

KwaZulu-Natal Provincial Treasury

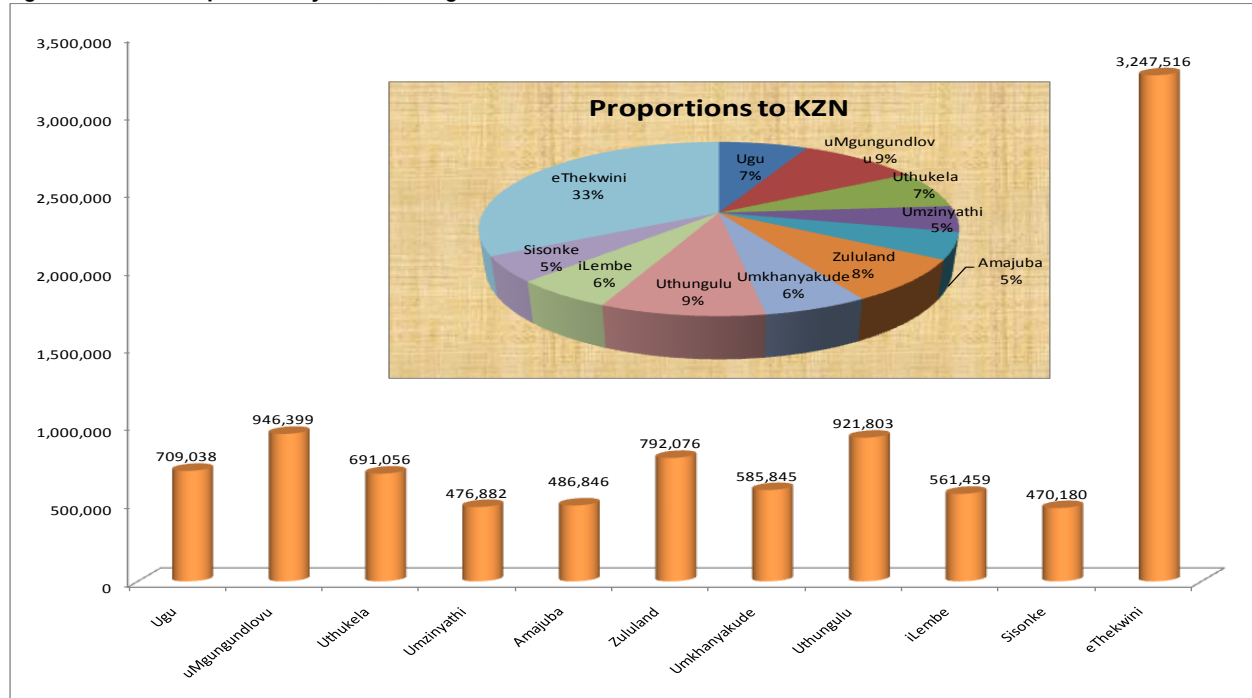
AMAJUBA DISTRICT: SOCIO-ECONOMIC PROFILE

5.1 Demographics

The KwaZulu-Natal Province has both 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 (32.8 percent of the provincial population), followed by uMgungundlovu (9.5%) and uThungulu district (9.3%).

Amajuba district had an estimated total population of 486,8 thousand, accounting for 5.0 percent of the provincial population between 2002 and 2007 (Figure 5.1).

Figure 5.1: Total Population by DMs, average 2002-2007



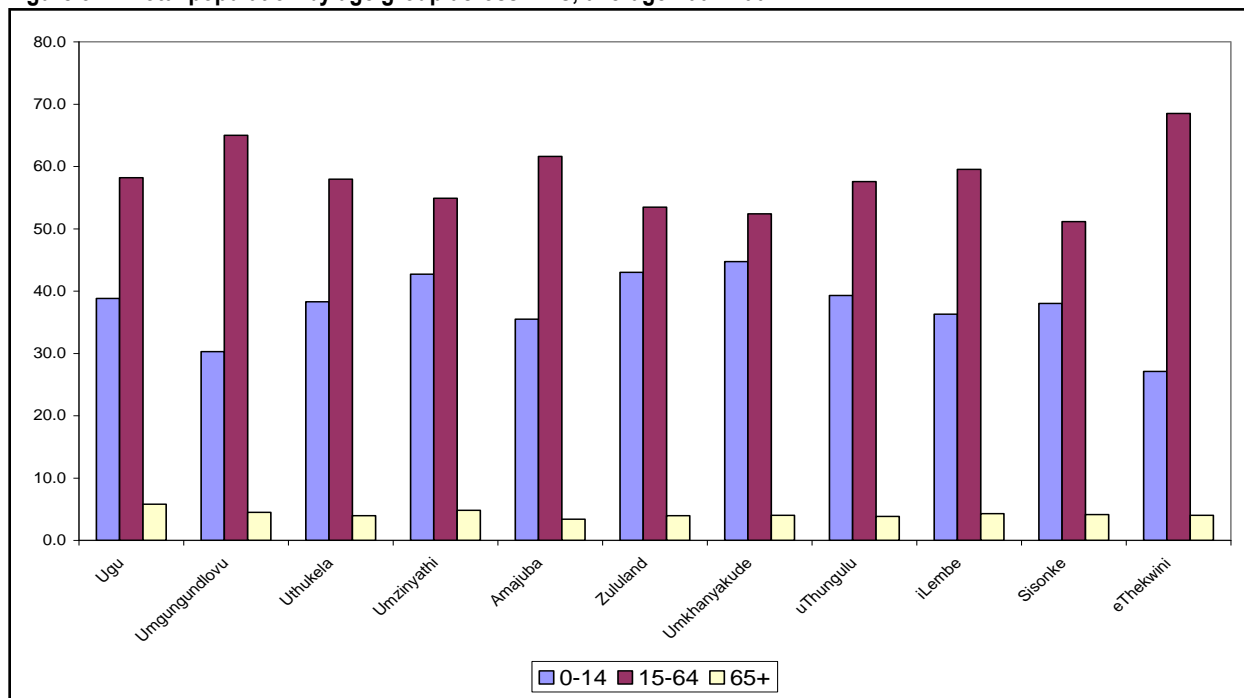
Source: Global Insight, 2008

Figure 5.2 shows the distribution of the population across DMs by age group. The largest proportion of the population in Amajuba district was the age group 15-64 years (61.0%) followed by age group 0-14 years (35,1%). 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

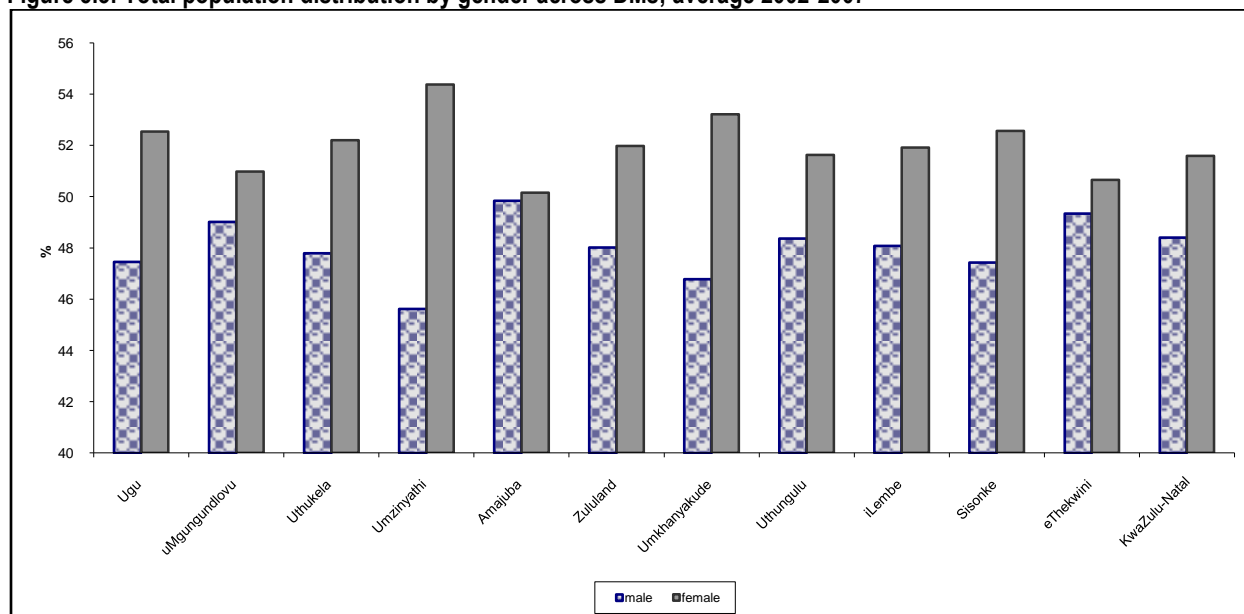
the labour force overall will require more spending in education (primary and secondary) and skills development. The majority of the population across all DMs was female during this period (Figure 5.3).

Figure 5.2: Total population by age group across DMs; average 2002-2007



Source: Global Insight, 2008

Figure 5.3: Total population distribution by gender across DMs; average 2002-2007



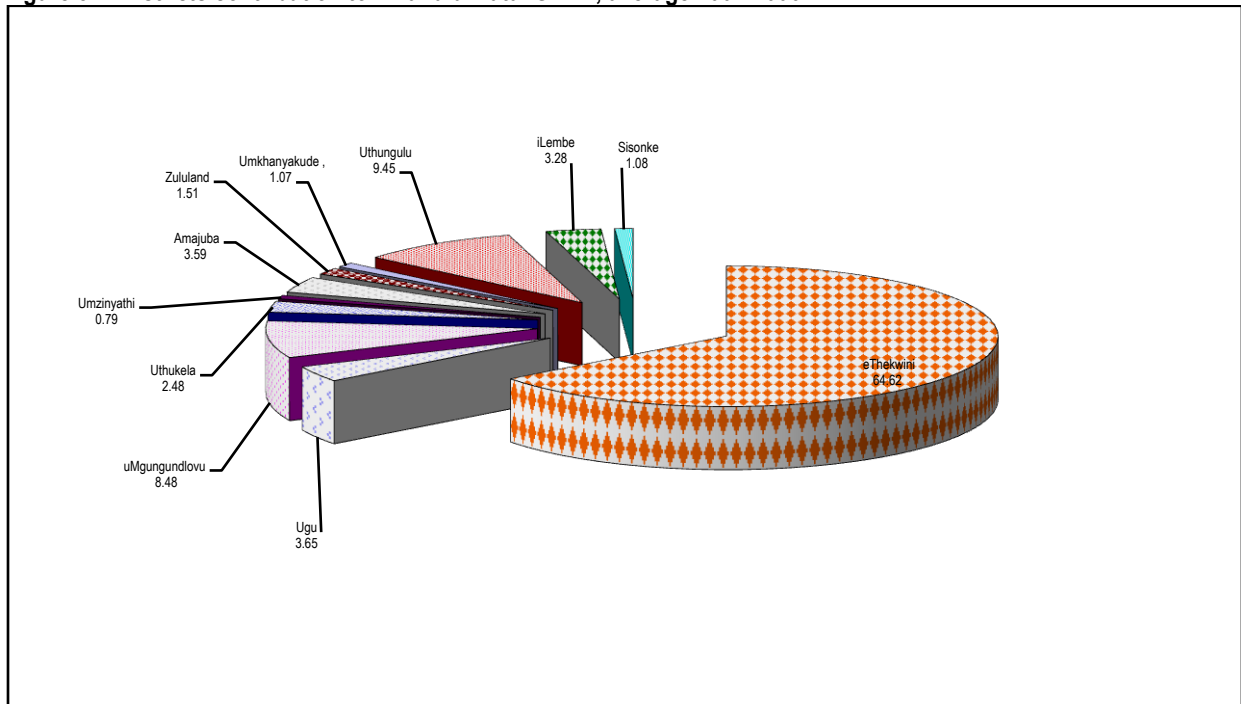
Source: Global Insight, 2008

5.2 Economic Outlook

5.2.1 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 significant growth of 18.8 percent from R163,9bn in 2002 to R194,7bn in 2006. Amajuba was the fifth largest contributor to the province's GDP-R at 3.6 percent, after eThekweni (64.6%), uThungulu (9.5%), uMgungundlovu (8.5%), and Ugu (3.7%).

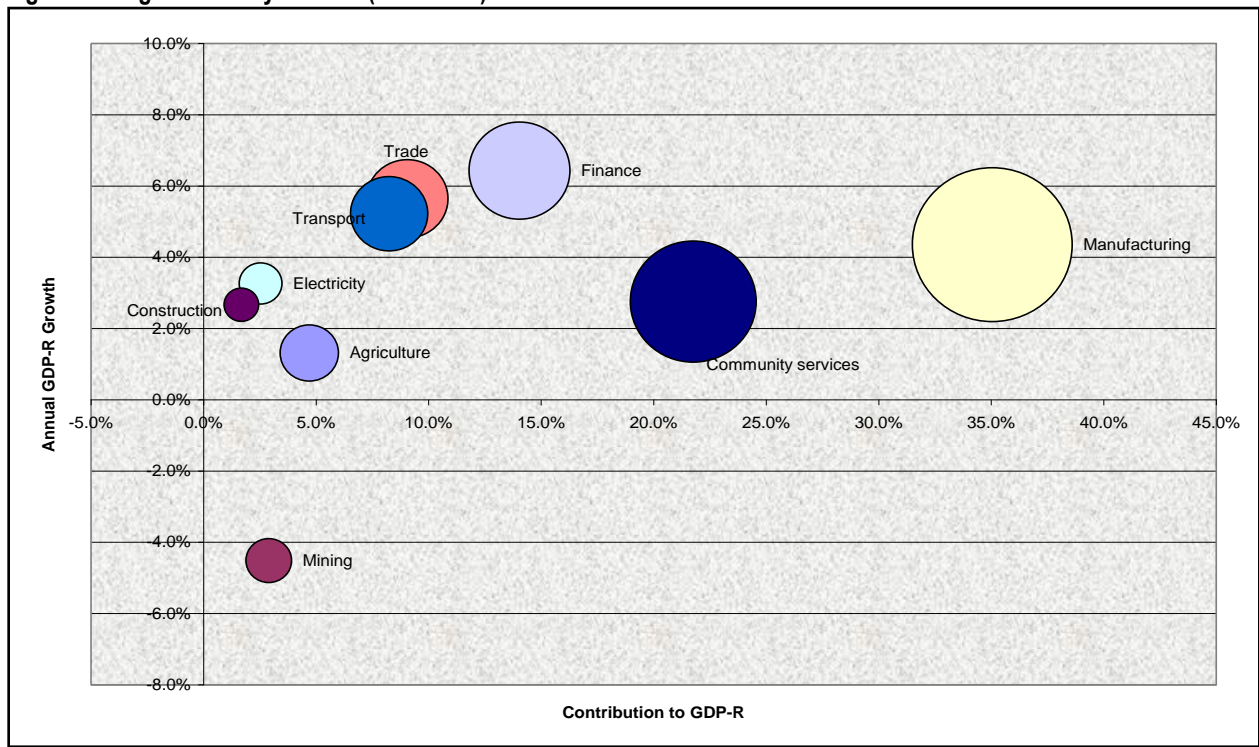
Figure 5.4: Districts contribution to KwaZulu-Natal GDP-R, average 2002-2006



Source: Global Insight, 2007

Figure 5.5 shows Amajuba's GDP-M by economic sector between 2002 and 2006. During this period the economy of the district grew by an annual average of 3.9 percent. Manufacturing, Community Services, and Finance were the main economic drivers in the district. These sectors contributed respective annual averages of 35.1 percent, 21.8 percent, and 14.0 percent to the district's GDP-M.

Figure 5.5: Ugu GDP-M by Sectors (2002-2006)

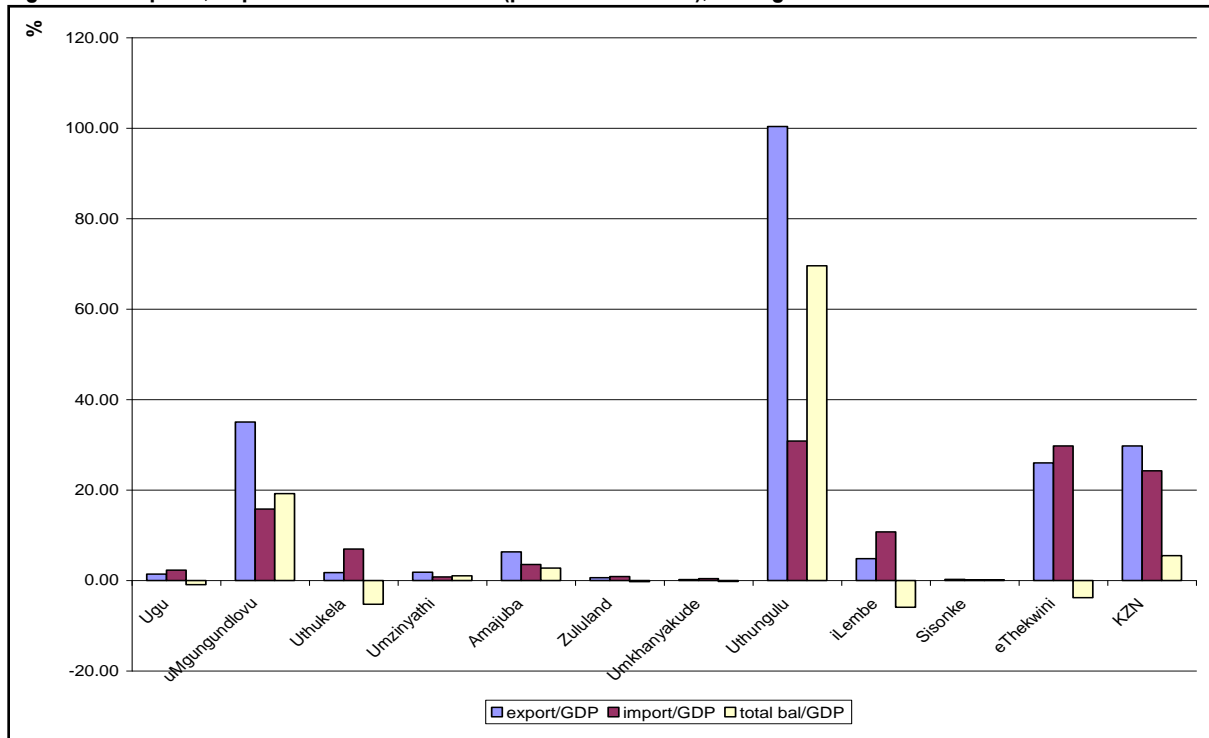


Source: Global Insight, 2007

5.2.2 International Trade

Figure 5.6 shows the percentage of exports, imports and trade balance (as a proportion of the districts' GDP-M), between 2002 and 2006. The figure reveals that international trade has minimal impact on the economy of Amajuba. The district's imports made up 2.3 percent of the district's GDP-M and its exports were a mere 1.4 percent on average over the 5 year period. This resulted in a negative trade balance of R59,692 (or 0.9%).

Figure 5.6: Exports, imports and Trade Balance (percent of GDP-M), average 2002-2006



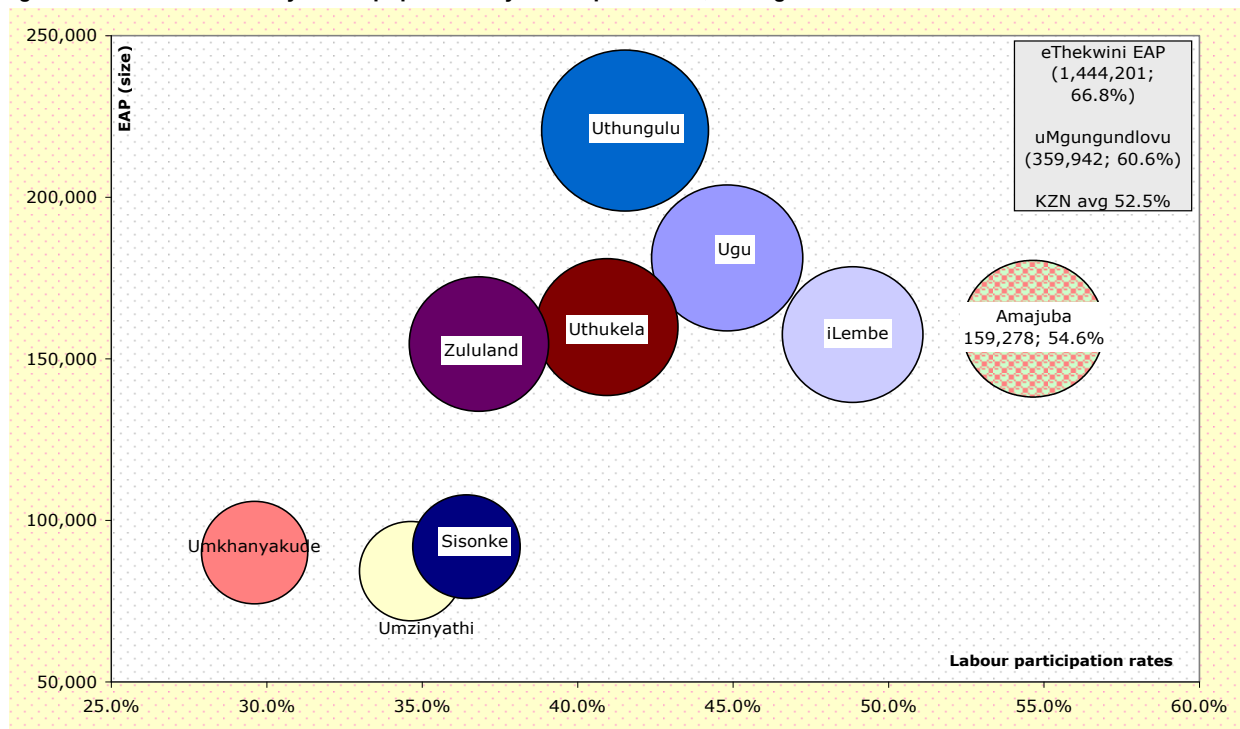
Source: Global Insight, 2007

5.3 The labour market

5.3.1 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 eThekwini, followed by uMgungundlovu (360,000) and uThungulu (221,000). Amajuba's EAP size, estimated at 160,000, fell in the same range as Zululand, Uthukela and iLembe (Figure 5.7).

Figure 5.7: The economically active population by municipal district, average 2002-06



Source: Global Insight, 2007; Mahlatsi, 2007

¹ Labour force is population aged 15-64 years.

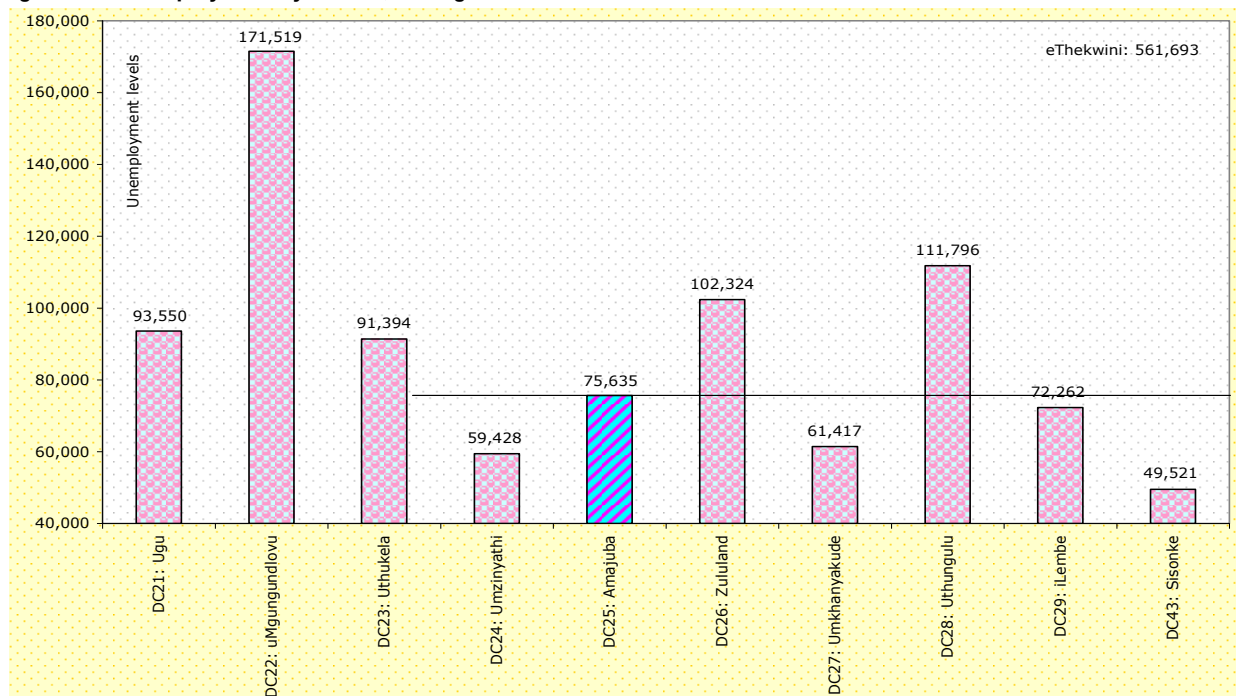
² The category EAP is made up of people who are either employed or unemployed. The employed consists of employers and employees, while unemployment are those not having a job but are actively seeking one (official definition), or they do not have a job, are actively seeking one or have given up searching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

As a proportion of the district labour force³, however, the district's EAP was estimated at 54.6 percent. At this rate, the district was the third most economically active after uMgungundlovu and the Metro. Amajuba's participation rate was higher than the 52.5% provincial average.

5.3.2 Unemployment

During this period, there were about 76,000 unemployed people in the district; this was the fifth lowest level of unemployment in the province.

Figure 5.8: Unemployment by district, average 2002-2006



Source: Global Insight, 2007

The district's unemployment rate⁴⁵ was, however, relatively low at about 45.0 percent; higher only than that in eThekweni, and 0.1 percentage point below the provincial average (Figure 5.9).

As with the other districts, Amajuba's unemployment rate was skewed towards the Blacks (48.4%). The respective rates for Coloureds, Indians and Whites were 34.6, 19.6 and 10.7

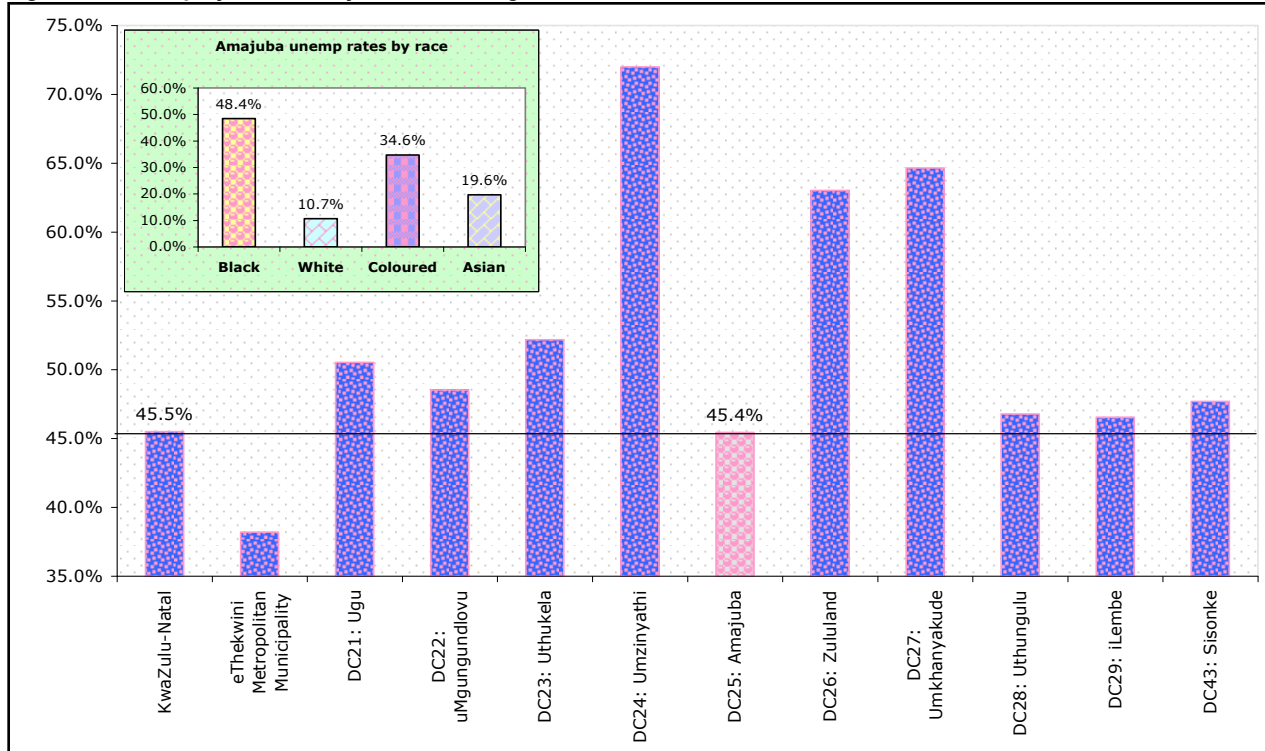
³ EAP/LF = Labour participation rate or ratio.

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

percent. However, the Blacks' unemployment rate was generally lower than the patterns observed in a majority of the previously discussed districts.

Figure 5.9: Unemployment rate by district, average 2002-2006



Source: Global Insight, 2007

5.3.3 Employment

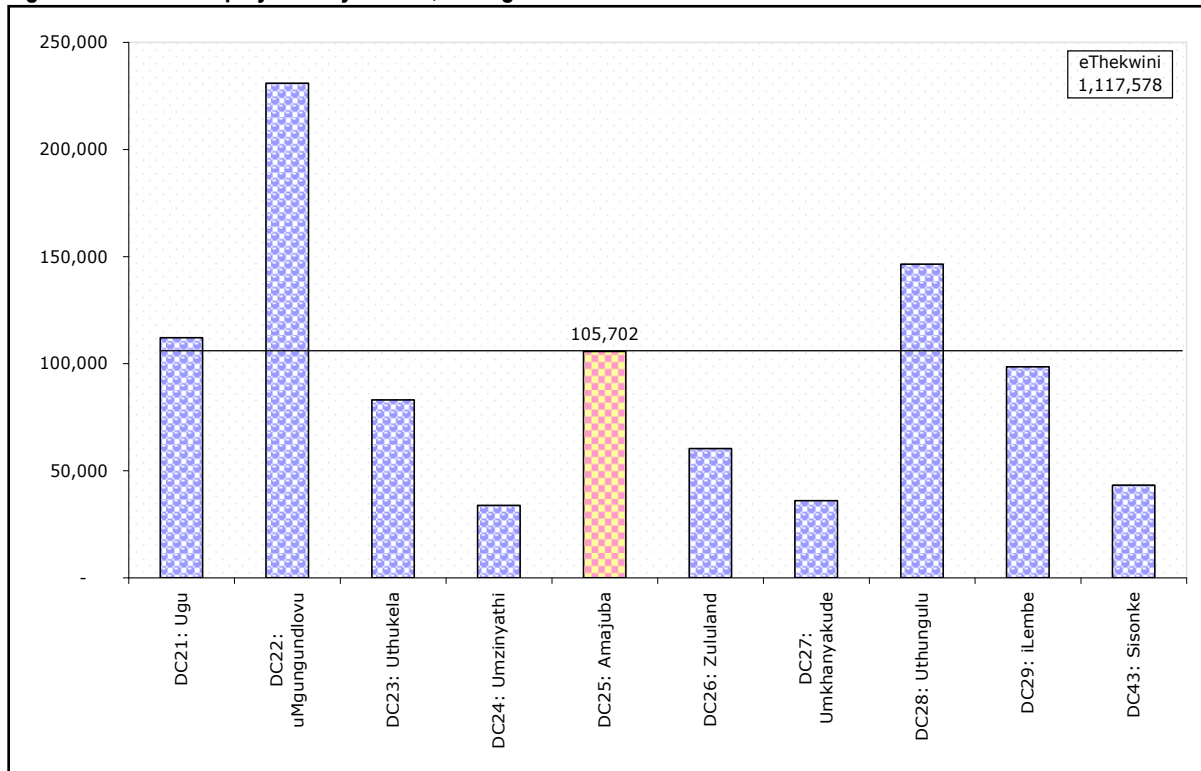
5.3.3.1 Total employment

During the period under review, KwaZulu-Natal employment totaled an annual average of 2,1 million workers. Amajuba's employment level was the fifth highest in the province (Figure 5.10).

5.3.3.2 Formal employment

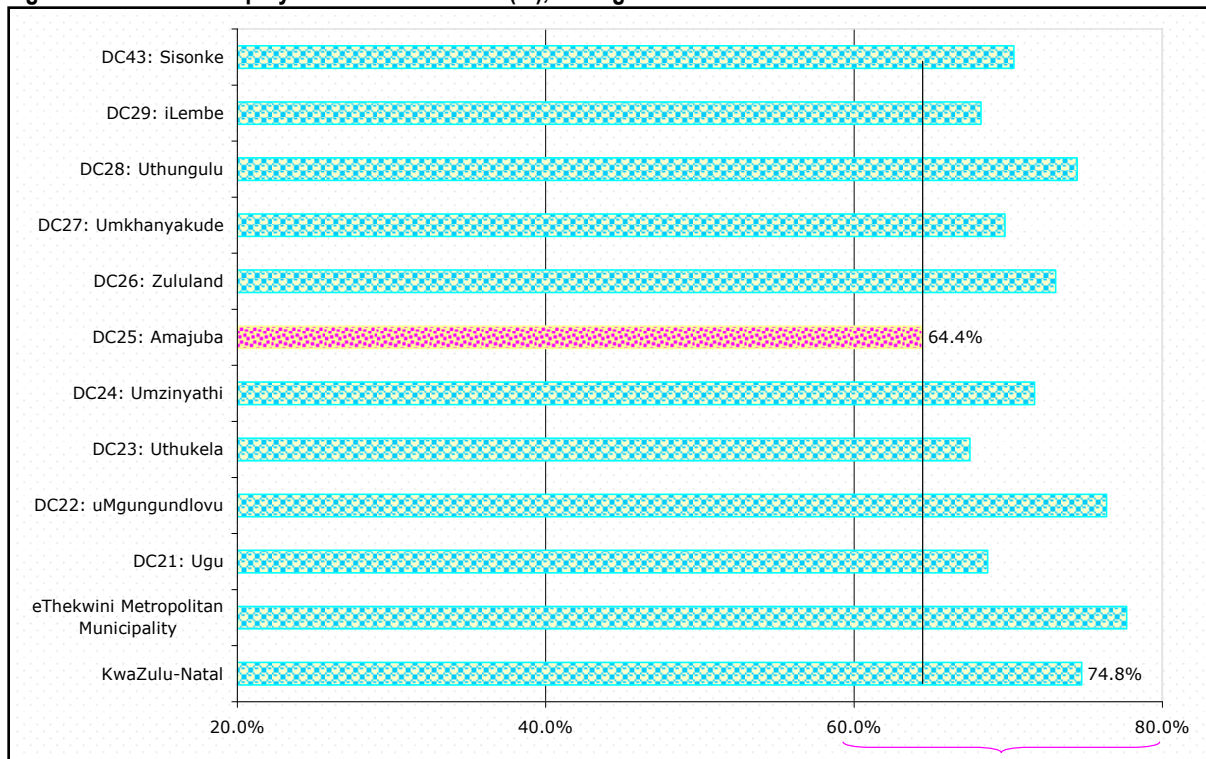
The district's formal employment was among the relatively lower levels at 64.4 percent of total employment (Figure 5.11). Manufacturing, Community Services and Household Services were the leading sectors in the district's formal employment, together accounting for about 67.0 percent (Figure 5.12).

Figure 5.10: Total employment by district, average 2002-2006



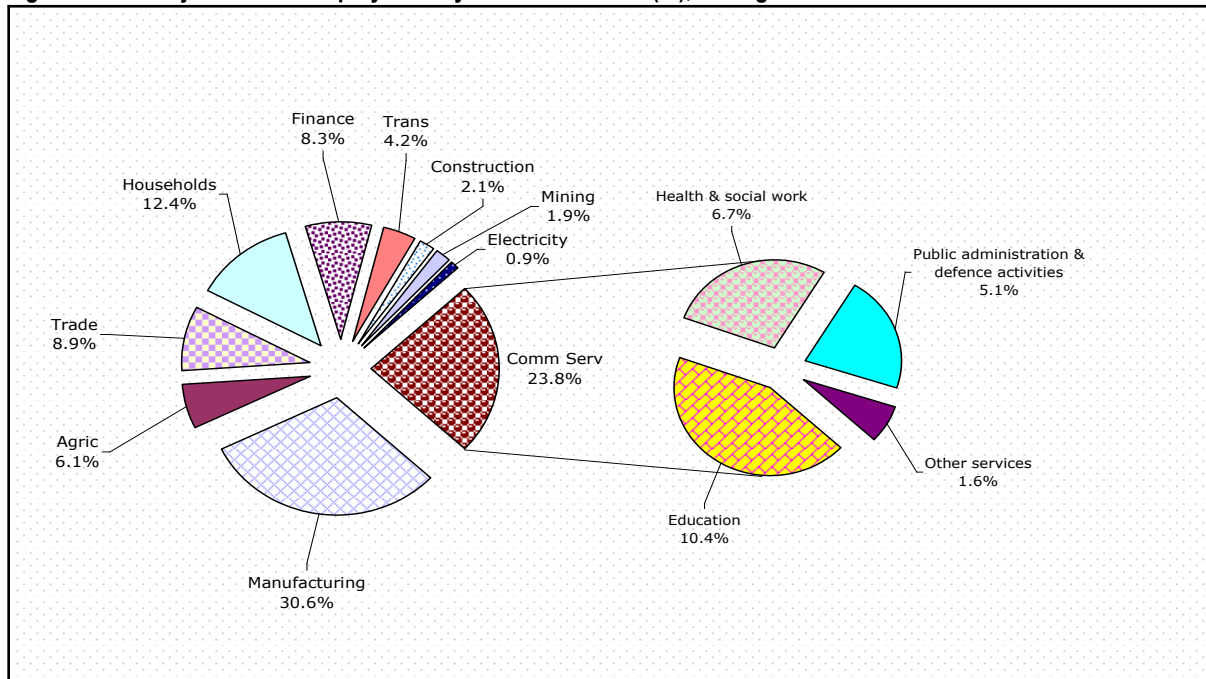
Source: Global Insight, 2007

Figure 5.11: Formal employment within districts (%), average 2002-2006



Source: Global Insight, 2007

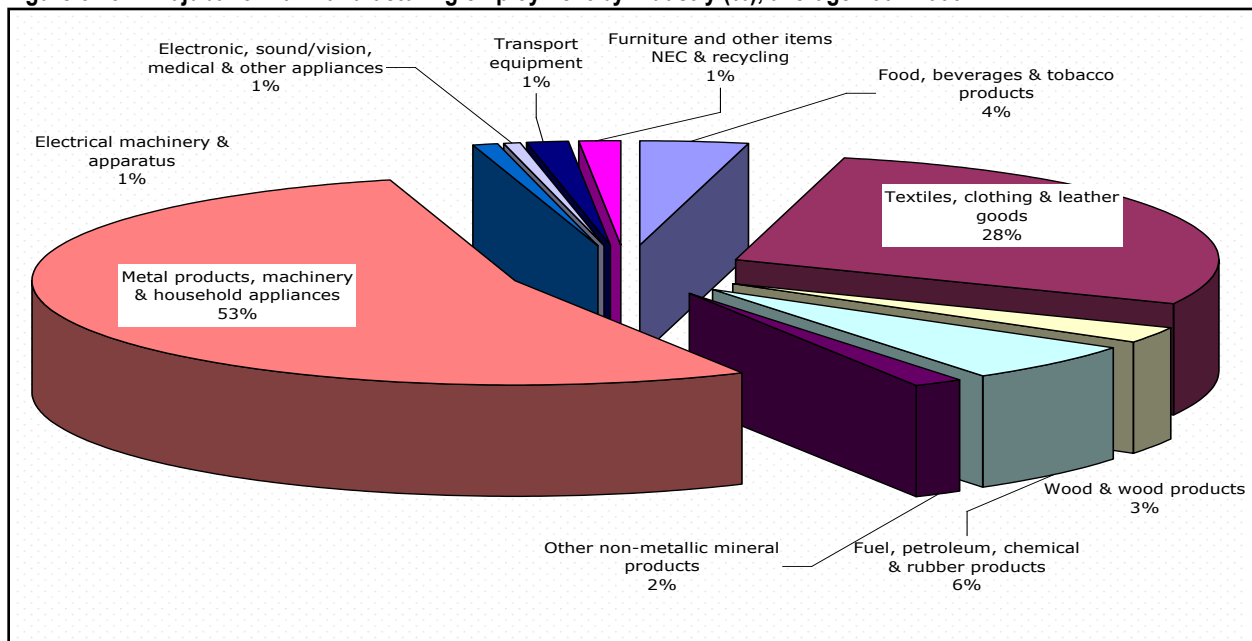
Figure 5.12: Amajuba formal employment by economic sector (%), average 2002-2006



Source: Global Insight, 2007

Community Services, the second most important employer in the district, was dominated by Education, followed by Public Administration & Defense Activities (Figure 5.12). The leader, Manufacturing, recorded the highest employment in 'Metal Products, machinery and household appliances' followed by 'Textiles, Clothing & Leather Products' (Figure 5.13).

Figure 5.13: Amajuba formal manufacturing employment by industry (%), average 2002-2006

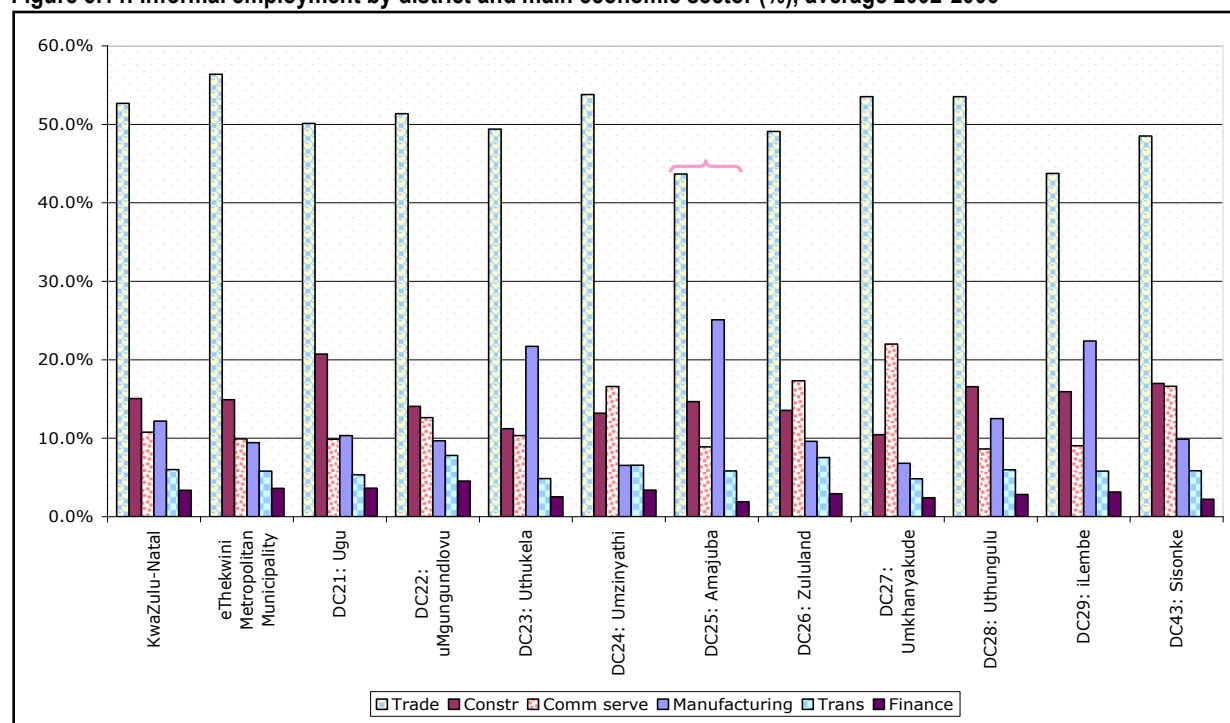


Source: Global Insight, 2007

5.3.3.3 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; Amajuba was one of the four peculiar districts whose informal trade employment was less than half the total informal employment (nearly 44.0%). The other important contributor to this district's informal employment was 'Manufacturing'; similar to Uthukela and iLembe, this unique complementary employer's contribution was estimated at 25.1 percent (Figure 5.14). As mentioned earlier, 'Manufacturing' was skewed towards 'Metal Products & household appliances' and 'Textiles'; the informal employment could probably have followed a similar pattern.

Figure 5.14: Informal employment by district and main economic sector (%), average 2002-2006



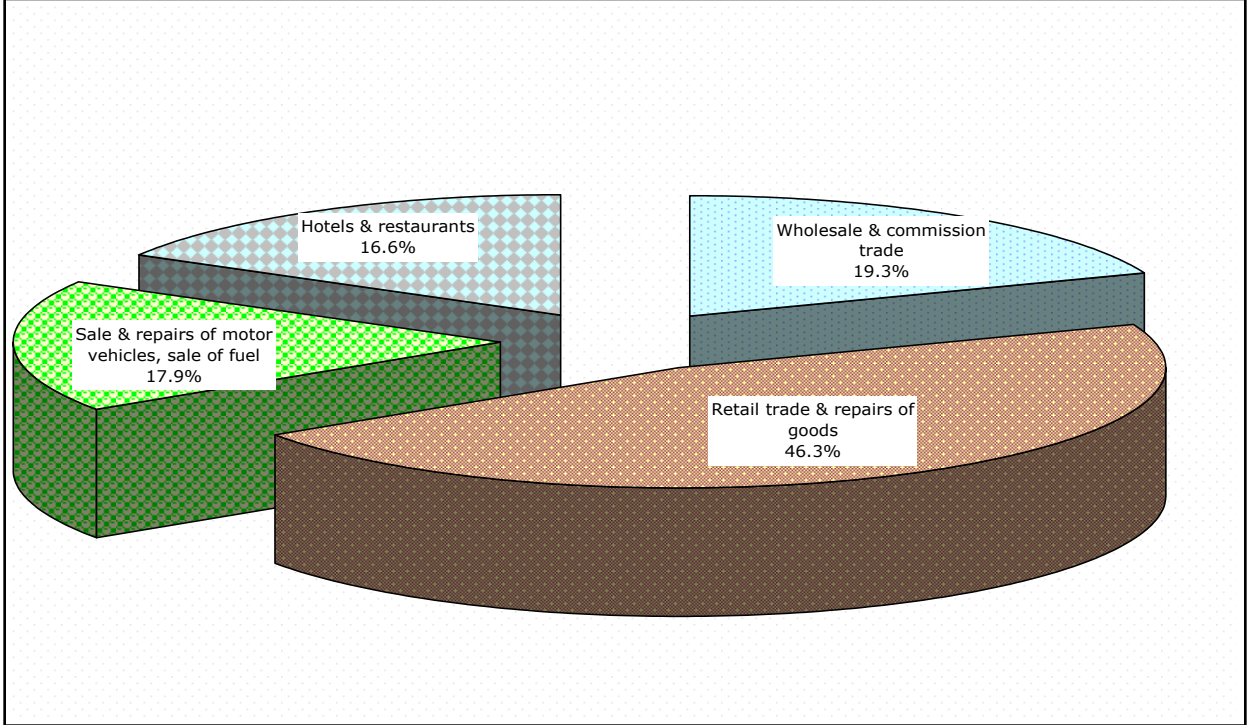
Source: Global Insight, 2007

Figure 5.15 shows the distribution of Amajuba's formal employment in the Trade sector, the leading contributor to informal employment. The district's formal employment in trade was

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

inclined towards 'Retail trade & repair of goods' at nearly half the employment level. As assumed with 'Manufacturing', the informal trade employment could also have followed a similar trend with its formal counterpart.

Figure 5.15: Amajuba formal employment in Trade (%), average 2002-2006

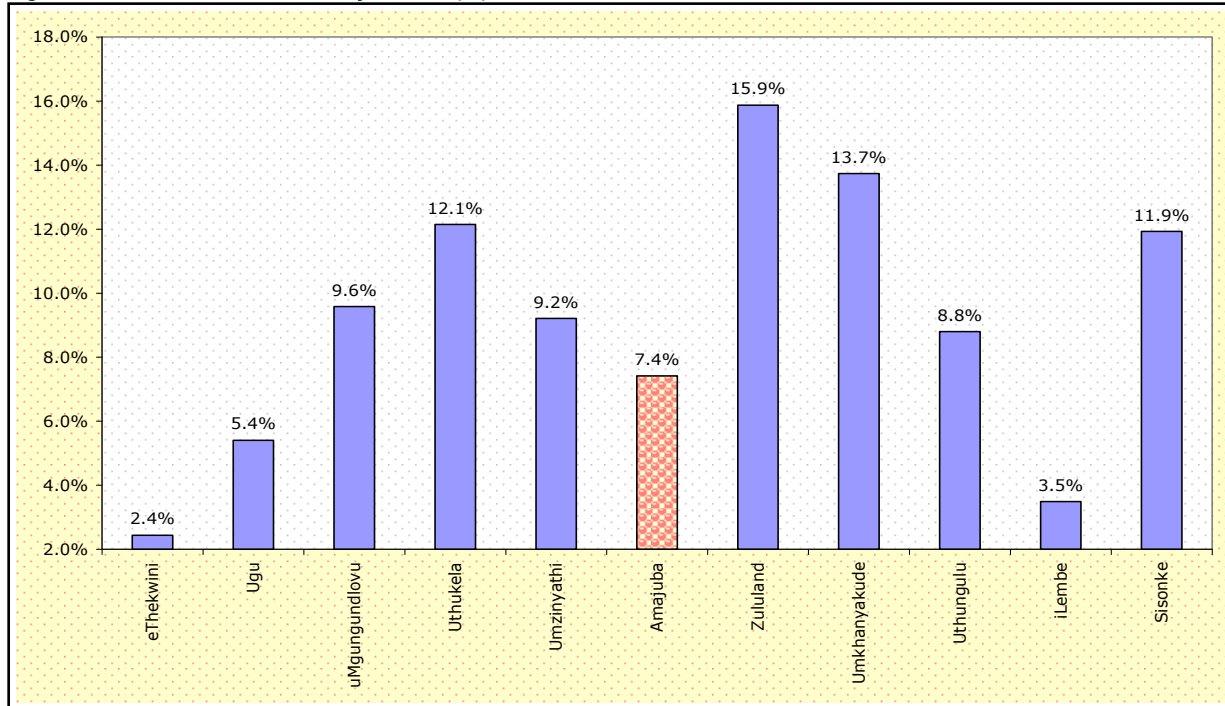


Source: Global Insight, 2007

5.4 Land cover and use

In 2006, Amajuba's share of the KwaZulu-Natal soil was 7.4 percent, the fourth smallest district in the province after eThekwini, iLembe and Ugu (Figure 5.16).

Figure 5.16: KwaZulu-Natal land by district (%), 2006

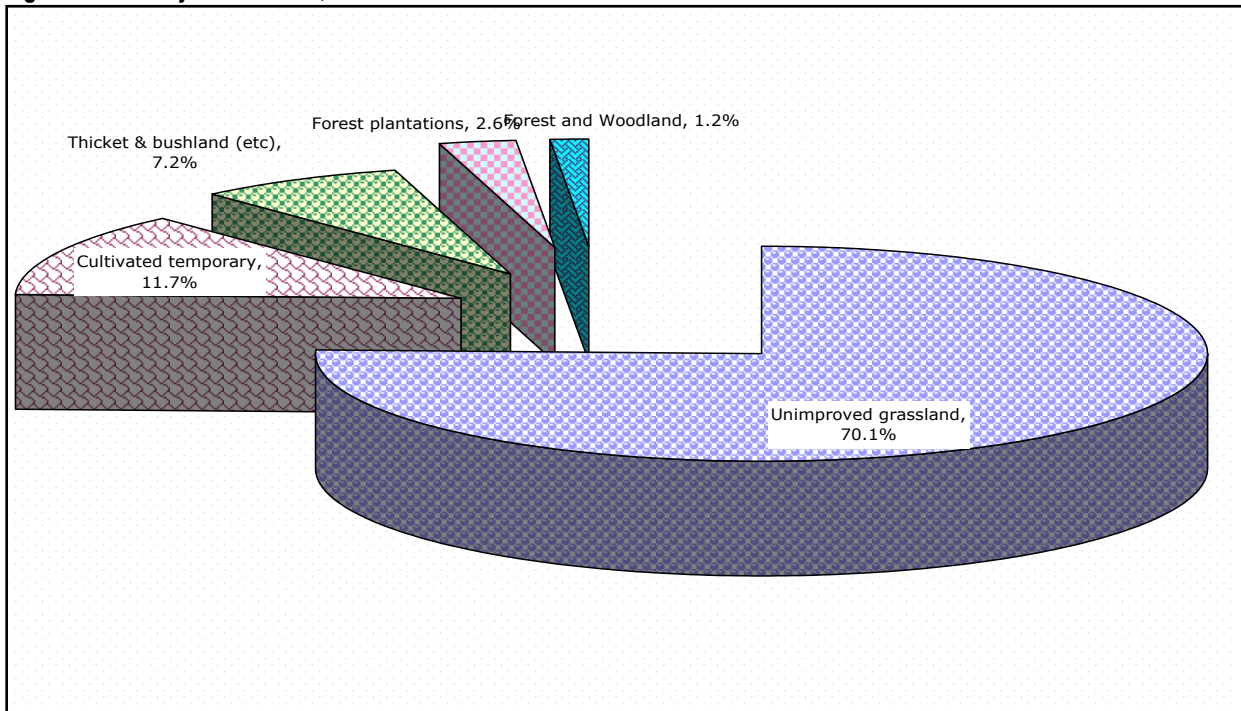


Source: Global Insight, 2007

However, similar to, or even worse than, the majority other districts, the district had the largest portion of its land unavailable for agricultural purposes, with 70.1 percent of the land being unimproved grassland, and only 11.7 percent cultivated temporarily (Figure 5.16).

As in Uthukela, virtually no piece of land in Amajuba was used for permanent cultivation; this is a condition that needs to be investigated and corrected.

Figure 5.17: Amajuba land use, 2006

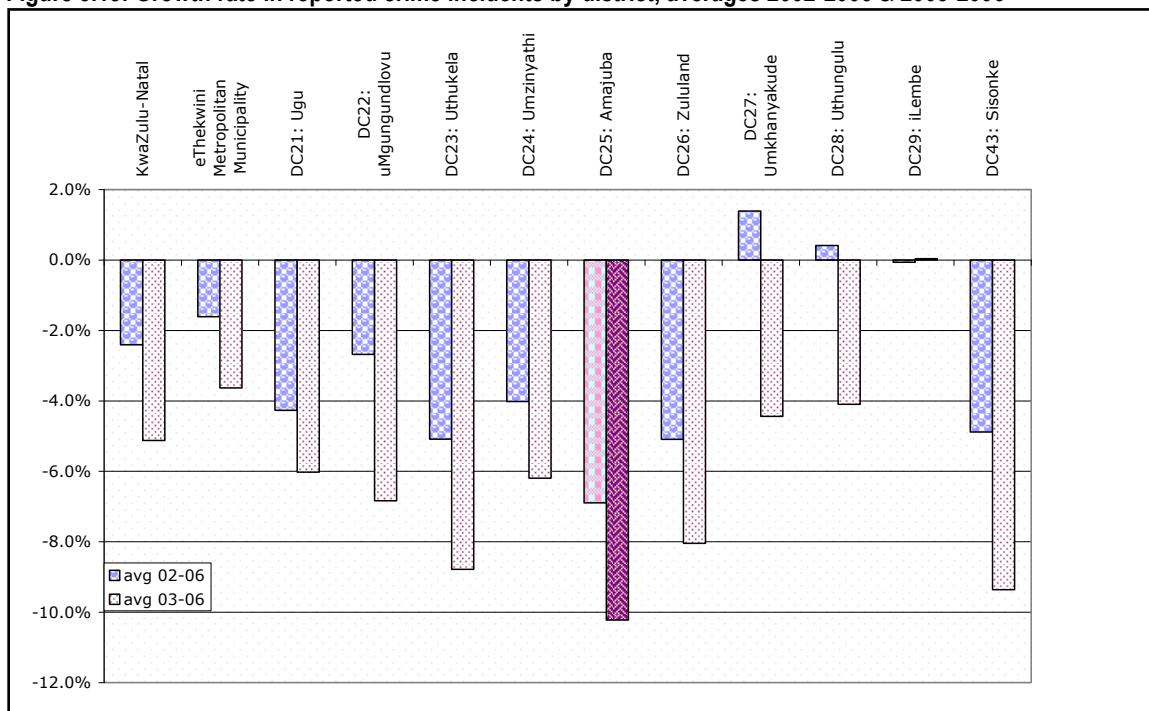


Source: Global Insight, 2007

5.5 Crime

Between 2002 and 2006, there was a consistent decline in reported incidences of crime in the province (2.4 percent annual average). UMkhanyakude, and uThungulu to a less extent, were 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. Amajuba was the one district that enjoyed the highest decline in crime rates at least 10.0 percent per annum (Figure 5.18).

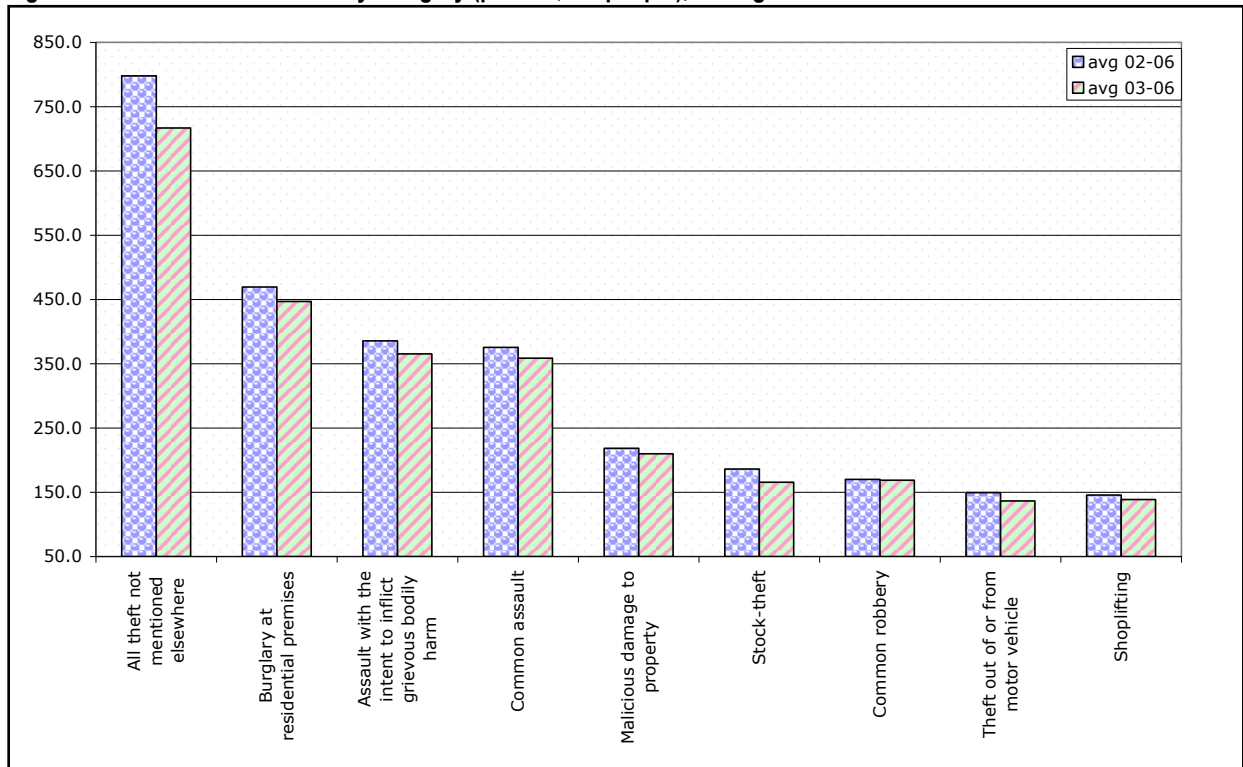
Figure 5.18: Growth rate in reported crime incidents by district, averages 2002-2006 & 2003-2006



Source: Global Insight, 2007

During the same period, 2002 to 2006, the most common crimes in this district were theft, burglary and assault. Similar to Sisonke and Uthukela, Amajuba had a unique experience of stock theft, and damage to property. These crime categories were, however, not as pronounced in this district as they were in the other two districts. But again, similar to Uthukela, Amajuba was one of the most notorious areas with crime rates as high as 780 incidences per 100,000 people (720 average 2003 to 2006) (Figure 5.19).

Figure 5.19: Uthukela crime rate by category (per 100,000 people), average 2002-2006 & 2003-2006



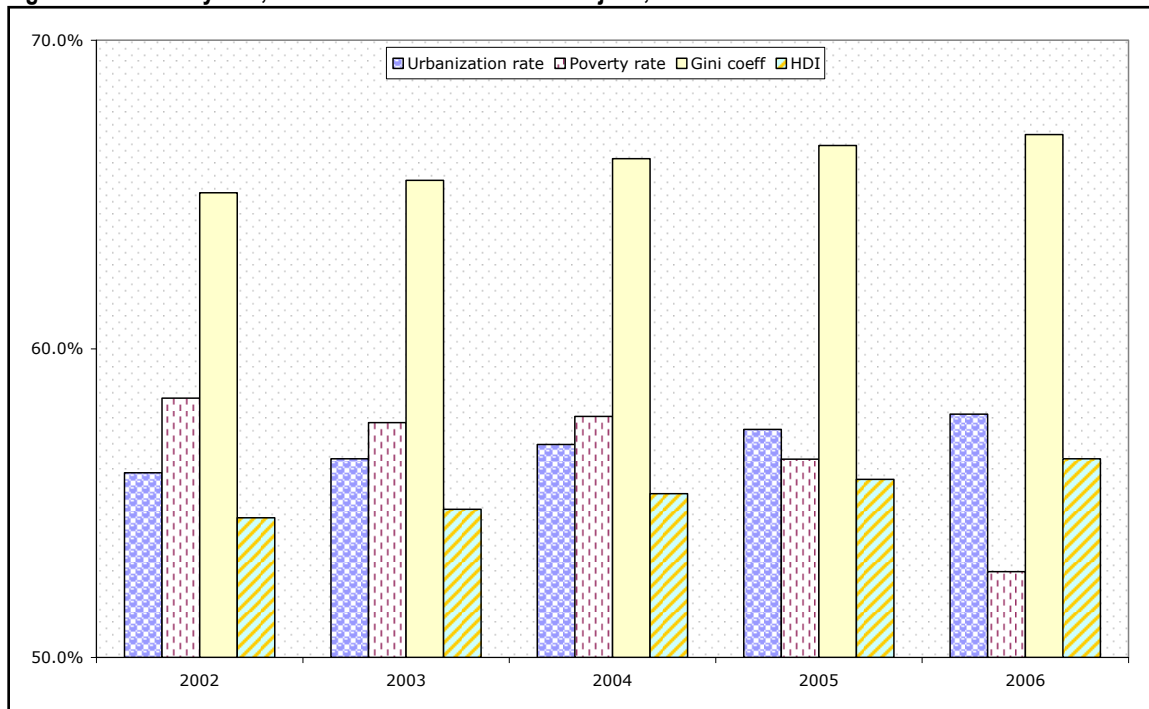
Source: Global Insight, 2007

5.6 Development

Figure 5.20 shows Amajuba district's urbanisation and poverty rates, the Gini coefficient and the Human Development Index (HDI). It can be seen from this graph that, similar to what we have observed in all the other districts, the proportion of people living in poverty in the district has been on a decrease, and in this district more than anywhere else, the decrease was notably rapid (58.4% in 2002 to 52.8% 2006). The rate of urbanisation has also increased slowly from 56.0 percent in 2002 to 57.9 percent in 2006.

As with all the other districts, there is a disquietingly widening income gap in the district (the Gini coefficient rose from 0.65 to 0.67).

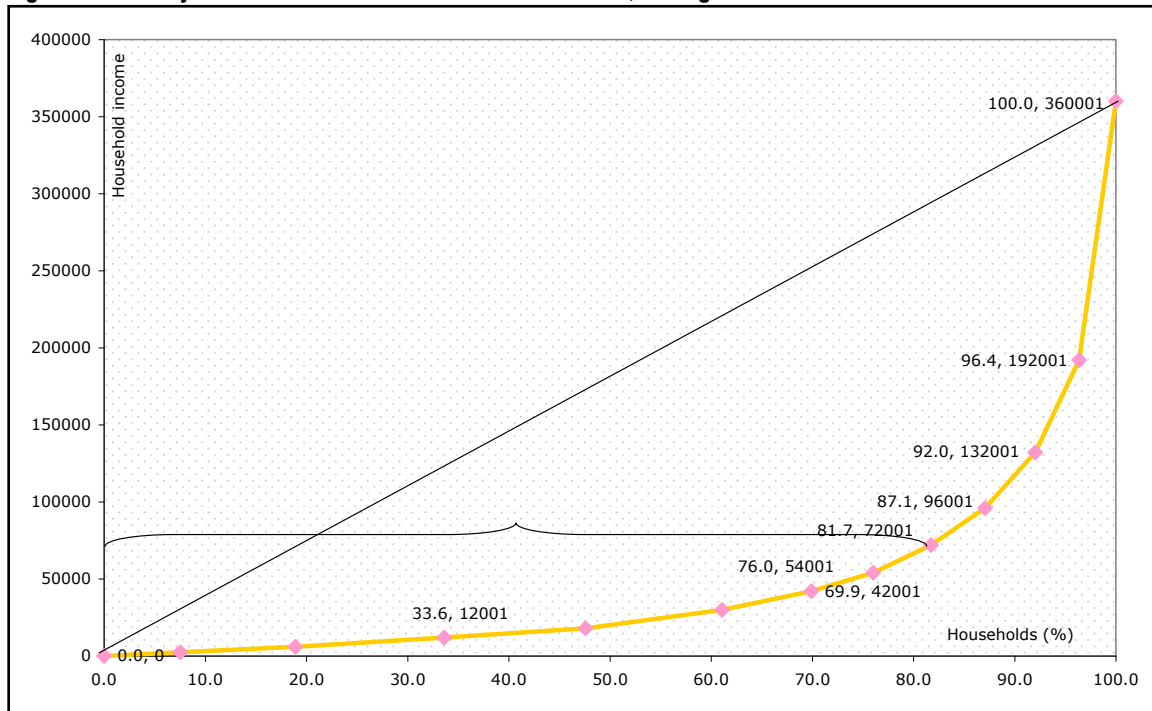
Figure 5.20: Poverty rate, HDI and Gini coefficient in Amajuba, 2002-2006



Source: Global Insight, 2007

However, the overall human development in the districts has improved, with the index increasing from 0.55 to 0.56, an encouraging medium range performance.

Figure 5.21: Amajuba household annual income distribution, average 2002-06



Source: Global Insight, 2007

Although the Gini Coefficient in Amajuba widened between 2002 and 2006, Figure 5.21 shows that the income gap in the district Similar to Sisonke and Uthukela, Amajuba also had a wide income gap although moderately narrower, with 82.0 percent of the district's households fell in the R72,000 group.