

## **Strategic direction critical for platinum companies' social investments**

Rustenburg's three main platinum companies are responsible for some 50% of all direct jobs in the North West town and 15% of all indirect jobs. In addition, the companies' social investments in Rustenburg have been extensive, particularly compared to public investments in health and housing.

That's according to global advisory firm Eunomix which today released the results of a recent study into the socioeconomic impact of the primary Rustenburg platinum mining houses.

In 2013, the three companies invested a combined ZAR 139.8 million in training and education programmes, ZAR 171 million in health programmes (14 times more than the public administration), ZAR 1.2 billion in housing programmes (60 times the municipal expenditure), and ZAR 370 million in local infrastructure.

Over 25,000 students were enrolled in company-financed education programmes between 2011 and 2013 and almost 60,000 HIV tests were conducted by the three main platinum mining companies in 2013. Platinum companies also built around 18,000 dwellings in Rustenburg between 2012 and 2013.

Nonetheless, our on-the-ground research reveals that there is space for the strategic direction of the sustainability investments to be more responsive to the nuanced issues that emanate from a number of structural socio-economic problems that plague a large part of the Rustenburg area, many of which are mining-related.

For instance, the migrant labour system contributes to gender violence, there is a lack of health facilities, the housing backlog was estimated at 59,000 in 2011, there was a lack of capacity in local government, and the area is dangerously dependent on mining, which contributed to 68% of Rustenburg's Gross Domestic Product in 2011.

The study recommends that industry players should improve the coordination of sustainability projects and that more cooperation between government and the industry is needed.

Eunomix is a multidisciplinary advisory firm specialising in investment climate, strategy, risk management and socioeconomic development. We help businesses and government deliver sustainable outcomes in the face of systemic uncertainty, fierce competition and growing demands for shared prosperity.

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