ADDRESSING RURAL DEVELOPMENT THROUGH FUNCTIONAL REGIONS

Priority District Analyses:
High impact (catalytic) infrastructure intervention areas for economic transformation

Cluster 3 Report: For Priority Districts in KwaZulu-Natal

Districts of uMkhanyakude, Zululand, Amajuba, uMzinyathi, uThungulu, iLembe, uThukela and uMgungundlovu

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Table of Contents

List of Tables

List of Figures

PART B

Development Realities and Trends: KwaZulu-Natal Priority Districts

1. Purpose and Structure of the Report

The purpose of this report is to provide an overview of the developmental realities and critical considerations for infrastructure investment in the KwaZulu-Natal priority rural districts of uMkhanyakude, Zululand, Amajuba, uMzinyathi, uThungulu, iLembe, uThukela and uMgungundlovu (Cluster 3). The districts of Sisonke and Ugu are also priority districts but for the purposes of the analysis fall into Cluster 4. The implication is that the entire Province, with the exception of eThekwini and most of Pietermaritzburg, form part of the priority rural area. As there was a possibility to include uMgungundlovu as one of the priority Rural Districts it has been added as a late inclusion into the analysis. However, it is not included in all tables and graphs.

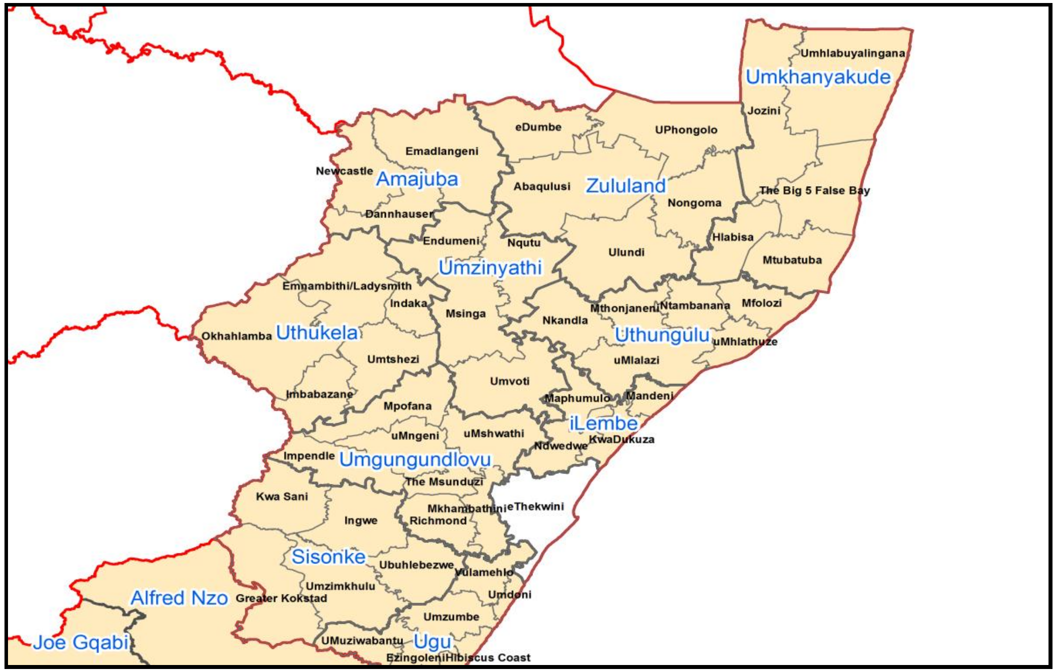


Figure 1.1: Priority Rural Districts – Group 3

Transforming infrastructure investment is regarded as a potential catalyst, not only in changing the fate of the 23 most distressed districts in the country, but also for rural development in the broader South African context. However, given the high density of some areas and concentrated settlement and the characteristics of these selected areas, innovative practices will need to be pioneered to move towards the Vision 2030 and the interrelated targets of: (i) economic growth and employment creation; (ii) increased quality of life and a higher human development index; and, (iii) a lower dependency on carbon intensive resources, as set out in the National Development Plan (2011).

In this section, an overview is provided of the analyses of development realities, opportunities and trends characterising the KwaZulu-Natal cluster of districts to inform the identification of high impact intervention areas. As set out in Part A, the value of priority investment areas is foreseen firstly in supporting the implementation of existing catalytic projects, secondly, in identifying future catalytic projects, and thirdly, in informing strategic development choices in IDPs, sector plans, as well as in the broader rural development framework.

This overview forms part of a larger study which incorporated a range of spatial and data analyses undertaken for all 23 priority rural districts in South Africa. The study is intended to provide evidence to identify priority investment areas for high impact (catalytic) projects, especially those related to government's service and infrastructure investment (Action Plan 6, as well as SIP11 and also informing SIP6).

The structure of this Part (B) of the report will be as follows:

- Section 1: Purpose and structure of the report
- Section 2: Background and orientation to the KwaZulu-Natal cluster of districts
- Sections 3-7: Key development and investment realities and trends in the region in relation to key questions:
    - Section 3: Which of the areas in the priority rural districts are under immense developmental pressure due to large numbers of population and a growing population?
    - Section 4: Which of the areas in the priority rural districts are under immense pressure due to high levels of service backlogs and social vulnerability (including low income, high dependency and low employment ratios)
    - Section 5: Where are the economic development strengths, sectors and areas in the priority rural districts?
    - Section 6: Where are the areas that should be prioritised for consolidation and protection of prime rural production areas/zones?
    - Section 7: Within high density rural areas or outstretched regions, which are the anchor points that can play a key role as government service nodes and market concentration areas for government and economic services, both at the local and regional levels?
- Section 8: Summary of key interventions and priority investment areas to guide local, regional, as well as sector specific investment in the area, in support of economic transformation.

An evaluation of the 1st Round of Catalytic Projects (as identified by the respective District Municipalities) in relation to key development realities and proposed investment priorities is set out in Part C. Maps and tables of the key evidence will be provided to assist districts in answering these key questions.

2. Orientation and key facts based on functional regional analyses

The districts that form part of the priority district analyses in this cluster are: uMkhanyakude, Zululand, Amajuba, uMzinyathi, uThungulu, iLembe, uThukela and uMgungundlovu. The following maps show the key towns, natural areas, land capability and traditional authority areas. The latter covers extensive areas of the province; many being characterised by high density rural settlements. The agricultural potential is highly mixed, ranging from low to moderate potential on the whole with a few pockets of high potential agricultural land across the cluster.

The following map (Figure 2.1) provides an orientation of the Eastern Cape cluster of distressed districts by mapping the local municipalities, major land uses such as settlements, traditional authority areas, mountainous areas, national parks and agricultural land capability. These characteristics will all be discussed in greater detail below.

In order to establish a more nuanced understanding of settlement dynamics in the Priority districts, an update and analyses of the South African Functional Settlement Area typology was undertaken. Figure 2.2 provides the settlement typology for the cluster of districts. This typology is based on population density, employment, urban functional index and economic activity.

A city is a place that together with its functionally linked urban areas is home to a population of more than 400 000 people; it has significant multi-nodal economies; plays a significant role in the region in terms of service delivery and the economy; plays a major role in government and commercial service delivery; has a relatively high economic growth rate; and attracts people. A regional centre is a medium and high order town that plays a prominent role in offering services to the hinterland. These towns typically have large populations in densely settled areas, or are towns in resource-rich areas that are relatively accessible, or are smaller towns playing a key service function in a more isolated and less accessible area. Service centres are smaller towns that seem to fulfil a particular service role within the local area. These centres may have a small service index but serve a large population, or serve a small population in a sparsely populated or isolated area. Local and niche towns are small towns that fulfil a local function or fulfil a particular niche function. Such towns have a smaller population and economic activity and are geographically more evenly distributed throughout the country than settlements in other categories. High density rural areas are densely populated but play a very limited service role and are often under traditional land ownership[1].

[1] Van Huyssteen, E.; Biermann, S.; Naudé, A. & Le Roux, A. (2009). Advances in spatial analysis to support a more nuanced reading of the South African space economy, in Urban Forum, Vol. 20, pp195–214.

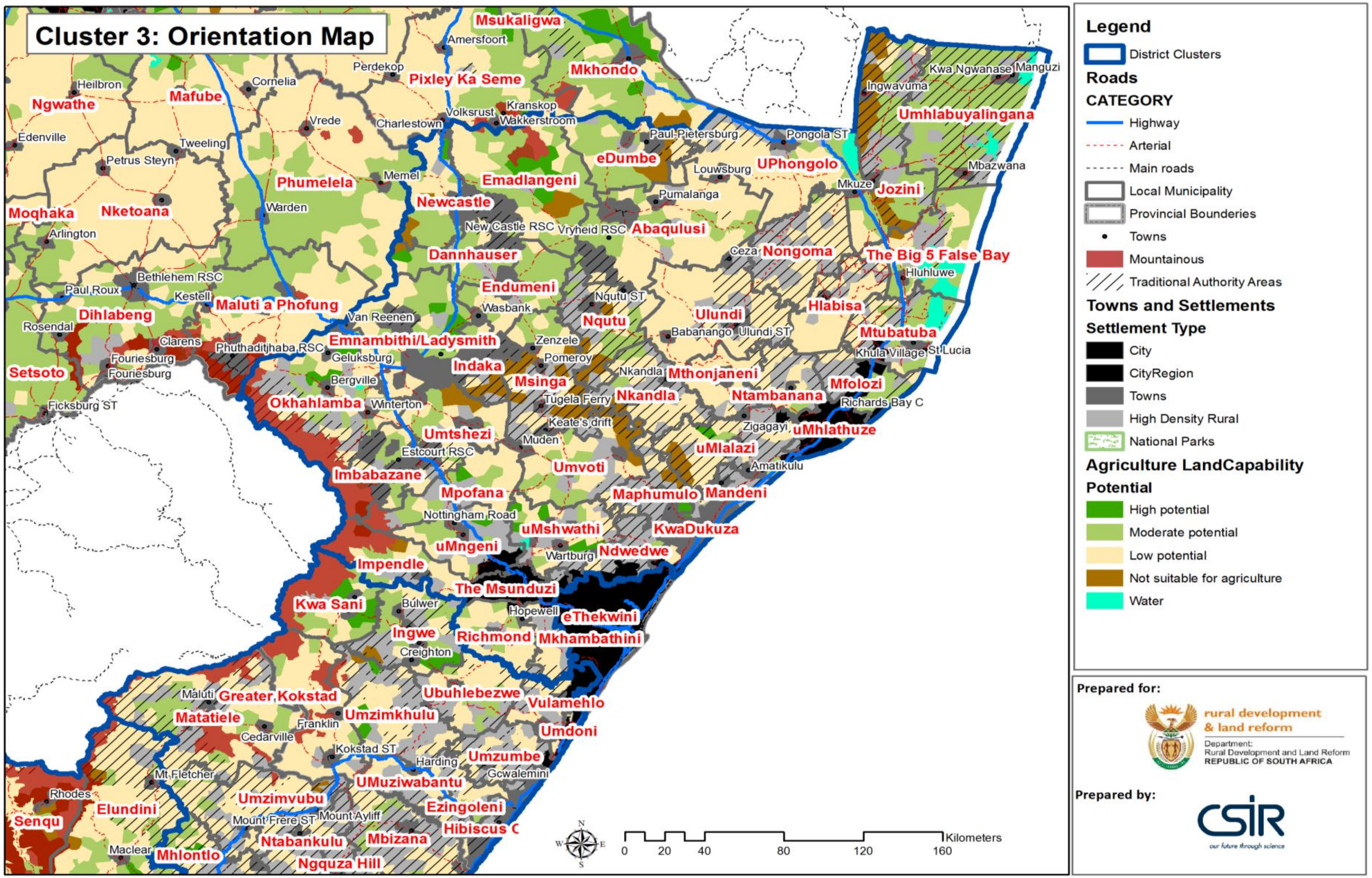


Figure 2.1: Orientation map showing key towns and natural areas – Group 3

Figure 2.2 shows that the City Region of eThekwini is the most prominent settlement in the region together with the cities of Richards Bay and Pietermaritzburg. There are several Regional Service Centres in this cluster of districts namely Stanger, Ladysmith, New Castle, Vryheid, Estcourt and Port Shepstone/Margate while the Service Towns in the cluster include Eshowe, Ulundi, Pongola, Piet Retief, Dundee, Nqutu, Ulundi, Greytown and Mandeni. The RSC and Service Towns, together with several smaller Local/Niche Towns such as Mkuze, Manguzi, Pomeroy, Weenen and Nkandla, are home to the majority of the population. There are also several High density and Dense rural areas. The population density of areas varies throughout the Province; iLembe has the highest population density of any priority rural district, namely 186 people per km^2, while the density in uMkhanyakude is 49 people per km^2 and for Zululand it is 54 people per km^2. The latter two are in the lower density category but are nothing like the sparsely populated districts in the Northern Cape. uMgungundlovu and uThungulu both have densities of over 100 people per km^2.

The population of this region is highly centralised into settlements and more than 68% of the population live in settlements in most of the local municipalities. In uMhlathuze, 100% of the population live in settlements. In Table 2.1 (in the next section) the data that shows the local municipalities where more than 40% of people live outside of settlements (thus being more rural) are shaded mauve. From this table we see that there are only six districts where a significant number of people live a rural lifestyle.

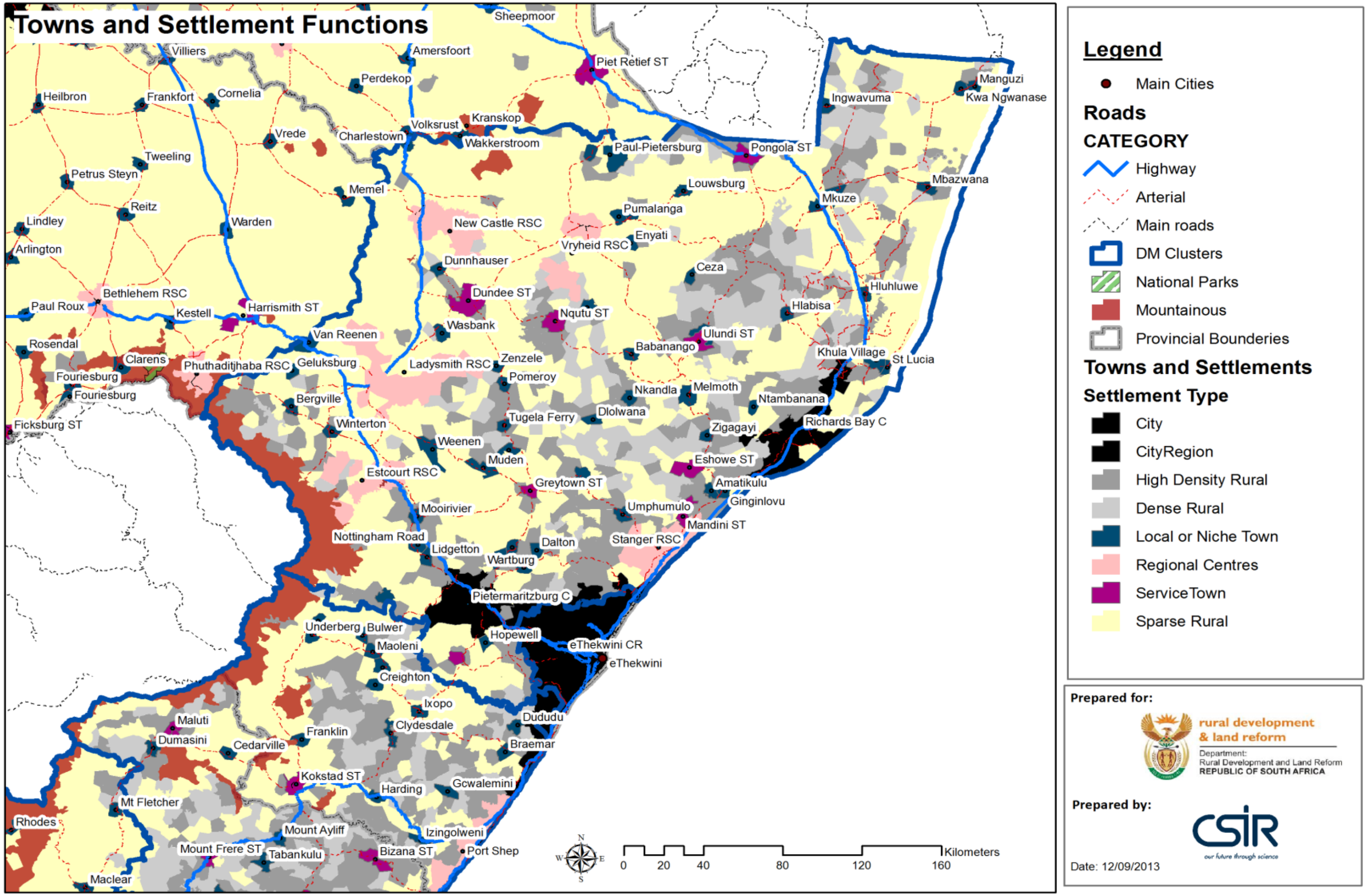


Figure 2.2: SA Functional settlement areas and service regions

Table 2.1 on the following page provides a summary score card/snapshot view of development in the three districts and the respective local municipalities with respect to population size, predominant settlement type, population growth rate and the contribution of each local municipality and respective district to the national economy, in terms of GVA. The table also highlights the 3 top sectors with respect to both GVA and employment provision in each local municipality.

With very few exceptions, most of the districts depend on the Government Service and Community sector to be the largest contributor in terms of employment. It also features as at least a top 3 contributor in terms of GVA in all the local and district municipalities. The Wholesale and Retail sector plays a significant role in most of the districts. This sector can largely be said to be based on tourism income and job creation. Manufacturing plays a dominant role in iLembe, uThungulu and Amajuba. Agriculture does not feature as strongly, either in terms of job creation or GVA, as one would expect.

Table 2.1: Population and economic score card

MUNICIPALITIES: DISTRICT & LOCAL	POPULATION		SETTLEMENT TYPE % of population in Non-settlement areas / Settlements **	POPULATION ANNUAL GROWTH RATE (%)	ECONOMIC ACTIVITY GVA (% of national)	CONTRIBUTION TO GVA BY ECONOMIC SECTOR	CONTRIBUTION TO EMPLOYMENT BY ECONOMIC SECTOR
	No. of people (2011)	% of national population	*[highlighted: non-settlement ≥ 40%]* *ĦĦ Where more than 80% in settlements*	*[highlighted: growth rate ≥ national rate of 1.86%]*	*[highlighted: GVA % of national ≥ population % of national]*	3 highest economic sectors in descending order	3 highest economic sectors in descending order
Amajuba	499 842	0.97	ĦĦ 11/89	1.39	0.56		
Dannhauser	102 161	0.20	ĦĦ 15/85	0.28	0.09		
eMadlangeni	34 448	0.07	78/22	2.85	0.05		
Newcastle	363 233	0.70	ĦĦ 3/97	1.65	0.43		
iLembe	606 799	1.17	ĦĦ 5/95	0.92	0.62		
KwaDukuza	230 617	0.45	ĦĦ 1/99	4.38	0.31		
Mandeni	138 071	0.27	ĦĦ 1/99	2.05	0.18		
Maphumulo	96 725	0.19	ĦĦ 17/83	-1.51	0.04		
Ndwedwe	141 386	0.27	ĦĦ 8/92	-0.92	0.09		
uMgungundlovu	1 016 600	1.96	ĦĦ 6/94	1.52	1.91		
Impendle	31 945	0.06	22/78	-1.24	0.02		
Mkhambathini	63 143	0.12	23/77	3.02	0.05		
Mpofana	38 100	0.07	32/68	3.74	0.05		
Richmond	65 795	0.13	ĦĦ 17/83	0.20	0.08		
Msunduzi	618 537	1.19	ĦĦ 0/100	1.89	1.35		
uMngeni	92 710	0.18	ĦĦ 5/95	2.09	0.22		
uMshwathi	106 370	0.21	ĦĦ 15/85	-0.35	0.13		
uMkhanyakude	625 838	1.21	37/63	1.62	0.36		
Hlabisa	71 920	0.14	50/50	0.54	0.03		
Jozini	186 521	0.36	42/58	1.48	0.10		
Mtubatuba	175 366	0.34	23/77	2.38	0.13		
The Big 5 False Bay	35 309	0.07	ĦĦ 19/81	1.90	0.04		
uMhlabuyalingana	156 722	0.30	46/54	1.53	0.07		
uMzinyathi	512 279	0.99	32/68	0.97	0.35		
Endumeni	64 859	0.13	ĦĦ 11/89	3.02	0.11		
Msinga	179 025	0.35	33/67	0.60	0.04		
Nqutu	165 305	0.32	37/63	0.65	0.05		
Umvoti	103 090	0.20	36/64	1.18	0.14		
uThukela	668 850	1.29	ĦĦ 14/86	1.44	0.74		
Emnambithi-Ladysmith	237 441	0.46	ĦĦ 6/94	2.15	0.33		

MUNICIPALITIES: DISTRICT & LOCAL	POPULATION		SETTLEMENT TYPE % of population in <u>Non-settlement</u> areas / <u>Settlements</u> **	POPULATION ANNUAL GROWTH RATE (%)	ECONOMIC ACTIVITY GVA (% of national)	CONTRIBUTION TO GVA BY ECONOMIC SECTOR	CONTRIBUTION TO EMPLOYMENT BY ECONOMIC SECTOR
	No. of people (2011)	**% of national population**	*[highlighted: non-settlement ≥ 40%]* ĦĦ *Where more than 80% in settlements*	*[highlighted: growth rate ≥ national rate of 1.86%]*	*[highlighted: GVA % of national ≥ population % of national]*	**3 highest economic sectors in descending order**	**3 highest economic sectors in descending order**
Imbabazane	135 665	0.26	8/92	0.58	0.06	SIC 6, SIC 9 & 10, SIC 7	SIC 9 & 10, SIC 6, SIC 1
Indaka	103 116	0.20	ĦĦ 15/85	0.27	0.03	SIC 4, SIC 7, SIC 9 & 10	SIC 9 & 10, SIC 6, SIC 3
Okhahlamba	132 131	0.26	28/72	1.07	0.17	SIC 3, SIC 9 & 10, SIC 8	SIC 9 & 10, SIC 6, SIC 3
Umtshezi	60 497	0.12	29/71	5.68	0.15	SIC 6, SIC 9 & 10, SIC 3	SIC 9 & 10, SIC 6, SIC 8
uThungulu	906 068	1.75	21/79	1.29	1.26	SIC 3, SIC 9 & 10, SIC 7	SIC 9 & 10, SIC 6, SIC 8
Mfolozi	122 885	0.24	ĦĦ 17/83	1.85	0.15	SIC 7, SIC 6, SIC 2	SIC 3, SIC 6, SIC 9 & 10
Mthonjaneni	47 818	0.09	40/60	1.67	0.03	SIC 1, SIC 9 & 10, SIC 8	SIC 9 & 10, SIC 1, SIC 8
Nkandla	112 965	0.22	45/55	-0.80	0.04	SIC 9 & 10, SIC 8, SIC 6	SIC 9 & 10, SIC 8, SIC 6
Ntambanana	74 335	0.14	26/74	0.33	0.06	SIC 1, SIC 3, SIC 7	SIC 1, SIC 9 & 10, SIC 6
uMhlathuze	334 466	0.65	ĦĦ 0/100	4.72	0.83	SIC 3, SIC 9 & 10, SIC 8	SIC 9 & 10, SIC 8, SIC 6
uMlalazi	213 599	0.41	37/63	-0.47	0.16	SIC 8, SIC 3, SIC 9 & 10	SIC 9 & 10, SIC 6, SIC 8
Zululand	803 579	1.55	31/69	1.10	0.70	SIC 9 & 10, SIC 6, SIC 3	SIC 9 & 10, SIC 6, SIC 1
Abaqulusi	211 065	0.41	27/73	1.88	0.24	SIC 9 & 10, SIC 6, SIC 3	SIC 9 & 10, SIC 6, SIC 1
eDumbe	82 056	0.16	36/64	1.56	0.05	SIC 9 & 10, SIC 6, SIC 1	SIC 9 & 10, SIC 6, SIC 1
Nongoma	194 909	0.38	33/67	0.19	0.08	SIC 9 & 10, SIC 7, SIC 6	SIC 9 & 10, SIC 6, SIC 3
Ulundi	188 315	0.36	35/65	0.67	0.20	SIC 9 & 10, SIC 2, SIC 6	SIC 9 & 10, SIC 6, SIC 3
uPhongolo	127 234	0.25	22/78	2.01	0.12	SIC 9 & 10, SIC 1, SIC 3	SIC 9 & 10, SIC 1, SIC 6

** "**<u>Non-settlement</u>**" = areas largely characterised by dense rural and sparse rural settlement (average < 100people/km², excluding areas with average 10 people/km² with economic activity in services sector)
"**<u>Settlement</u>**" = areas largely characterised by dense settlements, towns & cities (average >100 people/ km² OR 10 people/km² with economic activity in services sector) Definition as used in SACN/Presidency/dplg/CSIR Functional Settlement Typology (2008) Source: Functional Settlement Profile, 2013 CSIR/DRDLR Update (CSIR, Geospatial Analyses Platform, 2013)

LEGEND: Key for Economic Sectors					
	SIC 1: Agriculture, forestry & fishing		**SIC 4: Electricity, gas & water supply**		**SIC 7: Transport, storage & communication**
	SIC 2: Mining & quarrying		**SIC 6: Wholesale & retail trade; Repair of motor vehicles, motor cycles and personal & household goods; Hotels & restaurants**		**SIC 8: Financial intermediation, insurance, real estate & business services**
	SIC 3: Manufacturing				**SIC 9 & 10: Community social & personal services, as well as government services**

3. Where are the places in the Priority Rural Districts that are under huge developmental pressure due to large numbers of population, and a growing population?

In isolated areas with high demand and backlogs for basic services, high population densities, high levels of social vulnerability and a limited range of short term investment options such as is evident in most of these 23 priority districts, investment in basic services provide a major opportunity for creating a value chain of capital and maintenance employment opportunities. The opportunity also exists to try and apply alternative technologies linked to the green economy and possible linked industries, as well as skills development. This is especially the case in growing settlements where investment in basic services will continue to take place in future. The key is thus in identifying those areas where government has to invest in basic services – but where investment can be transformed to also be catalytic in terms of economic development. The following has been considered.

QUESTION 1: Identify high density settlements with large and growing populations

- 1. Population Size & Density
- 2. Population growth
- 3. In-migration to the area
- 4. Surrounding area and/or settlement under pressure of settlement growth or change

3.1 Population size and density

The population in these districts is large. The share of the national population for each of the 8 districts is between 0.9 and 1.96% per LM and totals just less than 11% of South Africa's total population. Figure 3.1 shows the population density in shades of yellow to brown; the latter being the densest. The areas shaded grey, have less than 100 persons per mesozone[2] (i.e. less than 100 persons per 50 km^2). The map clearly illustrates both the general density of population and the trend of concentration within the settlements. The largest populations outside of the eThekwini City region are found in Richards Bay, the areas to the north of eThekwini, and in and around Pietermaritzburg.

In terms of population dynamics, KwaZulu-Natal districts (Cluster 3) have relatively larger population sizes than found in the other clusters; totalling 5 639 855 people with almost 29% of those in the priority rural regions. The settlement density is also generally higher than in the other districts. The challenges in addressing basic service backlogs remain and are likely to be exacerbated due to the large numbers of people. In such areas, backlogs in service access are expected to be addressed within the next five years. uMgungundlovu is the most populous district (with more than half of its population in the Msunduzi LM) followed by uThungulu (with a third of its population in uMhlathuze). These districts are urban in nature and impact on the general trend significantly.

In meeting the needs of the population, it is essential to also consider the socio-economic status of the population. A dot density map of the households earning less than R 38 000 per annum has been overlaid on the total population density (see black points on Figure 3.1). A similar concentration trend to that of population is evident, especially in the larger settlements. A high density of poverty is evident in Richards Bay, Ladysmith, Nqutu, Manguzi and New Castle, as well as the regions around Ingwavuma, Pongola, Msunduzi and Nongoma. The households earning less than R 38 000 per annum are those communities which are unlikely to be able to financially contribute towards healthcare, education or basic service delivery and thus require specific attention.

[2] Mesozones. For the purpose of the analysis the entire country was divided into mostly homogenous units of approximately 50 km^2. These units are the basic analysis and data mapping units and are termed mesozones.

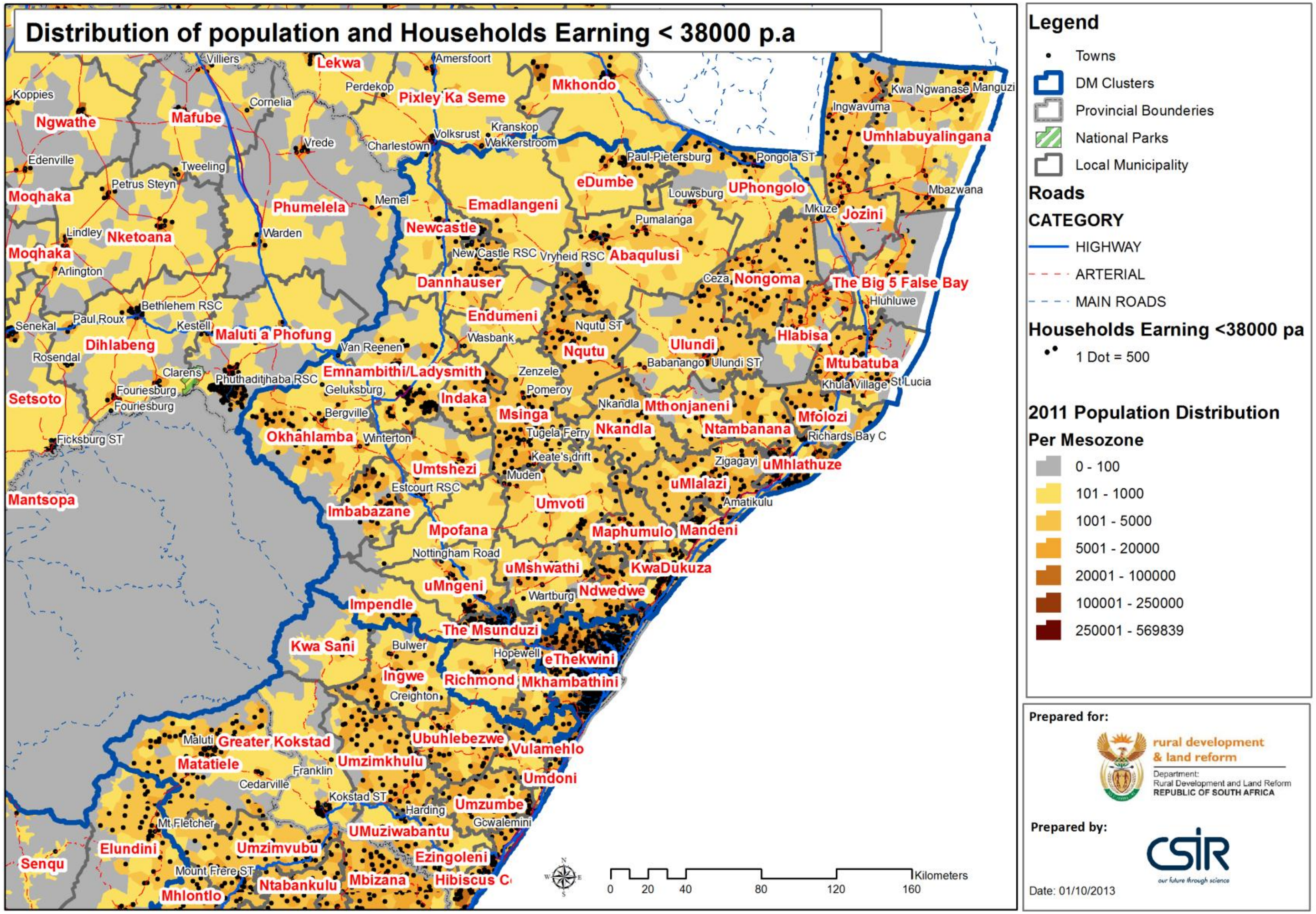
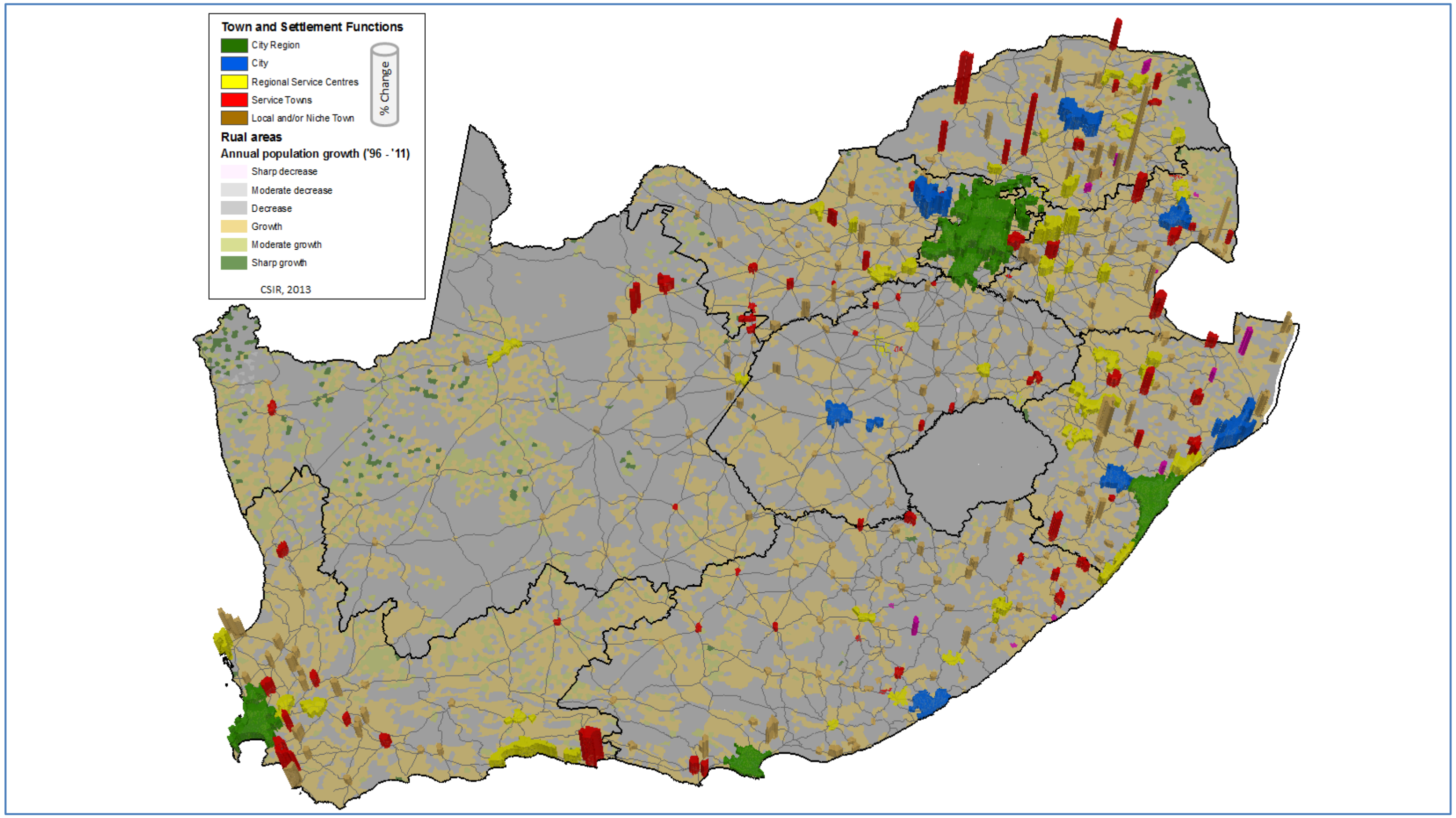


Figure 3.1: Regional overview of population and low income earning households distribution

3.2 Population – Growing or declining

The previous map (Figure 3.1) depicted the distribution and density of the population. From this it is evident that the highest population pressure is centred on the towns and settlements. The districts and local municipalities need to plan to meet the demand for investment, job creation and services delivery is these areas; however, it essential that cognisance is taken of the growth or decline of population in any areas and specifically the rate of any change as this can impact on the financial viability of any implementation plan. This may be due either to the rapid rate of delivery required which has specific cash flow implications or through redundant investment due to a declining population. A time series analysis based on the StatsSA data of 1996 as compared to 2011 was undertaken to show by settlement type where the key areas of growth and decline have occurred. Figure 3.2 below shows that population change on a national scale. In this cluster of districts, we clearly see areas of both decline and growth. Decline is mainly along the Drakensberg Mountains, the area between Mandeni and Ladysmith as well as smaller areas to the north.



There are several areas of growth which are higher than the national average. Most notable of these are Umtshezi, uMhlathuze and KwaDukuza. From the analysis of urban growth, it is clearly evident that the Richards Bay, Stanger, Dundee and Ladysmith areas have grown significantly, even in comparison with other towns across the country (Figure 3.2).

Figure 3.2: Population growth depicted in functional settlement areas and service regions (1996-2011)

With regards to the settlement related changes in this time period, it is not only the StatsSA 2011 data that provides an indication of the concentrated change, but also the change detection undertaken across the region through the remote sensing process of change detection using MODIS imagery. This process can identify the intensity of changes that takes places in areas but cannot at this stage be used to confirm if the change is growth or decline, nor can it provide an indication of the actual population numbers involved. For this detail, it is currently still necessary to depend on the Census data. The change detection process can identify any settlement changes that took place across the region and can identify more accurately the spatial locus of the change. The intensity of change in the Dannhauser, Ladysmith, uMhlabuyalingana, Msinga and Nongoma areas in the period between 2001 and 2005 is shown in Figure 3.3. For the period 2006 to 2012 (Figure 3.4), the change is more concentrated in the Richards Bay, Ulundi and uMhlabuyalingana areas.

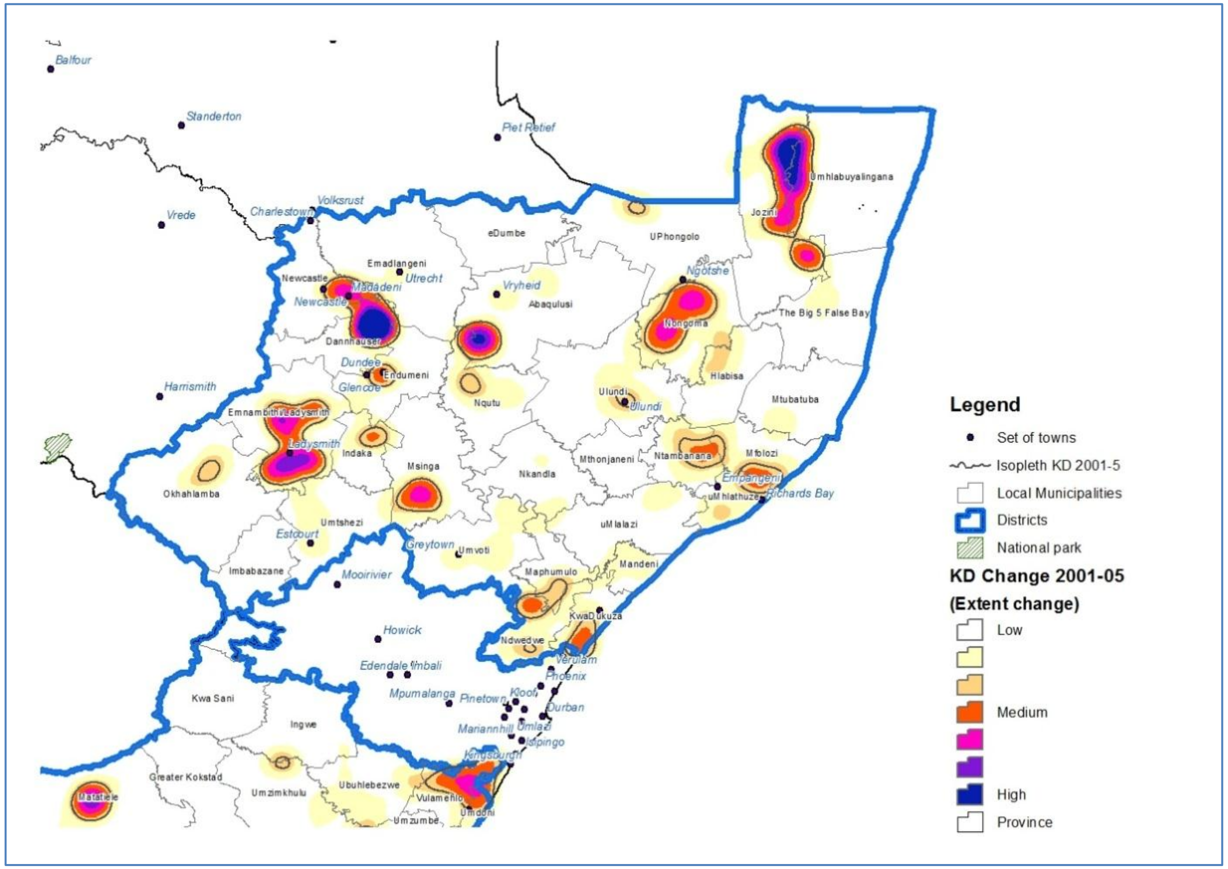


Figure 3.3: MODIS Settlement change detection (2001-2005)

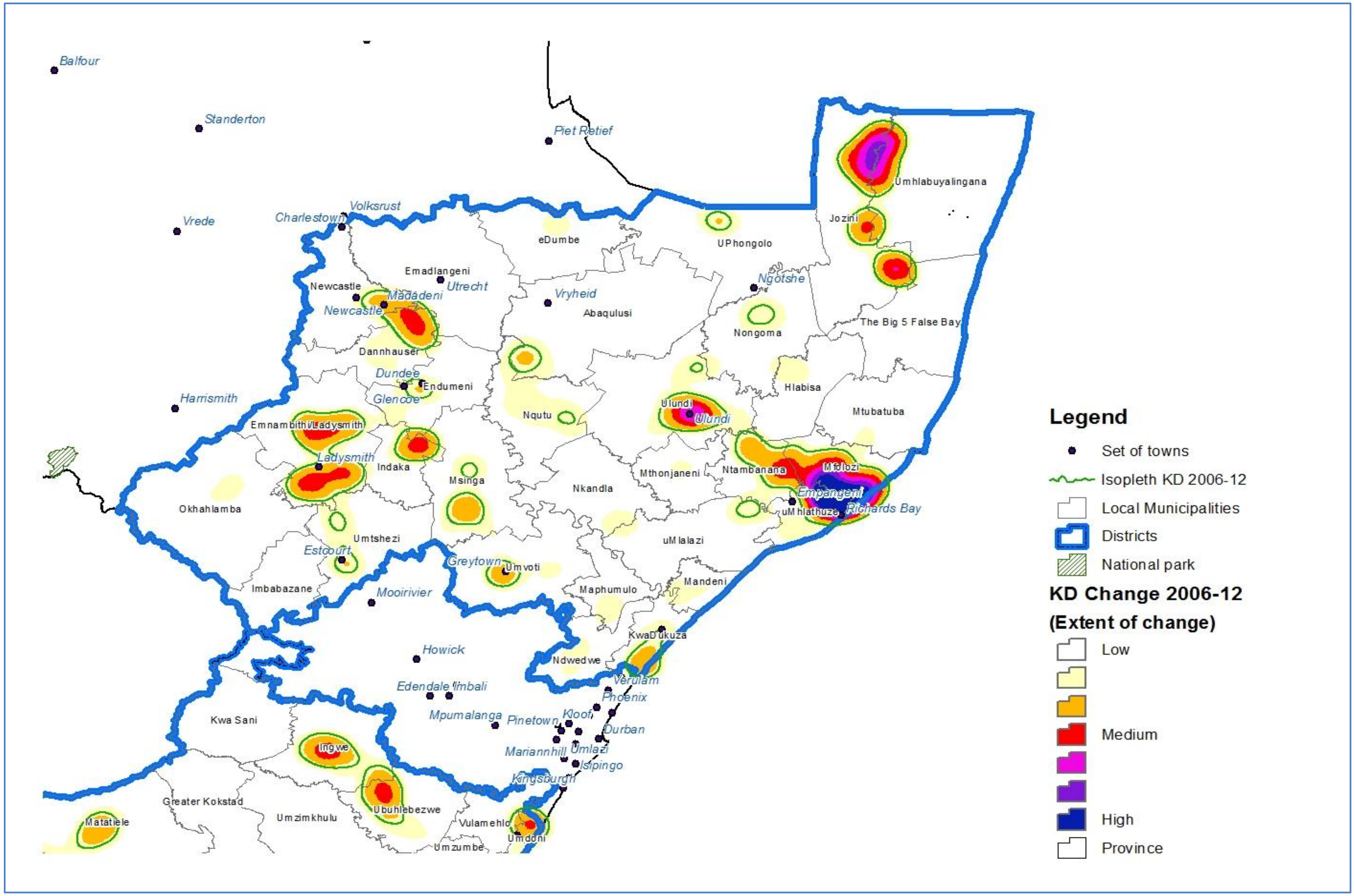


Figure 3.4: MODIS Settlement change detection (2006-2012)

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In Figure 3.5, all the changes between 1996 and 2012 are analysed. From this figure it is evident that on the whole, for this cluster, the main areas of change are concentrated in the uMkhanyakude, uThungulu and Amajuba Districts

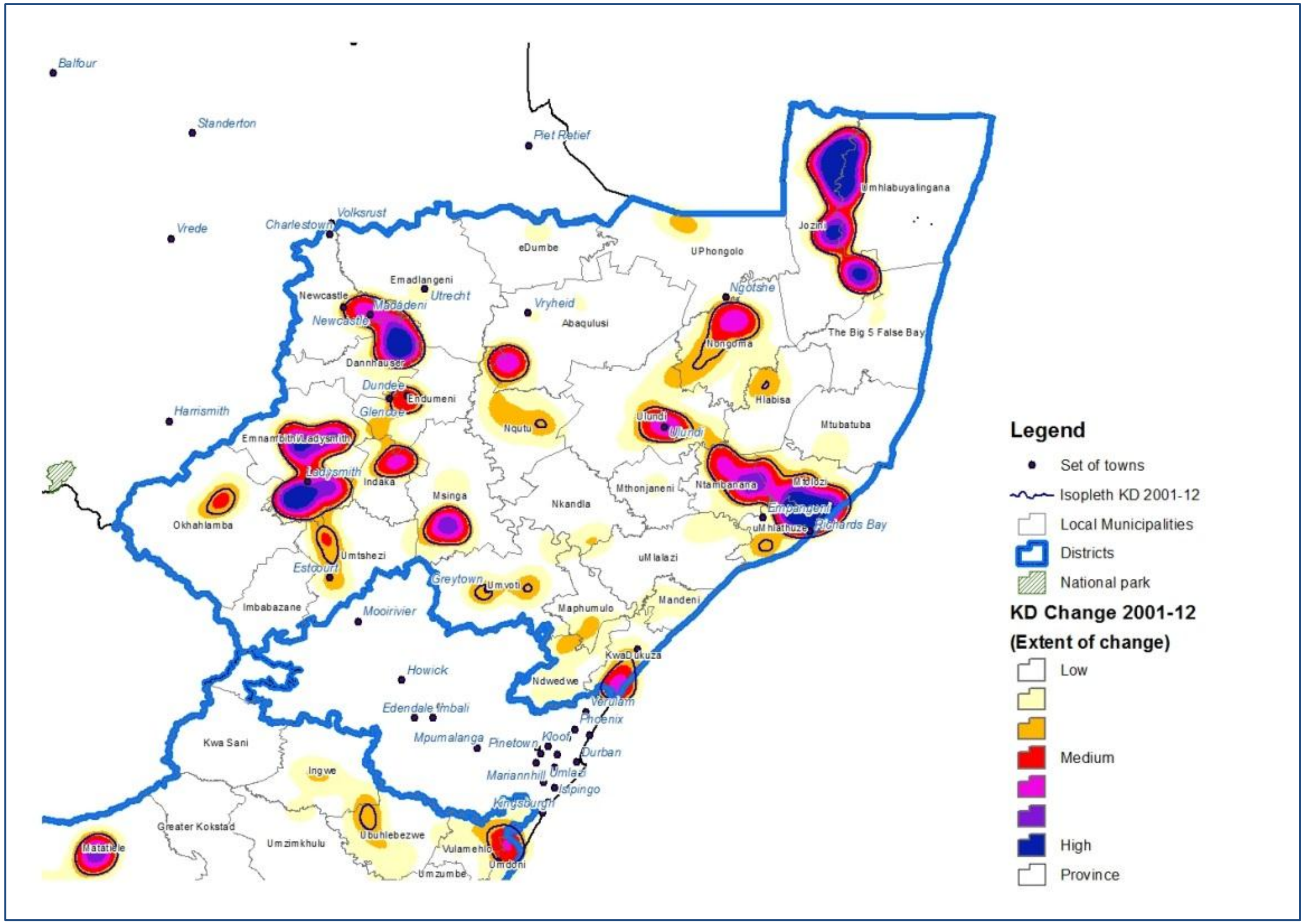

Figure 3.5: Settlement related MODIS change detection (2001-2012)

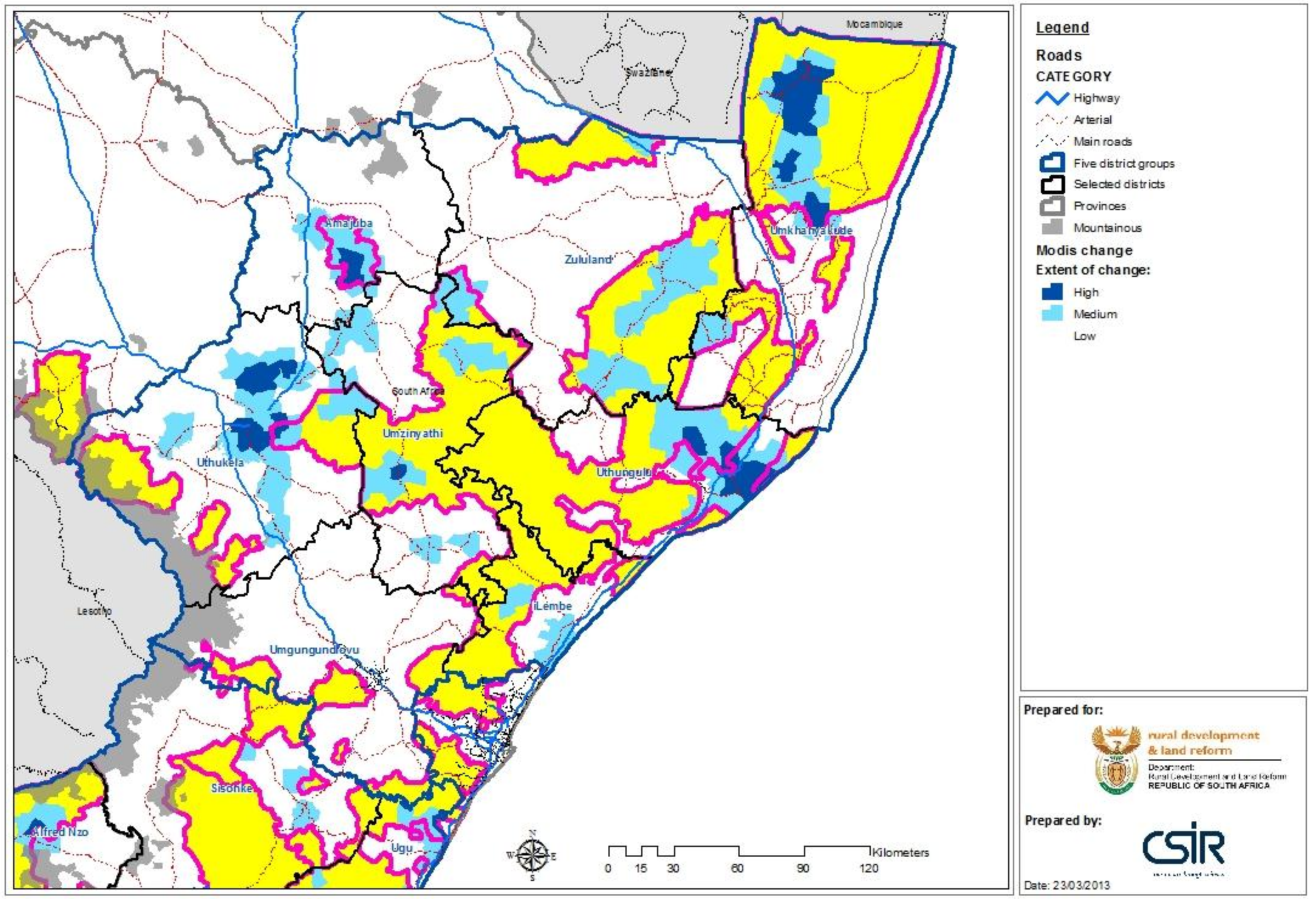

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Figure 3.6: Settlement related change (MODIS Change detection 2001-2012) in relation to the traditional authority areas (Traditional areas shown in yellow)

While Figure 3.5 shows the change for all areas, Figure 3.6 shows changes in relation to the traditional authority areas. The latter are shaded in yellow on the map. The data on Figure 3.6 clearly shows that the majority of areas of change are closely aligned to the traditional authority areas. The areas of greatest change are in the towns of Richards Bay and Ladysmith (not traditional authority areas) and in the traditional authority area close to uMhlabuyalingana (north).

Making use of the identified areas of change from the change detection process, together with the StatsSA data, the level of population changes were mapped per mesozone. The settlement related change in population numbers is clearly visible in Figure 3.7. Many areas under management of traditional authorities show decline (blue shades) while some smaller areas of growth (yellow) can be seen. Stanger, eThekwini, Richards Bay, Msunduzi and Ladysmith show growth, while some of the areas surrounding these main centres have declined in population. This is a clear illustration of the trend of population centralisation, driven most probably by easier access to the benefits of an urban lifestyle.

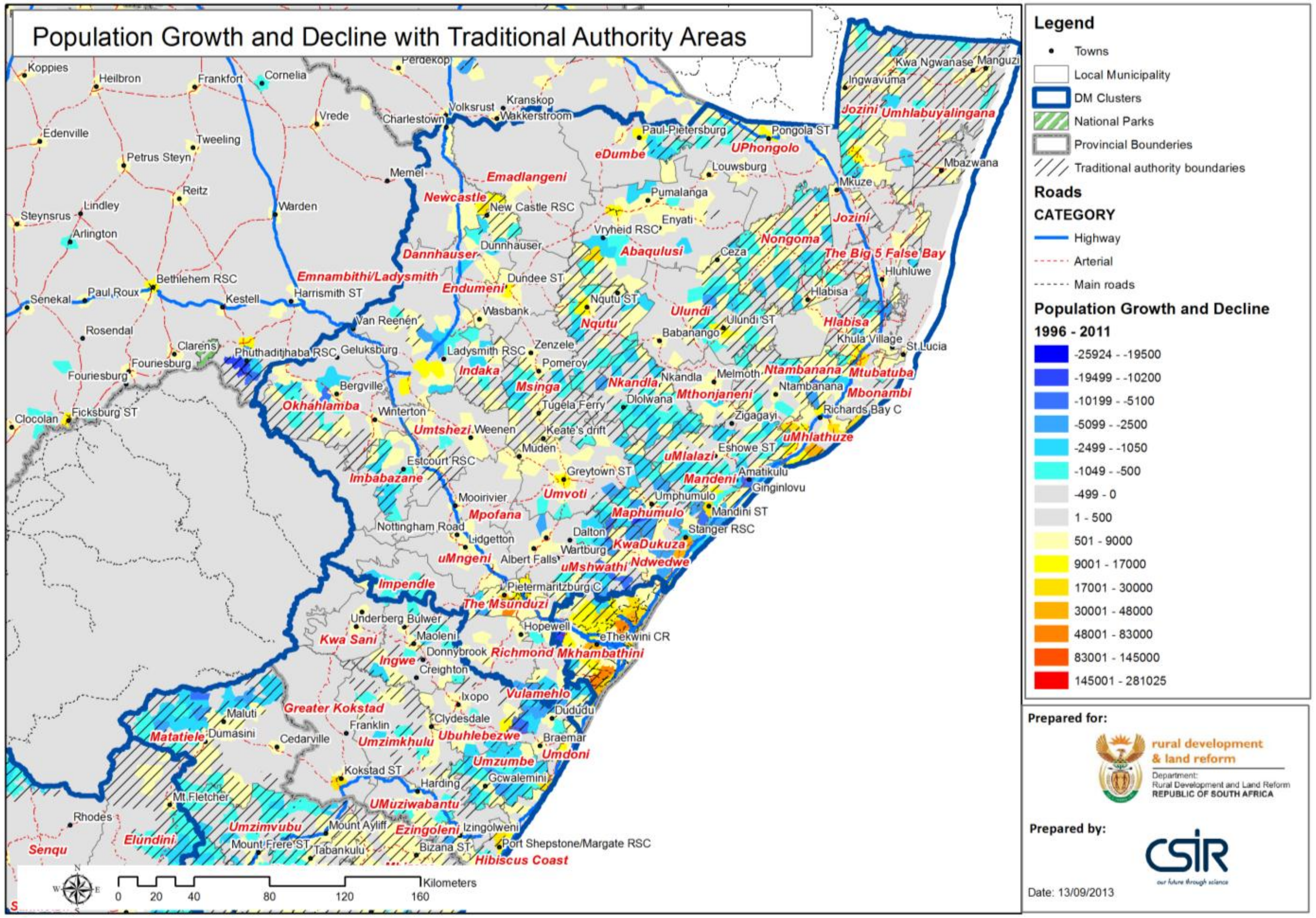


Figure 3.7: Settlement related population change in relation to the traditional authority areas (Population growth and declined mapped per mesozone (50 km^2)

IMPLICATIONS:

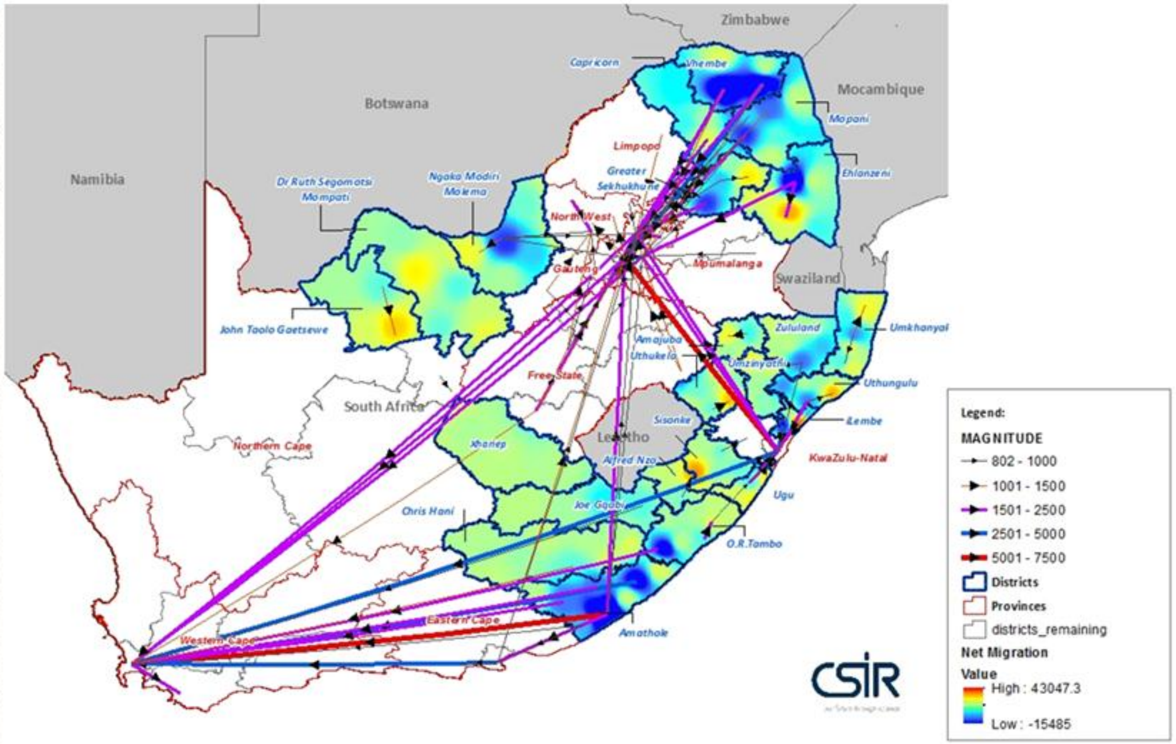
A regional concentration trend is clearly evident in the main towns of this region. Richards Bay, Msunduzi and the Regional Service Centres including Ladysmith, Stanger, New Castle and Vryheid and Service Towns such as Dundee, Nqutu, Pongola and Ulundi play a key role in this region. Together with high density settlements around Nongoma and Tugela Ferry, these areas seem to be under the highest pressure for service delivery due to continued growth. The role of these towns and settlements is thus critical in addressing the needs of the people in this region. These areas of population concentration provide service provision anchor points and developmental focus for the region. The towns and dense settlements also create effective locus for intervention opportunities to address basic service backlogs using a transformative approach.

A detailed analysis of growth rates and service backlogs per town is set out in Section 4.3. This will provide a clear indication of how the growth trends influence service backlogs and the need for government investment in the region.

3.3 Migration impacts on the area

At a national scale, it is clear that there is migration out of rural districts. Figure 3.8 illustrates the net migration occurring within the 23 priority rural districts. Some districts show strong net out-migration, for example Amathole, Vhembe, Mopani and Ngaka Modiri Molema. It is also noticeable that internal migration (within districts) is occurring, especially to sites where growth is occurring; for example, the mining areas around Burgersfort and Steelpoort in the Sekhukhune district. Key settlements/towns such as Kuruman and **Richards Bay** are showing net positive migration. The latter confirms the trend of people moving from rural, more isolated regions to towns and cities where services, facilities and employment opportunities can be better accessed. Within KZN, it is noticeable that there is a strong trend to migrate to the eThekwini City Region.

Migration patterns – illustration of net migration flows, using IEC voting district data (1996-2009)#.



Within the 23 districts internal as well as migration to the main urban and metropolitan centres is taking place. Overall a strong out-migration can be observed. The map (above) illustrates the net migration occurring within the 23 distressed districts. # (STEPSA.org)

Figure 3.8: Migration trends focusing on the 23 districts

3.4 Surrounding area and/or settlement under pressure of settlement growth or change

In spite of out-migration and slow growth or even decline, growth in the natural population and settlements is still significant. This results in continued demand for access to basic services and rising pressures on municipalities to address backlogs and provide (and maintain) services in a sustainable way. The following map (Figure 3.9) shows areas where the greatest population pressures occur. In numeric terms the **eThekwini Metropolitan Municipality** and the **uMgungundlovu District** (more specifically the **Msunduzi LM)** are experiencing the highest pressures**.** The town of Vryheid is experiencing the highest pressure outside the metro. The Nongoma region is also notable due to the extended nature of the medium level pressure it is experiencing. (Please refer back to the earlier figure if only population numbers or growth is being considered.)

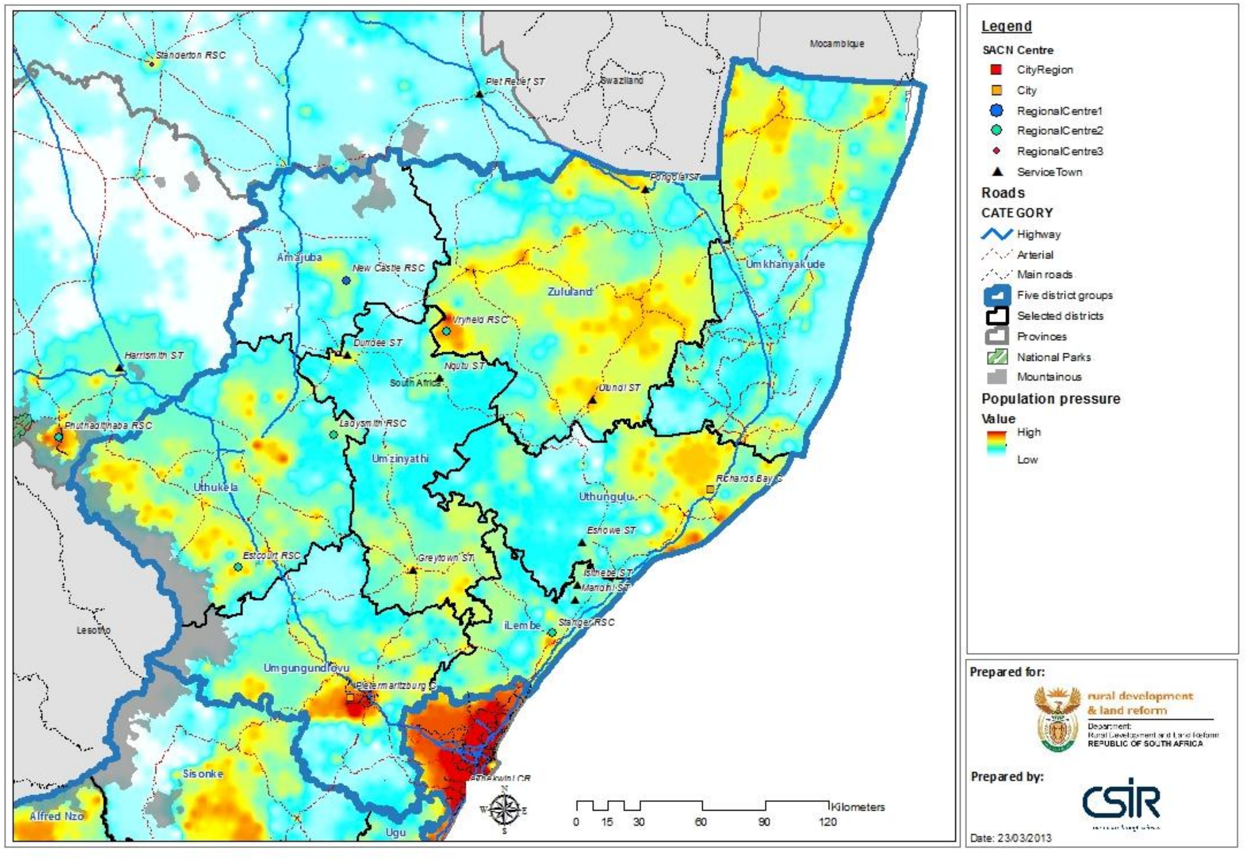
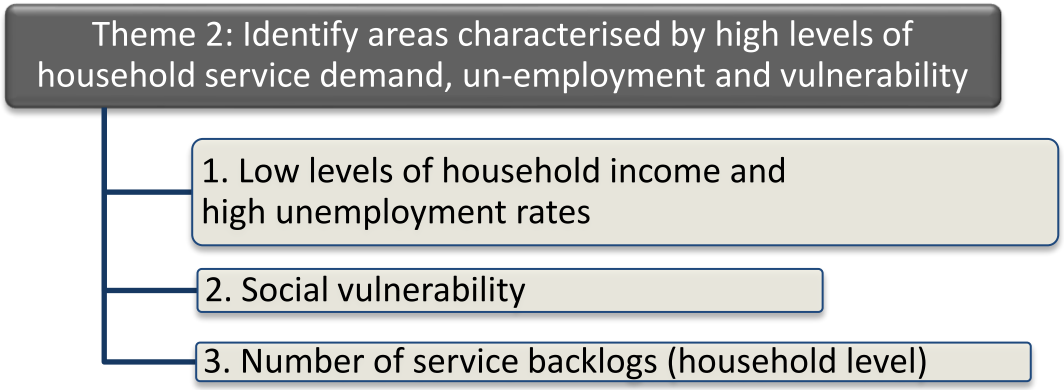


Figure 3.9: Areas under pressure due to a combination of high densities, growth and in-migration of population

4. Where are the areas in the Priority Rural Districts that are under immense pressure due to high levels of service backlogs and social vulnerability (including low income, high dependency and low employment ratios)?

Access to the basic services of water, electricity and sanitation is enshrined in the Constitution. Many people, especially the rural poor, 21 years after democracy, still do not have reliable access to these services and most cannot afford to pay for them. Thus, in identifying areas where there is a high demand on government to provide services, it is critical to understand the level of affordability of such services. The starting point is thus to review the level of income and unemployment within the regions as follows.



4.1 Household Income and unemployment

As can be seen from the following graph (Figure 4.1), over 10% of households in all districts have no income, and about a further 25% earn less than R 800 per month. The vast majority are in the R 801 to R 3 180 per month income brackets. This is a very low income base in terms of sustaining an average household with regards to education, health and other essential services. uThungulu has the greatest percentage of households with a monthly income of more than R 3 180. It is also the district with the highest employment rate of the rural districts (if uMgungundlovu DM and more specifically the Msunduzi LM is not considered). Based on the Table 2.1 score card and Tables 4.1 and 4.2 which follow, it is evident that the majority of these jobs are dependent on the Community, Social and Personal Services sector including Government Services employment. To a smaller extent, some employment is in the Wholesale and Retail and Financial Intermediation sector (see Figure 5.4 and Table 5.1 for employment data). uMhlathuze District, populous and highly urban in nature, reflects the lowest percentage of households earning below R 3 180 per month in the cluster at just below 70% while the other districts have over 70% of people living there in the lower income brackets. In the case of uMzinyathi DM, over 80% of the households fall within the lower income bracket and this district has the greatest number of households that are technically classified as poor and earning below R 3 180 pm. uMzinyathi, however, has the smallest percentage of households indicating no income at all.

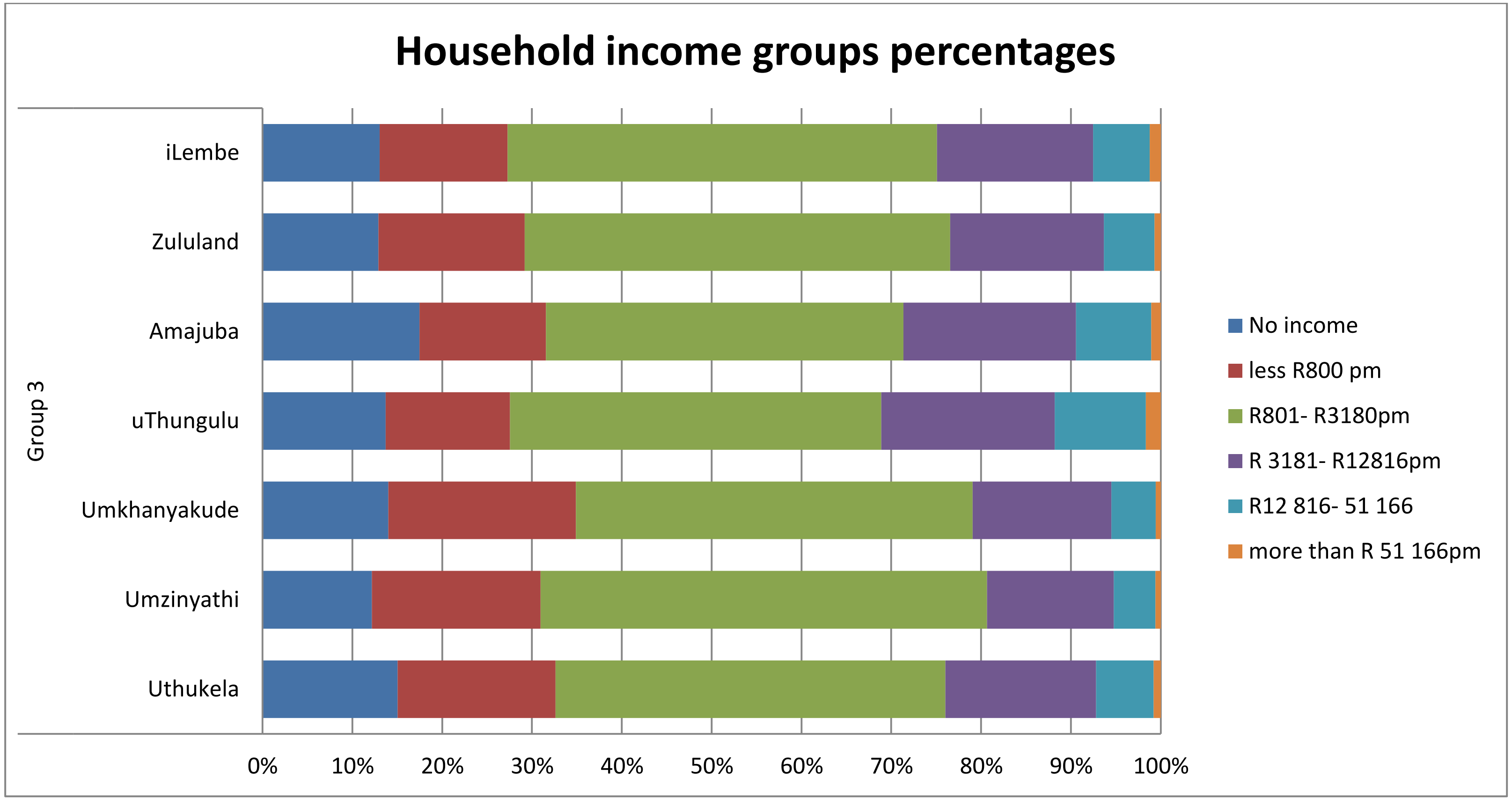


Figure 4.1: Household income group

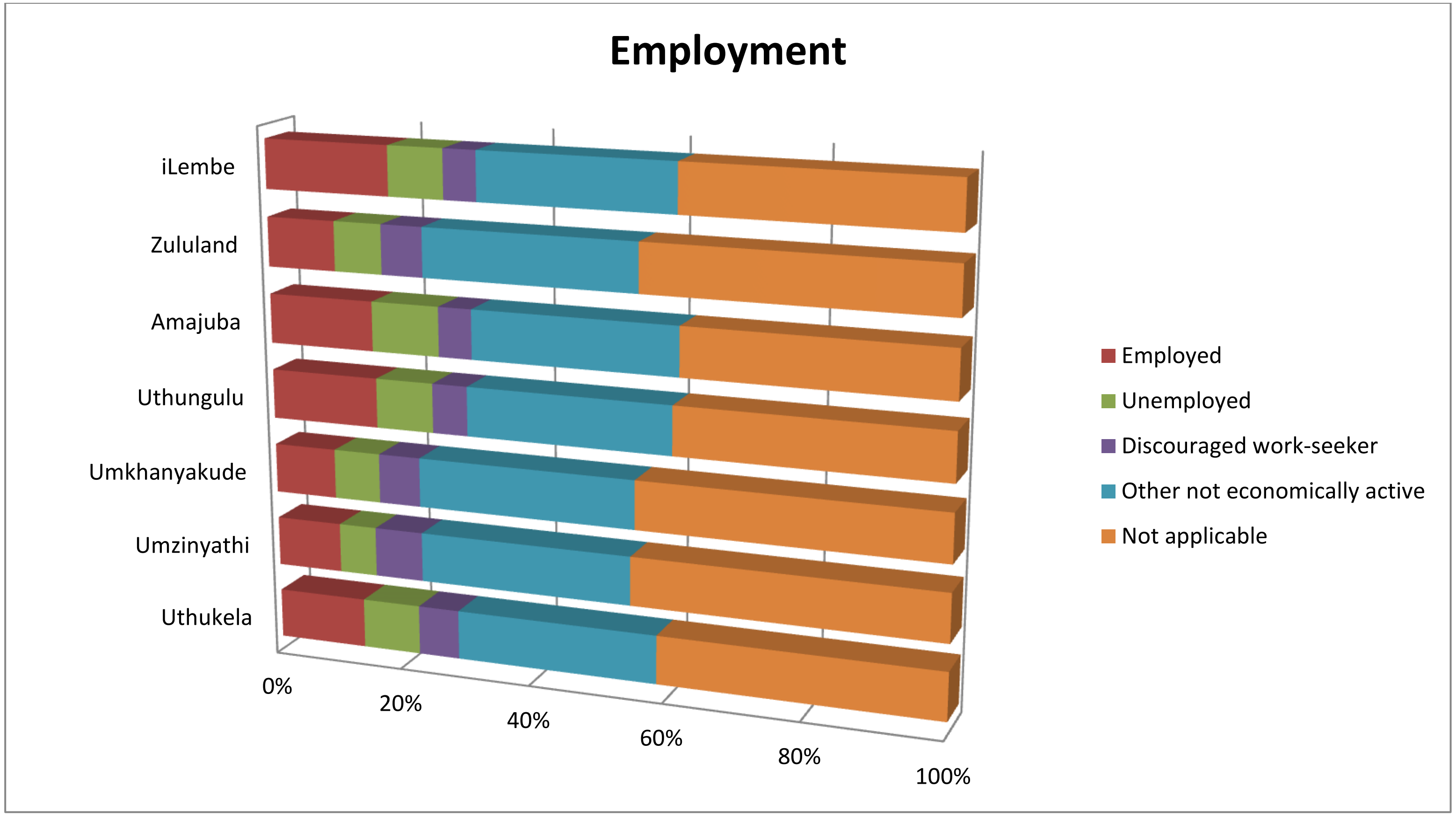


Figure 4.2: Employment status and dependency levels

An analysis of the StatsSA employment data for the 2011 Census period for this cluster shows that uThungulu has the highest employment percentage in relation to its population followed by iLembe and Amajuba Districts, while the Zululand and uMkhanyakude Districts show the lowest employment rate. This may be as a result of the vast sparse rural land area in these districts which are under tribal authority control which may be a limiting factor for industries and other business that could potentially offer employment opportunities in these districts. These areas also reflect a low employment rate but a high “other not economically active” percentage. It is not possible at this stage to speculate as to the cause; due to the data collection methodology, it is not possible to determine the nature of the “not applicable” field which reflects high percentages throughout all the districts in this cluster.

4.2 Social Vulnerability

In the more rural districts, one of the most outstanding features is the large percentage of youth – in all cases being between 30 and 40% of the population (See Figures 4.3 and 4.4). In terms of absolute numbers, this has a major impact on all the districts. It creates a large demand for education, indicates a high demand for job creation in the near future and creates high levels of dependency in regions. Zululand has the most youths in number for the cluster, whilst uMkhanyakude and uMzinyathi Districts have fewer youths in absolute terms but both districts have over 40% of their population under the age of 14 years. These are the highest percentages that can be found within all 23 Districts.

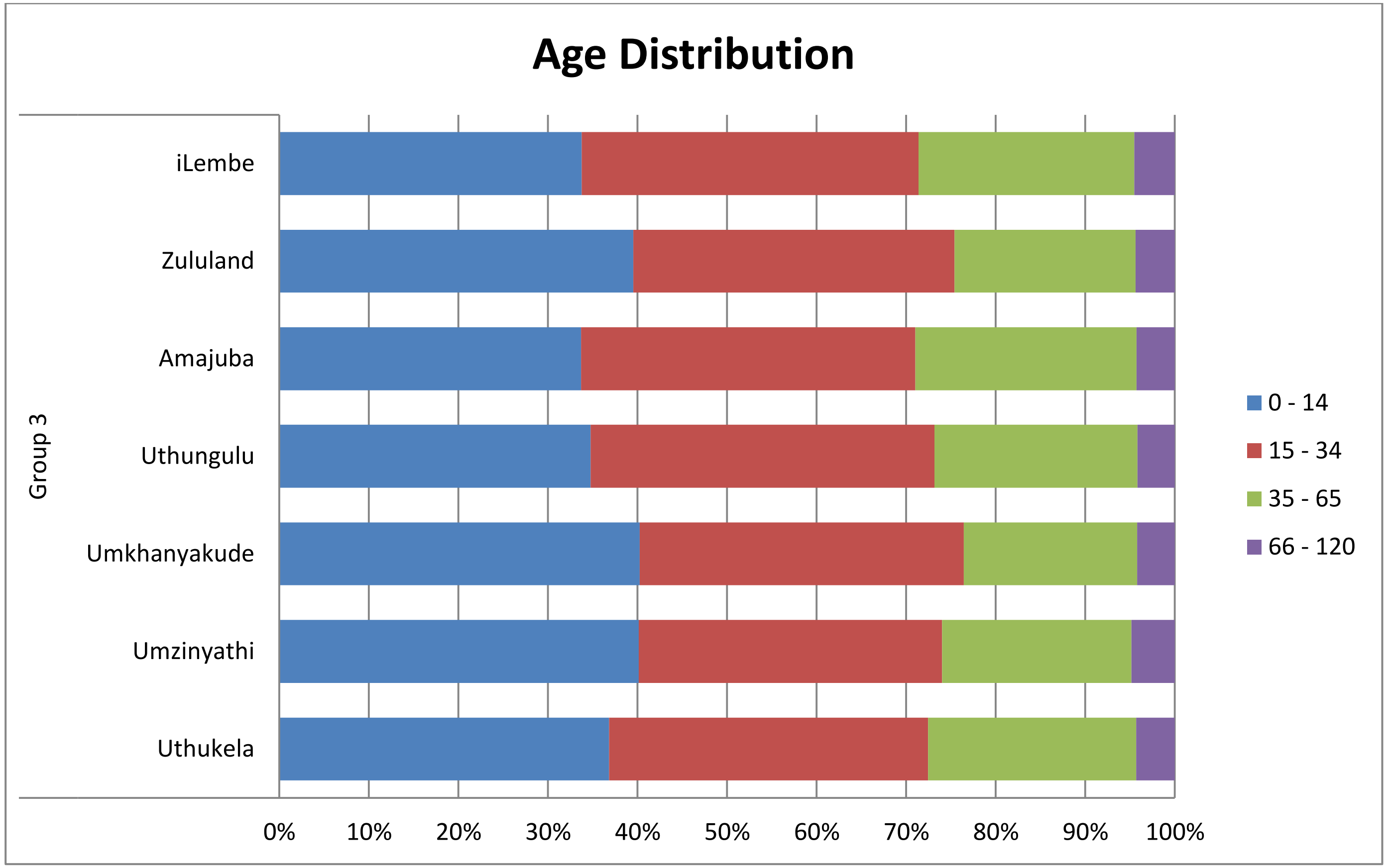


Figure 4.3: Age distribution

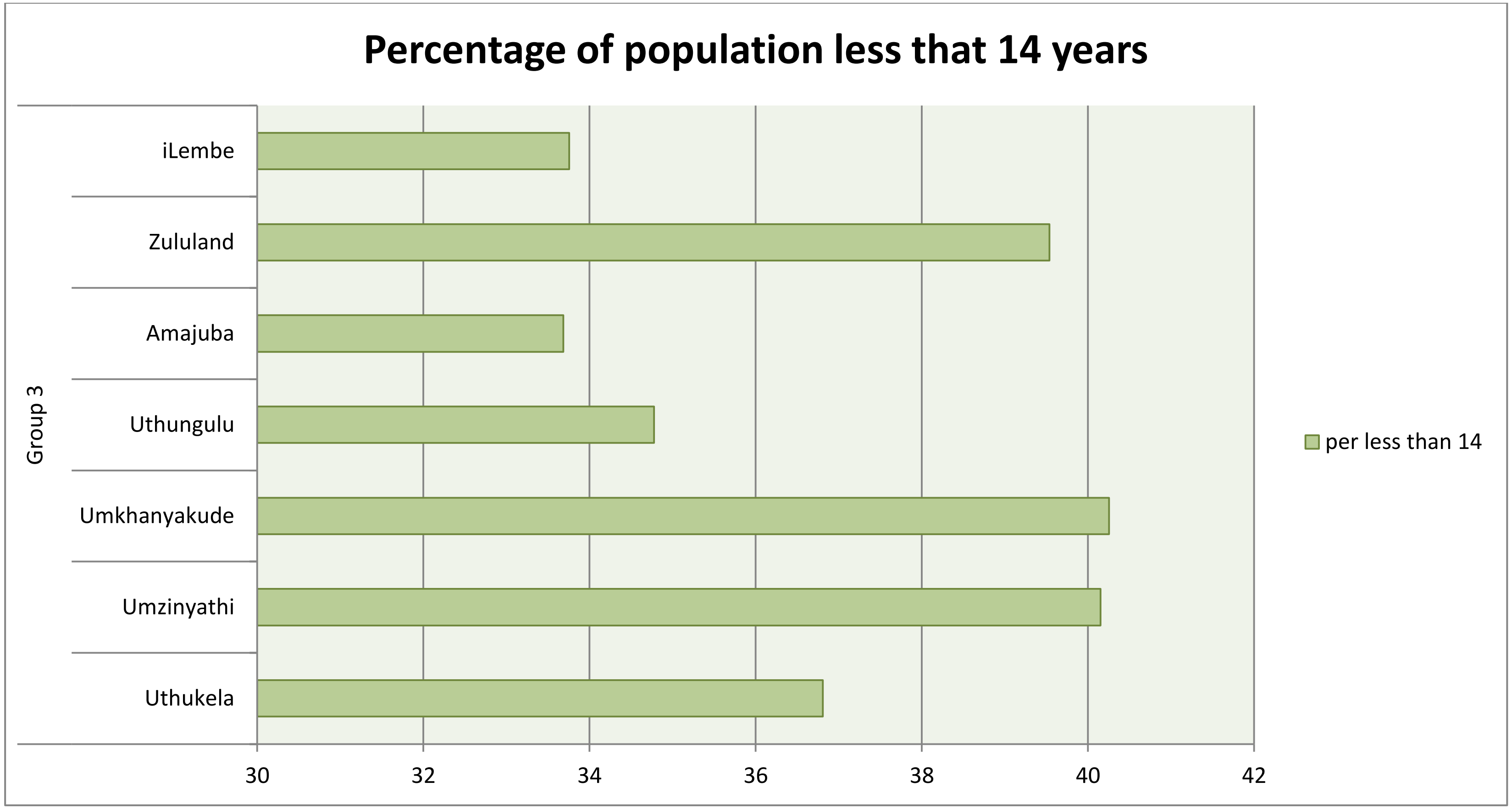


Figure 4.4: Percentage of population younger than 14 years

Figure 4.5 shows the dependency ratio of the population. The large number of youth and the high unemployment rate result in a very high rate of dependency on those that are working. At a national scale, there is a 60% dependency. In this cluster of districts, it appears to be a little less but the dependency burden (the number of not economically active in relation to the working population[3]) is still bordering on 50%. This figure is indicative of the dependency of many on the small percentage who do have employment; however, the household income data tends to indicate that the majority of those employed are generally in low paying jobs. The high dependency in these areas perpetuates the burden on those who are employed causing extreme poverty and social vulnerability within these districts. uMkhanyakude, uMzinyathi and Zululand are most vulnerable as these districts have the lowest employment rates, the highest percentage of youth and the highest rates of dependency.

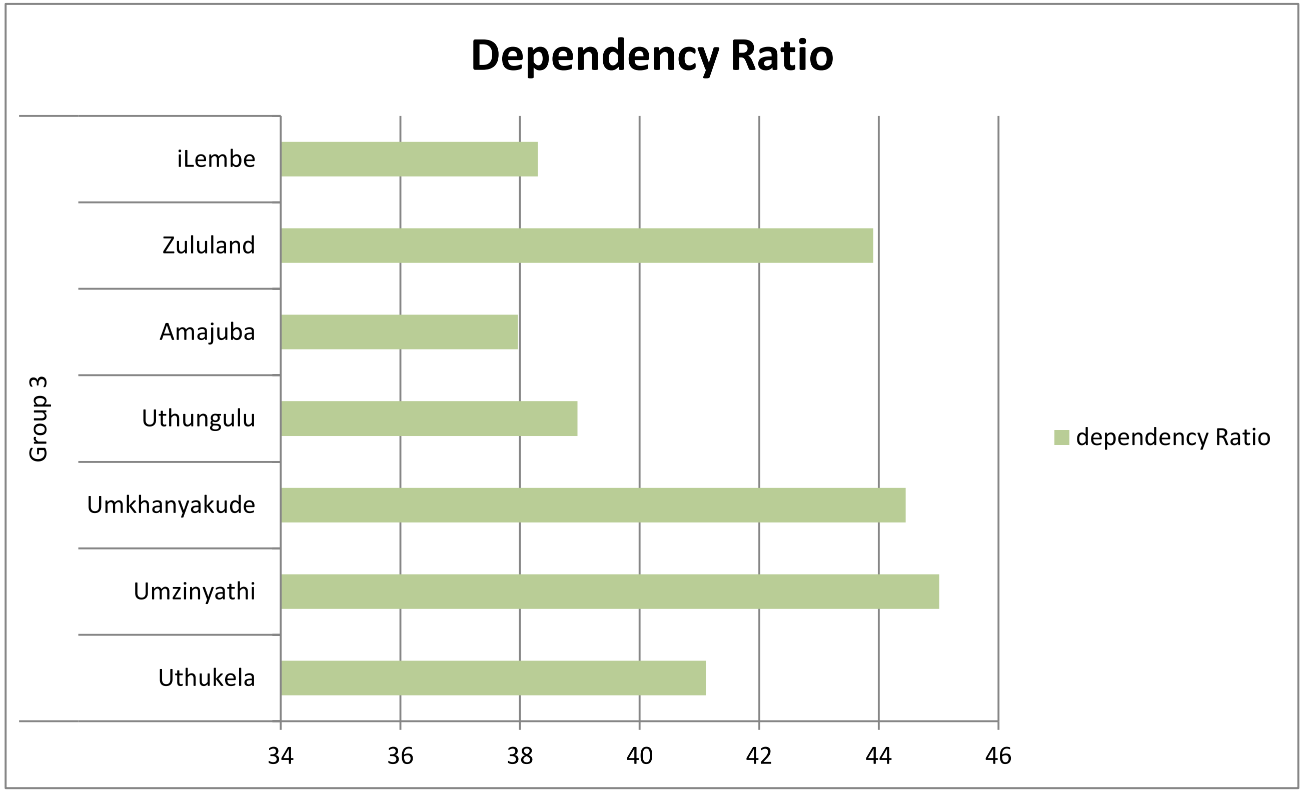


Figure 4.5: Dependency ratio (non-economically active in relation to economically active population)

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[3] Dependency ratio definition: $(Total) Dependency\ ratio = \frac{(number\ of\ people\ aged\ 0-14\ and\ those\ aged\ 65\ and\ over}{number\ of\ people\ aged\ 15-64}$

4.3 Number of service backlogs

In order to identify investment priority areas, an extensive analysis was undertaken of service point backlogs across the region, with a specific focus on water, sanitation and electricity. In addition to the service provision variables, Table 4.1 shows for each DM and LM, the ratio of people living in non-settlements versus settlements, the annual population growth rate, the proportion of population below 14 years, the dependency ratio and income levels. As in most of the 23 priority rural districts, there is evidence of concentrations of population and poverty which places a huge burden on development, service delivery and job creation within the towns and smaller settlements. Water provision remains a challenge and this highly populous and mainly undulating terrain creates challenges in providing services effectively and viably.

Table 4.1 below presents an overview of the key service related statistics at both LM and DM level. The backlogs of all 3 basic services are shown in the form of ratios to indicate the level and extent of service provision in the LMs. The table also presents a breakdown of the income categories per LM. In many of these areas more than 20% of the households do not have access to piped water or proper sanitation services. (In Table 4.2 those districts with poor levels of service and low income are highlighted.) There are numerous districts where more than 20% of the population still does not have access to piped water and many where more than 20% do not have either a flush or pit latrine. The large majority of households do not have access to water within 200 meters of their home, meaning that they do not have their own standpipe or in-house water. The majority (75%) have access to electricity. There are, however, still several districts where more than 50% of the population do not have access to electricity. uMkhanyakude District Municipality has the highest percentage of people without access to electricity.

It is important to consider that the ability of households in these areas to pay for basic services is restricted to a very small portion of the population. Most residents have a very low income. Low income is defined as households with less than R 38 201 per annum income (see Table 4.1). In general, over 70% of households have an annual income of less than R 38 000. With such low incomes these households are unlikely to be able to contribute significantly toward payment for water, sanitation and electricity provision. The provision of cost-effective services, with little or no on-going costs, should be introduced where possible. Indaka and Msinga have the highest percentage of low income people.

Notwithstanding the fact that these are considered as rural areas, the analysis provides evidence of relatively high population concentrations with substantial population living in the Regional Service Centres, Service Towns and Local/Niche towns and many in the dense rural settlements. Many municipalities – especially in Amajuba, iLembe, UMgungundlovu, uMzinyathi, uThukela and in Zululand – have a population that is 60% urban and many LMs have 80% of their population living in settlements (see Table 4.1). The highly centralised nature of the settlement population is, however, advantageous from a service provision perspective. It is more cost effective to provide basic water, sanitation and electricity, as well as other social services, to populations which are clustered rather than distributed. It reduces the lengths of distribution piping and cables for water, electricity and sewage and also makes the provision of education and health services more efficient when economies of scale are possible. Despite this there are still many people who live in remote and/or hilly terrains which are difficult and expensive to service using conventional reticulated services and where the provision of full time higher order social facility services is not affordable.

Table 4.1: DISTRICT AND LOCAL MUNICIPAL POPULATION AND SOCIO-ECONOMIC TRENDS AND SERVICE LEVEL BACKLOGS

MUNICIPALITIES: DISTRICT & LOCAL	POPULATION		SETTLEMENT (% of population in **Non-settlement/ Settlements	POPULATION ANNUAL GROWTH RATE (%)	POPULATION BELOW 14 YEARS (%)	DEPENDENCY RATIO	WATER SERVICE INDEX (% of households)	SANITATION SERVICE INDEX (% of households)	ENERGY SERVICE INDEX (% households)	INCOME LEVELS (% households annual income)
	No. of people (2011)	% of national population	*[highlighted: non-settlement ≥ 40%]* ĦĦ *Where > 80% in settlements*	*[highlighted: growth rate ≥ national rate of 1.86%]*	*[highlighted: >35%]*	**No. of unemployed dependent on the employed** *[highlighted: ≥ 7 persons]*	**Piped in dwelling or within 200 metres/ Piped not within 200 metres/ No piped water** *[highlighted: No piped water ≥ 20%]*	**Flush/ Pit latrine/ Other** *[highlighted: Other ≥ 20%]*	**Electricity/ No electricity** *[highlighted: No electricity ≥ 50%]*	**(R0-R38 200/ R38 201-R307 600/ More than R307 600)** *[highlighted: R0-R38 200 ≥ 85%]*
Amajuba	499 842	0.97	ĦĦ 11/89	1.39	34	5	76/16/8	55/39/6	81/19	71/25/4
Dannhauser	102 161	0.20	ĦĦ 15/85	0.28			50/37/13	23/72/5	49/51	80/19/1
eMadlangeni	34 448	0.07	78/22	2.85			39/20/41	45/35/20	87/13	71/26/3
Newcastle	363 233	0.70	ĦĦ 3/97	1.65			85/11/4	62/32/6	66/34	69/26/5
iLembe	606 799	1.17	ĦĦ 5/95	0.92	34	4	44/37/19	43/47/10	90/10	75/21/4
KwaDukuza	230 617	0.45	ĦĦ 1/99	4.38			50/44/6	47/46/7	82/18	68/26/6
Mandeni	138 071	0.27	ĦĦ 1/99	2.05			54/29/17	52/40/8	34/66	78/20/2
Maphumulo	96 725	0.19	ĦĦ 17/83	-1.51			14/32/54	21/59/20	38/62	84/14/2
Ndwedwe	141 386	0.27	ĦĦ 8/92	-0.92			38/33/30	38/48/14	86/14	82/16/2
uMgungundlovu	1 016 600	1.96	ĦĦ 6/94	1.52	28	3	78/13/9	54/39/7	84/16	65/28/7
Impendle	31 945	0.06	22/78	-1.24			55/31/14	15/72/13	65/35	83/15/2
Mkhambathini	63 143	0.12	23/77	3.02			53/13/34	21/68/11	72/28	79/18/3
Mpofana	38 100	0.07	32/68	3.74			75/8/17	61/24/15	81/19	74/23/3
Richmond	65 795	0.13	ĦĦ 17/83	0.20			44/39/17	39/53/8	92/08	80/18/2
Msunduzi	618 537	1.19	ĦĦ 0/100	1.89			87/9/4	60/34/6	85/15	60/32/8
uMngeni	92 710	0.18	ĦĦ 5/95	2.09			87/8/5	75/20/5	73/27	60/31/9
uMshwathi	106 370	0.21	ĦĦ 15/85	-0.35			63/17/20	34/56/10	38/62	79/19/2
uMkhanyakude	625 838	1.21	37/63	1.62	40	10	37/25/38	30/45/25	55/45	79/19/2
Hlabisa	71 920	0.14	50/50	0.54			34/10/56	35/55/10	29/71	76/22/2
Jozini	186 521	0.36	42/58	1.48			30/28/42	32/39/29	65/35	80/18/2
Mtubatuba	175 366	0.34	23/77	2.38			51/18/31	29/39/32	43/57	75/22/3
The Big 5 False Bay	35 309	0.07	ĦĦ 19/81	1.90			44/52/4	39/45/16	14/86	80/18/2
uMhlabuyalingana	156 722	0.30	46/54	1.53			30/27/43	22/56/22	46/54	83/16/1
uMzinyathi	512 279	0.99	32/68	0.97	40	9	34/32/34	27/55/17	79/21	81/17/2
Endumeni	64 859	0.13	ĦĦ 11/89	3.02			83/9/8	81/13/6	25/75	63/32/6
Msinga	179 025	0.35	33/67	0.60			12/34/54	11/61/28	53/47	87/12/1
Nqutu	165 305	0.32	37/63	0.65			32/47/21	8/78/14	58/42	83/16/1

MUNICIPALITIES: DISTRICT & LOCAL	POPULATION		SETTLEMENT (% of population in **Non-settlement/ Settlements	POPULATION ANNUAL GROWTH RATE (%)	POPULATION BELOW 14 YEARS (%)	DEPENDENCY RATIO	WATER SERVICE INDEX (% of households)	SANITATION SERVICE INDEX (% of households)	ENERGY SERVICE INDEX (% households)	INCOME LEVELS (% households annual income)
	No. of people (2011)	**% of national population**	*[highlighted: non-settlement ≥ 40%]* ĦĦ *Where > 80% in settlements*	*[highlighted: growth rate ≥ national rate of 1.86%]*	*[highlighted: >35%]*	**No. of unemployed dependent on the employed** *[highlighted: ≥ 7 persons]*	**Piped in dwelling or within 200 metres/ Piped not within 200 metres/ No piped water** *[highlighted: No piped water ≥ 20%]*	**Flush/ Pit latrine/ Other** *[highlighted: Other ≥ 20%]*	**Electricity/ No electricity** *[highlighted: No electricity ≥ 50%]*	**(R0-R38 200/ R38 201-R307 600/ More than R307 600)** *[highlighted: R0-R38 200 ≥ 85%]*
Umvoti	103 090	0.20	36/64	1.18			38/25/37	40/46/14	73/27	81/17/2
uThukela	668 850	1.29	ĦĦ 14/86	1.44	37	6	50/30/20	39/49/12	82/18	76/21/3
Emnambithi-Ladysmith	237 441	0.46	ĦĦ 6/94	2.15			68/24/8	60/34/6	74/26	69/27/4
Imbabazane	135 665	0.26	ĦĦ 8/92	0.58			28/51/21	22/72/6	58/42	80/18/2
Indaka	103 116	0.20	ĦĦ 15/85	0.27			56/12/32	17/59/24	75/25	87/12/1
Okhahlamba	132 131	0.26	28/72	1.07			29/39/32	24/63/13	64/36	81/17/2
Umtshezi	60 497	0.12	29/71	5.68			54/20/26	47/22/31	75/25	71/25/4
uThungulu	906 068	1.75	21/79	1.29	35	5	65/19/16	42/40/18	84/16	69/25/6
Mfolozi	122 885	0.24	ĦĦ 17/83	1.85			55/28/17	22/60/18	69/31	77/21/2
Mthonjaneni	47 818	0.09	40/60	1.67			48/24/28	39/42/19	45/55	78/19/3
Nkandla	112 965	0.22	45/55	-0.80			50/17/33	27/53/20	62/38	79/19/2
Ntambanana	74 335	0.14	26/74	0.33			22/45/32	6/63/31	93/07	81/18/1
uMhlathuze	334 466	0.65	ĦĦ 0/100	4.72			92/5/3	64/28/8	58/42	57/33/10
uMlalazi	213 599	0.41	37/63	-0.47			42/33/25	28/39/33	69/31	77/20/3
Zululand	803 579	1.55	31/69	1.10	40	9	53/16/31	32/43/25	72/28	77/21/2
Abaqulusi	211 065	0.41	27/73	1.88			71/13/16	49/34/17	63/37	73/23/4
eDumbe	82 056	0.16	36/64	1.56			64/14/22	33/54/13	64/36	81/17/2
Nongoma	194 909	0.38	33/67	0.19			27/19/54	16/48/36	73/27	78/20/2
Ulundi	188 315	0.36	35/65	0.67			52/15/33	38/38/24	73/27	74/23/3
uPhongolo	127 234	0.25	22/78	2.01			52/21/27	17/53/30	47/53	80/18/2

** "**Non-settlement**" = areas largely characterised by dense rural and sparse rural settlement (average < 100 people/km², excluding areas with average 10 people/km² with economic activity in services sector)
"**Settlement**" = areas largely characterised by dense settlements, towns & cities (average >100 people/km² OR 10 people/km² with economic activity in services sector) Definition as used in SACN/Presidency/dplg/CSIR Functional Settlement Typology (2008) Source: Functional Settlement Profile, 2013 CSIR/DRDLR Update (CSIR, Geospatial Analyses Platform, 2013)

Table 4.2 provides a more detail breakdown of the service backlogs at a Settlement level. The breakdown of the backlog in services per type, as well as information on the population size and growth status, is presented for every Town, Dense Settlement or rural area grouped by local municipality areas. The number of service backlog points has been calculated per household. The definitions of the service backlogs used are defined and calculated as follows:

- Water backlog = no piped water with 200m of dwelling
- Electricity backlog = no electricity for lighting
- Sewage backlog = no access to a flush or pit toilet
- Total service backlogs = sum of all backlogs (up to 3 per household)
- Percentage backlog = index of backlog in relation to total households in area.

In deciding on the nature, tempo and type of service delivery to be provided, note should be taken of the rate of population growth or decline. Several areas of decline are noted, most significantly in the iLembe districts in areas such as Maphumulo, and Ndwedwe LMs. Certain areas have grown rapidly such as the Regional Service Centres of Ladysmith, Vryheid, New Castle and Stanger as well as Richards Bay. The latter being the area of most notable growth in this cluster and in fact of all the priority rural districts. Greytown, Nquthu and Mandeni have also shown rapid growth. This is further evidence of the concentration trend noted at a national level.

Key for Table 4.2: Definitions of symbols and categories of growth

GROWTH CATEGORIES	
Major Decline	(7000)-(25000)
Decline	(1000)-(7000)
Minor Decline	(500)-(1000)
Stable	(500)- 500
Small Increase	500-1000
Increase	1000-8000
High Increase	8000-25000
Significant Increase	25000 plus
SYMBOLS	
Δ	Less than 2% growth
ΨΨΨ	More than 4% growth
ΦΦ	More than 10 000 growth in population

Table 4.2: SETTLEMENT/TOWN SPECIFIC POPULATION AND SOCIO-ECONOMIC TRENDS AND SERVICE LEVEL BACKLOGS

CLUSTER 3:			POPULATION								HOUSEHOLDS		SERVICE BACKLOGS					INCOME STATUS	
LOCAL MUNICIPALITY	Town or Settlement Type	Town or Settlement Description	1996	2001	2011	CHANGE 1996 - 2011	GROWTH BELOW NATIONAL 2%	LARGE INCREASE	RAPID GROWTH	GROWTH STATUS	NUMBER	SIZE	WATER	SANITATION	ELECTRICITY	TOTAL POINTS	BACKLOG %	POOR HOUSEHOLDS	LESS THAN 70% POOR
AMAJUBA																			
Dannhauser	Dense Rural in LM		10 832	7 714	9 423	(1 409)	Δ			Decline	1 925	4.0	340	196	458	994	51.6	1 442	
Dannhauser	HD_Rural		1 253	3 054	3 382	2 129			ΨΨΨ	Increase	841	3.6	77	46	205	327	38.9	544	•••
Dannhauser	Local or Niche Town	Dannhauser	4 803	5 062	4 976	173	Δ			Stable	1 274	4.0	99	54	313	466	36.6	812	•••
Dannhauser	Regional Centre1	New Castle RSC	74 136	80 991	78 011	3 875	Δ			Increase	15 064	5.4	3 218	577	2 690	6 485	43.1	12 529	
Dannhauser	Sparse Rural	Sparse Rural	7 028	6 337	6 369	(659)	Δ			Minor decline	1 333	4.8	289	95	281	665	49.9	991	
eMadlangeni	HD_Rural		3 060	4 471	4 991	1 931			ΨΨΨ	Increase	1 357	3.3	36	24	69	129	9.5	780	•••
eMadlangeni	Regional Centre1	New Castle RSC	1 605	2 780	2 507	902				Small increase	432	6.4	266	69	216	552	127.9	306	
eMadlangeni i	Sparse Rural		19 457	25 024	26 95	7 493				Increase	4 464	5.6	2 873	1 176	2 933	6 982	156.4	3 355	
Newcastle	HD_Rural		691	763	804	113	Δ			Stable	159	4.8	73	17	113	204	128.2	113	
Newcastle	Local or Niche Town	Charlestown	2 233	3 533	4 257	2 024			ΨΨΨ	Increase	840	4.2	389	88	601	1 078	128.2	600	
Newcastle	Regional Centre1	New Castle RSC	281 941	317 394	346 313	64 372	Δ	ΦΦ		Significant increase	80 869	3.9	5 063	4 485	8 615	18 163	22.5	56 044	•••
Newcastle	Sparse Rural		6 323	11 087	11 859	5 536			ΨΨΨ	Increase	2 403	4.6	949	209	1 493	2 651	110.3	1 671	•••
ILEMBE																			
KwaDukuza	City Region	eThekwini CR	14 088	24 076	29 763	15 675		ΦΦ	ΨΨΨ	Large increase	11 362	2.1	1 994	1 025	1 066	4 085	36.0	6 115	•••
KwaDukuza	HD_Rural		2 701	5 824	9 438	6 737			ΨΨΨ	Increase	2 113	2.8	927	573	425	1 926	91.1	1 745	
KwaDukuza	Regional Centre 2	Stanger RSC	112 621	134 913	189 438	76 817		ΦΦ	ΨΨΨ	Significant increase	56 079	2.4	9 419	3 139	5 267	17 824	31.8	39 453	
KwaDukuza	Sparse Rural		9 736	2 113	1 978	(7 758)	Δ			Major decline	584	3.6	205	161	129	495	84.7	446	
Mandeni	Dense Rural		4 116	1 072	904	(3 212)	Δ			Decline	176	6.1	69	8	47	125	71.3	136	
Mandeni	HD_Rural		34 422	46 821	45 964	11 542		ΦΦ		Large increase	9 430	5.0	5 930	1 322	3 771	11 023	116.9	7 606	
Mandeni	Regional Centre2	Stanger RSC	15 912	4 599	4 024	(11 888)	Δ			Major decline	1 112	4.1	334	106	231	671	60.3	693	•••
Mandeni	Service Town	Isithebe ST	16 727	24 303	27 470	10 743		ΦΦ	ΨΨΨ	Large increase	8 904	2.7	2 025	627	1 059	3 711	41.7	7 636	
Mandeni	Service Town	Mandini ST	34 367	50 457	59 709	25 342		ΦΦ	ΨΨΨ	Significant increase	18 612	2.7	2 631	1 101	1 594	5 325	28.6	13 625	
Maphumulo	Dense Rural		12 673	13 210	11 519	(1 154)	Δ			Decline	2 294	5.8	1 352	1 010	1 827	4 189	182.6	2 017	
Maphumulo	HD_Rural		75 179	69 615	53 588	(21 591)	Δ			Major decline	11 062	6.3	7 102	1 668	7 550	16 320	147.5	9 352	

CLUSTER 3:			POPULATION								HOUSEHOLDS		SERVICE BACKLOGS					INCOME STATUS	
LOCAL MUNICIPALITY	Town or Settlement Type	Town or Settlement Description	1996	2001	2011	CHANGE 1996 - 2011	GROWTH BELOW NATIONAL 2%	LARGE INCREASE	RAPID GROWTH	GROWTH STATUS	NUMBER	SIZE	WATER	SANITATION	ELECTRICITY	TOTAL POINTS	BACKLOG %	POOR HOUSEHOLDS	LESS THAN 70% POOR
Maphumulo	HD_Rural	KWAZULU	16 729	14 008	11 065	(5 664)	Δ			Decline	2 257	6.2	1 711	641	1 730	4 083	180.9	1 927	
Maphumulo	Local or Niche Town	Umphumulo	10 223	14 650	15 563	5 340				Increase	3 303	4.4	2 129	335	1 396	3 860	116.9	2 604	
Maphumulo	Sparse Rural		10 177	8 632	4 990	(5 187)	Δ			Decline	1 055	8.2	758	246	729	1 733	164.3	884	
Ndwedwe	City Region	eThekwini CR	38 277	29 617	28 470	(9 807)	Δ			Major decline	5 445	5.4	2 031	608	3 112	5 750	105.6	4 326	
Ndwedwe	Dense Rural		8 278	8 139	6 694	(1 584)	Δ			Decline	1 195	6.8	1 007	54	1 047	2 108	176.4	1 010	
Ndwedwe	HD_Rural		68 317	75 842	79 503	11 186	Δ	ΦΦ		Large increase	15 977	4.7	5 846	2 101	10 582	18 529	116.0	13 180	
Ndwedwe	HD_Rural	KWAZULU	28 837	16 961	13 300	(15 537)	Δ			Major decline	2 571	6.6	1 427	364	1 974	3 765	146.4	2 193	
Ndwedwe	Regional Centre 2	Stanger RSC	14 372	9 649	9 253	(5 119)	Δ			Decline	2 886	3.3	1 113	628	962	2 704	93.7	2 381	
Ndwedwe	Sparse Rural		5 805	6 039	4 166	(1 639)	Δ			Decline	1 272	4.7	515	406	622	1 543	121.3	1 093	
UMGUNGUNDLOVU																			
Impendle	Dense Rural		1 71	2 038	1 741	30	Δ			Stable	443	4.6	230	11	166	408	92.1	358	
Impendle	HD_Rural		10 685	10 228	8 827	(1 858)	Δ			Decline	2 094	4.9	469	298	257	1 025	48.9	1 779	
Impendle	HD_Rural	KWAZULU	9 355	8 524	7 430	(1 925)	Δ			Decline	1 771	4.8	439	240	246	924	52.2	1 552	
Impendle	Sparse Rural		7 972	6 375	5 155	(2 817)	Δ			Decline	1 312	4.9	562	81	442	1 085	82.7	1 064	
Mkhambathini	City Region	eThekwini CR	13 305	17 474	18 335	5 030				Increase	3 962	4.4	1 069	436	982	2 486	62.8	2 853	
Mkhambathini	Dense Rural		10 902	8 576	8 004	(2 898)	Δ			Decline	1 800	4.8	1 287	145	1 065	2 496	138.6	1 588	
Mkhambathini	HD_Rural		15 653	26 536	30 413	14 760		ΦΦ	ΨΨΨ	Large increase	7 102	3.7	2 976	820	2 456	6 253	88.0	5 616	
Mkhambathini	Sparse Rural		3 582	6 385	6 391	2 809			ΨΨΨ	Increase	2 097	3.0	554	316	701	1 570	74.9	1 700	
Mpofana	HD_Rural		6 466	7 827	6 024	(442)	Δ			Stable	2 240	3.5	249	240	437	927	41.4	1 629	
Mpofana	Local or Niche Town	Mooirivier	9 266	14 153	17 464	8 198		ΦΦ	ΨΨΨ	Large increase	4 889	2.9	81	183	343	608	12.4	3 404	•••
Mpofana	Local or Niche Town	Muden	450	1 803	2 303	1 853			ΨΨΨ	Increase	414	4.4	310	195	380	886	213.9	347	
Mpofana	Sparse Rural		8 231	12 745	12 309	4 078				Increase	2 908	4.4	1 384	914	1 772	4 071	140.0	2 301	
Richmond	City	Pietermaritzburg C	840	1 289	1 409	569			ΨΨΨ	Small increase	299	4.3	19	31	45	95	31.7	214	
Richmond	HD_Rural		10 532	10 261	8 154	(2 378)	Δ			Decline	1 929	5.3	1 242	159	598	1 998	103.6	1 638	
Richmond	HD_Rural	KWAZULU	3 817	4 682	4 547	730	Δ			Small increase	1 119	4.2	247	80	203	530	47.3	987	
Richmond	Local or Niche Town	Hopewell	11 762	10 538	12 577	815	Δ			Small increase	2 743	3.8	202	293	453	949	34.6	1 979	
Richmond	Service Town	Richmond ST	23 992	24 105	27 907	3 915	Δ			Increase	7 298	3.3	1 329	450	819	2 598	35.6	5 780	

CLUSTER 3:			POPULATION								HOUSEHOLDS		SERVICE BACKLOGS					INCOME STATUS	
LOCAL MUNICIPALITY	Town or Settlement Type	Town or Settlement Description	1996	2001	2011	CHANGE 1996 - 2011	GROWTH BELOW NATIONAL 2%	LARGE INCREASE	RAPID GROWTH	GROWTH STATUS	NUMBER	SIZE	WATER	SANITATION	ELECTRICITY	TOTAL POINTS	BACKLOG %	POOR HOUSEHOLDS	LESS THAN 70% POOR
Richmond	Sparse Rural		12 945	12 517	11 201	(1 744)	Δ			Decline	3 050	4.1	1 168	292	927	2 387	78.3	2 470	
Msunduzi	City	Pietermaritzburg C	474 012	553 103	618 537	144 525		ΦΦ		Significant increase	163 996	3.4	12 708	9 342	13 286	35 336	21.5	98 675	•••
uMngeni	City	Pietermaritzburg C	55 300	55 266	69 293	13 993	Δ	ΦΦ		Large increase	21 205	2.6	1 962	1 213	2 525	5 700	26.9	12 541	•••
uMngeni	HD_Rural		6 406	8 328	11 207	4 801			ΨΨΨ	Increase	4 350	1.9	449	174	897	1 521	35.0	2 447	•••
uMngeni	Local or Niche Town	Lidgetton	3 106	4 241	5 159	2 053			ΨΨΨ	Increase	1 996	2.1	297	91	650	1 038	52.0	1 391	•••
uMngeni	Local or Niche Town	Nottingham Road	1 219	2 146	2 110	891			ΨΨΨ	Small increase	902	2.4	25	29	92	146	16.2	570	•••
uMngeni	Sparse Rural		4 566	4 232	4 941	375	Δ			Stable	2 037	2.1	114	73	267	454	22.3	1 181	•••
uMshwathi	City Region	eThekwini CR	6 615	6 741	5 405	(1 210)	Δ			Decline	1 150	5.9	247	19	256	523	45.5	987	
uMshwathi	Dense Rural		13 960	5 642	5 077	(8 883)	Δ			Major decline	1 231	4.6	501	181	715	1 398	113.6	1 014	
uMshwathi	HD_Rural		62 325	68 382	68 541	6 216	Δ			Increase	16 356	4.2	4 818	1 351	3 985	10 153	62.1	13 085	
uMshwathi	Local or Niche Town	Albert Falls	2 981	4 889	6 070	3 089			ΨΨΨ	Increase	2 181	2.2	238	328	690	1 256	57.6	1 774	
uMshwathi	Local or Niche Town	Dalton	3 668	3 591	4 013	345	Δ			Stable	1 490	2.4	169	214	377	760	51.0	986	•••
uMshwathi	Local or Niche Town	New Hanover	1 524	3 341	3 961	2 437			ΨΨΨ	Increase	1 434	2.3	89	233	341	662	46.2	960	•••
uMshwathi	Local or Niche Town	Wartburg	1 858	2 125	2 079	221	Δ			Stable	661	3.2	110	73	149	332	50.2	462	
uMshwathi	Sparse Rural		19 330	13 164	11 224	(8 106)	Δ			Major decline	3 621	3.6	651	517	1 166	2 334	64.4	2 835	
UMKHANYAKUDE																			
Hlabisa	Dense Rural		34 913	32 066	32 496	(2 417)	Δ			Decline	5 359	6.0	3 653	630	2 683	6 966	130.0	4 227	
Hlabisa	HD_Rural		5 301	6 647	6 637	1 336	Δ			Increase	1 200	5.5	463	140	722	1 325	110.4	927	
Hlabisa	HD_Rural	KWAZULU	15 534	18 565	17 667	2 133	Δ			Increase	2 972	6.2	2 178	322	1 224	3 724	125.3	2 355	
Hlabisa	Local or Niche Town	Hlabisa	9 926	9 639	11 738	1 812	Δ			Increase	2 400	4.0	1 004	162	587	1 753	73.0	1 580	•••
Hlabisa	Sparse Rural		858	2 621	3 382	2 524			ΨΨΨ	Increase	655	4.0	278	71	391	740	113.0	505	
Jozini	Dense Rural		54 403	64 589	63 485	9 082	Δ	ΦΦ		Large increase	12 701	5.1	8 744	3 526	10 112	22 382	176.2	10 504	
Jozini	HD_Rural		39 919	48 239	51 043	11 124	Δ	ΦΦ		Large increase	9 875	4.9	4 628	3 865	8 226	16 719	169.3	8 091	
Jozini	HD_Rural	KWAZULU	25 150	36 238	39 157	14 007		ΦΦ		Large increase	8 777	4.1	3 280	1 941	4 492	9 713	110.7	6 676	
Jozini	Local or Niche Town	Ingwavuma	7 378	8 633	9 162	1 784	Δ			Increase	2 066	4.2	1 413	500	1 524	3 437	166.4	1 492	
Jozini	Local or Niche Town	Mkuze	974	3 403	3 119	2 145			ΨΨΨ	Increase	1 242	2.7	155	168	152	476	38.3	896	

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LOCAL MUNICIPALITY	Town or Settlement Type	Town or Settlement Description	1996	2001	2011	CHANGE 1996 - 2011	GROWTH BELOW NATIONAL 2%	LARGE INCREASE	RAPID GROWTH	GROWTH STATUS	NUMBER	SIZE	WATER	SANITATION	ELECTRICITY	TOTAL POINTS	BACKLOG %	POOR HOUSEHOLDS	LESS THAN 70% POOR
Jozini	Local or Niche Town	Ubombo	7 749	5 812	6 246	(1 503)	Δ			Decline	1 424	4.1	866	223	691	1 780	125.0	996	•••
Jozini	Sparse Rural		17 065	16 940	14 309	(2 756)	Δ			Decline	2 768	6.1	1 899	967	2 353	5 219	188.5	2 274	
Mtubatuba	City	Richards Bay C	21 559	37 434	51 380	29 821		ΦΦ	ΨΨΨ	Significant increase	12 273	3.1	3 614	1 563	1 364	6 541	53.3	8 132	•••
Mtubatuba	Dense Rural		44 260	39 165	38 430	(5 830)	Δ			Decline	6 254	6.3	3 955	2 794	3 590	10 339	165.3	5 026	
Mtubatuba	HD_Rural		52 529	55 539	68 761	16 232		ΦΦ		Large increase	12 442	4.5	4 151	5 722	5 541	15 413	123.9	9 903	
Mtubatuba	HD_Rural	KWAZULU	2 868	2 894	2 436	(432)	Δ			Stable	398	7.3	386	209	358	953	239.6	321	
Mtubatuba	Local or Niche Town	Khula Village	5 277	7 675	10 921	5 644			ΨΨΨ	Increase	2 537	3.0	1 111	583	953	2 647	104.3	2 081	
Mtubatuba	Local or Niche Town	St Lucia	1 017	1 015	1 623	606			ΨΨΨ	Small increase	526	1.9	157	187	192	536	102.0	414	
Mtubatuba	Sparse Rural		1 691	1 061	1 815	124	Δ			Stable	466	2.3	156	152	189	498	106.9	374	
The Big 5 False Bay	Dense Rural		4 703	4 710	4 294	(409)	Δ			Stable	779	6.0	309	144	642	1 095	140.5	645	
The Big 5 False Bay	HD_Rural		18 573	23 173	25 810	7 237				Increase	5 054	4.6	1 642	860	3 540	6 043	119.6	4 140	
The Big 5 False Bay	Local or Niche Town	Hluhluwe	1 117	2 366	2 858	1 741			ΨΨΨ	Increase	1 247	1.9	121	139	214	475	38.1	914	
The Big 5 False Bay	Sparse Rural		3 096	1 436	2 347	(749)	Δ			Minor decline	928	1.5	107	112	202	422	45.4	686	
uMhlabuyalingana	Dense Rural		31 641	31 514	32 707	1 066	Δ			Increase	6 644	4.7	2 932	1 317	6 197	10 446	157.2	5 841	
uMhlabuyalingana	HD_Rural		17 955	27 372	27 765	9 810		ΦΦ		Large increase	5 854	4.7	2 101	1 148	4 986	8 235	140.7	4 862	
uMhlabuyalingana	HD_Rural	KWAZULU	13 750	13 874	18 700	4 950				Increase	4 013	3.5	2 333	1 639	3 326	7 298	181.9	3 220	
uMhlabuyalingana	Local or Niche Town	Kwangwanase	5 422	6 583	10 307	4 885			ΨΨΨ	Increase	2 398	2.7	2 158	495	1 969	4 622	192.7	1 908	
uMhlabuyalingana	Local or Niche Town	Manguzi	11 426	14 120	16 455	5 029				Increase	3 963	3.6	2 599	690	3 040	6 329	159.7	3 077	
uMhlabuyalingana	Local or Niche Town	Mbazwana	7 191	8 261	10 939	3 748				Increase	2 317	3.6	585	649	1 820	3 055	131.8	1 852	
uMhlabuyalingana	Sparse Rural		40 127	41 187	39 849	(278)	Δ			Stable	8 663	4.8	5 502	1 584	7 703	14 788	170.7	7 412	
uMzinyathi																			
Endumeni	HD_Rural		260	586	899	639			ΨΨΨ	Small increase	216	2.7	41	24	54	119	55.2	178	
Endumeni	Local or Niche Town	Wasbank	1 434	2 044	2 743	1 309			ΨΨΨ	Increase	615	3.3	143	29	258	430	69.8	358	•••
Endumeni	Service Town	Dundee ST	38 233	44 364	54 338	16 105		ΦΦ		Large increase	14 372	3.1	1 402	770	2 781	4 953	34.5	8 914	•••
Endumeni	Sparse Rural		4 689	4 134	6 879	2 190				Increase	1 647	2.5	282	189	423	895	54.3	1 094	•••
Msinga	Dense Rural		40 450	40 761	39 006	(1 444)	Δ			Decline	8 243	4.9	6 210	2 192	6 810	15 212	184.5	7 292	
Msinga	HD_Rural		25 199	27 975	30 197	4 998	Δ			Increase	6 501	4.3	4 079	534	4 105	8 719	134.1	5 818	

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Msinga	HD_Rural	KWAZULU	52 533	52 739	54 984	2 451	Δ			Increase	11 517	4.6	7 772	4 345	8 808	20 925	181.7	9 967	
Msinga	Local or Niche Town	Keate's Drift	10 218	9 933	12 230	2 012	Δ			Increase	2 839	3.5	956	330	1 619	2 905	102.3	2 466	
Msinga	Local or Niche Town	Pomeroy	2 860	3 980	5 975	3 115			ΨΨΨ	Increase	1 135	3.5	536	696	1 052	2 284	201.2	960	
Msinga	Local or Niche Town	Tugela Ferry	7 337	10 178	15 811	8 474		ΦΦ	ΨΨΨ	Large increase	3 543	2.9	2 082	491	2 642	5 214	147.2	2 760	
Msinga	Local or Niche Town	Zenzele	442	565	1 120	678			ΨΨΨ	Small increase	213	2.6	156	99	181	436	204.8	171	
Msinga	Sparse Rural		25 231	23 183	19 702	(5 529)	Δ			Decline	4 042	5.7	3 339	1 881	3 327	8 547	211.4	3 551	
Nqutu	Dense Rural		36 704	40 762	39 635	2 931	Δ			Increase	7 244	5.6	4 119	1 112	3 997	9 229	127.4	6 121	
Nqutu	HD_Rural		33 998	37 996	34 810	812	Δ			Small increase	6 821	5.6	1 647	867	2 473	4 987	73.1	5 824	
Nqutu	HD_Rural	KWAZULU	19 544	18 767	17 891	(1 653)	Δ			Decline	3 305	5.7	1 129	510	2 426	4 065	123.0	2 901	
Nqutu	Local or Niche Town	Nondweni	11 221	12 427	13 714	2 493	Δ			Increase	2 690	4.6	628	180	737	1 545	57.4	2 257	
Nqutu	Regional Centre 2	Vryheid RSC	8 211	9 927	9 179	968	Δ			Small increase	1 896	5.2	455	435	214	1 104	58.2	1 554	
Nqutu	Service Town	Nqutu ST	13 490	24 328	28 950	15 460		ΦΦ	ΨΨΨ	Large increase	5 907	4.1	898	685	2 212	3 795	64.3	4 516	
Nqutu	Sparse Rural		27 499	25 208	21 126	(6 373)	Δ			Decline	3 751	6.7	2 873	620	2 784	6 277	167.4	3 171	
Umvoti	Dense Rural		10 300	10 308	8 955	(1 345)	Δ			Decline	2 209	4.7	1 577	124	1 923	3 624	164.1	1 933	
Umvoti	HD_Rural		29 523	32 758	33 267	3 744	Δ			Increase	7 804	4.2	5 132	819	1 889	7 840	100.5	6 602	
Umvoti	HD_Rural	KWAZULU	8 216	5 713	4 937	(3 279)	Δ			Decline	1 142	5.0	979	27	229	1 236	108.2	952	
Umvoti	Local or Niche Town	Kranskop	1 356	2 098	2 427	1 071			ΨΨΨ	Increase	708	3.0	333	67	399	798	112.8	596	
Umvoti	Local or Niche Town	Muden	1 028	1 781	4 119	3 091			ΨΨΨ	Increase	978	1.8	485	267	753	1 505	153.9	825	
Umvoti	Service Town	Greytown ST	11 941	18 038	21 033	9 092		ΦΦ	ΨΨΨ	Large increase	7 012	2.6	738	958	1 830	3 526	50.3	4 935	
Umvoti	Sparse Rural		25 187	22 153	28 352	3 165	Δ			Increase	7 430	3.0	3 642	1 461	4 353	9 456	127.3	6 074	
uThukela																			
Emnambithi-Ladysmith	Dense Rural		1 053	2 229	2 338	1 285			ΨΨΨ	Increase	474	4.7	178	79	244	502	105.9	376	
Emnambithi-Ladysmith	HD_Rural		1 952	11 464	9 810	7 858			ΨΨΨ	Increase	1 953	5.9	775	91	366	1 231	63.0	1 688	
Emnambithi-Ladysmith	Local or Niche Town	Van Reenen	366	499	704	338			ΨΨΨ	Stable	112	4.5	81	8	50	139	124.3	78	•••
Emnambithi-Ladysmith	Regional Centre 2	Ladysmith RSC	154 951	201 210	212 638	57 687		ΦΦ		Significant increase	53 297	3.8	8 581	2 841	8 753	20 175	37.9	36 194	•••
Emnambithi-	Sparse Rural		21 273	10 263	11 951	(9 322)	Δ			Major decline	2 220	4.6	1 229	298	962	2 489	112.1	1 684	

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Ladysmith																			
Imbabazane	Dense Rural		3 411	6 066	5 808	2 397			ΨΨΨ	Increase	1 055	5.7	544	119	516	1 179	111.7	915	
Imbabazane	HD_Rural		21	278	389	368			ΨΨΨ	Stable	81	3.4	46	2	14	62	76.5	68	
Imbabazane	Regional Centre 2	Estcourt RSC	116 228	127 559	124 467	8 239	Δ	ΦΦ		Large increase	25 946	4.9	10 614	1 384	6 306	18 305	70.6	20 721	
Imbabazane	Sparse Rural		5 197	4 993	5 001	(196)	Δ			Stable	982	5.1	458	138	329	925	94.2	795	
Indaka	Dense Rural		7 806	9 302	9 100	1 294	Δ			Increase	1 669	5.6	1 600	741	1 224	3 565	213.7	1 522	
Indaka	HD_Rural		8 019	10 303	9 613	1 594	Δ			Increase	1 731	6.0	647	320	653	1 620	93.6	1 511	
Indaka	HD_Rural	KWAZULU	5 209	4 946	4 306	(903)	Δ			Minor decline	772	6.4	624	424	626	1 674	216.9	713	
Indaka	Regional Centre 2	Ladysmith RSC	72 049	81 928	74 155	2 106	Δ			Increase	14 780	5.5	3 670	2 917	5 124	11 711	79.2	12 737	
Indaka	Sparse Rural		6 085	7 097	5 942	(143)	Δ			Stable	1 083	6.6	852	486	755	2 094	193.2	982	
Okhahlamba	Dense Rural		22 178	22 723	20 176	(2 002)	Δ			Decline	3 975	5.7	2 647	1 048	929	4 624	116.3	3 365	
Okhahlamba	HD_Rural		61 427	75 168	70 837	9 410	Δ	ΦΦ		Large increase	15 056	5.0	6 802	1 369	3 522	11 693	77.7	12 488	
Okhahlamba	HD_Rural	KWAZULU	114	5 639	5 230	5 116			ΨΨΨ	Increase	1 020	5.5	707	235	407	1 349	132.3	905	
Okhahlamba	Local or Niche Town	Bergville	4 488	11 475	12 043	7 555			ΨΨΨ	Increase	2 364	4.9	484	222	465	1 171	49.5	1 709	
Okhahlamba	Local or Niche Town	Geluksburg	400	534	587	187				Stable	115	4.7	57	4	56	117	102.0	90	
Okhahlamba	Local or Niche Town	Van Reenen	811	498	522	(289)	Δ			Stable	102	4.9	53	3	51	107	104.5	80	
Okhahlamba	Local or Niche Town	Winterton	1 666	3 839	5 811	4 145			ΨΨΨ	Increase	1 455	2.6	228	119	326	673	46.2	1 087	
Okhahlamba	Sparse Rural		22 801	18 158	16 925	(5 876)	Δ			Decline	3 502	5.2	1 491	492	1 041	3 024	86.4	2 742	
Umtshezi	Dense Rural		3 281	2 936	5 155	1 874				Increase	982	3.0	476	385	500	1 361	138.6	746	
Umtshezi	HD_Rural		3 008	2 248	3 256	248	Δ			Stable	713	3.2	203	211	300	714	100.1	495	•••
Umtshezi	Local or Niche Town	Weenen	5 567	7 561	14 088	8 521		ΦΦ	ΨΨΨ	Large increase	2 556	3.0	1 610	1 546	1 750	4 906	191.9	2 208	
Umtshezi	Regional Centre 2	Estcourt RSC	14 639	20 366	25 829	11 190		ΦΦ	ΨΨΨ	Large increase	6 924	2.9	803	983	1 097	2 884	41.7	4 256	•••
Umtshezi	Sparse Rural		6 170	7 967	12 169	5 999			ΨΨΨ	Increase	2 366	3.4	1 291	1 071	1 223	3 586	151.5	1 841	
uThungulu																			
Mfolozi	City	Richards Bay C	24 245	30 224	45 126	20 881		ΦΦ	ΨΨΨ	Large increase	11 084	2.7	2 267	2 034	1 960	6 261	56.5	8 113	
Mfolozi	Dense Rural		12 947	20 602	17 734	4 787				Increase	3 229	6.4	1 360	434	660	2 453	76.0	2 532	
Mfolozi	HD_Rural		57 642	52 185	56 951	(691)	Δ			Minor decline	10 558	4.9	2 470	2 103	1 397	5 970	56.6	8 453	

CLUSTER 3:			POPULATION								HOUSEHOLDS		SERVICE BACKLOGS					INCOME STATUS	
LOCAL MUNICIPALITY	Town or Settlement Type	Town or Settlement Description	1996	2001	2011	CHANGE 1996 - 2011	GROWTH BELOW NATIONAL 2%	LARGE INCREASE	RAPID GROWTH	GROWTH STATUS	NUMBER	SIZE	WATER	SANITATION	ELECTRICITY	TOTAL POINTS	BACKLOG %	POOR HOUSEHOLDS	LESS THAN 70% POOR
Mfolozi	Sparse Rural		1 389	3 416	3 074	1 685			ΨΨΨ	Increase	713	4.8	338	168	149	656	92.0	554	
Mthonjaneni	Dense Rural		10 217	13 383	13 386	3 169				Increase	2 569	5.2	1 247	472	753	2 471	96.2	2 113	
Mthonjaneni	HD_Rural		6 540	8 284	7 643	1 103	Δ			Increase	1 374	6.0	742	374	702	1 819	132.4	1 109	
Mthonjaneni	HD_Rural		10 936	12 867	12 203	1 267	Δ			Increase	2 119	6.1	1 276	529	1 036	2 840	134.1	1 728	
Mthonjaneni	Local or Niche Town	Melmoth	3 760	8 171	9 023	5 263			ΨΨΨ	Increase	3 190	2.6	270	436	473	1 179	37.0	2 268	
Mthonjaneni	Sparse Rural		6 769	7 830	5 563	(1 206)	Δ			Decline	1 179	6.6	406	159	276	842	71.4	957	
Nkandla	Dense Rural		44 360	44 972	37 662	(6 698)	Δ			Decline	7 269	6.2	3 635	1 578	5 329	10 541	145.0	6 038	
Nkandla	HD_Rural		29 133	27 890	25 746	(3 387)	Δ			Decline	4 925	5.7	1 553	870	1 956	4 380	88.9	4 011	
Nkandla	HD_Rural	KWAZULU	23 196	22 706	21 679	(1 517)	Δ			Decline	4 209	5.4	1 411	782	1 913	4 106	97.5	3 209	
Nkandla	Local or Niche Town	Dlolwana	5 804	6 901	5 043	(761)	Δ			Minor decline	1 064	6.5	540	268	942	1 751	164.5	863	
Nkandla	Local or Niche Town	Nkandla	5 916	10 316	9 254	3 338				Increase	2 168	4.8	305	163	210	677	31.2	1 460	•••
Nkandla	Sparse Rural		19 893	19 140	13 581	(6 312)	Δ			Decline	2 522	7.6	1 187	702	1 793	3 682	146.0	2 053	
Ntambanana	Dense Rural		11 688	16 428	12 922	1 234	Δ			Increase	2 117	7.8	1 259	888	1 358	3 505	165.6	1 763	
Ntambanana	HD_Rural		39 451	41 819	37 630	(1 821)	Δ			Decline	6 624	6.3	2 840	1 199	1 866	5 905	89.1	5 297	
Ntambanana	HD_Rural	KWAZULU	9 880	13 066	10 453	573	Δ			Small increase	1 658	7.9	1 256	1 051	970	3 277	197.6	1 381	
Ntambanana	Local or Niche Town	Ntambanana	4 003	6 687	6 636	2 633			ΨΨΨ	Increase	1 203	5.6	663	366	243	1 272	105.7	988	
Ntambanana	Sparse Rural		5 788	6 916	6 694	906	Δ			Small increase	1 222	5.7	684	454	431	1 569	128.4	983	
uMhlathuze	City	Richards Bay C	188 842	279 364	326 030	137 188		ΦΦ	ΨΨΨ	Significant increase	85 108	3.3	3 201	6 681	4 891	14 772	17.4	47 904	•••
uMhlathuze	HD_Rural		6 901	9 474	7 748	847	Δ			Small increase	1 284	7.4	565	389	764	1 719	133.8	1 052	
uMhlathuze	Sparse Rural		6	268	688	682			ΨΨΨ	Small increase	221	1.2	1	1	1	3	1.4	39	•••
uMlalazi	City	Richards Bay C	19 314	13 565	14 903	(4 411)	Δ			Decline	2 980	4.6	1 109	498	493	2 100	70.5	2 180	
uMlalazi	Dense Rural		65 559	62 403	57 953	(7 606)	Δ			Major decline	10 996	5.7	5 929	4 594	6 784	17 307	157.4	9 234	
uMlalazi	HD_Rural		81 702	87 959	85 152	3 450	Δ			Increase	16 633	5.3	6 393	6 480	6 679	19 552	117.5	13 269	
uMlalazi	Local or Niche Town	Amatikulu	2 481	2 074	1 339	(1 142)	Δ			Decline	437	4.7	99	143	57	299	68.4	292	•••
uMlalazi	Local or Niche Town	Gingindlovu	7 758	2 827	2 306	(5 452)	Δ			Decline	687	4.1	118	163	81	361	52.6	427	•••
uMlalazi	Local or Niche Town	Zigagayi	1 138	1 467	1 135	(3)	Δ			Stable	308	4.8	107	58	45	211	68.5	264	
uMlalazi	Service Town	Eshowe ST	24 574	26 305	29 828	5 254	Δ			Increase	8 849	3.0	1 188	1 241	1 850	4 279	48.4	5 580	•••

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LOCAL MUNICIPALITY	Town or Settlement Type	Town or Settlement Description	1996	2001	2011	CHANGE 1996 - 2011	GROWTH BELOW NATIONAL 2%	LARGE INCREASE	RAPID GROWTH	GROWTH STATUS	NUMBER	SIZE	WATER	SANITATION	ELECTRICITY	TOTAL POINTS	BACKLOG %	POOR HOUSEHOLDS	LESS THAN 70% POOR
uMlalazi	Sparse Rural		27 360	24 741	20 983	(6 377)	Δ			Decline	4 171	5.9	2 441	1 631	2 837	6 909	165.6	3 438	
Zululand																			
Abaqulusi	Dense Rural		8 120	10 846	10 711	2 591				Increase	1 958	5.5	500	359	695	1 554	79.3	1 572	
Abaqulusi	HD_Rural		4 153	3 167	5 462	1 309				Increase	908	3.5	593	472	567	1 632	179.7	753	
Abaqulusi	Local or Niche Town	Coronation	7 873	9 281	9 644	1 771	Δ			Increase	1 945	4.8	635	636	715	1 986	102.1	1 526	
Abaqulusi	Local or Niche Town	Enyati	770	1 007	1 759	989			ΨΨΨ	Small increase	313	3.2	242	196	204	643	205.4	267	
Abaqulusi	Local or Niche Town	Louwsburg	3 384	3 554	5 630	2 246			ΨΨΨ	Increase	1 093	3.3	488	340	491	1 320	120.7	900	
Abaqulusi	Local or Niche Town	Mpumalanga	915	2 565	2 763	1 848			ΨΨΨ	Increase	583	4.4	307	219	263	789	135.4	474	
Abaqulusi	Regional Centre 2	Vryheid RSC	91 070	122 519	128 178	37 108		ΦΦ		Significant increase	28 510	4.3	3 061	2 357	4 414	9 832	34.5	20 032	
Abaqulusi	Sparse Rural		48 298	38 341	46 918	(1 380)	Δ			Decline	7 987	4.8	3 804	2 909	4 727	11 439	143.2	6 252	
eDumbe	Dense Rural		7 271	8 716	6 387	(884)	Δ			Minor decline	1 152	7.6	456	142	471	1 068	92.7	996	
eDumbe	HD_Rural		2 613	3 567	3 928	1 315				Increase	718	5.0	412	253	499	1 164	162.2	559	
eDumbe	Local or Niche Town	Paul-Pietersburg	35 581	45 062	48 388	12 807		ΦΦ		Large increase	10 028	4.5	1 389	448	2 362	4 199	41.9	8 053	
eDumbe	Sparse Rural		21 010	24 943	23 353	2 343	Δ			Increase	4 241	5.9	2 108	1 165	2 679	5 951	140.3	3 385	
Nongoma	Dense Rural		63 724	62 387	56 756	(6 968)	Δ			Decline	9 344	6.7	7 168	4 705	4 167	16 040	171.7	7 726	
Nongoma	HD_Rural		81 949	93 843	84 957	3 008	Δ			Increase	14 574	6.4	10 243	5 584	6 062	21 890	150.2	11 717	
Nongoma	HD_Rural	KWAZULU	35 955	35 289	45 651	9 696	Δ	ΦΦ		Large increase	9 214	3.8	3 499	1 398	1 295	6 193	67.2	6 477	
Nongoma	Sparse Rural		7 895	7 185	7 545	(350)	Δ			Stable	1 207	6.0	722	851	962	2 535	210.1	1 042	
Ulundi	Dense Rural		60 942	58 260	53 023	(7 919)	Δ			Major decline	8 793	6.6	5 924	3 094	3 650	12 668	144.1	7 191	
Ulundi	HD_Rural		14 206	17 048	16 675	2 469	Δ			Increase	2 858	6.0	1 476	817	979	3 273	114.5	2 258	
Ulundi	HD_Rural	KWAZULU	33 445	36 424	36 233	2 788	Δ			Increase	6 447	5.7	2 712	1 791	2 196	6 700	103.9	5 082	
Ulundi	Local or Niche Town	Babanango	737	1 593	2 264	1 527			ΨΨΨ	Increase	469	3.4	144	117	166	427	91.2	357	
Ulundi	Local or Niche Town	Ceza	10 304	12 303	11 062	758	Δ			Small increase	1 852	6.6	1 176	906	544	2 625	141.7	1 432	
Ulundi	Local or Niche Town	Mahlabatini	6 962	6 999	7 452	490	Δ			Stable	1 419	4.9	240	179	186	605	42.6	1 061	
Ulundi	Service Town	Ulundi ST	30 627	43 677	47 883	17 256		ΦΦ		Large increase	10 878	4.0	557	600	714	1 871	17.2	6 730	•••
Ulundi	Sparse Rural		13 809	12 533	13 723	(86)	Δ			Stable	2 478	5.1	1 129	817	909	2 856	115.2	1 940	

CLUSTER 3:			POPULATION								HOUSEHOLDS		SERVICE BACKLOGS					INCOME STATUS	
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uPhongolo	Dense Rural		8 093	8 330	7 367	(726)	Δ			Minor decline	1 275	6.5	596	302	478	1 376	107.8	1 067	
uPhongolo	HD_Rural		51 156	62 916	66 851	15 695		ΦΦ		Large increase	13 104	4.8	5 079	3 153	3 479	11 711	89.4	10 673	
uPhongolo	Service Town	Pongola ST	20 591	28 392	31 982	11 391		ΦΦ		Large increase	9 420	3.0	2 359	2 610	1 315	6 285	66.7	7 325	
uPhongolo	Sparse Rural		17 883	20 489	21 034	3 151	Δ			Increase	4 971	4.1	2 321	2 631	2 495	7 447	149.8	3 936	

Figure 4.6 provides a summary view of population growth and decline in the region as well as areas where there is also a high demand for basic services. Note the cluster of service backlog points in the vicinity of Nongoma, Msinga, Greytown and Msunduzi. Figure 4.7, on the other hand, shows pockets where there is a high demand for basic services, high population densities and areas of growth. These areas should be prioritised for attention with regards to the provision of services, specifically for water and sanitation.

With respect to water, sanitation and electricity services, the opportunity exists to explore the application of off-grid, alternative and more "green" service provision. This is especially relevant to smaller remote settlements and those people living in more rural circumstances. It is also highly pertinent to those areas where the population is declining and where services may not be required in future. In the case of social services, a high reliance on periodic services, e-government or agency type services will be more appropriate for the more sparely populated areas.

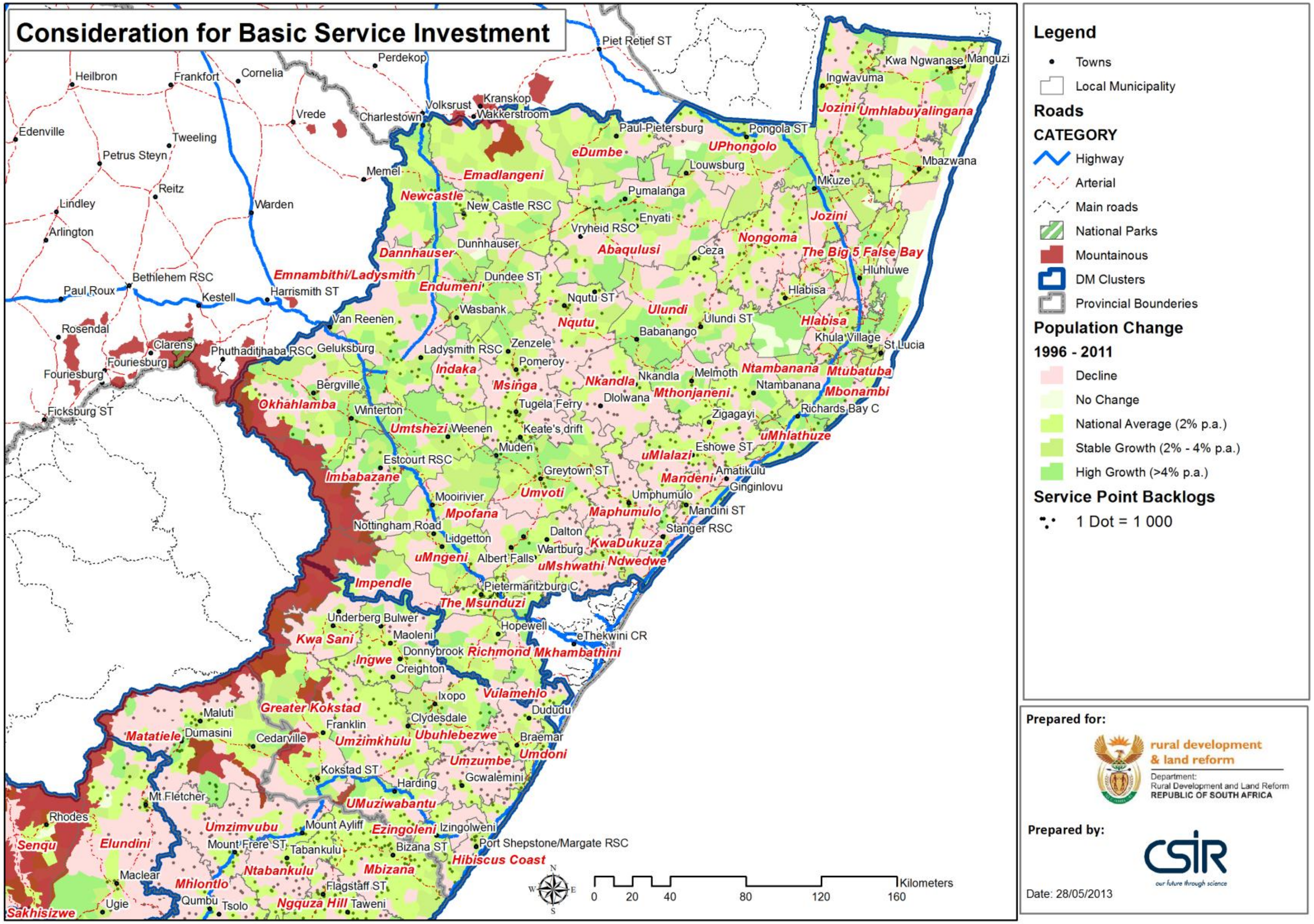


Figure 4.6: Regional overview of population growth and decline in relation to service point backlogs for basic services

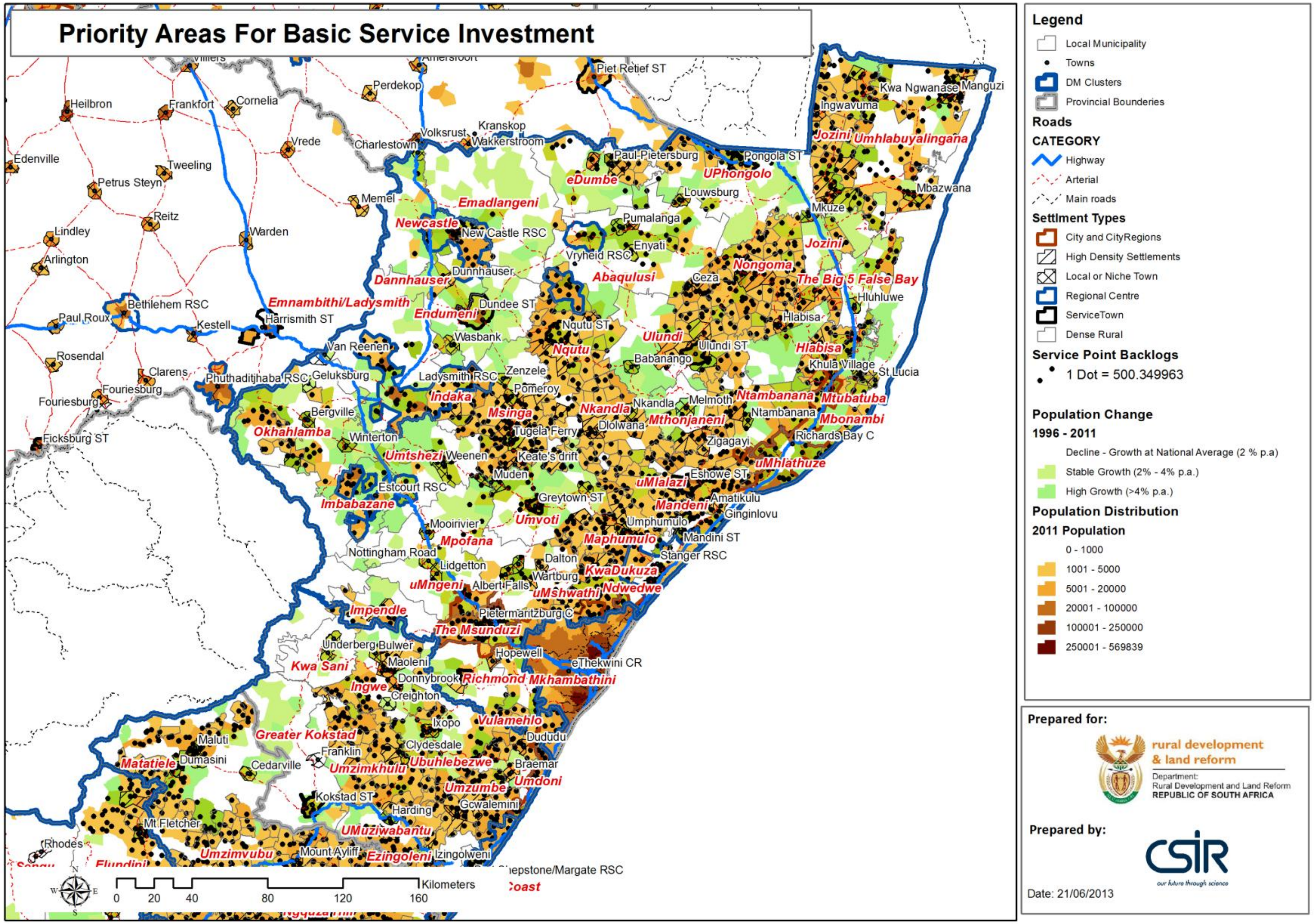


Figure 4.7: Regional indication of pockets of high basic service demands, high population densities and growth

IMPLICATIONS:

The area is largely densely populated; however, there is a trend for people to move to towns and a more concentrated pattern of development is emerging. This, together with low levels of employment and high dependency ratios, has resulted in a set of towns and settlements that are characterised by concentrations of lower income households and significant backlogs in terms of service delivery for water and sanitation and to a lesser extent electricity. Given the cost of service provision, the concentrated settlement pattern probably makes service delivery more viable. Huge backlogs and high unemployment rates create ideal opportunities for alternative approaches to basic service provision and job creation.

5. Where are the economic development strengths, sectors and areas in the priority rural districts?

The purpose of this analysis is to identify existing strongholds of economic activity and resource potential in districts, i.e. areas with relatively high economic activity and employment functions; economic diversification across sectors; and areas with resource based potential for agriculture, mining or natural resources. In addition, spatial concentrations of sector specific activity as well as employment and infrastructure investment initiatives need to be considered. In order to answer these specific questions, the analysis reviewed the economic data with respect to four sub-themes as indicated below.

Theme 3: Identify areas characterised by high levels of economic development and/or market accessibility

1. High levels of economic activity and/or growth
2. Areas with high levels of economic and government services - range of sectors
3. Areas with high market potential, measured by high levels of proximity to household income
4. High levels of accessibility

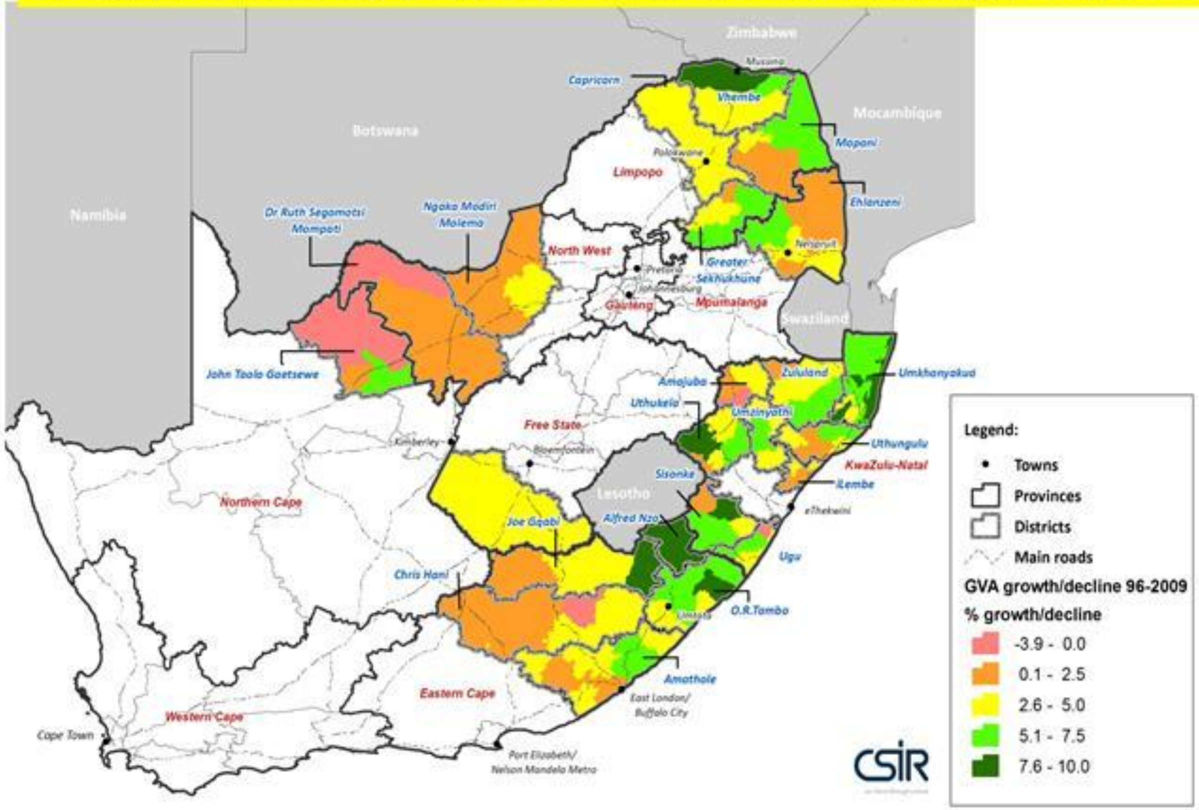
5.1 High levels of economic activity or growth

Figure 5.1 provides a global overview of the economic growth and decline of the 23 districts. From this we see that, on the one hand, uThukela – with the main focus on the Okhahlamba, the Hlabisa and Jozini LMs – as well as the coastal stretch of the uMkhanyakude DM have shown the highest growth in this cluster (between 7.5-10%). On the other hand, large parts of Amajuba District (Dannhauser LM) are declining in economic terms. Other area of economic growth include Nongoma and Ulundi in Zululand, Umtshezi and Indaka in uThukela, and Msinga in uMzinyathi which are growing by 5.1 to 7.5% . The economies of all other areas show growth of between 0.1 and 5% per annum over the period 1996 and 2009 in spite of the recent economic downturn and the largely low base of economic activity in the priority rural areas (23 districts).

In terms of economic activity, the significance of the resource base particularly in the northern and central parts of the country is well recognised – especially in terms of the potential for job opportunities within the National Development Plan. In terms of providing opportunities for up-scaling rural development, it is significant to note that more than 34% of the national agriculture gross domestic product in 2009, and almost 20% of that of mining, were generated within the 23 priority districts. Given municipal growth trends for mining and agricultural production, it is evident that priority rural districts in the KwaZulu-Natal play a key role. In terms of agriculture, the districts of Zululand, uThukela, uThungulu and uMgungundlovu have shown high growth, while in mining production parts of the Zululand, eThekwini and again uMgungundlovu districts show growth as seen in Figure 5.2.

Economic strengths and growth – slow but upwards in the eastern parts

Eastern areas illustrating sustained growth 1996-2009 (even though from low base)

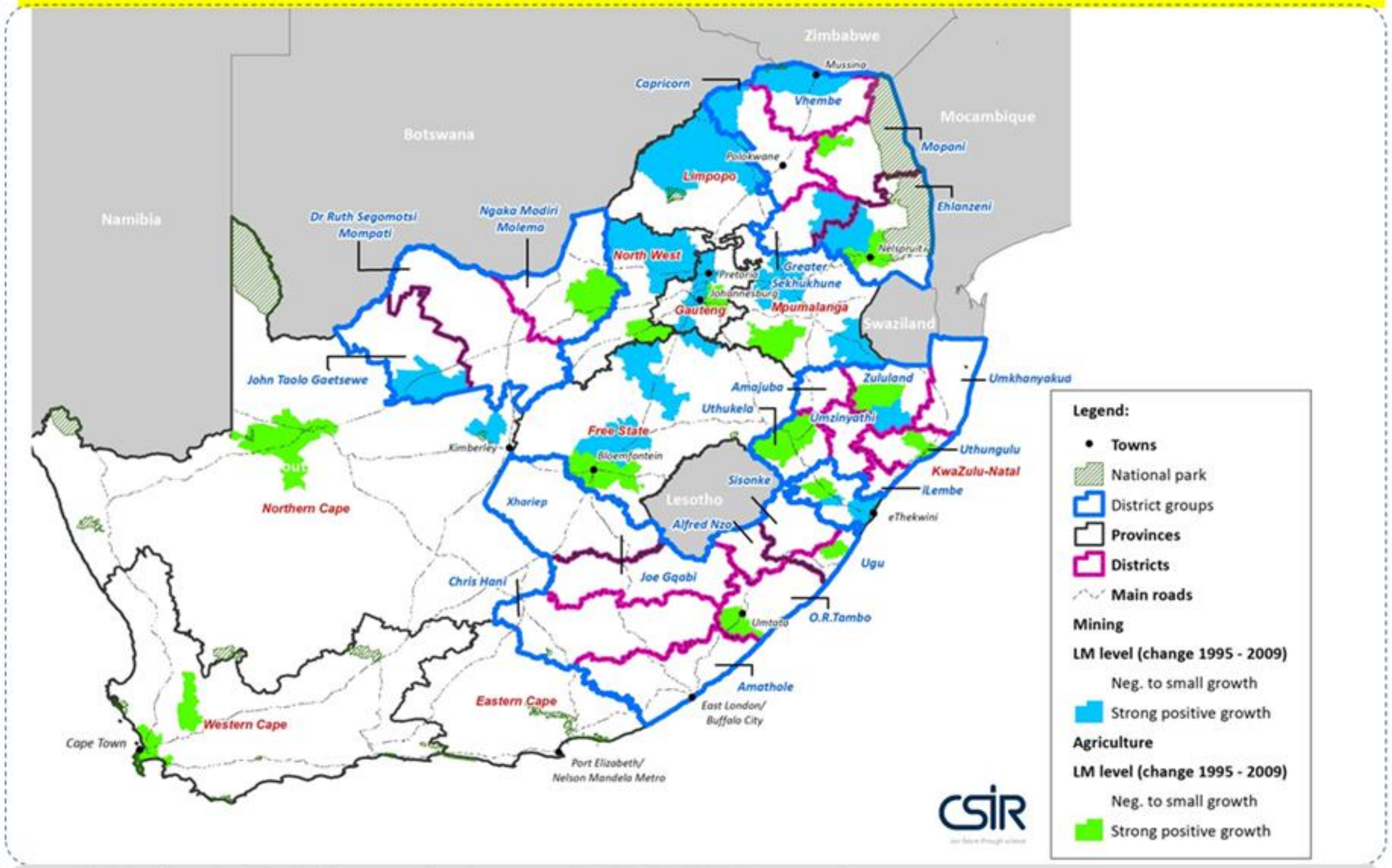


The map indicates Economic GVA growth in the period 1996-2009 for 23 districts only. Taking all economic sectors into account: Mussina LM (Vhembe), Okhahlamba LM (Uthulelo), Ingwe LM (Sisonke) , Matatiele LM (Alfred Nzo), Elundini LM (Joe Gqabi), and Ngquza Hill LM (OR Tambo) have shown the largest growth. Comparatively the districts in the western part of SA have performed poorly with some (Group1) showing a declining economy.

Figure 5.1: Economic strengths and growth (1996-2009)

Economic strengths: National significance in resource based economy

Local Municipalities where Mining & Agriculture has experienced positive growth



- 34.3% of national agriculture production occurs in 23 DMs (2007, Quantec)
- 19.8% of national mining production takes place in the 23 DMs (2007, Quantec)

Mining growth prevalent in the following areas: Ga-segonyana LM (John Toalo Gaetsewe), Mussina LM (Vhembe), Greater Tubatse LM (Sekhukhune), Thaba Chweu LM (Ehlanzeni) and Ulundi LM (Zululand).

Figure 5.2: National significance in resource based economy

5.2 Economic analysis by main economic sectors – employment perspective

To identify where the economy is highly reliant on the services sector and specifically government services, a more detailed spatial-geographic analysis was conducted of economic activity for all 9 sectors for the 2009 data. The comparative overview of the economy (GVA) within the various municipalities for this time period is set out in the graph in Figure 5.3. Here we see the sectors of Manufacturing, Wholesale and Retail (Tourism) and Community and Social Service Provision all featuring fairly strongly. If we review data from an employment perspective, the picture is somewhat different and we see that a larger role is played by a single sector, that is Community and Government services (see Figure 5.4). Table 5.1 that follows provides greater detail on the number of jobs in each of the main nine sectors of the economy. The role that the Government and Community services sector plays in terms of both job creation and economic activity in the seven districts is clearly evident. It accounts for the majority of employment in all of the respective districts and is the largest contributor to the economy in uMkhanyakude (34%), uMzinyathi (26%), and Zululand (28%). The majority of the GVA in iLembe, uThungulu, uThukela and Amajuba is generated from the Manufacturing sector (32%, 32%, 25% and 34% respectively), while the Wholesale and Retail Trade (incorporating Tourism) sector contributes significantly to all the districts.

It is of concern that in terms of employment, the Government and Community Services sector is the largest contributor in terms of employment. The data reveals that in all seven districts this sector employs from 32% to 50% of the employed population. The uMkhanyakude District has 50% of its employed people in this sector. The Wholesale Retail and Trade sector seems to be the second highest employer in Zululand, uThungulu, uThukela, uMzinyathi and UMkhanyakude – accounting for 16% to 21% of those employed. In the Amajuba and iLembe districts, the Manufacturing sector comes second in terms of employment, with 17% and 20% of jobs in this sector in the respective districts. As is expected for a more urbanised area, the Financial Services sector is the second highest in uMgungundlovu.

We see that in terms of employment and GVA production there is a major difference in sector contribution (as to the sectors that contribute most to the economy and the sectors that employ the most people). The economies of this cluster are somewhat diversified; however, the dominant role that the Government and Community Services sector plays in all regions is a concern. The other sectors to feature strongly are the Manufacturing sector and the Wholesale and Retail sector. The latter sector includes tourism, a key income earner in this area with its well-developed coastal tour destinations and many game reserves, mountain resorts, battlefields, cultural tourism and natural beauty. These sectors should be further supported to enhance job creation and to alleviate poverty. It is important to note that although agricultural production from a national perspective shows that some KZN districts are showing significant growth in terms of both agriculture and mining; in no district are they prominent with respect to either GVA or employment. Agriculture is ranked third in terms of employment in three LMs. (See Tables 5.1 and 2.1 – a summarised table on employment and GVA)

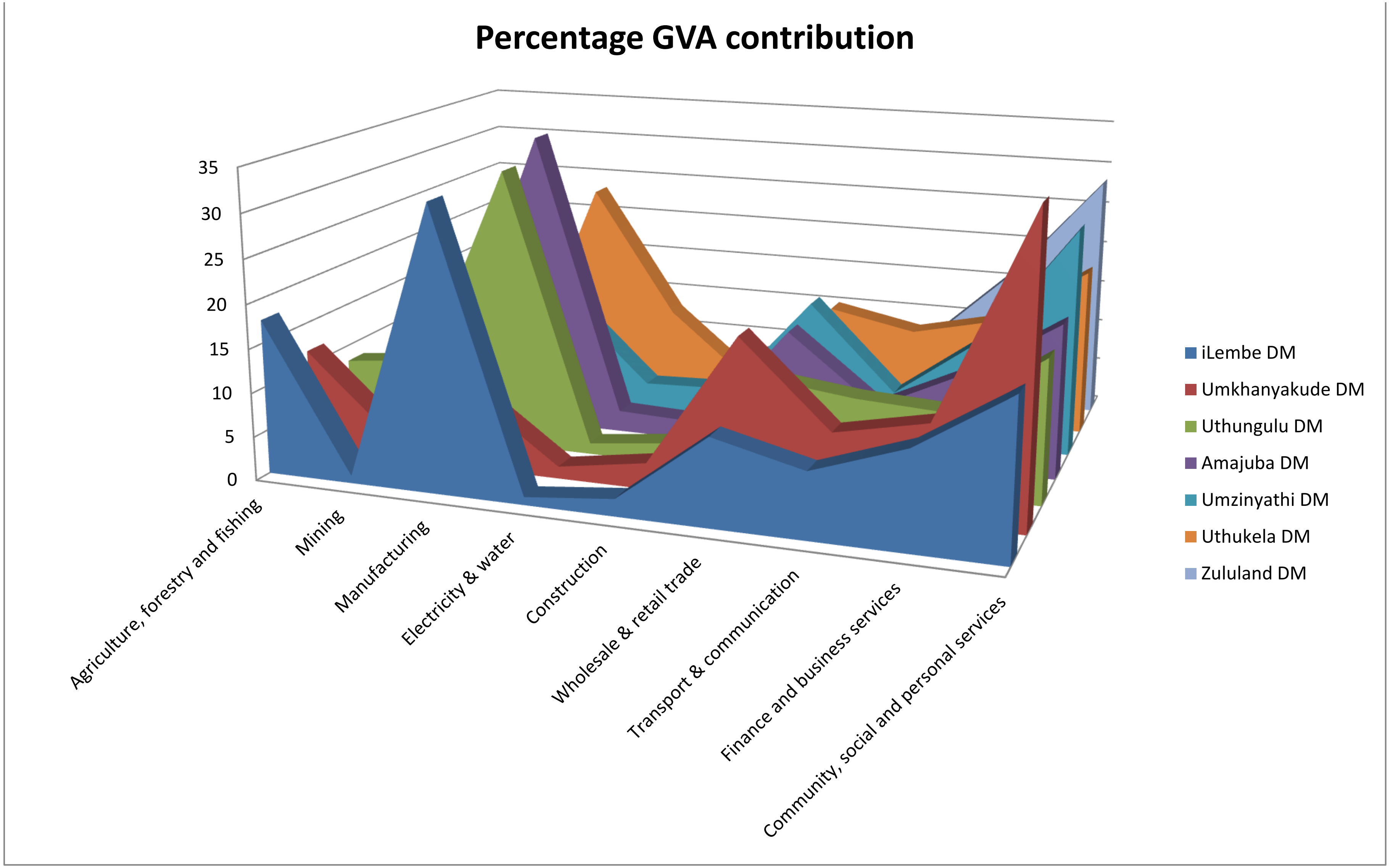


Figure 5.3: Economic contribution by the various sectors at LM level (2009)

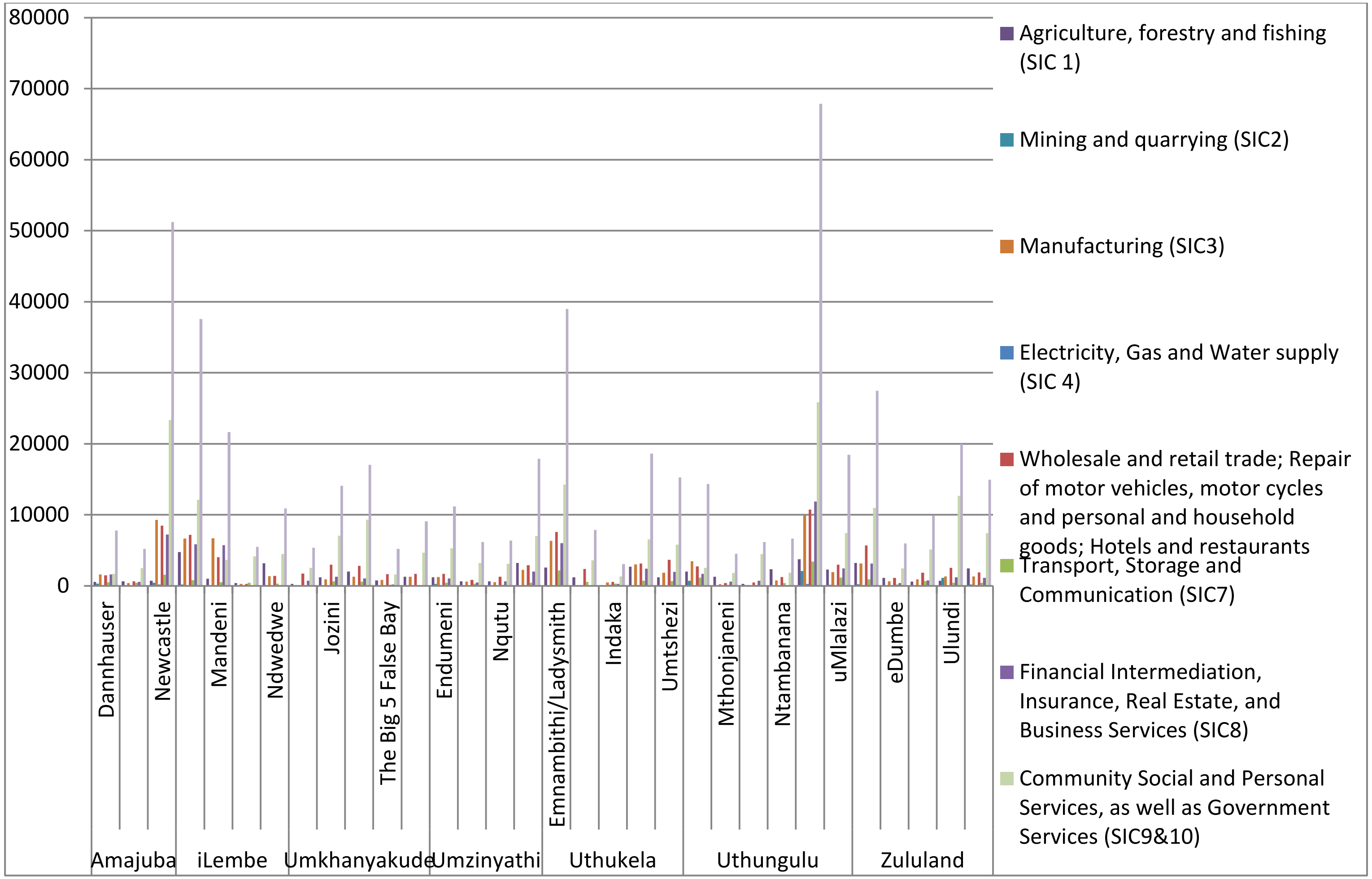


Figure 5.4: Employment for the various sectors at LM level (2009)

Table 5.1 shows the very low employment rates for the districts. The three largest sectors are highlighted for each district. (Red being the highest, orange the second highest and yellow the third). The employment rates within this cluster are extremely low; this is a national trend. uThungulu DM has the highest overall employment rate at 13% which is, however, still very low. Some LMs have a significantly higher employment rate than their district's overall rate (those above 20% are shaded green).

Table 5.1: Comparative economic activity per local municipality – employment focus

District Municipality	Local Municipality	Total GVA (R Millions)	Total 2011 Population	Employment total for 2009	Percentage Employed	Employment – number of jobs per sector							
						Agriculture, forestry and fishing (SIC 1)	Mining and quarrying (SIC 2)	Manufacturing (SIC 3)	Electricity, Gas and Water supply (SIC 4)	Wholesale and retail trade; Repair of motor vehicles, motor cycles and personal and household goods; Hotels and restaurants	Transport, Storage and Communication (SIC 7)	Financial Intermediation, Insurance, Real Estate, and Business Services (SIC 8)	Community Social and Personal Services, as well as Government Services (SIC9&10)
Amajuba	Dannhauser	1832.06	102161	7800	7.64%	569.391	293.8184	1589.088	94.36512	1472.944	503.8819	1604.302	1673.488
	eMadlangeni	975.0047	34448	5185	15.05%	617.2571	53.89326	391.3944	18.23707	624.4597	432.0403	547.8155	2496.267
	Newcastle	8930.016	363233	51197	14.09%	696.6087	438.5203	9267.242	196.3503	8458.829	1563.393	7225.294	23353.3
Total		11737.08	499842	64182	12.84%	2.93%	1.23%	17.52%	0.48%	16.45%	3.89%	14.61%	42.88%
iLembe	KwaDukuza	6554.36	230617	37553	16.28%	4747.551	179.7408	6668.611	49.4128	7176.248	782.3406	5846.312	12104.11
	Mandeni	3841.835	138071	21641	15.67%	1002.887	0	6696.203	9.57508	4009.367	510.679	5727.391	3683.512
	Maphumulo	778.0134	96725	5477	5.66%	381.5841	0	257.691	5.94214	266.1657	416.5256	0	4149.031
	Ndwedwe	1782.71	141386	10895	7.71%	3171.032	63.94479	1360.107	46.99742	1382.76	296.9428	81.29298	4492.199
Total		12956.92	606799	75566	12.45%	12.31%	0.32%	19.83%	0.15%	16.98%	2.66%	15.42%	32.33%
uMgungundlovu	Impendle	390.2364	31945	2696	8.44%	810.8551	0	0	0	411.2512	196.1593	259.7922	1022.229
	Mkhambathini	1142.323	63143	6329	10.02%	2029.161	0	1099.832	9.78973	539.8801	255.8306	838.4258	1555.271
	Mpofana	1140.798	38100	6828	17.92%	1539.997	0	810.6494	6.95812	1246.354	216.4504	819.642	2187.955
	Richmond	1740.576	65795	10827	16.46%	2298.76	0	1737.487	13.07778	1205.645	160.2771	1783.882	3627.827
	Msunduzi	28189.49	618537	134827	21.80%	4007.386	1676.122	20134.48	563.3593	18624.28	6156.826	23534.74	60129.66

	uMngeni	4547.337	92710	21910	23.63%	3488.145	0	2849.663	32.60669	3579.642	603.5595	3232.657	8121.186
	uMshwathi	2659.125	106370	14434	13.57%	3604.7	39.72219	2212.867	54.2792	1369.818	459.7623	1470.687	5223.203
Total		39809.89	1016600	197851	19.46%	8.99%	0.87%	14.58%	0.34%	13.63%	4.07%	16.14%	41.38%
uMkhanyakude	Hlabisa	619.539	71920	5355	7.45%	291.6555	0	0	12.27041	1729.409	61.94113	719.5097	2539.958
	Jozini	2029.9	186521	14099	7.56%	1216.211	3.37107	904.009	7.86452	2966.161	639.6077	1289.296	7073.126
	Mtubatuba	2677.3	175366	17051	9.72%	1999.422	0	1291.376	16.78279	2799.649	605.6652	1028.684	9306.972
	The Big 5 False Bay	888.4828	35309	5199	14.72%	770.4209	0	832.4285	23.0906	1643.183	134.1351	206.0318	1587.892
	uMhlabuyalingana	1380.437	156722	9080	5.79%	1266.322	0	1287.986	41.10893	1697.667	116.8593	0	4669.918
Total		7595.659	625838	50784	8.11%	10.92%	0.01%	8.50%	0.20%	21.34%	3.07%	6.39%	49.58%
uMzinyathi	Endumeni	2402.375	64859	11196	17.26%	1213.844	269.0336	1239.415	70.90337	1668.481	420.3348	1019.415	5291.911
	Msinga	923.3943	179025	6163	3.44%	640.8564	0	607.5683	11.77946	854.8303	324.4404	493.634	3228.925
	Nqutu	1014.865	165305	6388	3.86%	646.6904	63.80512	532.763	3.97992	1278.175	157.9228	620.8608	3083.628
	Umvoti	2973.303	103090	17877	17.34%	3206.76	0	2264.188	63.27077	2906.158	417.012	2013.76	7003.725
Total		7313.937	512279	41624	8.13%	13.71%	0.80%	11.16%	0.36%	16.11%	3.17%	9.96%	44.71%
uThukela	Emnambithi-Ladysmith	6812.771	237441	38975	16.41%	2570.611	0	6311.465	76.64089	7582.755	2185.09	5994.829	14253.59
	Imbabazane	1167.937	135665	7862	5.80%	1218.994	0	0	51.24235	2360.546	557.0131	88.05448	3586.547
	Indaka	651.0568	103116	3076	2.98%	74.13303	0	464.1284	130.8305	536.6913	296.9446	251.6968	1322.577
	Okhahlamba	3507.527	132131	18610	14.08%	2687.885	0	3027.326	92.41237	3133.937	719.2499	2409.24	6539.536
	Umtshezi	3224.255	60497	15242	25.19%	1188.588	51.75381	1854.842	38.88313	3655.46	683.2061	1968.892	5800.393
Total		15363.55	668850	83765	12.52%	9.24%	0.06%	13.92%	0.47%	20.62%	5.30%	12.79%	37.61%
uThungulu	Mfolozi	3197.183	122885	14328	11.66%	2027.134	702.1853	3447.508	49.33997	2739.625	1155.112	1672.084	2535.136
	Mthonjaneni	682.8965	47818	4508	9.43%	1295.467	0	241.8517	10.14097	401.6769	147.0011	609.0741	1803.494
	Nkandla	738.4561	112965	6172	5.46%	265.1001	0	107.7782	8.5161	470.3177	128.7719	704.7131	4485.69
	Ntambanana	1155.354	74335	6637	8.93%	2336.557	37.83401	763.7821	14.74841	1249.79	403.0001	0	1831.761
	uMhlathuze	17270.65	334466	67845	20.28%	3742.036	2070.578	9925.449	272.9734	10716.75	3427.192	11850.08	25839.88
	uMlalazi	3308.383	213599	18468	8.65%	2288.305	145.8637	1931.262	23.84886	2993.676	1178.755	2461.765	7441.879
Total		26352.92	906068	117958	13.02%	10.13%	2.51%	13.92%	0.32%	15.74%	5.46%	14.66%	37.25%

Zululand	Abaqulusi	5086.271	211065	27461	13.01%	3217.126	235.6896	3144.096	118.8578	5668.491	935.7854	3157.45	10983.26
	eDumbe	950.8596	82056	5962	7.27%	1103.685	65.70779	641.3913	21.39328	1109.53	197.2987	385.6955	2437.311
	Nongoma	1711.775	194909	9922	5.09%	590.7005	0	902.5325	8.4612	1866.366	664.3751	751.5747	5139.244
	Ulundi	4275.177	188315	19997	10.62%	720.4113	1106.079	1306.974	42.28403	2520.659	445.2147	1190.572	12670.57
	uPhongolo	2553.555	127234	14951	11.75%	2456.198	204.3286	1330.873	68.98024	1892.368	442.9425	1122.095	7435.419
Total		14577.64	803579	78293	9.74%	10.33%	2.06%	9.36%	0.33%	16.68%	3.43%	8.44%	49.39%

The low employment rates are probably exacerbated by the low skills levels. Figure 5.5 provides a breakdown of the education levels for the districts in comparison with the national average for all other non-metro areas. These areas lag behind in respect to most categories of schooling. The districts have 15% rates of unschooled people. People with matric or post matric qualifications make up around 20% of the districts' population generally. Unlike the rest of the priority districts, the level of matric or post matric qualifications is close to the national average of approximately 20% of the population. uMkhanyakude and uMzinyathi districts are, however, the worst off in this respect. These districts have a larger percentage of their population with no schooling and less people with matric or post-matric qualifications than the national average. It can be argued that where economic prospects, affordability and school access are better, so too is education. Availability of role models and jobs prospects can have a positive impact on motivation, aspirations and the ability to attain matric and post-matric qualifications.

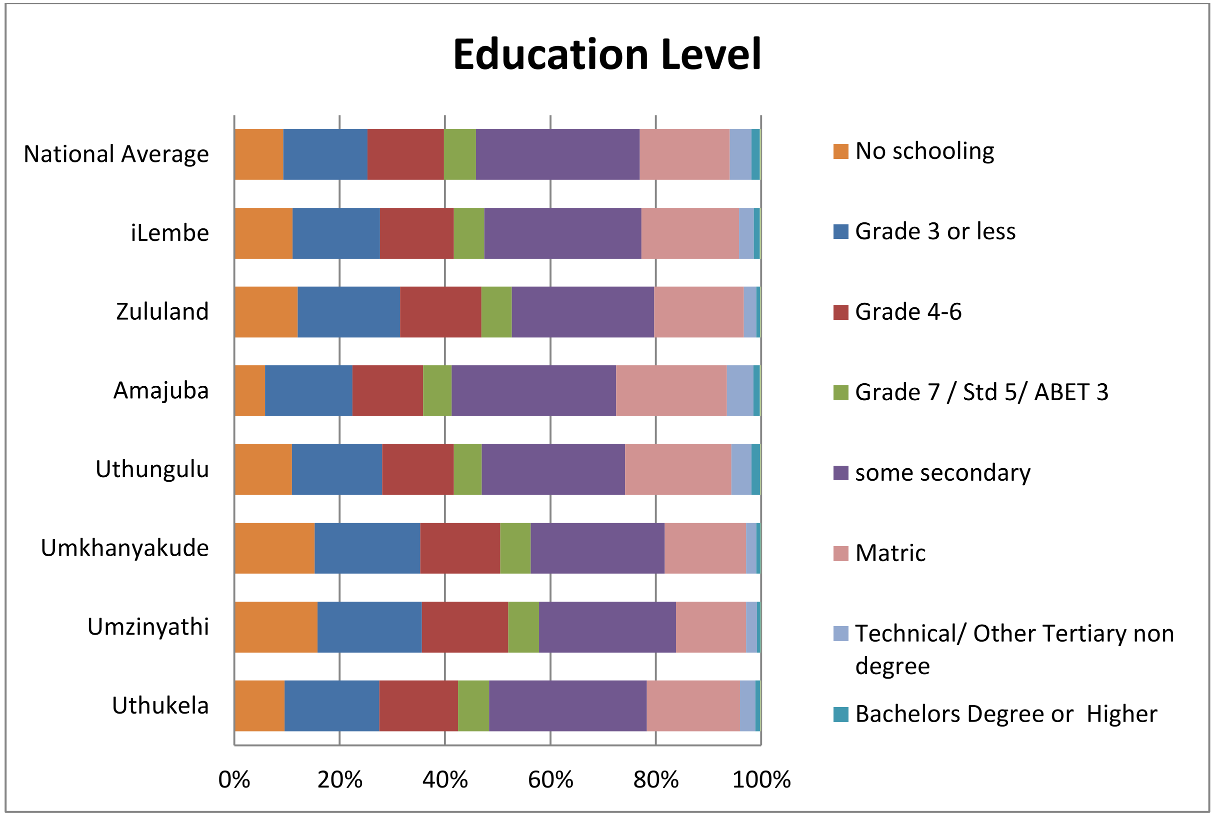


Figure 5.5: Education and skills

A spatial analysis of production points further provides a good indication of spatial distribution and proximity of jobs located in the specific sectors. The sectors include:

- Wholesale and Retail trade – SIC 6 (Figure 5.6)
- Manufacturing – SIC 3 (Figure 5.7)
- Electricity, Gas and Water Supply – SIC 4 (Figure 5.8)
- Financial Intermediation, Insurance, Real Estate and Business Services – SIC 8 (Figure 5.9)
- Transport, Storage and Communications – SIC 7 (Figure 5.10)
- Community, Personal Services and Government services – SIC 9 &10 (Figure 5.11)
- Agriculture, Forestry and Fisheries – SIC 1 (Figure 5.12)
- Mining and Quarrying – SIC 2 (Figure 5.13).

This map once again highlights the role of towns and settlements in this mainly rural area and, as can be expected, the main towns, i.e. Newcastle, Richards Bay, Ladysmith, Vryheid, Estcourt and Ulundi are some of the main areas were income is derived from wholesale and retail trade (Figure 5.6).

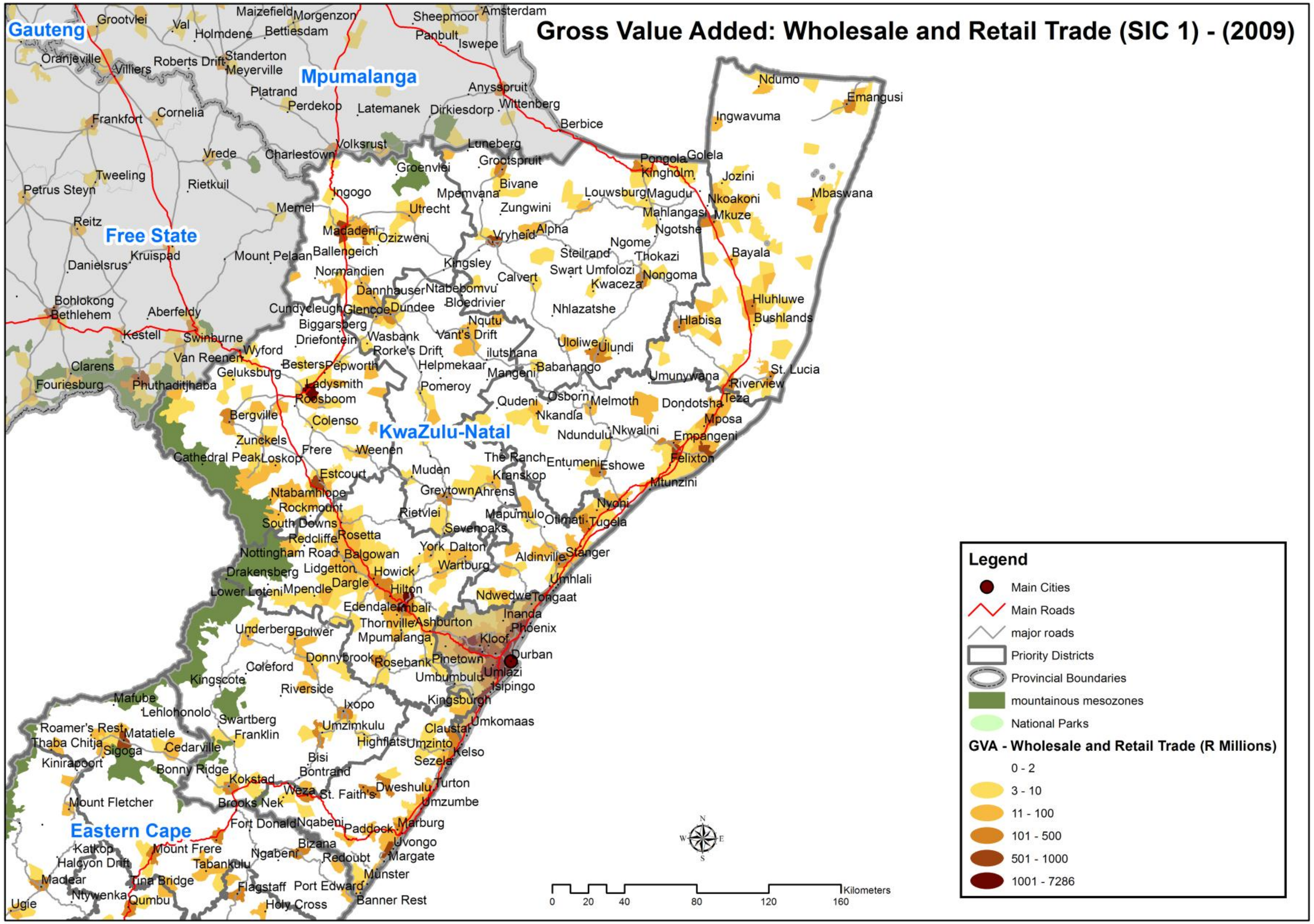


Figure 5.6: Strengths in Wholesale Retail and Trade (SIC 6)

The main areas where manufacturing is found are Richards Bay, Newcastle, Ladysmith, Stanger, Greytown and Vryheid, as well as a few smaller isolated locations as indicated on the map (Figure 5.7) again stressing the role of towns in the development of these districts.

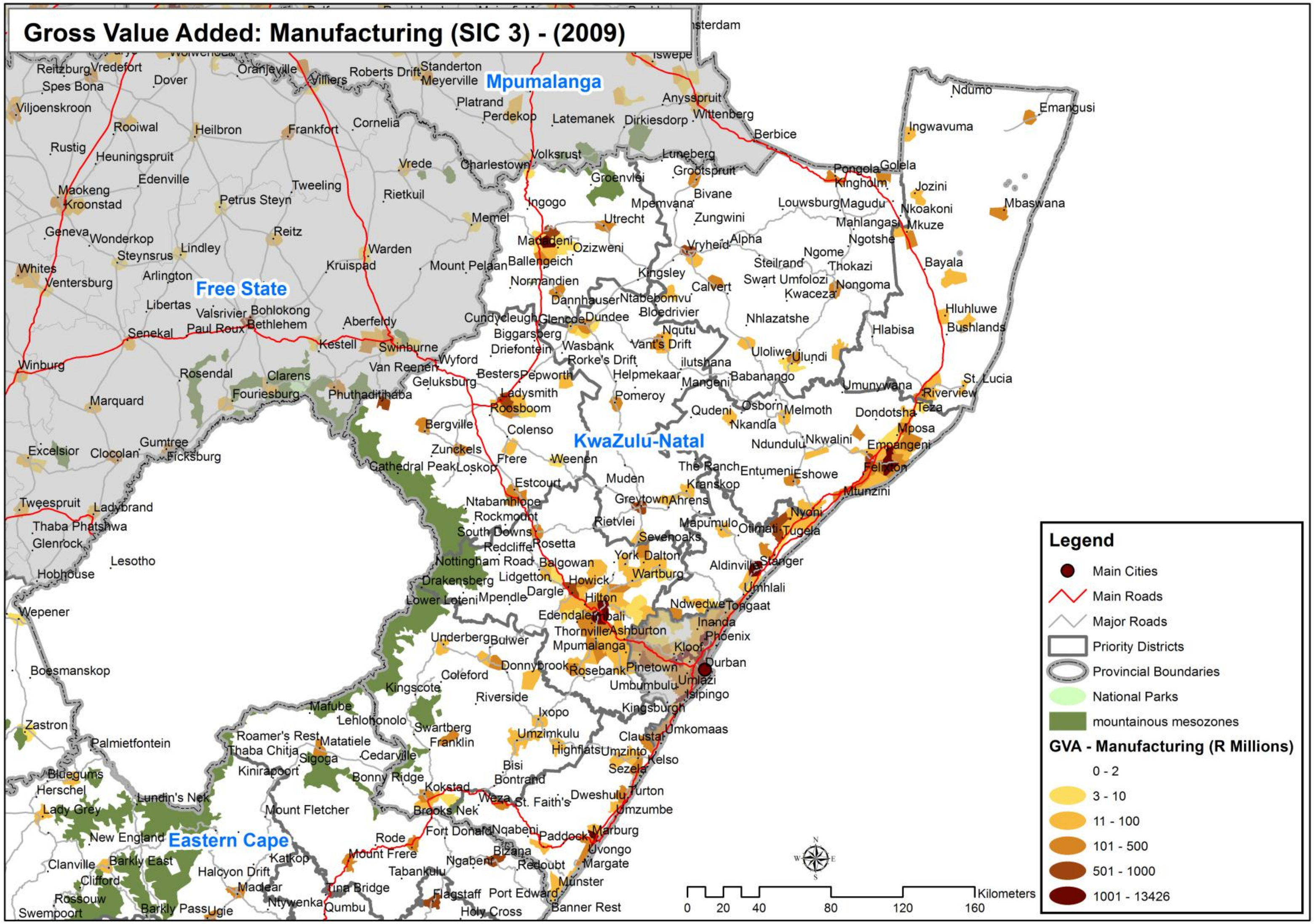


Figure 5.7: Strengths in Manufacturing (SIC 3)

The main settlements, mining areas and along the main transport routes are (as can be expected) the locations where significant income is derived from the supply of electricity, gas and water (Figure 5.8). Newcastle and Richards Bay feature strongly in this respect.

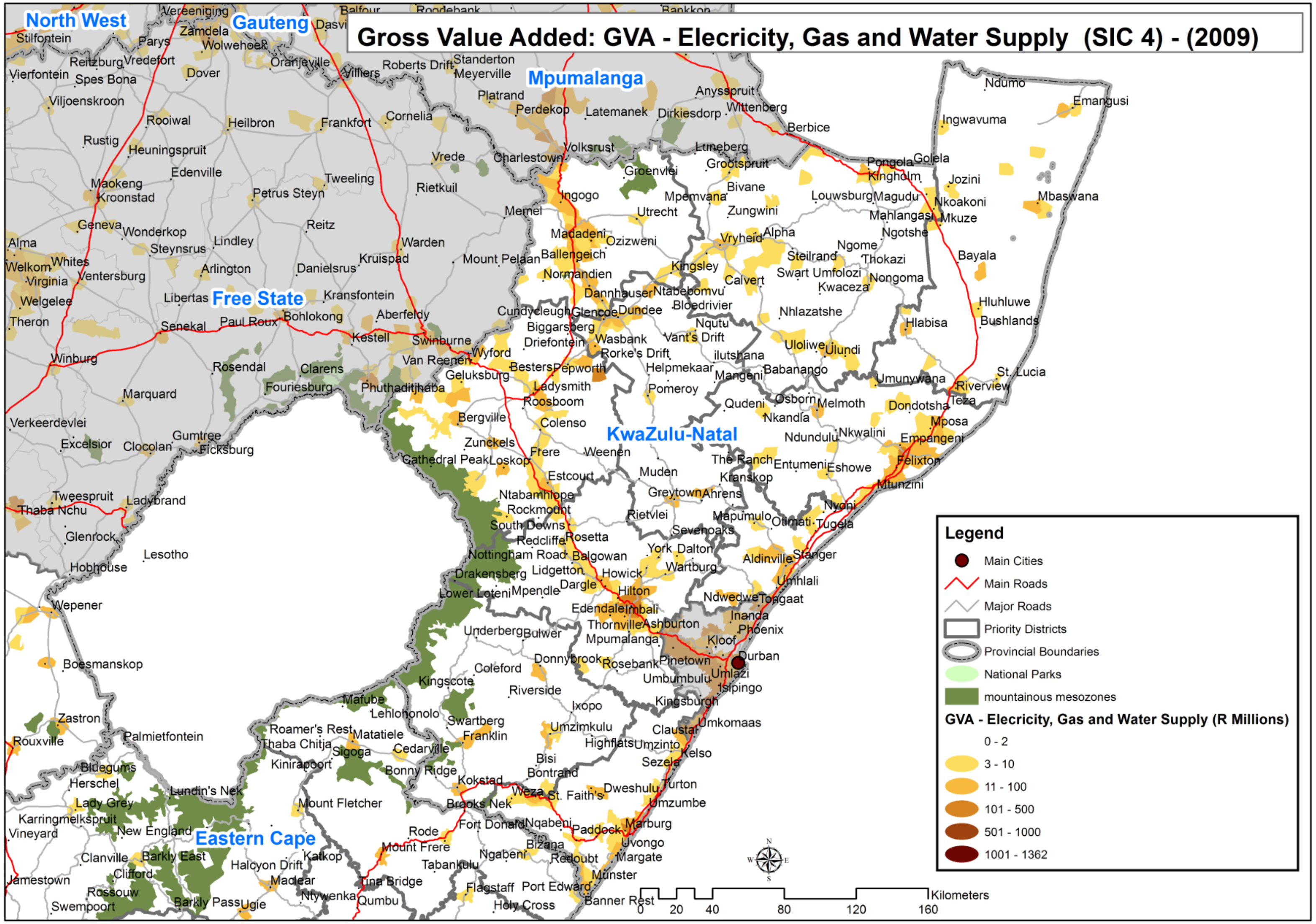


Figure 5.8: Economic Strengths: Electricity, gas and water supply (SIC 4)

Once again, the key towns are the main centres of activity for the Financial Intermediation and Real Estate and Business Services sector. Other than Pietermaritzburg and eThekwini, Newcastle features as the most prominent area in terms of this sector in the Province.

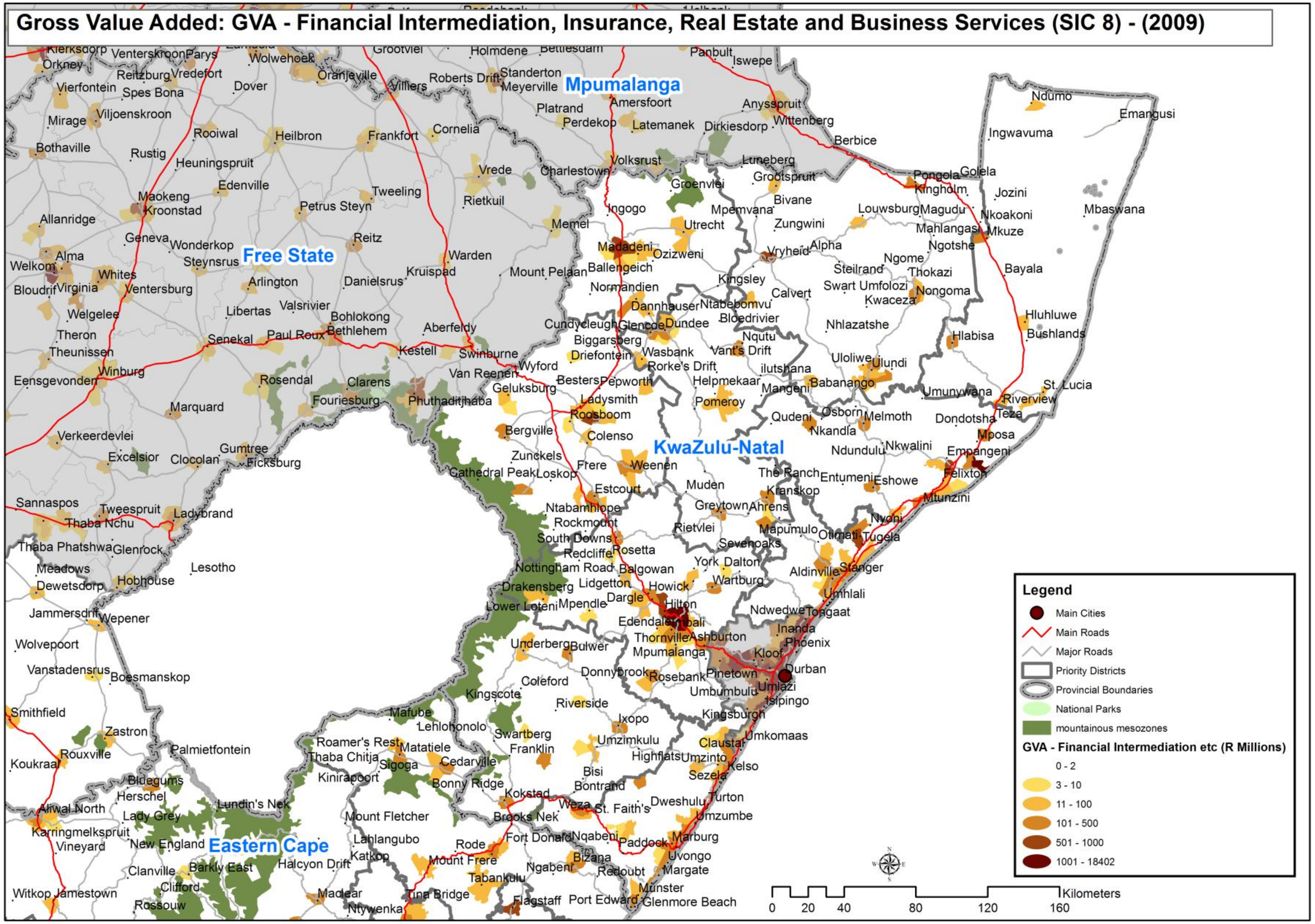


Figure 5.9: **Economic Strengths: Financial intermediation, insurance, real estate and business services (SIC 8)**

Income from the Transport, Storage and Communications sector is somewhat more distributed and this occurs mainly along the main transport corridors which clearly indicates the role transport routes and, specifically, roads play within any region (Figure 5.10). Richards Bay, Ladysmith, Pietermaritzburg and a range of settlements along the N2 and N3, as well as the regional through routes, have high values in this respect. Given the important role of these roads in linking the harbours of Richards Bay and Durban to the hinterland, especially Gauteng, it is essential that the transport links within the area are well-maintained to ensure the efficient flow of goods and services. It is also necessary for the internal movement of goods and people which allows communities to reach government services or vice versa. The current condition of roads was not considered in this project and a more detailed investigation of this aspect should be undertaken in conjunction with the National Department of Roads and in conjunction with the S'hamba Sonke Road Programme.

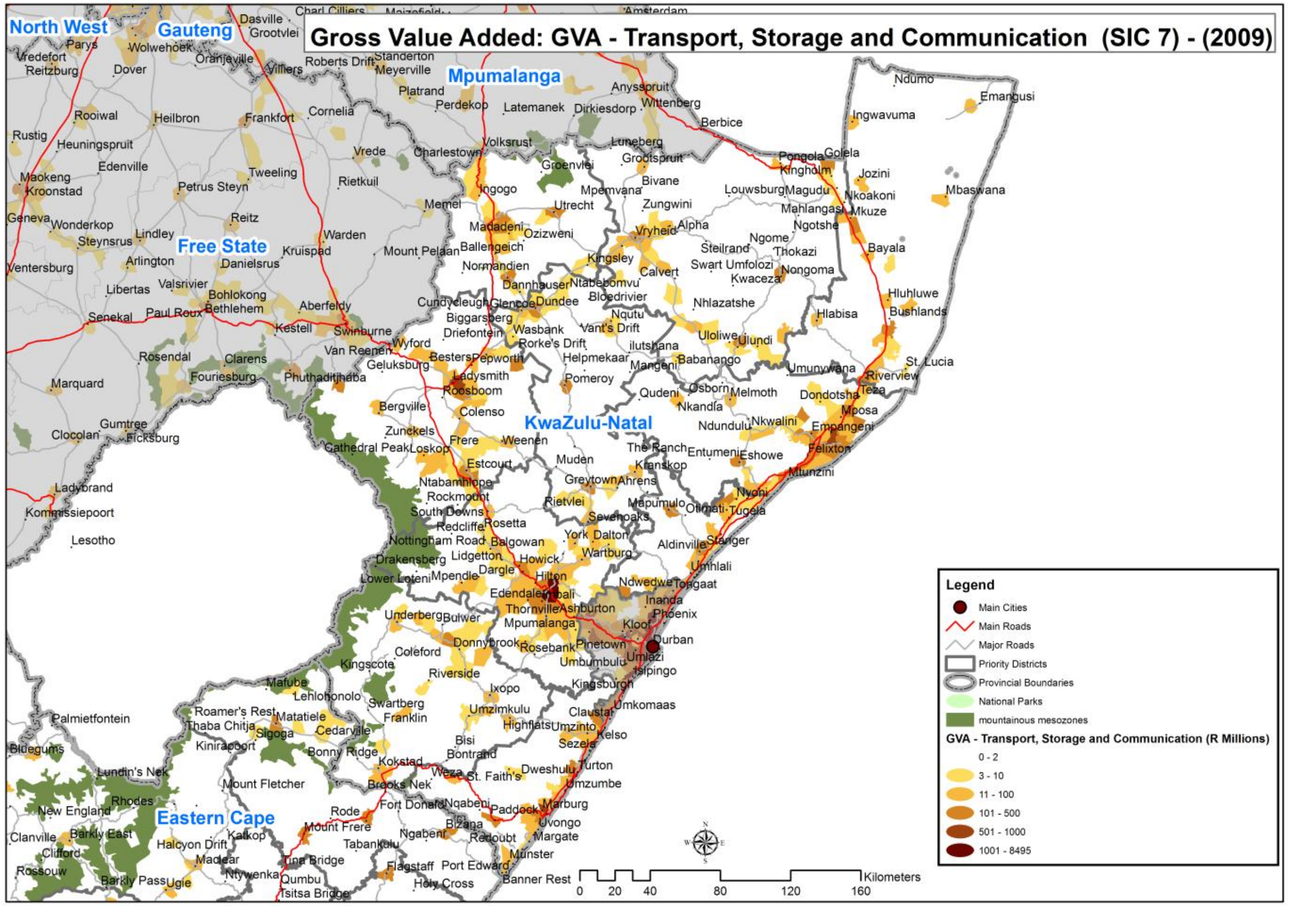


Figure 5.10: Economic Strengths: Transport, Storage and Communications (SIC7)

As can be seen from Figure 5.11, the income derived from the Community, Social and Government Services sector is much more widely distributed across the entire cluster than the other economic sectors' income and it is closely linked to the distribution of people in the area, many of whom depend on government grants. The key role of this sector is clearly evident from this map.

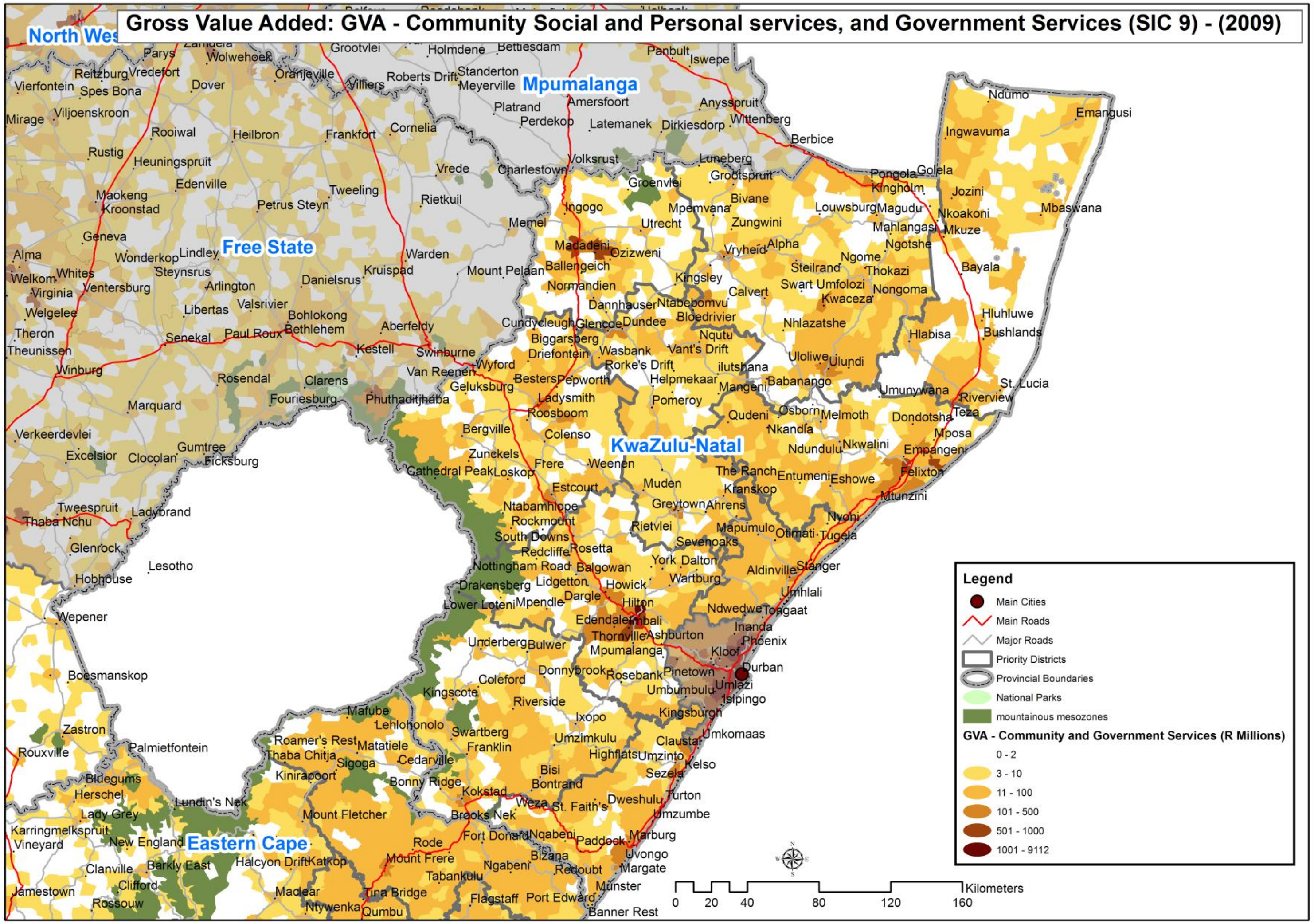


Figure 5.11: Economic Strengths: Community, Social, Personal and Government Services (SIC 9)

Figure 5.12 shows that agricultural activities contribute significantly to GVA in many areas of the Province, although this sector is not often in the top three sectors, as evident in Table 2.1. This map would indicate that in this province there may be the potential to expand the role of agriculture to play a more significant role in the future prosperity of this cluster. The Traditional Authority areas are currently the exception to any significant agriculture contribution.

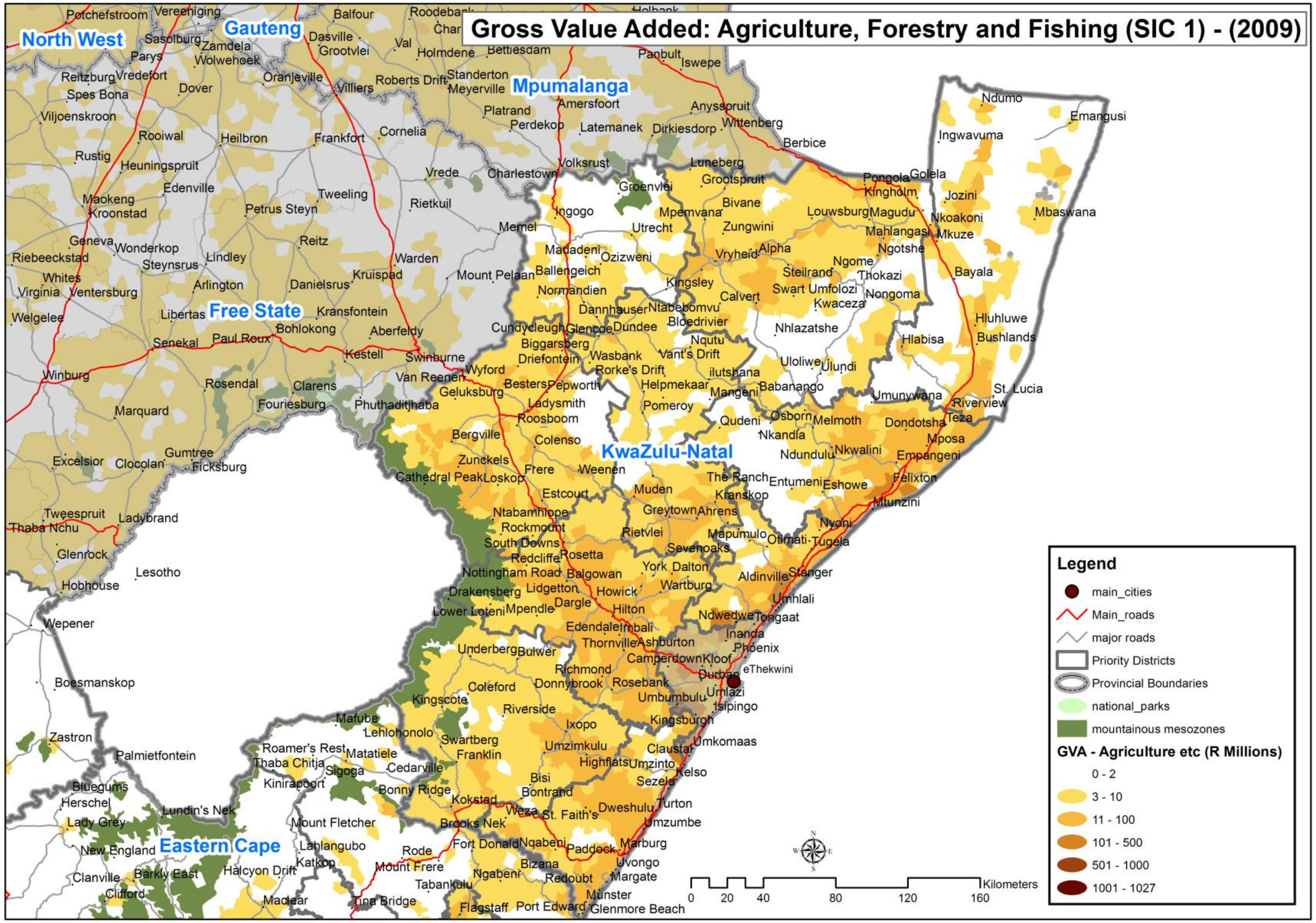


Figure 5.12: Economic Strengths: Agriculture, Forestry and Fishery (SIC 1)

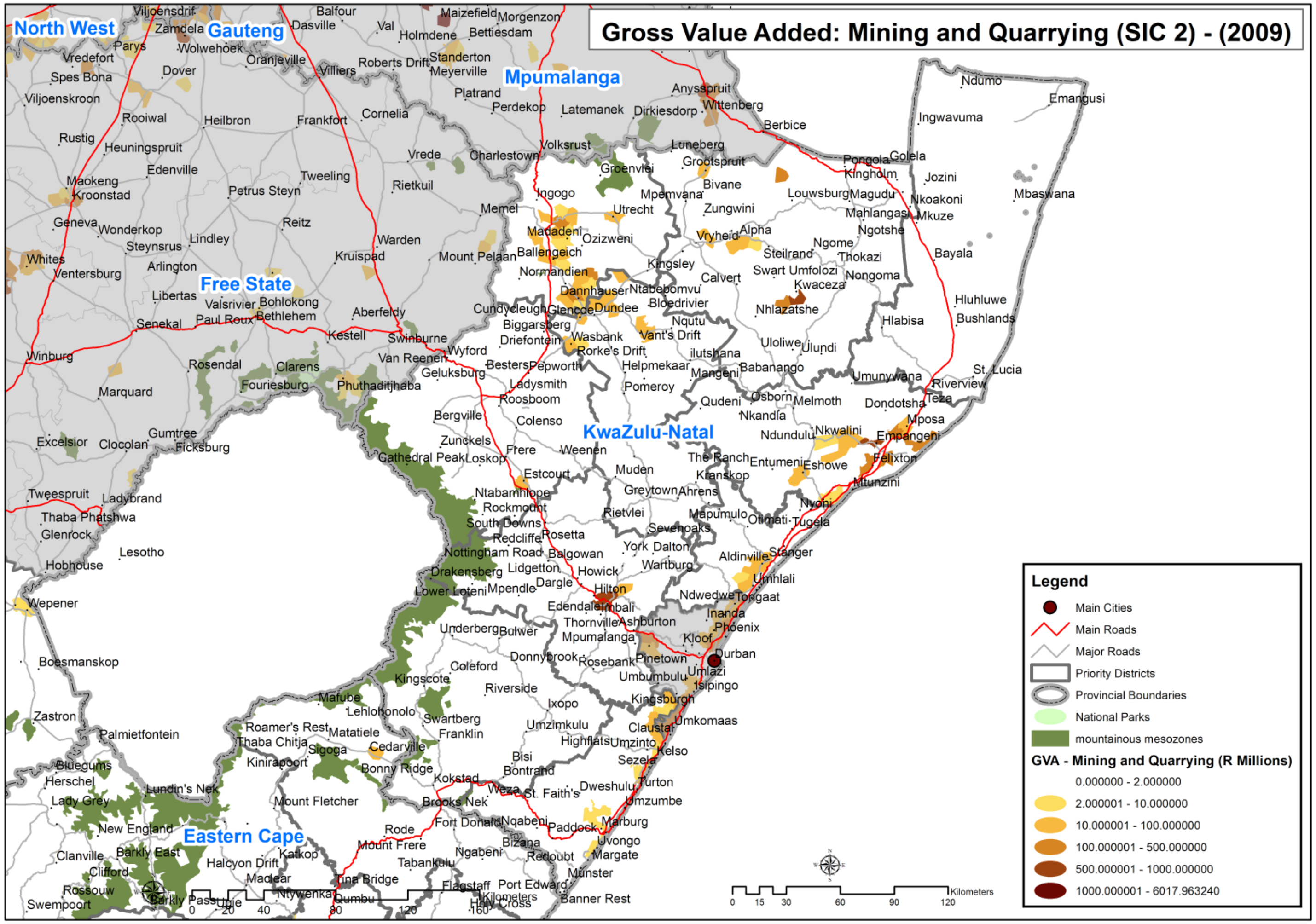


Figure 5.13: Economic Strengths: Mining and Quarrying (SIC 2)

The areas of Newcastle, Dannhauser and Dundee are the most prominent in terms of mining. Vryheid, Nhlazatshe and smaller areas around Richards Bay and along the coastal strip are also important in this regard. Other isolated of pockets of mine related income are also evident. The income from this sector plays a significant part in the economy of this cluster. Many of the mines produce coal which is transported by road. Maintenance of road infrastructure is thus important to this sector as well as for the economy as a whole.

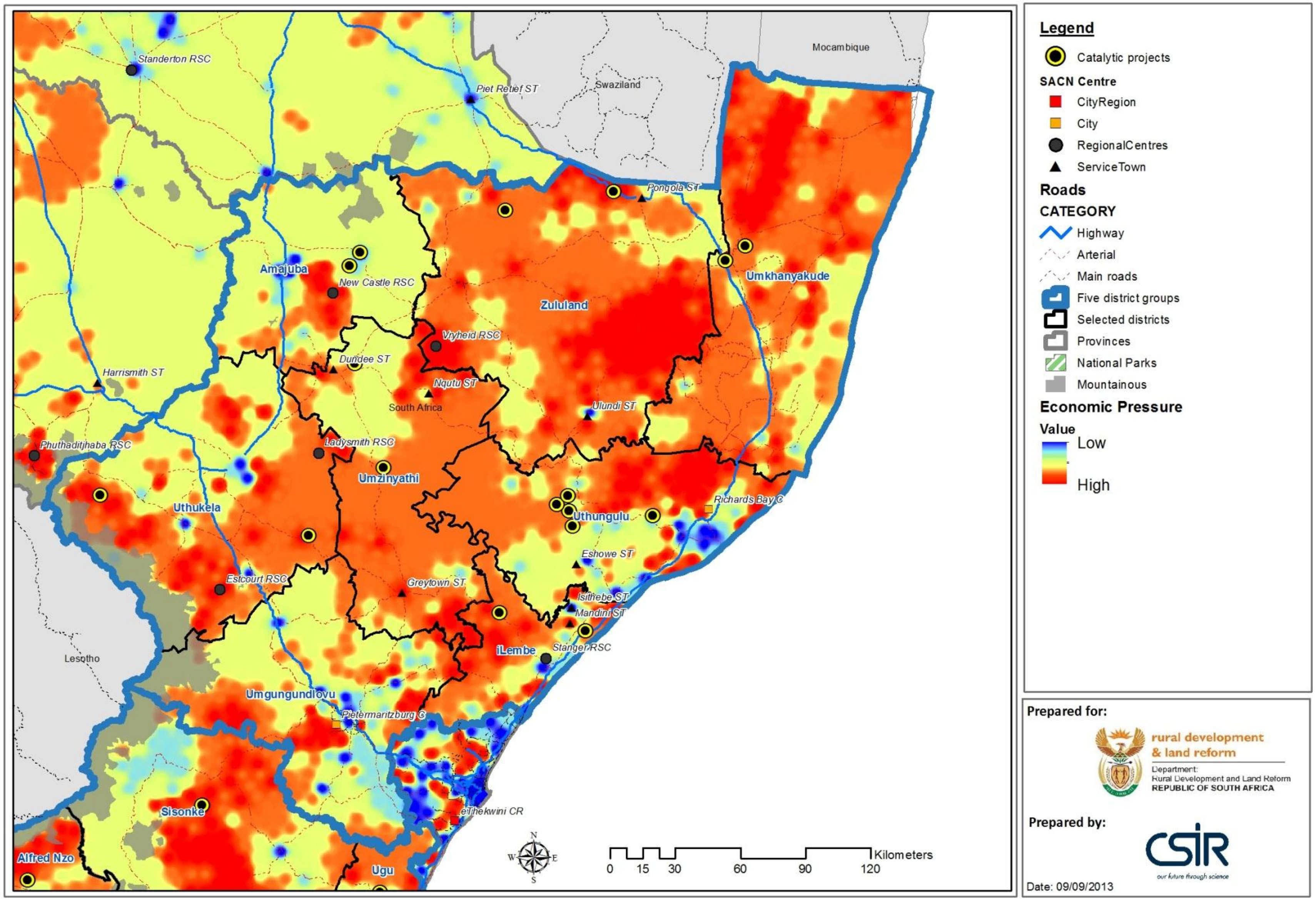


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Figure 5.14: Economic vulnerabilities/hot Spot areas (More detail on catalytic projects in Section C).

Figure 5.14 has been developed to highlight the areas that are most vulnerable from an economic perspective. These are areas that are characterised by a low-economic base that is dependent on a single sector – in this case the Community and Government Services sector – as well as having many residents with a low per capita income. The blue areas are the least stressed and the red the most stressed from an economic perspective. From this, it is clearly evident that Nongoma, parts of uMkhanyakude, Vryheid/Nqutu, Dalton (south-east of Greytown) and Ntambanana (north-west of Richards Bay) are the areas most under pressure.

5.3 Areas with good market accessibility and high 'demand' potential

From an analysis of population distribution, it is evident that a large portion of the population is actually located in close vicinity to bigger towns and service centres in the area (Figure 5.15). The same pattern is evident in the analyses of proximity to household income levels in the area.

These areas are also marked by higher levels of road accessibility. For access to market concentrations (demand side), especially for the purposes of agriculture (i.e. dairy products) and manufacturing beneficiation, more opportunities are likely in areas with high levels of road infrastructure and accessibility which are found in areas surrounding big towns and service centres. The location of high potential agriculture land and tribal authority areas in relation to market demand areas are set out in more detail in Section 6. Rural development needs to take cognisance of these opportunities.

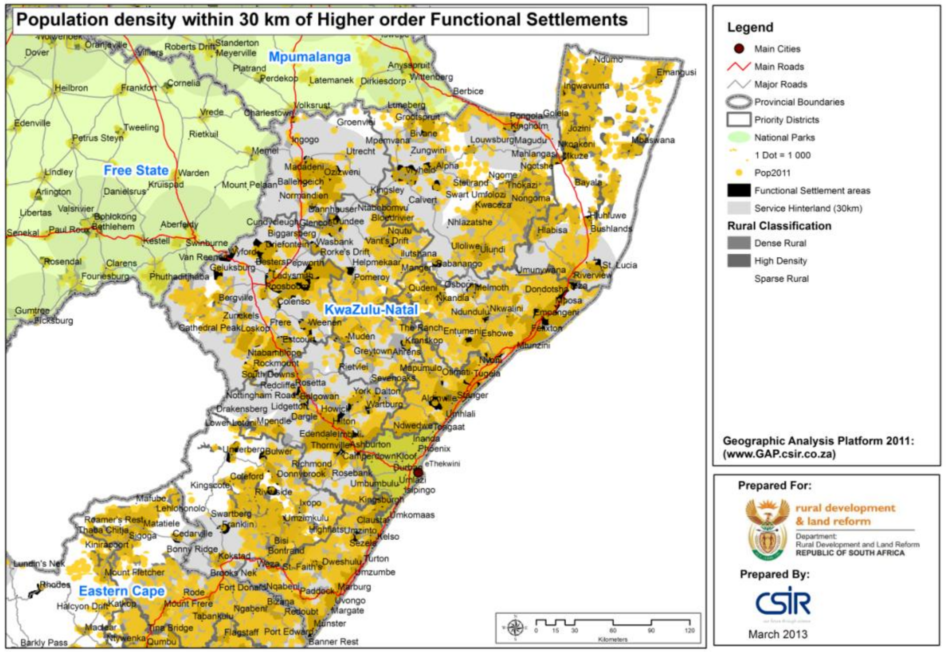


Figure 5.15: High population and market concentrations in areas surrounding big towns and service centres

Implications:

It is evident that there is identified economic potential in the area's resource base. (See Section 5.2 for more detail.) The potential for agriculture could possibly be expanded. While the life span of the mines maybe of concern. The most significant economic activities and employment levels are vested in the services sector – government and community services, as well as retail, wholesale and trade. These are all services and activities that are anchored within towns and settlements in the region. The tendency of population to gravitate to live in towns and the existing sources of income (including grants) do, however, create some new market opportunities for agro-processing and lower scale and higher scale industrialisation. A significant budget should be sought to create sustainable job creation through road maintenance and provision and maintenance of basis services such as water, sanitation and electricity.

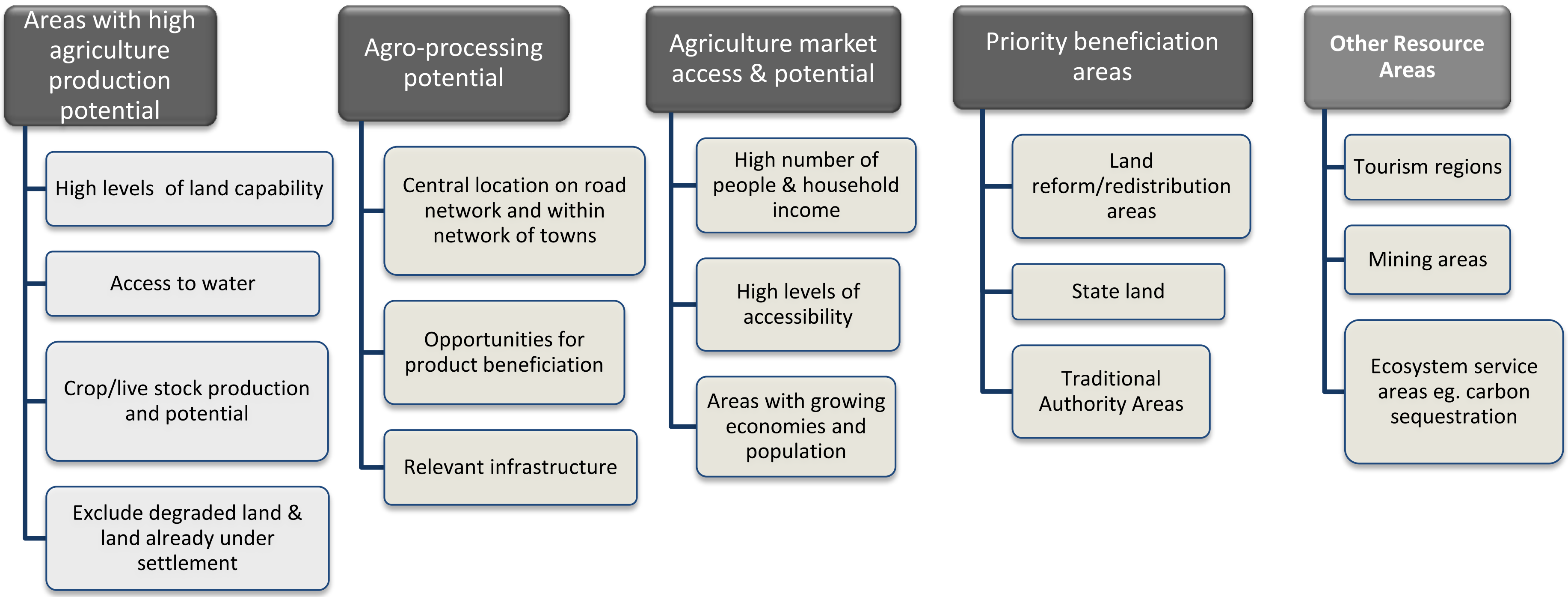
6. Where are the areas that should be prioritised for consolidation and protection of prime rural production areas/zones

The existing economic activity, as reviewed in the previous section, provides a good indicator of the potential for continued future economic activity, job creation, institutional capacity and current natural resource potential within rural districts. Natural resource potential is considered to be a key aspect to support and grow the economy and employment of the priority districts and, as such, it is necessary to support infrastructure in areas that have or can be prioritised as prime rural production areas, i.e.:

- Agricultural production, in areas with potential related to specific products – especially smallholder farming and also in traditional authority areas
- Agro-logistics and production in relation to areas where there is high potential. This also relates to areas with high levels of access to key markets.
- Natural resource asset and tourism areas that can support local and regional economies
- Urban agriculture potential and a focus on hydroponics within settlements
- Within all of the above – areas for beneficiation, such as traditional authority areas and state land, to explicitly be considered as a priority.

In KZN (possible more so than in some of the other 23 priority districts) the role of tourism is important and the protection of the natural resource assets such as the beaches, mountains and wilderness areas should be keenly supported.

The following diagram provides a framework for the analysis of the rural districts with respect to key parameters to identify areas that should be prioritised and supported as key rural production areas or zones. As we have seen in the previous set of analyses, the towns and settlements of all levels play a pivotal role in these rural districts as they are areas of the highest population and economic activity. They also, in the case of the niche and service towns and regional services centres, play a significant role with respect to social, government, community and financial services in an extensive, sparsely populated hinterland. To this end, they can be considered the closest market areas for fresh produce and are most likely to be the centres for product consolidation, beneficiation, processing, agricultural extension services, logistics and transport services. Like healthy growing hinterlands depend on services in towns, the economic health of the towns in agricultural/rural areas in South Africa is closely linked to production within the surrounding areas or hinterland. In the following sets of analyses, the focus is placed on areas in the rural hinterland with the potential for investment; however, also keeping in mind the need to invest and support the social and economic infrastructure in the closest town.


Areas with high agriculture production potential
High levels of land capability
Access to water
Crop/live stock production and potential
Exclude degraded land & land already under settlement
Agro-processing potential
Central location on road network and within network of towns
Opportunities for product beneficiation
Relevant infrastructure
Agriculture market access & potential
High number of people & household income
High levels of accessibility
Areas with growing economies and population
Priority beneficiation areas
Land reform/redistribution areas
State land
Traditional Authority Areas
Other Resource Areas
Tourism regions
Mining areas
Ecosystem service areas eg. carbon sequestration

6.1 Agricultural production and agro-processing potential

The following maps provide a broad overview of agricultural potential and market access in relation to state and tribal authority land.

Figure 6.1 spatially identifies the land capability of this cluster as a primary information layer. It also maps the nature reserves and mountainous areas. As is clearly evident, the high potential areas of significance are along the foothills of the Drakensberg mountains, along the N3 north of Pietermaritzburg, in the vicinity of Richards Bay/Eshowe, Newcastle and Nqutu. In the flood plain of the Pongola River and in uMkhanyakude District in general there are significant areas of high capability land in both state ownership and in the tribal authority areas.

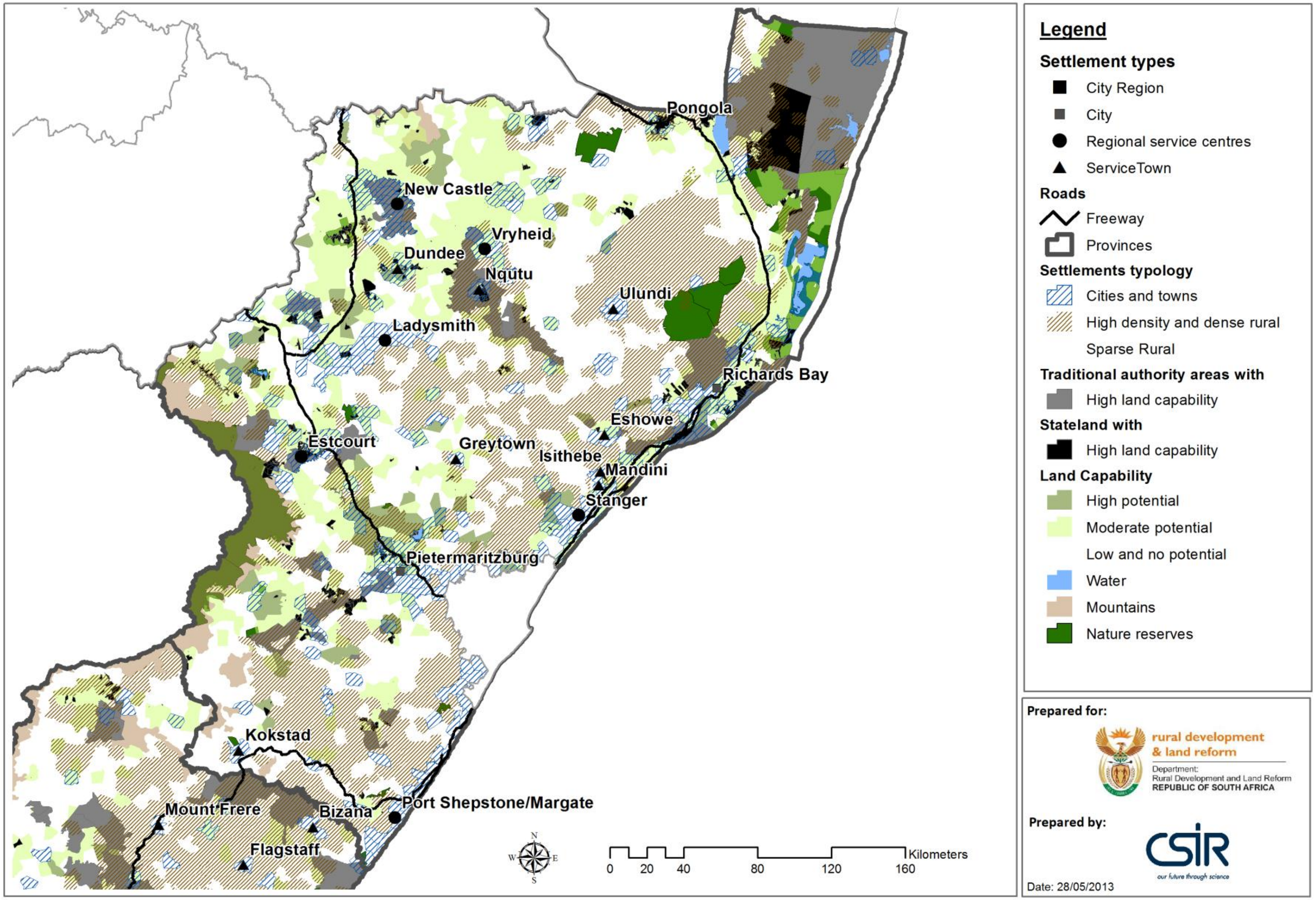


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Figure 6.1: Land capability in relation to state and tribal authority land

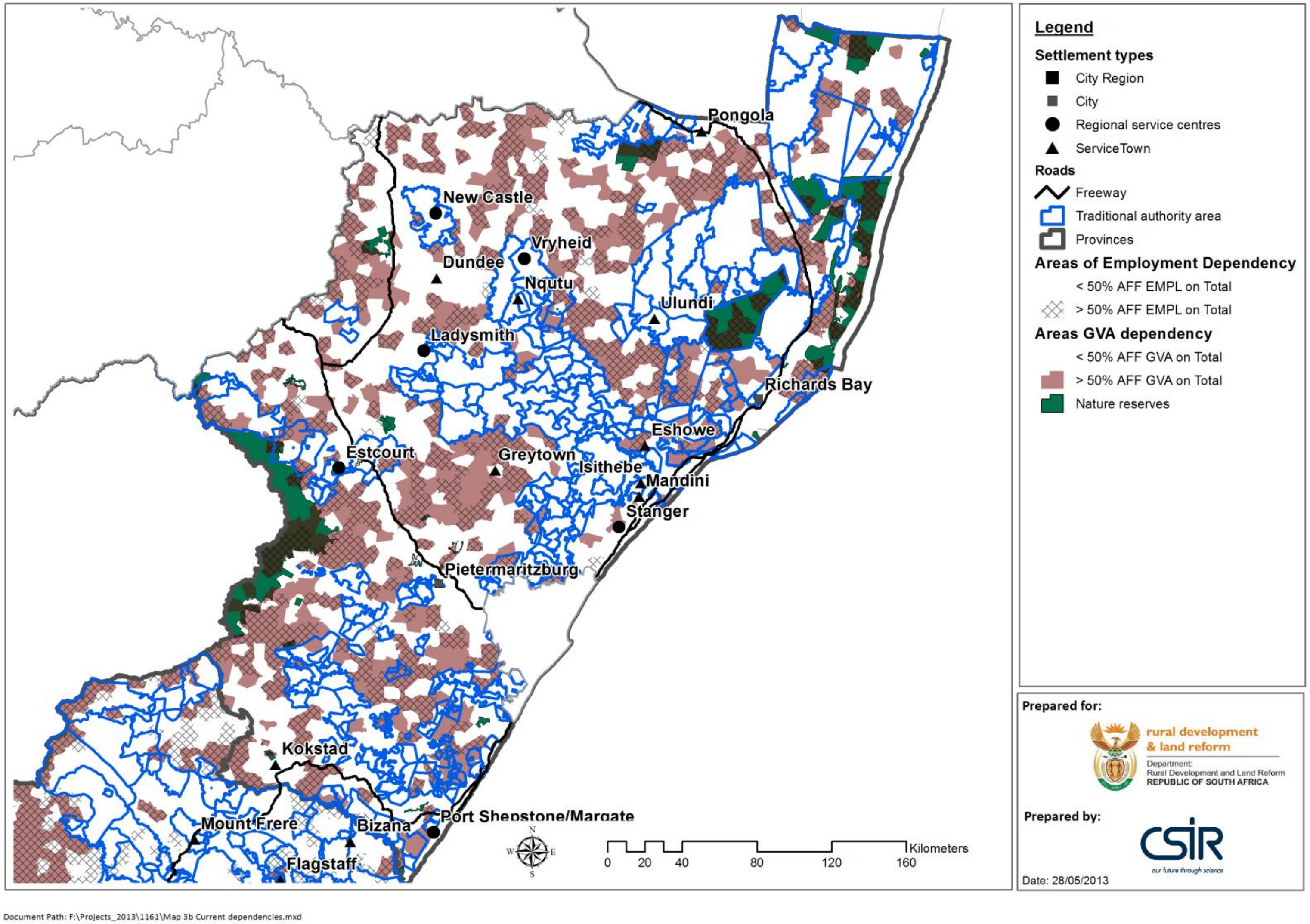

Figure 6.2: Dependency on agriculture for GVA and employment in relation to tribal authority areas

The above map (Figure 6.2) shows that within the tribal authority areas there is very limited dependency on agriculture to derive income or to provide employment. The traditional authority areas of rural regions do not as a rule rely on agriculture for a living. The non-tribal authority areas have larger percentages of employment and income in the Agriculture, Forestry and Fishing sector.

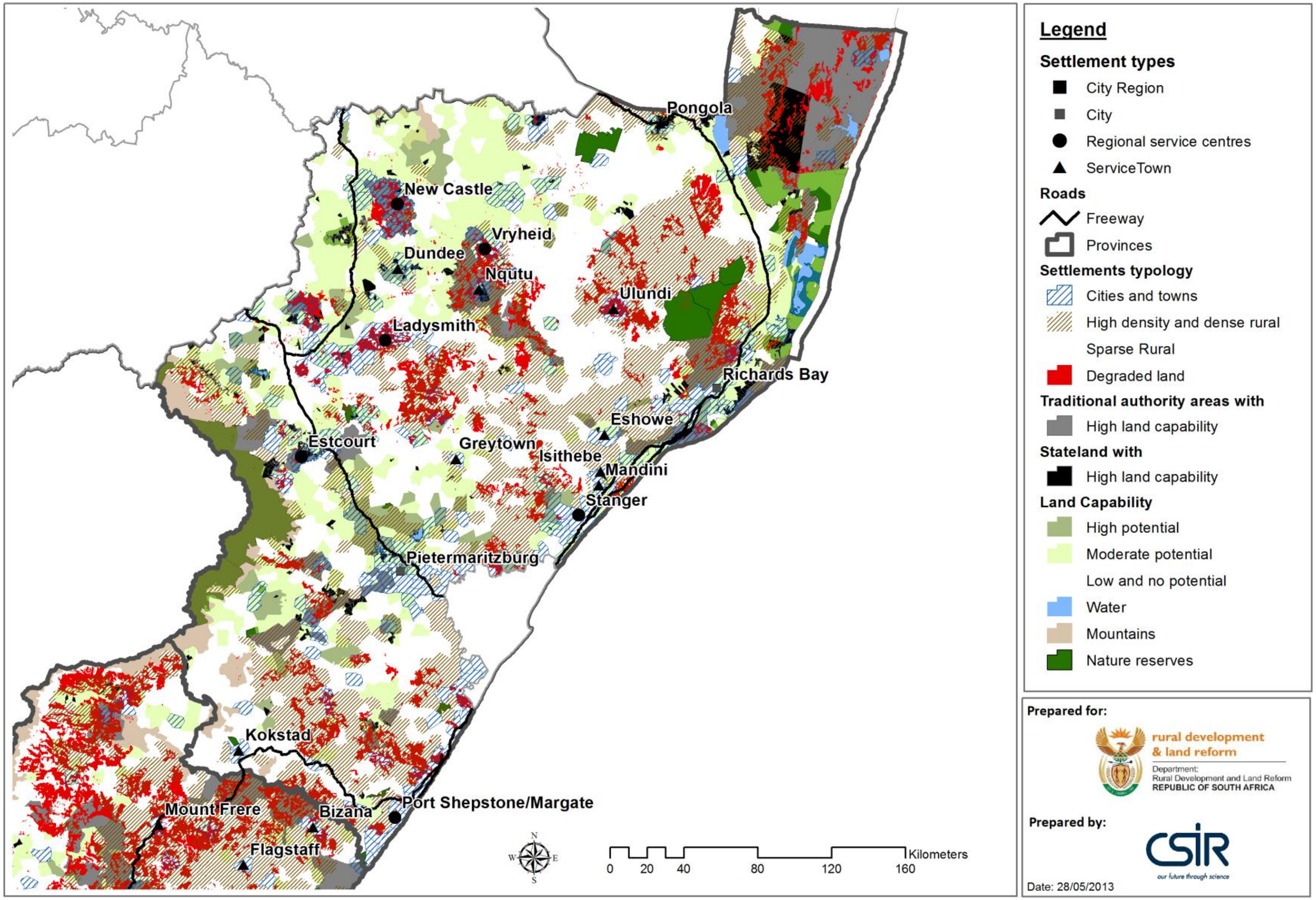

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Figure 6.3: Resource potential in sparsely populated areas: Land capability showing degraded areas

Figure 6.3 shows the areas of land that are indicated as degraded. Many of the latter are correlated to tribal authority areas, areas around cities and settlement areas which are shown on Figure 6.2.

The analysis considered areas with agricultural potential and areas of degradation as well as access to markets. In Figure 6.4, the areas with the highest agricultural potential are mapped, as well as those areas that have good market access (that is being within a 30 minutes access zone of the Cities and Regional Service Centres in the region). Most areas of high capability are well located; however, there are areas in uMkhanyakude that have high potential but do not have direct access to main markets. Nonetheless, given that this area of high capability land is in tribal and state authority areas the opportunity should be explored to develop this fertile region which has good water sources to develop agro–industry that can grow niche products, such as a range of baby vegetables which are in high demand in all major supermarkets. The agricultural development would need to be supported with the correct cold storage facilities and the careful management of cold chain logistics and transport to meet the product standards required by the market for these products. Given the need for substantial investment in infrastructure, the size and extent of the area that will need to be developed for market gardening will necessitate extensive and wide scale buy-in for this project. The development of high intensity market gardening in this region could have the potential to create a large number of jobs provided the issues and risks around the management of communal ownership of land can be managed and achieved. Such a project will require considerable agricultural, logistic and business support and will require careful planning to minimise the transport costs of accessing the target markets, careful planning of the production of crops and the co-ordination of cold stores, vehicles and trips to access markets to develop a viable agro-production industry. The size of the market for niche vegetable production is likely to continue to grow and the fact that the area is less than 8 hours from major markets can be used to develop this industry.

Other areas in the hinterland of the Regional Service Centres and Cities have access to significant population numbers and thus have good market potential for agricultural produce and/or agro-processing potential. In these areas, there may be the potential to expand production of vegetable faming, dairy and chicken production. The northern areas are close to the major Gauteng market, while other areas are close to the eThekwini market. In addition, the still substantial demand of the smaller towns means that they also need to be regarded as market areas.

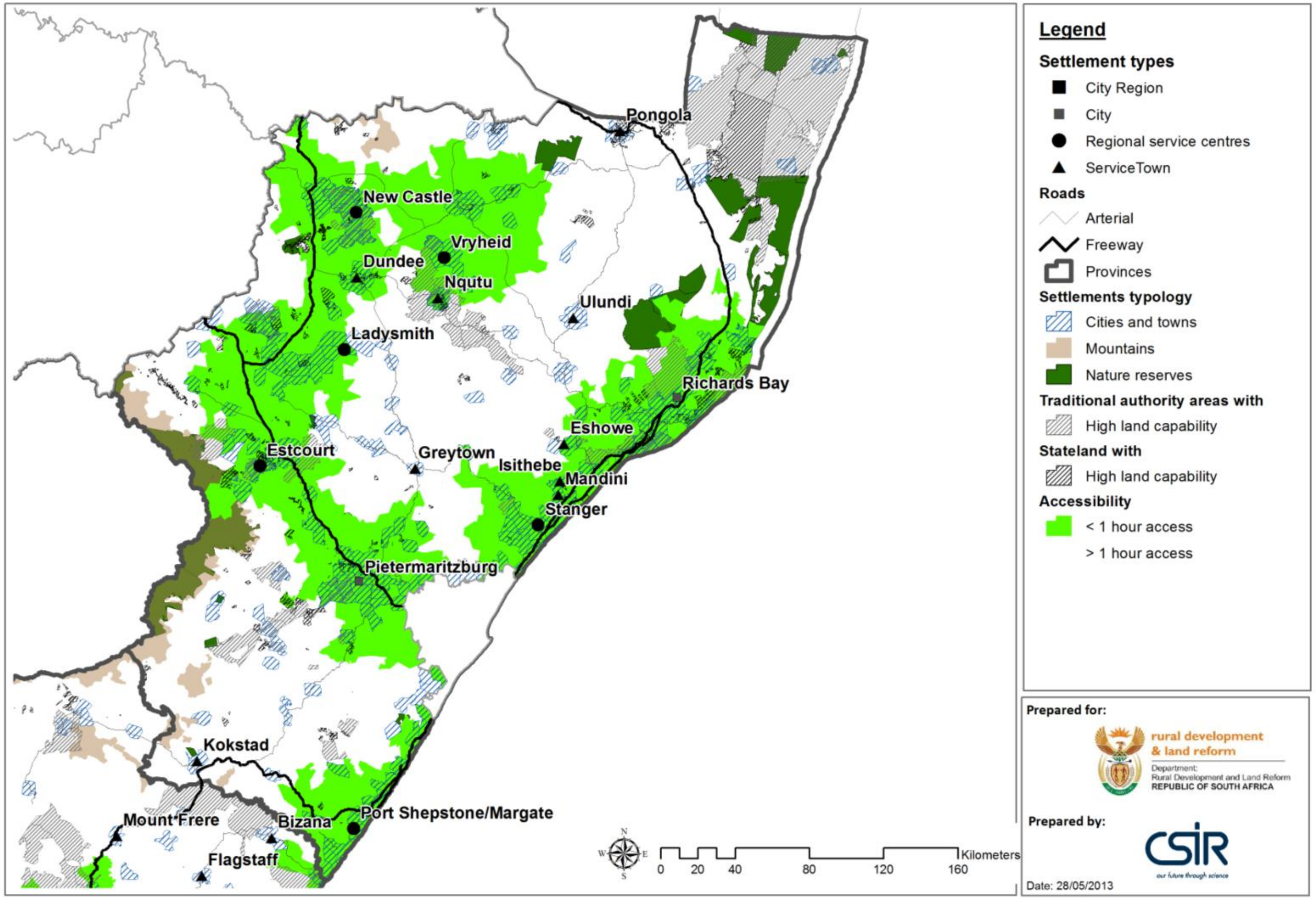

Figure 6.4: Areas with relatively high accessibility to markets in terms of buying power (access to people) and transportation access

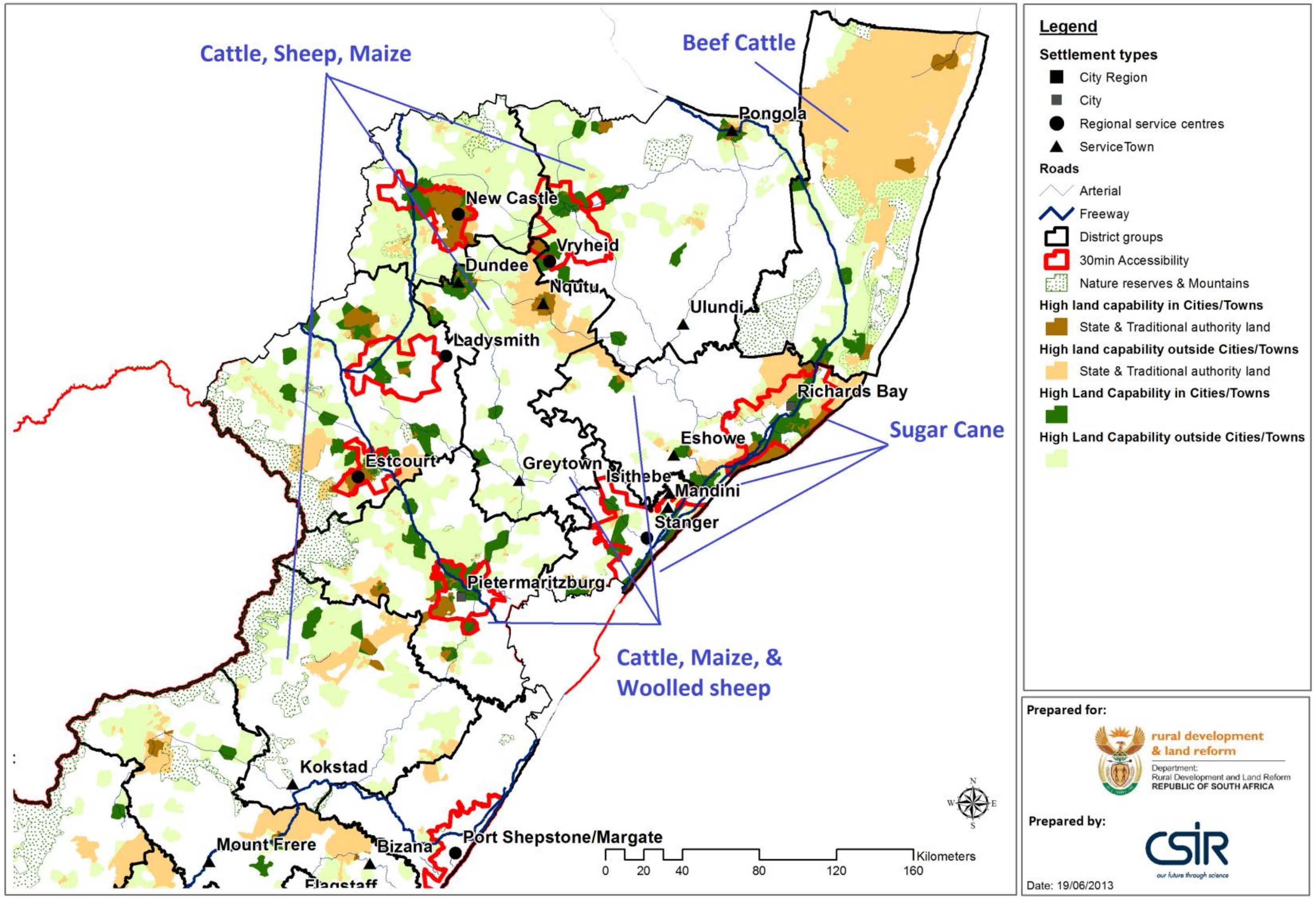

Figure 6.5: **Rural Production Zones: Agriculture production and areas with the highest market potential**

The above map shows the key agricultural production areas which have the highest potential land capability. The production areas that are close to (within 30 minutes access) of towns and cities by implication have access to key markets and are outlined in red. Also indicated on the map are the most suitable/profitable crops for each area. This is based on the research of the Agricultural Research Council (ARC). The high production area along the coast is most suited to sugar cane; uMkhanyakude is suited to cattle and beef production while the more inland areas are suited to cattle, maize and sheep production.The agriculture production capability/proposals are based on research by the ARC on the most effective, as well as the most marketable, product for the specific areas. Figure 6.6 provides the source information for this map.

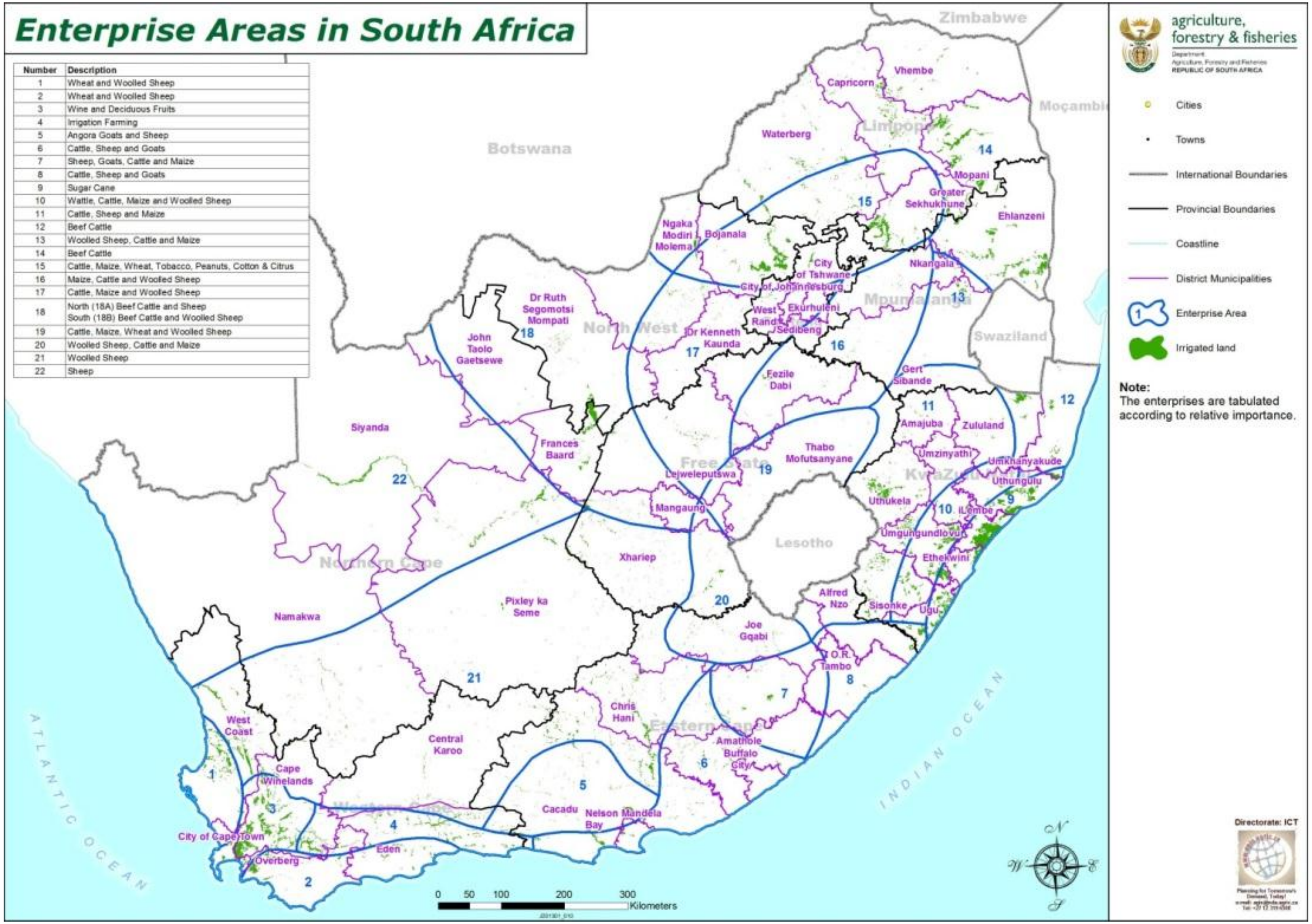

Figure 6.6: Enterprise areas in South Africa

6.2 Other resource areas

In addition to agricultural production, tourism, mining and eco-system services areas can provide opportunities for economic development in this area.

Tourism in this area, especially in the coastal towns, is substantial when seen in the context of South Africa's other destinations (See Figure 6.7). Potential exists to expand and support this sector in future. The key destinations appear to be the main towns, as well the coastal area and the game reserves and nature areas. The inland areas should capitalise on their location on the main though-routes to the coast and game reserves by the development of good overnight accommodation, garages, rest areas and restaurants. These areas can also aim to extend the duration of stays of travellers passing through by the development of agro-tourism (farm stays), wilderness adventures, small niche museums, battlefield and cultural tours monuments and other similar attractions. The road maintenance of the key routes – especially the N2 and N3 but also others such as the R349, R34, R66, R33 and R68 – are essential in maintaining the role of the area as a staging area/gateway to the coastal areas and surrounding game reserves and natural attractions. The main routes experience heavy vehicle traffic to and from the two main harbours, especially from inland mines as far away as Zambia. Roads are also to essential tourism, the distribution of retail goods and transport of animal feeds, maize and livestock which necessitates the ongoing maintenance of roads and suitable traffic management to maintain safety.

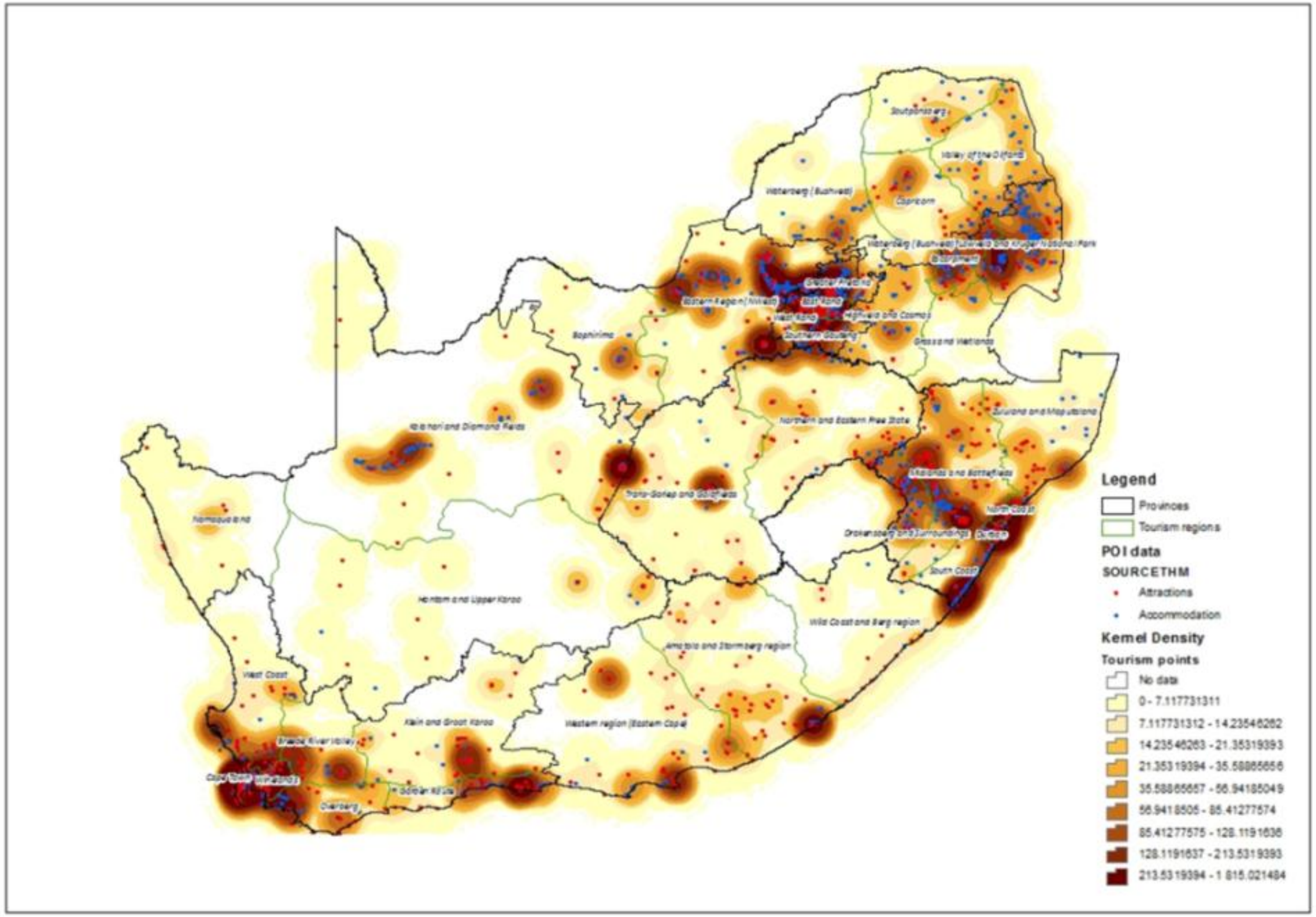

Figure 6.7: Economic Strengths: Tourism attraction regions

The map below (Figure 6.8) provides a more detailed and specific geographic analysis of tourism regions and attraction points in relation to the accessibility of the population of the Cities and Regional Service Centres. Tourism forms part of the Wholesale, Retail and Trade sector (SIC 6). The red points are points of concentration in respect to tourism points of interest. The extent of the blue area surrounding the red point provides an indication of the numbers of tourism points in the area. These areas and the roads that link them provide an indication of tourism regions that need to be considered in terms of potential. As can be seen, the largest number of tourism points was found at the battlefields area around Ladysmith/Estcourt, the Drakensberg, eThekwini City/beaches and the North Coast. The game reserves, including Umfolozi/Hluhluwe, St Lucia, Mkuze, and Tembi, etc. potentially provide opportunities for expansion of tourism in the more remote areas.

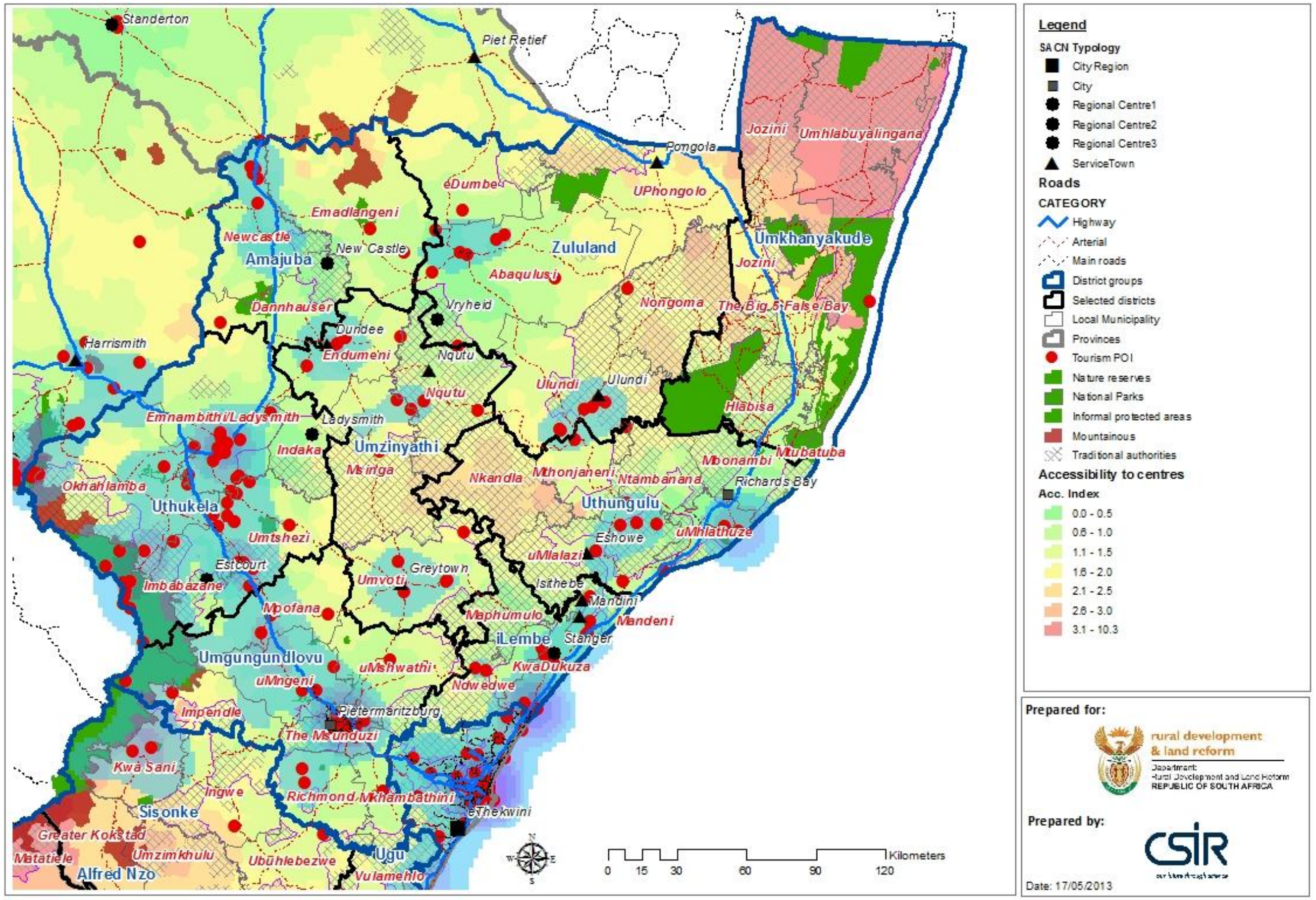

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Figure 6.8: **Rural Production Zones: Tourism attraction points (red) in relation to levels of accessibility (light green being high and red remote)**

Mining resource areas also need to be protected. The spatial location of the mining potential in these districts is provided in Figure 6.9. Except for the medium potential areas centred on the Dundee/Dannhauser regions there are only limited areas of interest (as shown on the map) which have mining potential and where the population may be dependent on the mining sector in terms of employment and livelihoods.

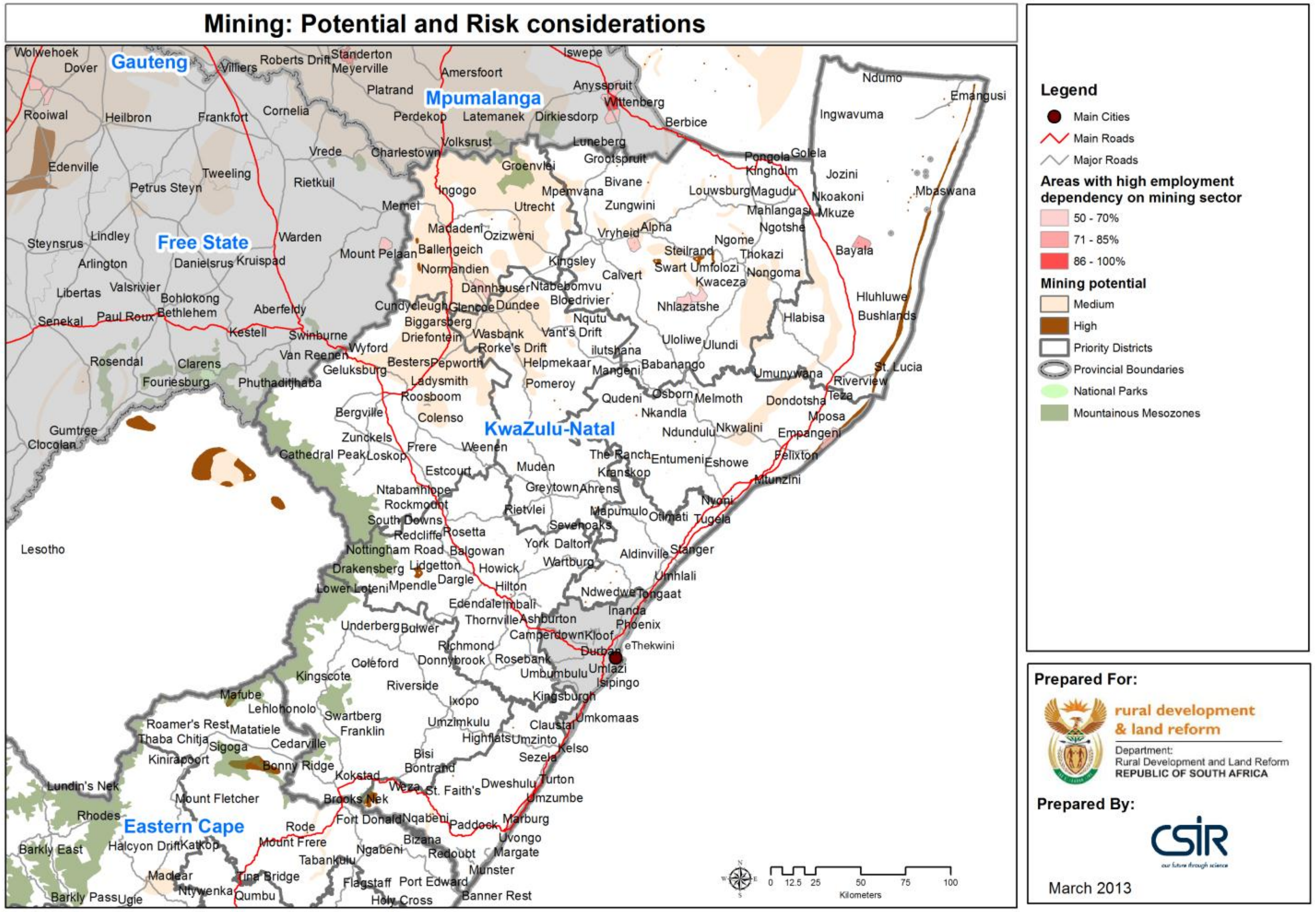


Figure 6.9: Rural Production Zones: Mining potential and risks

Major tourism points in the area, agricultural resource areas and the location of mines, together with accessibility, provide key areas for potential beneficiation and are areas of possible value chain additions and other linkages. Accessibility and supportive infrastructure is critical to manage these areas for regional benefit.

The sale of carbon credits though Carbon Sequestration is one avenue that the priority rural areas may be able to explore as a source of income for these regions. The Department of Environmental Affairs have conducted a range of studies to identify the potential for carbon sequestration in South Africa. The following detail map of this cluster provides an indication of where any potential in this regard exists in this cluster. There are only a few areas of high potential but a large expanse of the cluster has medium potential for carbon sequestration; however, there may be some limitation and conflict since these areas are in the main densely settled.

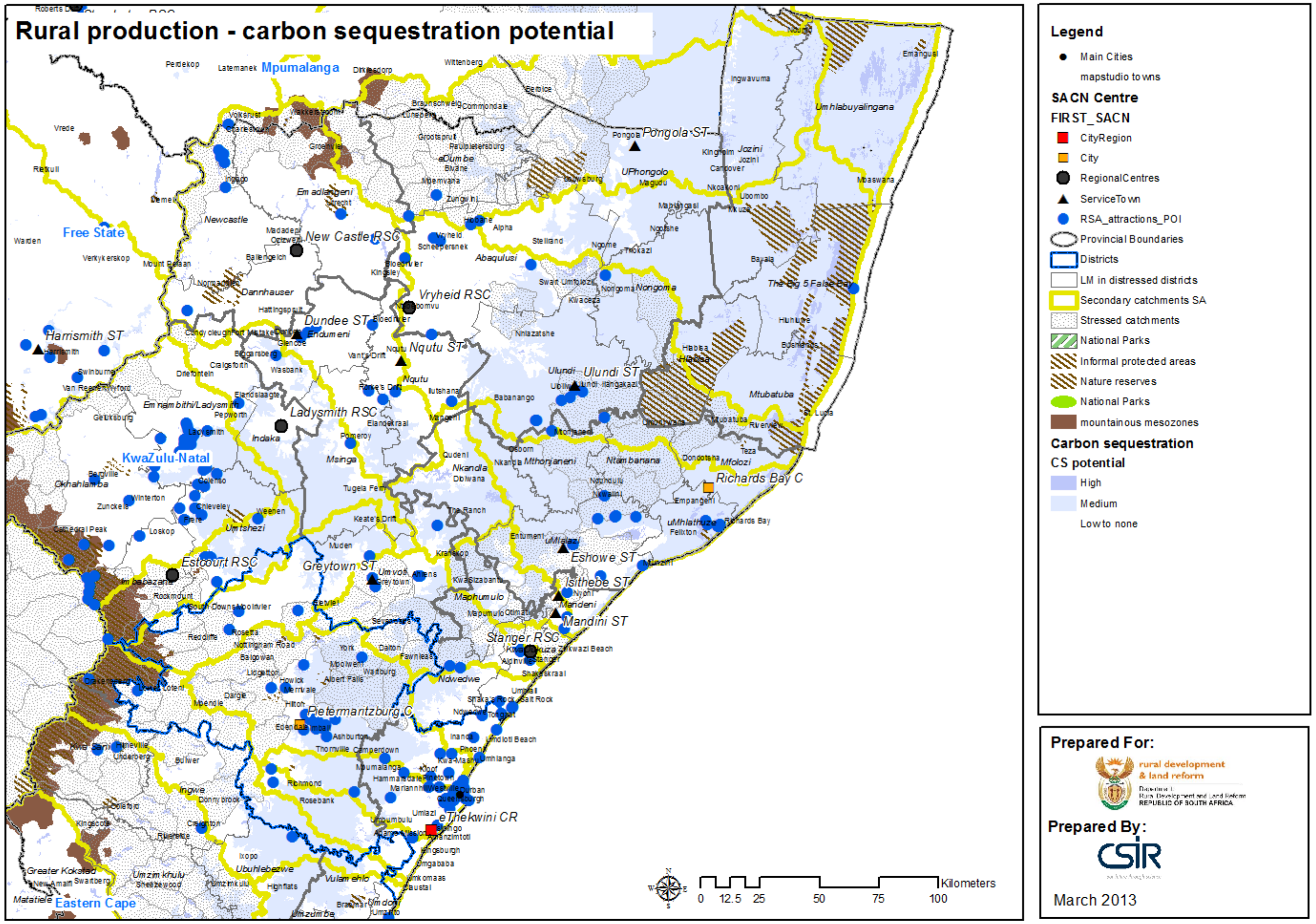


Figure 6.10: Rural Production Zones: Carbon Sequestration Potential

7. Within high density rural areas or outstretched regions, which anchor points, can play a key role as government service nodes, and market concentration areas for government and economic services, both at local level and regional level?

Given the centralisation trends, limited resource potential and current economic and market strengths, it is important to identify areas where the potential exists to cluster government, community services and economic services, thus forging an agglomeration of opportunities and synergies in addressing access to higher order social facilities and economic services. To support regional and rural development, a strong network of services places are required which can act as loci for development and services in the surrounding regions. CSIR has developed a typology of settlements of different orders for South Africa. This is the starting point for the identification of a network of places to support the development of the priority rural districts.

In order to identify key regional centres, settlements need to be analysed in terms of their densities and market potential for service, manufacturing and agro-processing activities as they play a strong role in providing access to government services and economic opportunities within sparsely populated area to which they are linked and which essentially form their functional hinterlands.

In terms of understanding, the functional interaction between areas and specifically between the priority districts and any economic anchor points has been investigated, as well as the identification of any possible regions with economic potential, through a number of functional regional analyses – many of which have been discussed earlier in this report. [This will be supplemented in more detail by a follow up project spearheaded by the Economic Development Department to identify economic areas of interaction.]

7.1 Identification of Regional Centres of Excellence

In the analysis to establish which anchor points can be used to play a key role as government service nodes and areas of market concentration of the region, a set of key questions was developed and the framework outlined below was used to answer the questions and identify areas of specific types, namely:

- areas with large and growing populations
- nodes that are strategically located to support rural regions
- areas of economic agglomeration strengths
- areas where higher order government service will have the most impact.

In each instance the sub-questions as indicated in the following framework was used to derive the identification of additional anchor points and also to create a typology and differentiation of places.

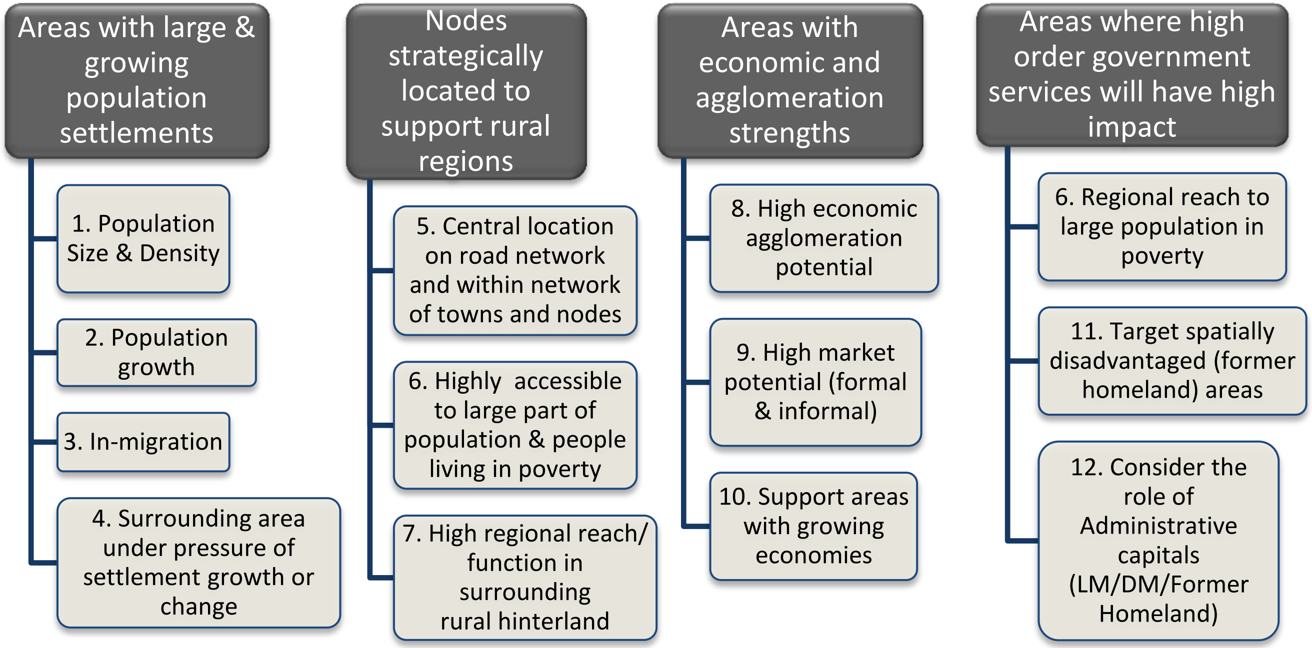

Areas with large & growing population settlements
1. Population Size & Density
2. Population growth
3. In-migration
4. Surrounding area under pressure of settlement growth or change
Nodes strategically located to support rural regions
5. Central location on road network and within network of towns and nodes
6. Highly accessible to large part of population & people living in poverty
7. High regional reach/ function in surrounding rural hinterland
Areas with economic and agglomeration strengths
8. High economic agglomeration potential
9. High market potential (formal & informal)
10. Support areas with growing economies
Areas where high order government services will have high impact
6. Regional reach to large population in poverty
11. Target spatially disadvantaged (former homeland) areas
12. Consider the role of Administrative capitals (LM/DM/Former Homeland)

Figure 7.1 provides the settlement typology for the cluster of districts. This typology is based on population density, employment, urban functional service index and economic activity. For more details see Table 7.1.

A city is a place that together with its functionally linked urban areas is home to a population of more than 400 000 people; it has significant multi-nodal economies; plays a significant role in the region in terms of service delivery and the economy; play a major role in government and commercial service delivery; has a relatively high economic growth rate; and attracts people. A regional centre is a medium and high order town that plays a prominent role in offering services to the hinterland. These towns typically have large populations in densely settled areas, or are towns in resource-rich areas that are relatively accessible, or are smaller towns playing a key service function in a more isolated and less accessible area. Service centres are smaller towns that seem to fulfil a particular service role within the local area. These centres may have a small service index but serve a large population, or serve a small population in a sparsely populated or isolated area. Local and niche towns are small towns that fulfil a local function or fulfil a particular niche function. Such towns have a smaller population and economic activity and are geographically more evenly distributed throughout the country than settlements in other categories. High density rural areas are densely populated but play a very limited service role and are often under traditional land ownership[4].

The typology and hierarchy of towns help to understand the role and functions of towns and indicates that not all towns have the same function in the space economy, and motivates for a differentiated investment strategy. The long term development potential, the need for infrastructure and service delivery, and the role in development will be determined by the manner in which the town is affected by economic development trends and its ability to respond to these demands. It also illustrates why the approach to economic development in rural South Africa has to be intrinsically linked to the realities of economic anchors and networks of settlements, and the importance in maintaining and investing in services in these areas.

In the development of a network of local nodes, it is firstly important to identify Regional Service Centres, Service Towns and Niche /Local Towns. In this cluster of districts there are several centres of different types which are generally well distributed. The exception being that there are currently no Regional Service Centres and only two Service Towns (Pongola and Ulundi) in the more northern sector of Zululand/uMkhanyakude) and in the sparely populated areas there are no significant local centres. It is thus critical to identify any dense ‘rural’ settlements that can potentially act as centroids of development to achieve a sufficient coverage/network of centres to create a robust network of places that meet the central service type needs of rural South Africa. These dense ‘rural’ settlements are largely outside municipal ‘jurisdiction’ and would serve a largely mono-functional ‘settlement function’. The areas are constrained by having no role in agriculture or household food production. These dense rural areas have a limited network of nodes or any potential for the creation of such required rural nodes. Given the character of this region, the analyses of the network of local and service towns and dense rural settlements identified additional rural nodes that can or should be established. Four nodes were identified (see Section 7.2).

[4] Van Huyssteen, E.; Biermann, S.; Naudé, A. & Le Roux, A. (2009). Advances in spatial analysis to support a more nuanced reading of the South African space economy, in Urban Forum, Vol. 20, pp195–214.

The analysis of settlements is shown in Figure 7.1 which depicts the settlement typology for these districts. The figure indicates that there are two Cities in this cluster namely Richards Bay and Pietermaritzburg which play a dominant urban role in the region. There are several Regional Service Centres (RSC), namely Ladysmith, Stanger, New Castle, Vryheid and Estcourt. There are a few Service Towns including Pongola, Ulundi, Dundee, Nqutu, Greytown, Richmond, Mandini and Eshowe. All the Regional Service Centres and Service Towns play an extremely important role in servicing the population of those towns as well as the surrounding population in the hinterland. The catchment areas of the service towns become increasingly larger in the more remote northern regions and residents need to travel longer distances to reach places and services.

The following table (Table 7.1) shows the population and growth rate of the main towns in the region. Richards Bay, Stanger, Mandeni, Pietermaritzburg, New Castle, Ladysmith, Dundee and Vryheid are the places with the largest population growth; some of this growth is happening very quickly (see Tables 4.3 and 7.1). The latter provides a summary of the population size and growth trends over the period 1996 to 2011.

In figure 7.2 the high density and dense settlements are also clearly illustrated in relation to the other service centres and local towns.

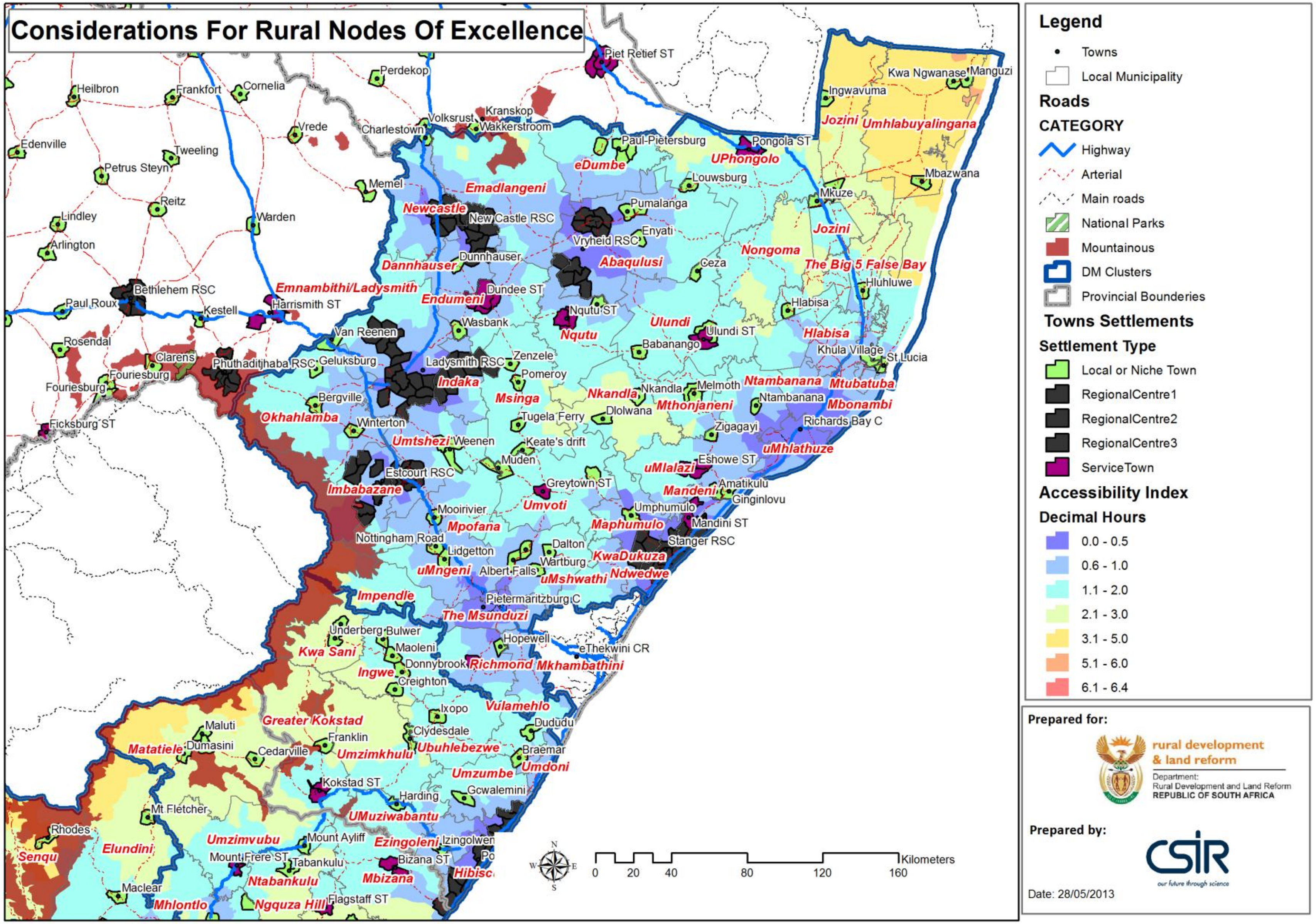


Figure 7.1: Network of economic anchor points and settlements

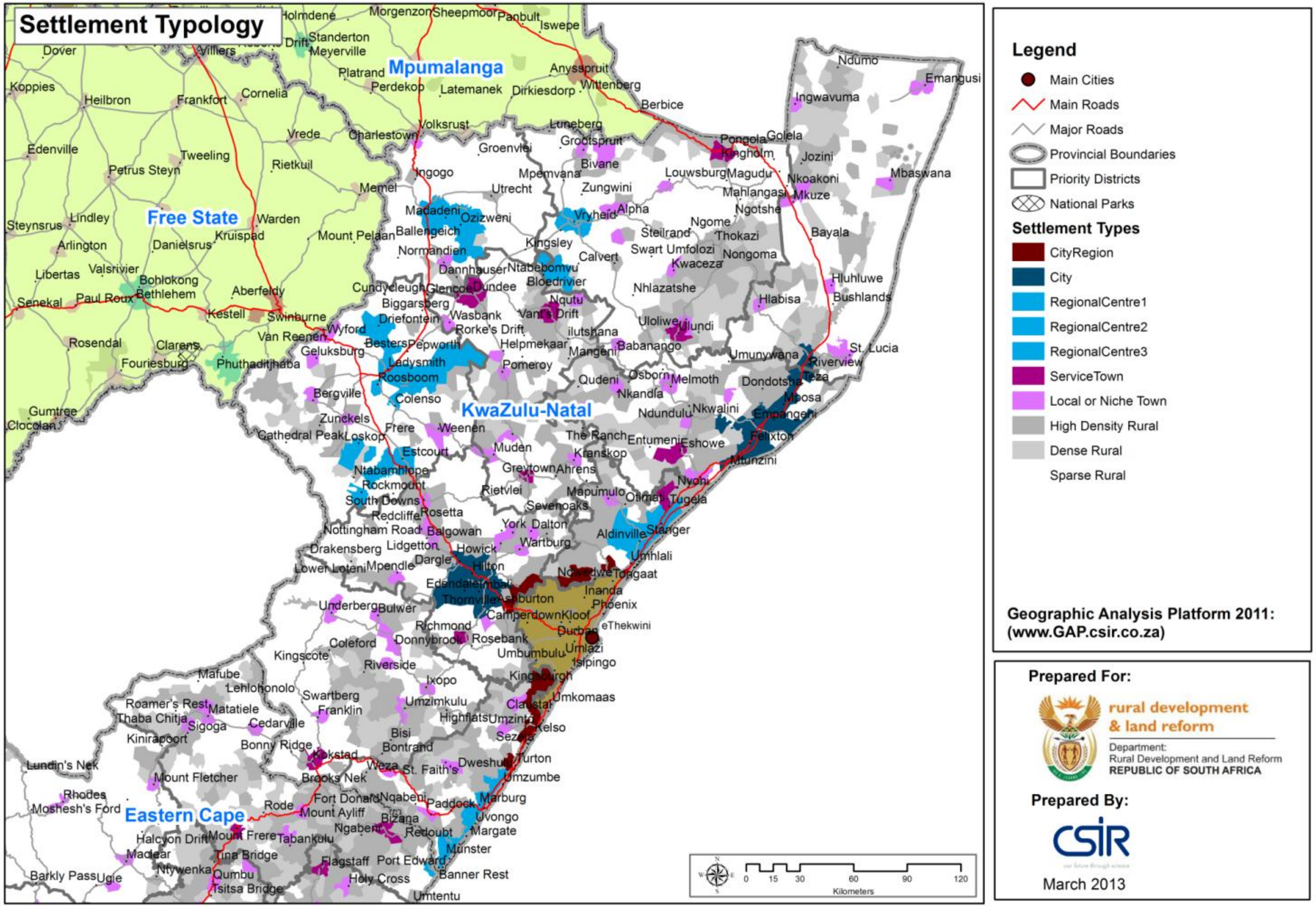


Figure 7.2: High density and dense rural settlements in relation to the network of economic anchor points and settlements

Table 7.1: Summary of population in Cities, Regional Services Centres and Towns in Cluster 3

CLUSTER 3:				POPULATION				
DISTRICT MUNICIPALITY	LOCAL MUNICIPALITY	SACN_Type	SACN_Town	1996	2001	2011	CHANGE 1996 - 2011	GROWTH STATUS
Amajuba	Dannhauser	Local or Niche Town	Dannhauser	4 803	5 062	4 976	173	Stable
	Dannhauser	Regional Centre 1	New Castle RSC	74 136	80 991	78 011	3 875	Increase
	eMadlangeni	Regional Centre 1	New Castle RSC	1 605	2 780	2 507	902	Small increase
	Newcastle	Local or Niche Town	Charlestown	2 233	3 533	4 257	2 024	Increase
	Newcastle	Regional Centre 1	New Castle RSC	281 941	317 394	346 313	64 372	Significant increase
iLembe	KwaDukuza	City Region	eThekwini CR	14 088	24 076	29 763	15 675	Large increase
	KwaDukuza	Regional Centre 2	Stanger RSC	112 621	134 913	189 438	76 817	Significant increase
	Mandeni	Regional Centre 2	Stanger RSC	15 912	4 599	4 024	(11 888)	Major decline
	Mandeni	Service Town	Isithebe ST	16 727	24 303	27 470	10 743	Large increase
	Mandeni	Service Town	Mandini ST	34 367	50 457	59 709	25 342	Significant increase
	Maphumulo	Local or Niche Town	Umphumulo	10 223	14 650	15 563	5 340	Increase
	Ndwedwe	City Region	eThekwini CR	38 277	29 617	28 470	(9 807)	Major decline
	Ndwedwe	Regional Centre 2	Stanger RSC	14 372	9 649	9 253	(5 119)	Decline
uMgungundlovu	Mkhambathini	City Region	eThekwini CR	13 305	17 474	18 335	5 030	Increase
	Mpofana	Local or Niche Town	Mooirivier	9 266	14 153	17 464	8 198	Large increase
	Mpofana	Local or Niche Town	Muden	450	1 803	2 303	1 853	Increase
	Richmond	City	Pietermaritzburg C	840	1 289	1 409	569	Small increase
	Richmond	Local or Niche Town	Hopewell	11 762	10 538	12 577	815	Small increase
	Richmond	Service Town	Richmond ST	23 992	24 105	27 907	3 915	Increase
	Msunduzi	City	Pietermaritzburg C	474 012	553 103	618 537	144 525	Significant increase
	uMngeni	City	Pietermaritzburg C	55 300	55 266	69 293	13 993	Large increase
	uMngeni	Local or Niche Town	Lidgetton	3 106	4 241	5 159	2 053	Increase
	uMngeni	Local or Niche Town	Nottingham Road	1 219	2 146	2 110	891	Small increase
	uMshwathi	City Region	eThekwini CR	6 615	6 741	5 405	(1 210)	Decline
	uMshwathi	Local or Niche Town	Albert Falls	2 981	4 889	6 070	3 089	Increase
	uMshwathi	Local or Niche Town	Dalton	3 668	3 591	4 013	345	Stable
	uMshwathi	Local or Niche Town	New Hanover	1 524	3 341	3 961	2 437	Increase
	uMshwathi	Local or Niche Town	Wartburg	1 858	2 125	2 079	221	Stable

CLUSTER 3:				POPULATION				
DISTRICT MUNICIPALITY	LOCAL MUNICIPALITY	SACN_Type	SACN_Town	1996	2001	2011	CHANGE 1996 - 2011	GROWTH STATUS
	Hlabisa	Local or Niche Town	Hlabisa	9 926	9 639	11 738	1 812	Increase
uMkhanyakude	Jozini	Local or Niche Town	Ingwavuma	7 378	8 633	9 162	1 784	Increase
	Jozini	Local or Niche Town	Mkuze	974	3 403	3 119	2 145	Increase
	Jozini	Local or Niche Town	Ubombo	7 749	5 812	6 246	(1 503)	Decline
	Mtubatuba	City	Richards Bay C	21 559	37 434	51 380	29 821	Significant increase
	Mtubatuba	Local or Niche Town	Khula Village	5 277	7 675	10 921	5 644	Increase
	Mtubatuba	Local or Niche Town	St Lucia	1 017	1 015	1 623	606	Small increase
	The Big 5 False Bay	Local or Niche Town	Hluhluwe	1 117	2 366	2 858	1 741	Increase
	uMhlabuyalingana	Local or Niche Town	kwaNgwanase	5 422	6 583	10 307	4 885	Increase
	uMhlabuyalingana	Local or Niche Town	Manguzi	11 426	14 120	16 455	5 029	Increase
	uMhlabuyalingana	Local or Niche Town	Mbazwana	7 191	8 261	10 939	3 748	Increase
	Endumeni	Local or Niche Town	Wasbank	1 434	2 044	2 743	1 309	Increase
uMzinyathi	Endumeni	Service Town	Dundee ST	38 233	44 364	54 338	16 105	Large increase
	Msinga	Local or Niche Town	Keate's drift	10 218	9 933	12 230	2 012	Increase
	Msinga	Local or Niche Town	Pomeroy	2 860	3 980	5 975	3 115	Increase
	Msinga	Local or Niche Town	Tugela Ferry	7 337	10 178	15 811	8 474	Large increase
	Msinga	Local or Niche Town	Zenzele	442	565	1 120	678	Small increase
	Nqutu	Local or Niche Town	Nondweni	11 221	12 427	13 714	2 493	Increase
	Nqutu	Regional Centre 2	Vryheid RSC	8 211	9 927	9 179	968	Small increase
	Nqutu	Service Town	Nqutu ST	13 490	24 328	28 950	15 460	Large increase
	Umvoti	Local or Niche Town	Kranskop	1 356	2 098	2 427	1 071	Increase
	Umvoti	Local or Niche Town	Muden	1 028	1 781	4 119	3 091	Increase
	Umvoti	Service Town	Greytown ST	11 941	18 038	21 033	9 092	Large increase
	Emnambithi-Ladysmith	Local or Niche Town	Van Reenen	366	499	704	338	Stable
uThukela	Emnambithi-Ladysmith	Regional Centre 2	Ladysmith RSC	154 951	201 210	212 638	57 687	Significant increase
	Imbabazane	Regional Centre 2	Estcourt RSC	116 228	127 559	124 467	8 239	Large increase
	Indaka	Regional Centre 2	Ladysmith RSC	72 049	81 928	74 155	2 106	Increase
	Okhahlamba	Local or Niche Town	Bergville	4 488	11 475	12 043	7 555	Increase

CLUSTER 3:				POPULATION				
DISTRICT MUNICIPALITY	LOCAL MUNICIPALITY	SACN_Type	SACN_Town	1996	2001	2011	CHANGE 1996 - 2011	GROWTH STATUS
	Okhahlamba	Local or Niche Town	Geluksburg	400	534	587	187	Stable
	Okhahlamba	Local or Niche Town	Van Reenen	811	498	522	(289)	Stable
	Okhahlamba	Local or Niche Town	Winterton	1 666	3 839	5 811	4 145	Increase
	Umtshezi	Local or Niche Town	Weenen	5 567	7 561	14 088	8 521	Large increase
	Umtshezi	Regional Centre 2	Estcourt RSC	14 639	20 366	25 829	11 190	Large increase
	Mfolozi	City	Richards Bay C	24 245	30 224	45 126	20 881	Large increase
uThungulu	Mthonjaneni	Local or Niche Town	Melmoth	3 760	8 171	9 023	5 263	Increase
	Nkandla	Local or Niche Town	Dlolwana	5 804	6 901	5 043	(761)	Minor decline
	Nkandla	Local or Niche Town	Nkandla	5 916	10 316	9 254	3 338	Increase
	Ntambanana	Local or Niche Town	Ntambanana	4 003	6 687	6 636	2 633	Increase
	uMhlathuze	City	Richards Bay C	188 842	279 364	326 030	137 188	Significant increase
	uMlalazi	City	Richards Bay C	19 314	13 565	14 903	(4 411)	Decline
	uMlalazi	Local or Niche Town	Amatikulu	2 481	2 074	1 339	(1 142)	Decline
	uMlalazi	Local or Niche Town	Gingindlovu	7 758	2 827	2 306	(5 452)	Decline
	uMlalazi	Local or Niche Town	Zigagayi	1 138	1 467	1 135	(3)	Stable
	uMlalazi	Service Town	Eshowe ST	24 574	26 305	29 828	5 254	Increase
	Abaqulusi	Local or Niche Town	Coronation	7 873	9 281	9 644	1 771	Increase
Zululand	Abaqulusi	Local or Niche Town	Enyati	770	1 007	1 759	989	Small increase
	Abaqulusi	Local or Niche Town	Louwsburg	3 384	3 554	5 630	2 246	Increase
	Abaqulusi	Local or Niche Town	Mpumalanga	915	2 565	2 763	1 848	Increase
	Abaqulusi	Regional Centre 2	Vryheid RSC	91 070	122 519	128 178	37 108	Significant increase
	eDumbe	Local or Niche Town	Paul-Pietersburg	35 581	45 062	48 388	12 807	Large increase
	Ulundi	Local or Niche Town	Babanango	737	1 593	2 264	1 527	Increase
	Ulundi	Local or Niche Town	Ceza	10 304	12 303	11 062	758	Small increase
	Ulundi	Local or Niche Town	Mahlabatini	6 962	6 999	7 452	490	Stable
	Ulundi	Service Town	Ulundi ST	30 627	43 677	47 883	17 256	Large increase
	uPhongolo	Service Town	Pongola ST	20 591	28 392	31 982	11 391	Large increase

In addition to the distinct settlement pattern and dynamics that the settlement patterns holds for development and service delivery, a key feature identified in the priority districts is that a large part of the economy is actually generated within the Cities, Regional Service Centres, some of the mining towns and the network of service towns rather than in the rural areas that surround them. Furthermore, it is important to note that other than the Community and Government Services sector, the resource economy (agriculture and mining) and the income generated from manufacturing, tourism and trade are vital to this region as this provides a measure of diversity and independence from government income sources.

The data clearly highlights the crucial role that main centres play as population centroids and thus economic and service anchors within the region. The areas in Figure 7.3 marked in yellow are concentrations of population (1 dot on the map indicates 1 000 people). The analysis shows both the wide reach of the network of service towns and regional service centres, as well as that in all areas except in uMkhanyakude the most populated areas are within 30 km of the main centres and in fact are most dense close to the centres with density tapering off quickly. This figure thus clearly illustrates why the approach to economic development in rural South Africa has to be intrinsically linked to, and has to consider, the realities of economic anchors and networks of settlements, and the importance in maintaining and investing in services in these areas.

The importance of both settlement quality, service delivery, access to education and health services and the creation of linkages between urban areas and their rural hinterland and vice versa are important and the role of this network of towns cannot be underestimated in the attainment of the better social and economic future for these districts. There are limited areas of population concentration/higher density outside 30 km of the main towns and this clearly shows where infrastructure support can have the biggest impact for the largest number of people within the smallest spatial extent.

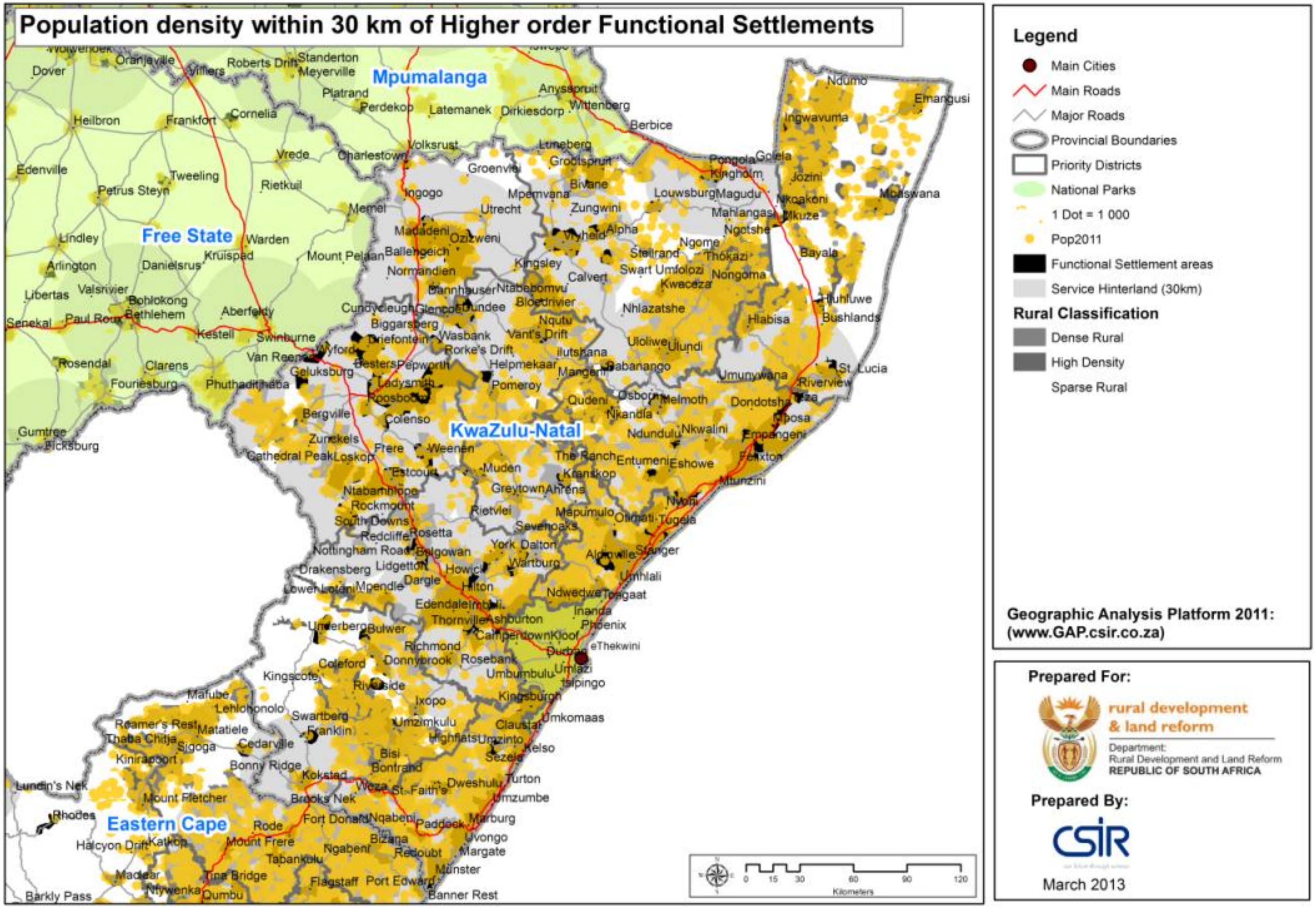


Figure 7.3. Density of population within 30 km of higher order settlements

In the same vein, the importance of a focus on the high density settlement areas, largely located on tribal land and within the borders of former homeland areas, is also evident. Figure 7.4 shows the results of a very broad stroke analysis that was undertaken to identify high density rural settlements that are further away than 30 km from higher order service centres (regional service centres and small service centres; these being towns with at least some significant level of economic and government services). These are mainly in Zululand (Nongoma), uMkhanyakude and in the vicinity of Nkandla.

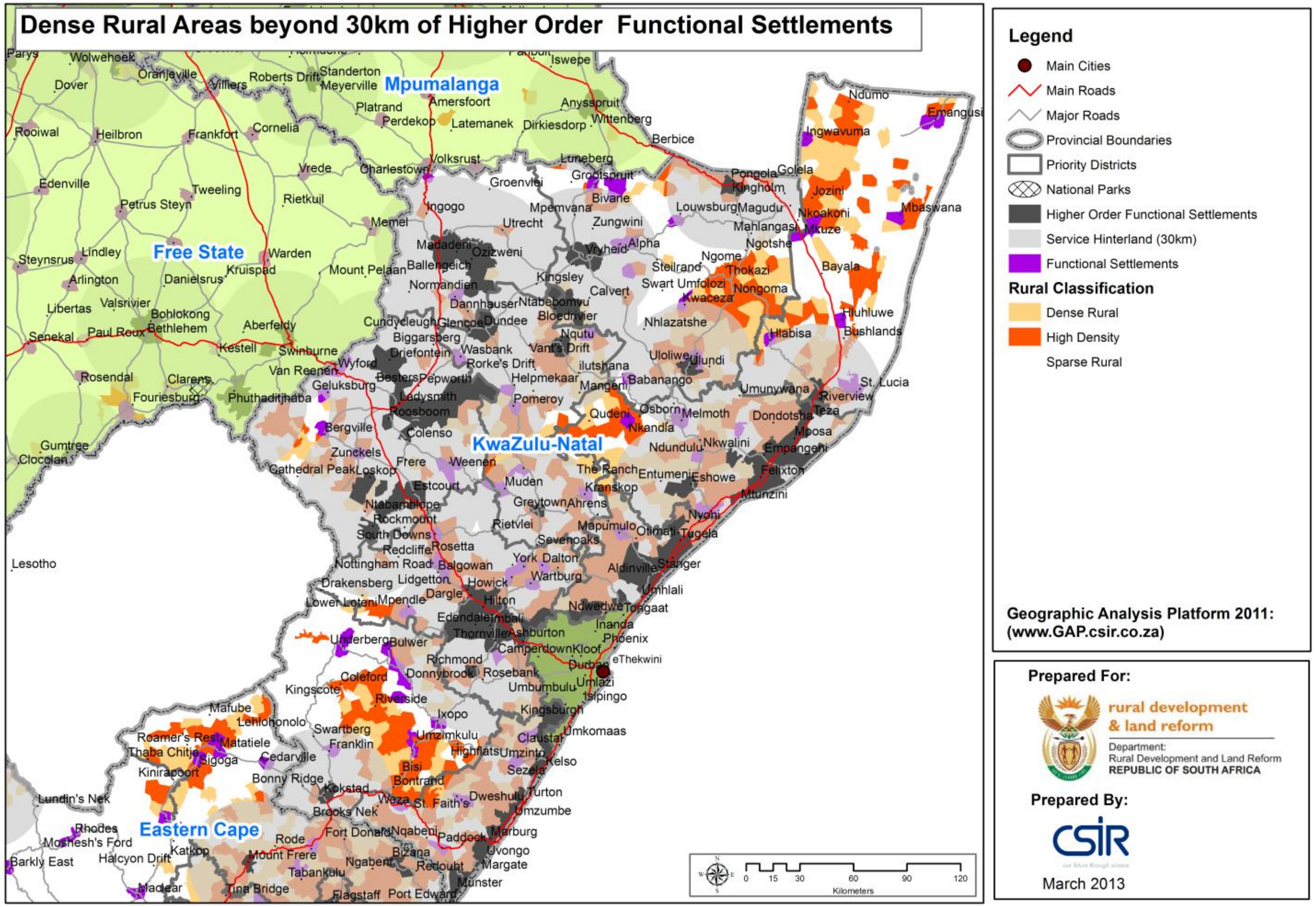


Figure 7.4: High density settlements beyond 30 km access of significant service centres

To provide further evidence of functional linkages and an indication of the strength and reach of functional interactions within a regional context, the number of trips made for the purpose of education and work is often used as a key indicator. Unfortunately, existing data of these travel trip linkages for South Africa is extremely outdated; however, an analysis of the older data confirms the high levels of regional interaction that exist for education purposes and the importance that government services play. In a context where unemployment is rife, the distances that people are prepared to travel and commute on daily, weekly, monthly and seasonal basis must not be underestimated and further emphasise the importance of having a network of service centres (Figures 7.1, 7.2 and 7.3) supporting regional development of this area.

It is, however, important to note that beyond the spatial influence of the extent of the service centres and towns, the outlying areas in especially Zululand and uMkhanyakude are still faced with on-going apartheid legacies. Many of the more remote former homeland areas have developed largely as very highly densely settled areas without any economic base or the required range of social services necessary to support the extensive populations which would have been provided for in an urban context. Figure 7.3 specifically highlights both the Dense Rural and High Density Rural areas that are outside a 30 km travel range of any town where a full range of government and social services (including the required health, education services) are likely to be provided. From this, it is evident that Nkandla, KwaCeza, Nongoma, Hlabisa, Hluhluwe, Mkuze, Ingwavuma, Jozini, Emangusi and Mbazwana are largely the high density settlement areas that are further than 30 km away from a regional service centre or large service town, and that these require better access to services than are currently likely to be provided to these extensive groups of population. These include the core services citizens require to transact their lives, including Home Affairs offices, SASSA, SAPS and financial services.

7.2 Identification of Potential Rural Nodes

A regional scale analysis of the densely settled rural areas outside of the 30 km catchment of the towns as shown in Figure 7.3 was also undertaken to see where it is necessary to extend the network of towns and urban service delivery points more widely and thus identify potential alternative markets in addition to the identified towns. This was supported by an analysis of places in relation to levels of household income. This analysis showed that there were four potential points in this cluster that could be identified as having the potential of serving as rural nodes and that as such these could provide an ideal opportunity for synergy between agricultural/agro-industry and government service activities in the region. The four points are Jozini, Utrecht, Nongoma and Ozwathini. These are areas that have the highest combined threshold of household income in the region as can be seen in Figure 7.4.

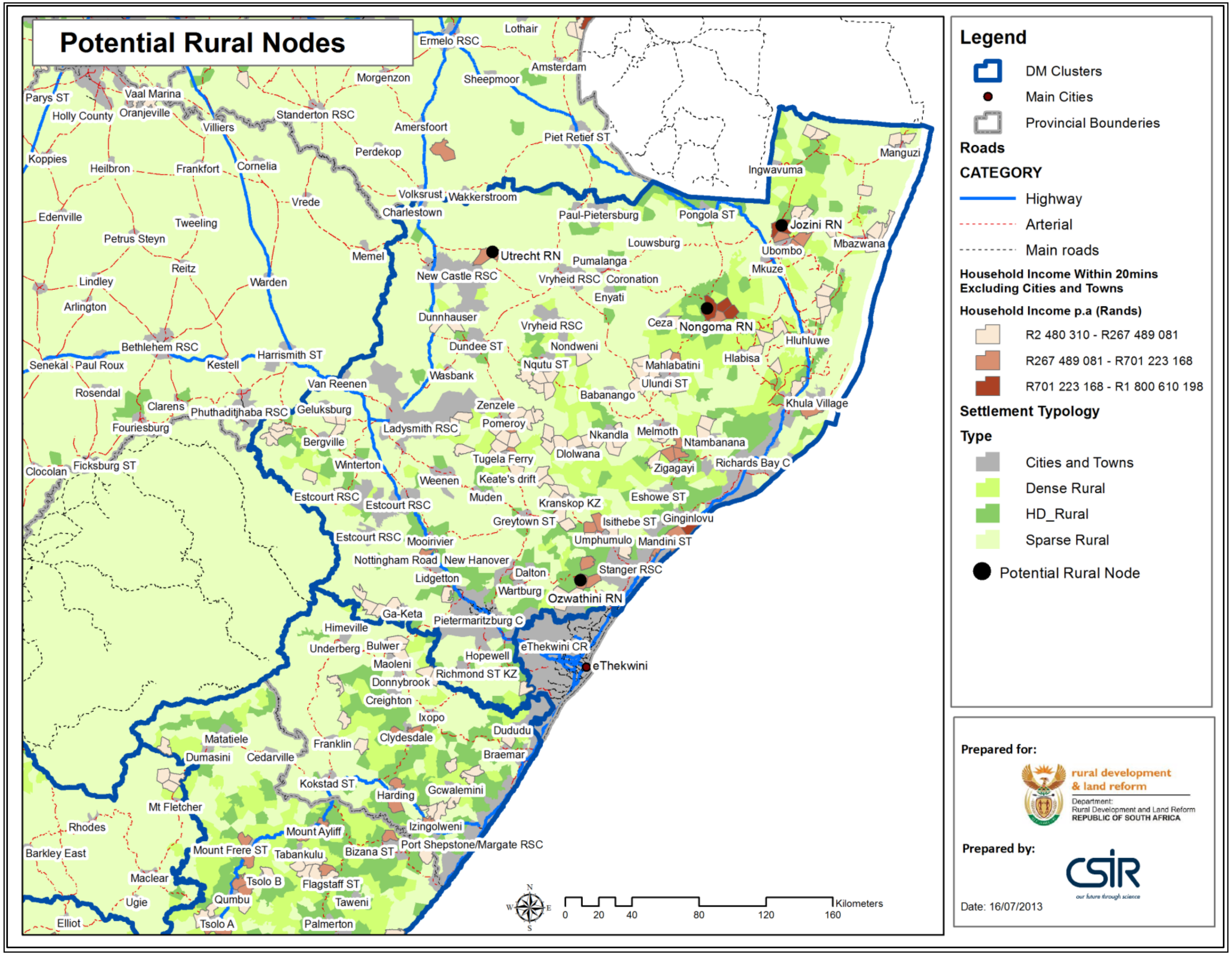


Figure 7.2: Potential focus for extending rural node role

As a further step to seeking nodes of significant economic activity outside of the identified towns, an analysis was undertaken focusing on the non-primary sectors for any high density mesozones **outside of towns**. The results suggest that there are areas that have significantly more clustering of service and economic activity than other areas. The three sectors that were specifically analysed were: SIC 6 – Wholesale and retail (which incorporates Tourism); SIC 7 – Transport, storage and Communication; and, SIC 9 &10 – Community and Government Services. As can be seen in Figure 7.5 there are some clusters of activity outside the nodes. The green dots show points of Wholesale and Retail sector clustering and can most likely also be considered to be points of tourism activity. The purple and small blue points are areas of clustering of Government services – several of which are found in Nongoma. The identified points have significantly more economic activity of the specified type than the surrounding areas and as such may have the potential for consolidation as nodes and the clustering of government and economic services.

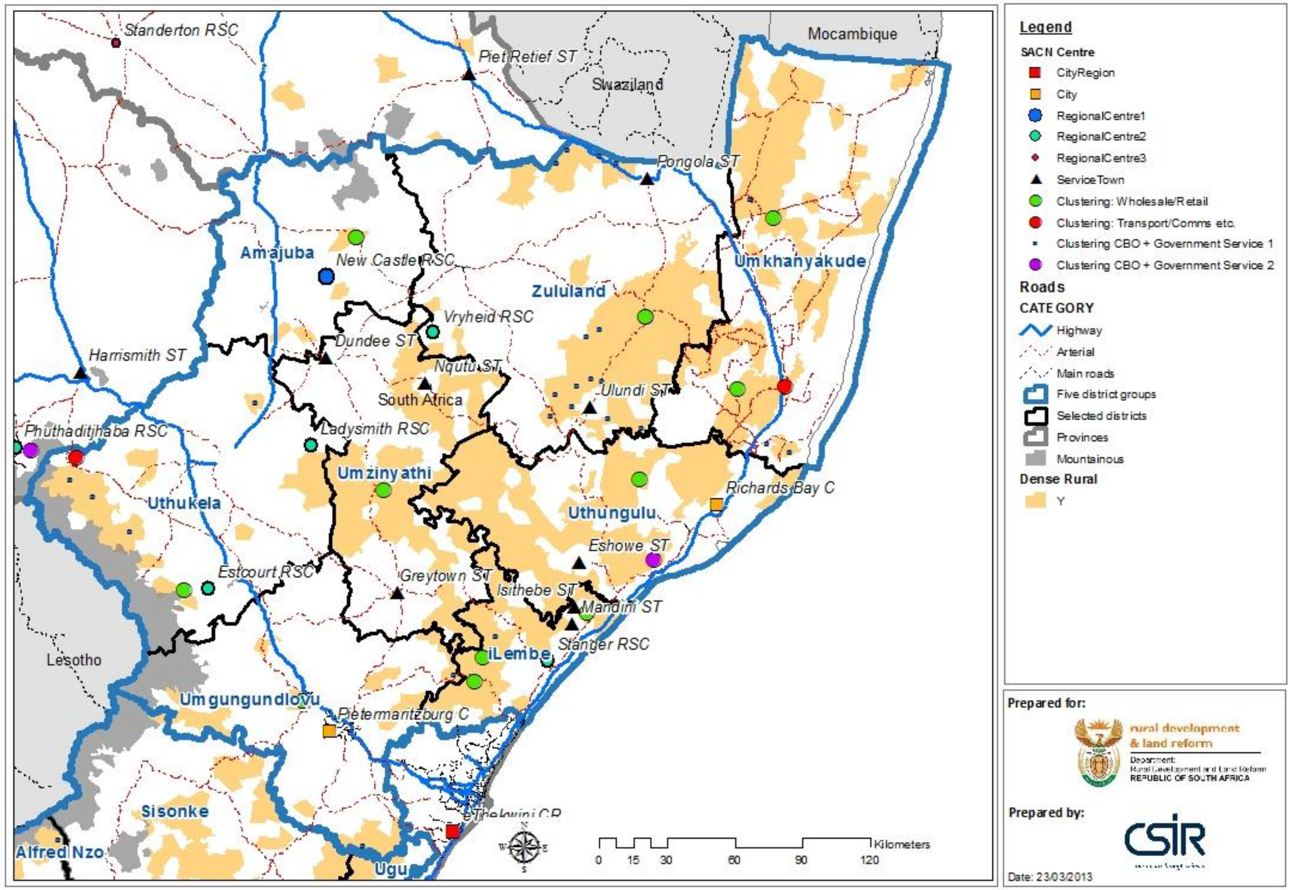


Figure 7.3: Differentiation in existing rural concentration and anchor points

8. Summary of Key Interventions

The range of analyses, findings and next steps are provided in an intervention summary table, set out in the following section. An overview of the priority infrastructure investment for catalytic transformation is summarised and set out in the following tables. The guiding questions can be utilised with the more detailed accompanying information as evident from the analyses.

Table 8.1: Summary of investment priorities

CATALYTIC INFRASTRUCTURE INVESTMENT PRIORITIES IDENTIFIED	AREAS OF FOCUS TO HARNESS OPPORTUNITY	AREA SPECIFIC COMMENTS
Basic service innovation as job creation catalyst in high density settlements and growing towns – Utilise basic service provision and maintenance as sustainable jobs and technology driver.	Growing settlements, well located and with good accessibility, high potential to make use of alternative energy solutions.	All regional service centres and service and local towns with growing populations.
Consolidate & protect prime rural production zones – for income generation, regional food –and ecosystem security. Investment and protection of high value agriculture land, market access zones, ecosystem resources, tourism asset areas.	**High potential agriculture production land,** areas within traditional authority ownership, potential land reform sites, land owned by the state, areas in close proximity to large markets for agro-production in diary/poultry/vegetables, ecosystem resources, tourism asset areas.	Potential agricultural land mainly located in eastern areas. Specific attention to be paid to tribal and state land with high potential in uMkhanyakude. All high potential lands are sufficiently close to markets.
Create and formalise key service nodes (local) as catalyst in high density settlements – Identify and prioritise selected, highly accessible rural service nodes in areas with sprawling high density rural settlements. Infrastructure and economic agglomeration opportunity points in areas with high levels of household income proximity.	**Large number of people and high density formal and informal market access** (proximity to household income high), physical consolidation of settlement structure, potential for consolidation of local level services access.	Develop four identified nodes of sufficient intensity as identified (See Figure 7.4) Support smaller concentrations beyond towns. See Figure 7.3 (dense areas more than 30 km from towns) and Figure 7.5 (non-town economic clusters).
Capitalise on centralisation through rural centres (regional) of excellence – Government driven services, facilities and employment to stimulate and consolidate regional markets, rural nodes of excellence and economic opportunity.	Well-connected and accessible, evidence of economic service hub formation, need for higher order government facilities, potential for consolidation of government facilities.	Invest in and maintain services and infrastructure in main RSCs and service towns.
Place Specific Investments/Project priority areas – Major infrastructure, manufacturing or mining investment opportunities.	Large scale SIP infrastructure projects, IDZs, mining opportunities.	

Table 8.2: Basic Services – Summary of investment priorities

Basic service innovation as job creation catalyst in high density settlements and growing towns		
Basic service innovation as job creation catalyst in high density settlements and growing towns (LM & Settlement level)		
Rationale Utilise basic service provision and maintenance as sustainable jobs and technology driver - High density settlement areas - Limited formal economic base	**Key aspects to consider** • Settlements with large population • Growing settlements • Areas with high levels of in-migration • Relative high service point back-logs • Low household income levels • High levels of social and economic vulnerability	**BLUE FLAGS:** • Well located and with good accessibility to road network and other service centres (improving access to higher order government services) • High potential to make use of alternative energy solutions • High potential agriculture land – with possibility for urban agriculture **RED FLAGS:** • Unsustainable service provision areas – topography, distance/remoteness • Areas experiencing population decline/marked by high levels of out-migration

Based on the analysis of service provision investment, the priority areas as identified on the maps below have been identified. Areas of both high growth and high backlog are to be prioritized as shown on the accompanying map of service investment.

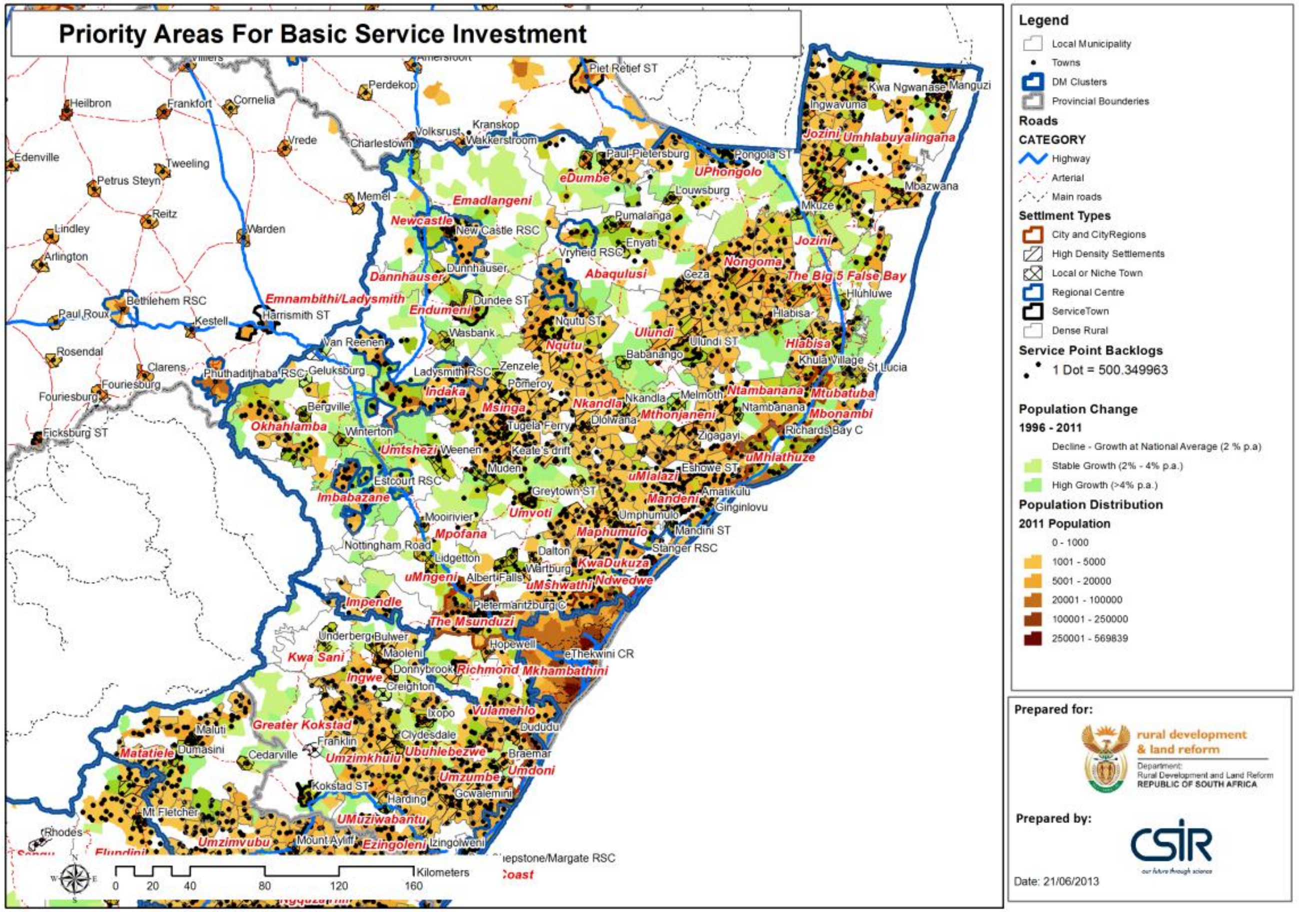


Table 8.3: Rural Production Zones – Summary of investment priorities

Consolidate & protect prime rural production zones		
Consolidate and Protect Prime Rural Production Zones		
Rationale Prioritise key areas to support: • Agriculture production, in areas with potential related to specific products - especially small holder farming and also in traditional authority areas • Agro-logistics and production in relation to areas where high potential also relates to areas with high levels of access to key markets • Natural resource asset and tourism areas, that can support local and regional economies • Urban agriculture potential and focus on hydroponics within settlements	**Key aspects to consider** • Current agriculture potential • Access to water • Areas in close proximity to large markets for agro-production in diary/poultry/vegetables, ecosystem resources, tourism asset areas. • Tourism regions and points of interest • Areas where high agriculture production drives economic activity • Areas where employment in agriculture is significantly contributing to employment • Catalytic infrastructure • Areas within traditional authority ownership, Potential land reform sites, Land owned by the state	**BLUE FLAGS:** • Areas with high agriculture potential • Areas with high resource potential • Access to regional markets and high market accessibility • Agro-processing for small scale/individual but can be rolled out at large scale **RED FLAGS:** • Water scarcity • Access to land • Willingness and capability to engage in agriculture

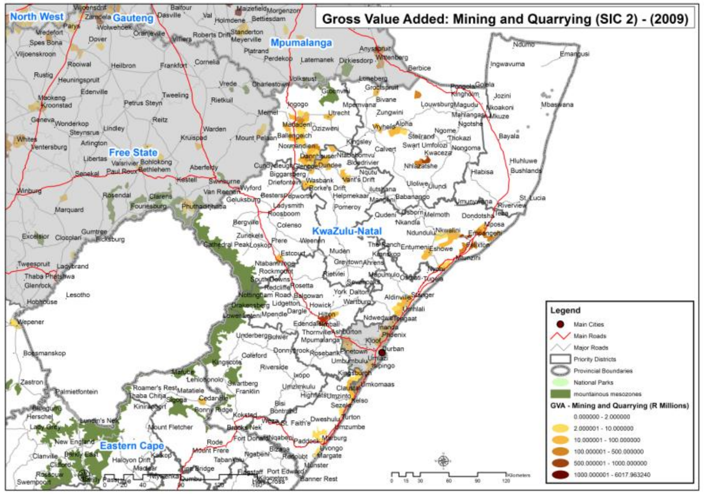
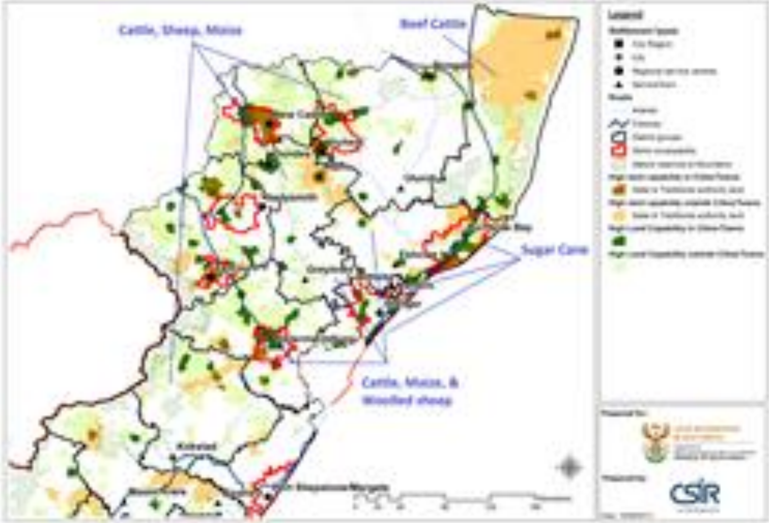
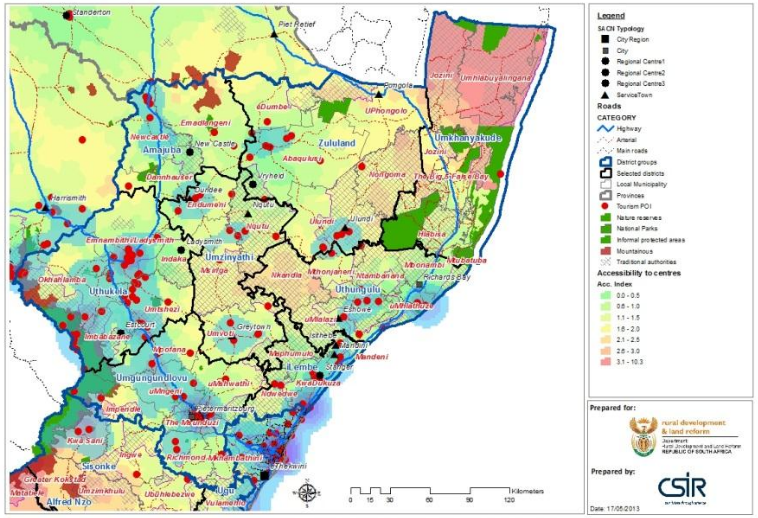
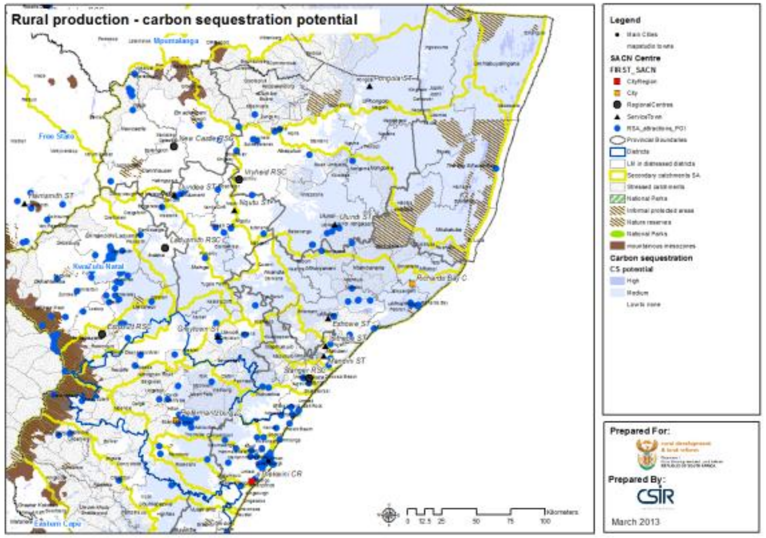
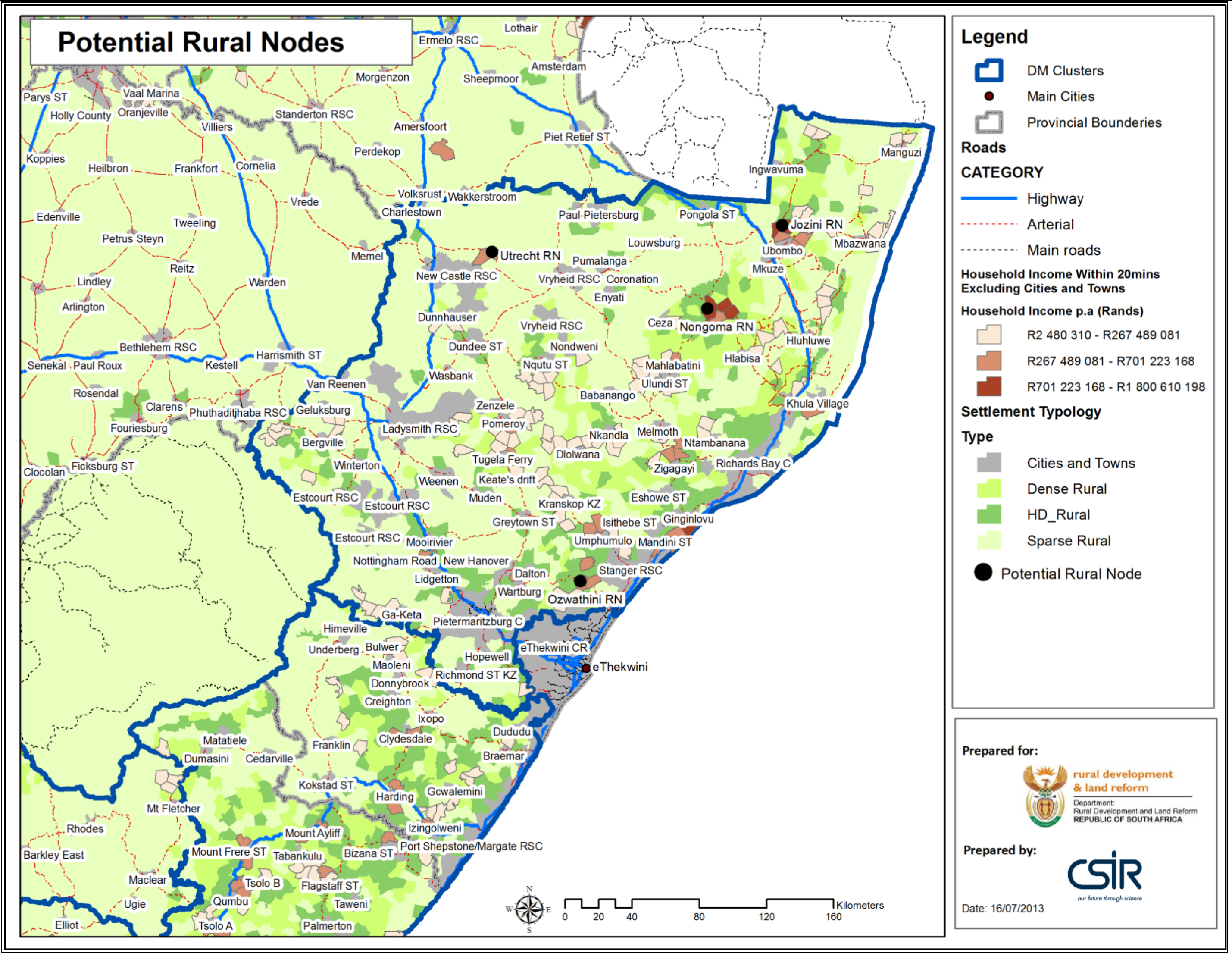
	
 Document Path: ... Tourism contribution and value Group3.mxd	

Table 8.4: Key Service Nodes – Summary of investment priorities

Create and formalise key service nodes (local) as catalyst in high density settlements		
Create and formalise key service nodes "potential rural nodes" as catalyst in high density settlements (IN High Impact Basic Service Intervention Areas)		
Rationale Within high density areas, identified areas showing clustering potential, acting as start up of service nodes - for government and economic services that can also act as drivers to cluster other service sector activities and create opportunity for small centres marked by: - High density settlement areas - Limited formal economic base - No 'town base' - Potential for clustering & service role	**Key aspects to consider** • High density formal and informal market access (proximity to household income high) • High potential for physical consolidation of settlement structure • Potential for consolidation of *existing* government facilities AND/OR • Proximity to *existing* formal economic activity (Including *agriculture activities, tourism points, manufacturing* etc.) • Proximity to existing levels of household income • Potential role within in network of settlements	**BLUE FLAGS:** • Well located and with good accessibility to road network and other service centres (improving access to higher order government services) • High potential to make use of alternative energy solutions • Agriculture potential • Access to regional markets • Proximity to large scale infrastructure project investment **RED FLAGS:** • Unsustainable service provision areas - topography, distance/remoteness



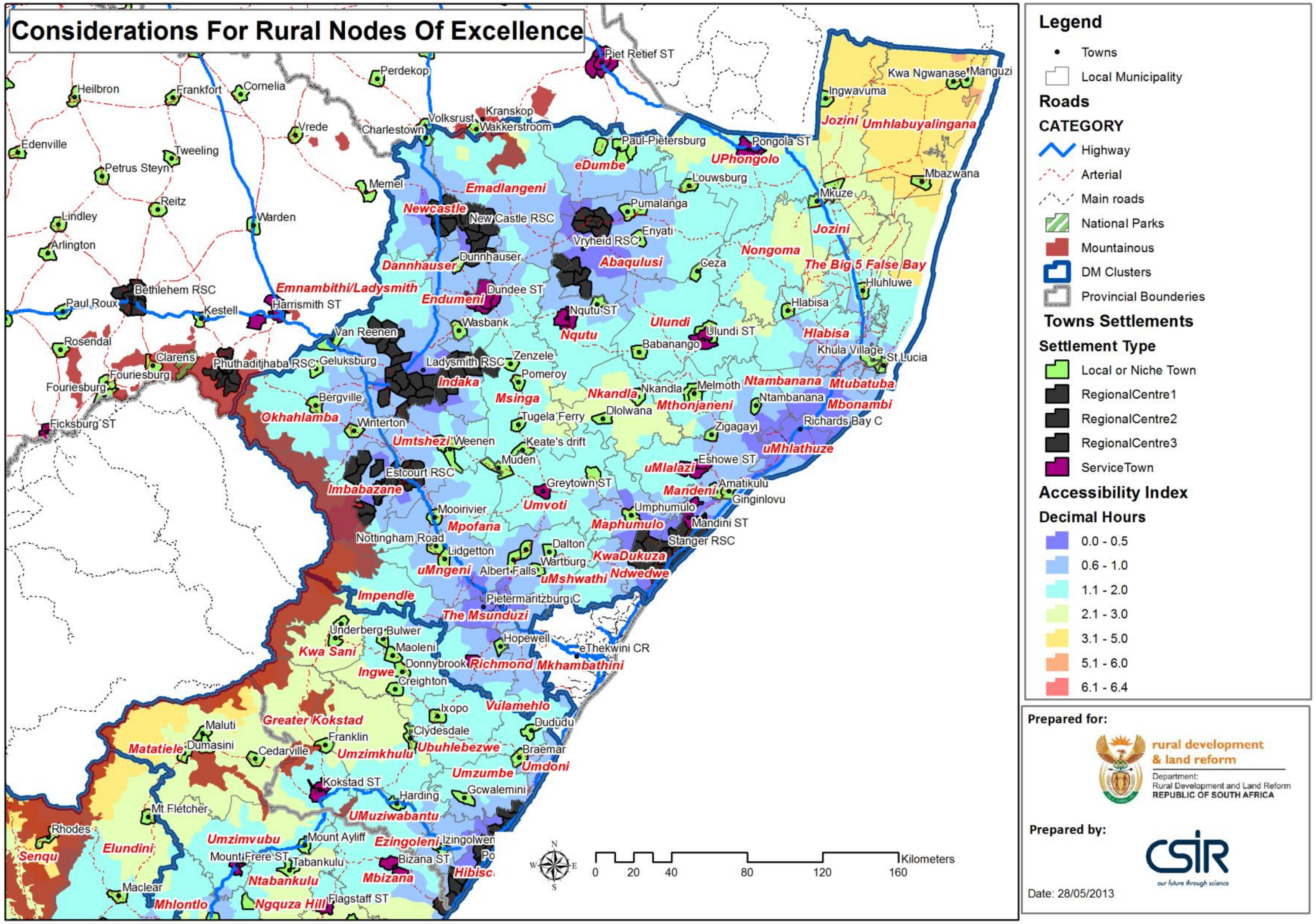
This region has high rates of poverty, unemployment and low skills levels but given its good resource potential should have the ability to attract new businesses and professionals to the area.

Table 8.5: Rural regional centres of excellence – Summary of investment priorities

Capitalise on centralisation through rural centres (regional) of excellence

Capitalise on centralisation through rural service centres In large rural hinterlands & regions

Rationale	**Key aspects to consider**	BLUE FLAGS:
Within high density rural areas or outstretched regions, identified areas playing a key role as government service nodes and market concentration areas - for government and economic services. Create opportunity for regional service centres by: - Critical role in surrounding hinterland; - High levels of accessibility; - Relatively high levels of government and economic service activity - Informal and formal economic base - Relatively high levels of population concentration and growth	• Major service towns that play a key role as service access and towns • High density formal and informal market access (proximity to household income high) • High potential for physical consolidation of settlement structure • Potential for consolidation of existing government facilities • Areas with large & growing population settlements • Nodes strategically located to support rural regions • Areas with economic and agglomeration strengths • Areas where high order government services will have high impact	• Well located and with good accessibility to road network and other service centres (improving access to higher order government services) • High potential to make use of alternative energy solutions • Agriculture potential • Access to regional markets • Proximity to large scale infrastructure project investment RED FLAGS: • Unsustainable service provision areas - topography, distance/remoteness



In addition to the RSC and Service Towns, the key areas to support would be to develop the four identified 'rural nodes' namely Jozini, Utrecht, Nongoma and Ozwathini. The current service towns should be strengthened where possible through the provision of government services and the improvement and acceleration of delivery in the RSCs, Service towns and Local and Niche towns.