

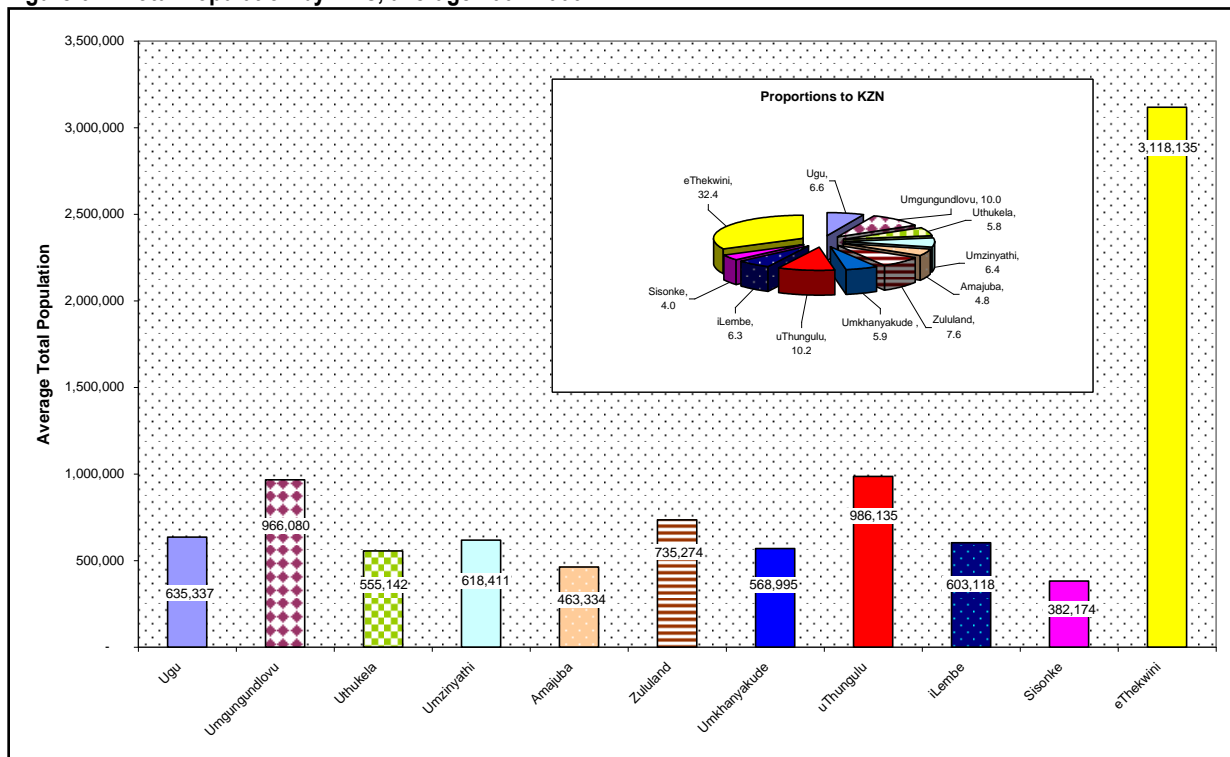
KwaZulu-Natal Provincial Treasury

ZULULAND DISTRICT: SOCIO-ECONOMIC PROFILE

6.1 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 percent) and uMgungundlovu (10.0 percent). Zululand district had an estimated total population of 735.2 thousand, accounting for 7.6 percent of the provincial population between 2002 and 2006 (Figure 6.1).

Figure 6.1: Total Population by DMs, average 2002-2006



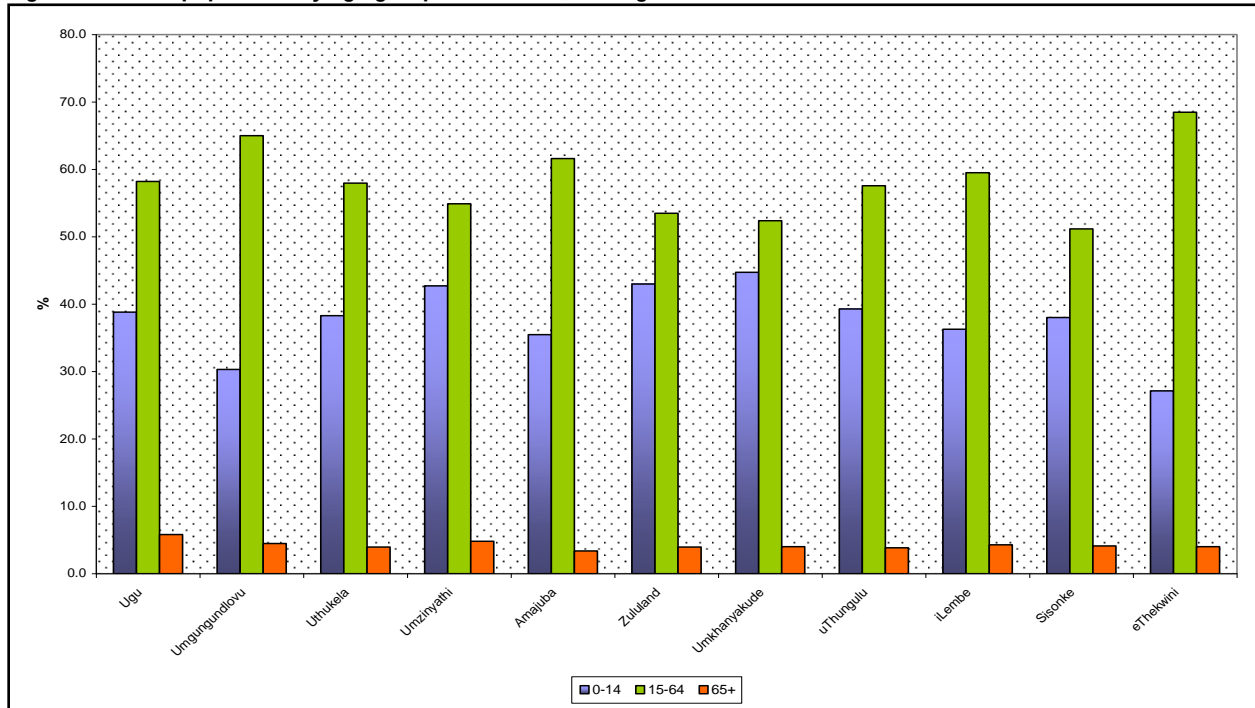
Source: Global Insight, 2007

Figure 6.2 shows the distribution of the population across DMs by age group. The largest proportion of the population in Zululand was the age group 15-64 years (53.5 percent) followed by age group 0-14 years (42.9 percent). The elderly population made the smallest portion of the district's population (4.1 percent).

A population distribution skewed towards working-age tends to translate into higher unemployment levels, particularly if individuals are not appropriately skilled for available job opportunities. Hence, the higher number of both young individuals and people in the labour

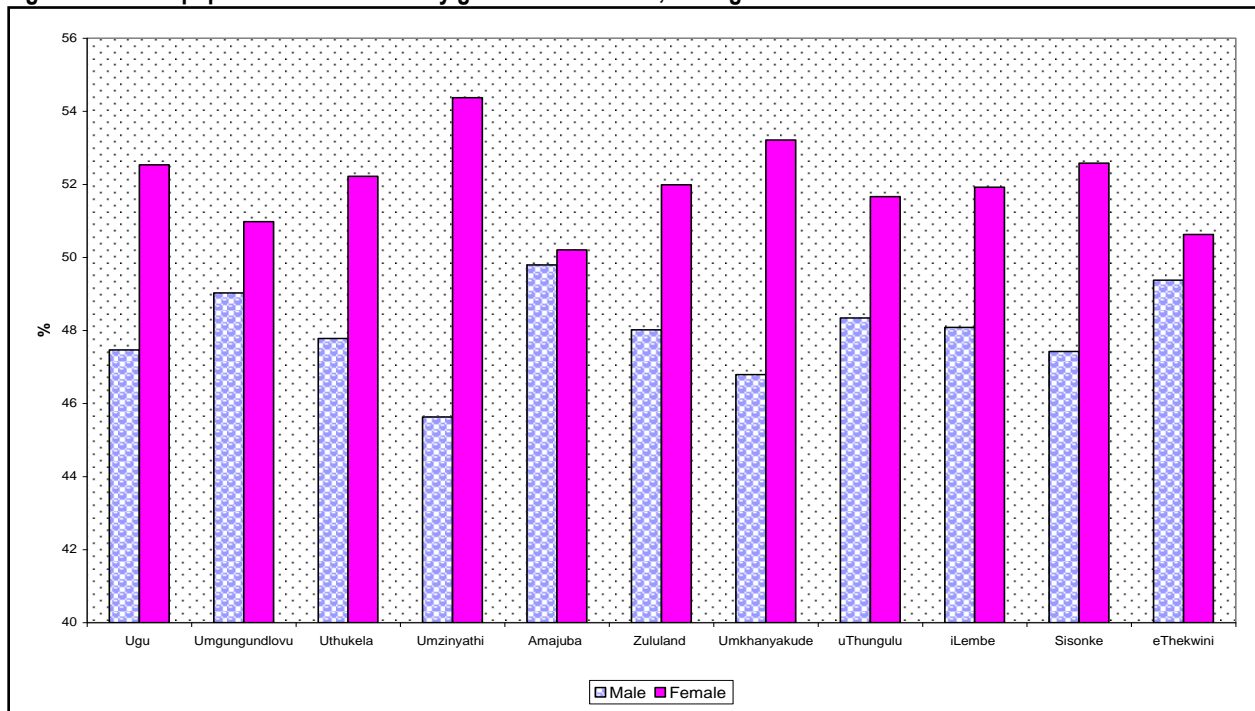
force overall will require increased spending in education (primary and secondary) and skills development.

Figure 6.2: Total population by age group across DMs; average 2002-2006



Source: Global Insight, 2007

Figure 6.3: Total population distribution by gender across DMs; average 2002-2006



Source: Global Insight, 2007

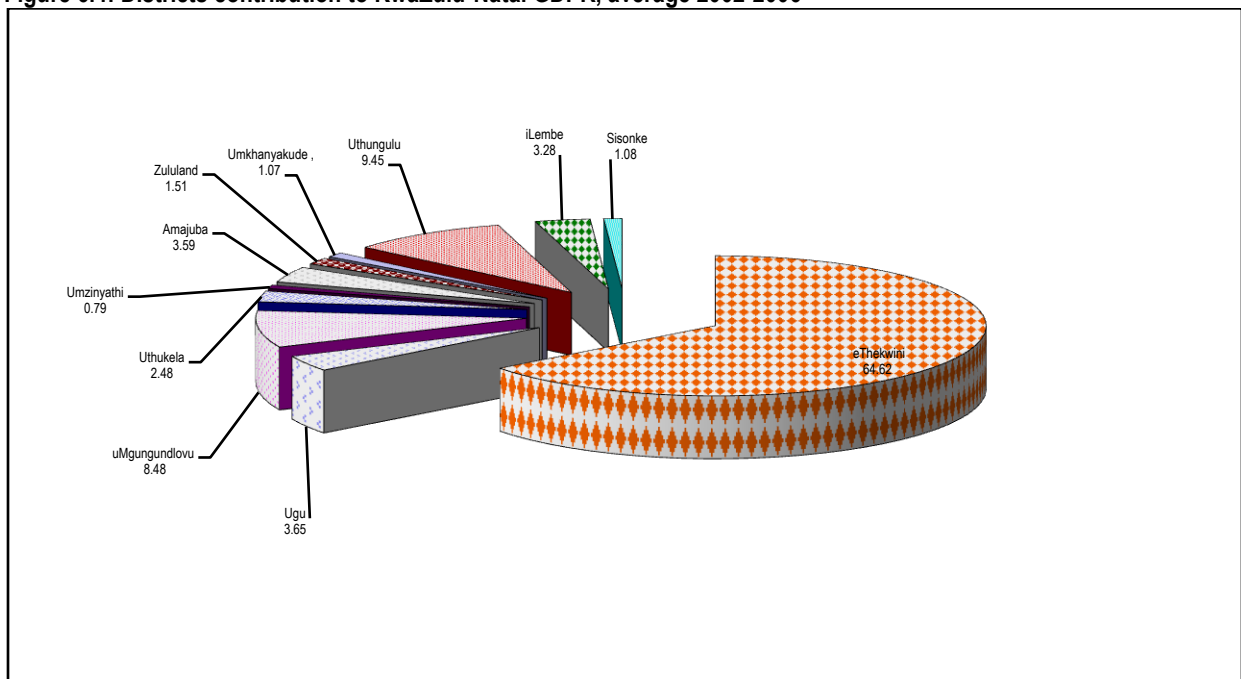
The majority of the population across all DMs was female (52 percent) during this period (Figure 6.3). Zululand district made up of 6.2 percent of the total households in the province.

6.2 Economic Outlook

6.2.1 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. Zululand made a contribution of 1.5 percent to the GDP-R, positioning itself as the fourth least contributor, after uMzinyathi, uMkhanyakude and Sisonke. The least contributor was Umzinyathi at 0.8 percent, while eThekweni contributed the most at 64.6 percent (Figure 6.4).

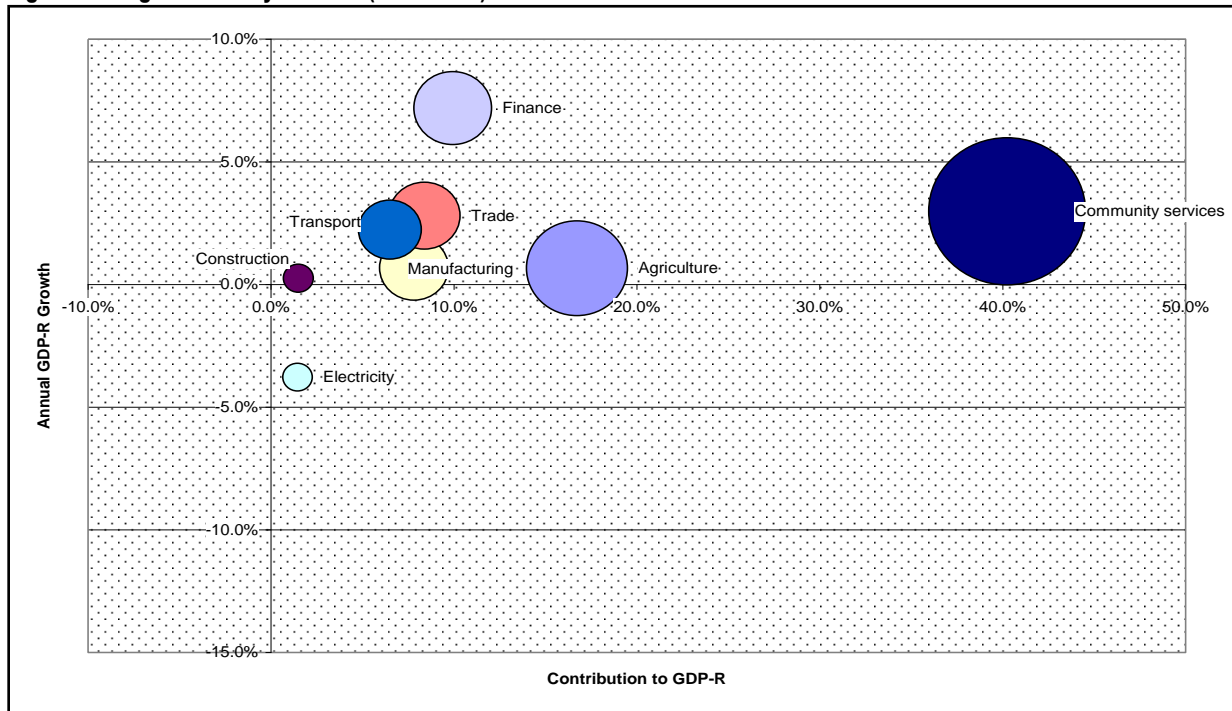
Figure 6.4: Districts contribution to KwaZulu-Natal GDP-R, average 2002-2006



Source: Global Insight, 2007

Figure 6.5 shows Zululand's GDP-M by economic sector between 2002 and 2006. The economy of the district grew by an annual average of 1.2 percent. The Community Services, Agriculture, and Finance sectors were the main economic drivers in this district. These three sectors contributed respective annual averages of 40.2 percent, 16.7 percent and 9.9 percent to the district's GDP-M between 2002 and 2006. However, Finance was the fastest growing sector at an annual average of 7.2 percent. The Mining and Electricity sectors experienced some contraction during the period under review, with growth rates of -9.7 and -3.8 respectively.

Figure 6.5: Ugu GDP-M by Sectors (2002-2006)

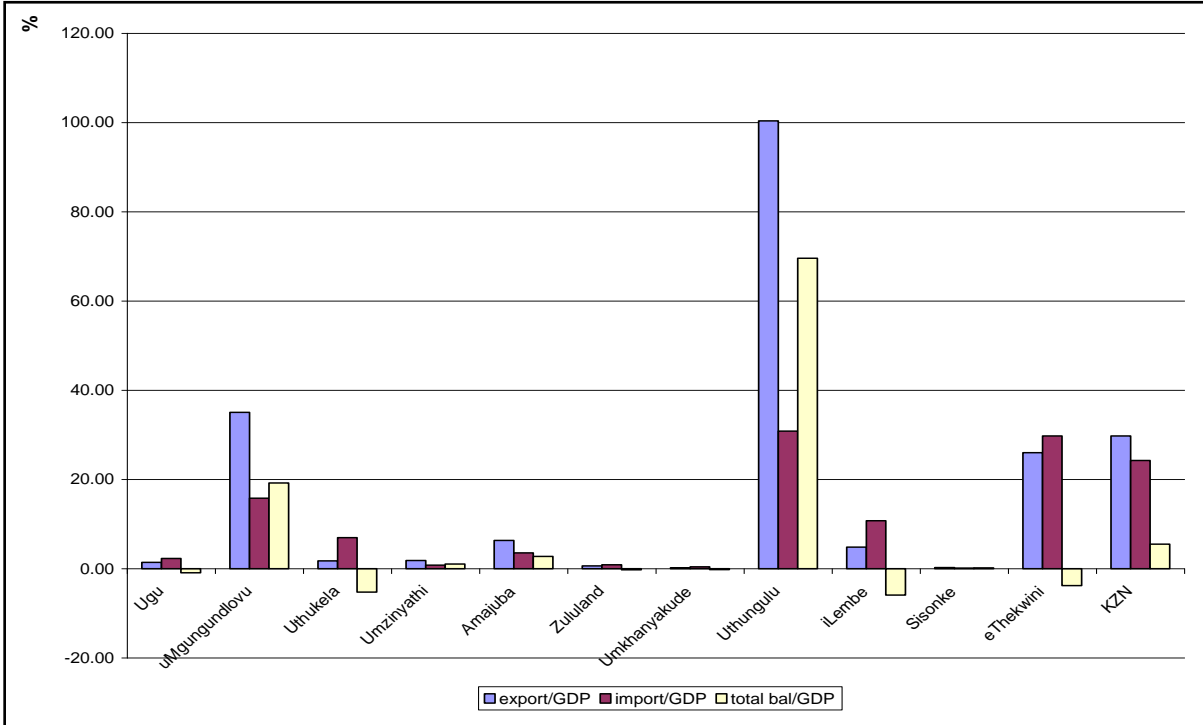


Source: Global Insight, 2007

6.2.2 International Trade

Figure 6.6 shows the percentage of export, import and trade balance (as a proportion of GDP-M) across all DMs. Zululand's international trade was almost; imports to the district were on average only 0.9 percent of the GDP-M, and exports were 0.6 percent during the five year period, resulting in a negative trade balance of 0.2 percent of GDP-M.

Figure 6.6: Exports, imports and Trade Balance (percent of GDP-M), average 2002-2006



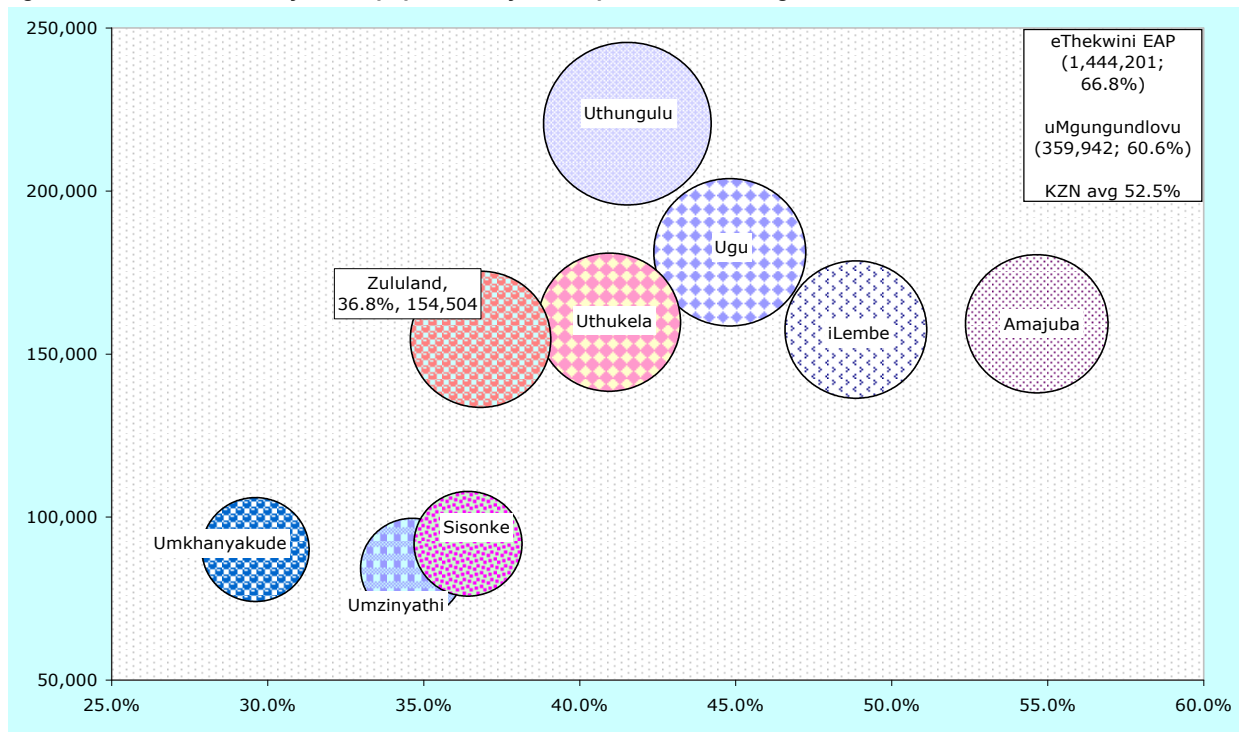
Source: Global Insight, 2007

6.3 The labour market

6.3.1 The labour force and the economically active population

Between 2002 and 2006, when the economically active population (EAP)¹ of the KwaZulu-Natal province was approximated at 3,1 million, Zululand's EAP size was about 155,000 (Figure 6.7). The district clustered with the middle rankers such as uThukela (160,000), iLembe (157,000) and Amajuba (159,000).

Figure 6.7: The economically active population by municipal district, average 2002-06



Source: Global Insight, 2007; Mahlatsi, 2007

Zululand was one of the most economically inactive districts in the province during this period, with a labour participation rate² of nearly 37.0 percent.

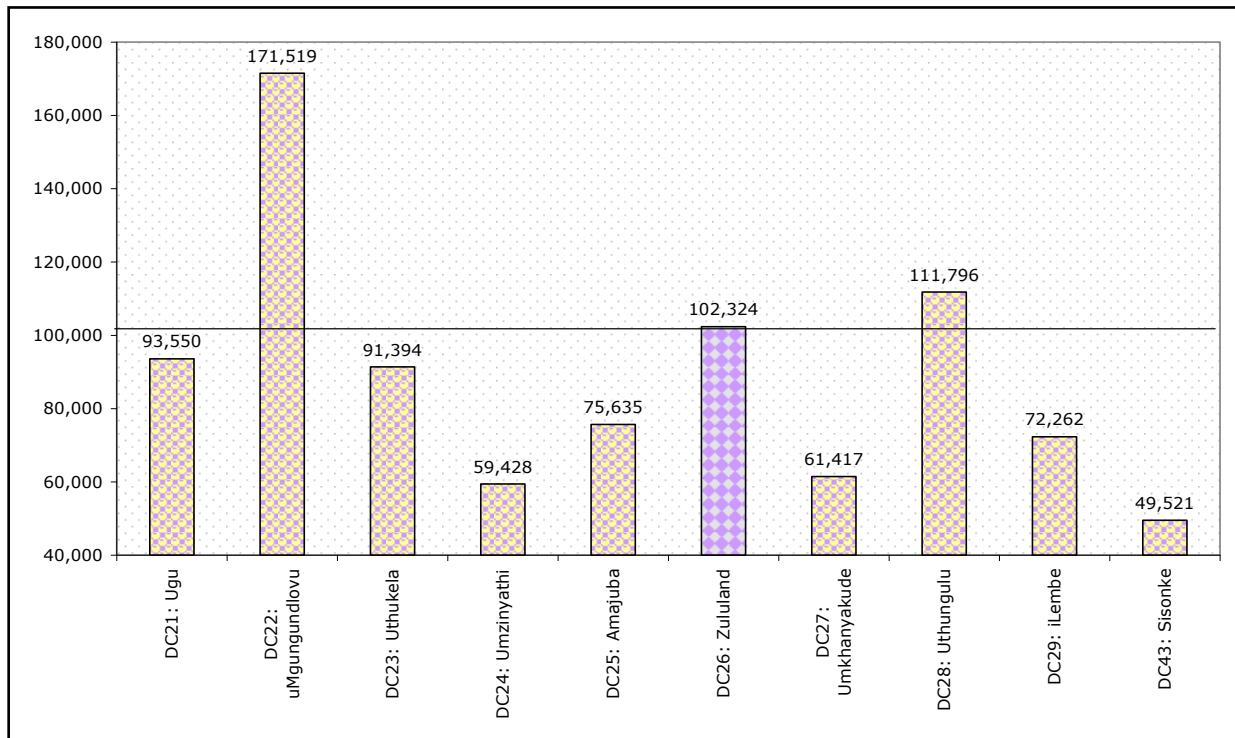
¹ The category EAP is made up of people who are either employed or unemployed. The employed consists of employers and employees, while unemployment are those not having a job but are actively seeking one (official definition), or they do not have a job, are actively seeking one or have given up searching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

² Labour participation rate or ratio = EAP/LF.

6.3.2 Unemployment

During the same period, there was an estimated 102,000 unemployed people in the district. This was the fourth highest level of unemployment after that in the Metro (562,000), uMgungundlovu (171,000) and uThungulu (112,000) (Figure 6.8).

Figure 6.8: Unemployment by district, average 2002-2006



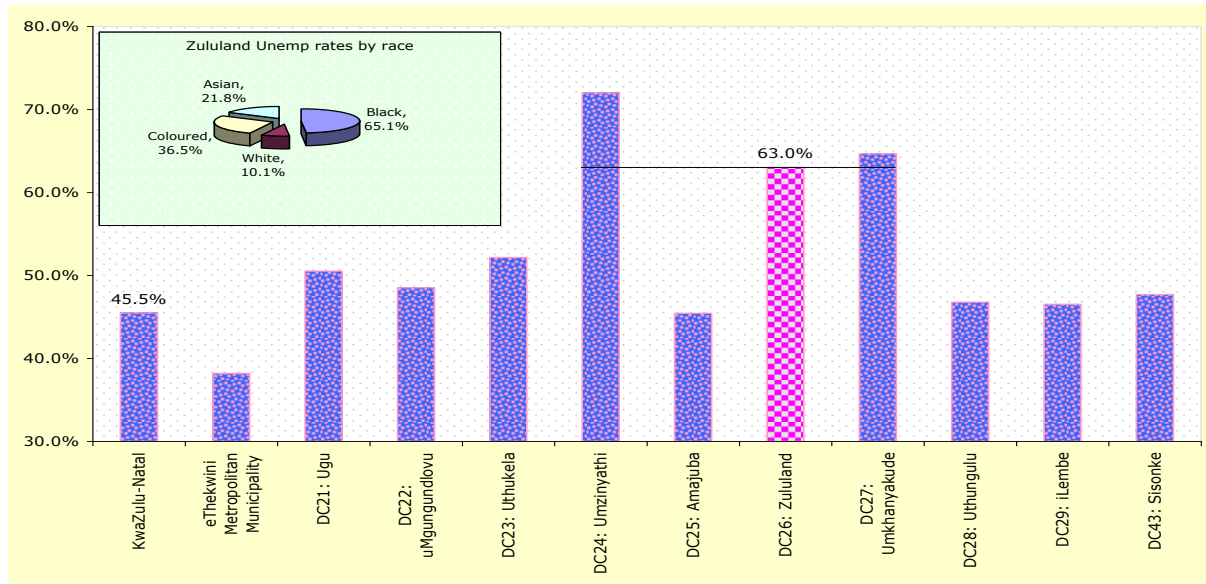
Source: Global Insight, 2007

During this period, the district's unemployment rate³ was also among the highest in the province, at 63.0 percent. Lower only than that in uMzinyathi and uMkhanyakude, it was a disquieting 17.5 percentage points above the provincial average (Figure 6.9), given the low rate of labour force participation.

As with the other districts, Zululand's unemployment rate was skewed towards Blacks (65.1). The respective rates for Coloureds, Indians and Whites were 36.5, 21.8, and 10.1 percent (Figure 6.9). This followed the average provincial unemployment pattern.

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

Figure 6.9: Unemployment rate by district, average 2002-2006



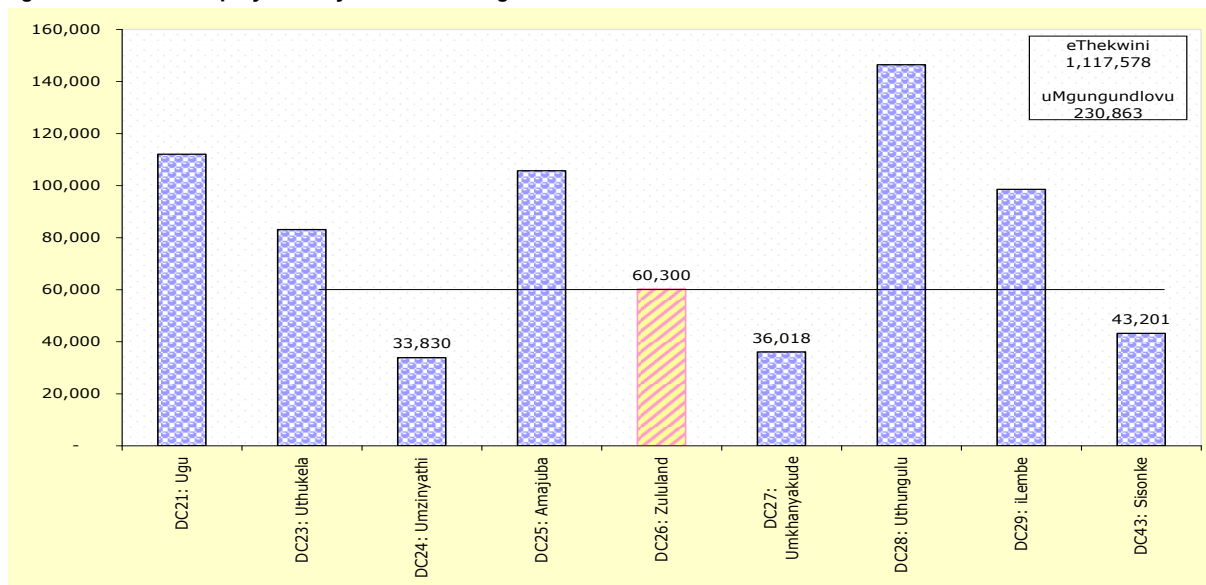
Source: Global Insight, 2007

6.3.2 Employment

6.3.2.1 Total employment

During the same period, KwaZulu-Natal employment totaled an annual average of 2,1 million workers. At approximately 60,000, Zululand's employment was the fourth lowest after uMzinyathi, uMkhanyakude and Sisonke (Figure 6.10).

Figure 6.10: Total employment by district, average 2002-2006

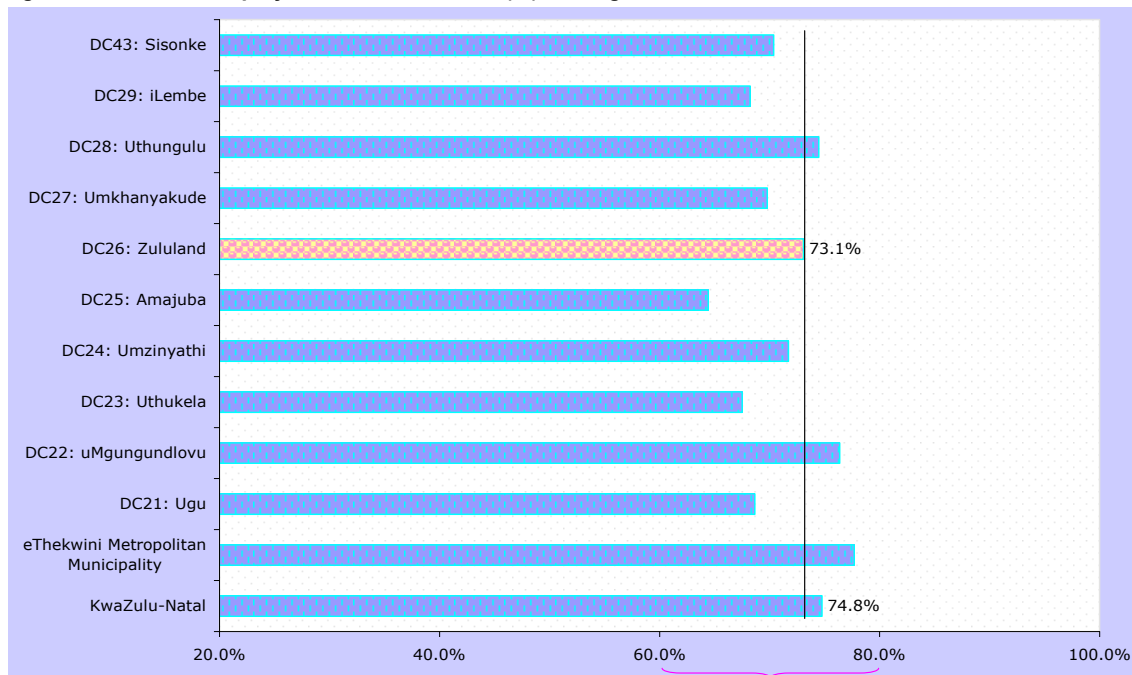


Source: Global Insight, 2007

6.3.3.2 Formal employment

Zululand's proportion of formal employment to the district's total employment was among the relatively higher levels at 73.1 percent (Figure 6.11). The district was among the leaders: eThekwini, uMgungundlovu and uThungulu.

Figure 6.11: Formal employment within districts (%), average 2002-2006

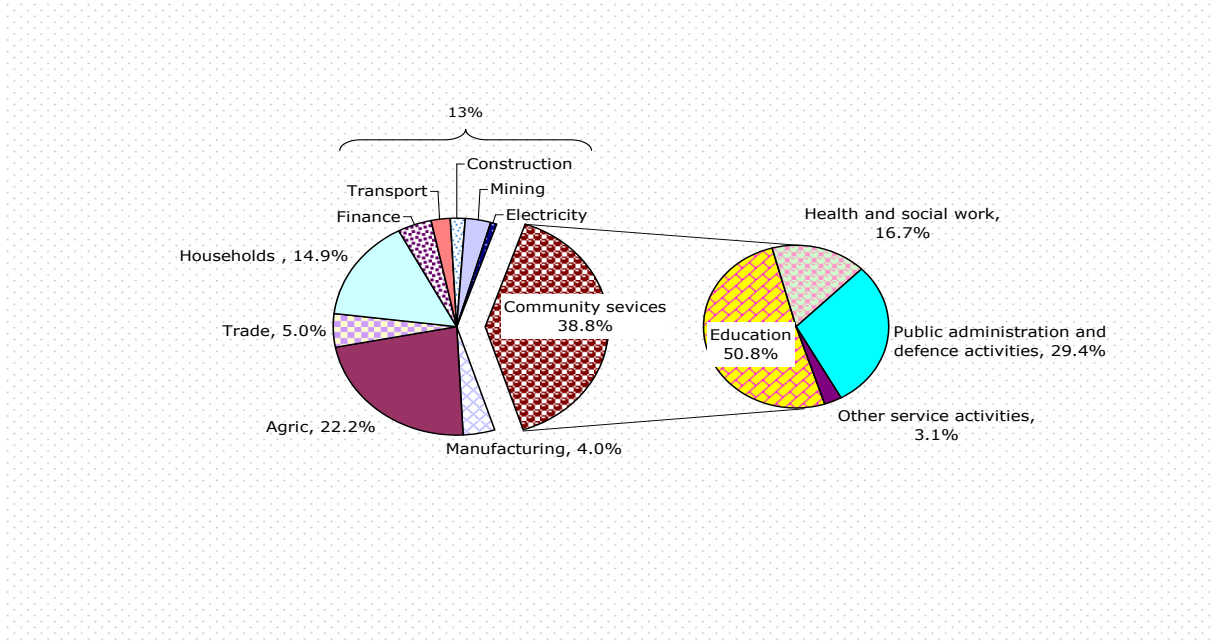


Source: Global Insight, 2007

The formal employment sector in the district was dominated by the Community Services sector at a massive 39.0 percent (Figure 6.12). Agriculture was the second largest employer at 22.2 percent, and Household Services contributed about 15.0 percent of the district's formal employment. All the other sectors had a miniature contributions of not more than five percent each.

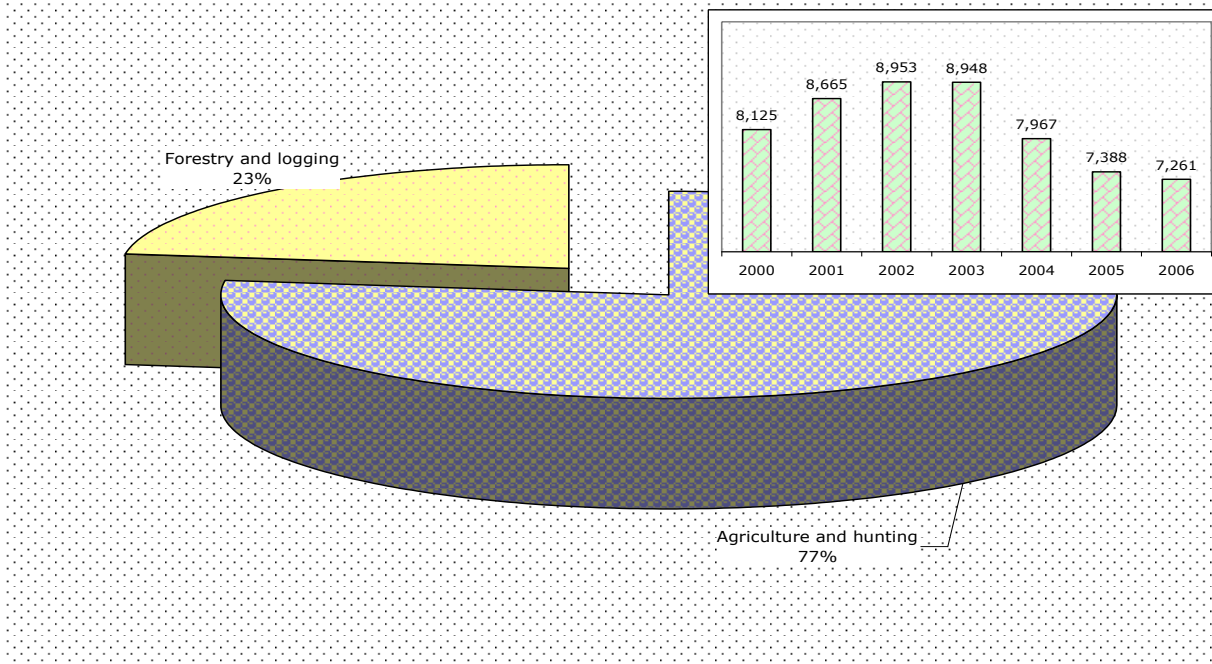
Education and Public Administration & Defence Activities industries/sub-sectors were the most important contributors to the Community Services sector's employment, together accounting close to 81.0 percent (Figure 6.12). The significant presence of the Public Admin should reflect in the crime performance to be discussed later.

Figure 6.12: Zululand formal employment by economic sector (%), average 2002-2006



Source: Global Insight, 2007

Figure 6.13: Agriculture formal employment trends (levels) and by industry (%), average 2002-2006



Source: Global Insight, 2007

As mentioned earlier, Agriculture, the second major employment sector in the district, contributed 22.2 percent to the district's total employment. A larger part of this sector's

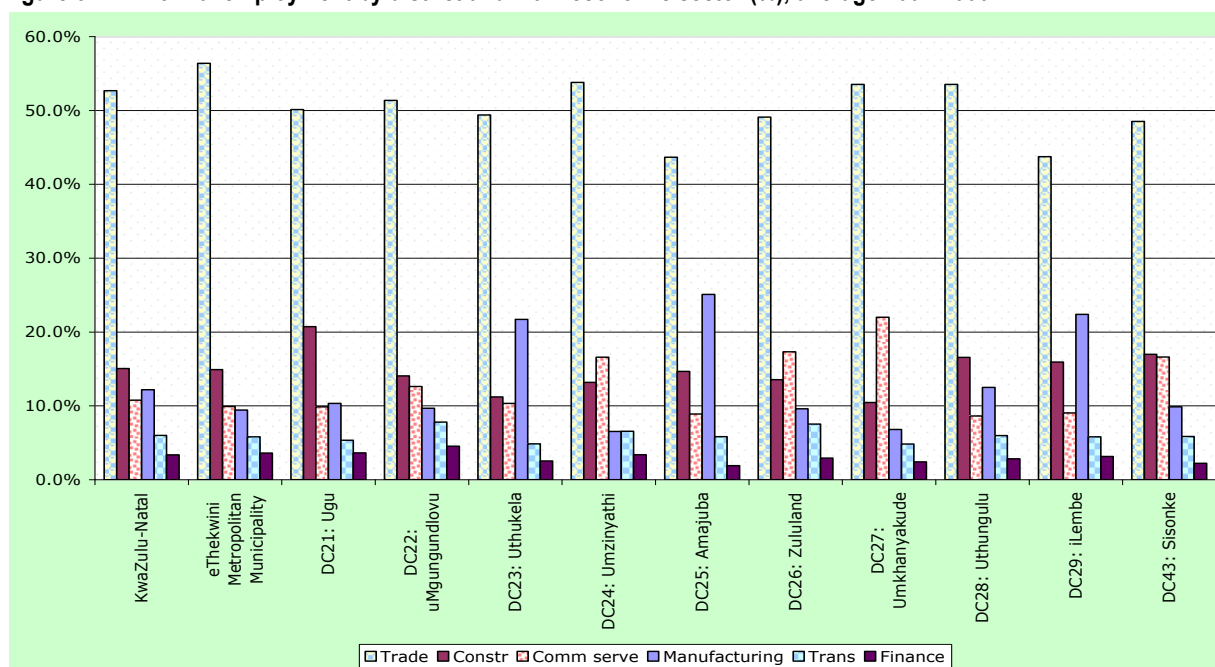
employment was recorded in Agriculture and Hunting industry (or sub-sector) than in Forestry and Logging. However, as in uMkhanyakude, the overall contribution of this important sector to employment in this district has also experienced declines since 2003 (Figure 6.13). This condition renders the Community Services sector solely responsible for employment provision in the district, and needs to be addressed.

6.3.3.3 Informal employment

KwaZulu-Natal's informal sector employment, recorded mainly in Trade, Construction, Community Services, Manufacturing, Transport and Finance⁴ sectors, was generally skewed towards the Trade sector. This was true in all but four districts, each having more than half the employment in this sector involved in trade of some kind, Zululand being one of them.

Like uMkhanyakude, uMzinyathi and Sisonke, Zululand also had a uniquely high informal employment in Community Services (Figure 6.14). However, these four unique districts were also not too different as this sector accounted for not less than 40.0 percent of their total informal employment.

Figure 6.14: Informal employment by district and main economic sector (%), average 2002-2006



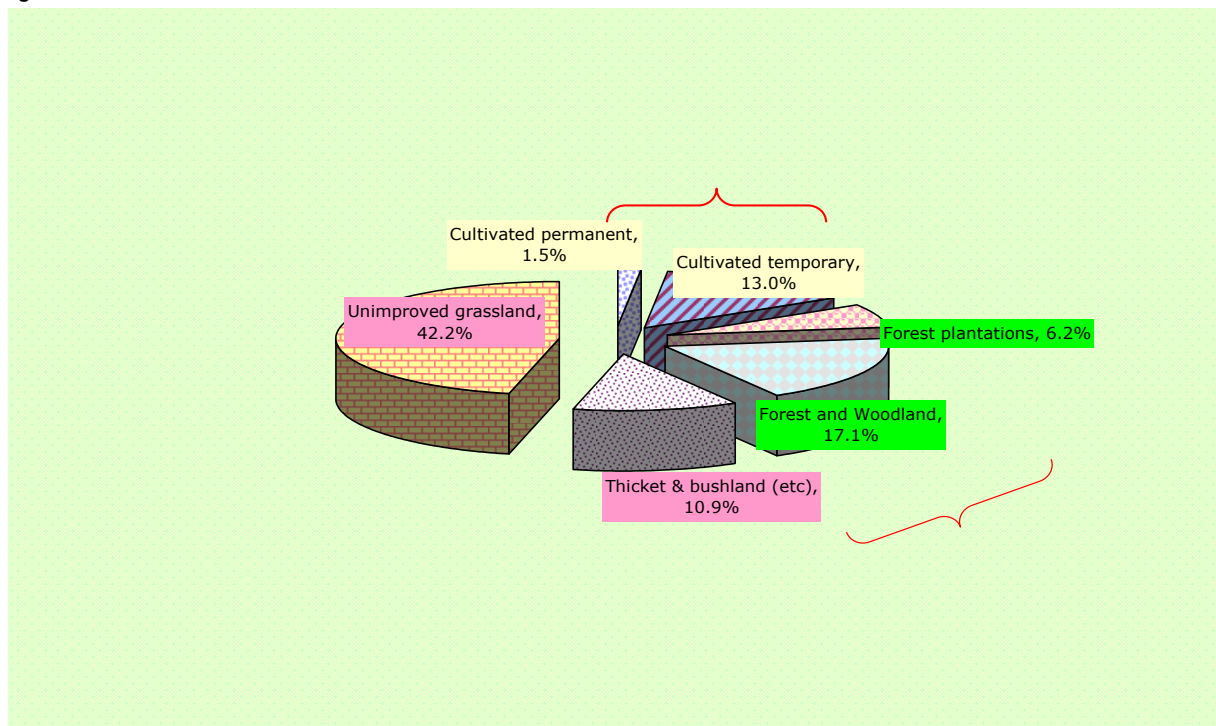
Source: Global Insight, 2007

⁴ These are the sectors recorded by Global Insight; they are easier to monitor and collect data thereon than the remaining others.

6.4 Land cover and use

In 2006, Zululand's share of the KwaZulu-Natal soil was a leading 15.9 percent. This was followed closely by uMkhanyakude (13.7 percent) and uThukela (12.1 percent). However, only 1.5 percent of Zululand's massive soil was used for permanent cultivation and another 13.0 percent for temporary cultivation (Figure 6.15). Aggressive agricultural resuscitation similar to that required for uMkhanyakude should be engaged in this district, since this second most important employing sector, whose contribution has been decreasing since 2003, is actually very tiny.

Figure 6.15: Zululand land use, 2006

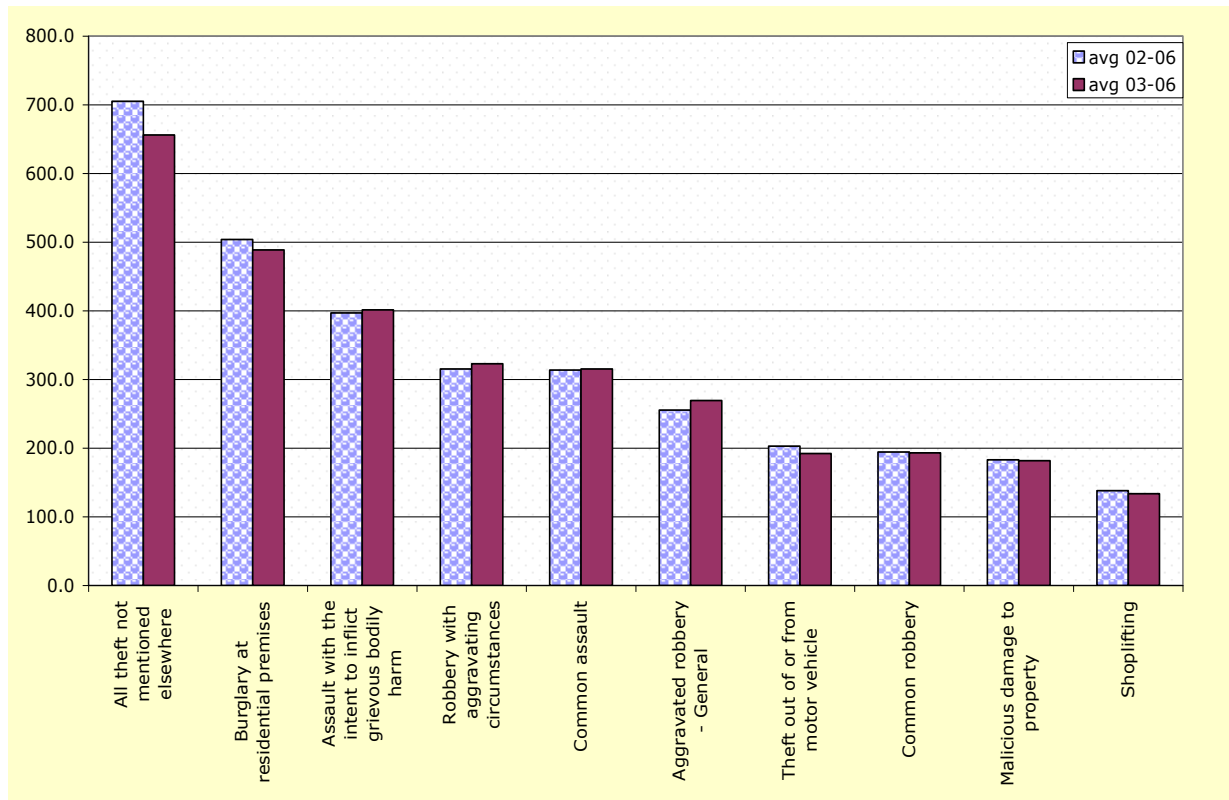


Source: Global Insight, 2007

6.5 Crime

During the period 2002 to 2006, the most common crimes in Zululand were Burglary at residential places, Robbery and Assault, with the latter two having actually been on the rise between 2003 and 2006.

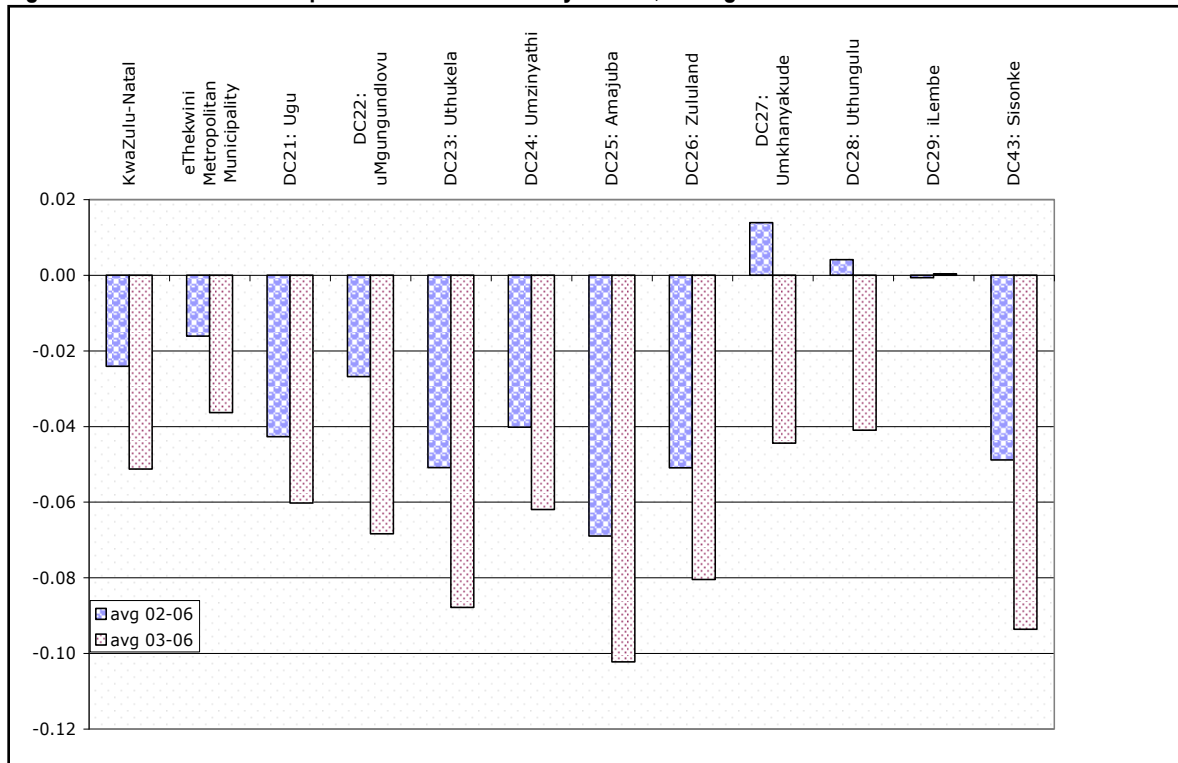
Figure 6.16: Zululand crime rate by category (per 100,000 people), average 2002-2006 & 2003-2006



Source: Global Insight, 2007

On a positive note, the anticipated decrease in crime because of the high presence of Public Admin & Defense activities is visible, as this district was among those which enjoyed significant average negative growth rates in crime between 2003 and 2006 (Figure 6.17). The significant presence of Defence Activities industry in the district should be applauded.

Figure 6.17: Growth rate in reported crime incidents by district, averages 2002-2006 & 2003-2006



Source: Global Insight, 2007

6.6 Social Development

Figure 6.18 shows the urbanisation rate, poverty rate, Gini coefficient and Human Development Index (HDI) for Zululand municipal district. It is clear from this graph that the proportion of people living in poverty in this district has been decreasing since 2003, though slowly, contributing to improved HDI in the district. This performance could probably be linked to the slowly increasing urbanisation rate (and of course other indicators such as reduction in HIV infection and prevalence rates, and improved access to social and economic services, such as education and security nets).

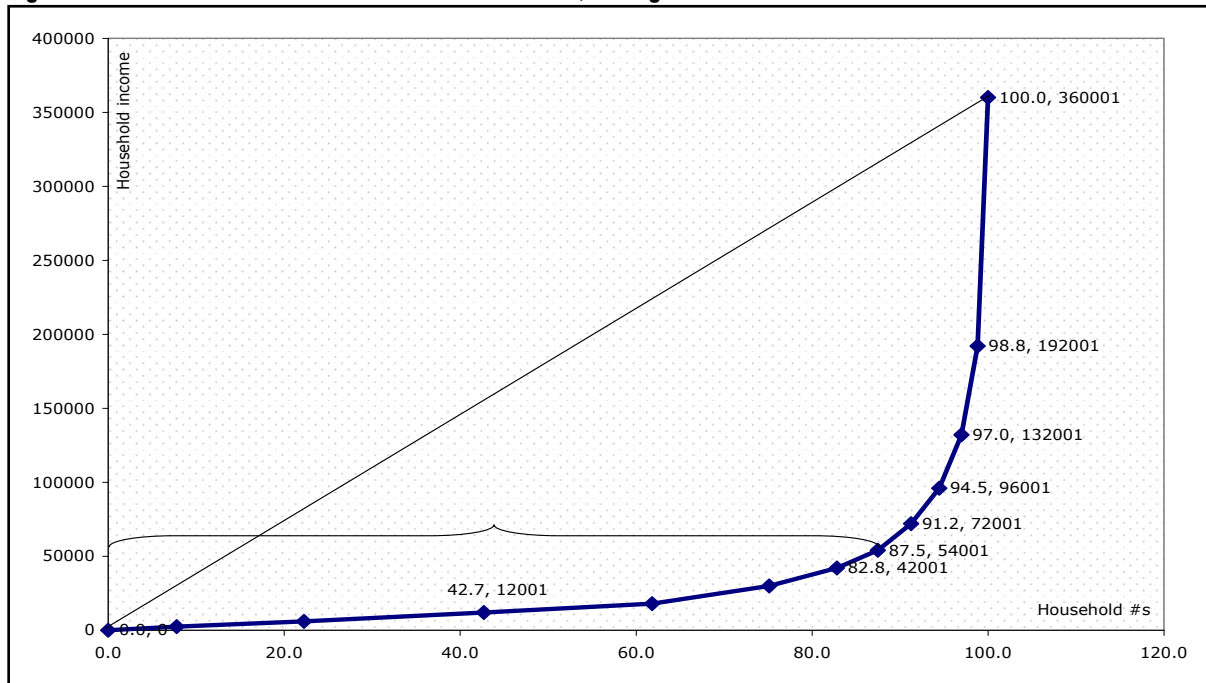
Figure 6.18: Urbanisation rate, poverty rate, HDI and Gini coefficient in Zululand, 2002-2006



Source: Global Insight, 2007

However, similar to other areas, the Gini coefficient, which measures the extent of the income gap among households, has been on the rise (Figure 6.18). This is confirmed in Figure 6.19 ; on average, a cumulative 87.5 percent of households in the district earned at most R54,001 per annum and nearly 99.0 percent earned not more than R192,000. Although already high, the increasing Gini coefficient says that the gap has actually been widening.

Figure 6.19: Household income distribution in Zululand, average 2002-2006



Source: Global Insight, 2007