



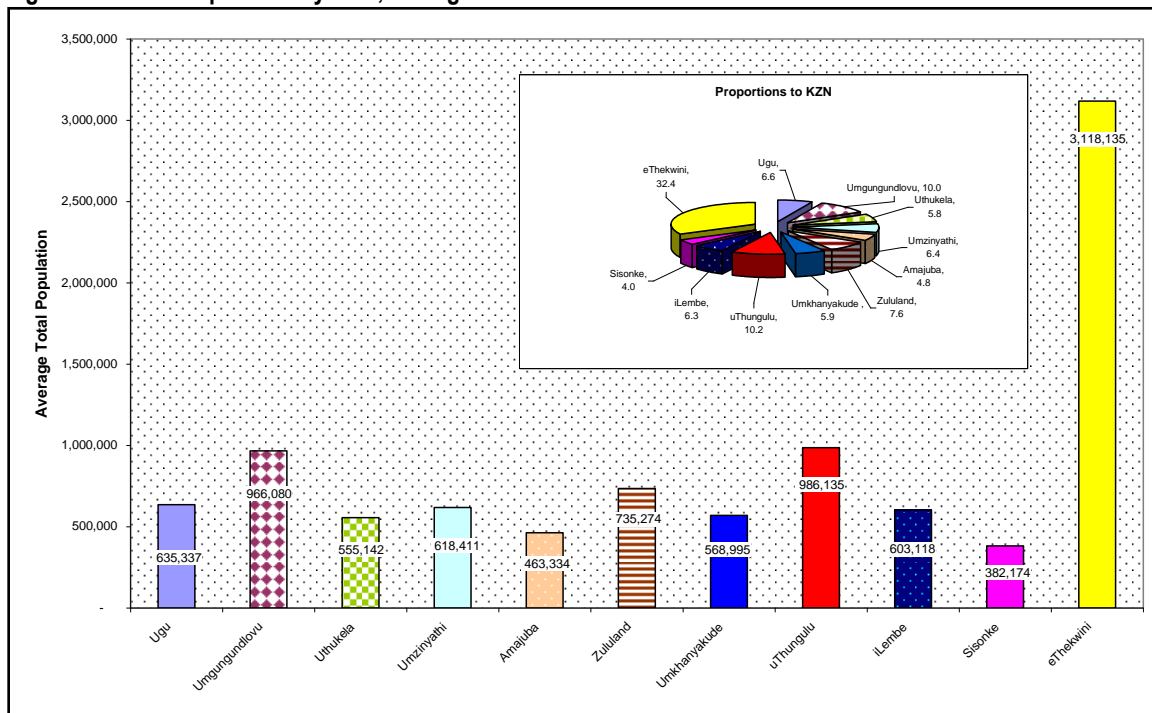
**KwaZulu-Natal Provincial Treasury**

*UMGUNGUNDLOVU DISTRICT: SOCIO-ECONOMIC PROFILE*

## 2.1 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 (2007), the KwaZulu-Natal population was estimated at an average size of 10,0 million people. The largest number of these people lived in eThekweni Metro (32.4 percent of the provincial population), followed by uThungulu district (10.2%) and uMgungundlovu (10.0%) (Figure 2.1).

Figure 2.1: Total Population by DMs, average 2002-2007

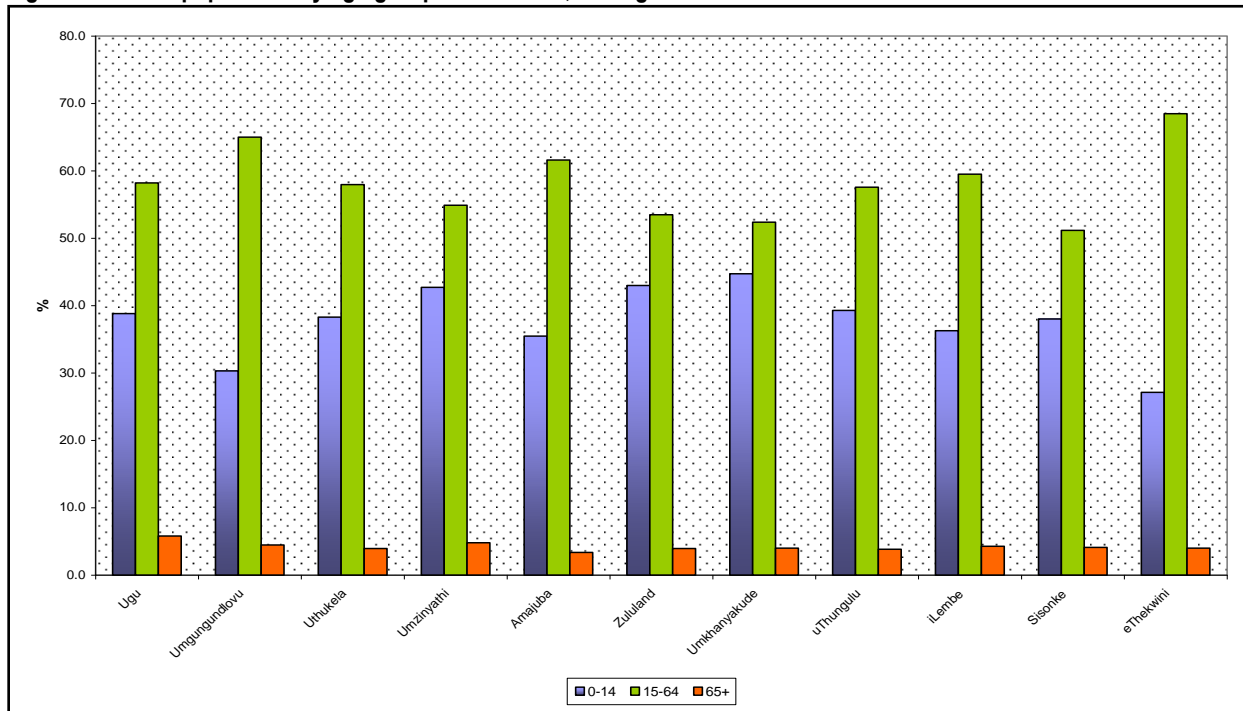


Source:

Global Insight, 2008; Stats SA, 2007

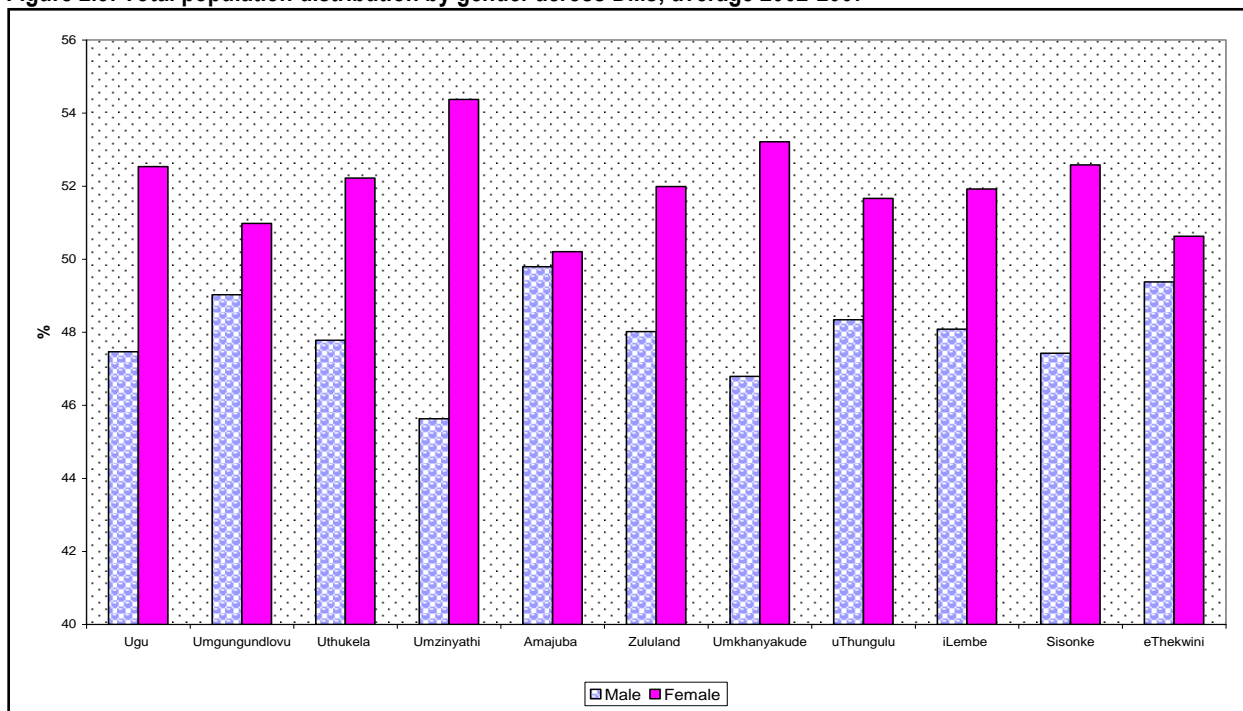
Figure 2.2 shows the distribution of the population across DMs by age group. The largest proportion of the population in uMgungundlovu was the age group 15-64 years (65.0%) followed by age group 0-14 years (30.2%). The elderly population made the smallest portion of the total population (4.6%). The total number of households in the district made up 10.2 percent of the total households in the province, closely consistent with its share of the provincial population.

**Figure 2.2: Total population by age group across DMs; average 2002-2007**



Source: Global Insight, 2008; Stats SA, 2007

**Figure 2.3: Total population distribution by gender across DMs; average 2002-2007**



Source: Global Insight, 2008; Stats SA, 2007

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.

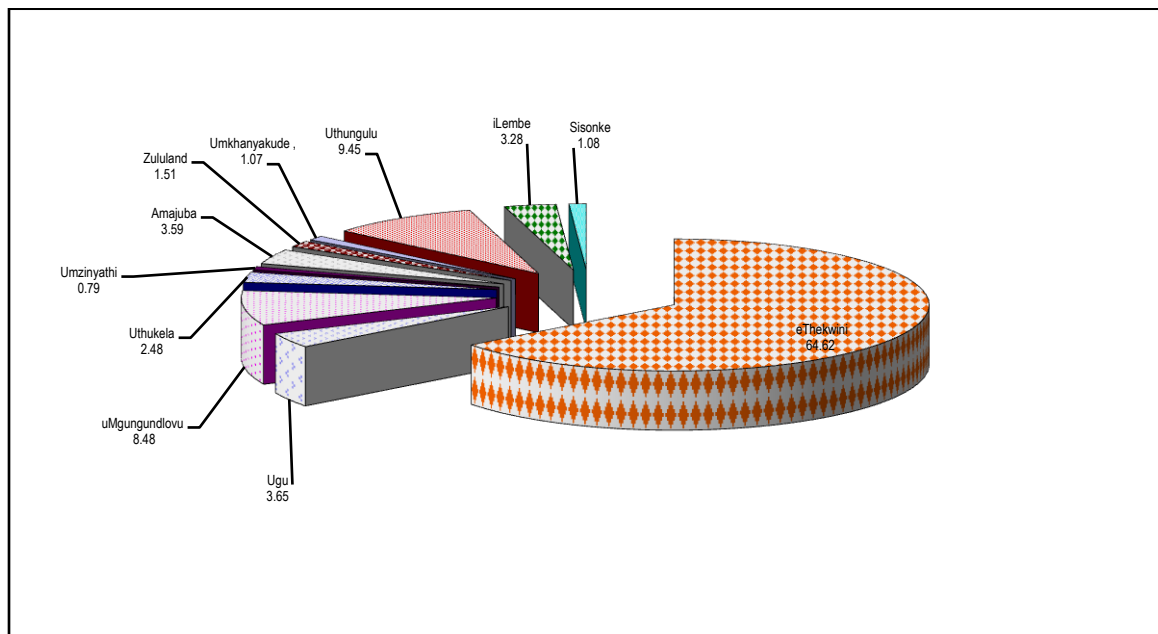
Similar to all the other districts, the majority of the population in uMgungundlovu and across all DMs was female during this period (51.0%) (Figure 2.3).

## 2.2 Economic Outlook

### 2.2.1 Gross domestic product per municipality (GDP-M)

Between 2002 and 2006, the GDP 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. uMgungundlovu was the third largest contributor to the provincial GDP at an annual average of 8.5 percent, after eThekweni (64.6%) and uThungulu (9.5%). The least contributor was Sisonke at 1.1 percent (Figure 1.4).

Figure 2.4: Districts contribution to KwaZulu-Natal GDP, average 2002-2006



Source:

Global Insight, 2007

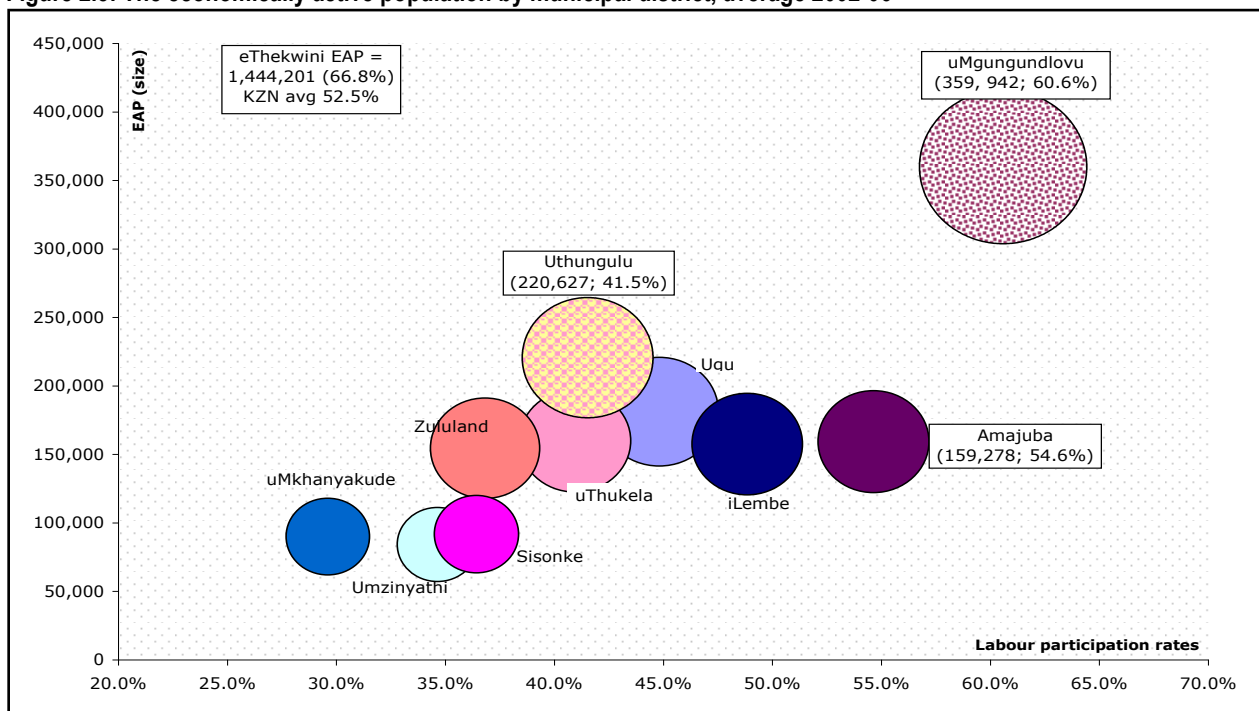
Community Services (24.0%), Finance (19.0%), Manufacturing (13.0%) and Wholesale and Retail Trade (11.0%) were the leading sectors in the province.

## 2.3 The labour market

### 2.3.1 The labour force and the economically active population

As mentioned in the outgoing section, 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)<sup>1</sup> was approximately 3,1 million. More than 1,4 million of these people were in eThekwini (Figure 2.5). uMgungundlovu had the second largest EAP in the province, at 359,942.

Figure 2.5: The economically active population by municipal district, average 2002-06



Source: Global Insight, 2007; Mahlatsi, 2007

As a proportion of the district labour force, the district's EAP was slightly above the provincial average at 61 percent. It is actually the second most economically active district after the Metro.

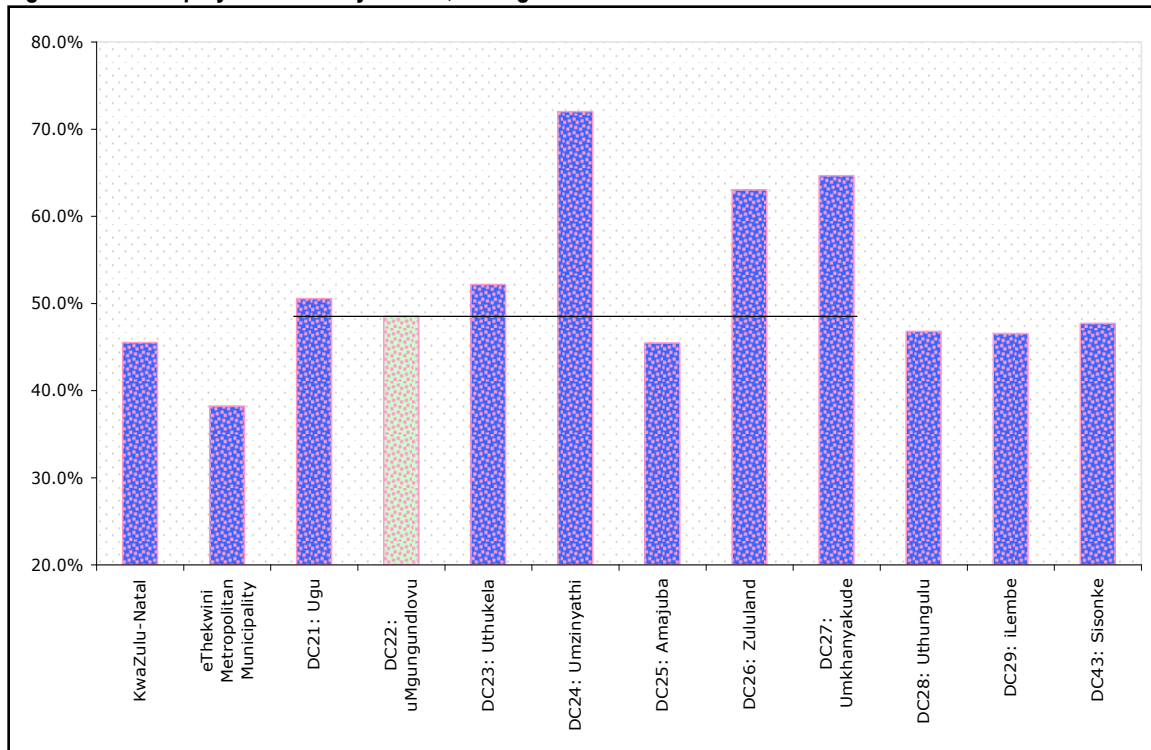
<sup>1</sup> The category EAP is made up of people who are either employed or unemployed. The employed consists of employers and employees, while unemployment are those not having a job but are actively seeking one (official definition), or they do not have a job, are actively seeking one or have given up searching yet still available for work at anytime (expanded definition).

### 2.3.2 Unemployment

During the same period, the number of unemployed people in the district averaged 172, 000. This was again the second highest unemployment figure after the Metro (562, 000).

Figure 2.6 gives the average unemployment rates (the unemployed as proportion of the EAP) in the districts between 2002 and 2006. The unemployment rate in the district was among the moderate, at nearly 49.0 percent annually.

Figure 2.6: Unemployment rate<sup>2</sup> by district, average 2002-2006



Source: Global Insight, 2007

The unemployment rate was higher among Blacks (56.0%) than the other population (8.0%, 29.0% and 26.0% for Whites, Coloured and Asians, respectively).

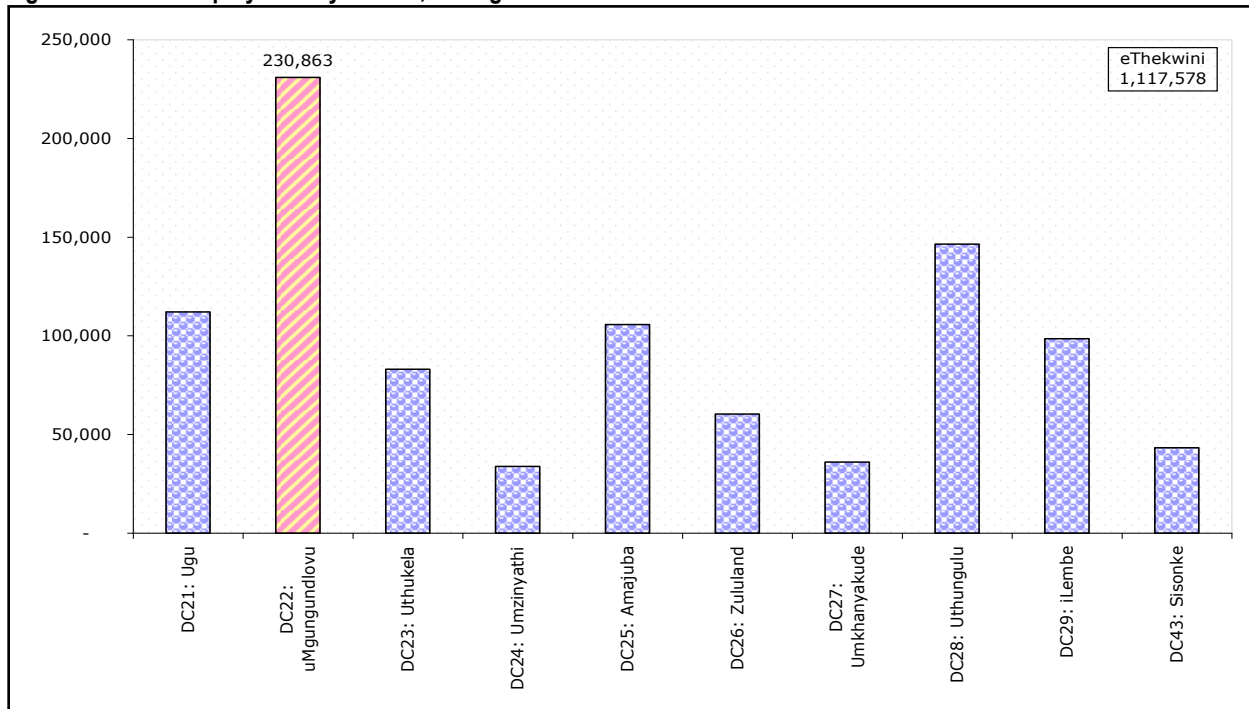
<sup>2</sup> Expanded definition; includes those unemployed but not actively seeking a job.

### 2.3.3 Employment

#### 2.3.3.1 Total employment

During the same period, KwaZulu-Natal employment totaled an annual average of 2,1 million workers. uMgungundlovu had the second highest employment after the Metro (Figure 2.7).

Figure 2.7: Total employment by district, average 2002-2006



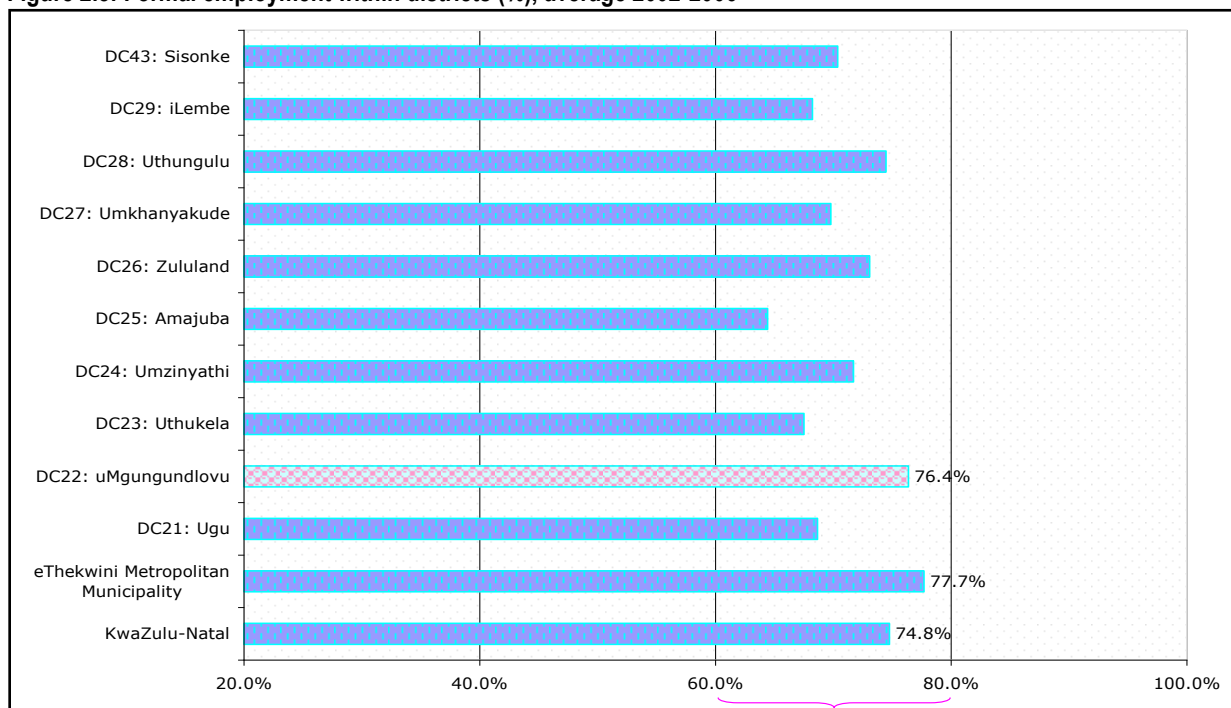
Source: Global Insight, 2007

#### 2.3.3.2 Formal employment

Throughout the period, formal employment played the most significant role in the province, ranging between 60.0 percent and 80.0 percent of districts' total employment (Figure 3.4). As in the total employment, uMgungundlovu's formal employment held the second position too, after the Metro – both districts – together with uThungulu – had higher than provincial average formal employment.



**Figure 2.8: Formal employment within districts (%), average 2002-2006**



Source: Global Insight, 2007

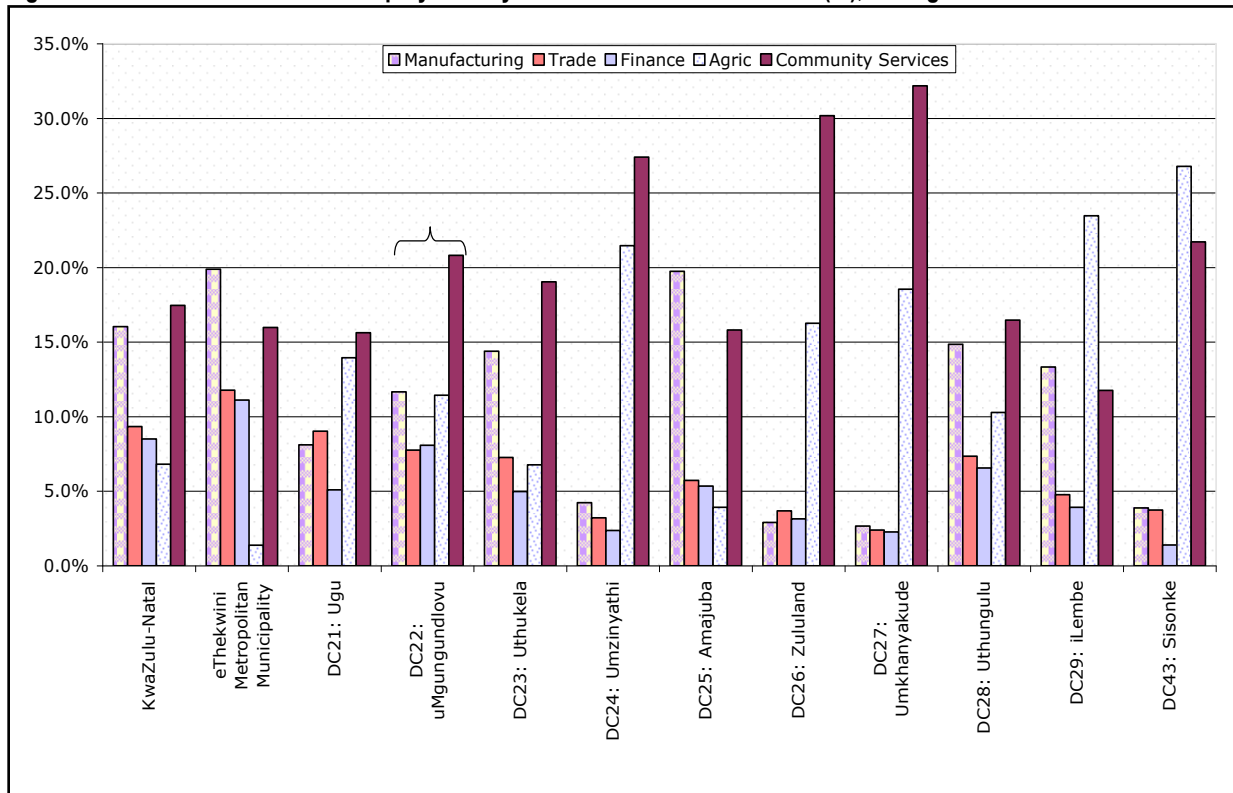
As in the other districts, the formal employment sector in uMgungundlovu was quite spread between the five major employing economic sectors (Community Services<sup>3</sup>, Manufacturing, Agriculture, Finance and Trade).

The district's Community Services was the biggest employer (27.2%), followed by Manufacturing (15.3%), Agriculture (15.0%) and Finance (10.6%). The least contributors to formal employment were Mining (0.2%), Electricity (1.2%) and Construction (2.7%).

Education was the largest engine behind the Community Service performance, contributing a 48 percent of the sector's employment. This was followed by Public Administration and Defence Activities at 22.0 percent and Health and Social Work at 20.0 percent. This shows that the education-and-health inclined provincial expenditure budget reaches this district proportionately and also that the district is serious about fighting crime and making the district a safe place to do live in, do business and tour.

<sup>3</sup> 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 2.9: KwaZulu-Natal formal employment by district and economic sector (%), average 2002-2006**

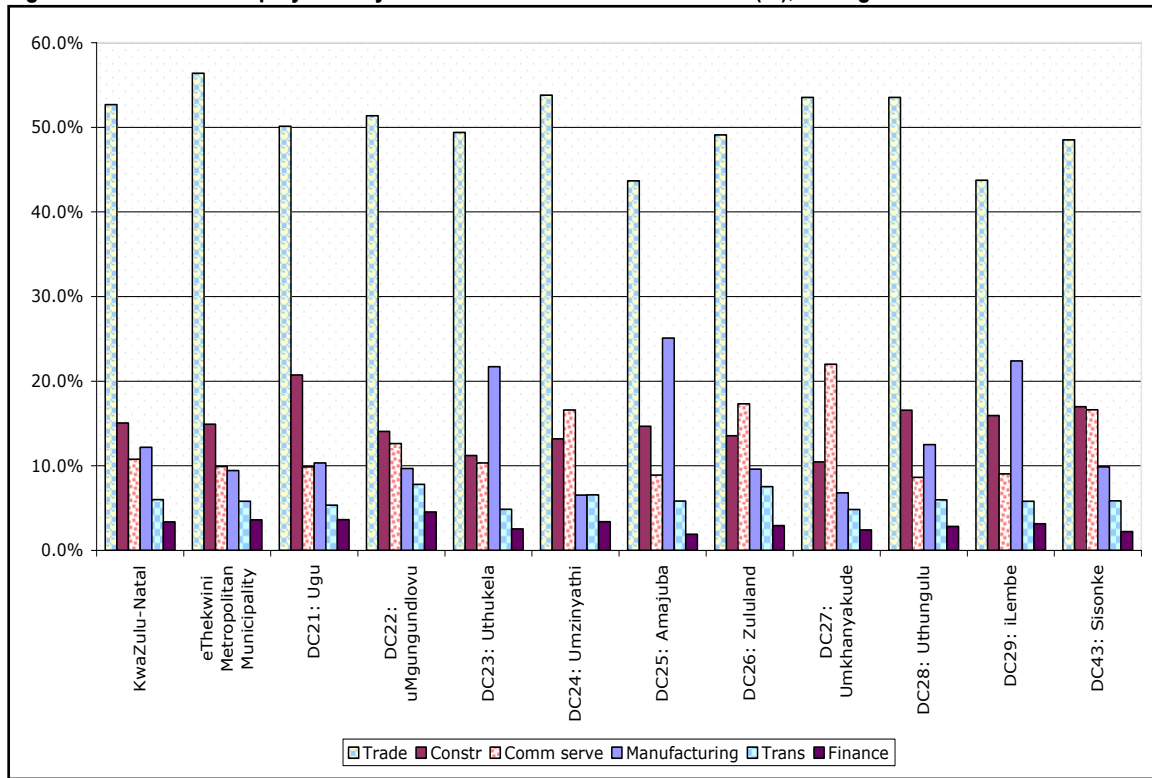


Source: Global Insight, 2007

### 2.3.3.3 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.

**Figure 2.10: Informal employment by district and main economic sector (%), average 2002-2006**

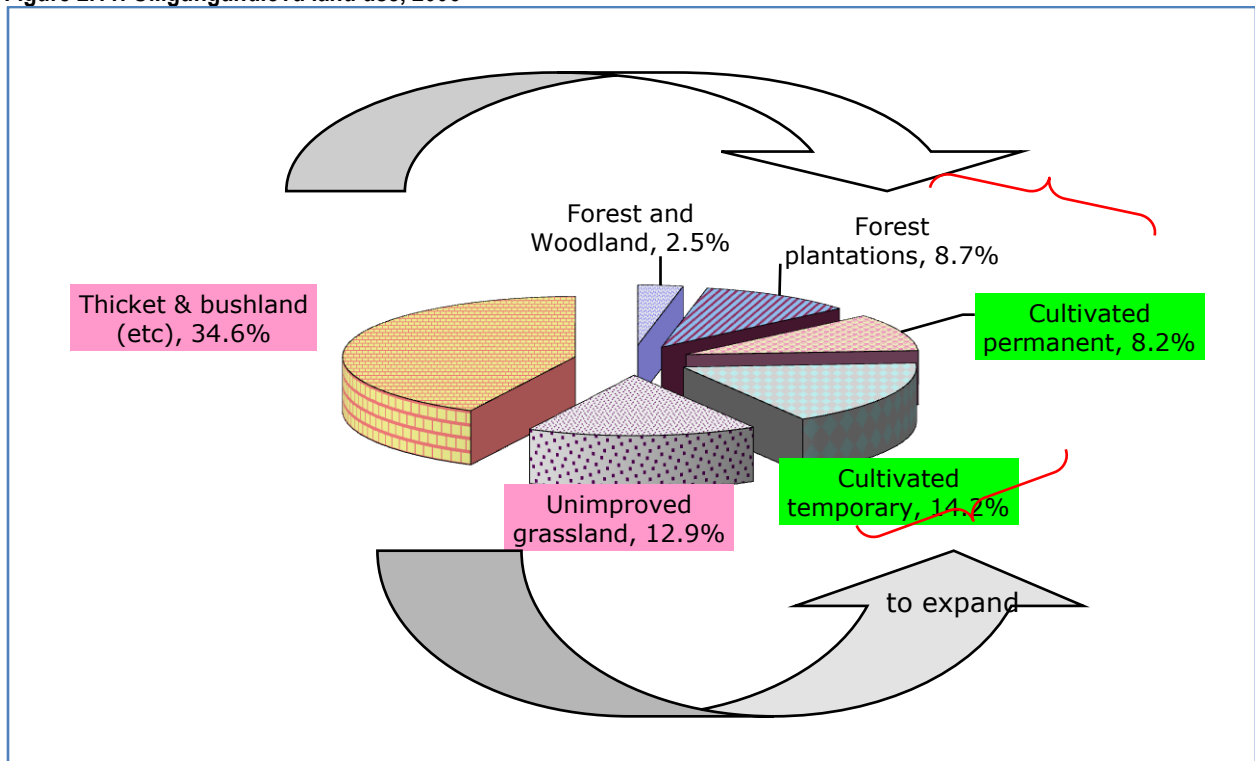


Source: Global Insight, 2007

## 2.4 Land cover and use

In 2006, KwaZulu-Natal's land size was estimated at 93,378 km<sup>2</sup>; approximately 8.0 percent of the South African land. UMgungundlovu's share of the KwaZulu-Natal soil was only an estimated 9.6 percent. The district's land use was relatively good, with 14.2 percent used for temporary, and another 8.2 percent used for permanent cultivation (Figure 2.11). This is not exceptional but encouraging, and agriculture in this district should be continuously supported.

Figure 2.11: UMgungundlovu land use, 2006

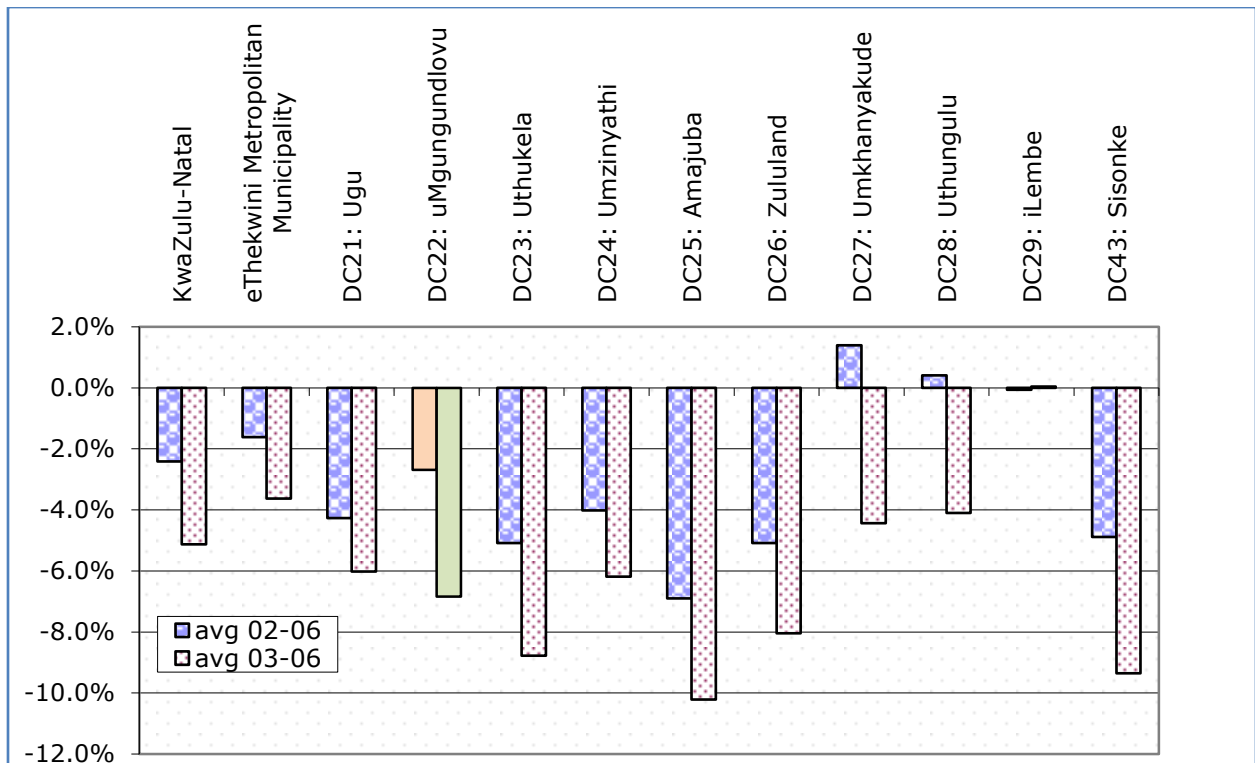


Source: Global Insight, 2007

## 2.5 Crime

Between 2002 and 2006, there has been a consistent decline in reported incidences of crime in the province (2.4 percent annual average). UMkhanyakude and uThungulu were the only resistant districts with peculiar positive growth rates. Although not at an outstandingly high rate, uMgungundlovu's decline in crime was also impressive at an annual average of nearly 3.0 percent between 2002 and 2006. However, 2003 forward saw a blanketing decline, though with differing magnitudes; the provincial collapse rate in crime was 5.1 percent. Amajuba, Sisonke, uThukela and Zululand enjoyed the highest decline in this regard (at least 8.0%). This time, uMgungundlovu was among the best performing districts at more than 6.0 percent annual average rate of decline (Figure 9.16).

Figure 2.12: Growth rates in reported crime incidents by district, averaged 2002-2006 & 2003-2006

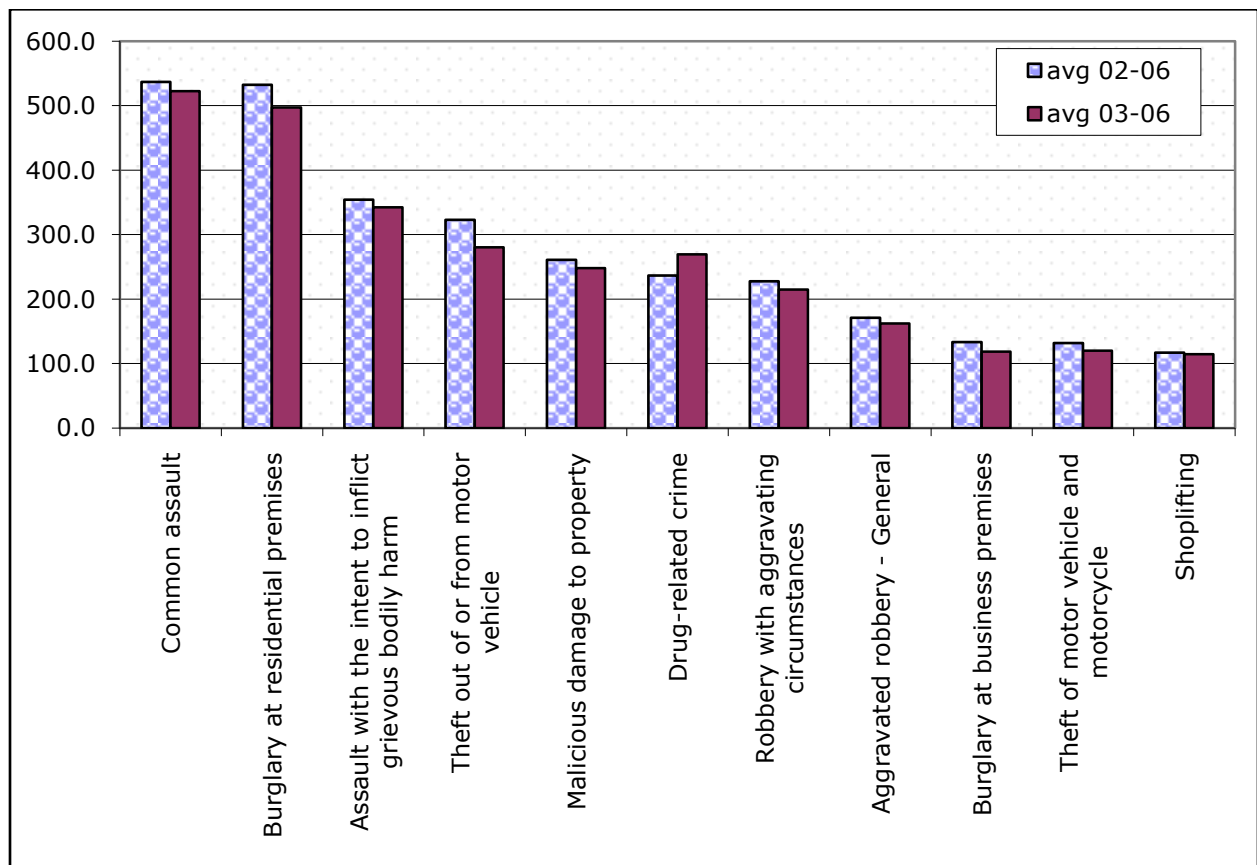


Source: Global Insight, 2007

During the period 2002 to 2006, the most common crimes in this district were assault and burglary. However, these crimes were not too pronounced as the highest rate was just above 500 incidences per 100,000 people (Figure 2.13).

Between 2003 and 2006, there was noticeable increase in the number of drug-related crimes in this district.

Figure 2.13: UMgungundlovu crime rates by category (per 100,000 people), average 2002-2006 & 2003-2006

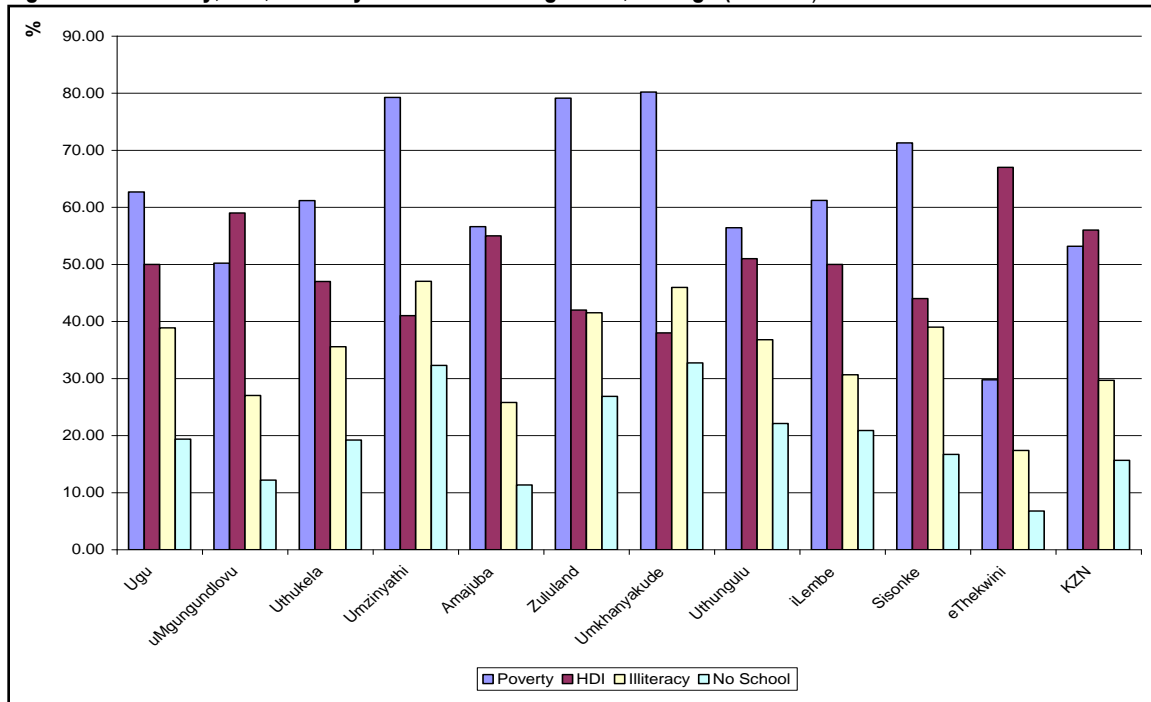


Source: Global Insight, 2007

## 2.6 Social development

Figure 3.1 shows average poverty rate, HDI, illiteracy rate and no schooling rate across DMs from 2002 until 2006. At 50.2 percent, uMgungundlovu ranked among the districts with the lowest poverty rates. It was the second most affluent district after eThekweni (29.8%). UMzinyathi, uMkhanyakude and Zululand were the most poverty-stricken districts in the province during this period.

**Figure 2.11: Poverty, HDI, Illiteracy and No Schooling Rates, average (2002-06)**



Source: Global Insight, 2007

Similarly, in terms of Human Development, uMgungundlovu at an average rate of 0.59 maintained the second position after eThekweni (0.67). On the contrary, the district was the third best performer in terms illiteracy rate (27.0%), after eThekweni and Amajuba. This was true also with regard to no schooling rate (12.2%).

Table 2.1 confirms that there is high positive correlation between poverty and household income in uMgungundlovu. With more than 63.8 percent of the household earning above R1, 500 per month, it is still the second highest DM in the household income category after eThekweni (74.5%).

**Table 2.1: Households by income category (%), monthly average (2002-06)**

	R0-R500	R500-R1000	R1000-R1500	R1500+
Ugu	14.59	13.27	16.80	55.35
<b>uMgungundlovu</b>	<b>13.07</b>	<b>10.24</b>	<b>12.89</b>	<b>63.81</b>
Uthukela	19.60	17.91	18.36	44.61
Umzinyathi	21.35	18.87	19.38	40.41
Amajuba	18.35	14.30	13.61	53.74
Zululand	22.07	20.39	18.98	38.56
Umkhanyakude	24.92	21.09	18.84	35.15
<b>Uthungulu</b>	15.97	12.21	15.65	56.17
iLembe	13.94	13.09	17.36	55.61
Sisonke	24.91	20.52	18.55	36.02
eThekwini	9.89	6.57	9.08	74.47
KZN	14.88	11.97	13.75	59.40

Source: Global Insight, 2007

The relatively low poverty rate (although still around 50%) coupled with high level of household income, a slightly high rate of illiteracy, and no schooling in uMgungundlovu simply suggests that there may be a fair 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.



## 2.5 Land cover and use