



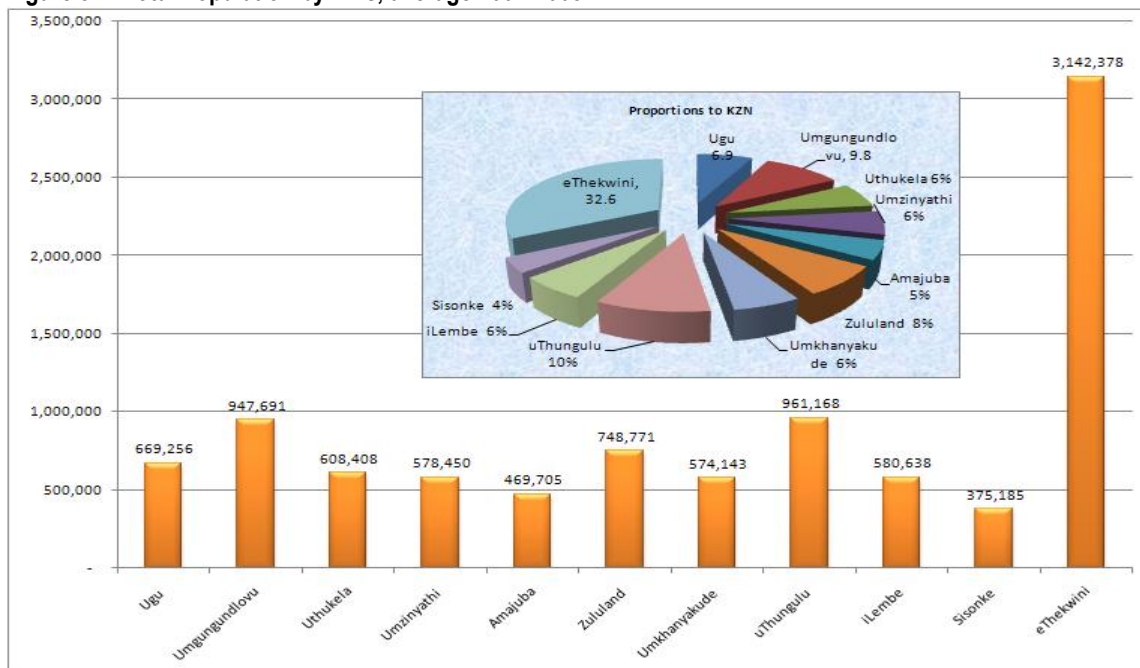
KwaZulu-Natal Provincial Treasury

UTHUNGULU DISTRICT: SOCIO-ECONOMIC PROFILE

8.1 Demographics

The KwaZulu-Natal Province has both, a growing and maturing population, presenting opportunities and challenges to the province. According to Statistics South Africa mid-year estimates (2008), the KwaZulu-Natal population was estimated at an average size of 10,1 million people. The largest number of these people lived in eThekweni Metro (32.6 percent of the provincial population), followed by uThungulu district (10.2%) and uMgungundlovu (10.0%). Sisonke was the least populated district municipality (4,0%) (Figure 8.1).

Figure 8.1: Total Population by DMs, average 2002-2008



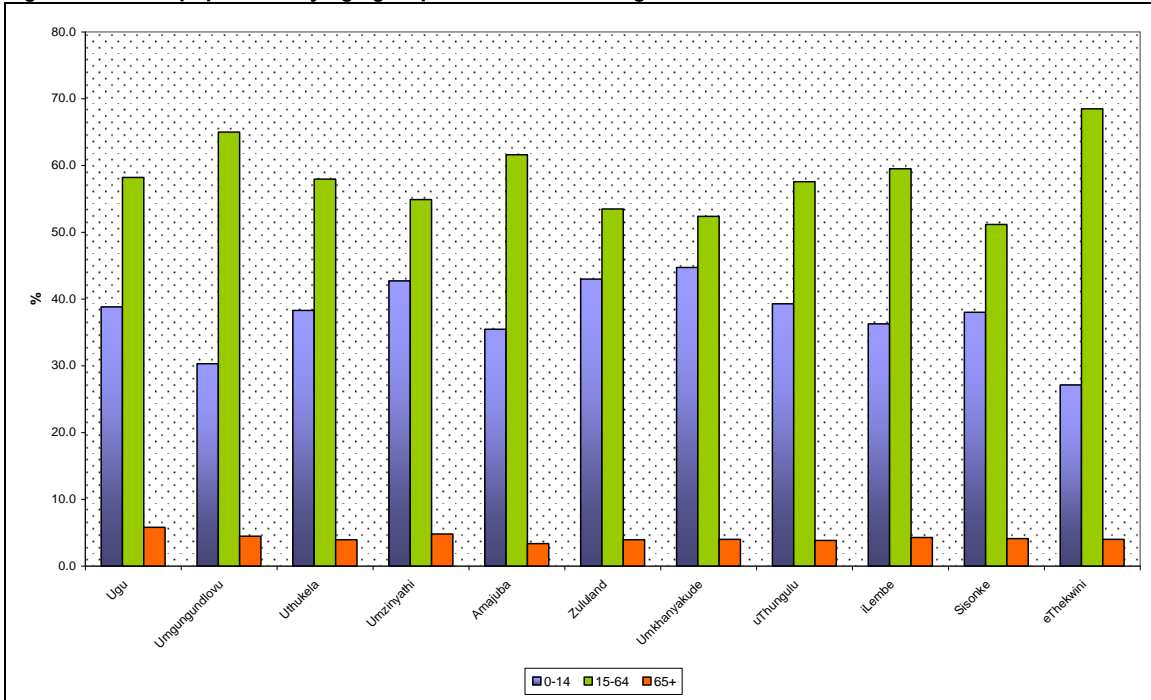
Source: Global Insight, 2008; Stats SA, 2008

Figure 8.2 shows the distribution of the population across district municipalities by age group. In uThungulu the largest proportion of the population was the age group 15-64 years (565,935), which constitute 57.4 percent of the district population¹. This was followed by age group 0-14 years (384,915), which is about 39.0 percent. The elderly population made the smallest portion of the total population in the district at 3.9 percent. In uThungulu the majority of the population was females across age groups (Figure 8.3).

¹ The provincial estimate was 6,033,961.

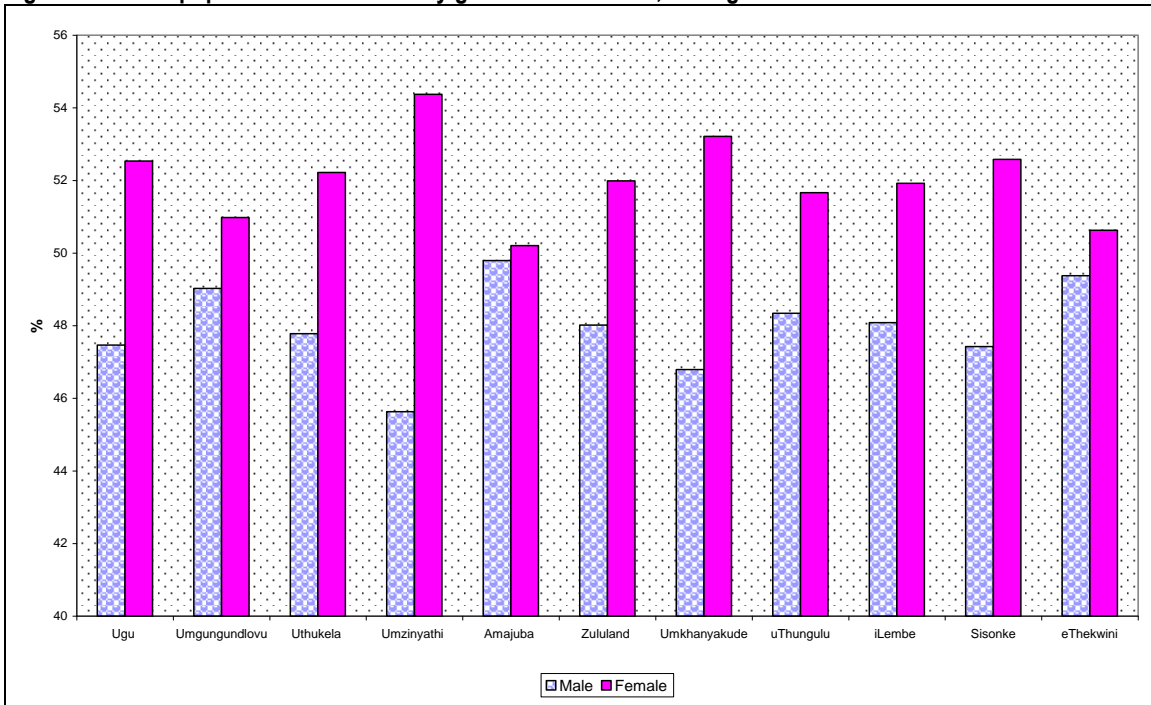
The total number of households in uThungulu made up 9.0 percent of the total households in the province, almost consistent with its share of the provincial population.

Figure 8.2: Total population by age group across DMs; average 2002-2008



Source: Global Insight, 2008; Stats SA, 2008

Figure 8.3: Total population distribution by gender across DMs; average 2002-2008



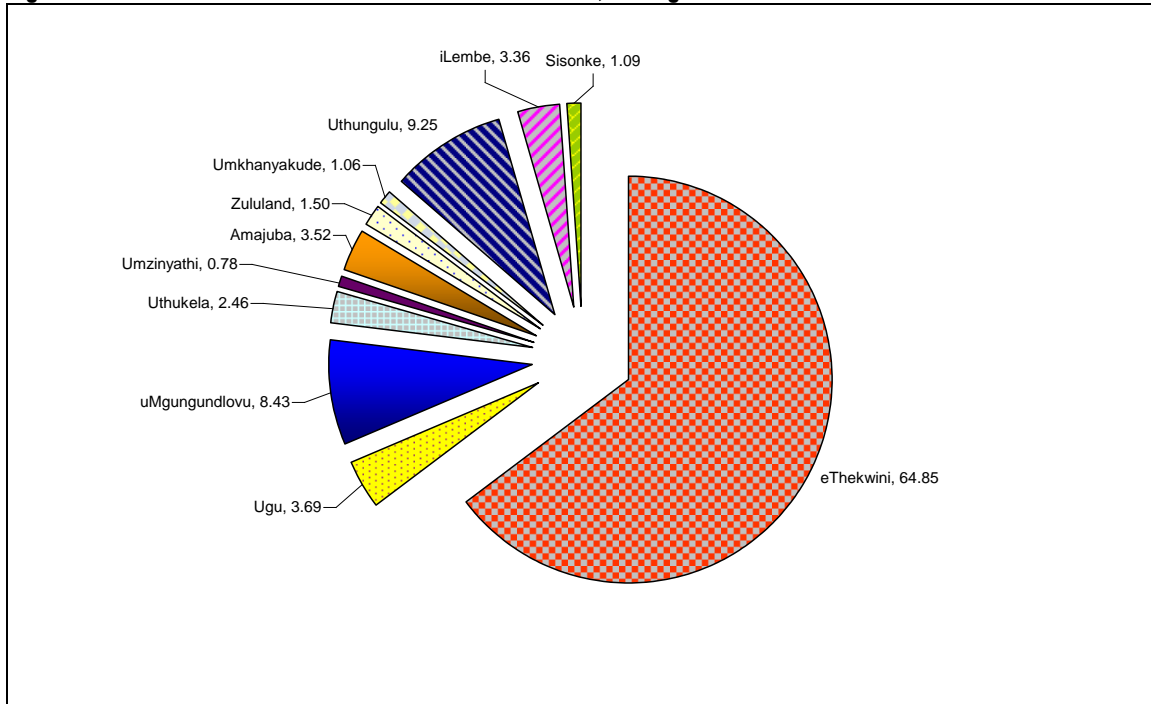
Source: Global Insight, 2008; Stats SA, 2008

8.2 Economic Outlook

8.2.1 Gross domestic product per municipality (GDP-M)

Between 2002 and 2008, the GDP-R for KwaZulu-Natal was estimated at an annual average of R184,8bn. There was significant growth of 29.9 percent from R162bn in 2002 to R210,4bn in 2007. UThungulu was the second largest contributor to the provincial GDP-R at an annual average of 9.25 percent, after eThekweni (64.9%), and was followed by the uMgungundlovu district which contributed 8.43 percent. The least contributor was uMzinyathi at 0.8 percent (Figure 8.4). UThungulu boasted significant growth between 2002 and 2007, moving from a GDP-R of 15,7bn to 18,3bn; a growth of 17 percent.

Figure 8.4: Districts contribution to KwaZulu-Natal GDP-R, average 2002-2008

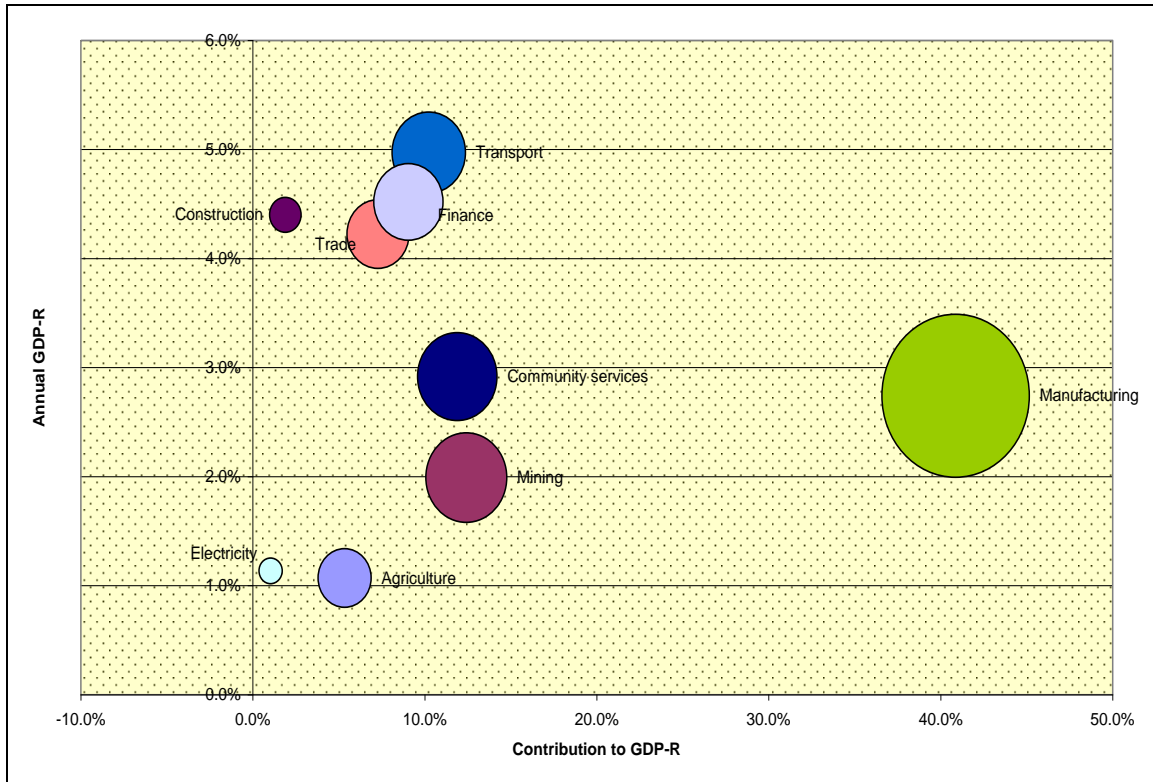


Source: Global Insight, 2009

Figure 8.5 shows uThungulu's GDP-M by economic sector between 2002 and 2008. During this period the economy of the district grew by an annual average of 3.1 percent. Manufacturing, Mining and Community Services sectors are the main economic drivers in this district. These three sectors contributed respective annual averages of 40.9 percent, 12.4 percent and 11.9 percent to the district's GDP-M between 2002 and 2008. However, Transport was the fastest growing sector at an annual average of 5.0 percent. Agriculture and Electricity showed least growth, both at 1.1 percent. The negative impact

of agriculture on uThungulu’s economy was mostly felt in 2006 as compared to other years. This shows that there is a structural shift in the uThungulu’s economy from agriculture to industrialized economy.

Figure 8.5: UThungulu GDP-M by Sectors: 2002-2008

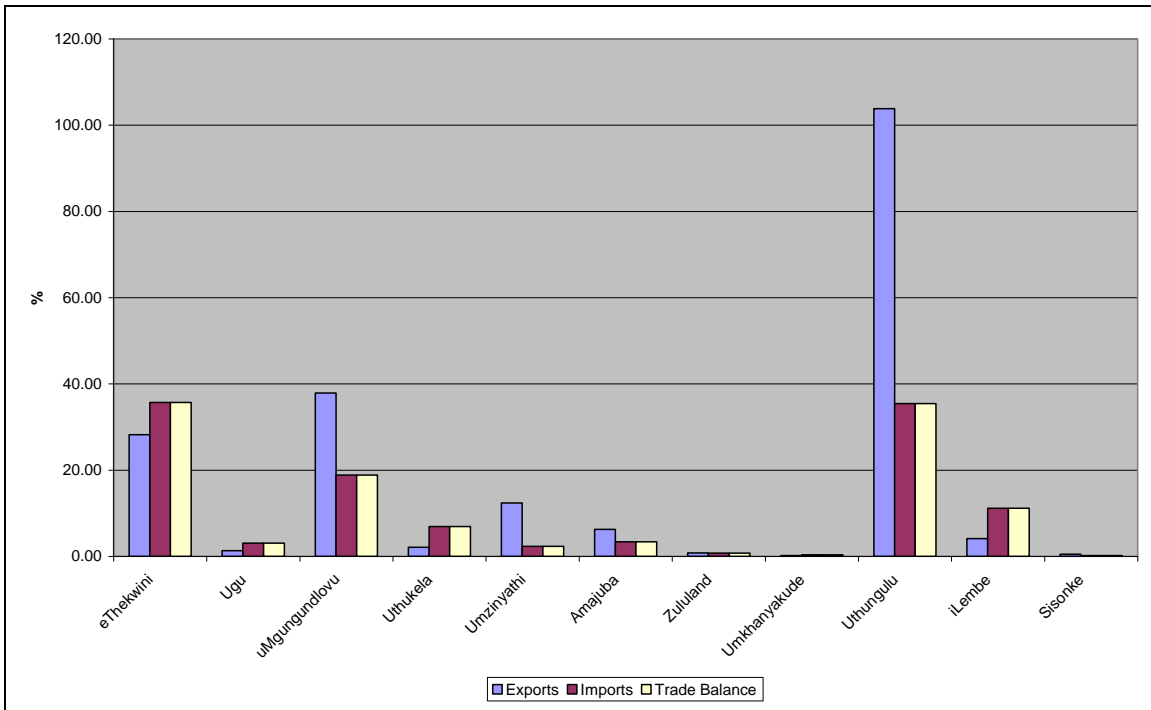


Source: Global Insight, 2007

8.2.2 International trade

Figure 8.6 shows the percentage of exports, imports and trade balance (as a proportion of GDP-M) across all DMs. It reveals that the economy of uThungulu is mainly dominated by international trade, and that it exports more than it imports; the percentage of export and import to GDP-M is 103.8 percent and 35.4 percent respectively. This results in a positive trade balance of 68.6 percent, the highest in the province, followed by uMgungundlovu (19.0%). Many DMs including eThekweni, had a negative trade balance.

Figure 8.6: Export, Import and Trade Balance (percent of GDP), average 2002-08



Source: Global Insight, 2007

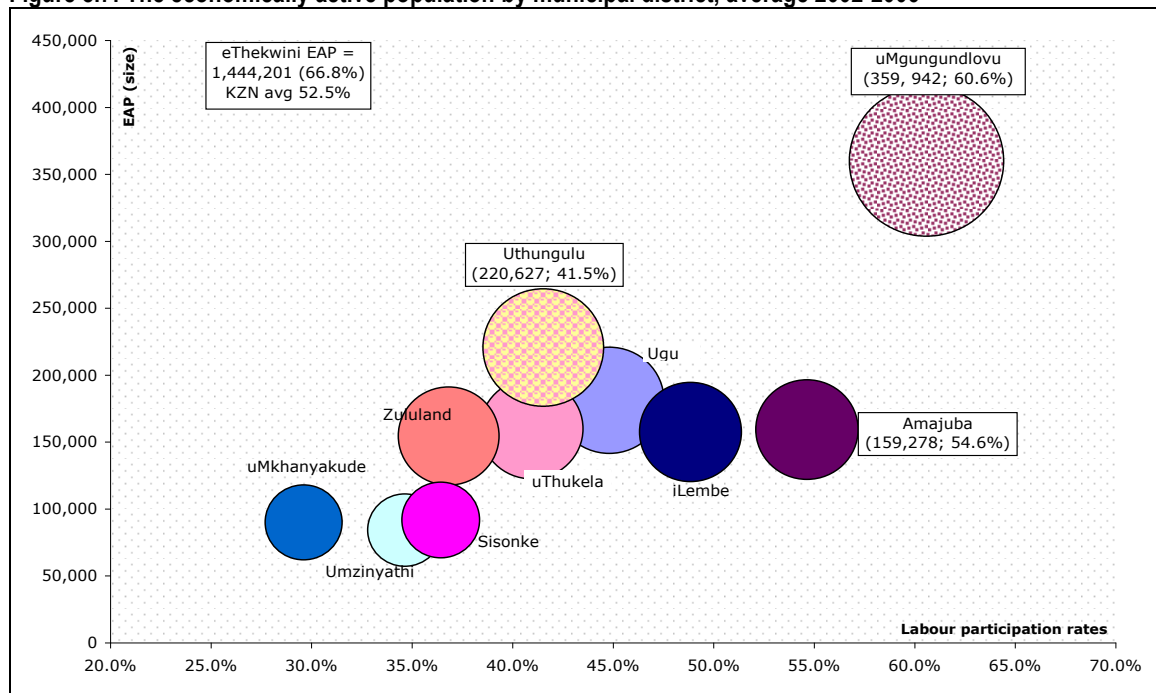
8.3 The labour market

8.3.1 The labour force and the economically active population

As mentioned earlier, between 2002 and 2006, the provincial labour force approximated at 6,0 million people per annum (approximately 60.0 percent of total provincial population). Of this total, the economically active population (EAP)² was approximately 3,1 million. More than 1,4 million of these people were in eThekweni (Figure 8.7). UThungulu had approximately 221 thousand people falling in this category.

As a proportion of the district labour force, uThungulu's EAP was about 42 percent, the slightly less than the provincial average (52.9%). It is the fourth most economically active district after uMgungundlovu (58.3%), Amajuba (56.0%) and the Metro (66.7%). This shows that although uThungulu has more people in the labour force category than Amajuba, more people in the latter district are available for employment than in the former.

Figure 8.7: The economically active population by municipal district, average 2002-2006



Source: Global Insight, 2007; Mahlatsi, 2007

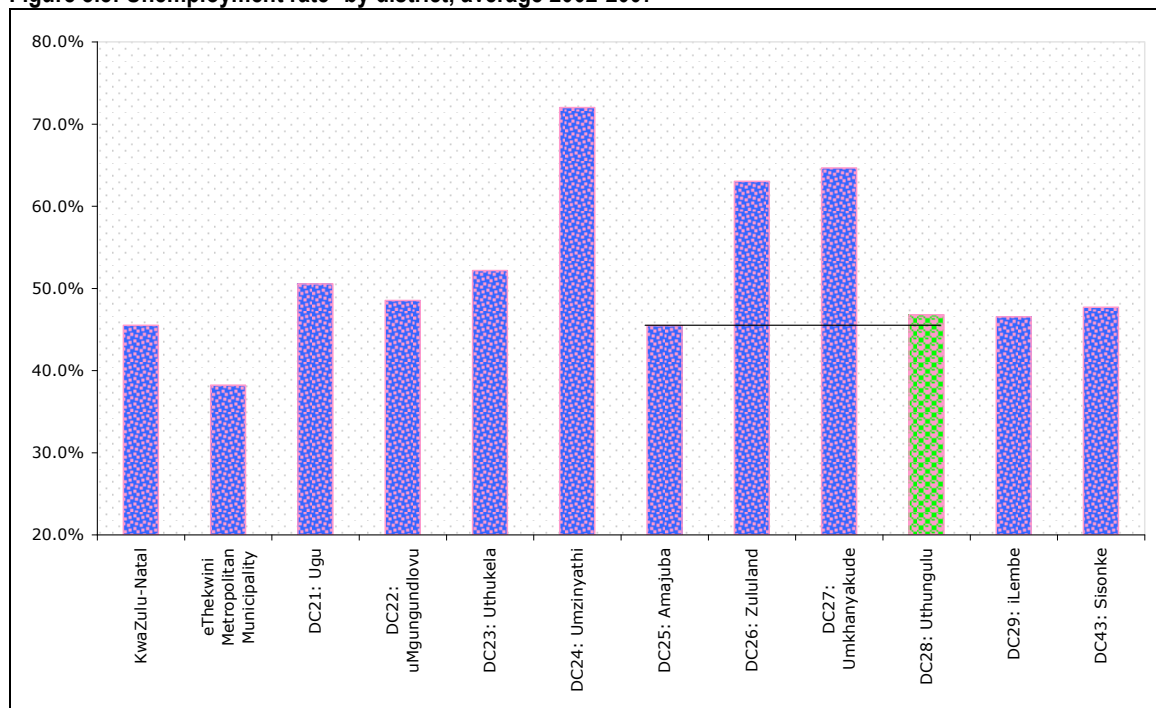
² The category EAP is made up of people who are either employed or unemployed. The employed consists of employers and employees, while unemployment are those not having a job but are actively seeking one (official definition), or they do not have a job, are actively seeking one or have given up searching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

8.3.2 Unemployment

Between 2002 and 2006, the number of unemployed people in uThungulu averaged 112, 000. This was the third highest unemployment figure after the Metro (562, 000) and uMgungundlovu (172, 000).

Figure 8.8 gives the average unemployment rates (the unemployed as proportion of the EAP) in the districts between 2002 and 2006. It transpires from the graph that although uThungulu has a lower labour participation rate than Amajuba (Figure 4.7), the former fails to absorb even the few people that are readily available for work; the average unemployment rate for uThungulu was 46.8 percent against 45.4 percent for Amajuba. This is a serious condition and needs probing and appropriate correction.

Figure 8.8: Unemployment rate³ by district, average 2002-2007



Source: Global Insight, 2007

As could be expected, the unemployment rate was higher among Blacks than the other population groups. This ranged between 47.0 percent (uMgungundlovu) and 75.1 percent (uMzinyathi). UThungulu's respective figure was 50.8 percent.

³ Expanded definition; includes those unemployed but not actively seeking a job.

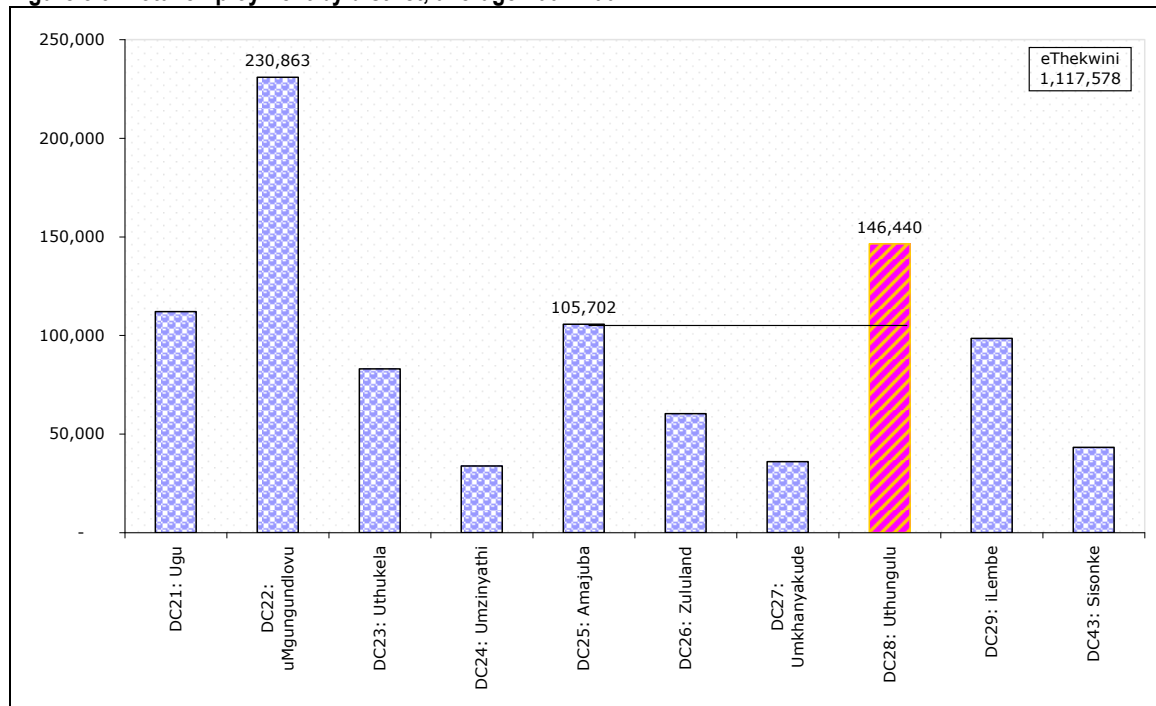
8.3.3 Employment

8.3.3.1 Total employment

During the same period, KwaZulu-Natal employment totaled an annual average of 2,1 million workers. UThungulu had the third highest employment after uMgungundlovu and the Metro (Figure 8.9).

This reflects dual economy syndrome in the district as there are impressively a sizeable number of workers among a significant number of unemployed others.

Figure 8.9: Total employment by district, average 2002-2007



Source: Global Insight, 2007

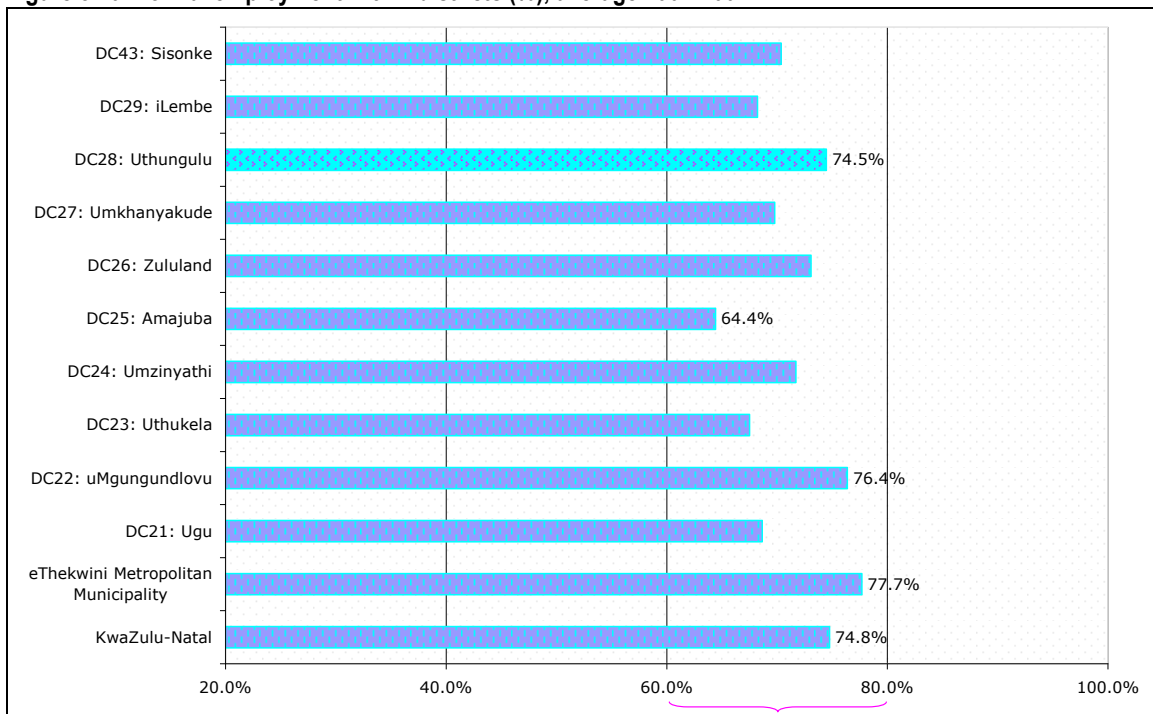
8.3.3.2 Formal employment

Throughout the period, formal employment played the most significant role in the province, ranging between 60 percent and 80 percent of districts' total employment (Figure 8.10). As in the total employment, uThungulu's formal employment held the third position too, after uMgungundlovu and the Metro – all the three districts had higher than provincial average formal employment.

Figure 8.10 also reveals why Amajuba has been able to absorb its labour force faster than uThungulu; the district had the lowest formal employment share to its total employment (64.4%).

The formal employment sector in uThungulu was quite 'balanced' between the five major employing economic sectors (Community Services⁴, Manufacturing, Agriculture, Finance and Trade). The district's Community Services was the biggest employer (22.1%), followed by Manufacturing (19.9%), Agriculture (13.8%) and Trade (9.9%). The least contributors to formal employment were Electricity (0.7%) and Construction, Mining (4.5 percent each).

Figure 8.10: Formal employment within districts (%), average 2002-2007

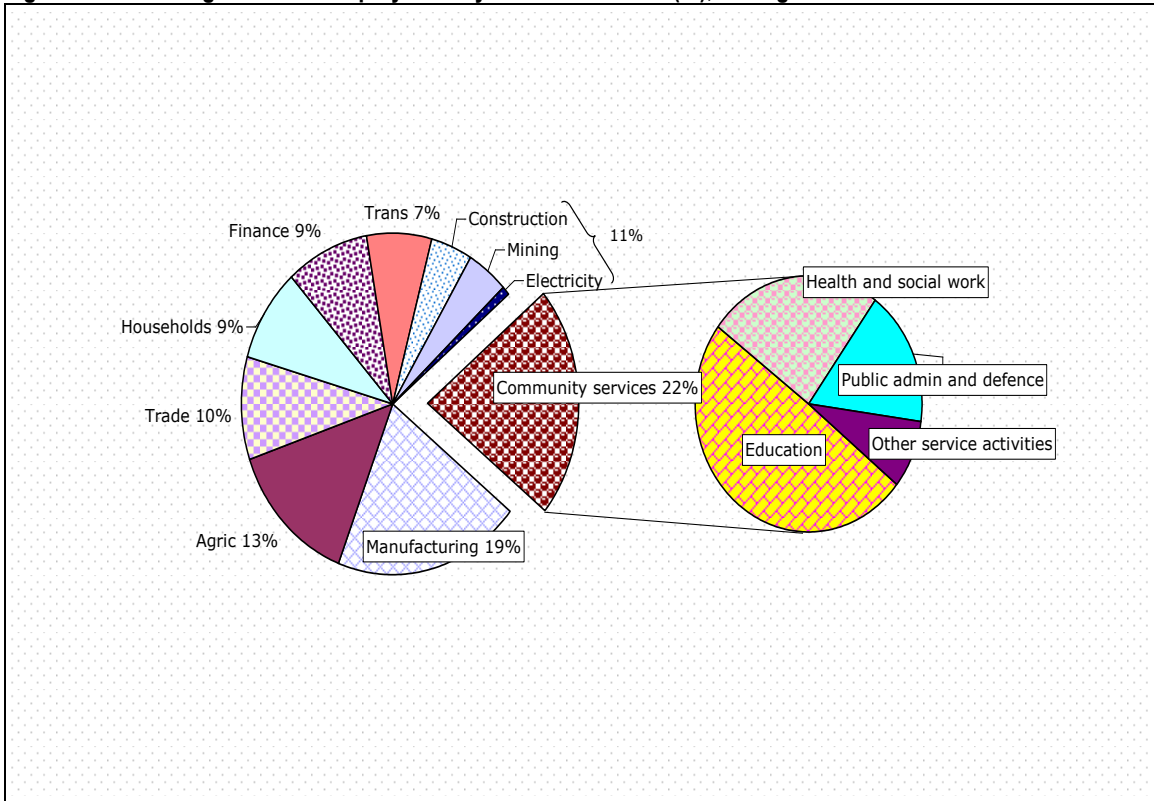


Source: Global Insight, 2007

Education was the largest engine behind the Community Service performance, contributing a solid half of the sector's employment. Health and Social Work also played a good role (Figure 8.11). This shows that the education-and-health inclined provincial expenditure budget reaches this district proportionately.

⁴ This was the most dominant sector in all the districts except eThekweni, Amajuba, iLembe and Sisonke. In fact, in all the districts, it was one of the two leading sectors with either Manufacturing or Agriculture.

Figure 8.11: UThungulu formal employment by economic sector (%), average 2002-2007



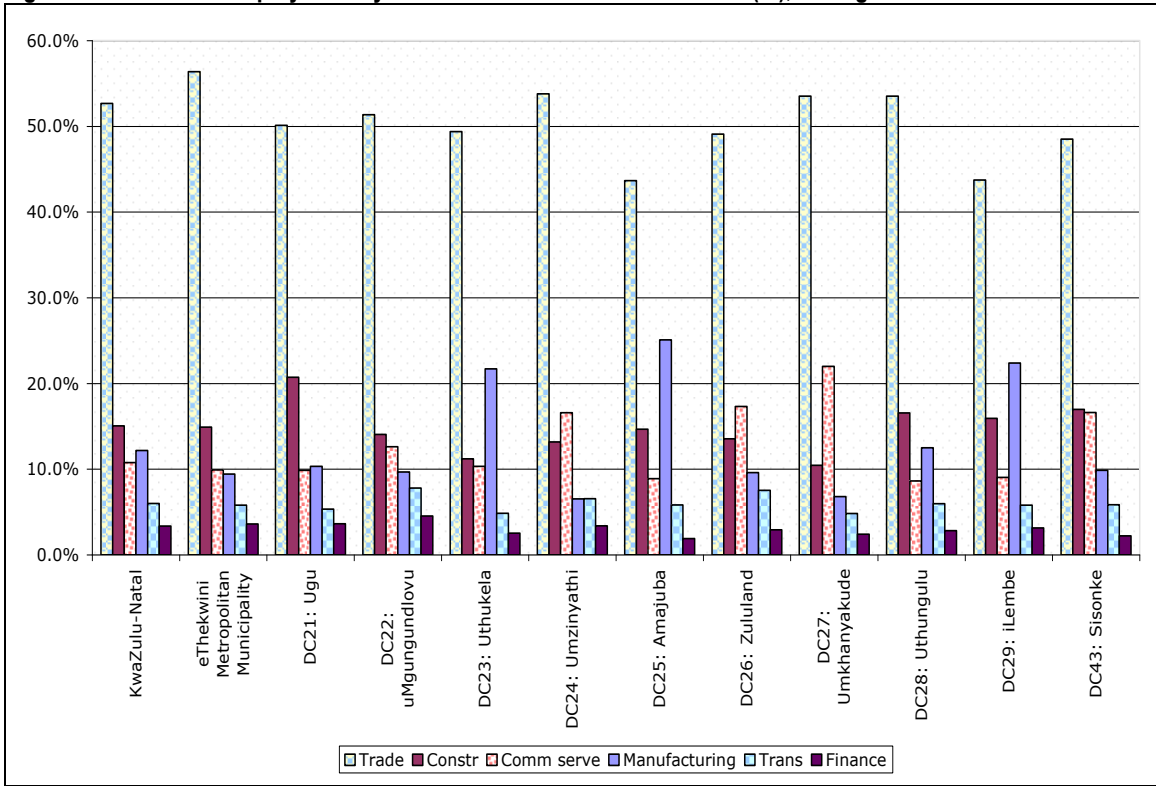
Source: Global Insight, 2007

8.3.3.3 Informal employment

Informal sector employment was recorded mainly in Manufacturing, Construction, Trade, Transport, Finance and Community Services. In all the districts, Trade was the main employer with all but four districts having more than half employment in this sector. UThungulu was one of the leading districts in informal Trade employment⁵ (Figure 8.12). Given the district's geographical location, this employment could be parallel to the formal Trade employment (see Figure 8.13), but to a less extent in Hotels and Restaurants.

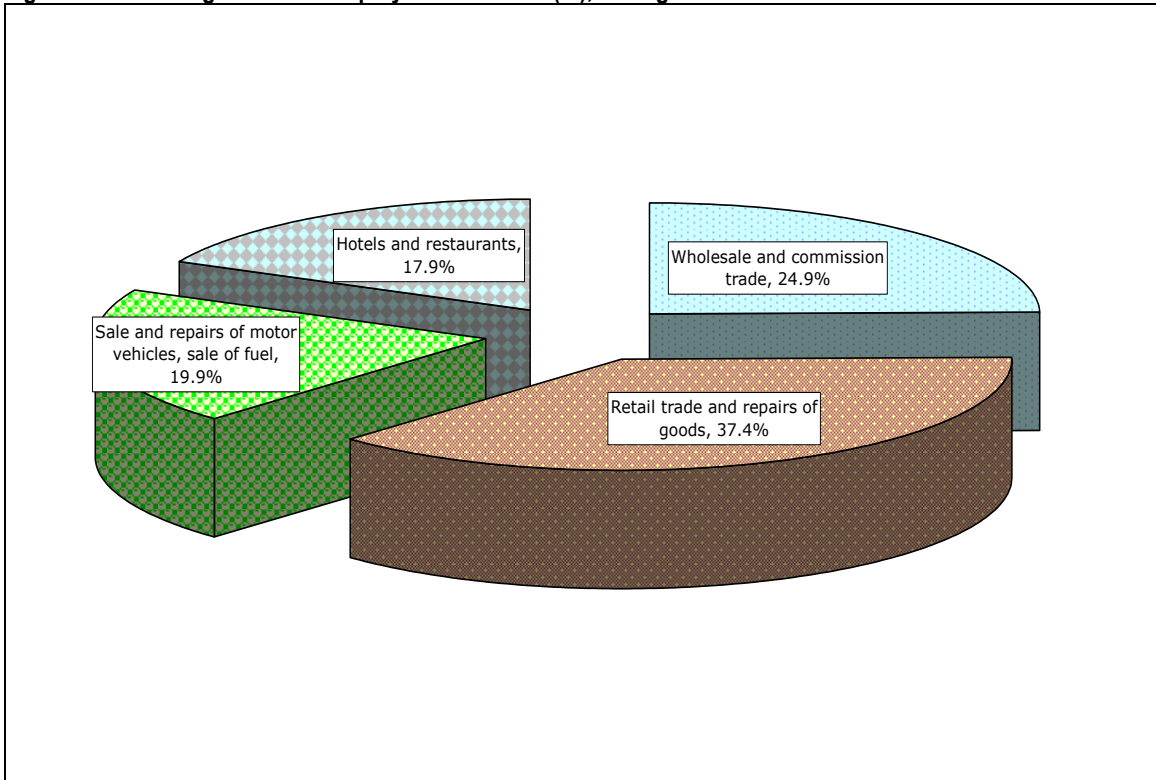
⁵ An unfortunate hindrance is the absence of detailed data on this issue.

Figure 8.12: Informal employment by district and main economic sector (%), average 2002-2007



Source: Global Insight, 2007

Figure 8.13: UThungulu formal employment in Trade (%), average 2002-2007



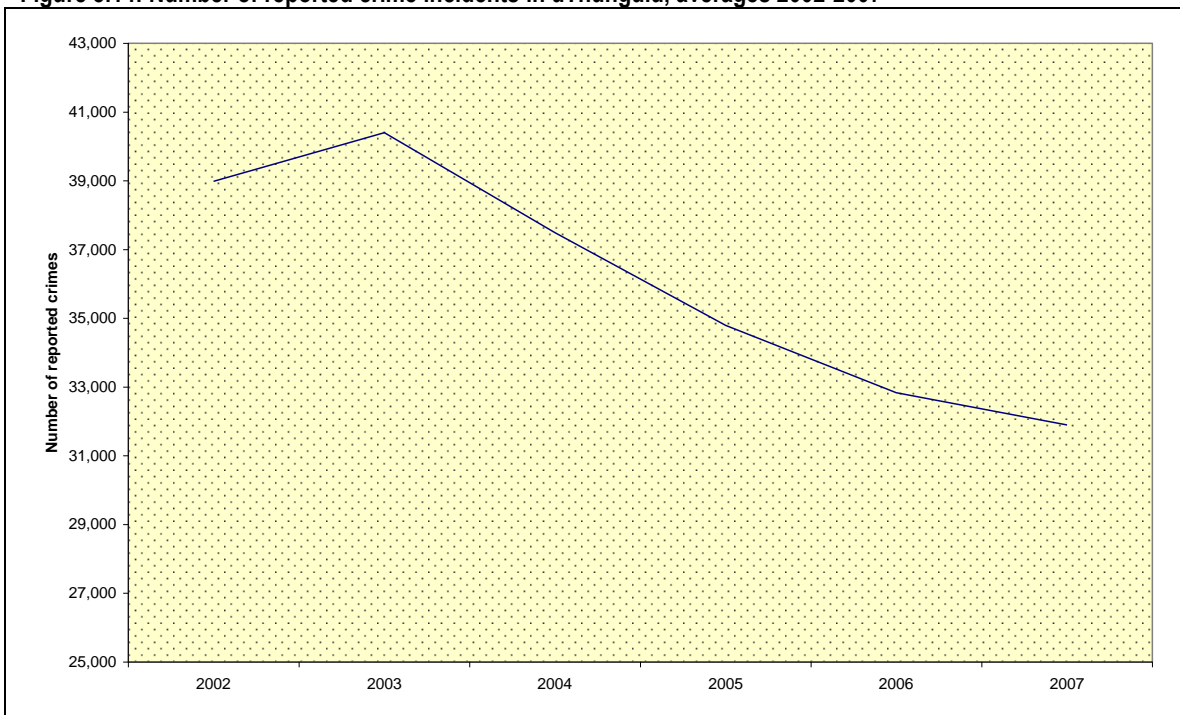
Source: Global Insight, 2007

8.4 Crime

Between 2002 and 2007, there has been a consistent decline in reported incidences of crime in the province (2.45% annual average). The overall number of crimes reported in uThungulu has declined by 18.2 percent over the same period.

However, 2003 forwards have seen a similar experience, though with differing magnitudes. The provincial collapse rate in crime was 5.1 percent, while uThungulu's respective figure was 4.1 percent; this was the third lowest achievement after eThekweni and iLembe.

Figure 8.14: Number of reported crime incidents in uThungulu, averages 2002-2007



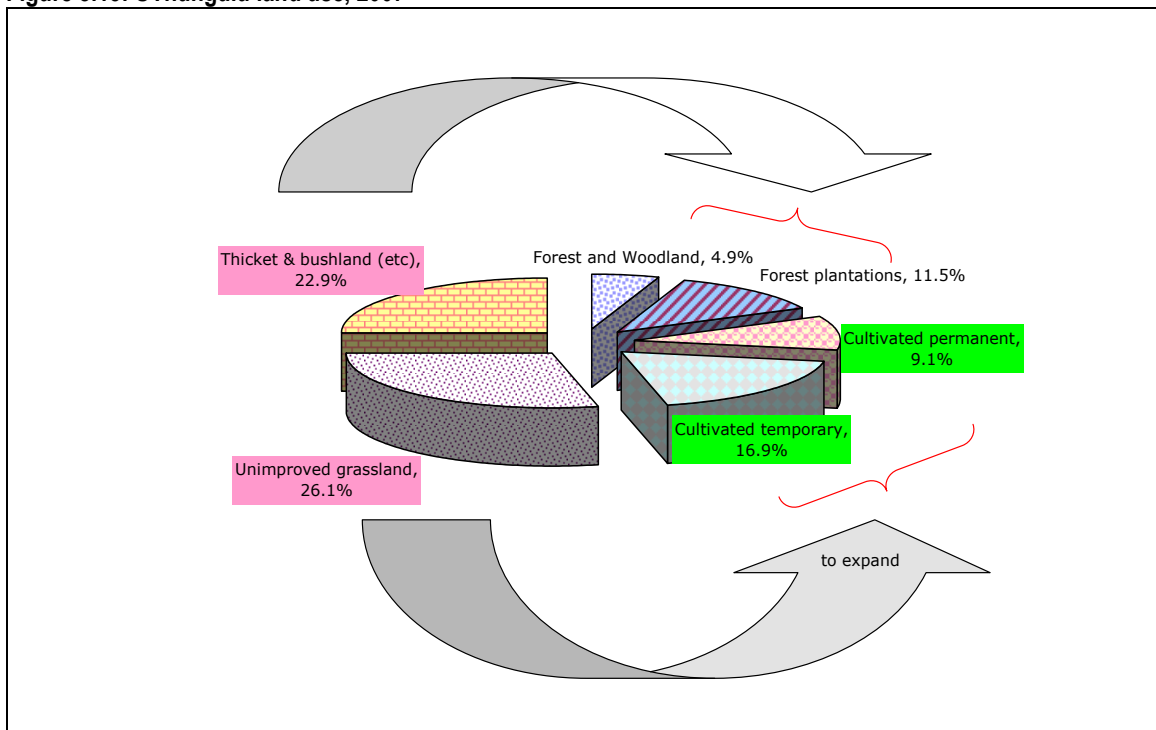
Source: Global Insight, 2007

8.6 Land cover and use

KwaZulu-Natal's land size is 93,378 km² (approximately 8 percent of the South African land). UThungulu's size is about 9 percent of this; the sixth largest cover after Zululand (15.9%), uMkhanyakude (13.7%), uThukela (12.1%), Sisonke (11.9%) and uMgungundlovu (9.6%).

UThungulu's largest share of the land is covered in unimproved grasslands, followed by thicket & bushland. The important 'cultivated' and 'forest' coverages are relatively small (Figure 8.15).

Figure 8.15: UThungulu land use, 2007



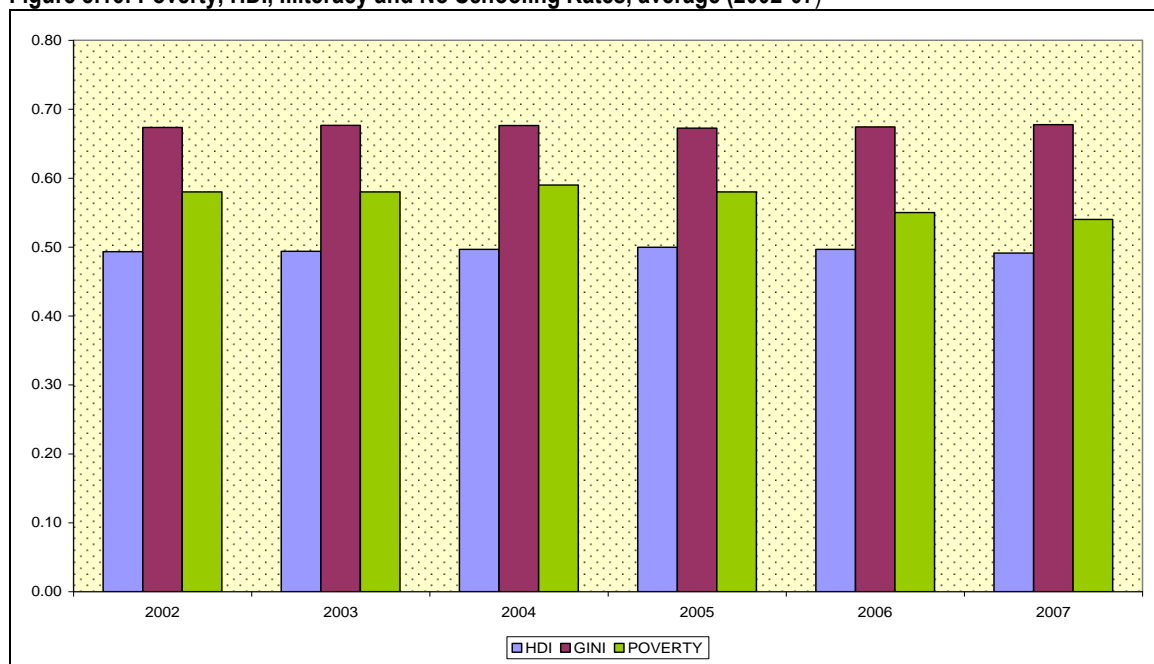
Source: Global Insight, 2007

Given the escalating agricultural (particularly food) prices in the province (the country and the world), the barren land could be used to expand the productive piece.

8.6 Social Development

Where is uThungulu ranked with other district municipalities in terms of development? Figure 8.16 shows average poverty rate, HDI, illiteracy rate and no schooling rate across districts from 2002 until 2006. UThungulu (at 57.3%) is among the districts with lowest poverty rate, although still slightly above the provincial average (53.1%). It ranked third after eThekwini (29.8%) and uMgungundlovu (50.2%). UMzinyathi, uMkhanyakude and Zululand were districts with the highest poverty rate.

Figure 8.16: Poverty, HDI, Illiteracy and No Schooling Rates, average (2002-07)



Source: Global Insight, 2007

Unlike with its poverty rate, uThungulu is a bit behind in terms of HDI. It is the fourth highest DM after eThekwini (67.0%), uMgungundlovu (59.0%) and Amajuba (55.0%). This is not surprising seeing that the district is the fifth lowest in terms of illiteracy rate (36.8%) and, fourth highest district in terms of no schooling rate (22.1%).

The relatively low poverty rate (although still at 50s) with high level of household income and high rate of no schooling in uThungulu suggests that there may be more number of uneducated self-employed people in the district. Hence, if empowered through education and skills development, one would be able to see a greater reduction in the number of the poor living in this district.

