



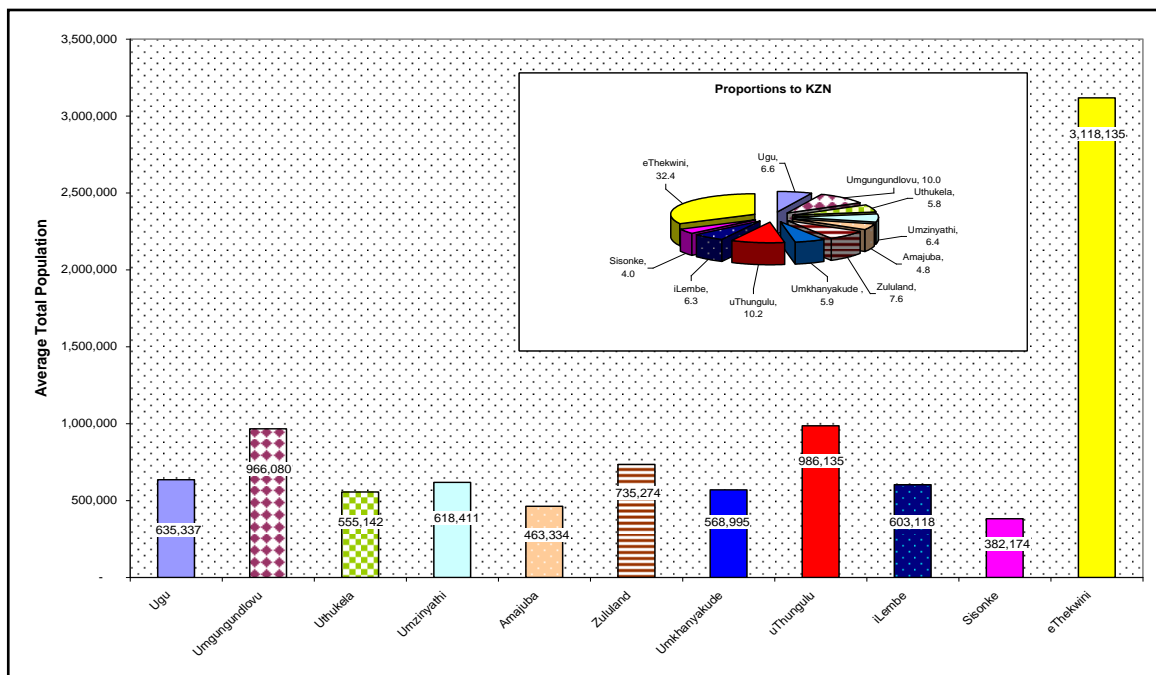
KwaZulu-Natal Provincial Treasury

SISONKE DISTRICT: SOCIO-ECONOMIC PROFILE

10.1 Demographic Profile

The population of KwaZulu-Natal has been growing and maturing over the years, and has thus posed both challenges as well as opportunities to the province. According to Statistics South Africa, the province's population was estimated at 10,1 million people in 2006. The largest proportion of these people lived in eThekweni Metro (32.4%), followed by uThungulu (10.2%), and uMgungundlovu (10.0%). Sisonke district had an estimated average population of 382,174, accounting for 5.9 percent of the provincial population between 2002 and 2006 (Figure 10.1).

Figure 10.1: Total Population by DMs, average 2002-2006

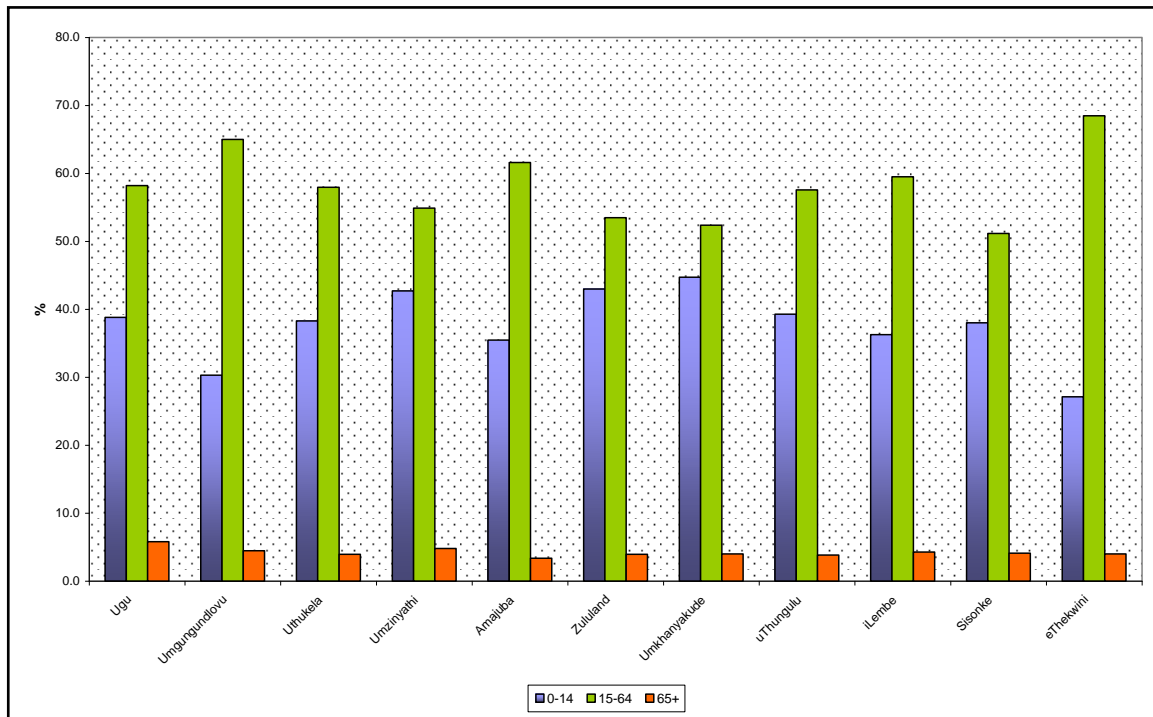


Source: Global Insight, 2007

Figure 10.2 shows the distribution of the population across DMs by age group. The largest proportion of the population in Sisonke was the age group 15-64 years (57.4%), followed by the age group 0-14 years (39.0%). The elderly population made the smallest portion of the total population.

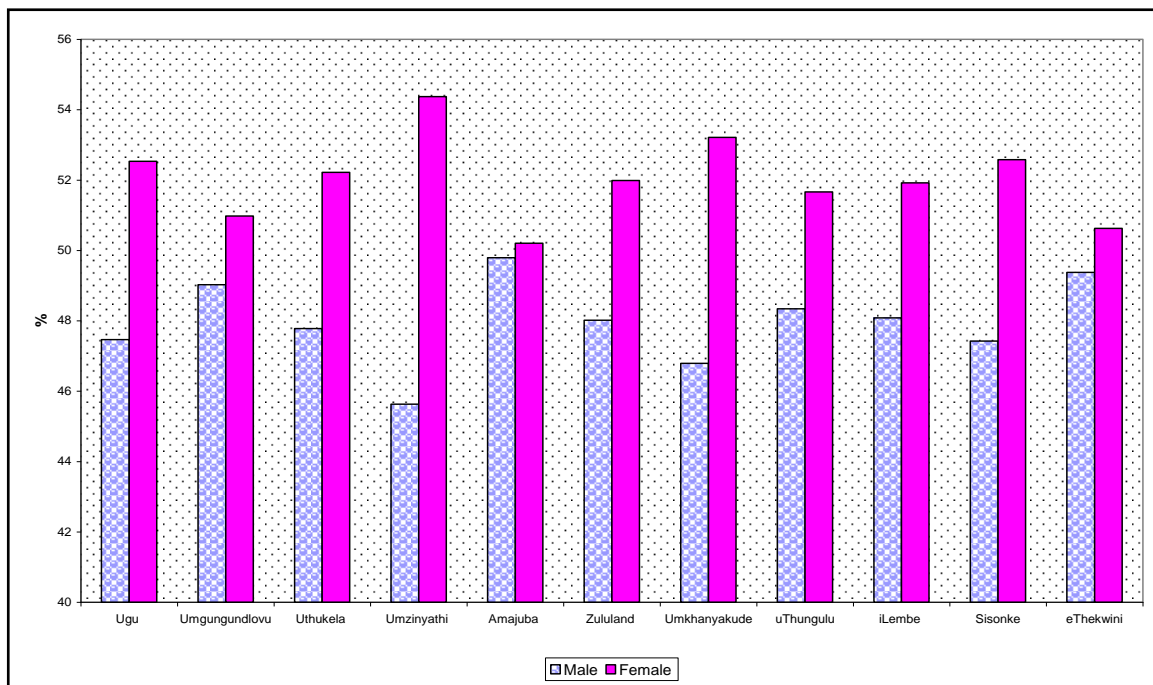
More potential work seekers translate into higher unemployment levels, particularly if individuals are not appropriately skilled. Hence, the higher number of both young individuals and people in the labour force overall will require more spending in education (primary and secondary) and skills development.

Figure 10.2: Total population by age group across DMs; average 2002-2006



Source: Global Insight, 2007

Figure 10.3: Total population distribution by gender across DMs; average 2002-2006



Source: Global Insight, 2007

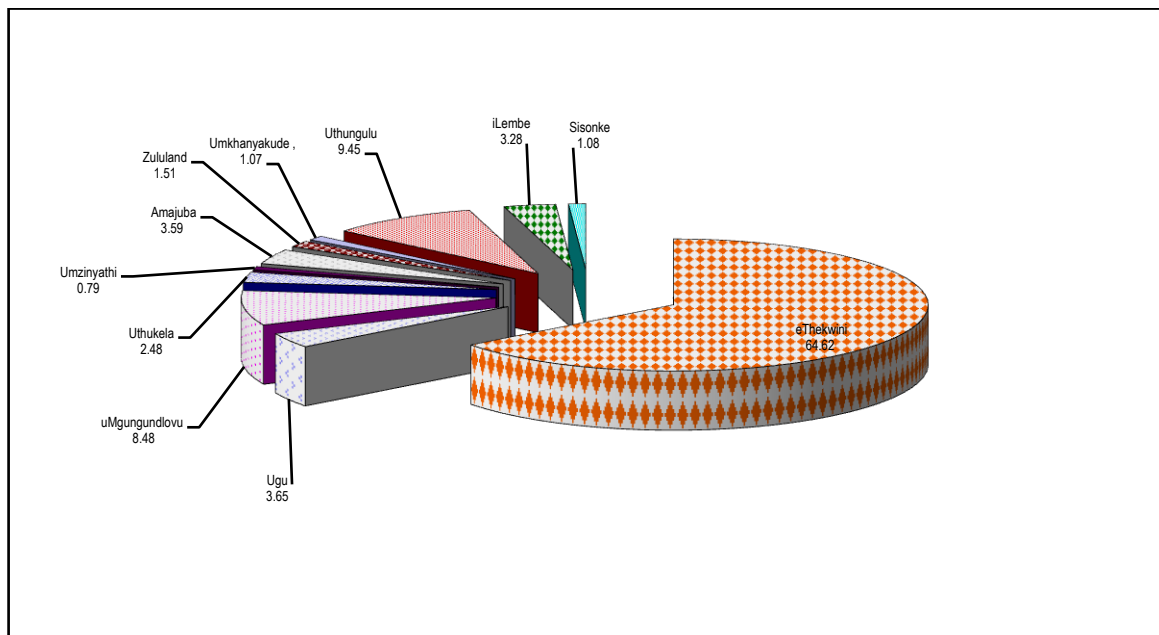
The majority of the population in Sisonke and across all DMs was female during this period (53%) (Figure 10.3).

10.2 The Economy

10.2.1 Gross domestic product per municipality (GDP-M)

Between 2002 and 2006, the GDP-R for KwaZulu-Natal was estimated at an annual average of R177,8bn. There was a significant growth of 18.8 percent from R163,9bn in 2002 to R194,7bn in 2006. EThekweni, uThungulu, and uMgungundlovu were the highest contributors to the KwaZulu-Natal's GDP-R at 64.6 percent, 9.5 percent, and 8.5 percent respectively. Sisonke contributed the least to the provincial economy 1.1 percent, outpacing only uMzinyathi that put in only 0.8 percent.

Figure 10.4: Districts contribution to KwaZulu-Natal GDP-R, average 2002-2006

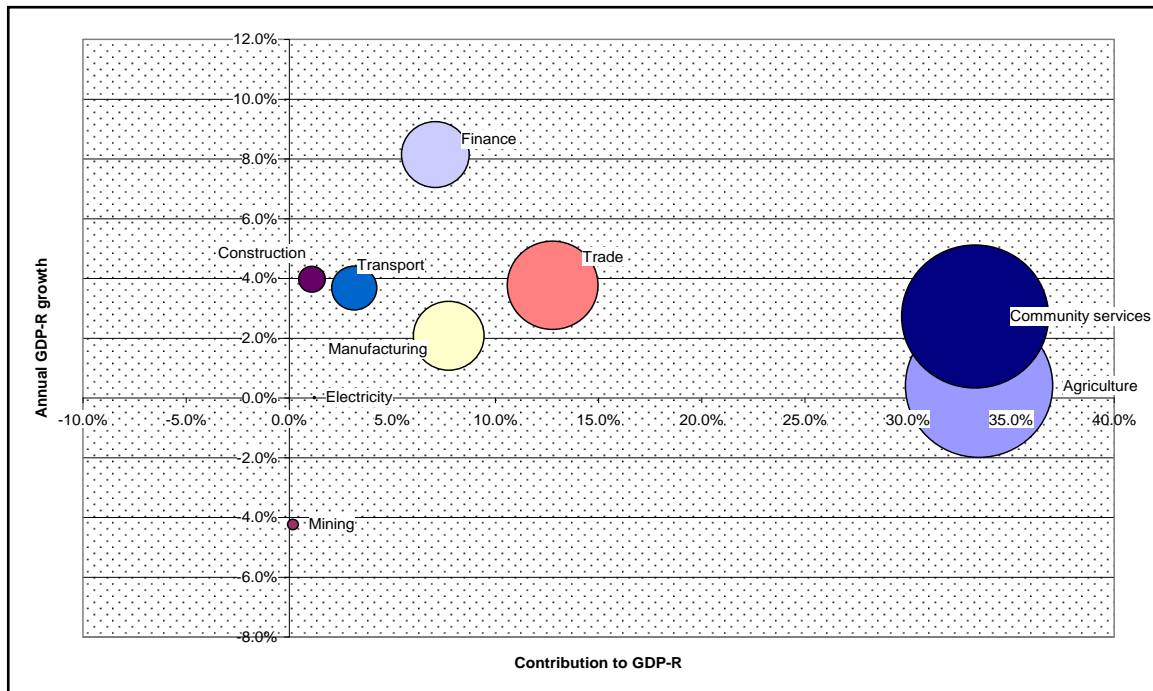


Source: Global Insight, 2007

Figure 10.5 shows Sisonke's GDP-M by economic sector between 2002 and 2006. During this period, the economy of the district grew by an annual average of 2.3 percent. Agriculture, Community Services, and Trade were the main drivers of the district's economy with average contributions of 33.5 percent, 33.3 percent, and 12.8 percent, respectively. Finance, Construction, and Trade were the fastest growing sectors, yielding average growth rates of 8.1 percent, 4.0 percent, and 3.8 percent respectively. Despite the overall stagnancy over the years, Sisonke's Agriculture contracted sharply between

2005 and 2006 moving from 5.2 percent in 2005 to -7.8 percent in 2006, while Finance grew precipitously at 21.0 percent between 2005 and 2006 from 1.5 percent to in 2005.

Figure 10.5: Ugu GDP-M by Sectors (2002-2006)

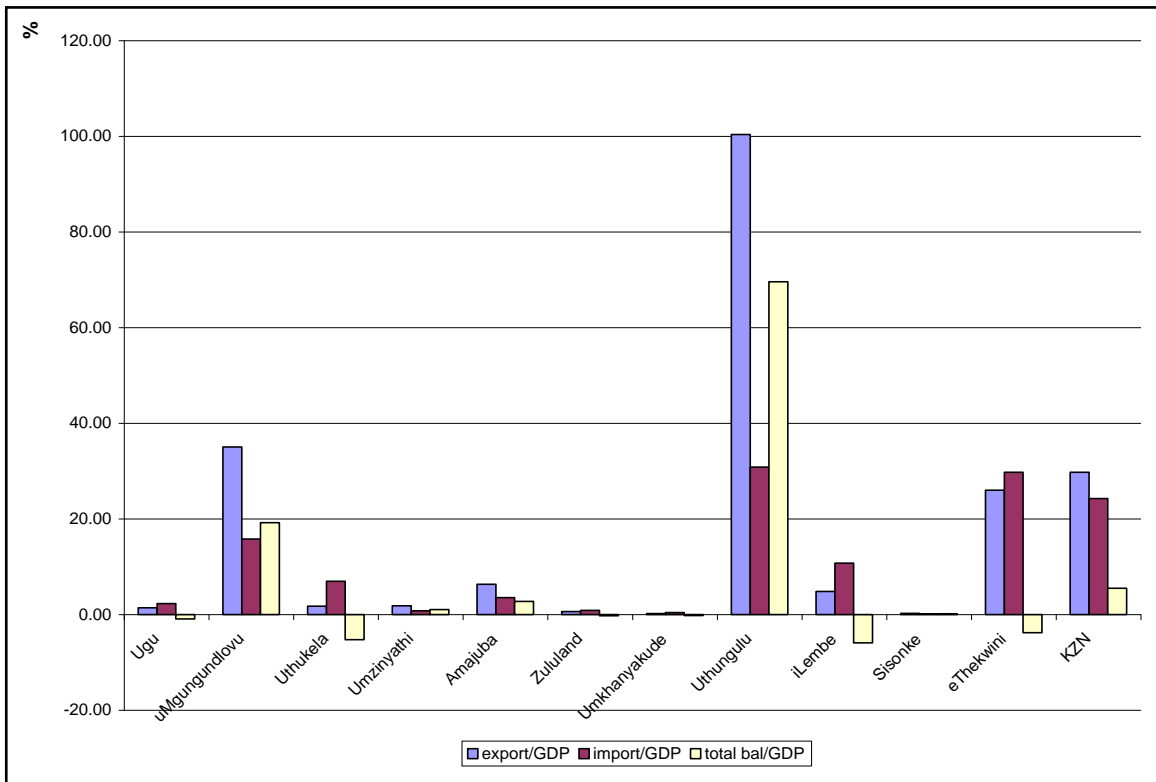


Source: Global Insight, 2007

10.2.2 International Trade

Figure 10.6 shows the proportions of exports, imports and trade balance (to the districts' GDP-M) across all DMs. Sisonke's international trade was very minimal; on average, the district's imports were 0.1 percent and its exports 0.3 percent of the GDP-M from 2002 to 2006, resulting in a trade surplus of 0.1 percent of the district's GDP-M. The district ranked along the smallest role-players in this activity, such as uMkhanyakude and Zululand, and was in fact the smallest of them all.

Figure 10.6: Exports, imports and Trade Balance (percent of GDP-M), average 2002-2006



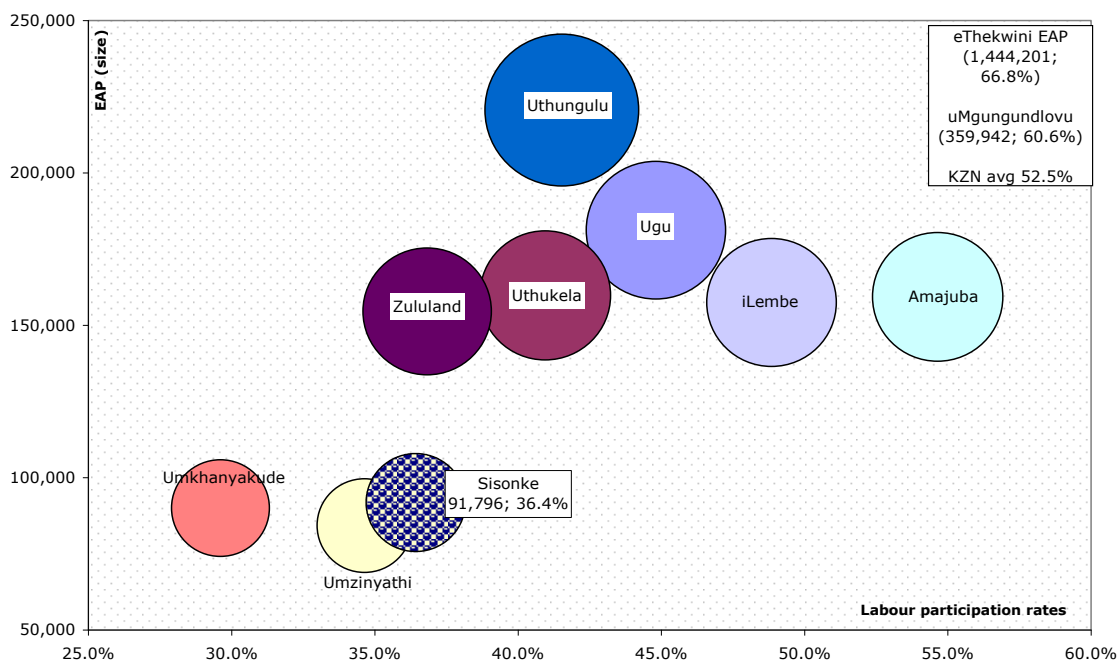
Source: Global Insight, 2007

10.3 The labour market

10.3.1 The labour force and the economically active population

Between 2002 and 2006, when the provincial labour force¹ approximated 6,0 million people per annum (approximately 60.0 percent of total provincial population), the economically active population (EAP)² was approximately 3,1 million. More than 1,4 million of the province's EAP was found in eThekweni, followed by uMgungundlovu (360,000) and uThungulu (221,000). Sisonke held the last-but-two position with about 92,000 people falling in this category (Figure 10.7).

Figure 10.7: The economically active population by municipal district, average 2002-2006



Source: Global Insight, 2007; Mahlatsi, 2007

¹ Labour force is population aged 15-64 years.

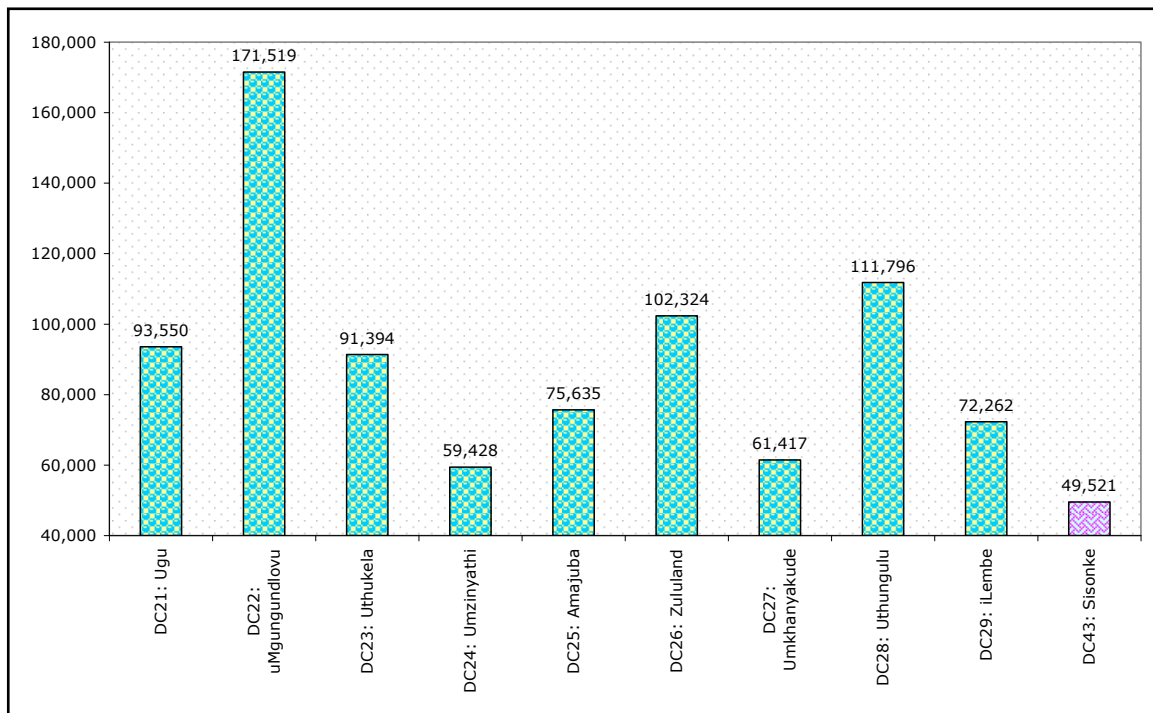
² The category EAP is made up of people who are either employed or unemployed. The employed consists of employers and employees, while unemployment are those not having a job but are actively seeking one (official definition), or they do not have a job, are actively seeking one or have given up searching yet still available for work at anytime (expanded definition).

As a proportion of the district labour force³, the district's EAP was about 36.0 percent. At this rate, the district was again the third highly economically inactive after uMkhanyakude (30.0%) and uMzinyathi (35.0%).

10.3.2 Unemployment

During this period, there were about 50,000 unemployed people in the district. This was the lowest level of unemployment in the province.

Figure 10.8: Unemployment by district, average 2002-2006



Source: Global Insight, 2007

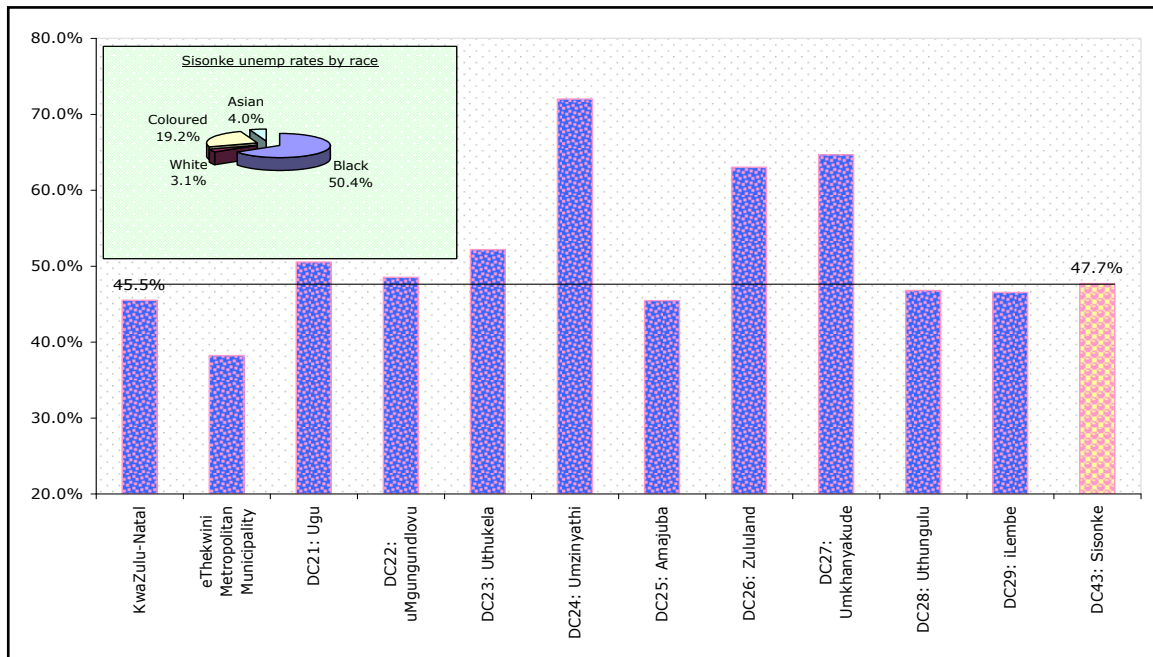
The district's unemployment rate⁴⁵ was relatively high at about 48.0 percent; towering those of eThekweni, Amajuba, uThungulu and iLembe, and 2.2 percentage points above provincial level.

³ EAP/LF = Labour participation rate or ratio.

⁴ Unemployment rate is the ratio of the unemployed to the EAP

⁵ Global Insight makes use of the expanded definition of unemployment, this includes those unemployed but not actively seeking a job

Figure 10.9: Unemployment rate by district, average 2002-2006



Source: Global Insight, 2007

As with the other districts, Sisonke’s unemployment rate was skewed towards the Blacks (50.4%). The respective rates for Coloureds, Indians and Whites were 19.2, 4.0 and 3.1 percent, and these were slightly lower than the patterns observed in some of the previously discussed districts.

10.3.3 Employment

10.3.3.1 Total employment

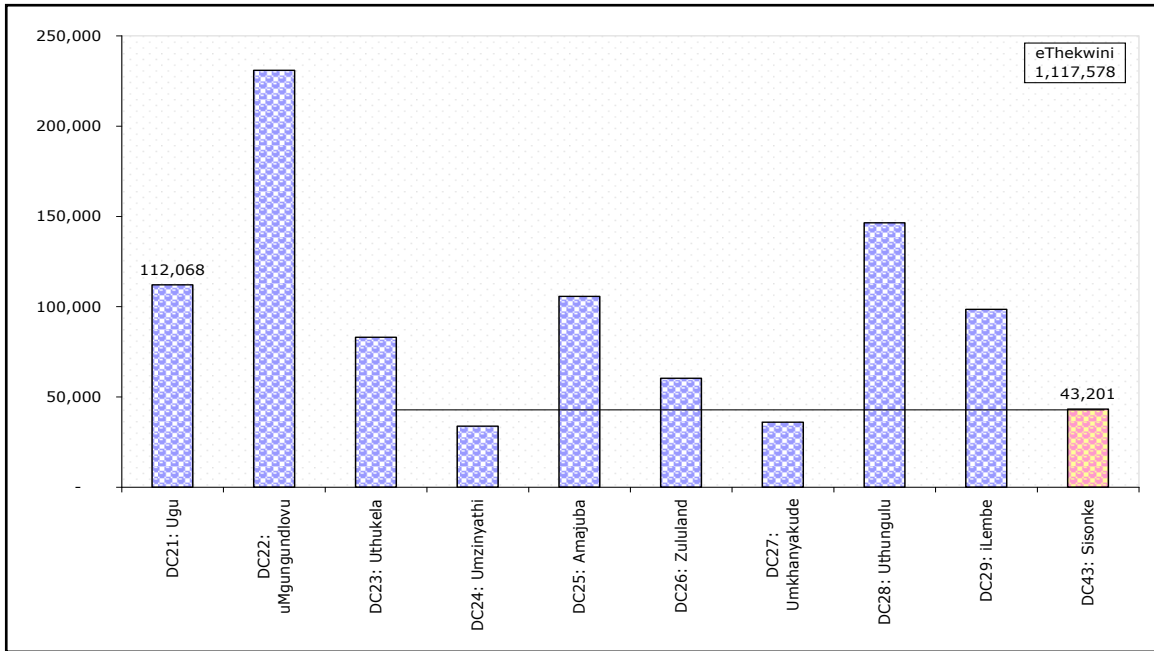
During the period under review, KwaZulu-Natal employment totaled an annual average of 2,1 million workers. Sisonke’s employment was still the lowest of all districts in the province (Figure 10.10).

10.3.3.2 Formal employment

The district’s formal employment was among the relatively higher levels at 70.4 percent of total employment (Figure 10.11). Agriculture, Community Services and Household

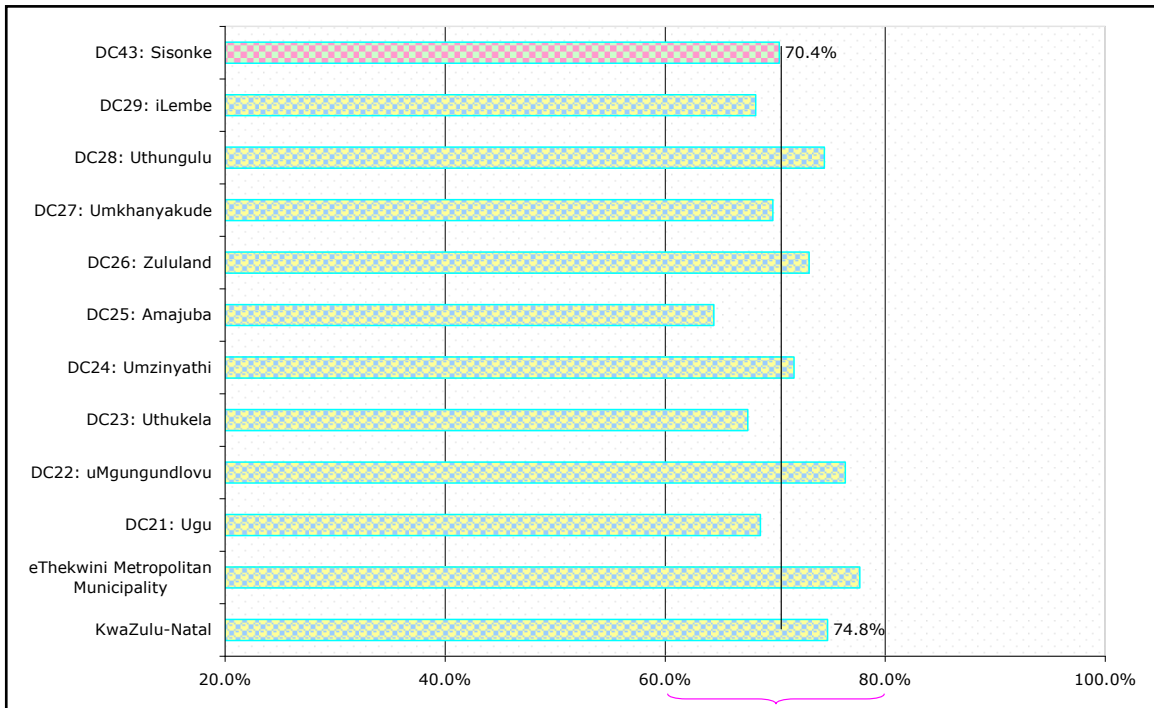
Services, sectors played a significant role in the district's formal employment, together accounting for about 84.0 percent of the district's formal employment (Figure 10.12).

Figure 10.10: Total employment by district, average 2002-2006



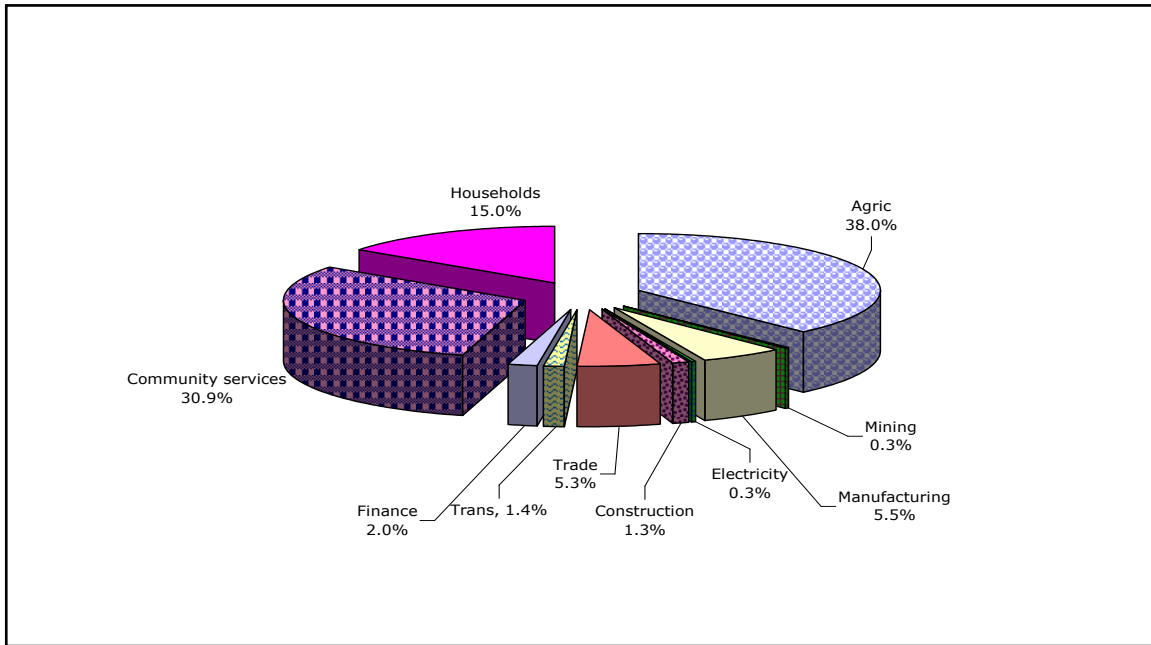
Source: Global Insight, 2007

Figure 10.11: Formal employment within districts (%), average 2002-2006



Source: Global Insight, 2007

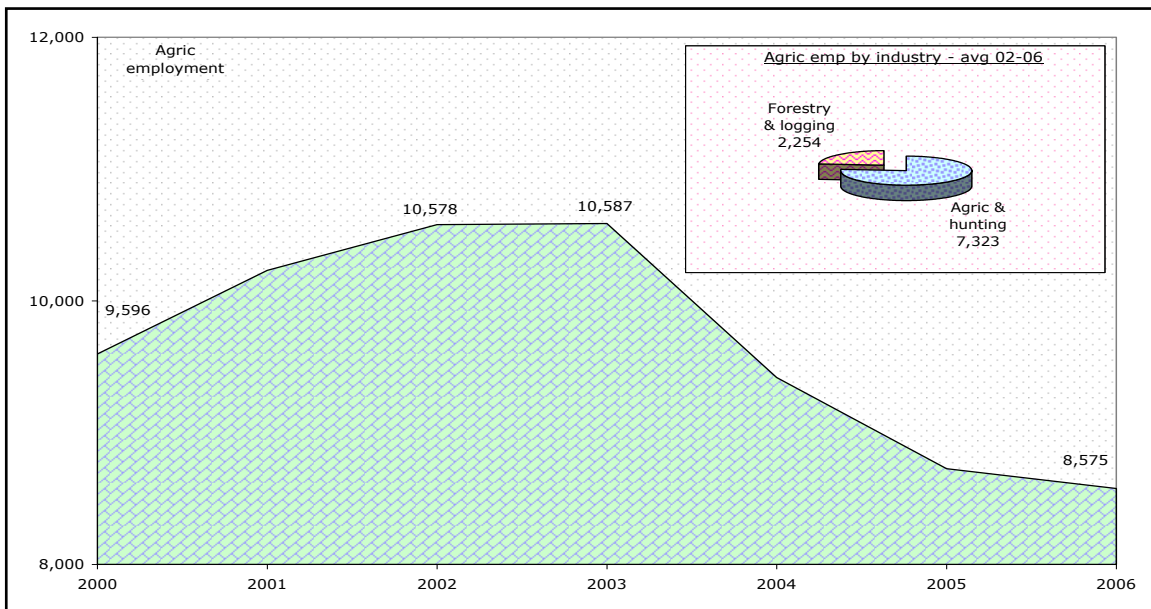
Figure 10.12: Sisonke formal employment by economic sector (%), average 2002-2006



Source: Global Insight, 2007

As with the other districts, employment in Agriculture, the co-major employer with Community Services, has seen declines recently. A larger part of this sector's employment was recorded in Agriculture and Hunting industry than in Forestry and Logging; Fishing was an unpopular industry in this district.

Figure 10.13: Agriculture formal employment trends (levels) and by industry (%), average 2002-2006

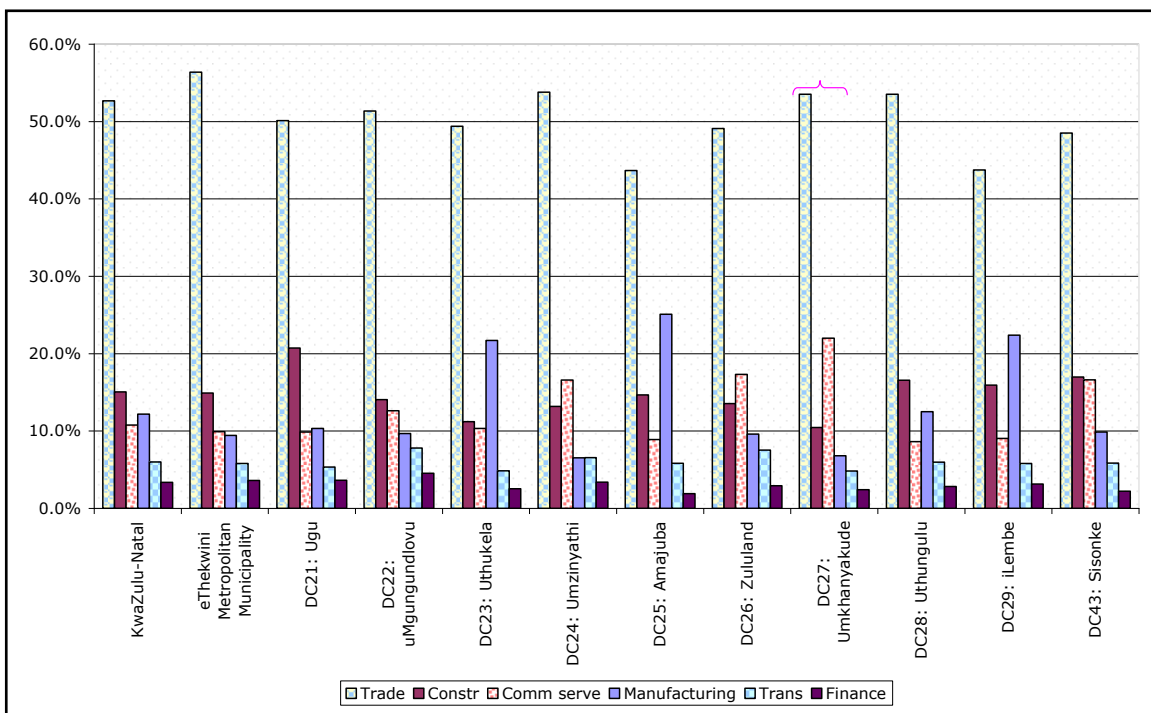


Source: Global Insight, 2007

10.3.3.3 Informal employment

KwaZulu-Natal's informal sector employment, recorded mainly in Trade, Construction, Community Services, Manufacturing, Transport and Finance⁶ sectors, was generally skewed towards the Trade sector. This was true in all but four districts, each having at least half the employment in this sector involved in trade of some kind; Sisonke had a similar experience. As with Ugu, the district also had a uniquely high employment in Construction at 17.0 percent this was complemented by Community Service, also at nearly 17.0 percent (Figure 10.14).

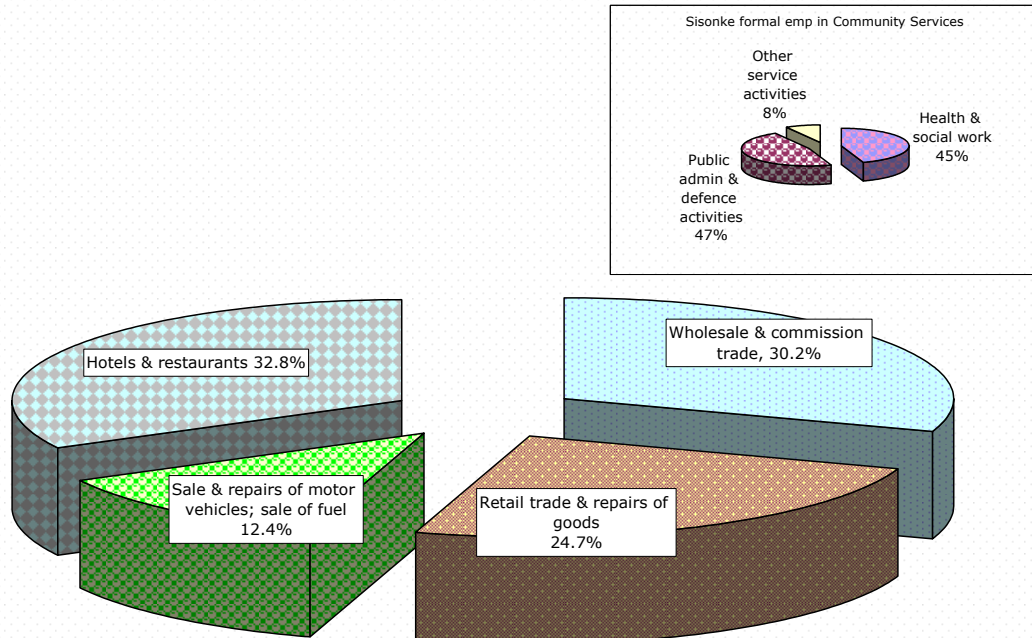
Figure 10.14: Informal employment by district and main economic sector (%), average 2002-2006



Source: Global Insight, 2007

⁶ These are the sectors recorded by Global Insight; they are easier to monitor and collect data thereon than the remaining others.

Figure 10.15: Sisonke formal employment in Trade (%), average 2002-2006



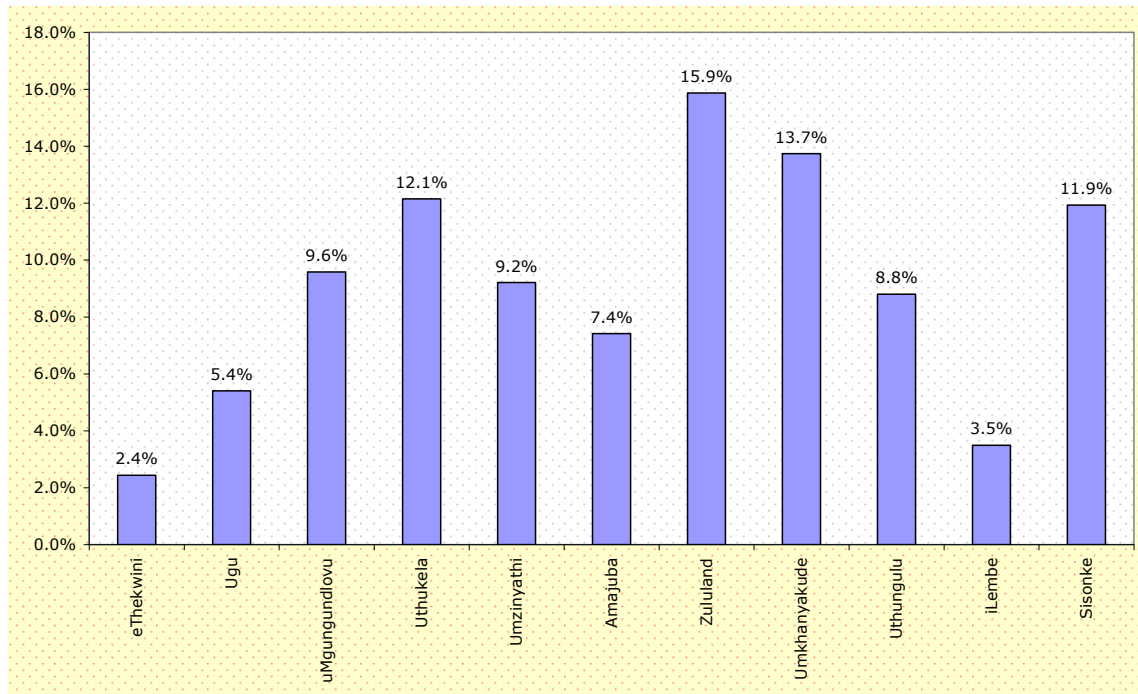
Source: Global Insight, 2007

Figure 10.15 shows the distribution of Sisonke's formal employment in the Trade sector, the leading contributor to informal employment. The district's formal employment in trade was skewed towards three of the four main industries, with 'Hotels & Restaurants' leading at 32.8 percent. The informal employment sector could also have followed a similar structure. Formal employment in 'Community Services', on the other hand, was dominated by 'Public Administration & Defense Activities' and 'Health & Social Work', with 'Education' recording a virtually insignificant contribution.

10.4 Land cover and use

In 2006, Sisonke's share of the KwaZulu-Natal soil was 11.9 percent, the fourth largest district after Zululand, uMkhanyakude and uThukela (Figure 10.16).

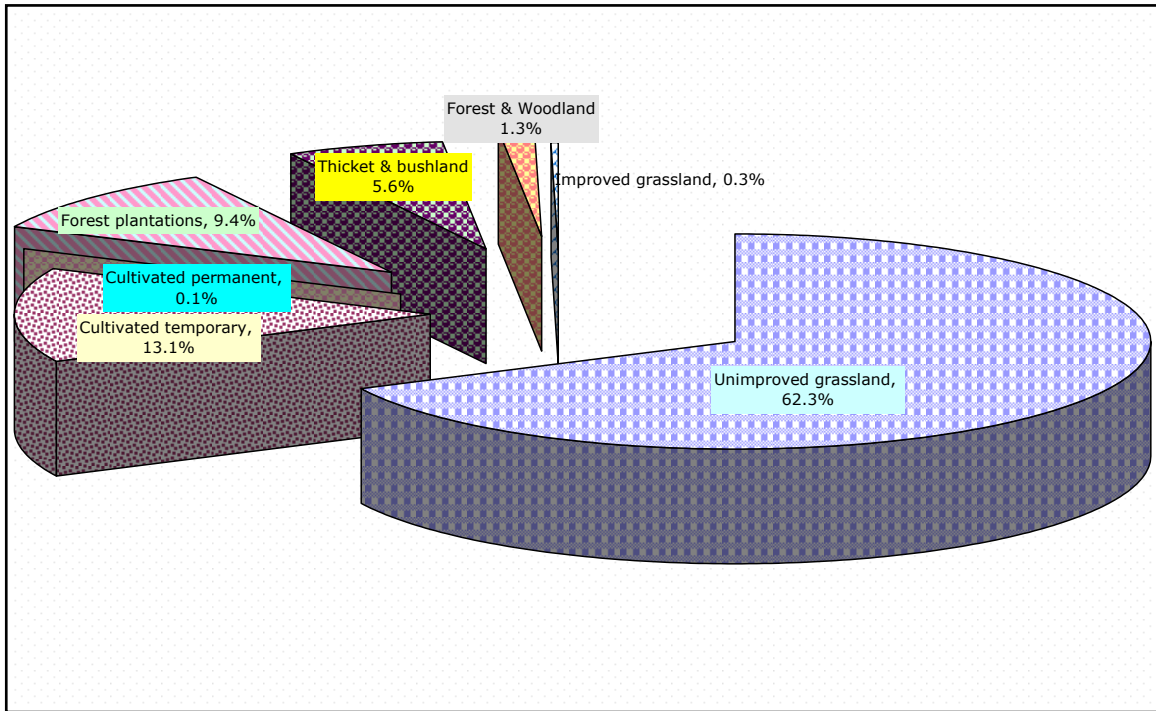
Figure 10.16: KwaZulu-Natal land by district (%), 2006



Source: Global Insight, 2007

However, similar to the majority other districts with massive expanse, the district had a large portion of its land unavailable for agricultural purposes (62.3% being unimproved grassland), with temporary or permanent cultivation carried out on only 13.2 percent (for both) (Figure 10.17). This should be an eye-sore as, similar to the rest of the districts, formal employment in agriculture in this district is shrinking, in the presence of so low a share used for cultivation.

Figure 10.17: Sisonke land use, 2006



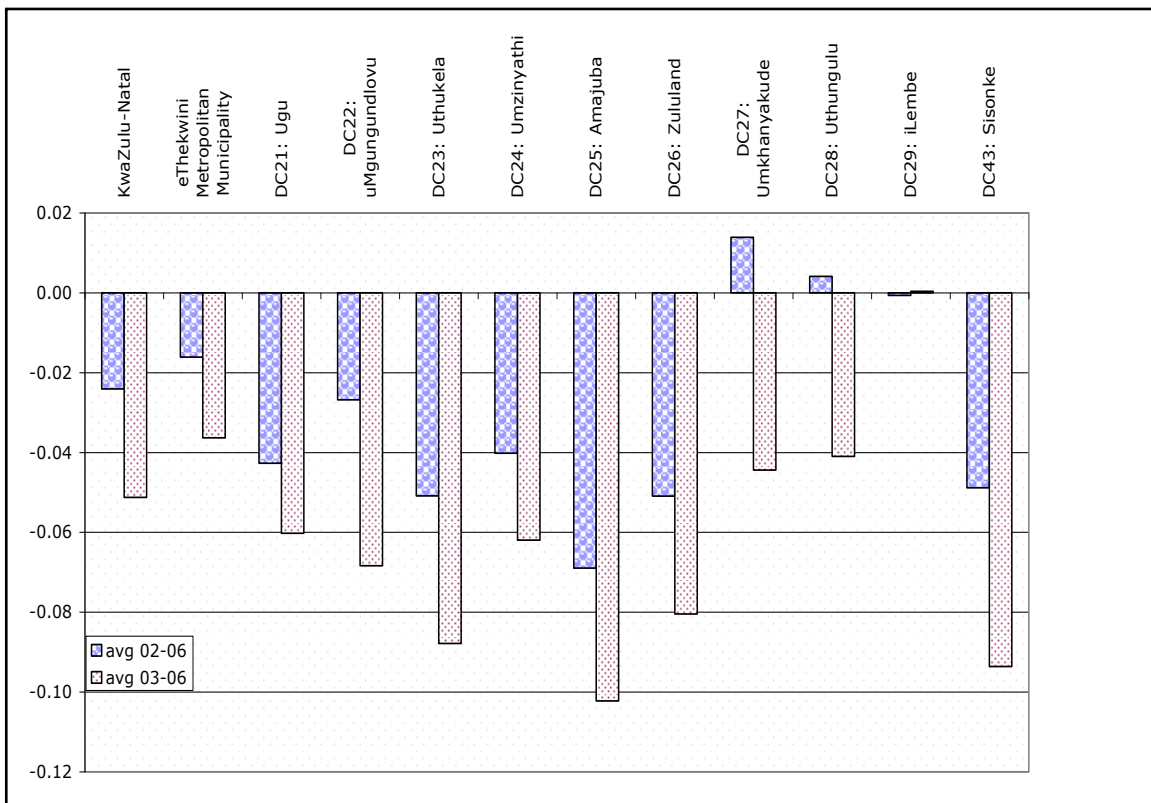
Source: Global Insight, 2007

10.5 Crime

Between 2002 and 2006, there was a consistent decline in reported incidences of crime in the province (2.4% annual average). UMkhanyakude, and uThungulu to a less extent, was the only district resistant to declining crime rates. However, 2003 forward saw a comprehensive decline, though with differing magnitudes; the provincial collapse rate in crime incidents was 5.1 percent. Sisonke was one of the districts that enjoyed the highest decline of at least 8.0 percent (Figure 10.18).

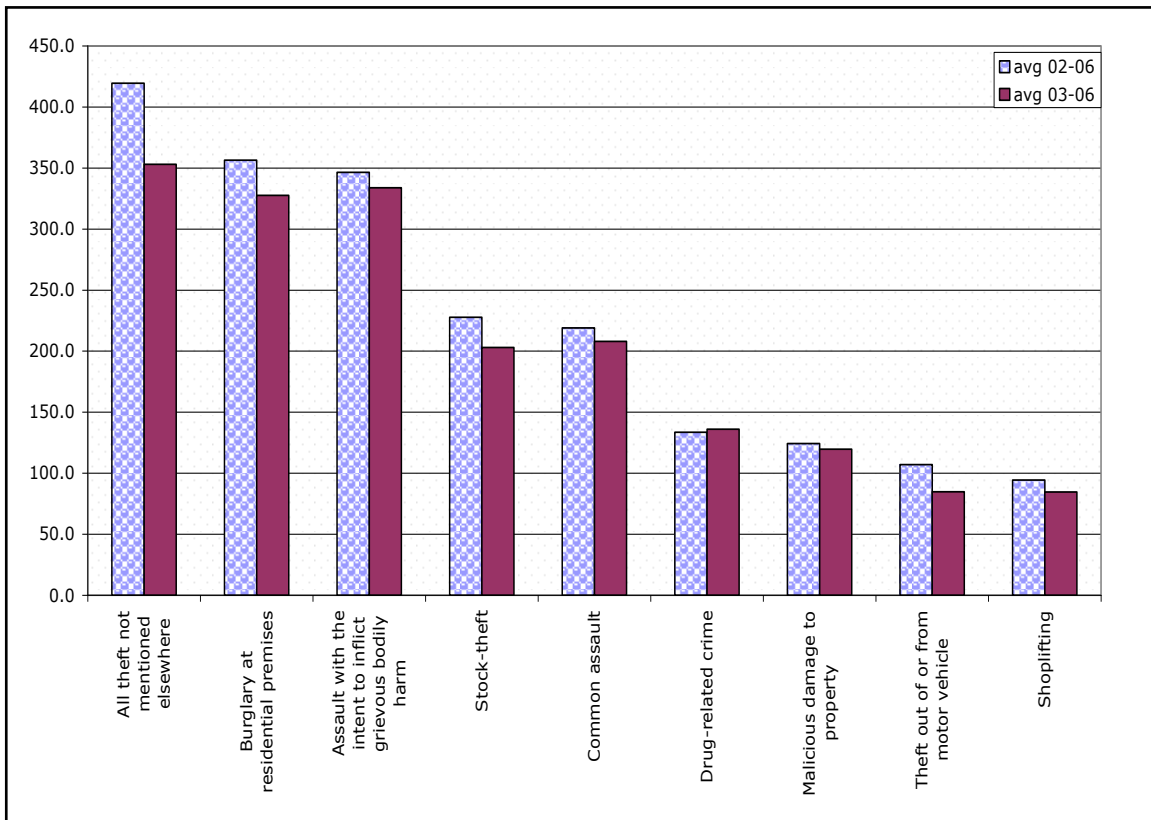
During the same period 2002 to 2006, the most common crimes in this district were theft, burglary and assault. Sisonke also had a unique experience of stock theft. This district was one of the safest areas with rates as low as 430 incidences per 100,000 people (Figure 10.18). This is worth applause as the already low levels have also recorded declines.

Figure 10.18: Growth rate in reported crime incidents by district, averages 2002-2006 & 2003-2006



Source: Global Insight, 2007

Figure 10.19: Sisonke crime rate by category (per 100,000 people), average 2002-2006 & 2003-2006

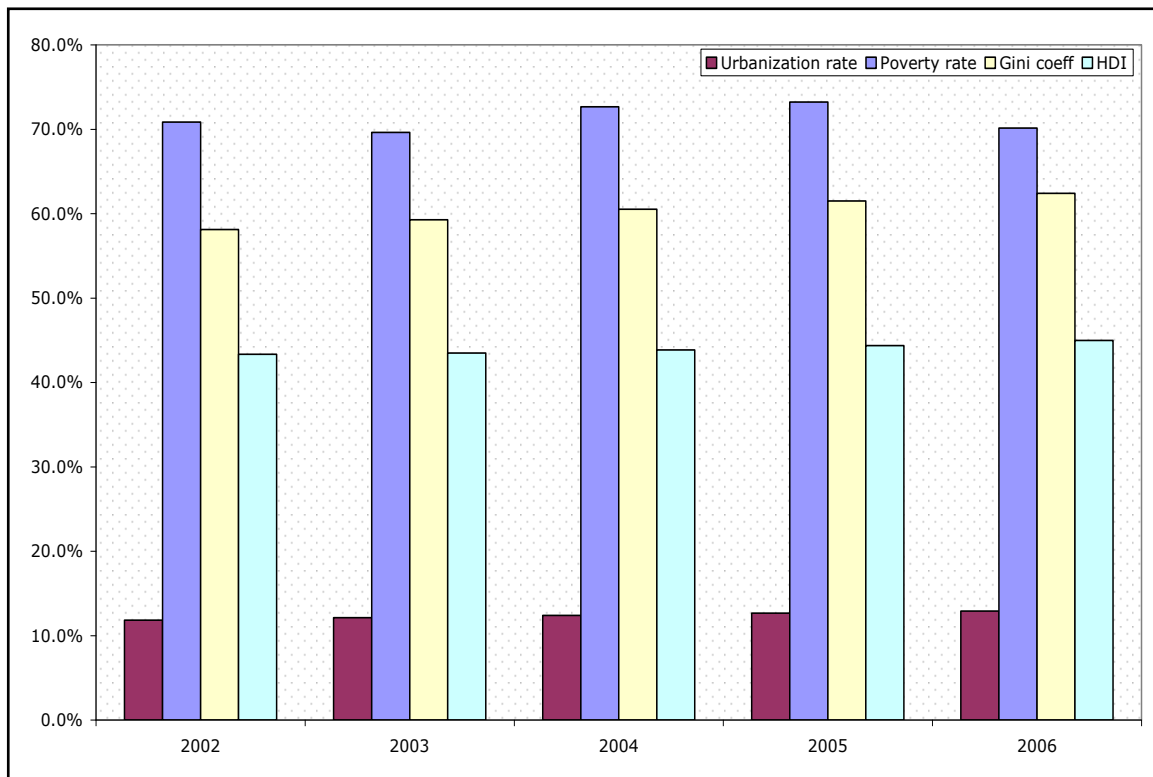


Source: Global Insight, 2007

10.6 Social Development

Figure 10.20 shows urbanisation rates, poverty rate, Gini coefficient and Human Development Index (HDI) for Sisonke. It transpires from this graph that the proportion of people living in poverty in the district has been fluctuating. The rate of urbanisation has, on the contrary, increased slowly from 11.8 percent in 2002 to 12.9 percent in 2006, and the income gap has widened (Gini coefficient rose from 0.58 to 0.62).

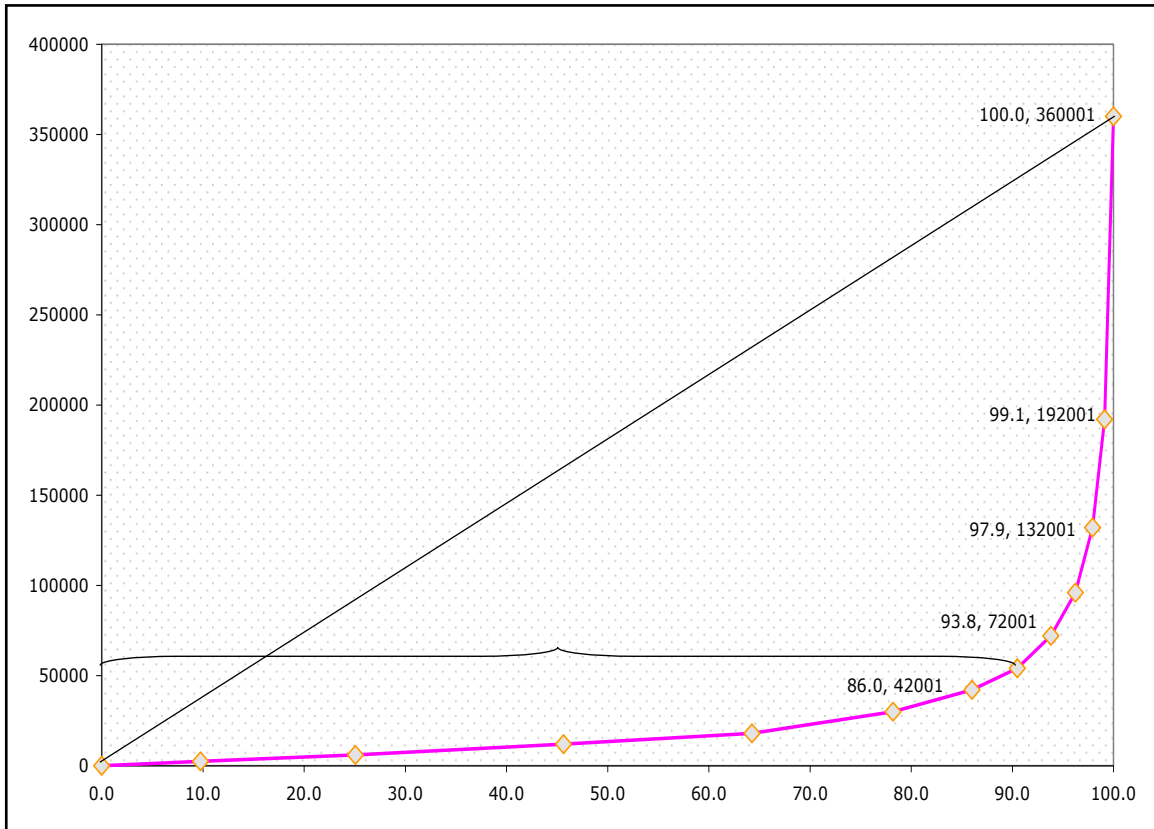
Figure 10.20: Urbanisation rate, poverty rate, HDI and Gini coefficient in Ugu, 2002-2006



Source: Global Insight, 2007

However, the overall human development in the districts has improved, with the index increasing from 0.42 to 0.45 – although still low by international standards.

Figure 10.21: Sisonke annual household income distribution, average 2002-06



Source: Global Insight, 2007

Figure 10.21 confirms that wide income gap, with nearly 94.0 percent of the district's households earning R72,000 per annum. This was one of widest income gaps in the province.