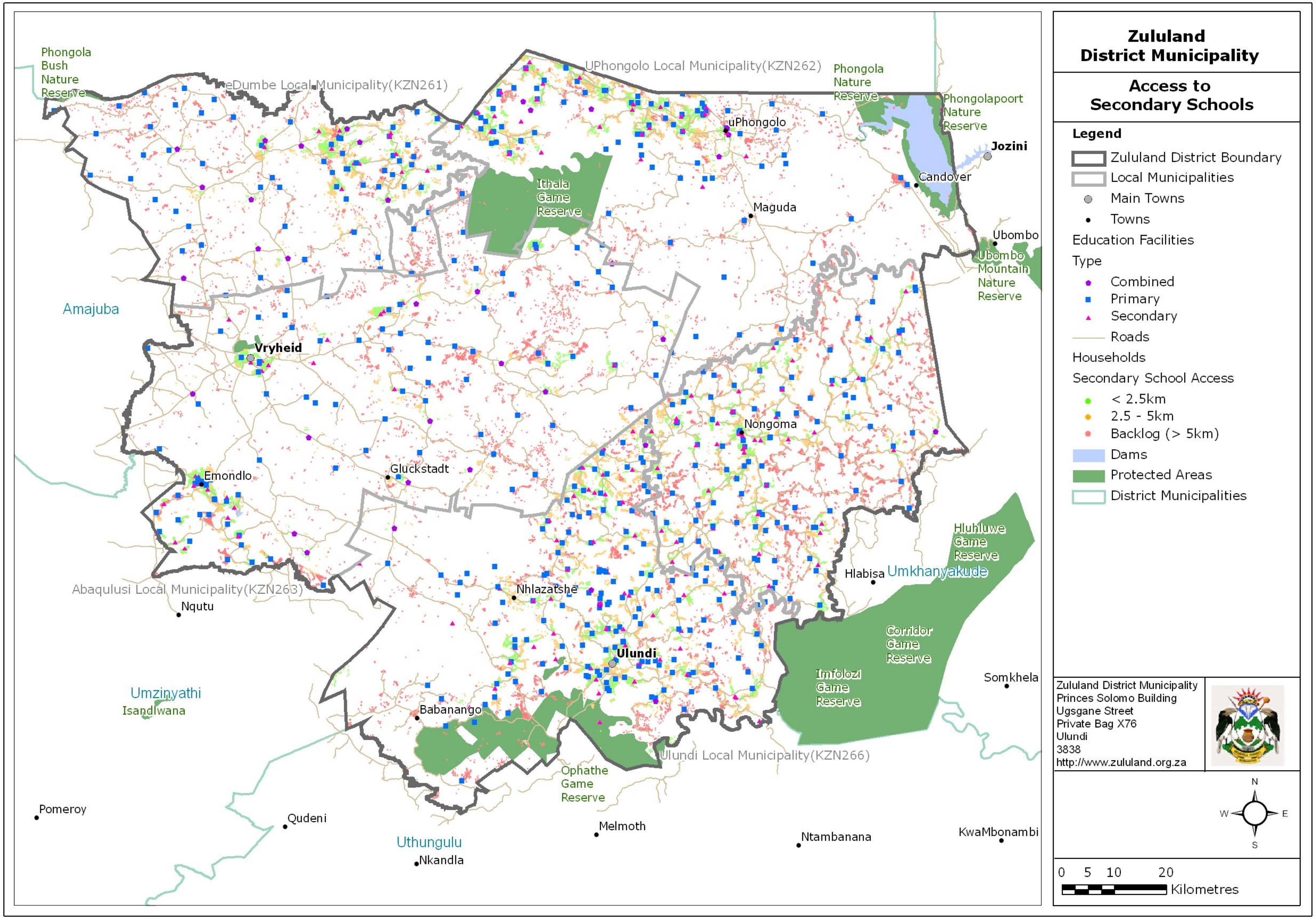
Map 15: Access to Secondary Schools



5.1.2 HEALTH FACILITIES

The Department of Health provides a range of health facilities to the communities as outlined in the table hereunder.

Table 22: Department of Health Standards and Facilities

Population	Recommended Facility	Estimated Attendees (per month)
Scattered <5000	Mobile Point	100
Clustered 5000	Health Station	400 – 600
5000 – 10000	Small Clinic	2000
5000 – 10000	Small Clinic with maternity	2000 (20 deliveries)
10000 – 20000	Medium Clinic	3000
10000 – 20000	Medium Clinic with maternity	3000 (20 deliveries)
30000 – 50000	Large Clinic	4000 – 5000
30000 - 50000	Large Clinic with maternity	4000 – 5000 (30 – 50 deliveries)
60000 – 70000	Extra Large Clinic	6000 – 10000
60000 - 70000	Extra Large Clinic with maternity	6000 – 10000 (30 – 50 deliveries)
70000 - 100000	Community Health centre	10000 – 30000

Source: Department of Health (2008)

For the purpose of this report, a distance further than 5km from a clinic was considered as a backlog while the standards of 1 hospital for every 100 000 people was used as a standard for determining backlogs. The distribution of medical facilities is indicated on the map attached at overleaf while analysis mapping depicts the access of households to clinics and hospitals in the district. The said information is summarized in the following tables:

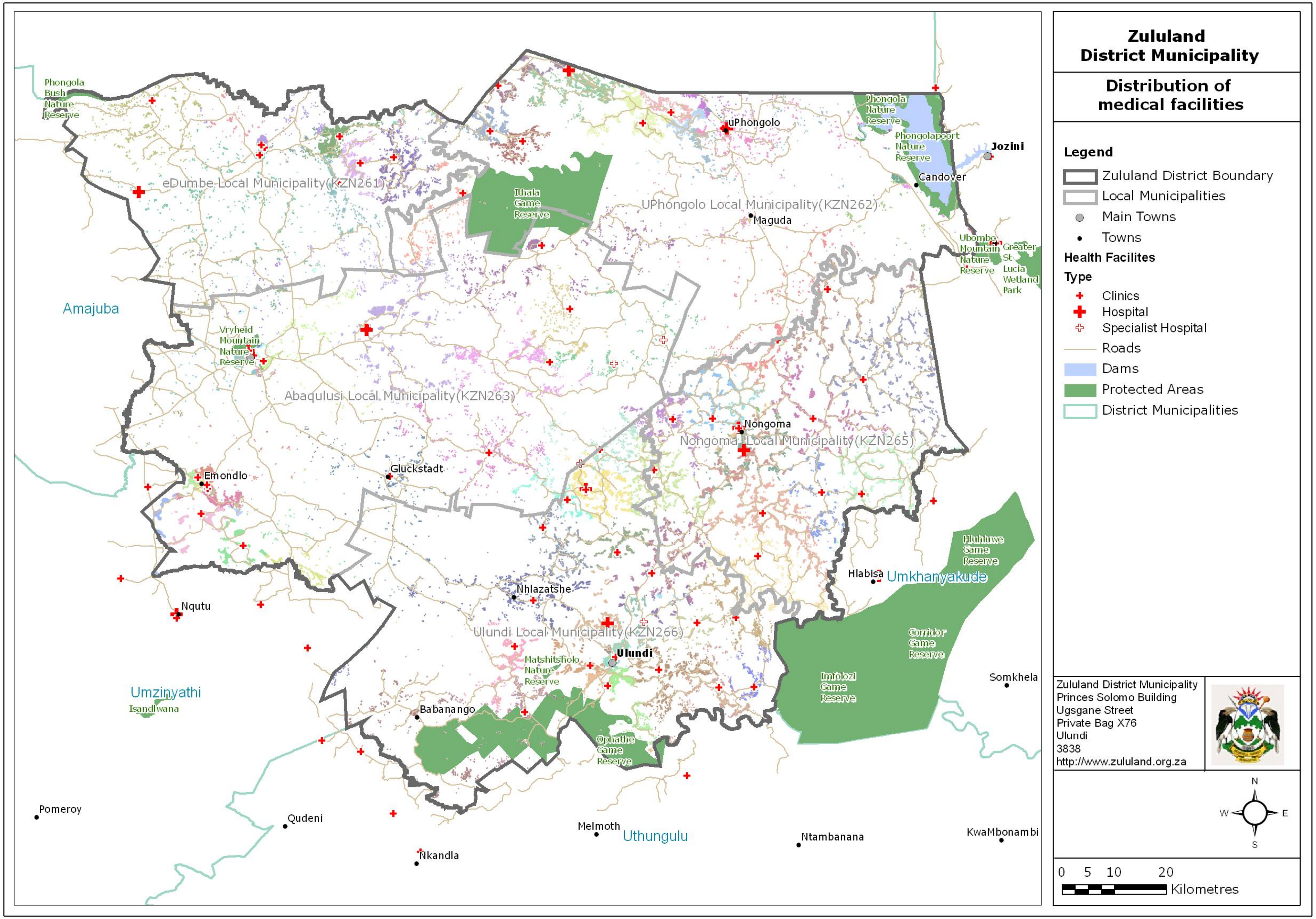
Table 23: Clinics Distribution

Local Municipality	Required	Existing
Abaqulusi Municipality	21	26
eDumbe Municipality	8	13
Nongoma Municipality	33	18
Ulundi Municipality	27	26
uPhongolo Municipality	19	15

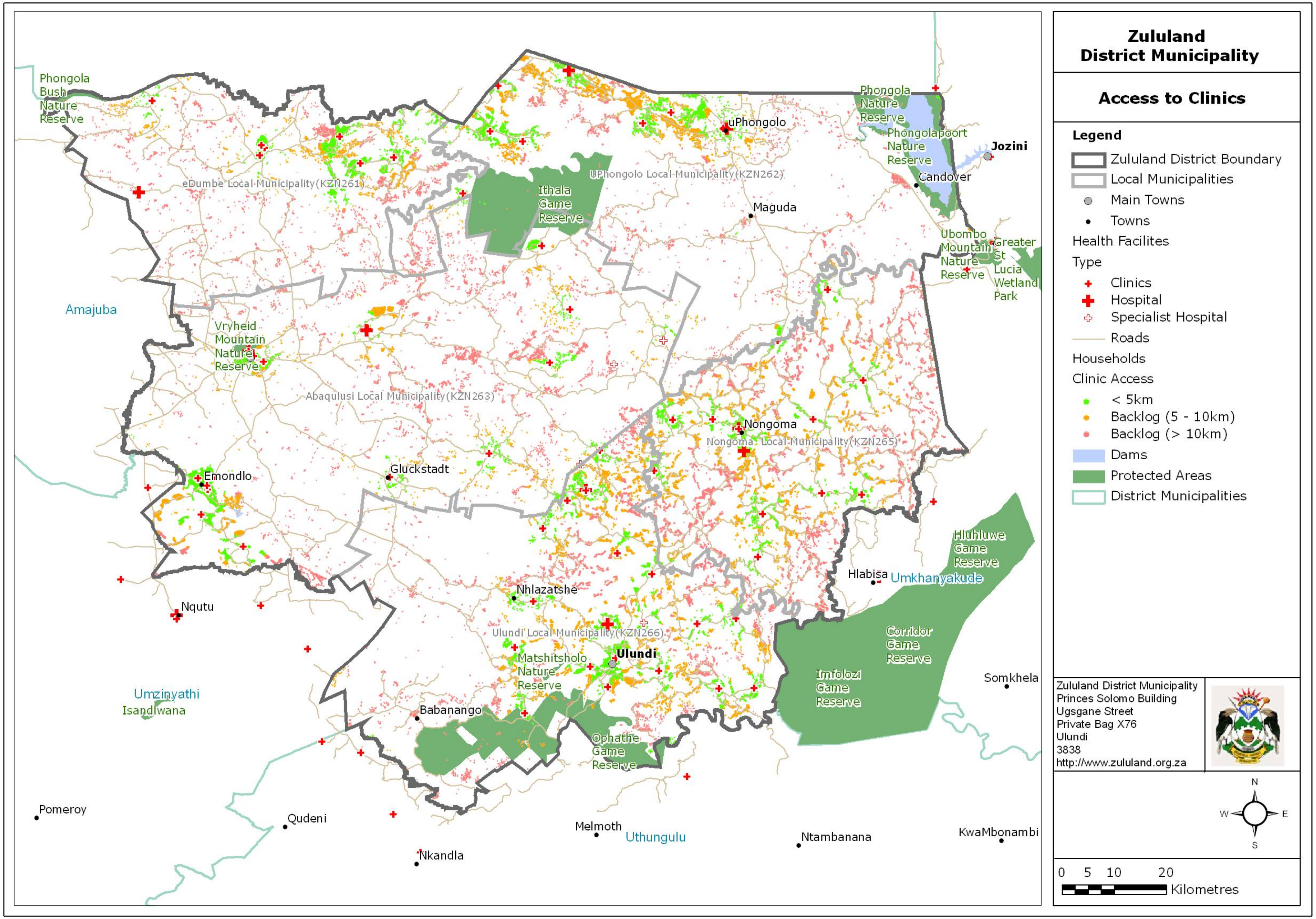
Table 24: Access to Hospitals

Local Municipality	Existing	Required
Abaqulusi Municipality	3	2
eDumbe Municipality	2	1
Nongoma Municipality	2	2
Ulundi Municipality	2	2
uPhongolo Municipality	1	2

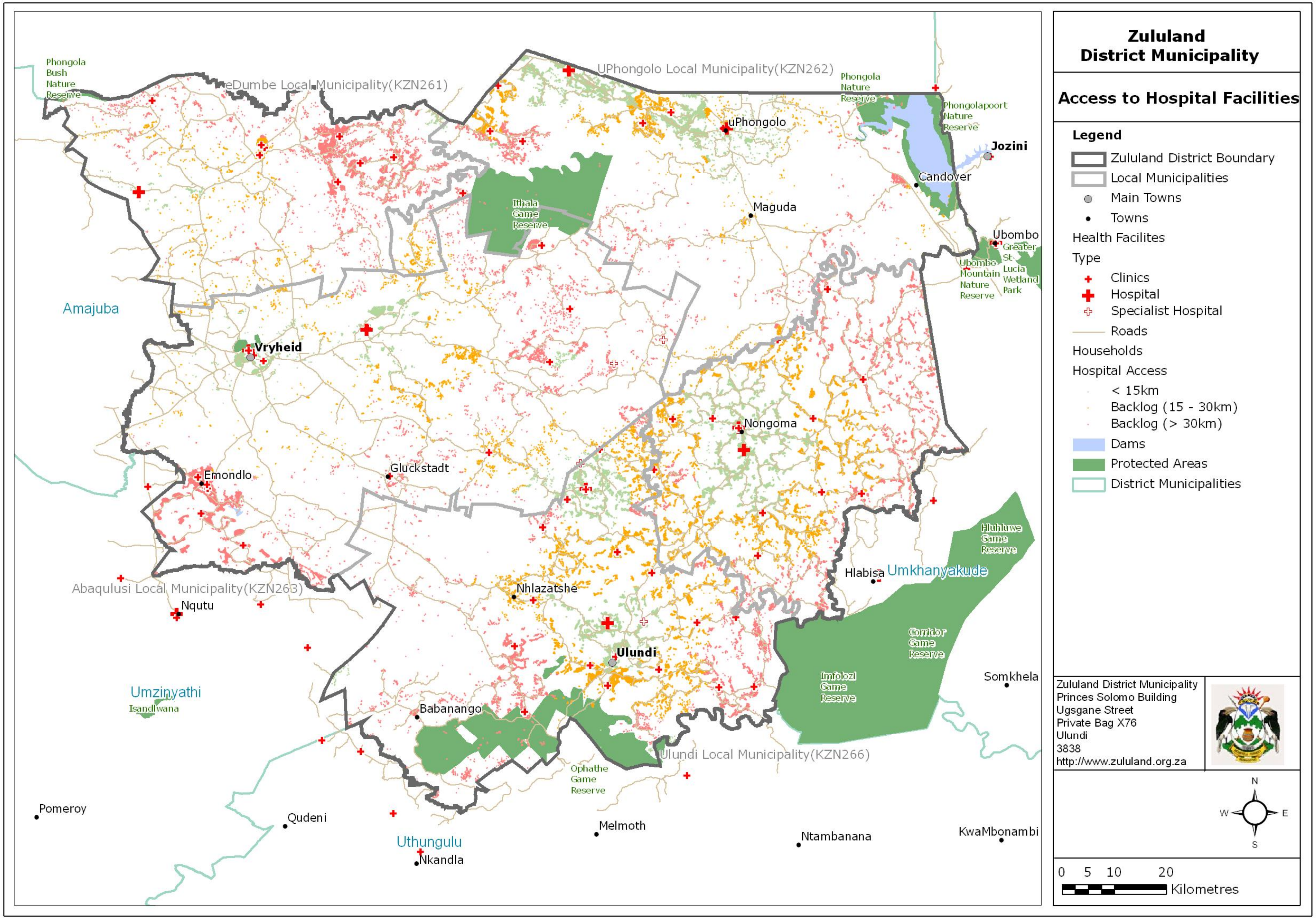
Map 16: Distribution of Medical Facilities



Map 17: Access to Clinics



Map 18: Access to Hospital Facilities



5.1.3 COMMUNITY HALLS

Details on the number of **community halls/centres** in the ZDM area as noted hereunder:

Table 25: Community Halls/Centres in the District

Local Municipality	Required	Existing
Abaqulusi Municipality	17	8
eDumbe Municipality	9	3
Nongoma Municipality	26	2
Ulundi Municipality	14	10
uPhongolo Municipality	6	6

Accessibility to community halls/centres with regard to travelling distance is shown in the following table.

Table 26: Accessibility to Community Halls/Centres

	0 - 10km		
Local Municipality	**Households**	**Population**	**Percentage**
Abaqulusi Municipality	15122	102270	45%
eDumbe Municipality	4307	29128	30%
Nongoma Municipality	4381	29629	13%
Ulundi Municipality	19033	128720	56%
uPhongolo Municipality	13873	93823	67%
	10km - 20km		
Local Municipality	**Households**	**Population**	**Percentage**
Abaqulusi Municipality	6408	43337	19%
eDumbe Municipality	7547	51040	53%
Nongoma Municipality	11534	78004	35%
Ulundi Municipality	9840	66548	29%
uPhongolo Municipality	2892	19559	14%
	> 20km		
Local Municipality	**Households**	**Population**	**Percentage**
Abaqulusi Municipality	12442	84145	37%
eDumbe Municipality	2336	15798	16%
Nongoma Municipality	17432	117893	52%
Ulundi Municipality	5415	36622	16%
uPhongolo Municipality	3953	26734	19%

In addition, it was noted that at least one such a facility was needed in every Traditional Authority area.

The following provides details of the Traditional Councils that have and do not have community halls:

Traditional Councils with Community Halls

- Mthethwa
- Mavuso
- Msibi
- Ndlangamandla
- Ntshangase
- Simelane
- Hlahlindlela
- Matheni
- Usuthu
- Buthelezi
- Mbatha
- Mlaba
- Ndebele
- Nobamba
- Mpungose

Traditional Councils without Community Halls

- Ndlangamandla Ext
- Disputed Area
- Khambi
- Khambi Ext
- Mandhlakazi
- Zungu

There are no set servicing standards for **Tribal Courts**. However, it is considered important that all communities do have access to tribal courts. The ZDM Community Facilities Plan that was prepared in 2004 noted that at least 1 tribal court facility would be needed for every 20 000 people.

5.2 IMPACT OF HIV/AIDS & POVERTY

It is very important to consider the prevalence of **HIV/Aids** and the impact it has on the socio-economic conditions of the District. HIV/Aids will have a significant negative impact on the whole South African society, Zululand being no exception.

KwaZulu-Natal's present share of the South African population is about 21%. However, KZN has the highest recorded HIV-positive rate in the country indicating that the impact is likely to be more severe than in the rest of South Africa, rather than less so. It is further noted that the prevalence appears to be higher among women than among men.

As Table 2.8 indicates the highest number of deaths occurred in the two municipalities with the highest populations, namely Nongoma and Abaqulusi. Abaqulusi has the highest number of HIV infected people and the highest HIV prevalence rate of over 17%. The district as a whole has an HIV prevalence rate of just under 16%. Nongoma has the lowest HIV prevalence rate of all the municipalities. The high prevalence of HIV in the district poses a severe challenge for future development as HIV/AIDS inhibits economic growth by reducing the availability of human capital. The labour force decreases as more people fall sick and/or die. This may result in a young labour force that lacks experience, leading to reduced productivity and a smaller skilled population.

With this in mind, the IDP for Zululand District Municipality needs to ensure that the issue of HIV/Aids is taken into consideration when doing financial and physical planning for the District.

Table 27: Zululand population health 2010

Municipality	Number of Household	Total Population	HIV Infected	AIDS Deaths	Other deaths
eDumbe	16,419	79,466	12,022	969	634
uPhongolo	26,700	140,482	23,605	1,792	1,049
Abaqulusi	41,208	247,755	42,129	3,235	1,986
Nongoma	56,834	244,272	35,104	2,744	1,953
Ulundi	41,962	203,163	31,911	2,518	1,640
Zululand	**183,122**	**915,139**	**144,770**	**11,258**	**7,261**

Source: Quantec 2011

Note: It is important to note that the above data source does not have the same population and household figures than the ZDM data source. The figures should therefore be considered in their context as indicative of trends.

5.3 HOUSING

The Provincial Department of Housing has been engaged in a number of housing projects throughout the Zululand District. It should be noted that in the past, the focus has solely been in providing housing in urban areas as shown by the completed and current housing projects in the District. However, a shift has been made recently to provide housing in rural areas in light of poverty prevalence that exists in these rural areas. It should be noted that the

Department of Housing requires of local municipalities to prepare Municipal Housing Plans. The importance of including housing in a district IDP is borne in the fact that housing, albeit a local function, is dependent on bulk infrastructure that is planned, coordinated and implemented at the district level.

5.3.1 DETERMINING THE HOUSING DEMAND

In order to quantify the demand for housing, agreement has to be reached on what is considered to be a housing backlog. There are number of opinions on this matter. Some people consider a ratio of more than 5 people per household as overcrowding and indicative of a backlog. Other sources are of the opinion that any housing structure that is not formal (constructed of brick and mortar) is a backlog.

There are three main ways of determining housing demand/need within municipal areas, these are:

- using statistical calculations captured through the census or other relevant studies;
- through the analysis of housing waiting lists; and
- through the provincial housing database.

The Department of Housing and a number of municipalities have initiated the process of establishing municipal housing demand data bases. It is hoped that, once all of the municipalities have established their databases, the information from these municipal databases can be aggregated upward to create a provincial housing database. The establishment of this data base is supported by the DOH's Capacity Building component which is in the process of rolling this programme out throughout KZN. However this pilot municipal database has as yet not been compiled in any of the Municipalities in Zululand District area.

The Constitution of South African details the right of access to adequate housing when considering backlogs. The following criteria are used to clarify what adequate housing means:

- Legal security of tenure: Is fundamental to the right of access to adequate housing and protects people against arbitrary evictions, harassment and other threats.
- Affordability: The amount a person or family pays for housing should not compromise the attainment of other basic needs.
- Availability of services, materials, facilities and infrastructure: An adequate house contains facilities essential for health, security, comfort and nutrition.
- Habitability: Inhabitants must be ensured adequate space and protection against the weather and disease.
- Accessibility: Disadvantaged groups should be assured some degree of priority consideration in housing.
- Location: Adequate housing must be situated so as to facilitate access to employment opportunities, health care services, schools and other social facilities.
- Cultural adequacy: Building materials and design must enable the expression of cultural identity and diversity without compromising modern technological facilities.

The census data base was used to determine the demand for housing. This is because some beneficiaries may put their names in more than one municipality's database thereby inflating the waiting list of several municipalities.

According to the 2001 Census, 45% of the households in Zululand live in traditional dwellings. The distribution is shown in the table hereunder indicating an increasing need for rural housing projects throughout the district.

Table 28: Households by main type of dwelling (%)

Percentage distribution of households by type of main building		
	Census 2001	CS 2007
House or brick structure	37.3	37.8
Traditional dwelling	44.6	48.7
Flat in block of flates	10.2	4.8
Town/cluster/semi-detached house	1.6	0.5
House/flat/room in back yard	2.3	0.9
Informal dwelling/shack in back yard	0.7	1
Informal dwelling/shack not in back yard	2	0.8
Room/flatlet on a shared property	1.1	0.9
Caravan or tent	0.3	0.3
Private ship/boat	0	0.1
Workers' hostel	0	4.1
Other	0	0.2

Source: 2001 Census and CS 2007

The above table indicated that the housing situation has remained relatively static in the district. The following table has a positive aspect in that the number of households that own and have paid for their dwellings has increased.

Table 29: Tenure Status

Tenure Status		
	Census 2001	CS 2007
Owned and fully paid for	46.4	67.8
Owned but not yet paid for	9.4	5
Rented	9.2	8.9
Occupied rent-free	35.1	18
Other	0	0.02

Source: 2001 Census and CS 2007

5.3.2 DEPARTMENTAL HOUSING PROJECTS

A list of confirmed housing projects, sourced from the Department of Housing is indicated in the Projects section:

Table 30: Departmental Housing Projects per Local Municipality

Project Name	Local Municipality	Project Type	Instrument	Total Units
Bhekumthetho	Abaqulusi M	Rural	Rural	1 000
Bhekuzulu Phase 6-B	Abaqulusi M	Urban	PLS	1 078
Coronation	Abaqulusi M	Urban	PLS	1 200
Coronation Aids	Abaqulusi M	Institutional	PLS	500
Frischgewaagd	Abaqulusi M	Urban	PLS	3 094
Mzamo	Abaqulusi M	Urban	PLS	500
Vryheid Ext 16	Abaqulusi M	Conditional Approved	PLS	1 016
Baxedene	Nongoma M.	Rural	Rural	1 400
Holinyoka	Nongoma M.	Rural	Rural	1 100
Maye/Dabhasi	Nongoma M.	Rural	Rural	1 000
Siyazama	Nongoma M.	Rural	Rural	1 000
Ekudubekeni	Ulundi M	Rural	Rural	1 600
Ekushumayeleni	Ulundi M	Rural	Rural	1 600
KwaXimba	Ulundi M	Rural	Rural	2 000
Nsukazi	Ulundi M	Rural	Rural	1 000
Ntsabekhuluma	Ulundi M	Rural	Rural	2 000
Ulundi HIV / AIDS	Ulundi M	institutional	PLS	1 000
Ulundi L ext	Ulundi M	urban	Pls	954
Zondela	Ulundi M	Urban	PLS	873
Ncotshane Pongola	Pongola	Urban	PLS	1 100
Dumbe lindelani	Dumbe M	Urban	PLS	200

From the above table it is noted that a total of 22942 housing units are approved by the Department of Housing. Furthermore, all the Local Municipalities have completed or are nearly complete with the preparation of their Housing Sector Plans. A process has been initiated by the ZDM to map both the confirmed and the proposed projects in order to ensure sustainable infrastructure planning and alignment.

5.4 COMMUNITY DEVELOPMENT

One of the social development IDP Objectives of the ZDM is the social upliftment of communities in the ZDM. It entails to reduce poverty by implementing community development projects. One of the indicators of this objective is the number of people participating in Capacity Building Programmes. Community Development is further embedded in many ways in the Community Services Department.

5.5 BROAD BASED COMMUNITY NEEDS

Inputs from LMs required here. To be completed with the final IDP Report.

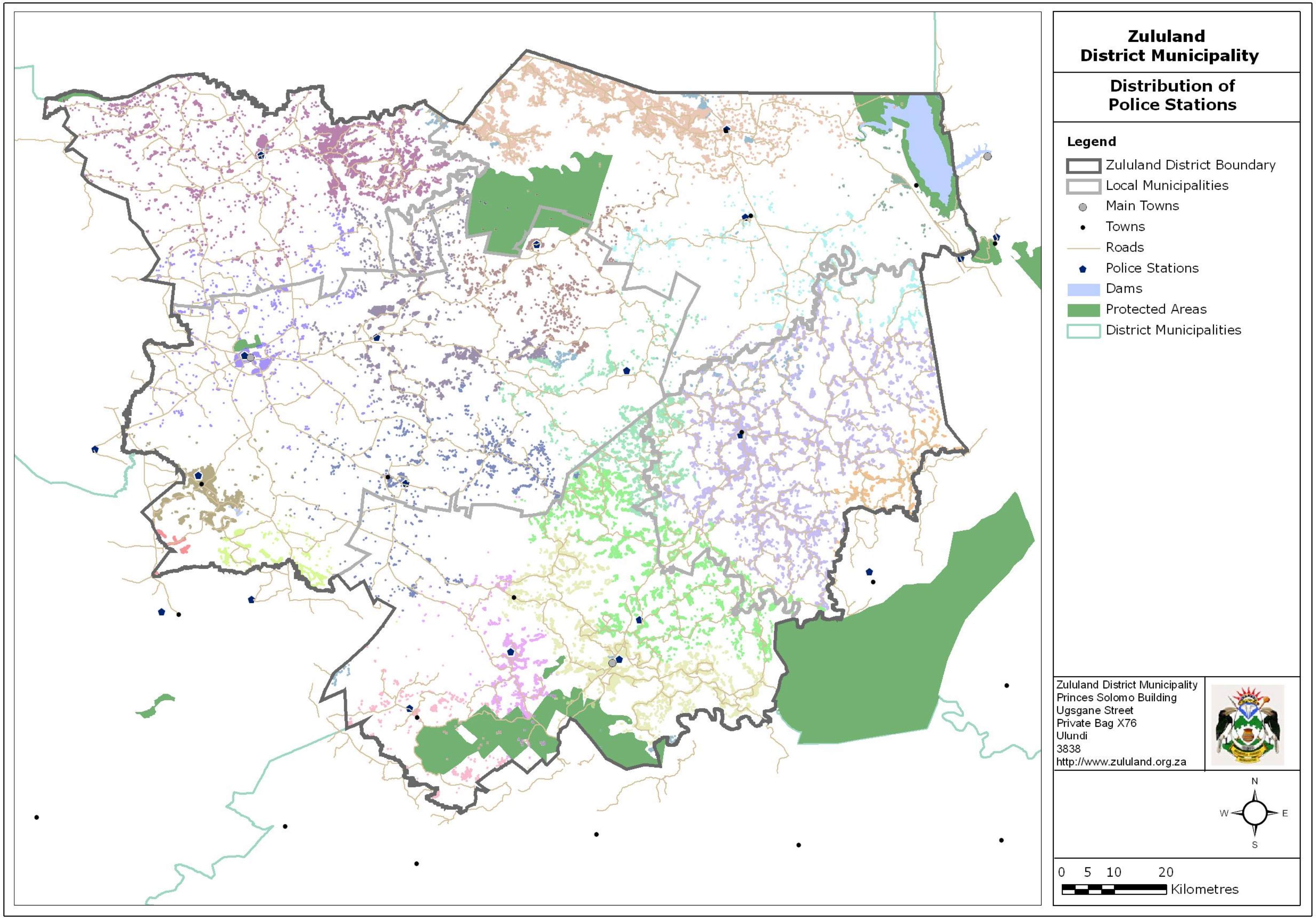
5.6 SAFETY AND SECURITY

The distribution of **police stations** is provided in the following map. A backlog analysis map indicating the accessibility of households to police stations is also shown. The standards that were applied were each household further than a distance of 20km from a police station was considered not to be accessible to such a facility with every 25000 cumulative people not accessible to a police station indicating the need for a facility as shown in the table herewith:

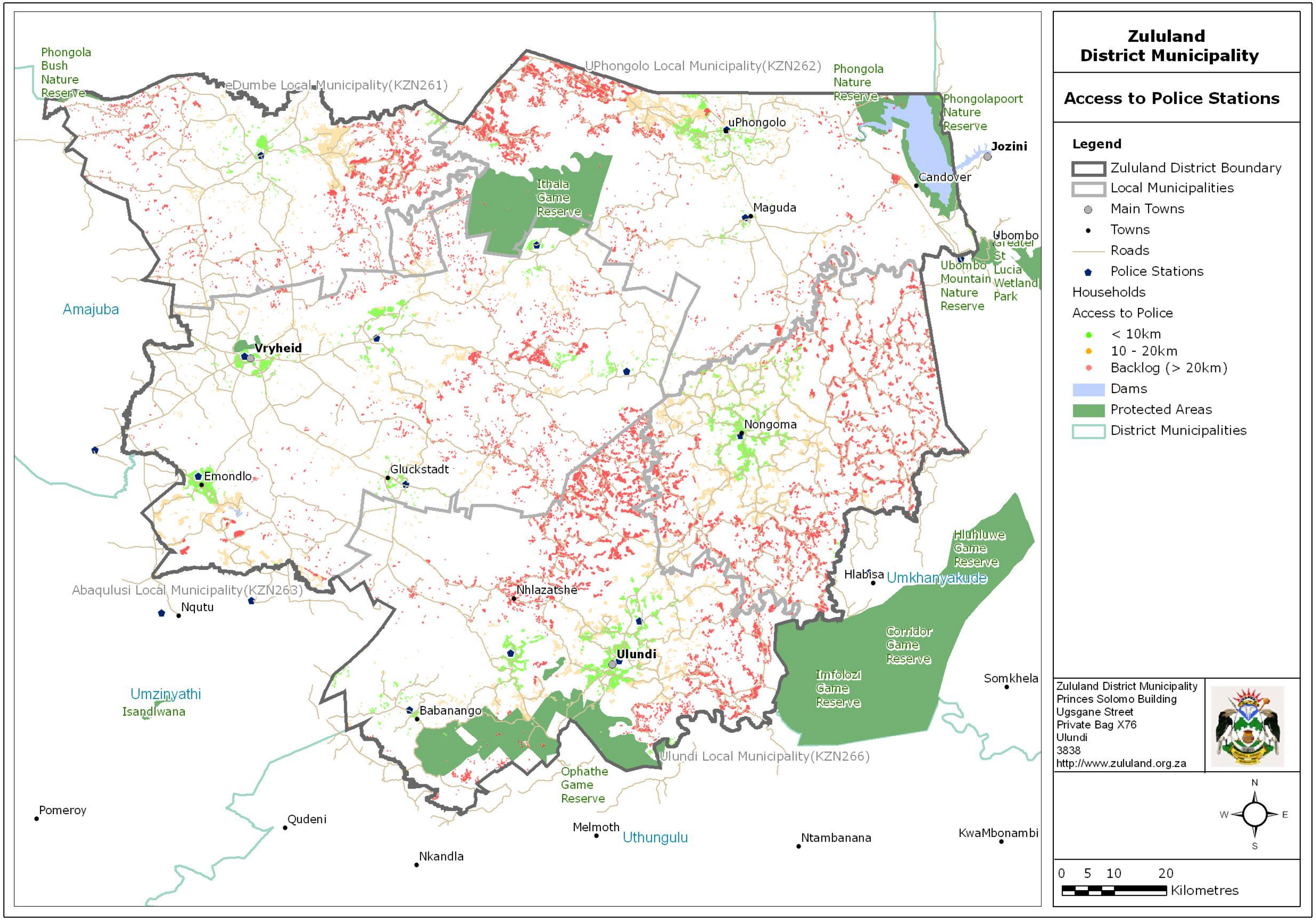
Table 31: Police Stations

Local Municipality	Required	Existing
Abaqulusi Municipality	14	6
eDumbe Municipality	13	1
Nongoma Municipality	49	1
Ulundi Municipality	41	4
uPhongolo Municipality	32	2

Map 19: Distribution of Police Stations



Map 20: Access to Police Stations



5.7 MARGINALISED GROUPS

Zululand District Municipality has gone extra mile to ensure that widows, orphans and people living with disabilities are in the map and are fully recognized and involved in all social and economic development programmes by providing them with a platform and a budget to cater for their projects and moreover, have their special celebration day known as widows, orphans and disability day. Typical activities include:

- Women's Summit and Women's Day
- Youth Summit
- Quality of Life Forum

5.8 SOCIAL AND COMMUNITY DEVELOPMENT: SWOT ANALYSIS

5.8.1 STRENGTHS/OPPORTUNITIES

- Education, Health and Community Service Sector Plan in place although it required a review.
- Concerted effort to involve widows, orphans and people living with disabilities in social and economic development programmes.

5.8.2 Weaknesses/Threats

- Backlog in the provision of primary and secondary education facilities.
- Significant backlog with the distribution of clinic facilities.
- Poor accessibility to community halls.
- The high prevalence of HIV in the district poses a severe challenge for future development as HIV/AIDS inhibits economic growth by reducing the availability of human capital.
- Alignment of housing projects with other social and infrastructure requirements remains a challenge.
- Backlog with the provision of police stations.

6. ECONOMIC ANALYSIS

6.1 ECONOMIC INDICATORS

6.1.1 GVA PER CAPITA

The table hereunder shows the relative share of total provincial GVA for each of the districts in the province. What is immediately obvious is that eThekwini is by far the largest contributor to economic output in the province, contributing over 53% in 2010. Umgungundlovu and uThungulu at 11.7% and 7.6% respectively are the next biggest contributors. Zululand ranks 6th out of the 11 districts, contributing 4.1% to provincial GVA. Zululand is ranked lower for economic output for the province than it is for total population, wherein it is ranked 4th. This indicates that GVA per capita within Zululand is comparatively low in the provincial context.

Table 32: GVA per Capita per District Municipality

District	2003	2005	2007	2009
Ugu	4.20%	4.20%	4.30%	4.40%
Umgungundlovu	12.00%	11.90%	11.80%	11.70%
Uthukela	3.90%	4.10%	4.40%	4.70%
Umzinyathi	1.80%	1.80%	2.00%	2.10%
Amajuba	3.80%	3.60%	3.60%	3.50%
Zululand	**3.50%**	**3.50%**	**3.70%**	**4.10%**
Umkhanykude	1.80%	2.00%	2.20%	2.40%
Uthungulu	8.10%	7.80%	7.80%	7.50%
iLembe	4.00%	4.00%	3.90%	3.80%
Sisonke	1.90%	2.00%	2.00%	2.30%
eThekwini	54.90%	55.10%	54.30%	53.40%

Source: DEDT calculations based on Quantec data (2011)

Total GVA for Zululand in 2010 was estimated at R10.9 billion. In the same way that provincial GVA is not evenly split between districts, district GVA is not evenly split between municipalities. Abaqulusi and Ulundi municipalities contribute the majority of economic output for the district, between them contributing almost 63%. Abaqulusi Municipality contains the town of Vryheid, which is the district's business and economic hub, while the town of Ulundi within Ulundi Municipality was formerly the seat of provincial government and remains a town of significant regional importance. It is not surprising that eDumbe Municipality contributes the least to GVA as the municipality also has the smallest population in Zululand. It is concerning, however, that Nongoma, which has the second highest population of all the Zululand municipalities, only contributes 13.6% to economic output.

6.1.2 LABOUR INDICATORS

High unemployment undermines the equitable distribution of income and underpins poverty. Employment is one of the main desired outcomes of economic growth and is currently a major focus of government policy at the national level. The table hereunder summarizes some critical labour market indicators for Zululand in 2009.

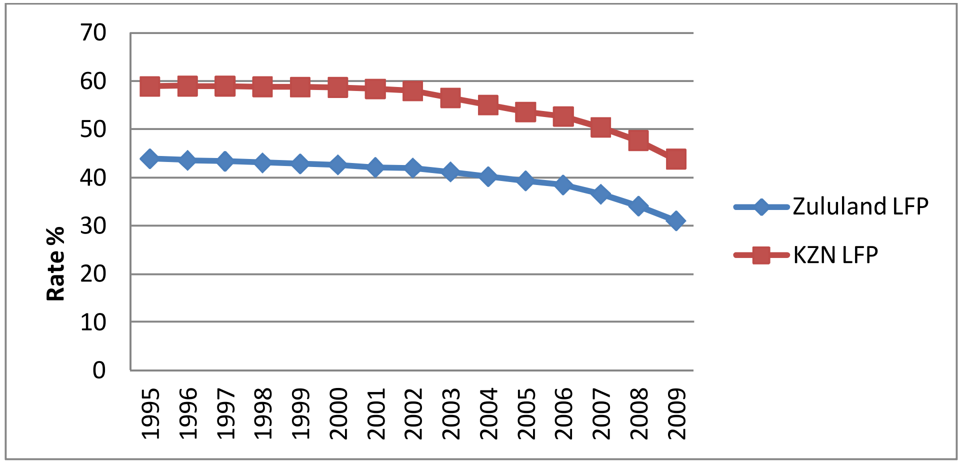
Table 33: ZDM General labour indicators 2009

Indicator	eDumbe	uPhongolo	Abaqulusi	Nongoma	Ulundi	Zululand
Employed	7,918	19,864	36,873	14,033	24,294	102,983
Unemployed		10,846	11,886	14,536	12,017	51,842
Not Economically active	32,131	48,015	93,759	97,070	72,794	343,768
Labour force participation rate	24.60%	39.00%	34.20%	22.70%	33.30%	31.10%
Unemployment rate	24.40%	35.30%	24.40%	50.90%	33.10%	33.50%

Source: DEDT calculations based on Quantec data (2011)

A large degree of economic inactivity is borne out by the labour force participation rate, which indicates that only 31.1% of the working age population are engaged in actual employment or are actively seeking work. This level of labour force participation is very low and is significantly lower than the provincial rate of 43.9%. The implication of this finding is that there are probably a large number of discouraged work-seekers in the economy. This is typical of an economy in which there are high and persistent rates of unemployment. At 33.5%, on the strict definition of unemployment, compared to 23.2% for the province, unemployment in Zululand is unsustainably high and is having the negatively impact of discouraging people from spending the time and money to actively search for jobs.

Graph 6: Comparison of labour force participation trends (1995-2009)



Source: DEDT calculations based on Quantec data (2011)

The figure above depicts a downward sloping trend in labour force participation both for Zululand and for the entire province. This then puts the declining strict unemployment rate into perspective. Evidently one of the major causes of a declining strict unemployment in Zululand is decreasing labour force participation and not rapidly expanding employment. This must be seen as a severe challenge for the district, as decreasing labour force participation is not so much a product of a decreased desire to work but rather of the discouraging impact of long-term unemployment on the search activities of individuals.

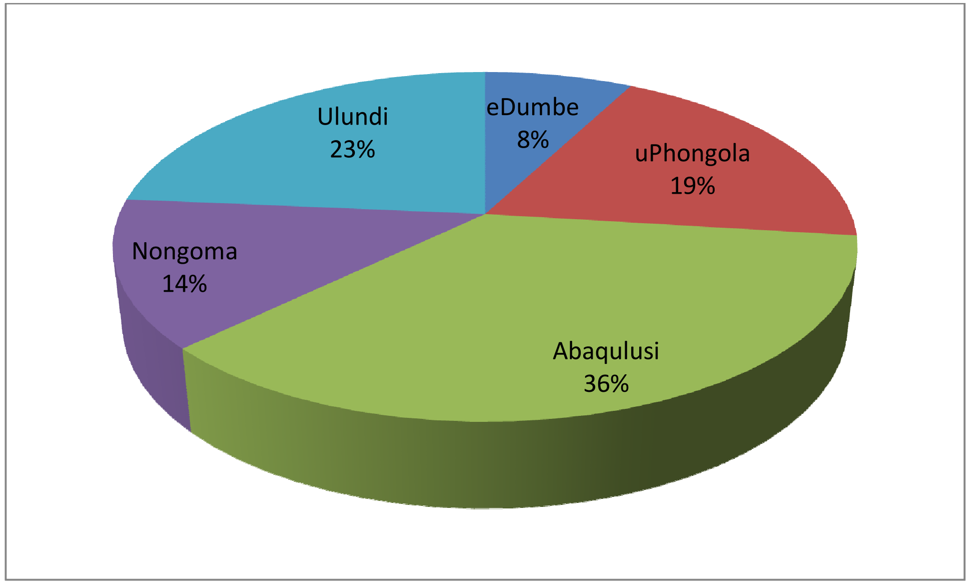
Table 34: Employment by municipality

Municipality	2003	2005	2007	2009
eDumbe	10,959	10,102	9,311	7,918
uPhongolo	21,665	21,194	21,117	19,864
Abaqulusi	30,369	32,472	35,808	36,873
Nongoma	9,005	10,149	12,185	14,033
Ulundi	17,131	18,856	21,780	24,294
Zululand	89,129	92,773	100,201	102,983

Source: DEDT calculations based on Quantec data (2011)

Employment has increased by just over 13,000 people between 2003 and 2009. This is insufficient in the light of population growth of over 106,000 in the same period. The low total employment growth is partly a result of declining employment in eDumbe and uPhongolo municipalities. The figure hereunder depicts the share of each municipality in total employment for Zululand. Abaqulusi is by far the biggest employer in the district, while eDumbe has the least employed individuals. This corresponds with the GVA share findings presented earlier.

Graph 7: Municipal share of total district employment



Source: DEDT calculations based on Quantec data (2011)

6.1.3 POVERTY AND INEQUALITY

More than 5.2 million people or 49% of the province's population is considered to be living in poverty. Zululand contributes 602,895 or 11.5% to that figure, and has a poverty rate of 65.8%. Poverty in Zululand and in the broader province was on a decreasing trend until 2008, when the recessionary global climate pushed the incidence of poverty back up again. The majority of Zululand's impoverished population can be found residing in Abaqulusi and Nongoma municipalities.

The Gini coefficient is perhaps the best known inequality measure and can be derived from the Lorenz curve. Mathematically the Gini coefficient varies between zero and one, although in reality values usually range between 0.20 and 0.30 for countries with a low degree of inequality and between 0.50 and 0.70 for countries with highly unequal income distributions.

Table 35: Gini Coefficient for Zululand (2003-2008)

Municipality	2003	2004	2005	2006	2007	2008
eDumbe	0.6	0.6	0.59	0.59	0.6	0.6
uPhongolo	0.6	0.6	0.59	0.6	0.6	0.6
Abaqulusi	0.66	0.66	0.65	0.65	0.66	0.66
Nongoma	0.6	0.6	0.6	0.6	0.6	0.6
Ulundi	0.61	0.62	0.62	0.62	0.62	0.62
Zululand	0.62	0.62	0.62	0.62	0.62	0.63
KZN	**0.67**	**0.67**	**0.67**	**0.67**	**0.67**	**0.67**

Source: Global insight 2009

Zululand, on average is less unequal than the province as a whole, with a Gini Coefficient of 0.63. This may be because there are less high-earning individuals in Zululand, and so the scope for inequality, although high, is not as great. Interestingly Abaqulusi is the most unequal of the municipalities in Zululand. This is no doubt attributable to the greater degree of economic activity taking place in the district's biggest municipal economy, providing greater scope for inequality to exist.

The dependency ratio measures the proportion of the population that is outside the labour force and is dependent on the economic activity of those working. In South Africa, this is typically calculated as the proportion of the population between the ages of 0 to 14 plus those over 64 to those between the ages of 15-64. It is used to measure the pressure on productive population.

A high dependency ratio can cause serious problems for a country. A high dependency ratio implies that a large proportion of the government's expenditure is on health, pension, social security and education which are most used by old and young population. Generally, there has been a declining trend in the dependency ratio for South and the regional economies during the period under review primarily due to a number of developmental programmes that were introduced by the government since the advent of the new democratic South Africa post-1994. Some of these programmes include, *inter-alia,* social grants, economic transformation, a myriad of poverty reduction programmes and the high economic growth trajectory observed since 1994. The decline in the dependency ratio, however, depends on a number of other factors such fertility rate, death rate, working and retirement ages.

The dependency ratio can be interpreted as a crude measure of poverty. This argument is correct in the sense that only a handful of people in the labour force are sustaining a large proportion of dependents.

Nongoma and Ulundi posted the highest average dependency ratios, 112.9% and 105.4% respectively during the period 1995-2002. The same is true for the period 2003-2010, in which the two local municipalities recorded dependency ratios of 99% and 89.9%, for Nongoma and Ulundi respectively. In both periods, the dependency ratios were higher than the district average of 99% and 86.4% for 1995-2002 and 2003-2010 respectively.

6.2 MAIN ECONOMIC CONTRIBUTORS

Gross Value Added is the total of all production or services from every sector within the period of a year. It is useful, however, to know the main economic drivers within an economy, namely, which sectors add the most value to the local economy. The following table displays the relative contributions of each industry to Zululand's Gross Value Added. In 2010, General Government was the greatest contributor to value added/economic output, accounting for 22.5% of district GVA. This is not unusual for developing and relatively impoverished local economies, as government attempts to act as a catalyst for future private investments. In addition to general government, manufacturing; and wholesale and retail trade are important sectors. The share of both of these sectors is growing. This is particularly encouraging to see in the manufacturing sector, as this sector is targeted at national government level as an engine of economic growth and employment creation for the South African economy. Both agriculture and mining have experienced falling shares over the past 8 years. This is reflective of the larger national and provincial trend in these sectors which has seen a steady decline in their economic contribution.

Table 36: Sector/Industry share of GVA (2003-2010)

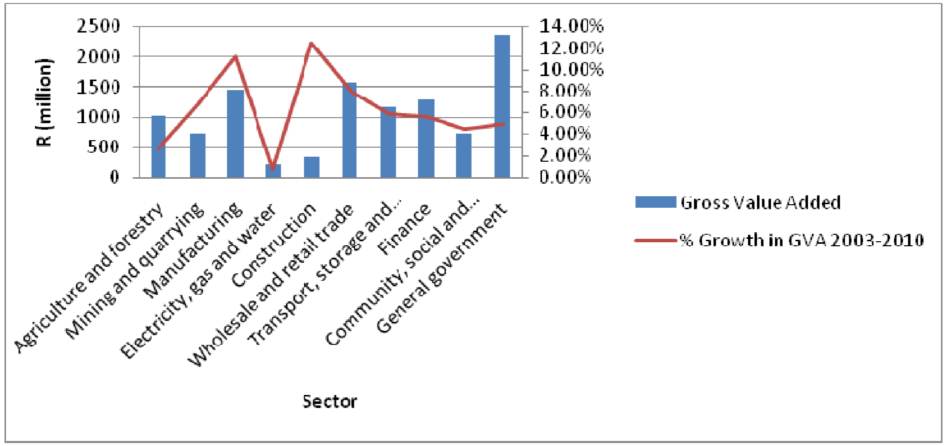
Sector	2003	2004	2005	2006	2007	2008	2009	2010	Ave share
Agriculture and forestry	12.4%	11.9%	10.9%	9.9%	9.3%	10.0%	9.5%	9.4%	10.4%
Mining and quarrying	7.0%	6.8%	5.7%	5.3%	5.4%	5.1%	7.1%	6.7%	6.1%
Manufacturing	9.5%	10.4%	11.4%	12.5%	13.3%	13.8%	13.1%	13.4%	12.2%
Electricity, gas and water	2.4%	2.4%	2.4%	2.3%	2.2%	1.9%	1.9%	1.9%	2.2%
Construction	2.0%	2.2%	2.5%	2.6%	2.9%	3.1%	3.1%	3.1%	2.7%
Wholesale and retail trade	12.8%	13.4%	14.1%	14.8%	15.0%	14.7%	14.5%	14.6%	14.2%
Transport and communication	11.0%	11.0%	11.2%	11.1%	11.1%	11.0%	10.7%	10.8%	11.0%
Finance	12.1%	11.8%	11.9%	12.1%	12.0%	12.1%	11.8%	11.8%	12.0%
Community, social and personal services	7.6%	7.4%	7.4%	7.3%	7.2%	7.0%	6.8%	6.7%	7.2%
General government	23.1%	22.6%	22.6%	22.1%	21.5%	21.3%	21.4%	21.7%	22.1%

Source: DEDT calculations based on Quantec data (2011)

Changes in the GVA share of each sector is perhaps more clearly seen in the growth rates for each sector over the past 8 years. As expected, considering the low GVA growth in 2010 for the district, all sectors recorded relatively low growth rates in 2010. General Government sustained the highest growth rate at 3%, further highlighting the fact that government spending is often not as sensitive to prevailing economic conditions as private sector spending is. In fact, Government spending often operates counter-cyclically, spending more in times of economic downturns, in order to stimulate the economy and retain employment. This trend, however, does not appear to be represented in the data, and even government spending has been constrained by the general post-recession slump in Zululand.

The following graph provides a graphic representation of the importance of each sector to district economic output, as well as showing the average growth of each sector. It is evident that the district's largest contributors to GVA are not necessarily the fastest growth sectors. While General Government yields the highest in terms of Gross Value Added, it is one of the lower growth sectors. Construction, on the other hand, contributes relatively little in terms of GVA, but is a high growth sector, averaging 12.5% per annum, over an 8 year period, despite registering very little growth (1.1%) in 2010. This indicates that significant construction and development activities have taken place in Zululand, over the period under review. Unusually Electricity, Gas and Water, has grown very little, despite increased construction taking place. Wholesale and Retail Trade has reflected relatively strong growth over the period. This is in accordance with the expanding needs of a growing population and increasing levels of wealth (GVA per capita).

Table 37: Total GVA and GVA growth by economic sector



Source: DEDT calculations based on Quantec data (2011)

6.2.1 LOCAL ECONOMIC DEVELOPMENT

Local Economic Development is a unit in the Community Services Department. The fundamental focus of this directorate is promoting the Social and Economic Development of the municipality by implementing the Siyaphambili programme which is a strategic document for economic development in the municipality. The Local Economic Development Forum forms part of the overarching Institutional structure of the IDP Process. Apart from sharing information on future economic activities, the purpose of the forum is to jointly agree on a direction and guidance with all stakeholders and experts in the field of economic development in the district.

Sub-forums under the Local Economic Development Forum include Tourism and the recently established General Business and Agricultural forums.

Achievements of the LED Directorate include the following:

- Ukuzakha Nokuzenzela Program: This programme was established to assist the pro-poor communities within the District. ZDM is assisting the organized groups through ward Councilors. There are five tractors that are ploughing the fields for the communities and seeds are given.

- The following projects are under implementation with the partnership from COGTA:
  - Ulundi Tourism Hub

- Construction of New Office Block
- Restaurant
- Kitchen
- Toilet Block, and External works
- P700 Nodal Development
- Servicing twenty nine (29) commercial sites i.e. Sewer reticulation, water and electrification.

  - Laundromat Center
  - Mona Market Regularization

- Fencing the entire market
- Construction of informal traders facilities
- Informal traders facilities within Nongoma Town
-

- Ulundi Integrated Energy Center

- Sasol Filling Station
- Bakery
- Community Library
- Internet Café
- Hydrophonics
-

- The following Business Plans were completed, ZDM is looking for potential investors/partners for their implementation:-
  - Cengeni Gate Community Tourism Project
  - Phongola Private Public Partnership
  - Nongoma Poultry Project
  - Louwsberg Agro-processing Initiative
  - Aloe processing facility and
  - District Nursery

6.2.2 SMME

One of the development objectives of the ZDM is to identify and develop economic opportunities for the rural population in the District in order to reduce poverty. The promotion of SMME development in the district is an action from this and this has also been identified in the LED Plan, i.e. development and support opportunities for business development have been identified.

SMME should be considered in relation to LED initiative in the district.

6.2.3 AGRICULTURE ANALYSIS

The Zululand Agricultural Sector Plan (prepared by PR Africa in 2006) provides the following summary in terms of the agricultural potential in the District.

Good agricultural potential exists in the western highlands and the eDumbe Municipality has very high potential as has most of the Abaqulusi municipality. High potential in the Phongola valley is as a result of irrigation opportunities that have been developed in this area. Current land cover reflects these potentials.

The communal areas of Ulundi and Nongoma are however not as fortunate and the agricultural potential is marginal to poor except for the high lying plateaus in each district. However, these make up a small portion of the total area. Valley bushveld of the two Umfolozi Rivers does provide considerable potential for the development of irrigation. Given the high temperatures in these valleys and the moderate winters, these areas are perfectly suited for the production of vegetables in the winter or off-season. Moreover, the deep low altitude river valleys of Pongolo and Mfolozi Rivers provide an excellent opportunity for intensive agricultural production where irrigation is available where sugar cane and out of season vegetables and sub-tropical fruits can be planted. Agricultural potential outside these valleys is limited to stock and game farming.[1]

The said document tabled interventions that need to be employed in order to develop the agricultural sector and these include:

- Institutional structuring for agriculture
- Sustainable land reform
- Visible delivery in agriculture sector
- Improved market access for agricultural products

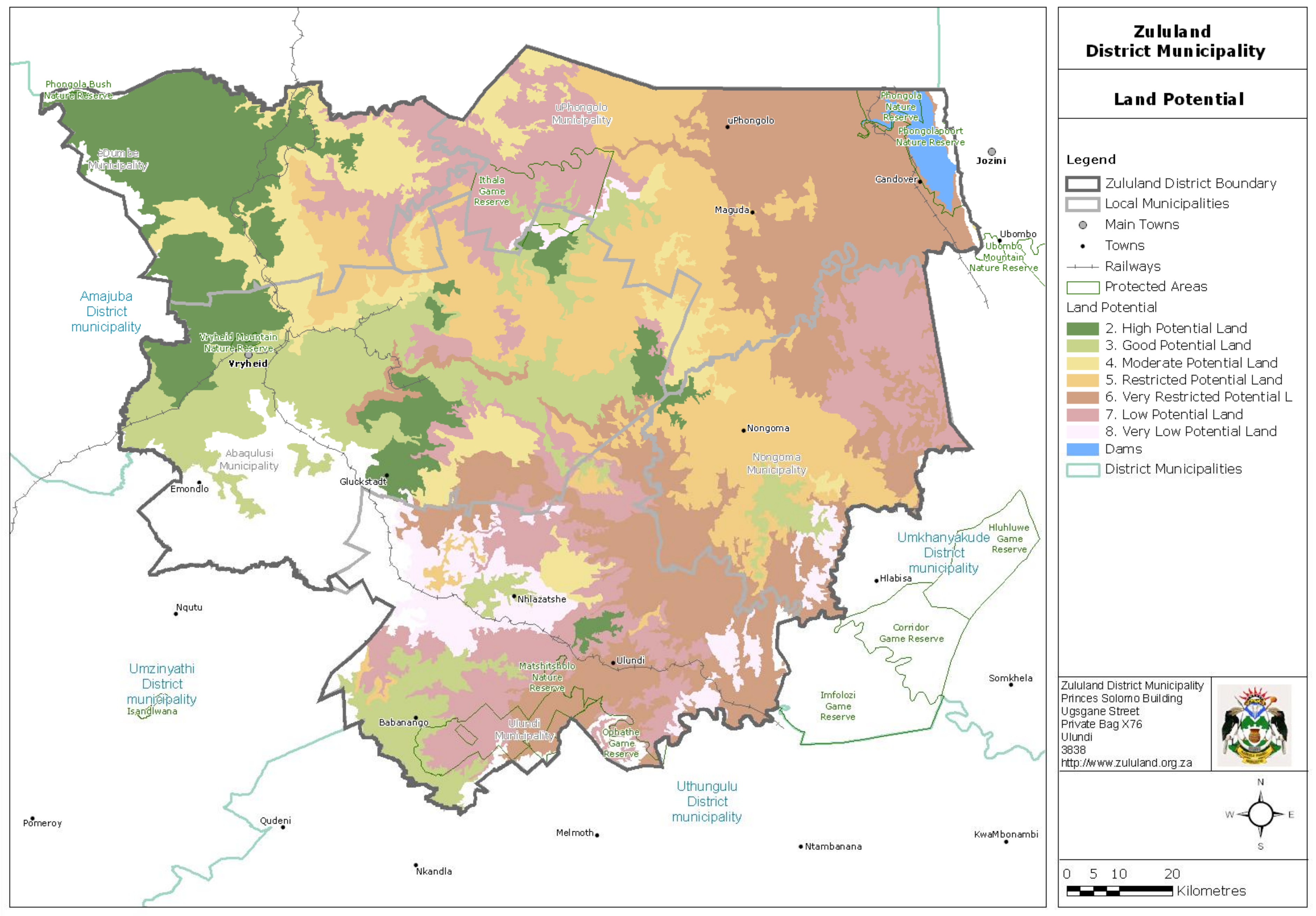
The agricultural sector is presently under strain throughout the country. Some of the key concerns to the sector are:

- Uncertainty that is caused by land reform
- Lack of imagination on what can be done with the land once the claimants have received the land and in some instances the land is not productively utilized
- Increasing input costs
- Rising interest rates

It has been argued that, in order for the agriculture sector to be developed, opportunities for tapping into the international markets need to be created and in the case of Zululand, these opportunities can be linked to the Dube Trade Port Developments. Where possible, major co-operates will need to be involved and focus should be paid to various areas of opportunity in the District. The need for improved railway infrastructure in the District was also identified.

[1] Zululand Agriculture Sector Plan: (2006); pg. 17.

Map 21: Land Potential



6.2.4 TOURISM ANALYSIS

The District finalized its Tourism Sector Plan in 2006. The report paints the following picture as to the state of the sector in the District:

"While the Zululand District has a wealth of attractions that are authentic and different, the key obstacles to tourism growth lie in lack of awareness and information, lack of accessibility and the failure to package these assets in an attractive way that distinguishes from the other two districts forming the greater Zululand: uThungulu and Umkhanyakude. These two districts currently attract the overwhelming majority of tourists traveling north of the Tugela.

While there are a number of notable developments in the pipeline, individual land owners are battling to attract investment because of the reasons above. There is an urgent need to develop a high powered presentation and prospectus which will outline the actions planned by Zululand District Municipality to solve the infrastructural and information problems so that outside investors would be more confident to consider development in the district."[2]

A number of hindrances to the growth of the tourism sector have been identified, notably:

- Lack of facilities
- Lack of private investment
- Poor road infrastructure
- Lack of coordinated effort in the development of the sector and poor marketing of facilities/destinations

The following critical steps in developing and promoting the sector in the District are noted:

- Need to market the District as a favoured destination
- Need for creation of authentic cultural experiences
- Need of opening up the Royal Palace to tourists
- Need to capacitate and create awareness among the previously disadvantaged communities
- Need to co-ordinate efforts of tourism development within the District
- Need to set standards for accreditation and grading to take place

In response to the above, the Siyaphambili Local Economic Development Strategy (2003) proposed some development strategies which include:

- The development and upgrading of game reserves, dams and nature reserves
- The establishment and marketing of arts and craft centres
- The need for tourism information tools, e.g. brochures, information offices and signage
- Development of festivals and events
- A travelers' centre at Ulundi 19
- The development of the Emakhosini Valley
- The upgrade of roads

It has been noted that a number of developments are in the pipeline or being implemented. Most notably and related to tourism are the Pongolapoort Dam Proposals as well as the Emakhosini Ophathe Development Proposals. The significance of these projects are reflected in the district SDF as presented in section D of this report.

There are a number of very interesting tourism options that need to be pursued or warrant further investigation in the district. In addition, there are some critical projects needed to boost tourism development. These include:

- The uQweqwe area, approximately 25km from Babanango attracts substantial French interest every year understood to be the site where Prince Glenn Flanagan was captured. The site does not provide any basic facilities to tourists.

[2] Zululand Tourism Sector Plan: 2006, pg. 20

- Every year the Zulu Reed Dance is celebrated at Nsibaya/Enyokeni. There are a number of tourism development options that could be pursued with the annual celebration. Providing tourists with a better understanding of the Zulu Royal Family is only one of the opportunities presented.
- Development funding to the value of about R20 million has been allocated for the further development of the Emakhosini project, including a new entrance area as well as an amphitheatre. These still require implementation. The Emakhosini project at present does not provide accommodation facilities to visitors.
- The road between Nongoma and Pongola (R66) has to be tarred (only about 27 km) to open up the district to tourism. It is understood that more than 30 tour buses enter the district at Golela every day that do not spend time and money in the district.
- The linkage between Nongoma and Ulundi via the R66 (Tangami Spa, Swart Umfolozi and Vryheid) should be improved.
- Access road to Ithala Game Reserve, via the Klipwal Mine. The Klipwal Mine (the only Gold Mine in KZN) is only about 3 km from the northern boundary of the Ithala Reserve.
- The R69 (Rooirante Road) between Magudu and the Pongolapoort dam is another very important link road.
- The P700 link to Empangeni/Richards Bay.
- An important link between Paulpietersburg, Wakkerstroom and Luneburg.
- About 20km of untarred road between Nongoma and Vryheid.

Apart from the road priorities listed above, a number of important themes have also been identified:

- Heart of the Zulu Kingdom and the Emakhosini project.
- Possible Zulu cultural museum at Ondini linked to the P700 development.
- Accommodation facilities in the ZDM in the traditional Zulu Cultural style.
- The Isibaya/Enyokeni annual reed dance.
- The monthly Mona craft and cattle sale (as well as traditional medicine) in Nongoma. This event lasts for 4 days but there is no market facility available.
- Proposals have already been prepared for the Ngome forest development.

6.2.5 BUSINESS SECTOR ANALYSIS

The Zululand District finalized its Business Sector Plan in May 2006. The document gives an overview of the different financial sectors and offers some suggestions on interventions that need to be made in order to improve the sector.

Commercial Sector: The commercial sector is well established in the towns of the District. However, it is not easily accessible for the majority of the rural population that currently account for 75% of the district population. A number of potential commercial markets exist. The lack of business support services will, however, limit entry of emerging entrepreneurs into these markets. Some of the opportunities that are presented in this sector include:

- Developing the commercial sector in the Rural Services Centres that are being developed in the District and to utilise the supporting infrastructure of these Rural Services Centres such as taxi ranks to tap into the markets that these draw.
- Commercial enterprises focused on tourism market through sale of locally produced goods, the restaurant industry, travel agencies/services and others.

Manufacturing Sector: Manufacturing activity within the District is low, at an estimated 11% contribution to the GGP for the area. The only agri-processing of note in the District is the Illovo sugar mill in the uPhongola Municipality. Despite the lack of large scale manufacturing in the District a number of interesting ventures have been, or are in the process of being, established. These activities generally relate to the raw materials and skills available in the District. The ventures include (1) arts and crafts production and marketing, (2) taxidermy, (3) mineral water and (4) charcoal manufacturing for export.

Some of the opportunities that are presented by this sector include:

- Opportunities generally promoted in the region in terms of agri-processing include traditional medicines, venison production for export, leather production as well as vegetable and fruit processing. The diversification of agricultural production in the District will lead to further potential for agri-processing.
- Opportunities exist for the diversification of the products of the district and the improvement of marketing systems that will open up new local, national and international markets. Other markets for arts and crafts include curio shops in national parks, curio shops in private game reserves, arts and craft centres in the District, as well as established marketing agents focusing on the national and international markets.
- Opportunities relating to timber product manufacturing should continue to be investigated. Timber construction relating to specifically the tourism industry may present opportunities for local contractors in future.
- Development of clothing and textile as well as building materials sector in the District.

Construction Sector: The sector has experienced growth in recent years. Some of the major recent and current construction activities in the District would include:

- The general residential market.
- Major infrastructure construction, e.g. the Paris Dam, major roads such as the P700 and other strategic linkages.
- The building of lodges and tourism facilities, e.g. lodges to be built at Emakhosini, in areas surrounding the Pongolapoort Dam and on private game farms.
- The provision of basic services to the previously disadvantaged urban and rural communities within the District municipality.
- The provision of low income housing to the urban and rural communities of the District.
- Building of municipal and public sector buildings, e.g. the offices of the District Municipality.

Transportation Sector: In the transport industry in the Zululand District Municipality distinction can be made between various sub-sectors, viz. road freight transport, public road transport, (dominated by the taxi industry) air transport and rail freight transport. In terms of the “informal” sector stakeholders also identify the so-called “bakkie” industry responsible for the transport of goods from distributors/wholesalers to a range of retailers located in the rural areas. Some of the opportunities that are presented in this sector include:

- Rural road maintenance and upgrading of rural roads which will continue to establish better linkages between settlements, rural nodes and municipal centres, thus increasing access to economic opportunities whilst increasing access to job opportunities.
- The proposed petrol filling station and information centre (Ulundi “19”) is viewed as a lead project impacting on both the transport and tourism sector in the District. This strategically located development will increase the attractiveness of this alternative route between Gauteng and the KwaZulu-Natal coast. It will also provide an opportunity for informing people passing through the area of the attractions which the area has to offer.
- The need for establishing a stop-over point for trucks in the Vryheid area has been identified in various planning studies.

Mining Sector: As it has been noted earlier in this document, mining activities in the district have decreases in the mid 1990’s mainly due to closure of mines as a result of open market in coal mining and agriculture. Opportunities still exist for small scale mining. These opportunities include:

- Mine rehabilitation
- Engineering support
- Equipment maintenance and support
- Preparing Environmental Management Plans

6.3 ECONOMIC: SWOT ANALYSIS

6.3.1 STRENGTHS/OPPORTUNITIES

- It is evident that the district's largest contributors to GVA are not necessarily the fastest growth sectors.
- A number of tourism developments are in the pipeline or being implemented, notably the Pongolapoort Dam Proposals as well as the Emakhosini Ophathe Development Proposals.
- The commercial sector is well established in the towns of the District.
- Opportunities generally promoted in the region in terms of agri-processing include traditional medicines, venison production for export, leather production as well as vegetable and fruit processing. The diversification of agricultural production in the District will lead to further potential for agri-processing.
- The diversification of the products of the district and the improvement of marketing systems that will open up new local, national and international markets.
- Opportunities relating to timber product manufacturing should continue to be investigated. Timber construction relating to specifically the tourism industry may present opportunities for local contractors in future.

- Opportunities exist for the development of clothing and textile as well as building materials sector in the District.
- Rural road maintenance and upgrading of rural roads which will continue to establish better linkages between settlements, rural nodes and municipal centres, thus increasing access to economic opportunities whilst increasing access to job opportunities.
- The proposed petrol filling station and information centre (Ulundi "19") is viewed as a lead project impacting on both the transport and tourism sector in the District. This strategically located development will increase the attractiveness of this alternative route between Gauteng and the KwaZulu-Natal coast. It will also provide an opportunity for informing people passing through the area of the attractions which the area has to offer.
- Opportunities still exist for small scale mining relating to mine rehabilitation as well as equipment maintenance and support.

6.3.2 THREATS/WEAKNESSES

- Zululand is ranked lower for economic output for the province than it is for total population indicating that the GVA per capita within Zululand is comparatively low in the provincial context.
- Abaqulusi and Ulundi municipalities contribute the majority of economic output for the district, between them contributing almost 63% being indicative of an economy that is not diversified throughout the district.
- Nongoma, which has the second highest population of all the Zululand municipalities, only contributes 13.6% to economic output.
- Only 31.1% of the working age population are engaged in actual employment or are actively seeking work.
- Unemployment in Zululand is unsustainably high and is having the negatively impact of discouraging people from spending the time and money to actively search for jobs.
- Employment has increased by just over 13,000 people between 2003 and 2009. This is insufficient in the light of population growth of over 106,000 in the same period.
- Zululand DM has very high dependency ratios. The dependency ratio can be interpreted as a crude measure of poverty.
- Uncertainty relating to the roll-out or implementation of the Land Reform programme has impacted negatively on agricultural development and growth.
- The commercial sector is not easily accessible for the majority of the rural population that currently account for 75% of the district population.
- Manufacturing activity within the District is low, at an estimated 11% contribution to the GGP for the area.
-

7. ENVIRONMENTAL ANALYSIS

7.1 ENVIRONMENTAL PRINCIPLES

The guiding principle for development in the ZDM is that it should be conducted in a sustainable manner. It is important to consider what the concept of sustainable development means for the ZDM and how this concept should be taken forward. The definition of sustainable development which has become the best known and most widely used is that of the Bruntland Report which defines sustainable development as:

'Development which meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission on Environment and Development, 1987).

Hence, the following principles apply:

- Development must not degrade biophysical, built, social, economic resources or the system of governance on which it is based;
- Current actions should not cause irreversible damage to natural and other resources, as this may preclude future development options;
- In cases where there is uncertainty of the impacts of an activity on the environment, caution should be exercised in favour of the environment;
- The cost of pollution should be paid by the party causing the pollution;
- The needs of land use, environment and economic planning need to be integrated;
- A development framework and paradigm which promotes resource generation rather than resource degradation must be created;
- Immediate and long term actions need to be identified and planned for, to address urgent needs while still progressing towards longer term sustainable solutions;
- Resources must be utilized more effectively through each sector applying its resources to support other sectors rather than acting in an uncoordinated or competitive manner.

7.2 ENVIRONMENTAL VISION

The environmental vision for the Zululand District Municipality is therefore, in short, "*the conservation of biodiversity to enhance the well being of the people in Zululand*".

In order to achieve this vision, priority actions for planning and management authorities are to:

- Protect and restore indigenous vegetation and terrestrial ecosystems and associated processes;
- Protect and restore freshwater ecosystems and associated processes;
- Protect and restore endemic and threatened species;
- Reduce waste generation and disposal and improve solid waste sites and management;
- Promote better water use and conservation;
- Control alien invasive species;
- Promote ecologically sustainable grazing, crop and forestry production systems;
- Ensure that all citizens have access to formal sanitation facilities, housing and medical advice and assistance where possible; and
- Minimize the impacts of climate change on biodiversity

7.3 ENVIRONMENTAL ASSESSMENT

The main Issues within the municipality were identified within the following categories: Housing, Soil, Water, Waste, Biodiversity and Tourism. The Fundamental Tools to be considered when contemplating each issue and acting on these issues are: Awareness, Regulation and Enforcement, Sustainability, and Delivery. Some of the Main Issues fall under more than one category, for example, "Wetland Degradation" might fall under Water, Soil and Biodiversity and even Tourism and Housing, as it is quite often housing