'Breaking New Ground', social housing and mineworker housing: The missing link

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Abstract

Despite the fact that South African housing policy has focused on ownership for the poor, the provision of rental housing through the Social Housing Policy has become an important delivery vehicle in the Breaking New Ground (BNG) policy direction. The possibility of applying the Social Housing Policy in a range of environments does however have has an inherent bias towards larger urban areas. In the process, the application of policy in remote mining areas has not received adequate attention. Some form of rental housing – through the Social Housing Framework – might be applicable in these areas for three reasons. Firstly, the possibility of public-private-partnerships as a result of interest from the mines has laid a foundation for this approach to housing. Secondly, the characteristics of migrant labour correspond to the description in the policy of potential clients of social housing. Thirdly, and probably the most important reason, the undesirability of longer-term settlement in these remote arid areas and the subsequent risk of mortgage bonds are factors that require far more attention than they have hitherto received. This article explores these three arguments with reference to mine-housing provision in Kathu.

BNG, SOSIALE BEHUISING EN MYNWERKERSBEHUISING: DIE VERMISTE SKAKEL

Ten spyte van die feit dat die Suid-Afrikaanse behuisingsbeleid grootliks op eienaarskap gefokus het, het die Sosiale Behuisingsbeleid 'n belangrike voertuig geword vir behuisingsvoorsiening in terme van die nuwe 'Breek-van-nuwe-grond-beleid'. Die toepassingsmoontlike van die Sosiale Behuisingsbeleid in 'n verskeidenheid omgewings neig egter inherent om die groter stedelike gebiede te bevoordeel. Teen dié agtergrond het die toepassing van sodanige beleid in afgeleë myngebiede nie die nodige aandag geniet nie. 'n Vorm van huurbehuising deur middel van die Sosialebehuisingsbeleid mag om drie redes toepaslik wees. Eerstens, die moontlikheid van publieke-privaat vennootskappe het, as gevolg van myne se betrokkenheid in dié verband, die weg gebaan vir die bepaalde benadering tot behuising. Tweedens, stem die migrasie-eienskappe van die arbeidsmag grootliks ooreen met die verlangde eienskappe wat in die Sosiale Behuisingsbeleid uiteengesit word. Derdens, en moontlik die heel belangrikste rede, is die ontoepaslikheid van langtermyn vestiging in sodanige afgeleë droë gebiede en die gevolglike risiko's wat aan verbandlenings gekoppel kan word – faktore wat tot nog toe nie veel aandag geniet het nie. Die artikel verken die genoemde drie argumente aan die hand van mynwerkerbehuising in Kathu.

'HO PHUNYELETSA', HO TSA PHEDISANO LE TSA MATLO TSA BASEBETSI BA MERAFO: KE MAQHAAMA A HLOKEHANG

Ho sa kgathaletsehe hore na leano la matlo la Afrika Borwa le tsepamisitse mohopolo hakae hodima taba ya hore batho ba be le matlo ao e leng a bona, ho fana ka matlo a hirisuwang ho etswang ke ba Leano la tsa Matlo la Phedisano e bile mokgwa wa bohlokwa wa ho tlisa ditshebeletso bathong tseleng ya leano la ho phunyeletsa ho tsa matlo. Bokgoni ba ho phethahatsa Leano la tsa Matlo la Phedisano dibakeng tse ngata le bontsha ho ya ka leeme mabapi le dibaka tsa metse ya ditoropo tse ngata tse kgolo. Tshebetsong ena, phethahatso ya leano lena dibakeng tse ka ntle ho metse ha e eso fumane tlhokomelo e lekaneng. Mofuta o itseng wa matlo a hirisuwang – ka Motheo wa tsa Matlo wa Phedisano – o ka sebetsa dibakeng tsena ka mabaka ana a mararo feela. Tabeng ya pele, bokgoni ba selekane sa setjhaba-poraevete-balekane ka lebaka la ho fola molemo merafong e betlileng motheo bakeng sa katamelo ena ho tsa matlo. Tabeng ya bobedi, matshwao a ho hira batho ba tswang ka ntle ho naha ho dumellana le tlhaloso leanong la bareki ba bohlokwa ba tsa matlo phedisanong. Tabeng ya boraro, ebile e le lebaka la bohlokwahlokwa, bobe ba ho dula nako e telele dibakeng tsena tsa mekhukhu e ka ntle ho metse esitana le ho ikenya tshotso dinaleng ka ditaba tsa dikadimo tsa ditjhelete ke tse ding tsa dintlha tse hlokang tlhokomelo e kgolo ho ena le ka nako e fetileng.Ditaba tsena di bontsha le ho hlalosa dingangisano tsena tse tharo ho lebisitswe ho faneng ka matlo a merafo tulong ya Kathu.

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1. INTRODUCTION

The South African Housing Policy has favoured low-income people since its inception in 1994. Since the initiation of the new policy in 1994, however, there has always been an income group whose income was too high for the housing subsidy programme and too low to access private-sector housing finance. Rust (2006) refers to the housing that is needed to bridge this hiatus as 'gap housing' (in terms of either rental housing or ownership). She also contends that this gap has increased over the years, leaving an increasing number of people to whom the state subsidy does not apply, while private-sector finance is also inaccessible to them (Rust, 2006). These households currently earn between R3 500 and R7 500 per month. Although the 'struggle' to access private-sector housing finance for units in this price range has been difficult, the Comprehensive Housing Plan (Breaking New Ground – BNG) adopted in 2004 has re-emphasised private-sector finance, public-private partnerships and social housing (South Africa. Department of Housing, 2004). Social housing, however, is commonly justified as a way to obtain larger densities and a higher degree of racial integration (South Africa. Department of Housing, 2004; 2005a). Strangely, despite the continued existence of mining hostels and the challenge of providing housing for mineworkers in expanding mining areas, the putting in place of an appropriate rental housing system linked to the current Social Housing Policy has not been strongly emphasised in the case of these mining areas (Marais & Venter, 2006: 60). This inability to link mineworker housing and social housing has prevailed despite the emphasis placed on rental housing in the South African Social Housing Policy, which lends itself to the establishment of housing programmes in expanding mining areas.

Against this background, we should like to put forward three main arguments in this article. Firstly, the current emphasis placed by BNG on social housing policies as a tool of urban renewal and integration has an inherent urban bias that does not fit the profile of expanding mining areas in more remote locations, as a result of which these remote areas have not been considered in the contextualisation of these policies. Secondly, the principle of private-public partnerships, as set out in social housing literature, is an ideal point of departure for the management of housing for mineworkers. Thirdly, a large percentage of mineworkers in expanding and remote mining areas fit the profile of potential tenants as envisaged in the social housing policy and BNG. With these arguments in mind, the article starts off with an outline of the international background to social housing, followed by a discussion of the place of social housing in South Africa, specifically in the context of BNG and the Social Housing Policy. Essentially, we ask the following questions: What is the nature of the envisaged profile of social housing tenants, both internationally and in South Africa? What management models are envisaged? What guidelines can social housing offer for the purposes of urban development? Next, we contextualise the literature on housing in mining towns. Thereafter, a discussion of the case study of Kathu, a mining town in the Northern Cape, follows. By means of the case study, we show that expanding mining areas in remote locations, such as Kathu, could well benefit from the South African Social Housing model. In fact, the evidence from our case study suggests that the mining company is prepared to invest extensively in a range of housing options, one of which entails rental housing.

2. SOCIAL HOUSING IN THE INTERNATIONAL CONTEXT

Social renting as a tenure option is closely connected to the emergence and reforming of the welfare state in Western Europe during the 1970s (Harloe, 1995; Kemeny, 1995). The Second World War resulted in severe housing shortages; and governments throughout the world had to intervene in housing markets in order to provide affordable housing to their citizens. Public housing, in the form of government-provided rental housing, reflected a dominant policy response worldwide during the 1950s and 1960s (Harloe, 1995; Kemeny, 2001, Priemus, 2001). From the 1970s onward, with the emergence of neo-liberal market ideologies, public housing increasingly came to be viewed as a burden on state finances; and most governments started to reassess the place of the public rental sector. This sector generally underwent a process of devolution and decentralisation. In particular, private-sector involvement and reformed institutional management systems became key concepts in rental-housing provision (Harloe, 1995).

Similar trends can be identified in Eastern and Central European rental sector. Up to the late 1980s, rental housing provided by the state was a common form of tenure in Eastern Europe. Rental housing not controlled by the state was either legally prohibited (Russia, Lithuania, Armenia) or economically discouraged by means of rent control and unfair regulations (Poland, Romania, Serbia) (see Dübel, Brzeski & Hamilton, 2006: 54). However, with the fall of socialism in favour of adopting more neo-liberal policies in the late 1980s and early 1990s, privatisations of rental stock in favour of ownership became the norm. As mentioned by Dübel *et al.* (2006: 58), only a small supply of social rental housing is left after the mass privatisation movement towards market economies in the 1990s. Furthermore, Dübel *et al.* (2006: 58) indicated that the private and non-profit rental housing sector in Eastern Europe is currently much smaller comparative to other similar market economies in Western Europe.

The importance and scale of social housing as a policy response varies from country to country. Such housing is predominantly associated with countries in Western Europe. A recent study on social housing by Whitehead & Scanlon (2007: 9) indicates that social housing as a percentage of all housing stock ranges from relatively high percentages in the Netherlands (35%), Austria (25%), Denmark (21%), Sweden (20%) and England (18%), to low percentages in Ireland (8%) and Germany (6%). Although each country's policy response to social housing differs, some trends with regard to the social housing sector can be identified on the basis of the literature (Ball, 2005; Whitehead & Scanlon, 2007).

The demographic profile of social housing tenants varies to a great extent, but tends to be dominated by young to elderly single persons, young families and single parents. Depending on a country's policy objective, the renting of accommodation through social housing may comprise an acceptable tenure choice for low-income and middle-income people (as is the case in the Netherlands and Sweden), or a highly stigmatised tenure choice intended for poor people (for example in England) (Kemeny, 1995). In general, middle-income nuclear families are encouraged, and prefer, to engage in owner-occupation or private rentals (Whitehead & Scanlon, 2007: 25). In

addition, some authors have noted that the number of minority groups and immigrants taking up occupation of social housing is growing (Ball, 2005; Whitehead & Scanlon, 2007) – reflecting, *inter alia*, the use of this form of housing by households that are mobile.

In terms of its specific focus on income groups, social housing tends to offer lower rentals compared with both private rentals in the formal market and bond payments on ownership housing. In order to make rentals affordable, social housing is often regulated or partially subsidised by governments (Kemeny, 1995; Harloe, 1995). In terms of housing management, the general trend (despite some exceptions) seems to point to a decline in direct government and municipal management of social-housing, and a distinct movement towards public-private sector partnerships. The prominent role of social housing organisations is frequently mentioned in the literature (Kemeny, 1995; Whitehead & Scanlon, 2007).

The place and future of social rental housing is the subject of a contentious and ongoing debate in the literature (Harloe, 1995; Kemeny, 1995; Malpass, Levy-Vroelant, Reinprecht & Wassenberg, 2007; Priemus & Dieleman, 2002; Dübel, *et al.*, 2006; King, 2006). Although the demand for social housing is growing, the number of social housing units in most countries is declining; and some converging trends towards the privatisation of the stock can be identified (Harloe, 1995; Whitehead & Scanlon, 2007). These converging trends towards privatisation are mainly linked to neo-liberal ideologies advocating homeownership. Recent literature has noted that governments are increasingly experiencing political pressure to reassess the place of social housing and give greater support to subsidised tenure options. The lack of affordable housing stock for a flexible workforce is cited as a major reason for political pressure on governments to invest in social housing as a form of tenure (Czischke, 2006; Whitehead & Scanlon, 2007:10). The sustainability of homeownership in unstable labour markets not only leads to difficulties with mortgage repayments and maintaining properties, but also hinders mobility of a household.

Although literature on social housing in developed countries is abundant, the concept and possibilities of social housing have not yet been fully explored in the context of developing countries. An UN-Habitat (2003: 39) report on rental housing in developing countries mentions some examples of co-operatives in Bolivia, Brazil, Peru and South Africa that do, in fact, engage in the social rental sector. However, these co-operatives often lack subsidised government support and are usually managed by community groups or non-governmental organisations. In addition, the long-term plan of these co-operatives is usually residual in nature, and is often focused on home-ownership, rather than on rental housing as a form of tenure. With a few exceptions (such as South Africa), governments in developing countries have neither the experience nor the financial means, to invest in social housing (UN-Habitat, 2003: 36, 38).

A number of implications can be deduced for South Africa from the above overview. Firstly, as poverty levels in Europe differ from those in South Africa in both nature and scale, it might seem inappropriate to consider social housing as a means of addressing the needs of the poor. However, as argued further on in the article, there remains a need for some form of subsidised rental accommodation in South Africa. The reality is that a significant percentage of households with a low income and people who are single want to be mobile and do not want ownership. For many of these households or individuals ownership is too big a risk because long-term employment is unlikely.

3. THE SOUTH AFRICAN HOUSING POLICY: SOCIAL HOUSING IN THE CONTEXT OF 'BREAKING NEW GROUND'

Influences on social housing in South Africa can be traced back to international discourses in Western Europe and international housing-policy trends in developing countries. In particular, social housing models and funding from the Netherlands were influential in determining the policy directions followed in this country (Social Housing Foundation, 2008). Social housing in the Netherlands is not only focused on low-income households. Rental tenure is an integral part of housing policy in the Netherlands and provides housing for a wide range of income groups. In a similar manner, social housing in South Africa comprises an attempt to give greater support to the residential rental market.

Social housing received limited attention in the founding years of the housing policy in the early 1990s. In addition, in line with international trends, the public rental-housing stock in South Africa underwent a process of privatisation; and some public housing stock was virtually given away (Narsoo, 2008: 2). As indicated in the *White Paper on Housing*: *A New Housing Policy and Strategy for South Africa* of 1994 (South Africa. Department of Housing, 1994)**,** the original policy mainly focused on individual ownership for low-income households earning less than R3 500 per month. Social housing is mentioned only four times in the *White Paper on Housing*, and in all instances, references are made to the potential role to be played by institutions in the provision and management of social housing. However, this role is not elaborated on; and no implementation strategies for social housing are envisaged. Building upon social housing themes alluded to in the *White Paper on Housing*, the institutional housing-subsidy scheme was introduced in 1996. A detailed account of this institutional housing subsidy mechanism can be found in the *Housing Code* of 2000 (South Africa. Department of Housing, 2000)**.** However, the initial institutional subsidy mechanism did have some shortcomings, such as problems experienced with funding mechanisms and a lack of institutional support to make social housing viable (Narsoo, 2008: 6). Given the shortcomings and the lack of institutional housing examples from developing countries, the Social Housing Foundation was created in 1997 to provide technical assistance for social housing institutions. The *Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements,* commonly known as the *Breaking New Ground* (BNG) Housing Plan of 2004 (South Africa. Department of Housing, 2004)**,** is broadly based upon ideas already referred to in the foundational document, the *White Paper on Housing*, as well as in the *Housing Code*. The BNG housing plan is divided into seven business plans, with Business Plan Number Three, the Social (Medium-Density) Housing Programme, elaborating on social housing aspects. Government's commitments towards social housing were further institutionalised in legislation in its 2005 and 2008 policy documents entitled *Social Housing Policy for South Africa: Towards an enabling environment for social housing development* and the *Social*

Housing Act (South Africa. Department of Housing, 2005a; 2008).

The BNG housing plan, in line with the MDG's focus on building sustainable human settlements, is intended to be a document of implementation strategies with a view to accelerating delivery. Measures to address the housing backlog through social housing include the transformation of public-sector hostels into family units, and building new high-rise rental-housing stock. Interestingly enough, no reference is made to either mining hostels or mine-worker housing. The direct objective of social housing, as indicated in the BNG Housing Plan (Business Plan Number Four), is to facilitate the production of effectively managed institutional housing in those areas where a demand for institutional or managed housing units exists. Since the inception of the *White Paper on Housing* (South Africa. Department of Housing, 1994), the South African government acknowledged that it did not have the resources to address the housing backlog on its own. Consequently, the mobilisation of the private sector was seen as a key concept in the provision of housing. This is especially relevant for social housing provision and management systems. The indirect objective in this regard is linked to spatial planning with a specific focus on urban restructuring, urban renewal and integration (South Africa. Department of Housing, 2004).

A number of authors have noted the shift in the BNG Housing Plan to include interventions such as social housing – a significant change in policy direction (Tomlinson, 2006; Tonkin, 2006; Cross, 2006; Napier, 2007). Firstly, where the original policy focused mainly on individual subsidies, subsidies for social housing are project-based and are not linked to individual ownership. Secondly, contrary to the original intention of the housing policy, the social housing programme scheme is not aimed at low-income households but at households with an income of between R1 500 and R7 500 a month. Households falling within this 'gap' market are not able to access government owner-based subsidies, nor are they able to access financial assistance through the formal mortgage-bond approach. The inclusion of support to low- to middle-income households is viewed as positive in terms of affordability and the creation of a housing ladder (Rust, 2006). Other positive aspects of social housing mentioned in the literature include the

contribution made by such housing to social integration, urban regeneration, as well as to increased flexibility and mobility for households (South Africa. Department of Housing, 2004; 2005a).

Having provided a broad background in the above, our emphasis in this section shifts towards a more detailed discussion of Social Housing Policy. This section attempts, by providing a more detailed analysis of the current policy, to indicate the urban bias in social housing policy, the link between envisaged beneficiaries of rental housing under the Social Housing Policy, and the need for housing in mining areas, as well as of the policy intention to create public-private-partnerships.

Historically, social housing was financed by means of the institutional subsidy mechanism and was focused at households earning less than R3500 per month. The new revised Social Housing Policy under BNG makes provision for the establishment of restructuring zones and the allocation of grants to these zones for households / persons earning between R1500 and R7500 per month. The Social Housing Policy states two primary objectives (South Africa. Department of Housing, 2005a: 7):

- Firstly, to contribute to the national priority of restructuring South African society in order to address structural, economic, social and spatial dysfunctionalities thereby contributing to Government's vision of an economically empowered, non-racial, and integrated society living in sustainable human settlements.

- Secondly, to improve and contribute to the overall functioning of the housing sector, and in particular, the rental sub-component thereof, especially insofar as social housing is able to contribute to widening the range of housing options available to the poor.

Although the restructuring zones as proposed in the aforementioned policy are not exclusively applicable to cities (for example a restructuring zone was proclaimed in Rustenburg – see Ashira consulting, 2007) the following examples of the urban bias in policy could be identified. Firstly, the scale of spatial dysfunctionalities and the subsequent cost of such dysfunctionalities created by apartheid planning are significantly larger in cities than in small towns. For example, the cost of accessing employment on a daily basis in Johannesburg is significantly more than what it would

be in Kathu. This urban bias is confirmed by the fact that the word 'cities' and not 'small towns' is used in the policy document in explaining the spatial dysfunctionalities of South African cities. The further emphasis on 'inner-cities' as restructuring zones confirms the emphasis on larger urban areas. Significantly, no mention is made of mining areas in the policy document. Secondly, the emphasis on sustainable settlements and financially viable projects is directly opposed to the concept of providing housing in mining towns. Although a more detailed discussion follows later, mining housing is inherently unsustainable due to resource depletion and the boom-bust cycle of mining.

Despite the urban bias explained above, it should be noted that the social housing model could well be facilitated through a restructuring zone in Kathu. Yet, the application of the restructuring grant to such a zone in Kathu is unlikely to have a longer-term impact. Thus, despite the urban bias in policy intent, the concept of restructuring zones is not necessarily inappropriate to smaller towns.

The second major question in respect of policy is whether there is any conceptual link between the envisaged beneficiaries of the Social Housing Policy and the need for mineworker housing. The Social Housing Policy lists a number of typical households currently renting in South Africa. So, for instance, mention is made of 'those who are investing in housing in the rural areas but are earning income in the cities' (South Africa. Department of Housing, 2005a: 13). As we as shall argue later, this is a prominent characteristic of a significant percentage of mineworkers. Other examples of households who would like to rent and would subsequently benefit from social housing are households unable to afford market-related rentals – also a factor to be argued later in the article. In conclusion, the list in the Social Housing Policy document states the following: 'What the above listing of possible beneficiary groups also indicates is that, the demand for social housing implies a wide product range, including rooms with shared facilities, communal housing, short-stay accommodation, group housing, apartments and multi-unit dwellings.' Once again this largely reflects the needs of households currently in mining hostels in Kathu – as we shall also argue later in the article.

Thirdly, the Social Housing Policy explicitly mentions the possibility of partnerships with the private sector. Although private sector in this context probably refers to estate agents, the possibility of partnering with employers in providing housing should probably not be excluded. The fact that the mines in the area are currently investing large sums of money in housing for their employees could prove to be a sound basis for partnering with the state in order to reduce the longer-term risk for employees. A recent research document commissioned by the National Department of Housing on employer-assisted housing also makes the point that such partnerships might be appropriate – also in mining areas (Ashira Consulting, 2007).

However, the social housing policy intervention has not escaped criticism. The main point of criticism noted by a number of authors is that the inclusion of middle-income households results in a focus shift away from the poorest of the poor and thus from the original intention of the policy. In addition, the provision of support to a greater range of households tends to place serious strain on not only the housing budget but also on funding mechanisms (Tomlinson, 2006; Charlton & Kihato, 2006; Huchzermeyer, 2006). This viewpoint can be contested, since the number of social housing units planned is relatively small compared with the number of subsidised ownership units. Approximately 100 000 units have been planned for the five-year period between 2006 and 2011, accounting for less than 5% of the total units planned by the Department of Housing (Social Housing Foundation, 2008). Smit (2004: 8) contends that social housing has a role to play in South Africa, but cautions that social housing rental mechanisms based on those that are applied in developed countries have thus far proved to have limited applicability in developing countries. In addition, the role of the informal rental market, through the agency of small-scale landlords, tends to be overlooked in housing policy because of this emphasis on the 'formal' social housing policy (Smit, 2004; Charlton & Kihato, 2006; Royston & Narsoo, 2006; Narsoo, 2008). Furthermore, as argued earlier on in the article, the provision of social housing has generally been focused on the urban areas; and very little focus has occurred in terms of experiments in social housing in more remote areas. Finally, the real success stories relating to social housing policies have been limited in number (Tonkin, 2006). This can be ascribed, *inter alia*, to ineffective management and to the inability to develop appropriate private-sector engagement.

In summary, social housing policy in South Africa has been directed at younger, more mobile households, with the specific intent of raising densities and addressing urban integration. With this in mind, the focus of the article will now turn to the contextualisation of the problematic nature of housing provision in mining towns.

4. HOUSING IN MINING TOWNS

Providing housing options for mineworkers in South Africa (especially those in the low- and middle-income bands) is a challenge, owing to several contributing factors, including: the boom-bust cycles of any resource-driven settlement that lacks economic diversification (O'Faircheallaigh, 1992); the patterns of circular migration that have characterised both the pre- and post-apartheid labour systems (Crush, 1995); and also the general national housing backlog.

Of necessity, mining towns in the past have been established according to the location of the mineral reserves (Keyes, 1992), and funded through private investment by the mining companies. In order to maximise production, the towns have developed fast (Archer & Bradbury, 1992). One of the defining changes that inevitably occur in these towns is related to the need to house the growing work-force employed by the mines. This often leads to large increases in the prices of existing housing stock, as well as a large construction boom in order to accommodate the new families. When the exploitation of the mineral reserves becomes uneconomical, the mining activities are halted or completely shut down, leaving the recently established town with the burden of sustaining the settlements (see Archer & Bradbury, 1992 for specific examples). Such unsustainable activities have, in recent years, been brought to a halt. In large part, this is due to the Mining Charter, which holds that mining should attempt to make use of existing settlements as far as possible (South Africa, 2002). In the more remote regions, this is less feasible; and, even where existing settlements are used, development in these small towns has often been so extensive that the town cannot return to its previous character. Fundamentally, the question is whether any longer term investment in new housing – mainly linked to mortgage bonds – is an appropriate model for such towns. Furthermore, is a housing model which does not commit the workers of such mines to long-term financial commitments not more appropriate?

Further problems arise as a result of the share of the working population who make use of the labour opportunities available at the mine, whilst simultaneously maintaining their households in the rural areas (something mentioned in the Social Housing Policy). In the apartheid years, most settlement options were curtailed by legislation limiting the share of the black population permitted to settle in the cities or on mine property (Crush & James, 1991). However, research continues to indicate that many of these individuals do not wish to move their families to the cities, as they view these areas to be dangerous (Marais & Venter, 2006). Given the choice, they would prefer to invest in available housing in the sending area, since this is the area to which they will be returning upon being laid off or on retiring (Laburn-Peart, 1992; Marais & Venter, 2006). Owing to the acute housing shortage and lack of affordable rental options, these individuals are faced with significant difficulties in respect of acquiring suitable accommodation. Towards the end of the apartheid era, it was generally thought that this pattern of circular migration would disappear as soon as the black population was given the freedom to settle permanently at the mines. More than a decade into democracy, however, significant numbers of mineworkers are still making use of circular migration and maintaining their homes at places other than the mine area (Marais & Venter, 2006). By means of research indicating that circular migration may in fact be more widespread now than it was in the past, Posel (2003) has also called into question the optimism regarding the demise of migration.

In the past, the general solution has been to provide cheap housing opportunities for the mineworkers in the form of mine-managed hostels. Although units in the past were of questionable or downright deplorable quality, later developments have been of a higher standard, though they are often still heavily overcrowded by legal and illegal tenants. James (1992) and Hunter (1992) already noted – before

the first democratic elections – that most mines had generally moved away from housing provision and opted to serve as housing facilitators. However, provision of family housing by the mining companies has historically been slow, and moreover hampered by ineffective programmes (Laburn-Peart, 1992; Hunter, 1992; James, 1992), while housing provision by government has not seen specific attention being given to the case of mineworkers (although the difficulties involved in providing housing to migrant labourers must be acknowledged), and backyard rental continues to be regarded as the 'black sheep of housing' by the Department of Housing, as articulated by Gilbert, Mabin, McCarthy & Watson (1997) a decade ago, while the social housing policy, too, makes no mention of rental housing for migrant workers.

Conversely, however, mining companies have committed themselves in the Mining Charter (South Africa, 2002) to cooperation in formulating integrated development plans for the mining communities, improving housing standards, the upgrading/conversion of hostels, and the promotion of homeownership options. In the Social Contract for Rapid Housing Delivery both the mining sector and government further committed themselves to these ideals along with facilitation of the housing process and facilitating the use of subsidies to increase housing access. Both parties committed themselves to furthering homeownership as a wealth-creation strategy, but also to 'other forms of tenure for all employees' and 'rental stock for a rapidly growing, mobile (migrant) [population] … [and in] locations close to employment opportunities' (South Africa. Department of Housing, 2005b: 3, 9). Although the mining charter refers to rental stock, the Social Housing Policy is silent in respect of this type of housing. At the same time, the contextualisation of housing upgrading in the Mining Charter does not ask just how desirable ownership programmes in smaller mining towns actually are.

In practice, the changes in the Mining Charter have meant that the housing responsibility was transferred to the individual (despite reference to other forms of tenure). This was not necessarily problematic in larger urban areas because, if a mineworker lost his/her job at the mine, he/she could sell the house or find alternative employment in a diverse economy. Yet, in smaller towns (single-resource towns) the ability to sell your house in periods of economic

decline or to find alternative work outside the mining environment is slim.

In view of continued migrancy, the inability of many mining towns to diversify their economies, and the possibility of ensuring private-sector involvement some form of rental housing would then be appropriate. However, it does not seem as if the way in which social housing has been contextualised in BNG and in the Social Housing Policy has taken account of the possibility of linking this approach to newly expanding mining areas – although, in practice, this is probably possible.

5. CURRENT HOUSING INITIATIVES IN KATHU

The Sishen Iron Ore Mine in the town of Kathu in the Northern Cape has seen significant new development in recent years, owing to the demand – mainly from China – for iron ore. In addition to increased production through quarrying, the recent Sishen Expansion Project (SEP) has seen significant increases in yield, owing to the employment of jig technology to increase the concentration of iron in previous dumping sites (Nel & Van Wyk, 2007). The increases in production capacity, coupled with construction projects, have led to significant increases in employment levels, and, consequently, also in the demand for housing in Kathu. The existing private and ex-mine-owned stock (sold to the current tenants during a previous privatisation drive) is currently fetching significantly higher prices (it is not uncommon for housing units to be sold for R1 million); and new

developments are at a premium, with large shortfalls being experienced in the municipal infrastructure (Ashira Consulting, 2007; Nel & Van Wyk, 2007; Botha, 2007). In an effort to address the housing shortage, housing provision has been outsourced by Kumba Iron Ore to two companies: the Matlapeng Housing Company, which constructs the houses, and Laketshona, which administrates rental and rent-to-own (instalment sale) options, and also assists prospective owners to secure a bond. Furthermore, the mining company donated the land for these housing developments, and is currently subsidising the infrastructure to improve affordability (at a rate of up to R80 000 per stand). The company has also instituted a housing subsidy for mineworkers who take up a bond, although the majority of houses are sold by means of an instalment sale with land transfer only to be taken later (Nel & Van Wyk, 2007). In addition, the mining company has recently initiated the process of upgrading the hostels. This will require significant density reduction; and those displaced by the upgrading have moved into the neighbouring township of Sesheng. Here, most of the individuals live in shacks or backyard rental accommodation. No official figures exist regarding the living conditions of mineworkers in Sesheng (Nel & Van Wyk, 2007). Effectively, Kathu's housing stock will increase from 1 300 to ± 2 500 units by 2014 (excluding hostel and township accommodation). At the same time, extensive expansions are planned for the nearby town of Postmasburg (80km south of Kathu).
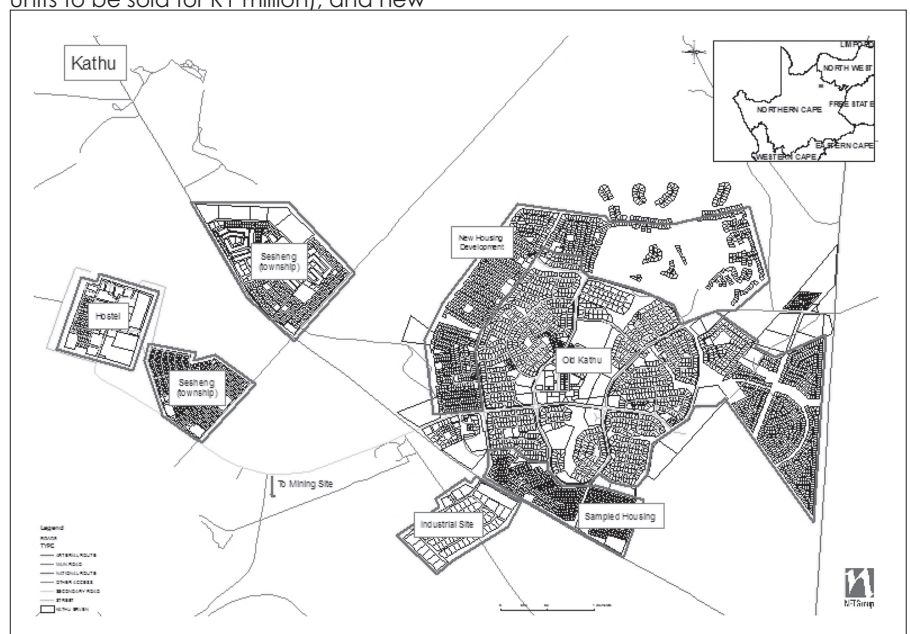

Figure 1:   The town of Kathu with relevant locations marked
Source: NETGroup South Africa, 2009: online

The above example demonstrates high levels of involvement on the part of the mining company; and the outsourced housing management model features prominently, as do a range of tenure options. Yet, an overall intent towards ownership could be clearly discerned, and was indeed confirmed during interviews. In the process, however, the risks relating to housing are transferred to the individual by means of a mortgage bond in an area where economic diversification is limited, and where the economic future of the area is based on the international iron-ore market. The limited potential of mortgage bonds has been documented in the relevant literature (Tomlinson, 1998; Marais, Botes, Pelser, & Venter, 2005). These limitations are even more problematic in remote mining areas where resource depletion and boom-bust cycle of mining are realities that impact negatively on long-term housing-finance mechanisms. This also confirms the earlier statement that the intention in the Mining Charter to upgrade housing for mineworkers was mainly focused on ownership models (mortgages or instalment sale). Two questions thus beg to be answered. Firstly: Would a policy direction discouraging ownership in remote urban mining areas not be more appropriate? Obviously, some kind of incentive by means of state-assisted rental accommodation might be an alternative. Secondly: To what extent do mineworkers needs fit such an intention?

6. WHAT DO MINEWORKERS WANT?

Essentially, in this section we asked the question as to whether the mineworker profile would match the profile of the tenants envisaged in the Social Housing Policy and further emphasised in BNG.

In addition to the policy, the literature review and also the interviews with key stakeholders, information provided in this section is based on two household questionnaires administered as part of research conducted for a Masters' dissertation focussing on mineworker-housing provision. In order to obtain an overview, questionnaires were distributed to persons who had already taken up occupancy of houses in a new housing development. By February 2008, 477 houses had been completed. Of the 477 occupied housing units, 201 were sampled. Systematic sampling was employed, using a map of the neighbourhood. There were 1 400 official Kumba employees residing in the hostels at the time of the survey. However, the actual number of residents was swelled by illegal family members and contractors. Focusing only on the 1 400 legal residents, we drew a sample of 302. Next to the hostel complex, there are also fifty formal houses for senior staff members, who were included among the 1 400 hostel residents. All fifty of these senior employees were sampled as part of the required number of 302 participants with a view to ensuring adequate representation of the subsample. Multi-stage cluster sampling was used in the hostel proper, as no accurate sampling frame was available.

The results of the survey show a mixed response. On the one hand, residents in the mining hostels displayed a greater tendency to emphasise the link with their area of origin. Residents in the housing project were more likely to regard their settlement in Kathu as a more permanent arrangement. This begs the question whether they actually do understand the longer-term financial risk. The results show that hostel residents were more likely than the residents of the housing scheme to indicate that they did not wish to reside in the area permanently, and that they did not wish their spouse and children to join them in the area – in cases where the spouse and children were not currently living with them. Empirical evidence suggested that 55% of the respondents in hostels did not want to reside in Kathu permanently compared with 20.2% of the respondents in the housing scheme, while nearly two-thirds did not want their spouse or their children to join them.

Hostel dwellers were also likely to indicate that they had access to a home elsewhere and to rate their satisfaction with that home as 'high'. Nearly 80% of hostel dwellers indicated having a home elsewhere, while three-quarters indicated a high level of satisfaction in respect of this house elsewhere. Given the opportunity, 58% of these hostel dwellers would choose to invest in housing in their area of origin, rather than in Kathu. From the data, it can be concluded that a large proportion of the population does not wish to reside in the area permanently, and would prefer their spouse and children not to join them in the area. These figures imply that for a large section of the population, ownership, or even rental housing in the form of a large housing unit, as supplied by the Matlapeng Housing Company, is undesirable, as they do not wish to remain in the area permanently, and in most cases are supporting their families who reside at another location. These individuals would benefit from the continued availability of affordable rental options.

The pattern of tenure preference does not, however, reflect the fact that most of the hostel dwellers did not wish to reside in the area permanently. When respondents who did not wish to take up permanent residence were asked what form of tenure they would prefer in the area, 69.2% indicated that they would prefer ownership, while only 24.1% indicated that they would prefer to rent accommodation (the other 6.8% indicated the rent-to-own option). This response can most probably be linked to the strong emphasis on ownership in tenure options in South Africa relative to other countries (Gilbert *et al.*, 1997) and a lack of understanding of the implications of ownership in the long run. The emphasis on housing as an asset in BNG might also have contributed in this respect. However, this preference should be weighed against the fact that these individuals most probably could not afford to own both a house in the mining area, and a house in their sending area. The flexibility and mobility afforded by a rental unit would thus be more appropriate to their lifestyle choices.

Of the hostel dwellers who did not want permanent residence, 23.1% earned less than R3 500 per month, while 95.4% earned less than R7 500. These income levels should allow them access to a government subsidy. It is noteworthy that only a small percentage of these respondents had accessed a housing subsidy (4.1%), or had relatives in their immediate family who had accessed subsidies (3.5%). However, having indicated that they did not wish to reside in the area permanently, they also indicated that when they did access a subsidy, it would probably be applicable to the area to which they planned to return. Also, given the limitations of their incomes, many of the respondents would be unable even to access a mortgage to purchase a home in their area of origin – let alone afford additional accommodation in another area. The Social Housing Policy identifies those who earn between R1 500 and R7 500 per month as the target group for social housing (South Africa. Department of Housing, 2005a). However, Tonkin (2006) points out that an income above R2 400 would be more appropriate. Affordability appears to be an issue, with 52.3% of the respondents indicating

that they could afford less than R200 a month – little more than what they are currently paying for their accommodation in the hostels (R101). Only 25% indicated that they would be able to afford housing at a cost of more than R800 per month. This is probably partly attributable to the payment culture fostered by the mining companies through the provision of cheap accommodation without any additional expenditure in terms of rates or taxes. Some occupant education will probably be needed to prepare individuals for a private-rental environment.

Although the emphasis on social housing as an agent of urban integration is essentially linked to larger urban areas, such housing could potentially perform the same function in smaller settlements. For example, 97.5% of the hostel residents indicated that their major reason for living in the area was the fact that the accommodation was close to the workplace. When asked how they felt about the area, most indicated that they were generally satisfied (15.3%) or happy (47.9%) with the hostels, citing the close proximity to the mine as the major reason for their satisfaction (41.5%). Those who were not satisfied generally indicated that the problem of over-crowding (53.6%) was the major source of their dissatisfaction with the hostel system. The location of the hostels, in close proximity to the adjoining township of Sesheng, assists in keeping transport affordable for those living in Kathu. The local municipality has suggested that future developments in Kathu should be concentrated along a corridor that links the town and the township areas. This area of land is close to the industrial area, as well as to the mine and the shopping centres. Thus, even in the small-town context, social housing could play a role in urban integration.

7. SOCIAL HOUSING AND MINEWORKER HOUSING: SOME REFLECTIONS

The case study on Kathu requires some reflection in respect of the arguments suggested at the outset. The first key aspect is whether the state should in any manner invest in mine housing in such remote locations and for that matter in social housing. The utilisation of the individual credit-linked subsidy might at first glance be the most applicable subsidy in Kathu. However, there seem to be two prominent reasons why some form of rental housing through the social housing model would be

more appropriate. In the first instance, the current employer-assisted housing focuses on the instalment sale model which ultimately results in full ownership and a mortgage bond. To a large extent this approach represents a transfer of the housing responsibility away from the employer to the individual household. The fundamental question is whether state-initiated rental housing through the social housing model could not reduce the longer-term risks of mortgage bonds in inherently unsustainable resource-based settlements such as Kathu. The second motivation for state involvement is linked to the levels of affordability and the inherent mobile nature of a significant percentage of the migrant workforce. Although the mining companies are investing large amounts of money, a further subsidy – through either the restructuring grant or even the institutional subsidy – will go some way towards ensuring a larger degree of affordability.

Secondly, the question is whether the profile of mineworkers fits the rental-housing model within social housing. The article has mentioned that circular migration remains prominent (something which the policy acknowledges – albeit outside the mining sphere), that many people have housing investments in other rural areas, and that the lack of a viable economic future for Kathu suggests a scenario in which long term settlement is unlikely.

Finally, because the private sector (employers) is taking the lead in providing housing in Kathu it would be worthwhile to consider the development of private-public partnerships for the upgrading of hostels and appropriate rental housing agreements in line with both international experience and the intent in the South African policy.

8. CONCLUSION

In this article we have contended that the re-emphasis on social housing in BNG has been biased in favour of urban areas, and has neglected expanding mining areas. These remote mining areas could potentially qualify for the provision of rental housing through the social housing framework, since large-scale involvement on the part of mining companies is already in place. Such private-sector involvement makes private-public partnerships possible. A further motivation for social housing lies in the fact that long-term housing provision through mortgage bonds

is not always desirable in that as the long-term feasibility of settlements in these areas is uncertain, especially when economic diversification is limited. In addition, significant percentages of the mineworkers – owing to their current mobility through migrant labour – want a flexible tenure arrangement, as they have alternative housing arrangements elsewhere. Another motivation for social housing is the fact that there is a public responsibility to minimise the risk run by home-owners of ultimately being 'stuck' in a remote settlement in a post-mining era. Furthermore, the indirect objective of the BNG and social housing policy – in terms of urban restructuring, renewal and integration – exhibits an urban bias, and thus fails to address the problem of mining towns and mineworker housing – this, despite the fact that these principles could also be made applicable to small towns, albeit on a lower scale.

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