Socio - Economic Review and Outlook

2011

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Department: Finance

GAUTENG PROVINCE

SOCIO-ECONOMIC REVIEW AND OUTLOOK

2011

Gauteng Provincial Government

UNITY IN DIVERSITY

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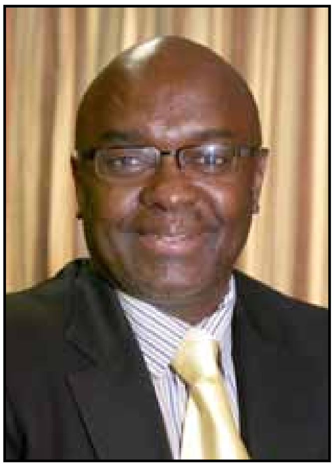

Mandla Nkomfe

MEC: Finance

Foreword

This is the fourth publication of the Socio-Economic Review and Outlook (SERO). After experiencing a recession in 2009, the economies of the country and the province are returning to a positive GDP growth path. The recession affected the emerging and developing economies to a minimal degree, whereas the advanced economies bore the brunt of the recession. As emerging and developing economies were experiencing progressive growth, growth in advanced economies was sluggish. Information from the International Monetary Fund (IMF) shows that growth was relatively smaller in the advanced economies when compared to the economies of emerging markets and Africa, Sub-Saharan Africa and South Africa.

The year 2010 was a sensational one for both the province and country after organising and successfully hosting the 2010 FIFA World Cup and the completion of major infrastructural projects. The Gauteng Freeway Improvement Project will be completed and operating in the coming months; this will help to ease congestion on our roads and improve traffic flow. The country is also preparing for the local government elections in a few months time and it is therefore important to review government's progress in terms of service delivery. This 2011 SERO publication analyses economic variables and their linkages to the levels of poverty to ascertain the progress government has made to improve the lives of communities. .

In tabling this year's State of the Nation Address, President Jacob Zuma has declared 2011 "the year of job creation". South Africa has a chronic unemployment problem, even though the economy experiences better growth sometimes, the creation of jobs does not keep pace with the level of economic growth. Government is ready to meet the challenges head-on and has set aside a total of R39 billion for the creation of jobs. This total will be made up of R9 billion over the next three years allocated to finance new job-creation initiatives and the R20 billion in incentives and tax breaks aimed mainly at manufacturing. The Industrial Development Corporation (IDC) has also set aside R10 billion over the next five years for investment in economic activities with high jobs potential.

I would like to thank the Head of the Department of Finance, Mr. Stewart Lumka, the Head of the Treasury Division, Ms. Nomfundo Tshabalala and her team for their success once more in producing this year's publication, the ever-improving quality of their research is clearly apparent.

Mandla Nkomfe
MEC: Finance

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List of Abbreviations

ANC	Antenatal Care
ARV	Antiretroviral
ASSA	Actuarial Society of South Africa
Avg	Average
BUR	Bed Utilisation Rate
CoC	City of Cape Town
CoJ	City of Johannesburg
CoT	City of Tshwane
CPI	Consumer Price Index
DHB	District Health Barometer
DIPIP	Data-Informed Practice Improvement Project
EAP	Economically Active Population
EC	Eastern Cape
EKH	Ekurhuleni
FIFA	Fédération Internationale de Football Association
FS	Free State
GDP	Gross Domestic Product
GDPR	The Gross Domestic Product by Region
GEGDS	Gauteng Employment Growth and Development Strategy
GFIP	Freeway Improvement Project
GP	Gauteng Province
GVA	Gross Value Added
HDI	Human Development Index
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
ILO	International Labour Organisation
IMF	International Monetary Fund
KZN	KwaZulu-Natal
LP	Limpopo
MET	Metsweding
MPC	Monetary Policy Committee
MST	Mathematics, Science and Technology
NC	Northern Cape
NW	North West
PERO	Provincial Economic Review and Outlook
PTB	Positive Pulmonary Tuberculosis
PHC	Primary Health Care
QE	Quantitative Easing
QLFS	Quarterly Labour Force Survey
RSA	Republic of South Africa
SA	South Africa
SAIRR	South African Institute of Race Relations
SARB	South African Reserve Bank
SCR	Smear Conversion Rate
SED	Sedibeng
SERO	Socio Economic Review and Outlook
Stats SA	Statistics South Africa
TB	Tuberculosis
TIMSS	Third International Mathematics and Science Study
TIMSS-R	Third International Mathematics and Science Study Repeat
UNDP	United Nations Development Programme
UP	University of Pretoria

USA	United States of America
WC	Western Cape
WEO	World Economic Outlook
WRDM	West Rand District Municipality

Executive Summary

This is the fourth publication of the Socio-Economic Review and Outlook (SERO) by the Gauteng Department of Finance: Treasury Division. This document analyses a wide variety of socio-economic indicators in order to provide a resource for policy makers as they make social and economic decisions and evaluate the results of past decisions, such as evaluating the way in which the lives of ordinary South Africans have been affected by the degree of service delivery. In 2011, the SERO has once again presented and analysed selected indicators at the municipal level. It has, however, altered its approach and rather than simply presenting and analysing every indicator separately, this SERO focuses on poverty and in addition, examines the relationships of several indicators to poverty.

Chapter One of the document is a brief overview of economic data for both the world and South Africa specifically. In light of the recent global financial crisis, consideration is given to the effects of worldwide catastrophes on the international and domestic economies. According to the International Monetary Fund (IMF), 2009's global recession pulled South Africa's growth in Gross Domestic Product (GDP) down to negative 1.7% for that year, but by 2010, the country had already returned to a positive annual growth rate.

South Africa is the major economic power on the African continent. In 2009, the country recorded a GDP of R1.78 trillion and this is expected to grow to R2.12 trillion in 2014. An in-depth analysis is provided on the contributions of the sub-sectors of the South African economy to GDP. The sub-sector which made the highest single contribution in 2009 was finance & business services (24%) and was followed by the government, social & personal services (22%) and then manufacturing (17%).

The second Chapter presents a provincial level socio-economic analysis for Gauteng. Accounting for just 1.4% of the land area of the country, Gauteng is the smallest province in South Africa but has the largest population at approximately 11.2 million citizens and contributes the largest share to the county's GDP at over 35%. Gauteng recorded a Gross Domestic Product by Region (GDPR) of R625 billion in 2009, with R645 billion estimated for 2010.

As with the national economy in 2009, the finance & business services sub-sector made the largest single contribution to Gauteng's GDPR at 26.9%. In terms of employment, the wholesale & retail trade sub-sector contributes the most and in 2009, 22% of the workers employed in the province worked in that sector. The finance & business services sub-sector employed the second largest proportion of Gauteng's workers in 2009 at 19.1%.

Of South Africa's nine provinces, in 2009, Gauteng had the second lowest percentage of the population living in poverty at 25%. The Western Cape had the lowest poverty rate at 22.8%, with the Free State in third place at just over 40%. The proportion of Gauteng's households living in formal and very formal housing was 74.3%, 1.9 percentage points above the national average of 72.4%.

Chapter Three is the first of the six municipal level analyses, and considers the socio-economic indicators of the City of Johannesburg (CoJ) metropolitan area. As Gauteng is to South Africa, so the CoJ is to Gauteng: a small, densely populated economic powerhouse. The CoJ covers the least land area of any of Gauteng's municipalities at 1,644 km^2 but has the largest population at 3.516 million and makes the largest single contribution to the province's GDPR at 47%. The three sub-sectors of the CoJ's economy that added the most to its Gross Value Added (GVA) in 2009 were finance & business services (28.4%), government, social & personal services (21%) and wholesale & retail trade (15.9%), all of which are part of the tertiary sector.

In 2009, the percentage of the CoJ's population living in poverty declined to 21.7% from 22.2% in 2008. Between 2002 and 2009, the proportion of the metro's citizens with access to electricity rose from 88.1% to 91.2%. In 2009, 78% of the CoJ's households were living in formal or very formal housing. As the CoJ is a very modern, urbanised metro, it could be expected to have a higher rate of access to communications technology than the Gauteng average. This expectation was mostly fulfilled except, surprisingly, for access to the internet.

The City of Tshwane (CoT) metropolitan municipality is the subject of Chapter Four. As of 2009, the CoT's population was 2.157 million, which means that 21.5% of the provincial population lived in the CoT. In 2009, the CoT metro accounted for 27% of Gauteng's GDPR at R151 billion. Most national government departments are located in this metro, and as such, the government, social & personal services sub-sector accounts for the largest single share of the CoT's GVA (29.9%) and contributes very significantly to employment (21%) in the municipality. Much manufacturing and assembly of passenger vehicles takes place in the CoT, its automotive production is equal to 40% of the national total. A trade surplus has been recorded for the CoT from 2002 to 2009, reaching R77.4 billion in 2009, the highest for any of the Gauteng municipalities.

The CoT has extended sanitation services to a greater percentage of its citizens since 1996, reaching 81% by 2009. Access to water and electricity in the metro has, however, declined. The proportion of the municipality's citizens living in formal and very formal housing fell from 70.7% in 2002 to 69.4% in 2009. Other than a slightly lower access to television, a higher percentage of the CoT's population had access to most forms of communication technology than the provincial average. In the 2008/09 financial year, the CoT spent an average of R816 per citizen on provincial health care. This was R239 higher than the average for Gauteng. The metro had the lowest income inequality and poverty rate, as well as the highest HDI of all Gauteng's municipalities in 2009.

Chapter Five analyses the socio-economic profile of Ekurhuleni metropolitan municipality. Ekurhuleni is the second most populous municipality with a population of 2.7 million people and a population density of 1,425 km^2. Of the 2.7 million people, Blacks made up the biggest population group (76.4% in 2009). Ekurhuleni has shown an increase in GDPR from R90.77 billion in 2002 to R120.88 billion in 2009. The tertiary sector contributed the most to the economy of the municipality at 61.8% in 2009, followed by the secondary sector at 35.9% and the primary sector at 2.2%. Ekurhuleni had a high comparative advantage in manufacturing (1.82), followed by electricity, gas & water (1.15), construction (1.29) and transport & retail (1.09) for 2009.

The unemployment rate has increased by three percentage points from 24.3% in 2008 to 27.3% in 2009. Of the unemployed people in 2009, 27.8% were Black males and 38.5% were Black females, while Coloured males made up 29.6% and females 26.9% of those unemployed. In Ekurhuleni 67.4% of the households were living in formal and very formal housing in 2002 and this had risen to an estimated 74.3% in 2009. The metro had the third highest literacy rate, increasing from 79.1% in 2006 to 83.6% in 2009.

Chapter Six provides the demographic profile and other indicators of Sedibeng district municipality. In 2009, Sedibeng had the fourth highest population at 805,000. The Black population constituted the highest percentage at 82.9% and is expected to increase to 84% in 2014.

The municipal GDPR increased from R17.84 billion in 2002 to R22.43 billion in 2009. It is expected to record R25.93 billion in 2014. The municipality recorded a trade surplus of R208 million in 2003; by 2009, it had reached a low of R1.34 billion. The unemployment rate of Sedibeng increased from 31.8% in 2008 to 35.6% in 2009. In 2009 over 22% of those employed were in manufacturing, followed by government, social & personal services at 19.4%. Access to formal and very formal housing increased from 79.8% in 2002 to 83.5% in 2009. Sedibeng has some of the lowest levels of HDI coupled with the highest level of people living in poverty. In 2009, HDI was 0.60 and the percentage in poverty was 37.5%.

Chapter Seven provides the socio-economic indicators for the West Rand district municipality. West Rand is the second least populous municipality in Gauteng with a population of 598,000. The number of people who are HIV+ has increased slightly since 2002 from 66,777 to 2009 when it reached 66,889.

From 2002 to 2008, the West Rand experienced an increase in the level of GDPR from about R15 billion in 2002 to R17.1 billion in 2009. It is forecast that GDPR will increase to R19.36 billion by 2014. The tertiary sector contributed the most to the economy of the municipality at 50.9%, followed by the secondary sector at 26.6% and the primary sector at 19.8% for 2009. The 19.8% contribution to the economy is supported by the location quotient in mining & quarrying of 1.96 in 2009.

In 1996, about 90.2% of households within the West Rand had access to water. This improved by 3.9 percentage points, to 94% by 2002, before falling to 92.4% in 2009. About 74.8% of households within the municipality had access to electricity in 1996. By 2002, this had improved six percentage points to 80.8%. The percentage of households living in informal dwellings rose from 25.8% in 2002 to 27.7% in 2009. The HDI has worsened slightly over a 14-year period and is below the Gauteng average of 0.66 by 5.4 percentage points. Coupled with an increase in inequality, poverty climbed from 21.7% to 38.3% between 1996 and 2004 respectively.

Chapter Eight shows that the Metsweding district municipality is the least populous municipality with a population of 206,000. Metsweding recorded a trade deficit of R82 million in 2002 and in 2003 recorded a trade surplus of R108 million and the municipality's trade balance was in deficit afterwards until 2009. The municipality recorded high location quotients in agriculture, forestry & fishing (1.73) and mining & quarrying (1.70) for 2009. The construction industry showed an increase in comparative advantage from 1.10 in 2002 to 1.27 in 2009.

The unemployment rate was low in Metsweding, despite increasing from 11.4% in 2008 to 12% in 2009. There is a positive correlation between unemployment and poverty within the municipality. Unemployment recorded 12.8% in 1996 and increased to 18% in 2002 before slowing down to 11.9% in 2009. The poverty rate followed the same trend by recording 23.1% in 1996 that increased to 36.7% in 2002 and declined to 29.3% in 2009.

Access to water within the municipality rose 9.5 percentage points, from 79.3% in 1996, to 88.8% in 2002. By 2009, this percentage had fallen 3.9 percentage points to 84.9%, but still remained above 1996 levels. The analysis reveals that there was a large increase in the percentage of households living in formal and very formal dwellings from 63.4% in 2002 to 84.8% in 2009. HDI in Metsweding has been stagnant from 1996 at 0.603 to 0.604 in 2002, before worsening in 2009 to 0.59. The literacy rate has improved but is 11.14 percentage points worse than the Gauteng average. In 1996, literacy was 68.6% increasing to 73.3% in 2009.

Chapter 1: Global and National Overview

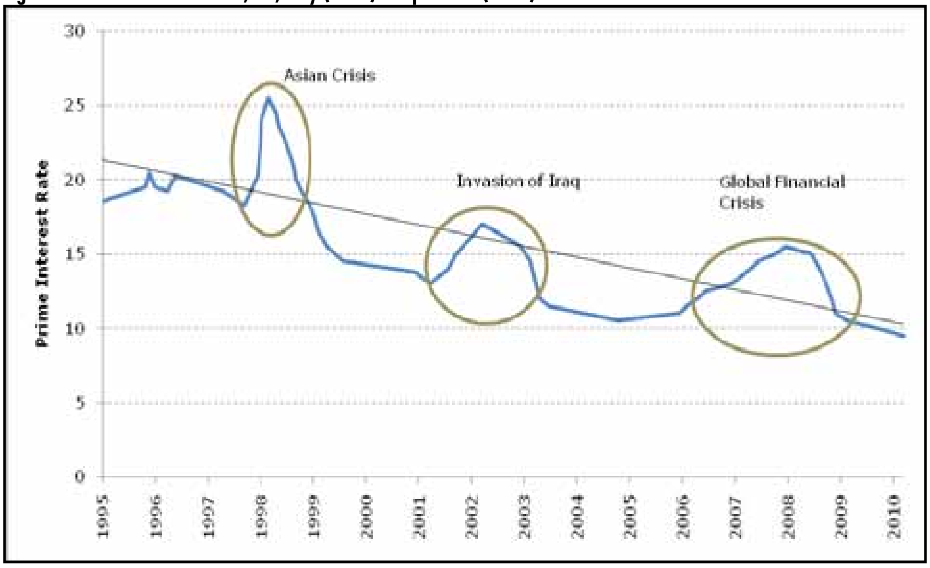
1. Introduction

The Socio-Economic Review and Outlook (SERO) publication analyses the socio-economic indicators for the province and assesses how the lives of ordinary people are affected and changed by the level of service delivery. This 2011 SERO publication consists of eight chapters, including this overview. This chapter sets out the background of the approach taken in the publication. Chapter 2, the Gauteng chapter gives an overview of the socio-economic review and outlook of the province. The following six chapters analyse the socio-economic review of the three metropolitan municipalities and the three district municipalities of the province. The three metropolitan municipalities of the province are the City of Johannesburg (CoJ), The City of Tshwane (CoT) and Ekurhuleni. The district municipalities are Sedibeng, West Rand and Metsweding.

In all the chapters, the analysis deals with demographics, economic review and outlook, labour market analysis, access to services and development. The approach in the previous publications was to report on the state of the socio-economic variables mentioned. This 2011 publication has gone a step further and highlights the relationships between poverty and the identified socio-economic variables. Analysis of the indicators is compared to the levels of poverty in order to determine the type and extent of the relationships that exist. This is aimed at highlighting the progress (or lack thereof) that has been achieved by the province to relieve people and take them out of poverty.

This publication briefly highlights the global events that have taken place from 1996 onwards. The impact of global catastrophes of immense magnitude has the potential to alter the course of certain time series data, shocking the system before it returns to its normal state over time. Three noticeable global events took place between 1996 and 2010 – the Asian crisis in July 1997, the events that led up to and included the invasion of Iraq in March 2003 and the global financial crisis in August 2007. Events such as these could cause human development to decrease, unemployment to rise and Gross Domestic Product (GDP) growth to slow down. Each catastrophe could have a lagged effect on these outcomes. The common observation throughout these crises has been that the prime interest rate, which banks use as a gauge to provide financial services, spiked every time a global event of immense magnitude occurred. The information presented in Figure 1.1 shows the time series data taken from the South African Reserve Bank (SARB). This is in order to explain the phenomenon explained above.

Figure 1.1: Prime Interest Rate, SA, July (1995) - September (2010)



Source: SARB, 2010

Figure 1.1 illustrates the three events mentioned and they will be used in the various chapters to explain some of the causes of the shocks to the economy.

1.2 Global Economic Review and Outlook

The global financial crisis is the latest major catastrophe to have befallen the world economy. The global economy is still reeling from the effects of the recession, but economies started to experience positive growth in 2010. According to the World Bank[1], the country with the highest GDP in 2009 was the United States of America (USA) at US$14,256,300 billion, followed by Japan (US$5,068,996) and then the People's Republic of China (US$4,985,461). South Africa was ranked 31st with a GDP of US$285,366. The world economy started to shrink after the financial crisis, which was due to lending practices by financial institutions in the USA and the growing trend of securitisation of real estate mortgages. The financial crisis in the USA affected its financial markets, wealth, economic growth, unemployment, trade volumes, government spending and revenue. By late 2008 and early 2009, the financial crisis resulted in the global economy going into recession. The financial crisis affected the developed world more than the emerging economies, as the resilient Asian economies of China and India cushioned the emerging economies. Growth in the advanced economies has been sluggish and the USA has been supported by strong monetary and fiscal intervention in the form of Quantitative Easing (QE). The Investopedia dictionary, defines QE as a monetary policy that aims at increasing the supply of money by means other than interest rates. When interest rates are already low and cannot be used as expansionary monetary policy, QE is used. This is done by the USA Federal Reserve through purchasing securities in the markets and consequently increasing liquidity in the financial institutions[2]. QE was applied in the USA with the objective to increase the money supply, promote increased lending by financial institutions, and avoid price deflation. In the Euro Area, economic growth has been strongly driven by Germany, as the rest of the area was plagued by debt crises.

The application of QE, negatively affected emerging markets, including South Africa. It created a situation whereby financial markets speculators were able to borrow money at relatively zero interest rates and invest in emerging economies where interest rates were still positive. This was done in order to reap benefits from the carry trade. This speculative trading has caused the rand to appreciate against the dollar, the strength of which cannot be sustained, as it is not based on real economic fundamentals. In January 2010, when releasing the statement of the Monetary Policy Committee (MPC), the governor of the South African Reserve Bank (SARB), Gill

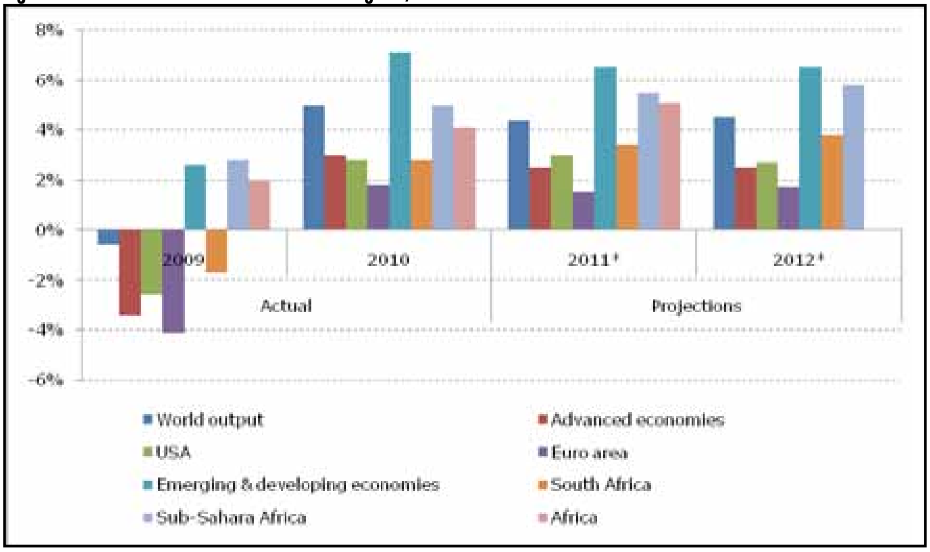
1 This information is according to the World Bank Development Indicators Database, 27 September 2010.

2 The definition is as per the Investopedia Financial Dictionary, accessed from http://www.investopedia.com

Marcus, indicated that the persistent capital flows to emerging markets was one of the factors influencing the rand exchange rate. Should speculators decide to pull their money out of the country, the sudden drop in the rand's value could prove highly disruptive to the economy. In the mean time, a larger quantity of money in the economy with the same quantity of products increases the risk of inflation.

The International Monetary Fund (IMF) has updated its forecasts for the global economic growth in the World Economic Outlook (WEO) for January 2011. Figure 1.2 selects a few of these countries and regions in order to give an in-depth analysis of the expectations of events to the year 2012.

Figure 1.2: GDP Growth Rates for Selected Regions, 2009-2012*



Source: WEO Update, January 2011
Note: * Indicates forecasts and the 2012 forecasts for Africa were not provided

Figure 1.2 shows that most economies were affected by the global financial crisis and experienced negative GDP growth rates in 2009. The IMF is expecting the world output to improve to 5% for 2010, with growth maintaining positive levels, though lower for 2011 (4.4%) and 2012 (4.5%). Advanced economies, including the United States of America (USA) and the Euro area are expected to post positive growth rates from 2010 to the end of the review period. Growth by emerging & developing economies is expected to far exceed the average for developed economies at 6.5% for both 2011 and 2012. Recovery for South Africa is expected to continue at growth rates of 3.4% and 3.8% in 2011 and 2012 respectively. Growth for Sub-Sahara Africa was positive in 2009 and 2010 and the region is expected to maintain positive growth to 2012. Africa also maintained positive growth in 2009, which is expected to continue to 2011. These statistics by the IMF prove the observation that the global financial crisis affected advanced economies more than the emerging and developing ones.

1.3 South African Economic Review and Outlook

The South African economy is characterised as a regular mixed market capitalistic economy system. It is the economic powerhouse of Africa, with a GDP four times that of its Southern African neighbours and comprising around 25% of the continent's GDP[3]. The South African economy has experienced steady and unprecedented economic growth since the 1990's up to 2008. In the first quarter of 2009, the economy entered a recession due to the effects of the global financial crisis. However, the third and fourth quarters showed gradual growth as the country started to experience recovery. By the first quarter of 2010, a 4.6% growth in GDP was achieved before declining to 2.6% in the third quarter. The SARB has revised its forecasts upward and is expecting the economy to achieve a growth rate of 3.4% in 2011, whereas the 2012 forecast has been kept unchanged (3.6%).

3 The information was obtained from the WEO of the IMF, October 2010. The information was not updated with the release of the January Update.

This section analyses the economic performance of the country by taking an in-depth look at the GDP and sectoral contributions that have been achieved over the two selected years, 2002, 2009 and the forecasts for 2014.

Table 1.1: Sectoral Contributions and Economic Performance, 2002-2014*

Sectoral Contributions	2002	2009	2014*
	%	%	%
Agriculture, forestry & fishing	2.9	2.6	2.2
Mining & quarrying	8.1	6	5.5
Manufacturing	19.1	17	16.7
Electricity, gas & water	2.3	2.1	2.1
Construction	2.4	3.6	3.6
Wholesale & retail trade	13.6	13	13.4
Transport & communications	9.6	10.2	10.6
Finance & business services	20.2	24	24.4
Government, social & personal services	21.9	22	21.5
GDPR in R 'billion	**1,386**	**1,784**	**2,122**

Source: IHS Global Insight, 2011

Note: * Indicates forecast year

Table 1.1 shows the contributions of the different sectors to the country's economy. The table shows performance of the GDP over the two years, 2002 and 2009. Forecasts are provided for 2014. GDP growth has increased from R1.386 trillion in 2002 to reach R1.784 trillion in 2009. IHS Global Insight expects growth to reach R2.122 trillion in 2014. The sub-sectors that make the highest contributions to GDP are finance & business services, government, social & personal services, manufacturing and wholesale & retail trade. Of the four highest contributing sub-sectors identified, the only one expected to keep the growth momentum for the three years is finance & business services. This indicates the importance of the sub-sector in the economy of the country and is a vote of confidence in the country's financial systems. The primary sector is expected to continue to lose its importance in the economy whereby the contributions of agriculture, forestry & fishing and mining & quarrying will decrease from 2.9% to 2.2% and 8.1% to 5.5% respectively between 2002 and 2014. These statistics show that the structure of the economy has shifted towards a sophisticated one, whereby the tertiary and secondary sectors dominate the production processes.

1.4 Conclusion

This chapter has given a background of the organisation of the SERO 2011 publication before analysing some global and national indicators. The introduction refers to three noticeable events that led to socio-economic impacts in the past. These events – the Asian crisis, the invasion of Iraq and the global financial crisis – affected the prime interest rates. They are referred to in some of the chapters that follow in the publication.

The global economic review referred to the financial crisis and shows that global economies began to come out of the recession in 2010. GDP growth was more resilient in emerging & developing than advanced economies. The South African economy plays an important role in the continent's economy with contributions of 25%. IHS Global Insight forecasts GDP growth to reach R2.122 trillion in 2014. The finance & business services sub-sector is expected to continue dominating growth, followed by government, social & personal services and manufacturing.

Chapter 2: Gauteng Socio-Economic Review and Outlook

2.1 Introduction

Gauteng although geographically the smallest province in South Africa, constituting about 1.4% in land size, continues to be the economic hub of the country, contributing over 35% to the country's economy. The Gross Domestic Product by Region (GDPR), which has grown from R389 billion in 1996 to R625 billion in 2009 remains the highest. According to IHS Global Insight, it is estimated that the province achieved economic growth of R645 billion for 2010. The high economic growth rate is made possible by the individual contributions of the province's municipalities. The metros make the highest contributions to the economy followed by the district municipalities. The CoJ metro makes the highest contribution to the GDPR, followed by the CoT metro and then Ekurhuleni[4]. Within the districts, Sedibeng makes the largest contribution, followed by the West Rand and then Metsweding[5].

This chapter discusses the socio-economic review of Gauteng under the topics of demographics, economic review and outlook, labour market issues, access to services, and issues related to development.

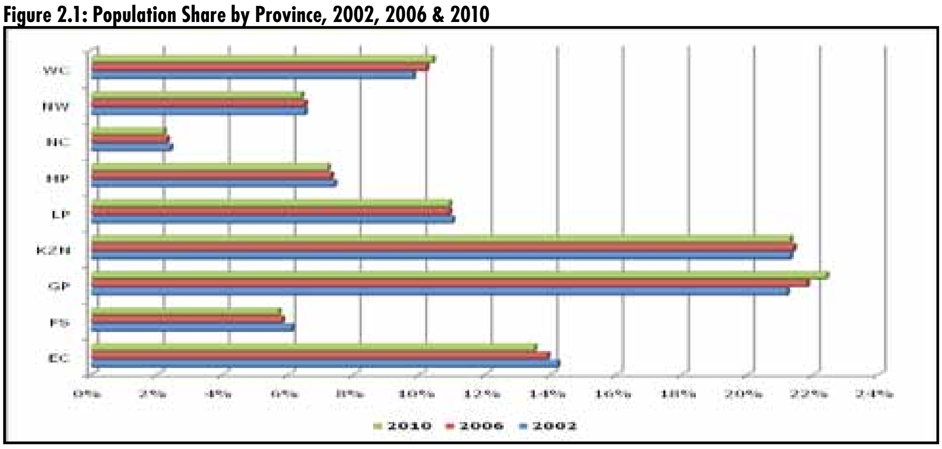
2.2 Demographic Profile of Gauteng

Demographic statistics are important in order to direct the economic policy within the province. This section provides an outline of the Gauteng population by age, gender and population group. It also provides analysis of mortality and fertility, life expectancy and Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) rates.

2.2.1 Population Profile

According to Statistics South Africa's (Stats SA) midyear population estimates for 2010, the Gauteng population reached approximately 11.2 million, accounting for 22.4% of the national population. Gauteng was followed by KwaZulu-Natal with a population of 10.6 million, accounting for 21.3% of the national population. The Northern Cape had the smallest population, 2.2% of the national population.

Figure 2.1: Population Share by Province, 2002, 2006 & 2010



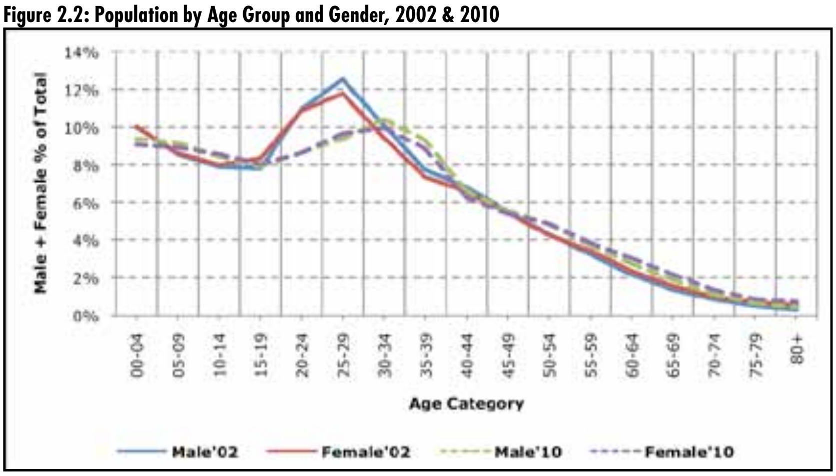
Source: Stats SA, Midyear Population Estimates, 2010

4 For 2009, the CoJ, CoT and Ekurhuleni metros contributed R294 billion, R169 billion and R118 billion respectively, as per the information provided by IHS Global Insight.

5 For 2009, Sedibeng contributed R23 billion, West Rand, R17 billion and Metsweding, R5 billion, according to the information provided by IHS Global Insight.

Figure 2.1 shows population share by province in 2002, 2006 and 2010 according to the 2010 midyear population estimates. In 2002, Gauteng had a population share of 21.2%, just below KwaZulu-Natal (21.3%). The third highest share of population was recorded in Eastern Cape at 14.2%, followed by Limpopo with a share of 11%. In 2006, Gauteng had the highest population share at 21.8%, followed by KwaZulu-Natal at 21.4% and Eastern Cape decreasing with a share of 13.9%. The trend in the population share of Gauteng has been increasing from 2002 through 2006 to 2010 where it was 0.2 percentage points higher at 22.4% in 2010. The Northern Cape had the lowest population share at just over 2% throughout the review period.

Figure 2.2: Population by Age Group and Gender, 2002 & 2010



Source: Stats SA, Midyear Population Estimates (2002 & 2010), 2011

Figure 2.2 breaks down the Gauteng population by gender and age group for 2002 and 2010 as recorded in the midyear population estimates for those years. In 2002, the largest population group was between 25 to 29 years, with males at 13% and females slightly fewer at 12%. The second largest population group in 2002 was between 20 to 24 years, both males and females at 11%. The third largest population group in 2002 was between 30 to 34 years, with males at 10% and females at 9%. In 2010, the largest population group was between 30 and 34 years, with males at 10% and females also at 10%. The second largest population group in 2010 was those between 25 and 29 years, with males making up 9%, and females at 10%.

2.2.2 Fertility and Mortality

Fertility refers to the number of children that can be born to a woman if she were to live to the end of her childbearing years and bear children in accordance with prevailing age specific fertility rates. Mortality refers to the number of deaths per thousand populations. The table below looks at fertility rates according to provinces.

Table 2.1: Fertility Rates, Provincial & SA, 2001–2006 & 2006-2011*

	EC	FS	GP	KZN	LM	MP	NC	NW	WC	SA
2001-2006	3.36	2.46	2.12	3.05	3.12	2.79	2.39	3.25	2.54	2.75
2006-2011*	2.72	2.28	2.13	2.58	2.92	2.47	2.25	2.78	2.46	2.48

Source: Stats SA, Midyear Population Estimates, 2010

Note: * Indicates forecasts

The table 2.1 shows the fertility rates for all the provinces compared to that of South Africa. The fertility rate for South Africa between the years 2001 to 2006 was at 2.75 children and that of Gauteng at 2.12 children during the same period. The highest fertility rate was that of Eastern Cape at 3.36 children in the same period. South Africa's fertility rate is expected to drop to 2.48 children for the period 2006 to 2011 and that of Gauteng is expected to increase to 2.13 children. For the period 2006 to 2011, Limpopo is expected to achieve the highest fertility rate at 2.92 children, surpassing that of the Eastern Cape (2.72).

Table 2.2: Life Expectancy at Birth, Provincial & SA, 2001–2006 & 2006-2011*

Males	**EC**	**FS**	**GP**	**KZN**	**LM**	**MP**	**NC**	**NW**	**WC**	**SA**
2001-2006	49.9	44.8	55.1	48.8	54.3	49.6	52.9	46.1	56.2	51.2
2006–2011*	51.3	46.2	55.9	49.1	55	50.3	53.5	47.5	57.6	52.2
Females	**EC**	**FS**	**GP**	**KZN**	**LM**	**MP**	**NC**	**NW**	**WC**	**SA**
2001-2006	53.1	48.3	58.7	50.3	57.8	51.5	55	50.5	60.7	54.2
2006–2011*	53.1	48.4	58.7	50.2	58	51.6	54.9	50.5	60.8	54.3

Source: Stats SA, Midyear Population Estimates, 2010

Note: * Indicates forecast year

The table 2.2 shows the life expectancy at birth for all the provinces and the average for South Africa according to gender. The male life expectancy for the period 2001 to 2006 in South Africa was 51.2 and is expected to increase to 52.2 for the period 2006 to 2011. For Gauteng, this figure is expected to increase from 55.1 to 55.9 over the same period. Life expectancy for females in the country was at 54.2 over the period 2001 to 2006 and is expected to increase marginally to 54.3 during the 2006 to 2011 period. For Gauteng, the figure is expected to remain constant at 58.7.

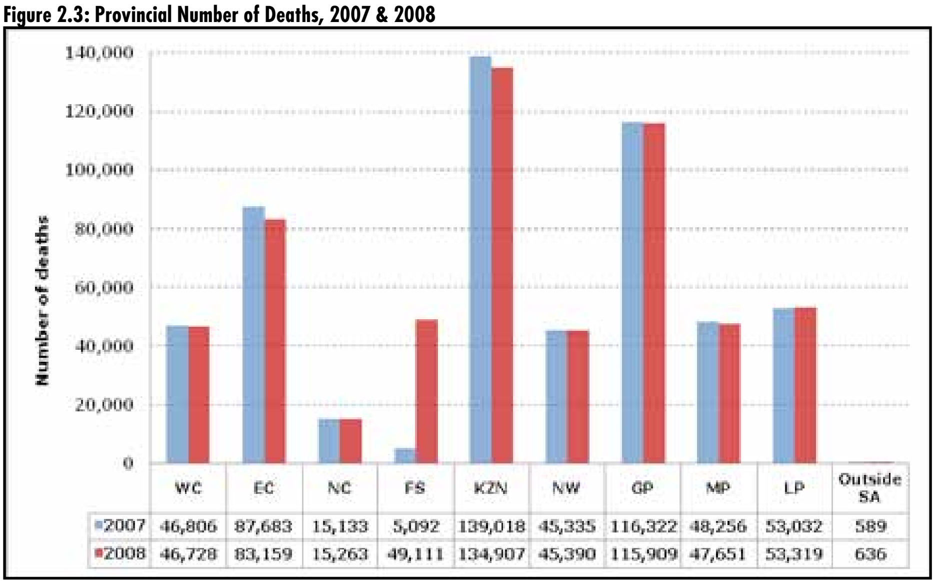
Table 2.3: Leading Natural Causes of Deaths, Gauteng & SA, 2008

Type	**Gauteng**	**% Share**	**Type**	**South Africa**	**% Share**
Tuberculosis (TB)	11,367	10.9%	Tuberculosis (TB)	74,863	13.9%
Influenza and pneumonia	10,137	9.7%	Influenza and pneumonia	45,602	8.5%
Intestinal infectious diseases	6,222	6.0%	Intestinal infectious diseases	39,351	7.3%
Other forms of heart diseases	5,875	5.6%	Other forms of heart diseases	26,190	4.9%
Cerebro-vascular diseases	4,057	3.9%	Cerebro-vascular diseases	24,363	4.5%
Diabetes mellitus	3,595	3.4%	Diabetes mellitus	19,558	3.6%
Ischaemic heart diseases	2,804	2.7%	HIV	15,097	2.8%
HIV	2,752	2.6%	Disorder (immune mechanism)	14,639	2.7%
Hypertensive diseases	2,646	2.5%	Respiratory Diseases	14,226	2.6%
Disorder (immune mechanism)	2,616	2.5%	Hypertensive diseases	14,177	2.6%
Other natural causes	52,196	50.1%	Other natural causes	251,057	46.6%
Total	**104,267**	**100%**	**Total**	**539,123**	**100%**

Source: Stats SA, Mortality and Causes of Death, 2010

Table 2.3 compares the leading causes of deaths in Gauteng and South Africa for 2008. For both Gauteng and South Africa, tuberculosis was the number one cause of death accounting for 10.9% and 13.9% of deaths respectively. Influenza and pneumonia made up the second cause of death for both Gauteng and the country at 9.7% and 8.5% respectively. TB, influenza and pneumonia are also HIV/AIDS opportunistic illnesses, the deaths of which could have resulted because of AIDS. HIV was the eighth leading cause of death for Gauteng and it was the seventh for South Africa at 2.6% and 2.8%.

Figure 2.3: Provincial Number of Deaths, 2007 & 2008



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	Outside SA
2007	46,806	87,683	15,133	5,092	139,018	45,335	116,322	48,256	53,032	589
2008	46,728	83,159	15,263	49,111	134,907	45,390	115,909	47,651	53,319	636

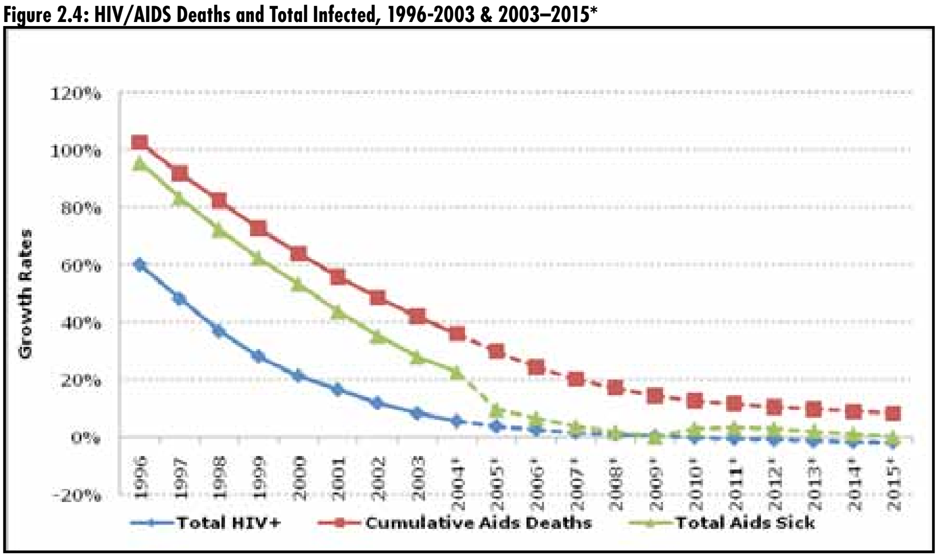
Source: Stats SA, Mortality and Causes of Death, 2010

Figure 2.3 compares the number of deaths by province for 2007 and 2008. KwaZulu-Natal had the highest number of deaths reported for 2007 at 139,018 and although the number decreased in 2008, it was still the highest (134,907). The second highest number of deaths were reported in Gauteng for 2007 (116,322) and 2008 (115,909). The third highest was the Eastern Cape with 87,683 in 2007 and 83,159 in 2008. The Northern Cape had the lowest number of recorded deaths for both years at 15,133 in 2007 and 15,263 in 2008. The low numbers for the Northern Cape could have been as a result of the low population numbers in that province.

2.2.3 HIV/AIDS versus Poverty and Unemployment

HIV/AIDS remains one of the main challenges facing Gauteng and South Africa. The epidemic continues to pose a challenge for the economy and may lead to the loss of highly skilled workers. The figure below looks at the growth rates of the HIV+ population, cumulative AIDS deaths and the total number of people sick from AIDS[6].

Figure 2.4: HIV/AIDS Deaths and Total Infected, 1996-2003 & 2003–2015*



Source: ASSA Model 2003, 2010

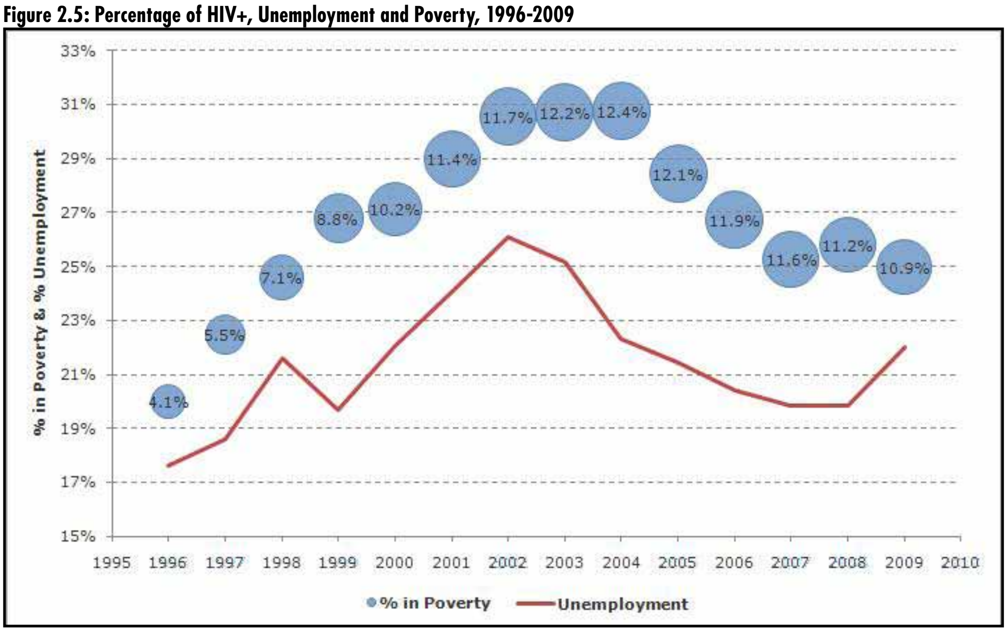
Note: * Indicates forecasts

6 The information was obtained from the Actuarial Society of South Africa (ASSA) model of 2003. The ASSA Model is a series of mathematical models developed to assist the actuarial profession and the Actuarial Society of South Africa in assessing the impact of the HIV/AIDS epidemic in South Africa.

Figure 2.4 plots the growth rate of total HIV+ people, cumulative AIDS deaths and AIDS sick for Gauteng from 1996 to 2015. All these variables are showing a declining trend over the period under review, starting from higher percentages and showing a flat trend from 2011 to 2015, except for the total AIDS sick. The cumulative AIDS deaths started at a higher growth rate of 103% in 1996 and decreased to 42% by 2003 and the growth rate is expected to decrease further to 8% by 2015. The growth rate for the AIDS sick also dropped from 96% in 1996 to 28% in 2003. It is expected the growth rate for the AIDS sick will drop further to 0.46% by 2015. The growth rate for those who are HIV+ decreased from 60% in 1996 to 8% in 2003, and according to forecasts the growth rate will decrease to -2% by 2015. The figure depicts that the rate at which these variables are increasing has dropped over the review period, and it is forecast that the rate will continue to drop until 2015. The reasons for the decreases include, amongst others, awareness and education about HIV/AIDS and the rollout of antiretroviral (ARV) treatment.

Figure 2.5 is known as a bubble chart and uses the "bubbles" shown in the chart to compare not only in terms of the relative positions of the bubbles with respect to each axis, but also in terms of their size. Since both X and Y axes of the bubble chart are numeric scales, the position of each bubble is an indicator of two distinct numeric values. The size of the bubble is dependent on the magnitude of a third[7] numeric characteristic. In the figure, the size of the blue dots indicates the percentage of the population who are HIV+, and the percentage is indicated on the bubble. The position of the blue dots indicates the percentage of the population who are living in poverty. The red line indicates the unemployment rate.

Figure 2.5: Percentage of HIV+, Unemployment and Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 2.5 shows the relative size of HIV+ population (bubble size) plotted up against the percentage of people living in poverty and the percentage of unemployment in Gauteng from 1996 to 2009. In 1996, 4.1% of the population was HIV+ and increased to 12.4% in 2004 before slowing down to 10.9% in 2009. The percentage of people in poverty increased from 20% in 1996 to 30.8% in 2004 before slowing down to 25% in 2009. Unemployment also followed the same trend as that of poverty, increasing from 17.6% in 1996 to 26.1% in 2002 and slowing down to 19.8% in 2008 before increasing to 22% in 2009. There does seem to be a slight relationship between the percentage of people in poverty and those that are HIV+. As the percentage of people in poverty increased from 1996 to 2004, the size of the HIV+ population (bubble size) also increased.

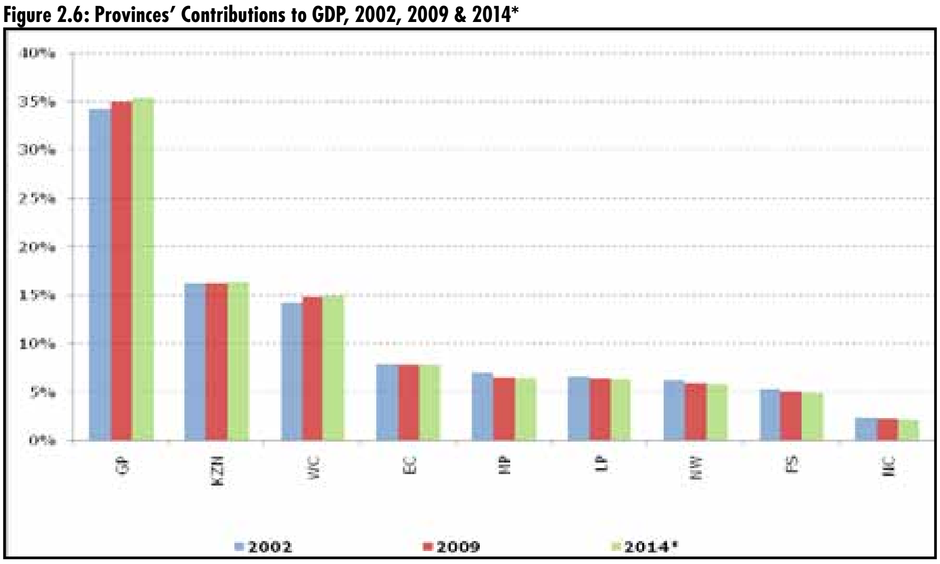
7 The third numeric characteristic represents the percentage of people who are HIV+. X-axis is represented by the year, and Y-axis represented by percentage living in poverty.

2.3 Economic Review and Outlook

Gauteng province is the economic powerhouse of South Africa and Africa. The province contributes more than one third to the national economy. The province has mirrored the reaction of the national economy to the global financial crisis and its recovery. Contribution towards the GDPR is mainly by the metro municipalities. The CoJ, CoT and Ekurhuleni metros contributed a total of more than 90% of the GDPR in 2009. According to Stats SA, the GDPR for the province amounted to R621.2 billion (33.9%) in 2009 and IHS Global Insight estimates the figure for 2010 to reach R645.2 billion (35.2%).This section focuses on economic growth rates, trade position and other major economic variables.

2.3.1 Economic Performance

Figure 2.6: Provinces' Contributions to GDP, 2002, 2009 & 2014*

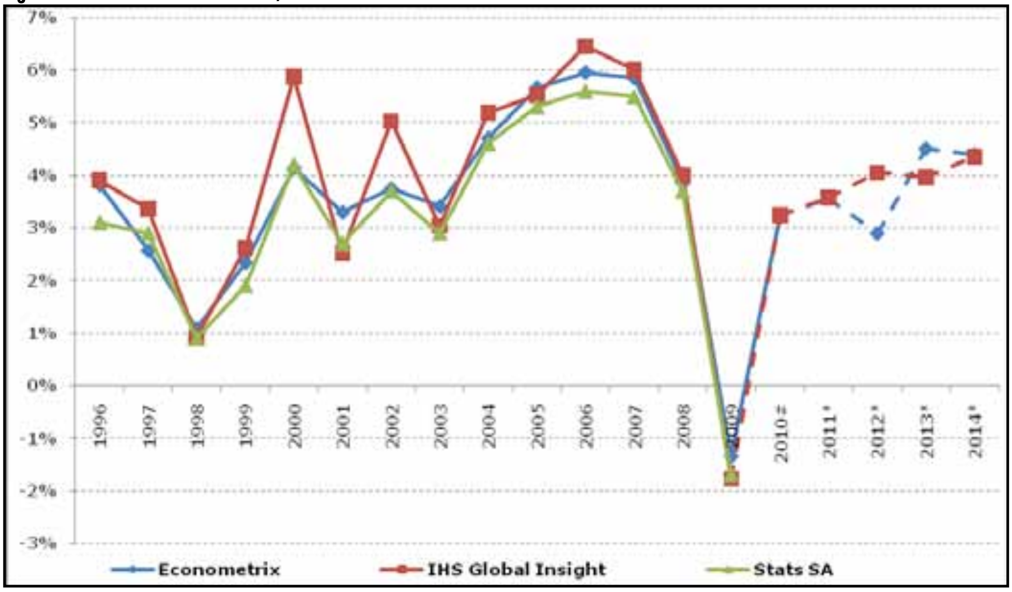


Source: IHS Global Insight, 2011

Note: * Indicates forecasts

Figure 2.6 illustrates the provincial contributions to the national economy for 2002, 2009 and the forecasts for 2014 by IHS Global Insight. Gauteng contributed 35% in 2009 from 34.2% in 2002. It is forecast that the province will contribute 35.4% in 2014. KwaZulu-Natal remains the second largest contributor, followed by the Western Cape. The Northern Cape makes the smallest contribution at less than 3%; this is expected to continue during the review period.

Figure 2.7: Economic Growth Rates, 1996-2014*



Sources: Econometrix, IHS Global Insight and Stats SA, 2010 & 2011

Note: * Indicates forecasts

Figure 2.7 compares the economic growth rates of Gauteng from Econometrix (Pty) Ltd and IHS Global Insight with Stats SA over the years 1996 to 2009, provides estimates for 2010 and the forecasts by IHS Global Insight and Econometrix to 2014. The growth rates from Econometrix were more in line with those of Stats SA, whereas IHS Global Insight was over optimistic in most years from 1996 to 2009. According to Stats SA, in 2009, the provincial economy recorded a negative growth rate of 1.7% and negative 1.8% from IHS Global Insight, with Econometrix overestimating the economy to a negative 1.3%. IHS Global Insight estimated that the economy would record a growth rate of 3.2% in 2010 and this is expected to increase to 4.4% in 2014. Econometrix forecasts the growth rate will reach 3.3% in 2010, before declining to 2.9% in 2012 and 4.4% in 2014.

2.3.2 Sectoral Analysis

Sectoral analysis assists in determining the sectors that are potential sources of economic growth, those that should be promoted, and the ones that need to be advanced for increased contribution. This analysis can then be used to inform decisions by policy makers, investors, the community at large and government on how to tackle job creation issues, economic growth and poverty alleviation.

Table 2.4: Sectoral Contribution, 2002 & 2009

	2002	2009	% Point Change
Primary Sector	***3.7%***	***2.4%***	***-1.3***
Agriculture, forestry & fishing	0.5%	0.4%	-0.1
Mining & quarrying	3.2%	2.0%	-1.2
Secondary Sector	***27.5%***	***25.5%***	***-2.0***
Manufacturing	22.6%	18.9%	-3.7
Electricity, gas & water	2.3%	2.0%	-0.2
Construction	2.6%	4.5%	1.9
Tertiary Sector	***68.8%***	***72.2%***	***3.3***
Wholesale & retail trade	14.0%	13.9%	-0.1

	2002	2009	% Point Change
Transport & communication	8.9%	9.3%	0.4
Finance & business services	23.7%	26.9%	3.2
Personal services	4.4%	4.3%	-0.1
General government services	17.8%	17.7%	-0.1
All industries at basic prices	***100%***	***100%***	

Source: Stats SA, 2010

Table 2.4 shows the sectoral contributions to the GDPR of Gauteng for 2002 and 2009. The finance & business services remains the largest contributor with 23.7% in 2002 that increased to 26.9% in 2009. Manufacturing (22.6%) was the second largest contributor in 2002 and declined to 18.9% in 2009. Manufacturing is one of the sub-sectors that were worst affected by the global fincial crisis and the recession. Agriculture, forestry & fishing lost momentum from 0.5% in 2002 to 0.4% in 2009. The contributions made by mining & quarrying decreased by 1.2 percentage points over the review period. Construction's contribution to the provincial economy increased from 2.6% in 2002 to 4.5% in 2009. This increase could be associated with infrastructural developments in preparation for the 2010 Fédération Internationale de Football Association (FIFA) World Cup and the Gauteng Freeway Improvement Project (GFIP).

Location Quotient

The location quotient is an indication of the comparative advantage of an economy. A provincial or magisterial economy has a location quotient larger (smaller) than one, or a comparative advantage (disadvantage) in a particular sector when the share of that sector in the provincial economy is greater (less) than the share of the same sector in the national economy. The location quotient is computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy[8].

Table 2.5: Location Quotient, 2009

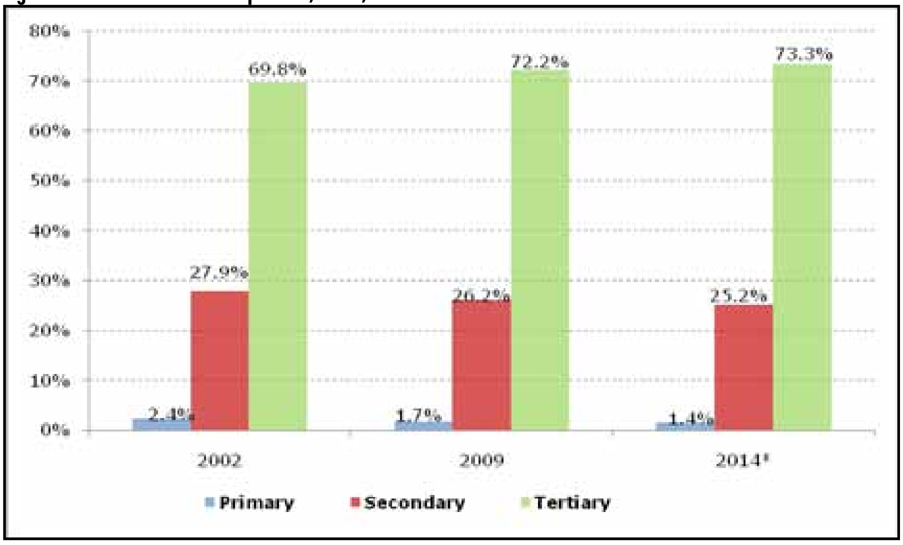
Sectors	GDP-(R million)		Percentage		Location Quotients
	Gauteng	South-Africa	Gauteng	South-Africa	
Agriculture, forestry & fishing	2,254	39,290	0.4	2.5	0.2
Mining & quarrying	13,192	92,478	2.4	6.0	0.4
Manufacturing	108,435	265,650	19.4	17.2	1.1
Electricity, gas & water	12,081	35,472	2.2	2.3	0.9
Construction	24,308	57,371	4.3	3.7	1.2
Wholesale & retail trade	77,015	213,565	13.7	13.8	1.0
Transport & communication	52,024	162,765	9.3	10.5	0.9
Finance & business services	149,545	381,731	26.7	24.7	1.1
Community, social & personal services	24,835	57,371	4.4	3.7	1.2
General government services	96,534	242,850	17.2	15.7	1.1
Total	**560,224**	**1,548,543**	**100**	**100**	

Source: IHS Global Insight, 2011

Table 2.5 shows the provincial location quotient for 2009. The provincial economy had comparative advantage in community, social & personal services (1.2), construction (1.2), finance & business services (1.1), manufacturing (1.1) and general government services (1.1). Gauteng had a high comparative disadvantage in agriculture, forestry & fishing (0.2) followed by mining & quarrying (0.4). According to IHS Global Insight, even though Gauteng is the major producer of gold this does not give it comparative advantage in mining and quarrying. It is interesting to note the comparative advantages in mining & quarrying for other provinces. Provincial comparative advantages in mining & quarrying are North West (platinum), Limpopo (platinum, diamonds, iron etc), Northern Cape (diamonds) and Free State (gold). Electricity, gas & water and transport & communication recorded location quotients of 0.9 which were much closer to one in 2009.

8 The definition is as per the IHS Global Insight Encyclopaedia, 2010.

Figure 2.8: Broad Sectoral Composition, 2002, 2009 & 2014*



Source: IHS Global Insight, 2011

Note: * Indicates forecasts

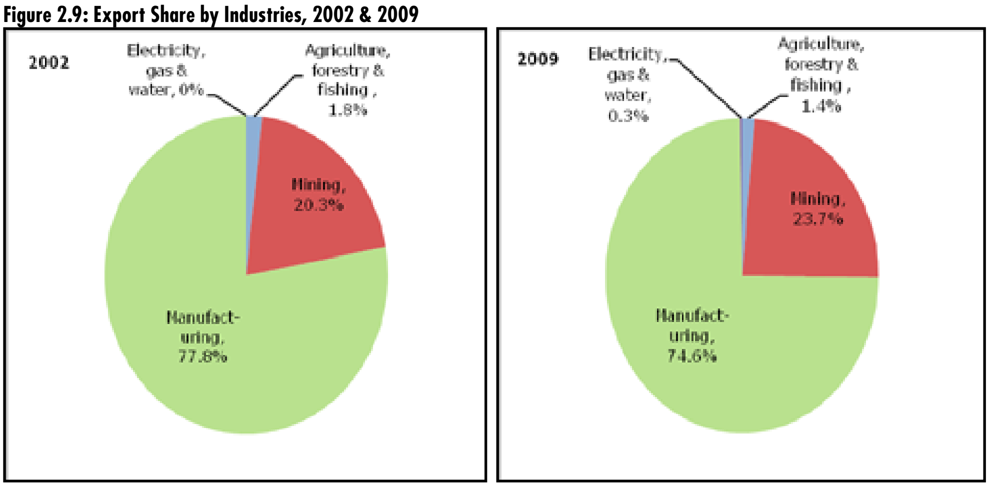
Figure 2.8 shows sectoral composition in Gauteng for 2002, 2009 and forecasts for 2014. The primary sector shows a declining contribution at 2.4% in 2002, 1.7% in 2009 and a forecast of 1.4% in 2014. The decline can partly be attributed to the maturity of mines and conversion of agricultural land to estates and industrial areas. The secondary sector makes the second highest contribution to the provincial economy with 27.9% and 26.2% in 2002 and 2009 respectively. The sector is forecast to decline further to 25.2% in 2014. The tertiary sector's contribution increased from 69.8% in 2002 to 72.2% in 2009, which is a 2.4 percentage points increase. The sector is expected to further increase its contribution by 1.1 percentage points to 73.3% in 2014. The good performance by the tertiary sector is enhanced by the fact that the province houses head offices of most financial institutions and the administrative level of government.

2.3.3 Trade Position

The trade position shows the amount or share of goods exported or imported from one region to the other. Trade encourages specialisation, as a country is able to produce more of the product it has comparative advantage in and sell the products to the rest of the world. The revenue earned on exports can then be used to pay for its imports. This section shows the export of goods from the province to the rest of the world and the import of goods into the province.

Exports

Figure 2.9: Export Share by Industries, 2002 & 2009

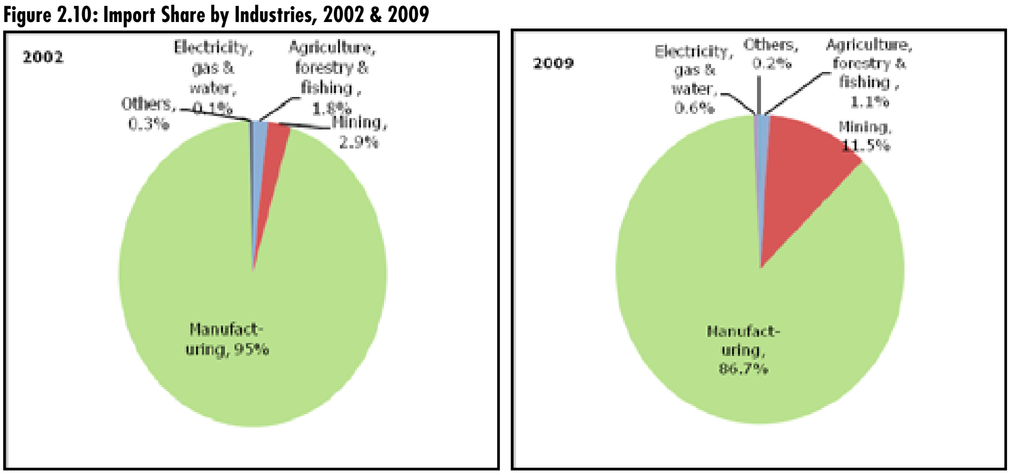


Source: Quantec Research, 2010

Figure 2.9 compares the provincial share of exports[9] by industries between 2002 and 2009. In both years, manufacturing was the main exporter of goods which amounted to more than 74%, even though it declined by 3.2 percentage points over the review period. Mining & quarrying (20.3%) was the second largest exporter in 2002, followed by agriculture, forestry & fishing (1.8%) with electricity, gas & water exporting an insignificant share of 0.001%. The share of mining & quarrying increased to 23.7% and agriculture, forestry & fishing declined to 1.4% in 2009. Although mining contributes the least to the GDPR, it plays an important role to the export industry, specialising in the export of precious metals and stones.

Imports

Figure 2.10: Import Share by Industries, 2002 & 2009



Source: Quantec Research, 2010

Figure 2.10 compares the provincial share of imports by industries between 2002 and 2009. Manufacturing was responsible for 95% of the provincial imports in 2002. In 2009, this declined to 86.7% as a result of the financial crisis and the slowdown in local consumer demand. During 2002, mining & quarrying (2.9%) was the second largest importer of goods, followed by agriculture, forestry & fishing (1.8%) and Others[10] making up 0.3%. In 2009, mining & quarrying and electricity, gas & water imports increased to 11.5% and 0.6% respectively.

2.4 Labour Market

South Africa's labour market has undergone a transformation since 1994, with an emphasis being placed on strategies that eliminate the labour inequalities of the past, lower the unemployment rate and improve general working conditions for all South Africans. In his State of the Nation address, President Jacob Zuma has declared 2011 the year of job creation. As a result, government will allocate a total of R39 billion as an incentive for the job creation drive. The priority areas identified are agriculture, mining, manufacturing, infrastructure development, the green economy and tourism. Research shows that three main factors shape the labour market, globalisation, technology and the new form of work organisation. Each of the nine provinces possesses an area of specialisation within the economic structure that provides employment. For example, Gauteng employs more people within manufacturing, wholesale & retail trade, Kwazulu-Natal specialises in transport & communications and Western Cape in agriculture, forestry & fishing. Gauteng province is the main driver of the national economy and also contributes 34% to the country's employment.

In the province, the labour market is also central to the achievement of the strategic goals outlined in the Gauteng Employment Growth and Development Strategy (GEGDS) of 2009 to 2014. A goal of the GEGDS is to foster an innovating economy that would unlock more production through the efficient use of existing resources. This, in turn would contribute to employment creation, economic growth and development.

9 The shares do not add up to 100% because of the rounding off.

10 The Others category was not specified.

2.4.1 Gauteng Labour Force Profile

Stats SA defines the labour force as the number of individuals aged between 15 and 64, who are either employed or looking for a job. Gauteng is characterised by the domination of the tertiary sector in its labour market with the wholesale & retail trade sub-sector in the forefront. The labour force profile provides politicians, policy makers, the business sector and others with an overview of the progress and significance of economic policies, financial markets and quantitative information for decision making or policy review. Despite the relatively good growth performance of the economy since the 1990's, the rate of unemployment has until now continued to rise.

Table 2.6: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	%
Working Age Population	7,085,321	7,157,685	72,364	1.0%
Narrow Labour Force	5,351,504	5,265,819	-85,685	-1.6%
Broad Labour Force	5,181,455	5,087,426	-94,029	-1.8%
Employed	4,055,525	3,862,812	-192,713	-4.8%
Narrow Unemployed	1,125,930	1,224,613	98,683	8.8%
Discouraged Job Seekers	170,049	178,393	8,344	4.9%
Not Economically Active	1,733,817	1,891,866	158,049	9.1%
Indicators				**% Point Change**
Unemployment Rate	21.7%	24.9%	-	3.2
Labour Force Participation Rate	73.1%	71.1%	-	-2.0
Absorption Rate	57.2%	54.5%	-	-2.7

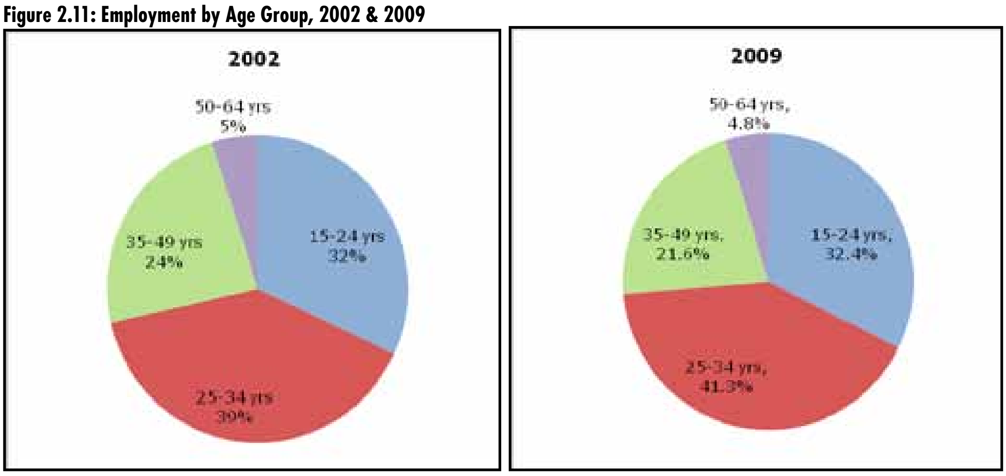
Source: Stats SA, 2010

Table 2.6 compares the labour market statistics of Gauteng between 2008 and 2009. The working age population has grown one percent, from about 7.1 to 7.2 million over the review period. The narrow and broad labour force[11] declined by 1.6% and 1.8% respectively. This reflects a decline in the absorption rate of labour. The province recorded a decline of 4.8% of employed population with narrow unemployed increasing by 8.8%. The discouraged work seekers increased by 4.9%. The declining employment rate and increase in the unemployed labour force led to a rise of the unemployment rate from 21.7% to 24.9% between 2008 and 2009.

2.4.2 Employment

Employment data is important, as the figures can be used to compare and compile unemployment trends, identify the sectors that absorb more labour and any other related information. The employment by industry also provides important information about structural changes of the economy.

Figure 2.11: Employment by Age Group, 2002 & 2009



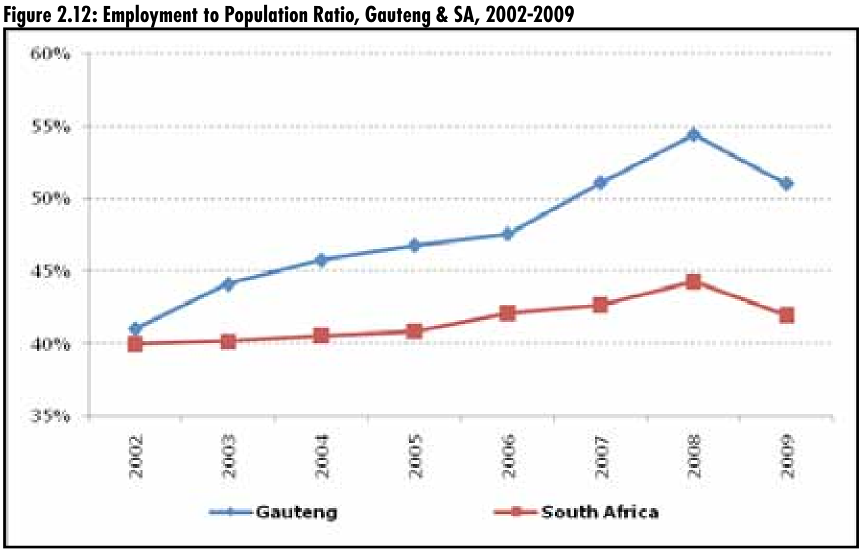
Source: Quantec Research, 2010

Figure 2.11 compares employment by age group in Gauteng between 2002 and 2009. In 2002, people

11 Narrow unemployment excludes those who would like to work but have stopped looking for work, so-called discouraged workers and broad unemployment includes them.

between the ages of 25 to 34 years dominated the provincial employed population at 39% which increased by 2.3 percentage points to reach 41.3% in 2009. This age category represents the prime of a person's career. The pre-retirement population age group (50-64) decreased from 5% to 4.8% over the period under review. The share of employment by the 35 to 49 age group decreased by 2.4 percentage points and the 15 to 24 age group increased by 0.4 percentage points between 2002 and 2009 respectively.

Figure 2.12: Employment to Population Ratio, Gauteng & SA, 2002-2009



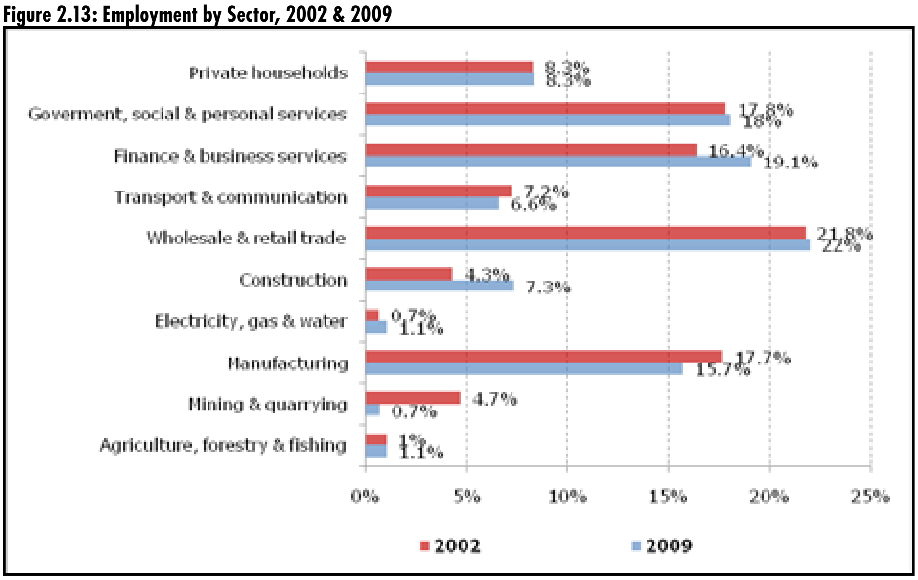
Source: Quantec Research, 2010

Figure 2.12 compares the employment to population ratio between Gauteng and South Africa in 2002 and 2009. The employment to population ratio is a statistical ratio, which measures the proportion of the country's working age population that is employed. According to the International Labour Organisation (ILO), a good ratio is considered to be above 70% of the working age population whereas a ratio below 50% is considered to be low. The figure shows that the national employment to population ratio was between 40% and 45% over the period under review. The provincial ratio increased from 41% to 48% between 2002 and 2006 and exceeded 50% in 2007. The provincial ratio reached 54% in 2008 and thereafter declined to 51% in 2009. The decline can be associated with the effects of the financial crisis where people lost jobs worldwide.

Employment by Sector

This section describes employment in the different sectors by occupation, skills, and economic sectors of the provincial economy. Employment in Gauteng in line with the structural economic changes has shifted from the primary sector to the tertiary sector. In this section, the relative sectoral employment share is compared between two years, 2002 and 2009. This information provides insight into the relative changes in the provincial employment structure by industries.

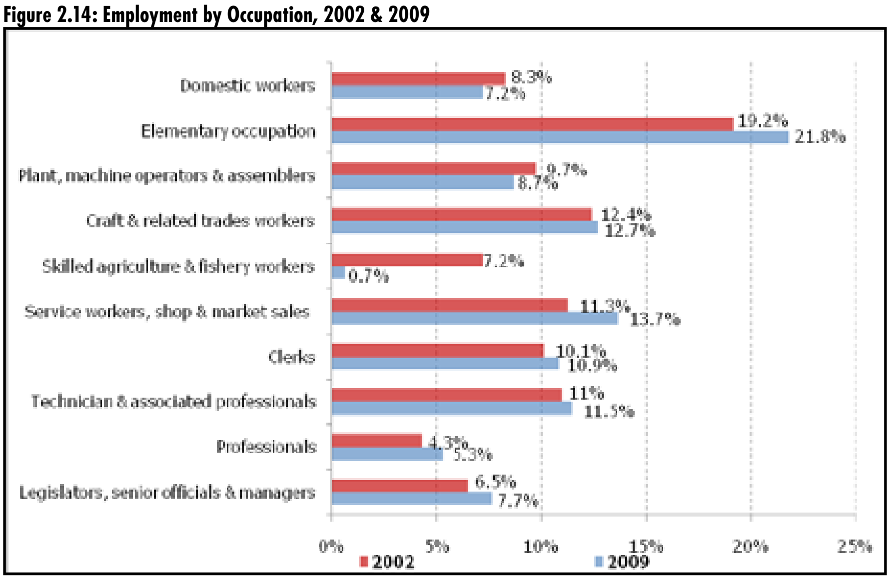
Figure 2.13: Employment by Sector, 2002 & 2009



Source: Quantec Research, 2010

Figure 2.13 illustrates employment by sectoral share in Gauteng between 2002 and 2009. According to Stats SA, the provincial economy is mainly driven by finance & business services, which is a capital and technology driven sub-sector, followed by manufacturing. The figure shows that the provincial employment was mostly dominated by wholesale & retail trade, government, social & personal services and manufacturing which are all labour-intensive sub-sectors. The finance & business services also increased in employment share in 2009. In the mining & quarrying sub-sector, the employment share declined by four percentage points and in the transport & communication sub-sector, the decline was 0.6 percentage points. The construction industry recorded an increase of three percentage points between 2002 and 2009.

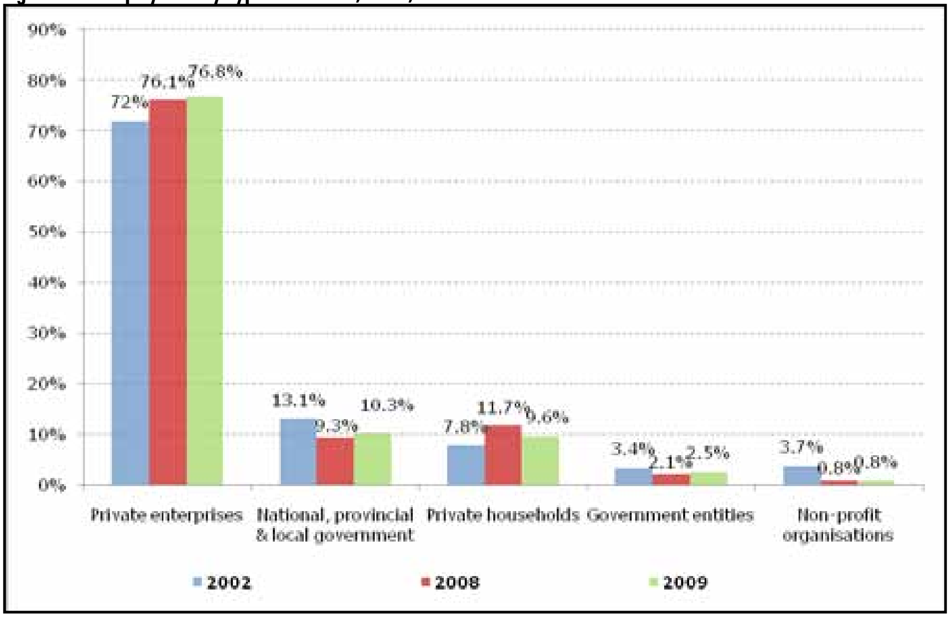
Figure 2.14: Employment by Occupation, 2002 & 2009



Source: Quantec Research, 2010

Figure 2.14 shows employment share by occupation for Gauteng in 2002 and 2009. There has not been much change in occupational employment shares. Elementary employment share, which consists of unskilled workers within the labour market, increased from 19.2% to 21.8%. The employment shares of legislators, senior officials & managers, professionals and service workers, shop & market sales increased by 1.2, one and 2.4 percentage points between 2002 and 2009 respectively. The employment share of skilled agriculture and fishery workers decreased from 7.2% to 0.7% in the period under review.

Figure 2.15: Employment by Type of Business, 2002, 2008 & 2009



Source: Quantec Research, 2010

Figure 2.15 compares employment by type of business between 2002, 2008 and 2009. Over the period under review, private enterprises remained the largest employer with over 70% of the employment share. In 2002, national, provincial & local government was the second largest employer with a 13.1% share, followed by private households (7.8%), non-profit organisations (3.7%) and government entities (3.4%). In 2008, there was a change in the employment share. Although private enterprise remains the largest employer, the second largest employer was private households, followed by national, provincial & local government, next was government entities, then non-profit organisations. In 2009, employment by national, provincial & local government increased by one percentage point, government entities by 0.4 and private enterprises by 0.7 percentage points. Employment by private households decreased by 2.1 percentage points, and the share for non-profit organisations remained at 0.8% between 2008 and 2009.

Table 2.7: Employment by Sector and Skills, 2002 & 2009

	2002			2009			% Point change		
	Skilled	Semi-Skilled	Unskilled	Skilled	Semi-Skilled	Unskilled	Skilled	Semi-Skilled	Unskilled
Agriculture, forestry & fishing	0.4%	0.9%	2.2%	0.7%	0.9%	2.3%	0.3	-0.0	0.1
Mining & quarrying	1.2%	6.1%	2.9%	0.8%	1.0%	0.2%	-0.4	-5.1	-2.7
Manufacturing	13.4%	21.0%	10.5%	11.1%	19.2%	9.7%	-2.3	-1.8	-0.8
Electricity, gas & water	0.8%	0.8%	0.3%	1.1%	1.3%	0.3%	0.3	0.5	0.0
Construction	3.1%	5.0%	3.2%	6.0%	8.8%	4.5%	2.9	3.8	1.3
Wholesale & retail trade	16.6%	20.9%	28.6%	16.8%	22.6%	24.5%	0.2	1.7	-4.1
Transport & communication	10.6%	7.8%	2.5%	7.4%	7.7%	2.8%	-3.2	-0.1	0.3
Finance & business services	30.2%	16.3%	5.8%	33.1%	18.1%	9.7%	3.1	1.8	3.9
Government, social & personal services	23.8%	19.0%	9.6%	23.0%	20.3%	7.3%	-0.8	1.3	-2.3
Private households	0.0%	2.2%	34.4%	0.0%	0.2%	38.7%	0.0	-2	4.3

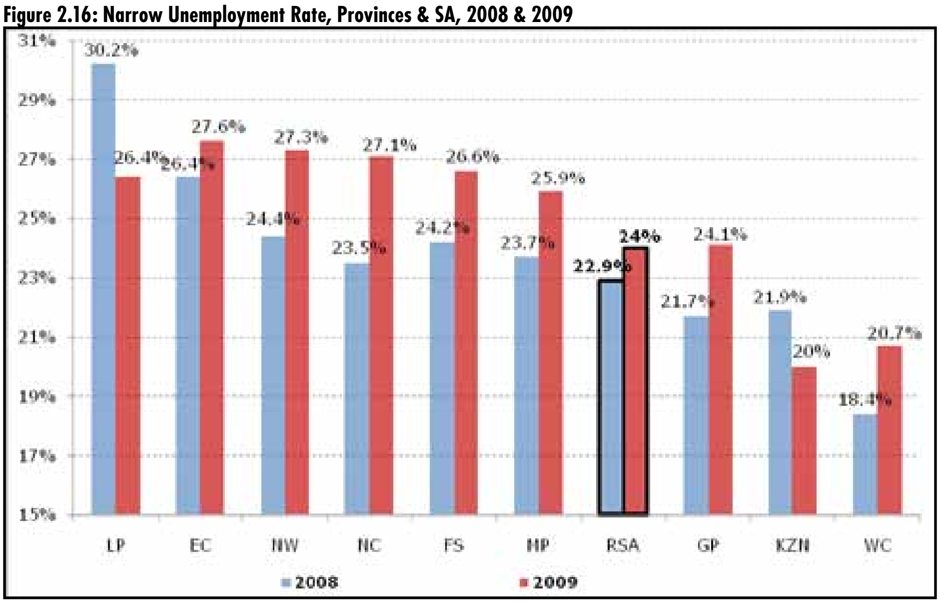
Source: Quantec Research, 2010

Table 2.8 shows employment by sector and skills in 2002 and 2009. In 2002, unskilled workers in private households made up 34.4% of employment, followed by wholesale & retail trade at 28.6%. In 2009, private household employment increased to 38.7% and employment by the wholesale & retail trade decreased to 24.5% in the unskilled category. Between the two years, the employment share of unskilled, semi-skilled and skilled workers in the mining & quarrying sub-sector decreased by 2.7, 5.1 and 0.4 percentage points respectively. The finance & business services employed 30.2% of skilled workers in 2002 that increased to 33.1% in 2009. Employment in the manufacturing sector for unskilled, semi-skilled and skilled workers decreased by 0.8, 1.9 and 2.3 percentage points respectively over the period under review.

2.4.3 Unemployment

According to the International Labour Organisation (ILO), unemployment occurs when people are without jobs and they have actively looked for work within the past four weeks. The unemployment rate is a measure of the prevalence of unemployment.

Figure 2.16: Narrow Unemployment Rate, Provinces & SA, 2008 & 2009



Source: Stats SA, Labour Market Dynamics in South Africa (2009), 2010

Figure 2.16 compares the provincial and national unemployment rates between 2008 and 2009. The unemployment rate tends to be relatively lower (range of 20 to 24% in 2009) in the more urbanised provinces[12] where the industries are mostly based. The more rural provinces had higher (25% and above for 2009) levels of unemployment. Limpopo recorded the highest rate of unemployment (30.2%) during 2008, whereas the Western Cape recorded the lowest rate of 18.4%. Gauteng registered the second lowest unemployment rate during 2008 (21.7%), which increased to 24.1% in 2009. The province with the lowest unemployment rate during 2009 was KwaZulu-Natal at 20%. Eastern Cape recorded the highest unemployment rate of 27.6% in 2009.

Table 2.8: Quarterly Unemployment Rate, Gauteng & SA, 2009 & 2010

	2009				2010			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Gauteng	21.7%	23.1%	25.6%	25.7%	27.1%	26.9%	26.7%	26.7%
S.A	23.5%	23.6%	24.4%	24.3%	25.2%	25.3%	25.3%	24%

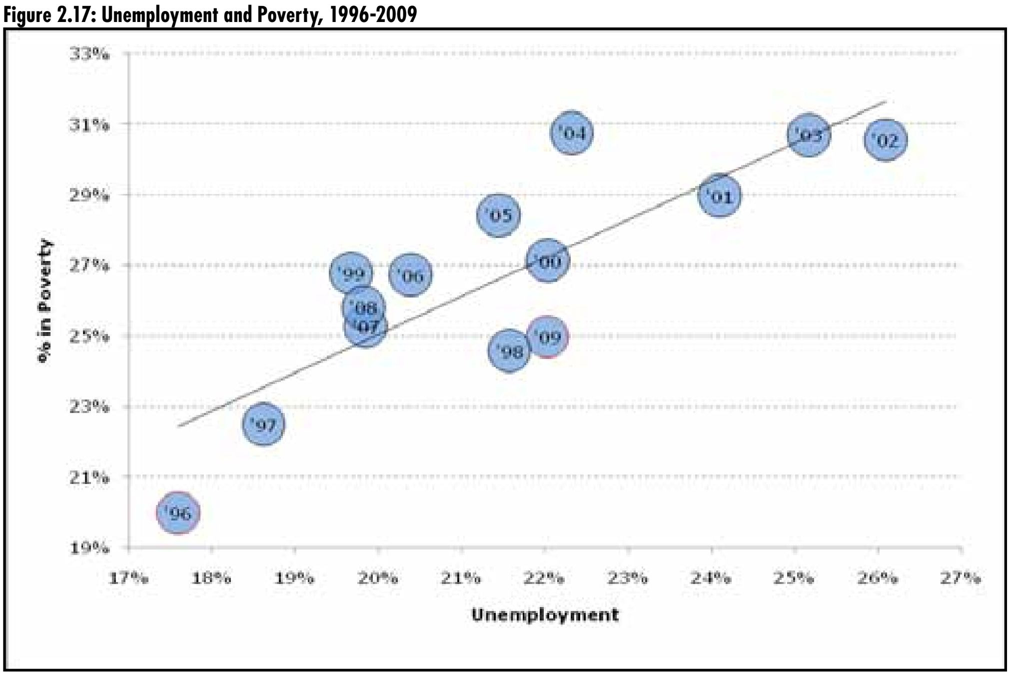
Source: Stats SA, Quarterly Labour Force Survey, 2011

Table 2.8 compares the quarterly unemployment rates for South Africa and Gauteng from the first quarter of 2009 to the fourth quarter of 2010. It is important to note that the country was in recession in the first quarter of 2009 and during much of 2010 the economy was in recovery. The Gauteng unemployment rate was lower than

12 The urbanised provinces are Gauteng, Western Cape and KwaZulu-Natal and the remaining are rural.

the national rate during the first two quarters of 2009. Gauteng's unemployment rate increased from 21.7% in the first quarter of 2009 to 25.7% in last quarter of 2009. The rate further increased to 27.1% in the first quarter of 2010, then fell to 26.7% in the third and fourth quarters of 2010. The national unemployment rate increased from 23.5% in first quarter of 2009 to 25.2% during the first quarter of 2010, the rate further rose to 25.3% in the second quarter of 2010 before declining to 24% in the fourth quarter of 2010. According to Stats SA the sectors that contributed to the decrease in unemployment were government, social & personal services, manufacturing, wholesale & retail trade, contrasted by decline in construction and finance & business services employment.

Figure 2.17: Unemployment and Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 2.17 shows the relationship between unemployment and poverty in Gauteng from 1996 to 2009. The figure shows that there is a high positive correlation between poverty and unemployment. Unemployment implies that most in the household are without jobs and cannot afford to access basic needs; the chances that such households might fall into poverty are higher. According to IHS Global Insight, the provincial unemployment rate recorded 17.6% and 26.1% in 1996 and 2002 respectively. Over the same period, the poverty rate responded similarly by increasing from 20.0% to 30.6% in 1996 and 2002 respectively. In 2009, the province recorded an annual unemployment rate of 22% and poverty rate of 25% as per information by IHS Global Insight.

2.5 Access to Services

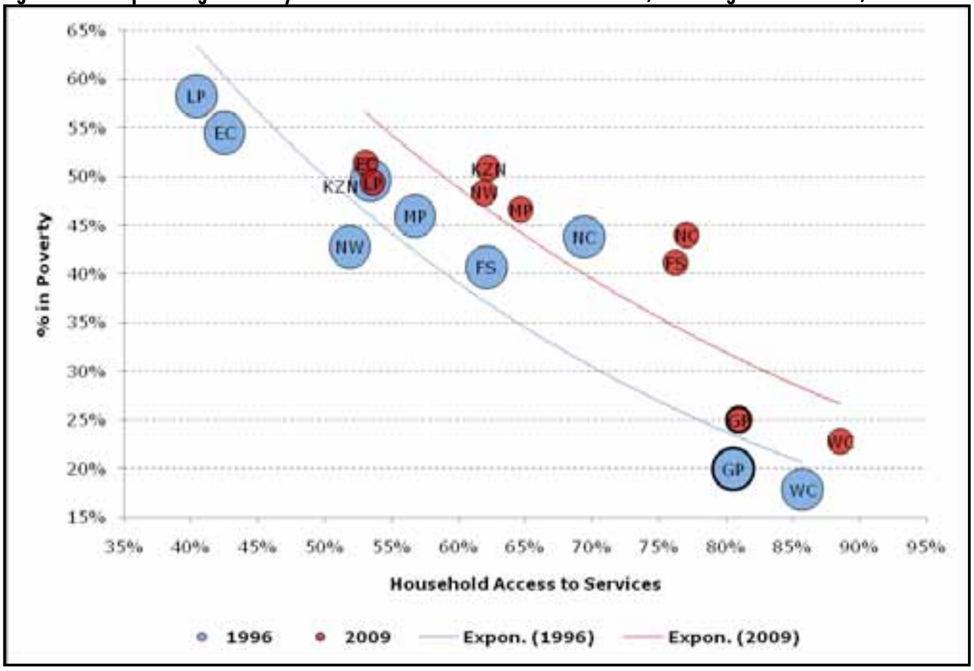
The responsibility for the provision of service delivery resides mainly with the municipalities, the lowest level of government that is nearest to the communities. Access to services has a crucial role to play in the alleviation of poverty and to ensure the participation of the poor in the mainstream economy. The definition of poverty used in Figure 2.18 is that a person is considered to be in poverty if they live in a household that has an income less than the poverty income. The poverty income is defined as the minimum monthly income needed to sustain a household and varies according to household size[13]. Household access to services is represented by an IHS Global Insight index, which measures the population-adjusted, service-weighted access to infrastructure[14]. For each infrastructure category, a sub-index was created by weighting the different levels of service. For example, the sanitation sub-index counts one for each household that has a flush toilet, but only 0.1 for each household on the bucket system. This section looks at access to services in Gauteng by analysing access to education, water,

13 The definition of poverty income is based on the Bureau of Market Research's Minimum Living Level (BMR report) no. 235 and later editions, Minimum and Supplemented Living Levels in the main and other selected urban areas of the RSA, 1996).

14 This is according to the IHS Global Insight Regional Explorer Encyclopaedia (Version 2.04).

sanitation, electricity and refuse removal.

Figure 2.18: People Living in Poverty vs. Households with Access to Basic Services, Percentages for Provinces, 1996 & 2009



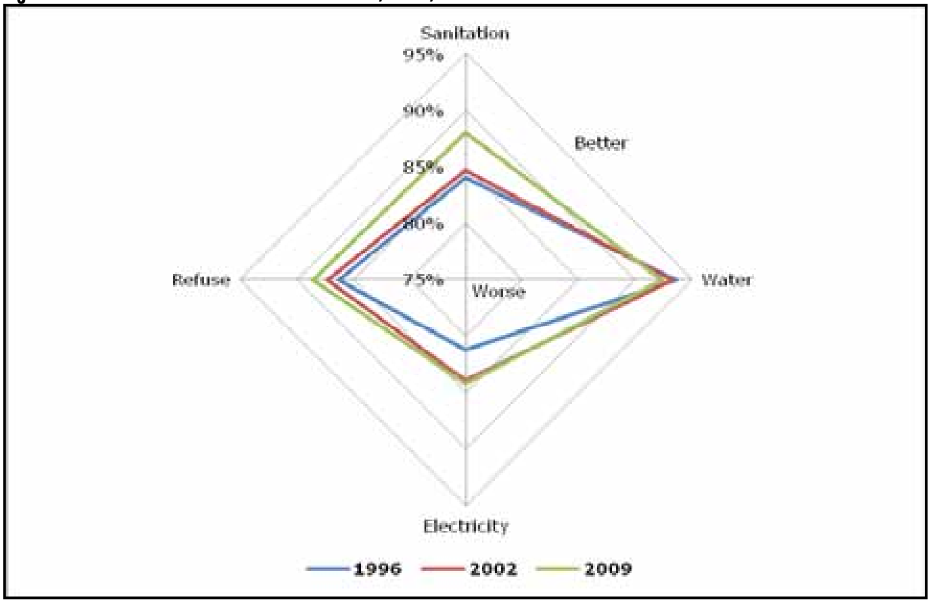
Source: IHS Global Insight, 2011

Figure 2.18 compares the percentage of people living in poverty and the percentage of households with access to basic services according to provinces for 1996 and 2009. As can be seen in the figure, in 1996, Gauteng (20% and 80.6%) was a close second to the Western Cape (17.9% and 85.7%) in terms of both the lowest poverty rate and the highest access to services. Thirteen years later in 2009, the Western Cape (22.8% and 88.5%) retained its top position in both aspects and Gauteng (25% and 81%) remained the province with the second lowest poverty rate as well as retaining second place for, access to services. Access to services in the Free State increased from 62.1% in 1996 to 76.3% in 2009. In 2009, an improvement in access to services was recorded for every province in South Africa. The tendency was for those provinces with the lowest access to services in 1996 to show the largest improvements by 2009. Limpopo province had the worst level of access to services in 1996 at 40.4%, but the biggest increase in 2009, rising 13.2 percentage points to reach 53.6%.

Most provinces in South Africa had a higher poverty rate in 2009 than 1996. The exceptions were Limpopo and the Eastern Cape, the two provinces with the highest poverty rates in 1996. They improved from 58.3% of people in poverty in 1996 to 49.4% in 2009 for Limpopo and 54.5% to 51.4% for the Eastern Cape. In both measures, a tendency was displayed for provinces with poor performance in 1996 to experience larger improvements by 2009 than those with good 1996 performance. This tendency caused the differences between provinces, while still noticeable, to be smaller in 2009 than they were in 1996.

Figure 2.19 below is an infrastructure diamond that illustrates Gauteng's access to basic services. A value of 0% would indicate that no household within the region has access to the service being examined at the minimum basic level. A value of 100% would indicate that all households within the region have access to the service at the minimum basic level. Since the percentages rise towards the outside of the graph, a larger diamond represents better access to services than a smaller one.

Figure 2.19: Households Infrastructure Diamond, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

Access to sanitation has improved in Gauteng over the period under review. During 1996, 84% of households in the province had access to sanitation that fits the criteria[15] used by Global Insight to determine adequate facilities. The criteria are based on the definition used by the Department of Water Affairs. By 2002, access to sanitation had improved by 0.7 percentage points to cover 84.7% of households, and is estimated to have increased a further 3.3 percentage points to reach 88% by 2009.

The percentage of households in Gauteng with access to water has been slowly declining since 1996. While the number of households with access to water has been growing, this growth has been outpaced by the growth of the province's population. By 2002, 93.3% of households had access to water, a 0.4 percentage point decrease from the 1996 level of 93.7%. In 2009, access to water slipped further, to an estimated 92.4% of households.

In 1996, the province had provided electricity to 81.2% of its households. By 2002, this had been increased 2.7 percentage points to 83.9%. However, this progress was greatly slowed by national electricity provider Eskom's lack of capacity. While the number of households with access to electricity is increasing, the rate of increase has been falling since 2003. By 2009, percentage access is estimated to have increased by 0.3 percentage points to 84.2%, though it remains above its 1996 level.

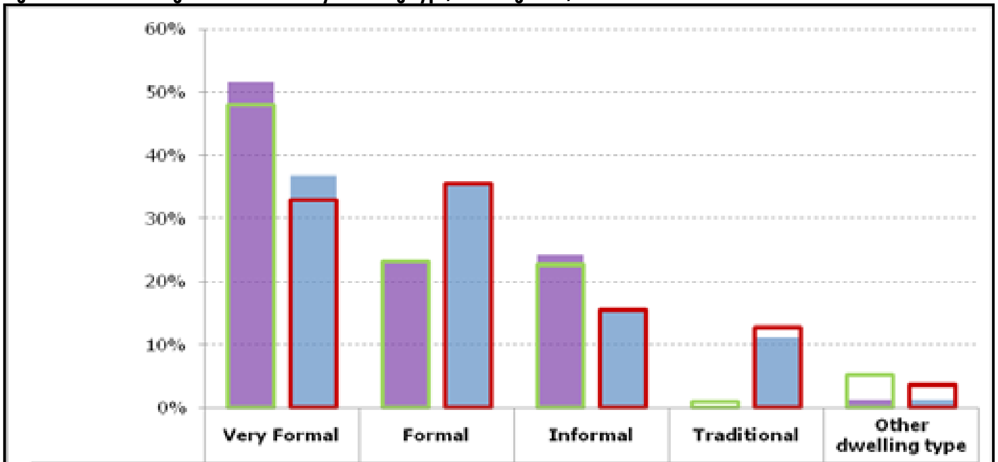
The percentage of households with access to refuse removal[16] in Gauteng has experienced an upward trend since 1996. In 2002, about 87.2% of households had access to refuse removal, a 0.9 percentage point increase from 86.3% in 1996. This increased further, to an estimated 88.5% in 2009.

15 "...in order for a household to be considered having adequate access to sanitation, the household should have a facility that: 1) removes human waste 2) is affordable 3) is hygienic 4) is accessible". The toilet types which IHS Global Insight considers as fulfilling these requirements are, "all flush toilets, chemical toilets and all pit latrines with a ventilation pipe". - IHS Global Insight Regional Explorer - Encyclopaedia (Version 2.04).

16 "Domestic waste is defined in the National Environmental Management Act: Waste Act (Act No. 59 of 2008) (RSA, 2008) as "waste that emanates from premises that are used wholly or mainly for residential, educational, health care, sport or recreation purposes."

2.5.1 Access to Housing

Figure 2.20: Percentage of Households by Dwelling Type, Gauteng & SA, 2002 & 2009#



	Very Formal	Formal	Informal	Traditional	Other dwelling type
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
SA 2009#	36.8%	35.6%	15.1%	11.1%	1.4%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%
SA 2002	32.8%	35.5%	15.5%	12.7%	3.6%

Source: IHS Global Insight, 2011

Note: # Indicates estimates. The Other category includes such dwellings as caravans and tents.

Figure 2.20 shows that the percentage of households in Gauteng living in a very formal dwelling[17] has risen from 48% in 2002 to an estimated 51.5% in 2009. In the same time period, the percentage for South Africa also increased from 32.8% (2002) to 36.8% (2009). The increase in the very formal dwellings in Gauteng can be attributed to the provision of low cost housing by the state that meets the description of very formal dwelling. Formal housing[18] decreased in Gauteng and increased in the country as a whole over this period. About 23.1% of households in the province were living in formal housing in 2002 and this had decreased to 22.8% by 2009.

A larger percentage of South Africans were living in informal housing[19] in 2002 than in 2009. Gauteng had an opposite trend than South Africa, whereby the share of informal housing increased. Specifically, not only are new citizens being born at a rapid rate, in-migration[20] also increased the number of households seeking services from the local municipalities. And without sufficient employment, they tend to settle in informal areas or create new informal settlements.

The number of households living in traditional housing has fallen over the review period, both in absolute terms and as a percentage, in South Africa and Gauteng. The country is becoming increasingly urbanised as the citizens move from rural areas to the cities. In 2002, 12.7% of South Africans lived in traditional dwellings. This percentage had fallen to 11.1% by 2009. Gauteng is a relatively urbanised province, thus the percentage of its population living in traditional housing dropped from 1.1% to 0.1 % between 2002 and 2009.

17 IHS Global Insight defines a very formal house as, "… one in which the occupants have access to piped water and flush toilets within the dwelling." www.ihsglobalinsight.co.za - Regional explorer (ReX) update September 2010.

18 According IHS Global Insight, Formal dwellings or housing include, "... a house on a separate stand, a flat or apartment in a block of flats, a townhouse, a room in a backyard, and a room or flat let on a shared property."

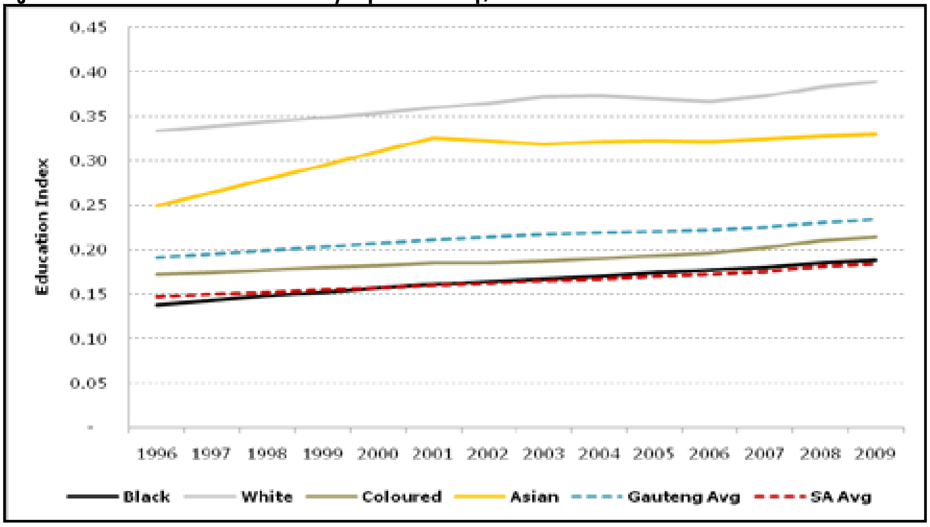
19 Informal housing is considered to be a makeshift structure not erected according to approved architectural plans and includes shacks or shanties in informal settlements.

20 Stats SA's Mid-year Population Estimate 2010 predicts that by 2011 Gauteng will have experienced a net in-migration of 364,400 persons since 2006. The second highest was the Western Cape at 94,600 persons.

3.5.2 Access to Education

The education index[21] incorporates the various levels of education of persons 15 years or older. Each level of education attainment, such as the percentage with a matric certificate only, or those with a degree are weighted according to their income. Theoretically, the higher the education levels, the higher the income. Therefore, a higher weight is given to higher levels of education. This means that if the higher levels of education rise only a little bit and lower levels of education fall a lot, the index will remain about constant. In other words, education that provides higher income will count more toward the total index score – or education that is more 'productive' is more important.

Figure 2.21: Education Attainment Index by Population Group, 1996-2009



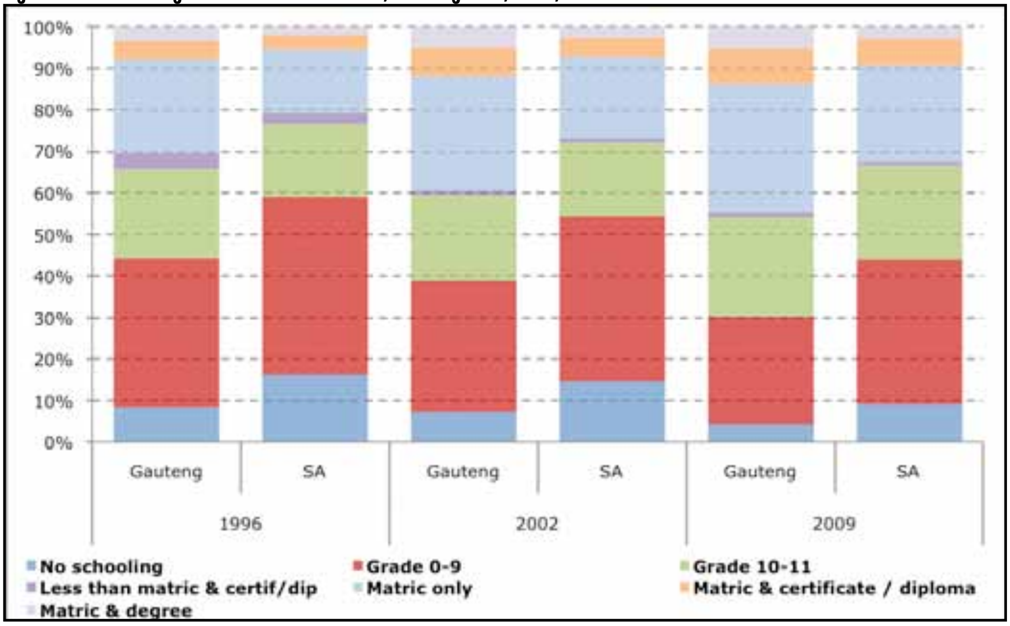
Source: Stats SA Income/Expenditure Survey (2006) & IHS Global Insight, 2010

According to the figure, the education levels have constantly been increasing in Gauteng and in South Africa over the review period, with the levels of Gauteng consistently being above those of South Africa. The population groups represent the education levels in Gauteng only. The White population group has the highest education level. This means that the White population has a greater proportion of higher levels of education such as tertiary education. In 1996, the White education index was 0.33, this increased to 0.37 in 2003 where it remained constant for the following four years (2004-2007). In 2008 and 2009, it increased to 0.38 and 0.39 respectively. The Asian population group with the second highest education index saw a rapid increase from 0.25 (1996) peaking at 0.33 (2001), before declining to 0.32 for the following six years. In 2008 and 2009, the Asian education index increased to 0.33 again.

The Coloured and Black population groups fell below the Gauteng average for the entire review period. The Black population group of Gauteng closely matches the South African average. In 1996, the Coloured and Black education index was 0.17 and 0.14 respectively, increasing to 0.21 and 0.19 in 2009. The percentage of both population groups with higher levels of education is low compared to the other population groups. The inequality of education and the number of unskilled labourers are constraining the South African economy.

21 The calculations for the education index were developed by the Gauteng Department of Finance: Treasury Division in collaboration with IHS Global Insight.

Figure 2.22: Percentage of Education Attainment, Gauteng & SA, 1996, 2002 & 2009

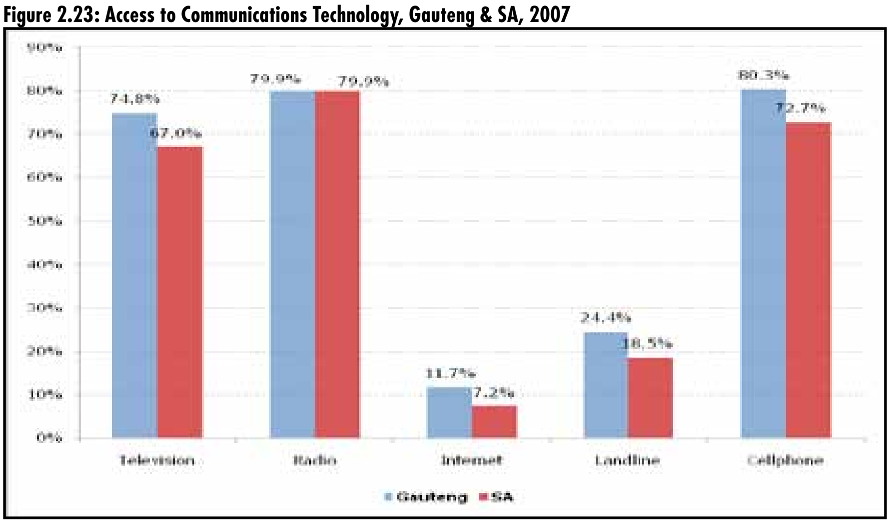


Source: IHS Global Insight, 2010

Figure 2.22 illustrates the percentage of those aged 15+ living in South Africa in general and Gauteng in particular according to their educational attainment. The percentages of the population of Gauteng aged 15+ in possession of a matric only, a matric & certificate or diploma, and a matric and degree have all increased over the period under review. These have been higher than the growing national average in each of the three years being considered. Also encouraging is the fact that the percentage of persons aged 15+ with no schooling or less than a Grade 10 has been declining both in the province and at a national level. In these categories, Gauteng has recorded lower percentages than the figures for South Africa as a whole in all three of the years being considered.

In 1996, about 3.5% of the population of Gauteng aged 15+ possessed a matric and a degree, this increased to 5% by 2002 and then increased a further 0.2 percentage points to reach 5.2% in 2009. The figure for South Africa rose from 2% of citizens with a matric and degree in 1996, to 2.8% in 2002, and then to 3.1% by 2009. About 8.5% of the 15+ population of Gauteng had no schooling in 1996, this fell 1.2 percentage points to 7.3% in 2002, before falling again to 4.2% by 2009. In 1996, 16.3% of South African citizens had no schooling; this had fallen to 14.6% by 2002 and then fell further to 9.3% in 2009.

Figure 2.23: Access to Communications Technology, Gauteng & SA, 2007



Source: Stats SA, Community Survey (2007) and Stats SA, General Household Survey (2008), 2010

Figure 2.23 looks at access to communications technology in Gauteng and South Africa. Gauteng is an advanced, urbanised province that is shown by the access to communications technology enjoyed by its households. The figure shows that in 2007, the percentage of households with access to each type of communication technology, with the exception of radios, was higher in Gauteng than in South Africa.

The figure shows that cellular phones had already become a common part of South African life, with 72.7% of South African households possessing at least one cell phone in 2007. This figure is even higher in Gauteng; just over four out of every five households in the province had one or more cellular phones. Cell phones were much more common than landline telephones in both South Africa and Gauteng. The percentage of households with at least one landline was 18.5% in South Africa, and 24.4% in Gauteng.

Internet access and television sets were relatively more common in Gauteng than in South Africa. About 11.7% of households in Gauteng had access to the internet, compared to 7.2% in South Africa. In Gauteng in 2007, 74.8% of households had at least one television set, 7.8 percentage points more than the national figure of 67% for that year.

2.5.3 Access to Healthcare

Table 2.9: Health Statistics, Gauteng & SA, 2006/07–2008/09

Indicator	GP			Most recent for South Africa
	2006/07	2007/08	2008/09	
Total PHC expenditure per capita (R)	503	550	577	794
% District health services expenditure on District Hospitals	21.8	23	22.4	41.8
% District health services expenditure on District Management	7.2	8.3	9.6	5.6
% Bed Utilisation Rate (BUR)	66	64.5	60.2	66.9
Nurse Clinical Workload	25.9	25.6	27.4	23.3
% Ante Natal Care clients tested for HIV	61.1	73.3	78.4	86.7
PHC Utilisation Rate	1.9	1.7	2	2.4
TB Smear conversion rate	69.2	75.1	77	62.5
TB Case Load (new Sm+)	(n/a)	18,208	19,882	138,803
Stillbirth Rate (per 1000 births)	21.8	20.9	21	22.3

Source: Health Systems Trust, District Health Barometer (DHB), 2010

Table 2.9 shows the health statistics in Gauteng and South Africa for the 2006/07 and 2008/09 financial years. Total Public Health Care (PHC) expenditure per capita is noticeably lower in Gauteng than the national average. Part of the reason for this is the fact that Gauteng has an unusually high ratio of provincial and tertiary hospital beds compared to district hospital beds, and thus many Gauteng patients are treated by hospitals whose funding is sourced elsewhere than basic PHC. In 2007/08, total PHC expenditure per capita grew to R550, from R503 in 2006/07. In 2008/09, it increased a further R27 per capita to reach R577.

The high ratio of provincial and tertiary hospitals[22] to district hospitals in Gauteng is also reflected in the fact that the province's percentage of district health services expenditure on district hospitals is slightly more than half the national average. In 2007/08, it increased slightly to 23% from 21.8% in 2006/07. In 2008/09, the figure fell by 0.6 percentage points to 22.4%. In 2006/07, about 7.2% of the district health services expenditure in Gauteng was spent on district management. This rose to 8.3% in 2007/08, before increasing further by 1.3 percentage points to 9.6% in 2008/09. The latest national average for this statistic was 5.6%.

Bed Utilisation Rate (BUR) is calculated by dividing the number of inpatient days[23] by the usable bed days[24] over a specific time period and expressed as a percentage. This total is then divided by the number of usable beds in the

22 A facility that provides specialist and sub-specialist care as defined for level 3 services. Level 3 services are services which at some time during the intervention are beyond the normal scope of a specialist and require the input of a registered sub-specialist.

23 Inpatient days are the number of days spent in the institution for all admitted patients during a specific period, usually a year.

24 Usable bed days mean that the bed is available for use in the facility and that there is a budget for it. It also implies that there are adequate staff and resources available to service the bed and its occupancy.

facility multiplied by the number of days. This is taken over a specific time period, usually a year, and expressed as a percentage. BUR is a measure of the efficiency with which an area's district hospitals utilise their resources. The BUR in Gauteng was 66% in 2006/07 before falling to 64.5% in 2007/08, and then 60.2% in 2008/09. South Africa's most recent calculation of BUR was at 66.9%.

The District Health Barometer (DHB) defines the nurse clinical workload as the average number of patients attended to by all nurses in a PHC facility per day. The average nurse clinical workload for Gauteng in 2007/08 was 25.6, a decrease from 25.9 in the 2006/07 financial year. In 2008/09, the figure rose to 27.4. The proportion of antenatal care (ANC) clients tested for HIV in Gauteng was 61.1% in 2006/07. This increased 12.2 percentage points to 73.3% in 2007/08, and then improved further to 78.4% in 2008/09.

The primary health care (PHC) utilisation rate indicator measures the average number of primary health care visits per person to a public PHC facility in one year. The average PHC utilisation rate in Gauteng was 1.9 in 2006/07 before falling to 1.7 in 2007/08, possibly due to the nation-wide public health services strike during that year. In 2008/09, this figure rose again, passed its 2006/07 level by 0.1 percentage points and reached a value of two. The TB smear conversion rate[25] in Gauteng has been above the national target of 70% since 2007/08 when it reached 75.1%. The figure improved a further 1.9 percentage points to 77% in 2008/09. The most recent average conversion rate recorded for South Africa was 62.5%.

The TB caseload is calculated as the number of new smear positive TB cases per year. The average TB caseload in Gauteng was not available for the 2006/07 financial year. In 2007/08, it was 18,208 and rose to 19,882 in 2008/09. The latest national total is 138,803 cases for 2008/09.

The average stillbirth rate in Gauteng was 21.8 babies born dead per 1,000 births in 2006/07. This improved to 20.9 per 1,000 in 2007/08, before increasing by 0.1 percentage points to 21 per 1,000 in 2008/09, which was below the national average of 22.3 per 1,000 for that year.

2.6 Development

While there has been improvement in some areas to change people's standard of development and living, inefficiencies and imbalances in planning, co-ordination and implementation pose challenges. South Africa has one of the most unequal societies in the world. Those with access to more resources have advantages that allow them to prosper in economic markets. The majority of people, however, lack the education, skills, networks, information and services to benefit from the greater access to economic markets that have come about as a result of democracy. This chapter mainly describes development as indicated by the Gini coefficient, the Human Development Index (HDI), the percentage of people living in poverty, and the functional literacy rates. Each of the four indicators will be looked at in more detail in the chapter.

The Gini coefficient is used to measure income inequality. It ranges between 0 and 1, with 0 indicating a situation of perfect equality. Thus, used in relation to households, this would mean that all have equal incomes. One indicates perfect inequality. In relation to households, this would mean that one household earns all the income and the others earn nothing. The closer the number to 0, the more even the distribution is. Generally, countries that have a Gini of greater than 0.5 are seen as having high levels of inequality.

The HDI, which was developed by the United Nations Development programme (UNDP), is made up of three indices: life expectancy at birth, educational attainment (with adult literacy as a proxy) and per capita income. The HDI ranges between 0 and 1, with 0 indicating no human development and 1 indicating a high level of human development.

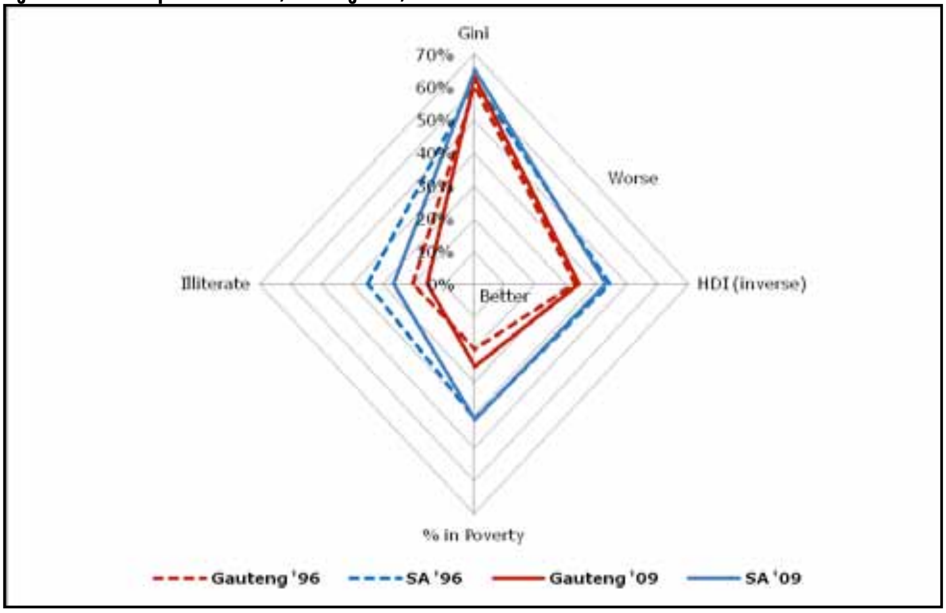
The adult literacy index describes reading and writing skills that are required to cope with the demands of everyday life. Functional literacy is defined as the proportion of people aged 20 and above, that have completed a Grade seven level of schooling.

25 The smear conversion rate (SCR) is the percentage of new smear positive PTB cases that are smear negative after two months of anti-TB treatment and are therefore no longer infectious. District Health Barometer 2008/09.

2.6.1 Development Diamonds

In the *Socio-Economic Review and Outlook* (SERO) of 2010 publication, development diamonds[26] were used to illustrate the level of development for a particular society or part of a society. This is similar to the infrastructure and household type diamonds in section 2.5 (Figure 2.19) of this publication, except the relative size of the diamond illustrates the level of development. The closer to the centre the corners are, the higher the level of development is for that society. Conversely, the further that the corners of the diamond protrude from the centre, the worse off a society is in terms of development. The four main development indicators used include Gini coefficient (income inequality), Human Development Index (HDI), percentage of people living in poverty, and illiteracy. Each corner of the diamond represents one of the development indicators.

Figure 2.24: Development Diamond, Gauteng & SA, 1996 & 2009



Source: IHS Global Insight, 2011

Figure 2.24 shows an overall picture of the level of development in South Africa and Gauteng in 1996 and 2009. The Gini coefficient shows that income inequality in both Gauteng and the country poses the greatest challenge, with little changing for either between 1996 and 2009. In fact, the 2009 Gini increased slightly to 0.65 and 0.63 from 0.62 and 0.60 in 1996 for South Africa and Gauteng respectively. The HDI in Gauteng for 2009 was 0.66 (0.34 inverse) while that for the country was 0.57 (0.43 inverse) illustrating the significant difference in the level of human development between the country and the province.

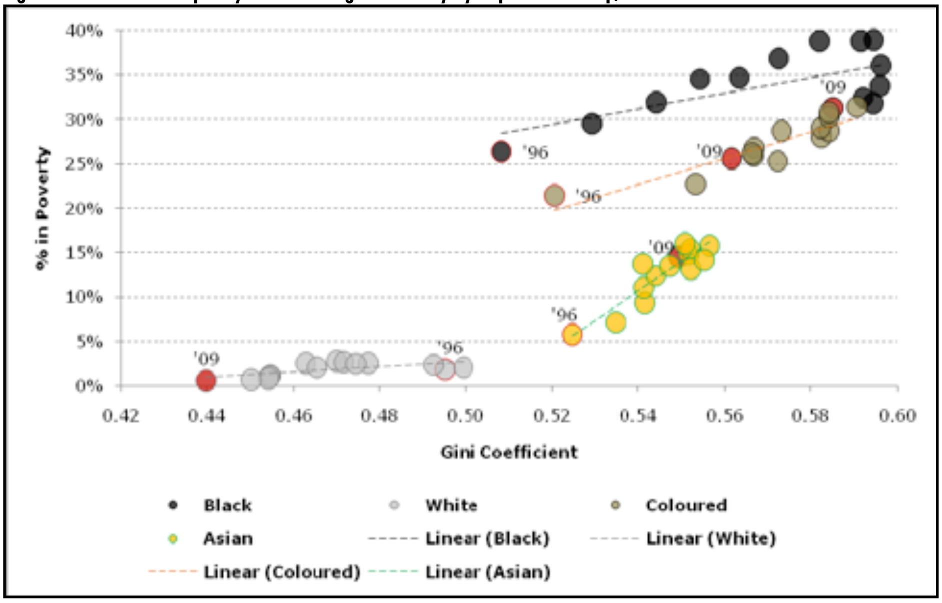
According to the *Provincial Economic Review and Outlook* (PERO) of 2007, a publication by the Gauteng Department of Finance: Treasury division, an HDI level of between 0 and 0.499 is regarded as low, between 0.5 and 0.799 is regarded as medium and an HDI of between 0.8 and 1 is regarded as a high level of human development. The percentage of individuals living in poverty relative to the total population of the province and the country shows that Gauteng had 25% and South Africa 41.3% in 2009. There was very little change for those living in poverty for South Africa, but Gauteng experienced a five-percentage point increase from 1996 to 2009. Literacy seemed to have improved the most, but further on in this chapter it becomes evident that this alone has done little to improve the poverty situation in Gauteng.

26 In constructing the development diamond, the HDI is inverted, with 1 indicating a low level of development and 0 indicating a high level of development. This is to ensure that all four development indicators can be measured relative to each other. For example, if the HDI for a particular region is 0.8, the inverse would be 0.2. The other inverted development indicator is literacy where illiteracy is used. Illiteracy implies there are inadequate reading and writing skills.

2.6.2 In-depth Analysis for Human Development

According to the Poverty and Inequality, Facts Trends and Hard Choices[27] report, inequality has been persistently stubborn in South Africa and in Gauteng. It has become a balancing act of whether Government should concentrate on distributing current wealth in the economy, or try to create new wealth. It was argued that addressing South Africa's high levels of inequality might be a precondition for achieving higher levels of economic growth and that the country ought rather to focus on the many people living in poverty, and pay less attention to how income is distributed. But high levels of inequality might lead to political instability and social conflict. A solution to reduce high levels of both poverty and inequality requires improvement in education and training systems. Most of the income inequality can be explained by the unequal distribution of human capital.

Figure 2.25: Income Inequality vs. Percentage in Poverty by Population Group, 1996-2009



Source: IHS Global Insight, 2011

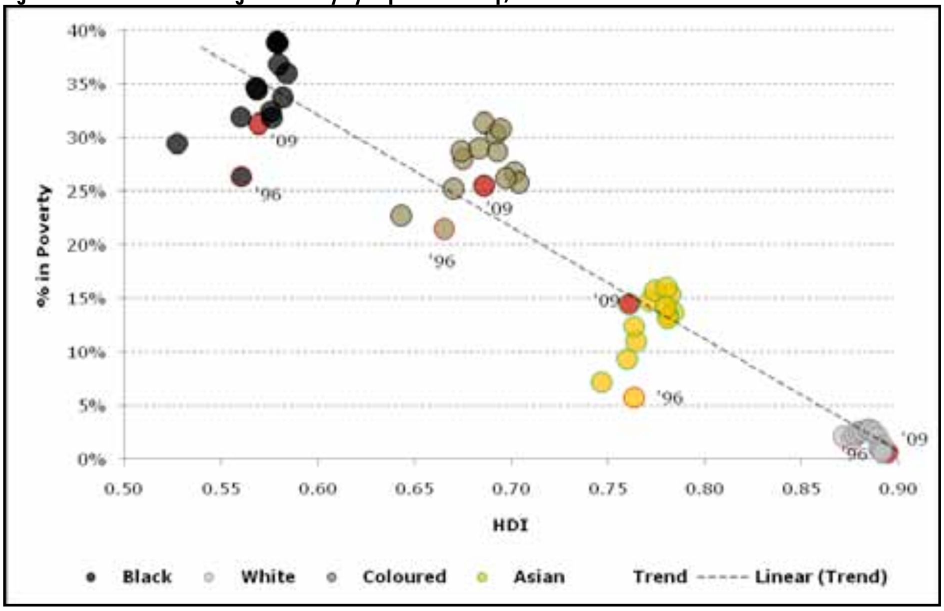
Figure 2.25 shows the level of income inequality against the percentage living in poverty by population group from 1996 to 2009. The data reveals that income inequality is highest in the poorest population groups. The Black population had the highest Gini coefficient, followed by Coloured, then Asian and lastly Whites. It will be more challenging to reduce inequality within the Black population group as it makes up 75.4% of the total population. The income inequality also shows that since 1996, inequality has grown within three population groups, namely Black, Coloured and Asian. Only the White population group has seen an improvement in income inequality since 1996. The Black population Gini coefficient increased rapidly from 1996 to 2004, before it u-turned back to slightly lower levels at 0.59. In 2009, poverty had decreased slightly to 31.3%. The Coloured population group had the second highest income inequality and percentage living in poverty in 2009 at 0.56 and 25.6% respectively. This population group had a high correlation of 0.91 between income inequality and percentage living in poverty.

The Asian population group has the steepest linear trend line (Y=3.3192x - c)[28] with a correlation coefficient of 0.91. This means the group is much more responsive to changes in income inequality and has a strong relationship with the percentage living in poverty. Income inequality and poverty for the Asian population in 2009 was 0.55 and 14.5%. Income inequality for the White population group has decreased from 0.495 in 1996 to 0.44 in 2009. The percentage living in poverty has declined to an already low level from 1.9% (1996) to 0.62% (2009). According to the South African Institute of Race Relations (SAIRR), this could be because affirmative action has forced this group to open their own businesses and become entrepreneurs, thereby in fact enriching them.

27 This report was produced by the Centre for Development and Enterprise's Round Table no 15, August 2010.

28 Mathematically, Y would represent percentage living in Poverty; x would represent income inequality for the coloured people and c the intercept. The number in front of the x represents the slope (ratio of change in Y/the change in x).

Figure 2.26: HDI vs. Percentage in Poverty by Population Group, 1996-2009

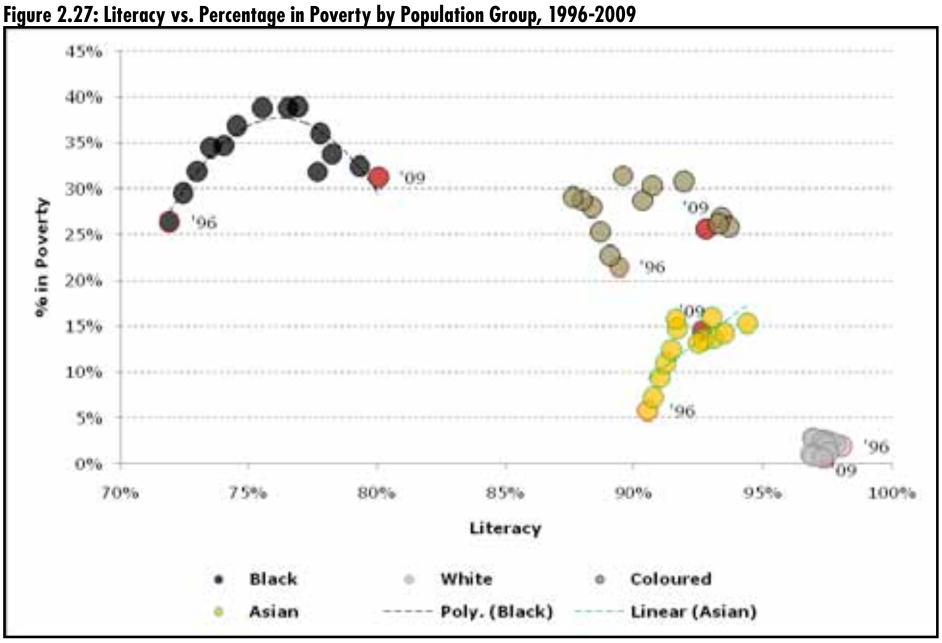


Source: IHS Global Insight, 2011

Figure 2.26 shows the HDI against the percentage living in poverty by population group from 1996 to 2009. There are significant gaps between the four population groups in terms of the HDI and poverty, with each 'bunching' together separately into their own 'bubbles'. Since 1996, little has changed in terms of the HDI for all the population groups. Since 1996 to 2009, the HDI for Blacks decreased from 0.561 to 0.571, for Coloureds increased from 0.665 to 0.686, Asians decreased from 0.764 to 0.761 and Whites increased from 0.876 to 0.895. Poverty for the Black population group for the years 1996 to 2009 ranges from 26.4% to 39%, for Coloured from 21.5% to 31.4%, Asian 5.8% to 16% and White from 0.6% to 2.8%.

In a study conducted by the World Economic Forum[29] on South Africa's global competitiveness for quality of primary education, the country is ranked 125th out of 139 economies. The quality of secondary education is ranked further down at 130th whereas tertiary education is at 99th.

Figure 2.27: Literacy vs. Percentage in Poverty by Population Group, 1996-2009



Source: IHS Global Insight, 2011

29 This information is according to the Klaus Schwab, Global Competitiveness Report 2010-2011, World Economic Forum.

The ability to read and write is particularly important so as to be informed of current news and information, and is a necessary platform to further a person's education. A negative relationship is expected to exist between literacy and percentage living in poverty. Figure 2.27 shows the literacy rate against the percentage living in poverty by population group from 1996 to 2009. Literacy levels have been on the increase especially in the Black population group. The percentage of those who had functional literacy was 71.9% of the Black population in 1996, and this proportion increased to 80.1% in 2009. There is a slight positive relationship between literacy and poverty for the Black group, and a stronger positive relationship for the Asian group. The proportion in the Coloured group who are literate increased from 89.4% (1996) to 92.8% (2009). However, this alone was not significant enough to reduce the poverty rate for this population group. The Asian population group had a marginal increase in literacy from 90.5% (1996) to 92.6% (2009). The White population group remained mostly stagnant at a high percentage above the 96% mark and the percentage of people in poverty was below 5% over the period under review. It is possible, since the data is presented over time that the government has been more effective at spreading literacy than reducing poverty. Therefore, spreading literacy could be viewed as a stepping-stone to fighting unemployment and poverty.

Numeracy, Mathematics and Science

Quality in mathematics, science and technology (MST) education is an ever-increasing requirement for the development of skills needed in modern economies. South Africa has many employment positions such as for engineers, scientists and doctors but a shortage of qualified candidates with the required high level of mathematics. The World Economic Forum Global Competitiveness Report ranked South Africa 137th out of 139 countries for the quality of mathematics and science education. In the light of the country's national budget presentation, in February 2010, Finance Minister Pravin Gordhan allocated R165 billion to the departments of Basic and Higher Education for the year; an increase of R17 billion over the previous year. However, this so-called 'high budget' has not translated into improved levels of numeracy/mathematics.

Table 2.10: Public Expenditure on Education as Percentage of Total Government Expenditure, Emerging & Developed Markets, 2005 & 2008

Emerging Markets		
	2005	**2008**
Chile	18.5	18.2
South Africa	***17.9***	***17.8***
Indonesia	9	17.5
Peru	13.7	16.4
Brazil	10.9	16.2
Argentina	12	15
Colombia	11.1	14.9
Poland	12.3	12
Russia	12.3	11.8
Czech Republic	8.5	10.5
Hungary	10.3	10.4
Developed Markets		
USA	15.2	14.8
Spain	11.2	11.1
Italy	9.5	9.7

Source: Econometrix Group Presentation, November (Quarter 4), 2010

As shown in Table 2.10, according to Econometrix (Pty) Ltd, South Africa has one of the highest expenditures on education, yet the quality of education results are relatively poor compared to other countries. This suggests that the South African education system is not producing the type of quality education for the amount of money spent. In 2008, compared to the other emerging markets, South Africa spent the second largest amount on education after Chile. Expenditure on education at 17.8% was also far more than was spent (14.8%) by the richest nation (USA).

According to the Gauteng Mathematics, Science & Technology Education Improvement Strategy of 2009-2014, international comparative studies show that the performance levels of the majority of South African children are well below those of their peers in Africa and throughout the rest of the world. The Third International Mathematics and Science Study (TIMSS) of 2003 shows that 77% of Grade eight learners achieved less than 50% in science. The average score for mathematics was 33%. The study shows South African learners were the worst performing learners in the study. The Third International Mathematics and Science Study Repeat (TIMSS-R) showed that again South African Grade eight learners performed poorly compared with those of other countries. The South African performance was lower than other African participants, Morocco and Tunisia. According to the Strategy, prior to 2008, the top 11% of schools accounted for 71% of Higher Grade mathematics passes. The bottom 81% of schools produced 16% of Higher Grade mathematics passes. This means that there was an average of one pass per school.

Gauteng also records low mathematics and science rates. Grade three numeracy and literacy rates fall far short of targets. Currently, 350 Gauteng primary schools have Grade three numeracy rates of under 30%, and 480 have Grade six mathematics achievement rates under 30%.

Table 2.11: Grade 12 Maths and Science Results, SA & Gauteng, 2008-2009

South Africa (2008)		
Score (%)	**No. Maths**	**No. Physical Science**
0-29	162,168	98,060
30-39	46,715	57,293
40-49	26,754	28,987
50-59	20,715	16,112
60-69	16,781	9,584
70-79	12,902	5,292
80-100	12,637	2,555
Gauteng (2009)		
	No. Maths	**No. Physical Science**
Candidates	47,567	39,688
Passed	55,7%	42,6%

Source: Gauteng Mathematics, Science & Technology Education Improvement Strategy (2009-2014), 2010

Table 2.11 shows that in the 2008 matric exam, South Africa produced 63,035 passes above the 50% mark in mathematics and 33,453 passes above 50% in natural science in the Grade 12 exams. According to the strategy, this represents a great improvement over the number of 25,000 learners who achieved Higher Grade passes in 2007. However, based upon an assumption that universities require a minimum matriculation mark of 50% as the basis for admission to science, engineering and technology related studies, the number of qualifying school-leavers is inadequate for the needs of the South African economy.

The results for 2009 Gauteng matric shows no change in the trends. An analysis of the Gauteng mathematics and science results show that of the 47,567 candidates, only 55.7% passed mathematics and 42.6% passed physical science.

In another strategy, the Gauteng Department of Education Five-Year Strategic Plan 2010–2014 shows that the majority of learners in Grades three and six perform below expectation in numeracy and literacy. According to this document, the National Systemic Evaluation conducted by the Department of Education in 2005 showed the mean (average) for Grade six mathematics learners was 37% and Grade three numeracy was under 30%. The province has made attempts to circumvent the poor results with programmes like the Data-Informed Practice Improvement Project (DIPIP) to improve teaching and learning in mathematics and the Dinaledi Project for Physical Science.

Table 2.12: Numeracy/Mathematics Current Value and Targets, Gauteng & SA, 2009

Phases of Education	Description	Current Value	Target Value
Foundation Phase	Percentage of learners functioning at the required level in numeracy in Grade 3	Gauteng: 43% National: 35%	Gauteng: 60% National: 60%
Senior Primary Phase	Percentage of learners functioning at the required level in Mathematics in Grade 6	Gauteng: 37% National: 27%	Gauteng: 60% National: 60%
Transition from Primary to Secondary Schools	Percentage of learners functioning at the required level in Mathematics in Grade 9	No Base line	Gauteng: 60% National: 60%
Senior Secondary Intervention Programme	Percentage of learners functioning at the required level in Mathematics in Grade 12	Gauteng: 55% National: 46%	Gauteng: 60% National: 50%

Source: Department of Education Five-Year Strategic Plan (2010–2014), 2010

Table 2.12 shows the Gauteng and South African numeracy rates during the different phases of schooling for 2009. The Presidency has set targets that the education sector must achieve over the next five years to assist the country to realise its education commitments.

The province has responded to this and has established baselines to measure progress. The Gauteng current levels for passing mathematics in three of the phases[30] from primary education through to secondary education are higher than the national average. This could be attributed to the fact that urban schools fare better than rural schools. According to a dissertation paper by Philip Tshabalala from the University of Pretoria (UP), 'Numeracy Performance of Grade 3 Learners Rural and Urban schools', he concluded that "the overall performance in numeracy of grade 3 learners in rural schools compared to their counterparts in urban schools was not satisfactory".

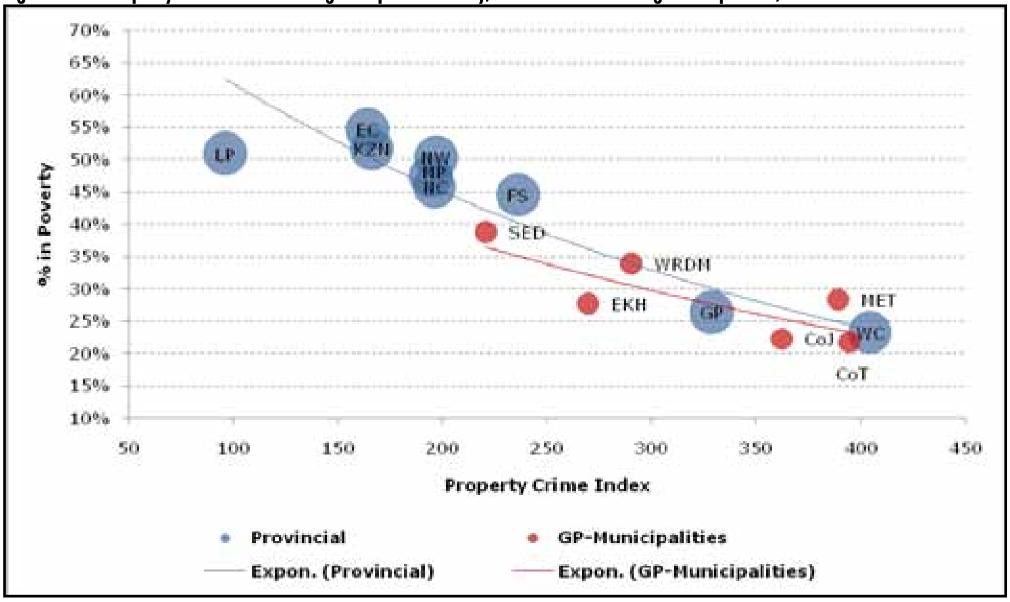
Crime and Poverty

This section looks at the relationship between crime[31] and poverty. Higher levels of poverty are expected to lead to higher levels of crime. However, regions that have higher levels of poverty are more likely to be rural in nature and possess less of the goods or assets that are the usual targets of theft. In the case of property crime, if there are no assets to steal, then the crime cannot happen. Therefore, higher levels of crime might happen in more urbanised areas that contain higher valued goods, tempting higher levels of theft. Crime is not limited to regional borders, which means criminals can easily move in and out of provincial and municipal boundaries to commit their crimes.

30 No values were available for the transition phase from primary to secondary schooling.

31 According to the IHS Global Insight, crime is measured using various indices such as property crime, violent crime and overall crime index. According to the IHS Global Insight Encyclopaedia, two methods were used to derive weights for each category of crime: (a) Length-of-sentence approach and (b) Cost-of-crime approach. Applied weights for the different crime categories are based on weighting very serious crimes higher than less serious crimes. The length-of-sentence approach assigns the weight based on the average sentence for this type of crime, and the cost-of-crime approach assigns a cost of average crime to each category and weights the crimes accordingly. The final weights were calculated as the average of the economic costs and the number of years in prison.

Figure 2.28: Property Crime vs. Percentage People in Poverty, Provincial & Gauteng Municipalities, 2008

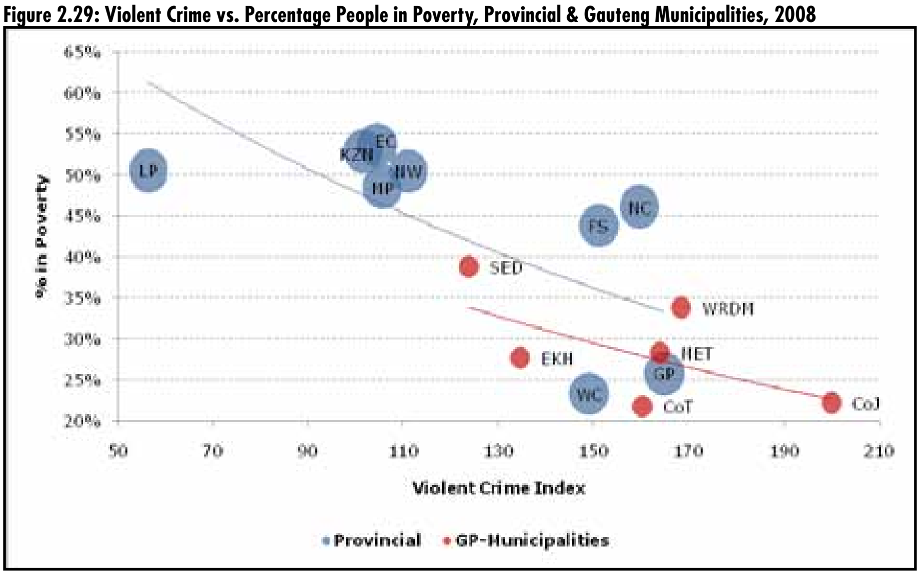


Source: IHS Global Insight, 2011

Figure 2.28 shows property crime against percentage living in poverty for all the provinces as well as the six municipal regions in Gauteng for 2008. The two most urbanised provinces, namely Gauteng and the Western Cape have the highest levels of property crime, 328.8 and 404.4 respectively, with associated lower levels of poverty for 2008. The rural provinces such as Limpopo and the Eastern Cape have lower levels of crime. Limpopo is one of the poorest provinces and had the lowest level of property crime at 96.04. The North West, Northern Cape and Mpumalanga are bunched up around the 195 mark with similar percentage in poverty. It is important to note that the figure only shows one period (2008). In a time series with more years included, as shown in the figure, this relationship changes to a positive one.

The municipalities in Gauteng have a similar trend shown by the red trend line. However, the district of Metsweding is different. It had one of the highest property crime indices despite being regarded as rural in nature. This municipality also has approximately the same poverty rate as Ekurhuleni. Metsweding measured at 389.4, just below the more urbanised CoT at 394.8. Both these regions and CoJ (362.3) were above the Gauteng average of 328.8. Sedibeng had the lowest property crime rate at 220.7.

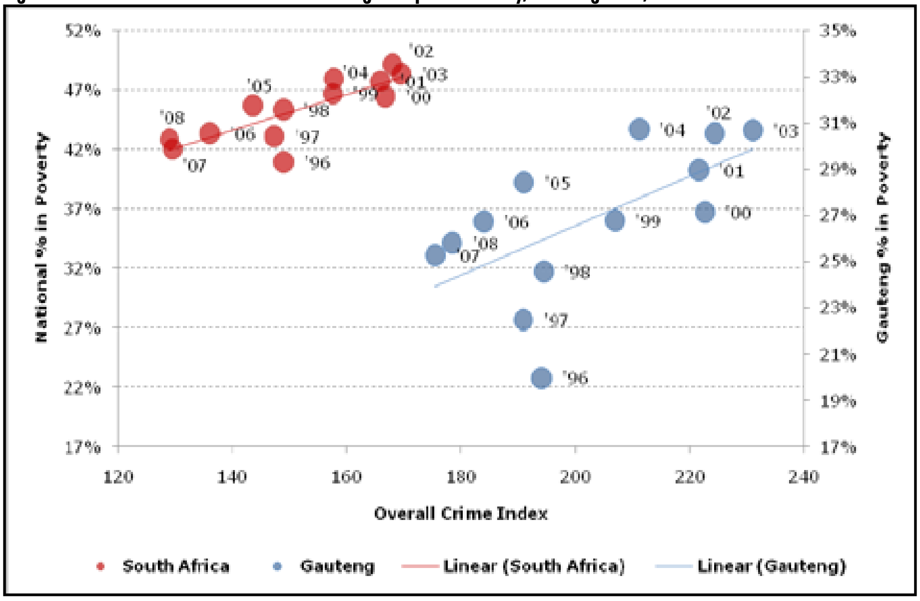
Figure 2.29: Violent Crime vs. Percentage People in Poverty, Provincial & Gauteng Municipalities, 2008



Source: IHS Global Insight, 2011

Figure 2.29 shows the violent crime index charted against the percentage living in poverty for the provinces and municipal areas in Gauteng in 2008. The relationship is also negative here. However, it is not as strong as with property crime in Figure 2.28. The Gauteng province along with the Northern Cape, Free State and Western Cape had higher levels of violent crimes. In 2008, the Gauteng violent crime index was 164.8 followed by the Northern Cape at 159.7. The Limpopo province had the lowest level of violent crime at 56.4. Of the Gauteng municipal regions, the CoJ metro significantly increases the provincial index of 164.8 in violent crimes, by being one of the two regions that not only was above the provincial index, but with an index score of 200.1. As with property crime, Sedibeng had the lowest violent crime index at 123.9.

Figure 2.30: Overall Crime Index vs. Percentage People in Poverty, Gauteng & SA, 1996-2008



Source: IHS Global Insight, 2011

Figure 2.30 shows how overall crime has changed from 1996 to 2008 for South Africa and Gauteng. Here one can see a positive relationship between crime and poverty. The relationship between poverty and overall crime in South Africa is stronger than in Gauteng with a correlation of 81.2% compared to the Gauteng correlation at 62%. Crime reached its peak for both South Africa and Gauteng in 2003 at 169.5 and 231 respectively. This was associated with some of the highest levels of poverty in the 13-year period of 48.4% and 30.7% in 2003. Following the high crime and poverty levels in 2003, both variables have decreased. In 2008, the overall crime index for South Africa and Gauteng was 129 (42.9% – poverty) and 178.5 (25.8% – poverty) respectively.

2.7 Conclusion

This chapter has provided background information on Gauteng by looking at various socio- economic variables that make up the province. The province has just over 10 million in total population with the age group 30-34 years making up the highest proportion in 2009. Contributions to the national GDP of over 33% were relatively higher in 2009 (35%). GDP growth rate is expected to increase by just over 3.2% in 2010, coming off -1.8% in 2009. The unemployment rate was 21.7% in 2008, which increased to 24.9% in 2009. Sectoral employment was higher in sub-sectors of wholesale & retail trade and finance & business services. From 1996 to 2009, access to services in the province has improved, especially services such as proper sanitation and refuse removal. However, income inequality remained stagnant and even worsened for the Black and Asian population groups. Numeracy, mathematics and physical science school results remain poor and below world standards, while government has been more effective in spreading literacy in the province.

Chapter 3: Socio-Economic Review of the City of Johannesburg

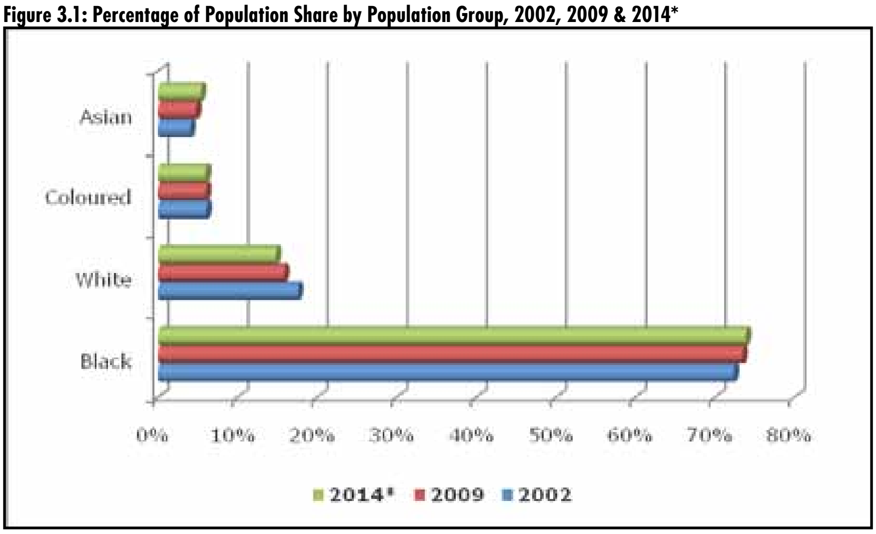
3.1 Introduction

Geographically, the City of Johannesburg (CoJ) is the smallest municipality in Gauteng. It covers a land area of about 1,644 km^2 and population density of 2,134 persons per km^2. In 2009, according to IHS Global Insight, the CoJ's population of 3.516 million was the largest (35.1%) of all the Gauteng municipalities. The municipality specialises in the finance & business services, government, social & personal services, manufacturing and wholesale & retail trade sub-sectors. The municipality contributes the largest portion to the GDPR of the province, about 47% in 2009. The CoJ is the central urban area of Gauteng and its economy has almost consistently outperformed both the national and Gauteng economies. The municipality is the house of major South African banking head quarters and home of textiles & clothing, and also provides significant amounts of formal and informal labour throughout all economic industries.

3.2 Demographic Profile

3.2.1 Population Profile

Figure 3.1: Percentage of Population Share by Population Group, 2002, 2009 & 2014*

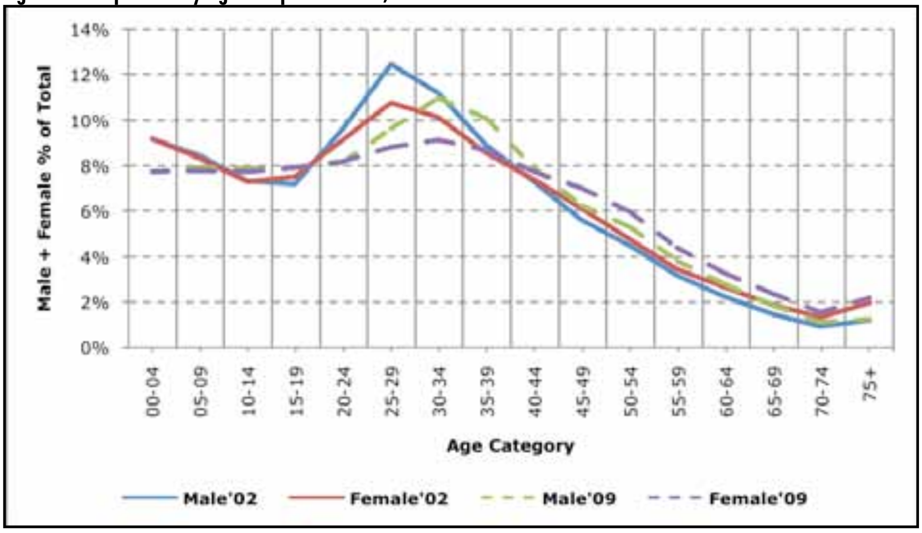


Source: IHS Global Insight, 2010

Note: * Indicates forecasts

Figure 3.1 shows the composition of the population in the CoJ by population group for 2002, 2009 with forecasts for 2014. The Black population constitutes the highest percentage at over 70% and is expected to increase gradually to 74% by 2014. Whites are the second largest population group, followed by Coloureds and then Asians. The White population group experienced a decrease between 2002 and 2009 and the trend is expected to continue to 2014.

Figure 3.2: Population by Age Group and Gender, 2002 & 2009



Source: IHS Global Insight, 2010

Figure 3.2 shows the population groups by gender and age category for the two years 2002 and 2009. In 2002, there were more males than females in the 15 to 39 years age category. In the 40 to 44 years age category there were slightly more females than males, with the differential increasing from the 50 to 54-age category and onwards. In 2009, more males were in the age groups of 30 to 34 and 35 to 39. The age categories of 25 to 29 and 30 to 34 made up the highest percentage of the total population.

3.2.2 Mortality

Table 3.1: Leading Causes of Death, 2009

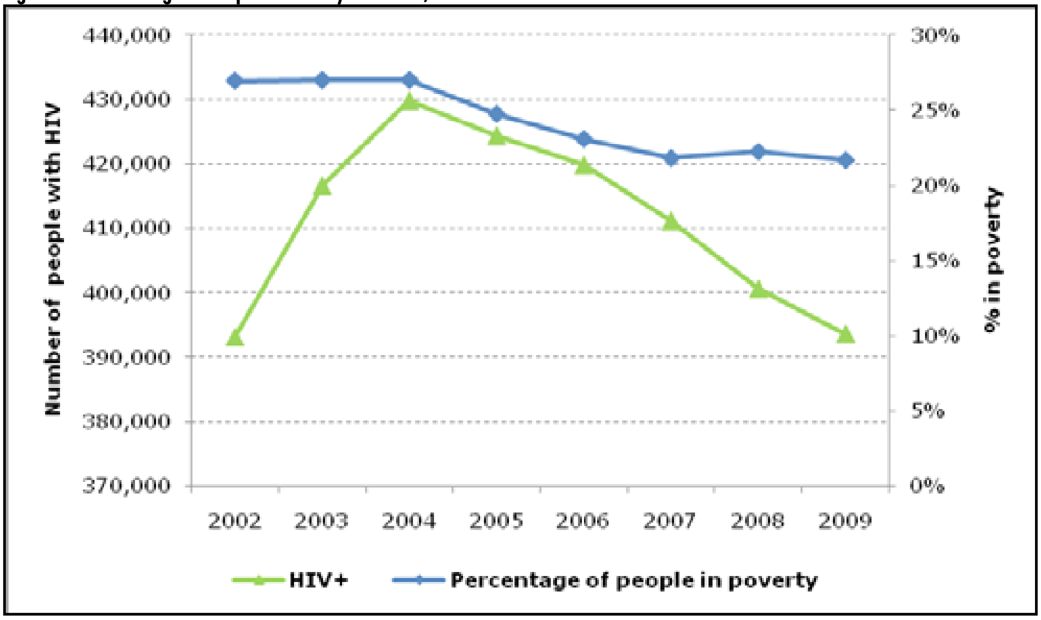
Disease	Number of Deaths	%	Disease	Number of Deaths	%
Tuberculosis	3,326	8.8	Cerebrovascular diseases	1, 083	2.9
Influenza & pneumonia	2,568	6.8	Diabetes mellitus	1, 048	2.8
Other forms of heart disease	1,684	4.4	Ischaemic heart disease	907	2.4
Intestinal infectious diseases	1,431	3.8	Certain disorders involving the immune mechanism	872	2.3
Human immunodeficiency virus	1,271	3.4	Hypertensive diseases	784	2.1
Other natural causes	18,975	50.1	Non natural causes	3, 934	10.4

Source: Stats SA, 2010

Table 3.1 provides the number of deaths that occurred in the CoJ in 2009 as a result of the diseases indicated. Stats SA reports that the total deaths recorded in the CoJ equaled 37,883. The leading cause of death was tuberculosis, followed by influenza & pneumonia. These two illnesses together claimed the lives of 5,894 people in the metro. It is important to note that the two illnesses are also HIV/AIDS opportunistic diseases and most of the deaths could have resulted from HIV+ people.

3.2.3 HIV/AIDS Linked to People in Poverty

Figure 3.3: Percentage of People in Poverty and HIV+, 2002-2009

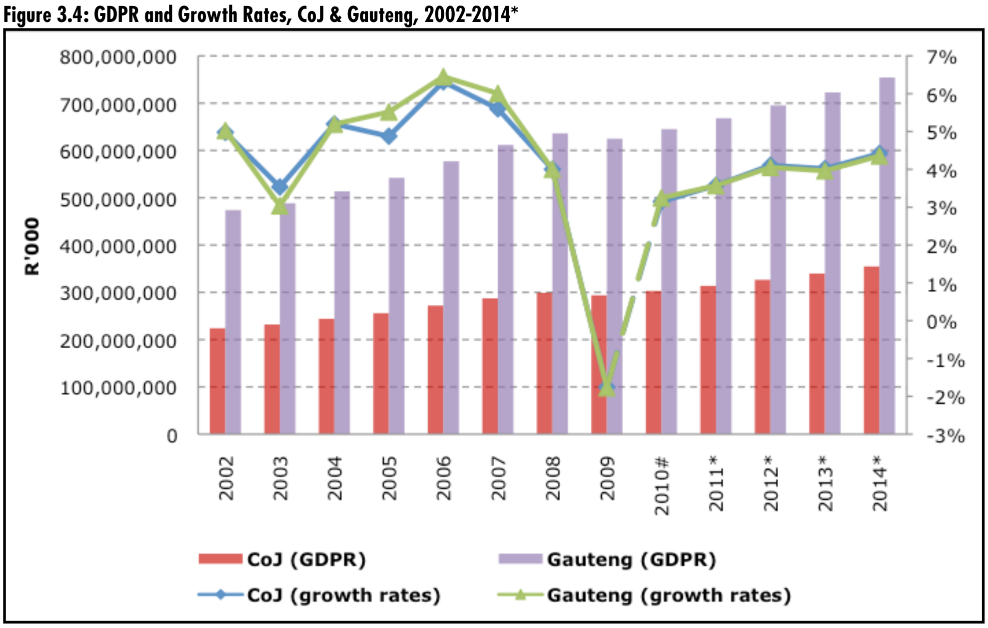


Source: Global Insight, 2011

Figure 3.3 displays the relationship between the percentage of people in poverty and those that are HIV+ over the years 2002 to 2009. The figure shows that the number of people who are HIV+ has been increasing since 2002 to peak at 429,919 in 2004 before it started to decline to 393,626 people in 2009. Since 2004, the percentage of people living in poverty has been declining before stabilising at 21.8% in 2007. Therefore, there is no direct relationship between the percentage of people in poverty and those that are HIV+ because poverty remained relatively constant from 2007 whilst the number of people with HIV was declining.

3.3 Economic Review

Figure 3.4: GDPR and Growth Rates, CoJ & Gauteng, 2002-2014*



Source: IHS Global Insight, 2011

Note: # indicates estimates and * forecasts

Figure 3.4 shows GDPR for the CoJ compared to that of the provincial economy for the period 2002 to 2008, estimates for 2009 and forecasts to 2014. The figure also shows the CoJ's growth rates compared to those of Gauteng from 2002 to 2009, estimates for 2010 and forecasts to 2014. The CoJ experienced increasing levels of GDPR from about R224 billion in 2002 to R299 billion in 2008 and the municipal GDPR slowed down to R294 billion in 2009. According to IHS Global Insight, the CoJ GDPR is forecast to move from R302 billion in 2010 to R355 billion in 2014. The municipal growth rate started at 5% in 2002 and slowed down to 3.5% in 2003 before reaching a high of 6.3% in 2006, the growth decelerated to 4% in 2008 before reaching negative 1.8% in 2009. The CoJ growth rate is estimated to record 3.2 % in 2010 and to grow further to 4.4% in 2014.

Table 3.2: GVA by Sector, 2008-2014*

	2008	2009	2010#	2011*	2012*	2013*	2014*
Agriculture, forestry & fishing	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Mining & quarrying	3.0%	2.9%	2.9%	2.8%	2.8%	2.7%	2.7%
Primary sector	***3.3%***	***3.2%***	***3.2%***	***3.1%***	***3.1%***	***3.0%***	***3.0%***
Manufacturing	17.4%	15.7%	15.2%	15.1%	15.1%	14.9%	14.8%
Electricity, gas & water	2.3%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%
Construction	4.6%	5.0%	4.9%	4.8%	4.7%	4.8%	4.8%
Secondary sector	***24.3%***	***23.6%***	***23.1%***	***22.9%***	***22.9%***	***22.7%***	***22.7%***
Wholesale & retail trade	15.7%	15.9%	15.9%	15.7%	15.4%	15.2%	15.0%
Transport & communication	8.0%	7.9%	8.0%	8.1%	8.2%	8.2%	8.2%
Finance & business services	28.8%	28.4%	28.5%	28.7%	29.0%	29.4%	29.6%
Government, social & personal services	19.9%	21.0%	21.3%	21.4%	21.4%	21.5%	21.6%
Tertiary sector	***72.4%***	***73.2%***	***73.7%***	***73.9%***	***74.1%***	***74.3%***	***74.4%***

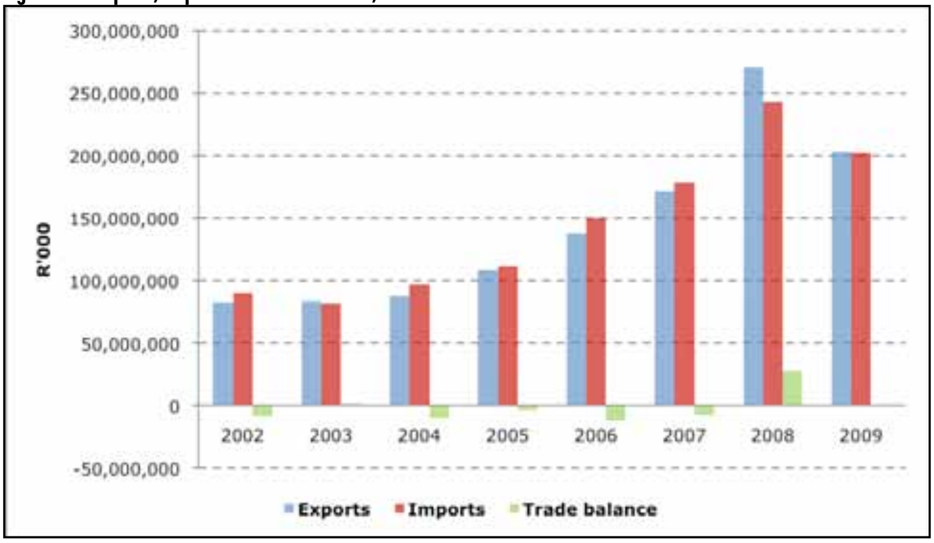
Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Table 3.2 shows the Gross Value Added (GVA) sectoral contributions within the CoJ economy for 2008 and 2009, estimates for 2010 and forecasts from 2011 to 2014. The primary sector contributed 3.3% to the provincial economy in 2008 and it is expected that the contribution will decrease from 3.2% in 2009 to 3% in 2014. The declining primary sector shows the structural economic[33] change that the CoJ economy is experiencing. The secondary sector contributed the second highest with manufacturing industry driving the sector with GVA of 17.4% in 2008 and 15.7% in 2009 before slowing down to 15.2% in 2010. The CoJ manufacturing GVA is forecast to record 14.8% in 2014. The tertiary sector made the highest contributions to the GVA of 72.4% in 2008 and recorded 73.2% in 2009. It is estimated that this sector will record 73.7% in 2010 before reaching 74.4% in 2014. The high contribution of the tertiary sector is largely driven by the fact that the CoJ houses the headquarters of many financial institutions.

33 Structural change of an economy refers to a long-term widespread change of the fundamental structure.

Figure 3.5: Exports, Imports and Trade Balance, 2002-2009



Source: IHS Global Insight, 2010

Figure 3.5 shows the CoJ exports, imports and trade balance for 2002 to 2009. With the exception of 2003, the trade balance has been in deficit from 2002 to 2007. The highest trade deficit of about R12.1 billion was recorded in 2006. According to Quantec Research, this can be linked to an increase of imported machinery & mechanical appliances, electrical equipment, sound recorders & reproducers and television image & sound recorders. In 2008, the CoJ experienced a trade surplus of R28 billion before decreasing to half a million in 2009. According to Quantec Research, the high trade surplus in 2008 can largely be attributed to a rise of mineral products exports from 16.9% in 2007 to 22.8% in 2008.

Table 3.3: Location Quotient, 2002 & 2009

	2002	2009	Change
Agriculture, forestry & fishing	0.13	0.11	-0.02
Mining & quarrying	0.25	0.31	0.06
Manufacturing	1.08	1.04	-0.04
Electricity, gas & water	1.07	1.03	-0.05
Construction	1.16	1.25	0.09
Wholesale & retail trade	1.23	1.17	-0.06
Transport & communication	0.83	0.87	0.04
Finance & business services	1.38	1.32	-0.06
General government services	0.96	0.96	0.00

Source: IHS Global Insight, 2011

Table 3.3 compares the location quotient in the CoJ for 2002 and 2009. The location quotient is an indication of the comparative advantage of an economy. The table shows that the CoJ had a high comparative advantage in finance & business services (1.38), followed by wholesale & retail trade (1.23), construction (1.16), manufacturing (1.08) and electricity, gas & water (1.07) and comparative disadvantage in other sectors during 2002. The construction sub-sector experienced the highest comparative advantage increase of 0.09 followed by transport & communication. The increase can largely be attributed to preparations for the 2010 FIFA World Cup.

3.4 Labour Market

Table 3.4: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	%Change
Labour Force	2,499,502	2,519,535	20,032	0.8%
Economically active population (EAP)	2,004,162	1,965,296	-38,867	-1.9%
Total employed	2,060,117	1,967,120	-92,997	-4.5%
Unemployed	382,997	420,393	37,396	9.8%
				% Point Change
Labour force participation	80.2%	78.0%	-	-2.2
Employment as % of labour force	82.4%	78.1%	-	-4.3
Unemployment rate	19.1%	21.4%	-	2.3

Source: IHS Global Inside, 2011

Table 3.4 compares the labour force statistics for the CoJ between 2008 and 2009. The municipal labour force increased by 0.8% over the period under review and in 2008 there were two million people classified under EAP. This decreased to 1.97 million in 2009. The total municipal population employed decreased by 4.5% while the unemployed increased by 9.7%. The labour force participation rate decreased by 2.2 percentage points and employment as a percentage of the labour force declined by 4.3 percentage points for the period under review. The unemployment rate increased 2.3 percentage points; this increase can be attributed to the financial crisis which caused the recession during 2009.

Table 3.5: Sectoral Employment Share, 2002 & 2009

	2002	2009	% Points Change
Agriculture, forestry & fishing	0.7%	0.4%	-0.3
Mining & quarrying	1.0%	0.9%	-0.1
Manufacturing	15.4%	13.3%	-2.1
Electricity, gas & water	0.9%	0.6%	-0.2
Construction	5.6%	6.8%	1.2
Wholesale & retail trade	23.4%	22.6%	-0.8
Transport & communication	6.8%	5.9%	-0.9
Finance & business services	20.5%	25.8%	5.3
Government, social & personal services	16.6%	15.2%	-1.4
Private households	9.2%	8.5%	-0.7
Total	**100%**	**100%**	

Source: IHS Global Insight, 2010

Table 3.5 compares the sectoral employment share in the CoJ for 2002 and 2009. Employment in 2002 was driven by finance & business services with 20.5% and this increased to 25.8% in 2009. The finance & business services sub-sector experienced the highest percentage point increase in its employment share for this municipality (5.3). Wholesale & retail trade and manufacturing also contribute very significantly to employment. Agriculture, forestry & fishing and electricity, gas & water supply were the lowest employers in 2002. In 2009, these sub-sectors experienced a decrease in their employment share to 0.4% and 0.6% from 0.7% and 0.9% respectively.

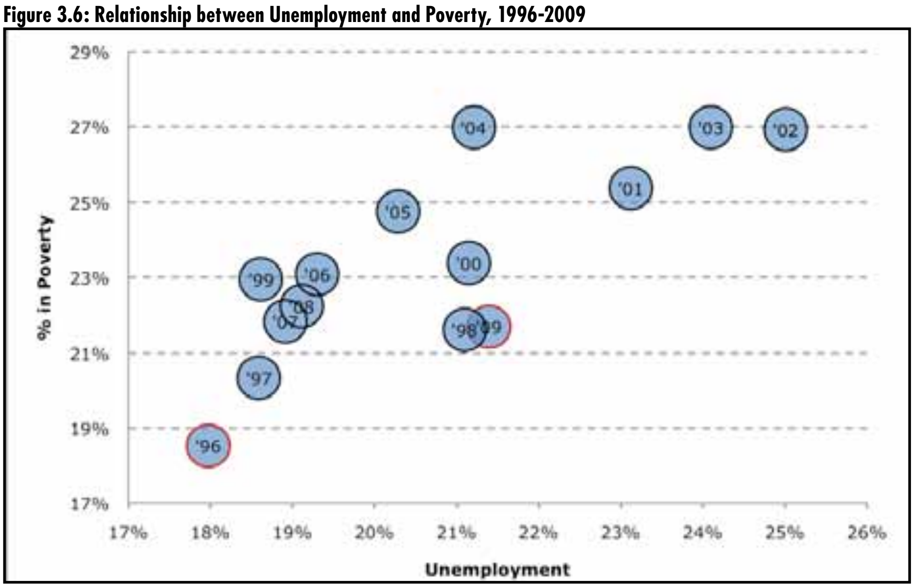
Table 3.6: Unemployment Rate by Gender and Population Group, 2002 & 2009

	2002		2009		% Points Change	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Black	26.0%	31.1%	22.6%	27.5%	-3.4	-3.6
White	5.7%	7.5%	3.9%	4.7%	-1.8	-2.8
Coloured	29.6%	29.1%	24.3%	20.6%	-5.3	-8.5
Asian	10.8%	13.5%	8.8%	8.8%	-2.0	-4.6

Source: IHS Global Insight, 2011

Table 3.6 analyses unemployment by gender and population group between 2002 and 2009. In 2002, Coloureds experienced the highest rate of unemployment for males (29.6%) while Black females accounted for the highest unemployment rate (31.1%) for the same year. In 2009, both Coloured males and Black females continued to experience the highest rates of unemployment. Whites accounted for the lowest unemployment rates at 3.9% for males and 4.7% for females in 2009. The highest average decrease in the unemployment rate over the period under review was that of Coloureds, followed by Blacks.

Figure 3.6: Relationship between Unemployment and Poverty, 1996-2009

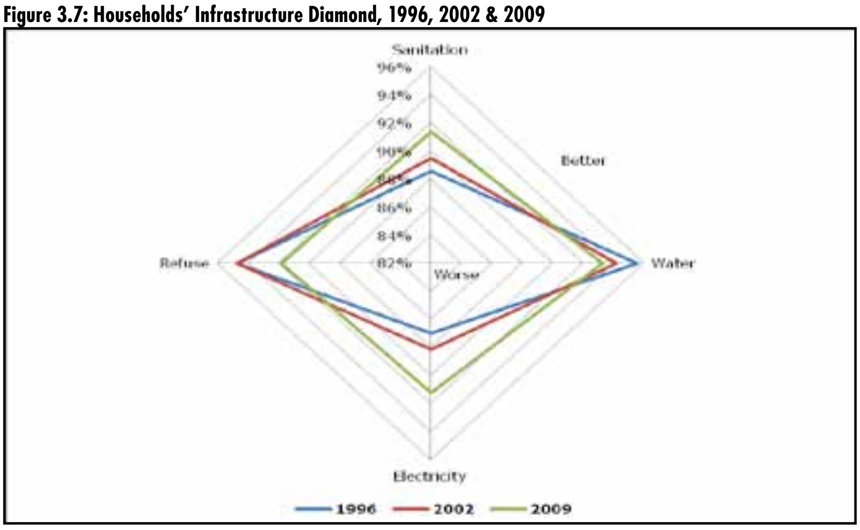


Source: IHS Global Insight, 2011

Figure 3.6 shows the relationship between unemployment and percentage of people in poverty in the CoJ from 1996 to 2009. In 1996, the CoJ recorded an unemployment rate of 18% that increased to a high of 25% in 2002. Poverty also followed the same increasing trend from 18.5% to 26.9% in 1996 and 2002 respectively. By 2009, the municipal unemployment and percentage of people in poverty had decreased to 21.4% and 21.7% respectively. The rate at which the poverty rate responded to changes in unemployment shows that there is a clear positive correlation between the two variables. According to the municipality, the rise can be associated to migration as well as the changes in the city boundaries. Employment creation is one of the factors to alleviate poverty. The CoJ showed a decreasing trend of both unemployment and poverty over the review period.

3.5 Access to Services

Figure 3.7: Households' Infrastructure Diamond, 1996, 2002 & 2009



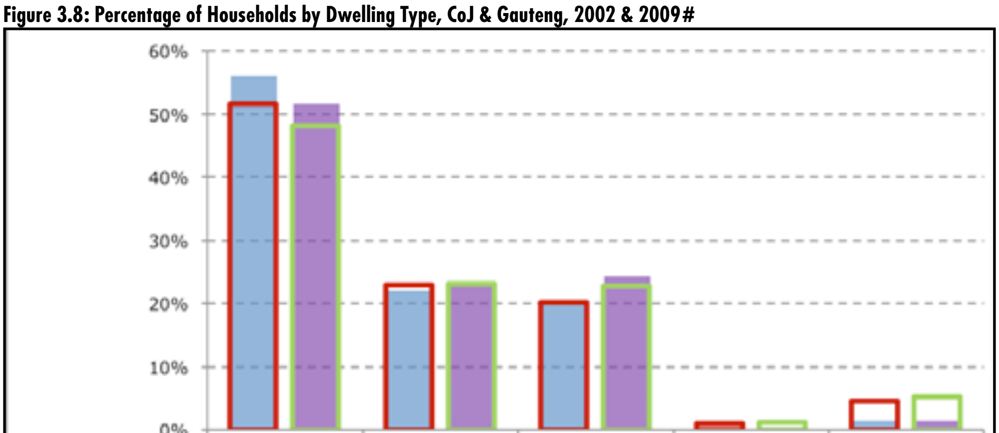
Source: IHS Global Insight, 2011

Figure 3.7 plots the households' infrastructure diamond in the CoJ for 1996, 2002 and 2009. The CoJ has seen an improvement in the percentage of households with access to sanitation facilities. In 2002, about 89.5% of the households within the CoJ had access to sanitation, a one-percentage point improvement over the 88.5% recorded for 1996. A larger increase was recorded between 2002 and 2009. As of 2009, about 91.4% of the CoJ households had access to sanitation, a 1.9 percentage point rise.

Access to water in the CoJ has fallen over the period under review. It was recorded that in 1996, about 95.6% of households within the CoJ had access to water; this fell to 94.2% in 2002 and dropped a further 0.9 percentage points to 93.3% for 2009. The decline in access to water can be attributed to the increase in demand for the service without any change in the actual infrastructure investment.

Households in the CoJ enjoyed a 1.2 percentage points increase in access to electricity from 1996 (87.0%) to 2002 (88.1%). In 2009, however, there was an increase to 91.2%. The provision of refuse removal in the CoJ declined in 2009. In 2002, there was a small increase of 0.1 percentage points over the 1996 percentage, reaching 94.8% of households with access to refuse removal. The year 2009, however, saw a fall of three-percentage points to 91.8%.

Figure 3.8: Percentage of Households by Dwelling Type, CoJ & Gauteng, 2002 & 2009#



	Very Formal	Formal	Informal	Traditional	Other dwelling type
CoJ 2009#	56.0%	22.0%	20.6%	0.1%	1.4%
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
CoJ 2002	51.5%	22.9%	20.1%	1.0%	4.6%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%

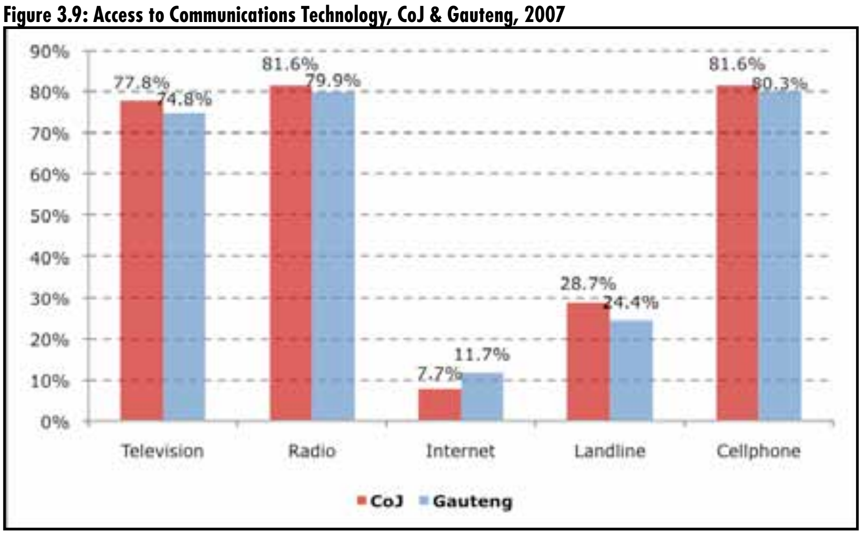
Source: IHS Global Insight, 2011

Note: **#** Indicates estimates.

The figure shows percentage of households by dwelling type in the CoJ and Gauteng for 2002 and 2009. In 2002, Gauteng and the CoJ had 48% and 51.5% respectively of their populations living in very formal housing. While in 2009, the percentage is estimated to have increased to 51.5% for Gauteng, the CoJ experienced a larger increase to 56% over the same time period. In terms of formal housing, Gauteng and the CoJ experienced a decline over the period under review from 23.1% (2002) to 22.8% (2009) and 22.9% (2002) to 22% (2009) respectively.

The percentage of households living in informal households increased in 2009 for both Gauteng and the CoJ. In the CoJ, this was a 0.5 percentage point rise from 20.1% in 2002 to an estimated 20.6% in 2009. Traditional housing was at negligible levels for both Gauteng and the CoJ.

Figure 3.9: Access to Communications Technology, CoJ & Gauteng, 2007



Source: Stats SA, Community Survey (2007), 2010

The figure depicts access to communications technology in the CoJ and Gauteng for 2007. As one of Gauteng's most urbanised areas, it could be expected that the CoJ would enjoy a higher access to technology than the provincial average across the board. While this was mostly true in 2007, surprisingly, internet access in CoJ was four-percentage points lower than the average for Gauteng, at 7.7% compared to 11.7%, respectively.

Table 3.7: Health Statistics, CoJ & Gauteng, 2006/07–2008/09

Indicators	2006/07		2007/08		2008/09	
	CoJ	GP	CoJ	GP	CoJ	GP
Total PHC expenditure per capita (R)	504	503	565	550	623	577
% District health services expenditure on District Hospitals	7.6	21.8	6.5	23	6.2	22.4
% District health services expenditure on District Management	7.2	7.2	5.5	8.3	13.9	9.6
% Bed Utilisation Rate (BUR)	68.6	66	65.5	64.5	69.8	60.2
Nurse Clinical Workload	20.7	25.9	21.7	25.6	29.5	27.4
% ANC clients tested for HIV	62.9	61.1	88.4	73.3	81.2	78.4
PHC Utilisation Rate	1.9	1.9	1.8	1.7	2.1	2
TB Smear conversion rate	69.4	69.2	75.9	75.1	75.1	77
TB Case Load (new Sm+)	n/a	n/a	7,490	18,208	8,584	19,882
Stillbirth Rate (per 1000 births)	20.9	21.8	17.9	20.9	19.4	21

Source: Health Systems Trust, DHB, 2010

In Table 3.7, the health statistics in the CoJ and Gauteng are shown for the 2006/07 to 2008/09 financial years. In 2006/07, CoJ's total PHC expenditure per capita was R504; one Rand more per person than Gauteng's average of R503. In 2007/08, the CoJ's figure increased by R61 per capita to R565, putting it R15 per capita above that year's provincial average of R550. By 2008/09, the municipality had reached R623 total PHC expenditure per capita; R46 per capita more than the Gauteng average of R577 per capita in 2008/09.

In 2006/07, about 7.6% of CoJ's district health services expenditure was on district hospitals, this was 14.2 percentage points lower than the provincial average of 21.8% for that year. By 2008/09, the gap had widened to 16.2 percentage points, with CoJ at 6.2% and Gauteng at 22.4%. CoJ's lower percentage may be due to the municipality having two district hospitals, compared to its 111 clinics, nine community health centres and 14 mobile services. Also, much of the work that would normally be required of the district hospitals is probably being covered by the three regional, two central and 29 private hospitals within the CoJ's boundaries[34].

At 7.2%, the percentage of its district health services expenditure that the CoJ spent in 2006/07 on district

34 The information on the numbers of health centres is provided by the DHB.

management was exactly the same as the provincial average for that year. In 2007/08, the Gauteng average increased, while the CoJ's figure dropped 1.7 percentage points to 5.5%. In 2008/09, the average for the province continued to rise, reaching 9.6%, and the CoJ's value increased that year, passing Gauteng's figure and reaching 13.9%.

In 2006/07 and 2007/08, the clinical workload on the CoJ's nurses was below that of the average for Gauteng, at 20.7% to 25.9% and 21.7% to 25.6%, respectively. In 2008/09, however, the CoJ's nurse clinical workload rose 7.8 percentage points to 29.5%, which meant that it was now above the provincial average of 27.4% for the year.

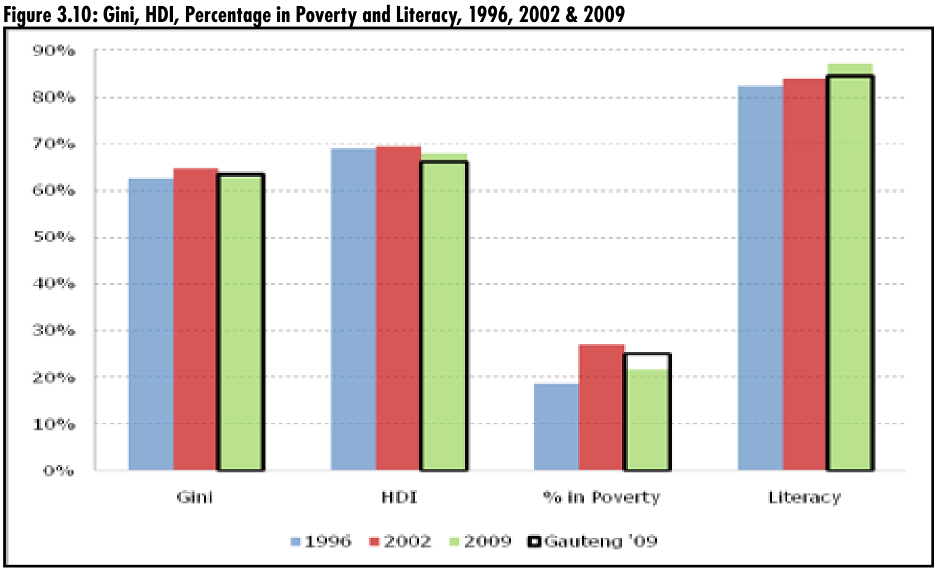
The proportion of the CoJ's antenatal care clients tested for HIV has been higher than the provincial average throughout the period under review. It was 62.9% in 2006/07, before rising 25.5 percentage points to 88.4% in 2007/08. Even after falling to 81.2% in 2008/09, the CoJ's figure was still above Gauteng's average of 78.4% for that year.

The CoJ's PHC utilisation rate in 2006/07 was the same as the provincial average, with both at 1.9 that year. In 2007/08, both recorded a decline in this value, but the provincial figure dropped to 1.7 while the CoJ took a shorter fall to 1.8. In 2008/09, both the Gauteng average and CoJ's figure increased 0.3 percentage points, which meant that CoJ remained above the provincial average at 2.1.

In 2006/07, the CoJ's TB smear conversion rate was 69.4%. This rose by 6.5 percentage points to 75.9% in 2007/08 before falling 0.8 percentage points to 75.1% in 2008/09. The financial year 2008/09 was the only time during the period under review that the CoJ's conversion rate was below the provincial average. There were 7,490 new cases of TB recorded in the CoJ in 2007/08 and 8,584 new cases in 2008/09.

3.6 Development

Figure 3.10: Gini, HDI, Percentage in Poverty and Literacy, 1996, 2002 & 2009

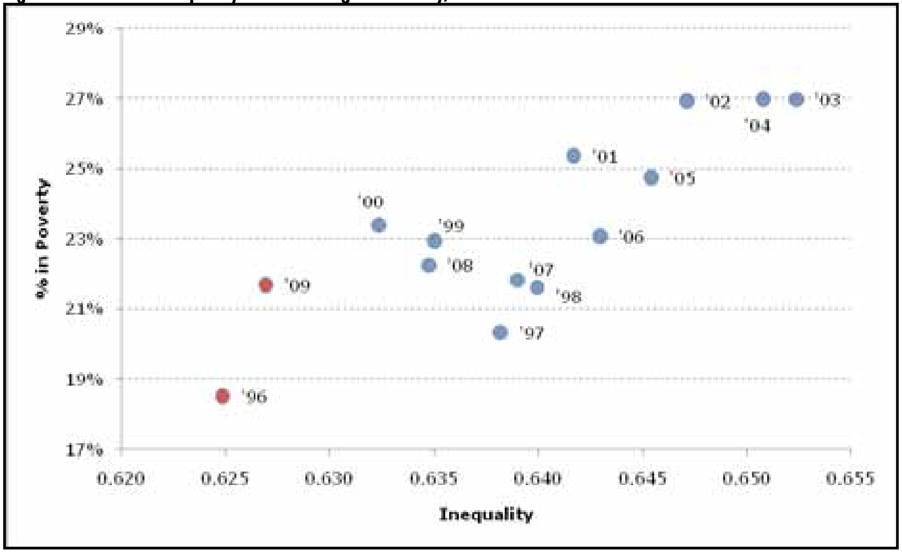


Source: IHS Global Insight, 2011

The CoJ is one of the most industrialised and urbanised metropolitan regions in South Africa and is expected to have a high level of development compared to most other regions. In figure 3.10, three selected years namely 1996, 2002 and 2009 are used to illustrate the progress in terms of development for the CoJ. Income inequality measured by the Gini coefficient, relatively speaking has not changed much; measuring at 0.627, almost level with the Gauteng average of 0.633 in 2009. The HDI has worsened slightly from 0.689 in 1996 to 0.679 in 2009, but faring better than the provincial average of 0.661. The percentage living in poverty in 1996 was

18.5%. In 2002, it shot up to 26.9% to come down in 2009 to 21.7%. The percentage of literate people has been increasing, reaching 87.3% in 2009, which is 2.87 percentage points above the Gauteng average of 84.5%.

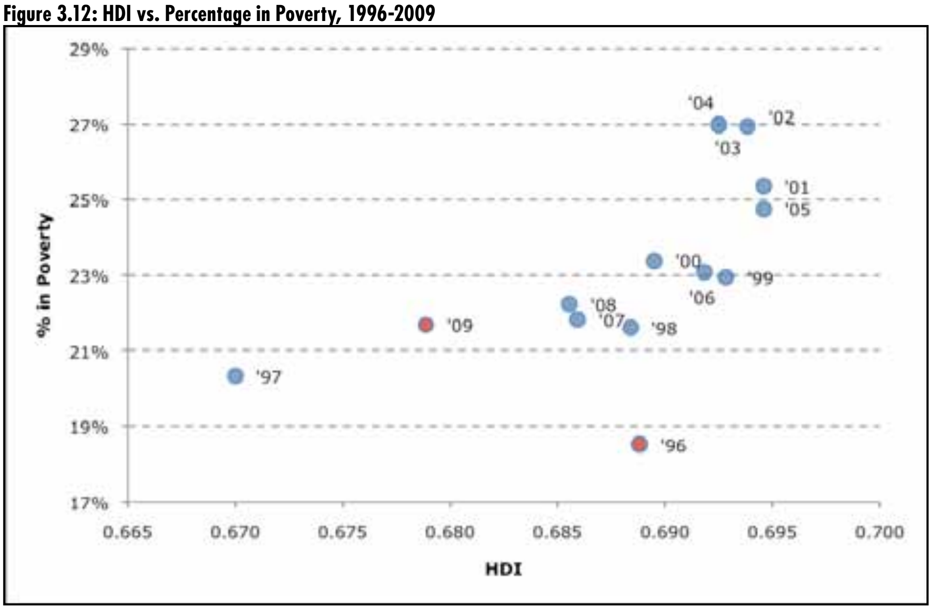
Figure 3.11: Income Inequality vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 3.11 illustrates the change in inequality through the years 1996 to 2009 against the percentage living in poverty in the CoJ. Over the 14 year period, inequality had increased in conjunction with poverty to its highest level in 2003 of 0.652 and 27% for poverty before returning to lower levels. Between 2008 and 2009 the Gini decreased by 0.78 percentage points to 0.627 and percentage in poverty to 21.7% in 2009. Inequality in 2009 almost improved to levels last seen in 1996. Given the above data, the correlation between inequality and percentage in poverty for the CoJ is 83.1%[35].

Figure 3.12: HDI vs. Percentage in Poverty, 1996-2009

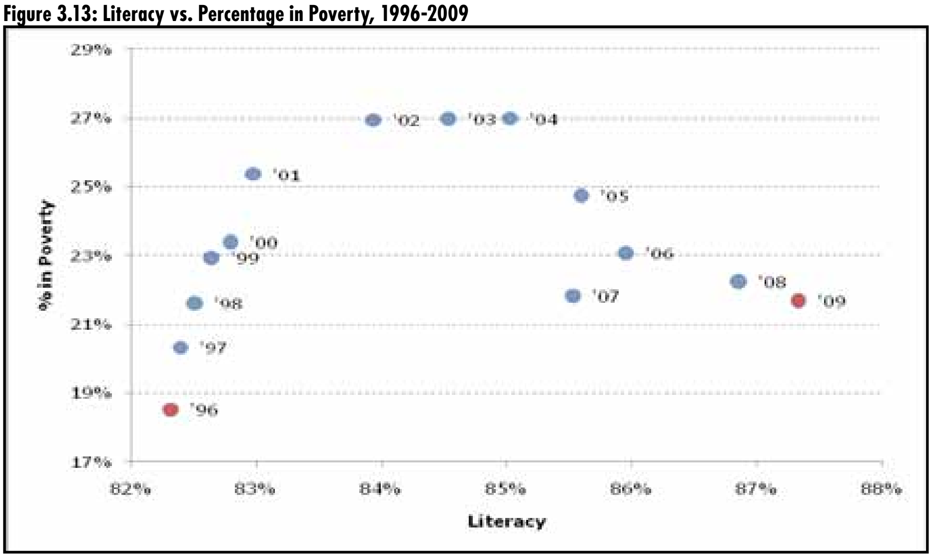


Source: IHS Global Insight, 2011

35 Calculation of the correlation coefficient was obtained using MS-Excel.

In figure 3.12, the HDI is mapped against the percentage living in poverty from 1996 to 2009. For 12 out of the 14 years under review, the HDI was above 0.685, but for two years (namely 1997 and 2009), it was below this value. The CoJ had the highest HDI value in 2005 of 0.695 and 24.8% for poverty. A negative relationship between HDI and poverty makes economic sense, but this does not seem to be the case with a weak positive correlation of 62.2%. Therefore, low poverty is not necessarily associated with high HDI in the CoJ.

Figure 3.13: Literacy vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 3.13 shows the most improved development in the CoJ, the percentage of people that have functional literacy. Literacy has increased every year, except in 2007. In 1996, the literacy rate was 82.3%, which increased to 87.3% in 2009. As explained in section 2.6.2 (in figure 2.27) being able to read and write is not enough to pull one out of poverty but is the stepping stone to improving one's opportunity to find employment. The CoJ is mostly industrialised relative to other districts and therefore the kind of job opportunities available in the metro would be more likely to require this skill than those found in other rural regions.

3.7 Conclusion

The CoJ is the largest metropolitan municipality in Gauteng in terms of population and economic activity. The population of the CoJ consists mainly of Blacks followed by Whites. Economic activity is dominated by the tertiary sector, which contributes over 70% to GDPR. This figure is expected to increase in future. There seems to be a strong correlation between unemployment and poverty. In 2009, the unemployment rate was 21.4% and poverty was 21.7%. Access to services has seen an improvement in sanitation and electricity from 1996 to 2009, while refuse removal and access to water has been on the decline. Access to communication technology for the CoJ is relatively high, except for access to the internet. Since 1996, the level of functional literacy has been increasing steadily, while the HDI seems to be heading downwards. Although there have been positive results in respect of poverty alleviation since 2002, income inequality still remains high with little changing.

Chapter 4: Socio-Economic Review of the City of Tshwane

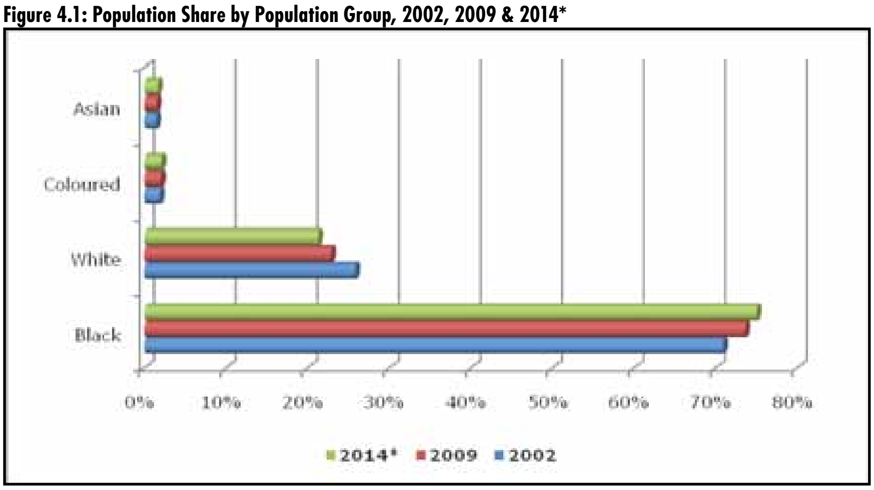
4.1 Introduction

The City of Tshwane (CoT) metropolitan municipality is the fourth largest municipality in the province. It covers a land area of about 2,174 km^2. In 2009, according to IHS Global Insight, the total population of the CoT was 2.157 million, contributing a 21.5% share to the Gauteng population. This municipality makes the second largest contribution to the provincial GDP at 27%, with the tertiary sector's government, social & personal services and finance and business services in the forefront. Many national government departments, foreign embassies and tertiary educational institutions are housed in the city. The municipality is also known as a manufacturer and assembler of passenger vehicles that are mainly produced in the Rosslyn and Pretoria East areas. According to the Automotive Industry Development Centre, the municipality produces 40% of South Africa's automotive output. The municipality exports more than it imports and also has a growing tourism sector that contributes to job creation and investment. This chapter analyses the socio-economic review and outlook of the CoT's demographic profile, economic performance, labour market, access to services and development indicators.

4.2 Demographic profile

4.2.1 Population Profile

Figure 4.1: Population Share by Population Group, 2002, 2009 & 2014*

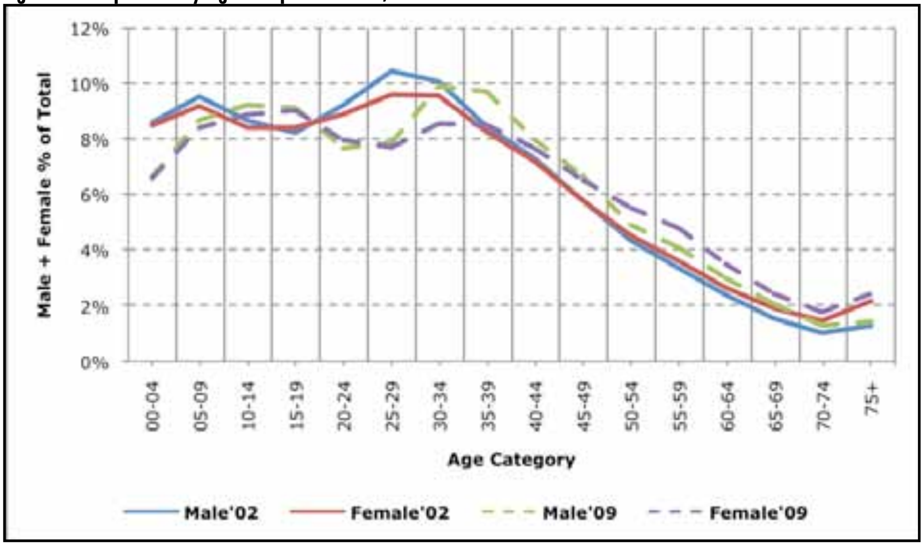


Source: IHS Global Insight, 2010

Note: * Indicates forecasts

Figure 4.1 shows the composition of the population in the CoT by population group for 2002, 2009 and gives forecasts for 2014. The Black population constitutes the highest percentage which was at 70% in 2002 and is expected to increase gradually over the review period, reaching 75% by 2014. In 2002, Whites constituted the second largest population group at 26%. This percentage has decreased gradually to 23% in 2009. It is expected that by 2014, Whites will be 21% of the population in the CoT. The Coloured and Asian population groups constitute the third and fourth largest groups respectively.

Figure 4.2: Population by Age Group and Gender, 2002 & 2009



Source: IHS Global Insight, 2010

Figure 4.2 shows the CoT population by gender and age category for the years 2002 and 2009. In 2002, there were more males than females within the age categories of 10 to 14 and 25 to 29 years. For most of the age categories, the percentages of males and females were equal with the exception of the 55 to 59-age category and onwards. In 2009, a greater number of males were concentrated in the age category of 25 to 29. In 2002, the age categories of those between 25 and 29 and 30 and 34 years were the largest percentages of the population. The percentages of males and females steadily declined for the rest of the age categories.

4.2.2 Mortality

Table 4.1: Leading Causes of Death, 2009

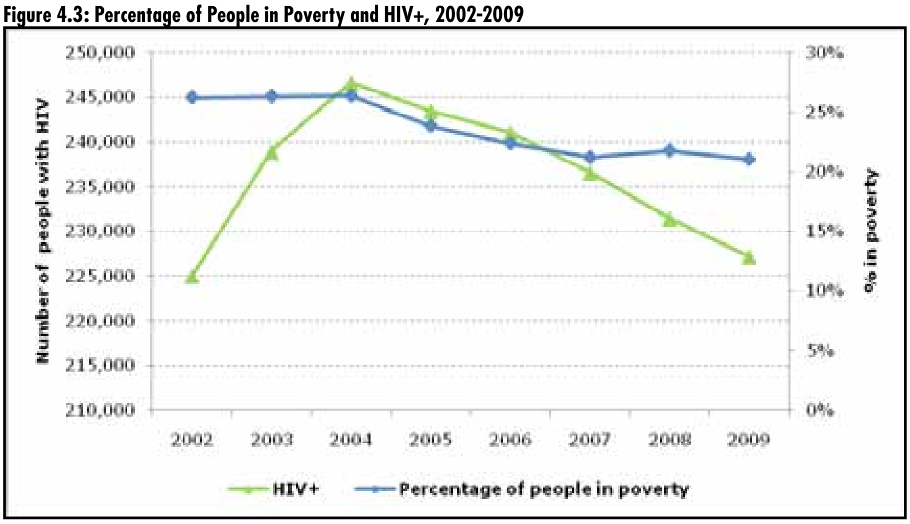
Disease	Number of Deaths	%	Disease	Number of Deaths	%
Tuberculosis	2,313	8.8	Diabetes mellitus	1,062	4
Influenza & pneumonia	1,806	6.9	Ischaemic heart disease	868	3.3
Other forms of heart disease	1,765	6.7	Hypertensive diseases	863	3.3
Intestinal infectious diseases	1,494	5.7	Malignant neoplasm of digestive organs	643	2.5
Cerebrovascular diseases	1,089	4.2	Certain disorders involving the immune mechanism	605	2.3
Other natural causes	10,984	41.9	Non natural causes	2,742	10.5

Source: Stats SA, 2010

Table 4.1 provides the number of deaths that occurred in the CoT in 2009 as a result of the diseases indicated. Stats SA reports that the total deaths recorded in the CoT were 26,234. The leading cause of death was tuberculosis and followed by influenza & pneumonia. These two illnesses together claimed the lives of 4,119 people in the metro. It is important to note that the two illnesses are also HIV/AIDS opportunistic diseases and many of the deaths could have resulted from HIV+ people.

4.2.3 HIV/AIDS Linked to Poverty

Figure 4.3: Percentage of People in Poverty and HIV+, 2002-2009

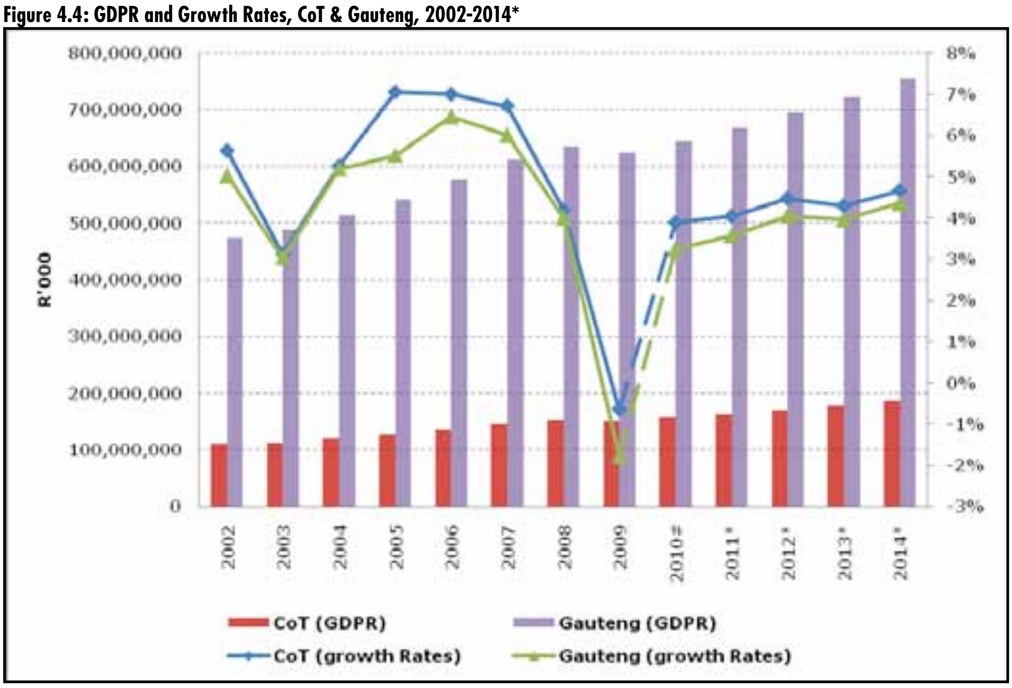


Source: IHS Global Insight, 2011

Figure 4.3 displays the relationship between the percentage of people in poverty and those that are HIV+ over the years 2002 to 2009. The figure shows that the number of people who are HIV+ has been increasing since 2002 and peaked at 246,631 in 2004 before it started declining. The decline saw the number of HIV+ people decrease by a total of 19,447 between 2004 and 2009. The percentage of people in poverty (26.4%) started declining in 2004 and by 2009, it had reached 21%. There is no apparent direct relationship between the percentage of people in poverty and those that are HIV+.

4.3 Economic Review

Figure 4.4: GDPR and Growth Rates, CoT & Gauteng, 2002-2014*



Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Figure 4.4 shows GDPR for the CoT compared to that of the provincial economy for the period 2002 to 2009, estimates for 2010 and forecast to 2014. The figure also shows the CoT growth rates compared to that of Gauteng over the same period. From 2002 to 2008, CoT experienced increasing levels of GDPR from about R110 billion in 2002 to R152 billion in 2008. The municipal GDPR slowed down to R151 billion in 2009. According to IHS Global Insight, the GDPR is forecasted to move from R157 billion in 2010 to R187 billion in 2014. The municipal growth rate started at 5.6% in 2002, slowed down to 3.1% in 2003, and reached a high of 7% in 2005. The growth decelerated to 4.2% in 2008, before reaching negative 0.6% in 2009. It is estimated that the GDPR growth rate will record 3.9% in 2010, and grow further to a high of 4.7% in 2014. The figure shows that both the CoT GDPR and the growth rates follow the same trend as the provincial figures.

Table 4.2: GVA by Sector, 2008-2014*

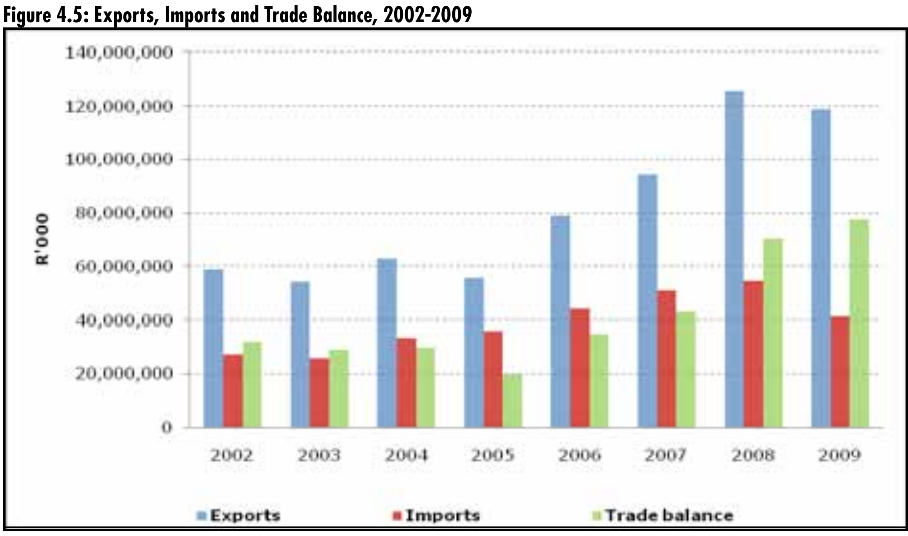
	2008	2009	2010#	2011*	2012*	2013*	2014*
Agriculture, forestry & fishing	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Mining & quarrying	0.7%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Primary sector	***1.1%***	***0.8%***	***0.8%***	***0.8%***	***0.8%***	***0.8%***	***0.8%***
Manufacturing	15.3%	13.7%	13.2%	13.1%	13.1%	12.9%	12.9%
Electricity, gas & water	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%
Construction	4.9%	5.3%	5.3%	5.2%	5.2%	5.3%	5.3%
Secondary sector	***22.0%***	***20.9%***	***20.4%***	***20.1%***	***20.2%***	***20.0%***	***20.1%***
Wholesale & retail trade	13.4%	13.4%	13.4%	13.3%	13.1%	13.0%	12.8%
Transport & communication	10.5%	10.9%	10.8%	10.9%	11.0%	11.0%	10.9%
Finance & business services	24.7%	24.2%	24.4%	24.6%	24.7%	25.0%	25.1%
Government, social & personal services	28.3%	29.9%	30.2%	30.3%	30.3%	30.3%	30.3%
Tertiary sector	***76.9%***	***78.4%***	***78.8%***	***79.1%***	***79.1%***	***79.2%***	***79.1%***

Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Table 4.2 shows the GVA sectoral contributions within the CoT economy for 2008 and 2009, and gives estimates for 2010 and forecasts to 2014. In 2008, the primary sector contributed 1.1% to the provincial economy. It is expected to contribute 0.8% from 2009 to 2014 shared equally at 0.4% between agriculture, forestry & fishing and mining & quarrying. The declining primary sector shows the structural economic change that the CoT economy is experiencing. The secondary sector contributes the second highest GVA, driven by the manufacturing sub-sector with a GVA of 15.3% in 2008, estimated to record 13.7% in 2009, before slowing down to 12.9% in 2014. The tertiary sector made the highest GVA to the CoT economy of 76.9% in 2008, and is estimated to record 78.4% in 2009. It is estimated that the municipal GVA will record 78.8% in 2010, forecast to reach a high of 79.1% in 2014. The high contribution of the tertiary sector is due to the fact that CoT houses, numerous national government departments and foreign embassies.

Figure 4.5: Exports, Imports and Trade Balance, 2002-2009



Source: IHS Global Insight, 2010

Figure 4.5 shows the CoT exports, imports and trade balance for the period 2002 to 2009. The trade balance has been in surplus throughout the review period. The highest trade surplus of about R77.4 billion was recorded in 2009 and the lowest trade surplus of R19.6 billion was experienced in 2005. A trade deficit occurs when imports exceed exports and the reverse creates a trade surplus. According to Quantec Research continuous CoT trade surplus can be highly associated with high export of vehicle, vehicle equipments, base metals and mineral products.

Table 4.3: Location Quotient, 2002 & 2009

	2002	2009	Change
Agriculture, forestry & fishing	0.17	0.13	-0.04
Mining & quarrying	0.05	0.11	0.06
Manufacturing	0.92	0.91	-0.01
Electricity, gas & water	0.77	0.76	0.01
Construction	1.28	1.36	0.08
Wholesale & retail trade	1.02	0.99	-0.03
Transport & communication	1.16	1.11	-0.05
Finance & business services	1.12	1.11	-0.01
General government services	1.43	1.36	-0.07

Source: IHS Global Insight, 2011

Table 4.3 compares the location quotient in the CoT between 2002 and 2009. The table shows that the CoT had a high comparative advantage in general government services (1.43), followed by construction (1.28), transport & communication (1.16), finance & business services (1.12), and lastly wholesale & retail (1.02) and comparative disadvantage in other sectors during 2002. In 2009, all the mentioned sectors were still with comparative advantage even though there was a slowdown. Construction recorded a high increase in comparative advantage from 1.28 to 1.36 over the review period.

4.4 Labour Market

Table 4.4: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	%Change
Labour Force	1,501,710	1,513,343	11,633	0.8%
Economically active population	1,137,185	1,111,071	-26,114	-2.3%
Total employed	1,108,436	1,063,781	-44,656	-4.0%
Unemployed	140,774	145,707	4,933	3.5%
				% Point Change
Labour force participation	75.7%	73.4%	-	-2.3
Employment as % of labour force	73.8%	70.3%	-	-3.5
Unemployment rate	12.4%	13.1%	-	0.7

Source: IHS Global Insight, 2011

Table 4.4 compares the labour market statistics for the CoT between 2008 and 2009. Over the review period, the labour force in the municipality increased by 0.8%. In 2008, there were 1.14 million people classified under EAP, and this decreased to 1.11 million in 2009. The total employed municipal population decreased by 4% between the two years, while the unemployed increased by 3.5%. Over this two-year period, the CoT's labour force participation rate decreased by 2.3% and employment as a percentage of the labour force, also declined by 3.5%. The municipal unemployment rate increased from 12.4% in 2008 to 13.1% in 2009, this shows an increase of 0.7 percentage points.

Table 4.5: Sectoral Employment Share, 2002 & 2009

	2002	2009	% Point Change
Agriculture forestry & fishing	1.1%	0.6%	-0.5
Mining & quarrying	0.2%	0.1%	-0.1
Manufacturing	12.0%	11.6%	-0.4
Electricity, gas & water	0.6%	0.4%	-0.2
Construction	6.4%	7.8%	1.4
Wholesale & retail trade	23.1%	22.5%	-0.6
Transport & Communication	7.0%	6.2%	-0.8
Finance & business services	16.2%	20.9%	4.7
Government, social & personal services	23.3%	21.0%	-2.3
Private Households	10.1%	8.8%	-1.2
Total	**100%**	**100%**	

Source: IHS Global Insight, 2010

Table 4.5 compares the sectoral employment shares in the CoT for 2002 and 2009. Municipal employment is driven by both government, social & personal services and the wholesale & retail trade sub-sectors. The domination of employment by government, social & personal services can be attributed to the fact that most national government departments are located in this metro. Wholesale & retail trade and government, social & personal services made up 22.5% and 21% of the employment share in 2009 respectively, although both the percentage shares had experienced a decline. Agriculture, forestry & fishing, mining & quarrying and electricity, gas & water were the lowest employers in the two years. In 2009, the employment shares for these sub-sectors decreased to 0.6%, 0.1% and 0.4% respectively. The finance & business services sub-sector experienced the highest percentage point increase in its employment share at 4.7 percentage points, from 16.2% in 2002 to 20.9% in 2009.

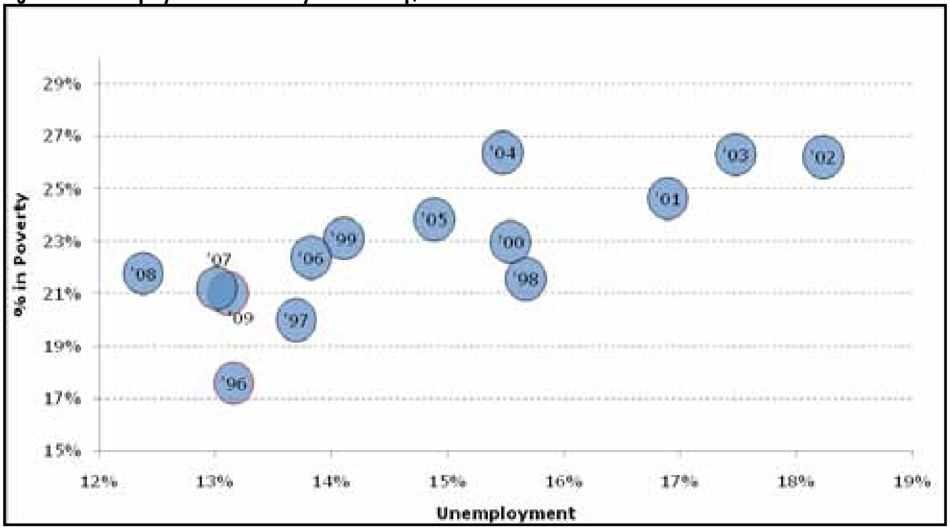
Table 4.6: Unemployment Rate by Gender and Population Group, 2002 & 2009

	2002		2009		% Points Change	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Black	21.4%	24.1%	15.3%	18.1%	-6.1	-6.0
White	4.7%	5.3%	2.7%	2.8%	-2.1	-2.6
Coloured	13.2%	12.9%	8.6%	7.3%	-4.6	-5.6
Asian	8.3%	9.2%	5.8%	5.2%	-2.5	-4.0

Source: IHS Global Insight, 2011

Table 4.6 analyses the unemployment rate by gender and population group between 2002 and 2009. Blacks and Coloureds made up the highest shares of unemployment for both years. In 2002, Blacks constituted the highest rate of unemployment for males at 21.4% while females made up the highest rate of unemployment at 24.1% for the same year. In 2009, both Black males and females continued to make up the highest rates of unemployment. Whites constituted the lowest share at 2.7% for males and 2.8% for females. The highest average decrease in the unemployment rates over the period under review was that of Blacks, followed by Coloureds.

Figure 4.6: Unemployment and Poverty Relationship, 1996-2009

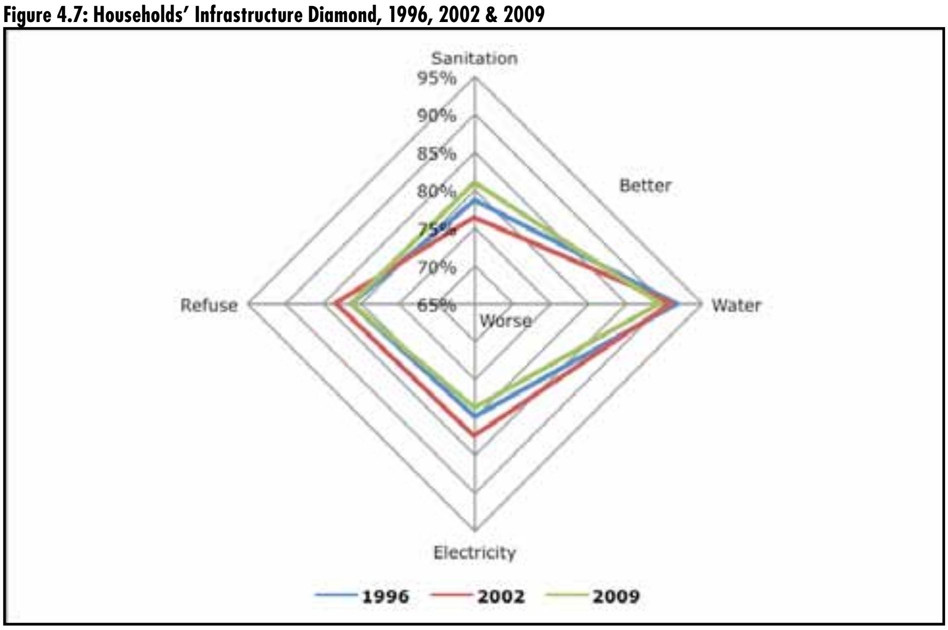


Source: IHS Global Insight, 2011

Figure 4.6 shows the relationship between unemployment and poverty in CoT from 1996 to 2009. In 2008, the CoT recorded the lowest unemployment rate of 12.4% and the rate increased to 13.1% in 2009. From 1996 to 2002, unemployment increased from 13.2% to a high of 18.2% before declining to lower levels in proceeding years. Due to the positive relationship that exists between the two variables as can be seen in the figure, the poverty rate also increased from 17.6% in 1996 to 26.4% in 2004, before falling to 21% in 2009.

4.5: Access to Services

Figure 4.7: Households' Infrastructure Diamond, 1996, 2002 & 2009

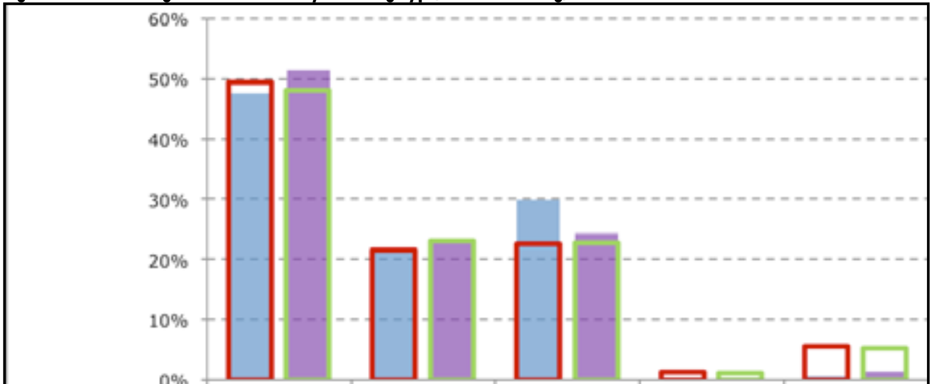


Source: IHS Global Insight, 2011

Figure 4.7 shows the household infrastructure diamond in CoT for 1996, 2002 and 2009. In 2002, the percentage of households with access to sanitation within the CoT fell 2.3 percentage points to 76.4%, as compared to its 1996 level of 78.7%. By 2009, however, access to sanitation had increased by 4.6 percentage points, surpassing 1996's value and reaching 81% of households. Access to water for households in CoT declined from 91.7% in

1996 to 90.9% in 2002, before falling a further 1.5 percentage points by 2009 to reach 89.4%. About 82.4% of the households in CoT had access to electricity in 2002; this was a 2.5 percentage points increase over 1996's value of 79.9%. However, by 2009, this percentage had fallen by 3.7 percentage points, dropping below 1996 levels to 78.7%. In 1996, 81.3% of households within CoT had access to refuse removal. This improved to 83.4% in 2002, but fell by 2.1 percentage points in 2009 to 81.3%.

Figure 4.8: Percentage of Households by Dwelling Type, CoT & Gauteng, 2002 & 2009#



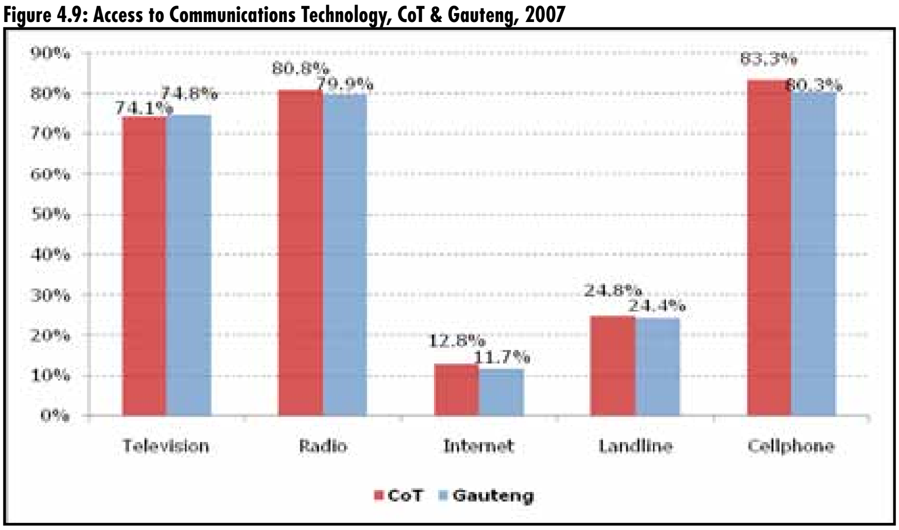
	Very Formal	Formal	Informal	Traditional	Other dwelling type
CoT 2009#	47.6%	21.8%	29.9%	0.1%	0.7%
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
CoT 2002	49.3%	21.4%	22.5%	1.2%	5.6%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%

Source: IHS Global Insight, 2011

Note: # Indicates estimates

The figure compares the percentage of households by dwelling type in the CoT and Gauteng. In 2002, the percentage of households living in very formal dwellings was higher in the CoT than in Gauteng. By 2009, however, this percentage had fallen 1.7 percentage points to 47.6%, which is 3.9 points lower than the province's 2009 average. Formal housing in CoT experienced 0.4 percentage points increase over the same time period, while the Gauteng average decreased from 23.1% to 22.8%. The percentage of the CoT households living in informal dwellings rose 7.2 percentage points from being below the Gauteng value of 22.5% in 2002, to being 5.6 percentage points above the provincial average (29.9%) for 2009. In 2002, a slightly higher percentage of CoT households than Gauteng households were housed in traditional dwellings at 1.2% and 1.1% respectively. By 2009, however, both the province and the municipality recorded that only 0.1% of their populations lived in traditional housing.

Figure 4.9: Access to Communications Technology, CoT & Gauteng, 2007



Source: Stats SA, Community Survey (2007), 2010

The figure shows access to communications technology in the CoT and Gauteng for 2007. Access to most forms of communication technology was more prevalent in the CoT than Gauteng in 2007, except that only 74.1% of households within the CoT had at least one television set, which was 0.7 percentage points lower than the provincial average of 74.8%.

Table 4.7: Health Statistics, CoT & Gauteng , 2006/07–2008/09

Indicators	2006/07		2007/08		2008/09	
	CoT	GP	CoT	GP	CoT	GP
Total PHC expenditure per capita (R)	587	503	755	550	816	577
% District health services expenditure on District Hospitals	34.3	21.8	42.4	23	41.6	22.4
% District health services expenditure on District Management	7	7.2	11.5	8.3	6.1	9.6
% Bed Utilisation Rate (BUR)	59.8	66	60.1	64.5	54.6	60.2
Nurse Clinical Workload	29.9	25.9	26.7	25.6	25.2	27.4
% ANC clients tested for HIV	64.2	61.1	62.4	73.3	78.1	78.4
PHC Utilisation Rate	2.3	1.9	1.8	1.7	2.1	2
TB Smear conversion rate	68.3	69.2	71.4	75.1	82	77
TB Case Load (new Sm+)	n/a	n/a	2,556	18,208	3,465	19,882
Stillbirth Rate (per 1000 births)	25.2	21.8	25.5	20.9	22.7	21

Source: Health Systems Trust, DHB, 2010

Table 4.7 provides health statistics in CoT and Gauteng. The CoT's total PHC expenditure per capita was R755 per person in 2007/08. This was a R168 per capita increase over 2006/07's R587 and was followed by a further R229 per capita increase to R816 in 2008/09. The provincial average for the year was R577 per capita, R239 per person lower than the CoT's expenditure.

CoT spent 34.3% of its district health services expenditure on district hospitals in 2006/07. This increased to 42.4% in 2007/08 and then fell to 41.6% in 2008/09. CoT has five district hospitals.

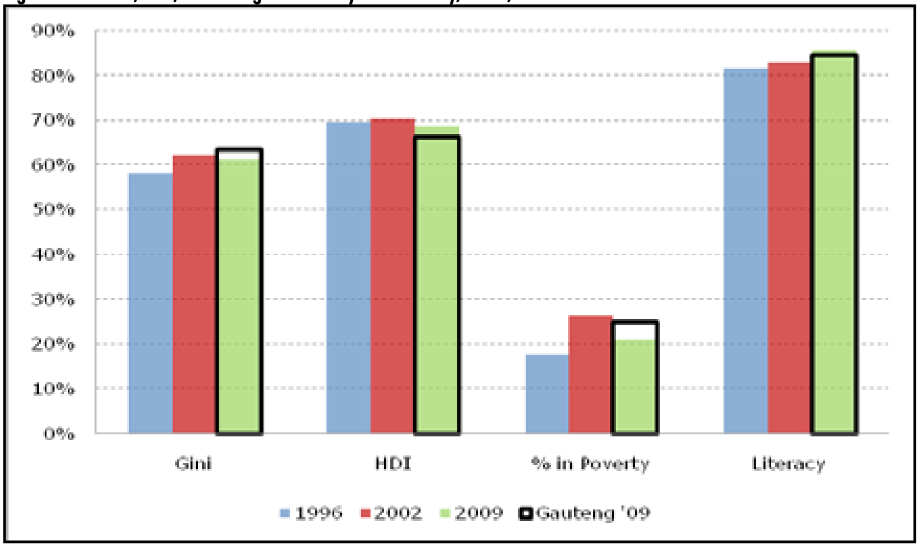
In 2006/07, about 7% of the CoT's expenditure on district health services went to district management. In 2007/08, this increased 4.5 percentage points to 11.5%, before falling 5.4 percentage points to 6.1%.

In 2007/08, the CoT's TB smear conversion rate was 71.4%; this was a 3.1 percentage point increase over 2006/07's value of 68.3%. In both years, the CoT's rate was below the provincial average. In 2008/09, however, the CoT recorded a 10.6 percentage point rise to 82%, which took it over the Gauteng average of 77% for that year. There were 2,556 new cases of TB in CoT in 2006/07 and 3,465 in 2008/09.

CoT's stillbirth rate was 25.2 stillbirths per 1,000 births in 2006/07. This rose to 25.5 per 1,000 births in 2007/08, before dropping to 22.7 per 1000 births in 2008/09. Despite the fall in 2008/09, the CoT's figure remained above the provincial average of 21 stillbirths per 1000 births for that year.

4.6 Development

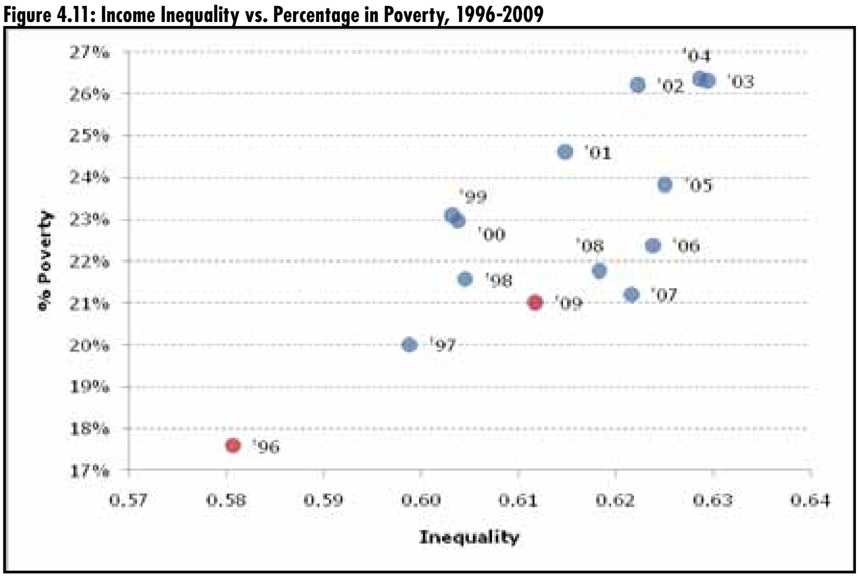
Figure 4.10: Gini, HDI, Percentage in Poverty and Literacy, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

According to the *SERO* of 2010, CoT performed the best in 2008 out of the six districts in Gauteng with respect to income inequality, HDI and percentage of population living in poverty. In 2009, CoT continued to outperform the other municipal regions except in literacy where the CoJ tops the list. Figure 4.10 summarises the level of development by introducing the measures for development using the main indicators for the CoT. All four indicators are below the Gauteng average for 2009 showing the relatively high level of development for the metro. Unfortunately, income inequality has not changed much since 2002, but has become worse since 1996. The HDI is 2.45 percentage points better in CoT than the province. The HDI has worsened from 0.695 in 1996 to 0.686 in 2009. The percentage living in poverty in 1996 was 17.6% increasing in 2002 to 26.2%, but decreasing in 2009 to 21%. The percentage of literate people increased from 81.5% in 1996 to 85.6% in 2009.

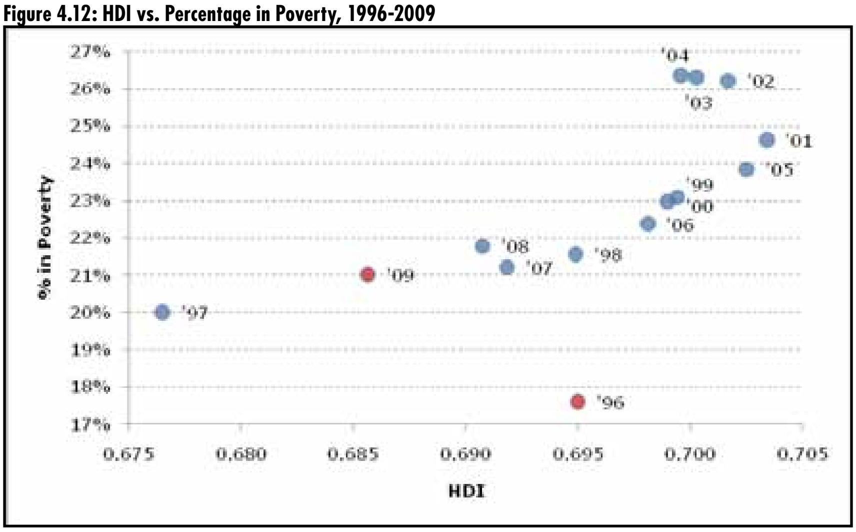
Figure 4.11: Income Inequality vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 4.11 illustrates the change in income inequality through the years 1996 to 2009 against the percentage living in poverty in the CoT. Income inequality and poverty in the CoT was at the lowest level in 1996 at 0.581 and 17.6% respectively. Since then, income inequality increased to its highest level at 0.63 in 2003 when poverty was 26.3%, before gradually decreasing to 0.612 for inequality and 21% for poverty in 2009. The correlation between inequality and percentage in poverty for the CoT in the above data is 77.3%

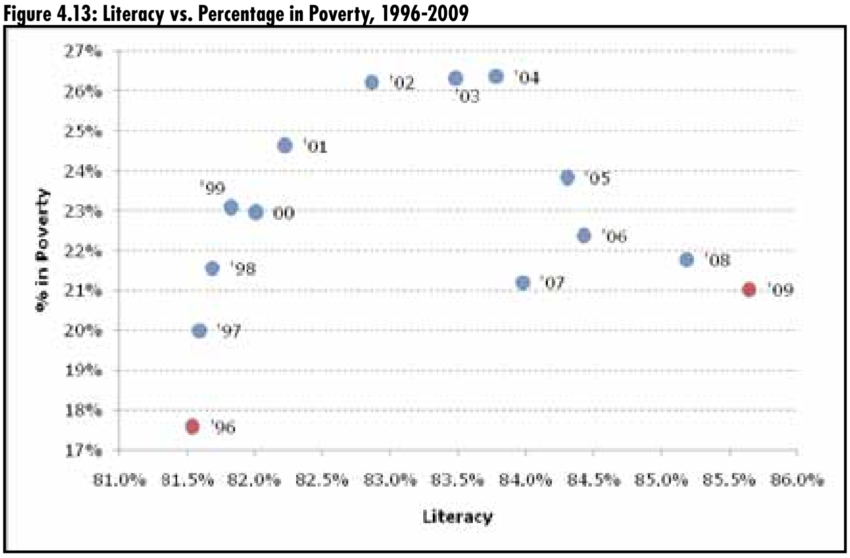
Figure 4.12: HDI vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 4.12 illustrates the HDI against the percentage of people living in poverty for the CoT from 1996 to 2009. The data follows a similar pattern to that of the CoJ where 12 out of the 14 years under review for the HDI are bunched to the right hand side of the graph, all above 0.69. The remaining two years, namely 1997 and 2009 fall below this value. In 1996, the HDI was 0.695 with poverty at its lowest at 17.6%. The gap between 1996 and 1997, when in 1997, the HDI decreased sharply to the left of the graph can be explained by the Asian crisis affecting the income component of the HDI.

Figure 4.13: Literacy vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

For 2009, the CoT had the second highest literacy percentage in the province after the CoJ. Figure 4.13 shows the literacy rate against the population percentage living in poverty for CoT from 1996 to 2009. Literacy has increased from 81.5% to 85.6% between the years 1996 to 2009, declining only in 2007 by less than 0.4 percentage points. However, the increase over the review period did not seem to be enough to influence the percentage living in poverty.

4.7 Conclusion

The CoT shares approximately 21.5% of the population in Gauteng at 2.157 million people. The government, social and personal services sub-sector contributes around 30% to GVA, the most by any sub-sector. Throughout the review period of 2002 to 2009, the CoT had a trade surplus with the largest surplus being in 2009. In 2009, the unemployment rate and the percentage of people living in poverty were the lowest in Gauteng at 13.1% and 21% respectively. Access to services from 2002 to 2009 has seen water, electricity and refuse removal decline while only proper sanitation has increased. Formal housing has remained static while informal housing has increased significantly. The CoT has some of the best performance levels of development compared to other municipalities in Gauteng.

Chapter 5: Socio-Economic Review of Ekurhuleni

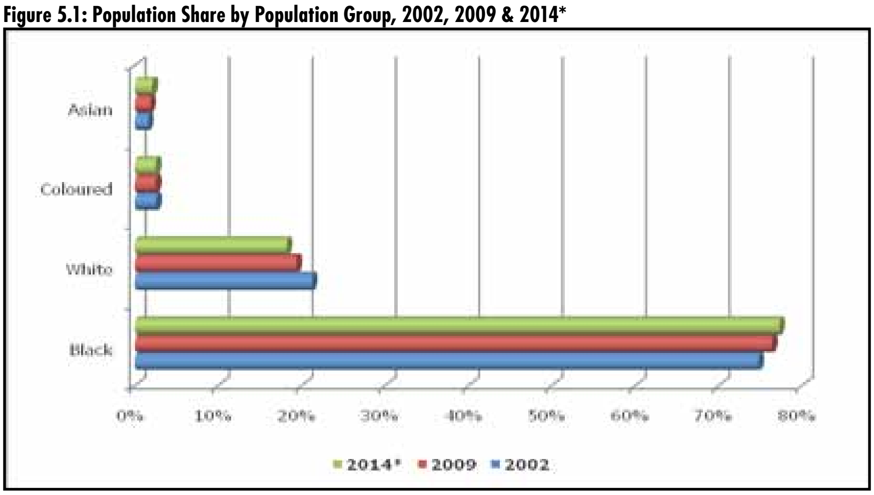
5.1 Introduction

Ekurhuleni is the fifth largest municipality in Gauteng and covers a land area of about 1,889 km^2. It is the second most populous municipality with 2.74 million people (27.4%) and a population density of 1,425 persons per km^2. The municipality is the manufacturing hub of Gauteng. In 2009, its 18.8% contribution to the GDPR of the province was the third largest. According to IHS Global Insight, the municipality's contribution was 6.3% to the national economy in 2009 and is ranked second in international trade in total trade volume compared to the other six metros in the country in the same year. The goods produced in the municipality are mainly petroleum, chemical, rubber and plastics products. The municipality is dominated mainly by a male and Black population. It is also the home of the OR Tambo International Airport, Africa's busiest airport. This chapter analyses the socio-economic review of Ekurhuleni by outlining its demographic profile, economic performance, labour market, access to services and the development indicators.

5.2 Demographic Profile

5.2.1 Population Profile

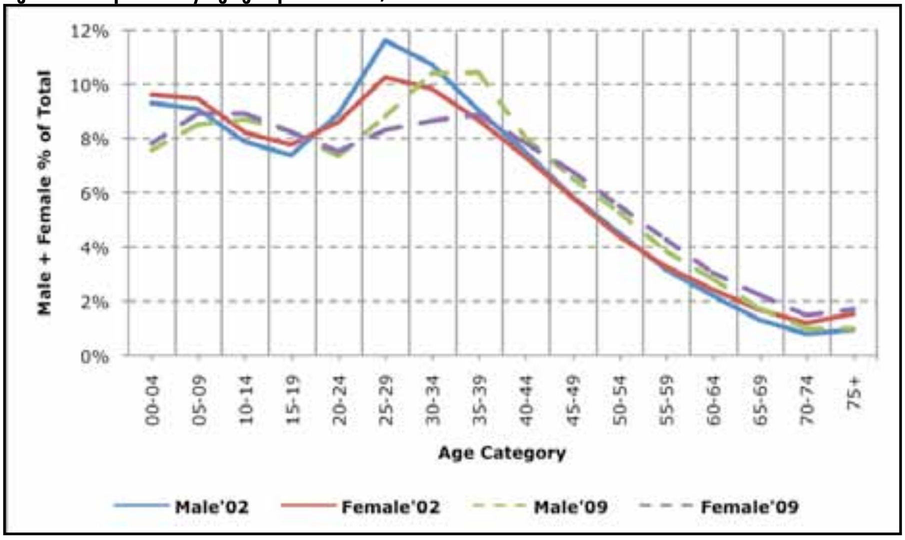
Figure 5.1: Population Share by Population Group, 2002, 2009 & 2014*



Source: IHS Global Insight, 2010
Note: * Indicates forecasts

Figure 5.1 shows the percentage population share by population group in Ekurhuleni for 2002, 2009 & 2014. The figure shows that Blacks make up the biggest population group (76.4% in 2009) followed by Whites (19.3% in 2009), Coloureds (2.5% in 2009) and Asians (1.8% in 2009). According to the figure, the percentage of the Black population group is expected to increase to 77.2% in 2014 whereas that of the White population is expected to decrease over the same period (18.2%).

Figure 5.2: Population by Age group and Gender, 2002 & 2009



Source: IHS Global Insight, 2010

Figure 5.2 shows the population composition of Ekurhuleni by gender and age category for the two years 2002 and 2009. In 2002, there were more females than males within the 00 to 19 age category and more males than females in the 20 to 24 age group. The other age categories had more or less the same numbers of males and females except for the 24 to 39 age category where there were more males, and the 60 to 75+ years category where there were more females. In 2009, there were almost equal percentages of both males and females except for the major differences between the sexes in the age category of 29 to 44 years in which there were more males.

5.2.2 Mortality

Table 5.1: Leading Causes of Death, 2009

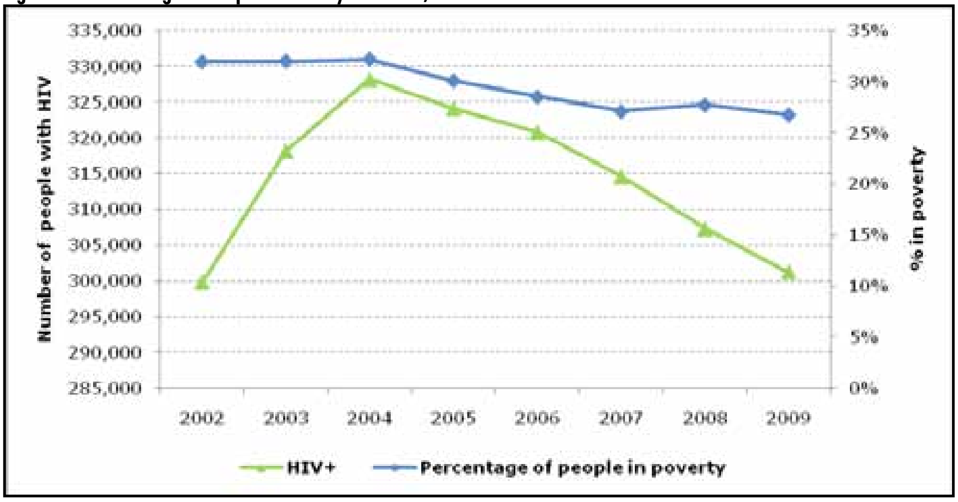
Disease	Number of Deaths	%	Disease	Number of Deaths	%
Tuberculosis	3,655	11.3	Other viral diseases	917	2.8
Influenza & pneumonia	3,268	10.1	Diabetes mellitus	827	2.6
Intestinal infectious diseases	1,786	5.5	Certain disorders involving the immune mechanism	733	2.3
Other forms of heart disease	1,387	4.3	Inflammatory diseases of the central nervous system	695	2.1
Cerebrovascular diseases	1,059	3.3	Human immunodeficiency virus	669	2.1
Other natural causes	14,269	44.1	Non natural causes	3,116	9.6

Source: Stats SA, 2010

Table 5.1 shows the number of deaths that occurred in Ekurhuleni in 2009 as a result of the diseases indicated. Stats SA reports that the total deaths that were recorded in Ekurhuleni equaled 32,381. The leading cause of death was tuberculosis, followed by influenza & pneumonia. These two illnesses together claimed the lives of 6,923 people in that area. It is important to note that the two illnesses are also HIV/AIDS opportunistic diseases and the deaths could have resulted mostly from the HIV+ people.

5.2.3 HIV/AIDS Linked to People in Poverty

Figure 5.3: Percentage of People in Poverty and HIV+, 2002-2009

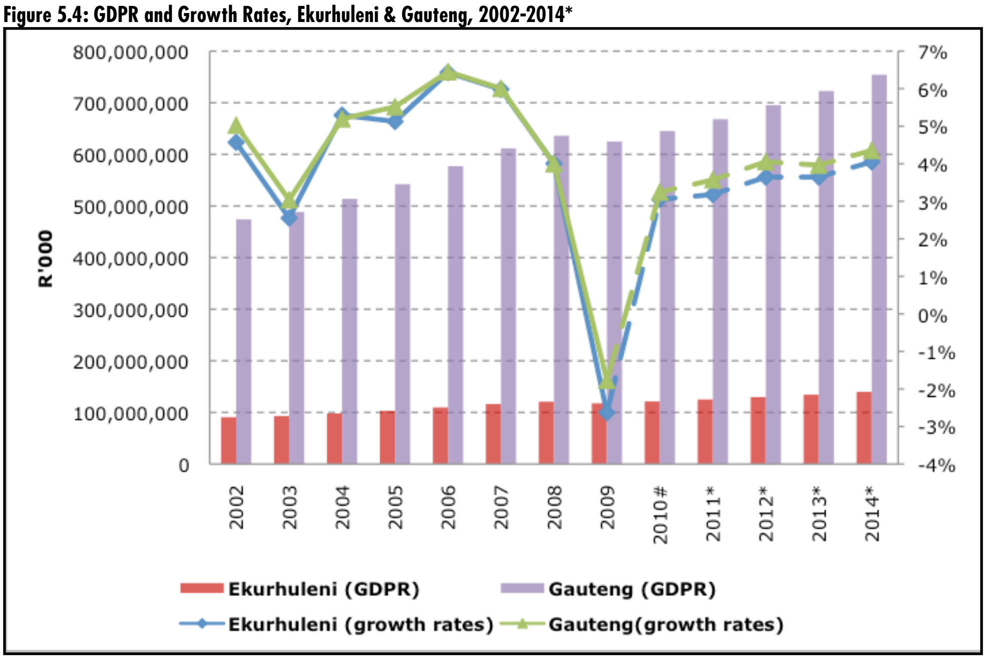


Source: IHS Global Insight, 2011

Figure 5.3 displays the relationship over the years 2002 to 2009 between the percentage of people in poverty and those that are HIV+. The figure shows that the number of HIV+ people increased between 2002 and 2004 when it peaked to slightly less than 330,000 people. The percentage of people in poverty was much higher at 32% between 2002 and 2004. This percentage started to decline thereafter, reaching about 27.1% in 2007 before increasing to 27.7% in 2008 and falling again in 2009. There is, therefore, no direct relationship between the percentage of people living in poverty and those that are HIV+.

5.3 Economic Review

Figure 5.4: GDPR and Growth Rates, Ekurhuleni & Gauteng, 2002-2014*



Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Figure 5.4 shows the GDPR for Ekurhuleni compared to that of the provincial economy for the period 2002 to

2009 and forecast to 2014. The figure also shows Ekurhuleni's growth rates compared to those of Gauteng. From 2002 to 2008, Ekurhuleni experienced increasing levels of GDPR from about R90.77 billion in 2002 to R120.88 billion in 2008, but in 2009, the municipal GDPR slowed down slightly to R117.7 billion. According to IHS Global Insight, GDPR is forecast to move from R121.3 billion in 2010 to R139.88 billion in 2014. The municipal growth rate started at 4.6% in 2002 and slowed down to 2.6% in 2003 before reaching a high of 6.4% in 2006. In 2008, the growth decelerated to 4.1% before reaching a negative 2.6% in 2009. The GDPR growth rate is forecast to record 3% in 2010 and to grow further to a high of 4.1% in 2014. The figure shows that both Ekurhuleni's GDPR and growth rates are in line with that of the province.

Table 5.2: GVA by Sector, 2008-2014*

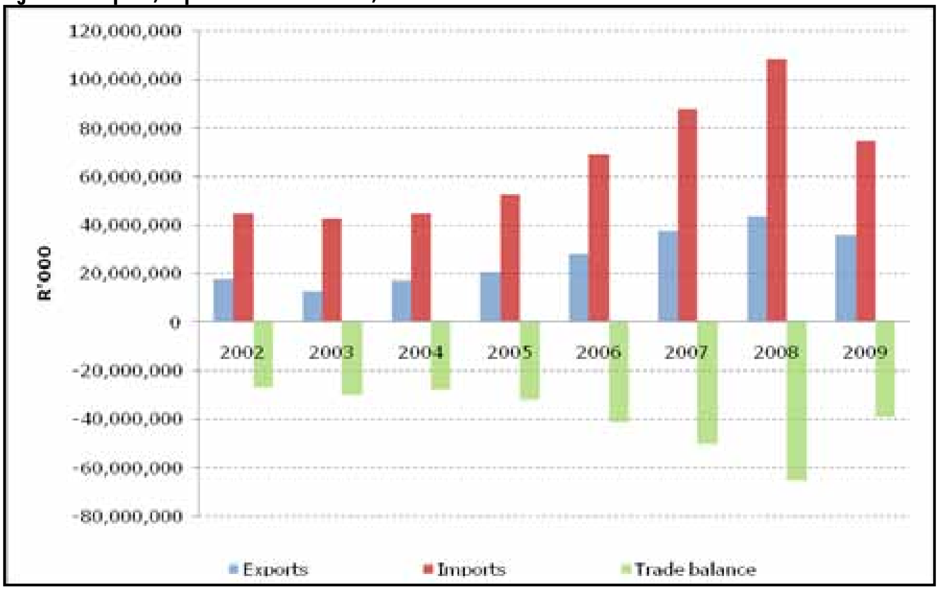
	2008	2009	2010#	2011*	2012*	2013*	2014*
Agriculture, forestry & fishing	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%
Mining & quarrying	2.0%	1.7%	1.7%	1.7%	1.7%	1.6%	1.6%
Primary sector	***2.5%***	***2.2%***	***2.2%***	***2.2%***	***2.1%***	***2.1%***	***2.0%***
Manufacturing	30.4%	27.6%	26.7%	26.6%	26.6%	26.2%	26.3%
Electricity, gas & water	2.6%	3.2%	3.4%	3.4%	3.4%	3.4%	3.4%
Construction	4.7%	5.1%	5.0%	4.9%	4.8%	4.8%	4.9%
Secondary sector	***37.7%***	***35.9%***	***35.1%***	***34.9%***	***34.9%***	***34.5%***	***34.6%***
Wholesale & retail trade	11.8%	12.0%	12.0%	11.9%	11.6%	11.4%	11.2%
Transport & communication	9.9%	10.0%	10.4%	10.5%	10.5%	10.6%	10.6%
Finance & business services	21.3%	22.1%	22.2%	22.3%	22.6%	23.0%	23.1%
Government, social & personal services	16.8%	17.7%	18.0%	18.2%	18.2%	18.4%	18.4%
Tertiary sector	***59.8%***	***61.8%***	***62.6%***	***62.9%***	***63.0%***	***63.4%***	***63.4%***

Source: IHS Global Insight, 2011

Note: # indicates estimates and * forecasts

Table 5.2 shows the GVA sectoral contributions within the Ekurhuleni economy for 2008 and 2009, and gives estimates for 2010 and forecasts to 2014. The primary sector's contribution of 2.5% to the provincial economy in 2008, declined to 2.2% in 2009. The expectation is it will further decline in 2014 to 2%. The secondary sector contributes the second most to the GVA. In 2008, the manufacturing sub-sector drove the sector at 30.4%. The sub-sector recorded a GVA of 27.6% in 2009 and is forecast to record 26.3% in 2014. In 2008, the tertiary sector made the highest contribution to the economy at 59.8%, and recorded 61.8% in 2009. This sector is forecast to record a GVA of 62.6% in 2010 before reaching a high of 63.4% in 2014. Finance & business services, government, social & personal services and wholesale & retail are the sub-sectors propelling growth within the tertiary sector.

Figure 5.5: Exports, Imports and Trade Balance, 2002-2009



Source: IHS Global Insight, 2010

Figure 5.5 shows Ekurhuleni's exports, imports and trade balance for 2002 to 2009. The trade balance has been in deficit throughout the review period. The highest trade deficit of about R65 billion was recorded in 2008 and the lowest trade deficit of R26.9 billion was experienced in 2002. The trade deficit for 2009 was R39 billion. According to Quantec Research, the growth in Ekurhuleni's trade deficit from 41.7% in 2002 to 41.8% in 2009 (an increase of R13.1 billion) can be closely associated with increased purchases of imported machinery & mechanical appliances, electrical equipment, sound recorders & reproducers and television image.

Table 5.3: Location Quotient, 2002 & 2009

	2002	2009	Change
Agriculture, forestry & fishing	0.20	0.16	-0.04
Mining & quarrying	0.21	0.19	-0.02
Manufacturing	1.78	1.82	0.04
Electricity, gas & water	1.19	1.15	-0.04
Construction	1.16	1.29	0.13
Wholesale & retail trade	0.90	0.89	-0.01
Transport & communication	1.01	1.09	0.08
Finance & business services	0.97	1.03	0.06
General government services	0.82	0.81	-0.01

Source: IHS Global Insãight, 2011

Table 5.3 compares the location quotient in Ekurhuleni between 2002 and 2009. The table shows that Ekurhuleni had a high comparative advantage in manufacturing (1.78), followed by electricity, gas & water (1.19), construction (1.16) and transport & retail (1.01) and a comparative disadvantage in the remaining sectors during 2002. In 2009, Ekurhuleni had gained a comparative advantage in finance & business services from 0.97 to 1.03. Between the two years, construction and transport & communication recorded high comparative advantage increases of 0.13 and 0.08 respectively.

5.4 Labour Market

Ekurhuleni is the manufacturing hub of South Africa and Gauteng. It accounts for more than 21% of employment in Gauteng's manufacturing sector and in many industries, accounts for around one third of the national manufacturing output.

Table 5.4: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	%Change
Labour Force	1,915,048	1,930,728	15,680	0.8%
Economically active population (EAP)	1,356,242	1,331,769	-24,473	-1.8%
Total employed	899,585	854,352	-45,234	-5.0%
Unemployed	329,163	363,192	34,029	10.3%
				% Point Change
Labour force participation	70.8%	69.0%	-	-1.8
Employment as % of labour force	47.0%	44.3%	-	-2.7
Unemployment rate	24.3%	27.3%	-	3.0

Source: IHS Global Insight, 2011

Table 5.4 compares the labour force statistics for Ekurhuleni between 2008 and 2009. In the review period, there was an increase of 0.8% in the labour force in the municipality. In 2008, there were 1.36 million economically active individuals (EAP) in the municipality, but the number decreased to 1.33 million in 2009. The total employed population decreased by 5% while the unemployed population increased by 10.3%. This can be largely attributed to an increase in the labour force. During the period under review, there was a decrease by 1.8% in the labour force participation rate, and employment declined by 2.7 percentage points, as a percentage of the labour force. The municipal unemployment rate increased from 24.3% in 2008 to 27.3% that represents a three percentage point increase. According to Econometrix, the increase in the unemployment rate can be associated with the increase in the number of firms that were liquidated after the financial crisis.

Table 5.5: Sectoral Employment Share, 2002 & 2009

	2002	2009	% Point Change
Agriculture, forestry & fishing	1.2%	0.6%	-0.6
Mining & quarrying	1.7%	1.2%	-0.5
Manufacturing	21.8%	20.5%	-1.2
Electricity, gas & water	1.0%	0.7%	-0.2
Construction	5.7%	7.1%	1.4
Wholesale & retail trade	21.5%	21.1%	-0.4
Transport & Communication	8.2%	7.3%	-0.9
Finance & business services	13.1%	17.4%	4.4
Government, social & personal services	16.2%	15.0%	-1.2
Private households	9.7%	8.9%	-0.8
Total	**100%**	**100%**	

Source: IHS Global Insight, 2010

Table 5.5 compares sectoral employment in Ekurhuleni for 2002 and 2009. Employment in the municipality is driven by manufacturing. In 2002, this was 21.8%, but decreased to 20.5% in 2009. The wholesale & retail trade employment also decreased (21.5% to 21.1%) over the same period respectively.

Agriculture, forestry & fishing, mining & quarrying and electricity, gas & water were the lowest employers for the two years. These sub-sectors made up 0.6%, 1.2% and 0.7% share of employment for 2009 respectively. The finance & business services sub-sector experienced the greatest increase in its employment share from 13.1% in 2002 to reach 17.4% in 2009.

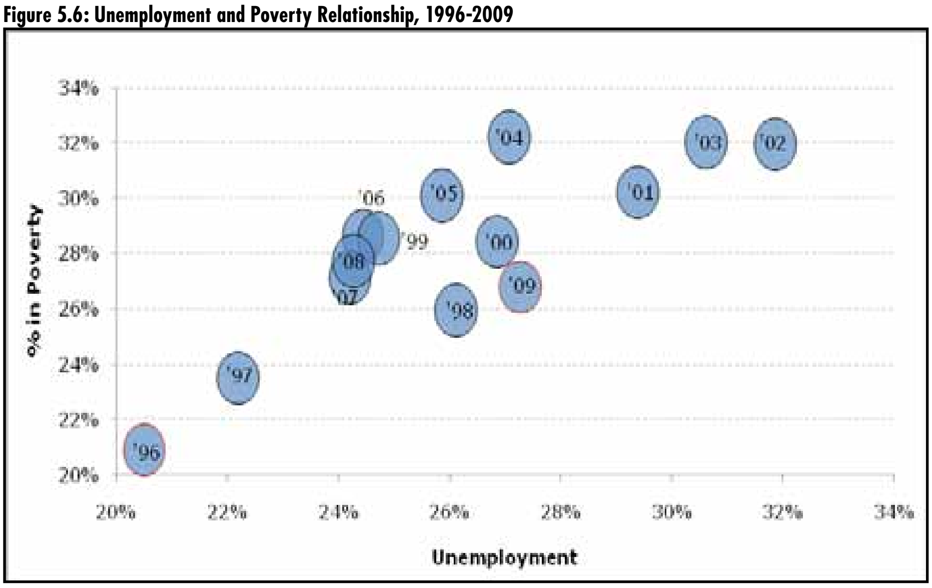
Table 5.6: Unemployment Rate by Gender and Population Group, 2002 & 200

	2002		2009		% Points Change	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Black	32.6%	42.8%	27.8%	38.5%	-4.7	-4.3
White	7.2%	9.7%	4.9%	6.1%	-2.3	-3.6
Coloured	34.9%	38.2%	29.6%	26.9%	-5.3	-11.3
Asian	13.3%	20.6%	10.9%	13.4%	-2.4	-7.2

Source: IHS Global Insight, 2011

Table 5.6 compares the unemployment rate by gender and population group between 2002 and 2009. In 2002, Coloureds made up the highest percentage of unemployment for males (34.9%), while Black females constituted the highest unemployment rate (42.8%). In 2009, both the Coloured males and Black females continued to be the categories affected the most by unemployment. Whites experienced the lowest unemployment rate at 7.2% and 9.7% for males and females in 2002 and 4.9% and 6.1% for 2009 respectively. The highest average percentage point's decrease in unemployment between the two years was that of Coloureds and Asians.

Figure 5.6: Unemployment and Poverty Relationship, 1996-2009

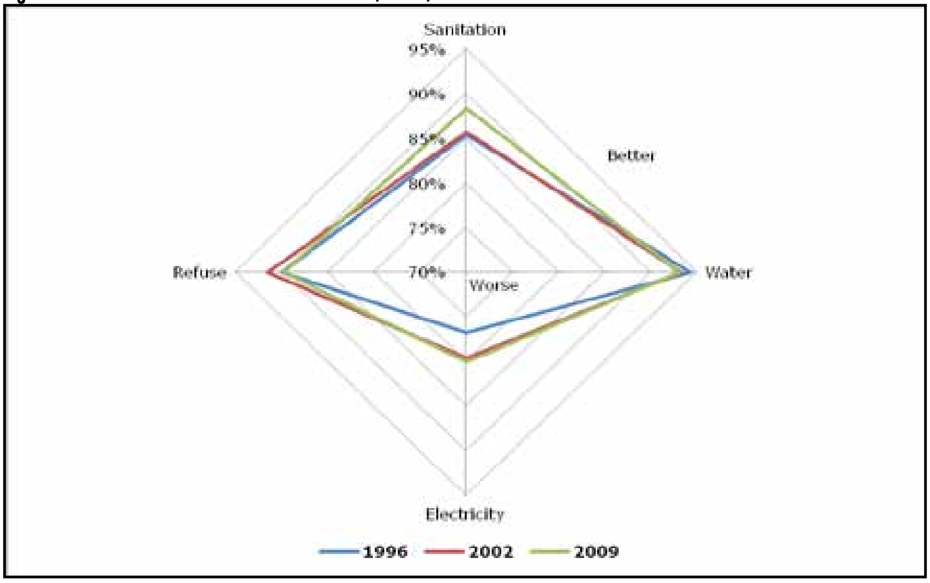


Source: IHS Global Insight, 2011

Figure 5.6 shows the relationship between unemployment and poverty in Ekurhuleni from 1996 to 2009. Economic theory states that there is a positive relationship between unemployment and poverty. In 1996, Ekurhuleni recorded an unemployment rate of 20.5% that increased to 31.9% in 2002. Poverty also responded in the same way as it recorded the levels of 20.9% in 1996 and increased to 32% in 2002. The unemployment rate in the municipality declined to 27.3% in 2009 with poverty also decreasing at the same rate. As more people become employed, the demand for goods & services rises. As household disposable income increases, this results in a declining poverty rate because the purchasing power to spend on essential services has increased.

5.5 Access to Services

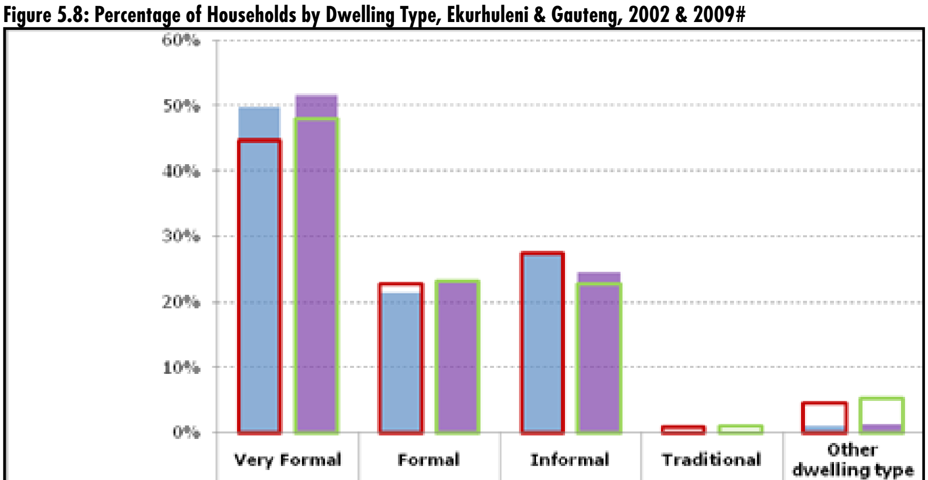
Figure 5.7: Households' Infrastructure Diamond, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

The figure shows the household infrastructure diamond in Ekurhuleni for 1996, 2002 and 2009. In 2002, the municipality recorded a 0.4 percentage point rise in the share of households with access to sanitation, reaching 85.7%, compared to the 1996 figure of 85.4%. In 2009, this increased by an even larger amount, 2.6 percentage points, to arrive at 88.3%. Access to water within Ekurhuleni recorded a marginal decline over the period under review. In 1996, 94.4% of households within the municipality had access to water. This fell to 93.3% in 2002, before falling a further 0.1 percentage points in 2009 to 93.2%. In 1996, 76.8% of Ekurhuleni households had access to electricity. By 2002, this had risen 2.8 percentage points to 79.6%. In 2009, the figure was 80.1%, this was a 0.5 percentage point drop from 2002, but still higher than in 1996. About 90% of households in Ekurhuleni had access to refuse removal in 1996. This had risen 1.5 percentage points by 2002 to reach 91.5%, before falling 1.7 points to 89.8% in 2009.

Figure 5.8: Percentage of Households by Dwelling Type, Ekurhuleni & Gauteng, 2002 & 2009#



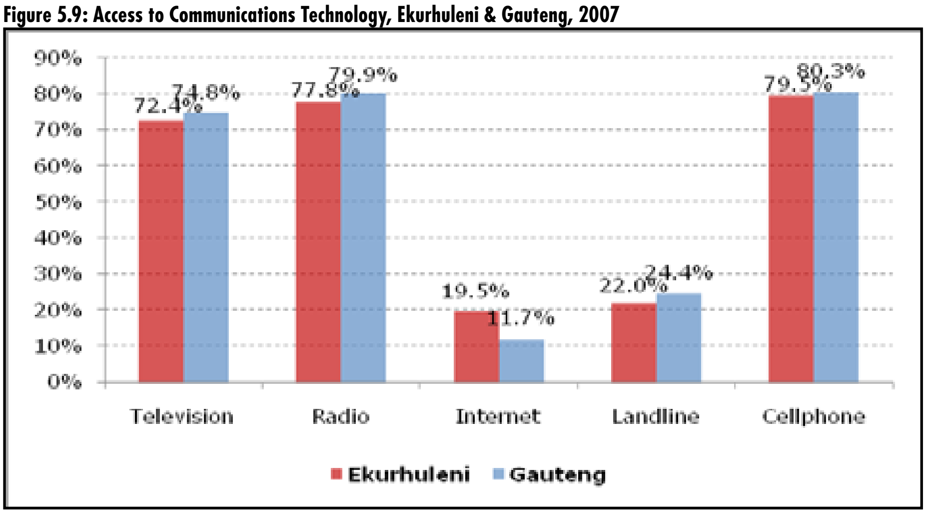
	Very Formal	Formal	Informal	Traditional	Other dwelling type
Ekurhuleni 2009#	49.7%	21.5%	27.7%	0.0%	1.1%
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
Ekurhuleni 2002	44.7%	22.7%	27.4%	0.8%	4.4%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%

Source: IHS Global Insight, 2011

Note: # Indicates estimates.

Figure 5.8 compares the percentage of households by dwelling type in Ekurhuleni and Gauteng for 2002 and 2009. As can be seen from the figure, 44.7% of the households within the Ekurhuleni were living in very formal housing in 2002; this was 3.3 percentage points lower than the provincial average for 2002. However, this figure had risen to an estimated 49.7% by 2009, a rise that still put it below the Gauteng average. The percentage of Ekurhuleni households living in formal dwellings decreased 1.2 percentage points between 2002 and 2009, from 22.7% to 21.5%. The percentage of households within the municipality who lived in informal dwellings was 27.4% in 2002, this increased an estimated 0.3 percentage points to reach 27.7% by 2009. The percentage of households dwelling within traditional housing was at negligible levels for both Gauteng and Ekurhuleni.

Figure 5.9: Access to Communications Technology, Ekurhuleni & Gauteng, 2007



Source: Stats SA, Community Survey (2007), 2010

Figure 5.9 shows access to communications technology in Ekurhuleni and Gauteng for 2007. A lower percentage of Ekurhuleni households had access to most forms of information technology than the provincial average. The exception was internet access. About 19.5% of the households within the municipality had access to the internet in 2007; this is 7.8 percentage points above the Gauteng average of 11.7% for that year.

Table 5.7: Health Statistics, Ekurhuleni & Gauteng, 2006/07–2008/09

Indicators	2006/07		2007/08		2008/09	
	Ekurhuleni	GP	Ekurhuleni	GP	Ekurhuleni	GP
Total PHC expenditure per capita (R)	442	503	410	550	384	577
% District health services expenditure on District Hospitals	13.7	21.8	13	23	13.3	22.4
% District health services expenditure on District Management	6.3	7.2	6	8.3	5.2	9.6
% Bed Utilisation Rate (BUR)	81	66	72.1	64.5	70.8	60.2
Nurse Clinical Workload	31.5	25.9	32.3	25.6	32.9	27.4
% ANC clients tested for HIV	49.3	61.1	64.7	73.3	72.3	78.4
PHC Utilisation Rate	1.6	1.9	1.5	1.7	1.7	2
TB Smear conversion rate	67.9	69.2	79.2	75.1	82.4	77
TB Case Load (new Sm+)	n/a	n/a	4,295	18,208	3,977	19,882
Stillbirth Rate (per 1000 births)	20.7	21.8	21	20.9	22.8	21

Source: Health Systems Trust, DHB, 2010

Table 5.7 shows health statistics in Ekurhuleni and Gauteng for 2006/07 and 2007/08. Ekurhuleni's total PHC expenditure per capita fell from R442 per person in 2006/07 to R410 per capita in 2007/08 and then further to R384 in 2008/09. This fall took place, while the average for Gauteng increased over the same period.

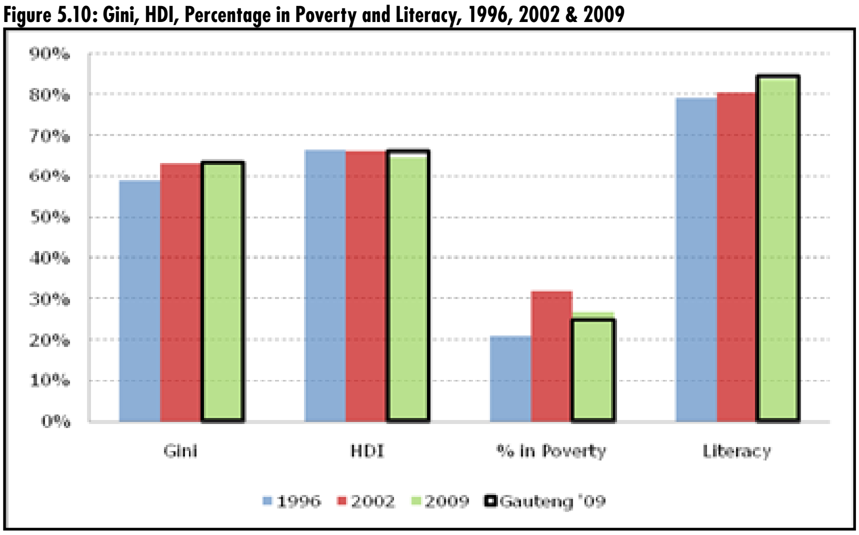
The Ekurhuleni Municipality nurses had a clinical workload of 31.5 patients per day in 2006/07. This rose to 32.3 in 2007/08, and then increased a further 0.6 patients per day to reach 32.9 by 2008/09. The nurse clinical workloads for this metro were higher than that of the province throughout the review period.

In 2007/08, 64.7% of the ANC clients in Ekurhuleni were tested for HIV, this had grown 15.4 percentage points from 49.3% in 2006/07 and was followed by a further 7.6 percentage point rise to 72.3% in 2008/09.

In 2006/07, the municipality's TB smear conversion rate was 67.9%, 1.3 percentage points below the provincial average for that year. In 2007/08, Ekurhuleni's conversion rate improved 11.3 percentage points to 79.2%, overtaking the Gauteng average which was 75.1% that year. The municipality's conversion rate reached 82.4% in 2008/09, 5.4 percentage points above the province's 2008/09 average of 77%. There were 4,295 new cases of TB in Ekurhuleni in 2007/08, the number fell to 3,977 new cases in 2008/09.

5.6 Development

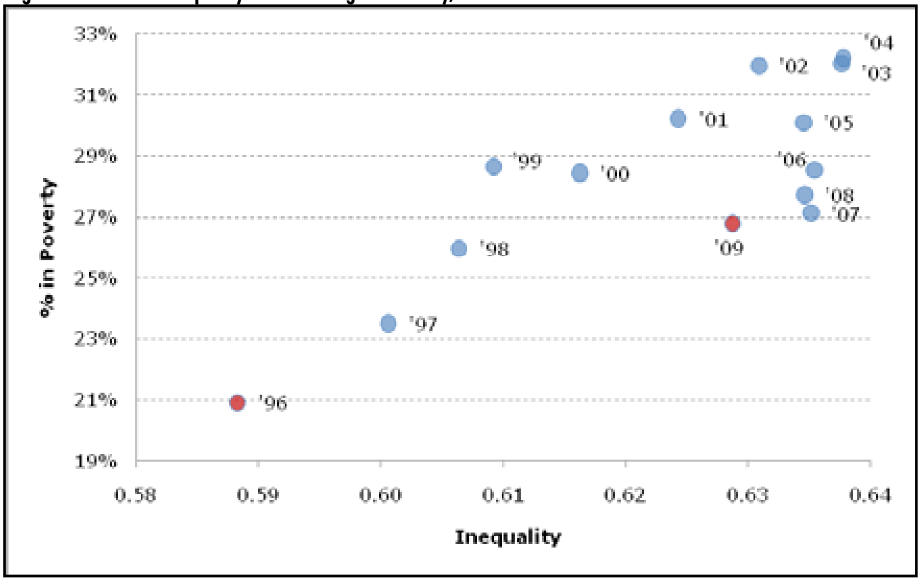
Figure 5.10: Gini, HDI, Percentage in Poverty and Literacy, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

Figure 5.10 shows Ekurhuleni's level of development compared to that of Gauteng for 2009, also included are the years 1996 and 2002 for the metro. The averages for Ekurhuleni's development indicators closely match those of Gauteng in 2009. Ekurhuleni's income inequality has worsened from 1996 to 2002 and then remained mainly static up to 2009 when inequality was 0.63, on par with that of Gauteng at 0.633. HDI has also remained fairly static at 0.65. Functional literacy has improved, increasing from 79.1% (1996) to 83.6% (2009).

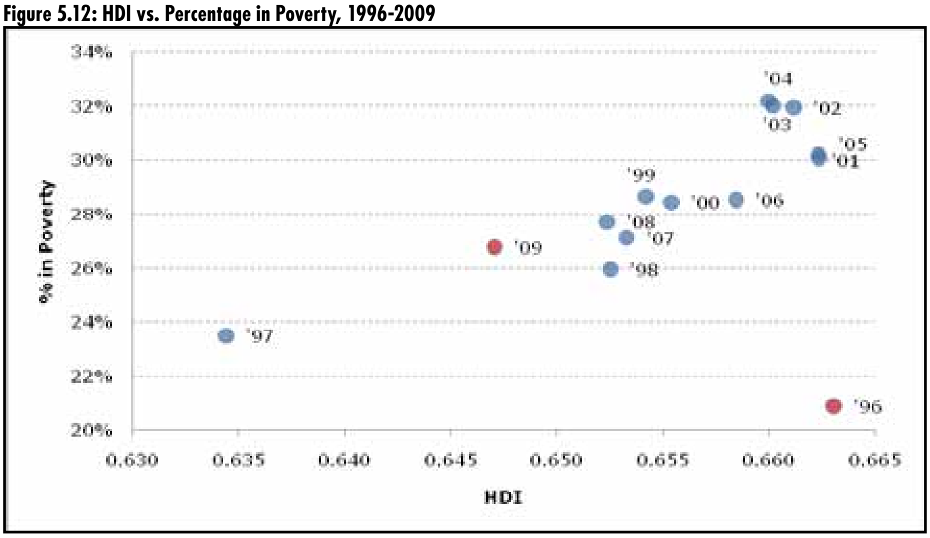
Figure 5.11: Income Inequality vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 5.11 illustrates the change in income inequality through the years 1996 to 2009 against the percentage of people living in poverty in Ekurhuleni. In 1996, inequality was 0.588 and 20.9% were in poverty. This subsequently worsened until 2003 when income inequality was 0.638 and 32.02% were in poverty. From 2004 to 2009, income inequality has been stagnant, only decreasing slightly. Compared to CoJ and CoT, the turnaround for Ekurhuleni from 2003 to 2009 was not to the same extent in the decrease in inequality. In the above data, the correlation between inequality and percentage in poverty for Ekurhuleni is 79.5%.

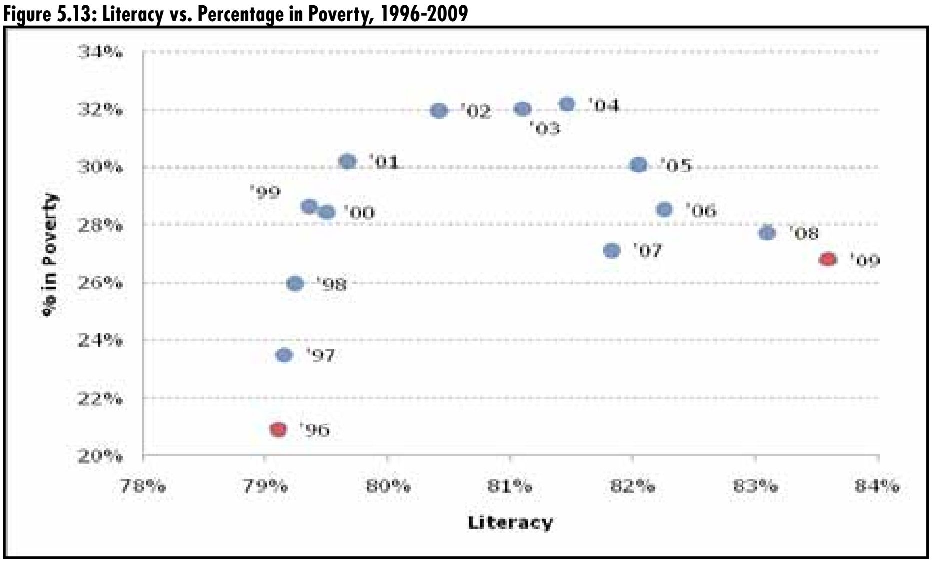
Figure 5.12: HDI vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 5.12 shows Ekurhuleni's HDI charted against percentage living in poverty from 1996 to 2009. The figure shows a similar pattern for Ekurhuleni as for the other two metros in Gauteng, CoJ (Figure 3.12) and CoT (Figure 4.12). From 1996, when HDI was 0.663 and poverty was 20.9%, HDI decreased dramatically in 1997 to 0.634. Thereafter in 1998, it increased to 0.653. The Asian crisis in 1997 (see figure 1.1) could have led to the HDI shifting significantly. In 2009, HDI was 0.647 and poverty measuring at 26.8% was probably due to the financial crisis affecting the income per capita component in HDI. The global financial crisis in that year could have brought HDI back to the levels experienced in 1997, but at a higher poverty level.

Figure 5.13: Literacy vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 5.13 shows the percentage of people with functional literacy in Ekurhuleni from 1996 to 2009. The metro has the third highest literacy percentage after CoJ and CoT and follows a similar pattern from year to year. Literacy has increased from 79.1% in 1996 to 83.6% in 2009. Only in 2007 did literacy decline from 82.3% in 2006 to 81.8%.

5.7 Conclusion

The Ekurhuleni metro has the third largest population share (27.4%) in Gauteng. The population is made up mainly of Blacks at 76.4%, followed by Whites at 19.3%. The metro is known for its manufacturing sector that contributes the most to its GVA and has the highest comparative advantage in this sub-sector. Although the municipality specialises in manufacturing, there does seem to be a decreasing trend in its share of contributions to GVA. In 2009, Ekurhuleni had one of the highest unemployment rates (27.3%) of all the metros. Access to services from 2002 to 2009 has seen water and refuse removal decline while only proper sanitation has significantly increased. Electricity has increased marginally. The share of access to housing has seen very formal housing increase significantly, while informal housing has remained static from 2002 to 2009. Since 1996, income inequality has been increasing and HDI decreasing, further aggravating poverty conditions.

Chapter 6: Socio-Economic Review of Sedibeng District Municipality

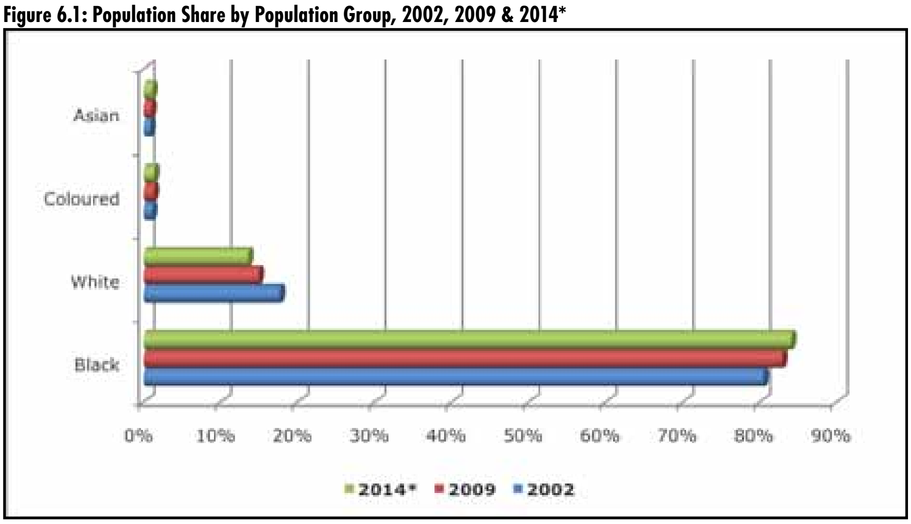
6.1 Introduction

Sedibeng District municipality constitutes the second largest municipality in the province geographically, covering a land area of about 3,894 km^2. In 2009, Sedibeng had a population of 805,000 (8%), the fourth largest in the province, and covers the second smallest population density of 192 people per km^2. The economy of this municipality is mainly driven by manufacturing and government, social & personal services sub-sectors. It has a comparative advantage in the production of metals (iron and steel) and hosts three of the country's steel producers. In 2009, Sedibeng made the fourth largest contribution to the GDPR of the province at 3.6% (the largest was the CoJ with 47%). This chapter analyses the socio-economic review of Sedibeng by outlining its demographic profile, economic performance, labour market, access to services and the development indicators.

6.2 Demographic Profile

6.2.1 Population Profile

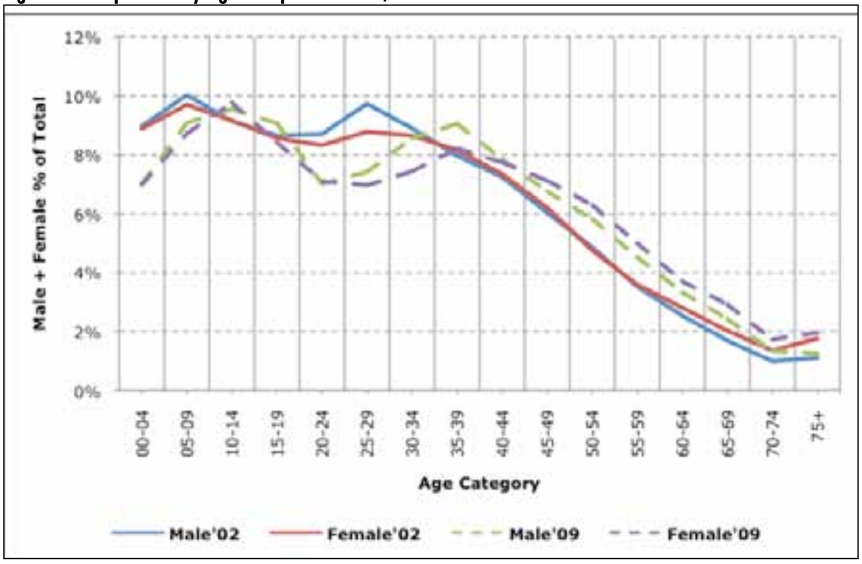
Figure 6.1: Population Share by Population Group, 2002, 2009 & 2014*



Source: IHS Global Insight, 2010
Note: * Indicates forecasts

Figure 6.1 shows the composition of the population in Sedibeng by population group for 2002 and 2009, and gives forecasts for 2014. The Black population constitues the highest percentage at over 80% and this trend is expected to continue to 2014. Whites are the second largest population group, followed by Coloureds and then Asians. The Black population is expected to increase over the review period, whereas the White population will decrease

Figure 6.2: Population by Age Group and Gender, 2002 & 2009



Source: IHS Global Insight, 2010

Figure 6.2 shows the population group by gender and age for the two years 2002 and 2009. In 2002, there were more males than females in the age groups from 00 to 04 and from 05 to 09 years. The 25 to 29 age category was also made up of more males than females. However, this trend has changed, where the gender differential has reduced with the percentage of both males and females equal on average. An interesting trend observed in the two years was that in 2002, those in the 05 to 09 age category contributed a higher percentage to the population. The same applied to the 10 to 14 age category in 2009.

6.2.2 Mortality

Table 6.1: Leading Causes of Death, 2009

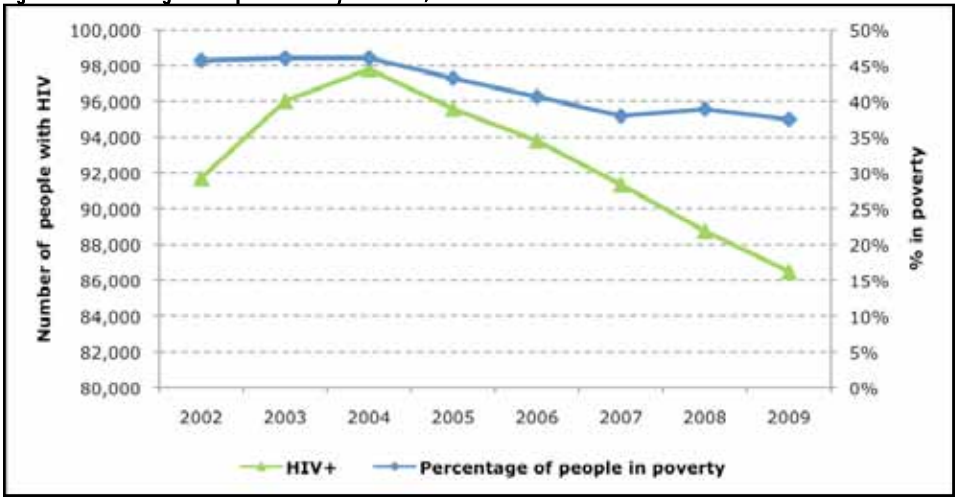
Disease	Number of Deaths	%	Disease	Number of Deaths	%
Influenza & pneumonia	1,645	15.1	Diabetes mellitus	433	4
Tuberculosis	1,119	10.3	Hypertensive diseases	338	3.1
Intestinal infectious diseases	879	8.1	Ischaemic heart disease	279	2.6
Other forms of heart disease	632	5.8	Inflammatory diseases of the central nervous system	269	2.5
Cerebrovascular diseases	531	4.9	Chronic lower respiratory diseases	240	2.2
Other natural causes	3,603	33.1	Non-natural causes	926	8.5

Source: Stats SA, 2010

Table 6.1 records the number of deaths that occurred in Sedibeng in 2009 as a result of the diseases indicated. Stats SA reports that the total deaths recorded in the Sedibeng municipality equalled 10,894. The leading cause of death was influenza & pneumonia, followed by tuberculosis. These two illnesses together claimed the lives of 2,764 people in the metro. It is important to note that the two illnesses are also HIV/AIDS opportunistic disease and most of the deaths could have resulted from HIV+ people.

6.2.3 HIV/AIDS Linked to People in Poverty

Figure 6.3: Percentage of People in Poverty and HVI+, 2002-2009

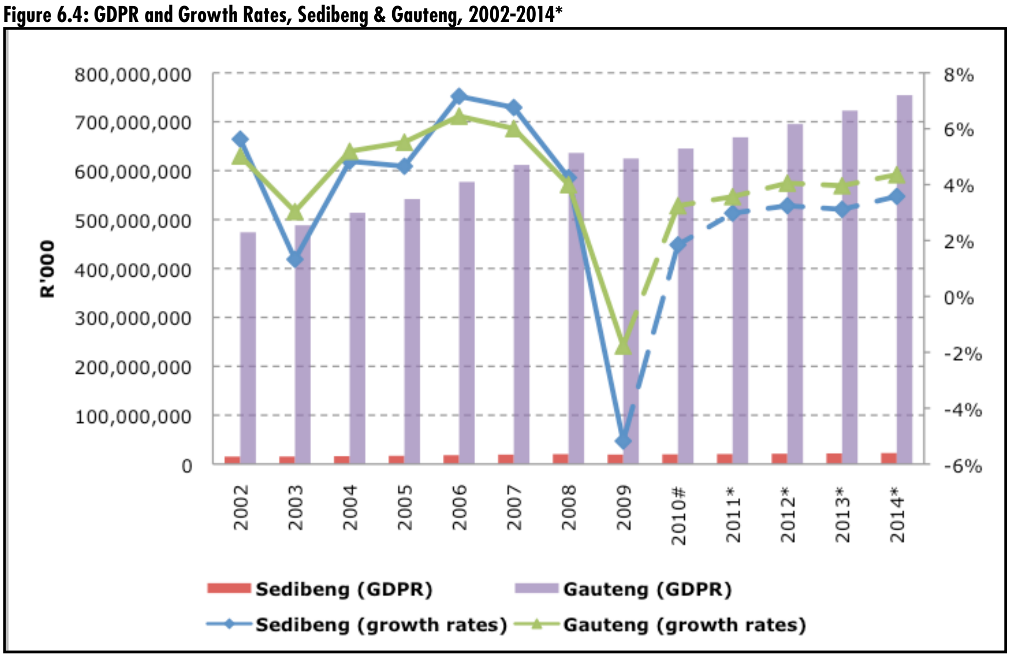


Source: IHS Global Insight, 2011

Figure 6.3 shows the relationship between the percentage of people in poverty and those that are HIV+. The percentage of people who are HIV+ peaked in 2004 (97,794), after which both indicators experienced a decreasing trend. However, as the number of people who are HIV+ continued to decline, the percentage of people living in poverty declined at a slower rate in 2009. Therefore, the figure shows no relationship between the number of people who are HIV+ and those that live in poverty in Sedibeng.

6.3 Economic Review

Figure 6.4: GDPR and Growth Rates, Sedibeng & Gauteng, 2002-2014*



Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Figure 6.4 shows the Sedibeng GDPR and growth rates compared to Gauteng from 2002 to 2009 and forecasts to 2014. Throughout the review and forecast period, the Sedibeng economic growth was in line with Gauteng. Sedibeng is the fourth largest contributor to the Gauteng economy. In 2002, the economy grew by 5.6%, before slowing down to 1.3% in 2003. The municipal economy reached a high of 7.2% in 2006. In 2009, the Sedibeng economic growth recorded a negative 5.2%. This was 3.4% higher than the 2009 provincial growth rate of negative 1.8%. The municipal growth rate is forecasted to increase significantly and reach 3.6% in 2014. The GDPR increased from R17.84 billion in 2002 to R23.66 billion in 2008, before slowing down to R22.43 billion in 2009 and is expected to record R25.93 billion in 2014.

Table 6.2: GVA by Sector, 2008-2014*

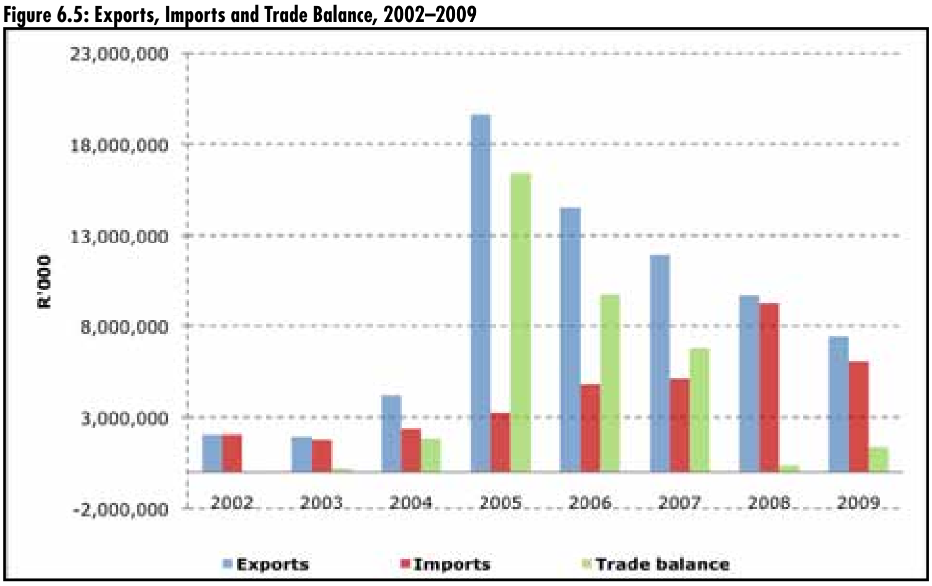
	2008	2009	2010#	2011*	2012*	2013*	2014*
Agriculture, forestry & fishing	1.5%	1.4%	1.4%	1.4%	1.3%	1.3%	1.2%
Mining & quarrying	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Primary sector	***2.1%***	***1.9%***	***1.9%***	***1.9%***	***1.8%***	***1.8%***	***1.7%***
Manufacturing	40.8%	37.2%	36.2%	35.8%	36.1%	35.3%	35.8%
Electricity, gas & water	3.7%	4.2%	4.4%	4.5%	4.4%	4.4%	4.4%
Construction	3.8%	4.2%	4.2%	4.0%	3.9%	3.9%	3.9%
Secondary sector	***48.3%***	***45.6%***	***44.7%***	***44.3%***	***44.4%***	***43.7%***	***44.1%***
Wholesale & retail trade	7.8%	8.0%	8.0%	7.9%	7.6%	7.5%	7.3%
Transport & communication	5.3%	5.4%	5.3%	5.4%	5.3%	5.3%	5.2%
Finance & business services	15.9%	16.9%	17.2%	17.3%	17.5%	18.0%	18.1%
Government, social & personal services	20.6%	22.2%	22.8%	23.2%	23.2%	23.6%	23.6%
Tertiary sector	***49.6%***	***52.5%***	***53.3%***	***53.8%***	***53.7%***	***54.5%***	***54.2%***

Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Table 6.2 shows the GVA sectoral contributions within the Sedibeng economy for 2008 and 2009, gives estimates for 2010 and forecasts to 2014. The structural composition of the economy has remained the same over the period under review. The primary sector contributed 2.1% in 2008 and this declined to 1.9% in 2009. The municipal primary sector is forecast to record 1.9% for the years 2010 and 2011 before declining to 1.7% in 2014. The tertiary sector makes the highest contributions to the GDPR and is closely followed by the secondary sector. The economy of Sedibeng is mainly driven by the manufacturing sub-sector that contributed 40.8% in 2008. IHS Global Insight forecasts that the manufacturing contribution in Sedibeng will slow down to 36.2% in 2010, before further declining to 35.8% in 2014.

Figure 6.5: Exports, Imports and Trade Balance, 2002–2009



Source: IHS Global Insight, 2010

Figure 6.5 shows the imports, exports and trade balance of Sedibeng from 2002 to 2009. The Sedibeng economy recorded a trade deficit of R2.5 billion in 2002 and a trade surplus of R208 million in 2003. The municipality exported goods to the value of R4.21 billion in 2004 and imported R2.37 billion in the same year, which represent a trade surplus of R1.84 billion. In 2005, the trade surplus increased to R16.38 billion, before declining to R9.7 billion in 2006, and reaching a low of R1.34 billion in 2009.

Table 6.3: Location Quotient, 2002 & 2009

	2002	2009	Change
Agriculture, forestry & fishing	0.57	0.46	-0.11
Mining & quarrying	0.03	0.06	0.02
Manufacturing	2.28	2.45	0.17
Electricity, gas & water	1.66	1.50	-0.16
Construction	0.97	1.06	0.09
Wholesale & retail trade	0.61	0.59	-0.02
Transport & communication	0.54	0.59	0.05
Finance & business services	0.64	0.79	0.15
General government services	1.03	1.02	-0.02

Source: IHS Global Insight, 2011

Table 6.3 shows the location quotient of Sedibeng municipality between 2002 & 2009. In 2002, the municipality had a high comparative advantage of 2.28 in manufacturing in the province. This increased to 2.45 in 2009. Sedibeng also recorded location quotients of greater than one for electricity, gas & water and government, social & personal services in 2002 and 2009. The construction location quotient was 0.97 in 2002 and increased to 1.06 in 2009. Sedibeng also showed improvement in finance & business services from 0.64 to 0.79 over the period under review.

6.4 Labour Market

Table 6.4: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	%Change
Labour Force	550,800	552,717	1,916	0.3%
Economically active population (EAP)	330,407	325,763	-4,645	-1.4%
Total employed	144,708	134,963	-9,745	-6.7%
Unemployed	104,972	115,977	11,005	10.5%
				% Point Change
Labour force participation	60.0%	58.9%	-	-1.0
Employment as % of labour force	26.3%	24.4%	-	-1.9
Unemployment rate	31.8%	35.6%	-	3.8

Source: IHS Global Insight, 2011

Table 6.4 compares the labour market statistics for Sedibeng between 2008 and 2009. The municipal labour force increased by 0.3% over the period under review. In 2008, there were 330,407 people classified as EAP, but this decreased to 325,763 in 2009. The total employed municipal population decreased by 6.7% and the number of unemployed increased by 10.5%. The labour force participation, rate decreased by one percentage point and employment as a percentage of the labour force also declined by 1.9 percentage point over the two years. The unemployment rate increased from 31.8% in 2008 to 35.6% in 2009, this shows a total increase of 3.8 percentage points.

Table 6.5: Sectoral Employment Share, 2002 & 2009

	2002	2009	% Point Change
Agriculture, forestry & fishing	4.0%	2.2%	-1.8
Mining & quarrying	0.1%	0.1%	0.0
Manufacturing	21.9%	22.4%	0.5
Electricity, gas & water	2.8%	1.5%	-1.3
Construction	5.5%	6.9%	1.4
Wholesale & retail trade	17%	17%	0.0
Transport & communication	4.8%	4.7%	-0.1
Finance & business services	8.5%	11.9%	3.3
Government, social & personal services	20.6%	19.4%	-1.2
Private households	14.7%	13.9%	-0.8
Total	**100%**	**100%**	

Source: IHS Global Insight, 2010

Table 6.5 compares sectoral employment in Sedibeng between 2002 and 2009. Employment in 2002 was driven by manufacturing, government, social & personal services and also wholesale & retail trade. In 2009, these three sub-sectors contributed 22.4%, 19.4% and 17% respectively to the employment share. Mining & quarrying was the lowest employer at 0.1% for both years. The finance & business services sub-sector experienced the highest percentage point increase in its employment share (3.3 percentage points), from 8.5% in 2002 to 11.9% in 2009. This sector's increase was followed by construction at 1.4 percentage points. The lowest percentage point decrease was in the agriculture, forestry & fishing sub-sector at -1.8 percentage points.

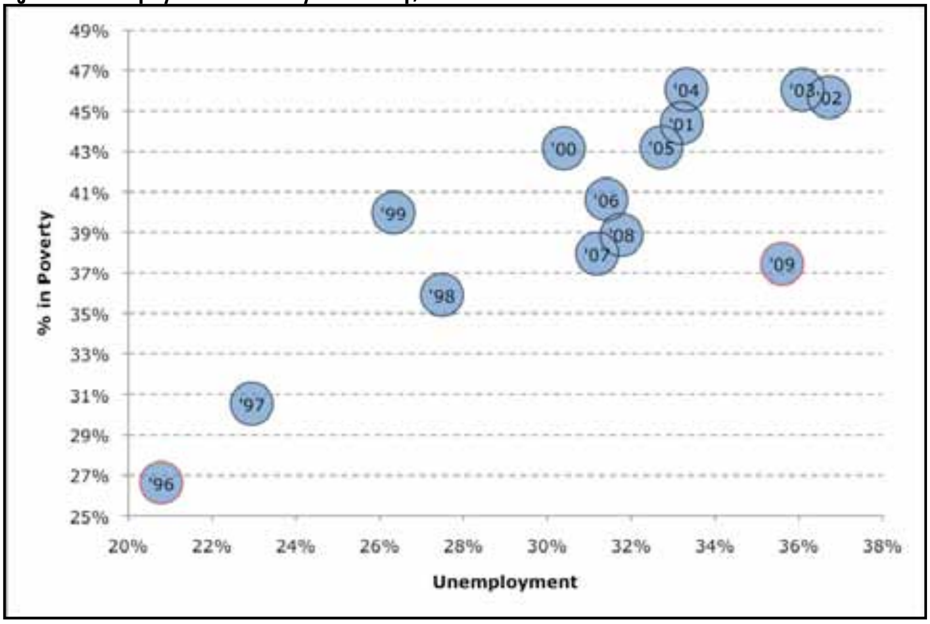
Table 6.6: Unemployment Rate by Gender and Population Group, 2002 & 2009

	2002		2009		% Point Change	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Black	36.7%	46.4%	34.7%	46.8%	-2.0	0.4
White	10.9%	17.4%	8.5%	12.4%	-2.4	-5.0
Coloured	18.5%	22.9%	14.8%	15.3%	-3.7	-7.6
Asian	7.6%	13.5%	7.1%	9.6%	-0.5	-3.9

Source: IHS Global Insight, 2011

Table 6.6 analyses the unemployment rate by gender and population group between 2002 and 2009. Blacks were the largest percentage of unemployed persons, followed by Coloureds. In 2009, Black males and females accounted for 34.7% and 46.8% of unemployment respectively. Coloured males and females accounted for a further 14.8% and 15.3% of unemployment in 2009. Whites experienced the lowest rate of unemployment at 7.1% for males and 9.6% for females in 2009. The highest average decrease in unemployment share in the period under review was that of Coloureds, followed by Whites and with the lowest decrease being for Blacks.

Figure 6.6: Unemployment and Poverty Relationship, 1996-2009

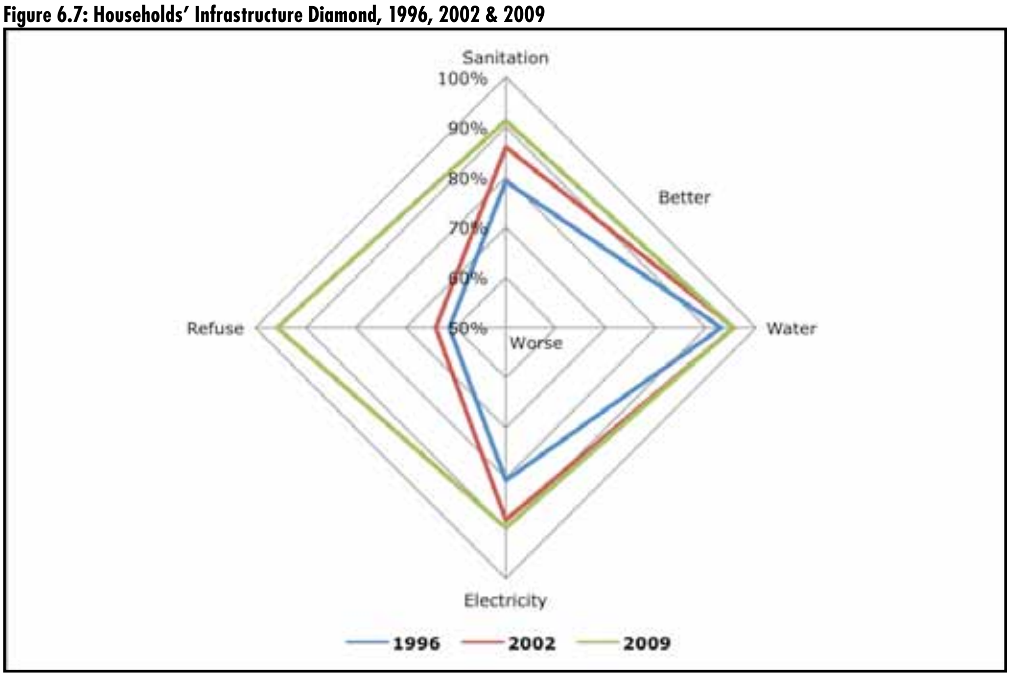


Source: IHS Global Insight, 2011

Figure 6.6 shows the relationship between unemployment and poverty in Sedibeng from 1996 to 2009. Sedibeng recorded an unemployment rate of 20.8% in 1996, which increased to 36.7% in 2002. The poverty rate was 26.6% and 45.7% in the same years respectively. The unemployment and poverty rates decreased in 2009, dropping 1.1 and 8.2 percentage points to 35.6% and 37.5% respectively.

6.5 Access to Services

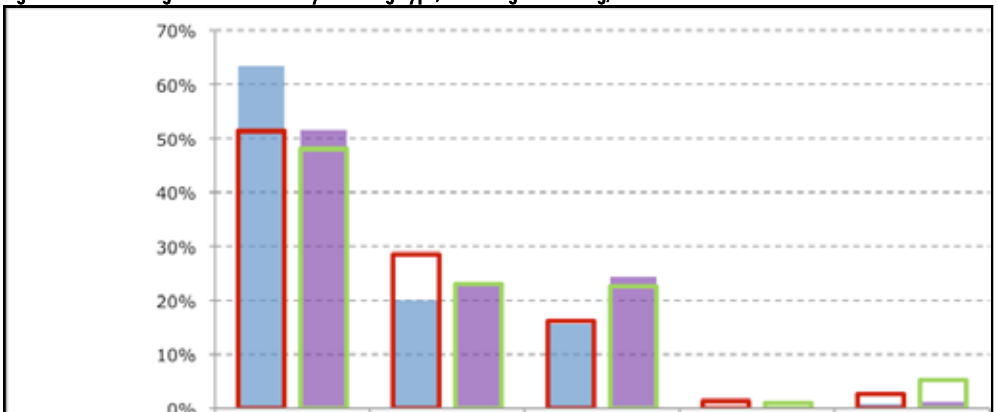
Figure 6.7: Households' Infrastructure Diamond, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

The figure shows the households infrastructure diamond in Sedibeng for 1996, 2002 and 2009. Access to sanitation has been steadily improving in the municipality. From 79.2% in 1996, the percentage of households in the municipality with access to sanitation improved 6.8 percentage points to 86% in 2002. By 2009, this had increased further to 91.2%. In 1996, about 93% of households in Sedibeng had access to water. This improved 2.5 percentage points to reach 95.6% by 2002. The figure for 2009 was just 0.1 percentage points lower than that of 2002 (95.5%). About 80.5% of the households in Sedibeng had access to electricity in 1996. By 2002, this had risen 7.9 percentage points to 88.3% with the 2009 value of 89.9%, constituting a 1.6 percentage point increase. Access to refuse removal in the municipality increased slightly in 2002, when it reached 64%, a 2.7 percentage point rise from 61.3% in 1996. The year 2009, however, saw a more dramatic improvement, a 31.7 percentage points increase over 2002 levels to reach 95.6%.

Figure 6.8: Percentage of Households by Dwelling Type, Sedibeng & Gauteng, 2002 & 2009#



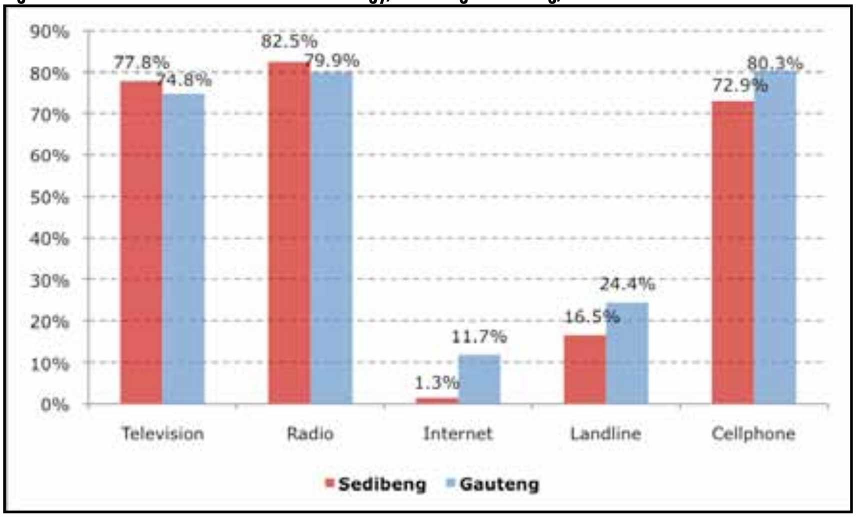
	Very Formal	Formal	Informal	Traditional	Other dwelling type
Sedibeng 2009#	63.4%	20.1%	15.5%	0.1%	0.9%
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
Sedibeng 2002	51.3%	28.5%	16.1%	1.3%	2.6%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%

Source: IHS Global Insight, 2011

Note: # Indicates estimates

Figure 6.8 compares the percentage of households by dwelling type in Sedibeng and Gauteng for 2002 and 2009. In 2002, the percentage of households living in very formal dwellings was higher in the Sedibeng municipality than the average for the province, at 51.3% and 48% respectively. By 2009, the figure for Sedibeng had risen 12.1 percentage points to an estimated 63.4%, which was 11.9 percentage points over the Gauteng average of 51.5% for the year. The percentage of households living in both formal and informal housing fell between 2002 and 2009, from 28.5% to 20.1% and from 16.1% to 15.5%, respectively. Access to traditional dwellings was much higher than the average for Gauteng in 2002, at 1.3% and 1.1%, respectively. By 2009, however, both the province and the municipality recorded that only 0.1% of the households lived in traditional housing.

Figure 6.9: Access to Communications Technology, Sedibeng & Gauteng, 2007



Source: Stats SA, Community Survey (2007), 2010

Figure 6.9 compares access to communications technology in Sedibeng and Gauteng. In 2007, about 77.8% of households within the Sedibeng Municipality had at least one television set and 82.5% had at least one radio. These figures are much higher than the provincial averages for that year, which were 74.8% and 79.9%, respectively. However, Sedibeng had lower percentages of households with access to the other three types of communication technology being reviewed. Only 1.3% of the households in Sedibeng had access to the internet in 2007. This is over 10 percentage points lower than the average for Gauteng in the same year. About 16.5% of Sedibeng's households had at least one landline telephone, 7.9 percentage points lower than the provincial average of 24.4% for 2007. That same year, 72.9% of the households within the municipality had at least one cell phone, which was 7.4 percentage points lower than the Gauteng average of 80.3%.

Table 6.7: Health Statistics, Sedibeng & Gauteng, 2006/07–2008/09

Indicators	2006/07		2007/08		2008/09	
	Sedibeng	GP	Sedibeng	GP	Sedibeng	GP
Total PHC expenditure per capita (R)	494	503	557	550	578	577
% District health services expenditure on District Hospitals	35.7	21.8	33.8	23	32.6	22.4
% District health services expenditure on District Management	5.2	7.2	5.9	8.3	6.6	9.6
% Bed Utilisation Rate (BUR)	72.5	66	73.1	64.5	71	60.2
Nurse Clinical Workload	26.5	25.9	24.2	25.6	18.9	27.4
% ANC clients tested for HIV	83.8	61.1	89.3	73.3	92.3	78.4
PHC Utilisation Rate	1.7	1.9	1.6	1.7	1.9	2
TB Smear conversion rate	58.2	69.2	61	75.1	63	77
TB Case Load (new Sm+)	n/a	n/a	2,194	18,208	2,013	19,882
Stillbirth Rate (per 1000 births)	24.9	21.8	26.1	20.9	21.2	21

Source: Health Systems Trust, DHB, 2010

The table shows the health statistics in Sedibeng and Gauteng for 2006/07 and 2007/08. Total PHC expenditure per capita in the Sedibeng District Municipality for 2006/07 was R494 per person. This was R9 per person below the average for Gauteng, which was R503 per capita that year. In 2007/08, the Sedibeng expenditure increased to R557 per capita, R7 per person higher than the provincial average of R550 per capita for the year. Sedibeng's PHC expenditure per capita increased further in 2008/09, to R578, staying above the provincial average by R1 per capita.

In 2006/07, 5.2% of Sedibeng's expenditure on district health services was on district management. This increased to 5.9% in 2007/08, and then to 6.6% in 2008/09. Despite these increases, the percentage of Sedibeng's district health services expenditure that went to district management remained below the provincial average, which was 9.6% in 2008/09.

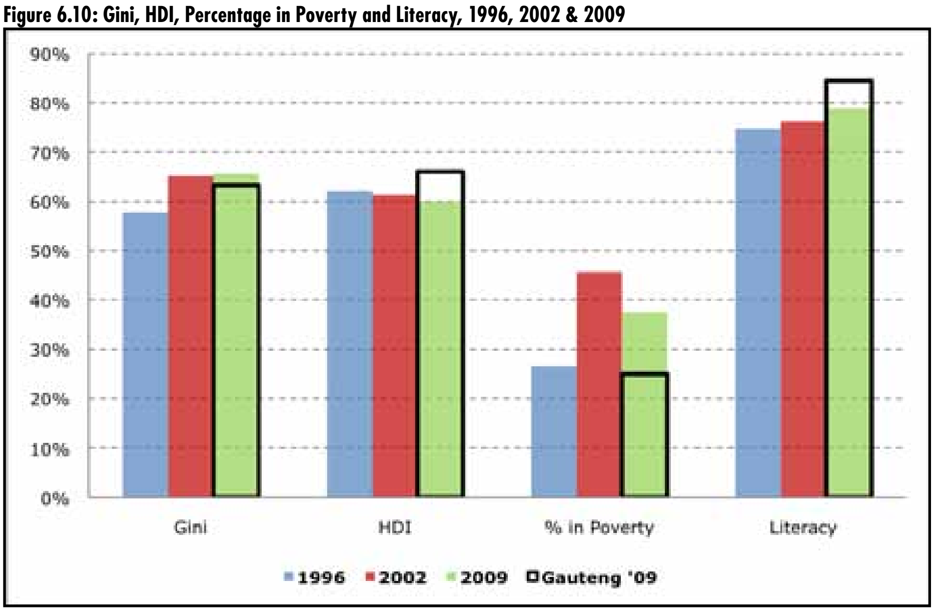
In 2006/07, Sedibeng recorded that 83.8% of ANC clients within the municipality were tested for HIV on their first antenatal clinic visit. This improved to 89.3% in 2006/07, and then to 92.3% in 2008/09. In each of these years, Sedibeng's figure was at least 13.9 percentage points above the provincial average.

Sedibeng's TB smear conversion rate was 58.2% in 2006/07. It increased to 61% in 2007/08, before increasing a further 2 percentage points to reach 63% by 2008/09. The municipality's TB caseload was 2,194 new cases in 2007/08 and 2,013 new cases in 2008/09.

The stillbirth rate in Sedibeng was 24.9 stillbirths per 1000 births in 2006/07. This increased 1.2 to 26.1 stillbirths per 1000 births in 2007/08, which was 5.2 higher than the provincial average of 20.9 for that year. In 2008/09, however, Sedibeng's stillbirth rate fell by 4.9 per 1000 to 21.2 stillbirths per 1000 births, which was much more in line with Gauteng's average of 21 per 1000 for the year.

6.6 Development

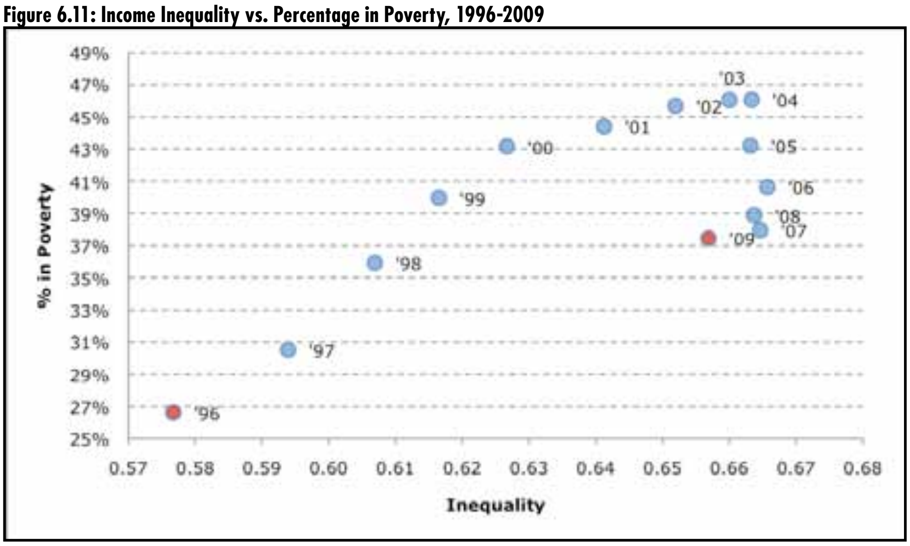
Figure 6.10: Gini, HDI, Percentage in Poverty and Literacy, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

As one of three district municipalities in Gauteng, Sedibeng is by comparison to the three metros more rural in nature. Therefore, it can be expected that there is less human development in the region. Figure 5.10 shows the four main development indicators for the district for 1996, 2002 and 2009. All four indicators for 2009 are worse than the Gauteng average indicating the low level of development in Sedibeng. Income inequality has increased from 0.577 in 1996 to 0.652 in 2002, where it has remained fairly stagnant to 2009. HDI has worsened between the years 2002 to 2009, decreasing by 1.28 percentage points. The percentage living in poverty has been volatile increasing rapidly to 2002 before declining in 2009. Literacy has improved slightly over the review period, but remains below the Gauteng average by 5.64 percentage points.

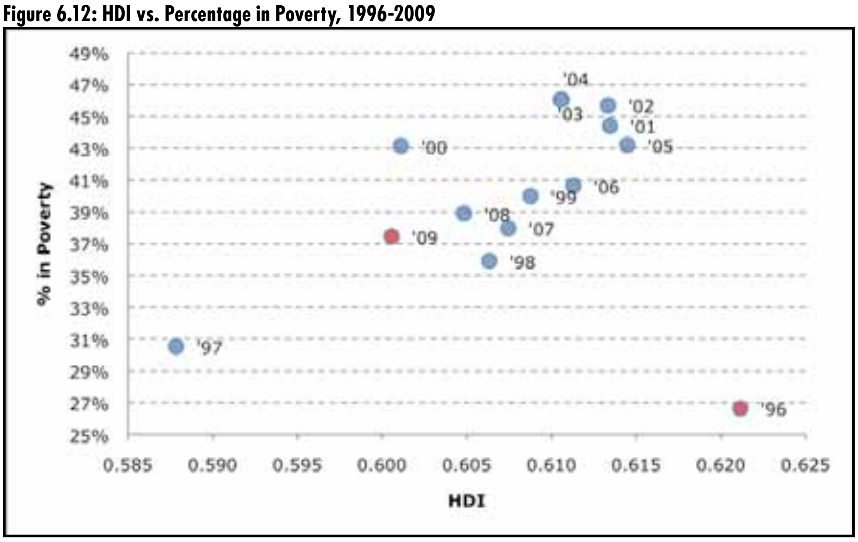
Figure 6.11: Income Inequality vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 6.11 shows Sedibeng's income inequality charted against the percentage living in poverty from 1996 to 2009. Inequality increased consistently from 1996 (0.577) through to 2004 (0.663), thereafter it remained relatively stagnant from 2005 (0.663) to 2009 (0.657). In conjunction with the increasing income inequality, poverty has increased. The correlation between inequality and percentage living in poverty for Sedibeng is 73.9%.

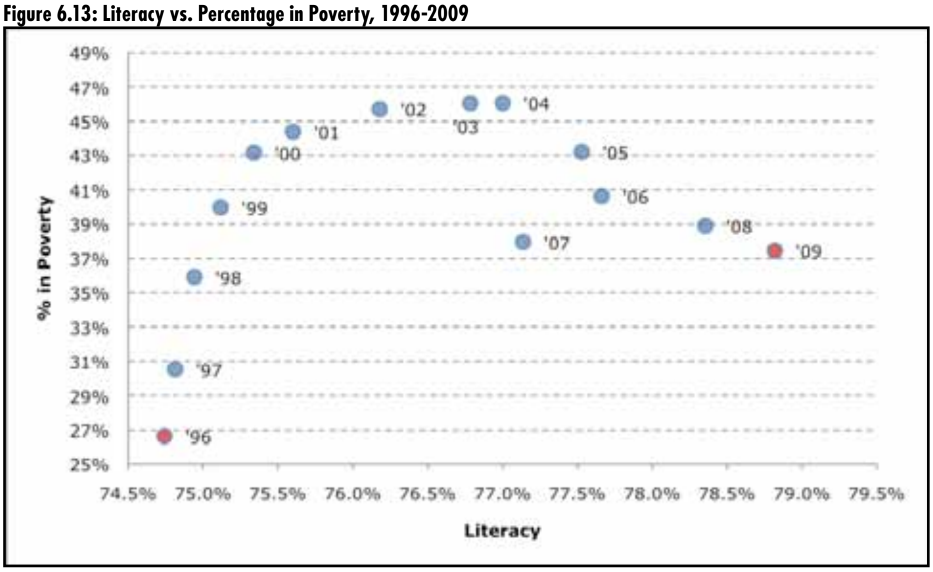
Figure 6.12: HDI vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 6.12 shows the level of HDI against percentage living in poverty in Sedibeng from 1996 to 2009. Sedibeng has some of the lowest levels of HDI coupled with the highest level of people living in poverty. In 2009, HDI was 0.601 and the percentage in poverty was 37.5%. Of the 14 years in the review period, 13 years were above an HDI of 0.60 with one below this value. Since 2005, when HDI measured 0.614, the HDI has been decreasing gradually for the district.

Figure 6.13: Literacy vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 6.13 shows functional literacy from 1996 to 2009 in Sedibeng charted against the percentage of people who live in poverty in the district. Literacy has gradually been increasing from 1996 where literacy equalled 74.7%, while poverty was 26.6%, to 78.8% while 37.5% were in poverty in 2009. Only in 2007, did literacy decline from 77.7% in 2006 to 77.1%.

6.7 Conclusion

Sedibeng has a population of approximately 805,000 where the share of the majority Black population group is expected to increase from 82.9% in 2009 to an estimated 84% in 2014. In 2009, economic growth was a negative 5.2% contributing R19.59 billion to the R624.9 billion Gauteng GDPR. The trade balance from 2002 to 2009 was in a surplus from 2003 to 2009. Only in 2002, did the municipality experience a trade deficit of R2.5 billion. In 2009, the unemployment rate was 35.6%. Most employees worked in the manufacturing sub-sector with a share of 22.4%. Very formal housing and refuse removal had increased significantly coming from 51.4% and 64% in 2002, to 63.7% and 95.6% in 2009 respectively. Since 1996, development has had its difficulties, income inequality has increased slightly, HDI has declined, but functional literacy has increased. The percentage of people living in poverty has declined since 2002 from 45.7% to 37.7% in 2009.

Chapter 7: Socio-Economic Review of the West Rand District Municipality (WRDM)

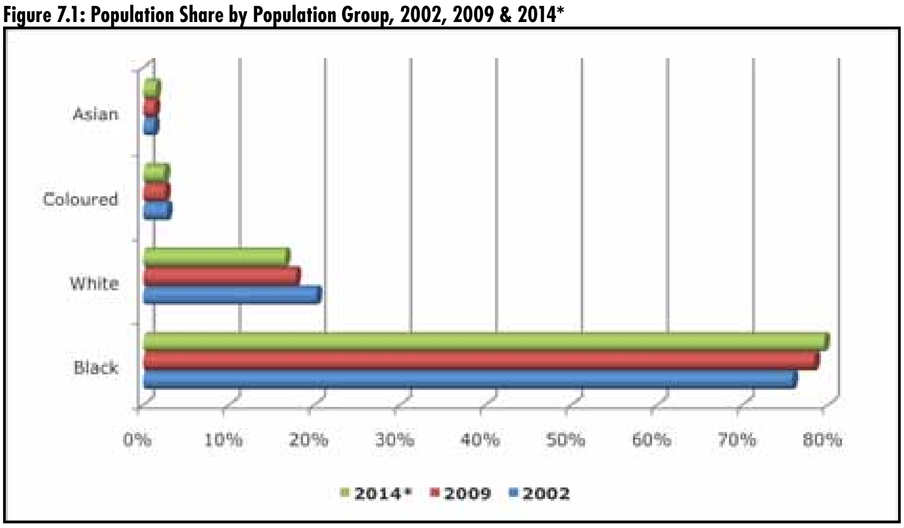
7.1 Introduction

The West Rand is the third largest municipality in Gauteng and covers a land area of about 2,461 km^2 with a population of 598,853 (5.97%) and a population density of 243 people per km^2. In 2009, the municipality made the fifth largest contribution of 2.7% to the provincial GDPR. The businesses within the municipality consist mainly of mining industries, and also the manufacture of non-metallic products. The West Rand economy is mainly driven by government, social & personal services, finance & business services and mining & quarrying. The municipality is also known for the production of gold that contributes positively to labour absorption. The municipality established a West Rand Development Agency that is aimed at spearheading and stimulating economic development in the region for potential growing industries. This chapter analyses the socio-economic review and outlook of the West Rand, outlining its demographic profile, economic performance, labour market, and access to services and development.

7.2 Demographic Profile

7.2.1 Population Profile

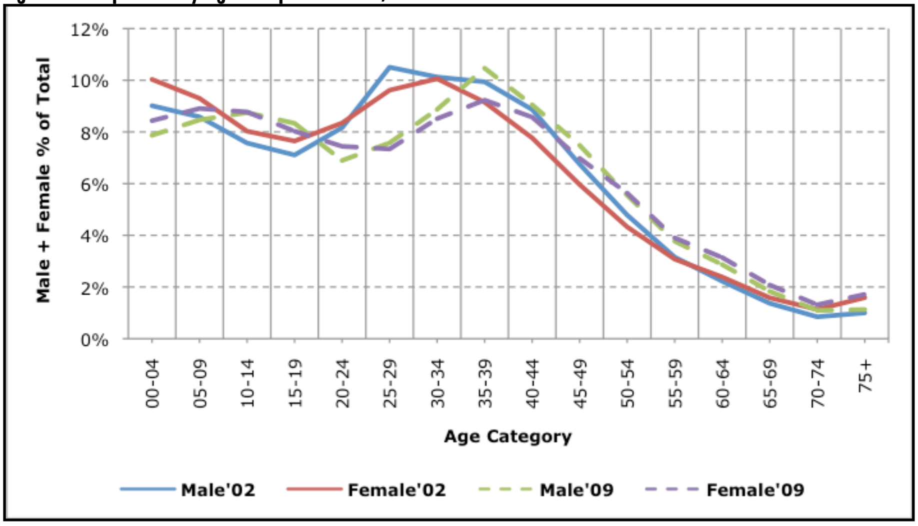
Figure 7.1: Population Share by Population Group, 2002, 2009 & 2014*



Source: IHS Global Insight, 2010
Note: * Indicates forecasts

Figure 7.1 shows the composition of the population of the West Rand by population group for 2002, 2009 with forecasts for 2014. The Black population group constitues the highest percentage at just below 80% and this is expected to continue to 2014. Whites are the second biggest population group, followed by Coloureds and then Asians. The Black population group is expected to increase over the review period, while the White population group is expected to decrease.

Figure 7.2: Population by Age Group and Gender, 2002 & 2009



Source: IHS Global Insight, 2010

Figure 7.2 shows the population groups by gender and age for the two years 2002 and 2009. In 2002, there were more females than males in the age group from 00 to 19 years. The 25 to 54 age category consisted of more males than females. This trend has changed and the gender differential has reduced with an equal percentage of both males and females on average. The interesting trend noted between the two years is that the 00 to 09 age category for 2002 was higher than for 2009 in both the gender groups.

7.2.2 Mortality

Table 7.1: Leading Causes of Death, 2009

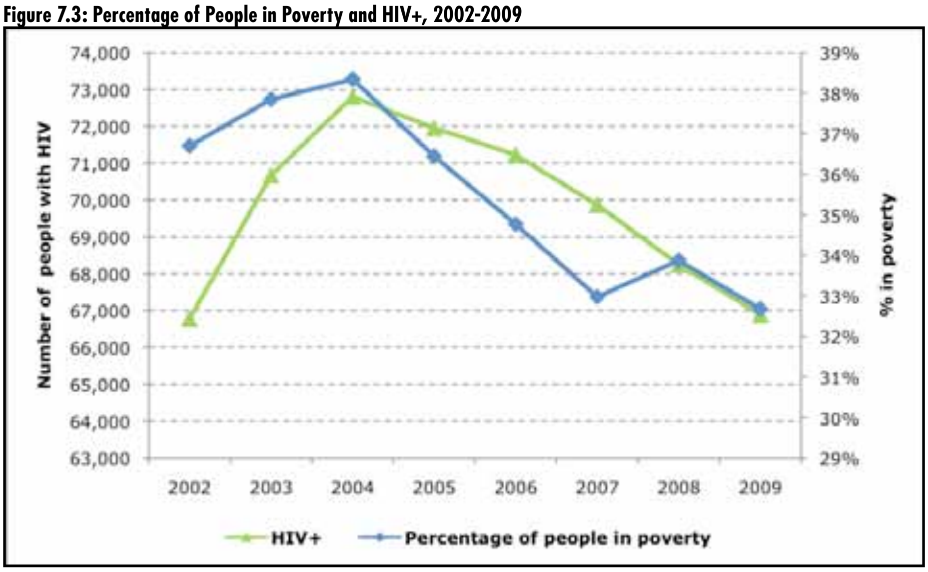
Disease	Number of Deaths	%	Disease	Number of Deaths	%
Tuberculosis	853	11.3	Other viral diseases	222	2.9
Influenza & pneumonia	787	10.4	Diabetes mellitus	199	2.6
Intestinal infectious diseases	536	7.1	Ischemic heart disease	158	2.1
Other forms of heart disease	323	4.3	Inflammatory diseases of the central nervous system	148	2
Cerebrovascular diseases	273	3.6	Chronic lower respiratory tract diseases	147	1.9
Other natural causes	3,139	41.5	Non-natural causes	774	10.2

Source: Stats SA, 2010

Table 7.1 shows the number of deaths that occurred in the West Rand in 2009 as a result of the diseases indicated. Stats SA reports that the total deaths that were recorded in the West Rand equalled 7,559. The leading cause of death was tuberculosis and followed by influenza & pneumonia. These two illnesses together claimed the lives of 1,640 people in the metro. It is important to note that the two illnesses are also HIV/AIDS opportunistic diseases and the deaths could have resulted mostly among HIV+ people.

7.2.3 HIV/AIDS Linked to People in Poverty

Figure 7.3: Percentage of People in Poverty and HIV+, 2002-2009

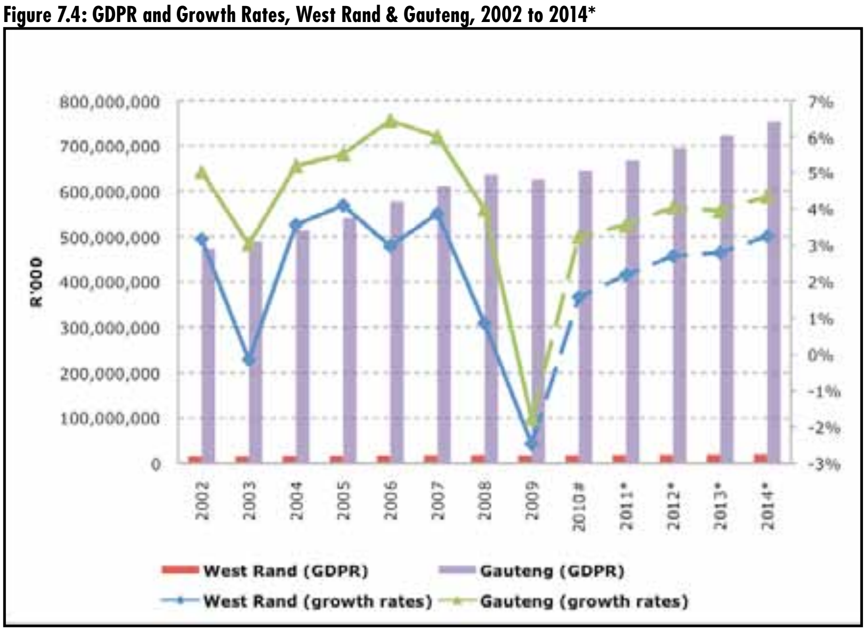


Source: IHS Global Insight, 2011

Figure 7.3 displays the relationship over the years 2002 to 2009 between the percentage of people in poverty and those that are HIV+. The figure shows that the number of people who are HIV+ increased from 66,777 (in 2002) to 72,797 (in 2004). The percentage of people in poverty increased from 36.7% to 38.3% between 2002 and 2004. It gradually declined to 33% in 2007, increased again to 33.9% in 2008, before falling to 32.7% in 2009.

7.3 Economic Review

Figure 7.4: GDPR and Growth Rates, West Rand & Gauteng, 2002 to 2014*



Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Figure 7.4 shows GDPR for the West Rand compared to that of the provincial economy for the period 2002 to 2009 and the forecast to 2014. The figure also shows the West Rand growth rate compared to that of Gauteng. From 2002 to 2008, the West Rand experienced an increase in the level of the GDPR from about R15 billion in 2002 to R17.5 billion in 2008. The municipal GDPR declined to R17.1 billion in 2009. According to IHS Global Insight, GDPR is forecast to increase from R17.38 billion in 2010 to R19.36 billion in 2014. The municipal growth rate started at 3.2% in 2002 and slowed down to a negative 0.2% in 2003 before reaching 3% in 2006, the growth decelerated to 0.9% in 2008 reaching a negative 2.5% in 2009. The growth rate is forecast to record 1.6% in 2010 and to grow further to the high of 3.3% in 2014. The figure shows that both the GDPR and growth rates are following same trend as the provincial figures despite the fact that the West Rand was growing slower than the Gauteng province.

Table 7.2: GVA by Sector, 2008-2014*

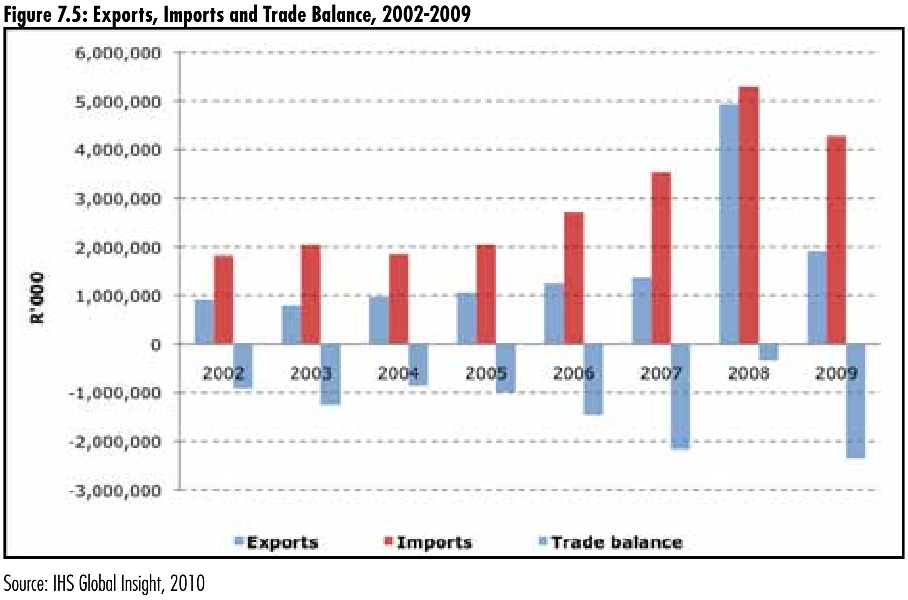
	2008	2009	2010#	2011*	2012*	2013*	2014*
Agriculture, forestry & fishing	2.2%	2.0%	2.1%	2.1%	2.0%	2.0%	1.9%
Mining & quarrying	19.3%	17.8%	16.8%	16.0%	15.2%	14.3%	13.5%
Primary sector	***21.5%***	***19.8%***	***18.9%***	***18.1%***	***17.2%***	***16.2%***	***15.4%***
Manufacturing	21.7%	19.8%	19.4%	19.4%	19.6%	19.5%	19.7%
Electricity, gas & water	2.0%	2.4%	2.5%	2.6%	2.6%	2.6%	2.6%
Construction	4.0%	4.4%	4.3%	4.3%	4.2%	4.3%	4.4%
Secondary sector	***27.7%***	***26.6%***	***26.2%***	***26.3%***	***26.5%***	***26.4%***	***26.7%***
Wholesale & retail trade	10.5%	10.8%	10.9%	10.8%	10.7%	10.7%	10.6%
Transport & communication	5.8%	5.8%	5.8%	5.9%	6.0%	6.1%	6.1%
Finance & business services	16.1%	17.0%	17.4%	17.6%	18.0%	18.6%	18.9%
Government, social & personal services	18.5%	20.1%	20.7%	21.2%	21.6%	22.0%	22.4%
Tertiary sector	***50.9%***	***53.6%***	***54.8%***	***55.6%***	***56.4%***	***57.3%***	***58%***

Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Table 7.2 shows the GVA sectoral contributions within the West Rand economy for 2008 and 2009, gives estimates for 2010 and forecasts to 2014. The primary sector contributed 21.5% to the provincial economy for 2008 and 19.8% in 2009. It is expected to record 15.4% in 2014. The secondary sector contributed the second highest with the manufacturing sub-sector driving the sector with GVA of 21.7% in 2008 and 19.8% in 2009, before it is expected to slow down to a forecast of 19.7% in 2014. The tertiary sector made the highest GVA contribution to the West Rand economy of 50.9% in 2008, before increasing to 53.6% in 2009. The municipal GVA is estimated to record 54.8% in 2010 and is forecast to reach a high of 58% in 2014. The high contribution of the tertiary sector came from government, social & personal services and followed by finance & business services.

Figure 7.5: Exports, Imports and Trade Balance, 2002-2009



Source: IHS Global Insight, 2010

Figure 7.5 shows the West Rand exports, imports and trade balance 2002 to 2009. The trade balance has been in deficit throughout the review period. The highest trade deficit of about R2.3 billion was recorded in 2009 and the lowest trade deficit at R337 million was recorded in 2008. The municipality only dominates in mining production; most goods are imported from other municipalities, provinces and the rest of the world.

Table 7.3: Location Quotient, 2002 & 2009

	2002	2009	Change
Agriculture, forestry & fishing	0.74	0.69	-0.05
Mining & quarrying	3.10	1.96	-1.14
Manufacturing	1.12	1.31	0.19
Electricity, gas & water	0.88	0.86	-0.02
Construction	0.90	1.09	0.19
Wholesale & retail trade	0.74	0.80	0.06
Transport & communication	0.55	0.63	0.08
Finance & business services	0.64	0.79	0.15
General government services	0.80	0.92	0.12

Source: IHS Global Insight, 2011

Table 7.3 compares the location quotient in West Rand between 2002 and 2009. The table shows that West Rand had a high comparative advantage in mining and quarrying (3.10), followed by manufacturing (1.12) and comparative disadvantage in other sectors during 2002. In 2009, all the sectors mentioned were still with comparative advantage even though there was a slow down in mining and quarrying, however, the construction sector also gained a comparative advantage.

7.4 Labour Market

Table 7.4: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	%Change
Labour Force	414,899	418,355	3,456	0.8%
Economically active population (EAP)	294,781	288,625	-6,156	-2.1%
Total employed	186,554	179,088	-7,466	-4.0%
Unemployed	64,855	69,947	5,092	7.9%
				% Point Change
Labour force participation	71.0%	69.0%	-	-2.1
Employment as % of labour force	45.0%	42.8%	-	-2.2
Unemployment rate	22.0%	24.2%	-	2.2

Source: IHS Global Insight, 2011

Table 7.4 compares the labour force statistics for West Rand between 2008 and 2009. The municipal labour force increased by 0.8% over the period under review. In 2008, there were 294,781 people classified under EAP and the number decreased to 288,625 in 2009. The total municipal population employed decreased by 4% while the unemployed increased by 7.9% between 2008 and 2009. In the period under review, the West Rand labour force participation decreased by 2.1 percentage points, and employment, as a percentage of the labour force, declined by 2.2 percentage points. The municipal unemployment rate increased from 22% in 2008 to 24.2% in 2009, an increase of 2.2 percentage points.

Table 7.5: Sectoral Employment Share, 2002 & 2009

	2002	2009	% Point Change
Agriculture forestry & fishing	6.2%	4.1%	-2.2
Mining & quarrying	20.9%	13.4%	-7.5
Manufacturing	12.5%	13.6%	1.0
Electricity, gas & water	0.8%	0.6%	-0.2
Construction	5.1%	6.9%	1.8
Wholesale & retail trade	15.5%	16.5%	1.1
Transport & Communication	4.5%	4.5%	0.0
Finance & business services	7.9%	12%	4.1
Government, social & personal services	16.8%	18.1%	1.4
Private Households	9.9%	10.4%	0.5
Total	**100%**	**100%**	

Source: IHS Global Insight, 2010

Table 7.5 compares sectoral employment share in West Rand for 2002 and 2009. Municipal employment in 2002 was driven by mining & quarrying at 20.9% that decreased to 13.4% in 2009, and represents the worst percentage point decrease of -7.5. Government, social & personal services was the second highest contributor at 16.8% in 2002 that increased to 18.1% in 2009. Wholesale & retail trade was the third employment share contributor for both years and recorded a 1.1 percentage point increase. Electricity, gas & water and transport & communication were the smallest employers in 2002, transport & communication remained constant at 4.5% while electricity, gas & water decreased by 0.2 percentage points to 0.6% in 2009. The finance & business services sector had the greatest percentage point increase in its employment share for the municipality of 4.1 points, from 7.9% in 2002 to 12% in 2009.

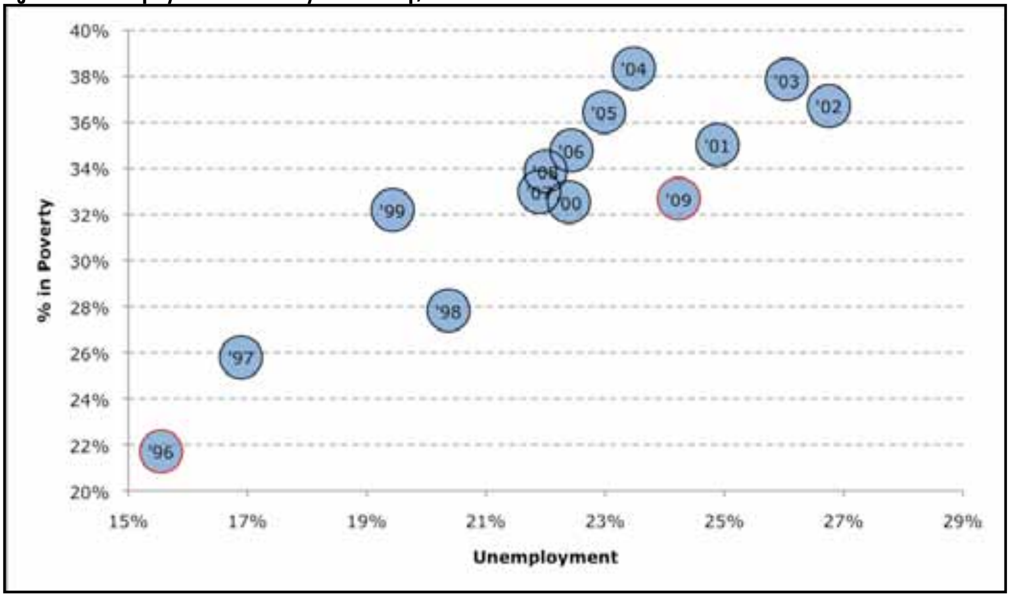
Table 7.6: Unemployment Rate by Gender and Population Group, 2002 & 2009

	2002		2009		% Point Change	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Black	21.0%	39.7%	19.7%	35.7%	-1.27	-3.93
White	9.0%	14.6%	6.6%	10.0%	-2.44	-4.58
Coloured	43.6%	52.1%	43.2%	41.9%	-0.41	-10.27
Asian	12.8%	39.8%	12.4%	30.1%	-0.39	-9.62

Source: IHS Global Insight, 2011

Table 7.6 gives an analysis of the unemployment rate by gender and population group between 2002 and 2009. In 2002, the Coloured group experienced the highest rates of unemployment for males (43.6%) and females (52.1%). In 2009, Coloured males and females continued to have the highest rates of unemployment with Whites having the lowest rate of unemployment at 6.6% for males and 10% for females. The highest average decrease in unemployment share between the periods under review was that of Coloureds, followed by Asians and with the lowest decrease being Blacks.

Figure 7.6: Unemployment and Poverty Relationship, 1996-2009

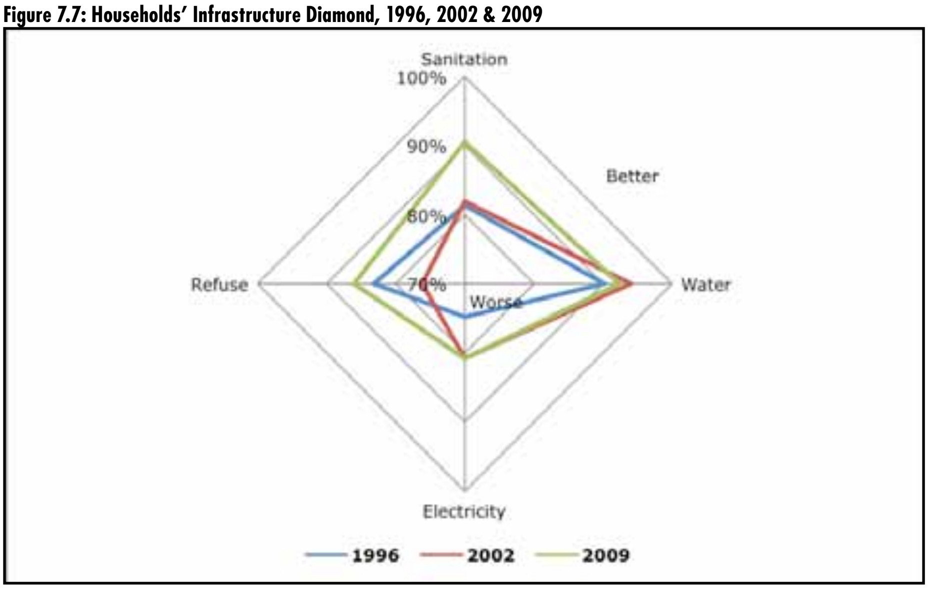


Source: IHS Global Insight, 2011

Figure 7.6 shows the relationship between unemployment and poverty in the West Rand between 1996 and 2009. The West Rand recorded an unemployment rate of 15.6% and 26.8%, poverty rate of 21.7% and 36.7% in 1996 and 2002 respectively. The rate at which unemployment increased was lower than that of poverty. In 2009, the unemployment rate and poverty rate decreased to 24.2% and 32.7% respectively from the 2002 figures.

7.5: Access to Services

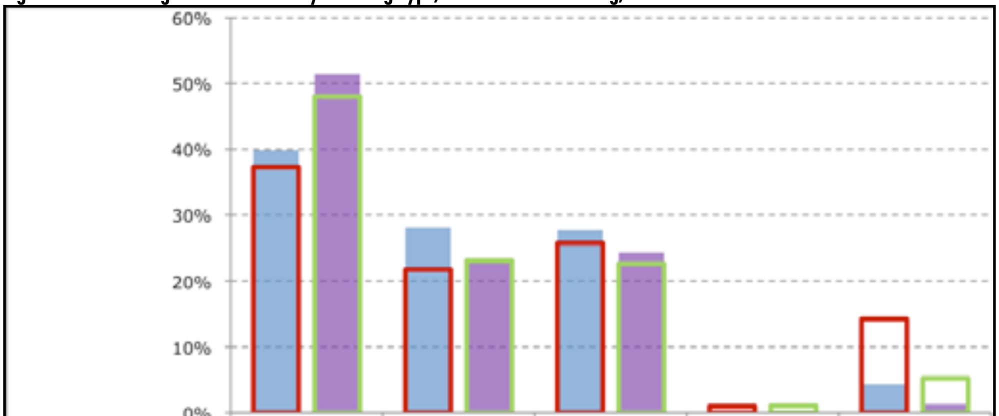
Figure 7.7: Households' Infrastructure Diamond, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

Figure 7.7 shows that access to sanitation within the West Rand District fell slightly in 2002, dropping to 81.9% from 81.4% in 1996. However, 2009 recorded a marked improvement, of 8.6 percentage points increase to provide 90.5% of households with access to sanitation. In 1996, about 90.2% of households in the West Rand had access to water. This improved by 3.9 percentage points, to 94% by 2002, before falling 1.7 percentage points to 92.4% in 2009. About 74.8% of households in the municipality had access to electricity in 1996. By 2002, this had improved by six percentage points to 80.8%. Households in the municipality experienced a seven-percentage points decline in access to refuse removal from the 1996 level of 83.2% to 76.2% in 2002. By 2009, however, this had increased 9.9 percentage points, surpassing the 1996 value and reaching 86%.

Figure 7.8: Percentage of Households by Dwelling Type, West Rand & Gauteng, 2002 & 2009#



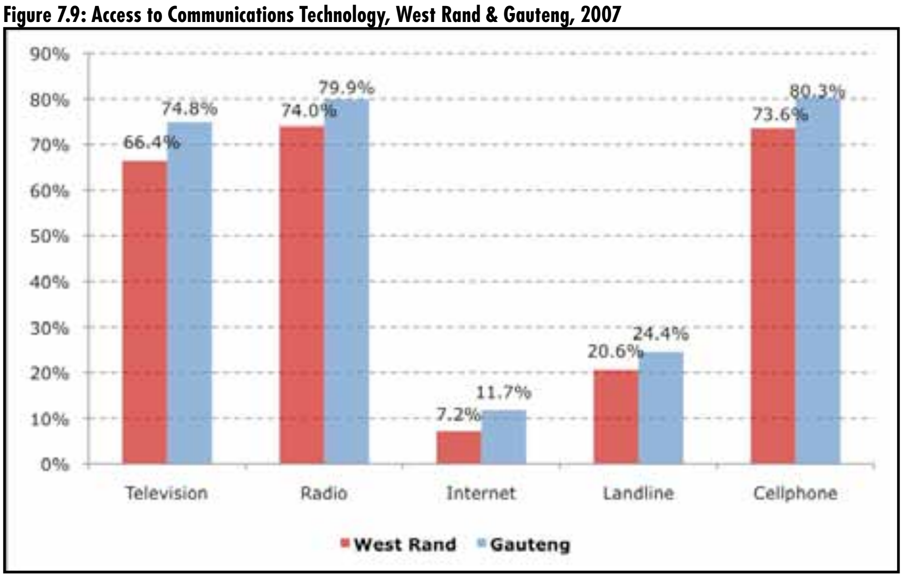
	Very Formal	Formal	Informal	Traditional	Other dwelling type
West Rand 2009#	39.9%	28.1%	27.7%	0.0%	4.3%
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
West Rand 2002	37.3%	21.7%	25.8%	1.0%	14.2%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%

Source: IHS Global Insight, 2011

Note: # Indicates estimates

Figure 7.8 shows the percentage of households by dwelling type in West Rand and Gauteng. The municipality saw a 2.6 percentage points rise in the proportion of its households living in very formal dwellings between 2002 and 2009, from 37.3% to 39.9%. The percentage living in formal housing rose during the same period, from 21.7% to 28.1%. It is estimated that the percentage of the municipality's households living in informal dwellings has increased, rising 1.9 percentage points from 25.8% in 2002 to 27.7% in 2009. In 2002, traditional dwellings housed a slightly lower percentage of the households than the average for the province, at 1% and 1.1% respectively. By 2009, however, the number of households in the province living in traditional housing had fallen so low that the percentage share was rounded down to 0.0%.

Figure 7.9: Access to Communications Technology, West Rand & Gauteng, 2007



Source: Stats SA, Community Survey (2007), 2010

Figure 7.9 shows access to communications technology in West Rand and Gauteng for 2007. In 2007, for each type of communication technology being considered, a smaller percentage of households in the West Rand had access to that technology than the figure for Gauteng as a whole. The largest gap was in the proportion of households with at least one television set. About 66.4% of households had a television set in 2007, which was 8.4 percentage points below the provincial average of 74.8% for that year. The smallest difference was in the percentage of households with at least one landline telephone. In the municipality, 20.6% of households had access to a landline; the average for Gauteng was 24.4%, which was 3.8 percentage points more.

Table 7.7: Health Statistics, West Rand & Gauteng, 2006/07–2008/09

Indicators	2006/07		2007/08		2008/09	
	West Rand	GP	West Rand	GP	West Rand	GP
Total PHC expenditure per capita (R)	573	503	476	550	433	577
% District health services expenditure on District Hospitals	40.1	21.8	30.5	23	32.7	22.4
% District health services expenditure on District Management	9.5	7.2	12.4	8.3	9.6	9.6
% Bed Utilisation Rate (BUR)	72.5	66	66.1	64.5	69.3	60.2
Nurse Clinical Workload	36.8	25.9	35.7	25.6	31	27.4
% ANC clients tested for HIV	64.7	61.1	69.5	73.3	77.7	78.4
PHC Utilisation Rate	1.7	1.9	1.7	1.7	2.2	2
TB Smear conversion rate	80.7	69.2	84.9	75.1	79.1	77
TB Case Load (new Sm+)	n/a	n/a	1,458	18,208	1,213	19,882
Stillbirth Rate (per 1000 births)	15.2	21.8	14.1	20.9	14.9	21

Source: Health Systems Trust, DHB, 2010

Table 7.7 shows health statistics in West Rand and Gauteng for 2006/07 and 2008/09. In the West Rand in 2006/07, the total PHC expenditure per capita was R573, which was R70 per person higher than the provincial average of R503 per capita. In 2007/08, the West Rand's PHC expenditure per capita fell to R476, which meant it was now below the Gauteng average of R550. The West Rand's figure fell further in 2008/09, to R433 per capita, R144 per person lower than the provincial average of R577 per capita for the year.

The municipality spent 40.1% of its district health services expenditure on its district hospitals in 2006/07. This dropped 9.6 percentage points in 2007/08 to reach 30.5%, before rising 2.2 percentage points to 32.7% in 2008/09.

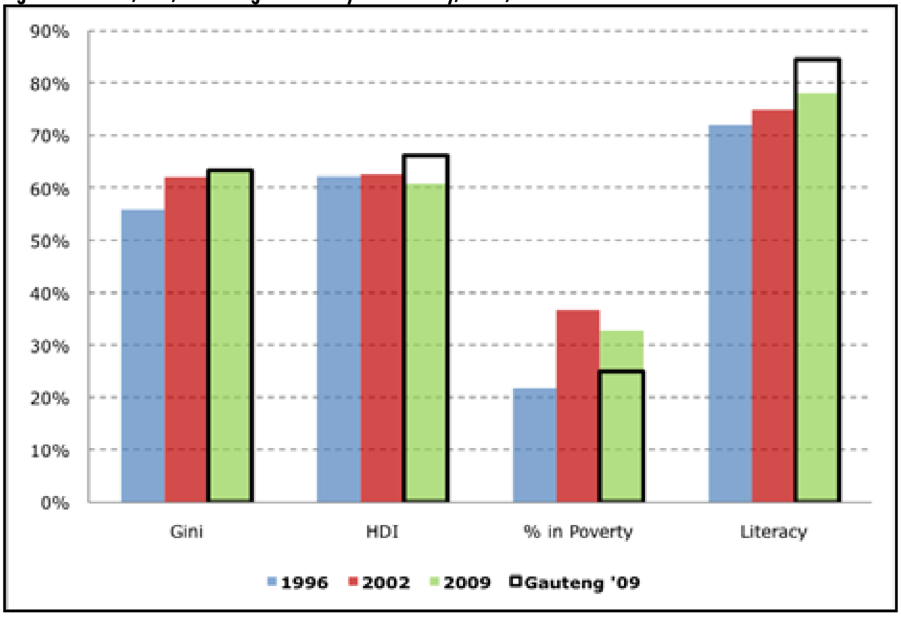
In 2006/07, the West Rand put 9.5% of its district health services expenditure into district management. This increased to 12.4% in 2007/08, before falling to 9.6% in 2008/09. In 2006/07 and 2007/08, the West Rand was spending a higher percentage of its district health services expenditure on district management than the average for Gauteng. In 2008/09, however, the West Rand's proportion was equal to the provincial average.

In 2006/07, the TB smear conversion rate in the West Rand was 80.7%. This rose 4.2 percentage points to 84.9% in 2007/08, before falling to 79.1% in 2008/09, still 2.1 points above the provincial average. In 2007/08, about 1,458 new cases of TB were recorded in the West Rand and 1,213 were recorded in 2008/09.

The stillbirth rate in the West Rand in 2006/07 was 15.2 stillbirths per 1000 births. This fell to 14.1 per 1000 in 2007/08 and then increased to 14.9 in 2008/09. The West Rand's rate was below the provincial average throughout the period under review. In 2008/09 the average for Gauteng was 21, about 6.1 stillbirths per 1000 more than the West Rand.

7.6 Development

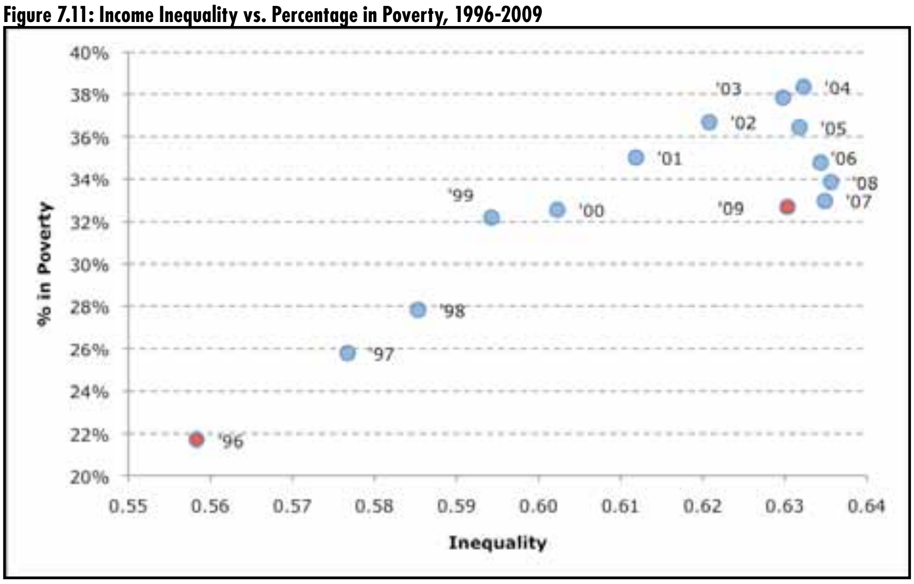
Figure 7.10: Gini, HDI, Percentage in Poverty and Literacy, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

By comparison to the three metros, the West Rand is more rural in nature. Therefore, it is expected to have lower human development. In figure 7.10, three selected years, namely 1996, 2002 and 2009 are used to illustrate the progress in terms of development for the West Rand. By comparison to Gauteng, the West Rand features almost equally in terms of inequality in 2009. Inequality has risen since 1996 at 0.558 to 0.6303 in 2009. The HDI has worsened slightly over the 14-year period and is below the Gauteng average of 0.66 by 5.4 percentage points. Like all the other municipal regions, literacy has improved, but is still below that of Gauteng by 6.5 percentage points.

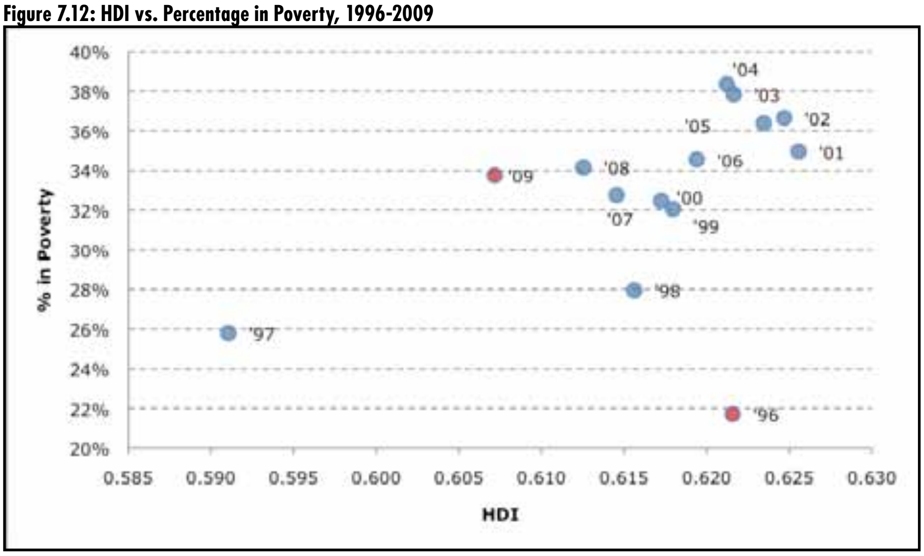
Figure 7.11: Income Inequality vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 7.11 illustrates the change in income inequality through the years 1996 to 2009 against the percentage of people living in poverty in West Rand. Income inequality has steadily increased from 1996 (0.558) through to 2004 (0.632). Coupled with this increase in inequality, poverty climbed from 21.7% to 38.3% between 1996 and 2004 respectively. Following the year 2004, inequality was stagnant with little change to 2009 when inequality was 0.630 and poverty, 32.7%. Given the above data, the correlation between inequality and percentage in poverty for the West Rand is 87.6%.

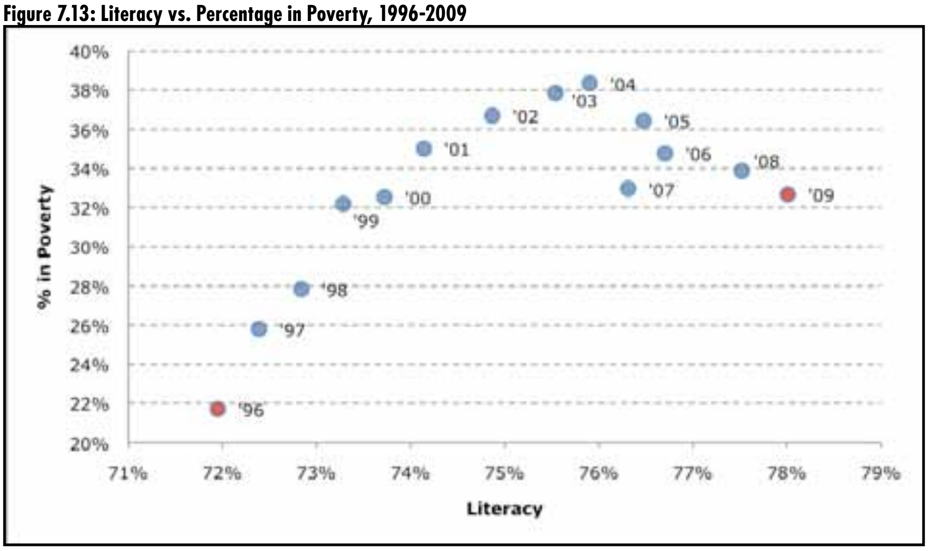
Figure 7.12: HDI vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

In figure 7.12, the HDI for the West Rand is mapped against the percentage of people living in poverty from 1996 to 2009. The figure shows a similar pattern to other municipalities whereby HDI decreased significantly from 1996 to 1997, only to return to higher levels for the following 10 years (1998 to 2007) ranging from 0.621 to 0.59. In 2008 and 2009, HDI declined to 0.613 and 0.607 respectively.

Figure 7.13: Literacy vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 7.13 shows the percentage of people in the West Rand who had functional literacy from 1996 to 2009. Literacy has gradually increased from 72% in 1996 to 78% in 2009. Only in 2007 did literacy decline from 76.7% in 2006 to 76.3%.

7.7 Conclusion

The West Rand municipality shares approximately 5.97% of the Gauteng population with the highest age category of 35 to 39 year olds. The mining & quarrying sub-sector is forecast to contribute much less going forward to 2014, to the GVA of the primary sector. This trend can also be seen in the location quotient where mining & quarrying decreased by 1.14 points from 2002 to 2009. For the review period from 2002 to 2009, the municipality has had a trade deficit. The unemployment rate in 2009 was 24.2% increasing from 22% in 2008. Since 2002, the access to services has seen an increase in proper sanitation and refuse removal, while access to water has declined and electricity has remained mostly stagnant. Compared to the Gauteng average, the level of development in the West Rand features lower HDI, and literacy, and has a higher percentage living in poverty.

Chapter 8: Socio-Economic Review of Metsweding District Municipality

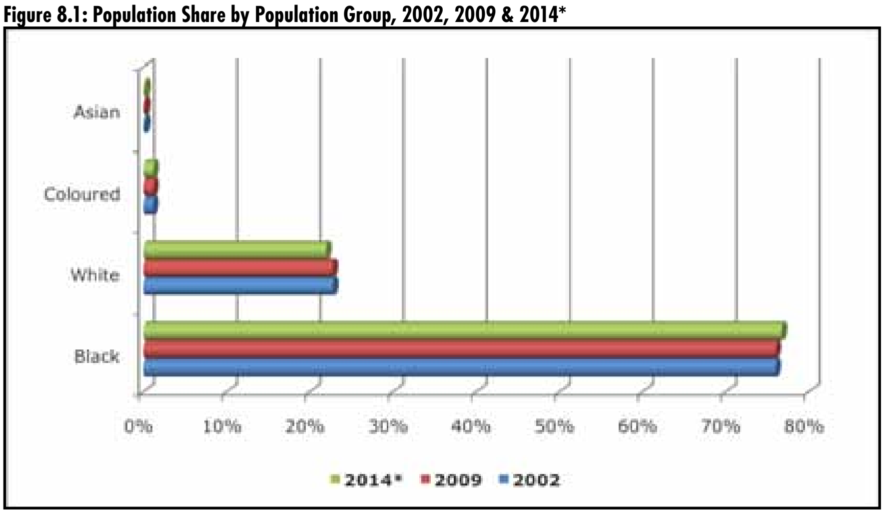
8.1 Introduction

Metsweding makes up the largest municipality in Gauteng by area (covering a land area of about 4,063 km^2) and the smallest municipality by population of 205,749 with a population density of 49 people per km^2. The Metsweding economy is mainly driven by finance & business services, government, social & personal services, manufacturing and mining & quarrying. At industrial level, this municipality specialises in mining activity but also in the manufacture of transport equipment. In 2009, it made the smallest contribution to the GDPR of the province at 0.7%. This chapter analyses the socio-economic review of Metsweding by outlining its demographic profile, economic performance, labour market, access to services and the development indicators.

8.2 Demographic Profile

8.2.2 Population Profile

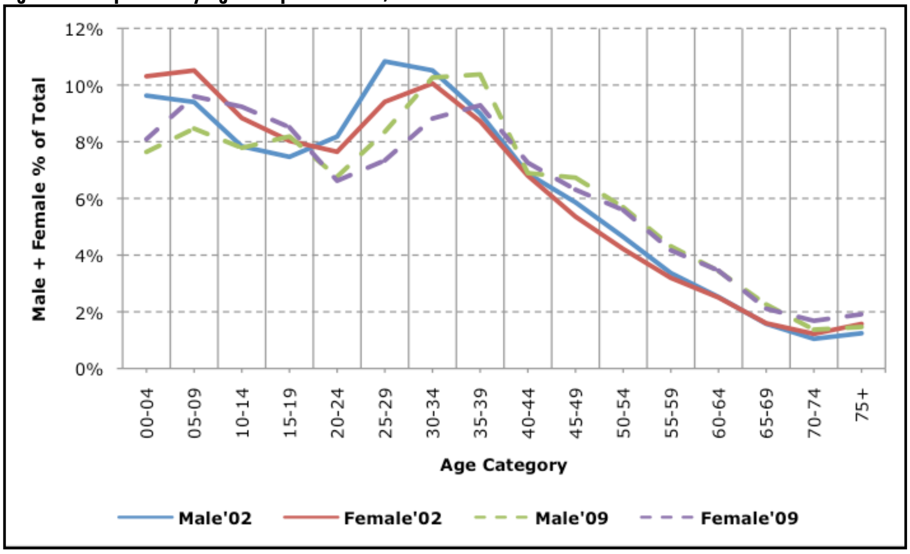
Figure 8.1: Population Share by Population Group, 2002, 2009 & 2014*



Source: IHS Global Insight, 2010
Note: * Indicates forecasts

Figure 8.1 shows the composition of the population in Metsweding by population group for 2002, 2009 and gives forecasts for 2014. The Black population constitutes the highest percentage at just under 80% and the trend is expected to continue to 2014. Whites make up the second highest population group, followed by Coloureds and then Asians. In 2014, the Black population is expected to increase marginally, whereas the White population is expected to decrease, also marginally.

Figure 8.2: Population by Age Group and Gender, 2002 & 2009



Source: IHS Global Insight, 2010

Figure 8.2 shows the population group by gender and age for the two years 2002 and 2009. The percentages of both males and females differed except in the age categories of 39 to 44 and 50 to 70. For 2002, there was a high percentage of females in the age category 00 to 14, after which the percentage of males exceeded females in the 20 to 29 age category. The trend was similar for 2009, whereby there were more females than males from the 05 to 19 age categories. Males made up a higher percentage within the 25 to 39 age categories. The percentage of population decreased from the age category of 40 onwards.

8.2.2 Mortality

Table 8.1: Leading Causes of Death, 2009

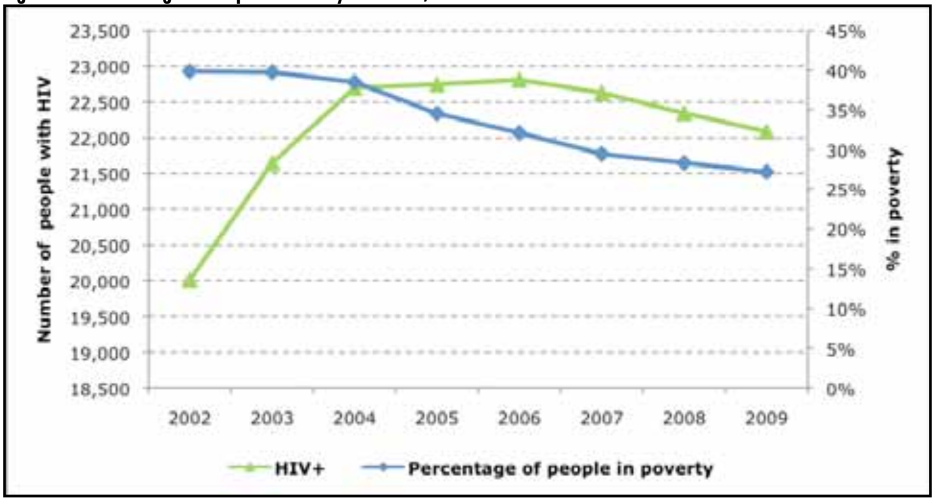
Disease	Number of Deaths	%	Disease	Number of Deaths	%
Tuberculosis	101	10.5	Hypertensive diseases	60	6.3
Intestinal infectious diseases	96	10	Chronic lower respiratory tract diseases	28	2.9
Other forms of heart disease	84	8.8	Diabetes mellitus	26	2.7
Influenza & pneumonia	63	6.6	Ischaemic heart disease	25	2.6
Certain disorders involving the immune mechanism	62	6.5	Other disorders of the nervous system	23	2.4
Other natural causes	240	25.1	Non-natural causes	150	15.7

Source: Stats SA, 2010

Table 8.1 provides the number of deaths that occurred in Metsweding in 2009 as a result of the diseases indicated. Stats SA reports that the total deaths that were recorded in the municipality equaled 958. The leading cause of death was tuberculosis and followed by intestinal infectious diseases. Tuberculosis is also an HIV/AIDS opportunistic disease and the deaths could have been mostly of HIV+ people.

8.2.3 HIV/AIDS Linked to People inPoverty

Figure 8.3: Percentage of People in Poverty and HIV+, 2002-2009

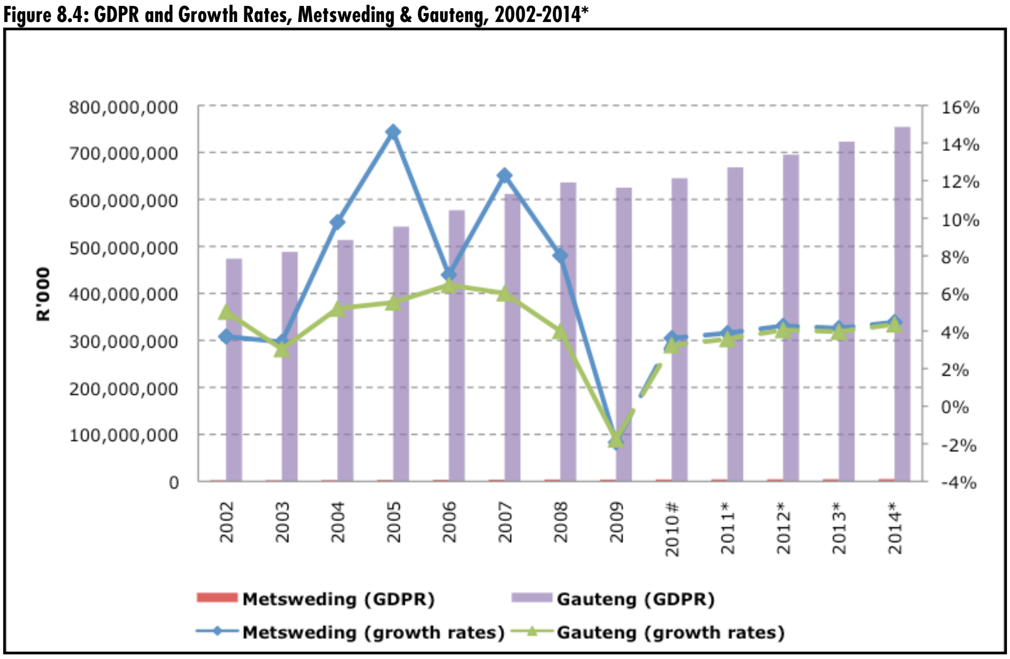


Source: IHS Global Insight, 2011

Figure 8.3 displays the relationship between the percentage of people in poverty and those that are HIV+ over the years, 2002 to 2009. The figure shows that the number of people who are HIV+ increased from 2002 to 2004, before it stabilised at 22,700 people. Since 2006, the number of people who are HIV+ has been declining. The percentage of people in poverty, started much higher at 40%, experienced a decline before reaching 29.6% and stabilising around 29.3% in 2009. There is therefore no direct relationship between the percentage of people in poverty and those that are HIV+.

8.3 Economic Review

Figure 8.4: GDPR and Growth Rates, Metsweding & Gauteng, 2002-2014*



Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Figure 8.4 shows the Metsweding GDPR and growth rates compared to Gauteng from 2002 to 2009 and forecasts to 2014. Metsweding has a relatively small economy; it grew from 3.7% in 2002 to 14.6% in 2005 before declining to 7% in 2006. The economy of Metsweding grew faster than that of Gauteng from 2002 to 2009, though the rate of growth fluctuated noticeably. The municipal economic growth recorded negative 1.9% in 2009 and is estimated to reach a high of 3.6% in 2010 and 4.5% in 2014.

Table 8.2: GVA by Sector, 2008-2014*

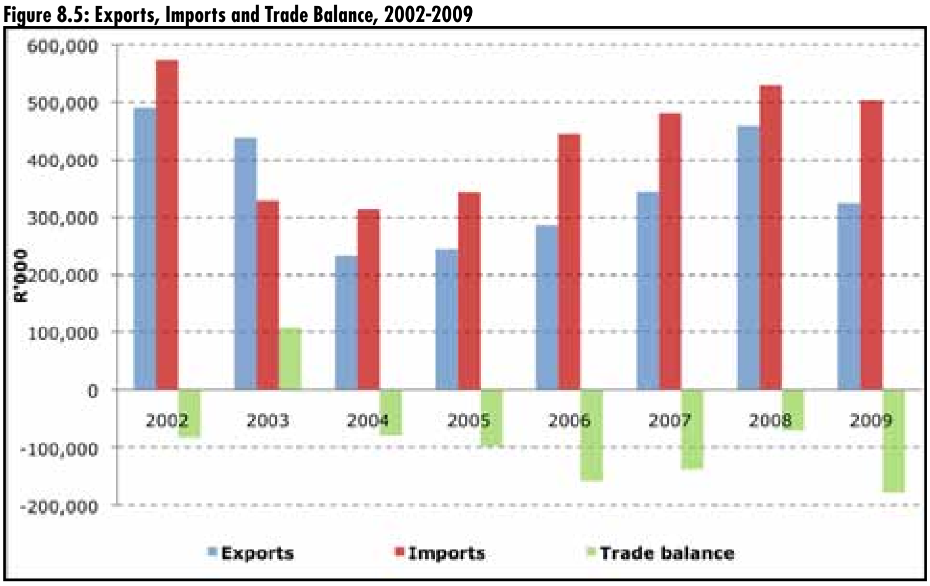
	2008	2009	2010#	2011*	2012*	2013*	2014*
Agriculture, forestry & fishing	5.8%	5.6%	6.3%	6.2%	6.0%	5.7%	5.5%
Mining & quarrying	13%	7.4%	7.4%	7.3%	7.3%	7.2%	7.2%
Primary sector	***18.7%***	***13.0%***	***13.7%***	***13.5%***	***13.3%***	***12.9%***	***12.7%***
Manufacturing	20.3%	20%	19.3%	19.2%	19.3%	19.1%	19.1%
Electricity, gas & water	1.1%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Construction	4.6%	5.4%	5.4%	5.3%	5.3%	5.4%	5.5%
Secondary sector	***26%***	***26.7%***	***25.9%***	***25.8%***	***25.9%***	***25.8%***	***26%***
Wholesale & retail trade	10.9%	12%	12.0%	11.9%	11.7%	11.7%	11.5%
Transport & communication	7.2%	7.9%	7.9%	8.1%	8.1%	8.2%	8.2%
Finance & business services	18.2%	19.2%	19.3%	19.4%	19.6%	19.9%	20%
Government, social & personal services	19%	21.1%	21.2%	21.3%	21.4%	21.5%	21.5%
Tertiary sector	***55.2%***	***60.3%***	***60.4%***	***60.7%***	***60.8%***	***61.2%***	***61.3%***

Source: IHS Global Insight, 2011

Note: # Indicates estimates and * forecasts

Table 8.2 shows the GVA sectoral contributions within the Metsweding economy for 2008 and 2009, gives estimates for 2010 and forecasts to 2014. The economy of Metsweding is mainly driven by the tertiary sector with government, social & personal services contributing 21% and finance & business services, 19.2% in 2009 respectively. The two sub-sectors are expected to maintain contributions of over 21% and 19% to 2014. The secondary sector contribution is dominated by manufacturing (20.3%) and is forecast to control the sector throughout the period under review. The primary sector contributed the lowest (18.7%) in 2008. Its contribution is estimated to decline to 13% in 2009, due to the decrease in the mining & quarrying GVA contribution.

Figure 8.5: Exports, Imports and Trade Balance, 2002-2009



Source: IHS Global Insight, 2010

Figure 8.5 shows the Metsweding trade position of exports, imports and trade balance from 2002 to 2009. Metsweding recorded more imports than exports in 2002, which translated to a trade deficit of R82 million and in 2003 recorded a trade surplus of R108 million. The municipality trade balance was in deficit afterwards until and including 2009.

Table 8.3: Location Quotient, 2002 & 2009

	2002	2009	Change
Agriculture, forestry & fishing	2.86	1.73	-1.13
Mining & quarrying	0.78	1.70	0.92
Manufacturing	1.09	1.20	0.11
Electricity, gas & water	0.44	0.50	0.06
Construction	1.10	1.27	0.17
Wholesale & retail trade	0.77	0.80	0.03
Transport & communication	0.68	0.76	0.08
Finance & business services	0.78	0.81	0.03
General government services	1.19	0.89	-0.30

Source: IHS Global Insight, 2011

Table 8.3 compares the location quotient for Metsweding in 2002 and 2009. The municipality recorded a high location quotient in agriculture, forestry & fishing (2.86) followed by general government services (1.19) then construction (1.10) and manufacturing (1.09) in 2002. The highest location quotient decline was in agriculture, forestry & fishing (1.13) followed by general government services (0.30) in 2009 respectively. The construction sub-sector showed an increase in comparative advantage from 1.10 in 2002 to 1.27 in 2009. Electricity, gas & water was the sub-sector with low comparative advantage for both years even though it increased by 0.06.

8.4 Labour Market

Table 8.4: Labour Market Statistics, 2008 & 2009

	2008	2009	Change	% Change
Labour Force	140,038	142,626	2,588	1.8%
Economically active population (EAP)	88,978	87,727	-1,252	-1.4%
Total employed	60,524	58,751	-1,772	-2.9%
Unemployed	10,131	10,497	366	3.6%
				% Point Change
Labour force participation	63.5%	61.5%	-	-2
Employment as % of labour force	43.2%	41.2%	-	-2
Unemployment rate	11.4%	12%	-	0.6

Source: IHS Global Insight, 2011

Table 8.4 compares the labour force statistics for Metsweding between 2008 and 2009. The municipal labour force increased by 1.8% over the period under review and in 2008 there were 88,978 people classified under EAP. This number decreased to 87,727 in 2009. Total employed municipal population decreased by 2.9%, while the unemployed increased by 3.6% between 2008 and 2009. The decrease in the Metsweding labour force participation rate was by two percentage points. Employment as a percentage of labour force also registered a decline of two percentage points for the period under review. The Municipal unemployment rate increased from 11.4% in 2008 to 12% in 2009, this shows an increase of 0.6 percentage points.

Table 8.5: Sectoral Employment Share, 2002 & 2009

	2002	2009	% Point Change
Agriculture, forestry & fishing	9.9%	4.5%	-5.4
Mining & quarrying	3.3%	2.3%	-1.0
Manufacturing	12.2%	13.8%	1.5
Electricity, gas & water	0.7%	0.4%	-0.3
Construction	7.0%	9.9%	3.0
Wholesale & retail trade	18.9%	21.7%	2.8
Transport & communication	5.4%	6.0%	0.6
Finance & business services	10.5%	16.6%	6.0
Government, social & personal services	18.2%	14.2%	-4.0
Private households	13.9%	10.6%	-3.3
Total	**100%**	**100%**	

Source: IHS Global Insight, 2010

Table 8.5 compares sectoral employment shares in Metsweding for 2002 and 2009. Employment in 2002 was driven by the wholesale & retail trade at 18.9% that increased to 21.7% in 2009. Mining & quarrying and electricity, gas & water were the lowest employers in 2002, both sub-sectors experienced declines in employment to 2.3% and 0.4% respectively in 2009. The finance & business services sub-sector experienced the highest percentage point increase in its employment share for this municipality of 6%, from 10.5% in 2002 to 16.6% in 2009

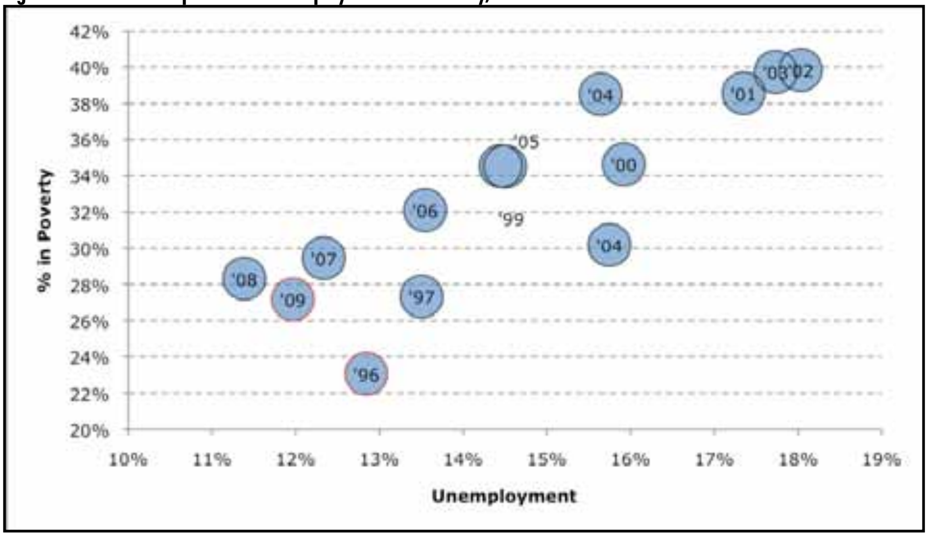
Table 8.6: Unemployment Rate by Gender and Population Group, 2002 & 2009

	2002		2009		% Points Change	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Black	16.1%	26.5%	11%	19.0%	-5.2	-7.5
White	3.3%	6.6%	1.4%	2.6%	-1.9	-4.0
Coloured	16%	32.7%	9%	15.9%	-7.0	-16.8
Asian	4.6%	1.1%	3%	0.6%	-1.6	-0.5

Source: IHS Global Insight, 2011

Table 8.6 analyses unemployment rates by gender and population group between 2002 and 2009. In 2002, Black males experienced the highest rate of unemployment at 16.1%, while Coloured females experienced the highest rate of unemployment at 32.7% for the same year. In 2009, Black males and females experienced the highest rates of unemployment. Whites accounted for the lowest unemployment rate at 1.4% for males and 2.6% for females in the same year. The highest average percentage point decrease in unemployment share between the periods under review was that of Coloureds, followed by Blacks and with the lowest decrease coming from Asians.

Figure 8.6: Relationship between Unemployment and Poverty, 1996-2009

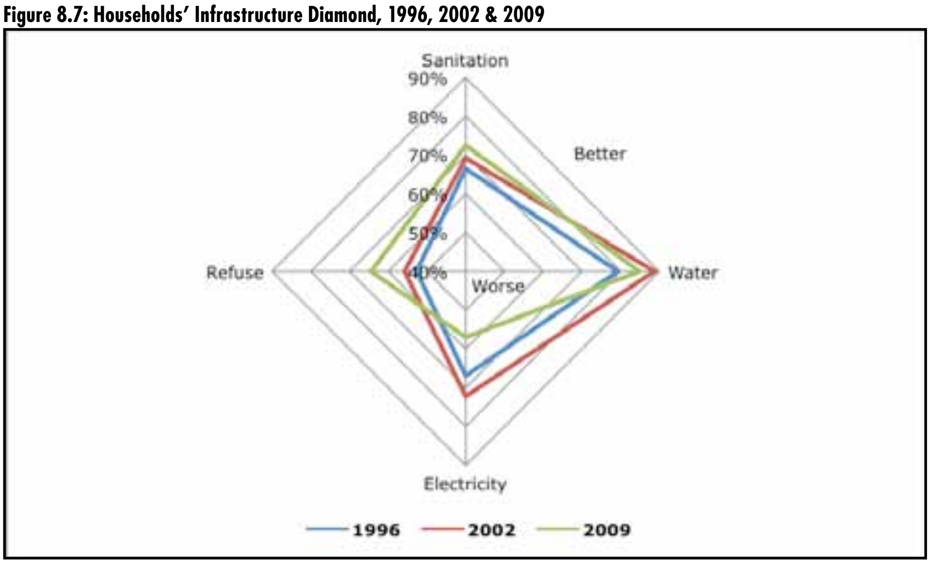


Source: IHS Global Insight, 2011

Figure 8.6 shows the relationship between unemployment and poverty in Metsweding from 1996 to 2009. There is a positive correlation between unemployment and poverty within the municipality. Unemployment recorded 12.8% in 1996 and increased to 18% in 2002, before slowing down to 11.9% in 2009. The poverty rate followed the same trend by recording 23.1% in 1996, which increased to 36.7% in 2002 and declined to 29.3% in 2009.

8.5 Access to Services

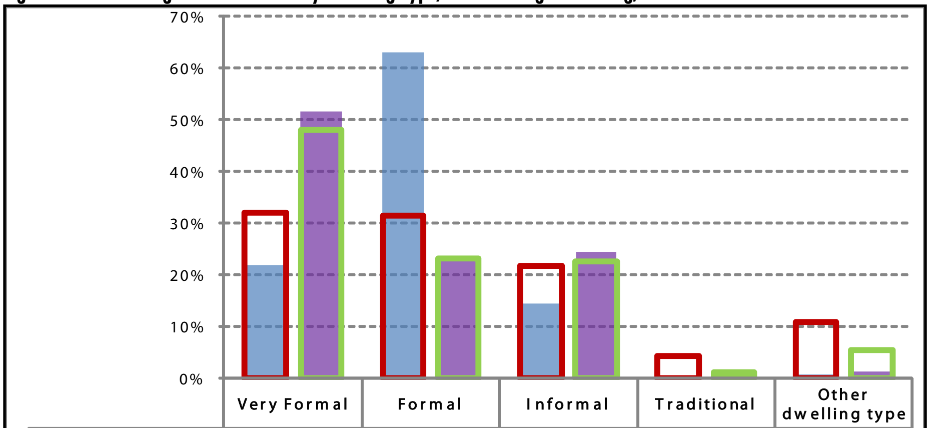
Figure 8.7: Households' Infrastructure Diamond, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

Figure 8.7 shows the households infrastructure diamond in Metsweding for 1996, 2002 and 2009. In 1996, the percentage of households with access to sanitation in Metsweding was 66.5%. This improved to 69.2% in 2002, before increasing a further 3.3 percentage points to reach 72.5% by 2009. Access to water in the municipality rose 9.4 percentage points, from 79.3% in 1996, to 88.8% in 2002. By 2009, this percentage had fallen 3.9 percentage points to 84.9%, but still remained above 1996 levels. By 2002, about 72.2% of households within the municipality had access to electricity; this was a 5.3 percentage point improvement over the 1996 figure of 66.9%. The percentage for 2009, however, has plummeted 15.2 percentage points to 57%, well below its value in 1996. In 1996, about 52.7% of households had access to refuse removal. By 2002, this had increased to 55.8%. In 2009, the municipality recorded an 8.7 percentage points increase over its 2002 levels; 64.6% of households had access to refuse removal.

Figure 8.8: Percentage of Households by Dwelling Type, Metsweding & Gauteng, 2002 & 2009#



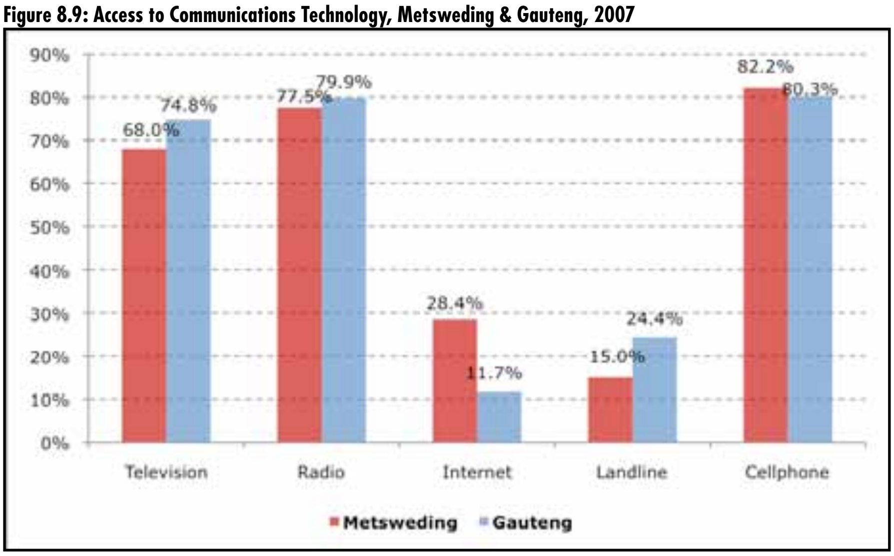
	Very Formal	Formal	Informal	Traditional	Other dwelling type
Metsweding 2009#	21.7%	63.1%	14.3%	0.4%	0.5%
Gauteng 2009#	51.5%	22.8%	24.3%	0.1%	1.3%
Metsweding 2002	31.9%	31.5%	21.8%	4.3%	10.6%
Gauteng 2002	48.0%	23.1%	22.6%	1.1%	5.2%

Source: IHS Global Insight, 2011

Note: # Indicates estimates

The figure compares percentage of households by dwelling type in Metsweding and Gauteng for 2002 and 2009. In 2002, about 31.9% of the households in the municipality lived in very formal dwellings and 31.5% in formal housing. By 2009, the percentage living in very formal housing is estimated to have fallen 10.2 percentage points to 21.7%. Over the same time period, the proportion of the municipality's households dwelling in formal housing increased 31.6 percentage points to 63.1%. The percentage of Gauteng households living in informal dwellings increased between 2002 and 2009. Over the same period, the figure for Metsweding fell. In 2002, about 21.8% of the municipality's households lived in informal housing; by 2009, this is estimated to have dropped 7.5 percentage points to 14.3%. The percentage of Metsweding households living in traditional dwellings in 2002 is the highest out of all the municipalities in the province at 4.3%. This is 3.2 percentage points higher than the Gauteng average of 1.1% for the same year. This could be attributed to the rural nature of the municipality. By 2009, however, this had fallen by an estimated 3.9 percentage points to 0.4%, which is more in line with the provincial average of 0.1% for that year.

Figure 8.9: Access to Communications Technology, Metsweding & Gauteng, 2007



Source: Stats SA, Community Survey (2007), 2010

Figure 8.9 compares access to communications technology in Metsweding and Gauteng. The percentage of households in the Metsweding municipality with access to television and radio were both lower in 2007 than the provincial average for that year. About 68% of households in Metsweding had at least one television set and 77.5% had at least one radio. This was 6.8 and 2.4 percentage points lower, respectively, than the averages for Gauteng. About 28.4% of households within the municipality had access to the internet in 2007. This figure was the highest out of all the municipalities being reviewed in this document, and more than doubles the provincial average of 11.7% for the same year. A smaller percentage of Metsweding households had at least one landline telephone in 2007 than the average for Gauteng that year. A slightly higher percentage of households in the municipality had at least one cellular phone.

Table 8.7: Health Statistics, Metsweding & Gauteng, 2006/07–2008/09

Indicators	2006/07		2007/08		2008/09	
	Metsweding	GP	Metsweding	GP	Metsweding	GP
Total PHC expenditure per capita (R)	211	503	373	550	520	577
% District health services expenditure on District Hospitals	0.3	21.8	0	23	0	22.4
% District health services expenditure on District Management	28.1	7.2	26.8	8.3	32.2	9.6
% Bed Utilisation Rate (BUR)	-	66	-	64.5	-	60.2
Nurse Clinical Workload	19.9	25.9	23.2	25.6	26.7	27.4
% ANC clients tested for HIV	87.4	61.1	49.9	73.3	72.2	78.4
PHC Utilisation Rate	1.6	1.9	1.1	1.7	1.6	2
TB Smear conversion rate	63.9	69.2	64.8	75.1	85	77
TB Case Load (new Sm+)	n/a	n/a	215	18,208	630	19,882
Stillbirth Rate (per 1000 births)	-	21.8	-	20.9	-	21

Source: Health Systems Trust, DHB, 2010

Table 8.7 shows the health statistics in Metsweding and Gauteng for 2006/07 to 2008/09. In 2006/07, the municipality's total PHC expenditure per capita was R211; this was less than half the 2006/07's average for Gauteng of R503. In 2007/08, the figure for Metsweding increased R162 per capita to R373. In that year, the provincial average grew R47 per capita to R550. By 2008/09, the municipality had reached R520 total PHC expenditure per capita, R57 per capita less than the Gauteng average.

Metsweding spent nothing on District Hospitals in 2007/08 and 2008/09 because the municipality has no District Hospitals. Surprisingly however, the municipality did spend a high proportion on District Management expenditure albeit no district hospital exists. It does, however, have ten clinics, three mobile services, one specialised hospital and one private hospital. Because the BUR and the stillbirth rate are both calculated using the figures of district hospitals, Metsweding has no value for these indicators.

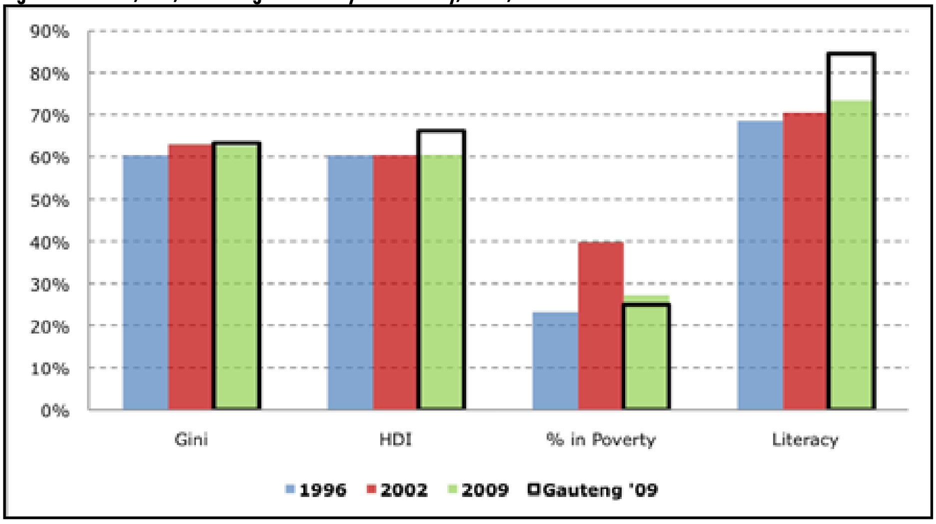
The nurse clinical workload in Metsweding rose to 23.2 in 2007/08, from 19.9 in 2006/07. It increased further to 26.7 in 2008/09 but remained below the provincial average, which was 27.4 that year.

The PHC utilisation rate of the Metsweding public health care facilities fell to 1.1 in 2007/08, from 1.6 in 2006/07, and then returned to 1.6 in 2008/09.

The Metsweding TB caseload increased to 630 new cases in 2006/07. It was 215 in 2007/08. The municipality's smear conversion rate, has improved over the period under review, from 63.9% in 2006/07 to 64.8% in 2007/08 followed by a 20.2 percentage point increase to 85% in 2008/09. The 85% put the municipality's smear conversion rate above the provincial average of 77% for 2008/09.

8.6 Development

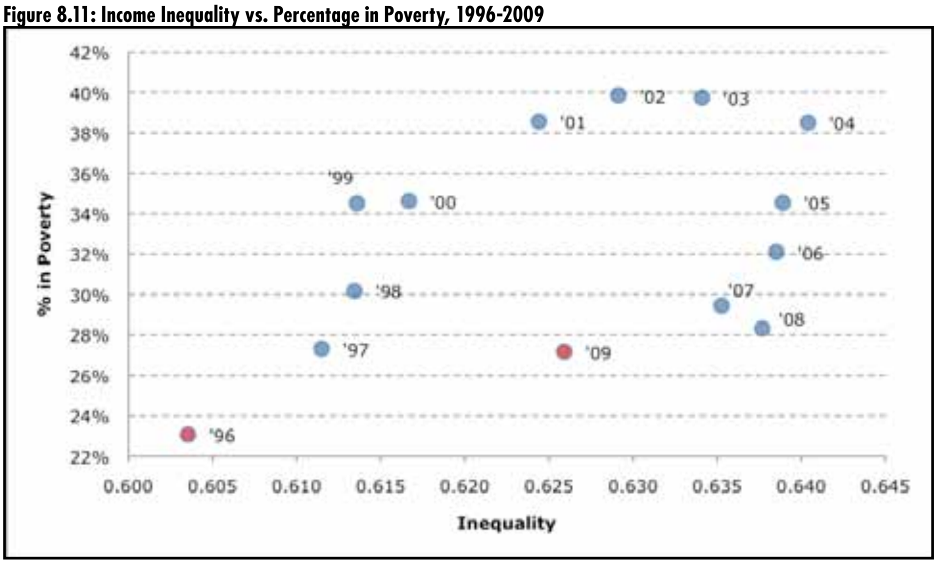
Figure 8.10: Gini, HDI, Percentage in Poverty and Literacy, 1996, 2002 & 2009



Source: IHS Global Insight, 2011

As one of three districts in Gauteng, Metsweding is by comparison to the metros, more rural in nature. It was, therefore, expected that there would be less human development in the region. Figure 8.10 summarises the level of human development by introducing the measures for development using the main indicators over the years, 1996, 2002 and 2009 for Metsweding in comparison to Gauteng (for 2009 only). In terms of income inequality for the district, little seems to have changed over the time period. Inequality is similar to the Gauteng average at 0.626 for Metsweding and 0.633 for Gauteng in 2009. HDI has been stagnant from 1996 at 0.603 to 0.604 in 2002, before worsening in 2009 to 0.605. Literacy has improved but is 11.1 percentage points worse than the Gauteng average.

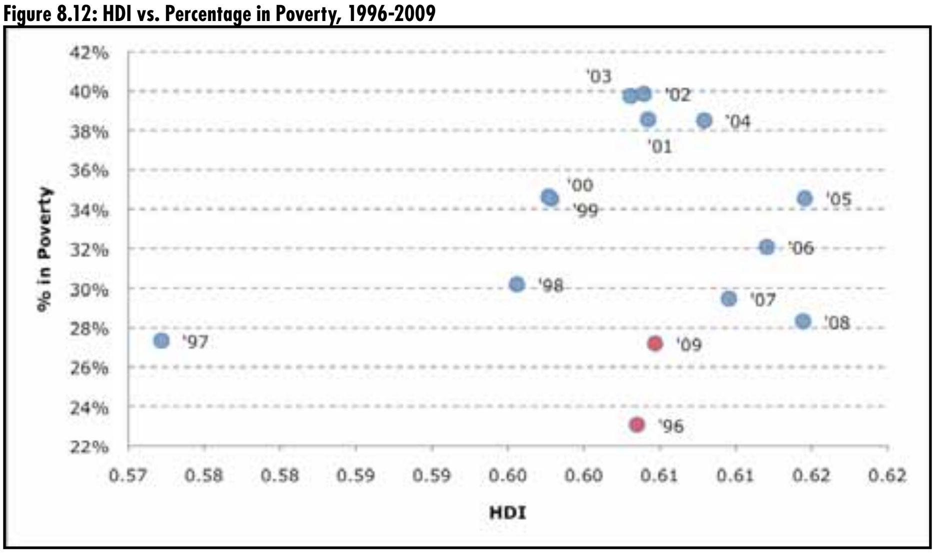
Figure 8.11: Income Inequality vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 8.11 shows Metsweding's income inequality charted against the percentage living in poverty from 1996 to 2009. From 1996 to 2004, income inequality had been increasing from 0.604 where poverty was 23.1% to 0.64 where poverty was 38.5% respectively. Between 2004 and 2008, inequality remained mostly static, however the percentage living in poverty declined by 10.2 percentage points. From 2008 to 2009, inequality declined from 0.638 to 0.626.

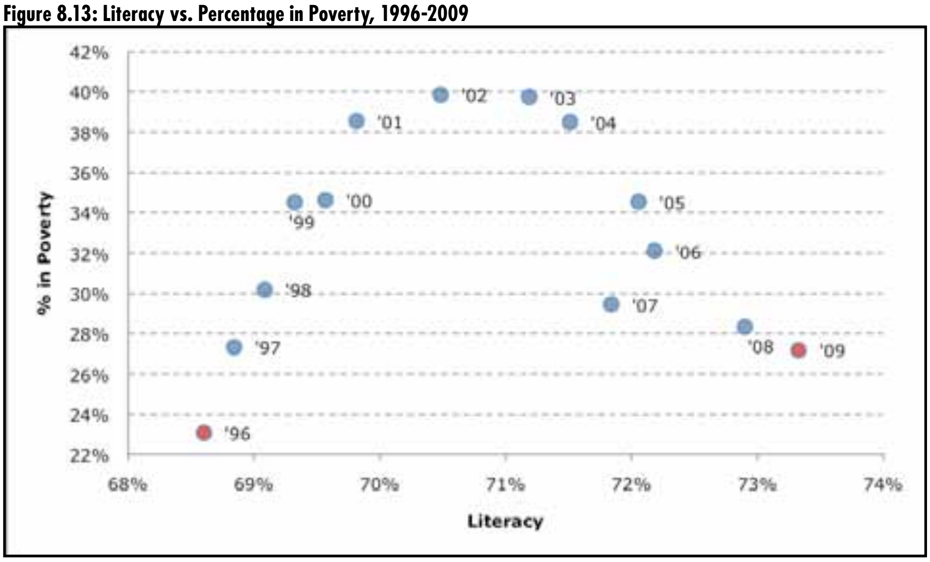
Figure 8.12: HDI vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 8.12 shows the level of HDI against percentage of people living in poverty in Metsweding from 1996 to 2009. The percentage of people living in poverty has been relatively volatile; however, the HDI in the district has not changed very much. HDI has been above the 0.56 mark for 13 out of the 14 years in the period, where in 2005, HDI was the highest at 0.615. Only 1997 and 2009 were below this mark. From 2008 to 2009, HDI decreased by 0.01 percentage point to 0.6.

Figure 8.13: Literacy vs. Percentage in Poverty, 1996-2009



Source: IHS Global Insight, 2011

Figure 8.13 shows the percentage of those with functional literacy from 1996 to 2009 in Metsweding. The percentage of people with literacy has increased consistently from 1996 to 2009, except in 2007. In 1996, literacy was 68.6% increasing to 73.3% in 2009. Throughout the 14-year period, the district had the lowest literacy average in Gauteng, after the West Rand.

8.7 Conclusion

In 2009, the municipality constituted the smallest Gauteng population share of 2.05% with a total population of 205,749. Over a two-year period, namely from 2002 to 2004, the number of HIV+ individuals increased by approximately 700 people to approximately 22,700. In 2009, HIV+ had decreased to 22,085. Although Metsweding's economy is relatively small, it has recorded economic growth rates of up to 14.5% (2005). The mostly rural region has a comparative advantage in agriculture, forestry & fishing and construction. The municipal unemployment rate is the lowest in Gauteng at 12% for 2009. The share of access to formal housing increased significantly while very formal housing declined substantially from 2002 to 2009. Income inequality has increased slightly since 1996 to 2009, while HDI has remained mostly the same and literacy has increased over the same review period.

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