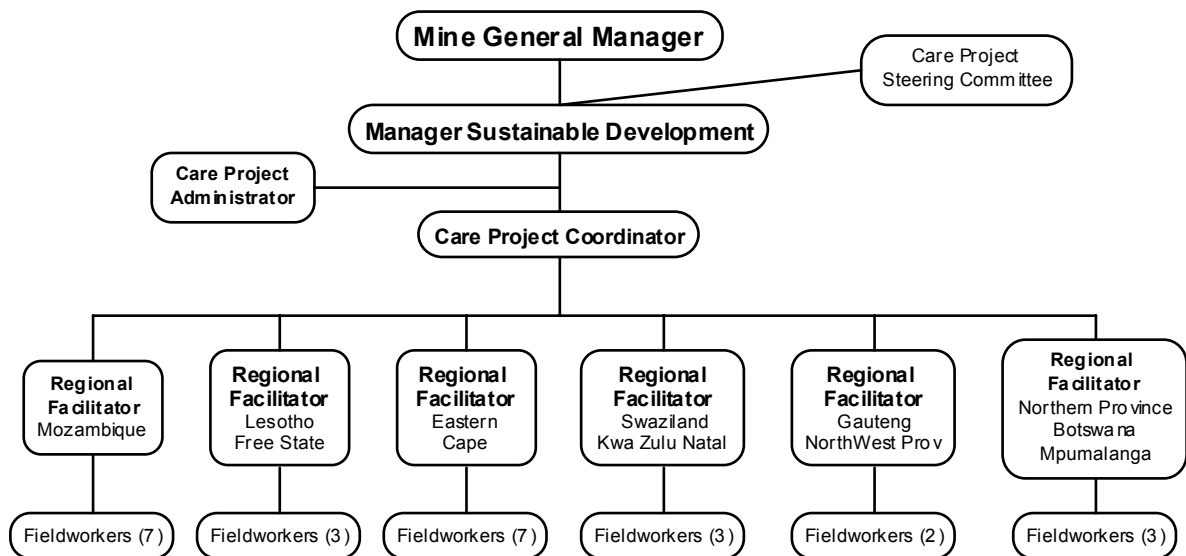


This process concludes the Care Project’s direct assistance to retrenched. If they require further assistance project personnel are trained to help them find the appropriate institutions that can assist them further (e.g, a chicken farmer might be referred to a chicken farmer’s association for ongoing access to technical support).

To date the Care Process as outlined above has been successful in assisting retrenched and their families to become economically active – with the project making steady progress towards its 70% objective. The management team continues to examine the overall process and each individual step on a regular basis, searching for opportunities to improve the program

### THE CARE MANAGEMENT SYSTEM

A Management Team, as illustrated in the diagram below, implements the Care Process.



Strategic direction and operational responsibility rests with the South Deep Manager, Sustainable Development. A Steering Committee comprised of project partners TEBA and MDA as well as senior Care personnel facilitate coordination amongst the various stakeholders. Day to day project activities are coordinated by the Care Project Coordinator. The entire five-country area is divided into six regions, each managed directly by a Regional Facilitator who has from two to seven Fieldworkers reporting to him.

This structure (along with the Care Process itself) evolved as management set out to put in place a system to deliver on the targeted objective. Initial efforts to manage this complex process across such a vast area dictated changes, such as putting in place the Regional Facilitators.

Smooth functioning of the management system is supported by a regular feedback loop, which guides management direction and decisions. The following feedback and planning activities occur as indicated below – other activities occur as and when needed.

- ❖ **Steering Committee:** This occurs at the national level and is intended to be an information-sharing session between the CARE Project and its two delivery organizations, TEBA Ltd., and MDA. It involves senior CARE Project management and senior management from the two partners. The Committee meets on a quarterly basis;
- ❖ **Regional Task Team Meetings:** Meetings are held on a regular basis (usually monthly) between CARE Project staff and representatives of the delivery organizations in each region. TEBA is almost always involved, but the training delivery partner varies per region. The intent of these meetings is to ensure operational delivery of CARE Project objectives;
- ❖ **Quarterly CARE Project Team planning sessions:** This occurs at various locations within the CARE Project implementation area and involves all staff from the field worker level to senior management. The objective is to review progress of the last quarter and to map out activities for the following quarter. Identification of problem areas and the exchange of solutions that cut across all regions of the CARE Project implementation areas are among the benefits for staff attending these workshops; and
- ❖ **Monthly Regional Facilitator meetings:** These occur at the South Deep Mine near Westonaria, and involve CARE Project management, the regional facilitators, and in some cases, other contractors from the mine, such as the industrial psychologist. The meetings are held to allow Care Project management and regional managers to assess progress and quickly identify and resolve issues.

The Care Project Administrator supports Senior Management on a day to day basis, and also travels to assist with special events such as Open Days Opportunity Fairs. In addition the Administrator's office is the repository of all retrenchee data. A master database contains fifteen data points on each retrenchee. Four of these are related to their original employment data and the other eleven are used to record their progress through the Care Process. Fieldworkers file monthly reports, which are faxed to the Administrator who enters them into the Master Database and produces a monthly status report indicating the project's progress towards its overall goal.

A Quarterly Monitoring Report, which is a condition of the CIDA agreement, is also produced by an external Project Monitor. This reflects a comprehensive summary of activities and operations for the quarter as well as an overall plan for the next quarter's activities. An international consulting firm specializing in mining and sustainable development provides periodic strategic advice and support to project management.

## THE RESULTS

With the challenges the project faced it quickly became apparent that the two-year time-frame for achieving the objective was impossible. However, the 70% Economically Active objective, which seemed nearly unattainable at the onset of the project, is now within reach. The combination of the Care Process and Management System discussed earlier, along with the support of project partners such as TEBA, MDA and CIDA, and, most importantly, the dedication of the entire Care team, have brought the objective within reach.

As of 31 December, 2002 the project had achieved the following results:

- ◆ 92% of retrenchedees located and registered;
- ◆ 57% (1,250) of those registered are economically active;
- ◆ 65% (1,556) retrenchedees and families given unique financial life skills training;
- ◆ Many of the trainees were women (first time women have ever benefited directly from retrenchment packages);
- ◆ The Care Process is becoming an industry standard in South Africa and is being replicated elsewhere in Africa and globally; and
- ◆ The HIV/AIDS program in collaboration with TEBA became the only private sector led project to ever win a World Bank Development Innovation Award.

These numbers translate into real differences for people and families. The stories and photos below illustrate some of the human level impacts of the project.

### Spaza Shop – Lesotho

One enterprising retrenchedee opened a spaza shop, or convenience store. He and his wife attended a district counseling session given by the project and participated in the business training offered by the project. Inspired, he purchased a satellite dish for TV reception in his isolated area and located the only spot in the region where a cell-phone can receive a signal. He is now doing very well with his shop, he charges admission to his TV audience, who come from miles around, sells refreshments to them and offers a pay-telephone service with his cell-phone. He also charges car batteries for a fee and provides small cash loans to clients.



### **Zama Zama Chicken Farm – Maputo (Mozambique)**

In Maputo, a group of 8 retrenchedees got together and, after consultations with Care partner Privest Training, decided to develop a chicken farm. A customized training program helped them to understand the technical aspects of chicken farming, confirm their markets and identify their equipment and working capital needs. The Care Project helped them acquire equipment, supplies and chicks. They also identified a chicken farmers' association that can give them on-going access to technical support and assistance. With the support of the Care Project, the retrenchedees are already providing chickens to help feed the people of Maputo. Others have recently approached them in this poverty-stricken country that want to develop a similar business. Now, three years after their retrenchment, they are not only making a living for themselves and helping to feed Mozambicans; they are seen as mentors and are helping others to chart a path out of poverty.



### **Irrigated Rice and Vegetable Farming – Chokwe, Mozambique**

An encouraging aspect of the emerging success stories is that many of the new enterprises are benefiting not only the retrenchedees and their families, but villages, local communities and even the country as a whole. A classic example is the Chokwe area of Mozambique. Before the civil war, this region, with its well developed network of canals



and tens of thousands of hectares of high quality land, used to grow nearly enough food to feed the entire country. The Care Project field team worked with a rice processing and marketing plant and the government controlled canal system to work out a process to enable retrenchedees to develop small agricultural operations and to have secure markets. The team negotiated rights to use the canal system and adjoining land, identified the equipment needs and put

in place a parts and maintenance supply system. Then the Project and its partners worked with local retrenchedees to clean the canal system so that it could bring water to the land they were allocated.



With training and technical support financed by the Care Project and provided by local project partners, this group of retrenchedees is now working on growing rice and vegetables to supply the Mozambique markets. When their current crops are finished, they will be assisted to secure and develop their own land, and a new group of retrenchedees will be trained on the lands they are currently using. In addition to serving as a model for the entire area, this project has rejuvenated the canal system, enabling others to bring valuable land into production and contribute to Mozambique's development.

### **Spaza Shop – Mozambique**

Rural areas of Southern Africa are often isolated and people often have to travel for hours to get to the nearest retail outlet. After attending the financial life skills training, one re-



**Community members gathered around the Spaza Shop**

trenchee and his wife recognized that this meant an opportunity for them to help themselves and to help their village at the same time. Today they are operating the only store for miles around. Not only are they earning a good living for themselves providing a convenient outlet for the staples the locals require, the store has also developed into a general meeting place. This entrepreneurial couple is re-investing in their business and serving other needs that the financial life skills they have acquired helped them to identify. They are now baking

bread for sale in the store, they have purchased a small generator to charge batteries, and they have started buying cashew nuts for resale to processors. They have recently asked the Care project if they can be helped to purchase directly from wholesalers in Maputo, thus lowering their costs, increasing their profit margin and reducing the costs for local villagers

### **Institutional Strengthening**

The care project has provided valuable institutional strengthening and support to project partners such as TEBA, the MDA, Privest Limitada and a host of other developmental service providers. New courses and programmes have been developed (e.g., Electronics Training, Financial Life Skills, etc.). Training has been directly linked to institutional strengthening. Retrenchee



**MDA Facility in Lesotho that was built by retrenchedees during their training programs**



construction training programs have been incorporated into the building or refurbishment of selected TEBA and MDA facilities. Examples are the TEBA training facilities in Xai Xai and Maxixe in Mozambique the MDA facility in Maseru, Lesotho and the electronics facility in Carletonville, west of Johannesburg. This upgraded infrastructure can then be used to support local community development efforts. The project actively shares information and supports other efforts, helping to improve the development infrastructure and capacity throughout the five-country region.

### **Electronics Training**

The MDA approached Care management with an ambitious idea. They wanted to create a program to provide training in basic electronics and installation and maintenance of small solar systems. They needed Care project support to develop a program and equip a facility for delivering it. After initially providing the training to South Deep retrenchees, they would then be able to make the training available to others on an on-going basis.

Word went out to the vast region through the Care project infrastructure and the project hired an industrial psychologist to travel throughout the region, interviewing applicants, conduct psychometric assessments, and helping to screen potential trainees.

Students are given the opportunity to choose between an electronics program to repair TV's and other household equipment or a solar program that will equip them with the skills to design and install small household solar systems, enabling them to bring power to rural homes and communities that are far from the existing electrical grid.

Three classes of twenty students each have each taken the training and are now busy throughout the region. As with much of the other training this program is of particular interest to women. One woman in Lesotho has progressed so far that she is now running her own basic electronics training school.



### **Furniture Making – Maputo, Mozambique**

Another retrenchee identified a market for furniture. Building on his woodworking skills, he acquired some basic tools and started making household furniture for sale to local resellers. He soon recognized that he could make more money and employ more people if he did not have to outsource things like lathe work. With support from the Care project, he has purchased a lathe and now employs another three people.



### **HIV/AIDS Program**

Early in the planning stages, the project designers recognized the critical importance of addressing the HIV/AIDS pandemic. With project partner TEBA, they developed a home-based care program, for affected mineworkers and their families, which won a prestigious Development Innovation Award and one hundred thousand US dollars from the World Bank's Development Marketplace. This program utilizes the extensive existing infrastructure of TEBA.



The 13-Step Care Process is rapidly becoming a development standard – and not just for the mining industry. Project management regularly receive enquiries from regional, provincial and even national governments and also from outside the area. As an example, the methods used by CFM, Mozambique's railway and ports-company, were largely based on the Care process.

The Care project is an example of how industry-led development and corporate social responsibility efforts can have meaningful and sustainable developmental impacts for people and communities and make business sense too. South Deep gained a wealth of experience in the application of the project, and many of the lessons learned have been incorporated into the comprehensive employee training programs currently under way on the mine. Mineworkers are being given on-site training with the object of upgrading their current skills or developing new ones that will help them and their families to live better and be more economically sustainable.

\* Picture used with family permission

## CONCLUSION

The most important conclusion from this project is that mining companies can do meaningful social development, and it makes solid business sense to do so. Mining everywhere is changing, not just in South Africa. Witness the World Bank's Extractive Industries Review, the Mining, Minerals and Sustainable Development (MMSD) process, the growing influence of NGOs and Civil Society and many other changes. HIV/AIDS, Black Empowerment, new mining legislation, escalating security challenges and a myriad of other issues are the daily facts of mining life in South Africa. Mines and mining companies must demonstrate an ability to create meaningful value for people, communities and other *social* stakeholders – and they must do so while meeting increasingly challenging financial targets. Even permitting new mines requires the demonstration of social value added. As the Minister of Minerals and Energy illustrates so well in her words below, success in mining MUST include success in creating social value.

*“We are determined to provide multi-skilling to workers and assist them to cope with retrenchments. This is a must and not a choice for industry... It is important for mining to ensure that economic benefits accrue to society as a whole and more specifically to communities affected by mining ... The social environment has not, in my opinion, been adequately addressed in the past”*

***Hon. Phumizile Mlambo-Ngcuka  
South Africa Minister of Minerals and Energy***

At South Deep we believe that our ability to effectively manage social issues is a competitive advantage as we look towards the future of the industry in South Africa and globally. Worldwide we operate on the principle that our activities must create benefits for all stakeholders. Through initiatives like the Care Project we are better able to manage risk and are securing our long-term future in South Africa and throughout the Region.

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